

September 27, 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 the McDowell County CVB, we respectfully submit the required information and confirm that McDowell County CVB is in full compliance with all WV Code 7-18-13 requirements.

If you have any questions, please contact either Jennifer Justice at jennifer.justice@mcdowellcvb.com or 304-436-4242 or me Tara Elder at 304-237-7567

Sincerely,

Tara Elder, President of the McDowell County CVB Board



Jennifer D Justice, Executive Director

Attachments: Income statement (July 1, 2021 – June 30, 2022), Balance sheet (June 30, 2022), Annual report (2021), and Annual audit/review (2021).

McDowell County Convention & Visitor Bureau

09/21/22

Balance Sheet

Accrual Basis

As of June 30, 2022

	Jun 30, 22
ASSETS	
Current Assets	
Checking/Savings	
Pioneer Community Bank	89,192.73
Total Checking/Savings	89,192.73
Total Current Assets	89,192.73
TOTAL ASSETS	89,192.73
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	16,600.00
Total Accounts Payable	16,600.00
Total Current Liabilities	16,600.00
Total Liabilities	16,600.00
Equity	
Opening Balance Equity	108,679.51
Unrestricted Net Assets	-9,984.08
Net Income	-26,102.70
Total Equity	72,592.73
TOTAL LIABILITIES & EQUITY	89,192.73

McDowell County Convention & Visitor Bureau

Profit & Loss

09/21/22

July 2021 through June 2022

Accrual Basis

	Jul '21 - Jun 22
Ordinary Income/Expense	
Income	
Indirect Public Support	
Revenue-Occ Tax-Gary	1,703.61
Revenue-Occ Tax-Kimball	2,341.34
Revenue-Occ Tax-McDowell Co	76,653.53
Revenue-Occ Tax-Northfork	7,605.68
Revenue-Occ Tax-War	2,345.59
Revenue-Occ Tax-Welch	7,229.61
Total Indirect Public Support	97,879.36
Other Types of Income	
Miscellaneous Revenue	43.20
Other Types of Income - Other	231.96
Total Other Types of Income	275.16
Program Income	31.62
Refund	24.28
Refund to Debit Card	179.71
Total Income	98,390.13
Gross Profit	98,390.13
Expense	
Advertising/Marketing/Web Site	
Web Development	3,760.34
Advertising/Marketing/Web Site - Other	31,972.83
Total Advertising/Marketing/Web Site	35,733.17
Business Expenses	
Business Registration Fees	4,912.95
Total Business Expenses	4,912.95
Contract Services	
Accounting Fees	187.50
Catering	349.00
Total Contract Services	536.50
Facilities and Equipment	
Equip Rental and Maintenance	
IT	5,299.50
Equip Rental and Maintenance - Other	100.00
Total Equip Rental and Maintenance	5,399.50
Rent, Parking, Utilities	6,300.00
Total Facilities and Equipment	11,699.50
Grant Request	2,000.00
Operations	
Mileage	1,425.40
Office Supplies	1,170.35
Postage, Mailing Service	390.71
Telephone, Telecommunications	1,205.42
Training	1,643.52
Operations - Other	711.69
Total Operations	6,547.09

McDowell County Convention & Visitor Bureau

Profit & Loss

09/21/22

July 2021 through June 2022

Accrual Basis

	Jul '21 - Jun 22
Other Types of Expenses	
Insurance - Liability, D and O	1,794.80
Other Costs	482.88
Other Types of Expenses - Other	1,375.87
Total Other Types of Expenses	3,653.55
Payroll, Fees & Taxes-Paychex	65,761.68
Reimbursement	814.56
Travel and Meetings	
Conference, Convention, Meeting	1,299.25
Travel	143.92
Travel and Meetings - Other	71.45
Total Travel and Meetings	1,514.62
Total Expense	133,173.62
Net Ordinary Income	-34,783.49
Other Income/Expense	
Other Income	
Donations	650.00
PPP Loan Forgiveness	9,374.15
Total Other Income	10,024.15
Other Expense	
Event	1,343.36
Total Other Expense	1,343.36
Net Other Income	8,680.79
Net Income	-26,102.70

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

Reviewed Financial Statements

June 30, 2022

MCDOWELL COUNTY CONVENTION AND VISITORS BUREAU, INC.

