



March 27, 2024

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
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 Visit Southern WV, we respectfully submit the required information and confirm that Visit Southern WV 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 me at aechols@mail.wvu.edu or 304-667-0394.

Sincerely,

Allison Tomlinson, Board Chair
Lisa Strader, Director

Attachments: Income statement (Jan 1, 2023 – Dec 31, 2023), Balance sheet (Dec 31, 2023), Annual report (2023), and Annual audit (2023).

Visit SOUTHERN WEST VIRGINIA



2023 ANNUAL REPORT & 2024 MARKETING PLAN

2023 Executive Officers

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

2024 Executive Officers

Chairperson	Allison Tomlinson
Chair-Elect	Molly Williams
Vice-Chair	Susan James
Treasurer	Tabitha Stover
Past Chair	Cris Meadows

VISION

Visit Southern West Virginia's vision is to establish West Virginia as the driving force in further developing the hospitality, tourism, and convention industry in the southern area of the state.



MISSION

The mission of Visit Southern West Virginia is to promote Southern West Virginia as a visitor-friendly travel destination.

2023 WRAP UP

Visit Southern West Virginia is proud to be the regional destination marketing organization for southern West Virginia. Covering nine counties - Raleigh, Fayette, Nicholas, Summers, Monroe, Wyoming, Mercer, Greenbrier and McDowell - gives us the unique opportunity to showcase our region as a vacation worthy destination. This also allows for regional collaboration and partnerships across our coverage area.

In 2023, with the support of our local funding partners, Visit Southern West Virginia dissolved the Beckley - Raleigh County CVB and brought it under the regional umbrella. This merger will expand our marketing efforts and reduce duplication of efforts for Beckley-Raleigh County. We had a very successful year in tourism in 2023 and look forward to continuing to learn, expand and promote our home. Thank you all for your trust and support. **It truly is #almostheaven.**

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.

2023 FUNDING PARTNERS

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

2023 ASSOCIATIONS

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

TOURISM IMPACT ON OUR REGION

In 2022, tourism thrived across all 55 counties of West Virginia, with the total economic impact exceeding \$7 billion. Visitors spent a record-breaking \$5.3 billion directly in the state, with food and beverage spending topping \$1.4 billion and lodging surpassing \$800 million for the first time.

Early signs suggest 2023 is continuing this trend, with occupancy rates up in Southern West Virginia and record visitation at New River Gorge National Park and Preserve, which saw a **7% increase over 2022 for a total of 1.7 million visitors***, which is the highest total on record for the area since it was established in 1978. The three National Park entities in southern WV saw **1.9 million visitors** overall.

2022 Annual Travel Spend: \$1.094 Billion



RALEIGH
\$246.2 MILLION

FAYETTE
\$164.4 MILLION

NICHOLAS
\$39.5 MILLION

SUMMERS
\$30.3 MILLION

MONROE
\$10.1 MILLION

GREENBRIER
\$382.3 MILLION

WYOMING
\$19.8 MILLION

MERCER
\$186.1 MILLION

MCDOWELL
\$15.2 MILLION

Source: Tourism Economics: Economic Impact Regional and County results prepared for the WV Dept of Tourism

2023 Year-Over-Year Lodging Insights

+3.2%

OCCUPANCY
RATE**

+4%

AVERAGE DAILY
RATE**

+16%

THIRD PARTY RENTAL
REVENUE***

*National Park Service (2024, February 26). Visitation increases in 2023 for all three national park sites in southern West Virginia.

** 2023 STR Destination Report - Based on lodging properties reported in Raleigh and Fayette Counties.

*** 2023 Key Data, Airbnbs in Raleigh, Fayette, Nicholas, City of Hinton, Monroe and Wyoming Counties

MARKETING STRATEGY

Tourism in Southern West Virginia is on a positive trajectory. To capitalize on this trend, we launched an integrated marketing strategy for 2023. This included digital marketing, print advertising and participation in group tours and international showcases. We also offered event assistance and set up informational booths to highlight the beauty, history and recreational opportunities our region offers.

The New River Gorge National Park and Preserve continues to be a major draw for visitors to Southern West Virginia. Our efforts go beyond just the park, showcasing the entire region – its convenient location, charming small towns, diverse attractions, comfortable lodging and dining options – to encourage visitors to extend their stay and explore all we have to offer across our nine counties.

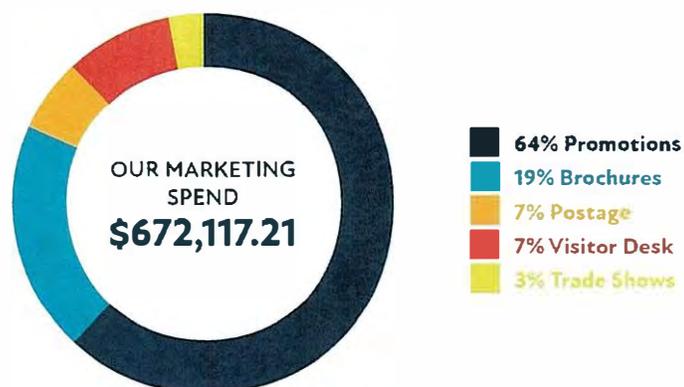
To keep the momentum going, we're investing in high-quality photography and video assets across several counties, continuing this approach into 2024. Additionally, Visit Southern West Virginia has leveraged strong partnerships with our neighboring Convention and Visitors Bureaus, other tourism partners and the West Virginia Department of Tourism to solidify Southern West Virginia's reputation as a must-visit destination.

