

Rockford Area Convention & Visitors Bureau

Quarterly Report

FY19, Q1
July – September 2018



**News &
Notes**

Marketing

Sports

Meetings

Bookings



The mission of the Rockford Area Convention & Visitors Bureau is to drive quality of life and economic growth for our citizens through tourism marketing and destination development.

Sports & International Sales

International Efforts

RACVB hosted three familiarization tours in the 1st Quarter. **Silke Elzner**, a German blogger, visited Rockford on July 13 & 14. Silke posted eight placements online with one highlighting the Historic Auto Attractions Museum. In August, **Holger Jacob**, a writer for a German trade publication, FWV, kayaked on the Rock River, visited City Market, Laurent House and Anderson Japanese Gardens.



Veronica Lee, a UK journalist for iNews, was following the Wright Trail in Northern Illinois with stops at the Laurent House and Pettit Chapel in Belvidere. German media relations resulted in **45 placements** on Klehm Arboretum and Botanical Garden with **4.2 million readers**.



Sports Sales Highlights

The RACVB sports sales team opened FY19 in the midst of another busy July, which kicked off with the **2018 IWLCA JUNK Brands Midwest Cup**. For the second-straight year, more than 75 teams featuring some of the nation's best high school girls lacrosse players competed at Mercyhealth Sportscore Two. By mid-month, the team welcomed **Venues Unlimited** to the region for a site visit, which produced event leads for field hockey, lacrosse and volleyball. RACVB wrapped up July by taking a trip to Orlando, FL, to exhibit alongside the Rockford Park District at the Wheelchair Games.

In early August, the team submitted two major basketball bids—for the 2019 **NIKE Spring Showdown** and **2019 US Junior Nationals (USJN) Midwest Championships**. RACVB would later book the latter to secure the first USJN event for the UW Health Sports Factory. Moreover, the **Baseball for All Nationals**—the premier girls baseball nationals in the country—returned for the second straight year as part of a partnership with Friends of Beyer Stadium, the Park District, City of Rockford and RACVB. Toward the end of the month, RACVB welcomed back **Tough Mudder** to the Chicago International Airport for a third-straight year, and also attended Connect Sports Marketplace in Salt Lake City, UT.



Tough Mudder 2018



Baseball For All 2018

In September, the team welcomed USJN for its official pre-event visit to the UW Health Sports Factory, where the RACVB, Rockford Park District and RPS 205 coordinated a visit that laid the foundation for adding future dates as part of USJN's program schedule. For the fourth time in as many years, RACVB partnered again with Rock Valley College on a national championship bid process—this time for the rights to host the **2021-23 NJCAA Division III Men's Basketball Championship**. The basketball bids continued when RACVB submitted the community's proposal to host the **2019 National Wheelchair Basketball Association (NWBA) Girls Nationals**. In addition to these sales activities, RACVB also produced **Sport Stories** featuring Roscoe native and ESPN SportsCenter anchor Nicole Briscoe as its keynote presenter. The second annual event again celebrated the positive impact of sports tourism through some of the region's most successful athletes and sports business people.

Marketing

Media Partnerships & Earned Media

There were several earned media stories and articles that the RACVB and public relations partners DCI (Development Counsellors International) teams secured jointly this quarter.

The top highlighted stories and media mentions included two NPR podcasts featuring the Rockford Peaches.

The **Only a Game** podcast highlighted the Rockford Peaches' 75-year legacy and how this inspiration has brought baseball popularity back to girls today. The **Journeys of Discovery** podcast focused on how these women saved baseball during WWII. This podcast was a result of a strategic media familiarization tour where the RACVB hosted freelance writer Katya Cengel. These stories have collectively resulted in 1,098,674 impressions.

Additional coverage included: **StupidDope.com** featuring West Rock Wake Park and Pig Minds Brewing Company. Coverage on the Rockford Peaches from **WBUR-FM**, **Game Spotting Networks** (online), **New York Public Radio** and **KCBX-FM**. Culinary highlights including Prairie Street Brewing Company in a roundup of "40 Restaurants Where You Can See Fall Foliage" featured on **Cheapism blog** and **MSN**. Other seasonal stories pertaining to arts, culture and family experiences highlighted Anderson

Japanese Gardens and Tinker Swiss Cottage Museum in **Family Traveler's** write-up of best places to celebrate Halloween, and Tinker Swiss Cottage Museum received another media mention in **Wherever Family's** roundup of Sensationally Spooky Haunts for Big Kids.



StupidDope video about Pig Minds Brewing Company

Earned Media

(July - September, 2018)

RACVB uses **Meltwater**, a public relations management software, to track and report the effectiveness of media mentions and their ad value through various outlets; e.g., television, online, print, radio and social media.

RACVB also works with **Development Counsellors International (DCI)** to attract visitors by directly pitching stories to media. They focus pitches on economic development, tourism marketing and travel public relations.



\$208,549

Average ad value



22,545,825

Total impressions



2,950

Total mentions
(2,538 social, 212 broadcast,
172 online, 34 print)



\$366,498

Ad equivalency

3,298,212

Total impressions resulting
from direct media efforts

12

Strategic media mentions

Social Media



Facebook

25,165 followers
(205 increase)



Instagram

8,656 followers
(253 increase)



YouTube

382,005 video views
(4,992 increase)



Twitter

6,369 followers
(71 decrease)

Marketing

Website Statistics

Website Traffic Sources



Most Searched Terms

Rockford IL

Things To Do in Rockford IL

Go Rockford

Most Searched Events

Fall for Rockford

World War II Days

Roscoe Lions Club Fall Festival

Most Searched Attractions/ Restaurants

Anderson Japanese Gardens

Discovery Center Museum

Sinnissippi Park Music Shell

Promoting Rockford to Rockford

RACVB contributes to the **Rockford Chamber of Commerce's The Voice** publication each month. Topics from July through September highlighted the progress that has been made from RACVB's Forest City Beautiful initiative in the last four years, the community effort and engagement focused on Rockford Day—a celebration of all the reasons we love the Rockford region—and Visitor Spending and Tourism Growth that took place in 2017. In addition, the weekly "RACVB View" section of **The Rock River Times** highlighted various local attractions, businesses, organizations and initiatives working to make the community a better place to live, work and play in. This quarter, various topics focused on sites, events and attractions that drew large crowds, like the community-wide celebration for Rockford Day, Rockford City Market, Tough Mudder, Cycle on 2nd, Fall for Rockford, our local baseball team the Rockford Rivets, and public art installations throughout the community.

Thirty-two news releases were sent to our local media partners to keep them informed of what RACVB is working on and involved in. Content from these releases as well as weekly event promotions helped generate content shared through regular weekly radio spots with **Mid-West Family Broadcasting** (WXRZ, The Bull and B103) radio spots with **Townsquare Media** (WROK, The Eagle) live mentions with **local TV** (WIFR, WREX, WQRF, WTVO) and through print publications **Rockford Register Star** and **The Rock River Times**.

Advertising

The RACVB placed ads in various print publications and digital targeted placements. An international leisure print advertisement was placed in a **UK publication** that highlighted Prairie Street Brewing Company. Other sports-specific ads were placed with **Sports Destination** (digital), **Sports Planning Guide** (half page print ad and advertorial) and **Sports Travel** (full page ad). These ads allowed



August column in The Voice



Sports Planning Guide ad

us to creatively reach a very hyper-focused demographic of sports industry decision makers looking to book tournaments in the Rockford region as we promote ourselves as a destination that supports several traditional and non-traditional sports tournaments and events.

Meetings & Bookings

Meetings Market Updates

RACVB attended two separate trade shows specific to the meetings market in the past quarter. The first trade show was **CONNECT Specialty** held August 23 – 26 in Salt Lake City, Utah. RACVB conducted 26 one-on-one appointments that involved promoting the Rockford region to various groups, in addition to gathering information regarding potential meetings and groups. The other trade show attended was **Small Market Meetings Conference** held September 23 – 26 in Ontario, California. There were 37 one-on-one appointments

with various organizations to promote Rockford as a future destination for these groups. In addition to the trade shows, RACVB submitted an RFP in partnership with the Embassy Suites by Hilton to host the **2020 Upper Midwest CVB Conference** in September 2020. The bid for the **Pathfinders Bible Bowl 2019** to be held at the Rock Valley College PEC facility on April 26 – 27, 2019 was also confirmed. The event will bring an estimated 500 total room nights to the Rockford region.



Small Market Meetings Conference in Ontario, California

Booking Highlights for the Region

National Association of Housing and Redevelopment Officials

August 22 - 23, 2018
150 room nights
\$19,650 EEI

Special Olympics of Illinois Fall Games

October 19 - 21, 2018
300 room nights
\$54,000 EEI

Pathfinders Bible Bowl

April 26 - 27, 2019
536 room nights
\$70,216 EEI

Primetime Sports/Blue Star, 2019 Primetime Midwest Regional

May 18 - 19, 2019
400 room nights
\$72,000 EEI

U.S. Junior Nationals 2019 Midwest Girls Basketball Championships

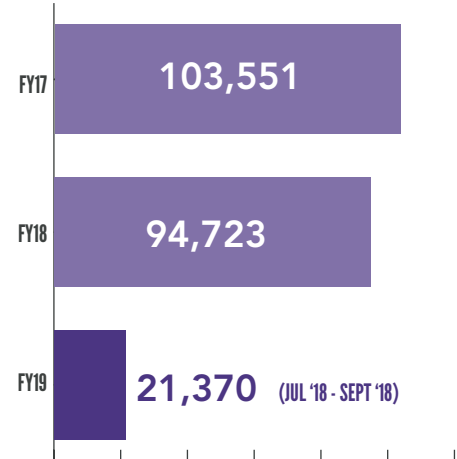
June 8 - 9, 2019
600 room nights
\$108,000 EEI

Rockford Raptors Puma Cup Champions Cup and College Showcase

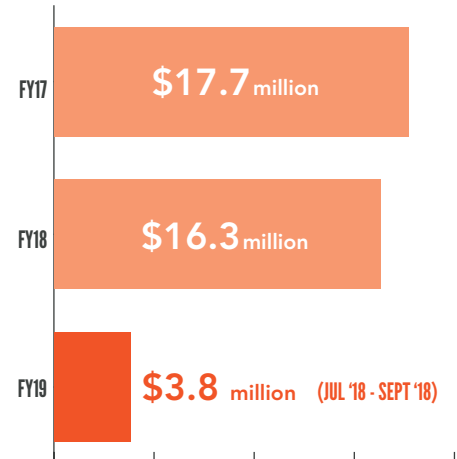
April 5 - 7 & April 12 - 14, 2020
6,000 room nights
\$1.8 million EEI

Total Q1 Booked Highlights EEI = \$2,123,866

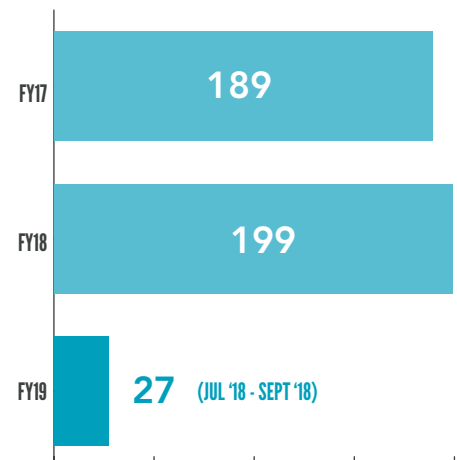
Future Hotel Room Nights Booked



Estimated Economic Impact



Number of Event Bookings



News & Notes

Downtown Mural

A new mural is added to Rockford's downtown area as part of the Forest City Beautiful initiative. Internationally known artist **Kelsey Montague** painted a **Rockford-inspired mural** on the building at Eddie Green Place located at the southwest corner of East State and 1st Streets.

Montague is an artist who is very interested in exploring how public art, interactive art and social media intersect. Her murals specifically invite people into a piece and then invite people to share their experience online. Her belief is that art should not be separated from the human experience. Instead the human experience should have a hand in creating the art itself. She has also designed for Swell bottles sold at Starbucks and TOMS shoes.



Forest City Beautiful is a multi-year initiative aimed at creating and maintaining beautiful landscapes in downtown Rockford. RACVB leads the effort in collaboration with the City of Rockford and other local donors who continue to make these efforts possible. As part of the initiative, RACVB has the responsibility to plan, install and maintain landscaping throughout downtown. This initiative has recently expanded to include public art installations and mural creations throughout the Rockford region.

Visitor Spending Reaches an All-Time High



Visitor spending in Rockford and Winnebago County reached an all-time high of **\$383.7 million in 2017**, an increase of 8.3 percent over 2016. The increase in visitor spending put an additional 196 people to work in new tourism industry jobs, with spending now supporting **3,084 jobs countywide** (an increase of 6.9 percent) and **\$93.8 million in payroll** (up 9.6 percent).

An analysis of visitor spending since 2009 shows that **tourism continues to grow faster in Winnebago County than all other metro areas in Illinois**. From 2009 to 2017, visitor spending in Winnebago County grew 51 percent; with local growth outpacing 12 other large counties and much faster than the set average of 35 percent. Major metropolitan counties that were used for comparison are Cook, McLean, DuPage, Champaign, Lake, Peoria, Will, Sangamon, St. Clair, Madison, Kane and Rock Island.

Winnebago County's share of its state competitive set (essentially counties that contain similar sized cities) has increased to 18.0% in 2017 from 16.3% in 2009 and 17.3 percent in 2016.

"The results are impressive and clearly indicate that tourism is a strong economic driver in Winnebago County," said David Anderson, RACVB's chairman of the board. "There have been several programs, events and initiatives that are bringing our community together to transform the Rockford region. Visitors

from all around the globe have taken notice. Each year we meet new people who travel here to experience the many great people and places our dynamic destination has to offer."

In addition to spending and employment increases, visitors are also generating increased funds for local and state tax coffers. In 2017, visitors paid \$21.8 million in state and \$6.78 million in local tax receipts (up 14.3 percent and 8.5 percent). Visitor expenditure, tax revenue and employment data comes from the U.S. Travel Association and the Illinois Department of Commerce.

“Tourism is a strong economic driver in Winnebago County.”