Reviewed Financial Statements

June 30, 2022

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

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

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

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting; this includes determining that the modified cash basis of accounting the company uses is an acceptable basis for the preparation of financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

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

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

Accountant's Conclusion

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

Basis of Accounting

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

Gray, Griffith & Mays, a.c.

Charleston, West Virginia
September 26, 2022

MCDOWELL COUNTY CONVENTION AND VISITORS BUREAU, INC.

STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS – MODIFIED CASH BASIS

June 30, 2022

ASSETS

Current assets:	
Cash and cash equivalents	\$ 89,193
Total assets	\$ 89,193

LIABILITIES AND NET ASSETS

Current liabilities:	
Payable, cognizant agency	\$ 16,600
Total liabilities	16,600
Net assets:	
Net assets without donor restrictions	72,593
Total liabilities and net assets	\$ 89,193

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

MCDOWELL COUNTY CONVENTION AND VISITORS BUREAU, INC.

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

For the year ended June 30, 2022

Revenues and support:

Lodging tax	\$ 97,880
Grant revenue - Paycheck Protection Program	9,374
Donations	650
Other revenue	<u>511</u>
Total revenues and support	<u>108,415</u>

Expenses:

Program services	102,695
Management and general	<u>31,823</u>
Total expenses	<u>134,518</u>

Change in net assets	(26,103)
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Net assets, beginning of year	<u>98,696</u>
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Net assets, end of year	<u><u>\$ 72,593</u></u>
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MCDOWELL COUNTY CONVENTION AND VISITORS BUREAU, INC.

STATEMENT OF FUNCTIONAL EXPENSES – MODIFIED CASH BASIS

For the year ended June 30, 2022

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

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

MCDOWELL COUNTY CONVENTION AND VISITORS BUREAU, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICES

Nature of Activities

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

Summary of Significant Accounting Policies

Basis of Presentation

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

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

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

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

See Independent Accountant's Review Report.

MCDOWELL COUNTY CONVENTION AND VISITORS BUREAU, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

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

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

Cash and Cash Equivalents

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

Advertising expense

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

Income taxes

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

Functional Allocation of Expenses

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

See Independent Accountant's Review Report.

MCDOWELL COUNTY CONVENTION AND VISITORS BUREAU, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

2 – LIQUIDITY AND AVAILABILITY

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

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

3 – OPERATING LEASE

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

4 – ECONOMIC DEPENDENCE

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

5 – RELATED PARTY TRANSACTIONS

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

See Independent Accountant's Review Report.

MCDOWELL COUNTY CONVENTION AND VISITORS BUREAU, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

6 – COVID-19 PANDEMIC

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

Paycheck Protection Program

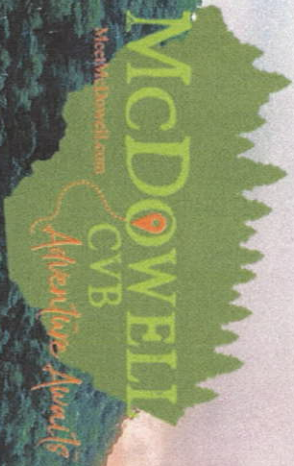
In response to economic uncertainty associated with the Coronavirus (COVID-19) pandemic, the Bureau applied for relief through temporary programs designed to provide economic relief to small businesses including provisions of the CARES Act which was signed into law on March 27, 2020.

