



March 30, 2022

WV State Auditors' Office – lgs@wvsao.gov , Attn: Shellie Humphries
WV Joint Committee on Government & Finance – drew.ross@wvlegislature.gov and
steve.marsden@wvlegislature.gov
WVACVB – sgill@fulksandassociates.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 Visit Southern West Virginia, we respectfully submit the required information and confirm that Visit Southern West Virginia is in full compliance with all WV Code 7-18-13 requirements. If you have any questions, please contact either Lisa Strader, Director at lisa@visitwv.com or 304-252-2244 or Sharon Cruikshank at sharoncruikshank1@gmail.com or 304-663-8575.

Sincerely,

Sharon Cruikshank, Board Chair
Lisa Strader, Director

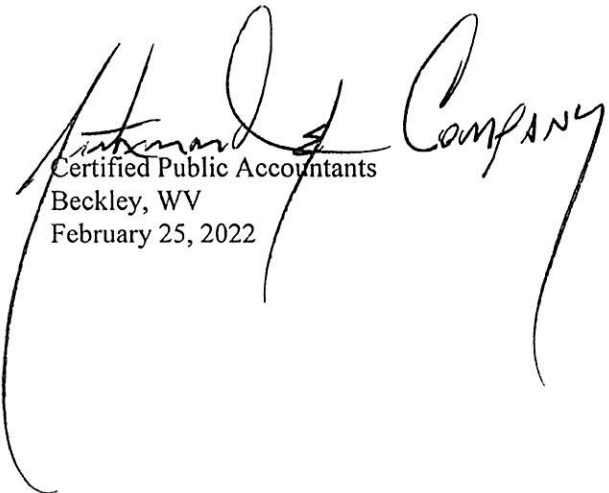
Attachments: Income statement (Jan 1, 2021 – Dec 31, 2021), Balance sheet (Dec 31, 2021), Annual report (2021), and Annual audit (2021).

New River Travel Council, Inc.
Financial Statements
December 31, 2021 and 2020

RICHMOND & COMPANY

Certified Public Accountants
Accounting Corporation
Post Office Box 1204
Beckley, WV 25802-1204
(304) 252-7353

The accompanying financial statements of New River Travel Council, Inc. as of December 31, 2021 and 2020, and for the one month and the twelve months then ended, were not subjected to an audit, review, or compilation engagement by us and, accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.



Certified Public Accountants
Beckley, WV
February 25, 2022

**New River Travel Council, Inc. DBA
Visit Southern West Virginia
Statement of Financial Position
As of December 31, 2021 and 2020**

Assets

	2021	2020
Current Assets		
Cash - City National	\$ 890,146.94	\$ 628,014.79
Cash - City National - Payroll	28,231.18	24,185.54
Cash in investment account	39,317.38	35,691.29
	<u>957,695.50</u>	<u>687,891.62</u>
Accounts Receivable	9,692.71	64,132.38
Allowance for Doubtful Accounts	(6,884.13)	(6,884.13)
	<u>2,808.58</u>	<u>57,248.25</u>
Prepaid Advertising	896.59	896.59
	<u>896.59</u>	<u>896.59</u>
Total Current Assets	<u>961,400.67</u>	<u>746,036.46</u>
Property and Equipment		
Company Vehicle	20,428.70	20,428.70
Office Furniture and Fixtures	19,668.54	19,668.54
New Building	212,004.97	212,004.97
Leasehold Improvement - New	57,114.00	57,114.00
Less Accumulated Depreciation	(108,188.35)	(95,571.71)
	<u>201,027.86</u>	<u>213,644.50</u>
Net Property and Equipment	<u>201,027.86</u>	<u>213,644.50</u>
Investments	1,342,506.99	1,181,286.23
	<u>1,342,506.99</u>	<u>1,181,286.23</u>
Total Assets	<u>\$ 2,504,935.52</u>	<u>\$ 2,140,967.19</u>

Liabilities and Net Assets

	2021	2020
Current Liabilities		
EIDL Loan	\$ 94,900.00	\$ 149,900.00
EIDL Advance	0.00	8,000.00
Accounts Payable	12,351.57	15,147.93
State Tax Withheld	1,206.00	1,267.00
Futa Tax Payable	27.41	0.00
Suta Tax Payable	77.66	91.77
Accrued Payroll	3,762.95	2,809.40
Accrued Sales Tax	130.53	95.48
Deferred Income	5,912.41	5,912.41
	<u>118,368.53</u>	<u>183,223.99</u>
Total Current Liabilities	<u>118,368.53</u>	<u>183,223.99</u>
Net Assets		
Without Donor Restrictions	2,386,566.99	1,957,743.20
	<u>2,386,566.99</u>	<u>1,957,743.20</u>
Total Net Assets	<u>2,386,566.99</u>	<u>1,957,743.20</u>
Total Liabilities and Net Assets	<u>\$ 2,504,935.52</u>	<u>\$ 2,140,967.19</u>

See accompanying notes.

