

March 28, 2023

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 – lnuzum@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 WVSAO, 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 Cris Meadows at cmeadows@hintonwva.com or 304-673-8716.

Sincerely,

Cris Meadows, Board Chair
Lisa Strader, Director

Attachments: Income statement (Jan 1, 2022 – Dec 31, 2022), Balance sheet (Dec 31, 2022), Annual report (2022), and Annual audit (2021).

Visit SOUTHERN WEST VIRGINIA



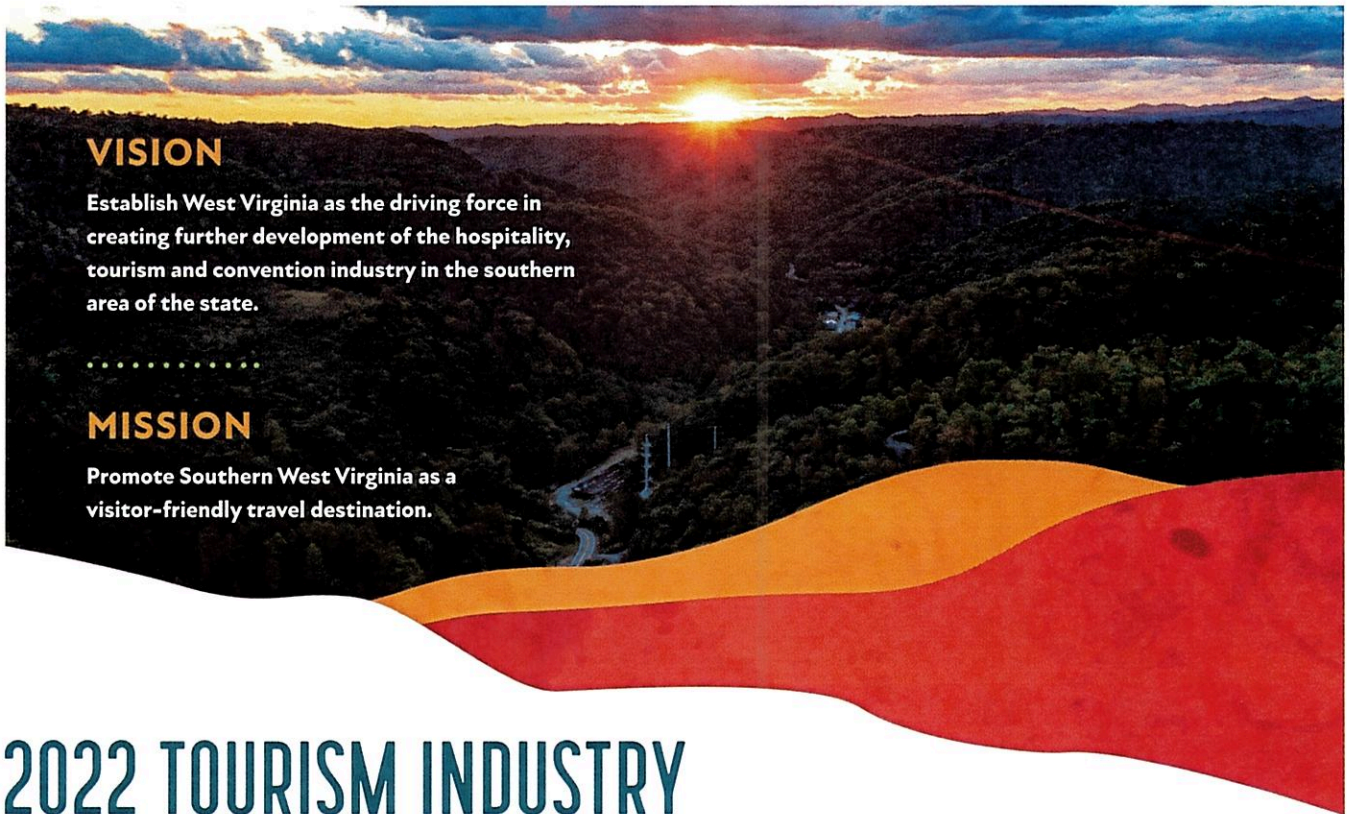
2022 ANNUAL REPORT & 2023 MARKETING PLAN

2022 Executive Officers

Chairperson	Sharon Cruikshank
Chair-Elect	Cris Meadows
Vice-Chair	Allison Tomlinson
Treasurer	Molly Williams
Past Chair	Leslie Baker

2023 Executive Officers

Chairperson	Cris Meadows
Chair-Elect	Allison Tomlinson
Vice-Chair	Molly Williams
Treasurer	Susan James
Past Chair	Sharon Cruikshank



VISION

Establish West Virginia as the driving force in creating further development of the hospitality, tourism and convention industry in the southern area of the state.

.....

MISSION

Promote Southern West Virginia as a visitor-friendly travel destination.

2022 TOURISM INDUSTRY

In 2022, Visit Southern West Virginia took a proactive approach to marketing and advertising, returning to pre-pandemic spending levels and seeing positive results. We continued to closely monitor travel trends and utilize analytics to make informed decisions about where to allocate our tourism advertising dollars. Additionally, we placed a renewed emphasis on getting back out into our communities through events and visits, recognizing the positive impact this has on building strong relationships with locals and visitors alike. By staying nimble and adaptive, we were able to successfully navigate the changing landscape of the tourism industry and drive growth in our region.

Partnerships

.....

As a regional CVB, we are able to leverage our partners' and memberships' diverse offerings in adventures, attractions, lodging and dining to promote our region as a vacation destination to larger audiences and varying markets.