PROMOTIONS

Visit Southern West Virginia promoted the region through a variety of campaigns and media buys in regional outlets and channels. We also partnered with the West Virginia Department of Tourism's Cooperative Advertising program, allowing our budgets to go further with a 75/25 split in most cases. We collaborated with several partners to promote the region, including Winterplace, New River Gorge CVB and Visit Fayetteville CVB. Through strategic media buys, we had over 66 million ad impressions, promoting southern West Virginia to travelers across the world.

2023 MARKETING SPEND

In 2023 we spent \$672,117.21 on marketing. This was 55% of our overall spend of \$1,218,769.30.



Project Highlights

WEBSITE DESIGN & DEVELOPMENT

We began a complete overhaul of the Visit Southern West Virginia website in 2023. The new website is scheduled to launch in May 2024.

PHOTO & VIDEO SHOOTS

In 2023, we scheduled three photo and video shoots to capture more high-quality assets of our region for marketing collateral.

72K+

TOTAL SOCIAL
MEDIA FOLLOWERS

87K+

NEWSLETTERS
SENT

650K+

TOTAL WEBSITE
SESSIONS (+44%)

400K+

BROCHURES
REQUESTED

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, both domestically and internationally. 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, and high-quality digital images and videos upon request. A few examples include AAA, Forbes, Long Weekends, Redbook, The America's, Thrillist, and Wanderlust UK.

EVENTS, TRADE SHOWS & CONTINUING EDUCATION

Visit Southern West Virginia was committed to representing the region through events, conferences and trade shows:

- > ABA
- > Boy Scouts Jamboree
- > Bridge Day
- > Hospitality U
- > Travel South International Showcase
- > Railroad Days
- > Southeast Tourism Society Marketing College
- > Southeast Tourism Society Connections Conference
- > Spartan Race
- > West Virginia Governor's Conference on Tourism
- > West Virginia Trails Workshop

We increased our reach by attending industry trade shows like the American Bus Association Show and Travel South (Domestic and International). In addition, we represented Southern West Virginia at the Capital for Tourism Day and Adventure Day during session.

MARKETING PLAN 2024

Our strategy in 2024 is to continue positioning Southern West Virginia as a must-see destination for people around the world. We'll continue to optimize our current marketing tactics, including the West Virginia Department of Tourism's cooperative advertising program. We will continue to leverage our updated photo and video assets to promote our partners in the nine-county region across both digital and traditional channels. We currently have purchased advertising with the following vendors and locations:

- > Adara
- > Atlas Obscura
- > Blue Ridge Country
- > Blue Ridge Outdoors
- > Madden
- > Meta
- > Ohio Magazine
- > Long Weekends
- > Pinterest
- > Smoky Mountain Living
- > Southern Living
- > WV Executive-Discover
- > WV Living
- > Yeager Airport

Upcoming Projects

NEW WEBSITE LAUNCH

The new Visit Southern West Virginia website is scheduled to launch in May 2024. The new design prioritizes an accessible and mobile-first user experience, enabling users to discover our region and plan their next trip easily.

NEW PARTNERSHIPS

We are partnering with social influencers to help promote the region to new audiences. We are also exploring a partnership with Bandwango to create in-market itineraries to engage with travelers and those living in the region. This will be an opportunity to leverage our partnerships by promoting specific sights, locations, etc. to this audience.

REPURPOSING EVERGREEN CONTENT

We also aim to focus on what makes Southern West Virginia unique by prominently featuring stories about our region's history and heritage in our marketing efforts, primarily through email marketing and blog content. We plan to repurpose the content we have on the website to create engaging, evergreen blog content to be shared across a variety of channels.

CVB ADVOCACY

We are developing a formal strategy to help our team share the work we are doing on our social media networks, including LinkedIn and Twitter/X. This will allow us to engage with the community and our stakeholders throughout the year by informing them of the impact our entire network has on the region.

EMAIL MARKETING STRATEGY

With the implementation of a new email newsletter design in 2023, we have found opportunities to continue improving our email marketing strategy to engage with our audience. We will do this through storytelling and by targeting our audience with automated emails designed to stay engaged with users while they plan their trip, keeping Southern West Virginia top of mind.

PHOTO/VIDEO SHOOTS

We will continue to capture new video and photo assets and update our content library to help promote the region and our partners in all of our marketing promotions.