No assurance is provided on these financial statements.

**New River Travel Council, Inc. DBA
Visit Southern West Virginia
Statements of Revenues, Expenses and Other Changes in Net Assets
For the One Month and Twelve Months Ended December 31, 2021 and 2020**

	2021 Month	2021 YTD	2021 Budget	2020 Month	2020 YTD
Revenue					
Memberships					
Fayette County	\$ 953.25	\$ 8,140.25	\$ 6,000.00	\$ (857.50)	\$ (657.50)
Greenbrier County	110.00	1,510.00	1,000.00	0.00	0.00
McDowell County	110.00	260.00	50.00	0.00	0.00
Mercer County	0.00	550.00	500.00	(150.00)	(150.00)
Monroe County	275.00	1,275.00	500.00	(200.00)	(200.00)
Nicholas County	0.00	1,150.00	900.00	0.00	0.00
Raleigh County	755.00	10,013.75	10,000.00	0.00	50.00
Summers County	0.00	550.00	600.00	0.00	100.00
Wyoming County	137.50	512.50	150.00	(50.00)	(50.00)
Miscellaneous Memberships	0.00	600.00	750.00	0.00	200.00
	<u>2,340.75</u>	<u>24,561.50</u>	<u>20,450.00</u>	<u>(1,257.50)</u>	<u>(707.50)</u>
City & County Contracts					
Fayette County	58,338.64	128,147.80	100,000.00	27,591.71	120,344.89
Monroe County	3,108.66	3,108.66	500.00	0.00	498.31
Nicholas County	0.00	9,563.50	7,500.00	0.00	5,602.07
Raleigh County	84,933.49	812,833.51	750,000.00	84,247.90	580,350.14
Summers County	373.67	638.11	1,000.00	0.00	529.48
Wyoming County	0.00	10,230.91	8,000.00	0.00	7,857.38
	<u>146,754.46</u>	<u>964,522.49</u>	<u>867,000.00</u>	<u>111,839.61</u>	<u>715,182.27</u>
Membership Services					
Advertising					
Advertising - Preparation	0.00	0.00	0.00	0.00	(11,911.00)
OVG Ads	0.00	26,085.60	27,073.80	0.00	34,274.00
Extra Listing	0.00	3,712.25	4,387.50	0.00	6,400.00
CVB Website Link	0.00	2,350.00	1,600.00	0.00	4,133.32
SWV Motorcycle Touring	0.00	200.00	0.00	0.00	1,000.00
Wedding Guide	0.00	0.00	0.00	0.00	6,140.00
Deferred Income - Advertising	0.00	0.00	0.00	11,331.00	11,331.00
	<u>0.00</u>	<u>32,347.85</u>	<u>33,061.30</u>	<u>11,331.00</u>	<u>51,367.32</u>
Brochure Distribution					
\$150 Option-Brochures	0.00	6,187.74	3,500.00	0.00	66.66
	<u>0.00</u>	<u>6,187.74</u>	<u>3,500.00</u>	<u>0.00</u>	<u>66.66</u>
Other Income					
Other Income	8,000.00	8,000.00	67,504.00	(14,884.13)	0.00
Investment Income, Fees	164,846.85	164,846.85	90,000.00	163,995.86	163,995.86
Covid Self Care Payroll Credit	0.00	1,170.33	0.00	0.00	0.00
Forgiven PPP Grant	67,504.00	67,504.00	0.00	0.00	0.00
Retention Credit	0.00	13,822.82	0.00	0.00	0.00
	<u>240,350.85</u>	<u>255,344.00</u>	<u>157,504.00</u>	<u>149,111.73</u>	<u>163,995.86</u>
Total Revenues	<u>389,446.06</u>	<u>1,282,963.58</u>	<u>1,081,515.30</u>	<u>271,024.84</u>	<u>929,904.61</u>

See accompanying notes.

No assurance is provided on these financial statements.

**New River Travel Council, Inc. DBA
Visit Southern West Virginia
Statements of Revenues, Expenses and Other Changes in Net Assets
For the One Month and Twelve Months Ended December 31, 2021 and 2020**