2022 FUNDING PARTNERS

- > Beckley-Raleigh County CVB
- > New River Gorge CVB
- > Nicholas County
- > Wyoming County
- > City of Hinton
- > Historic Fayetteville CVB
- > Monroe County

2022 ASSOCIATIONS

- > WV Hospitality & Travel Association
- > Southeast Tourism Society
- > American Bus Association
- > WV Association of Convention & Visitors Bureaus
- > Southeastern Outdoor Press Association

NATIONAL AND STATE TRENDS*

2020 vs 2021 Regional Impact**

2020 TRAVEL SPENDING \$640.9 MILLION	2021 TRAVEL SPENDING \$848.9 MILLION
2020 EARNINGS \$209 MILLION	2021 EARNINGS \$246.7 MILLION
2020 EMPLOYMENT 6,800 JOBS	2021 EMPLOYMENT 7,610 JOBS
2020 LOCAL & STATE TAXES \$49.7 MILLION	2021 LOCAL & STATE TAXES \$63.3 MILLION

*West Virginia Department of Tourism Annual Report "Exceeding Expectations"

**Source West Virginia Travel Impacts, Dean Runyan Association 2021

While national traveler spending was still lagging 27% behind pre-pandemic level, **West Virginia's traveler spending rates in 2021 outpaced 2020 by 3.4%**. West Virginia saw \$4.9 Billion in Traveler Spending, 44,400 tourism-supported jobs, 1.3 Billion in earnings, and \$754 million in tax revenue.

MARKETING COLLATERAL

BROCHURES

Through welcome centers, travel plazas, our Tamarack visitors desk, regional brochure racks, and a brochure distribution service, we distributed over 400,000 brochures, including our annual Visitors Guide to Southern West Virginia, Southern West Virginia Motorcycle Guide, our passports, and our partners' brochures who contract with us for distribution.



— Visitors Guide



— Passport



— Motorcycle Guide

VS WV Web Traffic Trends

Visit Southern West Virginia represents nine counties and helps attract visitors from all of our neighboring states and major metropolitan areas.



SESSIONS

METRO AREA (DMA)

1. Washington DC: 45,529 (+6.78%)
2. New York, NY: 23,923 (+177.21%)
3. Bluefield-Beckley-Oak Hill, WV: 25,417 (-18.52%)
4. Charleston-Huntington, WV: 17,796 (-18.80%)
5. Pittsburgh, PA: 15,872 (-2.64%)
6. Philadelphia, PA: 16,515 (+2.38%)

BY STATE

1. West Virginia: 64,628 (-13.56%)
2. Virginia: 49,654 (+24.87%)
3. Pennsylvania: 46,254 (+9.24%)
4. Ohio: 36,654 (+4.36%)
5. North Carolina: 32,819 (+20.41%)
6. New York: 25,927 (+198.46%)

TOTAL SESSIONS: 425,131

>>> INCREASE OF 11.1%

SOCIAL MEDIA



5,488,391

REACH

57,494

FOLLOWERS

96,692

Likes & Reactions

8,598

Comments

58,317

Link Clicks

13,374

Shares



114,845

IMPRESSIONS

6,175

ENGAGEMENTS

708

Post Likes

24,344

Video Views

274

Posts

183

Retweets

NEWSLETTERS



23%

OPEN RATE



7,782

SUBSCRIBERS

VISITWV.COM

71.4%

Traffic from mobile (+10.9%)

1.5 AVG. PAGES

PER SESSION

638,925

PAGEVIEWS

1%

CONVERSION RATE

21,444

PARTNER LINK CLICKS



4,793

GOAL COMPLETIONS

guide requests, motorcycle guide requests, and passport requests,

MARKETING STRATEGY

In 2022, Southern West Virginia emerged as a top travel destination, attracting visitors from across the nation with its stunning natural landscapes, including America’s newest national park, the New River Gorge National Park and Preserve. Our strategic location, within a day’s drive of over 50% of the US population, enabled us to collaborate with key partners such as the West Virginia Department of Tourism, National Park Service, and regional and statewide tourism entities. Our team traveled throughout the year, representing all of our partners at various events, including Tourism Day at the Legislature, The Philanthropy Conference, Spartan Race, Bridge Day and more. We attended the American Bus Association Marketplace and the Travel South International Showcase where we met with travel buyers and operators interested in southern West Virginia. We also participated in numerous educational webinars and attended conferences to stay up-to-date on marketing research and current trends.

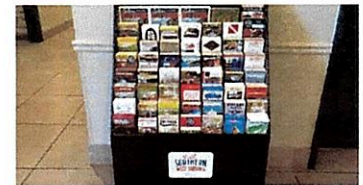
MEDIA RELATIONS

Through our partnerships with the West Virginia Department of Tourism and the support from our local partners, Southern West Virginia and the New River Gorge have experienced a surge in media coverage. Visit Southern West Virginia has worked closely with a range of media outlets including travel writers, influencers and magazines to provide story ideas, press trip assistance, as well as high-quality digital images and videos upon request.

SOME MEDIA OUTLETS INCLUDE:

-
- | | | |
|---|--|---|
| <ul style="list-style-type: none"> > Coast to Coast Magazine > I Do Destination > Family RVing > US News and World Report > Ohio Magazine > Smoky Mountain Living | <ul style="list-style-type: none"> > Travelawaits.com > East West News Service > The National Park Travelers (influencers) > Jo Clark (Influencer) > BlueDotLiving.com | <ul style="list-style-type: none"> > a plethora of mentions of southern WV and the NRG through the public relations efforts of the WV Department of Tourism |
|---|--|---|

REGIONAL REPRESENTATION



MARKETING EFFORTS

In 2022, we spent \$520,473.66 on marketing. This was 55% of our overall spend of \$950,233.55.