RACVB attributes the strong growth to a variety of factors. "The retooling of Chrysler's Belvidere Assembly Plant demonstrates the importance a robust manufacturing sector has on many sectors, including travel and tourism. The expansion of our sports facilities has helped drive increases in visitation especially in what has traditionally been our off season, and a positive general business climate and increases in leisure visitation to our sites and attractions all contributed to the growth in 2017 and since 2009," said John Groh, RACVB president/CEO.

News & Notes

Sport Stories 2018 Features Nicole Briscoe



RACVB was thrilled to bring back **Sport Stories** on Thursday, September 13, featuring **Nicole Briscoe**, ESPN SportsCenter anchor and Roscoe native, as this year's keynote and panel discussion moderator. Briscoe returned home to headline this educational luncheon at the Rockford Bank & Trust Pavilion at Aldeen Golf Club.

Sport Stories is the Rockford

region's platform for area sports heroes to give back by sharing their success stories—a narrative that stretches from their childhood days playing at parks and playgrounds in the Rockford area to athletics and life achievement globally. The event also serves as RACVB's annual sports tourism fundraiser, with all proceeds benefitting the RACVB Charitable Foundation.

In addition to her primary SportsCenter role, Briscoe also has worked for ESPN as host of the pre-race NASCAR Countdown program from 2011-2014, and as host and reporter for the news program NASCAR Now from 2008-2014. A 1998 Hononegah High School graduate, Briscoe also has contributed to the network's Major League Baseball and X Games coverage.

After the keynote presentation, Briscoe moderated a panel discussion featuring Rockford region natives **Jody Deery** (Rockford Speedway owner), **Kenny Gould** (Team USA Boxing

1988 Olympic bronze medalist), and **Darin Monroe** (Rock Valley College 5-time defending NJCAA championship head softball coach).

As part of the 2018 event, the inaugural **RACVB Sports Tourism Champion award** went to **Rockford Raptors FC** for its significant contributions to the industry in Rockford. The annual honor is awarded by the RACVB to a local organization, club team or person that embodies significant sports tourism achievement in the Rockford area and beyond.

As part of its Bring Your Game 2 Rockford (BYG2RKFD) campaign, RACVB launched Sport Stories in June 2017 when Corey Anderson, Rockton native and Ultimate Fighting Championship (UFC) light heavyweight contender, delivered the keynote presentation before joining a panel that featured area natives Fred VanVleet (Toronto Raptors point guard and RACVB Sports Tourism Ambassador), Angel Martinez (Team USA Boxing and Golden Gloves National Champion) and Misty Opat (4-time NJCAA Women's Basketball Champion Head Coach at Rock Valley College).



Business is Blooming 2018 Winners Announced

RACVB announced the 2018 **Business is Blooming** program winners who further the efforts of **Forest City Beautiful** and aim to enhance the Rockford region by beautifying their storefronts and entrances to their businesses. Business is Blooming exists to build a culture of community involvement and visually appealing environments for our city. The program supports and acknowledges the positive values and efforts displayed by our business owners to make Rockford a beautiful and enjoyable place to live, work and play. Activities that strengthen civic pride and

the customer experience are vital links to long-term success in the Rockford region. Rewarding beautification efforts acknowledges this value.

Now in its second year, the Business is Blooming program expanded the boundaries by more than



doubling the geographic area of businesses who could participate to include south of Riverside, west of Alpine, north of Broadway and east of Rockton Avenue. Out of 54 businesses, seven were chosen in select categories: Small Business (1-10 employees) **Trove**; Large Business (26+ employees) **UIC Health Sciences Campus – Rockford**; Restaurant Outdoor Dining **Sisters Thai Café**; Downtown Business **Restoration Café**; Returning Champion **Community Foundation of Northern Illinois**; Public Garden **Anderson Japanese Gardens**; and Attraction **Erlander/Nordic Cultural Center**.

RACVB Board of Directors

David Anderson (Chair), Anderson Japanese Gardens
Bill LaFever (Vice Chair), Bill Doran & Co.
Tim Myers (Treasurer), WIFR-TV
Jennifer Furst (Secretary), FurstStaffing
Chad Anderson, Anderson Chrysler Dodge Jeep Ram
Marcus Bacon, Radisson Hotel & Conference Center
Nathan Bruck, City of Loves Park
Nathan Bryant, Rockford Area Economic Development Council
Todd Cagnoni, City of Rockford
Bryan Davis, SupplyCore
Patricia Diduch, Village of Rockton
Einar Forsman, Rockford Chamber of Commerce
Kevin Frost, City of Rockford
Roberta Holzwarth, HolmstromKennedy PC
Marco Lenis, Vocational Rehabilitation Management
Carla Paschal, Winnebago County
Ted Rehl, City of South Beloit
Jay Sandine, Rockford Park District

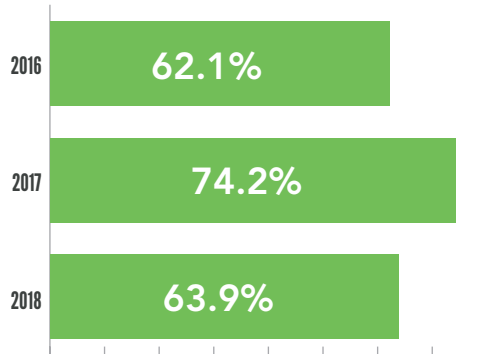
RACVB Staff

John Groh, President/CEO
Lindsay Arellano, Vice President of Sales & Service
Jenny Caiozzo, Destination Development Events Manager
Andrea Cook, Associate Director of Marketing & Comm.
Phil Elsbree, Senior Sales Manager
Mary French, Group Services Manager
Monique Gaines, Executive Assistant
Heidi Gee, Office Coordinator/Receptionist
Jennie Hahn, Group Services Specialist
Fred Harris, Visitor Services Assistant
Janet Jacobs, Marketing Assistant
Lindsey Kromm, Accounting Assistant
Elizabeth Miller, Creative Services Manager
Joanne Nold, Director of Finance & Administration
Kristen Paul, Destination Development Operations Manager
Nick Povalitis, Director of Sports Development
Tana Vettore, Director of Destination Development

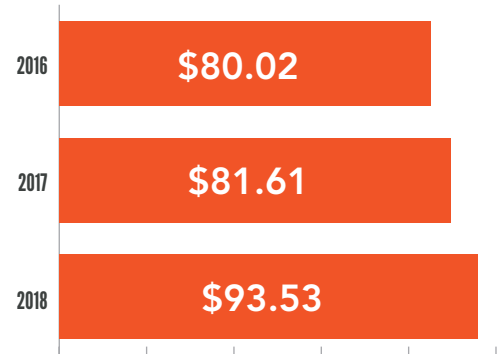
Winnebago County Hotel Statistics

(January – September 2018)

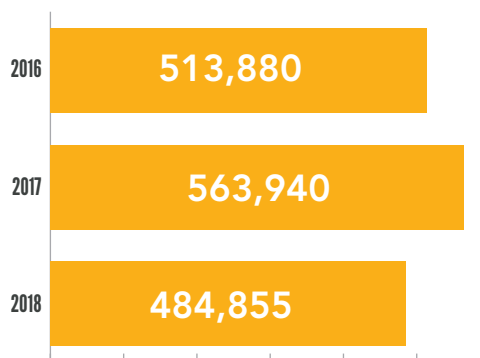
YTD Hotel Occupancy



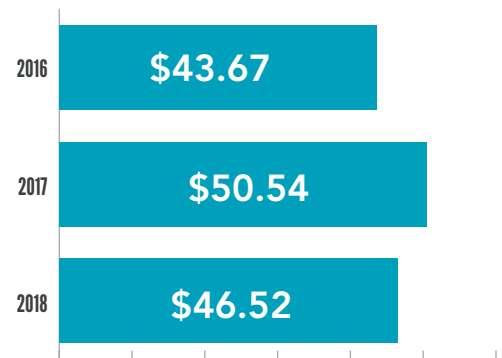
YTD Average Room Rate



YTD Hotel Room Demand (rooms sold)



YTD Revenue (in millions)



Rockford Sister City Reports

BORGHOLM, SWEDEN — The playground being built in Borgholm in the memory of John Nelson is still in progress and will be completed later this fall. The Swedish Historical Society donated a check for \$10,000 for the project.



FERENTINO, ITALY — The Rockford Italian Sister Cities Alliance (RISCA) Taste of Italy fundraising event will be held on Sunday, November 4, 2018 at the Venetian Club from 12 - 3 p.m. Currently there are 9 local Italian restaurants participating and a 200-ticket limit.

TOKMOK, KYRGYZSTAN — Four students received Visas to visit the United States and are currently studying at Rockford University and North Park University.



MEETING MINUTES

Rockford Area Convention & Visitors Bureau

June 27, 2018

Board of Directors Meeting Minutes

Board Present: John Groh, Jennifer Furst, Todd Cagnoni, Bill LaFever, Marcus Bacon, Bobbie Holzwarth, Patricia Diduch, Nathan Bruck, Mayor Ted Rehl, Kevin Frost, Jay Sandine, Nathan Bryant

Board Absent: David Anderson, Chad Anderson, Marco Lenis, Fred Wescott, Tim Myers, Einar Forsman, Bryan Davis, Carla Paschal

Staff Present: Joanne Nold, Tana Vettore, Lindsay Arellano, Nick Povalitis, Kristen Paul

Call to Order: The meeting was called to order at 7:34 a.m. by Bill LaFever

Approval of Meeting Minutes:

It was moved and seconded to approve the April 25, 2018 meeting minutes. Motion carried.

Internal Monitoring Reports:

It was moved and seconded to accept Monitoring Reports 2.8 and 2.9. Motion carried.

Audit/Budget Committee Report:

After discussion, upon the recommendation from the Audit/Budget committee, it was moved to approve the FY19 Budget as presented. The motion carried.

Bobbie Holzwarth made a motion and Jennifer Furst seconded to approve the RACVB incurring debt in the amount not to exceed \$125,000 for the purpose of renovating the Bureau's office space, and to authorize John Groh, in his capacity as President/CEO of the Bureau, to negotiate and execute all necessary loan documents, containing terms and conditions approved by the Bureau's legal counsel, including a repayment schedule no longer than 5 years, a competitive interest rate, and other commercially reasonable terms. The motion carried with unanimous approval.

CEO Report:

- A list of accomplishments/projects/events that RACVB has hosted over the past 6 weeks was shared. The board shared their appreciation for a job well done.
- Jay Sandine thanked Nick Povalitis and RACVB for a very successful FVV Fan Fest.

- 11 of 13 sculptures for RACVB's Sculpture Biennial were installed on Monday, June 25. \$26,500 was raised by the community to fund the artist lease agreements. The remaining 2 sculptures will arrive mid-July.
- Patricia Diduch shared that the Rockton River market is open and encouraged everyone to visit. Also, a shop local event is scheduled for July 14 from 10-4 with giveaways for shoppers throughout the day.
- The AAU 6th Grade Girls Nationals basketball tournament continues through 6/30 at UW Health Sports Factory. Attendance was encouraged.

The next meeting is Wednesday, July 25, 2018 at 7:30 a.m.

The board adjourned at 8:33 a.m.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Jennifer Furst", written in a cursive style.

Jennifer Furst, Board Secretary
KP

Rockford Area Convention & Visitors Bureau

August 29, 2018

Board of Directors Meeting Minutes

Anderson Japanese Gardens

Board Present: John Groh, Jennifer Furst, Todd Cagnoni, Marcus Bacon, Bobbie Holzwarth, Patricia Diduch, Nathan Bruck, Kevin Frost, Jay Sandine, Nathan Bryant, David Anderson, Chad Anderson, Marco Lenis, Einar Forsman, Bryan Davis

Board Absent: Fred Wescott, Tim Myers, Carla Paschal, Bill LaFever, Mayor Ted Rehl

Staff Present: Joanne Nold, Tana Vettore, Lindsay Arellano, Nick Povalitis, Kristen Paul

Call to Order: The meeting was called to order at 7:33 a.m. by David Anderson

Approval of Meeting Minutes:

It was moved and seconded to approve the June 27, 2018 meeting minutes. Motion carried.

Internal Monitoring Reports:

It was moved and seconded to accept Monitoring Reports 2.3 and 2.4. Motion carried.

Government Process:

Reconfirming the boards priority results was pushed back to the board retreat planned for early 2019. Any suggested additions or changes should be sent to the board Executive Team.

CEO Report:

- RACVB sales process and bookings presentation was shared by Lindsay Arellano, VP of Sales and Service. Sales planning and goals were laid out to show the reasoning behind which trade shows are attended and examples given on the servicing chairman or CEO. It was noted that many client relationships are formed and can take years to produce business. It was also noted how business is categorized and how need times are determined.
- Sport Stories is scheduled for September 13 at the Rockford Bank & Trust Pavilion. Please plan to attend and bring guests.
- Paint the Town Green is scheduled for October 12 at Klehm. Please plan to attend and bring guests. Proceeds benefit Forest City Beautiful.

- Stroll on State sponsorships are available. Currently at 69% of overall goal with \$132,000 dollars raised; This includes both new and returning sponsors.
- A new mural is being added to Eddie Green Place on September 22-27. The artist is internationally known and will bring a lot of attention to the public art scene.
- Fall for Rockford, a new event hosted by the River District Association, is scheduled for September 22. RACVB is a sponsor.
- A new digital ambassador program will begin in September. Look for information on the 815 Ambassadors Program.

The next meeting is Wednesday, September 26, 2018 at 7:30 a.m.

The board adjourned at 8:48 a.m.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'Jennifer Furst', written in a cursive style.

Jennifer Furst, Board Secretary
KP



MONITORING REPORTS



Rockford Area Convention & Visitors Bureau

MEMO

102 N. Main St.
Rockford, IL 61101
Ph 815-963-8111 Fax 815-963-4298

Date: July 18, 2018
To: RACVB Board of Directors
From: John Groh, President & CEO
Re: Summary of:
– Internal Monitoring Report on Management Limitations
Monitoring on Policy 2.3 – Financial Planning / Budget
– Internal Monitoring Report on Executive Limitations
Monitoring on Policy 2.4 – Financial Condition and Activities

Monitoring Report 2.3 refers to fiscal financial planning and budget. Monitoring Report 2.4 deals with RACVB's ongoing financial condition and has attached the preliminary Balance Sheet and preliminary Summary Income Statement as of June 30, 2018.

