



CONVENTION AND VISITORS BUREAU

CUMBERLAND COUNTY, NC

Memorandum

To: Henry Holt
From: Kelly Brill *KB*
Date: April 11, 2018
Subject: Treasurer's Report for January through March 2018.

Revenue as of January 31, 2018 was \$172,726.83. Expenses were \$250,451.24. Occupancy collected was \$172,667.60 compared to \$212,808.00 collected in January 2017.

Revenue as of February 28, 2018 was \$202,498.02. Expenses were \$185,587.12. Occupancy collected was \$201,482.96 compared to \$218,059.90 collected in February 2017.

Revenue as of March 31, 2018 was \$206,904.32. Expenses were \$183,386.38. Occupancy collected was \$204,910.42 compared to \$195,778.21 collected in March 2017.

The balance in the checking account as of March 31, 2018 totaled \$41,507.16. The total funds in certificates of deposit (CD) was \$740,168.00. \$133,352.75 at PNC was moved to PNC Investments on 2/7/18. Board set a goal to maintain a 3-month contingency.

Current CD interest rates, maturity dates and balances are:

Select Bank & Trust	1.81%	7/2018	\$246,663.46
PNC Investments – Goldman Sachs CD	2.00%	3/2019	49,870.00
Ally Bank CD	2.10%	9/2019	49,983.00
Washington TR CD	1.7%	9/2018	29,992.80
PNC Bank			3,355.68
First South	1.16%	9/2018	140,007.31
First National	1.25%	8/2018	117,110.35
First National	1.55%	12/2018	103,185.40

/kb

Enclosures: Balance Sheet as of 3/31/18
Quarterly Report of Income & Expense by Month
Last Quarter Report compared to Previous Year Quarterly Report
FY Profit & Loss Budget vs. Actual Report
Room Occupancy Tax Collections
Room Occupancy FY Monthly breakdown
Cherry Bekaert 3/16/18 audit engagement letter

cc: FACVB Board Members

Fayetteville Area Convention and Visitors Bureau, Inc.

04/11/18

Balance Sheet

Accrual Basis

As of March 31, 2018

	Mar 31, 18
ASSETS	
Current Assets	
Checking/Savings	
100.00 · Petty Cash	300.00
110.00 · BB&T Checking	41,507.16
121.00 · CD-Select Bank	246,663.46
123.00 · CD - PNC Investments	133,201.48
124.00 · CD-First South	140,007.31
125.00 · CD-First National (prevYadkin)	220,295.75
Total Checking/Savings	781,975.16
Accounts Receivable	
141.00 · Accts. Receivable - Occupancy	204,910.42
142.00 · Accts. Receivable - Promotional	1,598.00
Total Accounts Receivable	206,508.42
Other Current Assets	
130.00 · Inventory Asset	13,411.92
140.00 · Prepaid Expenses	734.34
Total Other Current Assets	14,146.26
Total Current Assets	1,002,629.84
Fixed Assets	
160.00 · Furniture & Fixtures	25,518.82
170.00 · Equipment	
175.00 · Software	22,620.58
170.00 · Equipment - Other	238,887.80
Total 170.00 · Equipment	261,508.38
180.00 · Improvements	163,340.35
190.00 · Accumulated Deprec-Furniture	
195.00 · Accumulated Deprec-Equipment	-175,939.19
196.00 · Accumulated Deprec-Improvements	-41,079.82
197.00 · Accumulated Deprec-Software	-24,203.96
190.00 · Accumulated Deprec-Furniture - Other	-23,606.12
Total 190.00 · Accumulated Deprec-Furniture	-264,829.09
Total Fixed Assets	185,538.46
TOTAL ASSETS	1,188,168.30
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
240.00 · Accrued Vacation	56,423.79
Total Other Current Liabilities	56,423.79
Total Current Liabilities	56,423.79
Total Liabilities	56,423.79
Equity	
310.00 · Retained Earnings	1,361,253.58
Net Income	-229,509.07
Total Equity	1,131,744.51
TOTAL LIABILITIES & EQUITY	1,188,168.30