	2021 Month	2021 YTD	2021 Budget	2020 Month	2020 YTD
Salaries and Benefits					
Wages	35,897.27	271,884.10	265,000.00	35,549.55	263,477.70
Payroll Taxes	2,261.10	22,928.79	25,000.00	2,509.03	23,780.80
Employee Benefit (SEP)	1,040.06	14,516.42	15,000.00	1,620.52	14,142.98
Life and Health Insurance	11,388.05	63,614.14	64,000.00	5,478.64	53,894.90
Employee Training/Education	872.34	1,923.49	2,500.00	0.00	1,845.00
	<u>51,458.82</u>	<u>374,866.94</u>	<u>371,500.00</u>	<u>45,157.74</u>	<u>357,141.38</u>
Administrative Overhead					
Hardware	1,054.96	1,793.77	1,500.00	0.00	1,768.08
Computer Software	312.16	8,641.77	8,250.00	8.83	8,098.71
Computer Support	201.45	723.28	1,500.00	10.65	630.96
Water Utility	19.62	235.44	325.00	19.62	235.44
Sewage	35.67	428.04	500.00	35.67	428.04
Power	247.49	3,038.41	3,000.00	387.23	2,972.74
Gas	343.38	2,009.81	2,750.00	291.28	2,006.90
Trash Service	34.35	377.85	475.00	34.35	361.40
Snow Removal	0.00	935.45	1,250.00	662.50	1,060.00
Copy Machine	152.11	2,745.89	3,000.00	179.93	2,797.68
Postage Machine	0.00	2,877.80	3,900.00	913.44	3,749.51
Insurance - Liability	0.00	4,508.67	4,500.00	0.00	4,235.17
Director & Officer Liability	0.00	3,449.87	3,250.00	0.00	2,842.55
Insurance - Company Vehicle	0.00	2,034.12	2,250.00	0.00	2,023.06
Janitorial Services	400.00	3,550.00	4,000.00	150.00	2,775.00
Office Supplies	458.01	2,799.19	5,500.00	295.99	4,012.89
Letterhead	0.00	185.50	300.00	0.00	0.00
10 x 14 Envelope	0.00	311.85	500.00	0.00	0.00
7 1/2 x 10 1/2 Envelope	0.00	7,938.98	6,500.00	0.00	0.00
#10 Envelope	0.00	363.07	600.00	0.00	0.00
Accounting	3,950.00	17,900.00	20,000.00	450.00	10,100.00
Lawn Service	0.00	1,550.00	1,750.00	0.00	1,100.00
Office Maintenance & Improvements	145.99	2,543.89	7,500.00	142.89	5,759.33
Miscellaneous	740.43	1,606.67	4,500.00	95.48	797.44
Bank Charges	22.55	641.24	1,000.00	22.05	568.26
Telephone	255.95	3,238.24	4,500.00	552.02	3,298.08
	<u>8,374.12</u>	<u>76,428.80</u>	<u>93,100.00</u>	<u>4,251.93</u>	<u>61,621.24</u>
Equipment and Building Expense					
Company Vehicle	253.85	1,030.71	1,000.00	19.00	227.70
	<u>253.85</u>	<u>1,030.71</u>	<u>1,000.00</u>	<u>19.00</u>	<u>227.70</u>
Marketing - Advertising					
Print	1,000.00	9,791.05	12,000.00	1,300.00	11,685.00
Web Site	19,647.51	54,214.51	70,000.00	0.00	74,000.00
E-Marketing	34,056.15	122,584.17	200,000.00	24,537.81	83,767.91
Suddenlink	141.94	1,701.29	2,000.00	279.90	1,669.40
	<u>54,845.60</u>	<u>188,291.02</u>	<u>284,000.00</u>	<u>26,117.71</u>	<u>171,122.31</u>

*See accompanying notes.
No assurance is provided on these financial statements.*

**New River Travel Council, Inc. DBA
Visit Southern West Virginia
Statements of Revenues, Expenses and Other Changes in Net Assets
For the One Month and Twelve Months Ended December 31, 2021 and 2020**

	2021 Month	2021 YTD	2021 Budget	2020 Month	2020 YTD
Marketing - Brochures					
Visitors Guide	0.00	58,629.09	60,000.00	3.75	78,993.83
Brochure Dist. Contacts	0.00	5,780.00	6,800.00	988.00	5,928.00
SWV Motorcycle Touring	0.00	0.00	0.00	0.00	5,865.95
	<u>0.00</u>	<u>64,409.09</u>	<u>66,800.00</u>	<u>991.75</u>	<u>90,787.78</u>
Marketing - Promotions					
Newsletter	0.00	0.00	600.00	90.00	585.00
Miscellaneous	3,874.25	86,503.05	214,315.30	2,483.00	52,971.40
	<u>3,874.25</u>	<u>86,503.05</u>	<u>214,915.30</u>	<u>2,573.00</u>	<u>53,556.40</u>
Trade Shows					
WVHTA	487.09	2,754.64	2,000.00	0.00	514.54
ABA	0.00	580.00	500.00	0.00	1,904.18
WV CVB Association	3,000.00	4,405.00	3,500.00	2,750.00	2,750.00
Southeast Tourism Society	0.00	4,231.16	1,500.00	0.00	860.00
Travel South	0.00	150.00	0.00	0.00	1,553.19
Governor's Conference	0.00	0.00	1,200.00	0.00	0.00
	<u>3,487.09</u>	<u>12,120.80</u>	<u>8,700.00</u>	<u>2,750.00</u>	<u>7,581.91</u>
Tamarack Expense					
Uniform Expense	0.00	626.74	2,000.00	0.00	0.00
	<u>0.00</u>	<u>626.74</u>	<u>2,000.00</u>	<u>0.00</u>	<u>0.00</u>
Postage and Shipping					
US Postage	290.00	21,433.73	23,000.00	2,000.00	24,713.34
UPS	563.09	10,803.30	8,000.00	202.96	4,881.41
	<u>853.09</u>	<u>32,237.03</u>	<u>31,000.00</u>	<u>2,202.96</u>	<u>29,594.75</u>