- 62% Promotions
- 20% Brochures
- 6% Postage
- 9% Visitor Desk
- 3% Trade Shows

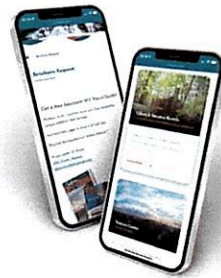
MARKETING PLAN 2023

Our 2023 integrated marketing strategy is to continue to build upon the momentum from the previous couple of years by utilizing and optimizing Visit Southern West Virginia’s marketing channels to position our region as a must-see destination for people around the world. We also plan to test new digital and print channels to continue to promote travel to the region.

Key Project

WEBSITE REDESIGN & ASSET CAPTURE

We are exploring the opportunity of redesigning the Visit Southern West Virginia website as well as planning a few photo and video shoots to capture new assets from around the region.



MEDIA PLAN

Our integrated marketing strategy will be customized based on information and knowledge from tools like Google Analytics, Semrush and other means of analysis. This includes an integration of print and digital advertising and will feature creative centered around the seasons, family, adventure, scenery, road trips and events. Visit Southern West Virginia will be taking advantage of the West Virginia Department of Tourism’s Co-Op program.

We will be participating in print, search engine marketing, CTV, retargeting and digital advertising on channels such as Google/YouTube, Facebook and Instagram. We will also include several ads created for niche markets within our region. We will be placing the majority of our digital media into the Trade Desk. This platform is used to create, manage and analyze digital ad campaigns, which allows us to place and manage pre-roll, retargeting, display and native ads.

ONLINE

Visit Southern West Virginia will post daily on social media platforms including Facebook, Twitter and Instagram. Newsletters will be sent to a growing list of subscribers. Blog posts will be published on the website bi-weekly as well as on social media channels for maximum engagement. A newsletter redesign will be implemented in 2023 to continue to promote the region to our growing list of subscribers.

SOME MEDIA OUTLETS INCLUDE:

PRINT MEDIA

- > Blue Ridge Outdoors
- > Ohio Magazine
- > Freeman’s Motorcycle Touring Map
- > WV Executive

ONLINE MEDIA

- > The Trade Desk
- > Blue Ridge Outdoors
- > Facebook
- > Instagram
- > Madden

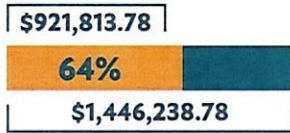
CROSS-MEDIA

- > Digital and print advertisements in conjunction with other CVBs

GROUP TRAVEL

- > American Bus Association
- > Southeast Tourism Society Domestic Showcase

2023 Marketing Budget*



Our marketing budget is **64%** of our overall budget

- 74% Promotions
- 14% Brochures
- 5% Postage
- 2% Trade Shows
- 5% Visitor Desk



*This marketing budget was based on projected income for 2023.

2023 Marketing Collateral



MOTORCYCLE GUIDE 25,000

A new run of our popular motorcycle guide is being refreshed with the new brand.



PASSPORT & COIN 15,000

2,000 coins printed. Updated in Fall 2022. Will reprint Summer of 2023.



VISITORS GUIDE 100,000

LOCATOR MAP 100,000

BECKLEY-RALEIGH COUNTY GUIDE 15,000



MARKETING PRESENCE

- Yeager Airport
- Tamarack Welcome Desk Display (**Open 7 days a week beginning April 1**)
- WV Parkways partnership while Bluestone and Beckley Travel Plazas are under construction (**Increase in expected traffic and expanded hours**)

SPECIAL EVENTS

- Spartan Race
- Bridge Day
- SEOPA

Board of Directors

2023

Allison Tomlinson, Monroe
Travel Monroe

Becky Sullivan, Fayette
New River Gorge CVB

Chad Fox, Raleigh
Daniel Vineyard

Christy Bailey, Fayette
National Coal Heritage Area Authority

Cris Meadows, Summers
City of Hinton

Elizabeth Dix, Nicholas
Kirkwood Winery

Heather Johnson, Fayette
River Expeditions

Jennifer Gilkerson, Monroe
Sunset Berry Farm

Kenneth Zebo, Wyoming
Twin Falls Resort State Park

Kelly Collins, Greenbrier
The State Fair of West Virginia

Leslie Baker, Raleigh
Beckley Exhibition Coal Mine

Melanie Seiler, Raleigh
Active Southern WV

Michelle Rotellini, Raleigh
Beckley-Raleigh Chamber of Commerce

Molly Williams, Raleigh
Raleigh County Parks & Recreation

Phil Lane, Raleigh
VP Management

Sharon Cruikshank, Fayette
Town of Fayetteville

Stephanie Stiffler, Summers
MountainPlex Properties

Susan James, Nicholas
Mountain Lake Campground & Cabins

Susan Williams, Mercer
Concord University

Tabitha Stover, Fayette
Fayetteville CVB

2022

Allison Tomlinson, Monroe
Travel Monroe

Becky Sullivan, Fayette
New River Gorge CVB

Chad Fox, Raleigh
Daniel Vineyard

Christy Bailey, Fayette
National Coal Heritage Area Authority

Christy Laxton, Wyoming
Wyoming County Economic Development
Authority

Cris Meadows, Summers
City of Hinton

Elizabeth Dix, Nicholas
Kirkwood Winery

Heather Johnson, Fayette
River Expeditions

Jennifer Gilkerson, Monroe
Sunset Berry Farm

Kelly Collins, Greenbrier
The State Fair of West Virginia

Leslie Baker, Raleigh
Beckley Exhibition Coal Mine

Melanie Seiler, Raleigh
Active Southern WV

Michelle Rotellini, Raleigh
Beckley-Raleigh Chamber of Commerce

Molly Williams, Raleigh
Raleigh County Parks & Recreation

Phil Lane, Raleigh
VP Management

Sharon Cruikshank, Fayette
Town of Fayetteville

Stephanie Stiffler, Summers
MountainPlex Properties

Susan James, Nicholas
Mountain Lake Campground & Cabins

Susan Williams, Mercer
Concord University

Tabitha Stover, Fayette
Fayetteville CVB

Terry Pfeiffer, Raleigh
Winterplace Ski Resort

BOARD EMERITUS:

