

September 16, 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 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 the Hampshire County CVB, we respectfully submit the required information and confirm that Hampshire County CVB is in full compliance with all WV Code 7-18-13 requirements.

If you have any questions, please contact either Tina Ladd, at cometohampshire@gmail.com or 304-822-0127 or me, info@cometohampshire.com or 304-822-0127.

Sincerely,

Peggy McMaster, Board Chair

Tina Ladd, Executive Director

Attachments: Annual report, containing Income statement & Balance sheet, and Financial Report.



ANNUAL REPORT

Fiscal Year 2023-2024

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Hampshire*

WVA • EST. 1754

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A Letter from the Executive Director

Dear Friends,

As we reflect on the past year's achievements and successes, I am filled with gratitude for the unwavering commitment to our mission: **to market Hampshire County globally as a premier leisure destination for the continual economic benefit of our community, all the while preserving its rich culture and history.** The dedication of our Board of Directors, staff, and invaluable partners has enabled us to make significant strides in promoting our beautiful region and enhancing its appeal to a broader audience.

Under the leadership of our Board of Directors, including President Peggy McMaster and Vice President Trina Cox, we have consistently worked to highlight Hampshire County's unique attractions. Our successes are a testament to the collaborative efforts of our Board Members, including Ken Caldwell, Secretary; Jon Todd Hott, Treasurer; Jonathan Bellingham; and Jean Shoemaker.

This year, our earned media coverage has continued to expand our reach, with notable features that showcase the picturesque allure and vibrant culture of Hampshire County. We were particularly proud to be recognized in *WV Living Magazine* and *Blue Ridge Country Magazine* with their coverage of the Farm Crawl. Additionally, the Hampshire Review wrote eight articles spotlighting key initiatives such as the Hampshire County Farm Crawl, the Potomac Highlands Sportsman & Outdoor Show, and the U.S. Capitol Christmas Tree Visit. These events have further solidified our region's status as a dynamic destination for both tourists and locals alike.

Our commitment to enhancing our digital presence has also yielded impressive results. Through our social media platforms, we have engaged with an ever-growing audience, now boasting over 7,000 followers across Facebook, Instagram, and TikTok. Additionally, our email list has grown to 5,169 subscribers, providing a direct line to share the best that Hampshire County has to offer.

Educational initiatives remain a cornerstone of our efforts, with participation in programs such as STS Marketing College, Hospitality University, the Governor's Conference on Tourism, and the AFNHA Tourism Summit. These opportunities have enriched our expertise and strengthened our partnerships with key organizations, including WV Tourism and the Appalachian Forest National Heritage Area. I was also honored to be invited as a speaker at the 2024 WV Small Farm Conference.

Signature events like the Hampshire County Farm Crawl and the Potomac Highlands Sportsman & Outdoor Show continue to draw diverse communities and enhance Hampshire County's reputation as a vibrant and welcoming destination. These events reflect our dedication to promoting local agriculture and outdoor heritage while offering unique and memorable experiences for visitors.

I also want to extend my deepest gratitude to our valued partners, including the Hampshire County Commission, Delegate Darren Thorne, Delegate Rick Hillenbrand, the West Virginia Association of Convention & Visitors Bureaus, and the West Virginia Hospitality & Travel Association. Their ongoing support has been vital to our success.

As we look forward to another year of promoting Hampshire County's splendor, we remain committed to fostering growth, preserving our cultural heritage, and providing unforgettable experiences to our visitors. We are excited about what the future holds and deeply appreciate your continued support.

Warm Regards,

Tina R. Ladd
Executive Director



BOARD OF DIRECTORS

Peggy McMaster, President

Trina Cox, Vice President

Ken Caldwell, Secretary

Jon Todd Hott, Treasurer

Jean Shoemaker

Jonathan Bellingham

STAFF

Tina R. Ladd,
Executive Director



41
members

**Creating a positive
economic impact**

\$12
million+ **Dedicated to
marketing
West Virginia**

32,922
Lodging rooms represented by CVBs

CVBs are directly involved in contributing
\$5.3 billion
in visitor spending in the state
of West Virginia.*

*Resource: Tourism Economics, 2024



Scan the QR code above for most up-to-date travel
research from West Virginia Department of Tourism.

