

**WILLIAMSBURG AREA CHAMBER OF  
COMMERCE  
DBA GREATER WILLIAMSBURG  
CHAMBER & TOURISM ALLIANCE**

**WILLIAMSBURG TOURISM COUNCIL**

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION  
For the six months ended June 30, 2020

**WILLIAMSBURG AREA CHAMBER OF COMMERCE  
DBA GREATER WILLIAMSBURG CHAMBER & TOURISM ALLIANCE  
(ALLIANCE)**

**WILLIAMSBURG TOURISM COUNCIL (WTC)**

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Williamsburg Area Chamber of Commerce DBA Greater Williamsburg Chamber & Tourism Alliance  
Williamsburg Tourism Council

### **Reports on the Financial Statements**

We have audited the accompanying consolidated financial statements of Williamsburg Area Chamber of Commerce DBA Greater Williamsburg Chamber & Tourism Alliance (the Alliance), which comprise the consolidated statement of financial position as of June 30, 2020, the related consolidated statements of activities, functional expenses, and cash flows for the six months then ended, and the related notes to the consolidated financial statements.

We have audited the accompanying financial statements of the Williamsburg Tourism Council (WTC), which comprise the statement of net position as of June 30, 2020, the related statement of revenues, expenditures, and change in net position for the six months then ended and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated financial statements (Alliance) and financial statements (WTC) 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.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the audit of the WTC in accordance with the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Alliance's and WTC's preparation and fair presentation of the financial statements 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 internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinions**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Alliance as of June 30, 2020, and the changes in their net assets and their cash flows for the six months then ended, in accordance with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the WTC as of June 30, 2020, and the changes in financial position for the six months then ended in accordance with accounting principles generally accepted in the United States of America.

The unaudited combined totals on pages 14,15, and 16 are presented for informational purposes only and are not presented in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information (WTC)*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedule of revenues and expenditures – budget to actual be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide assurance.

### **Report on Supplementary Information (Alliance)**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such

information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards (WTC)***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 12, 2021, on our consideration of the WTC's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the WTC's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the WTC's internal control over financial reporting and compliance.

*UHY LLP*

Columbia, MD  
March 12, 2021

**MANAGEMENT'S DISCUSSION AND ANALYSIS (WTC)**

**WILLIAMSBURG TOURISM COUNCIL  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the six months ended June 30, 2020**

In accordance with government accounting standards, the WTC has provided the following management discussion and analysis. This is not required for the Alliance.

This section of Williamsburg Tourism Council's (WTC) basic financial statements presents management's overview and analysis of the financial activities of WTC for the six months ended June 30, 2020. This management discussion and analysis is intended to assist the reader in focusing on significant financial issues, provide an overview of WTC's financial activity, and identify changes in WTC's financial position and its ability to address future decisions. The basic financial statements are designed to provide readers with a broad overview of WTC's finances in a manner similar to a private-sector business. WTC encourages the reader to consider the information presented here in conjunction with the financial statements and notes taken as a whole.

The WTC was created on July 1, 2018 under Virginia law 58.1-603.2 as a public entity and component unit of the Commonwealth of Virginia. The WTC mandate is to market, advertise, and promote the Historic Triangle area as an overnight destination, with the intent to attract visitors from a sufficient distance so as to require an overnight stay of at least one night. Funding for the WTC is from 50 percent of a one percent increase in the sales and use taxes imposed on the historic triangle area, 50 percent of the transient occupancy tax on short-term stays in the historic triangle area, and funding from the localities of City of Williamsburg, James City County, and York County.

**FINANCIAL HIGHLIGHTS FOR THE SIX MONTHS ENDED 2020**

Total revenues for the six months ended June 30, 2020 was \$6,141,449 with 90 percent (\$5,524,557) of the funding received from the sales and transient taxes. Total spending in the period was \$3,518,380. Direct spending on Destination Marketing and Sales totaling \$2,939,730 or 84 percent of total spending was on promotional activities. Personnel and other administrative costs totaled \$578,650. For the six months ended June 30, 2020, WTC's assets exceeded liabilities by \$2,623,069.

See page 11 for the detailed schedule of revenues and expenditures.

**GASB STATEMENT ON BASIC FINANCIAL STATEMENTS**

*GASB Statement on Basic Financial Statements – Management Discussion and Analysis for State and Local Governments* establishes standards for external financial reporting for state and local governments. WTC classifies its resources for accounting and reporting purposes into the following three net position categories as defined by GASB.

Net Investment in Capital Assets: This component of net position consists of capital assets, net of accumulated depreciation and reduced by any outstanding debt against the acquisition, construction, or improvement of those assets. WTC has no deferred inflow of resources as of June 30, 2020.

**WILLIAMSBURG TOURISM COUNCIL**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the six months ended June 30, 2020**

**GASB STATEMENT ON BASIC FINANCIAL STATEMENTS (CONTINUED)**

Restricted Net Position: This component of net position consists of constraints placed on net position use through external constraints imposed by creditors, grantors, contributors, or law or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation. WTC has no deferred outflows of resources, liabilities, or deferred inflows of resources as of June 30, 2020.

Unrestricted Net Position: This component of net position consists of net position that does not meet the definition of restricted or net investment in capital assets.

**REQUIRED FINANCIAL STATEMENTS**

The Statement of Net Position presents information regarding all assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of WTC is improving or deteriorating. Net position increases when revenues exceed expenditures.

The Statement of Revenues, Expenditures, and Change in Net Position presents information showing how net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenditures are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., deferred revenue and earned but unused vacation leave).

The basic financial statements are prepared on a modified accrual basis, which means that they measure only current financial resources and uses. WTC's operating activities are reported here, focusing on how money flows in and out with any balances at the end of the fiscal year being available for spending or funding the following year's budget.

**NOTES TO FINANCIAL STATEMENTS**

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements and can be found immediately following the basic financial statements.

**OTHER INFORMATION**

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information concerning WTC's budgetary comparative information for the operating activities.



