

September 24, 2024

WV State Auditors' Office – igs@wvsao.gov , Attn: Shellie Humphries
WV Joint Committee on Government & Finance –
https://www.wvlegislature.gov/Reports/Agency_Reports/AgencyReports.cfm
WVACVB – jnuzum@bowlesrice.com

Dear WV State Auditor's Office, WV Joint Committee on Government & Finance, and WV Association of Convention & Visitor Bureaus,

As you are aware with the passing of Senate Bill 488 during the 2021 West Virginia Legislature's Regular Session several new requirements have been implemented on CVBs to qualify for distributions of Hotel Occupancy taxes by the county(s) and or the municipality(s) we serve.

In compliance with W.Va. Code §7-18-13a, CVBs are to now report to the WWSAO, the WV Joint Committee on Government & Finance, and the WVACVB 90 days following the end of the CVB's fiscal year the following:

- Balance sheet – annually,
- Income statement - annually, and
- Either an audit or a financial review – triennially W.Va. Code § 7-18-14.

In addition, CVBs are to be accredited by an accrediting body such as the WV Association of Convention and Visitors Bureaus (WVACVB) W.Va. Code §7-18-13a(b) which confirms compliance with the following industry standards as follows:

- Annual budget,
- Budget allocation within the industry standard of 40% - 40% - 20% (Marketing, Personnel, Administrative),
- Marketing plan targeting markets outside of 50 miles of their destination,
- Full time executive director,
- Physical office/ Visitor Center,
- Website, and
- Annual reporting to all the CVBs funding entities.

On behalf of the Board of Directors of the McDowell County Convention and Visitors Bureau we respectfully submit the required information and confirm that McDowell County Convention and Visitors Bureau is in full compliance with all WV Code 7-18-13 requirements.

If you have any questions, please contact either Jennifer Justice, at jennifer.justice@mcdowellcvb.com or 681-203-0499 or Tara Elder at taraelder@gmail.com or 304-237-7567.

Sincerely,

Tara Elder, Board Chair

Jennifer Justice, Executive Director McDowell County Convention and Visitors Bureau



Attachments: Income statement (July 1, 2023 – June 30, 2024), Balance sheet (June 30, 2024), Annual report (2023/2024), and Last financial review.

McDowell County Convention & Visitor Bureau
Balance Sheet
As of June 30, 2024

	<u>Jun 30, 24</u>
ASSETS	
Current Assets	
Checking/Savings	
Mountain Mud Checking	4,897.88
Pioneer Community Bank	29,213.11
Pioneer Savings Account	14,812.13
Total Checking/Savings	<u>48,923.12</u>
Total Current Assets	<u>48,923.12</u>
TOTAL ASSETS	<u>48,923.12</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	31,100.00
Total Accounts Payable	<u>31,100.00</u>
Total Current Liabilities	<u>31,100.00</u>
Total Liabilities	31,100.00
Equity	
Opening Balance Equity	108,679.51
Unrestricted Net Assets	-79,213.79
Net Income	-11,642.60
Total Equity	<u>17,823.12</u>
TOTAL LIABILITIES & EQUITY	<u>48,923.12</u>

McDowell County Convention & Visitor Bureau

Profit & Loss

July 2023 through June 2024

09/23/24

Accrual Basis

	<u>Jul '23 - Jun 24</u>
Ordinary Income/Expense	
Income	
Direct Public Support	
Grant Income	14,687.97
Sponsorship for Mountain Mud	3,350.00
Total Direct Public Support	18,037.97
Indirect Public Support	
Revenue-Occ Tax-Bradshaw	90.75
Revenue-Occ Tax-Gary	419.56
Revenue-Occ Tax-Kimball	1,246.85
Revenue-Occ Tax-McDowell Co	70,203.33
Revenue-Occ Tax-Northfork	3,865.53
Revenue-Occ Tax-War	586.34
Revenue-Occ Tax-Welch	17,643.64
Total Indirect Public Support	94,056.00
Investments	
Interest Income	115.55
Total Investments	115.55
Other Types of Income	10,265.23
Refund	163.45
Refund to Debit Card	127.19
Total Income	122,765.39
Gross Profit	122,765.39
Expense	
Advertising/Marketing/Web Site	
Web Development	2,110.00
Advertising/Marketing/Web Site - Other	47,513.94
Total Advertising/Marketing/Web Site	49,623.94
Business Expenses	
Business Registration Fees	25.00
Total Business Expenses	25.00
Contract Services	
Accounting Fees	400.00
Catering	134.29
Outside Contract Services	6,103.64
Total Contract Services	6,637.93
Facilities and Equipment	
Equip Rental and Maintenance	385.00
Rent, Parking, Utilities	3,600.00
Total Facilities and Equipment	3,985.00
Grant Request	1,000.00