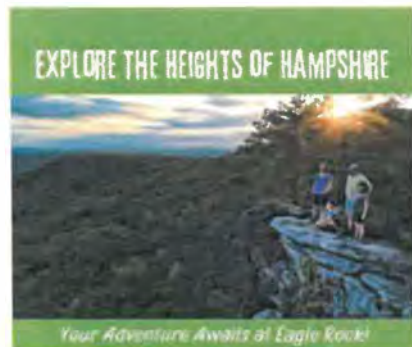
WVACVB POSITION STATEMENT

Local and regional Convention and Visitors Bureaus are essential parts of the overall effort to promote and encourage travel to West Virginia. It is Convention and Visitors Bureaus that truly know the attractions, activities and events in their areas of our state, and can do the best job of advertising and marketing those local and regional assets. However, the creation of additional CVBs in areas that are already served by an established organization may have the effect of diluting the limited resources available, creating a duplication of overhead, administrative and personnel costs, with the result being that fewer actual dollars are spent on the primary mission of advertising and marketing. It is the position of the West Virginia Association of Convention and Visitors Bureaus that all CVB's follow West Virginia Code Chapter 7, Article 18 regarding Hotel Occupancy Tax and as a general principle, having the fewest practicable number of CVB's per county leads to a more efficient and effective use of financial resources.

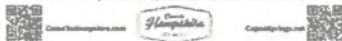
Paid Media

PRINT ADS

WV Living Magazine Fall, Winter, Spring & Summer Issues - Ads
Summer - Advertorial



Discover the natural splendor of Hampshire County – a beauty-obsessed destination that beckons you to step off the beaten path and into the embrace of the outdoors. Experience more than just a day trip, make it a day to remember at Capers Springs & Farm, Eagle Rock, and more scenic views than you can see in a lifetime. Hampshire County is the perfect place for your tale, indulge in comfort after a day of exploration and let the moment call you home to a place where adventure meets relaxation.



WV TOURISM COOPERATIVE ADVERTISING

July 1, 2023 - June 30, 2024

Partner	Vendor	Buy	Cost	Impressions	Clicks	ThruPlays
Hampshire County CVB	Pinterest Inc	Single Partner Buy: June Custom Audience, Social Video Ad, Option 1	\$910	88,819	675	NA
Hampshire County CVB	Facebook/Instagram	Single Partner Buy: May Custom Audience, Social Boosted Reels Ad, Option 1	\$1,000	481,980	487	114,349



EDUCATION

- STS Marketing College
- Hospitality University
- Governor's Conference on Tourism
- Agritourism Summit
- AFNHA Tourism Summit

MEMBERSHIPS



Events



Budget

Hampshire County CVB
Actual vs. Budget
July 2023 through June 2024

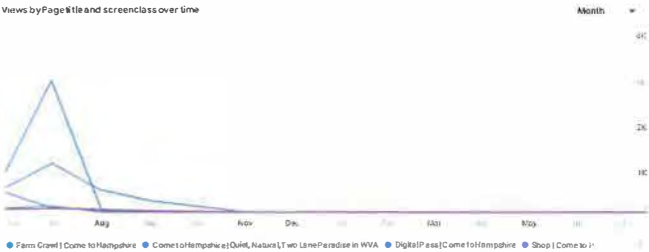
	Jul '23 - Jun 24	Budget
Ordinary Income/Expense		
Income		
CVB MERCH/WOOCOMMERCE	414.18	120.00
OUTDOOR SHOW INCOME	9,198.00	6,000.00
ORNAMENT PROCEEDS	1,269.00	710.00
FARM CRAWL DONATIONS	2,275.00	3,700.00
ADVERTISING REVENUE	1,300.00	3,100.00
SALES	20.00	0.00
Add'l Lodg Tax/APPLIED ASSETS	962.20	0.00
COUNTY COMM SUPPLEMENTAL	30,000.00	30,000.00
LODGING TAX	89,578.76	81,600.00
GRANTS & ALLOCATED FUNDS	0.00	4,000.00
Interest Income	198.68	0.00
Total Income	135,235.82	129,230.00
Gross Profit	135,235.82	129,230.00
Expense		
CVB MERCH/PRINTFUL	483.90	120.00
OPERATING EXPENSES	23,783.73	21,690.00
PAYROLL	52,695.44	52,365.00
MARKETING	71,129.70	55,055.00
Total Expense	148,092.77	129,230.00
Net Ordinary Income	-12,856.95	0.00
Net Income	-12,856.95	0.00