**WILLIAMSBURG TOURISM COUNCIL  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the six months ended June 30, 2020**

**BUDGETARY HIGHLIGHTS**

Financial performance versus budget also was positive for the period. Revenues exceeded budget by \$50,949 while expenses were less than budget by \$5,372,445 for a net positive of \$5,423,394 versus budget. COVID-19 restrictions led the WTC to postpone sales and marketing activities and delay staffing changes. The actions by WTC management resulted in a budget savings of \$4,978,402 for destination marketing and sales activities. The changes in planned personnel staffing resulted in an additional \$271,502 in savings versus budget. While sales and marketing efforts were scaled back due to the COVID-19 restrictions, the WTC has worked to maintain a focused presence in the travel market so as to increase awareness of the Historic Triangle area and build interest in the destination for when restrictions are lifted. It is difficult to project the impact of COVID-19 into fiscal year 2021 due to the uncertainty of business activities and travel resulting from the pandemic.

See page 32 for the detailed schedule of revenues and expenditures – budget to actual.

**REQUEST FOR INFORMATION**

This financial report is designed to provide a general overview of WTC's finances. Questions concerning any information provided in this report or request for additional information should be addressed to the Finance Director care of the Williamsburg Tourism Council, 421 North Boundary Street, Williamsburg, VA 23185

Management discussion and analysis is not required for the Alliance as this is reported in accordance with FASB.

**WILLIAMSBURG AREA CHAMBER OF COMMERCE**  
**DBA GREATER WILLIAMSBURG CHAMBER & TOURISM ALLIANCE**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**June 30, 2020**

	<b>Consolidated Alliance</b>
<b>Current Assets</b>	
Cash and cash equivalents	\$ 2,315,551
Accounts receivable, net	84,562
Prepaid expenses	17,106
	<hr/>
Total Current assets	2,417,219
	<hr/>
<b>Non-Current Assets</b>	
Property and Equipment	
Land	100,000
Building	1,292,447
Furniture and equipment	232,877
Software	77,719
Automobiles	20,818
	<hr/>
	1,723,861
Less accumulated depreciation and amortization	(932,785)
	<hr/>
Property and equipment, net	791,076
Investments	16,398
	<hr/>
Total non-current assets	807,474
	<hr/>
Total assets	\$ 3,224,693
	<hr/> <hr/>

**WILLIAMSBURG AREA CHAMBER OF COMMERCE  
 DBA GREATER WILLIAMSBURG CHAMBER & TOURISM ALLIANCE  
 CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
 June 30, 2020**

	<b>Consolidated Alliance</b>
<b>Current Liabilities</b>	
Current portion of capital lease liability	\$ 1,909
Accounts payable	827,597
Accrued expenses	45,432
Deferred revenue	97,963
Funds held as fiscal agent	<u>75,805</u>
Total Current liabilities	1,048,706
<b>NET ASSETS</b>	
Without donor restrictions:	
Undesignated	2,165,987
Board designated - major repairs	<u>10,000</u>
	2,175,987
Total net assets	<u>2,175,987</u>
Total liabilities and net assets	<u><u>\$ 3,224,693</u></u>

**WILLIAMSBURG AREA CHAMBER OF COMMERCE**  
**DBA GREATER WILLIAMSBURG CHAMBER & TOURISM ALLIANCE**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**  
For the six months ended June 30, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and Revenue			
Support:			
Memberships	\$ 31,612	\$ -	\$ 31,612
Program services	2,900	-	2,900
Special events	34,325	-	34,325
Sponsorships	6,605	-	6,605
Others	981	-	981
	<u>76,423</u>	<u>-</u>	<u>76,423</u>
Net assets released from restrictions	1,115,263	(1,115,263)	-
	<u>1,191,686</u>	<u>(1,115,263)</u>	<u>76,423</u>
Expenses			
Programs	302,454	-	302,454
General and administrative	137,853	-	137,853
	<u>440,307</u>	<u>-</u>	<u>440,307</u>
<b>Change in Net Assets from Operations</b>	751,379	(1,115,263)	(363,884)
Other revenue (expenses):			
Interest	1,213	-	1,213
Unrealized loss on investments	(1,849)	-	(1,849)
Other	(563,500)	-	(563,500)
	<u>(564,136)</u>	<u>-</u>	<u>(564,136)</u>
<b>Change in Net Assets</b>	187,243	(1,115,263)	(928,020)
<b>Net assets beginning</b>	<u>1,988,744</u>	<u>1,115,263</u>	<u>3,104,007</u>
<b>Net assets, ending</b>	<u>\$ 2,175,987</u>	<u>\$ -</u>	<u>\$ 2,175,987</u>

See notes to financial statements.

**WILLIAMSBURG AREA CHAMBER OF COMMERCE**  
**DBA GREATER WILLIAMSBURG CHAMBER & TOURISM ALLIANCE**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
For the six months ended June 30, 2020

	<u>Programs</u>	<u>General and Administrative</u>	<u>Total</u>
Advertising	\$ 2,999	\$ -	\$ 2,999
Automobile expense	286	1,243	1,529
Business services	-	2,430	2,430
Insurance	2,239	4,168	6,407
Insurance benefits	22,306	2,396	24,702
Internet/website	900	-	900
Legal and accounting	7,851	43,915	51,766
Meals and entertainment	2,431	-	2,431
Office Expense	13,409	1,808	15,217
Outside labor	-	500	500
Payroll taxes	13,659	1,634	15,293
Professional dues and publications	3,075	-	3,075
Program expenses	27,900	5,172	33,072
Property taxes	-	3,643	3,643
Rent	1,032	16,743	17,775
Repairs and maintenance	-	9,483	9,483
Retirement contributions	11,507	1,539	13,046
Salaries	179,139	17,792	196,931
Special events	3,742	-	3,742
Taxes	(884)	-	(884)
Training	4,959	-	4,959
Accounts receivable written-off	5,904	-	5,904
Utilities	-	5,674	5,674
	<hr/>	<hr/>	<hr/>
Total expenses before depreciation and amortization	302,454	118,140	420,594
	<hr/>	<hr/>	<hr/>
Depreciation and amortization	-	19,713	19,713
	<hr/>	<hr/>	<hr/>
Total	<u>\$ 302,454</u>	<u>\$ 137,853</u>	<u>\$ 440,307</u>