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

7 – SUBSEQUENT EVENTS

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

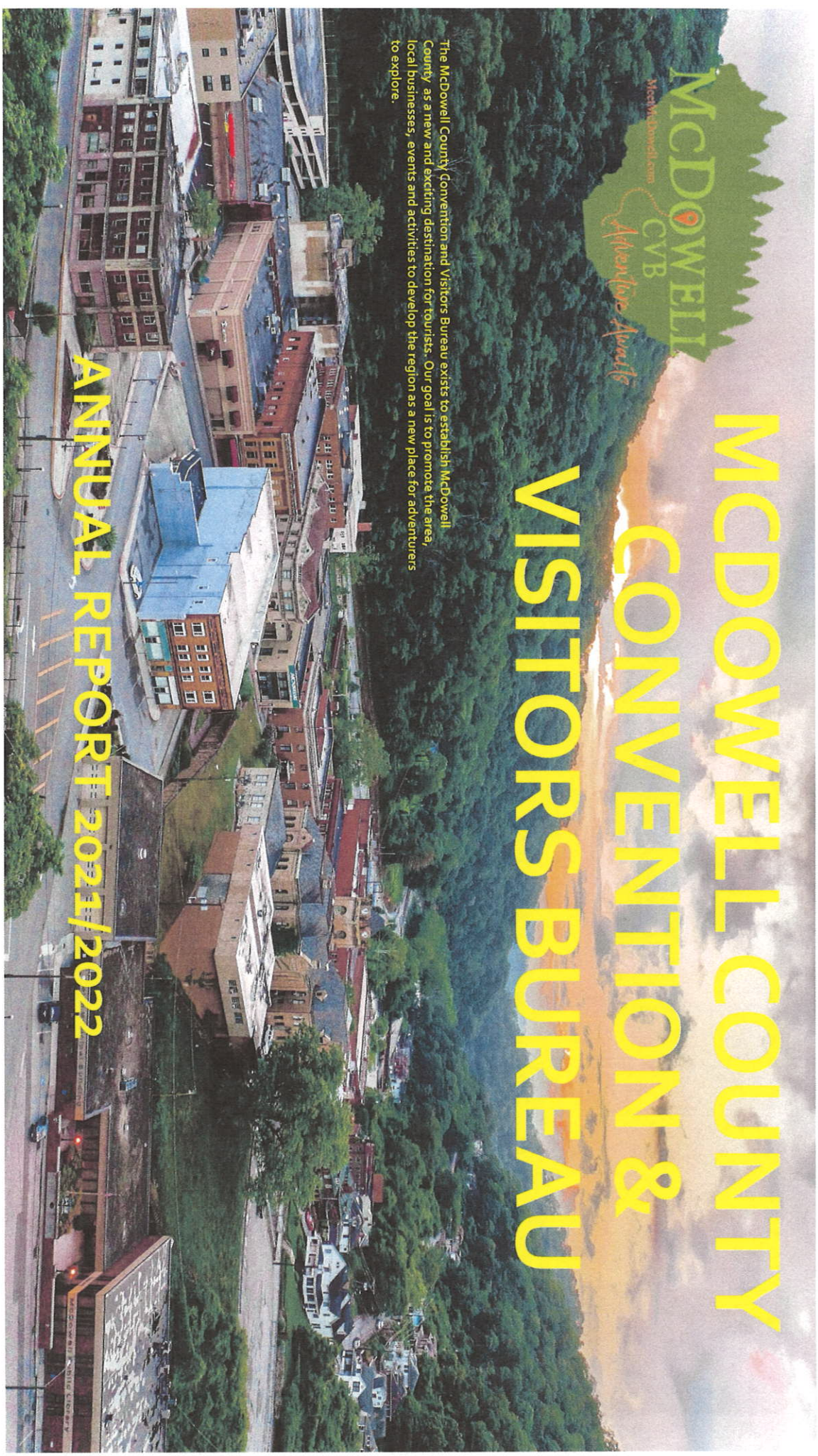
See Independent Accountant's Review Report.

