

WILLIAMSBURG AREA DESTINATION MARKETING COMMITTEE
TABLE OF CONTENTS
As of June 30, 2011

| | PAGE |
|--|-------------|
| Compilation Report | 1 |
| Statement of Financial Position | 2 |
| Statement of Activities | 3 |
| Statement of Functional Expenses | 4 |
| Supplemental Information: | |
| Schedule I - Accounts Payable and Accounts Receivable | 5 |
| Schedule II - Budget Comparison to Actual Revenue and Expense | 6 |



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 June 30, 2011 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 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 statements 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 flow. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Wildes & Company, PLLC
August 20, 2011

WILLIAMSBURG AREA DESTINATION MARKETING COMMITTEE
STATEMENT OF FINANCIAL POSITION
As of June 30, 2011

Assets

Current Assets

| | |
|------------------------------|------------------|
| Unrestricted-Chesapeake Bank | \$ 1,001,631 |
| Accounts Receivable | <u>317,112</u> |
| <i>Total Current Assets</i> | <u>1,318,743</u> |

Total Assets \$ 1,318,743

Liabilities and Net Assets

Current Liabilities

| | |
|--------------------------|----------------|
| Accounts Payable | \$ 862,487 |
| <i>Total Liabilities</i> | <u>862,487</u> |

Net Assets

| | |
|-------------------------|----------------|
| Unrestricted net assets | 456,256 |
| <i>Total net assets</i> | <u>456,256</u> |

Total Liabilities and Net Assets \$ 1,318,743

WILLIAMSBURG AREA DESTINATION MARKETING ASSOCIATION
 STATEMENT OF ACTIVITIES
 For the six months ended June 30, 2011

| | | |
|---|--|--------------------|
| Unrestricted Revenue and Support | | |
| City of Williamsburg | | \$ 513,050 |
| James City County | | 307,406 |
| York County | | 472,020 |
| Private Investors | | 686,705 |
| ARES Commission | | 22,424 |
| Interest income | | 5,133 |
| <i>Total Revenue and Support</i> | | \$ 2,006,738 |
| | | |
| Expenses | | |
| Marketing | | \$ 3,154,923 |
| General and Administrative | | 37,865 |
| <i>Total Expenses</i> | | 3,192,788 |
| | | |
| CHANGE IN NET ASSETS | | (1,186,050) |
| | | |
| NET ASSETS, BEGINNING OF YEAR | | 1,642,306 |
| | | |
| NET ASSETS, END OF PERIOD | | \$ 456,256 |

WILLIAMSBURG AREA DESTINATION MARKETING COMMITTEE
STATEMENT OF FUNCTIONAL EXPENSES
For the six months ended June 30, 2011

Marketing

| | |
|-------------------------------|---------------------|
| Momentum Agency Services | \$ 5,822 |
| Momentum Print Creative | - |
| Momentum Online Creative | 47,047 |
| Momentum TV Edit Production | 41,766 |
| Momentum Research-Ad & Web | 12,500 |
| Momentum TV Traffic | 5,485 |
| Momentum Web Content/Revision | 30,128 |
| Momentum Talent Fee | - |
| Momentum Web Design/Hosting | 5,645 |
| Ingenuity Media-Local TV | 1,941,621 |
| Ingenuity General Media Fee | 119,015 |
| Ingenuity Search Fee | 32,500 |
| Ingenuity Search | 373,612 |
| Ingenuity Misc | 172 |
| Ingenuity Online Display | 432,167 |
| Ingenuity Ad Serving Fee | 11,854 |
| Ingenuity Print Magazine | - |
| Public Relations (DCI) | 92,889 |
| DCI Outreach | 1,401 |
| Website | 445 |
| Travel Writer Site Visit | 854 |
| <i>Total Marketing</i> | <u>\$ 3,154,923</u> |

General and Administrative

| | |
|---|------------------|
| Destination Coordinator | \$ 27,000 |
| Accounting | 5,700 |
| Postage | 2,315 |
| Miscellaneous | 2,850 |
| <i>Total General and Administrative</i> | <u>\$ 37,865</u> |

Total Expenses \$ 3,192,788

WILLIAMSBURG AREA DESTINATION MARKETING COMMITTEE
SCHEDULE I - ACCOUNTS PAYABLE AND ACCOUNTS RECEIVABLE
As of June 30, 2011

