



Tuesday, July 6, 2021

Mayor David Casebolt
Members of City Council
City of Nitro
2009 20th St.
Nitro, WV 25143

Dear Mayor and Council:

Each year the Nitro Convention and Visitors Bureau (CVB) is required to report to the city council on its activities from the previous year. We are proud to submit this document to meet that requirement. The main purpose of a CVB funded with hotel motel tax revenue is to attract out-of-area visitors and to work on being on the top of mind for people being attracted to the city.

The CVB, working together with the city's Fairs and Festivals Commission organizes events that are for the benefit of the local community residents and to draw out-of-town visitors to the city. Events such Wagging Tails and Nitro Ales Chili Cookoff, Smoke on the Water Edition and Christmas Parade, Easter Egg Hunt were bigger than in years past as people began to get back outside. However, due to the COVID-19 Coronavirus Pandemic events including the Halloween Hoedown were done in Drive Thru fashion, but still attracted large crowds. We were still able to conduct the three Fishing Tournaments at Ridenour Lake, a parade through the neighborhoods featuring Santa Claus and the Easter Bunny and a Labor Day Fireworks show. The Family Movie Nights were again Drive-in Movies at the Nitro Library lot.

The role of the CVB in events is to assist with publicity and be sure the website and social media pages contain the appropriate information. The CVB continues to maintain a close relationship with the leadership at the Mardi Gras Casino to coordinate marketing activities and help publicize their reopening efforts.

Another successful partnership was with Third Floor Comics in Nitro. The CVB worked with owner Tim Arnott and his business' Mini-Con was extremely successful and attracted visitors from Ohio, Kentucky and Virginia to Nitro.

The CVB has also worked to have Nitro become a hub for running events, such as 5k races and Middle School and High School Cross Country meets. The Cross Country meet at Ridnour Lake drew over 1200 participants (runners and family) to Nitro.

The ongoing Get It To Go In Nitro campaign that highlights the majority of the city's locally owned restaurants continues with new restaurants such as 1st Place and Guadalajara. The campaign is promoted through social media efforts.

The CVB worked with the West Virginia Division of Tourism to get brown signs on the Interstate 64 Attraction signs for Ridenour Lake. This was a three year process that finally happened with the help of Tourism Secretary Chelsea Ruby.

The CVB was also involved in this year's Run For The Wall, motorcycle visit to Nitro. Nearly 400 riders enjoyed their visit to the city.

In terms of marketing the city for visitors, we continue to maintain the CVB's website, visitnitro.com, as well as utilizing Facebook to its fullest, which includes the City of Nitro, Visit Nitro and Fairs and Festival Commission pages. The CVB continues to distribute two updated marketing rack cards, which highlights what is available in Nitro and the Wars Museum. These marketing items are distributed to all of the state's Welcome Centers on the interstates and the Tourism Information Areas on the parkway. The information is also distributed to all area lodging facilities.

The CVB continues to work with other local CVBs, Executive Director Joe Stevens serves on the Putnam County CVB board. We have sponsored some Facebook posts for various events and purchased advertisements to promote events.

During the 2021 fiscal year, the CVB continued to help brand the city getting the city additional "Earned Media," through PR efforts with local media. Some of the events we assisted with included the flag-lowering service on Veterans Day and flag-raising the next morning. The CVB also was involved in the promotion of the two City Wide Yard Sales that attracted large amounts of people to the city.

The CVB watched the bottom line of the financials for the last fiscal year. At the end of June, the board had a remaining cash balance of \$54,093.93. A copy of the June 30, 2021, balance sheet is attached along with an income statement. The CVB is audited as part of the city's combined audit and the auditors found no issues.

The future focus of the CVB will be to market the city's renovated Wars Museum, promote the city's outdoor offerings, such as the expansion of Ridenour Lake's Trail System, coordinate activities with Mardi Gras Casino and work extensively with area lodging properties to make sure, visitors know exactly what Nitro has to offer for dining and activities.

Thank you for your consideration of this report. If you have any questions, please do not hesitate to reach out.

Sincerely yours,

Joe Deiss
Executive Director
Nitro Convention and Visitors Bureau

**AUDIT REPORT OF
THE MUNICIPALITY OF NITRO, WEST VIRGINIA
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

This audit has been conducted pursuant to the authority and duty of the State Auditor as Chief Inspector and Supervisor of Public Offices to conduct an annual inspection of all political subdivisions of the State of West Virginia and any agency created by these subdivisions. This power is granted by West Virginia Code §6-9-1 et seq.