McDowell County Convention & Visitor Bureau

Profit & Loss

09/23/24

July 2023 through June 2024

Accrual Basis

	<u>Jul '23 - Jun 24</u>
Operations	
Books, Subscriptions, Reference	97.44
Mileage	2,014.12
Office Supplies	147.01
Postage, Mailing Service	26.82
Supplies	6,266.24
Telephone, Telecommunications	1,498.75
Training	1,903.25
Operations - Other	56.92
Total Operations	<u>12,010.55</u>
Other Types of Expenses	
Insurance - Liability, D and O	1,813.21
Memberships and Dues	787.00
Other Costs	16,841.60
Total Other Types of Expenses	<u>19,441.81</u>
Payroll, Fees & Taxes-Paychex	38,217.82
Travel and Meetings	
Conference, Convention, Meeting	2,595.52
Travel	1,096.85
Travel and Meetings - Other	413.24
Total Travel and Meetings	<u>4,105.61</u>
Total Expense	<u>135,047.66</u>
Net Ordinary Income	-12,282.27
Other Income/Expense	
Other Income	
Vendor Booth fee	1,009.67
Total Other Income	<u>1,009.67</u>
Other Expense	
Event	370.00
Total Other Expense	<u>370.00</u>
Net Other Income	<u>639.67</u>
Net Income	<u><u>-11,642.60</u></u>

2023/2024 ANNUAL REPORT

MeetMcDowell.com

McDOWELL
CVB

Adventure Awaits



A word from the Executive Director of the McDowell County Convention and Visitors Bureau (CVB)

The McDowell County Convention and Visitors Bureau (CVB) and the Board of Directors are pleased to present our 2023-2024 Annual Report. The McDowell County CVB represents the entire county of McDowell which includes the municipalities of the Town of Anawalt, Town of Bradshaw, Town of Davy, City of Gary, Town of Jaeger, City of Keystone, Town of Kimball, Town of Northfork, City of War, City of Welch and the surrounding communities of these municipalities. The McDowell County CVB has used a large portion of its advertising dollars over the last 3 years to partner with WV Tourism through their Co-op advertising program to purchase advertising campaigns. The Co-op advertising program allows partners to buy advertising at discounted rates and matches the funds from 50 to 75 percent of the cost of the advertising purchase. This allows partners to stretch their advertising dollars farther.

In September 2023, it was announced at the Governor's Conference that McDowell County would be changed from the New River/Greenbrier Valley region to the Hatfield and McCoy Mountains region. This step is beneficial for McDowell County because this allows McDowell County to partner with Hatfield and McCoy and others in that region on regional advertising. Regional advertising is another way to stretch our marketing dollars.

This year has been a fast-paced exciting year filled with learning and new experiences for me and McDowell County CVB. I was accepted as a fellow for the Appalachian Region Commission's Appalachian Leadership Institute (ALI). Forty fellows are chosen each year across 13 Appalachian states to participate in ALI's six one-week skill building and site visiting sessions. Each session is held in one of thirteen Appalachian states. Below is the location and topic of each session from my fellowship.

Orientation: Adventures on the Gorge in Lancing, WV
Identifying Economic Opportunities in Spartanburg, SC
Cultivating a ReadyWorkforce in Tupelo, MS
Building Critical Infrastructure in Rome and Dalton, GA
Capitalizing on Natural and Cultural Assets in Berea, KY
Developing Community Capacity in Erie, PA
Graduation in Washington, DC

In June, I attended my first of three one-week sessions that I will complete over 3 years at market college hosted by Southeast Tourism Society (STS). Market college will give me skills, resources and a network to better advertise McDowell County.

The McDowell County CVB in conjunction with the Mountain Mud Committee hosted the 2nd annual Mountain Mud event. Despite the rain, we saw a larger turnout this year and almost doubled the number of participants from last year. We hope to see this event continue to grow and bring people to the small Town of Bradshaw for years to come.

