

Audited
Financial
Statements

December 31,
2024

Washington County,
Maryland Convention and
Visitors Bureau, Inc.



CONTENTS

	PAGE
INDEPENDENT AUDITOR'S REPORT	1-2
FINANCIAL STATEMENTS	
Statements of Financial Position	3
Statements of Activities and Changes in Net Assets	4
Statements of Cash Flows	5
Notes to Financial Statements	6-14

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Washington County, Maryland Convention and Visitors Bureau, Inc.
Hagerstown, Maryland

Opinion

We have audited the accompanying financial statements of Washington County, Maryland Convention and Visitors Bureau, Inc. (the Bureau) (a nonprofit organization), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities and changes in net assets and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Washington County, Maryland Convention and Visitors Bureau, Inc. as of December 31, 2024 and 2023, 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. 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 Washington County, Maryland Convention and Visitors Bureau, Inc. 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 Washington County, Maryland Convention and Visitors Bureau, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be 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 generally accepted auditing standards 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 generally accepted auditing standards, 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 Washington County, Maryland Convention and Visitors Bureau, Inc.'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 Washington County, Maryland Convention and Visitors Bureau, Inc.'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 audits, significant audit findings, and certain internal control related matters that we identified during the audits.

Smith Elliott Koons & Company, LLC

Hagerstown, Maryland
March 21, 2025

WASHINGTON COUNTY, MARYLAND
CONVENTION AND VISITORS BUREAU, INC.
Statements of Financial Position
December 31, 2024 and 2023

	2024	2023
ASSETS		
Current Assets		
Cash	\$ 391,384	\$ 496,958
Cash - restricted	-	166,865
Certificates of deposit	523,344	500,000
Taxes receivable	119,458	74,584
Accrued interest receivable	9,478	9,236
Prepaid expenses	5,500	5,500
Due from employees	-	1,000
Grants receivable	29,418	143,610
Total Current Assets	1,078,582	1,397,753
Property and Equipment		
Office equipment	62,023	62,023
Less accumulated depreciation	51,256	41,316
Total Property and Equipment	10,767	20,707
Other Assets		
Operating lease right-of-use assets	89,279	122,399
TOTAL ASSETS	\$ 1,178,628	\$ 1,540,859
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 20,115	\$ 96,519
Accrued payroll and benefits	35,470	37,044
Deferred income	20,829	21,831
Custodial liability	-	12,500
Current maturities of operating lease obligations	30,360	30,946
Total Current Liabilities	106,774	198,840
Long-Term Liabilities		
Long-term operating lease obligations	60,054	90,414
Total Liabilities	166,828	289,254
Net Assets		
Without donor restrictions	1,011,800	1,097,240
With donor restrictions	-	154,365
Total Net Assets	1,011,800	1,251,605
TOTAL LIABILITIES AND NET ASSETS	\$ 1,178,628	\$ 1,540,859

WASHINGTON COUNTY, MARYLAND
CONVENTION AND VISITORS BUREAU, INC.
Statements of Activities and Changes in Net Assets
Years Ended December 31, 2024 and 2023

	2024	2023
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
Revenues		
Lodging taxes	\$ 1,471,527	\$ 1,489,077
Grants	440,447	424,769
Membership revenues	57,741	55,454
Official Visitor's Guide revenues	51,529	3,795
Interest income	31,293	19,773
	<u>2,052,537</u>	<u>1,992,868</u>
Total Revenues and Other Support	<u>2,052,537</u>	<u>1,992,868</u>
Expenses		
Advertising	533,164	810,185
Salaries	461,082	395,513
Promotional expense - sports marketing	421,262	24,489
Public relations	114,015	106,957
Promotional expense - other	106,334	129,803
Convention sales expense	94,982	77,132
Employee benefits and payroll taxes	94,435	87,950
Publications	79,468	82,592
Retirement expense	54,612	49,095
Rent expense	40,064	40,698
Professional fees	36,530	33,359
Maintenance and repairs	17,369	18,508
Dues and subscriptions	14,188	21,539
Utilities	11,244	15,384
Depreciation	9,940	9,940
Miscellaneous	9,355	7,021
Office supplies and equipment	9,251	9,488
Research	8,972	8,685
Postage	7,492	6,994
Board of directors	6,176	4,929
Newcomer house	5,393	8,125
Printing expenses	2,649	4,060
Interest	-	3,846
	<u>2,137,977</u>	<u>1,956,292</u>
Total Expenses	<u>2,137,977</u>	<u>1,956,292</u>
Change in Net Assets Without Donor Restrictions	<u>(85,440)</u>	<u>36,576</u>
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS		
Grants	-	154,365
Net assets released from restrictions	(154,365)	(16,507)
	<u>(154,365)</u>	<u>137,858</u>
Change in Net Assets With Donor Restrictions	<u>(154,365)</u>	<u>137,858</u>
Change in Total Net Assets	<u>(239,805)</u>	<u>174,434</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS, BEGINNING OF YEAR	1,097,240	1,060,664
Change in net assets	(85,440)	36,576
NET ASSETS WITHOUT DONOR RESTRICTIONS, END OF YEAR	<u>\$ 1,011,800</u>	<u>\$ 1,097,240</u>
NET ASSETS WITH DONOR RESTRICTIONS, BEGINNING OF YEAR	\$ 154,365	\$ 16,507
Change in net assets	(154,365)	137,858
NET ASSETS WITH DONOR RESTRICTIONS, END OF YEAR	<u>\$ -</u>	<u>\$ 154,365</u>