We are reporting compliance in all matters contained in monitoring reports for the period ended June 30, 2018.

The above-referenced reports have been e-mailed (in PDF format) to you for your review. If you would prefer hard copies, please contact me at jgroh@gorockford.com or by phoning 815.489.1673.

Please call me with any questions regarding these reports.



John Groh
President & CEO

**Internal Monitoring Report - Management Limitations
June 30, 2018**

Monitoring on Policy 2.3 – Financial Planning/Budget
Monitoring on Policy 2.4 – Financial Conditions and Activities

SUMMARY

- | | |
|--------------------------------------|---|
| 1. Compliance: | The President/CEO reports compliance on all 2.3 and 2.4 monitoring reports. |
| 2. Line of Credit: | RACVB ended the month of June with a \$0 balance on its line of credit. |
| 3. Total Current Net Assets: | \$819,229 |
| 4. Total Current Liabilities: | \$297,969 |
| 5. Board Governance: | Budgeted \$35,000 – year to date expenses are \$37,498 |
| 6. Total Operating Revenues: | \$2,786,775 year to date at June 30, 2018 for FY18 |
| 7. Total Operating Expenses: | \$2,588,267 year to date at June 30, 2018 for FY18 |
| 8. Trade Acts. Receivable: | \$9,061 (does not include hotel taxes or grants) |
| 9. Accounts Payable: | \$133,395 |
| 10. Total Cash on Hand: | \$449,192 |

SEE JUNE 2018 FINANCIALS

*Internal Monitoring Report – Management Limitations
Quarterly Monitoring on Policy 2.3 - Financial Planning/Budget*

To: RACVB Board of Directors
From: John Groh, President & CEO
RE: Internal Monitoring Report - Management Limitations
Monitoring on Policy 2.3 – Financial Planning/Budget

I hereby present my monitoring report on your Management Limitations Policy 2.3, “Financial Planning/Budget”, in accordance with the monitoring schedule set forth in Board policy. I certify that the information contained in this report is true.

Signed,



John Groh, President & CEO

July 18, 2018
Date

POLICY 2.3 – FINANCIAL PLANNING/BUDGETING

BROADEST POLICY PROVISION:

“Financial planning for any fiscal year or the remaining part of any fiscal year will not deviate materially from the Board’s Ends Priority, risk fiscal jeopardy, or fail to address multi-year planning considerations.”

CEO INTERPRETATION: (Same as previous report.) With the exception of the multi-year planning component, I submit that the Board has comprehensively interpreted this broadest policy statement in its subsequent provisions.

As to multi-year planning, I interpret this policy to require that we sufficiently project all capital and depreciation needs, as well as the development of financial resources needed to achieve our Board’s Priority End Results. I also interpret this policy to indicate that, as the President & CEO, I have the flexibility to revise budgetary projections throughout the year, but I am to keep the Board apprised of material changes, and any changes must meet all of the criteria in this policy.

My interpretations and reporting data are presented below. I will be utilizing the fiscal information provided in the June 30, 2018 preliminary financials.

REPORT: Our current budget, for the fiscal year ending June 30, 2018, projects a year-end surplus of \$5,429, and remains consistent with all provisions of this policy.

I am reporting compliance.

Accordingly, the President & CEO, shall not allow budgeting that:

2.3.1 “Risks incurring those situations or conditions described as unacceptable in the “Financial Conditions and Activities” Board policies 2.4.1 - 2.4.4.”

CEO INTERPRETATION: (Same as previous report.) I interpret this policy to require that I ensure that financial plans and budgets prepared must avoid the liquidity risk situations and conditions described as unacceptable in the Financial Condition and Activities Board policies 2.4.1, 2.4.2, 2.4.3 and 2.4.2. These policies include items such as expending more funds than have been received during a fiscal year relative to operating reserve guidelines, incurring the organization, settling payroll and payables in a timely manner and ensuring timely filing of government payments and filings.

REPORT: The FY18 Budget - adopted by the board on June 28, 2017 - was approved with a projected net profit of approximately \$5,400. As of June 30, 2018, we were in compliance with operating reserves equivalent to three months of operational costs (\$315,000) for payroll, payroll related expenses, technology, utilities, etc. In addition, the bureau did not make a draw on the line of credit during the fiscal year and, accordingly, therefore did not draw on the line of credit during the quarter ended June 30, 2018. All budgeted revenue for FY18 is consistent with our mission and all revenue received during the quarter ended June 30, 2018 was from sources consistent with our mission.

I am reporting compliance.

2.3.2 “Omits credible projection of revenues and expenses, separation of capital and operational items, cash flow, and disclosure of planning assumptions.”

CEO INTERPRETATION: (Same as previous report.) I interpret this policy to mean that the budget prepared, utilized and available for presentation must have adequate data to support the credibility of projections. It must highlight the separation of capital items from operational expenses, include a presentation of cash flow expectations for the year, and convey the key assumptions used in creating the projections.

REPORT: The Director of Finance & Administration, along with the President/CEO and program directors, developed the annual budget based on sales and marketing plans, historical financial data, and projected revenue from hotel taxes, state grants and other predictable sources. Capital expenditures were budgeted separately from expenses. A cash flow projection was prepared, along with a narrative budget summary of assumptions, and shared with the Audit Committee and RACVB Board for budget approval. Management is provided monthly financial reports comparing actual results to budget and the RACVB Board receives quarterly financial reports including a cash flow statement, along with financial analysis of any unanticipated activity. We ended the month of June 2018 with a \$0 balance on our line of credit, demonstrating that our revenue, expense and cash flow projections were reliable.

I am reporting compliance.

2.3.3 “Plans the expenditure in any fiscal year of more funds than are conservatively projected to be received.”

CEO INTERPRETATION: (Same as previous report.) This policy requires that a conservative projection of revenues must exceed our most realistic projection of expense for any fiscal year.

REPORT: Only revenue that is contracted for, is on hand from the retained earnings of prior years or is reasonably attainable (e.g. sponsorships) is budgeted.

The FY18 budget was prepared by management and approved by the board on June 28, 2017 to reflect conditions reasonably expected to be the “worst case scenario” for the fiscal year. Under this scenario, the board approved a budget with a projected net profit of approximately \$5,400.

I am reporting compliance.

2.3.4 “Omits allocation for board prerogatives during the year than as set forth in the Cost of Governance Board policy 4.10”

CEO INTERPRETATION: (Same as previous report.) As the Board establishes its budget for what it believes is important to invest in its own governance, this policy requires that I ensure that the annual budget I prepare for the corporation as a whole, allocates at least as much as is stated in the Cost of Governance policy for board prerogatives and functions.

REPORT: The amount set forth in our FY18 budget for the cost of Board prerogatives was \$35,000 and was budgeted for the following: annual meeting, audit and monitoring of organizational performance; surveys and retreats.

I am reporting compliance.

2.3.5 “Fails to maintain operating reserves equivalent to three months of basic operating expenses. Operating reserves are defined as available cash on hand in cash or highly liquid assets, and does not include any line of credit or other form of cash flow debt instruments in the calculation thereof.”

CEO INTERPRETATION: I interpret this policy regarding liquidity to require that our financial planning must maintain cash or cash equivalents of at least three months of basic operational costs (estimated at approximately \$315,000 for FY18). As outlined in the policy, this includes cash on hand and highly liquid assets, which I interpret to include the calculation of total short-term assets less short-term liabilities. Additionally, the calculation of operating reserves does not include access to any line of credit or other form of cash flow debt instruments.

REPORT: As of June 30, 2018, total current assets were \$819,229 and total current liabilities were \$297,969. This equates to total current net assets of \$521,260 less \$30,386 of board-designated reserve funds, resulting in a reserve of \$490,874. The reserve policy requires funds be maintained of at least three months of operational expenses, or approximately \$315,000.

I am reporting compliance.

REFER TO JUNE 2018 FINANCIALS

Attachments:

Income Statement, Balance Sheet, Cash Flow

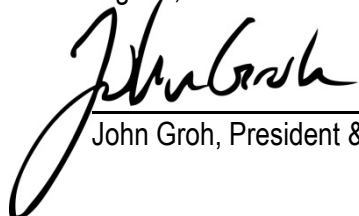
Prepared by: John Groh and Joanne Nold 7/18/18

Internal Monitoring Report – Management Limitations
Quarterly Monitoring on Policy 2.4 – Financial Condition and Activities

To: RACVB Board of Directors
From: John Groh, President & CEO
RE: Internal Monitoring Report- Executive Limitations
Quarterly Monitoring on Policy 2.4 – Financial Condition and Activities

I hereby present my monitoring report on your Management Limitations Policy 2.4, “Financial Condition and Activities”, in accordance with the monitoring schedule set forth in Board policy. I certify that the information contained in this report and the accompanying Income Statement and Balance Sheet (as of June 30, 2018) are accurate in all material respects.

Signed,



John Groh, President & CEO

July 18, 2018

Date

POLICY 2.4 – FINANCIAL CONDITION AND ACTIVITIES

BROADEST POLICY PROVISION:

“With respect to financial condition and activities, the President & CEO will not cause or allow the development of fiscal jeopardy or a material deviation of actual expenditures from the Board’s Ends priorities.”

CEO’s INTERPRETATION: (*same as previous report*) I submit that the Board’s concerns about avoidance of fiscal jeopardy are comprehensively interpreted in this policy’s subsequent provisions. Regarding expenditures, I interpret “material deviation of actual expenditures from the Board’s Ends priorities” to mean avoidance of waste, such that all expenditures are to be viewed as investments towards the achievement of RACVB’s Ends.

REPORT: My interpretations and reporting data on the fiscal jeopardy provisions are presented with those provisions, below. With respect to expenditures deviating from Ends policies, anticipated expenditures itemized in our FY 2018 budget were reviewed by the Board when monitoring to ensure adherence to our Financial Planning/Budgeting Policy (2.3). Material variances (none this reporting period) are noted in the monitoring of provision 2.4.5 below.

Accordingly, he/she may not:

- 2.4.1 “Expend more funds than have been received in the fiscal year to date unless the operating reserve guidelines are met according to 2.3.5.”**

CEO INTERPRETATION: (Same as previous report.) This policy requires that year-to-date expenses be less than corresponding revenues. Any exceptions are subject to the operating reserve guidelines.

REPORT: As of June 30, 2018, we have recorded operating revenues of \$2,786,775 and incurred operating expenses and depreciation of \$2,586,675 for a net profit of \$110,508. In addition, the operating reserve requirement has been met.

As of June 30, 2018, total current assets were \$819,229 and total current liabilities were \$297,969. This equates to total current net assets of \$521,260 less \$30,386 of board-designated reserve funds, resulting in a reserve of \$490,874. The reserve policy requires funds be maintained of at least three months of operational expenses, or approximately \$315,000.

I am reporting compliance.

- 2.4.2 “Indebt the organization, with the exception of: credit cards or credit accounts used for regular business purposes, and paid in full each month; accessing a Board-approved Line of Credit in an amount not to exceed \$100,000, with notification to Board Governance Committee of any draws on the line within four business days of each draw. Draws of over \$100,000 require Board approval. Any draw on the line should be viewed as short-term float and be accompanied by a plan for repayment, ideally within 90 days.”**

CEO INTERPRETATION: (Same as previous report.) This policy gives the CEO the latitude to approve any draws against the line of credit (currently maintained at \$250,000) within the parameters explicitly stated in the policy provision.

Further, I am to ensure RACVB credit cards are used only for CVB purposes and that balances are paid in full each month. However, consistent with my interpretation of Policy 2.4.3, I interpret that other credit accounts can be settled by the due date if terms are specifically agreed upon, and otherwise within thirty to sixty days.

REPORT: The Bureau entered the quarter with a balance of \$0 on the line of credit. As no draws were made during the quarter, it ended on June 30, 2018 with a line of credit balance of \$0, demonstrating the achievement of adequate operating reserves for this period. The total cash balance on June 30, 2018 was \$449,192, including board designated reserve funds of \$30,386 and funds held in trust of \$7,087. Additionally, corporate credit cards and credit accounts were only used for typical business purchases, and payments were made in a timely manner.

I am reporting compliance.

- 2.4.3 “Operate without settling payroll and payables in a timely manner.”**

CEO INTERPRETATION: (same as previous report) Payroll must be paid as required every other Friday. For other payables, I interpret “timely” to mean by the due date if terms are specifically agreed upon, and otherwise within thirty to sixty days.

REPORT: As of June 30, 2018, trade accounts payables totaled \$137,648. Payables continue to be settled within 30 days. Payroll has been paid timely on a bi-weekly basis.

I am reporting compliance.

- 2.4.4 “Allow tax or other government ordered payments or filings to be overdue or inaccurately filed. Requirements include but are not limited to annual independent audits, audit compliance, annual 990 statements, annual budgets, quarterly activity reports and financial statements; minutes, and agendas from Board meetings.**

CEO INTERPRETATION: (Same as previous report.) All tax and government required payments or filings (941s, W-2s, Form 990, etc.) must be made in a timely and accurate manner.

REPORT: All withholding taxes and other such payments or filings for the period have been made on time and accurately. Federal and state income tax withholdings have been submitted to the proper taxing authorities within 5 business days following the payroll dates. Federal and state unemployment taxes have been paid by the end of the month following the payroll quarter. There are no outstanding filings, and there have been no late penalties. The annual Form 990 was filed by the extended due date.

I am reporting compliance.

- 2.4.5 “Make a single purchase or commitment of greater than \$25,000 unless such purchase was explicitly itemized in monitoring reports previously disclosed to the board. Splitting orders and /or paying from two consecutive fiscal years to avoid this limit is not acceptable.”**

CEO INTERPRETATION: (Same as previous report.) The Board must specifically approve all single expenditures in excess of \$25,000 that were not previously disclosed as part of budget monitoring data.

Further, I interpret that individual expenditures when paid to a single vendor and in the aggregate meet or exceed \$25,000 do not require board approval as long as within overall projected expense for the fiscal year. As noted in the policy, splitting payments to avoid this limit is not acceptable.

REPORT: During the quarter, no purchase or commitment in excess of \$25,000 was made that was not specifically projected in the annual budget or subsequently approved by the board.

I am reporting compliance.