I am so excited to implement the things that I have learned this year and learn other strategies to help McDowell County's Tourism industry grow.

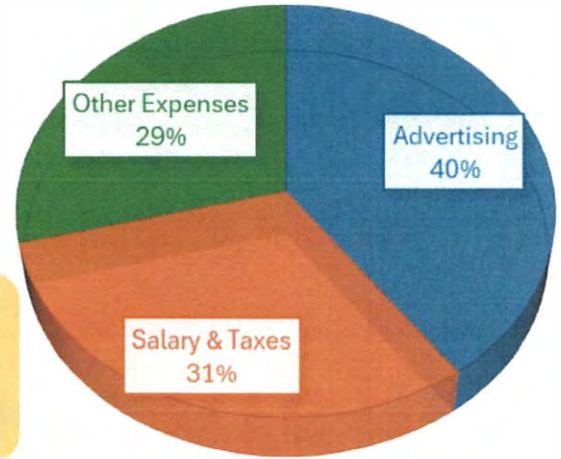
Jennifer D. Justice,
Executive Director
304-436-4242
Jennifer.justice@mcdowellcvb.com

OUR MISSION

The McDowell County Convention and Visitors Bureau exists to establish McDowell County as a new and exciting destination for tourists. Our goal is to promote the area, local businesses, events and activities to develop the region as a new place for adventurers to explore.

Financial Overview

Income \$122,765
\$94,056 Occupancy Tax Income
Total Expenses: \$135,048
\$38,218 Salary & Taxes



\$49,624 Advertising

\$6,750
Fall and Winter 23/24 Advertising
Co-op buys with WV Tourism

\$30,600
Spring/Summer 24 Advertising
Co-op buys with WV Tourism

Co-op advertising is a program through WV Tourism that offers a dollar for dollar match of money spent in advertising buys. This allows participants to get more advertising for their money. The co-op program also offers free bonus marketing to participants.

\$37,420
spent on advertising Co-op buys with
WV Tourism by McDowell County CVB

\$37,420 McDowell County CVB
\$37,420 WV Tourism match
\$74,840 Total

Highlights

Jennifer Justice completed the Appalachian Leadership Institute (ALI) through Appalachian Regional Commission

Jennifer Justice completed her first year of Marketing College with Southeast Tourism Society

2024 Event Brochure

Year Two of Mountain Mud is a Success



MeetMcDowell.com
 Events with the star accept vendors. Please contact the event for details on becoming a vendor.



Please go to meetmcdowell.com for lodging information and the Community Calendar for event schedules and added events or scan the QR code below to go to the meetmcdowell.com/community-calendar.



The Appalachian Regional Commission
 In partnership with
The University of Tennessee, Knoxville, Knoxville University, The University of Virginia, The School of Public Policy and Administration, and College of Arts and Sciences, LLC
 hereby certifies that
Jennifer Justice
 has, in 2024, fulfilled the requirements of the Appalachian Leadership Institute and is commissioned to serve the Region, improve the Lives of its People, and help fulfill its Promise and Potential.

Leslie C. Prankin
 State Treasurer

Donna P. P...
 Director of Economic Development

23/24 MCDOWELL COUNTY CVB OFFICERS

Tara Elder-President
Consultant Ashland Resort

Kenneth Gentry-Vice President
Mayor Town of Davy

Tameka Baker-Secretary
Assistant Vice President/ Welch Market
Leader Pioneer Community Bank

Carol Sizemore-Treasure
Mayor Town of Northfork

23/24 BOARD MEMBERS

David Deel
Mayor City of War

Adam Gianato
Mayor Town of Kimball

Harold McBride
Mayor City of Welch

Robert Little
Mayor City of Gary

Holly Maben
Mayor City of Keystone

Dolores Johnson
Jack Caffrey Arts & Culture Center

Brian Harrison
Bradshaw Town Council

David Grubb
Owner and Operator
The Bears Den ATV Cottage

Jay Chatman
McDowell County Historical
Society President Board member
National Coal Heritage Area Authority

Alan Felts
McDowell County Chamber of
Commerce President

Aaron Roberts
Tourism Instructor McDowell County Career & Technical
School Owner/Operator Black Gold Off-Road Tours

David Green
McDowell County House of Delgates,
Owner/Operator Sure Group Insurance & Sure
Clean Laundries