2024 Marketing Budget*

OUR MARKETING
BUDGET*

\$1,212,060.00



Our marketing budget is
69% of our overall budget

**This marketing budget was based on projected income for 2024. Increase in budget is due in part to the consolidation of Visit Southern West Virginia and the Beckley Raleigh County CVB*

2024 Marketing Collateral



THE 2024 VISIT
SOUTHERN
WEST VIRGINIA
VISITOR'S GUIDE



BLUE RIDGE
OUTDOORS FULL-
PAGE CO-OP AD



UNDERTONE
MOBILE CO-OP AD



EVENTS, TRADE SHOWS & CONTINUING EDUCATION

We plan to attend several conferences, events and trade shows in 2024 to promote Southern West Virginia, including:

- > ABA
- > Bridge Day
- > Hospitality U
- > International Showcase
- > Railroad Days
- > Society of American Travel Writers
- > Spartan Race
- > West Virginia Governor's Conference on Tourism

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

Susan James, Nicholas
Mountain Lake Campground & Cabins

Susan Williams, Mercer
Concord University

Tabitha Stover, Fayette
Visit Fayetteville CVB

Stephanie Stiffler, Summers
MountainPlex Properties

2024

Allison Tomlinson, Monroe
Travel Monroe

April Ernst, Monroe
Old World Libations

Becky Sullivan, Fayette
New River Gorge CVB

Bobby Bower, Fayette
Pro River Outfitters

Chad Fox, Raleigh
Daniel Vineyards

Cris Meadows, Summers
City of Hinton

Elizabeth Dix, Nicholas
Kirkwood Winery

Heather Johnson, Fayette
River Expeditions

Josh Faber, Raleigh
Winterplace Ski Resort

Kelly Collins, Greenbrier
The State Fair of West Virginia

Kenneth Zebo, Wyoming
Twin Falls Resort State Park

Leslie Baker, Raleigh
City of Beckley Parks and Recreation

Michelle Rotellini, Raleigh
Beckley-Raleigh County Chamber of Commerce

Molly Williams, Raleigh
Raleigh County Parks and Rec

Paula Thomas, Raleigh
The Carpenters' Loft

Phil Lane, Raleigh
VP Management

Samantha Adams, Fayette
Adventures on the Gorge

Stephanie Stiffler, Summers
MountainPlex Properties

Susan James, Nicholas
Mountain Lake Campground

Susan Williams, Mercer
Concord University

Tabitha Stover, Fayette
Visit Fayetteville CVB

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, WV State Parks

Tom Cochran, Raleigh County Memorial Airport

BOARD EMERITUS:

Mike Darby, Laurel Lodge Enterprises

Appointed February 24, 2016

AT LARGE:

Scott Durham, WV State Parks

Tom Wagner, Winterplace Ski Resort

Current Visit Southern WV Team Members

• **Lisa Strader**
• Executive Director

• **Jennifer Meade**
• Office Manager

• **Maura Johnson**
• Chief Operating Officer

• **Kim Pomeroy**
• Reception & Fulfillment Manager

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

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

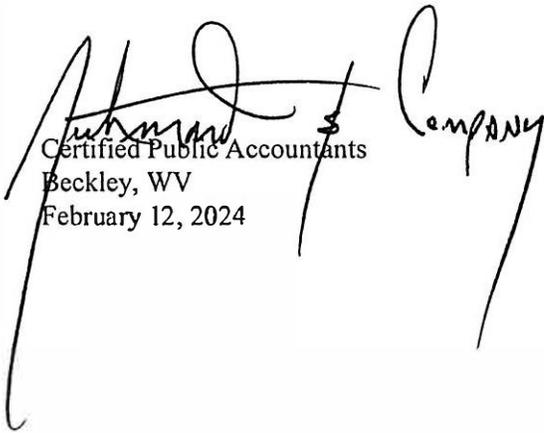


New River Travel Council, Inc.
Financial Statements
December 31, 2023 and 2022

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, 2023 and 2022, and for the one month and the twelve months then ended, were not subjected to an audit, review, or compilation engagement by us and, accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.



Certified Public Accountants
Beckley, WV
February 12, 2024

**New River Travel Council, Inc. DBA
Visit Southern West Virginia
Statement of Financial Position
As of December 31, 2023 and 2022**

Assets

	2023	2022
Current Assets		
Cash - City National	\$ 1,842,740.51	\$ 1,214,279.91
Cash - City National - Payroll	39,185.86	30,995.35
Cash in investment account	<u>43,300.39</u>	<u>53,083.50</u>
	<u>1,925,226.76</u>	<u>1,298,358.76</u>
Accounts Receivable	70,420.42	189,411.00
Allowance for Doubtful Accounts	(6,884.13)	(6,884.13)
ROU Asset	<u>12,833.00</u>	<u>12,833.00</u>
	<u>76,369.29</u>	<u>195,359.87</u>
Prepaid Advertising	<u>4,628.59</u>	<u>4,628.59</u>
Total Current Assets	<u>2,006,224.64</u>	<u>1,498,347.22</u>
Property and Equipment		
Company Vehicle	68,431.68	20,428.70
Office Furniture and Fixtures	19,668.54	19,668.54
New Building	212,004.97	212,004.97
Leasehold Improvement - New	99,019.70	57,114.00
Less Accumulated Depreciation	<u>(195,265.20)</u>	<u>(119,632.50)</u>
	<u>203,859.69</u>	<u>189,583.71</u>
Net Property and Equipment		
	<u>203,859.69</u>	<u>189,583.71</u>
Investments	<u>1,276,399.98</u>	<u>1,079,132.84</u>
Total Assets	<u>\$ 3,486,484.31</u>	<u>\$ 2,767,063.77</u>