**WILLIAMSBURG AREA CHAMBER OF COMMERCE**  
**DBA GREATER WILLIAMSBURG CHAMBER & TOURISM ALLIANCE**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
For the six months ended June 30, 2020

**Cash Flows from Operating Activities**

Change in net assets	\$ (928,020)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation and amortization	19,713
Accounts receivable written-off	30,454
Unrealized loss on investments	1,849
Changes in assets and liabilities:	
Accounts receivable	1,651,028
Prepaid expenses	17,437
Lease liability	(1,477)
Accounts payable	(559,189)
Accrued expenses	(18,550)
Deferred revenue	97,963
Funds held as fiscal agent	(40)
	<hr/>
Net cash provided by operating activities	311,168
	<hr/>

**Cash Flows from Investing Activities**

Purchases of property and equipment	(1,818)
Proceeds from sale of investments	470
	<hr/>
Net cash used in investing activities	(1,348)
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**Net Increase in Cash and Cash Equivalents**

309,820

**Cash and Cash Equivalents, Beginning**

\$ 2,005,731

**Cash and Cash Equivalents, Ending**

\$ 2,315,551

**WILLIAMSBURG TOURISM COUNCIL**  
**STATEMENT OF NET POSITION**  
**June 30, 2020**

	<u><b>Tourism Council</b></u>
<b>Current Assets</b>	
Cash and cash equivalents	\$ 11,924,567
Accounts receivable, net	763,500
Prepaid expenses	<u>5,287</u>
Total Current assets	<u>12,693,354</u>
<b>Non-Current Assets</b>	
Furniture and equipment	7,252
Less accumulated depreciation and amortization	<u>(1,672)</u>
Furniture and equipment, net	5,580
Total assets	<u><u>\$ 12,698,934</u></u>
<b>Current Liabilities</b>	
Accounts payable	\$ 989,481
Accrued expenses	<u>82,990</u>
Total Current liabilities	1,072,471
<b>NET POSITION</b>	
Net investment in capital assets	5,580
Restricted	<u>11,620,883</u>
Total net position	<u>11,626,463</u>
Total liabilities and net position	<u><u>\$ 12,698,934</u></u>

Note (WTC) : Furniture and equipment and the related depreciation expense are the only accounting differences between the fund statements and the government-wide statements. See Note 2.

**WILLIAMSBURG TOURISM COUNCIL**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN NET POSITION**  
For the six months ended June 30, 2020

**REVENUES**

Sales and transient taxes	\$ 5,524,557
Localities (MOE)	<u>563,500</u>
Total revenues	<u>6,088,057</u>

**EXPENDITURES**

Destination marketing	2,847,210
Other sales and marketing	92,520
Personnel costs	524,291
General and administrative	<u>54,359</u>
Total Expenditures	<u>3,518,380</u>

Change in net position before non-operating revenue	2,569,677
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**NON-OPERATING REVENUE**

Interest income	53,392
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<b>Change in Net Position</b>	2,623,069
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<b>Net Position - Beginning of year</b>	<u>9,003,394</u>
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<b>Net Position - End of year</b>	<u><u>\$ 11,626,463</u></u>
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*Note: Furniture and equipment and the related depreciation expense are the only accounting differences between the fund statements and the government-wide statements. See Note 2.*



**WILLIAMSBURG AREA CHAMBER OF COMMERCE**  
**DBA GREATER WILLIAMSBURG CHAMBER & TOURISM ALLIANCE**  
**WILLIAMSBURG TOURISM COUNCIL**  
**COMBINED STATEMENTS OF FINANCIAL POSITION**  
**June 30, 2020**

	<b>Consolidated</b>			Informational only
	<b>Alliance</b>	<b>Tourism Council</b>	<b>Elimination</b>	<b>Unaudited Combined Total</b>
<b>Current Assets</b>				
Cash and cash equivalents	\$ 2,315,551	\$ 11,924,567	\$ -	\$ 14,240,118
Accounts receivable, net	84,562	763,500	(763,500)	84,562
Prepaid expenses	17,106	5,287	-	22,393
Total Current assets	<u>2,417,219</u>	<u>12,693,354</u>	<u>(763,500)</u>	<u>14,347,073</u>
<b>Non-Current Assets</b>				
Property and Equipment				
Land	100,000	-	-	100,000
Building	1,292,447	-	-	1,292,447
Furniture and equipment	232,877	7,252	-	240,129
Software	77,719	-	-	77,719
Automobiles	20,818	-	-	20,818
	<u>1,723,861</u>	<u>7,252</u>	<u>-</u>	<u>1,731,113</u>
Less accumulated depreciation and amortization	<u>(932,785)</u>	<u>(1,672)</u>	<u>-</u>	<u>(934,457)</u>
Property and equipment, net	791,076	5,580	-	796,656
Investments	<u>16,398</u>	<u>-</u>	<u>-</u>	<u>16,398</u>
Total non-current assets	<u>807,474</u>	<u>5,580</u>	<u>-</u>	<u>813,054</u>
Total assets	<u>\$ 3,224,693</u>	<u>\$ 12,698,934</u>	<u>\$ (763,500)</u>	<u>\$ 15,160,127</u>

Note (WTC) : Furniture and equipment and the related depreciation expense are the only accounting differences between the fund statements and the government-wide statements. See Note 2.

**WILLIAMSBURG AREA CHAMBER OF COMMERCE**  
**DBA GREATER WILLIAMSBURG CHAMBER & TOURISM ALLIANCE**  
**WILLIAMSBURG TOURISM COUNCIL**  
**COMBINED STATEMENTS OF FINANCIAL POSITION**  
**June 30, 2020**

	<b>Consolidated</b>			Informational only
	<b>Alliance</b>	<b>Tourism Council</b>	<b>Elimination</b>	<b>Unaudited Combined Total</b>
<b>Current Liabilities</b>				
Current portion of capital lease liability	\$ 1,909	\$ -	\$ -	\$ 1,909
Accounts payable	827,597	989,481	(763,500)	1,053,578
Accrued expenses	45,432	82,990	-	128,422
Deferred revenue	97,963	-	-	97,963
Funds held as fiscal agent	75,805	-	-	75,805
Total Current liabilities	1,048,706	1,072,471	(763,500)	1,357,677
<b>NET ASSETS/NET POSITION</b>				
Without donor restrictions:				
Undesignated	2,165,987	-	-	2,165,987
Board designated - major repairs	10,000	-	-	10,000
	2,175,987	-	-	2,175,987
Net investment in capital assets	-	5,580	-	5,580
Restricted	-	11,620,883	-	11,620,883
Total net assets/net position	2,175,987	11,626,463	-	13,802,450
Total liabilities and net assets/net position	<u>\$ 3,224,693</u>	<u>\$ 12,698,934</u>	<u>\$ (763,500)</u>	<u>\$ 15,160,127</u>

Note (WTC) : Furniture and equipment and the related depreciation expense are the only accounting differences between the fund statements and the government-wide statements. See Note 2.