Hampshire County CVB Balance Sheet As of June 30, 2024		
	Jun 30, 24	Jun 30, 23
ASSETS		
Current Assets		
Checking/Savings	17,725.12	30,667.08
Total Current Assets	17,725.12	30,667.08
TOTAL ASSETS	17,725.12	30,667.08
LIABILITIES & EQUITY		
Liabilities	0.00	85.01
Equity	17,725.12	30,582.07
TOTAL LIABILITIES & EQUI...	17,725.12	30,667.08

Analytics

June 1, 2023-June 30, 2024

Views by Page title and screen class over time



Views by Page title and screen class

	Views	Users	Views per user	Average engagement time	Event count All events	Key events All events
Farm Crawl Come to Ham...	17,572	18,935	0.93	48s	115,238	31,094.00
Come to Hampshire Q...	7,741	2,463	3.14	54s	11,920	3,176.00
Digital Pass Come to Ham...	3,856	5,342	0.61	43s	30,293	11,696.00
Shop Come to Hampshire	2,462	5,070	0.49	27s	24,523	6,734.00
Let's Explore Come to Ham...	578	601	0.96	21s	2,897	1,675.00
	229	249	0.95	8s	923	596.00
	226	414	0.55	1m 39s	1,956	843.00
	206	257	0.80	13s	1,125	642.00
	198	725	0.27	17s	3,001	638.00
	150	730	0.21	1m 17s	4,106	425.00
	132	275	0.35	1m 07s	1,651	290.00



Earned Media

Our earned media coverage has been instrumental in reaching new audiences. We are proud to have garnered recognition.

