

WV State Auditors' Office – lgs@wvsao.gov, Attn: Shellie Humphries
WV Joint Committee on Government & Finance –
https://www.wvlegislature.gov/Reports/Agency_Reports/AgencyReports.cfm
Questions?
drew.ross@wvlegislature.gov and steve.marsden@wvlegislature.gov
WVACVB – jnuzum@bowlesrice.com

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

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

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

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

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

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

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

If you have any questions, please contact either Jennifer Justice at jennifer.justice@mcdowellcvb.com or 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, 2022 – June 30, 2023), Balance sheet (June 30, 2023), Annual report (2022/23), and Annual audit/review (2021).

Balance Sheet

As of June 30, 2023

	<u>Jun 30, 23</u>
ASSETS	
Current Assets	
Checking/Savings	
Hometown Trail Days Checking	6,160.05
Pioneer Community Bank	15,859.06
Pioneer Savings Account	52,021.53
Total Checking/Savings	<u>74,040.64</u>
Total Current Assets	<u>74,040.64</u>
TOTAL ASSETS	<u>74,040.64</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	44,574.79
Total Accounts Payable	<u>44,574.79</u>
Total Current Liabilities	<u>44,574.79</u>
Total Liabilities	44,574.79
Equity	
Opening Balance Equity	108,679.51
Unrestricted Net Assets	-36,086.74
Net Income	-43,126.92
Total Equity	<u>29,465.85</u>
TOTAL LIABILITIES & EQUITY	<u>74,040.64</u>

McDowell County Convention & Visitor Bureau

09/27/23

Profit & Loss

Accrual Basis

July 2022 through June 2023

	Jul '22 - Jun 23
Ordinary Income/Expense	
Income	
Direct Public Support	
Grant Income	10,000.00
Total Direct Public Support	10,000.00
Indirect Public Support	
Revenue-Occ Tax-Bradshaw	98.55
Revenue-Occ Tax-Gary	497.63
Revenue-Occ Tax-Kimball	2,700.37
Revenue-Occ Tax-McDowell Co	78,188.94
Revenue-Occ Tax-Northfork	5,571.35
Revenue-Occ Tax-War	644.38
Revenue-Occ Tax-Welch	5,671.76
Total Indirect Public Support	93,372.98
Investments	
Interest Income	21.50
Total Investments	21.50
Other Types of Income	9,992.92
Refund	256.40
Total Income	113,643.80
Gross Profit	113,643.80
Expense	
Advertising/Marketing/Web Site	
Web Development	4,001.38
Advertising/Marketing/Web Site - Other	52,726.74
Total Advertising/Marketing/Web Site	56,728.12
Business Expenses	
Business Registration Fees	25.00
Total Business Expenses	25.00
Contract Services	
Accounting Fees	5,407.45
Catering	362.90
Outside Contract Services	1,980.00
Contract Services - Other	2,950.00
Total Contract Services	10,700.35
Facilities and Equipment	
Equip Rental and Maintenance	
IT	1,421.05
Equip Rental and Maintenance - Other	385.00
Total Equip Rental and Maintenance	1,806.05
Rent, Parking, Utilities	5,400.00
Total Facilities and Equipment	7,206.05

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McDowell County Convention & Visitor Bureau

09/27/23

Profit & Loss

Accrual Basis

July 2022 through June 2023

	<u>Jul '22 - Jun 23</u>
Operations	
Books, Subscriptions, Reference	47.70
Mileage	1,511.08
Office Supplies	105.74
Postage, Mailing Service	107.82
Printing and Copying	1,227.76
Supplies	4,332.35
Telephone, Telecommunications	1,575.26
Total Operations	<u>8,907.71</u>
Other Types of Expenses	
Insurance - Liability, D and O	1,767.94
Memberships and Dues	708.00
Other Costs	14,670.82
Other Types of Expenses - Other	8.65
Total Other Types of Expenses	<u>17,155.41</u>
Payroll, Fees & Taxes-Paychex	54,219.59
Reimbursement	57.06
Travel and Meetings	
Conference, Convention, Meeting	1,771.43
Total Travel and Meetings	<u>1,771.43</u>
Total Expense	<u>156,770.72</u>
Net Ordinary Income	<u>-43,126.92</u>
Net Income	<u><u>-43,126.92</u></u>

**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	\$ <u>89,193</u>
Total assets	\$ <u>89,193</u>

LIABILITIES AND NET ASSETS

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

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)
Net assets, beginning of year		<u>98,696</u>
Net assets, end of year	\$	<u><u>72,593</u></u>

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

MCDOWELL COUNTY CONVENTION AND VISITORS BUREAU, INC.

