

March 27, 2025

WV State Auditors' Office – <u>lgs@wvsao.gov</u>, Attn: Shellie Humphries
WV Joint Committee on Government & Finance –
<a href="https://www.wvlegislature.gov/Reports/Agency Reports/AgencyReports.cfm">https://www.wvlegislature.gov/Reports/Agency Reports/AgencyReports.cfm</a>
WVACVB – <u>Jnuzum@bowlesrice.com</u>

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

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

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

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

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

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

On behalf of the Board of Directors of Visit Southern 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 mwilliams@raleighcounty.com or 304-890-9956.

Sincerely,

Molly Williams, Board Chair Lisa Strader, Director

Attachments: Income statement (Jan 1, 2024 – Dec 31, 2024), Balance sheet (Dec 31, 2024), Annual report

(2024), and Annual audit completed in 2024 for the year 2023.

• • • • • • • • • • 1408 Harper Road • Beckley, WV 25801 • 304.252.2244 • • • • • • • • • • • •



2024 ANNUAL REPORT & 2025 MARKETING STRATEGY



### GET TO KNOW OUR TEAM

A passionate staff and board of directors make Visit Southern West Virginia a thriving destination marketing organization.

#### LISA STRADER, EXECUTIVE DIRECTOR

Lisa has over 35 years of experience in the tourism industry in West Virginia, spending the last 19 years at Visit Southern WV including the last 6 years as Director.

#### JENNIFER MEADE, OFFICE MANAGER/FINANCE DIRECTOR

With 18 years at Visit Southern West Virginia, Jennifer oversees finances, ensuring fiscal responsibility and sustainability for the organization's growth.

#### **MAURA JOHNSON, COO**

With 15 years at Visit Southern West Virginia, Maura manages sales, marketing, accounts, events and operations, ensuring smooth functions and strong engagement.

#### JESSICA ASTLEY, SOCIAL MEDIA & CONTENT MANAGER

Jessica, who joined in April 2024, manages social media, website content, and asset procurement to boost regional marketing and engagement.

#### **JESSICA LYNCH, DESTINATION MARKETING & MGMT**

Since July 2024, Jessica has led cooperative advertising, media partnerships, and new initiatives expanding the region's tourism reach.

#### STEPHANIE MINTON, ADMINISTRATIVE ASSISTANT/ INFORMATION SPECIALIST

Since December 2024, Stephanie has managed brochure distribution and the contact database and has assisted visitors.

#### **DEBBIE LESTER & MARGARET SMITH, INFORMATION SPECIALISTS**

Debbie (since March 2020) and Margaret (since August 2021) assist travelers at Tamarack Marketplace, offering insights and resources to enhance visits.

#### **LUCAS SABBADIN & RAMON SIMONASSI, INTERNS**

#### 2024 BOARD OF DIRECTORS

CHAIRPERSON

Allison Tomlinson, Monroe County

Cris Meadows, Summers County

TREASURER

Tabitha Stover, Fayette County

VICE-CHAIR

Susan James, Nicholas County

Leslie Baker

Raleigh County

Raleigh County Paula Thomas

Raleigh County

Samantha Adams

Stephanie Stiffler

Summers County

Susan Williams

Mercer County

Fayette County

**Phil Lane** Raleigh County

Michelle Rotellinl

Molly Williams, Raleigh County

April Emst

Monroe County

**Becky Sullivan** 

Fayette County

**Bobby Bower** 

Fayette County Chad Fox

Raleigh County

Elizabeth Dix Nicholas County

Heather Johnson

Fayette County Josh Faber

Raleigh County

**Kelly Collins** Greenbrier County

Kenneth Zebo

Wyoming County

Mike Darby

Raleigh County

AT LARGE:

Scott Durham WV Stote Parks, Retired

Tom Wagner

Winterplace Ski Resort, Retired

#### **2025 BOARD OF DIRECTORS**

CHAIRPERSON

Molly Williams, Raleigh County

**BOARD EMERITUS:** 

PAST CHAIR

Tabitha Stover, Fayette County

TREASURER

Allison Tomlinson, Monroe County

VICE-CHAIR

Susan Jame, Nicholas County

CHAIR ELECT

Stephanie Stiffler, Summers County

April Ernst

Monroe County

**Becky Sullivan** 

Fayette County **Bobby Bower** 

Fayette County

Candace Helms

Summers County Dr. Ramon Stuart

Raleigh County

Elizabeth Dix

Nicholas County

Heather Johnson

Fayette County

Josh Faber Raleigh County

Kelly Collins

Greenbrier County

**BOARD EMERITUS:** 

Mike Darby Raleigh County

Kenneth Zebo Wyoming County

Leslie Baker

Raleigh County

Michelle Rotellini

Raleigh County

Paula Thomas

Raleigh County

Phil Lane

Raleigh County

Samantha Adams

Fayette County

Stephanie Stiffler

Summers County

Susan Williams

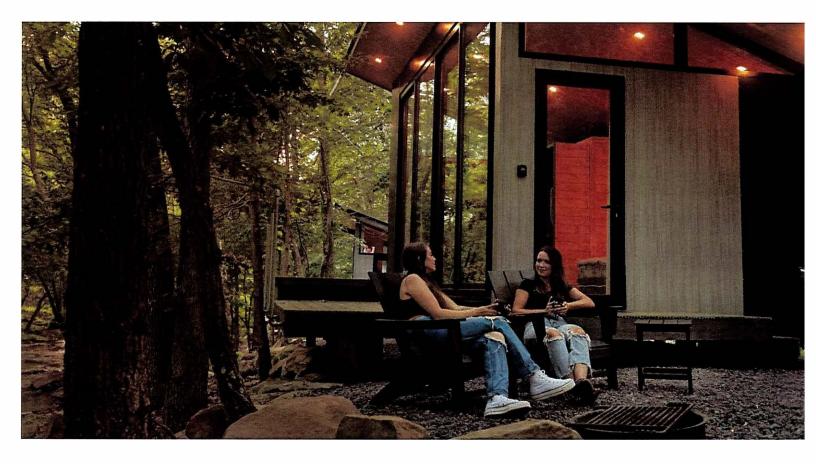
Mercer County

AT LARGE: Scott Durham

WV State Parks, Retired

Tom Wagner

Wincerplace Ski Resort, Retired



### VISION & MISSION STATEMENTS

**VISION:** Visit Southern West Virginia envisions our region as the heart of hospitality, adventure, and culture-driving tourism through advertising, marketing, and promotion. Striving to inspire visitors and empower our communities.

MISSION: Visit Southern West Virginia's mission is to showcase southern West Virginia as a welcoming travel destination—inviting travelers to experience our rich culture, breathtaking landscapes, and warm hospitality.

### **PARTNERSHIPS**

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

#### **2024 FUNDING PARTNERS**

- > City of Beckley & Raleigh County
- New River Gorge Convention & Visitors Bureaus
- Nicholas County
- Wyoming County

- City of Hinton
- Visit Fayetteville
   Convention & Visitors
   Bureaus
- Monroe County

#### **2024 ASSOCIATIONS**

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

## TOURISM'S IMPACT ON OUR REGION

Tourism in Southern West Virginia continues to be a powerful economic driver. This growth reflects the region's increasing appeal as a travel destination and the effectiveness of strategic marketing and tourism initiatives.



1.8 MILLION

VISITORS TO THE NEW RIVER GORGE NATIONAL PARK AND PRESERVE



\$814

AVERAGE SAVED IN TAXES PER HOUSEHOLD IN OUR NINE-COUNTY REGION



## \$1.2 BILLION IN VISITOR SPENDING IN OUR NINE COUNTIES.

FAYETTE COUNTY: \$170.6 MILLION
GREENBRIER COUNTY: \$399.6 MILLION
MCDOWELL COUNTY: \$18.2 MILLION
MERCER COUNTY: \$203.6 MILLION
MONROE COUNTY: \$10.8 MILLION
NICHOLAS COUNTY: \$41.4 MILLION
RALEIGH COUNTY: \$313.3 MILLION
SUMMERS COUNTY: \$30.1 MILLION
WYOMING COUNTY: \$20.3 MILLION

2024 LODGING TRENDS



60%
HOTEL
OCCUPANCY
RATE



+8%
AVERAGE
DAILY RATE
(STR Report)



+16% YOY
THIRD-PARTY
RENTAL REVENUE



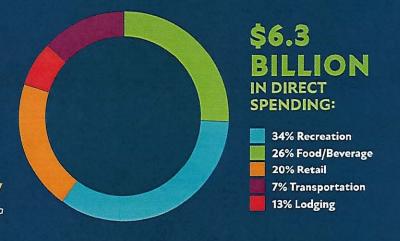
\$156 AVERAGE DAILY RATE

(KeyData)

### **STATEWIDE IMPACT\***

- > 75 MILLION VISITORS
- > +2.3 MILLION MORE VISITORS YOY
- > \$8.7 BILLION IN STATEWIDE ECONOMIC IMPACT
- > \$1 BILLION IN TOTAL TAXES ACROSS WV

\*Source: 2023 Economic Impact of Tourism in West Virginia



# WHERE OUR TRAVELERS ARE COMING FROM

In 2024, Visit Southern West Virginia invested in Datafy, an analytics platform that helps analyze visitation to destinations and the impact advertising efforts can and will have through targeted audiences. These trends and insights will help us make informed decisions about our marketing strategy in 2025.

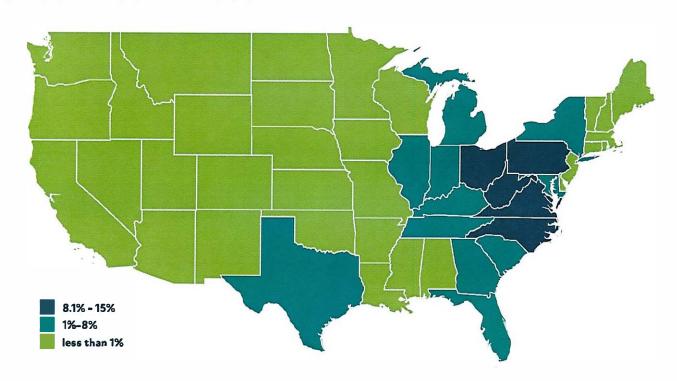
#### TOP OUT-OF-STATE MARKETS

- > Ohio
- > North Carolina
- Virginia
- Pennsylvania
- > Florida

#### TOP OUT-OF-STATE DMAS

- > Roanoke-Lynchburg
- > Pittsburgh
- > Charlotte
- Cleveland-Akron-Canton
- > Columbus

#### SHARE OF TRIPS BY STATE



**VISITOR ORIGIN** 

**77.1%** OUT-OF-STATE

22.9% IN-STATE TRIP STATS

2.1 DAYS

AVERAGE LENGTH

OF STAV

+12 MILLION
TRIPS TO OUR REGION

### 2024 PROJECT HIGHLIGHTS

#### NEW WEBSITE LAUNCH

In 2024, Visit Southern West Virginia unveiled a new and improved website, designed to enhance user experience and showcase the region's best attractions, events, and businesses. The redesigned site features a modern, mobile-friendly interface, improved navigation, and engaging visuals that bring the beauty of Southern West Virginia to life.