Kathy Gentry
Co-Ower of Hiis and Thrills Lodge, Executive Director of Safe Housing
and Economic Development, Inc., Member of Welch City Council

PARTNERS AND MEMBERSHIPS



Address: 143 Wyoming Street Welch, WV 24801
Phone: 304-436-4242
Email: info@mcdowellcvb.com
Website: Meetmcdowell.com



**MCDOWELL COUNTY CONVENTION
AND VISITORS BUREAU, INC.**

Reviewed Financial Statements

June 30, 2022

MCDOWELL COUNTY CONVENTION AND VISITORS BUREAU, INC.

Reviewed Financial Statements

June 30, 2022

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

The Board of Directors
McDowell County Convention and Visitors Bureau, Inc..
Welch, West Virginia

We have reviewed the accompanying financial statements of McDowell County Convention and Visitors Bureau, Inc. (the Bureau) (a not-for-profit organization), which comprise the statement of assets, liabilities, and net assets—modified cash basis as of June 30, 2022, and the related statement of support, revenue, and expenses—modified cash basis and statement of functional expenses—modified cash basis for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of organization's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting; this includes determining that the modified cash basis of accounting the company uses is an acceptable basis for the preparation of financial statements in the circumstances. Management is also responsible 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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with the modified cash basis of accounting. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of the Bureau and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with the modified cash basis of accounting.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our conclusion is not modified with respect to this matter.

Gray, Griffith & Mays, a.c.

Charleston, West Virginia
September 26, 2022

MCDOWELL COUNTY CONVENTION AND VISITORS BUREAU, INC.**STATEMENT OF ASSETS, LIABILITIES, AND
NET ASSETS – MODIFIED CASH BASIS**

June 30, 2022

ASSETS

Current assets:

Cash and cash equivalents \$ 89,193Total assets \$ 89,193**LIABILITIES AND NET ASSETS**

Current liabilities:

Payable, cognizant agency \$ 16,600Total liabilities 16,600

Net assets:

Net assets without donor restrictions 72,593Total liabilities and net assets \$ 89,193

See Independent Accountant's Review Report and Notes to Financial Statements.

MCDOWELL COUNTY CONVENTION AND VISITORS BUREAU, INC.

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS – MODIFIED CASH BASIS

For the year ended June 30, 2022

Revenues and support:

Lodging tax	\$ 97,880
Grant revenue - Paycheck Protection Program	9,374
Donations	650
Other revenue	<u>511</u>

Total revenues and support	<u>108,415</u>
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Expenses:

Program services	102,695
Management and general	<u>31,823</u>

Total expenses	<u>134,518</u>
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Change in net assets	(26,103)
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Net assets, beginning of year	<u>98,696</u>
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Net assets, end of year	<u><u>\$ 72,593</u></u>
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See Independent Accountant's Review Report and Notes to Financial Statements.

MCDOWELL COUNTY CONVENTION AND VISITORS BUREAU, INC.

STATEMENT OF FUNCTIONAL EXPENSES – MODIFIED CASH BASIS

For the year ended June 30, 2022

	Program Services	Management and General	Total
Salaries, benefits, and payroll taxes	\$ 46,033	\$ 19,729	\$ 65,762
Marketing and promotion	37,733	-	37,733
Occupancy	4,563	3,042	7,605
Business taxes and licenses	2,457	2,456	4,913
Information technology	3,180	2,120	5,300
Insurance	-	1,795	1,795
Travel and meetings	3,405	1,178	4,583
Supplies	1,853	1,235	3,088
Miscellaneous	3,471	268	3,739
	\$ 102,695	\$ 31,823	\$ 134,518

See Independent Accountant's Review Report and Notes to Financial Statements.

MCDOWELL COUNTY CONVENTION AND VISITORS BUREAU, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICES

Nature of Activities

McDowell County Convention and Visitors Bureau, Inc., (the Bureau) operates a convention and visitors bureau for McDowell County, West Virginia to promote tourism, serve tourists, aid in advertising for local businesses, and to showcase all that McDowell County has to offer.

Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. Modifications to the cash basis of accounting include accruing for marketing materials received in advance of invoice. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Bureau and changes therein are classified and reported as follows:

Net Assets without Donor Restrictions – Net assets that are not subject to donor-imposed stipulations.

