

The Greater Columbus Convention
and Visitor's Bureau and Subsidiaries
dba Experience Columbus

Franklin County

Regular Audit

December 31, 2022 and 2021



Rea & associates

www.reacpa.com

OHIO AUDITOR OF STATE
KEITH FABER



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Board of Directors
The Greater Columbus Convention and Visitor's Bureau
dba Experience Columbus
277 West Nationwide Blvd.
Columbus, Ohio 43214

We have reviewed the *Independent Auditor's Report* of The Greater Columbus Convention and Visitor's Bureau, dba Experience Columbus, Franklin County, prepared by Rea & Associates, Inc., for the audit period January 1, 2022 through December 31, 2022. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

July 12, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
The Greater Columbus Convention and Visitor's Bureau and Subsidiaries
dba Experience Columbus
Columbus, Ohio

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of The Greater Columbus Convention and Visitor's Bureau and Subsidiaries (doing business as "Experience Columbus" and collectively referred to as the "Organization"), which comprise the consolidated statement of financial position as of December 31, 2022, and the related consolidated statements of activities, changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements (the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2022, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Matter

The financial statements of the Organization, as of and for the year ended December 31, 2021, were audited by other auditors, whose report, dated April 15, 2022, expressed an unmodified opinion on those statements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 9, 2023, on our consideration of the Organization'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 solely 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 effectiveness of the Organization's 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.

Rea & Associates, Inc.

Rea & Associates, Inc.
Dublin, Ohio
June 9, 2023

THE GREATER COLUMBUS CONVENTION AND VISITOR'S BUREAU AND SUBSIDIARIES
dba EXPERIENCE COLUMBUS

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2022 AND 2021

	<u>ASSETS</u>	
	2022	2021
CURRENT ASSETS:		
Cash and cash equivalents	\$ 7,861,755	\$ 6,619,232
Accounts receivable	128,062	989,033
Grants and contributions receivable	444,190	194,190
Prepaid expenses and other current assets	388,221	587,405
	8,822,228	8,389,860
NONCURRENT ASSETS:		
Construction in progress	608,773	198,774
Property and equipment, net	148,605	232,101
Right of use assets, net	1,027,137	-
	1,784,515	430,875
	\$ 10,606,743	\$ 8,820,735
	\$ 10,606,743	\$ 8,820,735
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Accounts payable	\$ 1,486,320	\$ 720,500
Accrued expenses	792,899	722,787
Deferred revenue	11,630	2,625
Note payable, Paycheck Protection Program	-	1,012,281
Loan payable	-	3,755
Lease liability, current portion	416,942	-
	2,707,791	2,461,948
LEASE LIABILITY, net of current portion	715,377	-
	3,423,168	2,461,948
NET ASSETS:		
Without donor restriction	7,000,505	6,358,787
With donor restriction	183,070	-
	7,183,575	6,358,787
	\$ 10,606,743	\$ 8,820,735
	\$ 10,606,743	\$ 8,820,735

The accompanying notes are an integral part of these financial statements.

THE GREATER COLUMBUS CONVENTION AND VISITOR'S BUREAU AND SUBSIDIARIES
dba EXPERIENCE COLUMBUS

CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
REVENUE, GAINS, AND SUPPORT WITHOUT DONOR RESTRICTION:		
Revenue, gains, and support:		
Columbus bed tax	\$ 10,448,108	\$ 7,176,968
Promotional revenue, Franklin County	2,710,000	2,475,000
Promotional revenue, City of Columbus	500,000	650,000
Program revenue	1,670,864	1,553,201
Contributions	685,786	561,659
Paycheck Protection Program grant	1,012,281	-
Employee Retention Credit grant	-	837,161
Sports marketing	933,500	886,078
Diversity Apprentice Award	191,930	375,000
Publication revenue	196,489	243,361
Other revenue	60,417	43,961
Contributed services	69,570	43,050
Total revenues, gains, and support	18,478,945	14,845,439
EXPENSES:		
Convention marketing	4,897,919	2,416,041
Tourism marketing	2,710,898	1,232,168
Communications and public relations	4,126,543	3,628,383
Sports marketing	2,802,874	3,008,003
Management and general	3,192,793	2,577,618
Fundraising	106,200	-
Total expenses	17,837,227	12,862,213
Change in net assets without donor restriction	641,718	1,983,226
REVENUE, GAINS, AND SUPPORT WITH DONOR RESTRICTION:		
Contributions, Diversity Apprentice Award	183,070	-
Change in net assets	824,788	1,983,226
NET ASSETS, beginning of the year	6,358,787	4,375,561
NET ASSETS, end of the year	\$ 7,183,575	\$ 6,358,787

The accompanying notes are an integral part of these financial statements.

