

FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORTS

TAMPA BAY CONVENTION & VISITORS BUREAU, INC.  
d/b/a TAMPA BAY & COMPANY

September 30, 2012 and 2011

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## INDEPENDENT AUDITORS' REPORT

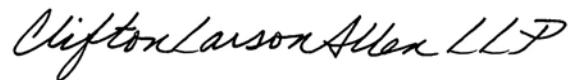
The Board of Directors  
Tampa Bay Convention & Visitors Bureau, Inc. d/b/a Tampa Bay & Company

We have audited the accompanying statements of financial position of Tampa Bay Convention & Visitors Bureau, Inc. d/b/a Tampa Bay & Company (the "Bureau") as of September 30, 2012 and 2011, and the related statements of activities and changes in net assets, cash flows and functional expenses for the years then ended. These financial statements are the responsibility of the Bureau's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with 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 of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tampa Bay Convention & Visitors Bureau, Inc. d/b/a Tampa Bay & Company as of September 30, 2012 and 2011, and the results of its operations and changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 15, 2013 on our consideration of the Bureau's internal control over financial reporting and 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, and should be considered in assessing the results of our audit.



**CliftonLarsonAllen, LLP**

Tampa, Florida  
March 15, 2013

Tampa Bay Convention & Visitors Bureau, Inc.  
d/b/a Tampa Bay & Company

STATEMENTS OF FINANCIAL POSITION

September 30,

|  | <u>2012</u>               | <u>2011</u>               |
|--|---------------------------|---------------------------|
| <b>ASSETS</b>  |                           |                           |
| Cash   | \$ 980,288                | \$ 1,357,498              |
| Accounts receivable  |                           |                           |
| Local government - resort tax  | 1,715,324                 | 681,638                   |
| Membership   | 7,220                     | 23,995                    |
| Other  | 5,007                     | 311,236                   |
| Inventory  | 51,800                    | 22,203                    |
| Prepaid expenses and other assets  | <u>39,092</u>             | <u>117,916</u>            |
| Total current assets   | 2,798,731                 | 2,514,486                 |
| Furniture, equipment and leasehold improvements, net<br>of accumulated depreciation and amortization | <u>264,581</u>            | <u>188,271</u>            |
| <b>TOTAL ASSETS</b>  | <b><u>\$3,063,312</u></b> | <b><u>\$2,702,757</u></b> |
| <b>LIABILITIES AND NET ASSETS</b>  |                           |                           |
| Accounts payable   | \$ 672,399                | \$ 491,569                |
| Accrued expenses   | 610,290                   | 633,477                   |
| Unearned revenue   |                           |                           |
| Membership   | 267,052                   | 261,364                   |
| Other  | <u>20,279</u>             | <u>124,875</u>            |
| Total current liabilities  | <u>1,570,020</u>          | <u>1,511,285</u>          |
| Commitments and contingencies  | -                         | -                         |
| Net assets - unrestricted  | <u>1,493,292</u>          | <u>1,191,472</u>          |
| <b>TOTAL LIABILITIES AND NET ASSETS</b>  | <b><u>\$3,063,312</u></b> | <b><u>\$2,702,757</u></b> |

The accompanying notes are an integral part of these statements.