*See accompanying notes.
No assurance is provided on these financial statements.*

**New River Travel Council, Inc. DBA
Visit Southern West Virginia
Statements of Revenues, Expenses and Other Changes in Net Assets
For the One Month and Twelve Months Ended December 31, 2021 and 2020**

	2021 Month	2021 YTD	2021 Budget	2020 Month	2020 YTD
Membership Expense					
Development	40.00	487.07	1,000.00	0.00	194.04
Meetings	329.00	1,531.04	2,500.00	16.04	1,002.81
	<u>369.00</u>	<u>2,018.11</u>	<u>3,500.00</u>	<u>16.04</u>	<u>1,196.85</u>
Other Expenses					
Transportation	69.44	1,237.52	2,500.00	0.00	972.15
Meals	666.76	1,194.46	1,500.00	0.00	639.40
Dues/Subscriptions	0.00	458.88	750.00	0.00	458.88
Charitable Contributions	100.00	100.00	250.00	0.00	0.00
Depreciation	1,051.35	12,616.64	0.00	1,130.90	13,571.46
	<u>1,887.55</u>	<u>15,607.50</u>	<u>5,000.00</u>	<u>1,130.90</u>	<u>15,641.89</u>
Total Expense	<u>125,403.37</u>	<u>854,139.79</u>	<u>1,081,515.30</u>	<u>85,211.03</u>	<u>788,472.21</u>
Increase (Decrease) in Net Assets	264,042.69	428,823.79	<u>\$ 0.00</u>	185,813.81	141,432.40
Net Assets, Beginning	<u>2,122,524.30</u>	<u>1,957,743.20</u>		<u>1,771,929.39</u>	<u>1,816,310.80</u>
Net Assets, Ending	<u>\$ 2,386,566.99</u>	<u>\$ 2,386,566.99</u>		<u>\$ 1,957,743.20</u>	<u>\$ 1,957,743.20</u>

*See accompanying notes.
No assurance is provided on these financial statements.*

New River Travel Council, Inc.
Notes to Financial Statements
December 31, 2021

1. Omission of Substantially All Disclosures and Statement of Cash Flows

Management has elected to omit substantially all of the disclosures and the statement of cash flows required by the generally accepted accounting principles as issued by the U.S. Financial Accounting Standards board. If the omitted disclosures and statement of cash flows were included in the financial statements, they might influence the user's conclusions about the Organization's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

2. Departures From U.S. GAAP

The Organization reports investments at their fair values in the statement of financial position and only adjusts those balances for the year end financial statements. These statements do not contain any adjustments for unrealized gains or losses or any investment income related to the investments. Accounting principles generally accepted in the United States of America requires investments to be adjusted for each reporting period presented in the financial statements. Management has not determined the effect of this departure on the financial statements.



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www.ggmcpa.net • Email: ggm@ggmcpa.net

October 8, 2021

To the Board of Directors
New River Travel Council, Incorporated
dba Visit Southern West Virginia
1408 Harper Road
Beckley, WV 25801

We have audited the financial statements of New River Travel Council, Incorporated dba Visit Southern West Virginia (the Council) as of and for the years ended December 31, 2020 and 2019, and have issued our report thereon dated October 8, 2021. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated July 9, 2021, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Council solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Council is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2020. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events.

Financial Statement Disclosures

Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The financial statement disclosures are neutral, consistent, and clear.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. Management has corrected all usch misstatements.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Council's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the management representation letter dated October 8, 2021.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings or Issues

In the normal course of our professional association with the Council, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating conditions affecting the entity, and operating plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Council's auditors.

Other Matters

This information is intended solely for the use of the Board of Directors and management of the Council and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Gray, Griffith & Mays, a.c.

Charleston, West Virginia

New River Travel Council, Incorporated
d/b/a
Visit Southern West Virginia

Audited Financial Statements

December 31, 2020 and 2019

NEW RIVER TRAVEL COUNCIL, INCORPORATED
d/b/a
VISIT SOUTHERN WEST VIRGINIA

Audited Financial Statements

Years Ended December 31, 2020 and 2019

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
New River Travel Council, Incorporated
d/b/a Visit Southern West Virginia
Beckley, West Virginia

We have audited the accompanying financial statements of New River Travel Council, Incorporated d/b/a Visit Southern West Virginia (the Council), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 financial statements.