**WILLIAMSBURG AREA CHAMBER OF COMMERCE**  
**DBA GREATER WILLIAMSBURG CHAMBER & TOURISM ALLIANCE**  
**WILLIAMSBURG TOURISM COUNCIL**  
**COMBINED STATEMENT OF ACTIVITIES - UNAUDITED**  
**For the six months ended June 30, 2020**

	Informational only <b>Unaudited Combined Total</b>
Revenues	
Memberships	\$ 31,612
Sales and transient taxes	5,524,557
Program services	2,900
Special events	34,325
Sponsorships	6,605
Others	981
	<hr/>
Total Revenues	5,600,980
	<hr/>
Expenses	
Advertising	2,449,004
Information materials	59,724
Insurance benefits	50,590
Internet/website	223,558
Legal and accounting	51,766
Market research	152,950
Office Expense	15,217
Personnel costs	723,673
Professional dues and publications	37,734
Program expenses	49,972
Rent	17,775
Accounts receivable written-off	5,904
Depreciation	21,385
Others	99,435
	<hr/>
<b>Total expenses</b>	<b>3,958,687</b>
	<hr/>
<b>Change in Net Assets/Net Position before other revenues (expenses)</b>	<b>1,642,293</b>
Other revenues (expenses):	
Interest	54,605
Unrealized loss on investments	(1,849)
	<hr/>
<b>Total other revenue</b>	<b>52,756</b>
	<hr/>
<b>Change in Net Assets/Net Position</b>	<b>1,695,049</b>
<b>Net assets/net position beginning</b>	<b>12,107,401</b>
	<hr/>
<b>Net assets/net position, ending</b>	<b>\$ 13,802,450</b>
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See notes to financial statements.

**WILLIAMSBURG AREA CHAMBER OF COMMERCE  
DBA GREATER WILLIAMSBURG CHAMBER & TOURISM ALLIANCE**

**WILLIAMSBURG TOURISM COUNCIL  
NOTES TO FINANCIAL STATEMENTS  
For the six months ended June 30, 2020**

**NOTE 1 - NATURE OF THE ORGANIZATIONS**

The Williamsburg Area Chamber of Commerce is a non-stock, not-for-profit corporation organized under the laws of the Commonwealth of Virginia. The Williamsburg Area Chamber of Commerce operates under the name Greater Williamsburg Chamber and Tourism Alliance (Alliance). The Commonwealth of Virginia established the Tourism Council of the Greater Williamsburg Chamber and Tourism Alliance (Williamsburg Tourism Council) and it has been operating under the incorporation of the Williamsburg Area Chamber of Commerce. The Alliance has been incorporated and meets the definition of charitable organization under the Internal Revenue Code Section 501(c)(6). The Chairperson of the Alliance Board of Directors serves as a member of the WBC Board of Directors and as an ex-officio, non-voting member of the WTC Board of Directors.

**Williamsburg Business Council**

The Williamsburg Business Council (WBC) has the principle function of promoting business and industry in the City of Williamsburg and the surrounding localities of James City County and York County. The WBC represents nearly 800 businesses, non-profit organizations, and educational institutions to advocate on behalf of the business community, provide educational seminars and create networking opportunities so new businesses can emerge and existing businesses can grow. WBC programs and resources are focused on legislative advocacy, visibility, networking opportunities, business development, and education. The WBC supports itself primarily through membership and seminar fees collected from its members and contributions from local governments. The operations of the WBC are overseen by a large and diverse Board of Directors made up from the membership and managed by a dedicated management team.

**The Williamsburg Area Chamber of Commerce Foundation** (the Foundation) was created in 1999 as a non-stock, not-for-profit corporation organized under the laws of the Commonwealth of Virginia. All educational programs, including the Leadership Historic Triangle Program, are operated by the Foundation. The Foundation also owns the physical property where the Williamsburg Area Chamber of Commerce operates leasing that facility to the Alliance for use by the WBC and WTC.

**Williamsburg Tourism Council**

On July 1, 2018, the Williamsburg Tourism Council (WTC) was created under Virginia law 58.1-603.2 as a public entity to replace the Williamsburg Area Destination Management Committee (WADMC) as the destination marketing program for the Historic Triangle Area. This statute increased the sales tax rate by one percent in the City of Williamsburg, James City, and York County. Fifty percent of the incremental sales tax collected by the Commonwealth Comptroller's Office is directed to the Williamsburg Tourism Council for marketing, advertising and promoting of the Historic Triangle area as an overnight destination. The WTC has been determined to be a public entity by the Commonwealth of Virginia's Office of the Attorney General opinion issued on August 16, 2019.

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**NOTE 1 - NATURE OF THE ORGANIZATIONS (Continued)**

WTC's Board of Directors is comprised of representatives from the following entities:

- James City County Board of Supervisors
- City of Williamsburg City Council
- York County Board of Supervisors
- Colonial Williamsburg Foundation
- Jamestown-Yorktown Foundation
- Busch Gardens Williamsburg
- Historic Jamestowne Partnership
- Williamsburg Hotel and Motel Association
- Williamsburg Area Restaurant Association

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Consolidation**

Alliance

The accompanying consolidated financial statements include all of the accounts of the Williamsburg Area Chamber of Commerce DBA Greater Williamsburg Chamber and Tourism Alliance and its subsidiary, the Williamsburg Area Chamber of Commerce Foundation (collectively, the Alliance). All inter-organization accounts and transactions have been eliminated in the consolidated financial statements.