MUNICIPALITY OF NITRO, WEST VIRGINIA
STATEMENT OF NET POSITION - NITRO CONVENTION AND VISITORS BUREAU
June 30, 2020

	<u>Nitro Convention and Visitors Bureau</u>
ASSETS	
Current:	
Cash and cash equivalents	\$ 63,100
Noncurrent:	
Capital assets:	
Depreciable:	
Machinery and equipment	6,095
Furniture and fixtures	2,000
Less: accumulated depreciation	<u>(6,663)</u>
Total assets	<u>64,532</u>
LIABILITIES	
Noncurrent:	
Compensated absences payable	<u>1,549</u>
Total liabilities	<u>1,549</u>
DEFERRED INFLOWS	
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>16,405</u>
Total deferred inflows of resources	<u>16,405</u>
NET POSITION	
Net investment in capital assets	1,432
Unrestricted	<u>45,146</u>
Total net position	<u>\$ 46,578</u>

MUNICIPALITY OF NITRO, WEST VIRGINIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION -
NITRO CONVENTION AND VISITORS BUREAU
For the Fiscal Year Ended June 30, 2020

	<u>Nitro Convention and Visitors Bureau</u>
Operating revenues:	
Sales and services to customers	\$ <u>4,572</u>
Total revenues	<u>4,572</u>
Operating expenses:	
Personal services	29,776
Administrative and general	21,450
Rents	7,200
Materials and supplies	1,142
Depreciation	<u>700</u>
Total operating expenses	<u>60,268</u>
Operating income (loss)	<u>(55,696)</u>
Nonoperating revenues:	
Intergovernmental	<u>59,898</u>
Total nonoperating revenues	<u>59,898</u>
Change in net position	4,202
Net position at beginning of year	<u>42,376</u>
Net position at end of year	<u>\$ <u>46,578</u></u>

MUNICIPALITY OF NITRO, WEST VIRGINIA
STATEMENT OF CASH FLOWS - NITRO CONVENTION AND VISITORS BUREAU
For the Fiscal Year Ended June 30, 2020

	<u>Nitro Convention and Visitors Bureau</u>
Cash flows from operating activities:	
Cash received from customers	\$ 4,572
Cash paid for goods and services	(29,792)
Cash paid to employees	<u>(35,950)</u>
Net cash provided (used) by operating activities	<u>(61,170)</u>
Cash flows from noncapital financing activities:	
Intergovernmental	<u>59,898</u>
Net cash provided (used) by noncapital financing activities	<u>59,898</u>
Net increase (decrease) in cash and cash equivalents	(1,272)
Cash and cash equivalents at beginning of year	<u>64,372</u>
Cash and cash equivalents at end of year	<u><u>\$ 63,100</u></u>
Reconciliation of operating income to net cash provided (used) by operating activities:	
Operating income (loss)	\$ (55,696)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	700
Difference between OPEB expense under GASB 75 and deferred outflows of resources for OPEB contributions made subsequent to the measurement period	(7,465)
Increase (decrease) in compensated absences payable	<u>1,291</u>
Net cash provided by operations	<u><u>\$ (61,170)</u></u>



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**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***

Independent Auditor's Report

Honorable Mayor and Council
Municipality of Nitro
Nitro, West Virginia 25143

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 the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Municipality of Nitro, West Virginia (the Municipality), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Municipality's basic financial statements and have issued our report thereon dated March 24, 2021. In that report, we issued a qualified opinion on the aggregate discretely presented component units because the financial statements of the Nitro Public Library, the Nitro Development Authority, and the Nitro Land Reuse Authority of Kanawha and Putnam Counties have not been audited.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Municipality'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Municipality's internal control. Accordingly, we do not express an opinion on the effectiveness of the Municipality'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 Municipality'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2020-001 that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Municipality'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 financial statements. 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2020-002 and 2020-003.

Entity's Response to Findings

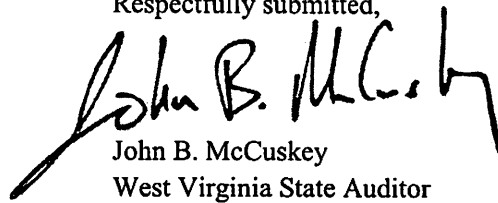
The Municipality's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. The Municipality's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no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

Honorable Mayor and Council
Municipality of Nitro
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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 result of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

A handwritten signature in black ink that reads "John B. McCuskey". The signature is written in a cursive style with a long, sweeping underline.