Auditor's Responsibility (continued)

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 financial statements referred to above present fairly, in all material respects, the financial position of New River Travel Council, Incorporated d/b/a Visit Southern West Virginia as of December 31, 2020 and 2019, and the changes in its net assets, functional expenses and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Gray, Griffith & Mays, a.c.

October 8, 2021
Charleston, West Virginia

NEW RIVER TRAVEL COUNCIL, INCORPORATED
d/b/a
VISIT SOUTHERN WEST VIRGINIA

STATEMENTS OF FINANCIAL POSITION
December 31, 2020 and 2019

<u>ASSETS</u>	<u>2020</u>	<u>2019</u>
Current assets:		
Cash and cash equivalents	\$ 687,892	\$ 630,603
Accounts receivable, less allowance for doubtful accounts of \$6,884 for 2020 and 2019	57,248	74,945
Prepaid expense	897	6,397
Total current assets	<u>746,037</u>	<u>711,945</u>
Investments - fair value	<u>1,181,286</u>	<u>910,136</u>
Property and equipment:		
Land, building and improvements	269,119	269,119
Office furnishings, fixtures and equipment	19,669	19,669
Vehicle	20,429	20,429
	<u>309,217</u>	<u>309,217</u>
Less accumulated depreciation	<u>(95,572)</u>	<u>(82,000)</u>
Net property and equipment	<u>213,645</u>	<u>227,217</u>
Total assets	<u>\$ 2,140,968</u>	<u>\$ 1,849,298</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities:		
Accounts payable	\$ 15,148	\$ 1,951
Current portion of long-term debt	12,487	-
Deferred income	5,912	17,243
Accrued and withheld payroll liabilities	4,168	13,669
Other taxes payable	95	122
Total current liabilities	<u>37,810</u>	<u>32,985</u>
Non-current liabilities		
Long-term debt	<u>145,413</u>	<u>-</u>
Total liabilities	183,223	32,985
Net assets:		
Net assets without donor restrictions	<u>1,957,745</u>	<u>1,816,313</u>
Total liabilities and net assets	<u>\$ 2,140,968</u>	<u>\$ 1,849,298</u>

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

NEW RIVER TRAVEL COUNCIL, INCORPORATED
d/b/a
VISIT SOUTHERN WEST VIRGINIA

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
For the Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Revenues, gains, and other support without donor restriction:		
Lodging tax	\$ 715,182	\$ 1,133,410
Advertising	51,434	61,370
Memberships	-	20,333
Investment income	<u>163,996</u>	<u>104,338</u>
Total revenues, gains, and other support	<u>930,612</u>	<u>1,319,451</u>
Expenses:		
Salaries and benefits	357,141	365,491
Administrative overhead	61,621	72,355
Office operations	229	953
Marketing - advertising	171,122	326,705
Marketing - brochures	90,788	83,231
Marketing - promotion	53,556	42,134
Trade shows	7,582	12,996
Travel	-	1,496
Postage	29,595	27,444
Contributions	1,197	5,625
Other expenses	2,777	4,903
Depreciation	<u>13,572</u>	<u>13,573</u>
Total expenses	<u>789,180</u>	<u>956,906</u>
Excess of revenues over expenses and change in net assets without donor restrictions	141,432	362,545
Net assets, beginning of year	<u>1,816,313</u>	<u>1,453,768</u>
Net assets, end of year	<u>\$ 1,957,745</u>	<u>\$ 1,816,313</u>

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

NEW RIVER TRAVEL COUNCIL, INCORPORATED
d/b/a
VISIT SOUTHERN WEST VIRGINIA

STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2020 and 2019

December 31, 2020

	Program Services	Management & General	Total
Salaries and benefits	\$ 303,153	\$ 53,988	\$ 357,141
Administrative overhead	-	61,621	61,621
Office operations	-	229	229
Marketing - advertising	171,122	-	171,122
Marketing - brochures	90,788	-	90,788
Marketing - promotion	53,556	-	53,556
Trade shows	7,582	-	7,582
Postage	29,003	592	29,595
Contributions	1,197	-	1,197
Other expenses	2,070	707	2,777
Depreciation	-	13,572	13,572
	<u>\$ 658,471</u>	<u>\$ 130,709</u>	<u>\$ 789,180</u>