**Basis of Accounting**

Alliance

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (GAAP), whereby revenue is recognized when earned and expenses are recognized when incurred. The financial statements of the Alliance are presented in accordance with Financial Accounting Standards Board (FASB).

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Basis of Accounting (Continued)**

WTC

The significant accounting policies followed in preparation of these basic financial statements are summarized below. These policies conform to accounting principles generally accepted in the United States of America (GAAP) for governmental units as prescribed in the statements issued by the Governmental Accounting Standards Board (GASB) and other recognized authoritative sources.

WTC follows the governmental activities reporting requirements of GASB Statement No. 34. In accordance with GASB Statement No. 34, the accompanying basic financial statements are reported on an entity-wide basis. GASB Statement No. 34 requires the following, which collectively make up the WTC's basic financial statements:

- Management's Discussion and Analysis
- Statement of Net Position
- Statement of Activities
- Balance Sheet
- Statement of Revenues, Expenditures and Changes in Fund Balance
- Notes to the basic financial statements
- Required Supplementary Information – Budgetary Comparison Statement

*Measurement Focus and Basis of Accounting*

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the types of resources being measured and the basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

Government-wide Statements

The WTC's government-wide financial statements – the statement of net position and the statement of activities - are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, or for derived tax revenue, when the exchange transaction on which the tax is imposed occurs, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Governmental Fund Statement

The WTC's general fund is presented in the accompanying balance sheet and statement of revenues, expenditures and changes in fund balance. It is used to account for the acquisition, use and balance of the WTC expendable financial resources and the related liabilities. The general fund is accounted for using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under this measurement focus, only current assets, current liabilities, and fund balances are reported on the Balance Sheet.

Under the modified accrual basis of accounting, revenues of the general fund are recognized in the year they become susceptible to accrual (both measurable and available) to pay current fiscal year liabilities. WTC considers all revenues to be available if they are collected within 60 days of the end of the current fiscal year. Sales taxes collected by the localities are significant revenues that are subject to accrual. All other revenue items are considered to be measurable and available only when cash is received by the government. Expenditures and liabilities such as accounts payable and compensation to employees are recorded when they become due for payment.

The WTC's principal operating revenues consist of sales taxes collected by localities. Operating expenditures for the WTC include marketing expenses, administrative expenses, and depreciation on capital assets.

**Cash and Cash Equivalents**

Alliance

For purposes of reporting cash flows, the Alliance considers all money market accounts not held for long-term investment purposes and investments purchased with an original maturity of three months or less to be cash equivalents.

WTC

The Williamsburg Tourism Council (WTC) funds are deposited with FDIC participating financial institutions that are also qualified public depository institutions required to pledge collateral for all balances above the FDIC limit of \$250,000 in accordance with the Virginia Security for Public Deposits Act (the "Act") Section 2.2-4400 et. seq. of the Code of Virginia. The WTC had \$11,924,567 with banks and savings institutions. Of the WTC bank balance, the FDIC covers \$500,000 and all the funds are held with qualified public depository institutions with pledge collateral to the Commonwealth of Virginia Treasury Board in accordance with the Public Deposits Act of the Code of Virginia.

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

	<u>WTC</u>
Cash and Cash Equivalents	\$ 9,354,163
Money Market Account	2,570,404
Operating Investments	<u>-</u>
Total Cash & Equivalents	<u>\$ 11,924,567</u>

**Use of Estimates**

Alliance and WTC

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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. In particular, the novel coronavirus (“COVID- 19”) pandemic and the resulting adverse impacts to global economic conditions, as well as the Alliance’s operations, may affect future estimates including, but not limited to, fair value measurements, downward adjustments to investments in equity securities, asset impairment charges and cancellation reserves.

**Net Assets**

Alliance

Net assets, revenue, gains, and losses are classified based on the existence or absence of contributions with donor-imposed restrictions. Accordingly, net assets of the Alliance and changes therein are classified and reported as follows:

Net assets without donor restrictions - Net assets without donor restrictions are available for use at the discretion of the Board of Directors (the Board) and/or management for general operating purposes.

Net assets with donor restrictions - Net assets with donor restrictions consist of assets whose use is limited by donor-imposed time and/or purpose restrictions. The Alliance reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated asset. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, the net assets are reclassified as net assets without donor restriction and reported in the consolidated statements of activities as net assets released from restrictions.



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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Net Position**

WTC

Net position represents assets less liabilities. Net position is displayed in three components – net investment in capital assets; restricted; and unrestricted. The net investment in capital assets component consists of capital assets, net of accumulated depreciation. The restricted component consists of restricted assets reduced by liabilities; there were no such restricted net position for the 6 months ended June 30, 2020. The unrestricted component is the net amount of the assets and liabilities that are not included in the determination of net investment in capital assets or the restricted component of net position. WTC applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

**Fund Balance**

WTC

The following classifications of fund balance describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Non-spendable fund balance – amounts that are not in spendable form (such as prepaids) or are required to be maintained intact (corpus of a permanent fund);
- Restricted fund balance – amounts that can be spent only for the specific purposes stipulated by external resource providers such as enabling federal, state, or local legislation. Restrictions may be changed or lifted only with the consent of the resource providers. There was no such restricted fund balance as of June 30, 2020.;
- Committed fund balance – amounts that can be used only for the specific purposes determined by the adoption of a Board resolution committing fund balance for a specified purpose by the Board prior to the end of the fiscal year. Once adopted, the limitation imposed by the ordinance remains in place until the resources have been spent for the specified purpose or the Board adopts another ordinance to remove or revise the limitation;

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Fund Balance (Continued)**

WTC (Continued)

- Assigned fund balance – amounts a government intends to use for a specific purpose but do not meet the criteria to be classified as committed; intent can be expressed by the Board or by an official or body to which the governing body delegates the authority. Unlike commitments, assignments general only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment;
- Unassigned fund balance – amounts that are available for any purpose.

When fund balance resources are available for a specific purpose in more than one classification, it is WTC's policy to use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed.

The Board establishes (and modifies or rescinds) fund balance commitments by passage of a resolution.