WASHINGTON COUNTY, MARYLAND
CONVENTION AND VISITORS BUREAU, INC.
Statements of Cash Flows
Years Ended December 31, 2024 and 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (239,805)	\$ 174,434
Adjustment to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	9,940	9,940
Noncash operating lease expense in excess of lease payments	2,174	2,691
(Increase) decrease in taxes receivable	(44,874)	93,897
(Increase) in accrued interest receivable	(242)	(9,236)
Decrease (increase) in due from employees	1,000	(1,000)
Decrease in grants receivable	114,192	84,185
(Decrease) increase in accounts payable	(76,404)	26,700
(Decrease) in accrued payroll and benefits	(1,574)	(23,911)
(Decrease) increase in deferred income	(1,002)	20,181
Net Cash (Used In) Provided By Operating Activities	(236,595)	377,881
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of certificates of deposit	-	(500,000)
Interest earned and reinvested in certificates of deposit	(23,344)	-
Net Cash (Used In) Investing Activities	(23,344)	(500,000)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in custodial liability	(12,500)	12,500
Net Cash Provided By (Used In) Financing Activities	(12,500)	12,500
Net (Decrease) In Cash	(272,439)	(109,619)
CASH AND RESTRICTED CASH, BEGINNING OF YEAR	663,823	773,442
CASH AND RESTRICTED CASH, END OF YEAR	\$ 391,384	\$ 663,823
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the year for interest	\$ -	\$ 3,846
NON-CASH TRANSACTIONS		
Establishment of operating right-of-use assets and lease obligations	\$ -	\$ 15,540
RECONCILIATION OF CASH AND RESTRICTED CASH		
Cash	\$ 391,384	\$ 496,958
Cash - restricted	-	166,865
TOTAL ENDING CASH BALANCE	\$ 391,384	\$ 663,823

WASHINGTON COUNTY, MARYLAND
CONVENTION AND VISITORS BUREAU, INC.
Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Operations

Washington County, Maryland Convention and Visitors Bureau, Inc. (Bureau) is a not-for-profit organization headquartered in Hagerstown, Maryland. The purpose of the Bureau is to develop tourism and market Washington County to meeting planners, leisure travelers and business customers. Approximately 72% and 69% of the Bureau's funding in 2024 and 2023, respectively, was received from lodging tax revenues passed through the County Commissioners of Washington County.

Basis of Accounting

The accounting policies of the Bureau conform to generally accepted accounting principles. Therefore, the financial statements are prepared using the accrual basis of accounting. Revenue from lodging taxes is recorded in the period the tax is remitted by the hotels/motels to the County Commissioners of Washington County.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Credit Risk

The Bureau maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Bureau's management considers those circumstances to be a normal business risk.

Allowance for Credit Losses

The Bureau does not normally provide credit to its customers. The Bureau records receivables for lodging tax revenues and grant revenues. Management of the Bureau periodically reviews the collectability of accounts receivable, and those accounts which are considered not collectible are written off as credit losses. Based on management's review, an allowance for credit losses is not considered necessary.

Investments

The Bureau holds non-negotiable certificates of deposit which are recorded at cost.

