

**WILLIAMSBURG AREA DESTINATION MARKETING COMMITTEE
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As of February 29, 2012**

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WILDES
& COMPANY PLLC
Certified Public Accountants

Independent Accountant's Compilation Report

To the Board of Directors
Williamsburg Area Destination Marketing Committee ("WADMC")
Williamsburg, VA

We have compiled the accompanying statement of financial position of WADMC as of February 29, 2012 and the related statements of activities and functional expenses for the period then ended, and the accompanying supplementary information contained in Schedules I and II, which are presented only for supplementary analysis purposes. We have not audited or reviewed the accompanying financial statements and supplementary schedules and, accordingly, do not express an opinion or provide any assurance about whether the financial statements and supplementary schedules are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements and supplementary schedules in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements and supplementary schedules.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements and supplementary schedules without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements and supplementary schedules.

Management has elected to omit substantially all of the disclosures and the statement of cash flows required by accounting principles generally accepted in the United States of America. If the omitted disclosures and statement of cash flows were included in the financial statements, they might influence the user's conclusions about WADMC's financial position, results of activities, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Wildes & Company, PLLC
May 7, 2012

WILLIAMSBURG AREA DESTINATION MARKETING COMMITTEE
 STATEMENT OF FINANCIAL POSITION
 As of February 29, 2012

Assets

Current Assets

Unrestricted-Chesapeake Bank	\$ 1,816,688
Accounts Receivable	<u>773,853</u>
<i>Total Current Assets</i>	<u>2,590,541</u>

Total Assets	<u><u>\$ 2,590,541</u></u>
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Liabilities and Net Assets

Current Liabilities

Accounts Payable	<u>\$ 832,008</u>
<i>Total Liabilities</i>	<u>832,008</u>

Net Assets

Unrestricted Net Assets	<u>1,758,533</u>
<i>Total Net Assets</i>	<u>1,758,533</u>

Total Liabilities and Net Assets	<u><u>\$ 2,590,541</u></u>
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WILLIAMSBURG AREA DESTINATION MARKETING ASSOCIATION
STATEMENT OF ACTIVITIES
For the Two Months Ended February 29, 2012

<u>Unrestricted Revenue and Support</u>		
City of Williamsburg		\$ 132,858
James City County		71,580
York County		120,026
Private Investors		666,313
ARES Commission		2,086
Interest income		703
	<i>Total Revenue and Support</i>	<u>\$ 993,566</u>
<u>Expenses</u>		
Marketing		\$ 920,096
General and Administrative		12,347
	<i>Total Expenses</i>	<u>932,443</u>
CHANGE IN NET ASSETS		61,123
NET ASSETS, BEGINNING OF YEAR		<u>1,697,410</u>
NET ASSETS, END OF PERIOD		<u><u>\$ 1,758,533</u></u>

See independent accountant's compilation report.

WILLIAMSBURG AREA DESTINATION MARKETING COMMITTEE
STATEMENT OF FUNCTIONAL EXPENSES
For the Two Months Ended February 29, 2012

Marketing

Momentum (includes pay-click)	\$ -
Momentum Agency Services	-
Momentum Print Creative	-
Momentum Online Creative	-
Momentum TV Edit Production	-
Momentum Research-Ad & Web	-
Momentum TV Traffic	-
Momentum Web Content/Revision	-
Momentum Talent Fee	-
Momentum Web Design/Hosting	-
Ingenuity Media-Local TV	647,192
Ingenuity General Media Fee	48,000
Ingenuity Search Fee	18,750
Ingenuity Search	123,176
Ingenuity Misc	445
Ingenuity Online Display	52,147
Ingenuity Ad Serving Fee	720
Ingenuity Print Magazine	-
Public Relations (DCI)	21,666
DCI Outreach	-
Website Management	8,000
Travel Writer Site Visit	-
<i>Total Marketing</i>	<u>\$ 920,096</u>

General and Administrative

Destination Coordinator	\$ 9,562
Accounting	1,900
Postage	780
Miscellaneous	105
<i>Total General and Administrative</i>	<u>\$ 12,347</u>

Total Expenses \$ 932,443

See independent accountant's compilation report.