Ellen Taylor, Beckley Raleigh County Chamber
of Commerce

Appointed December 5, 2017

Mike Darby, Laurel Lodge Enterprises

Appointed February 24, 2016

AT LARGE:

Scott Durham, Twin Falls Resort
State Park

Tom Wagner, Winterplace Ski Resort

BOARD EMERITUS:

Ellen Taylor, Beckley Raleigh County Chamber
of Commerce

Appointed December 5, 2017

Mike Darby, Laurel Lodge Enterprises

Appointed February 24, 2016

AT LARGE:

Scott Durham, Twin Falls Resort
State Park

Tom Cochran, Raleigh County
Memorial Airport

Current Visit Southern WV Team Members

- **Lisa Strader**
- Executive Director

- **Jennifer Meade**
- Office Manager

- **Maura Johnson**
- Chief Operating Officer

- **Sam Brackenrich**
- Marketing & Group Tours

- **Kim Pomeroy**
- Reception & Fulfillment Manager

- **Debbie Lester**
- Information Specialist,
- Tamarack Welcome Desk

- **Margaret Smith**
- Information Specialist,
- Tamarack Welcome Desk

- **Logan Kennedy**
- Seasonal Information Specialist,
- Tamarack Welcome Desk



New River Travel Council, Inc.
Financial Statements
December 31, 2022 and 2021

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, 2022 and 2021, 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.

A handwritten signature in black ink that reads "Richmond & Company". The signature is written in a cursive, flowing style.

Certified Public Accountants
Beckley, WV
February 09, 2023

**New River Travel Council, Inc. DBA
Visit Southern West Virginia
Statement of Financial Position
As of December 31, 2022 and 2021**

Assets

	2022	2021
Current Assets		
Cash - City National	\$ 1,214,279.91	\$ 890,146.94
Cash - City National - Payroll	30,995.35	28,231.18
Cash in investment account	53,083.50	39,317.38
	<u>1,298,358.76</u>	<u>957,695.50</u>
Accounts Receivable	81,755.00	72,249.71
Allowance for Doubtful Accounts	(6,884.13)	(6,884.13)
	<u>74,870.87</u>	<u>65,365.58</u>
Prepaid Advertising	8,342.59	8,342.59
	<u>8,342.59</u>	<u>8,342.59</u>
Total Current Assets	<u>1,381,572.22</u>	<u>1,031,403.67</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	(119,632.50)	(108,188.35)
	<u>189,583.71</u>	<u>201,027.86</u>
Net Property and Equipment	<u>189,583.71</u>	<u>201,027.86</u>
Investments	1,079,132.84	1,342,506.99
	<u>1,079,132.84</u>	<u>1,342,506.99</u>
Total Assets	<u>\$ 2,650,288.77</u>	<u>\$ 2,574,938.52</u>

Liabilities and Net Assets

	2022	2021
Current Liabilities		
EIDL Loan	\$ 0.00	\$ 98,824.00
Accounts Payable	15,634.55	15,869.57
State Tax Withheld	1,248.00	1,206.00
Futa Tax Payable	0.00	27.41
Suta Tax Payable	0.00	77.66
Accrued Payroll	4,825.44	3,762.95
Accrued Sales Tax	97.90	130.53
Deferred Income	16,018.41	16,018.41
	<u>37,824.30</u>	<u>135,916.53</u>
Total Current Liabilities	<u>37,824.30</u>	<u>135,916.53</u>
Net Assets		
Without Donor Restrictions	2,612,464.47	2,439,021.99
	<u>2,612,464.47</u>	<u>2,439,021.99</u>
Total Net Assets	<u>2,612,464.47</u>	<u>2,439,021.99</u>
Total Liabilities and Net Assets	<u>\$ 2,650,288.77</u>	<u>\$ 2,574,938.52</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, 2022 and 2021**