- 2.4.6 “Solely execute payments in an amount greater than \$5,000, or solely execute any payments to himself / herself. Signatures are to be in the priority order of signing as outlined in Policy 4.8.2.C where signatures on checks are required by Board member.”**

CEO INTERPRETATION: (Same as previous report.) No checks or electronic fund transfers (EFT's) can be solely executed in an amount greater than \$5,000, nor solely executed as payments to the President/CEO.

REPORT: For this period, no checks in an amount greater than \$5,000 have been executed solely, and no solely executed payments have been made to the President/CEO. Other signators were as specified in Policy 4.3.

I am reporting compliance.

2.4.7 “Acquire, encumber, lease or dispose of real property.”

CEO INTERPRETATION: (*Same as previous report.*) All decisions regarding the purchase, lease or sale of land or buildings are considered to be at the discretion of the Board of Directors.

REPORT: (*Same as previous report.*) At the end of this period, no real property has been encumbered, acquired, leased or disposed.

I am reporting compliance.

2.4.8 “Operate without aggressively pursuing material receivables in accordance with commonly accepted practices.”

CEO INTERPRETATION: (*Same as previous report.*) I interpret a “reasonable grace period” to be sixty (60) days, and “material” to be receivables that, when collected, are of greater value than the cost of collection (including staff time). I interpret “aggressively pursuing” to require regular follow up in writing, over the phone and when all other avenues have been exhausted and when the cost would benefit the recovery utilizing a collection agency.

REPORT: (*Same as previous report.*) At the end of this period, no material receivables were outstanding.

I am reporting compliance.

2.4.9 “Obtain revenues from sources that are not, in fact and appearance, legal and consistent with the ends policies, mission and values of the organization.”

CEO INTERPRETATION: (*Same as previous report.*) I interpret this policy as giving staff the authority to identify and generate new revenue streams and sources without requiring explicit board approval (so long as they would meet the “prudence” test). However, “prudence” in this case is further defined to preclude any revenue sources which conflict with our mission and values, and thus which could provide embarrassment to the organization and its constituents.

REPORT: (*Same as previous report.*) During this period, no revenues have been obtained from sources that are inconsistent with RACVB’s mission and values or would provide embarrassment to RACVB or its constituents.

I am reporting compliance.

2.4.10 “Use restricted funds for purposes other than stated by the contributor or use Board designated funds except as explicitly authorized by the Board.”

CEO INTERPRETATION: (Same as previous report.) This policy requires that we manage finances consistently with generally accepted accounting principles regarding the segregation and use of restricted funds. “Restricted” contributions are monies directed to the RACVB to be used for a specific purpose. Board designated funds are those funds the board had pre-determined to hold in reserve for specific purposes.

REPORT: (Same as previous report.) Finances have been managed in accordance with generally accepted accounting principles, and any restricted or board designated funds would be reported separately in the balance sheet attached to this report. Funds have only been used for their intended purposes.

I am reporting compliance.

2.4.11 “Operate without adequate internal controls over receipts and disbursements to avoid unauthorized payments or material dissipation of assets. The organization shall not have secret funds and it shall prohibit any unaudited transactions or loans.”

CEO INTERPRETATION: (Same as previous report.) Controls must be in place to ensure all receipts are properly recorded and disbursements are appropriately authorized. Further, all payments (checks, EFTs, credit card purchases, petty cash, etc.) must have corresponding documentation sufficient to satisfy the auditor. Finally, we may not make unaudited loans of any type.

REPORT: (Same as previous report.) Internal controls in place are consistent with Board policy and the generally accepted accounting principles (GAAP) prescribed by the Board-appointed auditors. As part of the annual audit, the Independent auditor reviews our internal control procedures in place during the year. The organization does not have secret funds and does not allow unaudited transactions or loans. The most recent audit reported a clean opinion.

I am reporting compliance.

2.4.12 “Pledge any of the assets of the corporation as security within any contracts.”

CEO INTERPRETATION: (Same as previous report.) No assets can be pledged as security within any contracts without board approval.

REPORT: During this period, no contracts have been signed pledging the assets of the corporation, nor are there any other contracts that have been signed pledging the assets of the corporation.

I am reporting compliance.

2.4.13 “Allow the expenditure of organizational funds for travel purposes which are not specifically related to or consistent with the organization’s purpose and functions.”

Internal Monitoring Report – Management Limitations
Quarterly Monitoring on Policy 2.4 – Financial Condition and Activities

CEO INTERPRETATION: (*Same as previous report.*) Compliance with this policy is achieved when all travel expenses can be justified as reasonable investments towards the achievement of our Priority Results.

REPORT: (*Same as previous report.*) All expenditures for travel during the quarter have been consistent with the organization's purpose and function.

I am reporting compliance.

REFER TO JUNE 2018 FINANCIALS

Attachments:

Income Statement
Balance Sheet
Cash Flow

Prepared by: John Groh and Joanne Nold 7/18/18

Rockford Area ConventionisitorsBureau
Statement of Financial Position
June 30, 2018
July 13, 2018

ASSETS

Current Assets

Petty Cash	\$ 132.00	
Cash - Operating IL B & T	404,213.69	
Cash - Board Designated Funds	30,386.01	
Cash - Funds Held in Trust	7,086.61	
Cash - Capital Planning & Dev	7,373.38	
Accounts Receivable	9,061.50	
City/County Gov't Receivable	163,697.10	
International Grant Receivable	38,600.12	
Due from Foundation	24,996.81	
Other Receivables	50,536.63	
Inventory	12,622.87	
Prepaid Expenses	<u>70,522.84</u>	
Total Current Assets		819,229.56

Property and Equipment

Furniture & Equipment	476,545.01	
Leasehold Improvements	517,830.56	
Accumulated Depreciation	<u>(715,432.66)</u>	
Total Property and Equipment		278,942.91

Other Assets

Long-Term Receivable	<u>50,000.00</u>	
Total Other Assets		<u>50,000.00</u>

Total Assets	<u><u>\$ 1,148,172.47</u></u>
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LIABILITIES AND CAPITAL

Current Liabilities

Funds Held in Trust	\$ 7,081.26	
Accounts Payable-Operating	133,395.46	
Accrued Accounts Payable	4,252.72	
Accrued Payroll	56,319.55	
Accrued Vacation Pay	37,103.96	
Payroll Taxes and Withholding	(1,393.92)	
Unearned Income	1,210.00	
Unearned Income City/Co	<u>60,000.00</u>	
Total Current Liabilities		297,969.03

Long-Term Liabilities

LT Unearned Income - City	<u>50,000.00</u>	
Total Long-Term Liabilities		<u>50,000.00</u>

Total Liabilities	347,969.03
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Capital

Net Assets	689,695.90	
Net Income	<u>110,507.54</u>	
Total Capital		<u>800,203.44</u>

Total Liabilities & Capital	<u><u>\$ 1,148,172.47</u></u>
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Rockford Area Conventionists Bureau
Income Statement
For the Twelve Months Ending June 30, 2018
July 13, 2018

	Current Month Actual	Year to Date Actual	Year to Date Budget	Variance	Budget
OPERATING REVENUES					
City/County Gov't Agreements	\$ 141,261	1,614,606	\$ 1,410,650	203,956	\$ 1,410,650
County, other city contracts	18,687	221,829	191,900	29,929	191,900
International Grant	12,699	166,705	166,705	0	166,705
LTCB Grant Revenue	30,849	370,188	370,188	0	370,188
Stroll on State	0	214,420	224,350	(9,930)	224,350
Forest City Beautiful	20,856	91,041	136,000	(44,959)	136,000
Paint the Town Fundraiser	0	0	35,000	(35,000)	35,000
Other Revenue	2,415	65,415	58,000	7,415	58,000
Coop Partnership Revenue	(4)	20,729	27,500	(6,771)	27,500
Advertising Revenue	452	15,786	20,630	(4,844)	20,630
Miscellaneous Income	1,565	6,029	5,500	529	5,500
Interest Revenue	2	27	60	(33)	60
TOTAL OPERATING REVENUES	228,782	2,786,775	2,646,483	140,292	2,646,483
OPERATING EXPENSES					
Total Personnel	128,428	1,102,499	1,100,963	1,536	1,100,963
Total Operations	17,001	140,568	158,305	(17,737)	158,305
Total Activities	158,775	1,343,200	1,291,786	51,414	1,291,786
TOTAL OPERATING EXPENSES	304,204	2,586,267	2,551,054	35,213	2,551,054
INCOME FROM OPERATIONS	(75,422)	200,508	95,429	105,079	95,429
NON OPERATING REVENUE FROM PARTNERS					
In-Kind Revenue	4,526	57,279	54,311	2,968	54,311
PARTNERSHIP REVENUE	(4,526)	(57,279)	(54,311)	(2,968)	(54,311)
NON OPERATING EXPENSES FROM PARTNERS					
Inkind Expenses	4,526	54,311	54,311	0	54,311
Inkind Expenses	0	2,968	0	2,968	0
PARTNERSHIP EXPENSE	4,526	57,279	54,311	2,968	54,311
INCOME FROM PARTNERS	0	0	0	0	0
Depreciation	7,500	90,000	90,000	0	90,000
Loss on Disposal	0	0	0	0	0
NET INCOME	(\$ 82,922)	110,508	\$ 5,429	105,079	\$ 5,429

For Management Purposes Only

Rockford Area Convention and Visitors Bureau
Cash Flow Projection
For the Year Ending June 30, 2018

	Actual July	Actual August	Actual September	Actual October	Actual November	Actual December	Actual January	Actual February	Actual March	Actual April	Actual May	Actual June	TOTALS
Initial Cash Balance (not including funds held in trust)	206,105	241,637	203,866	225,540	232,933	159,598	412,525	472,076	407,256	402,179	447,944	482,027	
Add Cash Receipts:													
City Contract*	136,587	171,301	164,533	147,932	147,475	148,288	111,066	86,573	121,954	103,199	137,469	137,414	1,613,791
County/Loves Park/S.Beloit Contracts*	25,058	21,552	20,156	27,196	18,791	18,394	21,411	12,769	11,919	17,081	14,765	15,360	224,450
International Grant**	24,748	3,890					83,353				44,752		156,743
LTCB Grant**						185,094	30,849	30,849	30,849	30,849	30,849	30,849	370,188
Forest City Beautiful	25,000	986						20,000		25,000		25,000	95,986
Stroll on State					8,836	210,857	5,150						224,842
Paint the Downtown Green	9,320												9,320
Advertising revenue	1,001	446	5,558	2,843	2,674		351	451	911	495	472	10,952	26,153
Annual Meeting										8,800	9,113	2,823	20,736
RAEDC grant/Other partners	1,500	16,785			23,469		14,791			15,000			71,545
Other Revenue - Rockton, Mach Park		10,000											10,000
Misc Income	1,056	749	585	8,792	711	1,115	5,834	1,382	86	6,063	731	5,348	32,451
Total Cash Receipts	224,269	225,708	190,832	186,763	201,956	563,747	272,804	152,024	165,719	206,487	238,151	227,745	2,856,206
Less Operating Expenses:													
Total Personnel	(89,446)	(90,964)	(84,971)	(85,651)	(89,086)	(124,101)	(79,882)	(79,857)	(79,031)	(81,300)	(91,649)	(128,428)	(1,104,366)
Total Operations	(9,908)	(5,622)	(20,732)	(10,592)	(10,594)	(13,060)	(13,055)	(11,404)	(7,175)	(9,635)	(11,858)	(17,001)	(140,636)
Total Activities	(89,383)	(166,893)	(63,938)	(83,127)	(175,612)	(173,659)	(125,716)	(125,583)	(84,590)	(69,787)	(100,561)	(122,238)	(1,381,087)
Total Operating Expenses	(188,737)	(263,479)	(169,641)	(179,370)	(275,292)	(310,820)	(218,653)	(216,844)	(170,796)	(160,722)	(204,068)	(267,667)	(2,626,089)
Plus Other Receipts:													
Receipts from Outstanding Receivables													
Less Other Disbursements:													
Payments for Outstanding Payables													-
Payments for Debt Service													-
Payments for Fixed Assets			(483)				(5,400)						(5,883)
End Cash Balance	241,637	203,866	225,540	232,933	159,598	412,525	472,076	407,256	402,179	447,944	482,027	442,105	
Line of Credit Activity:													
Beginning Balance	-	-	-	-	-	-	-	-	-	-	-	-	-
New Borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-
Payments	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending Line of Credit Balance	-	-	-	-	-	-	-	-	-	-	-	-	-

*Hotel tax receipts are one month in arrears.

**Grant program payments represent both prior year receivables and current year grant payments.



Governing Policy of the Board of Directors



Policy 2.0 Monitoring Report, General Executive Constraint

Management Limitations

To: RACVB Board of Directors
From: John Groh, President/CEO
RE: Internal Monitoring Report- Executive Limitations
Monitoring on Policy 2.0 – General Executive Constraint

I hereby present my monitoring report on your Executive Limitations Policy 2.0, “General Executive Constraint”, in accordance with the monitoring schedule set forth in Board policy. I certify that the information contained in this report is true for the annual period through September 2018.

The report is provided in its entirety in order to provide you with my interpretations of your policies, to inform you how they are being implemented within the organization, and to provide substantiation/evidence that organizational performance meets the policy expectations, as interpreted.

Signed,



John Groh
President/CEO

September 26, 2018

POLICY 2.0 – GENERAL EXECUTIVE CONSTRAINT

BROADEST POLICY PROVISION:

“The President/CEO will not cause nor allow any practice, activity, decision or organizational circumstance that is either unlawful, imprudent, or in violation of commonly accepted business and professional ethics and practices.”

CEO INTERPRETATION: (*no changes since last report*) I interpret “practice, activity, decision or organizational circumstance” to mean and include all operational activities, methods and decisions, i.e. those that occur under my authority as President and CEO of the Bureau. By definition this is not inclusive of the Board’s actions, although I am to inform the Board should I have any concerns regarding same.

I interpret “unlawful” to require that RACVB establish policies and implement practices that are in compliance with all applicable laws, ordinances and regulations of the jurisdictions in which we operate.

*Internal Monitoring Report – Executive Limitations
Quarterly Monitoring on Policy 2.0 – General Executive Constraint*

Regarding “ethics” and “prudence”, I submit that the Board has comprehensively interpreted these concerns in the other policy titles under “Management Limitations.” I further interpret this to mean that, should a circumstance arise about which the Board has not articulated any specific policies, it will use the test of “is this something a reasonably ethical CEO, exercising sound business judgment, might have done in this context?” as the “catch-all” criteria for evaluation.