THE GREATER COLUMBUS CONVENTION AND VISITOR'S BUREAU AND SUBSIDIARIES
dba EXPERIENCE COLUMBUS

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022

	Convention Marketing	Tourism Marketing	Communication and Public Relations	Sports Marketing	Total Program Services	Management and General	Fundraising	Total
FUNCTIONAL EXPENSES:								
Personnel costs	\$ 1,950,567	\$ 1,453,453	\$ 1,080,117	\$ 1,375,428	\$ 5,859,565	\$ 1,487,738	\$ 106,200	\$ 7,453,503
Promotion:								
Advertising	12,900	69,812	2,555,614	165,417	2,803,743	-	-	2,803,743
Travel and lodging	236,782	38,802	77,816	75,915	429,315	35,125	-	464,440
Meals and entertainment	290,335	66,474	45,158	125,557	527,524	38,236	-	565,760
Publications	-	-	-	-	-	-	-	-
Program development	425,534	79,775	122,818	409,196	1,037,323	69,995	-	1,107,318
Promotional items	65,284	115,920	6,589	37,445	225,238	3,489	-	228,727
Project expenses	195,814	38,838	57,000	-	291,652	-	-	291,652
Facilities rent	-	21,000	-	41,833	62,833	239,264	-	302,097
Building occupancy	-	115	-	3,495	3,610	2,891	-	6,501
Professional fees	1,507,920	687,963	75,391	183,679	2,454,953	602,347	-	3,057,300
Automobile	7,683	6,389	473	1,827	16,372	6,419	-	22,791
Computer	-	1,322	45,547	-	46,869	231,670	-	278,539
Equipment rent and maintenance	-	15	-	1,956	1,971	22,989	-	24,960
Insurance	-	-	-	1,441	1,441	31,502	-	32,943
Office supplies	3,988	23,614	11,065	9,305	47,972	14,772	-	62,744
Postage and mailing	4,933	4,897	-	1,270	11,100	20,085	-	31,185
Telephone	1,501	1,444	956	22,069	25,970	37,337	-	63,307
Miscellaneous	311	756	2,600	9,758	13,425	-	-	13,425
Sponsorships and events	141,503	74,111	5	244,177	459,796	14,501	-	474,297
Subscriptions and memberships	16,867	15,386	33,687	11,775	77,715	11,306	-	89,021
Depreciation and amortization	35,997	10,812	11,707	81,331	139,847	323,127	-	462,974
Total functional expenses	<u>\$ 4,897,919</u>	<u>\$ 2,710,898</u>	<u>\$ 4,126,543</u>	<u>\$ 2,802,874</u>	<u>\$ 14,538,234</u>	<u>\$ 3,192,793</u>	<u>\$ 106,200</u>	<u>\$ 17,837,227</u>

The accompanying notes are an integral part of these financial statements.