By leveraging cutting-edge digital tools, the new website strengthens Visit Southern West Virginia's role as the go-to resource for travelers and adventure seekers.



+565K WEBSITE VISITORS



+139K EMAIL
NEWSLETTERS SENT



#### **KEY ENHANCEMENTS:**

- Mobile-friendly, accessible design
- Expanded business and partner listings for better regional collaboration
- User-friendly mega menu to plan your trip
- Enhanced backend access, enabling the team to make updates to the website quickly

#### **SOCIAL MEDIA GROWTH**

Throughout 2024, Visit Southern West Virginia's social media reach and following increased on Facebook, Instagram, and TikTok by posting unique attractions and influencer partnerships. Posts with the most views, reach, and reactions celebrated Bridge Day, adventurous excursions, and unique attractions like Bridge Walk or the drained Summersville Lake.



+89K TOTAL FOLLOWERS ACROSS
ALL PLATFORMS



+17K NEW FOLLOWERS YOY



+7.5K FACEBOOK FOLLOWERS



+23K AVG. WEEKLY FACEBOOK REACH



+1.6K INSTAGRAM FOLLOWERS

U

+7.4K TIKTOK VIEWS



This post about Summersville Lake was viewed by over 1.4 million users.

Views: 1,402,188

> Reach: 1,044,311

> Interactions: 19,243

> Shares: 2103

#### CONFERENCES, CONTINUING EDUCATION AND GROUP AND INTERNATIONAL TRAVEL SHOWS:

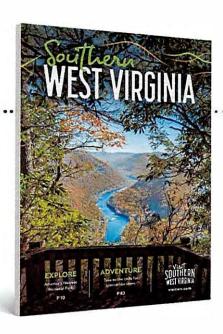
- > American Bus Association
- > Travel South International Showcase
- West Virginia Governor's Conference on Tourism
- > Hospitality U
- > Leadership West Virginia & Leadership Beckley
- > WV Trail Conference

### 2024 HIGHLIGHTS

#### 2024 WYTO CO-OPS

Visit Southern West Virginia participated in the Cooperative Advertising Program offered by the West Virginia Department of Tourism. Through this program Visit Southern West Virginia is able to leverage marketing dollars to make our budget go further, while taking advantage of the branding and marketing buying power of our state office.

Through the multi-partner match and by leveraging our regional relationships, we were able to purchase/participate in approximately \$900,000 of cooperative advertising while spending less than \$125,000. This included research, retargeting, digital, social, print marketing, SEM and SEO.



#### **2024 TRAVEL GUIDE**

+400K Brochures were distributed in 2024

#### WYTO CO-OP HIGHLIGHT

National Geographic Regional Multi-Partner Co-Op

After the New River Gorge was featured in National Geographic's "Best of the World" Top 20 Travel Experiences for 2024, we teamed up with several regional partners for this unique awareness co-op through the West Virginia Department of Tourism.

Overall, the campaign exceeded CTR benchmarks, further reinforcing National Geographic's audience's interest in southern West Virginia.



+9 MILLION
SOCIAL MEDIA IMPRESSIONS



+49K SOCIAL ENGAGMENTS



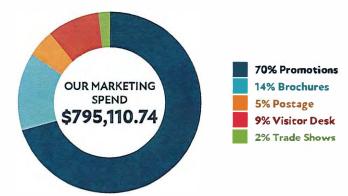
+92K
CLICKS ON SOCIAL CONTENT



+101K
PAGE VIEWS OF
SPONSORED TRAVEL GUIDE
DIGITAL CONTENT

#### MARKETING EFFORTS

In 2024 we spent \$795,110.74 on marketing. This was 62% of our overall spend of \$1,279,831.79



### 2025 MARKETING STRATEGY

Visit Southern West Virginia's 2025 marketing strategy is designed to enhance brand visibility, increase visitor engagement, and drive economic impact through a multi-faceted approach. By

leveraging digital initiatives, strategic partnerships, and immersive storytelling, Visit Southern West Virginia aims to position the region as a premier travel destination year-round.

### SEASONAL & NICHE MARKETING CAMPAIGNS



#### WINTER TRAVEL CAMPAIGN

Targeted promotion of winter activities, lodging and events to attract visitors.



#### WINTER PHOTO/VIDEO PRODUCTION

Capturing fresh, high-quality visual content to support marketing across digital platforms and social media.



#### **MOTORCYCLE BROCHURE**

Development of a dedicated guide showcasing motorcycle routes, positioning the region as a must-visit for riders.



### VISIT SOUTHERN WEST VIRGINIA TRAVEL GUIDE

Annual print and digital guide featuring top destinations, activities and businesses.



### BECKLEY-RALEIGH COUNTY SUMMER PHOTO/VIDEO PRODUCTION

Expanding the brand's content library to promote spring and summer travel.



#### **DIGITAL WEDDING GUIDE**

A new digital resource to market Southern West Virginia as a destination.





### COOPERATIVE MARKETING & PARTNERSHIPS

**WVTO CO-OPS -** Collaborative advertising efforts with the West Virginia Tourism Office to amplify regional exposure.

#### **BANDWANGO PASS & CAMPAIGN -**

Implementation and promotion of digital pass programs to encourage exploration of key attractions and drive visitor spending.