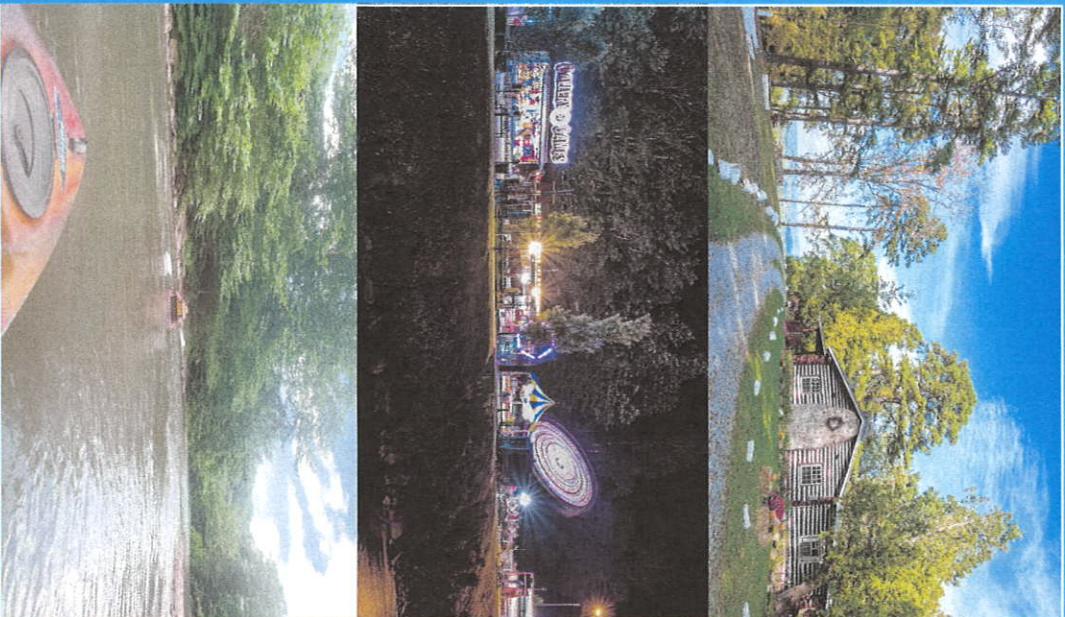


MCDOWELL COUNTY CONVENTION & VISITORS BUREAU

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

ANNUAL REPORT 2021/2022





• A word from the Executive Director of the McDowell County CVB

• The McDowell County Convention and Visitors Bureau (CVB) and the Board of Directors are pleased to present our 2021-2022 Annual Report. The CVB represents the entire county of McDowell which includes the municipalities of the Town of Anawalt, Town of Bradshaw, Town of Davy, City of Gary, Town of Iaeger, City of Keystone, Town of Kimball, Town of Northfork, City of War, City of Welch and the surrounding communities of these municipalities.

• The McDowell County CVB has worked very hard over the last year to promote McDowell County and all it has to offer. Because of this hard work, McDowell County has seen an increase in revenue, tourism and interest in McDowell County. We did not do this alone. The McDowell County CVB would like to thank the WVACVB and the local CVB's that assisted us when we needed help. Thank you to WV Tourism for assisting us with advertising and answering all the questions we had. We would especially like to thank our business partners that assisted us this year. As in true West Virginia fashion we were given help and support by our friends and neighbors anytime we asked. Without help nothing that we accomplished would have been possible. This year's success is a shared success. Together there is nothing we can't accomplish.

• Tourism has become a much-needed source of economic growth for McDowell County. The McDowell County CVB hopes to continue with the momentum we have started to gain in 2021-2022 right into 2022-2023. We realize now is not the time to coast on last year's success but the time to start exploring new avenues that we can reach our visitors/tourist to bring even more people to McDowell County and make their stay better when they come. We realize that we have been given an opportunity to help the McDowell County's economy with the Hatfield and McCoy trails and the CVB plan to utilize this opportunity to help our community as much as possible. We are looking forward to 2022/2023 and all the possibilities that it holds for McDowell County and the McDowell County CVB.