THE GREATER COLUMBUS CONVENTION AND VISITOR'S BUREAU AND SUBSIDIARIES
dba EXPERIENCE COLUMBUS

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021

	Convention Marketing	Tourism Marketing	Communication and Public Relations	Sports Marketing	Total Program Services	Management and General	Fundraising	Total
FUNCTIONAL EXPENSES:								
Personnel costs	\$ 1,517,123	\$ 822,675	\$ 821,360	\$ 1,134,693	\$ 4,295,851	\$ 1,159,082	\$ -	\$ 5,454,933
Promotion:								
Advertising	25,760	9,534	2,609,530	147,836	2,792,660	(4,500)	-	2,788,160
Travel and lodging	109,838	20,124	47,692	60,744	238,398	6,887	-	245,285
Meals and entertainment	135,009	38,060	10,675	156,922	340,666	22,553	-	363,219
Publications	-	-	-	-	-	802	-	802
Program development	374,358	35,357	55,506	181,763	646,984	21,043	-	668,027
Promotional items	28,512	47,048	1,497	57,025	134,082	5,248	-	139,330
Project expenses	40,821	72,659	-	-	113,480	1,442	-	114,922
Facilities rent	-	21,000	-	133,978	154,978	583,317	-	738,295
Building occupancy	-	-	-	2,978	2,978	2,794	-	5,772
Professional fees	67,378	46,716	25,805	235,398	375,297	523,138	-	898,435
Automobile	3,404	2,061	344	2,330	8,139	4,925	-	13,064
Computer	12,505	2,595	1,245	20,585	36,930	78,011	-	114,941
Equipment rent and maintenance	-	-	149	1,723	1,872	23,079	-	24,951
Insurance	-	-	-	400	400	23,728	-	24,128
Office supplies	138	15,535	677	7,468	23,818	4,773	-	28,591
Postage and mailing	1,319	-	35	3,220	4,574	9,060	-	13,634
Telephone	3,743	1,530	14,160	40,387	59,820	29,571	-	89,391
Miscellaneous	381	898	-	32,762	34,041	1,666	-	35,707
Sponsorships and events	10,294	50,110	10,380	770,750	841,534	1,426	-	842,960
Subscriptions and memberships	28,644	32,654	15,384	6,480	83,162	43,456	-	126,618
Depreciation and amortization	56,814	13,612	13,944	10,561	94,931	36,117	-	131,048
Total functional expenses	<u>\$ 2,416,041</u>	<u>\$ 1,232,168</u>	<u>\$ 3,628,383</u>	<u>\$ 3,008,003</u>	<u>\$ 10,284,595</u>	<u>\$ 2,577,618</u>	<u>\$ -</u>	<u>\$ 12,862,213</u>

The accompanying notes are an integral part of these financial statements.

THE GREATER COLUMBUS CONVENTION AND VISITOR'S BUREAU AND SUBSIDIARIES
dba EXPERIENCE COLUMBUS

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 824,788	\$ 1,983,099
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization expense	462,974	131,048
Refund on deposit	-	150,000
Loan forgiveness, Paycheck Protection Program	(1,012,281)	-
(Increase) decrease in operating assets:		
Receivables	610,971	(898,125)
Prepaid expenses and other current assets	199,184	(369,975)
Increase (decrease) in operating liabilities:		
Accounts payable	765,820	(257,562)
Accrued expenses	246,927	59,818
Deferred revenue	9,005	2,625
Lease liability	(415,614)	-
Net cash provided by operating activities	1,691,774	800,928
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest	-	127
Payments for the purchase of property and equipment	(445,496)	(76,749)
Net cash used in investing activities	(445,496)	(76,622)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal payments on loan payable	(3,755)	(5,507)
Proceeds from Paycheck Protection Program note payable	-	1,012,281
Net cash provided by (used in) financing activities	(3,755)	1,006,774
Net increase in cash and cash equivalents	1,242,523	1,731,080
CASH AND CASH EQUIVALENTS, beginning of the year	6,619,232	4,888,152
CASH AND CASH EQUIVALENTS, end of the year	\$ 7,861,755	\$ 6,619,232
SUPPLEMENTAL DISCLOSURES:		
Cash paid for interest	\$ 115	\$ 327

The accompanying notes are an integral part of these financial statements.

THE GREATER COLUMBUS CONVENTION AND VISITOR'S BUREAU AND SUBSIDIARIES
dba EXPERIENCE COLUMBUS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

The Greater Columbus Convention and Visitor's Bureau ("Experience Columbus") is the official destination marketing organization for Greater Columbus. Experience Columbus established the Experience Columbus Foundation to further promote its mission and is its sole member.