### 2025 MARKETING STRATEGY

#### **REGIONAL ENGAGEMENT**

FUTURE FORWARD RAILROAD DAYS

BRIDGE DAY HONEYBEE FESTIVAL

**WORLD SPARTAN** 

### CONTINUING EDUCATION & INDUSTRY ENGAGEMENT

#### **CONFERENCES & TRAINING**

West Virginia Governor's Conference on Tourism Hospitality U

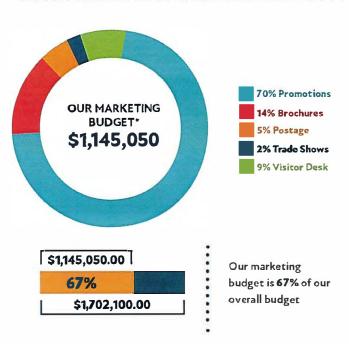
Travel South USA International Showcase American Bus Association

### MEDIA & INFLUENCER ENGAGEMENT

### HOSTING WRITERS & INFLUENCERS TRAVEL SOUTH USA INTERNATIONAL MEDIA

**EVENT** – Expanding exposure through targeted media engagements at one of the industry's premier international events.

### 2025 Marketing Budget\*



\*This marketing budget was based on projected income for 2025.

#### 2025 FUNDING PARTNERS

- > City of Beckley & Raleigh County
- New River Gorge Convention & Visitors Bureaus
- > Nicholas County
- > Wyoming County

- City of Hinton
- Visit Fayetteville
   Convention & Visitors
   Bureaus
- Monroe County
- Explore Summers
   County

#### 2025 ASSOCIATIONS

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



We value and appreciate the continued support of our funding partners and welcome Summers County to our regional marketing promotions for 2025.

New River Travel Council, Inc. Financial Statements December 31, 2024 and 2023

#### 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, 2024 and 2023, 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

Richmond & Company

Beckley, WV February 14, 2025

#### New River Travel Council, Inc. DBA Visit Southern West Virginia Statement of Financial Position As of December 31, 2024 and 2023

#### **Assets**

		2024		2023	
Current Assets					
Cash - City National	\$	446,415.62	\$	1,842,740.51	
Cash - City National - Payroll	•	47,789.77	•	39,185.86	
Cash in investment account		53,364.78		43,300.39	
		547,570.17	-	1,925,226.76	
Accounts Receivable		116,463.73		189,249.42	
Allowance for Doubtful Accounts		(6,884.13)		(6,884.13)	
ROU Asset		10,546.00		10,546.00	
NOO ASSEC		120,125.60		192,911.29	
Prepaid Expense		3,491.19		13,599.59	
Total Current Assets	-	671,186.96		2,131,737.64	
Property and Equipment					
Company Vehicle		68,431.68		68,431.68	
Office Furniture and Fixtures		19,668.54		19,668.54	
New Building		212,004.97		212,004.97	
Leasehold Improvement - New		99,019.70		99,019.70	
Less Accumulated Depreciation	_	(170,778.90)	_	(145,752.20)	
Net Property and Equipment		228,345.99		253,372.69	
Non Current Assets					
Investments		1,425,728.41		1,276,399.98	
Investments		1,802,533.08	_	0.00	
Total Assets	<u>\$</u>	4,127,794.44	\$	3,661,510.31	
Liabilities	s and Net	Assets			
		2024		2023	
		2024			
Current Liabilities	\$	10,546.00	\$	10,546.00	
Lease Liability Accounts Payable	4	4,383.34	4	58,594.22	
State Tax Withheld		1,149.00		832.00	
Futa Tax Payable		15.72		0.00	
Suta Tax Payable		77.78		0.00	
Accrued Payroll		9,007.20		5,890.57	
Accrued Sales Tax		503.94		116.01	
Deferred Income		9,613.41		9,613.41	
Total Current Liabilities	-	35,296.39	-	85,592.21	
Net Assets					
Without Donor Restrictions		4,092,498.05		3,575,918.10	
Total Net Assets	-	4,092,498.05		3,575,918.10	
Total Liabilities and Net Assets	<u>\$</u>	4,127,794.44	<u>\$</u>	3,661,510.31	

See accompanying notes.

No assurance is provided on these financial statements.

#### Statements of Revenues, Expenses and Other Changes in Net Assets For the One Month and Twelve Months Ended December 31, 2024 and 2023