A farming community' Farm Crawl will return for weekend of agritourism

The Hampshire Review, July 12, 2023

These farms will have you crawling back for more

The Hampshire Review, July 19, 2023

U.S. Capitol Christmas tree will visit Romney next month

The Hampshire Review, October 18, 2023

U.S. Capitol Christmas tree will visit Romney next week

The Hampshire Review, November 8, 2023

Rockin' around the Capitol tree

The Hampshire Review, November 15, 2023

December tourism numbers spike here

The Hampshire Review, February 7, 2024

Outdoor sportsman show returns for second year

The Hampshire Review, February 28, 2024

Outdoor show rose above rain, mud, wind

The Hampshire Review, March 13, 2024



Harvesting Memories

WV Living, Summer Issue 2024

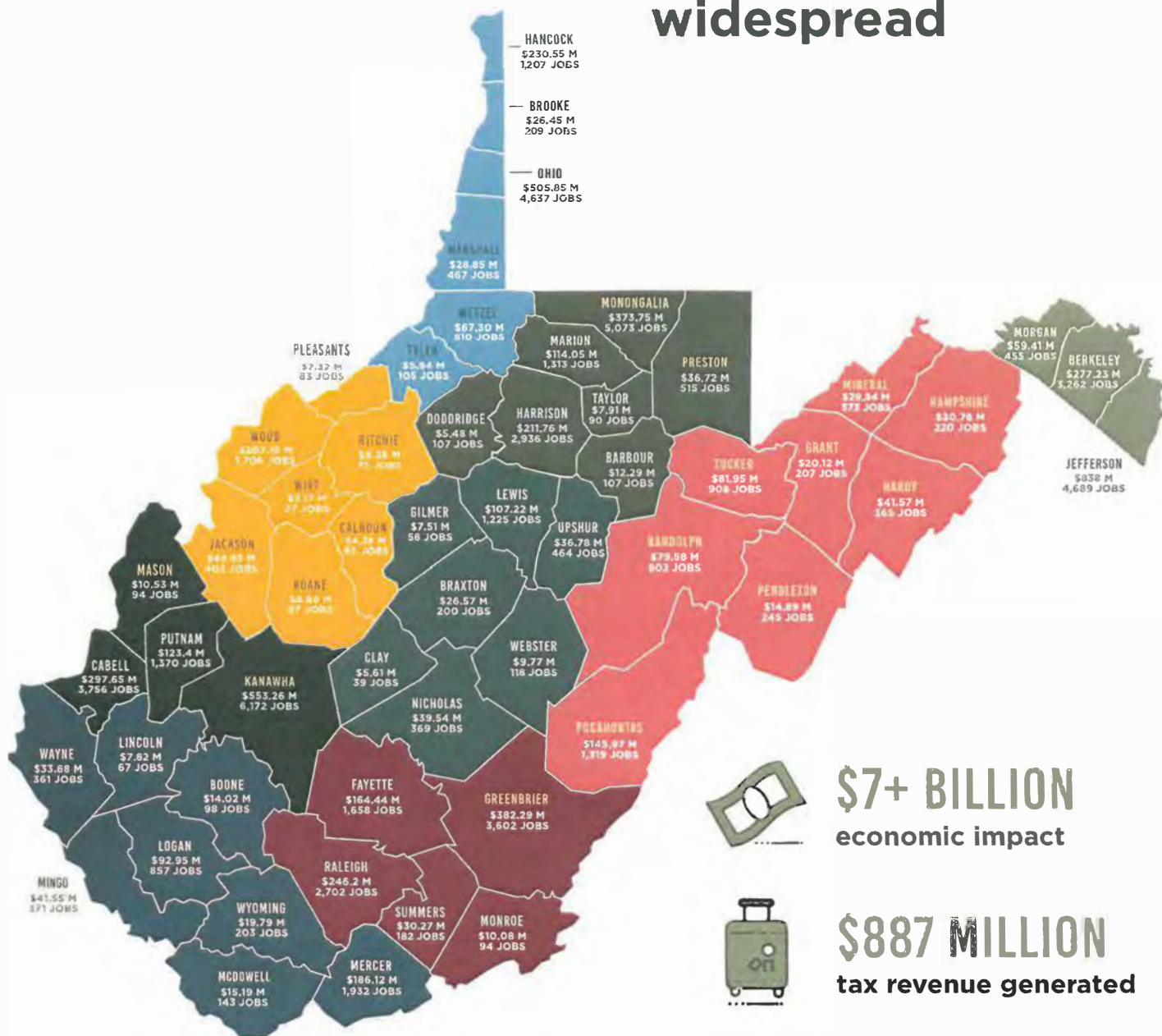
Hampshire County Haven

WV Living, Summer Issue 2024

Chickens and Chocolate and Brooms, Oh My! Hampshire Farm Crawl

Blue Ridge Country Magazine, July/August 2024

Growth has been widespread



***Resource: Tourism Economics, 2024**

Tourism Saves Every Household \$720 in taxes



Tourism advertising in West Virginia has proven to be a strong investment.

For every dollar spent on tourism advertising, the state yields \$8 in state and local tax revenue and \$106 in direct traveler spending. Without this tourism-generated revenue, each household in West Virginia would have to pay an additional \$700 a year in state and local taxes. *Source: Longwoods International, 2016*



REGION	DIRECT SPENDING (MILLIONS)	EARNINGS (THOUSANDS)	JOBS	STATE & LOCAL TAXES (THOUSANDS)
Eastern Panhandle	\$1,174.6	\$344,904	8,407	\$100,767
Hatfield-McCoy Mountain	\$190	\$43,167	1,753	\$16,073
Metro Valley	\$984.8	\$376,483	11,392	\$94,701
Mid-Ohio Valley	\$290.2	\$90,858	2,450	\$26,037
Mountaineer Country	\$762	\$289,027	10,142	\$76,548
Mountain Lakes	\$233	\$91,235	2,473	\$22,845
New River/Greenbrier	\$1,054.40	\$395,607	10,516	\$104,915
Northern Panhandle	\$864.8	\$264,073	7,435	\$78,615
Potomac Highlands	\$444.8	\$92,784	4,538	\$41,905
TOTAL	\$4,824	\$1,988,138	59,106	\$562,406