WASHINGTON COUNTY, MARYLAND
CONVENTION AND VISITORS BUREAU, INC.
Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

The Bureau follows the practice of capitalizing expenditures for property and equipment in excess of \$5,000 that are deemed to have a useful life greater than one year. Fixed assets are recorded at cost or estimated value, if donated. Depreciation of fixed assets is charged as an expense against operations. Depreciation has been provided over the estimated useful lives, between three and fifteen years, using the straight-line method. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is recognized in income for the period. The cost of maintenance and repairs is charged to expense as incurred; significant renewals and betterments are capitalized.

Donated Services and Material

Donations of services and materials, if applicable, are recorded at their estimated fair value at the date of donation, given the services received create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

General and Program Service Expenses

Expenses directly identified within functional areas are charged to such area. If an expense affects more than one area, it is allocated based on the time expended, space utilized, or by another rational basis.

Advertising

Advertising costs are expensed the first time the advertising takes place.

Income Tax Status

The Bureau is a not-for-profit corporation as described in Internal Revenue Code Section 501(c)(6) and is exempt from federal income tax under Internal Revenue Code Section 501(a).

Net Assets with Donor Restrictions

Net assets with donor restrictions are those whose use by the Bureau has been limited by donors for a specific purpose. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose to which the donation is restricted is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from donor restrictions. Donor restricted contributions whose restrictions are met within the same year as received are reflected as contributions without donor restrictions.

WASHINGTON COUNTY, MARYLAND
CONVENTION AND VISITORS BUREAU, INC.
Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Grant and Contribution Revenue Recognition

Revenue from federal and state grants are recognized, generally, when the services are performed and requests for reimbursement of expenditures are submitted to the grantor. Revenues from contributions and fundraising are recognized when received, as the contributor has not received a quantifiable direct benefit in exchange for the resources provided.

Uncertain Tax Positions

The Bureau follows the FASB Accounting Standards Codification, which provides guidance on accounting for uncertainty in income taxes recognized in an entity's financial statements. The guidance prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return, and also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosures, and transition. The Bureau's policy is to recognize interest and penalties in expense as incurred. The Bureau's federal and state income tax returns are subject to examination by the Internal Revenue Service and state tax authorities, generally for a period of three years after the returns are filed.

Statement of Cash Flows

For purposes of the statement of cash flows, the Bureau considers all highly liquid deposits with a maturity of three months or less to be cash equivalents.

Revenue Recognition

The Bureau records the following exchange transaction revenue in its statements of activities and changes in net assets for the years ending December 31, 2024 and 2023:

Membership

Membership dues consist of amounts that businesses in the Washington County area pay to receive advertising benefits. Members join for a one-year period, are billed in advance, and can renew annually. Membership is non-cancellable once paid each year and provides opportunities for business promotion through mediums such as the annual Visitor's Guide and online. The Bureau determined that the advertising is one performance obligation within each contract. The transaction price is established by the Bureau based on the type and size of the business. Revenue is recognized the first time that the member is acknowledged in Bureau advertising.

WASHINGTON COUNTY, MARYLAND
CONVENTION AND VISITORS BUREAU, INC.
Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

Visitor's Guide

The Bureau publishes a Visitor's Guide in March annually, which is made available online and at various locations within the Washington County area. The Bureau generates revenue by advertising local businesses within the guide. The performance obligation is publishing and making the Visitor's Guide available to the public. The transaction price is established by the Bureau based on the size and location of the advertisement within the guide. The Bureau recognizes revenue once the guide is made available to the public in March. Once advertising fees are paid, they are non-refundable.

Portfolio Approach

The Bureau has applied the practical expedient allowed under generally accepted accounting principles for contracts with customers. The Bureau has applied the portfolio approach to those contracts within a revenue stream that have similar characteristics, as management has determined that this would produce the same results if each contract within a portfolio was analyzed individually.

Contract Costs

The Bureau has applied the practical expedient allowed under generally accepted accounting principles for contracts with customers whereby all incremental contract acquisition costs are expensed as they are incurred, as the amortization period of the asset that the Bureau would have recognized is one year or less.

Financing Component

The Bureau concluded that there were no significant financing components in its contracts.

Leases

The Bureau made a policy election to account for short-term leases (leases with enforceable terms of 12 months or less) by recognizing the lease payments as expense on a straight-line basis over the term of the lease.

Reclassifications

Certain reclassifications of amounts previously reported have been made in the accompanying financial statements in order to make the December 31, 2023 amounts conform to classifications used for the year ended December 31, 2024.