December 31, 2019

	Program Services	Management & General	Total
Salaries and benefits	\$ 248,786	\$ 116,704	\$ 365,490
Administrative overhead	-	72,355	72,355
Office operations	-	954	954
Marketing - advertising	326,705	-	326,705
Marketing - brochures	83,231	-	83,231
Marketing - promotion	42,134	-	42,134
Trade shows	12,996	-	12,996
Travel	1,496	-	1,496
Postage	26,895	549	27,444
Contributions	5,625	-	5,625
Other expenses	4,828	75	4,903
Depreciation	-	13,573	13,573
	<u>\$ 752,696</u>	<u>\$ 204,210</u>	<u>\$ 956,906</u>

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

NEW RIVER TRAVEL COUNCIL, INCORPORATED
d/b/a
VISIT SOUTHERN WEST VIRGINIA

STATEMENT OF CASH FLOWS
For the Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Increase in net assets	\$ 141,432	\$ 362,545
Adjustments to reconcile net change in assets to net cash provided by operating activities:		
Depreciation	13,572	13,573
Net realized and unrealized (gain) loss on investments	(163,996)	(104,338)
Dividends reinvested	18,750	14,645
Loss on disposal of fixed asset	-	(7,167)
(Increase) decrease in operating assets		
Accounts receivable	17,697	9,851
Prepaid Expenses	5,500	(2,500)
Increase (decrease) in operating liabilities		
Accounts payable	13,197	(11,479)
Deferred income	(11,331)	(12,475)
Accrued expenses	(9,501)	4,849
Other taxes payable	(27)	(31)
Net cash provided by operating activities	<u>25,293</u>	<u>267,473</u>
Cash flows from investing activities:		
Purchase of fixed asset	-	(13,209)
Purchase of investments	(185,454)	(717,418)
Proceeds from sale of investments	<u>59,550</u>	<u>78,947</u>
Net cash used in investing activities	<u>(125,904)</u>	<u>(651,680)</u>
Cash flows provided by financing activities:		
Proceeds from acquisition of debt	<u>157,900</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	57,289	(384,207)
Cash and cash equivalents, beginning of year	<u>630,603</u>	<u>1,014,810</u>
Cash and cash equivalents, end of year	<u>\$ 687,892</u>	<u>\$ 630,603</u>

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

NEW RIVER TRAVEL COUNCIL, INCORPORATED
d/b/a
VISIT SOUTHERN WEST VIRGINIA

NOTES TO FINANCIAL STATEMENTS

December 31, 2020 and 2019

1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The New River Travel Council, Incorporated, d/b/a, Visit Southern West Virginia (the Council), operates a convention and visitors bureau for southern West Virginia to represent the common interests of its membership and to encourage increased economic activity and development in order to further the general welfare and prosperity of the southern West Virginia area. The Council focuses its efforts in one primary service area.

Visit Southern West Virginia

The Council is directly responsible for travel and tourism product awareness to visitors for the nine-county region that we promote. These nine counties are: Raleigh, Mercer, Fayette, Greenbrier, Monroe, McDowell, Nicholas, Wyoming and Summers.

Summary of Significant Accounting Policies

Basis of Presentation

Financial statement presentation follows the standards set by the Financial Accounting Standards Board. Under those provisions, the Council is required to report information regarding its financial position and activities according to two classes of net assets: (a) net assets without donor restrictions and (b) net assets with donor restrictions.

Net assets of the restricted classes are created only by time or donor-imposed restrictions on use. All other net assets, including board-designated or appropriated amounts, are considered without restriction, and are reported as part of the without donor restriction class.

Without donor restrictions – Net assets that are not subject to donor-imposed stipulations.

With donor restrictions – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Council and/or the passage of time. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. 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 released from restrictions. There are no net assets with donor restrictions at year end.

NEW RIVER TRAVEL COUNCIL, INCORPORATED
d/b/a
VISIT SOUTHERN WEST VIRGINIA

NOTES TO FINANCIAL STATEMENTS
(Continued)

December 31, 2020 and 2019

1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Summary of Significant Accounting Policies (Continued)

Contributions of cash and other assets are presented as restricted support if they are received with donor stipulations that limit the use of the donated asset(s). When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified from unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Donor restrictions expiring entirely in the year of contribution are reported as unrestricted support.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand with depositories and highly liquid investments purchased with an original maturity of three months or less.

Allowance for doubtful accounts

Management reviews all past due receivables for collectability and recognizes an allowance sufficient to absorb those for which collection is considered doubtful.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Both realized and unrealized gains and losses are included in the change in net assets.

NEW RIVER TRAVEL COUNCIL, INCORPORATED
d/b/a
VISIT SOUTHERN WEST VIRGINIA

NOTES TO FINANCIAL STATEMENTS
(Continued)

December 31, 2020 and 2019

1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Summary of Significant Accounting Policies (Continued)

Fair Value Measurement

FASB codification 820 "Fair Value Measurements" was issued in order to establish a single definition of fair value and a framework for measuring fair value in generally accepted accounting principles (GAAP) that is intended to result in increased consistency and comparability in fair value measurements. Codification 820 also expands disclosures about fair value measurements and applies whenever other authoritative literature requires certain assets and liabilities to be measured at fair value, but does not expand the use of fair value.