I also interpret “commonly accepted business and professional ethics and practices” to mean that we conduct business in ways that are aligned with the stated best practices and ethics of our industry group, Destinations International. Achievement of this is marked, in part, by maintaining accreditation within the Destination Marketing Accreditation Program.

I also interpret this policy to mean that we communicate as appropriate and necessary to all board members, staff, contracted workers and our partners our expectation that they comply with such laws, ethics and best practices.

REPORT:

Our reports on prudence, ethics and business practices are, per my interpretation above, incorporated into specific monitoring reports provided to the Board on each of the other Management Limitations policies. I therefore am focusing this report on the policy provision proscribing against any “unlawful” actions or situations, and compliance with the “best practices” standards of Destination International Association.

The organization, its board, staff, contractors and partners conduct their RACVB-related business with sound judgment and prudence, and in ways that comply with these legal and industry standards. In the past year, no legal action has been brought against RACVB for breaches of any laws, regulations, ordinances or ethics violations and there have been no allegations made publicly (e.g. media) regarding such breaches of laws, regulations, ordinances or ethics violations. There have also not been any allegations or formal actions taken pertaining to RACVB not fulfilling any of its contractual commitments, nor was I aware of any situation that would cause such allegations.

As evidence that RACVB is in compliance with industry best practices and standards, as defined by Destinations International, the Destination Marketing Accreditation Program officially accredited RACVB in April 2009 and we completed annual requirements to maintain accreditation until 2017. Per requirements of the program, RACVB was to reapply in August 2017 for a term valid until 2025. RACVB received official re-accreditation notice in December of 2017. RACVB is one of only approximately 200 Convention and Visitor Bureaus that have met these standards, out of more than 1,500 CVBs in the US.

Additional, though anecdotal, evidence of the industry regard for RACVB is that President/CEO John Groh, having completed his three-year term on the Board of Directors of Destination Marketing Association International, was elected in 2015 to serve on the Destination International Foundation Board of Trustees and voted to Secretary/Treasurer in 2017, now chair-elect as of 2018. In addition to serving Destination International Association, Groh also serves as the chairman of the Illinois Council of Convention & Visitor Bureaus.

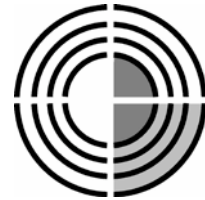
Additionally, to ensure lawful conduct, as well as to protect the assets and reputation of RACVB, staff regularly seeks professional counsel and guidance of legal, accounting/finance, human resource, marketing and destination marketing industry professionals. Use of an attorney’s counsel to protect the Bureau’s legal interests in the past year includes seeking counsel on human resource and personnel matters, and formulation of contracts and agreements between RACVB and the RACVB Charitable Foundation.

I am reporting compliance.

Prepared by: John Groh & Kristen Paul 9/26/18



Governing Policy of the RACVB Board of Directors



Policy 2.6 Monitoring Report, Emergency CEO Succession

Management Limitations

To: RACVB Board of Directors

From: John Groh, President/CEO

RE: Internal Monitoring Report- Executive Limitations
Monitoring on Policy 2.6 – Emergency CEO Succession

I hereby present my monitoring report on your Executive Limitations Policy 2.6, “Emergency CEO Succession,” in accordance with the monitoring schedule set forth in Board policy. I certify that the information contained in this report is true for the annual period through September 2018.

The report is provided in its entirety in order to provide you with my interpretations of your policies, to inform you on how they are being implemented within the organization, and to provide substantiation/evidence that performance does meet the policy expectations, as interpreted.

Signed,


John Groh

September 26, 2018

POLICY 2.6 – EMERGENCY EXECUTIVE SUCCESSION

BROADEST POLICY PROVISION:

“The President/CEO will not operate without management succession planning processes to facilitate smooth and competent operation of the organization during key personnel transitions.”

CEO INTERPRETATION: (*no changes since last report*) There must be at least one other member of our executive/management team with the capability of filling in as an interim CEO, as may be designated by the Board of Directors if I became unavailable. This person would have the capability to guide and lead the operational organization, and to support and communicate with the Board, with the ability to fulfill Board expectations about operations (i.e. achieving and complying with the Board’s Ends and Management Limitations policies).

REPORT: As of September 26, 2018 my executive leadership team includes: Lindsay Arellano/Vice President of Sales & Servicing, Joanne Nold/Director of Finance & Administration, Tana Vettore/Director of Destination Development and Nick Povalitis/Director of Sports Development.

Lindsay Arellano, Nick Povalitis and Joanne Nold are sufficiently apprised of organizational priorities and practices, including Board and chief executive issues and processes, and would consider stepping into this role if requested. They attend board meetings, regularly participate in executive-level training, are versed in Policy Governance - including RACVB's executive limitations, our budgeting processes, and are fully aware of all major issues and projects in which the RACVB is involved.

As such, at the current time, the board could feel confident in looking to them to take over as an interim successor, if necessary, and as directed by the board. Further, in doing so, the Board should feel confident that the interim successor would have a well-rounded leadership team surrounding them. Our leadership team consists of the following individuals:

Lindsay Arellano has worked for RACVB, in a variety of roles, since 2002. She received her BA from North Park University with a double major in business administration and Spanish. Prior to becoming our VP of Sales & Service, she was Director of Sales and Service and prior to that Senior Sports Sales Manager. The National Association of Sports Commissions certifies her as a Certified Sports Event Executive. Lindsay manages our sales and service teams, oversees all of our domestic group sales efforts, international marketing program and group customer service programs.

Joanne Nold is a Certified Professional Accountant and has been with RACVB since 2012. She received her BA in accounting from Loras College. Prior to joining our team, Joanne worked in public accounting for 22 years as an auditor and also in senior financial management roles in the non-profit sector. She has maintained her CPA certification for over 20 years. At RACVB, she oversees all areas of financial and operational management including budgeting, cash management, grant reporting and administration. As well, Joanne supervises all Information Technology and office administration and reception duties.

Tana Vettore earned a Bachelor of Science in Education from the University of Wisconsin, Whitewater. She developed and now leads our new product development efforts, including Stroll on State, Forest City Beautiful and our public sculpture initiative. Tana is a key leader in our efforts related to activating visitor amenities and experiences in downtown Rockford. She is a former educator and program administrator, as well as an elected member and officer of both the Hononegah and Kinnikinnick school district boards of education. Additionally, Tana is one of the founders and long-time leaders of Rockford Sharefest.

Nick Povalitis is a 2002 graduate (B.S., news-editorial journalism) of the University of Illinois. Nick is responsible for developing the sports market, including the booking of new events, bid process management and execution, sports marketing and sales strategy, and partnership development locally and externally. He also oversees the Bureau's comprehensive Bring Your Game 2 Rockford (BYG2RKFD) campaign, which includes trade publication advertising, content development, public relations outreach, brand consistency and event productions. He came to RACVB after working five years as a route manager at G&K Services. Prior to G&K, Nick worked in athletic media relations at Washington University in St. Louis from 2003-07.

I am reporting compliance.

2.6.1 "Operate without at least one other member of the executive/management team sufficiently familiar with board and chief executive issues and processes to take over with reasonable proficiency as an interim successor."

CEO INTERPRETATION: I interpret this to mean that there will be established processes in place to ensure the organization can continue to operate normally in the event that any key leadership positions become vacant. I currently interpret our “key leadership positions” as synonymous with our “executive team”, of which the staff positions include Vice President of Sales & Service, Director of Destination Development, Director of Finance & Administration and Director of Sports Development. “Transitions” for purpose of this policy would include people leaving their positions of employment with RACVB, or having to take a family or medical leave lasting more than twelve weeks.

REPORT: RACVB has established regular practices of communication, process implementation, professional development and cross-training which allow the organization to continue to function fully in the absence of and/or during the transitions of key positions.

As an example, the CEO and executive team members meet bi-weekly, both corporately and individually, to communicate key information regarding each department and RACVB as a whole. Weekly all-staff meetings ensure each staff member is up to date on current key projects and activities and are made accountable for all accounting processes. RACVB has a strong commitment to professional development, offering regular opportunities for individuals and the entire team to grow in their positions and areas of expertise.

Where cross training is not an option, contract services are available to ensure a seamless transition. For example Sue Buckwalter, of HR Concepts, Inc. serves as RACVB’s outside HR contractor assuring proper compliance with HR rules and regulations. Steve Andante, a local CPA, is available to RACVB if a sudden vacancy were to occur in our financial management area.

I am reporting compliance.

2.6.2 “Fail to have in place a “key person” life insurance policy in the amount of at least \$500,000 with Rockford Area Convention & Visitors Bureau as the named beneficiary.”

CEO INTERPRETATION: I interpret this to mean that the CEO needs to be insured with a sufficient amount of life insurance, with RACVB as designated beneficiary, so as to not put the organization’s financial condition into jeopardy, in case of the CEO’s untimely death and loss of chief executive services.

REPORT: A 20-year term Key Person Insurance policy, underwritten by Banner Life Insurance Company and naming RACVB as the primary beneficiary, was issued for John Groh on February 1, 2018 in the amount of \$650,000. The premium was paid on January 30, 2018. This policy is scheduled to renew in February of 2019.

I am reporting compliance.

Prepared by: John Groh & Kristen Paul 9/26/18



Governing Policy of the RACVB Board of Directors



Policy 2.7 Monitoring Report, Compensation and Benefits

Management Limitations

To: RACVB Board of Directors
From: John Groh, President/CEO
RE: Internal Monitoring Report- Executive Limitations
Monitoring on Policy 2.7 – Compensation and Benefits

I hereby present my monitoring report on your Executive Limitations Policy 2.7, “Compensation and Benefits,” in accordance with the monitoring schedule set forth in Board policy. I certify that the information contained in this report is true for the annual period through September 2018.

The report is provided in its entirety in order to provide you with my interpretations of your policies, to inform you on how they are being implemented within the organization, and to provide substantiation/evidence that organizational performance meets the policy expectations, as interpreted.

Signed,


John Groh
President/CEO

September 19, 2018

POLICY 2.7 – COMPENSATION AND BENEFITS BROADEST POLICY PROVISION:

“With respect to employment, compensation, and benefits to employees, consultants, contract workers and volunteers, the President & CEO shall not cause or allow jeopardy to fiscal integrity or public image.”

CEO INTERPRETATION: (no changes since last report) I submit that, regarding employment and compensation and benefits, the Board’s concerns and expectations regarding fiscal integrity and the Bureau’s public image are addressed by the subsequent provisions. My interpretations and reporting data are presented with those provisions below.

Accordingly, the President & CEO shall not:

2.7.1 “Change his or her own compensation and benefits.”

CEO INTERPRETATION: (no changes since last report) I interpret this to mean that I will not change or direct any employee or contractor to change my compensation (salary or any additional incentive pay) or benefits, except for changes that are consistent with the benefits program provided to all full-time employees.

Benefits are defined as any monetary or non-monetary benefit that the RACVB provides to the President/CEO including, but not limited to, insurance, paid time off, transportation, telecommunication devices, and computer equipment used primarily for business at home. Any change in the compensation package for the CEO needs to be administered by the Board Chairman, with the authorization of the Board Governance Committee, per Governing Policy 4.8.3, Product #4.

REPORT: I have not changed my own compensation and benefits package, or directed anyone else to change my compensation or benefits package. The current compensation package for the President/CEO is consistent with terms outlined and approved by the Board Chairman, after consultation with and concurrence of the Governance Committee, on August 21, 2017.

I am reporting compliance.

2.7.2 “Promise or imply anything other than “at-will” employment.”

CEO INTERPRETATION: (no changes since last report) I interpret this to mean that at no time will RACVB insinuate or promise any employee guaranteed employment or a permanent position with RACVB. I interpret “at-will employment” to mean that either party is free to terminate the employment relationship at any time, with or without cause. As this is a Management Limitations policy, I interpret this policy to simply mean that I have no authority to offer guaranteed employment, and if there is a circumstance in which an employment contract is, in my estimation, appropriate, the Board must authorize such an agreement.

REPORT: I have not promised or implied permanent or guaranteed employment to employees, consultants, contract workers or volunteers. Our personnel policies and all letters offering employment contain an employment “at will” policy. This means either the Bureau or the employee may terminate the employment relationship at any time and for any reason with or without advance notice. All employees annually sign an acknowledgement of having received and reviewed these personnel policies. Copies of these acknowledgements were verified to be on file for 100% of current staff as of 1/31/18, and subsequently with each new employee hired.

I am reporting compliance.

2.7.3 “Establish current compensation and benefits which deviate materially from the geographic or professional market for the skills employed.”

CEO INTERPRETATION: (no changes since last report) I interpret this to mean that at no time will RACVB compensate an employee or contractor an amount that is not comparable with other similar positions within the Midwest region and/or within the professional arena, which for purposes of this policy I interpret to mean not only other destination marketing organizations, but also similar positions in membership associations and/or the hospitality industry (e.g. sales positions). To be fiscally sound and yet have a reputation as a competitive employer, I interpret not “deviating materially” from the market to mean that we should target to have total value of compensation and benefits be within + or – 20% of the median for comparable positions, with placement on that range based on years of experience, specific job descriptions, etc. If to be competitive I felt it important to compensate a senior staff member anything above that variance, my interpretation is that I should first bring this issue, along with appropriate rationale, to the attention of the Governance Committee.

REPORT: Current compensation and benefits are compared regularly with other Convention and Visitors Bureaus using region, size, budget, number of employees and similar non-profit status for analysis. Specifically, we use the annual Destination International's Compensation & Benefit Survey/Report and the American Society of Association Executives Benefit Survey as our data resources in our review.

We also examine and compare our compensation and benefits with those of other local non-profit organizations, government agencies and hospitality related businesses and associations. This data is gathered through readily available internet sources and through research/discussion with local human resource professionals and data sources.

We annually review our sales incentive plan as well as the employee contribution percentages for the payment of dental and health insurance premiums.

I am reporting compliance.

2.7.4 "Pertaining to consultants and contract vendors, create obligations over a longer term than revenue can be safely projected, in no event longer than one year."