STATEMENT OF FUNCTIONAL EXPENSES – MODIFIED CASH BASIS

For the year ended June 30, 2022

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

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

MCDOWELL COUNTY CONVENTION AND VISITORS BUREAU, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICES

Nature of Activities

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

Summary of Significant Accounting Policies

Basis of Presentation

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

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

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

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

See Independent Accountant's Review Report.

MCDOWELL COUNTY CONVENTION AND VISITORS BUREAU, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

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

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

Cash and Cash Equivalents

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

Advertising expense

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

Income taxes

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

Functional Allocation of Expenses

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

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

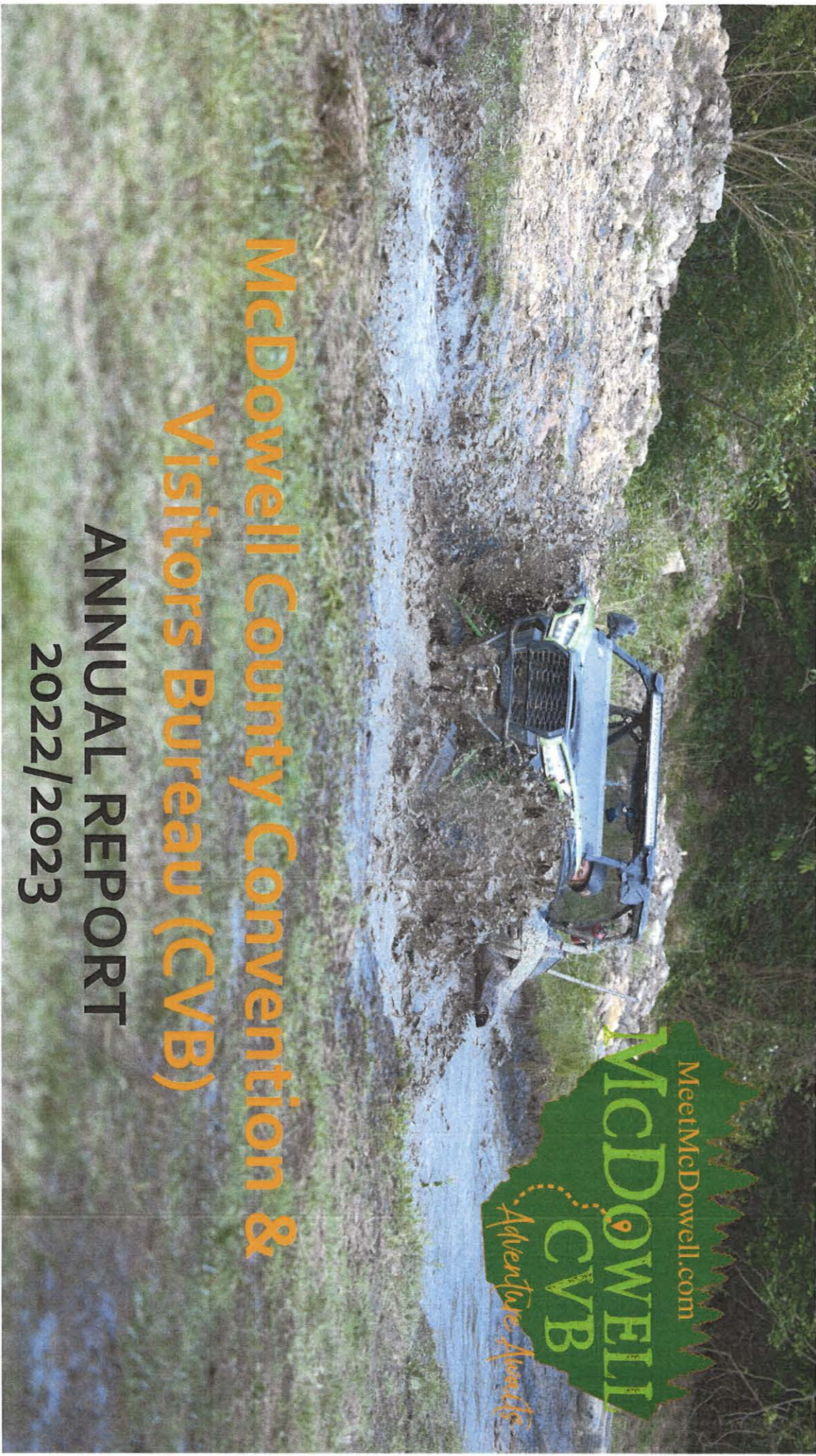
In response to economic uncertainty associated with the Coronavirus (COVID-19) pandemic, the Bureau applied for relief through temporary programs designed to provide economic relief to small businesses including provisions of the CARES Act which was signed into law on March 27, 2020.