WILLIAMSBURG AREA DESTINATION MARKETING COMMITTEE
SCHEDULE I - ACCOUNTS PAYABLE AND ACCOUNTS RECEIVABLE
As of February 29, 2012

Accounts Receivable

York County	\$ 45,661
James City County	20,866
City of Williamsburg	40,004
Private Investors	667,322
Total Accounts Receivable	\$ 773,853

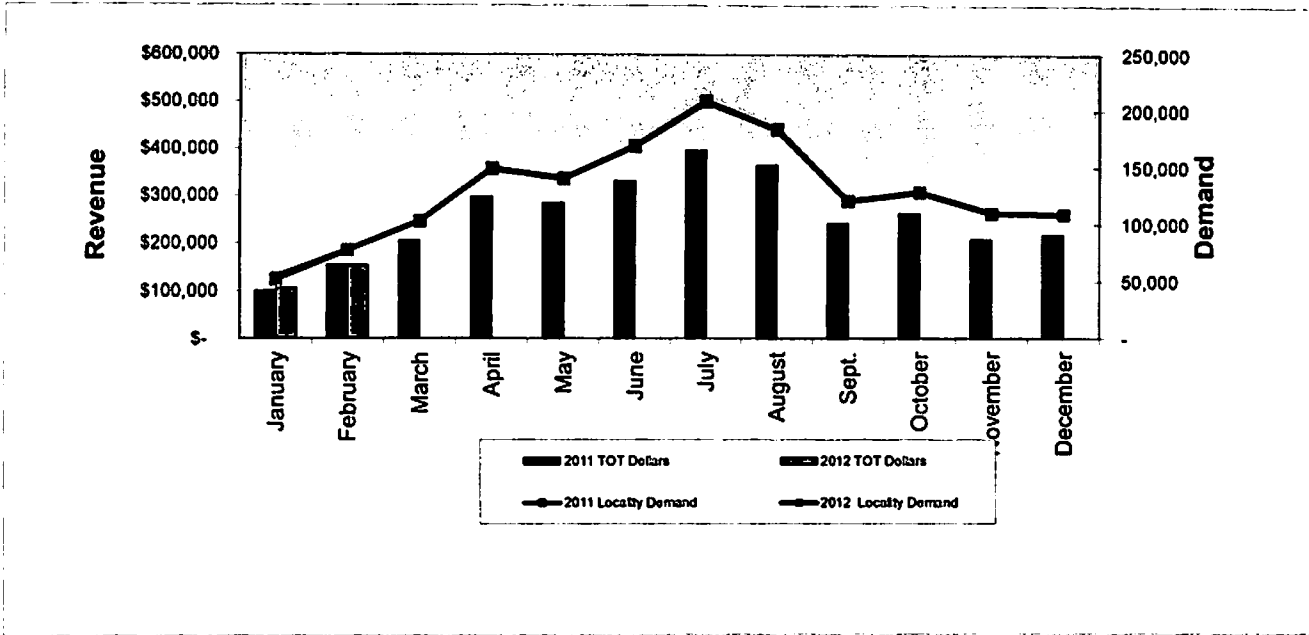
Accounts Payable

Ingenuity Misc	\$ 121
Ingenuity-Local TV	647,192
Ingenuity Online Display	52,147
Ingenuity Search	65,000
Ingenuity Ad Serving Fee	595
Ingenuity General Media Fee	48,000
Ingenuity Search Fee	18,750
Momentum (includes pay-click)	-
Momentum TV Edit Production	203
Momentum Print Creative	-
Momentum Research-Ad & Web	-
Postage	-
Miscellaneous	-
Total Accounts Payable	\$ 832,008