This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the Executive Director, who has been given the delegated authority by the Board to assign amounts for a specific purpose (such as the purchase of capital assets, a specific marketing program, or for other purposes). As of June 30, 2020, all fund balances are either restricted or committed.

**Budgetary Accounting**

WTC

WTC adopts an annual Operating Budget, which lapses at the end of the year, for management purposes. The budget is adopted on a budgetary accounting basis in which purchase orders, contracts, and other commitments for the expense of monies are recorded as the equivalent of expenses. The defined legal level of control established by WTC to monitor expenses is at the fund/function level.

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Accounts Receivable**

Alliance

Receivables are carried at the original invoice amounts less an estimate made for doubtful receivables based on an annual review of all outstanding amounts. Management determines the allowance for doubtful accounts by annually evaluating individual receivables. Receivables are written off when deemed uncollectible. Recoveries of receivables previously written off are recorded in revenue when received. A receivable is considered past due if any portion of the receivable balance is outstanding for more than ninety days. However, the Alliance does not charge interest on past due receivables. As of June 30, 2020, there is no allowance for doubtful accounts, based on management's evaluation of the collectability of accounts receivable, and the accounts receivable are due in less than one year.

**Prepaid Items**

Alliance and WTC

Payments made to vendors for services that will benefit periods beyond year end are recorded as prepaid items under the consumption method.

**Property and Equipment**

Alliance

Property and equipment are recorded at cost when acquired. Expenditures for maintenance and repairs are charged to expense as incurred, whereas renewals and betterments that extend the lives of property and equipment are capitalized. Depreciation expense totaled \$1,673 for the six months ended June 30, 2020. There was no amortization of capitalized software costs for the six months ended June 30, 2020. Depreciation and amortization are calculated using the straight-line method based on the following useful lives: Building (39 years), Furniture (3-7 years), Equipment Software (3-5 years), and Automobiles (5 years).

WTC

Office equipment and leasehold improvements are capitalized at cost. Generally, items purchased with individual costs greater than \$5,000 or more are capitalized based on the nature of the asset. Depreciation is provided on the straight-line basis over the estimated useful lives of the assets.

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Investments**

Alliance

The Alliance records investments at fair value as of the date of the consolidated statements of financial position. Interest, dividends, and realized and unrealized gains and losses are recorded as revenue when earned and investment advisor fees are recorded as expenses when incurred.

**Fair Value Measurements**

Alliance

The Alliance complies with the accounting standard on accounting for fair value measurements. This standard defines fair value and establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurement).

The three levels of the fair value hierarchy under this topic are described as follows:

Level 1 - Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities

Level 2 - Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly

Level 3 - Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable

The Alliance invests in mutual funds. Such investments are exposed to various risks such as market and credit fluctuations. Due to the level of risk associated with such investments, and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risks in the near term could materially affect investment balances and the amounts reported in the consolidated financial statements.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2020.

*Mutual Funds* - Mutual funds which are listed on a national market or exchange are valued at the last sales price, or if there is no sale and the market is still considered active, at the last transaction price before year-end. Such securities are classified within Level 1 of the valuation hierarchy.

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Revenue Recognition**

Alliance

The Alliance recognizes the majority of its revenue in accordance with FASB ASC Topic 958-605, *Revenue Recognition/or Not-for-Profit Entities*.

Memberships dues are recognized ratably over the applicable dues period. Revenues received for dues, which relates to subsequent years are recorded as deferred membership dues.

All support without donor restrictions is recognized as income when received or pledged. All support is classified as without donor restrictions unless specifically restricted by donor, by law or by time.

**Income Taxes**

Alliance

The Alliance is exempt from federal and state income taxes (except taxes on unrelated business income) under Section 501(c)(6) of the Internal Revenue Code and is classified by the Internal Revenue Service as *other than a private foundation*. No provision for income taxes is required for the six months ended June 30, 2020 since the Alliance had no taxable income from unrelated business activities.

The income tax positions taken by the Alliance for any years open under the various statutes of limitations are that the Alliance continues to be exempt from income taxes and that they have properly reported unrelated business income that is subject to income taxes. The Alliance believes that there are no tax positions taken or expected to be taken that would significantly increase unrecognized tax liabilities within 12 months of the reporting date. None of the Alliance's federal or state income tax returns are currently under examination.

WTC

WTC is a government entity and exempt from federal and state income taxes.

**In-kind Contributions**

Alliance

The Alliance recognizes in-kind contributions of materials as support and expense in the period in which they are received. Donated materials are valued by the donor at fair value on the date of the gift.

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**In-kind Contributions (Continued)**

Alliance (Continued)

No amounts have been reflected in the consolidated financial statements for volunteer services since they are not susceptible to objective measurement or valuation; however, a number of volunteers donated significant amounts of their time performing services that would otherwise be performed by paid employees.

**Advertising**

Alliance

Advertising costs are charged to expense when incurred. For the six months ended June 30, 2020, the advertising expense totaled \$2,999.

**Functional Allocation of Expenses**

Alliance

The Alliance's primary services are local business support. The costs of operating the Alliance's program and supporting services have been summarized on a functional basis in the consolidated statement of activities. Accordingly, certain costs have been allocated between the primary and supporting services benefited based on time and effort and other various methodologies.

**New Accounting Pronouncements Adopted**

Alliance

During 2020, The Alliance adopted ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, as amended. The ASU is based on the principle that revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The ASU also requires additional disclosures about the nature, amount, timing, and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. The initial application was applied to all exchange-type transactions at January 1, 2020, and resulted in no changes to the method in which the Institute recognizes revenue as it is primarily derived from membership revenue.

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

During 2020, the Alliance adopted ASU No. 2018-08, *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This guidance is intended to clarify and improve the scope and the accounting guidance for contributions received and contributions made. Key provisions in this guidance include clarification regarding the accounting for grants and contracts as exchange transactions or contributions, and improve guidance to better distinguish between conditional and unconditional contributions. There were no significant changes in the way the Alliance recognizes revenue as a result of adopting this ASU.

**Subsequent Events**

Subsequent events have been evaluated through March 12, 2021, which is the date the financial statements are available to be issued

**NOTE 3 - Investment and Fair Value**

Alliance

The balance of investment consists of mutual funds in the amount of \$16,397 (Level 1) measured at fair value. Mutual funds are publicly traded and priced daily, and therefore, are considered level 1 investment within the fair value hierarchy.