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

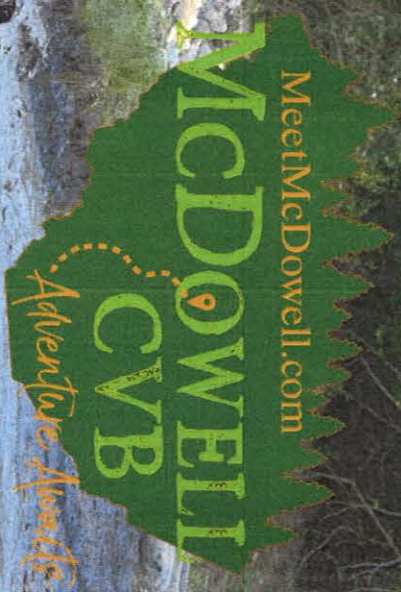
The Bureau's management has evaluated the events and transactions occurring after June 30, 2022, through the date of the Accountant's Review Report, which is the date the financial statements were available to be issued. No significant events were noted requiring adjustments to or disclosure in the financial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

See Independent Accountant's Review Report.



McDowell County Convention & Visitors Bureau (CVB)

ANNUAL REPORT
2022/2023



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

The McDowell County Convention and Visitors Bureau (CVB) and the Board of Directors are pleased to present our 2022-2023 Annual Report. The McDowell County CVB represents the entire county of McDowell which includes the municipalities of the Town of Anawalt, Town of Bradshaw, Town of Davy, City of Gary, Town of laeger, 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 spent most of 2022 preparing our application for accreditation through WVACVB. Accreditation is required before the County Commission or municipality is allowed to issue the CVB's portion of the Occupancy tax collected. Accreditation is a very labor-intensive process and is not easy, especially when you are starting from scratch. The McDowell County CVB did start the accreditation process from scratch and with help from fellow CVB's and members of the WVACVB, we submitted our first application in July 2022. The CVB was notified in August we had passed the accreditation process. November 2022 the McDowell County CVB was presented with a plaque for the accreditation. The McDowell County CVB is required to file for accreditation every three years, but I now feel confident that even though this process will continue to be difficult and painstaking it will be easier with the foundation that we have built.

The McDowell County CVB has partnered with WV Tourism for the past two years on two campaigns per year, fall/winter, and spring/summer. The McDowell County CVB has spent a little over \$61,000 on advertising through WV Tourism. WV Tourism has spent over \$93,000, in addition, we were given free bonus advertising for spending money with WV Tourism. This means the McDowell County CVB, in conjunction with WV Tourism, spent over \$154,000 in advertising for McDowell County in the last two years. WV Tourism makes it possible for small counties like McDowell to afford better advertising than we could afford on our own. Even though the McDowell County CVB spends money on other types of advertising, the majority is spent with WV Tourism.

The McDowell County CVB has also begun partnering with our neighboring counties. We are pooling our strengths and resources to promote our counties. Together we can continue to make the mountains of Southern West Virginia and the Hatfield and McCoy trails a sought-after destination. The McDowell County CVB is also working with WV Tourism and the McDowell County Board of Education to assist and guide students that want to seek a career in tourism. I feel that preparing future generations to carry on the work we have begun, is a very important part of keeping tourism strong in the future.

Tourism is proving to be a source of income and economic growth that McDowell County desperately needs. Growth is slow but it is happening. The McDowell County CVB will continue to partner with local counties, the Hatfield and McCoy trail system, WV Tourism and the WVACVB to spend the Occupancy tax dollars of McDowell County as economically as possible. We are looking forward to 2023/2024, and all the possibilities and new adventures that it holds for McDowell County and the McDowell County CVB.

Sincerely,

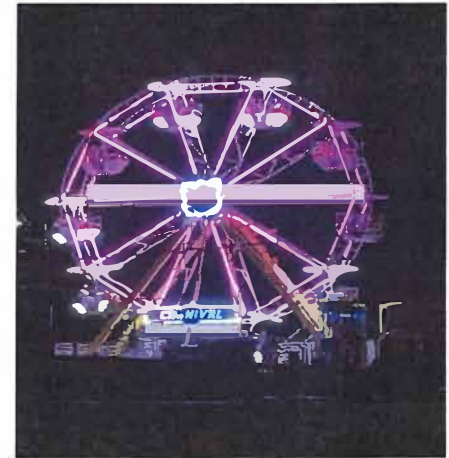
Jennifer D. Justice,

Executive Director

OUR MISSION

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





Growth Through Tourism Year 2021

West Virginia saw 5 Billion in Direct Travel Spending in 2021.