Accounts Receivable

| | |
|----------------------------------|---------------------------------|
| York County | \$ 96,112 |
| James City County | 101,414 |
| City of Williamsburg | 112,760 |
| Private Investors | 6,826 |
| Total Accounts Receivable | <u><u>\$ 317,112</u></u> |

Accounts Payable

| | |
|-------------------------------|---------------------------------|
| Ingenuity Misc | \$ 52 |
| Ingenuity-Local TV | 360,881 |
| Ingenuity Online Display | 205,847 |
| Ingenuity Search | 196,165 |
| Ingenuity Ad Serving Fee | 4,943 |
| Ingenuity General Media Fee | 31,700 |
| Momentum TV Edit Production | 13,554 |
| Momentum Research-Ad & Web | 12,500 |
| Momentum TV Traffic | 5,485 |
| Momentum Web Content/Revision | 30,060 |
| Momentum Web Design/Hosting | 1,300 |
| Miscellaneous | - |
| Total Accounts Payable | <u><u>\$ 862,487</u></u> |

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

| | Jan-June Budget | Jan-June Actual | Variance | JuneBudget | JuneActual | Variance |
|--------------------------------|--------------------|--------------------|------------------|----------------|----------------|----------------|
| REVENUE | | | | | | |
| WMBG - \$2 TAX | 482,790 | 513,050 | 30,260 | 125,610 | 112,760 | (12,850) |
| JCC - \$2 TAX | 312,206 | 307,406 | (4,800) | 65,500 | 101,414 | 35,914 |
| YORK - \$2 TAX | 386,292 | 472,020 | 85,728 | 93,961 | 96,112 | 2,151 |
| INT | 5,175 | 5,133 | (42) | 513 | 588 | 75 |
| PRIVATE INVESTORS - TOTAL | - | 686,705 | 686,705 | - | - | - |
| ARES COMMISSION | 15,429 | 22,424 | 6,995 | 4,760 | 6,826 | 2,066 |
| REVENUE SUBTOTAL | 1,201,892 | 2,006,738 | 804,846 | 290,344 | 317,700 | 27,356 |
| EXPENSES | | | | | | |
| MOMENTUM | - | - | - | - | - | - |
| Agency Services | 12,500 | 5,822 | (6,678) | - | - | - |
| TV Edit Production/Added Value | 30,000 | 41,766 | 11,766 | - | 13,351 | 13,351 |
| TV Traffic | 2,847 | 5,485 | 2,638 | - | 5,485 | 5,485 |
| Ad & Website Research | 25,000 | 12,500 | (12,500) | - | 12,500 | 12,500 |
| Web Hosting Fee | 6,000 | 5,645 | (355) | 1,000 | 1,300 | 300 |
| Web Content, Revisions | 15,000 | 30,128 | 15,128 | 2,500 | 30,060 | 27,560 |
| On Line Creative | 60,000 | 47,047 | (12,953) | - | - | - |
| Print Creative | - | - | - | - | - | - |
| INGENUITY (General Media Fee) | 96,000 | 119,015 | 23,015 | 16,000 | 31,700 | 15,700 |
| Local TV | 1,200,400 | 1,941,621 | 741,221 | 380,683 | 360,881 | (19,802) |
| Ingenuity Misc | 1,953 | 172 | (1,781) | - | 52 | 52 |
| Online Display | 258,302 | 432,167 | 173,865 | 115,565 | 205,847 | 90,282 |
| SearchFee | 37,500 | 32,500 | (5,000) | 6,250 | - | (6,250) |
| Ad Serving Fees | 8,237 | 11,854 | 3,617 | 3,210 | 4,943 | 1,733 |
| Ingenuity Search | 165,000 | 373,612 | 208,612 | 55,000 | 196,165 | 141,165 |
| Ingenuity Print Magazine | 15,948 | - | (15,948) | - | - | - |
| Ingenuity Print Newspaper | - | - | - | - | - | - |
| DESTINATION COORDINATOR | 27,000 | 27,000 | - | 4,500 | 4,500 | - |
| BARTLETT | - | - | - | - | - | - |
| AUDITOR | 5,000 | - | (5,000) | - | - | - |
| Accounting Management | 5,700 | 5,700 | - | 950 | 1,900 | 950 |
| PUBLIC RELATIONS (DCI) | 79,596 | 92,889 | 13,293 | 13,266 | 12,917 | (349) |
| DCI Outreach Expense | 2,400 | 1,401 | (999) | 400 | 902 | 502 |
| Postage | 2,500 | 2,315 | (185) | - | 584 | 584 |
| WADMC Website | 300 | 445 | 145 | 50 | - | (50) |
| MISC | 1,500 | 2,850 | 1,350 | 250 | - | (250) |
| TRAVEL WRITER SITE VISIT | 3,000 | 854 | (2,146) | 500 | 319 | (181) |
| Collateral | 2,000 | - | (2,000) | - | - | - |
| EXPENSES SUBTOTAL | 2,063,683 | 3,192,788 | 1,129,105 | 600,124 | 883,406 | 283,282 |