WASHINGTON COUNTY, MARYLAND
CONVENTION AND VISITORS BUREAU, INC.
Notes to Financial Statements

NOTE 2 AVAILABILITY AND LIQUIDITY OF RESOURCES

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

Financial Assets at Year-End	2024	2023
Cash	\$ 391,384	\$ 496,958
Certificates of deposit	523,344	500,000
Taxes receivable	119,458	74,584
Accrued interest receivable	9,478	9,236
Grants receivable	29,418	143,610
Due from employees	-	1,000
Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	<u>\$ 1,073,082</u>	<u>\$ 1,225,388</u>

The Bureau regularly monitors liquidity required to meet its operating needs and other contractual commitments.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Bureau considers all expenditures related to its ongoing activities of developing tourism, as well as the type of services undertaken to support those activities to be general expenditures.

In addition to financial assets available to meet general expenditures over the next 12 months, the Bureau operates with a Board approved budget and anticipates collecting sufficient revenue to cover general expenditures. In the event of an unanticipated liquidity need, the Bureau could draw upon their line of credit.

NOTE 3 RESTRICTED CASH

As of December 31, 2023, restricted cash included \$12,500 to be used for the purpose of the Jonathan Street project. Additionally, restricted cash includes \$104,365 to be used for strategic planning and a Destination Training program, and \$50,000 for a ballpark digital advertising campaign. In 2024, these amounts were spent for their intended purposes and released from restriction.

NOTE 4 PROPERTY AND EQUIPMENT

	Cost	Accumulated Depreciation	Net Book Value
2024			
Office equipment (3-15 years)	\$ 62,023	\$ 51,256	\$ 10,767
2023			
Office equipment (3-15 years)	\$ 62,023	\$ 41,316	\$ 20,707

WASHINGTON COUNTY, MARYLAND
CONVENTION AND VISITORS BUREAU, INC.
Notes to Financial Statements

NOTE 5 SAVINGS INCENTIVE PLAN FOR EMPLOYEES

On January 1, 2018, the Bureau adopted a contributory employee savings incentive 401(k) plan. The plan covers substantially all employees, and the Bureau may contribute a matching amount at their discretion. Employer contributions to the plan were \$45,998 and \$41,761 for the years ended December 31, 2024 and 2023, respectively.

NOTE 6 FUNCTIONAL EXPENSES

The Bureau's expenses are allocated on the basis of time and effort by departments within the Bureau that are designated between program and management and general expenses. Directly identifiable expenses are charged to program services, and management and general expenses are those not directly identifiable with any specific function but provide overall support to the Bureau.

The allocation of total program services and management and general is as follows for the years ending December 31:

	Management and General	Program Services	Total
2024			
Advertising	\$ -	\$ 533,164	\$ 533,164
Salaries	50,608	410,474	461,082
Promotional expense - sports marketing	-	421,262	421,262
Public relations	262	113,753	114,015
Promotional expense - other	1,502	104,832	106,334
Convention sales expense	5,184	89,798	94,982
Employee benefits and payroll taxes	23,609	70,826	94,435
Publications	-	79,468	79,468
Retirement expense	13,653	40,959	54,612
Rent expense	17,595	22,469	40,064
Professional fees	36,530	-	36,530
Maintenance and repairs	5,211	12,158	17,369
Dues and subscriptions	1,313	12,875	14,188
Utilities	2,211	9,033	11,244
Depreciation	2,982	6,958	9,940
Miscellaneous	4,969	4,386	9,355
Office supplies and equipment	1,850	7,401	9,251
Research	449	8,523	8,972
Postage	2,248	5,244	7,492
Board of directors	6,176	-	6,176
Newcomer house	-	5,393	5,393
Printing expenses	530	2,119	2,649
Total	\$ 176,882	\$ 1,961,095	\$ 2,137,977

WASHINGTON COUNTY, MARYLAND
CONVENTION AND VISITORS BUREAU, INC.
Notes to Financial Statements

NOTE 6 FUNCTIONAL EXPENSES (CONTINUED)