	2022 Month	2022 YTD	2022 Budget	2021 Month	2021 YTD
Revenue					
Memberships					
Fayette County	\$ 76.00	\$ 6,652.70	\$ 9,000.00	\$ 953.25	\$ 8,140.25
Greenbrier County	354.00	1,485.00	1,750.00	110.00	1,510.00
McDowell County	0.00	110.00	275.00	110.00	260.00
Mercer County	0.00	815.00	600.00	0.00	550.00
Monroe County	0.00	440.00	1,300.00	275.00	1,275.00
Nicholas County	110.00	1,430.00	1,250.00	0.00	1,150.00
Raleigh County	55.00	10,014.30	11,000.00	755.00	10,013.75
Summers County	0.00	605.00	600.00	0.00	550.00
Wyoming County	0.00	330.00	550.00	137.50	512.50
Miscellaneous Memberships	0.00	1,085.00	600.00	(6,456.00)	(5,856.00)
	<u>595.00</u>	<u>22,967.00</u>	<u>26,925.00</u>	<u>(4,115.25)</u>	<u>18,105.50</u>
City & County Contracts					
Fayette County	22,005.82	178,303.54	125,000.00	58,338.64	128,147.80
Monroe County	0.00	21,864.47	3,000.00	3,108.66	3,108.66
Nicholas County	0.00	13,801.25	9,000.00	0.00	9,563.50
Raleigh County	161,043.48	1,050,183.96	815,000.00	147,490.49	875,390.51
Summers County	433.28	3,131.72	1,000.00	373.67	638.11
Wyoming County	0.00	13,177.95	9,500.00	0.00	10,230.91
	<u>183,482.58</u>	<u>1,280,462.89</u>	<u>962,500.00</u>	<u>209,311.46</u>	<u>1,027,079.49</u>
Membership Services					
Advertising					
OVG Ads	0.00	47,965.47	45,168.50	0.00	26,085.60
Extra Listing	0.00	5,450.00	6,200.00	0.00	3,712.25
CVB Website Link	(621.00)	0.00	0.00	0.00	2,350.00
CVB Weblink - Banners	621.00	1,215.25	2,000.00	0.00	0.00
SWV Motorcycle Touring	0.00	6,900.00	5,000.00	0.00	200.00
Deferred Income - Advertising	0.00	0.00	0.00	(2,197.00)	(2,197.00)
	<u>0.00</u>	<u>61,530.72</u>	<u>58,368.50</u>	<u>(2,197.00)</u>	<u>30,150.85</u>
Brochure Distribution					
\$150 Option-Brochures	0.00	8,323.45	7,000.00	(1,453.00)	4,734.74
	<u>0.00</u>	<u>8,323.45</u>	<u>7,000.00</u>	<u>(1,453.00)</u>	<u>4,734.74</u>
Other Income					
Other Income	0.00	0.00	0.00	8,000.00	8,000.00
Investment Income, Fees	(249,608.03)	(249,608.03)	25,000.00	164,846.85	164,846.85
Covid Self Care Payroll Credit	0.00	0.00	0.00	0.00	1,170.33
Forgiven PPP Grant	0.00	0.00	0.00	67,504.00	67,504.00
Retention Credit	0.00	0.00	0.00	0.00	13,822.82
	<u>(249,608.03)</u>	<u>(249,608.03)</u>	<u>25,000.00</u>	<u>240,350.85</u>	<u>255,344.00</u>
Total Revenues	<u>(65,530.45)</u>	<u>1,123,676.03</u>	<u>1,079,793.50</u>	<u>441,897.06</u>	<u>1,335,414.58</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, 2022 and 2021**

	2022 Month	2022 YTD	2022 Budget	2021 Month	2021 YTD
Salaries and Benefits					
Wages	(7,476.66)	240,545.46	275,000.00	35,897.27	271,884.10
Payroll Taxes	2,418.18	23,840.58	26,000.00	2,261.10	22,928.79
Employee Benefit (SEP)	993.24	14,648.94	17,500.00	1,040.06	14,516.42
Life and Health Insurance	6,003.69	63,189.48	70,000.00	11,388.05	63,614.14
Employee Training/Education	0.00	0.00	2,500.00	872.34	1,923.49
	<u>1,938.45</u>	<u>342,224.46</u>	<u>391,000.00</u>	<u>51,458.82</u>	<u>374,866.94</u>
Administrative Overhead					
Hardware	0.00	0.00	2,000.00	1,054.96	1,793.77
Computer Software	312.16	8,016.28	9,000.00	312.16	8,641.77
Computer Support	10.65	508.98	1,500.00	212.45	734.28
Water Utility	21.92	251.54	325.00	19.62	235.44
Sewage	57.79	565.38	500.00	35.67	428.04
Power	171.96	2,184.39	3,600.00	247.49	3,038.41
Gas	388.95	2,268.18	3,000.00	343.38	2,009.81
Trash Service	40.29	470.73	475.00	34.35	377.85
Snow Removal	0.00	657.20	1,250.00	0.00	935.45
Copy Machine	152.11	2,737.45	3,000.00	152.11	2,745.89
Postage Machine	0.00	5,028.17	3,900.00	0.00	2,877.80
Insurance - Liability	0.00	4,821.38	5,000.00	0.00	4,508.67
Director & Officer Liability	0.00	3,559.47	3,750.00	0.00	3,449.87
Insurance - Company Vehicle	0.00	2,093.44	2,300.00	0.00	2,034.12
Janitorial Services	300.00	3,825.00	4,000.00	400.00	3,550.00
Office Supplies	1,643.17	3,873.00	5,500.00	574.01	2,915.19
Letterhead	0.00	0.00	0.00	0.00	185.50
10 x 14 Envelope	0.00	0.00	0.00	0.00	311.85
7 1/2 x 10 1/2 Envelope	0.00	0.00	0.00	0.00	7,938.98
#10 Envelope	0.00	0.00	0.00	0.00	363.07
Accounting	3,575.00	17,025.00	20,000.00	3,950.00	17,900.00
Lawn Service	0.00	1,610.00	2,000.00	0.00	1,550.00
Office Maintenance & Improvements	405.13	2,544.87	7,500.00	145.99	2,543.89
Miscellaneous	90.70	600.55	4,750.00	740.43	1,606.67
Bank Charges	25.23	635.60	1,000.00	22.55	641.24
Telephone	255.51	3,054.43	4,500.00	255.95	3,238.24
	<u>7,450.57</u>	<u>66,331.04</u>	<u>88,850.00</u>	<u>8,501.12</u>	<u>76,555.80</u>
Equipment and Building Expense					
Company Vehicle	858.99	2,045.55	2,000.00	275.85	1,052.71
	<u>858.99</u>	<u>2,045.55</u>	<u>2,000.00</u>	<u>275.85</u>	<u>1,052.71</u>
Marketing - Advertising					
Print	0.00	20,368.00	15,000.00	1,000.00	9,791.05
Marketing Salaries	44,049.57	44,049.57	0.00	0.00	0.00
Web Site	10,600.00	55,566.70	70,000.00	19,647.51	54,214.51
E-Marketing	8,368.04	142,645.40	200,000.00	30,152.15	118,680.17
Suddenlink	141.94	1,703.28	2,000.00	141.94	1,701.29
	<u>63,159.55</u>	<u>264,332.95</u>	<u>287,000.00</u>	<u>50,941.60</u>	<u>184,387.02</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, 2022 and 2021**