COUNTY	DIRECT SPENDING	TRAVEL EARNINGS	JOBS	STATE & LOCAL TAXES (THOUSANDS)
Hampshire County	\$30.8 million	\$8,498	220	\$2,551

Resource: West Virginia Tourism Office and 2022 Dean Runyan Associates, "The Economic Impact of Tourism in WV" Report

Hampshire County CVB by the numbers:

Facebook Followers	4,687
Facebook Reel Views	16,966
TikTok Followers	1,726
TikTok Views	66,000
Instagram Followers	969
Email List Subscribers	5,169

Hampshire County Farm Crawl

Facebook Followers	2,322
Instagram Followers	200

Potomac Highlands Sportsman & Outdoor Show

Facebook Followers	1,847
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CERTIFIED
West Virginia
Convention &
Visitors Bureau



Hampshire County Convention & Visitor's Bureau, Inc.

**INDEPENDENT ACCOUNTANT'S REVIEW REPORT
AND RELATED FINANCIAL STATEMENTS**

For the Years Ended June 30, 2023 and 2022

**Williams & Associates, A.C.
427 Kerens Avenue, PO Box 2727
Elkins, West Virginia 26241
(304) 637-9110**

Hampshire County Convention & Visitors Bureau, Inc.
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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors
Hampshire County Convention & Visitors Bureau, Inc.
Romney, West Virginia

We have reviewed the accompanying financial statements of Hampshire County Convention & Visitors Bureau, Inc. (a nonprofit organization), which comprise the comparative statement of financial position as of June 30, 2023 and 2022, and the related comparative statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of entity management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

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

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

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements for them to be in accordance with accounting principles generally accepted in the United States of America.

Williams & Associates, A.C.

Elkins, West Virginia
September 6, 2024

Hampshire County Convention & Visitors Bureau, Inc.
COMPARATIVE STATEMENT OF FINANCIAL POSITION
June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Current Assets		
Cash, Unrestricted	\$ 30,667	\$ 49,056
Lodging Tax Receivable	6,933	7,797
Total Current Assets	<u>37,600</u>	<u>56,853</u>
Fixed Assets, Net	<u>80</u>	<u>238</u>
TOTAL ASSETS	<u><u>\$ 37,680</u></u>	<u><u>\$ 57,091</u></u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable	\$ 370	\$ 1,527
Payroll Liabilities	1,173	704
Total Current Liabilities	<u>1,543</u>	<u>2,231</u>
Total Liabilities	1,543	2,231
Net Assets		
Unrestricted	<u>36,137</u>	<u>54,860</u>
Total Net Assets	<u>36,137</u>	<u>54,860</u>
TOTAL LIABILITIES & NET ASSETS	<u><u>\$ 37,680</u></u>	<u><u>\$ 57,091</u></u>

See accompanying notes and independent accountant's review report.

Hampshire County Convention & Visitors Bureau, Inc.
COMPARATIVE STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
For the Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
	<u>Unrestricted</u>	
SUPPORT		
County/City Lodging Tax Income	\$ 76,345	\$ 66,727
Grant Income	4,500	8,804
County Commission	30,000	26,000
Interest/Investment Income	183	49
Fundraising	17,792	5,128
Other	<u>309</u>	<u>1,402</u>
TOTAL SUPPORT	<u>129,129</u>	<u>108,110</u>
EXPENSES		
Program Services	134,430	61,604
Administrative	<u>13,422</u>	<u>9,239</u>
TOTAL EXPENSES	<u>147,852</u>	<u>70,843</u>
INCREASE(DECREASE) IN NET ASSETS	(18,723)	37,267
NET ASSETS, Beginning of Year	<u>54,860</u>	<u>17,593</u>
NET ASSETS, End of Year	<u><u>\$ 36,137</u></u>	<u><u>\$ 54,860</u></u>

See accompanying notes and independent accountant's review report.