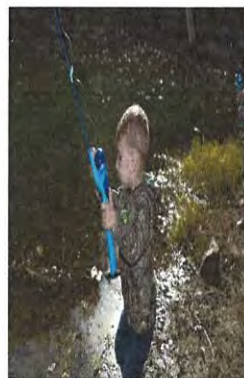
Of that 5 Billion, McDowell County saw 33.8 Million in Direct Travel Spending in 2021.

Direct Travel Spending is purchases by travelers during their trips, including lodging taxes and other applicable local and state taxes, paid by travelers at the point of sale.

McDowell County Tourism created 260 jobs in 2021.

Direct Employment is Employment associated with the employee earnings generated by travel expenditures; this includes both full and part-time positions of wage and salary workers and proprietors.

Source: West Virginia Travel impacts, Dean Runyan Association, 2021



Assets	
Current Assets	
Petty Cash	\$0
Checking Account	\$74,041
Savings Account	\$0
Total Current Assets	\$74,041
Property and Equipment	
Total Property and Equipment	\$0
Other Assets	
Total Other Assets	\$74,041

2022/2023 FINANCIAL INFORMATION

Liabilities and Capital	
Current Liabilities	
Accounts Payable (WVTourism Fall/Winter 2021, Spring and Summer 2022 and Fall/Winter 2022 Co-Op)	\$44,575
Total Current Liabilities	\$44,575
Long-Term Liabilities	
Total Long-Term Liabilities	\$0
Total Liabilities	\$44,575
Current Capital	
Beginning Balance Equity	\$89,193
Income	\$113,644
Total Expenses	\$156,771
Marketing Expenses	\$56,728
Net Income	-43,127
Total Capital	\$29,466
Total Liabilities and Capital	\$74,041



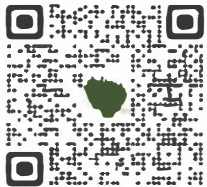
2023 Event brochure



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



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



Highlights of 2022/2023

November 2022 received accreditation plaque from WVACVB and granted full membership into the WVACVB.



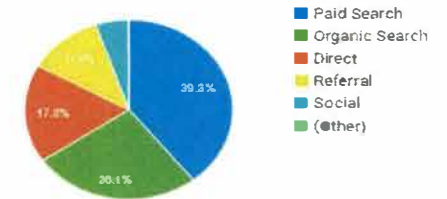
McDowell County CVB acquired the shuttle in Coalwood from NASA with help from state surplus to keep the shuttle at its home in Coalwood.



The McDowell County CVB in conjunction with the Town of Bradshaw, the Hometown Trail Days Committee, the support of the McDowell County Commission and our sponsors, successfully hosted McDowell Counties first ATV/SXS mud event.

Due to paid advertising through WV Tourism and other campaigns throughout the year meetmcdowell.com still saw almost the same amount of website traffic in 22/23 as in 21/22.

Top Channels



Acquisition Users

Channel	Users
1 Paid Search	58,437
2 Organic Search	23,676
3 Direct	15,717
4 Referral	10,692
5 Social	6,982
6 (Other)	3,084
	58

To see all 6 Channels click here

2022/2023 McDowell County CVB Officers

Tara Elder-President
 Consultant Ashland Resort

Kenneth Gentry-Vice President
 Mayor Town of Davy

Tameka Baker-Secretary
 Assistant Vice President/Welch Market Leader

Pioneer Community Bank

Carol Sizemore-Treasure
 Mayor Town of Northfork



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
Alan Felts President Chamber of Commerce	Dolores Johnson Jack Caffrey Culture and Arts Center
Adam Gianato Mayor Town of Kimball	Robert Beavers Mayor City of War
Holly Maban Interim Mayor City of Keystone	Kathy Gentry Co-Owner of Hills and Thrills Lodge Executive Director of Safe Housing and Economic Development, Inc. Member of Welch City Council
David Green Owner of Sure Group Insurance And Sure Clean Laundries	Jay Chatman President of the McDowell County Historical Society Board member National Coal Heritage Area Authority
Carmello Miano Owner and Operator Mama Dood'sATV Lodging	David Grubb Owner and Operator of The Bears Den ATV Cottage

Address: 143 Wyoming Street
 Welch, WV 24801

Phone: 304-436-4242

Email: info@mcdowellcvb.com

Website: Meetmcdowell.com