

# Balance Sheet

Martinsburg-Berkeley County Convention & Visitors Bureau, Inc.

As of June 30, 2025

DISTRIBUTION ACCOUNT	TOTAL
<b>Assets</b>	
Current Assets	
Bank Accounts	
Checking - City National Bank	7,381.26
ICS Account - City National Bank	454,297.86
<b>Total for Bank Accounts</b>	<b>\$461,679.12</b>
Accounts Receivable	
Other Current Assets	
Undeposited Funds	595.72
<b>Total for Other Current Assets</b>	<b>\$595.72</b>
<b>Total for Current Assets</b>	<b>\$462,274.84</b>
Fixed Assets	
Other Assets	
<b>Total for Assets</b>	<b>\$462,274.84</b>
<b>Liabilities and Equity</b>	
Liabilities	
Current Liabilities	
Accounts Payable	
Credit Cards	
Other Current Liabilities	
Payroll liabilities	0
Federal Taxes (941/943/944)	-1,154.99
HSA Employee Benefit	-2,600.00
HSA Employee Deduction	1,300.00
WV Income Tax	-321.65
WV Unemployment Tax	-16.91
<b>Total for Payroll liabilities</b>	<b>-\$2,793.55</b>
<b>Total for Other Current Liabilities</b>	<b>-\$2,793.55</b>
<b>Total for Current Liabilities</b>	<b>-\$2,793.55</b>
Long-term Liabilities	
<b>Total for Liabilities</b>	<b>-\$2,793.55</b>
Equity	
Unrestricted net assets	1,028,820.55
Retained earnings	-166,269.65
Net Income	-397,482.51
<b>Total for Equity</b>	<b>\$465,068.39</b>
<b>Total for Liabilities and Equity</b>	<b>\$462,274.84</b>

# Profit and Loss

Martinsburg-Berkeley County Convention & Visitors Bureau, Inc.

July 1, 2024-June 30, 2025

DISTRIBUTION ACCOUNT	TOTAL
<b>Income</b>	
Advertising revenue	0
Reimbursed Advertising	1,242.21
<b>Total for Advertising revenue</b>	<b>\$1,242.21</b>
<b>Events</b>	
Hotel/motel occupancy taxes	0
City-hotel occupancy tax	287,961.98
County-hotel occupancy tax	398,291.82
<b>Total for Hotel/motel occupancy taxes</b>	<b>\$686,253.80</b>
Interest income	26,591.15
Other income	2,819.42
Retail sales	2,513.42
Sales of Product Income	1,379.19
Services	1,094.54
Shipping Income	
Uncategorized Income	4,916.08
<b>Total for Income</b>	<b>\$730,809.81</b>
<b>Cost of Goods Sold</b>	
<b>Gross Profit</b>	<b>\$730,809.81</b>
<b>Expenses</b>	
Advertising expense	0
Billboards	3,838.75
Broadcast	0
TV	9,165.00
<b>Total for Broadcast</b>	<b>\$9,165.00</b>
Digital Media	67,423.11
Graphic Design	12,000.00
Internet Advertising	83,398.84
Magazine Ads	270,773.71
Postage & Freight	7,274.89
Printing	44,957.72
Professional Fees/Services	88,755.00
Regional newspapers	23,455.99
Video Production	20,620.91
Web site	5,511.38
<b>Total for Advertising expense</b>	<b>\$637,175.30</b>
Community Sponsorships	0
BoD Grant	67,616.25
Digital Media Grant	12,500.00
Docent Program	15,214.00
Media Grant Disbursements	2,500.00

# Profit and Loss

Martinsburg-Berkeley County Convention & Visitors Bureau, Inc.