Hampshire County Convention & Visitors Bureau, Inc.
STATEMENTS OF FUNCTIONAL EXPENSES
For the Years Ended June 30, 2023 and 2022

2023			
	PROGRAM	ADMIN	TOTAL
EXPENSES			
Payroll, Taxes & Benefits	\$ 47,817		\$ 47,817
Rent		4,800	4,800
Advertising	75,624		75,624
Telephone & Internet		2,597	2,597
Insurance			-
Office		1,425	1,425
Postage/Freight		1,770	1,770
Travel & Conventions	7,556		7,556
Depreciation		159	159
Professional Fees		1,900	1,900
Other	3,433	771	4,204
TOTAL PROGRAM EXPENSES	\$ 134,430	\$ 13,422	\$ 147,852

2022			
	PROGRAM	ADMIN	TOTAL
EXPENSES			
Payroll, Taxes & Benefits	\$ 34,229		\$ 34,229
Rent		4,800	4,800
Advertising	23,460		23,460
Telephone & Internet		2,575	2,575
Insurance		400	400
Office		969	969
Postage/Freight	545		545
Travel	2,529		2,529
Professional Fees		495	495
Other	841		841
TOTAL PROGRAM EXPENSES	\$ 61,604	\$ 9,239	\$ 70,843

See accompanying notes and independent accountant's review report.

Hampshire County Convention & Visitors Bureau, Inc.
COMPARATIVE STATEMENT OF CASH FLOWS
For the Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase in Net Assets	\$ (18,723)	\$ 37,267
Depreciation	159	-
Adjustments to reconcile Net Assets to net cash provided by operations:		
Accounts Receivable	864	(3,277)
Accounts Payable	(1,158)	1,312
Payroll Liabilities	469	541
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>(18,389)</u>	<u>35,843</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets		(238)
NET CASH USED IN INVESTING ACTIVITIES	<u>-</u>	<u>(238)</u>
INCREASE IN CASH AND CASH EQUIVALENTS	(18,389)	35,605
CASH AND CASH EQUIVALENTS, Beginning of Year	<u>49,056</u>	<u>13,451</u>
CASH AND CASH EQUIVALENTS, End of Year	<u><u>\$ 30,667</u></u>	<u><u>\$ 49,056</u></u>

See accompanying notes and independent accountant's review report.

Hampshire County Convention & Visitors Bureau, Inc.
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2023 and 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations – The Hampshire County Convention and Visitors Bureau, Inc., (HCCVB) was incorporated as a nonprofit organization in the State of West Virginia in 2009. The purpose of the Organization is to promote and develop tourism within Hampshire County; attract visitors; and to receive, accept, borrow, hold, and acquire any gifts, bequests, donations, monies, funds, properties of any type or nature whatsoever personal and real, from any public or private source, to further the mission of the Organization.

Basis of Accounting – The financial statements of HCCVB have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Cash and Equivalents – Cash and cash equivalents consist of cash in checking accounts and certificates of deposit held in one local bank. HCCVB considers all highly liquid investments with a remaining maturity date of three months or less at the time of purchase to be cash equivalents.

Accounts Receivable – Accounts receivable consist of lodging tax funds due to the HCCVB, under West Virginia code. Management records amounts collected by the county commission as accounts receivable. HCCVB has evaluated the collectability of accounts receivable and has determined that no allowance was deemed necessary for the year ending June 30, 2023 and 2022. The amount of lodging tax receivable was \$6,933 and \$7,797 of June 30, 2023 and 2022, respectively.

Property and Equipment – All acquisitions of property and equipment and all expenditures for repairs, maintenance, renewals, and betterments with costs greater than \$2,500 that materially prolong the useful lives of assets are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives. Non-capital expenditures for repairs and maintenance are charged to expense in the year the expense is incurred.