The Greater Columbus Sports Commission, LLC (the "Commission") operates within Experience Columbus and was organized to promote, attract, and service sporting events for Greater Columbus. The Commission established The Greater Columbus Sports Foundation ("Sports Foundation") to further promote its mission. Experience Columbus is the sole member of the Sports Foundation.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Use of Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Principles of Consolidation

The consolidated financial statements include the accounts of Experience Columbus, the Commission, the Experience Columbus Foundation, and the Sports Foundation (collectively referred to as the "Organization"). All significant intercompany balances and transactions have been eliminated in the consolidated financial statements.

Financial Statement Presentation

Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions and the nature of those restrictions. Accordingly, the Organization's net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restriction – Net assets without donor restrictions are available for use at the discretion of the Board of Directors (the "Board") and/or management for general operating purposes. From time to time, the Board may designate a portion of these net assets for specific purposes which makes them unavailable for use at management's discretion.

Net Assets With Donor Restrictions – Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time, and / or purpose restrictions. The Organization reports gifts of cash and other assets as revenue with donor restrictions 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 ends or purpose restriction is accomplished, the net assets are reclassified as net assets without donor restriction and reported in the statements of activities as net assets released from restrictions. There were no net assets with donor restrictions as of December 31, 2021. Net assets with donor restrictions were \$183,070 as of December 31, 2022 and were restricted for the Diversity Apprentice Award program.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all money market funds and highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

THE GREATER COLUMBUS CONVENTION AND VISITOR'S BUREAU AND SUBSIDIARIES
dba EXPERIENCE COLUMBUS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable

Accounts receivable consist of amounts invoiced for events and other program activities. Amounts are stated at original invoice amount, less an estimated allowance for doubtful accounts. Uncollectible accounts are charged as decreases in net assets during the period in which they are determined to be uncollectible. Management believes all amounts are collectible as of December 31, 2022 and 2021, respectively, and no allowance has been recorded.

Grants and Contributions Receivable

Grants and contributions receivable consist primarily of contributions pledged or amounts due under reimbursable grant awards. Amounts are stated at original amounts, less an estimated allowance for doubtful accounts. Uncollectible accounts are charged as decreases in net assets during the period in which they are determined to be uncollectible. Management believes all amounts are collectible as of December 31, 2022 and 2021, respectively, and no allowance has been recorded.

The balances of receivables were \$285,098 as of January 1, 2021.

Property and Equipment

Property and equipment are recorded at cost, less accumulated depreciation. Donated property and equipment is recorded at the fair value at the time of donation. 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. Property and equipment that are donated are recorded at fair value at the date of donation. 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 revenue, gains and support.

Revenue and Support Recognition

Revenue is measured based on consideration specified in a contract with a customer and excludes any sales incentives and amounts collected on behalf of third parties. The Organization recognizes revenue when it satisfies a performance obligation by transferring control over a product or service to a customer. Revenue from contracts with customers, which are listed on the statements of activities as Program, Publication and Other revenue. All of these items have been determined to be recognized over time, as described below.

Special Events and Other Programs

Receipts from special events and other programs are deferred and recognized as revenue when earned, which is at the time the events take place.

Contract Liabilities

Contract liabilities represent deferred revenues for trade show deposits, event deposits, and deferred membership dues. Revenues generated from these items are deferred and recognized at the event date or straight-line over the course of the membership period. These amounts totaled \$11,630 and \$2,625 as of December 31, 2022 and 2021, respectively. There were no deferred revenues as of January 1, 2021.

Grants

Receipts from grants are deferred and recognized as revenue when earned, which is at the time qualifying expenditures are incurred. There have been no significant cost-reimbursable grants awarded where revenue has not been recognized as of December 31, 2022, because qualifying expenditures have not been incurred.

THE GREATER COLUMBUS CONVENTION AND VISITOR'S BUREAU AND SUBSIDIARIES
dba EXPERIENCE COLUMBUS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions

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.

Contributions and gifts are recorded at fair value at the date of the donor's unconditional promise to give. These contributions and gifts are considered to be available for unrestricted use, unless specifically restricted by the donor. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met.

Government Assistance - Employee Retention Credit

During the year ended December 31, 2021, the Organization determined it was eligible to receive Employee Retention Credit ("ERC") government assistance in the amount of \$837,161. ERCs are recognized as revenue in the period the Organization determines the conditions have been substantially met, which generally requires determining whether the process for filing the credit is more than or only an administrative barrier to the credits. Once the Organization determines all conditions have been substantially met, it can recognize the ERC as revenue and support in that period. Based on all substantial conditions being met, the Organization recognized ERC revenue and support in the amount of \$837,161 during the year ended December 31, 2021 which was included in contributions in the statement of activities.