July 1, 2024-June 30, 2025

DISTRIBUTION ACCOUNT	TOTAL
Seed Grant	9,157.00
Support Grant Disbursements	20,000.00
<b>Total for Community Sponsorships</b>	<b>\$126,987.25</b>
Geocaching	0
Geocache Special Event Promotions	2,000.00
<b>Total for Geocaching</b>	<b>\$2,000.00</b>
Insurance	0
Other than medical insurance	415.00
<b>Total for Insurance</b>	<b>\$415.00</b>
Operating expenses	0
Copier	2,434.94
Dues & subscription	18,755.53
Electricity	5,133.97
Gas	2,030.91
Internet	2,198.56
Moving, repairs & maintenance	637.32
Office supplies	4,846.12
Parking	2,475.00
Postage	1,413.13
Professional fees & services	9,616.75
Rent	8,819.20
<b>Total for Operating expenses</b>	<b>\$58,361.43</b>
Payroll Expenses	0
Taxes	17,869.91
Wages	234,171.47
<b>Total for Payroll Expenses</b>	<b>\$252,041.38</b>
Promotional items	0
Gift shop	3,251.00
Promotional materials	1,807.63
<b>Total for Promotional items</b>	<b>\$5,058.63</b>
Seminars & travel	0
Car Rental	1,418.33
Conference Sponsorship	9,332.23
Gas	278.65
Lodging	9,458.21
Meals	2,355.99
Parking	30.00
Registration	20,224.25
Travel	1,957.93
<b>Total for Seminars &amp; travel</b>	<b>\$45,055.59</b>

# Profit and Loss

Martinsburg-Berkeley County Convention & Visitors Bureau, Inc.

July 1, 2024-June 30, 2025

DISTRIBUTION ACCOUNT	TOTAL
Special event promotions	1,500.00
Square Fees	42.74
<b>Total for Expenses</b>	<b>\$1,128,637.32</b>
<b>Net Operating Income</b>	<b>-\$397,827.51</b>
Other Income	
Other Expenses	
Reconciliation Discrepancies-1	-345.00
<b>Total for Other Expenses</b>	<b>-\$345.00</b>
<b>Net Other Income</b>	<b>\$345.00</b>
<b>Net Income</b>	<b>-\$397,482.51</b>

**MARTINSBURG-BERKELEY COUNTY CONVENTION AND VISITORS' BUREAU**

**FINANCIAL STATEMENTS**

**JUNE 30, 2024**

MARTINSBURG-BERKELEY COUNTY CONVENTION AND VISITORS' BUREAU

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JUNE 30, 2024

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**INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS**

The Board of Directors  
MARTINSBURG-BERKELEY COUNTY CONVENTION AND VISITORS' BUREAU  
MARTINSBURG, WV

***Opinion***

We have audited the accompanying financial statements of the governmental activities and major fund of MARTINSBURG-BERKELEY COUNTY CONVENTION AND VISITORS' BUREAU ("Bureau") as of June 30, 2024, and the notes to the financial statements, which collectively comprise the Bureau's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of MARTINSBURG-BERKELEY COUNTY CONVENTION AND VISITORS' BUREAU as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinion***

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

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about MARTINSBURG-BERKELEY COUNTY CONVENTION AND VISITORS' BUREAU's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

*Auditor's Responsibilities for the Audit of the Financial Statements*

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

**Required Supplementary Information**

Management has omitted the Management Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated August 15, 2024, on our consideration of the Bureau'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 the MARTINSBURG-BERKELEY COUNTY CONVENTION AND VISITORS' BUREAU's internal control over financial reporting and compliance.

***J. Davis CPA-AC***

INWOOD, WV  
August 15, 2024

**MARTINSBURG-BERKELEY COUNTY CONVENTION AND VISITORS' BUREAU**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2024**

	<b><u>Governmental Activities</u></b>
<b>ASSETS</b>	
Cash and equivalents	\$ 810,352
Hotel and motel taxes receivable	<u>137,068</u>
Total Assets	<u>\$ 947,420</u>
<b>LIABILITIES</b>	
Accounts payable	\$ 19,283
Accrued expenses	<u>5,217</u>
Total Liabilities	<u>24,500</u>
<b>NET POSITION</b>	
Unrestricted	<u>922,920</u>
Total Net Position	<u>922,920</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u><b>\$ 947,420</b></u>