Net Assets – Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Accounting Standards Codification 958-205, *Not-for-Profit Entities: Presentation of Financial Statements*. Under these provisions, net assets and revenues, expenses, gains, and losses are classified based on donor-imposed restrictions. Accordingly, net assets of HCCVB and changes therein are classified and reported as follows:

Net Assets without Donor Restrictions - These are resources over which the Board of Directors has discretionary control.

Net Assets with Donor Restrictions – Net assets subject to donor-imposed restrictions that may or will be met, either by actions of the Organization and/or with the passage of time. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates resources be maintained in perpetuity.

Hampshire County Convention & Visitors Bureau, Inc.
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2023 and 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Estimates – The preparation of financial statements requires management to make estimates and assumptions that affect certain amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Taxes – HCCVB is exempt from federal income tax under the provisions of Internal Revenue Code §501(c)(6) and was determined not to be a private foundation by the Internal Revenue Service; however, HCCVB remains subject to tax on any business income unrelated to its tax-exempt purpose. For the years ended June 30, 2023 and 2022, HCCVB had no unrelated business income. Accordingly, no provision for income taxes has been reported.

HCCVB's Forms 990 *Return of Organization Exempt from Income Tax* returns from the prior three years remain open to examination by the Internal Revenue Service.

Compensated Absences – There were no outstanding compensated absences as of June 30, 2023 and 2022.

Advertising – Advertising costs are expensed when incurred and totaled \$75,624 and \$23,460 for the years ended June 30, 2023 and 2022, respectively.

Revenue Recognition – HCCVB recognizes contributions when cash is received 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 during the years ended June 30, 2023 and 2022.

Under West Virginia code, for every night of lodging utilized in Hampshire County, lodging guests are required to pay an occupancy tax to the hotel operator in the amount of 6%. 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. 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 Organization. HCCVB views the night of lodging as the triggering event for recognizing revenue, as an unconditional contribution.

Management views occupancy tax revenues meet the criteria for unconditional contribution accounting and are recorded when HCCVB is notified of the unconditional promise to give.

HCCVB receives other unconditional support from the Hampshire County Commission, as well as other local nonprofits. These funds have no conditions and can be spent for any operating expense. Therefore, revenues for this support is recorded when funds are received.

Hampshire County Convention & Visitors Bureau, Inc.
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2023 and 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Functional Allocation of Expenses – The cost of program and supporting service activities have been summarized on a functional basis in the statement of activities. The statements of functional expenses present the natural classification detail of expenses by function. Costs are designated as direct or supporting by function.

NOTE 2 – RESTRICTED CASH

As of June 30, 2023 and 2022, there was no restricted cash.

NOTE 3 – CONCENTRATION OF RISK

HCCVB maintains its cash accounts in financial institutions located in West Virginia. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. HCCVB's cash balances may, at various times throughout the year, be in excess of amounts insured; however, the Organization monitors its cash balances thereby mitigating its exposure to concentrations of credit risk. As of June 30, 2023 and 2022, all balances were insured.

The majority of HCCVB's funding comes from hotel occupancy tax collected by county and municipal governments. Any decrease in this funding could adversely affect the operations of HCCVB.

NOTE 4 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date of the auditor's report, the date the financial statements were available for release, and has determined no adjustments are needed.

NOTE 5 – CONTINGENCIES

In the normal course of business, HCCVB may be involved in litigation. The Organization is not a party to any litigation which management believes could result in any judgments that would have a material adverse effect on its financial position, liquidity, or results of future operations. HCCVB maintains insurance to mitigate this risk.

Hampshire County Convention & Visitors Bureau, Inc.
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2023 and 2022

NOTE 6 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

HCCVB structures its financial assets to be available as its general expenditures, liabilities and other obligations come due. The following reflects HCCVB's financial assets as of June 30, 2023 and 2022, reduced by amounts not available for general expenditures within one year of the balance sheet date:

	<u>2023</u>	<u>2022</u>
Cash and Certificate of Deposit	\$ 30,667	\$ 49,056
Accounts Receivable	<u>6,933</u>	<u>7,797</u>
Financial assets available to meet cash needs for general expenditures, liabilities, and other obligations within one year	<u>\$ 37,600</u>	<u>\$ 56,853</u>