	2024 Month		2024 YTD 2024 Budg		2024 Budget	2023 Month			2023 YTD
Revenue									
Memberships									
Fayette County	\$ 660,00	\$	7,428.05	\$	7,000.00	\$	(842.00)	*	C 453.00
Greenbrier County	165.00	т.	1,110.00	₹	1,400.00	P	220.00	\$	5,453.00
McDowell County	0.00		165.00		100.00		0.00		1,375.00
Mercer County	165.00		595.00		750.00		0.00		(100.00) 715.00
Monroe County	110.00		650.00		800.00		165.00		715.00
Nicholas County	275.00		1,640.00		1,800.00		275.00		
Raleigh County	1,299.95		9,292.35		10,500.00				1,705.00
Summers County	0.00		715.00		400.00		461.20 0.00		10,246.20
Wyoming County	55.00		357.50		425.00				385.00
Miscellaneous Memberships	335.00		555.00		425.00 600.00		55.00 3,717.00		412.50
	3,064.95	_	22,507.90		23,775.00	_	4,051.20	_	3,947.00
City & County Contracts	<u>J,</u> 004.33	_	22,307.30	_	23,773.00	_	4,051.20	-	24,908.70
Fayette County	15,201.98		186,368.76		185,000.00		45,116.08		206,864.18
Monroe County	0.00		0.00		15,000.00		0.00		13,414.68
Nicholas County	0.00		18,107.83		17,000.00		0.00		16,809.95
Raleigh County	230,143.36		1,285,077.33		1,150,000.00		259,589.81		1,221,698.96
Summers County	696.33		2,932.80		3,000.00		289.60		2,675.49
Wyoming County	0.00		10,864.87		10,000.00		0.00		9,839.04
,	246,041.67		1,503,351.59		1,380,000.00	_	304,995.49		1,471,302.30
Membership Services			1,505,551.55	_	1,380,000.00	-	בר.כככ, רטכ	-	1,471,302.30
A decayatata a									
Advertising OVG Ads			10.110.05						
Extra Listing	0.00		48,142.95		51,000.00		0.00		45,532.98
CVB Weblink - Banners	0.00		4,850.00		4,850.00		0.00		4,305.00
SWV Motorcycle Touring	0.00 0.00		600.00		2,100.00		0.00		1,353.00
Deferred Income - Advertising			0.00		10,000.00		0.00		0.00
Deletted Income - Advertising	0.00	_	0.00	-	0.00 67,950.00	-	13,241.00	_	13,241.00
	0.00	_	53,592.95	-	67,950.00	-	13,241.00	1	64,431.98
Brochure Distribution									
\$150 Option-Brochures	0.00		5,033.40		6,500.00		564.00		6,937.30
	0.00	_	5,033.40		6,500.00		564.00		6,937.30
Other Income									
Investment Income. Fees	17,898.24		211,925.90		0.00		0.00		0.00
Miscellaneous Income	0.00		0.00		35,685.00		187,484.03		515,490.65
. Account alleger	17,898.24	_	211,925.90		35,685.00		187,484.03		515,490.65
Total Revenues	267,004.86	· 5_	1,796,411.74		1,513,910.00		510,335.72	-	2,083,070.93

See accompanying notes.

No assurance is provided on these financial statements.

#### Statements of Revenues, Expenses and Other Changes in Net Assets For the One Month and Twelve Months Ended December 31, 2024 and 2023

	2024 Month	2024 YTD	2024 Budget	2023 Month	2023 YTD
Salaries and Benefits					
Wages	(2,914.98)	229,322.74	260,000.00	28,570.55	252,502.70
Payroll Taxes	2,720.51	26,789.60	27,000.00	2,014.01	24,627.33
Employee Benefit (SEP)	1,576.79	14,698.81	18,000.00	1,250.59	15,369.37
Life and Health Insurance	5,282.61	63,504.93	85,000.00	6,447.51	70,470.88
Employee Training/Education	696.75	7,735.54	7,500.00	0.00	0.00
	7,361.68	342,051.62	397,500.00	38,282.66	362,970.28
Administration Completed			3		
Administrative Overhead Hardware	0.00	2.046.44			
	0.00	3,046.44	4,000.00	0.00	2,009.86
Computer Software	74.89	10,114.53	9,000.00	8.83	6,755.38
Computer Support	0.00	428.90	4,500.00	612.68	2,682.58
Water Utility	25.14	258.60	400.00	43.84	288.99
Sewage Power	57.79	697.74	800.00	57.79	699.25
Gas	333.10	2,157.65	3,000.00	174.82	2,211.92
Trash Service	180.06	2,120.91	3,000.00	438.77	2,479.24
Snow Removal	53.08	583.88	650.00	99.98	523.56
Copy Machine	247.50	937.56	1,250.00	198.75	548.55
Postage Machine	152.11 924.48	2,864.36 3,796.83	3,000.00	152.11	2,790.57
Telephone Lease	0.00	(0.27)	4,500.00 0.00	924.48 0.00	3,841.54 0.00
Insurance - Liability	0.00	5,672.03	5,750.00	0.00	5,191.39
Director & Officer Liability	0.00	3,491.60	·	0.00	
Insurance - Company Vehicle	0.00	5,033.52	4,250.00 5,500.00	0.00	3,672.09 5,164.24
Janitorial Services	375.00	3,900.00	4,500.00	375.00	3,825.00
Office Supplies	336.91	6,234.57	5,500.00	896.22	3,259.39
Letterhead	0.00	462.00	500.00	0.00	212.00
10 x 14 Envelope	0.00	0.00	500.00	0.00	0.00
#10 Envelope	0.00	920.00	1,000.00	0.00	0.00
Accounting	450.00	17,900.00	20,000.00	450.00	17,280.00
Lawn Service	0.00	1,680.00	2,500.00	120.00	1,680.00
Office Maintenance & Improvements	242.15	31,504.10	50,000.00	324.03	32,910.48
Miscellaneous	398.92	2,563.64	4,750.00	84.22	1,700.63
Bank Charges	94.16	1,357.65	2,000.00	82.05	1,072.18
Telephone	262.62	2,810.63	4,500.00	519.82	3,093.65
	4,207.91	110,536.87	145,350.00	5,563.39	103,892.49
Equipment and Building Evenne					
Equipment and Building Expense Company Vehicle	138.46	5,235.84	3,500.00	159.49	1,945.46
Company venice	138.46	5,235.84	3,500.00	159.49	1,945.46
					2/2 (5) (6
Marketing - Advertising					
Print	0.00	37,528.50	40,000.00	5,744.50	23,384.00
Marketing Salaries	27,408.23	72,147.74	68,000.00	4,153.28	46,108.90
Web Site	2,991.00	75,000.00	75,000.00	29,591.00	99,291.00
E-Marketing	37,547.99	212,534.41	225,000.00	63,593.82	210,024.50
Suddenlink	160.00	1,819.95	2,500.00	320.00	1,889.90
	68,107.22	399,030.60	410,500.00	103,402.60	380,698.30