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

**MARTINSBURG-BERKELEY COUNTY CONVENTION AND VISITORS' BUREAU  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Expenses</u>	<u>Program Revenues</u> <u>Operating Grants and Contributions</u>	<u>Net (Expense) Revenue and Changes in Net Position</u> <u>Governmental Activities</u>
Governmental Activities			
Culture and Recreation	\$ 1,051,279	\$ -	\$ (1,051,279)
Total Governmental Activities	<u>\$ 1,051,279</u>	<u>\$ -</u>	<u>(1,051,279)</u>
	<b>General Revenues</b>		
			527,312
			369,139
			5,751
			40,701
			<u>2,476</u>
			<u>945,379</u>
			(105,900)
			<u>1,028,820</u>
			<u>\$ 922,920</u>

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

**MARTINSBURG-BERKELEY COUNTY CONVENTION AND VISITORS' BUREAU**  
**BALANCE SHEET - GENERAL FUND**  
**JUNE 30, 2024**

**ASSETS**

Cash and equivalents	\$ 810,352
Hotel and motel taxes receivable	<u>137,068</u>
Total Assets	<u>\$ 947,420</u>

**LIABILITIES**

Accounts payable	\$ 19,283
Accrued expenses	<u>5,217</u>
Total Liabilities	<u>24,500</u>

**FUND BALANCE**

Unrestricted	<u>922,920</u>
Total Fund Balance	<u>922,920</u>

<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 947,420</u>
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The accompanying notes are an integral part of these financial statements.

**MARTINSBURG-BERKELEY COUNTY CONVENTION AND VISITORS' BUREAU  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2024**

**REVENUES**

County hotel / motel occupancy tax	\$ 527,312
City hotel / motel occupancy tax	369,139
Other income	5,751
Interest income	40,701
Retail sales	2,476
Total Revenues	<u>945,379</u>

**EXPENDITURES**

Advertising	522,761
Event expenses	1,862
Salaries and wages	210,880
Payroll taxes	16,144
Employee benefits	5,200
Insurance	10,571
Other operating expenses	64,984
Seminars and travel	33,215
Grants to others	185,662
Total Expenditures	<u>1,051,279</u>
Net Change in Fund Balance	(105,900)
Fund Balance - Beginning of Year	<u>1,028,820</u>
Fund Balance - End of Year	<u>\$ 922,920</u>

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

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

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**REPORTING ENTITY**

Martinsburg-Berkeley County Convention and Visitors' Bureau, Inc. ("Bureau") was incorporated on May 28, 1993. The Bureau's mission is to encourage, develop and promote tourism in Berkeley County and the City of Martinsburg and to provide services for tourists within the city and county. This mission is accomplished through promotional and publicity materials, providing locations devoted to tourist information and participating in special events and projects to enhance tourism. The Board of Directors consists of individuals appointed by the Berkeley County Commission and the Martinsburg City Council plus one individual selected from the community by the appointed members. Accordingly, the Bureau is considered a governmental-type entity for financial reporting purposes.

The Bureau relies on financial support from the hotel occupancy tax collected by Berkeley County and the City of Martinsburg to fund its operations. In accordance with Section 7, Article 18 of the Code of West Virginia, 50% of hotel occupancy taxes collected by the Berkeley County Commission and the City of Martinsburg are appropriated for the purpose of supporting the Bureau.

The Bureau's financial statements include the accounts of all of the Bureau's operations. The criteria for including organizations as component units within the Bureau's reporting entity, as set forth by the Governmental Accounting Standards Board's ("GASB") Codification of Government Accounting and Financial Reporting Standards, include:

- 1.) Financial interdependency
- 2.) Selection of governing authority
- 3.) Designation of management
- 4.) Ability to significantly influence operations
- 5.) Accountability of fiscal matters

Based upon the application of these criteria, there were no additional units of government included as part of the reporting entity and the Martinsburg-Berkeley County Convention and Visitors' Bureau is considered to be a separate reporting entity.

**BASIS OF PRESENTATION, MEASUREMENT FOCUS, BASIS OF ACCOUNTING**

Government-Wide Financial Statements: The Bureau's government-wide financial statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of governmental activities for the Bureau.

The basic financial statements are presented on an economic resources measurement focus and the accrual basis of accounting. Accordingly, all of the Bureau's assets and liabilities, including capital assets and long-term liabilities are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period the liability is incurred.