CEO INTERPRETATION: I interpret this to mean that at no time will RACVB commit its resources to a consultant or contract vendor for a period of time beyond what we can project revenues, and no longer than one year. However, I interpret smaller contracts, e.g. those with a total expenditure commitment by RACVB to be less than \$10,000 over the life of the contract to be a reasonable exception. This has traditionally excluded small leases for equipment, computers, etc. However, if a project or vendor requires a longer term for a contract, there must be a reasonable out clause (i.e. – 30 or 90 days).

REPORT:

- RACVB and the City of Rockford entered into a new agreement for services on January 1, 2017 and through December 31, 2022. This allows the Bureau to project revenues beyond the end of the below commitments. The Board approved this agreement in December 2016.
- In April 2017 RACVB entered into a new agreement with the City of Rockford for the Forest City Beautiful initiative, the agreement expires in December 2020. The Board approved this agreement on April 28, 2017. However, contracts with hired vendors are for shorter period of time (e.g., a growing/maintenance season) and do not extend beyond one year.
- RACVB leases space at 102 N Main St. from the City of Rockford. This lease was renewed on January 1, 2017 and expires December 31, 2022, in tandem with our contract for services with the City, and was approved by the Board on December 14, 2016.
- RACVB renewed a four-year contract with Aramark for floor mats in August 2017. The cost per year is \$1,456. The contract does have an appropriate out clause.
- RACVB renewed its agreement with Simpleview, Inc. for a Customer Relationship Management and internet/cloud-based system (sales software/database program) in January 2016 for (3) one-year terms. Total cost per year for license/use of this system is \$12,000.
- RACVB entered into a multi-year agreement with Simpleview, Inc. for Content Management Software (CMS) licensing in November 2015. The CMS is the "backend" database and systems that

powers our website. The agreement expires June 30, 2019. The annual licensing fee is \$34,100.

- RACVB entered into an agreement in August of 2015 with TDS Telecommunication for phone service in the amount of \$885 per month for 60 months. The contract has appropriate out clause provisions.

No other obligations to consultants or contract vendors have been created for a term longer than revenue can be safely projected and not longer than one year except as described above.

I am reporting compliance.

2.7.5 “Establish or change retirement benefits so as to cause situations that are unpredictable for the organization or inequitable for the employee.”

CEO INTERPRETATION: (no changes since last report) I interpret this policy to mean that while, per provision #2.7.3 above, I have authority to establish certain benefit programs as long as consistent and competitive with the marketplace, I may not enter into or revise such benefits if the consequence to RACVB would be either unknown in advance or not equitable among affected employees. Our 401(k)-retirement plan is a “defined contribution” plan, which has legal stipulations regarding it being applied equitably among participants.

REPORT: Our 401(k) plan is administered by American Chamber of Commerce Executives in accordance with government guidelines and common business practices. Full-time employees may make voluntary contributions after one year of service. After one year of service, RACVB contributes 4% of gross salary and matches employee contributions up to 2% of gross salary, which is predictable and included in our budget forecasting. Our plan has not incurred unfunded liabilities.

I am reporting compliance.

Prepared by: John Groh & Joanne Nold 9/19/18

A thick red rectangular border surrounds the central text.

FY18 AUDIT REPORT

**ROCKFORD AREA CONVENTION
AND VISITORS BUREAU**

Consolidated Financial Statements
and Supplemental Information

June 30, 2018 and 2017

(With Independent Auditor's Report Thereon)

ROCKFORD AREA CONVENTION AND VISITORS BUREAU

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BENNING GROUP, LLC

CERTIFIED PUBLIC ACCOUNTANTS

www.BenningGroup.com

Independent Auditor's Report

The Board of Directors
Rockford Area Convention and Visitors Bureau
Rockford, Illinois

We have audited the accompanying consolidated financial statements of Rockford Area Convention and Visitors Bureau (RACVB) which comprise the consolidated statements of financial position as of June 30, 2018 and 2017, and the related consolidated statements of activities, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated 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 audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated financial statements 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 entity's internal control. Accordingly, we express no such opinion. 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 consolidated financial statements.

50 W. Douglas Street, Suite 801
Freeport, Illinois 61032
(815) 235-3157
Fax (815) 235-3158

6815 Weaver Road, Suite 300
Rockford, Illinois 61114
(815) 316-2375
Fax (815) 316-2389

1809 10th Street
Monroe, Wisconsin 53566
(608) 325-5035
Fax (608) 328-2843

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

Opinion

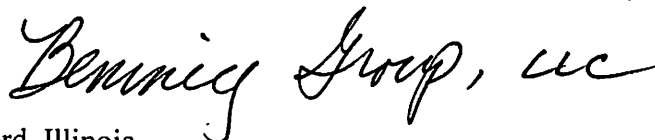
In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Rockford Area Convention and Visitors Bureau as of June 30, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance 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 September 18, 2018, on our consideration of RACVB'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 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 RACVB's internal control over financial reporting and compliance.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The schedules on pages 16 through 19 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole. The budget amounts included on the schedules on pages 16 and 17 have not been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

A handwritten signature in cursive script that reads "Benning Group, LLC".

Rockford, Illinois
September 18, 2018

ROCKFORD AREA CONVENTION AND VISITORS BUREAU

Consolidated Statements of Financial Position

June 30, 2018 and 2017

Assets	2018	2017
Current assets:		
Cash and cash equivalents	\$ 503,002	235,788
Cash held on behalf of others	7,087	8,426
Accounts receivable	18,312	30,875
Pledges receivable	17,635	5,500
Sponsorship receivable	95,000	135,000
Grant receivable – International Tourism	38,600	28,638
Grant receivable – Other	–	54,285
Receivable from City/County government	163,697	165,503
Receivable from community initiatives	100,000	150,000
Other receivable	3,536	11,009
Prepaid expenses	83,430	63,394
Total current assets	1,030,299	888,418
Fixed assets:		
Leasehold improvements	508,573	508,573
Furniture and equipment	451,649	448,895
Construction in process	9,258	–
Capitalized works of art	21,000	22,250
	990,480	979,718
Less accumulated depreciation	(706,890)	(625,433)
Net fixed assets	283,590	354,285
	\$ 1,313,889	1,242,703
Liabilities and Net Assets		
Current liabilities		
Accounts payable	140,927	102,942
Custodial funds	7,087	8,426
Accrued expenses	96,509	105,224
Unearned revenue	223,210	323,710
Total current liabilities	467,733	540,302
Net assets:		
Unrestricted:		
Undesignated	798,009	666,404
Board designated	30,512	30,497
	828,521	696,901
Temporarily restricted – time restriction	17,635	5,500
Total net assets	846,156	702,401
	\$ 1,313,889	1,242,703

See accompanying notes to consolidated financial statements

ROCKFORD AREA CONVENTION AND VISITORS BUREAU

Consolidated Statements of Activities

For the Years Ended June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Changes in unrestricted net assets		
Revenue and support:		
City/County government agreements	\$ 1,846,435	1,687,122
Grants – State of Illinois:		
International Tourism	166,705	200,579
Local Tourism and Convention Bureau (LTCB)	370,188	381,346
Community initiatives revenue	326,433	300,679
Special events, net of direct expenses of \$1,672 and \$20,071 for the years ended June 30, 2018 and 2017, respectively	(1,672)	15,834
Partnership revenue	97,376	60,028
Interest income	27	235
In-kind revenue, principally sales/marketing services and facility rent	57,279	61,266
Miscellaneous	<u>7,729</u>	<u>34,144</u>
Total unrestricted revenue and support	2,870,500	2,741,233
Net assets released from restrictions – satisfaction of time restrictions	<u>5,500</u>	<u>1,500</u>
Total unrestricted revenue and support and net assets released from restrictions	<u>2,876,000</u>	<u>2,742,733</u>
Expenses:		
Salaries and benefits	1,016,516	986,310
Employment taxes	68,555	67,627
Recruitment	8,242	3,819
Sales and marketing services	838,050	946,163
Community initiatives	258,517	256,639
Outside services	37,431	75,367
Meetings	58,785	49,494
Insurance	15,365	16,149
Occupancy	72,904	75,696
Utilities	13,123	14,724
Equipment rental and maintenance	25,583	22,047
Telephone	22,259	19,773
Printing	53,510	62,724
Travel and site visits	63,163	75,109
Professional development	13,664	17,939
Office expenses	48,091	44,179
Research	39,922	34,798
Depreciation and amortization	85,056	88,938
(Gain) loss on disposition of assets	(502)	464
Interest	–	–
Donations	4,350	–
Miscellaneous	<u>1,796</u>	<u>804</u>
Total expenses	2,744,380	2,858,763
Increase (decrease) in unrestricted net assets	<u>131,620</u>	<u>(116,030)</u>
Changes in temporarily restricted net assets:		
Community initiatives revenue	17,635	5,000
Net assets released from restrictions	<u>(5,500)</u>	<u>(1,500)</u>
Increase in temporarily restricted net assets	<u>12,135</u>	<u>3,500</u>
Increase (decrease) in net assets	143,755	(112,530)
Net assets at beginning of year	<u>702,401</u>	<u>814,931</u>
Net assets at end of year	\$ <u>846,156</u>	<u>702,401</u>

See accompanying notes to consolidated financial statements

ROCKFORD AREA CONVENTION AND VISITORS BUREAU

Consolidated Statements of Cash Flows

For the Years Ended June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Cash flows from operating activities:		
Change in net assets	\$ 143,755	(112,530)
Adjustment to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	85,056	88,938
(Gain) loss on disposition of assets	(502)	464
Increase (decrease) in cash flow due to changes in assets and liabilities:		
Accounts receivable	12,563	(13,057)
Pledges receivable	(12,135)	(3,500)
Sponsorship receivable	40,000	(100,000)
Grant receivable – International Tourism	(9,962)	(15,352)
Grant receivable – Other	54,285	59,332
Receivables from City/County government	1,806	32,653
Receivables from community initiatives	50,000	(150,000)
Other receivable	7,473	(10,033)
Prepaid expenses	(20,036)	32,427
Accounts payable	37,985	(93,936)
Accrued expenses	(8,715)	7,265
Unearned revenue	<u>(100,500)</u>	<u>173,883</u>
Net cash provided by (used in) operating activities	<u>281,073</u>	<u>(103,446)</u>
Cash flows from investing activities:		
Proceeds from sale of fixed assets	800	750
Purchase of fixed assets	<u>(14,659)</u>	<u>(9,266)</u>
Net cash used in investing activities	<u>(13,859)</u>	<u>(8,516)</u>
Net increase (decrease) in cash and cash equivalents	267,214	(111,962)
Cash and cash equivalents:		
Beginning of year	<u>235,788</u>	<u>347,750</u>
End of year	\$ <u>503,002</u>	\$ <u>235,788</u>
Supplemental disclosures of cash flow information –		
Cash payments for interest	\$ <u>–</u>	\$ <u>–</u>
Supplemental schedule of noncash investing and financing activities –		
Disposal of fully depreciated fixed assets	\$ <u>2,646</u>	\$ <u>14,244</u>

See accompanying notes to consolidated financial statements

**ROCKFORD AREA CONVENTION
AND VISITORS BUREAU**

Notes to Consolidated Financial Statements

June 30, 2018 and 2017

(1) Nature of the Organization and Significant Accounting Policies

(a) Principles of Consolidation

The accompanying consolidated financial statements include Rockford Area Convention and Visitors Bureau (RACVB) and Rockford Area Convention and Visitors Bureau Charitable Foundation (Foundation). Consolidation of these organizations for financial statement purposes is required under US generally accepted accounting principles since both organizations are under common control. All material intercompany items and transactions have been eliminated in consolidation.

(b) Nature of Business

RACVB promotes and encourages tourism in the Winnebago County and Northern Illinois area. Major programs include publication of tourism materials, participation in trade shows, and development and implementation of marketing and promotional activities for the area. The Foundation was created during fiscal year 2016 for the purpose of soliciting private funding to help support the community initiatives of RACVB.

(c) Cash and Cash Equivalents

For the purpose of the statements of cash flows, RACVB considers all deposits with an initial maturity of three months or less to be cash equivalents.

RACVB maintains deposits in bank accounts that may exceed federally insured limits. At June 30, 2018 the bank balance of the deposits in excess of federal deposit insurance was approximately \$343,000. Management believes that the risk related to this concentration is minimal.

(d) Income Taxes

RACVB and the Foundation qualify for tax-exempt status under Section 501(c)(6) and 501(c)(3) of the Internal Revenue Code, respectively.

RACVB and the Foundation have evaluated their tax positions for all open tax years. Currently, the tax years open and subject to examination by the Internal Revenue Service are the fiscal years ending June 30, 2015, 2016 and 2017. However, RACVB and the Foundation are not currently under audit nor have the organizations been contacted by any jurisdiction. Based on the evaluation of

ROCKFORD AREA CONVENTION AND VISTORS BUREAU

Notes to Consolidated Financial Statements

RACVB and the Foundation's tax positions, management believes all tax positions taken would be upheld under examination. Therefore, no provision for the effects of uncertain tax positions has been recorded for the years ended June 30, 2018 and 2017.

(e) *Estimates*

The preparation of the consolidated financial statements is in conformity with accounting principles generally accepted in the United States of America and requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(f) *Donated Services*

RACVB makes use of the services of a number of volunteers to assist its staff. Over 7,500 and 7,100 volunteer hours were provided to the RACVB for Stroll on State during fiscal year 2018 and 2017, respectively. No amounts have been reflected in the consolidated financial statements for these donated services as they do not meet the recognition criteria of generally accepted accounting principles.

(g) *Depreciation and Amortization*

Fixed assets in excess of \$1,000 are capitalized and depreciated over the estimated useful lives of the respective assets using the straight-line method. RACVB also groups similar costs together into projects for the different community initiatives. Project costs in excess of \$3,000 are capitalized and depreciated over the estimated useful lives of the respective assets using the straight-line method. Donated equipment is capitalized at estimated fair market value at the date of donation. Leasehold improvements are amortized over the life of the lease including any extensions.

(h) *Revenue Recognition*

All grants are considered to be available for unrestricted use unless specifically restricted by the donor. Restricted grants whose restrictions are met during the same reporting period are recognized as unrestricted revenue. RACVB recognizes these grants as revenue when earned.