City of Williamsburg

| TOT Revenue | | | | Locality Reported Room Nights | | |
|-----------------|---------------------|---------------------|-------------------|-------------------------------|----------------|----------------|
| Collected | 2009 | 2010 | 2011 | 2009 | 2010 | 2011 |
| Month | \$2 Tax Rev. | \$2 Tax Rev. | \$2 Tax Rev. | Demand | Demand | Demand |
| January | \$ 45,457 | \$ 42,752 | \$ 39,262 | 22,729 | 21,376 | 19,631 |
| February | 60,334 | 56,478 | 61,938 | 30,167 | 28,239 | 30,969 |
| March | 81,442 | 88,400 | 83,346 | 40,721 | 44,200 | 41,673 |
| April | 139,916 | 125,610 | 127,974 | 69,958 | 62,805 | 63,987 |
| May | 117,010 | 110,040 | 112,760 | 58,505 | 55,020 | 56,380 |
| June | 137,638 | 138,720 | 135,614 | 68,819 | 69,360 | 67,807 |
| July | 168,058 | 181,568 | | 84,029 | 90,784 | 0 |
| August | 160,780 | 161,112 | | 80,390 | 80,556 | 0 |
| Sept. | 100,704 | 97,052 | | 50,352 | 48,526 | 0 |
| October | 116,668 | 126,590 | | 58,334 | 63,295 | 0 |
| November | 82,716 | 84,258 | | 41,358 | 42,129 | 0 |
| December | 86,834 | 87,770 | | 43,417 | 43,885 | 0 |
| YTD June | \$ 581,797 | \$ 562,000 | \$ 560,894 | 290,899 | 281,000 | 280,447 |
| Year End | \$ 1,297,557 | \$ 1,300,350 | \$ 560,894 | 648,779 | 650,175 | 280,447 |