Liabilities and Net Assets

	2023	2022
Current Liabilities		
Lease Liability	\$ 12,833.00	\$ 12,833.00
Accounts Payable	7,419.22	16,951.55
State Tax Withheld	832.00	1,248.00
Accrued Payroll	5,890.57	4,825.44
Accrued Sales Tax	116.01	97.90
Deferred Income	<u>26,800.41</u>	<u>26,800.41</u>
	<u>53,891.21</u>	<u>62,756.30</u>
Total Current Liabilities		
	<u>53,891.21</u>	<u>62,756.30</u>
Net Assets		
Without Donor Restrictions	<u>3,432,593.10</u>	<u>2,704,307.47</u>
Total Net Assets	<u>3,432,593.10</u>	<u>2,704,307.47</u>
Total Liabilities and Net Assets	<u>\$ 3,486,484.31</u>	<u>\$ 2,767,063.77</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, 2023 and 2022

	2023 Month	2023 YTD	2023 Budget	2022 Month	2022 YTD
Revenue					
Memberships					
Fayette County	\$ (842.00)	\$ 5,453.00	\$ 7,500.00	\$ 76.00	\$ 6,652.70
Greenbrier County	220.00	1,375.00	1,500.00	354.00	1,485.00
McDowell County	0.00	(100.00)	150.00	0.00	110.00
Mercer County	0.00	715.00	850.00	0.00	815.00
Monroe County	165.00	770.00	450.00	0.00	440.00
Nicholas County	275.00	1,705.00	1,500.00	110.00	1,430.00
Raleigh County	461.20	10,246.20	10,500.00	55.00	10,014.30
Summers County	0.00	385.00	650.00	0.00	605.00
Wyoming County	55.00	412.50	350.00	0.00	330.00
Miscellaneous Memberships	335.00	565.00	1,200.00	(63.00)	1,022.00
	<u>669.20</u>	<u>21,526.70</u>	<u>24,650.00</u>	<u>532.00</u>	<u>22,904.00</u>
City & County Contracts					
Fayette County	10,224.08	171,972.18	185,000.00	55,821.82	212,119.54
Monroe County	0.00	13,414.68	22,000.00	0.00	21,864.47
Nicholas County	0.00	16,809.95	14,000.00	0.00	13,801.25
Raleigh County	49,050.82	1,011,159.97	1,100,000.00	234,671.48	1,123,811.96
Summers County	126,891.59	129,277.48	3,500.00	433.28	3,131.72
Wyoming County	0.00	9,839.04	14,000.00	0.00	13,177.95
	<u>186,166.49</u>	<u>1,352,473.30</u>	<u>1,338,500.00</u>	<u>290,926.58</u>	<u>1,387,906.89</u>
Membership Services					
Advertising					
OVG Ads	0.00	45,532.98	44,338.78	0.00	47,965.47
Extra Listing	0.00	4,305.00	5,150.00	0.00	5,450.00
CVB Website Link	0.00	0.00	0.00	(621.00)	0.00
CVB Weblink - Banners	0.00	1,353.00	2,100.00	621.00	1,215.25
SWV Motorcycle Touring	0.00	0.00	0.00	0.00	6,900.00
Deferred Income - Advertising	0.00	0.00	0.00	(10,987.00)	(10,987.00)
	<u>0.00</u>	<u>51,190.98</u>	<u>51,588.78</u>	<u>(10,987.00)</u>	<u>50,543.72</u>
Brochure Distribution					
\$150 Option-Brochures	0.00	6,373.30	6,500.00	268.00	8,591.45
	<u>0.00</u>	<u>6,373.30</u>	<u>6,500.00</u>	<u>268.00</u>	<u>8,591.45</u>
Other Income					
Investment Income, Fees	0.00	0.00	25,000.00	(249,608.03)	(249,608.03)
Miscellaneous Income	187,484.03	515,490.65	328,006.62	0.00	0.00
	<u>187,484.03</u>	<u>515,490.65</u>	<u>353,006.62</u>	<u>(249,608.03)</u>	<u>(249,608.03)</u>
Total Revenues	<u>374,319.72</u>	<u>1,947,054.93</u>	<u>1,774,245.40</u>	<u>31,131.55</u>	<u>1,220,338.03</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, 2023 and 2022