	2022 Month	2022 YTD	2022 Budget	2021 Month	2021 YTD
Marketing - Brochures					
Visitors Guide	0.00	85,463.71	84,000.00	0.00	58,629.09
Brochure Dist. Contacts	1,228.00	6,528.00	7,200.00	988.00	6,768.00
SWV Motorcycle Touring	0.00	11,407.48	7,500.00	0.00	0.00
	<u>1,228.00</u>	<u>103,399.19</u>	<u>98,700.00</u>	<u>988.00</u>	<u>65,397.09</u>
Marketing - Promotions					
Miscellaneous	3,983.74	58,521.69	106,493.50	3,874.25	86,503.05
Group Tour Items	1,100.00	2,000.00	2,000.00	0.00	0.00
Boy Scouts of America	(1,100.00)	0.00	0.00	0.00	0.00
Spartan Race	0.00	25,000.00	25,000.00	0.00	0.00
	<u>3,983.74</u>	<u>85,521.69</u>	<u>133,493.50</u>	<u>3,874.25</u>	<u>86,503.05</u>
Trade Shows					
WVHTA	0.00	1,752.72	1,500.00	487.09	2,754.64
ABA	0.00	2,375.00	1,750.00	0.00	580.00
WV CVB Association	0.00	20.09	4,000.00	3,000.00	4,405.00
Southeast Tourism Society	0.00	6,856.50	7,500.00	0.00	4,231.16
Travel South	1,495.00	1,495.00	0.00	0.00	150.00
Governor's Conference	0.00	1,616.99	1,500.00	0.00	0.00
	<u>1,495.00</u>	<u>14,116.30</u>	<u>16,250.00</u>	<u>3,487.09</u>	<u>12,120.80</u>
Tamarack Expense					
Uniform Expense	0.00	673.25	1,000.00	85.00	711.74
	<u>0.00</u>	<u>673.25</u>	<u>1,000.00</u>	<u>85.00</u>	<u>711.74</u>
Postage and Shipping					
US Postage	2,360.00	21,060.44	24,000.00	(956.00)	20,187.73
UPS	645.11	12,544.88	12,000.00	563.09	10,803.30
	<u>3,005.11</u>	<u>33,605.32</u>	<u>36,000.00</u>	<u>(392.91)</u>	<u>30,991.03</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, 2022 and 2021**

	2022 Month	2022 YTD	2022 Budget	2021 Month	2021 YTD
Membership Expense					
Development	376.08	9,060.65	10,000.00	40.00	487.07
Meetings	<u>1,718.16</u>	<u>9,764.31</u>	<u>10,000.00</u>	<u>329.00</u>	<u>1,531.04</u>
	<u>2,094.24</u>	<u>18,824.96</u>	<u>20,000.00</u>	<u>369.00</u>	<u>2,018.11</u>
Other Expenses					
Transportation	153.12	1,803.11	3,000.00	69.44	1,237.52
Meals	736.94	1,189.58	1,500.00	666.76	1,194.46
Dues/Subscriptions	0.00	493.58	750.00	0.00	458.88
Charitable Contributions	150.00	210.00	250.00	100.00	100.00
Interest expense	4,018.42	4,018.42	0.00	3,924.00	3,924.00
Depreciation	<u>953.67</u>	<u>11,444.15</u>	<u>0.00</u>	<u>1,051.35</u>	<u>12,616.64</u>
	<u>6,012.15</u>	<u>19,158.84</u>	<u>5,500.00</u>	<u>5,811.55</u>	<u>19,531.50</u>
Total Expense	<u>91,225.80</u>	<u>950,233.55</u>	<u>1,079,793.50</u>	<u>125,399.37</u>	<u>854,135.79</u>
Increase (Decrease) in Net Assets	(156,756.25)	173,442.48	<u>\$ 0.00</u>	316,497.69	481,278.79
Net Assets, Beginning	<u>2,769,220.72</u>	<u>2,439,021.99</u>		<u>2,122,524.30</u>	<u>1,957,743.20</u>
Net Assets, Ending	<u>\$ 2,612,464.47</u>	<u>\$ 2,612,464.47</u>		<u>\$ 2,439,021.99</u>	<u>\$ 2,439,021.99</u>

See accompanying notes.

No assurance is provided on these financial statements.

New River Travel Council, Inc.
Notes to Financial Statements
December 31, 2022

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.



707 Virginia Street E. • Suite 400 • Charleston, WV 25301 • Phone: 304.345.9400 • Fax: 304.345.7258
www.ggmcpa.net • Email: ggm@ggmcpa.net

September 29, 2022

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, 2021 and 2020, and have issued our report thereon dated September 29, 2022. 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 August 8, 2022, 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 2021. 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 September 29, 2022.

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, 2021 and 2020

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

Audited Financial Statements

Years Ended December 31, 2021 and 2020

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	1 – 2
Statements of Financial Position	3
Statements of Activities and Changes in Net Assets	4
Statements of Functional Expenses	5
Statements of Cash Flows	6
Notes to Financial Statements	7 – 16



707 Virginia Street E. • Suite 400 • Charleston, WV 25301 • Phone: 304.345.9400 • Fax: 304.345.7258
www.ggmcpa.net • Email: ggm@ggmcpa.net

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the 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, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements 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, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 the Council and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 the Council's ability to continue as a going concern for one year after the date that the financial statements are issued.

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 GAAS 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 GAAS, 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 the Council'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 the Council'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.

Gray, Griffith & Mays, a.c.