Fayetteville Area Convention and Visitors Bureau, Inc.
Income & Expense

04/11/18

	Jan 18	Feb 18	Mar 18	TOTAL
Ordinary Income/Expense				
Income				
500.00 · Occupancy	172,667.60	201,482.96	204,910.42	579,060.98
501.00 · Co-op Marketing	0.00	948.00	0.00	948.00
505.00 · Merchandise	162.79	130.55	79.75	373.09
508.00 · Interest-Certificate of Deposit	0.00	0.00	1,899.18	1,899.18
Total Income	172,830.39	202,561.51	206,889.35	582,281.25
Cost of Goods Sold				
599.00 · Cost of Goods Sold	103.56	63.49	-14.97	152.08
Total COGS	103.56	63.49	-14.97	152.08
Gross Profit	172,726.83	202,498.02	206,904.32	582,129.17
Expense				
600.00 · Benefits	9,310.31	7,753.43	8,296.48	25,360.22
620.00 · Building & Occupancy	11,047.66	9,293.52	8,547.72	28,888.90
650.00 · Compensation	57,694.10	57,252.04	54,640.87	169,587.01
700.00 · Consulting	516.43	342.46	552.01	1,410.90
750.00 · Education	965.00	223.13	650.00	1,838.13
800.00 · Employment Expenses	4,464.98	4,316.48	4,061.15	12,842.61
820.00 · Small Equipment	65,230.06	1,836.53	1,177.00	68,243.59
840.00 · Marketing	94,008.59	99,075.41	97,375.17	290,459.17
885.00 · Radio Equipment/FAVOR	585.53	585.74	585.53	1,756.80
900.00 · Operating Expenses	6,128.58	4,408.38	7,000.45	17,537.41
930.00 · Transportation	500.00	500.00	500.00	1,500.00
Total Expense	250,451.24	185,587.12	183,386.38	619,424.74
Net Ordinary Income	-77,724.41	16,910.90	23,517.94	-37,295.57
Net Income	-77,724.41	16,910.90	23,517.94	-37,295.57

Fayetteville Area Convention and Visitors Bureau, Inc.
Income & Expense

04/11/18

	Jan - Mar 18	Jan - Mar 17
Ordinary Income/Expense		
Income		
500.00 · Occupancy	579,060.98	626,646.11
501.00 · Co-op Marketing	948.00	4,748.00
505.00 · Merchandise	373.09	398.08
508.00 · Interest-Certificate of Deposit	1,899.18	2,346.39
Total Income	582,281.25	634,138.58
Cost of Goods Sold		
599.00 · Cost of Goods Sold	152.08	246.32
Total COGS	152.08	246.32
Gross Profit	582,129.17	633,892.26
Expense		
600.00 · Benefits	25,360.22	28,510.01
620.00 · Building & Occupancy	28,888.90	27,086.02
650.00 · Compensation	169,587.01	170,283.44
700.00 · Consulting	1,410.90	1,593.98
750.00 · Education	1,838.13	4,385.00
800.00 · Employment Expenses	12,842.61	13,118.80
820.00 · Small Equipment	68,243.59	78,733.78
840.00 · Marketing	290,459.17	450,646.73
885.00 · Radio Equipment/FAVOR	1,756.80	1,500.00
900.00 · Operating Expenses	17,537.41	26,786.42
930.00 · Transportation	1,500.00	1,500.00
Total Expense	619,424.74	804,144.18
Net Ordinary Income	-37,295.57	-170,251.92
Net Income	-37,295.57	-170,251.92

Fayetteville Area Convention and Visitors Bureau, Inc.
Income & Expense

04/11/18

	Jul '17 - Mar 18	Jul '16 - Mar 17
Ordinary Income/Expense		
Income		
500.00 · Occupancy	1,982,358.71	2,084,710.38
501.00 · Co-op Marketing	48,244.63	74,203.00
505.00 · Merchandise	1,444.47	1,645.48
508.00 · Interest-Certificate of Deposit	6,459.67	6,735.33
Total Income	2,038,507.48	2,167,294.19
Cost of Goods Sold		
599.00 · Cost of Goods Sold	3,306.12	940.19
Total COGS	3,306.12	940.19
Gross Profit	2,035,201.36	2,166,354.00
Expense		
600.00 · Benefits	84,508.39	73,675.87
620.00 · Building & Occupancy	90,780.99	80,127.45
650.00 · Compensation	503,054.17	495,714.51
700.00 · Consulting	34,877.38	38,109.47
750.00 · Education	22,729.87	21,223.57
800.00 · Employment Expenses	37,601.52	37,507.48
820.00 · Small Equipment	145,576.01	101,974.31
840.00 · Marketing	1,205,874.40	1,096,321.81
885.00 · Radio Equipment/FAVOR	64,484.72	5,409.51
900.00 · Operating Expenses	70,722.98	97,235.50
930.00 · Transportation	4,500.00	4,500.00
Total Expense	2,264,710.43	2,051,799.48
Net Ordinary Income	-229,509.07	114,554.52
Net Income	-229,509.07	114,554.52

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Accrual Basis

Fayetteville Area Convention and Visitors Bureau, Inc.
Profit & Loss Budget vs. Actual
July 2017 through June 2018