	2023 Month	2023 YTD	2023 Budget	2022 Month	2022 YTD
Salaries and Benefits					
Wages	28,570.55	252,502.70	250,000.00	(7,476.66)	240,545.46
Payroll Taxes	2,014.01	24,627.33	26,000.00	2,418.18	23,840.58
Employee Benefit (SEP)	1,250.59	15,369.37	17,500.00	993.24	14,648.94
Life and Health Insurance	6,447.51	70,470.88	70,000.00	6,003.69	63,189.48
Employee Training/Education	0.00	0.00	2,500.00	0.00	0.00
	<u>38,282.66</u>	<u>362,970.28</u>	<u>366,000.00</u>	<u>1,938.45</u>	<u>342,224.46</u>
Administrative Overhead					
Hardware	0.00	2,009.86	3,000.00	0.00	0.00
Computer Software	8.83	6,755.38	9,000.00	321.16	8,025.28
Computer Support	612.68	2,682.58	1,500.00	20.65	518.98
Water Utility	43.84	288.99	325.00	21.92	251.54
Sewage	57.79	699.25	750.00	57.79	565.38
Power	174.82	2,211.92	3,000.00	171.96	2,184.39
Gas	438.77	2,479.24	3,000.00	388.95	2,268.18
Trash Service	99.98	523.56	600.00	40.29	470.73
Snow Removal	198.75	548.55	1,250.00	0.00	657.20
Copy Machine	152.11	2,790.57	3,000.00	152.11	2,737.45
Postage Machine	924.48	3,841.54	4,500.00	0.00	5,028.17
Insurance - Liability	0.00	5,191.39	5,500.00	0.00	4,821.38
Director & Officer Liability	0.00	3,672.09	4,000.00	0.00	3,559.47
Insurance - Company Vehicle	0.00	5,164.24	4,000.00	0.00	2,093.44
Janitorial Services	375.00	3,825.00	4,500.00	300.00	3,825.00
Office Supplies	896.22	3,259.39	5,500.00	1,643.17	3,873.00
Letterhead	0.00	212.00	500.00	(212.00)	(212.00)
10 x 14 Envelope	0.00	0.00	500.00	0.00	0.00
7 1/2 x 10 1/2 Envelope	0.00	0.00	10,000.00	0.00	0.00
#10 Envelope	0.00	0.00	2,500.00	0.00	0.00
Accounting	450.00	17,280.00	20,000.00	3,575.00	17,025.00
Lawn Service	120.00	1,680.00	2,500.00	0.00	1,610.00
Office Maintenance & Improvements	324.03	32,910.48	50,000.00	405.13	2,544.87
Miscellaneous	84.22	1,700.63	4,750.00	90.70	600.55
Bank Charges	82.05	1,072.18	1,000.00	25.23	635.60
Telephone	519.82	3,093.65	4,500.00	255.51	3,054.43
	<u>5,563.39</u>	<u>103,892.49</u>	<u>149,675.00</u>	<u>7,257.57</u>	<u>66,138.04</u>
Equipment and Building Expense					
Company Vehicle	159.49	1,945.46	3,250.00	858.99	2,045.55
	<u>159.49</u>	<u>1,945.46</u>	<u>3,250.00</u>	<u>858.99</u>	<u>2,045.55</u>
Marketing - Advertising					
Print	5,412.50	23,052.00	25,000.00	0.00	20,368.00
Marketing Salaries	4,153.28	46,108.90	48,000.00	44,049.57	44,049.57
Web Site	5,300.00	75,000.00	75,000.00	10,600.00	55,566.70
E-Marketing	39,058.82	185,489.50	200,000.00	15,378.04	149,655.40
Suddenlink	320.00	1,889.90	2,250.00	141.94	1,703.28
	<u>54,244.60</u>	<u>331,540.30</u>	<u>350,250.00</u>	<u>70,169.55</u>	<u>271,342.95</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, 2023 and 2022

	2023 Month	2023 YTD	2023 Budget	2022 Month	2022 YTD
Marketing - Brochures					
Visitors Guide	0.00	120,120.91	120,000.00	0.00	85,463.71
Brochure Dist. Contacts	494.00	6,274.00	7,200.00	1,228.00	6,528.00
SWV Motorcycle Touring	0.00	0.00	0.00	0.00	11,407.48
	<u>494.00</u>	<u>126,394.91</u>	<u>127,200.00</u>	<u>1,228.00</u>	<u>103,399.19</u>
Marketing - Promotions					
Miscellaneous	6,447.42	84,517.91	327,113.78	3,983.74	58,521.69
BRC Marketing	2,208.30	13,430.30	328,006.62	1,100.00	2,000.00
Boys Scouts of America	0.00	10,653.86	10,000.00	0.00	0.00
Group Tour Items	0.00	3,686.35	5,000.00	(1,100.00)	0.00
Spartan Race	0.00	25,000.00	25,000.00	0.00	25,000.00
	<u>8,655.72</u>	<u>137,288.42</u>	<u>695,120.40</u>	<u>3,983.74</u>	<u>85,521.69</u>
Trade Shows					
WVHTA	795.00	3,280.33	3,000.00	795.00	2,547.72
ABA	0.00	2,919.04	2,500.00	0.00	2,375.00
WV CVB Association	0.00	3,173.42	4,000.00	0.00	20.09
Southeast Tourism Society	0.00	8,075.42	9,000.00	0.00	6,856.50
Travel South	0.00	1,093.10	1,750.00	1,495.00	1,495.00
Governor's Conference	0.00	665.31	2,000.00	0.00	1,616.99
	<u>795.00</u>	<u>19,206.62</u>	<u>22,250.00</u>	<u>2,290.00</u>	<u>14,911.30</u>
Tamarack Expense					
Uniform Expense	0.00	621.71	1,000.00	0.00	673.25
	<u>0.00</u>	<u>621.71</u>	<u>1,000.00</u>	<u>0.00</u>	<u>673.25</u>
Postage and Shipping					
US Postage	2,528.00	31,640.44	25,000.00	(936.00)	17,764.44
UPS	1,198.73	15,519.79	15,000.00	1,148.11	13,047.88
	<u>3,726.73</u>	<u>47,160.23</u>	<u>40,000.00</u>	<u>212.11</u>	<u>30,812.32</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, 2023 and 2022