Tampa Bay Convention & Visitors Bureau, Inc.  
d/b/a Tampa Bay & Company

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

For the years ended September 30,

|                                       | <u>2012</u>                | <u>2011</u>                |
|---------------------------------------|----------------------------|----------------------------|
| <b>REVENUES</b>                       |                            |                            |
| Government contracts                  | \$ 9,674,421               | \$ 8,182,701               |
| Membership dues                       | 534,256                    | 550,137                    |
| Membership events                     | 207,403                    | 215,155                    |
| Promotional partnerships              | 597,631                    | 423,602                    |
| Registration and housing              | 187,991                    | 258,657                    |
| Management fee income                 | 545,358                    | 398,000                    |
| Visitor information center            | 107,102                    | 75,570                     |
| In-kind contributions                 | 272,610                    | 626,932                    |
| Other income                          | <u>-</u>                   | <u>685</u>                 |
| Total revenues                        | <u>12,126,772</u>          | <u>10,731,439</u>          |
| <b>EXPENSES</b>                       |                            |                            |
| Sales, marketing and public relations | 9,934,620                  | 8,165,304                  |
| Convention and visitor services       | 1,209,481                  | 1,137,826                  |
| Membership services                   | <u>680,851</u>             | <u>639,608</u>             |
| Total expenses                        | <u>11,824,952</u>          | <u>9,942,738</u>           |
| Change in net assets                  | <u>301,820</u>             | <u>788,701</u>             |
| Net assets, beginning of year         | <u>1,191,472</u>           | <u>402,771</u>             |
| Net assets, end of year               | <u><u>\$ 1,493,292</u></u> | <u><u>\$ 1,191,472</u></u> |

The accompanying notes are an integral part of these statements.

Tampa Bay Convention & Visitors Bureau, Inc.  
d/b/a Tampa Bay & Company

STATEMENTS OF CASH FLOWS

For the years ended September 30,

|   | <u>2012</u>              | <u>2011</u>                |
|---|--------------------------|----------------------------|
| Cash flows from operating activities  |                          |                            |
| Change in net assets  | <u>\$ 301,820</u>        | <u>\$ 788,701</u>          |
| Adjustments to reconcile change in net assets to<br>net cash provided by (used in) operating activities |                          |                            |
| Depreciation  | 124,407                  | 107,046                    |
| (Increase) in accounts receivable   | (710,682)                | (104,985)                  |
| (Increase) in inventory   | (29,597)                 | 26,903                     |
| Decrease in prepaid expenses and other<br>assets  | 78,824                   | 34,146                     |
| Increase (decrease) in accounts payable<br>and accrued expenses   | 157,643                  | (48,089)                   |
| Increase (decrease) in unearned revenue   | <u>(98,907)</u>          | <u>41,084</u>              |
| Total adjustments   | <u>(478,312)</u>         | <u>56,105</u>              |
| Net cash provided by (used in) operating activities   | (176,492)                | 844,806                    |
| Cash flows (used in) from investing activities  |                          |                            |
| Capital expenditures  | <u>(200,718)</u>         | <u>(71,239)</u>            |
| Net increase in cash  | (377,210)                | 773,567                    |
| Cash, beginning of year   | 1,357,498                | 583,931                    |
| Cash, end of year   | <u><u>\$ 980,288</u></u> | <u><u>\$ 1,357,498</u></u> |

The accompanying notes are an integral part of these statements.

Tampa Bay Convention & Visitors Bureau, Inc.  
d/b/a Tampa Bay & Company

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended September 30, 2012

|   | Sales, Marketing<br>and Public<br>Relations | Convention &<br>Visitor Services | Membership<br>Services | Administration | Total         |
|---|---|----------------------------------|------------------------|----------------|---------------|
| Salaries                                  | \$ 2,036,354                                | \$ 318,896                       | \$ 199,850             | \$ 1,261,760   | \$ 3,816,860  |
| Payroll Taxes                             | 162,281                                     | 30,226                           | 15,598                 | 68,727         | 276,832       |
| Employee benefits                         | 272,181                                     | 52,182                           | 30,626                 | 185,088        | 540,077       |
| Total salaries and related expenses       | 2,470,816                                   | 401,304                          | 246,074                | 1,515,575      | 4,633,769     |
| Advertising                               | 1,736,538                                   | -                                | -                      | 327            | 1,736,865     |
| Contract services                         | 312,640                                     | 133,769                          | -                      | 16,745         | 463,154       |
| Cost of good sold                         | -   | 51,856                           | -                      | -              | 51,856        |
| Depreciation                              | -   | 23,050                           | -                      | 101,357        | 124,407       |
| Event hosting                             | -   | 155                              | 155,800                | 22,505         | 178,460       |
| Fulfillment                               | 101,328                                     | -                                | -                      | -              | 101,328       |
| General and administrative                | 128,879                                     | 25,405                           | 6,820                  | 286,525        | 447,629       |
| In-Kind contributions                     | 174,630                                     | 31,043                           | 66,937                 | -              | 272,610       |
| Local and community                       | 1,553,943                                   | 1,850                            | 1,535                  | 76,222         | 1,633,550     |
| Promotions                                | 751,359                                     | 16,323                           | -                      | -              | 767,682       |
| Site Visit                                | 198,117                                     | 9,301                            | -                      | -              | 207,418       |
| Technology support                        | 132,953                                     | -                                | -                      | 11,826         | 144,779       |
| Tenancy                                   | 322,176                                     | 140,714                          | 31,752                 | 93,962         | 588,604       |
| Tradeshow participation                   | 367,855                                     | 157                              | -                      | -              | 368,012       |
| Travel                                    | 26,628                                      | 2,607                            | 1,876                  | 73,718         | 104,829       |
| Total expenses before overhead allocation | 8,277,862                                   | 837,534                          | 510,794                | 2,198,762      | 11,824,952    |
| Overhead allocation                       | 1,656,758                                   | 371,947                          | 170,057                | (2,198,762)    | -             |
| Total expenses                            | \$ 9,934,620                                | \$ 1,209,481                     | \$ 680,851             | \$ -           | \$ 11,824,952 |