September 29, 2022
Charleston, West Virginia

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

STATEMENTS OF FINANCIAL POSITION
December 31, 2021 and 2020

	2021	2020
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 957,695	\$ 687,892
Accounts receivable, less allowance for doubtful accounts of \$6,884 for 2021 and 2020	65,366	57,248
Prepaid expense	8,343	897
Total current assets	1,031,404	746,037
Investments - fair value	1,342,507	1,181,286
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
	309,217	309,217
Less accumulated depreciation	(108,188)	(95,572)
Net property and equipment	201,029	213,645
Total assets	\$ 2,574,940	\$ 2,140,968
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities:		
Accounts payable	\$ 15,870	\$ 15,148
Current portion of long-term debt	5,035	12,487
Deferred income	16,018	5,912
Accrued and withheld payroll liabilities	5,074	4,168
Other taxes payable	131	95
Total current liabilities	42,128	37,810
Non-current liabilities:		
Long-term debt	93,789	145,413
Total liabilities	135,917	183,223
Net assets:		
Net assets without donor restrictions	2,439,023	1,957,745
Total liabilities and net assets	\$ 2,574,940	\$ 2,140,968

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, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Revenues, gains, and other support without donor restriction:		
Lodging tax	1,027,081	\$ 715,182
Advertising	34,886	51,434
Memberships	18,106	-
Federal Grant - Paycheck Protection Program	67,504	-
Federal Grant - Employee Retention Credit	13,823	-
Other grant revenue	9,170	-
Investment income	<u>164,847</u>	<u>163,996</u>
Total revenues, gains, and other support	<u>1,335,417</u>	<u>930,612</u>
Expenses:		
Program services	703,174	658,471
Management and general	<u>150,965</u>	<u>130,709</u>
Total expenses	<u>854,139</u>	<u>789,180</u>
Excess of revenues over expenses and change in net assets without donor restrictions	481,278	141,432
Net assets, beginning of year	<u>1,957,745</u>	<u>1,816,313</u>
Net assets, end of year	<u>\$2,439,023</u>	<u>\$1,957,745</u>

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

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

STATEMENTS OF FUNCTIONAL EXPENSES
For the Year Ended,

December 31, 2021

	Program Services	Management and General	Total
Salaries and benefits	\$ 318,773	\$ 56,093	\$ 374,866
Administrative overhead	-	76,558	76,558
Office operations	-	1,053	1,053
Marketing - advertising	184,387	-	184,387
Marketing - brochures	65,397	-	65,397
Marketing - promotion	86,503	-	86,503
Trade shows	12,120	-	12,120
Travel	712	-	712
Postage	30,371	620	30,991
Contributions	2,018	-	2,018
Other expenses	2,893	100	2,993
Depreciation	-	12,617	12,617
Interest	-	3,924	3,924
	<u>\$ 703,174</u>	<u>\$ 150,965</u>	<u>\$ 854,139</u>

December 31, 2020

	Program Services	Management and 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>

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, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Increase in net assets	\$ 481,278	\$ 141,432
Adjustments to reconcile net change in assets to net cash provided by operating activities:		
Depreciation	12,617	13,572
Net realized and unrealized (gain) loss on investments	(164,847)	(163,996)
(Increase) decrease in operating assets		
Accounts receivable	(8,118)	17,697
Prepaid Expenses	(7,446)	5,500
Increase (decrease) in operating liabilities		
Accounts payable	722	13,197
Deferred income	10,106	(11,331)
Accrued expenses	906	(9,501)
Other taxes payable	36	(27)
Net cash provided by operating activities	<u>325,254</u>	<u>6,543</u>
Cash flows from investing activities:		
Purchase of investments	(122,984)	(166,704)
Proceeds from sale of investments	<u>126,609</u>	<u>59,550</u>
Net cash used in investing activities	<u>3,625</u>	<u>(107,154)</u>
Cash flows from financing activities:		
Payments on long-term debt	(59,076)	-
Proceeds from acquisition of debt	<u>-</u>	<u>157,900</u>
Net cash (used in) provided by financing activities	<u>(59,076)</u>	<u>157,900</u>
Net increase in cash and cash equivalents	269,803	57,289
Cash and cash equivalents, beginning of year	<u>687,892</u>	<u>630,603</u>
Cash and cash equivalents, end of year	<u>\$ 957,695</u>	<u>\$ 687,892</u>
 SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest	<u>\$ 3,924</u>	<u>\$ -</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, 2021 and 2020

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, 2021 and 2020

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

Summary of Significant Accounting Policies (Continued)

Advertising Revenue

Advertising revenue is recognized in the period in which the advertising is provided. Advertising revenue received in advance of the period provided is recorded as deferred revenue.

Contributions

The Council recognizes contributions when cash, securities, or other assets; or an unconditional promise to give is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met. There were no conditional contributions at December 31, 2021 and 2020.

Lodging Tax

Under West Virginia tax code, for every night of lodging utilized in the counties of Raleigh, Mercer, Fayette, Greenbrier, Monroe, McDowell, Nicholas, Wyoming, and Summers, lodging guests are required to pay a hotel occupancy tax to the hotel operator. This tax is added to the consideration paid for the use and occupancy of the hotel room and shall be collectible as such by the hotel operator. The amount of the tax varies from county to county. All taxes collected pursuant to the provisions of the West Virginia state tax code shall be deemed to be held in trust by the hotel until those taxes have been remitted to the taxing authority. The county or municipality that has collected the tax is then required to expend at least 50 percent of the hotel occupancy tax received for the promotion of conventions and tourism. These amounts are then remitted to the Council. The Council views the night of lodging as the triggering events for recognizing revenue, as an unconditional contribution.