**WILLIAMSBURG AREA DESTINATION MARKETING COMMITTEE
SCHEDULE II - BUDGET COMPARISON TO ACTUAL REVENUE AND EXPENSE**

	<u>Jan-Feb Budget</u>	<u>Jan-Feb Actual</u>	<u>Variance</u>	<u>Feb Budget</u>	<u>Feb Actual</u>	<u>Variance</u>
REVENUE						
WMBG - \$2 TAX	\$ 172,028	\$ 132,858	\$ (39,170)	\$ 87,770	\$ 40,004	\$ (47,766)
JCC - \$2 TAX	71,853	71,580	(273)	24,706	20,866	(3,840)
YORK - \$2 TAX	135,657	120,026	(15,631)	69,850	45,661	(24,189)
INT	1,576	703	(873)	736	326	(410)
PRIVATE INVESTORS - TOTAL	-	666,313	666,313	-	666,313	666,313
ARES COMMISSION	6,974	2,086	(4,888)	4,228	1,009	(3,219)
REVENUE TOTAL	<u>\$ 388,088</u>	<u>\$ 993,566</u>	<u>\$ 605,478</u>	<u>\$ 187,290</u>	<u>\$ 774,179</u>	<u>\$ 586,889</u>
EXPENSES						
MOMENTUM	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Agency Services	10,000	-	(10,000)	5,000	-	(5,000)
TV Edit Production/Added Value	15,000	-	(15,000)	15,000	-	(15,000)
TV Traffic	1,000	-	(1,000)	1,000	-	(1,000)
Ad & Website Research	8,000	-	(8,000)	8,000	-	(8,000)
Web Hosting Fee	2,000	-	(2,000)	1,000	-	(1,000)
Web Content, Revisions	15,000	-	(15,000)	15,000	-	(15,000)
On Line Creative	10,000	-	(10,000)	10,000	-	(10,000)
Print Creative	-	-	-	-	-	-
INGENUITY (General Media Fee)	32,000	48,000	16,000	16,000	48,000	32,000
Local TV	79,800	647,192	567,392	-	647,192	647,192
Ingenuity Misc	500	445	(55)	250	121	(129)
Online Display	-	52,147	52,147	-	52,147	52,147
SearchFee	12,500	18,750	6,250	6,250	18,750	12,500
Ad Serving Fees	312	720	408	187	595	408
Ingenuity Search	56,378	123,176	66,798	34,432	65,000	30,568
Ingenuity Print Magazine	-	-	-	-	-	-
Ingenuity Print Newspaper	-	-	-	-	-	-
Destination Coordinator	9,562	9,562	-	4,781	4,781	-
Bartlett	-	-	-	-	-	-
Auditor	-	-	-	-	-	-
Accounting Management	1,900	1,900	-	950	950	-
Public Relations (DCI)	25,000	21,666	(3,334)	12,500	10,833	(1,667)
DCI Outreach Expense	-	-	-	-	-	-
Postage	1,000	780	(220)	500	449	(51)
WADMC Website	8,500	8,000	(500)	4,500	4,000	(500)
MISC	100	105	5	100	86	(14)
Travel Writer Site Visit	-	-	-	-	-	-
Collateral	-	-	-	-	-	-
EXPENSES TOTAL	<u>\$ 288,552</u>	<u>\$ 932,443</u>	<u>\$ 643,891</u>	<u>\$ 135,450</u>	<u>\$ 852,904</u>	<u>\$ 717,454</u>

WADMC Key Data by Month 2011 Vs 2012



Month Collected	TOT Revenue				Locality Reported Room Nights			
	2011	2012	'11-'12		2011	2012	'11-'12	
	\$2 Tax Rev.	\$2 Tax Rev.	\$ Change	%	Demand	Demand	Change	%
January	\$ 100,405	\$ 106,531	\$ 6,126	6.1%	51,760	53,849	2,089	4.0%
February	154,942	153,956	(986)	-0.6%	77,386	76,947	(439)	-0.6%
March	205,301				102,829			
April	297,394				148,800			
May	284,444				140,172			
June	331,015				168,876			
July	396,272				208,467			
August	364,430				183,608			
Sept.	241,748				120,601			
October	263,275				128,418			
November	208,405				109,948			
December	217,756				108,909			
YTD February	\$ 255,347	\$ 260,487	\$ 5,140	2.0%	129,146	130,796	1,650	1.3%