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

### Statements of Revenues, Expenses and Other Changes in Net Assets For the One Month and Twelve Months Ended December 31, 2024 and 2023

	2024 Month	2024 YTD	2024 Budget	2023 Month	2023YTD
Marketing - Brochures					
Visitors Guide	0.00	103,037.70	98,000.00	0.00	120,120.91
Brochure Dist. Contacts	547.82	8,666.82	7,200.00	494.00	6,274.00
SWV Motorcycle Touring	0.00	0.00	8,500.00	0.00	0.00
	547.82	111,704.52	113,700.00	494.00	126,394.91
Marketing - Promotions					
Miscellaneous	4,812.78	95,122.69	130,108.93	(6,152.58)	71,917.91
BRC Marketing	20,142.50	79,855.65	166,751.07	6,879.30	18,101.30
Boys Scouts of America	0.00	0.00	0.00	0.00	10,653.86
Group Tour Items	0.00	5,374.82	5,000.00	0.00	3,686.35
Spartan Race	0.00	25,000.00	20,000.00	0.00	25,000.00
Influencers/Travel Writers	1,247.49	21,615.49	25,000.00	0.00	0.00
	26,202.77	226,968.65	346,860.00	726.72	129,359.42
Trade Shows					
WVHTA	1,240.00	3,116.12	4,500.00	795.00	3,280.33
ABA	0.00	5,986.78	3,500.00	0.00	2,919.04
WV CVB Association	0.00	3,000.00	4,000.00	0.00	3,173.42
Southeast Tourism Society	0.00	940.00	4,000.00	0.00	8,075.42
Travel South	0.00	0.00	2,000.00	0.00	1,093.10
Governor's Conference	0.00	360.95	2,000.00	0.00	665.31
Miscellaneous Trade Shows	0.00	517.58	0.00	0.00	0.00
,	1,240.00	13,921.43	20,000.00	795.00	19,206.62
	1/2 10:00	13/322.13	20/000:00		
Tamarack Expense					
Uniform Expense	0.00	583.28	1,000.00	0.00	621.71
	0.00	583.28	1,000.00	0.00	621.71
Postage and Shipping					
US Postage	0.00	23,940.32	35,000.00	2,528.00	31,640.44
UPS	819.02	14,884.45	20,000.00	2,173.73	16,494.79
Ų.	819.02	38,824.77	55,000.00	4,701.73	48,135.23

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

### Statements of Revenues, Expenses and Other Changes in Net Assets For the One Month and Twelve Months Ended December 31, 2024 and 2023

	2024 Month	2024 YTD	2024 Budget	2023 Month	2023 YTD
Membership Expense					
Development	1,636.64	1,707.13	5,000.00	126.99	1,024.43
Meetings	127.26	2,370.36	10,000.00	985.12	<u>8,880.59</u>
	1,763.90	4,077.49	15,000.00	1,112.11	9,905.02
Other Expenses					
Transportation	34.84	322.81	3,000.00	0.00	1,131.52
Meals	0.00	769.51	1,500.00	0.00	441.94
Dues:/Subscriptions	0.00	517.70	750.00	0.00	517.70
Charitable Contributions	0.00	260.00	250.00	0.00	120.00
Depreciation	13,081.58	25,026.70	0.00	(10,526.12)	26,119.70
	13,116.42	26,896.72	<u>5,500.00</u>	(10,526.12)	28,330.86
Total Expense	123,505.20	1,279,831.79	1,513,910.00	144,711.58	1,211,460.30
Increase (Decrease) in Net Assets	143,499.66	516,579.95	\$ 0.00	365,624.14	871,610.63
Net Assets, Beginning	3,948,998.39	3,575,918.10		3,210,293.96	2,704,307.47
Net Assets, Ending	<u>\$ 4,092,498.05</u>	<u>\$ 4,092,498.05</u>		\$ 3,575,918.10	<u>\$ 3,575,918.10</u>

#### New River Travel Council, Inc. Notes to Financial Statements December 31, 2024

#### 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 22, 2024

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, 2023, and 2022, and have issued our report thereon dated July 22, 2024. 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 June 11, 2024, 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.

To the Board of Directors

New River Travel Council, Incorporated
dba Visit Southern West Virginia

Page 2

#### 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 2023. 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 22, 2024.

#### 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 ! Mayo, a.c.

Charleston, West Virginia

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

**Audited Financial Statements** 

December 31, 2023 and 2022

Audited Financial Statements
Years Ended December 31, 2023 and 2022

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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, 2023 and 2022, 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, 2023 and 2022, 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 & Mayo, a.c.