**ROCKFORD AREA CONVENTION
AND VISTORS BUREAU**

Notes to Consolidated Financial Statements

(i) *Advertising Costs*

It is the policy of RACVB to expense advertising costs as incurred. RACVB expensed \$240,718 and \$348,597 of advertising costs for the years ended June 30, 2018 and 2017, respectively. These expenses were included in sales and marketing services, community initiatives, and printing expenses.

(j) *Custodial Funds*

RACVB manages custodial funds on behalf of certain other nonprofit organizations and groups.

(2) *Agreements with City and County Governments and Community Initiatives*

RACVB receives funds from the hotel/motel taxes collected by the Cities of Rockford, Loves Park, and South Beloit, and Winnebago County pursuant to agreements which require the funds to be used solely to promote tourism, conventions, and other special events to attract nonresidents.

Effective January 1, 2017 RACVB entered into an agreement with the City of Rockford (City) to receive 3.5% of the 5% gross hotel/motel tax proceeds, as the agency designated by the City to promote tourism and conventions. The City agreement expires December 31, 2022.

During fiscal year 2017, RACVB entered into a new development agreement with the City to support the Forest City Beautiful initiative to enhance and beautify Rockford's civic spaces within the downtown area of the City. The City will contribute a minimum of \$50,000 annually (maximum of \$70,000 annually) for this community initiative. This agreement expires December 31, 2020. In both the fiscal years ending June 30, 2018 and 2017, \$70,000 was recognized as community initiative revenue in the consolidated statement of activities. The remaining \$100,000 expected to be collected over the next two fiscal years has been recorded as a receivable from community initiatives as well as unearned revenue in the consolidated statement of financial position as of June 30, 2018.

RACVB received approximately 63.9% and 61.4% of its revenue from these sources during fiscal years 2018 and 2017, respectively. A substantial reduction of this revenue, if this were to occur, would have a significant effect on RACVB's programs and activities.

**ROCKFORD AREA CONVENTION
AND VISITORS BUREAU**

Notes to Consolidated Financial Statements

(3) Grants – State of Illinois

International Tourism

In 2018 and 2017 RACVB received grants from the Illinois Department of Commerce and Economic Opportunity for the International Tourism grant in the amount of \$166,705 and \$200,579 respectively. The grants require RACVB to provide a 50% cash match for all grant funds received in 2018 and 2017. RACVB's expenditures were sufficient to meet the matching requirement.

Local Tourism and Convention Bureau

In 2018 and 2017 RACVB received grants from the Illinois Department of Commerce and Economic Opportunity for the Local Tourism and Convention Bureau grant in the amount of \$370,188 and \$381,346, respectively. The grants require RACVB to provide a 50% cash match for all grant funds received in 2018 and 2017. RACVB's expenditures were sufficient to meet the matching requirements.

(4) Pledges Receivable

RACVB has recorded \$17,635 and \$5,500 of pledges receivable as of June 30, 2018 and 2017, respectively. These pledges were from various local businesses and individuals to support RACVB's community initiative projects in future years. RACVB expects to collect the entire pledge receivable balance in fiscal year 2019.

(5) Line of Credit

RACVB has a \$250,000 line of credit with a bank which expires in May 2019. Interest is paid monthly at the higher rate of prime or 3.5% (5.0% at June 2018). The balance of the line of credit was \$0 at both June 30, 2018 and 2017. Substantially all of the assets of RACVB are pledged as security for the line of credit.

(6) Leases and Total Rental Expense

RACVB leases its primary office space located at 102 North Main St., Rockford, IL from the City of Rockford. Effective January 1, 2017, RACVB entered into a new lease agreement with the City of Rockford, similar to prior lease terms. RACVB is required to make monthly rent payments of \$4,526 through the expiration date of the lease, or in lieu of these rent payments, the lease allows RACVB to make monthly deposits of \$4,526 into a capital improvement and development fund. The capital improvement and development fund can be used towards capital improvements projects or city development/planning projects located within the City of Rockford. The expiration of the new lease agreement is December 31, 2022.

**ROCKFORD AREA CONVENTION
AND VISTORS BUREAU**

Notes to Consolidated Financial Statements

RACVB has recorded in-kind rent in the amount of \$54,311 for the years ended June 30, 2018 and 2017 and has made the allowed deposits into the capital improvement and development fund. The balance of this account is \$7,373 at June 30, 2018 and is included with other cash and cash equivalents in the accompanying *Consolidated Statements of Financial Position*.

In January 2017, RACVB entered into a new operating lease for storage space in Rockford, IL. The lease calls for quarterly payments of \$1,200 and expires in December 2018. RACVB also has an operating lease agreement for a postage machine. The postage machine lease expires in November 2018 with quarterly payments of \$390. In June 2018, RACVB entered into new two-year operating leases for sculptures to be displayed in Rockford, IL. The leases call for payments of \$13,000 in June 2018, \$6,500 in June 2019, and \$6,500 in June 2020. In addition to longer term leases, RACVB also enters into short-term rental agreements for equipment used for various events and community initiative projects.

Minimum rental payments under these leases and maintenance agreements through expiration are as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2019	\$ 63,867
2020	60,812
2021	54,312
2022	54,312
2023	27,156
Thereafter	—

Rental expense for the years ended June 30, 2018 and 2017 amounted to \$116,180 and \$91,832, respectively.

(7) Retirement Plan

RACVB maintains a 401(k) retirement plan which provides for retirement benefits based on the value of accumulated contributions and earnings thereon at the time of retirement. Employees must be 21 years of age and must have completed one year of service before they become eligible to participate. Employees attain a 20 percent vested interest in employer contributions and earnings thereon after two years of employment, increasing 20 percent each year over the following four years of employment. All employer contributions to the plan are discretionary.

ROCKFORD AREA CONVENTION AND VISITORS BUREAU

Notes to Consolidated Financial Statements

For fiscal years ended June 30, 2018 and 2017, all eligible employees received an employer funded discretionary contribution of 4% of their salary regardless of their individual contributions in the plan. In addition to the 4%, those individuals who contributed to the plan also received a match no greater than 2% of their salary. Retirement plan expense totaled \$45,766 and \$44,552 for the years ended June 30, 2018 and 2017, respectively.

(8) Board Designated Net Assets

The Board of Directors of RACVB has designated the following amounts from unrestricted net assets:

	2018	2017
Bid development	\$ 27,830	27,830
Fisher Innovation	2,448	2,448
Interest earned	234	219
Total board designated	\$ <u>30,512</u>	<u>30,497</u>

Bid Development enables RACVB to bid on and provide services to large events (i.e. city-wide tournaments or conventions) without unduly straining RACVB's annual activities budget. Fisher Innovation provides the RACVB Board of Directors with a direct mechanism to invest in and support ideas that could propel and encourage further growth in the community.

(9) Functional Expenses

Expenses for the years ended June 30, 2018 and 2017 are allocated as follows:

	2018	2017
Program services	\$ 2,311,051	2,403,468
Management and general	433,329	455,295
	\$ <u>2,744,380</u>	<u>2,858,763</u>

(10) Related Party Transactions

A member of the Foundation's Board of Directors is also the owner of a company that was contracted to provide the food service for one of RACVB's special events. The Foundation paid the company \$10,500 during fiscal year 2017.

ROCKFORD AREA CONVENTION AND VISTORS BUREAU

Notes to Consolidated Financial Statements

(11) Subsequent Events

Subsequent events are events or transactions that occur after year end but before financial statements are issued or are available to be issued. These events and transactions either provide additional evidence about conditions that existed at year end, including the estimates inherent in the process of preparing financial statements (that is, recognized subsequent events), or provide evidence about conditions that did not exist year end but arose after that date (that is, non-recognized subsequent events).

RACVB has evaluated subsequent events through September 18, 2018, which was the date that these financial statements were available for issuance. Subsequent to June 30, 2018, RACVB entered into a construction loan from a financial institution for up to \$125,000 to renovate RACVB's office space. The construction loan has an interest rate of 5.75%. RACVB will have three months of interest only payments and then monthly payments over a five year amortization period.

(12) New Pronouncements

Revenue Recognition - In May 2014, the FASB issued Accounting Standards Update (ASU) No. 2014-09, "Revenue from Contracts with Customers". ASU No. 2014-09 will eliminate the transaction specific and industry specific revenue recognition guidance under current U.S. GAAP and replace it with a principle based approach for determining revenue recognition. ASU No. 2014-09 will be effective for nonpublic entities for periods beginning after December 15, 2018 and is required to be applied retrospectively including any combination of practical expedients as permitted. RACVB has not determined the impact ASU No. 2014-09 will have on RACVB's financial statements.

Accounting for Leases - During February 2016, the FASB issued ASU No. 2016-02, "Leases". ASU No. 2016-02 requires lessees to recognize lease assets and liabilities for the rights and obligations created by those leases and recognize expenses on their income statements in a manner similar to current accounting standards. For lessors, the guidance modifies the classification criteria and the accounting for sales-type and direct financing leases. ASU No. 2016-02 is effective for annual periods beginning after December 15, 2019. Early adoption is permitted. RACVB has not yet determined the impact ASU No. 2016-02 will have on RACVB's financial statements.



BENNING GROUP, LLC

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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

The Board of Directors
Rockford Area Convention & Visitors Bureau
Rockford, Illinois

We have audited, 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, the consolidated financial statements of Rockford Area Convention & Visitors Bureau (a nonprofit organization), which comprise the consolidated statements of financial position as of June 30, 2018 and 2017, and the related consolidated statements of activities, and cash flows for the years then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated September 18, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Organization'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 consolidated 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.

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Our consideration of the 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, as described in the accompanying schedule of findings and responses, we identified a deficiency in internal control that we consider to be a significant deficiency (see 2018-01).

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's consolidated financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of consolidated 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*.

The Organization's Response to Findings

The Organization's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The Organization's responses were not subjected to the auditing procedures applied in the audit of the consolidated financial statements and, accordingly, we express no opinion on them.

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 Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Bennie J. Goup, LLC".

Rockford, Illinois
September 18, 2018

ROCKFORD AREA CONVENTION & VISITORS BUREAU

Schedule of Findings and Responses

For the Year Ended June 30, 2018

Financial Statement Findings

2018-01 – Inadequate Segregation of Duties

Condition/Criteria – There is inadequate control over the functions of processing and recording the financial transactions of the Organization due to the inadequate segregation of duties stemming from limited personnel.

Effects – Many of the accounting functions are performed by the same individuals.

Cause – The Organization has a limited number of staff to allow for adequate segregation of duties.

Recommendation – It does not appear to be economically feasible to hire additional personnel to help segregate the accounting functions. However, the Board's close supervision and review of accounting information appears to be the most economical and appropriate manner to help prevent and detect errors and irregularities in the Organization's accounting and financial reporting.

Management response – The Organization's management and Organization Board's close supervision and review of accounting information is the most economical and appropriate manner to help prevent and detect errors and irregularities in the Organization's accounting and financial reporting. In addition to the Director of Finance and Administration position, the Organization has added an accounting assistant position to assist with accounts receivable and accounts payable functions.

**ROCKFORD AREA CONVENTION AND VISITORS BUREAU
LOCAL TOURISM AND CONVENTION BUREAU GRANT #18-751023**

Schedule of Revenues and Expenditures – Budget and
Actual – and Matching Expenditures

For the Year Ended June 30, 2018

	<u>Unaudited Budget</u>	<u>Actual</u>	<u>Match</u>	<u>Total</u>
Revenues –				
Grant revenue – Illinois				
Department of				
Commerce and				
Economic Opportunity	\$ <u>555,282</u>	<u>370,188</u>	<u>185,094</u>	<u>555,282</u>
Expenditures:				
Program services	340,738	340,738	–	340,738
Administration	<u>214,544</u>	<u>29,450</u>	<u>185,094</u>	<u>214,544</u>
Total expenditures	\$ <u>555,282</u>	<u>370,188</u>	<u>185,094</u>	<u>555,282</u>

**ROCKFORD AREA CONVENTION AND VISITORS BUREAU
INTERNATIONAL TOURISM GRANT #18-373005**

Schedule of Revenues and Expenditures – Budget and
Actual – and Matching Expenditures

For the Year Ended June 30, 2018

	<u>Unaudited Budget</u>	<u>Actual</u>	<u>Match</u>	<u>Total</u>
Revenues –				
Grant revenue – Illinois				
Department of				
Commerce and				
Economic Opportunity	\$ <u>250,058</u>	<u>166,705</u>	<u>83,353</u>	<u>250,058</u>
Expenditures:				
Program services	152,105	152,357	–	152,357
Administration	<u>97,953</u>	<u>14,348</u>	<u>83,353</u>	<u>97,701</u>
Total expenditures	\$ <u>250,058</u>	<u>166,705</u>	<u>83,353</u>	<u>250,058</u>

ROCKFORD AREA CONVENTION AND VISITORS BUREAU

Consolidating Statement of Financial Position

June 30, 2018

Assets	Consolidating Information			Consolidated
	Bureau	Foundation	Elimination	2018
Current assets:				
Cash and cash equivalents	\$ 442,105	60,897	—	503,002
Cash held on behalf of others	7,087	—	—	7,087
Due from Foundation	22,497	—	(22,497)	—
Accounts receivable	14,062	4,250	—	18,312
Pledges receivable	—	17,635	—	17,635
Sponsorship receivable	—	95,000	—	95,000
Grant receivable – International Tourism	38,600	—	—	38,600
Grant receivable – Other	—	—	—	—
Receivable from City/County government	163,697	—	—	163,697
Receivable from community initiatives	100,000	—	—	100,000
Other receivable	3,536	—	—	3,536
Prepaid expenses	83,430	—	—	83,430
Total current assets	875,014	177,782	(22,497)	1,030,299
Fixed assets:				
Leasehold improvements	508,573	—	—	508,573
Furniture and equipment	451,649	—	—	451,649
Construction in process	9,258	—	—	9,258
Capitalized works of art	21,000	—	—	21,000
	990,480	—	—	990,480
Less accumulated depreciation	(706,890)	—	—	(706,890)
Net fixed assets	283,590	—	—	283,590
	<u>\$ 1,158,604</u>	<u>177,782</u>	<u>(22,497)</u>	<u>1,313,889</u>
Liabilities and Net Assets				
Current liabilities				
Due to Bureau	—	22,497	(22,497)	—
Accounts payable	140,927	—	—	140,927
Custodial funds	7,087	—	—	7,087
Accrued expenses	96,509	—	—	96,509
Unearned revenue	111,210	112,000	—	223,210
Total current liabilities	355,733	134,497	(22,497)	467,733
Net assets:				
Unrestricted:				
Undesignated	772,359	25,650	—	798,009
Board designated	30,512	—	—	30,512
	802,871	25,650	—	828,521
Temporarily restricted – time restriction	—	17,635	—	17,635
Total net assets	802,871	43,285	—	846,156
	<u>\$ 1,158,604</u>	<u>177,782</u>	<u>(22,497)</u>	<u>1,313,889</u>