	2023 Month	2023 YTD	2023 Budget	2022 Month	2022 YTD
Membership Expense					
Development	126.99	1,024.43	4,000.00	376.08	9,060.65
Meetings	985.12	8,880.59	10,000.00	1,718.16	9,764.31
	<u>1,112.11</u>	<u>9,905.02</u>	<u>14,000.00</u>	<u>2,094.24</u>	<u>18,824.96</u>
Other Expenses					
Transportation	0.00	1,131.52	3,000.00	153.12	1,803.11
Meals	0.00	441.94	1,500.00	736.94	1,189.58
Dues/Subscriptions	0.00	517.70	750.00	0.00	493.58
Charitable Contributions	0.00	120.00	250.00	150.00	210.00
Interest expense	0.00	0.00	0.00	4,018.42	4,018.42
Depreciation	38,986.88	75,632.70	0.00	953.67	11,444.15
	<u>38,986.88</u>	<u>77,843.86</u>	<u>5,500.00</u>	<u>6,012.15</u>	<u>19,158.84</u>
Total Expense	<u>152,020.58</u>	<u>1,218,769.30</u>	<u>1,774,245.40</u>	<u>96,044.80</u>	<u>955,052.55</u>
Increase (Decrease) in Net Assets	222,299.14	728,285.63	<u>\$ 0.00</u>	(64,913.25)	265,285.48
Net Assets, Beginning	<u>3,210,293.96</u>	<u>2,704,307.47</u>		<u>2,769,220.72</u>	<u>2,439,021.99</u>
Net Assets, Ending	<u>\$ 3,432,593.10</u>	<u>\$ 3,432,593.10</u>		<u>\$ 2,704,307.47</u>	<u>\$ 2,704,307.47</u>

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

New River Travel Council, Inc.
Notes to Financial Statements
December 31, 2023

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

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

2. Departures From U.S. GAAP

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



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July 20, 2023

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, 2022 and 2021, and have issued our report thereon dated July 20, 2023. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated July 20, 2023, 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 2022. 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 such misstatements.

To the Board of Directors
New River Travel Council, Incorporated
dba Visit Southern West Virginia
Page 3

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 July 20, 2023.

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, 2022 and 2021

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

Audited Financial Statements

Years Ended December 31, 2022 and 2021

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INDEPENDENT AUDITOR'S REPORT

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

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, 2022 and 2021, 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, 2022 and 2021, 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.

July 20, 2023
Charleston, West Virginia

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

STATEMENTS OF FINANCIAL POSITION
December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 1,298,359	\$ 957,695
Accounts receivable, less allowance for doubtful accounts of \$6,884 for 2022 and 2021	182,527	65,366
Prepaid expense	4,629	8,343
Total current assets	<u>1,485,515</u>	<u>1,031,404</u>
Investments - fair value	<u>1,079,133</u>	<u>1,342,507</u>
Property and equipment:		
Land, building and improvements	269,119	269,119
Office furnishings, fixtures and equipment	19,669	19,669
Vehicle	20,429	20,429
	<u>309,217</u>	<u>309,217</u>
Less accumulated depreciation	<u>(119,633)</u>	<u>(108,188)</u>
Net property and equipment	<u>189,584</u>	<u>201,029</u>
Right-of-use asset	<u>12,833</u>	<u>-</u>
Total assets	<u>\$ 2,767,065</u>	<u>\$ 2,574,940</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities:		
Accounts payable	\$ 16,952	\$ 15,870
Current portion of long-term debt	-	5,035
Deferred income	26,800	16,018
Accrued and withheld payroll liabilities	6,073	5,074
Other taxes payable	98	131
Lease liability - current	4,129	-
Total current liabilities	<u>54,052</u>	<u>42,128</u>
Non-current liabilities:		
Long-term debt	-	93,789
Lease liability - noncurrent	8,704	-
Total noncurrent liabilities	<u>8,704</u>	<u>93,789</u>
Total liabilities	62,756	135,917
Net assets:		
Net assets without donor restrictions	<u>2,704,309</u>	<u>2,439,023</u>
Total liabilities and net assets	<u>\$ 2,767,065</u>	<u>\$ 2,574,940</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 ACTIVITIES AND CHANGES IN NET ASSETS
For the Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Revenues, gains, and other support without donor restriction:		
Lodging tax	\$ 1,388,119	\$ 1,027,081
Advertising	59,134	34,886
Memberships	22,904	18,106
Federal Grant - Paycheck Protection Program	-	67,504
Federal Grant - Employee Retention Credit	-	13,823
Other grant revenue	-	9,170
Investment income (loss)	<u>(249,608)</u>	<u>164,847</u>
Total revenues, gains, and other support	<u>1,220,549</u>	<u>1,335,417</u>
Expenses:		
Program services	815,208	703,174
Management and general	<u>140,055</u>	<u>150,965</u>
Total expenses	<u>955,263</u>	<u>854,139</u>
Excess of revenues over expenses and change in net assets without donor restrictions	265,286	481,278
Net assets, beginning of year	<u>2,439,023</u>	<u>1,957,745</u>
Net assets, end of year	<u>\$ 2,704,309</u>	<u>\$ 2,439,023</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, 2022