Revenue Recognition – Grant Revenue

Grant revenue earned based on the nature of the grant. When grant support is received it is deferred by the Council until the Council has satisfied the grant requirements with respect to the terms and conditions of the grant agreement. All grant support received by the Council requires specific actions to be taken and when the Council satisfied the terms of the grant it recognizes revenue for the particular grant. The Council records its remaining obligation under grant agreements as deferred revenue.

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

NOTES TO FINANCIAL STATEMENTS
(Continued)

December 31, 2021 and 2020

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

Summary of Significant Accounting Policies (Continued)

Memberships

Memberships revenue is recognized in the period in which the membership is provided to the participating businesses. Memberships revenue received in advance of the period provided is recorded as deferred revenue.

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, 2021 and 2020

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
d/b/a
VISIT SOUTHERN WEST VIRGINIA

NOTES TO FINANCIAL STATEMENTS
(Continued)

December 31, 2021 and 2020

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.

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 pronouncement is for fiscal years beginning after December 15, 2021. Early adoption of this pronouncement is permitted. Management is currently evaluating the impact this pronouncement will have on 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, 2021, and 2020, comprise of the following:

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

NOTES TO FINANCIAL STATEMENTS
(Continued)

December 31, 2021 and 2020

2 – LIQUIDITY AND AVAILABILITY (Continued)

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 957,695	\$ 687,892
Accounts receivable	65,366	57,248
Investments	<u>1,342,507</u>	<u>1,181,286</u>
	<u>\$2,365,568</u>	<u>\$1,926,426</u>

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, 2021 and 2020, respectively consisted of the following:

	<u>2021</u>	<u>2020</u>
Dues and memberships	\$ 5,698	\$ -
Occupancy tax allocation	<u>66,552</u>	<u>64,132</u>
	72,250	64,132
Less allowance for doubtful accounts	<u>(6,884)</u>	<u>(6,884)</u>
	<u>\$ 65,366</u>	<u>\$ 57,248</u>

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.

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

NOTES TO FINANCIAL STATEMENTS
(Continued)

December 31, 2021 and 2020

4 – INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

	Fair Value Measurements at Reporting Date Using			
	(Level 1)	(Level 2)	(Level 3)	Total
<u>December 31, 2021</u>				
Mutual Funds	\$1,342,507	\$ -	\$ -	\$1,342,507
Total assets in the FV hierarchy	<u>\$1,342,507</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$1,342,507</u>
	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	<u>\$1,181,286</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$1,181,286</u>

The following schedule summarizes investment appreciation during the years ended December 31, 2021 and 2020, respectively.

	2021	2020
Interest and dividends	\$ 37,110	\$ 29,243
Net realized and unrealized gain on investments	<u>140,704</u>	<u>145,244</u>
Total	177,814	174,487
Less custodial fees	<u>(12,967)</u>	<u>(10,491)</u>
Investment appreciation	<u>\$ 164,847</u>	<u>\$ 163,996</u>

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, 2021 and 2020, 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
VISIT SOUTHERN WEST VIRGINIA

NOTES TO FINANCIAL STATEMENTS
(Continued)

December 31, 2021 and 2020

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%. Loan payments were deferred by the SBA during 2021 and will not be required of the Council until June 2022. The Council began making payments on the loan in June 2021.

Future maturities of this loan at December 31, 2021 are as follows:

2022	\$ 5,035
2023	5,175
2024	5,319
2025	5,467
2026	5,619
Thereafter	72,209
	<u>\$ 98,824</u>

7 – LEASES

The Council leases office equipment under operating leases with various expiration dates through September 2023. Total equipment lease expenses were \$5,624 in 2021 and \$6,547 in 2020. Total lease payments were \$4,393 and \$5,288 in 2021 and 2020, respectively. Future minimum lease payments are as follows:

2022	\$ 1,706
2023	711
	<u>\$ 2,417</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 95% and 93% of revenues were derived from these sources in 2021 and 2020, 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, 2021 and 2020

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, 2021 and 2020 was \$14,516 and \$14,143, 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 85% of hotel occupancy tax remitted to Beckley-Raleigh County Convention and Visitor's Bureau, Inc. which accounted for 81% and 81% of total revenue for the year ended December 31, 2021 and 2020, 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 – CARES ACT FUNDING AND 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 Organization's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak.

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

NOTES TO FINANCIAL STATEMENTS
(Continued)

December 31, 2021 and 2020

12 – CARES ACT FUNDING AND COVID-19 (Continued)

In response to economic uncertainty associated with the Coronavirus (COVID-19) pandemic, the Organization has taken advantage of 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.

Paycheck Protection Program

In February 2021, the Organization 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 are available that are 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. Forgiveness provisions are also based on how employers utilize the funds for these designated expenses and maintaining or quickly rehiring employees and wage and salary levels. Forgiveness will be reduced if full-time headcount declines, or if salaries and wages decrease. If not forgiven, the PPP loan has a maturity of 5 years, an interest rate of 1% and loan payments are deferred for the first six months of the loan term. The Organization successfully applied for the loan through an SBA approved lender totaling \$67,504, and the advance from the lender was received in February 2021.

The Organization received full loan forgiveness in February 2022 and has chosen to analogize the guidance in FASB ASC 958-605, which addresses accounting for contributions received by not-for-profit entities. Accordingly, the Organization recognized \$67,504 in grant revenue related to the PPP loan at December 31, 2021.

Employee Retention Credit

Under the CARES Act, an Employee Retention Credit provides for refundable tax credits against certain payroll taxes. The Organization received Employee Retention Credits for December 31, 2021, in the amount of \$13,823. Consistent with guidance, the credit proceeds are reported as federal grants in the statement of activities.

13 – SUBSEQUENT EVENTS

The Council's management has evaluated events and transactions occurring after December 31, 2021 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.