Donated Materials and Services

Donated materials and services are recorded at their estimated fair value at the time of donation. Contributions of services are recognized if the services received a.) Create or enhance non-financial assets or b.) Require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

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 in the period in which the services are rendered and materials are donated. Contributed services consistent of the following for the years ended December 31:

	2022	2021
Tourism Marketing:		
Visitors Center - Rent	\$ 21,000	\$ 21,000
Sports Marketing:		
Production costs	37,570	13,375
Facility fees	11,000	-
Food and beverage	-	8,675
Total contributed services	\$ 69,570	\$ 43,050

Allocation of Functional Expenses

The costs of providing programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the following programs of Convention Marketing, Tourism Marketing, Communication and Public Relations, and Sports Marketing, along with Management and General and Fundraising expenses. Such allocations are determined by management on an equitable basis based on staff size in each department.

THE GREATER COLUMBUS CONVENTION AND VISITOR'S BUREAU AND SUBSIDIARIES
dba EXPERIENCE COLUMBUS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Advertising Costs

Advertising costs (including promotional costs) are expensed as incurred. Advertising expense totaled \$2,803,743 and \$2,788,160 for the years ended December 31, 2022 and 2021, respectively.

Income Taxes

Experience Columbus 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 Commission is a limited liability company where all income is included in any taxable income of the member. Accordingly, no income tax expense has been recorded for the years ended December 31, 2022 and 2021 for this entity. The Experience Columbus Foundation and the Sports 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 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. During the years ended December 31, 2022 and 2021, respectively the Organization did not incur any interest, penalties, or unrecognized tax benefits which were recorded as liabilities attributed to IRS Forms 990 and 990T.

Related Parties

Related parties exist when an entity has the ability to significantly influence the management or operating policies of another entity.

Adoption of New Accounting Standard

In February 2016, the FASB issued Accounting Standard Update ("ASU") No. 2016-02, *Leases (Topic 842)*, which specifies the accounting for leases. The objective of the ASU is to establish the principles that lessees and lessors shall apply to report useful information to users of financial statements about the amount, timing and uncertainty of cash flows arising from a lease. This ASU introduces the recognition of lease assets and lease liabilities by lessees for those leases classified as operating leases under previous guidance. The guidance was effective for annual reporting periods beginning after December 15, 2021 and interim periods within those fiscal years.

Leases

The Organization applies ASC 842 in the accounting for leases. The Organization determines if a contract contains a lease when the contract conveys the right to control the use of identified assets for a period in exchange for consideration. Upon identification and commencement of a lease, the Organization establishes a right-of-use ("ROU") asset and a lease liability. The total lease term is determined by considering the initial term per the lease agreement, which is adjusted to include any renewal or termination options that the Organization is reasonably certain to exercise. The Organization does not recognize ROU assets and lease liabilities for leases with a term of 12 months or less.

THE GREATER COLUMBUS CONVENTION AND VISITOR'S BUREAU AND SUBSIDIARIES
dba EXPERIENCE COLUMBUS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reclassifications

Certain financial statement line items for the year ended December 31, 2021, have been reclassified, with no effect on changes in net assets, to be consistent with the classifications adopted for the year ended December 31, 2022.

Subsequent Events

Subsequent events have been evaluated through June 9, 2023, which is the date the financial statements were available to be issued. Management has determined that there were no subsequent events requiring disclosure through the evaluation date.

NOTE 2: RISKS AND UNCERTAINTIES

Uninsured Risk - Cash Deposits

The Organization maintains its cash balances in financial institutions located in central Ohio. Deposits in interest-bearing and non-interest-bearing accounts are collectively insured by the Federal Deposit Insurance Corporation ("FDIC") up to a coverage limit of \$250,000 at each FDIC-insured depository institution. As a result, the Organization may have balances that exceed the insured limit.