Net investment income consisted of unrealized loss on investment in the amount of \$1,849.

**NOTE 4 - Liquidity and Availability**

Alliance

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

	<u>2020</u>
Cash and cash equivalents	\$ 2,137,685
Accounts receivable	<u>84,763</u>
Total	<u>\$ 2,222,448</u>

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For the six months ended June 30, 2020**

**NOTE 5 - Net Assets with Donor Restrictions**

Alliance

There was no net assets with donor restrictions for the six months ended June 30, 2020.

**NOTE 6 - Retirement Plan**

Alliance and WTC

The Alliance and WTC contribute 6% of eligible employees' compensation to a multi-employer pooled pension plan maintained by the American Chamber of Commerce Executives. The Alliance and WTC also provide up to a 2% match of employees' compensation for employees contributing above 6% of their compensation. Employees may also borrow up to 50% of their vested balance, not to exceed \$50,000. The pension plan is a money purchase plan. Pension costs for the Alliance were \$13,046 for the six months ended June 30, 2020. WTC contributions were \$25,424 for the six months ended June 30, 2020.

**NOTE 7 - Funds Held as Fiscal Agent**

Alliance

The Historic Triangle Collaborative (HTC) is an unincorporated association formed to pursue the business and financial interests of the participants.

The Alliance, serving as the fiscal agent, provides rent-free office space, office support and receives funds paid to the HTC by the participants in the HTC. In addition, the Alliance disburses funds as directed by the HTC leadership. A total of \$12,867 was held by the Alliance for the HTC at June 30, 2020.

The Greater Williamsburg HEARTSafe Alliance (HEARTSafe) is a collaborative Williamsburg community heart health initiative formed to work on improving survival of out-of-hospital cardiac arrest by strengthening the chain of survival in the Greater Williamsburg community and by educating the community on heart-healthy behaviors.

The Alliance, serving as the fiscal agent, provides rent-free office space, office support and receives funds paid to HEARTSafe by HEARTSafe partners. In addition, the Alliance disburses funds as directed by the HEARTSafe leadership. A total of \$5,265 was held by the Alliance for HEARTSafe at June 30, 2020.



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**NOTE 8 - Concentrations of Credit Risk**

Alliance and WTC

Financial instruments that potentially subject the Alliance to credit risk include cash deposits with banks in excess of the insurance limitations of the FDIC. At times, deposits may exceed federally insured deposit limits. Management does not consider this a significant concentration of credit risk.

**NOTE 9 - Vacation, Sick and Personal Leave**

Alliance

The Williamsburg Area Chamber of Commerce (WCC) employees are eligible for vacation and personal leave of up to 20 days per year based on the length of their employment. No more than 5 unused days may be rolled over into subsequent years. Unused vacation and personal leave will generally be paid out upon termination of employment. Employees are also eligible for sick leave of 96 hours per year.

Unused sick time up to a maximum of 480 hours may be rolled over into subsequent years. Unused sick leave will not be paid out upon termination of employment. As of June 30, 2020, vacation, sick and personal leave liability to employees was \$20,101.

WTC

The Williamsburg Tourism Council (WTC) has a separate human resource manual in conformance with the Commonwealth of Virginia requirements for a public entity. WTC employees are eligible for personal leave (personal time off – PTO) of up to 20 days per year based on the length of their employment or as specified in individual employee’s employment agreements. No more than 5 unused days may be rolled over into subsequent years. Unused PTO will generally be paid out upon termination of employment. As of June 30, 2020, the WTC PTO liability to employees was \$17,520.

**NOTE 10 - Leases**

The Williamsburg Area Chamber of Commerce (WCC) on behalf of the Williamsburg Business Council and Williamsburg Tourism Council (WTC) leases operating space from the Williamsburg Area Chamber of Commerce Foundation. Lease expense for the six months ended June 30, 2020 was \$59,502.

The WCC has a lease agreement for photocopier equipment. The current lease covers two photocopiers – one for the Business Council and a second copier for the Tourism Council – expiring in May 2021. New leases are expected to be executed in 2021. The lease expense for office for the six months ending June 30, 2020 was \$8,285.

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**NOTE 11 - Risks and Uncertainties Related to COVID-19**

Alliance and WTC

On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency stemming from a new strain of coronavirus that was spreading globally (the “COVID-19 outbreak”). On March 11, 2020, the WHO classified the COVID-19 outbreak as a pandemic, triggering volatility in financial markets and a significant negative impact on the global economy. The COVID-19 pandemic has developed rapidly in 2020 and remains a quickly evolving situation. As a result of the spread of COVID-19, economic uncertainties have arisen (business operating restriction, travel restrictions, occupancy restrictions, etc.) which are likely to negatively impact economic activity. The Alliance and the WTC are not able to fully estimate the effects of the COVID-19 pandemic for fiscal year 2021.

**REQUIRED SUPPLEMENTARY INFORMATION**

**WILLIAMSBURG TOURISM COUNCIL**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET TO ACTUAL**  
For the six months ended June 30, 2020

	<u>Original Budget</u>	<u>Budget As Revised</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>				
Sales and transient taxes	\$ 6,090,500	\$ 6,090,500	\$ 5,524,557	\$ (565,943)
Locality funding	-	-	563,500	563,500
Investment income	-	-	53,392	53,392
	<u>6,090,500</u>	<u>6,090,500</u>	<u>6,141,449</u>	<u>50,949</u>
<b>EXPENDITURES</b>				
Destination marketing	7,515,458	7,515,458	2,847,210	4,668,248
Other sales and marketing	402,674	402,674	92,520	310,154
Personnel costs	795,793	795,793	524,291	271,502
General and administrative	176,900	176,900	54,359	122,541
Total expenditures	<u>8,890,825</u>	<u>8,890,825</u>	<u>3,518,380</u>	<u>5,372,445</u>
<b>Change in Net Position</b>	(2,800,325)	(2,800,325)	2,623,069	5,321,496
<b>Net Position - Beginning of year</b>	<u>9,003,394</u>	<u>9,003,394</u>	<u>9,003,394</u>	-
<b>Net Position - End of year</b>	<u>\$ 6,203,069</u>	<u>\$ 6,203,069</u>	<u>\$ 11,626,463</u>	<u>\$ 5,321,496</u>