The accompanying notes are an integral part of this statement.

Tampa Bay Convention & Visitors Bureau, Inc.  
d/b/a Tampa Bay & Company

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended September 30, 2011

|   | Sales, Marketing<br>and Public<br>Relations | Convention &<br>Visitor Services | Membership<br>Services | Administration | Total        |
|---|---|----------------------------------|------------------------|----------------|--------------|
| Salaries                                  | \$ 1,841,265                                | \$ 330,296                       | \$ 194,223             | \$ 825,948     | \$ 3,191,732 |
| Payroll Taxes                             | 158,004                                     | 29,737                           | 14,425                 | 60,700         | 262,865      |
| Employee benefits                         | 302,931                                     | 52,947                           | 34,901                 | 182,478        | 573,257      |
| Total salaries and related expenses       | 2,302,199                                   | 412,980                          | 243,549                | 1,069,126      | 4,027,854    |
| Advertising                               | 1,679,448                                   | -                                | -                      | -              | 1,679,448    |
| Contract services                         | 253,323                                     | 156,484                          | -                      | 26,280         | 436,087      |
| Cost of good sold                         | -   | 64,002                           | -                      | -              | 64,002       |
| Depreciation                              | -   | 8,527                            | -                      | 98,519         | 107,045      |
| Event hosting                             | -   | 837                              | 183,714                | (1,930)        | 182,621      |
| Fulfillment                               | 159,336                                     | -                                | -                      | -              | 159,336      |
| General and administrative                | 107,226                                     | 8,244                            | 6,263                  | 248,188        | 369,921      |
| In-Kind contributions                     | 542,346                                     | 8,066                            | 76,521                 | -              | 626,932      |
| Local and community                       | 16,609                                      | 3,238                            | 4,370                  | 62,421         | 86,637       |
| Promotions                                | 620,118                                     | 19,288                           | -                      | -              | 639,406      |
| Site Visit                                | 142,713                                     | 10,038                           | -                      | -              | 152,751      |
| Technology support                        | 146,744                                     | -                                | -                      | 14,042         | 160,785      |
| Tenancy                                   | 328,840                                     | 116,228                          | 30,388                 | 96,344         | 571,801      |
| Tradeshow participation                   | 598,609                                     | -                                | -                      | -              | 598,609      |
| Travel                                    | 19,077                                      | 1,180                            | 1,825                  | 57,422         | 79,504       |
| Total expenses before overhead allocation | 6,916,588                                   | 809,110                          | 546,630                | 1,670,410      | 9,942,738    |
| Overhead allocation                       | 1,248,716                                   | 328,716                          | 92,978                 | (1,670,410)    | -            |
| Total expenses                            | \$ 8,165,304                                | \$ 1,137,826                     | \$ 639,608             | \$ -           | \$ 9,942,738 |

The accompanying notes are an integral part of this statement.