John B. McCuskey
West Virginia State Auditor
Charleston, West Virginia

March 24, 2021

CITY OF NITRO CONVENTION & VISITORS CY

**Balance Sheet
June 30, 2022**

ASSETS

Current Assets		
Regular Checking Account	\$	54,093.93
Cash-Tournaments		499.97
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Total Current Assets		54,593.90
Property and Equipment		
Furniture and Fixtures		2,000.00
Equipment		6,095.48
Accum. Depreciation		(7,923.00)
		<hr/>
Total Property and Equipment		172.48
Other Assets		
		<hr/>
Total Other Assets		0.00
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Total Assets	\$	54,766.38
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LIABILITIES AND CAPITAL

Current Liabilities		
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Total Current Liabilities		0.00
Long-Term Liabilities		
Dut to Other Govts	\$	500.00
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Total Long-Term Liabilities		500.00
		<hr/>
Total Liabilities		500.00
Capital		
Retained Earnings		53,194.90
Net Income		1,071.48
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Total Capital		54,266.38
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Total Liabilities & Capital	\$	54,766.38
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CITY OF NITRO CONVENTION & VISITORS CY
Income Statement
For the Twelve Months Ending June 30, 2022

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CITY OF NITRO CONVENTION & VISITORS CY
Income Statement
For the Twelve Months Ending June 30, 2022

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	Current Month Actual	Current Month Budget	Current Month LY	Year to Date Current Year	Year to Date Budget	Year to Date LY
Revenues						
Events Registration	\$ 0.00	\$ 174.00	\$ 0.00	\$ 945.85	2,000.00	0.00
Hotel Motel Tax 50%	0.00	8,000.00	6,644.28	47,676.87	96,000.00	41,726.19
Sponsorship Income	0.00	326.00	0.00	0.00	4,000.00	0.00
Total Revenues	0.00	8,500.00	6,644.28	48,622.72	102,000.00	41,726.19
Expenses						
Cost of Goods Sold						
Cost of Sales-Fireworks	0.00	413.00	0.00	0.00	5,000.00	0.00
Cost of Festivals	0.00	281.00	0.00	0.00	3,350.00	4,850.00
Sponsorships	27,034.91	837.00	2,163.00	28,294.93	10,000.00	3,563.00
Sponsorships Bands	0.00	556.00	0.00	500.00	6,705.00	0.00
Total Costs of Goods Sold	27,034.91	2,087.00	2,163.00	28,794.93	25,055.00	8,413.00
Expenses						
Advertising	0.00	1,299.00	2,257.88	5,130.00	15,500.00	2,533.88
Contributions	0.00	0.00	0.00	800.00	0.00	0.00
License Fees	0.00	0.00	0.00	25.00	0.00	0.00
Professional Services	187.25	837.00	2,345.00	2,574.12	10,000.00	2,735.69
Employee Benefit Programs Exp	0.00	415.00	0.00	0.00	4,870.00	0.00
Dues & Subscriptions	422.76	163.00	199.61	1,983.97	2,000.00	2,059.46
Social Media Expense	0.00	663.00	0.00	0.00	8,000.00	1,200.00
Supplies Expense	0.00	163.00	0.00	187.71	2,000.00	0.00
Telephone Expense	0.00	75.00	0.00	0.00	900.00	0.00
Postage and Shipping Expense	0.00	87.00	0.00	0.00	1,000.00	0.00
Occupancy Expense	600.00	600.00	600.00	7,200.00	7,200.00	7,200.00
Insurance Expense	0.00	50.00	0.00	0.00	600.00	0.00
Maintenance Expense	0.00	38.00	0.00	0.00	500.00	390.00
Printing Expense	0.00	212.00	0.00	0.00	2,500.00	0.00
Travel Expense	0.00	163.00	0.00	155.51	2,000.00	0.00
Conferences Expense	0.00	87.00	0.00	0.00	1,000.00	0.00
Payroll Tax Expense	0.00	140.00	1,551.35	0.00	1,570.00	1,551.35
Retirement Expense	0.00	0.00	1,720.17	0.00	0.00	1,720.17
Health Insurance Expense	0.00	0.00	6,199.20	0.00	0.00	6,199.20
Depreciation Expense	700.00	0.00	700.00	700.00	0.00	700.00
Wages Expense	0.00	1,443.00	18,500.92	0.00	17,305.00	18,500.92
Total Expenses	28,944.92	8,522.00	36,237.13	47,551.24	102,000.00	53,203.67
Net Income	\$ (28,944.92)	\$ (22.00)	\$ (29,592.85)	\$ 1,071.48	0.00	(11,477.48)

For Management Purposes Only

For Management Purposes Only