**WILLIAMSBURG AREA CHAMBER OF COMMERCE**  
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**CONSOLIDATING SCHEDULE OF FINANCIAL POSITION**  
**June 30, 2020**

	<u>Alliance</u>	<u>Foundation</u>	<u>Elimination</u>	<u>2020</u>
<b>Assets</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ 2,137,685	\$ 177,866	\$ -	\$ 2,315,551
Accounts receivable, net	84,826	(63)	(201)	84,562
Prepaid expenses	12,378	4,728	-	17,106
	<u>2,234,889</u>	<u>182,531</u>	<u>(201)</u>	<u>2,417,219</u>
<b>Non-Current Assets</b>				
Property and Equipment				
Land	-	100,000	-	100,000
Building	-	1,292,447	-	1,292,447
Furniture and equipment	137,338	95,539	-	232,877
Software	77,719	-	-	77,719
Automobiles	20,818	-	-	20,818
	<u>235,875</u>	<u>1,487,986</u>	<u>-</u>	<u>1,723,861</u>
Less accumulated depreciation and amortization	<u>(223,140)</u>	<u>(709,645)</u>	<u>-</u>	<u>(932,785)</u>
Property and equipment, net	12,735	778,341	-	791,076
Investments	-	16,398	-	16,398
	<u>12,735</u>	<u>794,739</u>	<u>-</u>	<u>807,474</u>
Total non-current assets	<u>12,735</u>	<u>794,739</u>	<u>-</u>	<u>807,474</u>
Total assets	<u>\$ 2,247,624</u>	<u>\$ 977,270</u>	<u>\$ (201)</u>	<u>\$ 3,224,693</u>

**WILLIAMSBURG AREA CHAMBER OF COMMERCE**  
**DBA GREATER WILLIAMSBURG CHAMBER & TOURISM ALLIANCE**  
**CONSOLIDATING SCHEDULE OF FINANCIAL POSITION**  
**June 30, 2020**

	<u>Alliance</u>	<u>Foundation</u>	<u>Elimination</u>	<u>2020</u>
<b>LIABILITIES AND NET ASSETS</b>				
<b>Current Liabilities</b>				
Current portion of capital lease liability	\$ 1,909	\$ -	\$ -	\$ 1,909
Accounts payable	827,275	523	(201)	827,597
Accrued expenses	40,461	4,971	-	45,432
Deferred revenue	97,963	-	-	97,963
Funds held as fiscal agent	75,805	-	-	75,805
	<u>1,043,413</u>	<u>5,494</u>	<u>(201)</u>	<u>1,048,706</u>
<b>Total Current liabilities</b>				
	1,043,413	5,494	(201)	1,048,706
<b>Non-Current Liabilities</b>				
Long-term portion of capital lease liability	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total liabilities</b>				
	<u>1,043,413</u>	<u>5,494</u>	<u>(201)</u>	<u>1,048,706</u>
<b>NET ASSETS</b>				
Without donor restrictions:				
Undesignated	1,194,211	971,776	-	2,165,987
Board designated - major repairs	10,000	-	-	10,000
	<u>1,204,211</u>	<u>971,776</u>	<u>-</u>	<u>2,175,987</u>
<b>Total net assets</b>				
	<u>1,204,211</u>	<u>971,776</u>	<u>-</u>	<u>2,175,987</u>
<b>Total liabilities and net assets</b>				
	<u>\$ 2,247,624</u>	<u>\$ 977,270</u>	<u>\$ (201)</u>	<u>\$ 3,224,693</u>

**WILLIAMSBURG AREA CHAMBER OF COMMERCE**  
**DBA GREATER WILLIAMSBURG CHAMBER & TOURISM ALLIANCE**  
**CONSOLIDATING STATEMENT OF ACTIVITIES**  
**For the six months ended June 30, 2020**

	<u>Alliance</u>	<u>Foundation</u>	<u>Elimination</u>	<u>Total</u>
Support and Revenue				
Support:				
Rent	\$ -	\$ 59,502	\$ (59,502)	\$ -
Memberships	31,612	-	-	31,612
Program services	-	2,900	-	2,900
Special events	34,325	-	-	34,325
Sponsorships	6,605	-	-	6,605
Other	981	-	-	981
	<u>73,523</u>	<u>62,402</u>	<u>(59,502)</u>	<u>76,423</u>
Total support and revenue				
Expenses				
Programs	302,454	-	-	302,454
General and administrative	131,939	65,416	(59,502)	137,853
	<u>434,393</u>	<u>65,416</u>	<u>(59,502)</u>	<u>440,307</u>
<b>Total expenses</b>				
<b>Change in Net Assets from Operations</b>	(360,870)	(3,014)	-	(363,884)
Other revenue (expenses):				
Interest	589	624	-	1,213
Unrealized loss on investments	-	(1,849)	-	(1,849)
Other	(563,500)	-	-	(563,500)
	<u>(562,911)</u>	<u>(1,225)</u>	<u>-</u>	<u>(564,136)</u>
<b>Total other expense</b>				
<b>Change in Net Assets</b>	(923,781)	(4,239)	-	(928,020)
<b>Net assets beginning</b>	<u>2,127,992</u>	<u>976,015</u>	<u>-</u>	<u>3,104,007</u>
<b>Net assets, ending</b>	<u>\$ 1,204,211</u>	<u>\$ 971,776</u>	<u>\$ -</u>	<u>\$ 2,175,987</u>

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors  
Williamsburg Tourism Council  
Williamsburg, Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities of the Williamsburg Tourism Council, as of and for the six months ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the WTC's basic financial statements, and we have issued our report thereon dated March 12, 2021.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Williamsburg Tourism Council's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Williamsburg Tourism Council's internal control. Accordingly, we do not express an opinion on the effectiveness of the Williamsburg Tourism Council's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies that consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Williamsburg Tourism Council's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Williamsburg Tourism Council's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Accounting Standards* in considering the Williamsburg Tourism Council's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*UHY LLP*

Columbia, Maryland  
March 12, 2021