Tampa Bay Convention & Visitors Bureau, Inc.  
d/b/a Tampa Bay & Company

NOTES TO FINANCIAL STATEMENTS

September 30, 2012 and 2011

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A description of the organization and a summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follow:

1. Description of the Organization

The Tampa Bay Convention & Visitors Bureau, Inc. d/b/a Tampa Bay & Company (the "Bureau") is a not-for-profit organization located in Tampa, Florida. The Bureau was incorporated on April 19, 1985 for the purpose of generating economic development within Tampa and Hillsborough County, Florida, by promoting the area as a site for conventions and a destination for visitors.

The operations of the Bureau can be broken down into the following divisions, each of which has a specific function as detailed below:

- Sales, Marketing and Public Relations: This division concentrates on promoting Tampa/Hillsborough County as a competitive convention venue in the international, national, regional and state marketplaces. This division is also responsible for promoting the area as a leisure destination and targets both the consumer and the travel industry through advertising, promotions, direct sales, and public relations.
- Convention and Visitor Services: This division promotes, facilitates, and coordinates with more than 700 businesses throughout Tampa Bay in order to provide a quality experience to conventions and visitors as the Bureau leads the effort of economic development through tourism.
- Membership Services: This division is responsible for managing membership and developing programs for involvement of the community partners in seminars, workshops, special events and other programs of the Bureau.

2. Basis of Accounting

The accompanying financial statements, presented on the accrual basis of accounting, have been prepared to focus on the Bureau as a whole and to present balances and transactions according to the existence or absence of donor-imposed restrictions.

The Bureau adheres to the provisions of the Financial Accounting Standards Board *Accounting Standards Codification* ("FASB ASC").

FASB ASC 958-205 establishes standards for general purpose external financial statements of not-for-profit organizations and requires a statement of financial position, a statement of activities, and a statement of cash flows.

Tampa Bay Convention & Visitors Bureau, Inc.  
d/b/a Tampa Bay & Company

NOTES TO FINANCIAL STATEMENTS – CONTINUED

September 30, 2012 and 2011

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

FASB ASC 958-605 requires the Bureau to distinguish between contributions that increase permanently restricted net assets, temporarily restricted net assets, and unrestricted net assets. It also requires recognition of contributed services meeting certain criteria at fair values. These three classifications are defined as follows:

- Unrestricted net assets – not subject to donor-imposed restrictions or the donor-imposed restrictions have expired.
- Temporarily restricted net assets – subject to donor-imposed stipulations that may be fulfilled by actions of the Bureau to meet the stipulations or become unrestricted by the passage of time. Currently, the Bureau has no temporarily restricted net assets.
- Permanently restricted net assets – subject to donor-imposed stipulations that they be retained and invested permanently by the Bureau. Currently, the Bureau has no permanently restricted net assets.

3. Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates.

4. Accounts Receivable and Unearned Membership Revenues

Accounts receivable are recorded at estimated net realizable value. None of the accounts receivable at September 30, 2012 and 2011 are deemed to be uncollectible. Therefore, no provision for uncollectible amounts has been made in the accompanying financial statements.

The Bureau currently invoices for membership renewals and event and program sponsorships in advance of the membership renewal date or the date of the event or program. These amounts are recorded in accounts receivable and unearned membership revenues when invoiced. The amount of membership dues deferred is recognized as membership dues revenue ratably on a monthly basis over the membership period. Event and program sponsorships are recognized in revenue in the month of the event or program.

Tampa Bay Convention & Visitors Bureau, Inc.  
d/b/a Tampa Bay & Company

NOTES TO FINANCIAL STATEMENTS – CONTINUED

September 30, 2012 and 2011

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

5. Inventory

Inventory consists primarily of souvenirs and promotional goods. Inventory is stated at the lower of cost or market, determined by the weighted average method.

6. Furniture, Equipment and Leasehold Improvements

Furniture and equipment are stated at cost. Depreciation and amortization is computed utilizing the straight-line method over the estimated useful lives (three to five years) of the related assets.