Concentration Risk – Revenue and Support

The Organization receives a substantial amount of support from the City of Columbus and Franklin County. Any significant changes in funding from these agencies would have a significant impact on the Organization's programs.

Grants and Contracts

Certain grants and contracts often require the fulfillment of certain conditions as set forth in the instrument or agreement. Failure to fulfill the conditions could result in the return of funds to the grantors. Although the return of funds is a possibility, management deems the contingency unlikely.

NOTE 3: PROPERTY AND EQUIPMENT

Property and equipment capitalized and accumulated depreciation consists of the following as of June 30:

	2022	2021
Non-Depreciated Assets:		
Construction in progress	\$ 608,773	\$ 198,774
Depreciated Assets:		
Office furniture and equipment	705,681	697,292
Computer equipment	743,796	716,687
Leasehold improvements	372,056	372,056
Property and equipment at cost	2,430,306	1,984,809
Less: accumulated depreciation	(1,672,928)	(1,553,934)
Property and equipment, net	\$ 757,378	\$ 430,875

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 4: LINES OF CREDIT

During the year ended December 31, 2021, the Organization has entered into two lines of credit agreement with a bank that allowed the Organization to borrow up to \$1,000,000 and \$500,000. As of December 31, 2022, there was one line of credit agreement which allowed the Organization to borrow up to \$1,000,000. These agreements require monthly interest payments calculated at the bank's prime rate. There were no balances on the lines of credit as of December 31, 2022 and 2021.

NOTE 5: LEASE OBLIGATIONS

Operating Leases

The Organization leases two facilities under lease agreements that both expire in November 2025. Termination of the leases is generally prohibited unless there is a violation under the lease agreement.

Short-Term Leases

The Organization may lease certain equipment on a seasonal demand basis. The lease terms for these leases are less than 12 months, thus no corresponding ROU asset or lease liability is recorded on the statement of financial position.

ROU assets and lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. Lease expense is recognized on a straight-line basis over the lease term.

The components of lease expense were as follows for the year ended December 31, 2022:

Operating lease cost	\$ 357,729
Short-term and variable lease expense	302,097
	\$ 659,826

Total lease expense for operating leases was \$738,295 for the year ended December 31, 2021.

Supplemental cash flow information related to leases was as follows for the year ended December 31, 2022:

Cash paid for amounts included in the measurement of lease liabilities:

Operating cash flows from operating leases	\$ 429,363
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Supplemental statement of financial position information related to leases were as follows:

Operating leases:

Operating lease ROU assets	\$ 1,371,118
Operating lease ROU assets, accumulated amortization	(343,981)
Operating lease ROU assets, net	\$ 1,027,137

Operating lease current liabilities	\$ 416,942
Operating lease non-current liabilities	715,377
	\$ 1,132,319

Other information:

Weighted-average remaining lease term in years for operating leases	2.92
Weighted-average discount rate for operating leases (risk-free rate)	1.04%

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 5: LEASE OBLIGATIONS (CONTINUED)

Future undiscounted cash flows for each of the next five years and thereafter and a reconciliation to the lease liabilities recognized on the statement of financial position are as follows as of December 31, 2022:

Year Ending December 31,	Operating Leases
2023	\$ 426,344
2024	376,807
2025	345,407
Total future minimum lease payments	1,148,558
Less imputed interest	(16,239)
Total present value of lease liabilities	\$ 1,132,319

Future minimum lease commitments, as determined under Topic 840, for all non-cancelable leases are as follows as of December 31, 2021:

Year Ending December 31,	Operating Leases
2022	\$ 475,771
2023	398,736
2024	394,232
2025	315,971
Total future minimum lease payments	\$ 1,584,710

NOTE 6: NOTES AND LOANS PAYABLE

Paycheck Protection Program

On February 11, 2021, the Organization received a Paycheck Protection Program term note through its primary bank of \$1,012,281 pursuant to the Paycheck Protection Program under the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"). The note structure required Organization officials to certify certain statements that permitted the Organization to qualify for the loan and provides loan forgiveness for a portion up to all of the borrowed amount if the Organization uses the loan proceeds for the permitted loan purpose described in the note agreement; and the portion not forgiven will require the Organization to pay back this amount in full by February 11, 2026 with interest at 1.00 percent. During the year ended December 31, 2022, the Organization received notification of loan forgiveness, and therefore, recognized the \$1,012,281 as revenue and support on the statement of activities.