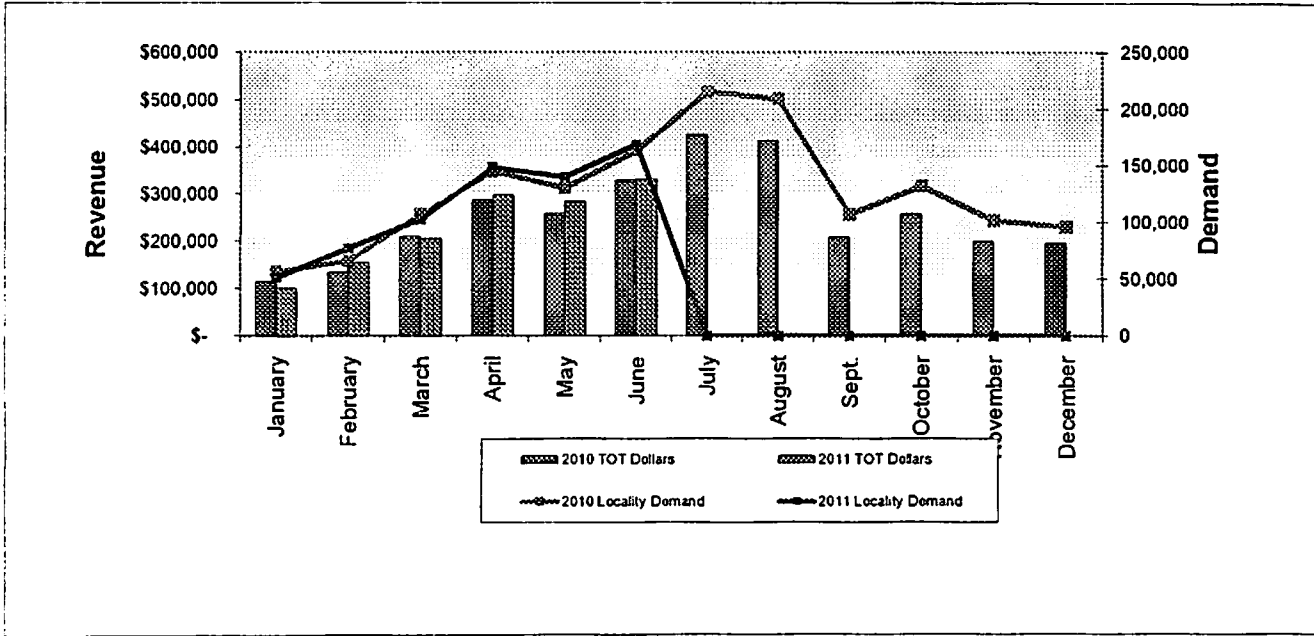
James City County

| TOT Revenue | | | | Locality Reported Room Nights | | |
|-----------------|-------------------|-------------------|-------------------|-------------------------------|----------------|----------------|
| Collected | 2009 | 2010 | 2011 | 2009 | 2010 | 2011 |
| Month | \$2 Tax Rev. | \$2 Tax Rev. | \$2 Tax Rev. | Demand | Demand | Demand |
| January | \$ 24,606 | \$ 27,020 | \$ 16,186 | 18,116 | 13,510 | 8,093 |
| February | 36,772 | 27,222 | 31,015 | 18,049 | 13,611 | 15,536 |
| March | 44,162 | 46,038 | 43,359 | 23,559 | 23,019 | 21,853 |
| April | 70,558 | 67,529 | 52,086 | 35,210 | 33,914 | 26,081 |
| May | 59,738 | 60,107 | 75,572 | 29,901 | 30,065 | 37,166 |
| June | 72,852 | 72,455 | 76,625 | 36,426 | 36,216 | 38,297 |
| July | 91,020 | 90,910 | | 51,020 | 45,455 | |
| August | 99,046 | 108,244 | | 49,523 | 54,122 | |
| Sept. | 57,364 | 37,680 | | 28,682 | 18,840 | |
| October | 47,924 | 47,148 | | 23,962 | 23,883 | |
| November | 40,741 | 50,548 | | 20,374 | 25,294 | |
| December | 57,821 | 38,641 | | 28,907 | 19,423 | |
| YTD June | \$ 308,688 | \$ 300,371 | \$ 294,843 | 161,261 | 150,335 | 147,026 |
| Year End | \$ 702,604 | \$ 673,542 | \$ 294,843 | 363,729 | 337,352 | 147,026 |

York County

| TOT Revenue | | | | Locality Reported Room Nights | | |
|-----------------|---------------------|---------------------|-------------------|-------------------------------|-------------------|-------------------|
| Collected | 2009 | 2010 | 2011 | 2009 | 2010 | 2011 |
| Month | \$2 Tax Rev. | \$2 Tax Rev. | \$2 Tax Rev. | Demand | Demand | Demand |
| January | \$ 74,701 | \$ 45,626 | \$ 44,957 | 23,936 | 21,817 | 24,036 |
| February | 53,792 | 50,996 | 61,989 | 27,975 | 24,429 | 30,881 |
| March | 82,556 | 75,597 | 78,596 | 42,018 | 40,045 | 39,303 |
| April | 100,046 | 93,961 | 117,334 | 59,660 | 48,535 | 58,732 |
| May | 113,906 | 87,582 | 96,112 | 49,414 | 45,443 | 46,626 |
| June | 120,934 | 117,739 | 118,776 | 59,171 | 58,021 | 62,772 |
| July | 150,591 | 154,230 | | 75,869 | 79,499 | |
| August | 136,302 | 143,243 | | 73,780 | 74,584 | |
| Sept. | 90,064 | 74,699 | | 38,549 | 39,488 | |
| October | 78,063 | 84,232 | | 44,129 | 44,876 | |
| November | 61,160 | 65,807 | | 31,684 | 34,562 | |
| December | 58,952 | 69,849 | | 32,245 | 32,812 | |
| YTD June | \$ 545,935 | \$ 471,501 | \$ 517,764 | \$ 262,174 | \$ 238,290 | \$ 262,350 |
| Year End | \$ 1,121,067 | \$ 1,063,561 | \$ 517,764 | 558,430 | 544,111 | 262,350 |