	Program Services	Management and General	Total
Salaries and benefits	\$ 286,851	\$ 55,373	\$ 342,224
Administrative overhead	-	66,348	66,348
Office operations	-	2,046	2,046
Marketing - advertising	296,343	-	296,343
Marketing - brochures	103,399	-	103,399
Marketing - promotion	60,522	-	60,522
Trade shows	14,911	-	14,911
Travel	673	-	673
Postage	30,196	616	30,812
Contributions	18,825	-	18,825
Other expenses	3,488	209	3,697
Depreciation	-	11,445	11,445
Interest	-	4,018	4,018
	<u>\$ 815,208</u>	<u>\$ 140,055</u>	<u>\$ 955,263</u>

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>

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 CASH FLOWS
For the Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Increase in net assets	\$ 265,286	\$ 481,278
Adjustments to reconcile net change in assets to net cash provided by operating activities:		
Depreciation	11,445	12,617
Net realized and unrealized (gain) loss on investments	249,608	(164,847)
(Increase) decrease in operating assets		
Accounts receivable	(117,161)	(8,118)
Prepaid Expenses	3,714	(7,446)
Right-of-use asset	(12,833)	-
Increase (decrease) in operating liabilities		
Accounts payable	1,082	722
Deferred income	10,782	10,106
Lease liability	12,833	-
Accrued expenses	999	906
Other taxes payable	<u>(33)</u>	<u>36</u>
Net cash provided by operating activities	<u>425,722</u>	<u>325,254</u>
Cash flows from investing activities:		
Purchase of investments	(62,504)	(122,984)
Proceeds from sale of investments	<u>76,270</u>	<u>126,609</u>
Net cash used in investing activities	<u>13,766</u>	<u>3,625</u>
Cash flows from financing activities:		
Payments on long-term debt	(98,824)	-
Proceeds from acquisition of debt	<u>-</u>	<u>(59,076)</u>
Net cash (used in) provided by financing activities	<u>(98,824)</u>	<u>(59,076)</u>
Net increase in cash and cash equivalents	340,664	269,803
Cash and cash equivalents, beginning of year	<u>957,695</u>	<u>687,892</u>
Cash and cash equivalents, end of year	<u>\$ 1,298,359</u>	<u>\$ 957,695</u>

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Cash paid for interest	<u>\$ 4,018</u>	<u>\$ 3,924</u>
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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, 2022 and 2021

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, 2022 and 2021

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, 2022 and 2021.

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, 2022 and 2021

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.

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NOTES TO FINANCIAL STATEMENTS
(Continued)

December 31, 2022 and 2021

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.

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December 31, 2022 and 2021

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

Summary of Significant Accounting Policies (Continued)

Income Taxes

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

Deferred Income

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

Change in Accounting Principle

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842). This ASU requires that a lease liability and related right-of-use-asset representing the lessee's right to use or control the asset be recorded on the statement of financial position upon the commencement of all leases except for short-term leases. Leases will be classified as either finance leases or operating leases, which are substantially similar to the classification criteria for distinguishing between capital leases and operating in existing lease accounting guidance. As a result, the effect of leases on the statement of activities and changes in net assets and the statement of cash flows will be substantially unchanged from the existing lease accounting guidance. In 2019, the FASB delayed the effective date for nonpublic entities to fiscal years beginning after December 15, 2021. During the year ended December 31, 2022, the Council implemented ASU No. 2016-02 by electing to use the effective date method. Under this method, the ASU was implemented with an effective date of January 1, 2022, and right-of-use assets and lease liabilities were recognized beginning on that date with no effect on previously issued financial statements.

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, 2022, and 2021, comprise of the following:

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(Continued)

December 31, 2022 and 2021

2 – LIQUIDITY AND AVAILABILITY (Continued)

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 1,298,359	\$ 957,695
Accounts receivable	182,527	65,366
Investments	<u>1,079,133</u>	<u>1,342,507</u>
	<u>\$2,560,019</u>	<u>\$2,365,568</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, 2022 and 2021, respectively consisted of the following:

	<u>2022</u>	<u>2021</u>
Dues and memberships	\$ 8,573	\$ 5,698
Occupancy tax allocation	<u>180,838</u>	<u>66,552</u>
	189,411	72,250
Less allowance for doubtful accounts	<u>(6,884)</u>	<u>(6,884)</u>
	<u>\$ 182,527</u>	<u>\$ 65,366</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.

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December 31, 2022 and 2021

4 – INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

	Fair Value Measurements at Reporting Date Using			
	(Level 1)	(Level 2)	(Level 3)	Total
<u>December 31, 2022</u>				
Mutual Funds	<u>\$1,079,133</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$1,079,133</u>
Total assets in the FV hierarchy	<u>\$1,079,133</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$1,079,133</u>

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

The following schedule summarizes investment appreciation during the years ended December 31, 2022 and 2021, respectively.

	2022	2021
Interest and dividends	\$ 27,896	\$ 37,110
Net realized and unrealized gain on investments	<u>(265,428)</u>	<u>140,704</u>
Total	(237,532)	177,814
Less custodial fees	<u>(12,076)</u>	<u>(12,967)</u>
Investment appreciation	<u>\$ (249,608)</u>	<u>\$ 164,847</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, 2022 and 2021, 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.

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NOTES TO FINANCIAL STATEMENTS
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December 31, 2022 and 2021

6 – LONG-TERM DEBT

The Council received an EIDL loan from the Small Business Administration during the year ended December 31, 2020. This loan was for \$150,000 and had an interest rate of 2.75%. Loan payments were deferred by the SBA during 2021 and were not required to be paid until June 2022. The Council began making payments on the loan in June 2021 and the final payment was made on December 14, 2022. Thus, the loan was paid off in full as of the year ended December 31, 2022.

7 – LEASES

The Council leases office equipment under operating leases with various expiration dates through September 2026. Total equipment lease expenses were \$7,765 in 2022 and \$5,624 in 2021. Total lease payments were \$4,982 and \$4,393 in 2022 and 2021, respectively.

Right-of-use (ROU) assets and lease liabilities are recognized at the lease commencement date based on the present value of future lease payments over the expected lease term. ROU assets are also adjusted for any lease prepayments made, lease incentives received, and initial direct costs incurred.

Lease liabilities are initially and subsequently recognized based on the present value of their future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or a rate. Increases (decreases) to variable lease payments due to subsequent changes in an index or rate are recorded as variable lease expense (income) in the future period in which they are incurred.

ROU assets for operating leases are subsequently measured throughout the lease term at the amount of the remeasured lease liability (i.e., present value of the remaining lease payments), plus unamortized initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received, and any impairment recognized.

The Council has elected the option to use the risk-free rate determined using a period comparable to the lease terms as the discount rate for leases where the implicit rate is not readily determinable. The risk-free rate option has been applied to this class of assets.

Right-of-use assets and liabilities as of December 31, 2022 and 2021 are presented as separate line items on the Council's statements of financial position.

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7 – LEASES (Continued)

Reported under FASB ASC 842 - year ended December 31, 2022:

	2022
<u>Lease Assets - Classification in Statement of Financial Position</u>	
Right-of-use asset, operating leases	<u>\$ 12,833</u>
<u>Lease Liabilities - Classification in Statement of Financial Position</u>	
Operating lease liabilities	<u>\$ 12,833</u>
 <u>Lease Cost</u>	
Operating lease cost	<u>\$ 7,765</u>
 <u>Cash Flow Items</u>	
Cash paid for amounts included in the measurement of lease liabilities	
Operating cash flows from operating leases	<u>\$ (12,833)</u>
Right-of-use assets obtained in exchange for lease liabilities	
Operating leases	<u>\$ 12,833</u>
 <u>Weighted-Average Information</u>	
Weighted-average remaining lease term in years	
Copier	0.5
Postage machine	4
Weighted-average discount rate	
Copier	0.78%
Postage machine	1.37%
 <u>Future Minimum Lease Payments</u>	
December 31,	
2023	\$ 4,129
2024	3,276
2025	3,276
2026	<u>2,457</u>
Total lease payments	13,138
Less interest	<u>(305)</u>
Present value of lease liabilities	<u>\$ 12,833</u>

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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 94% and 95% of revenues were derived from these sources in 2022 and 2021, respectively. If these revenues decrease significantly, it could have a substantial negative impact on the operations of and services provided by the Council.

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, 2022 and 2021 was \$14,649 and \$14,516, 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 86% of hotel occupancy tax remitted to Beckley-Raleigh County Convention and Visitor's Bureau, Inc. which accounted for 76% and 81% of total revenue for the year ended December 31, 2022 and 2021, 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.

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December 31, 2022 and 2021

12 – SUBSEQUENT EVENTS

The Council's management has evaluated events and transactions occurring after December 31, 2022 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.