Vehicle Loan Payable

During the year ended December 31, 2017, the Organization purchased a vehicle by entering into a note payable agreement in the amount of \$25,810. The loan had a balance of \$3,755 as of December 31, 2021 and was paid in full during the year ended December 31, 2022.

THE GREATER COLUMBUS CONVENTION AND VISITOR'S BUREAU AND SUBSIDIARIES
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 7: LIQUIDITY AND AVAILABILITY OF FUNDS

The following reflects the Organization's financial assets as of the statement of financial position date, reduced by amounts not available for general use within one year because of contractual or donor-imposed restrictions or internal designations. Amounts not available include amounts set aside by the Board for growth and sustainability of the Organization that could be drawn upon if the Board approves the action. The Organization's financial assets available within one year of the statements of financial position date for general expenditure are as follows:

Financial Assets:	2022	2021
Cash and cash equivalents	\$ 7,861,755	\$ 6,619,232
Receivables	572,252	1,183,223
Financial assets, at year-end	8,434,007	7,802,455
Less: those unavailable for general expenditure within one year due to:		
Contractual or donor-imposed restrictions	(183,070)	-
Board designations	-	-
Financial assets available to meet cash needs for general expenditures within one year	\$ 8,250,937	\$ 7,802,455

Liquidity Policy

As part of the Organization's liquidity management, it maintains a sufficient level of operating cash and short-term investments to be available as its general expenditures, liabilities, and other obligations come due. The Organization's goal is generally to maintain financial assets to meet 90 days of operating and program expenses. The Organization also has a line of credit available to meet cash flow needs.

NOTE 8: RETIREMENT AND DISABILITY PLANS

Retirement Plan

The Organization has a 401(k) retirement plan that covers all eligible employees. Eligible employees may elect to defer a portion of their annual wages as a contribution to the plan. The Organization contributes, on behalf of each eligible participant, a discretionary matching contribution equal to 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. Expenses related to this plan were \$273,440 and \$82,301 during the years ended December 31, 2022 and 2021, respectively.

Disability Plan

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. There were no disability payments during the years ended December 31, 2022 and 2021.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 9: RELATED PARTY TRANSACTIONS

Professional Services

The Columbus Local Organizing Committee ("CLOC") is a separate legal entity exempt under the provisions of Internal Revenue Code Section 501(c)(3) for the purpose of managing and promoting events affiliated with the Organization. The Organization has no ownership or voting control in the CLOC although the Organization's Chief Executive Officer serves on the CLOC Board of Directors. Professional services in the amount of \$2,010,000 were provided by CLOC during the year ended December 31, 2022, of which \$760,000 was outstanding as of December 31, 2022.

The Organization utilizes legal services from a law firm where a board member is a partner of that firm. Legal fees from this firm were approximately \$36,000 and \$28,000 for the years ended December 31, 2022 and 2021, respectively.

Leases

The Organization leases building space from a company owned by a board member (see Note 5). Board members excuse themselves from any deliberations related to their businesses.



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

To the Board of Directors
The Greater Columbus Convention and Visitor’s Bureau and Subsidiaries
dba Experience Columbus
Columbus, Ohio

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 (*Government Auditing Standards*), the consolidated financial statements of the The Greater Columbus Convention and Visitor’s Bureau and Subsidiaries (doing business as “Experience Columbus” and collectively referred to as the “Organization”), which comprise the consolidated statement of financial position as of December 31, 2022, and the related consolidated statements of activities, changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements (collectively, the “financial statements”), and have issued our report thereon dated June 9, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization’s internal control over financial reporting (“internal control”) as a basis for designing 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 the Organization’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization’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 a 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization’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 financial statements. 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 the Organization'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.



Rea & Associates, Inc.
Dublin, Ohio
June 9, 2023

OHIO AUDITOR OF STATE KEITH FABER



**GREATER COLUMBUS CONVENTION AND VISITORS BUREAU
FRANKLIN COUNTY**

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 7/25/2023

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov