

**ROCHESTER MINNESOTA CONVENTION
AND VISITORS BUREAU
ROCHESTER, MINNESOTA**

**FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

To the Board of Directors
Rochester Convention and Visitors Bureau
Rochester, MN

Management is responsible for the accompanying financial statements of Rochester Convention and Visitors Bureau (a non-profit corporation), which comprise the statement of financial position as of September 30, 2019, and the related statement of activities for the one month and the nine months then ended and the statement of cash flows for the nine months then ended in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Company's financial position and results of operations. Accordingly, the financial statements are not designed for those who are not informed about such matters.

The accompanying supplementary information contained in the supplemental schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management. The supplementary information was subject to our compilation engagement. We have not audited or reviewed the supplementary information and, do not express an opinion, a conclusion, nor provide any form of assurance on such supplementary information.

Smith, Schaffer and Associates, Ltd.

Rochester, Minnesota
October 31, 2019

ROCHESTER MINNESOTA CONVENTION AND VISITORS BUREAU

STATEMENT OF FINANCIAL POSITION

September 30, 2019

ASSETS	2019
Current Assets	
Cash in bank - checking and savings	\$ 378,559
Accounts receivable	38,581
Investment account	420,866
Prepaid insurance	1,316
Prepaid expenses	192,802
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Total Current Assets	1,032,124
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Property and Equipment	
Office furniture and equipment	219,229
Leasehold improvements	438,724
Website development	28,038
Total	685,991
Less: Accumulated depreciation	474,935
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Property and Equipment, net	211,056
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TOTAL ASSETS	\$ 1,243,180
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ROCHESTER MINNESOTA CONVENTION AND VISITORS BUREAU

STATEMENT OF FINANCIAL POSITION

September 30, 2019

LIABILITIES AND NET ASSETS	2019
Current Liabilities	
Accounts payable	\$ 14,047
Accrued vacation	24,703
Convention registration deposits	27,951
HSA withheld	808
Accrued payroll taxes	381
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Total Current Liabilities	67,890
Net Assets	
Unrestricted	
Beginning of year - operating reserve	869,346
Current year's change in net assets	305,944
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Total Net Assets	1,175,290
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TOTAL LIABILITIES AND NET ASSETS	\$ 1,243,180
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ROCHESTER MINNESOTA CONVENTION AND VISITORS BUREAU

STATEMENT OF ACTIVITIES

For The One Month and The Nine Months Ended September 30, 2019

	Actual This Month	Year to Date Actual	Annual Budget	Budget Unused	Percent Used
Revenue					
City of Rochester	\$ 234,621	\$ 2,176,205	\$ 2,793,100	\$ 616,895	77.9
Explore MN Grants	-	-	7,000	7,000	-
Interest and dividend income	24	5,902	8,000	2,098	73.8
Administrative fee	-	9,757	-	(9,757)	-
Unrealized gains and losses on investments	95	10,280	-	10,280	-
	<u>234,740</u>	<u>2,202,144</u>	<u>2,808,100</u>	<u>605,956</u>	<u>78.4</u>
Personnel Expenses					
Salaries	76,088	599,710	863,000	263,290	69.5
Payroll taxes	6,987	52,700	80,250	27,550	65.7
Employee benefits					
Medical insurance	10,838	62,807	99,000	36,193	63.4
HSA contributions	792	6,241	13,000	6,759	48.0
Long term disability and life	738	3,096	5,000	1,904	61.9
Pension	3,950	34,788	45,000	10,212	77.3
Workers compensation	175	1,717	4,000	2,283	42.9
Commission & incentives	18,768	80,944	60,000	(20,944)	134.9
	<u>118,336</u>	<u>842,003</u>	<u>1,169,250</u>	<u>327,247</u>	<u>72.0</u>
Administrative Expenses					
Local travel and meetings					
Local meetings	735	7,662	6,500	(1,162)	117.9
Board meetings	-	2,983	4,800	1,817	62.1
Postage					
Metered and bulk	810	5,554	9,000	3,446	61.7
Mailing service labor	-	920	1,500	580	61.3
Express	79	190	500	310	38.0
Office supplies	1,336	9,750	15,000	5,250	65.0
Telephone expense					
Office	1,739	10,028	12,750	2,722	78.7
Cellular	80	1,254	7,500	6,246	16.7
Expenses Shared by Arts/Fest/Sports	(266)	(2,342)	(4,245)	(1,903)	55.2
Equipment maintenance/lease					
Postage Machine	-	1,369	2,000	631	68.5
Copier Lease	547	4,844	6,500	1,656	74.5
Security System	98	295	1,000	705	29.5
Water Machine Lease	37	590	600	10	98.3
Insurance					
Board of director liability	114	1,022	1,500	478	68.1
Office contents insurance	154	1,391	2,000	609	69.5

See Independent Accountant's Compilation Report

ROCHESTER MINNESOTA CONVENTION AND VISITORS BUREAU

STATEMENT OF ACTIVITIES

For The One Month and The Nine Months Ended September 30, 2019

	Actual This Month	Year to Date Actual	Annual Budget	Budget Unused	Percent Used
Administrative Expenses (continued)					
Office rent	3,911	35,200	48,500	13,300	72.6
Miscellaneous bank charges	259	3,057	1,500	(1,557)	203.8
Professional services					
Payroll and accounting services	3,300	30,700	35,000	4,300	87.7
CRM ongoing and support	1,417	12,245	26,000	13,755	47.1
Year end audit	-	7,362	6,000	(1,362)	122.7
Miscellaneous legal	3,068	13,370	1,000	(12,370)	1,337.0
IT/Network/Support Fees	583	6,462	13,000	6,538	49.7
CRM Staff Training	-	7,271	5,000	(2,271)	145.4
Data Feeds from CRM	308	1,967	1,200	(767)	163.9
Economic Impact Calculator Integration	167	1,500	2,000	500	75.0
GSuite Storage and Email Sync	120	1,508	4,360	2,852	34.6
Remote Internet	-	-	1,050	1,050	-
Utilities	915	7,464	9,000	1,536	82.9
Office maintenance	319	2,851	7,500	4,649	38.0
Staff and volunteer parking					
Staff Parking	1,345	9,787	18,700	8,913	52.3
Volunteer Parking	182	685	1,500	815	45.7
Depreciation	3,730	33,570	-	(33,570)	-
	<u>25,087</u>	<u>220,509</u>	<u>248,215</u>	<u>27,706</u>	<u>88.8</u>
Total Administrative Expenses	<u>25,087</u>	<u>220,509</u>	<u>248,215</u>	<u>27,706</u>	<u>88.8</u>
Industry Relations					
Destinations International					
Membership dues	-	4,590	4,250	(340)	108.0
Annual Conference Attendance	-	-	3,500	3,500	-
MN Association of CVB's	-	-	2,000	2,000	-
Explore MN tourism	-	1,912	3,000	1,088	63.7
Southern MN Tourism					
Annual County Funding Contribution	-	1,850	1,800	(50)	102.8
Meeting attendance expenses	-	200	200	-	100.0
Chamber of Commerce	543	826	2,000	1,174	41.3
Service Clubs	-	100	2,000	1,900	5.0
Hospitality First	-	-	1,000	1,000	-
Hospitality Partner Meetings	-	-	450	450	-
MN Lodging Association	-	345	325	(20)	106.2
MN Tourism Growth Coalition	-	2,000	1,000	(1,000)	200.0
Other	-	1,175	-	(1,175)	-
	<u>543</u>	<u>12,998</u>	<u>21,525</u>	<u>8,527</u>	<u>60.4</u>
Total Industry Relations	<u>543</u>	<u>12,998</u>	<u>21,525</u>	<u>8,527</u>	<u>60.4</u>

See Independent Accountant's Compilation Report

ROCHESTER MINNESOTA CONVENTION AND VISITORS BUREAU

STATEMENT OF ACTIVITIES

For The One Month and The Nine Months Ended September 30, 2019

	Actual This Month	Year to Date Actual	Annual Budget	Budget Unused	Percent Used
Sales and Convention Services					
Economic Impact Calculator-Sports module	-	1,000	2,500	1,500	40.00
Convention subsidy					
Convention subsidy	-	80	-	(80)	-
Other venues	-	-	6,000	6,000	-
Transportation/parking	(28)	944	17,000	16,056	5.6
Sponsorships	-	-	2,000	2,000	-
Event signage program & supplies	-	1,131	4,000	2,869	28.27
Registration support	185	1,480	1,000	(480)	148.00
Client and partner meetings					
Go To Meeting Subscription	-	-	375	375	-
Other	160	308	2,125	1,817	14.5
	<u>317</u>	<u>4,943</u>	<u>35,000</u>	<u>30,057</u>	<u>14.1</u>
Total Convention Sales	<u>317</u>	<u>4,943</u>	<u>35,000</u>	<u>30,057</u>	<u>14.1</u>
Mayo Civic Center Sales & Marketing					
Mayo Civic Center website					
Search Engine Optimization	-	-	15,000	15,000	-
CMS Annual Licensing Fee	(666)	(2,000)	15,650	17,650	(12.8)
Interactive Seat Viewer Annual Licensing	-	19,090	8,400	(10,690)	227.3
User Generated Content Aggregation Mo	-	-	12,000	12,000	-
Freelance Writer Fees	-	-	1,000	1,000	-
Convention subsidy	13,942	218,070	174,130	(43,940)	125.2
Trade shows					
ASAE (annual & XDP)	5,610	18,589	16,000	(2,589)	116.2
The Nursing Organizations Alliance	-	168	3,000	2,832	5.6
Chicagoland CSAE HS	-	724	4,000	3,276	18.1
Associations North Meetings, Show & Exp	335	2,870	3,500	630	82.0
Unveiled/Wedding Extravaganza	-	683	4,000	3,317	17.1
HelmsBriscoe Annual & North Central Re	-	6,177	7,500	1,323	82.4
Conference Direct	-	10,375	9,500	(875)	109.2
Connect Faith	-	547	5,500	4,953	9.9
Connect Chicago	-	(2,911)	5,500	8,411	(52.9)
Connect & Collaborate Marketplace	4,592	2,129	9,500	7,371	22.4
Connect Medical	-	4,577	5,500	923	83.2
RCMA	-	181	-	(181)	-
Prospecting & lead generation					
Venue Coalition	-	-	15,000	15,000	-
R&G Business Development	-	21,000	21,000	-	100.0
Conference Direct Event	-	-	2,500	2,500	-

See Independent Accountant's Compilation Report

ROCHESTER MINNESOTA CONVENTION AND VISITORS BUREAU

STATEMENT OF ACTIVITIES

For The One Month and The Nine Months Ended September 30, 2019

	Actual This Month	Year to Date Actual	Annual Budget	Budget Unused	Percent Used
Mayo Civic Center Sales & Marketing (continued)					
Professional affiliations					
ASAE	-	-	475	475	-
Associations North	-	676	735	59	92.0
CMCA	-	-	250	250	-
HelmsBriscoe	-	-	6,000	6,000	-
PCMA	-	1,741	-	(1,741)	-
Sales trips					
Local/MN Sales Calls/Missions/Expenses	615	4,680	3,000	(1,680)	156.0
Out-state Sales Calls/Missions	-	23	5,000	4,977	0.5
MINT Database Subscription	-	5,200	7,350	2,150	70.7
Economic Impact Calculator-Meeting & Event	-	1,925	5,000	3,075	38.5
Site Visits & Tours	45	662	8,000	7,338	8.3
Bid Presentations	409	808	2,500	1,692	32.3
Attendance Building & VIP	41	543	3,000	2,457	18.1
Registration Support	-	-	1,000	1,000	-
Client & Partner Meetings	186	884	2,500	1,616	35.4
Collateral materials					
Sales Brochures/Proposal Supplies/Sell S	-	1,196	2,500	1,304	47.8
Trade Show Booths	-	555	1,000	445	55.5
Video Production	-	1,200	12,000	10,800	10.0
Photo Production	-	-	2,000	2,000	-
Graphic and HTML Design Services	-	-	2,500	2,500	-
Community relations					
Annual Meeting	40	40	4,000	3,960	1.0
Public Programming	-	-	500	500	-
Annual Report	-	-	1,200	1,200	-
Total Mayo Civic Center Sales & Marketing	25,149	320,402	408,690	88,288	78.4

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ROCHESTER MINNESOTA CONVENTION AND VISITORS BUREAU

STATEMENT OF ACTIVITIES

For The One Month and The Nine Months Ended September 30, 2019

	Actual This Month	Year to Date Actual	Annual Budget	Budget Unused	Percent Used
Marketing					
Media sales calls and site visits	-	819	500	(319)	163.8
Experience Rochester website					
CMS Annual Licensing	-	32,763	43,500	10,737	75.3
User Generated Content Aggregation Mo	-	9,000	12,000	3,000	75.0
Search Engine Optimization	2,000	1,373	24,000	22,627	5.7
Search Engine Marketing	-	15,000	15,000	-	100.0
Website maintenace	63	3,106	2,000	(1,106)	155.3
Estimated revenue generated from websit	-	(7,801)	(25,000)	(17,199)	31.2
Content generation					
Freelance Writer Fees	-	-	1,000	1,000	-
Content Partnerships	10,416	22,416	18,000	(4,416)	124.5
Social Media	2,200	20,673	26,400	5,727	78.3
Brand activation					
Downtown banners for light poles	-	2,331	6,000	3,669	38.9
Community relations					
Annual report to the community	-	-	4,000	4,000	-
Annual Meeting	-	-	4,000	4,000	-
Collateral materials					
Video Production & Editing	-	1,134	12,000	10,866	9.4
Graphic and HTML Design Services	-	203	2,500	2,297	8.1
Visitor guide	-	1,945	12,000	10,055	16.2
Digital Asset Management System	-	15,388	15,388	-	100.0
Visitor guide distribution program					
Direct Mail Campaign/Distribution Prog	-	(5,500)	-	5,500	-
Explore MN Enhanced Listing with Brochu	-	2,080	600	(1,480)	346.7
Rack Display Fees	-	-	600	600	-
Email marketing					
MailChimp	150	965	1,800	835	53.6
Other	-	18,371	480	(17,891)	3,827.3
Total Marketing	<u>14,829</u>	<u>134,266</u>	<u>176,768</u>	<u>42,502</u>	<u>76.0</u>

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ROCHESTER MINNESOTA CONVENTION AND VISITORS BUREAU

STATEMENT OF ACTIVITIES

For The One Month and The Nine Months Ended September 30, 2019

	Actual This Month	Year to Date Actual	Annual Budget	Budget Unused	Percent Used
Visitor Experience					
Programming and equipment	54	302	1,400	1,098	21.6
Professional Development	-	350	4,000	3,650	8.8
Visitor Engagement	-	10	6,000	5,990	0.2
Digital kiosk program					
E-Kiosk maintenance	-	623	-	(623)	-
OMNI Monthly Fee	2,874	39,136	10,200	(28,936)	383.7
Community host program					
Quarterly Appreciation Events	-	215	3,000	2,785	7.2
Volgistics Software	19	152	300	148	50.7
Recruitment & Marketing	-	-	700	700	-
Collateral materials					
Mayo Clinic Brochures	-	9,776	12,500	2,724	78.2
Map Publisher Module	-	-	6,000	6,000	-
Printed Tear-off Maps	-	2,819	7,000	4,181	40.3
Research (Experience Visitory Survey)					
Monthly Subscription	1,900	17,100	22,800	5,700	75.0
Meeting Costs, Facilitator Travel, Printing	-	-	5,000	5,000	-
Survey Completion Effort	-	60	5,000	4,940	1.2
Experience accreditation program					
Website Updates	-	-	5,000	5,000	-
Marketing to Consumers and Businesses	-	1,479	7,000	5,521	21.1
Mystery Shop Service	-	2,460	6,000	3,540	41.0
Certified tourism ambassador program					
CTA Program	-	(469)	-	469	-
Annual License Fee	-	13,420	15,000	1,580	89.5
Resource Guides	-	139	4,320	4,181	3.2
Mayo Civic Center Rental	225	900	1,800	900	50.0
Tour Transportation	-	1,500	2,600	1,100	57.7
Meeting Supplies Food & Beverage	-	741	1,200	459	61.8
Tour Materials	-	48	600	552	8.0
CTA Networking Events & Annual Celebr	25	55	6,500	6,445	0.8
CTA Pins & Certificates	-	628	400	(228)	157.0
Credit Card Processing fee	117	900	375	(525)	240.0
CTA Summit	-	-	2,500	2,500	-
Facilitator Recognition	-	14	1,000	986	1.4
Staff Renewals	-	-	600	600	-
Online Training	-	-	6,000	6,000	-
Marketing	-	315	2,000	1,685	15.8
Income	(258)	(2,350)	(17,710)	(15,360)	13.3
Other	30	71	-	(71)	-
Total Visitor Experience	4,986	90,394	129,085	38,691	70.0

See Independent Accountant's Compilation Report

ROCHESTER MINNESOTA CONVENTION AND VISITORS BUREAU

STATEMENT OF ACTIVITIES

For The One Month and The Nine Months Ended September 30, 2019

	Actual This Month	Year to Date Actual	Annual Budget	Budget Unused	Percent Used
Rochester Amateur Sports Commission					
Salaries	21,921	198,350	260,000	61,650	76.3
Payroll taxes	1,706	16,819	25,650	8,831	65.6
Employee benefits					
Medical insurance	2,528	10,375	15,000	4,625	69.2
Long term disability and life	25	1,336	3,200	1,864	41.8
HSA contributions	52	1,615	3,200	1,585	50.5
Pension contributions	935	11,507	13,000	1,493	88.5
Bonus & incentives	-	14,498	48,760	34,262	29.7
Sports event subsidy	20,648	(75,390)	67,450	142,840	(111.8)
ER funding for RASC	10,167	91,575	122,000	30,425	75.1
	<u>57,982</u>	<u>270,685</u>	<u>558,260</u>	<u>287,575</u>	<u>48.5</u>
Total Rochester Amateur Sports					
	<u>57,982</u>	<u>270,685</u>	<u>558,260</u>	<u>287,575</u>	<u>48.5</u>
Total Expenses	<u>247,229</u>	<u>1,896,200</u>	<u>2,746,793</u>	<u>850,593</u>	<u>69.0</u>
CHANGE IN NET ASSETS	<u>\$ (12,489)</u>	<u>\$ 305,944</u>	<u>\$ 61,307</u>	<u>\$ (244,637)</u>	<u>9.4</u>
Supplemental Information (Budget)					
Depreciation (Non-cash)	<u>(3,730)</u>	<u>(33,570)</u>	<u>-</u>	<u>33,570</u>	<u>-</u>
CHANGE IN NET ASSETS (BUDGET)	<u>\$ (8,759)</u>	<u>\$ 339,514</u>	<u>\$ 61,307</u>	<u>\$ (278,207)</u>	<u>9.4</u>

See Independent Accountant's Compilation Report

ROCHESTER MINNESOTA CONVENTION AND VISITORS BUREAU

STATEMENT OF CASH FLOWS - INDIRECT METHOD

For The Nine Months Ended September 30, 2019

	2019
Cash Flows From Operating Activities	
Change in net assets	\$ 305,944
Adjustments to reconcile change in net assets to net cash Provided by (used for) operating activities:	
Depreciation and amortization	33,570
(Increase) decrease in assets:	
Accounts receivable	39,676
Other	(108,147)
Increase (decrease) in liabilities:	
Accounts payable	(163,559)
Accrued liabilities	(162,768)
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Net Cash Provided By (Used For) Operating Activities	(55,284)
Cash Flows From Investing Activities	
Capital expenditures	(8,026)
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Net Cash Used For Investing Activities	(8,026)
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Net Increase (Decrease) In Cash And Cash Equivalents	(63,310)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	441,869
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CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 378,559
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ROCHESTER MINNESOTA CONVENTION AND VISITORS BUREAU

SUPPLEMENTAL SCHEDULE 1

SCHEDULE OF CASH AND CASH EQUIVALENTS

September 30, 2019

	2019
Cash in bank - checking and savings	
Operating account - Home Federal	\$ 334,560
Petty cash checking - Home Federal	1,000
Cafeteria account - Home Federal	500
Merchant services - Home Federal	27,154
CTA checking - Home Federal	15,345
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Total Cash in bank - checking and savings	<u>\$ 378,559</u>

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