Net Assets with Donor Restrictions – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Bureau and/or the passage of time. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets without donor restrictions. The Bureau does not have net assets with donor restrictions at June 30, 2022.

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions depending on the nature of the restriction. When a restriction expires, net assets with donor restrictions are reclassified to net assets without restrictions.

See Independent Accountant's Review Report.

MCDOWELL COUNTY CONVENTION AND VISITORS BUREAU, INC.**NOTES TO FINANCIAL STATEMENTS**

June 30, 2022

1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICES (Continued)Use of Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks and highly liquid investments with maturity dates of less than three months. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial statements.

Advertising expense

Advertising and marketing costs are expensed as incurred. Advertising expense totaled \$37,733 for the year ended June 30, 2022.

Income taxes

The Bureau is a not-for-profit corporation exempt from Federal and West Virginia state income taxes under the provisions of the Internal Revenue Code Section 501(c)(3). For the year ended June 30, 2022 management believes there have been no material uncertain tax positions needing to be accounted for in the financial statements. These returns are open for examination by the taxing authorities generally for three years after filing.

Functional Allocation of Expenses

The cost of providing the various programs and activities have been summarized on a functional basis in the Statement of Functional Expenses. Accordingly, certain costs have been allocated by management based on estimates among the programs and supporting services benefited. The allocated expenses are consistent with the allocations used in the preparation of the tax-exempt filings of the Bureau.

See Independent Accountant's Review Report.

MCDOWELL COUNTY CONVENTION AND VISITORS BUREAU, INC.**NOTES TO FINANCIAL STATEMENTS**

June 30, 2022

2 – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of June 30, 2022, consist of the following:

Cash and cash equivalents	<u>\$ 89,193</u>
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As part of the Bureau's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

3 – OPERATING LEASE

The Bureau leases office space under an operating lease. The lease requires monthly payments of \$600 and is leased on a month-to-month basis.

4 – ECONOMIC DEPENDENCE

The Bureau receives a legislatively mandated percentage of hotel occupancy tax collected by the county and various municipalities in McDowell County, West Virginia. Approximately 90% of revenues were derived from these sources for the year ended June 30, 2022. If these revenues decrease significantly, it could have a substantial negative impact on the operations of and services provided by the Bureau.

5 – RELATED PARTY TRANSACTIONS

The Bureau's Board of Directors is composed of a broad spectrum of community and business leaders. From time to time, the Bureau in the normal course of business, may enter into transactions with organizations in which a director has a personal economic interest or in which the director exerts significant influence. It is the policy of the Bureau that directors abstain from voting on issues involving matters in which a conflict of interest is identified.

See Independent Accountant's Review Report.

MCDOWELL COUNTY CONVENTION AND VISITORS BUREAU, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

6 – COVID-19 PANDEMIC

During 2020, the World Health Organization declared the out-break of COVID-19, a novel strain of the Coronavirus, a pandemic. The Coronavirus outbreak is disrupting supply chains and affecting production and sales across a range of industries. The extent of the impact of the out-break on the Bureau's operational and financial performance will depend on certain developments, including the duration and spread of the out-break. The financial statements do not reflect any adjustments as a result of the increase in economic uncertainty.

Paycheck Protection Program

In response to economic uncertainty associated with the Coronavirus (COVID-19) pandemic, the Bureau applied for relief through temporary programs designed to provide economic relief to small businesses including provisions of the CARES Act which was signed into law on March 27, 2020.

During the year ended June 30, 2021, the Company executed closing documents on a forgivable loan under the Paycheck Protection Program (PPP), a program designed to assist certain employers with payroll and other expenses. Under this program, unsecured loans were available that were forgivable for amounts related to certain payroll, mortgage, rent, utilities employee benefits and state and local employer tax expenses for a period of twenty-four (24) weeks after the loan is received. The Bureau successfully applied for the loan through an SBA approved lender totaling \$9,374. The Bureau applied and obtained forgiveness for the loan and recognized the entire amount into revenue for the year ended June 30, 2022.

7 – SUBSEQUENT EVENTS

The Bureau's management has evaluated the events and transactions occurring after June 30, 2022, through the date of the Accountant's Review Report, which is the date the financial statements were available to be issued. No significant events were noted requiring adjustments to or disclosure in the financial statements.

See Independent Accountant's Review Report.