• Jennifer Justice
• Executive Director
• McDowell County CVB

Assets

Current Assets	
Petty Cash	\$0
Checking Account	\$89,193
Savings Account	\$0
Total Current Assets	\$89,193
Property and Equipment	
Total Property and Equipment	\$0
Other Assets	
Total Other Assets	\$89,193



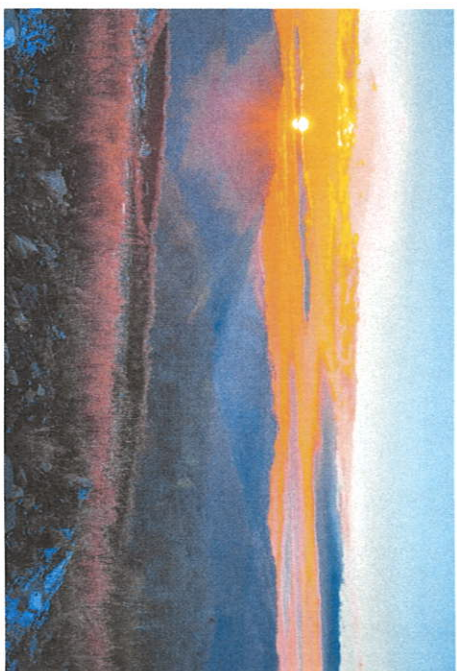
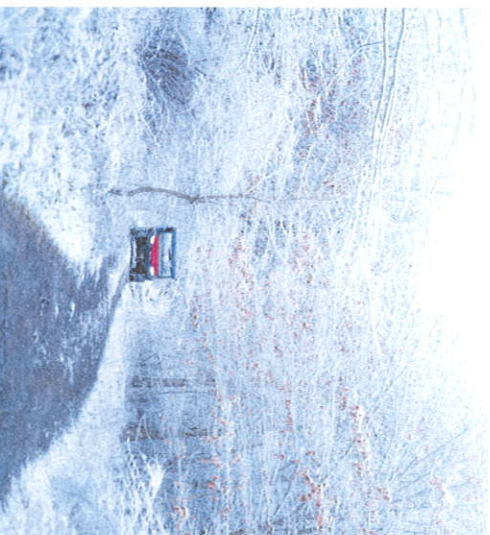
2021/2022 FINANCIAL INFORMATION

Liabilities and Capital

Current Liabilities	
Accounts Payable (WV Tourism Fall/Winter 2021 and Spring and Summer 2022 Co-Op)	\$16,600
Total Current Liabilities	\$16,600
Long-Term Liabilities	
Total Long-Term Liabilities	\$0
Total Liabilities	\$16,600
Current Capital	
Beginning Balance Equity	\$108,680
Income	\$98,431
Total Expenses	\$134,518
Marketing Expenses	\$37,733
Net Income	-\$26,103
Total Capital	\$72,593
Total Liabilities and Capital	\$89,193

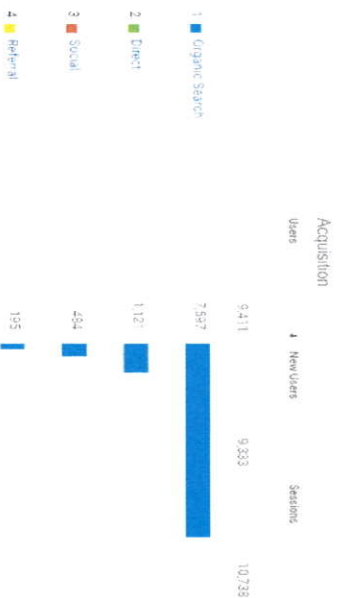
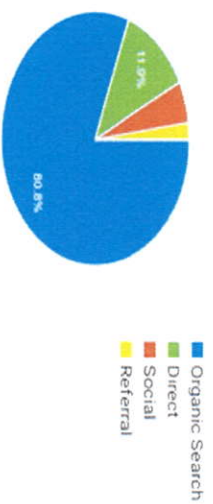


McDowell County hosted an Influencer in February 2022. We took them on a tour of the Warrior Hatfield and McCoy trail and they stayed at the Ashland Resort



July 1, 2020, to June 30, 2021

Top Channels



Facebook page reach 10,444
Page and Profile visits 754
New Likes and Follows 499

The CVB did not have an Instagram
Prior to February 2022

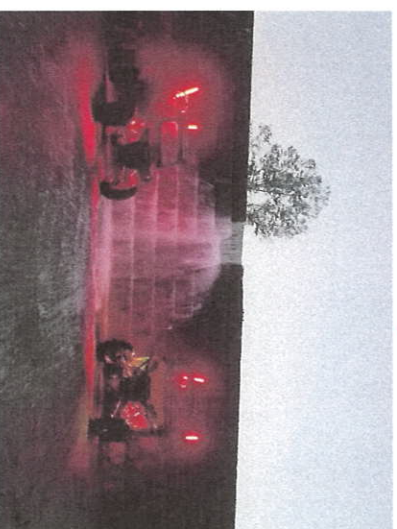


Website Traffic
increased by
536%.