	Management and General	Program Services	Total
2023			
Advertising	\$ -	\$ 810,185	\$ 810,185
Salaries	44,051	351,462	395,513
Promotional expense - other	4,010	125,793	129,803
Public relations	549	106,408	106,957
Employee benefits and payroll taxes	21,988	65,962	87,950
Publications	-	82,592	82,592
Convention sales expense	5,288	71,844	77,132
Retirement expense	12,274	36,821	49,095
Rent expense	17,768	22,930	40,698
Professional fees	33,359	-	33,359
Promotional expense - sports marketing	-	24,489	24,489
Dues and subscriptions	2,210	19,329	21,539
Maintenance and repairs	5,552	12,956	18,508
Utilities	2,966	12,418	15,384
Depreciation	2,982	6,958	9,940
Office supplies and equipment	1,898	7,590	9,488
Research	435	8,250	8,685
Newcomer house	-	8,125	8,125
Miscellaneous	3,627	3,394	7,021
Postage	2,098	4,896	6,994
Board of directors	4,929	-	4,929
Printing expenses	812	3,248	4,060
Interest	3,846	-	3,846
Total	\$ 170,642	\$ 1,785,650	\$ 1,956,292

WASHINGTON COUNTY, MARYLAND
CONVENTION AND VISITORS BUREAU, INC.
Notes to Financial Statements

NOTE 7 LEASES

Lease obligations represent the Bureau's obligation to make lease payments and are presented at each reporting date as the net present value of the remaining contractual cash flows. Cash flows are discounted at the Bureau's incremental borrowing rate in effect at the commencement of the lease. Right-of-use assets represent the Bureau's right to use the underlying asset for the lease term and are calculated as the sum of the lease liability and, if applicable, prepaid rent, initial direct costs and any incentives received from the lessor.

The Bureau's long-term lease agreements are classified as operating leases. The lease agreements do not provide for residual value guarantees and have no restrictions or covenants that would impact the financial statements or require incurring additional financial obligations.

The expenses incurred under these leases were as follows:

	Building	Vehicle	Equipment	Total
2024				
Operating lease expense	\$ 24,962	\$ 7,966	\$ 4,962	\$ 37,890
2023				
Operating lease expense	\$ 24,072	\$ 7,941	\$ 5,995	\$ 38,008

For the years ended December 31, 2024 and 2023, there were no significant variable lease costs incurred. Cash paid for amounts included in the measurement of lease obligations totaled \$33,888 and \$29,709, respectively. The leases expire between 2025 and 2028.

The following is a schedule of future minimum lease payments included in the calculation of the lease obligations as of December 31, 2024:

Year Ending December 31,	Operating
2025	\$ 30,360
2026	27,021
2027	26,501
2028	8,492
Total gross cash flows	92,374
Present value adjustment	(1,960)
Lease obligations	90,414
Less: current portion	30,360
	<u>\$ 60,054</u>

The Bureau assumed incremental borrowing rates of 1.76% to 4.60% to discount the future minimum lease payments included in operating lease obligations. These discount rates were determined by the Bureau based on the risk-free treasury rates for 3.5 to 5 years (average lease terms). At December 31, 2024 and 2023, the weighted average discount rate was 2.85% and 2.83%, respectively. Additionally, the weighted average remaining lease term as of December 31, 2024 and 2023 was 3.13 and 4.01 years, respectively.

WASHINGTON COUNTY, MARYLAND
CONVENTION AND VISITORS BUREAU, INC.
Notes to Financial Statements

NOTE 8 DEFERRED INCOME

Deferred income represents advertising fees received prior to the satisfaction of the related performance obligation. Deferred income at December 31 is as follows:

	Amount	Description
2024		
Visitor's guide	\$ 20,829	2025 Advertising Fees
2023		
Visitor's guide	\$ 21,831	2024 Advertising Fees

Additionally, deferred income as of January 1, 2023 was \$1,650.

NOTE 9 LINE OF CREDIT

The Bureau has a line of credit with a bank with a borrowing limit of \$125,000 bearing interest at the Prime Rate plus 1.50% (9.00% at December 31, 2024). The line is collateralized by the taxes receivable of the Bureau. At December 31, 2024 and 2023, there was no outstanding balance on this line of credit.

NOTE 10 CONTINGENCIES

The Bureau is involved, from time to time, in litigation and proceedings arising in the ordinary course of business. At December 31, 2024, and through March 21, 2025, management does not anticipate any possible or pending material losses to arise from legal proceedings to which the Bureau is a party or to which the property of the Bureau is subject. Management does not believe an accrual for legal contingencies is necessary at December 31, 2024 and 2023.

NOTE 11 SUBSEQUENT EVENTS

The Bureau has evaluated events and transactions subsequent to December 31, 2024 through March 21, 2025, the date these financial statements were available to be issued. Based on definitions and requirements of generally accepted accounting principles, management has not identified any events that occurred subsequent to December 31, 2024 that require recognition or disclosure in the financial statements.