	Jul '17 - Jun 18	Budget	\$ Over Budget
Ordinary Income/Expense			
Income			
500.00 · Occupancy	1,982,358.71	2,800,000.00	-817,641.29
501.00 · Co-op Marketing	48,244.63	62,004.63	-13,760.00
505.00 · Merchandise	1,444.47	2,000.00	-555.53
508.00 · Interest-Certificate of De...	6,459.67	9,000.00	-2,540.33
Total Income	2,038,507.48	2,873,004.63	-834,497.15
Cost of Goods Sold			
599.00 · Cost of Goods Sold	3,306.12	2,000.00	1,306.12
Total COGS	3,306.12	2,000.00	1,306.12
Gross Profit	2,035,201.36	2,871,004.63	-835,803.27
Expense			
600.00 · Benefits	84,508.39	119,954.00	-35,445.61
620.00 · Building & Occupancy	90,780.99	126,896.00	-36,115.01
650.00 · Compensation	503,054.17	701,547.00	-198,492.83
700.00 · Consulting	34,877.38	52,500.00	-17,622.62
750.00 · Education	22,729.87	37,000.00	-14,270.13
800.00 · Employment Expenses	37,601.52	54,500.00	-16,898.48
820.00 · Small Equipment	145,576.01	162,000.00	-16,423.99
840.00 · Marketing	1,205,874.40	1,462,607.63	-256,733.23
885.00 · Radio Equipment/FAVOR	64,484.72	20,000.00	44,484.72
900.00 · Operating Expenses	70,722.98	128,000.00	-57,277.02
930.00 · Transportation	4,500.00	6,000.00	-1,500.00
Total Expense	2,264,710.43	2,871,004.63	-606,294.20
Net Ordinary Income	-229,509.07	0.00	-229,509.07
Net Income	-229,509.07	0.00	-229,509.07

ROOM OCCUPANCY TAX COLLECTIONS

Post Date	1998-1999	1999-2000	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008
July	110,847.90	132,260.24	128,310.67	123,528.07	185,445.92	161,199.13	250,829.77	336,070.28	336,637.07	301,445.30
August	112,604.37	127,682.56	118,017.50	116,205.32	173,608.50	183,273.37	264,946.98	291,830.93	343,854.13	361,589.42
September	124,377.15	105,754.57	111,587.19	102,327.61	170,013.09	196,253.36	241,424.10	279,553.10	294,830.17	364,407.95
October	92,868.25	97,420.34	95,540.04	94,138.74	126,950.28	144,123.92	205,933.32	209,014.26	271,513.31	280,762.70
November	94,520.75	100,293.81	103,618.54	97,480.32	146,553.77	164,166.44	231,621.30	244,928.12	284,387.70	334,960.83
December	86,104.44	100,913.67	91,218.92	107,051.87	141,546.37	161,908.75	214,983.43	238,029.20	291,909.40	309,883.08
January	79,508.43	78,991.64	79,450.91	89,682.53	126,752.50	137,624.62	155,718.64	207,631.83	213,376.10	257,492.25
February	85,614.17	85,253.82	82,959.77	99,904.27	133,421.20	193,013.38	227,222.41	242,478.41	277,993.69	334,605.74
March	91,423.09	91,409.04	96,954.68	109,582.31	157,987.52	211,597.95	256,514.12	274,852.51	268,641.52	358,988.83
April	110,463.12	113,253.82	106,757.21	163,907.23	172,639.78	264,226.73	306,358.58	286,347.17	347,154.06	492,237.11
May	128,183.62	118,816.28	116,726.97	168,042.47	176,066.82	254,647.12	268,177.84	324,472.01	348,309.67	394,595.10
June	107,555.91	130,673.01	107,784.39	156,580.28	169,240.02	249,107.34	271,633.15	328,233.54	325,386.11	386,760.33
Totals	1,224,071.20	1,282,722.80	1,238,926.79	1,428,431.02	1,880,225.77	2,321,142.11	2,895,363.64	3,263,441.36	3,603,992.93	4,177,728.64