"Fair Value Measurement" establishes a fair value hierarchy that prioritizes inputs to valuation techniques to measure fair value. This hierarchy consists of three broad levels: quoted prices in active markets for identical assets or liabilities (Level 1), significant other observable inputs (Level 2), and significant unobservable inputs (Level 3).

Property and equipment

Property and equipment is reported at cost less accumulated depreciation. Repairs and maintenance costs are expensed as incurred. The Council capitalizes all property, furniture and equipment with cost exceeding \$500 and economic benefits which exceed more than one accounting period.

Depreciation Expense

Depreciation expense is provided by straight-line methods over the following estimated useful lives:

Building and improvements	5 - 40 years
Furnishings, fixtures and equipment	5 - 10 years
Vehicle	5 years

Advertising Expense

Advertising and marketing costs are expensed as incurred. Substantially all expenses of the Council are advertising and/or marketing related.

NEW RIVER TRAVEL COUNCIL, INCORPORATED
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NOTES TO FINANCIAL STATEMENTS
(Continued)

December 31, 2020 and 2019

1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Summary of Significant Accounting Policies (Continued)

Income Taxes

The Council is a not-for-profit corporation exempt from Federal and West Virginia state income taxes under the provisions of Internal Revenue Code Section 501(c)(6). These returns are open for examination by the taxing authorities generally for three years after filing.

Deferred Income

Deferred income represents membership dues and advertising fees received that have not been earned as of the statement of financial position date.

Change in Accounting Principle

As of January 1, 2020, the Council adopted the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers (Topic 606), as amended. ASU 2014-09 applies to exchange transactions with customers that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition. Results for reporting the years ending December 31, 2020 and 2019 are presented under FASB ASC Topic 606. The ASU has been applied retrospectively to all periods presented, with no effect on net assets of previously issued financial statements.

New Accounting Pronouncements

On February 25, 2016, the Financial Accounting Standards Board (FASB) issued Leases (Topic: 842): Leases (ASU 2016-02). The objective of ASU 2016-02 is to increase the transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing agreements. On July 19, 2018, the FASB issued codification improvements to Topic 842, Leases (ASU 2018-10). The objective of ASU 2018-10 is to clarify how to apply certain aspects of the new leases standard. The amendments address the rate implicit in the lease, impairment of the net investment in the lease, lessee reassessment of lease classification, lessor reassessment of lease term and purchase options, variable payments that depend on an index of rate and certain transition adjustments, among other things. The effective date for the pronouncements is for fiscal years beginning after December 15, 2020. Early adoption of this pronouncement is permitted. Management is currently evaluating the impact this pronouncement will have on

NEW RIVER TRAVEL COUNCIL, INCORPORATED
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NOTES TO FINANCIAL STATEMENTS
(Continued)

December 31, 2020 and 2019

1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Summary of Significant Accounting Policies (Continued)

the Council's financial statements and has elected not to early implement this pronouncement at this time.

2 – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of December 31, 2020, and 2019, comprise of the following:

	2020	2019
Cash and cash equivalents	\$ 687,892	\$ 630,603
Accounts receivable	57,248	74,945
Investments	1,181,286	910,136
	\$1,926,426	\$1,615,684

As part of the Council'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 – ACCOUNTS RECEIVABLE

Accounts receivable represents amounts owed to the Council by its members for dues, advertising by various local government units for an apportionment of collected hotel occupancy tax and grants, and state tourism grants. Accounts receivable at December 31, 2020 and 2019, respectively consisted of the following:

	2020	2019
Dues and memberships	\$ -	\$ 4,563
Advertising	-	5,373
Occupancy tax allocation	64,132	71,893
	64,132	81,829
Less allowance for doubtful accounts	(6,884)	(6,884)
	\$ 57,248	\$ 74,945

NEW RIVER TRAVEL COUNCIL, INCORPORATED
d/b/a
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NOTES TO FINANCIAL STATEMENTS
(Continued)

December 31, 2020 and 2019

4 – INVESTMENTS AND FAIR VALUE MEASUREMENTS

The following is a summary of the levels within the fair value hierarchy in which the Council invests. All amounts in the following table reflect investments held by the Council and comprise actively traded mutual funds.