WADMC Key Data by Month 2010 Vs 2011



| Collected Month | TOT Revenue | | | | Locality Reported Room Nights | | | |
|-----------------|---------------------|---------------------|-------------------|-------------|-------------------------------|----------------|----------------|-------------|
| | 2010 \$2 Tax Rev. | 2011 \$2 Tax Rev. | '10-'11 \$ Change | '10-'11 % | 2010 Demand | 2011 Demand | '10-'11 Change | '10-'11 % |
| January | \$ 115,398 | \$ 100,405 | \$ (14,993) | -13.0% | 56,703 | 51,760 | (4,943) | -8.7% |
| February | 134,696 | 154,942 | 20,246 | 15.0% | 66,279 | 77,386 | 11,107 | 16.8% |
| March | 210,035 | 205,301 | (4,734) | -2.3% | 107,264 | 102,829 | (4,435) | -4.1% |
| April | 287,100 | 297,394 | 10,294 | 3.6% | 145,254 | 148,800 | 3,546 | 2.4% |
| May | 257,729 | 284,444 | 26,715 | 10.4% | 130,528 | 140,172 | 9,644 | 7.4% |
| June | 328,914 | 331,015 | 2,101 | 0.6% | 163,597 | 168,876 | 5,279 | 3.2% |
| July | 426,708 | - | - | - | 215,738 | 0 | - | - |
| August | 412,599 | - | - | - | 209,262 | 0 | - | - |
| Sept. | 209,431 | - | - | - | 106,854 | 0 | - | - |
| October | 257,970 | - | - | - | 132,054 | 0 | - | - |
| November | 200,613 | - | - | - | 101,985 | 0 | - | - |
| December | 196,260 | - | - | - | 96,120 | 0 | - | - |
| YTD June | \$ 1,333,872 | \$ 1,373,501 | \$ 39,629 | 3.0% | \$ 669,625 | 689,823 | 20,198 | 3.0% |

*TOT dollars, and room nights as reported by localities

| Market | June | | | January - June | | |
|------------------|-------|-------|------------|----------------|-------|------------|
| | 2011 | 2010 | # Variance | 2011 | 2010 | # Variance |
| Williamsburg | 53.1% | 55.6% | -0.03 | 36.7% | 36.7% | 0.00 |
| VA Beach | 78.9% | 73.8% | 0.05 | 57.6% | 53.1% | 0.04 |
| Norfolk | 68.2% | 70.3% | -0.02 | 56.0% | 53.6% | 0.02 |
| Richmond | 57.9% | 56.0% | 0.02 | 54.3% | 51.0% | 0.03 |
| Wash., D.C. | 78.9% | 78.2% | 0.01 | 67.9% | 68.1% | 0.00 |
| Virginia | 67.5% | 66.6% | 0.01 | 56.7% | 55.2% | 0.01 |
| Asheville, NC | 77.2% | 71.7% | 0.06 | 56.5% | 54.1% | 0.02 |
| Branson | 52.5% | 55.7% | -0.03 | 31.9% | 32.8% | -0.01 |
| Charleston, SC | 74.5% | 72.8% | 0.02 | 69.0% | 64.7% | 0.04 |
| Myrtle Beach, SC | 71.8% | 74.2% | -0.02 | 48.7% | 47.4% | 0.01 |
| Nashville, TN | 73.7% | 68.6% | 0.05 | 61.2% | 58.5% | 0.03 |
| Orlando, FL | 68.3% | 66.3% | 0.02 | 70.5% | 65.6% | 0.05 |
| USA | 67.6% | 64.9% | 0.03 | 59.2% | 56.4% | 0.03 |

*Market Comparison data as reported by Smith Travel Research