Post Date	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
July	363,159.95	339,026.98	438,741.88	452,412.78	624,476.43	427,020.30	518,865.05	505,350.40	492,196.17	576,022.66
August	389,633.14	360,567.02	419,571.62	465,383.36	439,494.51	414,776.56	527,058.29	534,264.16	533,898.37	550,605.02
September	399,143.57	365,658.87	459,343.97	466,681.51	482,850.23	471,180.83	523,095.44	516,935.54	514,505.96	541,513.38
October	347,957.44	296,785.70	333,249.36	394,789.27	418,322.30	356,451.38	407,271.39	435,374.91	464,514.13	531,233.18
November	345,170.11	276,320.71	489,368.28	401,853.68	386,482.23	374,983.95	455,358.89	469,961.70	659,624.68	494,055.36
December	381,967.05	435,453.03	379,815.62	405,611.47	395,337.12	400,740.02	423,483.46	395,669.19	591,618.98	440,999.52
January	288,017.15	268,640.84	288,429.36	330,666.46	341,070.02	365,101.42	392,873.44	378,797.23	473,784.04	384,417.65
February** ^	333,629.52	343,152.77	331,584.11	386,879.53	339,719.32	394,994.84	448,133.93	415,211.71	485,476.58	448,570.60
March	400,326.58	367,475.03	498,306.80	424,671.87	488,798.46	420,981.03	427,874.35	445,572.85	435,869.86	456,201.31
April (4%)	336,489.95	437,336.88	483,269.03	486,917.52	449,316.86	477,590.01	497,083.53	524,947.03	558,849.05	
May	368,992.57	393,986.98	465,979.75	433,886.59	414,154.62	579,994.21	478,516.58	554,097.74	538,682.01	
June	310,267.96	372,652.89	456,086.59	409,425.98	433,857.67	441,628.81	533,301.36	463,313.26	504,653.66	
Totals	4,264,754.99	4,257,057.70	5,043,746.37	5,059,180.02	5,213,879.77	5,125,443.36	5,632,915.71	5,639,495.72	6,253,673.49	4,423,618.68

**Room Occupancy tax rate increased January 1, 2004 to 5%. Collection of taxes @ new rate were received during the month of Feb 04.

^ Room Occupancy tax rate increased January 1, 2005 to 6%. Collection of taxes @ new rate were received during the month of Feb 05.

ROOM OCCUPANCY MONTHLY & YEAR TO DATE RECAP / FY 2017 - 2018

FY 2017 - 2018	Business I-95 Tax Paid by Reporting Properties	I-95 Tax Paid by Reporting Properties	Mall Tax Paid by Reporting Properties	Spring Lake Tax Paid by Reporting Properties	Misc Fayetteville Tax Paid by Reporting Properties	Misc Ft Bragg Tax Paid by Reporting Properties	TOTAL COLLECTIONS
July	\$2,271.42	\$45,855.96	\$169,030.79	\$48,550.69	\$31,059.10	\$40,070.90	\$336,838.86
Aug	\$1,754.99	\$40,548.92	\$171,515.86	\$40,861.05	\$31,126.08	\$35,044.63	\$320,851.53
Sept	\$1,877.71	\$50,993.75	\$170,566.06	\$39,351.29	\$29,280.47	\$35,191.92	\$327,261.20
Oct	\$2,184.00	\$54,017.70	\$150,674.58	\$39,545.18	\$34,900.64	\$33,316.51	\$314,638.61
Nov	\$1,987.36	\$29,956.80	\$154,094.18	\$35,781.87	\$27,187.49	\$32,345.35	\$281,353.05
Dec	\$1,859.10	\$43,933.11	\$127,750.23	\$34,105.27	\$26,144.86	\$27,871.48	\$261,664.05
Jan	\$1,836.11	\$39,892.23	\$110,406.84	\$23,031.47	\$26,104.71	\$23,630.85	\$224,902.21
Feb	\$2,067.57	\$40,435.38	\$137,350.25	\$29,960.46	\$29,083.18	\$28,458.32	\$267,355.16
Mar	\$3,750.73	\$22,136.20	\$144,824.30	\$38,252.47	\$31,737.54	\$27,040.84	\$267,742.08
Apr							\$0.00
May							\$0.00
June							\$0.00
Total Receipts	\$19,588.99	\$367,770.05	\$1,336,213.09	\$329,439.75	\$266,624.07	\$282,970.80	\$2,602,606.75

Net Occupancy*	\$19,161.44	\$359,371.24	\$1,306,106.27	\$322,258.05	\$260,771.80	\$276,487.70	\$2,544,156.50
1.5% CCCC	\$4,790.36	\$89,842.81	\$326,526.57	\$80,564.51	\$65,192.95	\$69,121.92	\$636,039.13
2.75% CVB	\$8,782.32	\$164,711.82	\$598,632.04	\$147,701.61	\$119,520.41	\$126,723.53	\$1,166,071.73
1.5% Arts Center	\$4,790.36	\$89,842.81	\$326,526.57	\$80,564.51	\$65,192.95	\$69,121.92	\$636,039.13
.25% Discret	\$798.40	\$14,973.80	\$54,421.09	\$13,427.42	\$10,865.49	\$11,520.33	\$106,006.51

* Net Occupancy - Occupancy Tax after collection fees deducted.