July 22, 2024 Charleston, West Virginia

STATEMENTS OF FINANCIAL POSITION December 31, 2023 and 2022

	2023	2022
<u>ASSETS</u>		
Current assets:  Cash and cash equivalents  Accounts receivable, less allowance for	\$ 1,925,227	\$1,298,359
doubtful accounts of \$6,884 for 2023 and 2022 Prepaid expense	182,365 13,600	182,527 4,629
Total current assets	2,121,192	1,485,515
Investments - fair value	1,276,400	1,079,133
Property and equipment:  Land, building and improvements  Office furnishings, fixtures and equipment  Vehicle	311,025 19,669 68,432 399,126	269,119 19,669 20,429 309,217
Less accumulated depreciation	(145,752)	(119,633)
Net property and equipment	253,374	189,584
Right-of-use asset	10,546	12,833
Total assets	\$ 3,661,512	\$ 2,767,065
LIABILITIES AND NET ASSETS		
Current liabilities:    Accounts payable    Deferred income    Accrued and withheld payroll liabilities    Other taxes payable    Lease liability - current    Total current liabilities	\$ 58,594 9,613 6,723 116 4,982 80,028	\$ 16,952 26,800 6,073 98 4,129 54,052
Non-current liabilities:  Lease liability - noncurrent  Total noncurrent liabilities	5,564 5,564	8,704 8,704
Total liabilities	85,592	62,756
Net assets: Net assets without donor restrictions	3,575,920	2,704,309
Total liabilities and net assets	\$ 3,661,512	\$ 2,767,065

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

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS For the Years Ended December 31, 2023 and 2022

	2023	2022
Revenues, gains, and other support without donor restriction:  Lodging tax  Advertising  Memberships Investment income (loss)	\$ 1,471,302 71,369 24,909 187,484	\$ 1,388,119 59,134 22,904 (249,608)
Total revenues, gains, and other support	1,755,064	1,220,549
Expenses:		
Program services  Management and general	1,019,189 192,271	815,208 140,055
Management and general		
Total expenses	1,211,460	955,263
Excess of revenues over expenses and change in net assets without donor restrictions	543,604	265,286
without donor restrictions	343,004	200,200
Net assets, beginning of year Net assets, merged organization	2,704,309 328,007	2,439,023
Net assets, end of year	\$ 3,575,920	\$ 2,704,309

STATEMENTS OF FUNCTIONAL EXPENSES For the Year Ended December 31, 2023:

	Program Services		Management and General		Total		
Salaries and benefits	\$	303,738	\$ 59,232	\$	362,970		
Administrative overhead		-	103,891		103,891		
Office operations		-	1,945		1,945		
Marketing - advertising		405,698	25		405,698		
Marketing - brochures		126,395	2.77		126,395		
Marketing - promotion		104,359	-		104,359		
Trade shows		19,206	59 <del>7</del> 5		19,206		
Travel		622	· ·		622		
Postage		47,172	963		48,135		
Contributions		9,905	) <del>-</del>		9,905		
Other expenses		2,094	120		2,214		
Depreciation		<u> </u>	 26,120		26,120		
	\$	1,019,189	\$ 192,271	\$	1,211,460		

For the Year Ended December 31, 2022:

	Program Services		nagement d General	 Total
Salaries and benefits	\$	286,851	\$ 55,373	\$ 342,224
Administrative overhead		-	66,348	66,348
Office operations		SAR	2,046	2,046
Marketing - advertising		296,343	( <del></del>	296,343
Marketing - brochures		103,399	-	103,399
Marketing - promotion		60,522	١٣.	60,522
Trade shows		14,911	<u>~</u>	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
	\$	815,208	\$ 140,055	\$ 955,263

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

STATEMENTS OF CASH FLOWS For the Years Ended December 31, 2023 and 2022

	2023	2022					
Cash flows from operating activities:							
Increase in net assets	\$ 543,604	\$ 265,286					
Net assets, merged organization	\$ 328,007	\$ -					
Adjustments to reconcile net change in assets to net cash provided by operating activities:							
Depreciation	26,120	11,445					
Net realized and unrealized (gain) loss on investments	(187,484)	249,608					
(Increase) decrease in operating assets	(,,	,					
Accounts receivable	162	(117,161)					
Prepaid Expenses	(8,971)	3,714					
Right-of-use asset	2,287	(12,833)					
Increase (decrease) in operating liabilities							
Accounts payable	41,642	1,082					
Deferred income	(17,187)	10,782					
Lease liability	(2,287)	12,833					
Accrued expenses	650	999					
Other taxes payable	18	(33)					
Net cash provided by operating activities	726,561	425,722					
Cash flows from investing activities:							
Purchase of property and equipment	(89,910)	-					
Purchase of investments	(512,241)	(62,504)					
Proceeds from sale of investments	502,458	76,270					
Net cash used in investing activities	(99,693)	13,766					
Cash flows from financing activities:							
Payments on long-term debt	-	(98,824)					
Net cash (used in) provided by financing activities	·	(98,824)					
Net increase in cash and cash equivalents	626,868	340,664					
Cash and cash equivalents, beginning of year	1,298,359	957,695					
out and out of available, boginning or your							
Cash and cash equivalents, end of year	\$1,925,227	\$1,298,359					
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION							
Cash paid for interest	\$	\$ 4,018					

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

NOTES TO FINANCIAL STATEMENTS
December 31, 2023 and 2022

#### 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.

During 2023, the Council absorbed the Beckley-Raleigh County Convention and Visitors Bureau and merged net assets of \$328,007 into the accompanying financial statements.

#### 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.

NOTES TO FINANCIAL STATEMENTS December 31, 2023 and 2022

#### 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, 2023 and 2022.

#### 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.

#### **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.

NOTES TO FINANCIAL STATEMENTS December 31, 2023 and 2022

#### **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.

#### <u>Investments</u>

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.