Governmental-Fund Financial Statements: The Bureau's Governmental Fund Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures, and Change in Fund Balance for its only fund. An accompanying schedule is presented to reconcile and explain the differences in fund balances as presented in these statements to the net position presented in the Government-Wide Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

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**BASIS OF PRESENTATION, MEASUREMENT FOCUS, BASIS OF ACCOUNTING (Continued)**

All governmental funds are accounted for on a current financial resources measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balance presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when cash is received, except the revenues subject to accrual, which are recognized when due. Expenditures are recorded in the accounting period in which the related liability is incurred. General capital asset acquisitions are reported as expenditures in the governmental fund. Reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements is provided to explain the differences created by the different measurement focus and basis of accounting.

The Bureau defines "available" for purposes of revenue recognition in the governmental fund financial statements to be 60 days.

**Governmental Fund Type**

General Fund: The General Fund is the operating fund of the Bureau. It is used to account for all financial resources except those required to be accounted for by another fund. Currently, there are no financial resources required to be accounted for by another fund.

**Budgets and Budgetary Accounting**

The Bureau is not required by law to prepare an annual budget. Thus, a comprehensive analysis of actual to budgeted amounts is not presented in the accompanying financial statements.

**Cash and Cash Equivalents**

The Bureau considers all highly liquid instruments purchased with an original maturity of three months or less to be cash equivalents.

**Property, Equipment and Depreciation**

All property and equipment purchases with a cost in excess of \$5,000 and with a useful life in excess of one year are recorded at cost. Donated equipment is recorded at the acquisition value of the assets at the date of donation. Depreciation is computed by the straight-line method over the estimated useful lives of the respective assets. The Bureau owns no property and equipment meeting this criterion as of June 30, 2024.

**Inventories**

The Bureau considers inventories of materials and supplies utilized in the governmental fund as expended at the time of purchase. Therefore, they do not appear in the Bureau's financial statements.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

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**BASIS OF PRESENTATION, MEASUREMENT FOCUS, BASIS OF ACCOUNTING (Continued)**

**Vacation and Sick Pay**

Employees of the Bureau are entitled to vacation in accordance with the length of service which, to the extent earned, is accrued as an expense and liability. Management has deemed this liability immaterial to the financial statements and, accordingly, no liability has been recorded.

**Net Position**

Net Position is displayed in three components:

Net investment in capital assets: Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by outstanding balances of any bonds, mortgages, notes or other borrowings attributable to the acquisition, construction or improvement of those assets.

Restricted net position: Consists of net position with constraints placed on the use of either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or (2) law through constitutional provisions or enabling legislature.

Unrestricted net position – All other net position that does not meet the definition of “restricted” or “invested in capital assets, net of related debt”.

The Bureau has adopted a revenue spending policy that provides guidance for programs with multiple revenue sources. For purposes of net position classification, expenses are to be paid from restricted net position first, and then unrestricted net position.

**Fund Balances**

In the governmental fund financial statements, fund balances are reported in five classifications:

Nonspendable fund balance: Inventories and prepaid amounts represent fund balances amounts that are not in spendable form.

Restricted: The restricted category is the portion of fund balance that is externally imposed by creditors, grantors, contributors or laws or regulations. It is also imposed by law through constitutional provisions or enabling legislation.

Committed: The committed category is the portion of fund balance whose use is constrained by limitations that have been approved by an order of the Board (the highest level of action) of the Bureau, and that remain binding unless removed in the same manner. The approval does not automatically lapse at the end of the fiscal year.

Assigned: The assigned category is the portion of fund balance that has been approved by formal action of the Bureau to assign amounts for any amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

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**BASIS OF PRESENTATION, MEASUREMENT FOCUS, BASIS OF ACCOUNTING (Continued)**

**Fund Balances (Continued)**

Unassigned: The unassigned category is the portion of the fund balance that has not been reported in any other classification. Only the general fund can report a positive amount of unassigned fund balance. However, any government fund in a deficit position could report a negative amount of unassigned fund balance.