FY 2017 - 2018	Business I-95 Tax Paid by Non- Reporting Properties***	I-95 Tax Paid by Non- Reporting Properties***	Mall Tax Paid by Non- Reporting Properties***	Spring Lake Tax Paid by Non- Reporting Properties***	Misc Fayetteville Tax Paid by Non- Reporting Properties***	Misc Ft Bragg Tax Paid by Non- Reporting Properties***	TOTAL COLLECTIONS
July	\$11,021.14	\$79,758.18	\$109,474.00	\$3,557.30	\$28,729.75	\$6,643.43	\$239,183.80
Aug	\$12,127.08	\$84,067.79	\$89,525.17	\$4,029.08	\$27,397.46	\$12,606.91	\$229,753.49
Sept	\$10,266.70	\$73,751.83	\$88,106.49	\$2,944.23	\$23,291.63	\$15,891.30	\$214,252.18
Oct	\$10,416.72	\$70,594.48	\$102,488.56	\$4,353.43	\$21,776.69	\$6,964.69	\$216,594.57
Nov	\$10,507.25	\$76,407.51	\$99,009.03	\$2,421.57	\$18,847.78	\$5,509.16	\$212,702.30
Dec	\$9,645.27	\$65,949.61	\$78,360.56	\$2,014.68	\$17,991.45	\$5,373.90	\$179,335.47
Jan	\$9,670.89	\$62,462.07	\$63,597.77	\$2,283.71	\$17,251.60	\$4,249.40	\$159,515.44
Feb	\$26,596.95	\$53,584.37	\$63,753.55	\$2,606.40	\$31,508.33	\$3,165.84	\$181,215.44
Mar	\$9,582.79	\$76,601.56	\$72,404.18	\$2,578.07	\$20,924.19	\$6,368.44	\$188,459.23
Apr							\$0.00
May							\$0.00
June							\$0.00
Total Receipts	\$109,834.79	\$643,177.40	\$766,719.31	\$26,788.47	\$207,718.88	\$66,773.07	\$1,821,011.92

Net Occupancy*	\$107,408.55	\$628,911.09	\$749,601.68	\$26,181.18	\$203,449.72	\$65,437.61	\$1,780,989.81
1.5% CCCC	\$26,852.14	\$157,227.77	\$187,400.42	\$6,545.29	\$50,862.43	\$16,359.40	\$445,247.45
2.75% CVB	\$49,228.92	\$288,250.91	\$343,567.43	\$11,999.71	\$93,247.79	\$29,992.24	\$816,286.99
1.5% Arts Center	\$26,852.14	\$157,227.77	\$187,400.42	\$6,545.29	\$50,862.43	\$16,359.40	\$445,247.45
.25% Discret	\$4,475.35	\$26,204.64	\$31,233.41	\$1,090.89	\$8,477.07	\$2,726.57	\$74,207.92

* Net Occupancy - Occupancy Tax after collection fees deducted.

***Properties that do not provide Room Nights Sold info to the Tax Office or have less than 20 rooms available for lodging defines "Tax Paid by Non-Reporting Properties"

To the Board of Directors
Fayetteville Area Convention and Visitors Bureau, Inc.
245 Person Street
Fayetteville, North Carolina 28301

We are engaged to audit the financial statements of Fayetteville Area Convention & Visitors Bureau, Inc. ("the Organization") for the year ended June 30, 2018. Professional standards require that we provide you with the following information related to our audit. We would also appreciate the opportunity to meet with you to discuss this information further since a two-way dialogue can provide valuable information for the audit process.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated March 16, 2018, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Our responsibility for the supplementary information accompanying the financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Planned Scope, Timing of the Audit, and Other

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested.

Our audit will include obtaining an understanding of the Organization and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the Organization or to acts by management or employees acting on behalf of the Organization. We will generally communicate our significant findings at the conclusion of the audit. However, some matters could be communicated sooner, particularly if significant difficulties are encountered during the audit where assistance is needed to overcome the difficulties or if the difficulties may lead to a modified opinion. We will also communicate any internal control related matters that are required to be communicated under professional standards.

We expect to begin our audit on approximately May 1, 2018 and issue our report on approximately September 30, 2018. April Adams is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

This information is intended solely for the use of the Board of Fayetteville Area Convention & Visitors Bureau, Inc. and is not intended to be and should not be used by anyone other than these specified parties.

Cherry Bekaert LLP

Fayetteville, North Carolina
March 16, 2018