ROCKFORD AREA CONVENTION AND VISITORS BUREAU

Consolidating Statement of Activities

For the Year Ended June 30, 2018

	Consolidating Information			Consolidated
	Bureau	Foundation	Elimination	2018
Changes in unrestricted net assets				
Revenue and support:				
City/County government agreements	\$ 1,851,715	—	(5,280)	1,846,435
Grants – State of Illinois:				
International Tourism	166,705	—	—	166,705
Local Tourism and Convention Bureau (LTCB)	370,188	—	—	370,188
Community initiatives revenue	305,460	257,865	(236,892)	326,433
Special events, net of direct expenses	(1,672)	—	—	(1,672)
Partnership revenue	97,376	—	—	97,376
Interest income	27	—	—	27
In-kind revenue	57,279	—	—	57,279
Miscellaneous	7,729	—	—	7,729
Total unrestricted revenue and support	2,854,807	257,865	(242,172)	2,870,500
Net assets released from restrictions – satisfaction of time restrictions	—	5,500	—	5,500
Total unrestricted revenue and support and net assets released from restrictions	2,854,807	263,365	(242,172)	2,876,000
Expenses:				
Salaries and benefits	1,016,516	—	—	1,016,516
Employment taxes	68,555	—	—	68,555
Recruitment	8,242	—	—	8,242
Sales and marketing services	837,809	—	241	838,050
Community initiatives	261,017	—	(2,500)	258,517
Outside services	36,855	576	—	37,431
Meetings	58,785	—	—	58,785
Insurance	15,365	—	—	15,365
Occupancy	72,904	—	—	72,904
Utilities	13,123	—	—	13,123
Equipment rental and maintenance	25,583	—	—	25,583
Telephone	22,259	—	—	22,259
Printing	53,510	—	—	53,510
Travel and site visits	63,163	—	—	63,163
Professional development	13,664	—	—	13,664
Office expenses	48,011	80	—	48,091
Research	39,922	—	—	39,922
Depreciation and amortization	85,056	—	—	85,056
Gain on disposal of assets	(502)	—	—	(502)
Interest	—	—	—	—
Donations	—	4,350	—	4,350
Miscellaneous	1,796	—	—	1,796
Payments to the Bureau	—	239,913	(239,913)	—
Total expenses	2,741,633	244,919	(242,172)	2,744,380
Increase in unrestricted net assets	113,174	18,446	—	131,620
Changes in temporarily restricted net assets:				
Community initiatives revenue	—	17,635	—	17,635
Net assets released from restrictions	—	(5,500)	—	(5,500)
Increase in temporarily restricted net assets	—	12,135	—	12,135
Increase in net assets	113,174	30,581	—	143,755
Net assets at beginning of year	689,697	12,704	—	702,401
Net assets at end of year	\$ 802,871	43,285	—	846,156

INCIDENTAL INFORMATION

NEWS RELEASE

Rockford Area Convention & Visitors Bureau



Jehovah's Witnesses to Bring Regional Convention Back to Rockford

This multi-weekend event is expected to draw 13,500 attendees to the region

FOR IMMEDIATE RELEASE

July 25, 2018

Rockford, IL – The Rockford Area Convention & Visitors Bureau (RACVB) is thrilled to welcome the annual **Convention of Jehovah's Witnesses** back to Rockford. This three-weekend gathering will be held at the **BMO Harris Bank Center** in Rockford, **July 27-29, August 3-5 and August 10-12, 2018**. The group last held this convention in Rockford in 2017.

This big win for the Rockford region will draw approximately **13,500 attendees** total for all three weekends, who are expected to visit from Milwaukee, Madison, Dubuque, Davenport, Kenosha, Racine and the Chicagoland area. Estimated economic impact is **\$589,500** for the three weekends combined.

"We are delighted to welcome back the Jehovah Witness Convention for the second year in a row. We have worked with our partners to ensure the convention goers have a positive experience in the Rockford region," said Lindsay Arellano, RACVB vice president of sales & servicing.

The event theme this year is "Be Courageous" and features 54 presentations over three days. Talks and Interviews will teach practical ways to face present and future challenges with courage. Sunday's feature film, "The Story of Jonah—A Lesson in Courage and Mercy" begins at 1:50 p.m. The event is open to the public. There is no admission cost and no collections are held. All programs begin at 9:20 a.m. and end at various times in the afternoon. A complete schedule including more information about the Jehovah's Witnesses can be found at www.jw.org.

Parking is available on Friday, Saturday and Sunday in the Concourse Deck (enter on Church Street), Wyman/Elm Deck (enter on Wyman Street), State/Main Deck (enter on West State Street), Pioneer Deck (enter on North Main Street and North Wyman Street), and the UW Health Sports Factory Upper Lot (enter on South Madison Street). Street parking on Friday will be ticketed according to signage. On Saturday and Sunday parking is available in the Rockford Park District Lot (enter on Green Street). Disabled parking available in Lot P (enter on Elm Street) and Lot 38 (enter on Wyman Street.)

The Convention of Jehovah's Witnesses has been in existence for over 100 years. The "Be Courageous" annual convention will be held throughout the world at venues in 180 lands. As of 2017 there were 8,457,107 Jehovah's Witnesses in 120,053 congregations in 240 lands. They conducted an average of 10,071,524 bible studies each month and spent a total of 2,046,000,202 hours in the field.

The mission of the RACVB is to drive quality of life and economic growth for our citizens through tourism marketing and destination development. www.gorockford.com

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FOR MORE INFORMATION: Andrea Cook, RACVB Associate Director of Marketing & Communications: 815.489.1664 or acook@gorockford.com

NEWS RELEASE

Rockford Area Convention & Visitors Bureau



RACVB Announces Winners of Business is Blooming

*Program continues to honor community for innovation
and beautification efforts*

FOR IMMEDIATE RELEASE

July 26, 2018

ROCKFORD, IL — The Rockford Area Convention & Visitors Bureau (RACVB) announced the 2018 **Business is Blooming** program winners who further the efforts of Forest City Beautiful and aim to enhance the Rockford region by beautifying their storefronts and entrances to their businesses. Business is Blooming exists to build a culture of community involvement and visually appealing environments for our city. The program supports and acknowledges the positive values and efforts displayed by our business owners to make Rockford a beautiful and enjoyable place to live, work and play. Activities that strengthen civic pride and the customer experience are vital links to long-term success in the Rockford region. Rewarding beautification efforts acknowledges this value.

Now in its second year, the Business is Blooming program expanded the boundaries by more than doubling the geographic area of businesses who could participate to include south of Riverside, west of Alpine, north of Broadway and east of Rockton Avenue. A team of eight judges visited the exterior grounds of selected businesses to be considered for this designation. Out of 54 businesses, seven were chosen in select categories: Small Business (1-10 employees) **Trove** (2410 Jackson St, Rockford, IL 61107); Large Business (26+ employees) **UIC Health Sciences Campus – Rockford** (1601 Parkview Ave, Rockford, IL 61107); Restaurant Outdoor Dining **Sisters Thai Café** (514 E State St, Rockford, IL 61104); Downtown Business **Restoration Café** (625 W State St, Rockford, IL 61102); Returning Champion **Community Foundation of Northern Illinois** (946 N 2nd St, Rockford, IL 61107); Public Garden **Anderson Japanese Gardens** (318 Spring Creek Rd, Rockford, IL 61107); and Attraction **Erlander/Nordic Cultural Center** (327 S Third St, Rockford, IL 61104).

Judging is based on the following criteria:

- Well-maintained landscaping – trimmed and weed-free
- No litter around entire perimeter (fence line, tree line, sidewalk, parking lot)
- Well-maintained façade, and graffiti-free exteriors
- Well-maintained hardscape – lighting, benches, walkways, signage, fences, etc.
- WOW factor – impressive overall first impression or impact
 - Overall cleanliness
 - Neat, tidy walkways and parking lot
 - Clean windows
 - Attractiveness, e.g. flowers, plants, fresh paint, etc.
 - Inviting signage
 - Creative exterior, e.g. colors, design, signage
 - Exterior music, if applicable

-MORE-

Winners receive a prize package including a trophy, an RACVB online promotions prize package valued at \$1,850 and a Business of Distinction window cling.

“Last year, it was our hope that this program would inspire business owners, operators and property owners to think about the ways they can beautify their business. We are overjoyed with the number of businesses who participated this year and are encouraged by their mindfulness and attention to detail making their entrances, facades and landscapes a welcoming experience,” said Tana Vettore, RACVB director of destination development. “The Businesses of Distinction that we honored today have invested in this concept of beautification and are excellent models within our community. They have taken their standard to the next level by incorporating elements like appealing and well-placed signage, awnings that are professionally designed and installed, and beautiful outdoor patios which incorporate lighting, flowers and appealing landscapes.”

This annual program aims to develop and maintain a partnership among RACVB, businesses, neighborhood advocacy groups, schools, non-profit organizations, volunteer groups, etc. to share in the vision and maintenance of this program. As a result, they will serve as exemplary models to inspire more people to do the same. The program will recognize and incentivize businesses, organizations and property owners to improve the landscaping and facades of their buildings and properties; promote the goal of year-round activity/maintenance such as proper snow removal at businesses for customer access as well as lush summer landscapes and weed-free, litter-free environments; and selecting and rewarding outstanding or innovative beautification achievements.

“Maintaining the park-like atmosphere of the 20-acre campus from when it was a TB sanitarium in the early 1900s to when it became the College of Medicine in 1971 to today when it is a health sciences campus with multiple colleges and programs takes dedication and planning,” says Chris Berndt, director of physical plant, IT and facility planning for the UIC Health Sciences Campus - Rockford. “We were honored to be nominated for this recognition and credit our maintenance staff, Crimson Valley Landscaping and our campus Garden Club members for the work they did to earn us this award.”

The 2019 Business is Blooming program will again expand city-wide and will become a nomination-based contest. Registration for the 2019 contest is open and all applications are due by June 14, 2019, with judging on July 16, 2019 and the awards ceremony on July 25, 2019. Business owners are encouraged to visit forestcitybeautiful.com/bloom to get more information about the program and to register to participate. There is no cost to nominate a business.

Forest City Beautiful is a multi-year initiative aimed at creating and maintaining beautiful landscapes in downtown Rockford. RACVB leads the effort in collaboration with the City of Rockford. As part of the initiative, RACVB has the responsibility to plan, install and maintain landscaping in public spaces. More information can be found at forestcitybeautiful.com.

RACVB exists to drive quality of life and economic growth for the citizens of Rockford and Winnebago County through tourism marketing and destination development. gorockford.com

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FAST FACTS

Rockford Area Convention & Visitors Bureau



Baseball For All Nationals Return to Rockford Region

The largest-in-the nation all-girls baseball tournament is back for its 2nd year

FOR IMMEDIATE RELEASE

July 31, 2018

What: The Rockford Area Convention & Visitors Bureau (RACVB) welcomes the **Baseball For All Nationals all-girls baseball tournament** back to the Rockford region this weekend. This is the largest tournament to date with **four age divisions, 11u, 13u, 14u and 18u**, totaling **24 teams**. Over **250 girls** will compete for the national championship in Rockford.

The tournament coincides with the 75th anniversary of the All-American Girls Professional Baseball League (AAGPBL) and the Rockford Peaches. The **opening ceremony** will occur at **10 a.m. on Thursday, August 2 at Beyer Stadium, 245 15th Ave, Rockford, IL 61104**.

The four-day tournament is full of events in addition to the baseball tournament. Players will receive a limited-edition AAGPBL patch to wear on their jerseys in honor of the league's 75th anniversary. Girls will have the opportunity to meet former AAGPBL players **Maybelle Blair, Jeneane Lesko and Shirley Burkovich** (who even made cameo in *A League of Their Own*). Finally, comedian and *Three Swings* baseball podcast host **Rhea Butcher** will emcee at the **closing ceremonies on Sunday, August 5, 2018 at 12 p.m. at Rivets Stadium, 4503 Interstate Blvd, Loves Park, IL 61111**. For more information, visit the Baseball For All website: www.baseballforall.com/nationals

When: **Thursday, August 2, 2018 through Sunday, August 5, 2018**
The first pitch will be thrown at 1 p.m. on Thursday, August 2, 2018. Friday and Saturday games will begin at 9 a.m. while Sunday games begin at 7:45 a.m.

Where: Beyer Stadium, 245 15th Ave, Rockford, IL 61104
Mercyhealth Sportscore Two, 8800 Interstate Blvd, Loves Park, IL 61111
Rivets Stadium, 4503 Interstate Blvd, Loves Park 61111
For specific times and locations, please refer to the attached game schedule.

Why: Baseball For All provides opportunities and encourages girls to participate in baseball. Baseball For All advocates the importance of providing girls with equal opportunities and resources as well as teaching players, parents and supporters to start teams, leagues and tournaments of their own.

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“RACVB and many partners, including the Rockford Park District, local hoteliers, restaurants and the Friends of Beyer, are getting ready for an all-star weekend in the Rockford area as we welcome more than 250 baseball players for the Baseball For All Nationals,” said John Groh, RACVB President/CEO. “These young athletes will compete at Beyer Stadium – a national treasure and the same field where the world-renowned Rockford Peaches played – and at Mercyhealth Sportscore Two, one of the finest sports facilities in the country today.

“It’s exciting to root for these players knowing they carry on the legacy of teams like the Rockford Peaches and other members of the All-American Girls Professional Baseball League. Each of those players made a significant impact on our region and baseball, and today’s players follow in their footsteps. Rockford is the Cradle of Baseball and hosting the largest girls’ baseball tournament in the nation helps solidify and grow that reputation for another generation.”

Cost: Free Admission

The mission of the RACVB is to drive quality of life and economic growth for our citizens through tourism marketing and destination development. www.gorockford.com

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