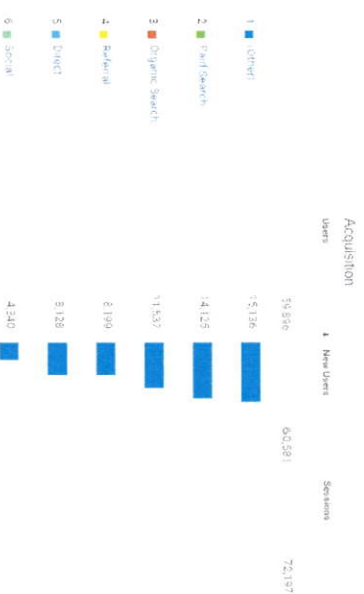
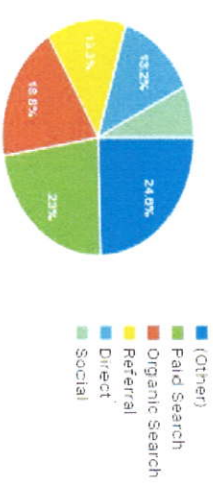
This increase is mostly
attributed to advertising
purchased through WV Tourism.

Facebook reach
increased by 2232%
Page and Profile visits
increased by 406%
New page likes and follows
increased by 57%



July 1, 2021, to June 30, 2022

Top Channels



Facebook page reach 24,3,509
Page and Profile visits 3,814
New Likes and Follows 785

Instagram page reach 92
Page and Profile visits 137

2021/2022 McDowell County CVB Accomplishments

**Increased website traffic
from 9,411 in 20-21 to
59,896 in 21-22**



Went from 24 documented lodge owners to 78 and are now receiving monthly payments from 95%.



Started creating relationships with Lodge owners and the community.
Created partnerships with area businesses.



Took in \$43,794 more in revenue in fiscal year 21-22 than in fiscal year 20-21



Started updating the website
To include all lodging and
businesses. Made the website
more user friendly.



Granted Provisional Membership
to the WVACVB
Applied for Accreditation
With the WVACVB



On August 25, 2022, the McDowell County CVB was notified that they had passed the accreditation process. The plaque was awarded at the WVACVB monthly meeting in conjunction with the Governor's Conference on Tourism



The West Virginia Accredited Convention and Visitors Bureau Program is a tourism development initiative of the West Virginia Association of Convention and Visitors Bureaus. It is designed to encourage the state's CVBs to better prepare and equip themselves to further the development and promotion of tourism in their area and the State of West Virginia.

The state and its political subdivisions entrust valuable taxpayer dollars to CVBs each year for the promotion of attractions, events, tourism related businesses and activities and the soliciting of conventions and meetings.

This careful and thorough examination establishes select West Virginia CVBs as credible, effective partners with their public/private funding sources and the tourism industry as a whole.

2021/2022 McDowell County CVB Officers

Tara Elder-President
Consultant Ashland Resort

Kenneth Gentry-Vice President
Mayor Town of Day

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

Carol Sizemore-Treasure
Mayor Town of Northfork

Board Members

Cody Estep
County Commissioner

Brian Harrison
Mayor Town of Bradshaw

Harold McBride
Mayor City of Welch

Larry Barber
Interim Mayor City of Gary

Dolores Johnson
President Chamber of
Commerce

Robert Beavers
Mayor City of War

Adam Gianato
Mayor Town of Kimball

Robert Beavers
Mayor City of War

David Green
Owner of Sure Group
Insurance And Sure Clean
Laundries

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



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