The Bureau has adopted a revenue spending policy that provides guidance for programs with multiple revenue sources. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance, and lastly unassigned fund balance. The Board has the authority to deviate from this policy if it is in the best interest of the government.

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources until that time.

**Use of Estimates**

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

**CASH AND CASH EQUIVALENTS**

Cash and deposits presented in the accompanying financial statements were held with banking institutions in either checking or an insured cash sweep account, where funds are held in other institutions in trust to obtain FDIC insurance coverage. Accordingly, there were no deposits in excess of FDIC insurance coverage as of June 30, 2024.

**LEASES**

In 2014, the Bureau entered into a one-year lease agreement for office space with the Berkeley County Historical Society. The lease agreement called for payments of \$500 per month. Since the expiration of the initial lease term, the lease has been on a month-to-month basis. There have been no changes to the monthly lease payments since inception. Management considers this lease a short-term lease for purposes of GASB 87.

In 2013, the Bureau entered into a month-to-month lease agreement for a storage unit. The current lease payment is \$214 per month. Management considers this lease a short-term lease for purposes of GASB 87.

**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2024

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**RISK MANAGEMENT**

The Bureau is exposed to various risks of loss related to torts, theft, or damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Bureau maintains general commercial liability, blanket accident, and workers compensation insurance through private companies as part of its risk management program.

**EMPLOYEES' RETIREMENT SYSTEM**

The governing body of the Martinsburg-Berkeley County Convention and Visitors' Bureau has declined to become a participant in the Public Employees' Retirement System (PERS) as of June 30, 2024.

**CONCENTRATIONS**

The Bureau's main funding is derived from hotel / motel occupancy tax. Any significant changes with respect to the hotel / motel occupancy tax rates, the required allocations of these tax revenues, or the local travel industry may have a significant impact on the Bureau's ability to continue as a going concern.

**SUBSEQUENT EVENTS**

The Bureau has evaluated subsequent events through August 15, 2024 which is the date that the financial statements were available to be released.

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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***

Board of Directors  
MARTINSBURG-BERKELEY COUNTY CONVENTION AND VISITORS' BUREAU  
MARTINSBURG, WV

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of governmental activities and the major fund of MARTINSBURG-BERKELEY COUNTY CONVENTION AND VISITORS' BUREAU (the "Bureau"), which comprise the statement of financial position as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Bureau's financial statements, and have issued our report thereon dated August 15, 2024.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Bureau's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Bureau's internal control. Accordingly, we do not express an opinion on the effectiveness of the Bureau's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as items 2024-001 that we consider to be a material weakness.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Bureau's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the MARTINSBURG-BERKELEY COUNTY CONVENTION AND VISITORS' BUREAU's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. MARTINSBURG-BERKELEY COUNTY CONVENTION AND VISITORS' BUREAU's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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

***J. Davis, CPA-AC***

August 15, 2024

Inwood, WV

SCHEDULE OF FINDINGS AND RESPONSES

JUNE 30, 2024

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**FINDING 2024-001 - Segregation of Duties**

**CONDITION:**

It was noted that the responsibilities for approving, executing, and recording transactions and custody of the resulting assets arising from the transactions were not assigned to different individuals. Specifically, transactions that are paid directly through on-line bill payment mechanisms may not have proper oversight.

**CRITERIA:**

Proper internal control dictates responsibility for approving, executing and recording transactions should rest with different individuals. Custody of resulting assets should also be assigned to individuals with no responsibilities in the above areas.

**CAUSE:**

The entity has not implemented control procedures to sufficiently segregate duties.

**EFFECT:**

Internal control structure elements do not reduce to a relatively low level the risk that errors and irregularities, in amounts that would be material in relation to the financial statements, may occur and not be detected in a timely manner.

**RECOMMENDATION:**

The duties of approving, executing and recording transactions should be distributed to the extent economically feasible. We further recommend that, at minimum, transactions paid through on-line bill payment mechanisms be reviewed a monthly Board of Director meetings and documented accordingly.

**RESPONSE OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS:**

The Bureau will work to document and segregate duties to the extent economically feasible.