	Fair Value Measurements at Reporting Date Using			
	(Level 1)	(Level 2)	(Level 3)	Total
<u>December 31, 2020</u>				
Mutual Funds	\$ 1,181,286	\$ -	\$ -	\$ 1,181,286
Total assets in the FV hierarchy	\$ 1,181,286	\$ -	\$ -	\$ 1,181,286

	Fair Value Measurements at Reporting Date Using			
	(Level 1)	(Level 2)	(Level 3)	Total
<u>December 31, 2019</u>				
Mutual Funds	\$ 910,136	\$ -	\$ -	\$ 910,136
Total assets in the FV hierarchy	\$ 910,136	\$ -	\$ -	\$ 910,136

The following schedule summarizes investment appreciation during the years ended December 31, 2020 and 2019, respectively.

	2020	2019
Interest and dividends	\$ 29,243	\$ 22,929
Net realized and unrealized gain on investments	145,244	89,693
Total	174,487	112,622
Less custodial fees	(10,491)	(8,284)
Investment appreciation	\$ 163,996	\$ 104,338

5 – SHORT- TERM BORROWINGS

The Council has a \$150,000 line of credit that renews annually in August from a bank at an interest rate equal to the bank's prime rate plus 2% on any outstanding balance. At December 31, 2020 and 2019, there were no borrowings against this line of credit leaving \$150,000 available for future borrowings. The loan is secured by a lien on all unpledged, unencumbered assets of the Council.

NEW RIVER TRAVEL COUNCIL, INCORPORATED
d/b/a
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NOTES TO FINANCIAL STATEMENTS
(Continued)

December 31, 2020 and 2019

6 – LONG-TERM DEBT

The Council received an EIDL loan from the Small Business Administration during the year ended December 31, 2020. This loan is for \$150,000 and has an interest rate of 2.75%. The first payment on the loan is due 12 months after the date of the note.

Future maturities of this loan at December 31, 2020 are as follows:

2021	12,487
2022	7,692
2023	7,692
2024	7,692
2025	7,692
Thereafter	114,645
	<u>\$ 157,900</u>

7 – LEASES

The Council leases office equipment under operating leases with various expiration dates through September 2023. Total equipment lease expenses were \$6,547 in 2020 and 2019. Total lease payments were \$5,288 and \$5,304 in 2020 and 2019, respectively. Future minimum lease payments are as follows:

2021	4,393
2022	1,706
2023	711
	<u>\$ 6,810</u>

8 – ECONOMIC DEPENDENCE

The Council receives a legislatively mandated percentage of hotel occupancy tax collected by various communities and counties in southern West Virginia. Approximately 93% of revenues were derived from these sources in 2020 and 2019, respectively. If these revenues decrease significantly, it could have a substantial negative impact on the operations of and services provided by the Council.

NEW RIVER TRAVEL COUNCIL, INCORPORATED
d/b/a
VISIT SOUTHERN WEST VIRGINIA

NOTES TO FINANCIAL STATEMENTS
(Continued)

December 31, 2020 and 2019

9 – EMPLOYEE BENEFITS

The Council has a defined contribution retirement plan established under Section 401(k) of the Internal Revenue Code that covers substantially all of the employees of the Council. The plan is subject to provisions outlined under the Employee Retirement Income Security Act (ERISA). The plan allows eligible employees to defer a portion of their compensation ranging from 0 to 100 percent of the Plan's maximum contribution limits for tax purposes. Such deferrals accumulate on a tax deferred basis until the employee withdraws the funds.

The Council contributes 5% of the participating employees' pay, regardless of the employee contribution. Pension expense for the year ended December 31, 2020 and 2019 was \$14,143 and \$12,690, respectively.

10 – CONCENTRATIONS OF CREDIT RISK

During the years presented, the Council had cash balances on deposit at large regional financial institutions substantially in excess of the amount insured by the Federal Deposit Insurance Corporation (FDIC).

11 – RELATED PARTY TRANSACTIONS

The Council received 81% of hotel occupancy tax remitted to Beckley-Raleigh County Convention and Visitor's Bureau, Inc. which accounted for 81% and 87% of total revenue for the year ended December 31, 2020 and 2019, respectively. The Beckley-Raleigh County Convention and Visitor's Bureau is a nonstock, nonprofit corporation that operates a convention and visitor's bureau for the City of Beckley and Raleigh County, West Virginia, to represent the common interests of the area's tourism industry and to encourage increased economic activity and development in order to further the general welfare and prosperity of the City of Beckley and Raleigh County area. The New River Travel Council is a related party whose employees perform duties for the Bureau, at no additional cost to the Bureau.

12 – COVID-19

During the year ended December 31, 2020, the World Health Organization declared the outbreak 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 outbreak on the Council's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak. The financial statements do not reflect any adjustments as a result of the increase in economic uncertainty.

NEW RIVER TRAVEL COUNCIL, INCORPORATED
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NOTES TO FINANCIAL STATEMENTS
(Continued)

December 31, 2020 and 2019

13 – SUBSEQUENT EVENTS

The Council's management has evaluated events and transactions occurring after December 31, 2020 through the date of the Auditor's 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.