#### 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.

NOTES TO FINANCIAL STATEMENTS December 31, 2023 and 2022

#### 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.

#### 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.

#### Leases

The Council is a lessee in noncancelable operating leases. If the contract provides the Council the right to substantially all the economic benefits and the right to direct the use of the identified asset, it is considered to be or contain a lease. Right-of-use (ROU) assets and lease liabilities are recognized at the lease commencement date based on the present value of the 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.

NOTES TO FINANCIAL STATEMENTS
December 31, 2023 and 2022

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 the building classes of assets.

Right-of-use assets and liabilities as of December 31, 2023 and 2022 are presented as separate line items on the Organization's statements of financial position.

#### 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, 2023 and 2022, comprise of the following:

	2023	2022
Cash and cash equivalents	\$1,925,227	\$1,298,359
Accounts receivable Investments	182,365 1,276,400	182,527 1,079,133
	\$3,383,992	\$2,560,019

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, 2023 and 2022, respectively consisted of the following:

	2023	2022	
Dues and memberships	\$ 6,296	\$ 8,573	
Occupancy tax allocation	182,953	180,838	
	189,249	189,411	
Less allowance for doubtful accounts	(6,884)	(6,884)	
	\$ 182,365	\$ 182,527	

NOTES TO FINANCIAL STATEMENTS December 31, 2023 and 2022

#### 4 - INVESTMENTS AND FAIR VALUE MEASUREMENTS

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

	Fair Value Measurements at Reporting Date Using					
	(Level 1)	(Lev	rel 2)	(Le	vel 3)	Total
<u>December 31, 2023</u>					-	
Mutual Funds	\$1,276,400	\$	•	<u>\$</u>		<u>\$1,276,400</u>
	0.000	•		•		<b>A</b> 4 <b>0 7 0</b> 4 <b>0 0</b>
Total assets in the FV hierarchy	<u>\$1,276,400</u>	\$	*	\$		\$1,276,400
	Fair Value Measurements at Reporting Date Using					
	(Level 1)	(Lev	rel 2)	(Le	vel 3)	Total
December 31, 2022	_	_				
Mutual Funds	\$1,079,133	\$	<b>7</b>	\$	•	\$1,079,133
		•		•		<b>0.1.07</b> 0.400
Total assets in the FV hierarchy	じょ ロマロ イクク	4		4		\$1,079,133

The following schedule summarizes investment appreciation during the years ended December 31, 2023 and 2022, respectively:

	2023		2022	
Interest and dividends Net realized and unrealized gain	\$	32,390	\$	27,896
(loss) on investments		167,115		(265,428)
Total		199,505		(237,532)
Less custodial fees	_	(12,021)	_	<u>(12,076)</u>
Investment income (loss)	\$	187,484	\$	(249,608)

#### **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, 2023 and 2022, 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.

#### 6 - LEASES

The Council leases office equipment under operating leases with various expiration dates through September 2026. Total equipment lease expenses were \$6,633 in 2023 and \$7,765 in 2022. Total lease payments were \$4,982 in 2023 and 2022, respectively.

NOTES TO FINANCIAL STATEMENTS December 31, 2023 and 2022

The weighted-average discount rate is based on the discount rate implicit in the lease. The Organization 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. We have applied the risk-free rate option to the building class of assets.

The lease payment used to determine the lease liability and right-of-use asset include residual value guarantees that are probable of paying at the termination of the lease term.

Right-of-use assets and liabilities as of December 31, 2023 and 2022, are presented as separate line items on the Council's statements of financial position.

#### Reported under FASB ASC 842 - years ended December 31, 2023 and 2022:

	2023	2022	
Lease Assets - Classification in Statement of Financial Position Right-of-use asset, operating leases	\$ 10,546	\$ 12,833	
Lease Liabilities - Classification in Statement of Financial Position Operating lease liabilities	\$ 10,546	\$ 12,833	
Lease Cost	2023	2022	
Operating lease cost	\$ 6,633	\$ 7,765	
Cash Flow Items	2023	2022	
Cash paid for amounts included in the measurement of lease liabilities Operating cash flows from operating leases	\$ 2,287	\$ (12,833)	
Right-of-use assets obtained in exchange for lease liabilities Operating leases	\$ (2,287)	\$ 12,833	
Weighted-Average Information	2023	2022	
Weighted-average remaining lease term in years Copier Postage machine	1 3	0.5	
Weighted-average discount rate Copier Postage machine	0.78% 1.37%	0.78% 1.37%	

NOTES TO FINANCIAL STATEMENTS
December 31, 2023 and 2022

Future Minimum Lease Payments	2023	
December 31,		
2024	\$	4,982
2025		3,276
2026		2,457
Total lease payments		10,715
Less interest		(169)
Present value of lease liabilities	\$	10,546

#### 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 78% and 94% of revenues were derived from these sources in 2023 and 2022, 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, 2023 and 2022, was \$15,369 and \$14,649 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).

NOTES TO FINANCIAL STATEMENTS
December 31, 2023 and 2022

#### 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 64% of total revenue for the year ended December 31, 2023 and 2022, 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 was a related party whose employees perform duties for the Bureau, at no additional cost to the Bureau. During the year ended December 31, 2023, the Beckley-Raleigh County Convention and Visitor's Bureau's board of directors elected to dissolve the entity. All cash was transferred to Council.

#### 12 - SUBSEQUENT EVENTS

The Council's management has evaluated events and transactions occurring after December 31, 2023 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.