*TOT dollars, and room nights as reported by localities

Market Comparison						
Market	February			January-February		
	2012	2011	Variance	2012	2011	Variance
Williamsburg	26.6%	23.7%	2.9%	21.2%	18.9%	2.3%
VA Beach	47.2%	45.7%	1.5%	41.7%	39.8%	1.9%
Norfolk	53.1%	51.7%	1.4%	47.5%	47.3%	0.2%
Richmond	52.2%	49.7%	2.5%	48.2%	46.4%	1.8%
Wash., D.C.	57.6%	57.9%	-0.3%	52.9%	53.3%	-0.4%
Virginia	49.6%	48.2%	1.4%	45.5%	44.4%	1.1%
Asheville, NC	47.2%	43.5%	3.7%	41.7%	38.5%	3.2%
Branson	17.3%	18.0%	-0.7%	15.9%	15.5%	0.4%
Charleston, SC	62.9%	60.4%	2.5%	56.7%	53.3%	3.4%
Myrtle Beach, SC	37.1%	35.3%	1.8%	30.9%	29.0%	1.9%
Nashville, TN	60.2%	55.0%	5.2%	55.5%	50.3%	5.2%
Orlando, FL	74.7%	72.8%	1.9%	70.1%	67.6%	2.5%
USA	57.4%	55.4%	2.0%	53.2%	51.3%	1.9%

*Market Comparison data as reported by Smith Travel Research

City of Williamsburg

TOT Revenue				Locality Reported Room Nights		
Month Collected	2010 \$2 Tax Rev.	2011 \$2 Tax Rev.	2012 \$2 Tax Rev.	2010 Demand	2011 Demand	2012 Demand
January	\$ 42,752	\$ 39,262	\$ 40,004	21,376	19,631	20,002
February	56,478	61,938	57,782	28,239	30,969	28,891
March	88,400	83,346		44,200	41,673	-
April	125,610	127,974		62,805	63,987	-
May	110,040	112,760		55,020	56,380	-
June	138,720	135,614		69,360	67,807	-
July	181,568	159,948		90,784	79,974	-
August	161,112	139,788		80,556	69,894	-
Sept.	97,052	105,896		48,526	52,948	-
October	126,590	110,748		63,295	55,374	-
November	84,258	88,820		42,129	44,410	-
December	87,770	92,854		43,885	46,427	-
YTD Feb	\$ 99,230	\$ 101,200	\$ 97,786	49,615	50,600	48,893
Year End	\$ 1,300,350	\$ 1,258,948	\$ 97,786	650,175	629,474	48,893

James City County

TOT Revenue				Locality Reported Room Nights		
Month Collected	2010 \$2 Tax Rev.	2011 \$2 Tax Rev.	2012 \$2 Tax Rev.	2010 Demand	2011 Demand	2012 Demand
January	\$ 27,020	\$ 16,186	\$ 20,866	13,510	8,093	10,433
February	27,222	31,015	36,988	13,611	15,536	18,300
March	46,038	43,359		23,019	21,853	
April	67,529	52,086		33,914	26,081	
May	60,107	75,572		30,065	37,166	
June	72,455	76,625		36,216	38,297	
July	90,910	93,697		45,455	55,237	
August	108,244	85,970		54,122	42,985	
Sept.	37,680	50,999		18,840	25,260	
October	47,148	61,302		23,883	30,651	
November	50,548	52,338		25,294	32,363	
December	38,641	50,714		19,423	25,357	
YTD Feb	\$ 54,242	\$ 47,201	\$ 57,854	27,121	23,629	28,733
Year End	\$ 673,542	\$ 689,863	\$ 57,854	337,352	358,879	28,733

York County

TOT Revenue				Locality Reported Room Nights		
Month Collected	2010 \$2 Tax Rev.	2011 \$2 Tax Rev.	2012 \$2 Tax Rev.	2010 Demand	2011 Demand	2012 Demand
January	\$ 45,626	\$ 44,957	\$ 45,661	21,817	24,036	23,414
February	50,996	61,989	59,186	24,429	30,881	29,756
March	75,597	78,596		40,045	39,303	
April	93,961	117,334		48,535	58,732	
May	87,582	96,112		45,443	46,626	
June	117,739	118,776		58,021	62,772	
July	154,230	142,627		79,499	73,256	
August	143,243	138,672		74,584	70,729	
Sept.	74,699	84,853		39,488	42,393	
October	84,232	91,225		44,876	42,393	
November	65,807	67,247		34,562	33,175	
December	69,849	74,188		32,812	37,125	
YTD Feb	\$ 96,822	\$ 106,946	\$ 104,847	46,246	54,917	53,170
Year End	\$ 1,063,561	\$ 1,116,576	\$ 104,847	544,111	561,421	53,170

See independent accountant's compilation report.