Cost and related accumulated depreciation are removed from the accounts when assets are retired or otherwise disposed. The difference between the net book value of the assets and the proceeds from their disposition is recognized as a gain or loss. Routine maintenance and repairs are charged to expense as incurred, while costs of betterments and renewals are capitalized. It is the Bureau's policy to capitalize expenditures for furniture and equipment having a unit cost in excess of \$1,000.

7. In-Kind and Non-Cash Contributions

In-kind donation items used by the Bureau are recorded as contributions and expenses to the extent that an objective basis is available to measure the value of such items.

Contributed services are recorded as contributions and expenses at their fair value, to the extent they create or enhance non-financial assets or require specialized skills, are provided by individuals or organizations possessing these skills, and would typically need to be purchased if not provided by donations.

A substantial number of volunteers have donated significant amounts of their time and resources toward the objectives of the Bureau; however, no amounts are recorded in the accompanying financial statements for non-specialist services.

8. Income Taxes

The Bureau is incorporated as a not-for-profit organization and is exempt from federal income taxes under Section 501(c)(6) of the Internal Revenue Code. The Bureau, however, is subject to taxation for unrelated business income, which includes income from retail operations. The Bureau has income tax matters that may arise from ongoing operations from time to time, and management would make accruals for those matters where appropriate.

Tampa Bay Convention & Visitors Bureau, Inc.  
d/b/a Tampa Bay & Company

NOTES TO FINANCIAL STATEMENTS – CONTINUED

September 30, 2012 and 2011

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

The Commission has adopted the standard for accounting for uncertain tax positions. The Bureau's 2008 through 2011 tax years are open for examination by the Internal Revenue Service (IRS). The Bureau files as a tax-exempt organization. Should that status be challenged in the future, all years since inception could be subject to review by the IRS.

9. Management Fee Income

The Bureau performs management services for the Tampa Bay Sports Commission, Inc. (the Sports Commission), a Florida not-for-profit corporation, in accordance with a management agreement which expires in 2012. The Bureau also performs management services for the Tampa Hillsborough Economic Development Corporation, Inc. (THEDC), a Florida not-for-profit corporation, in accordance with a shared services agreement, dated December 2010, which expired in 2012. However, THEDC continues to pay such management fees on a month to month basis. Management fees received from the Sports Commission were \$400,000 and \$350,000 during the years ended September 30, 2012 and 2011, respectively. Management fees received from THEDC were \$48,000 during each of the years in the period ended September 30, 2012. In addition, THEDC pays fees to the Bureau under a Professional Employer Organization (PEO) contract whereby the Bureau provides payroll and payroll related services for a fee. Fees received from THEDC under this contract in 2012 were \$33,591. As discussed below, the Bureau also subleases a portion of its office space to THEDC under a lease that expired in 2012.

10. Advertising Costs

Advertising costs are charged to operations when the advertisement is published. Advertising expense was approximately \$1.7 million in each of the years in the period ended September 30, 2012.

11. Functional Allocation of Expenses

The costs of providing the various programs have been summarized on a functional basis in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs benefited.

12. Related Party Transactions

The Bureau enters into certain promotional partnership and marketing transactions with organizations affiliated with members of the Bureau's Board of Directors. In addition, the Bureau incurred expenses of approximately \$1 million during the year ended September 30, 2012, with organizations affiliated with certain members of the Executive Committee of the Board of Directors.

Tampa Bay Convention & Visitors Bureau, Inc.  
d/b/a Tampa Bay & Company

NOTES TO FINANCIAL STATEMENTS – CONTINUED

September 30, 2012 and 2011

NOTE B – FURNITURE, EQUIPMENT and LEASEHOLD IMPROVEMENTS

Furniture and equipment consist of the following at September 30:

|                                    | <u>2012</u>       | <u>2011</u>       |
|------------------------------------|-------------------|-------------------|
| Furniture, computers and equipment | \$ 926,642        | \$ 740,599        |
| Less accumulated depreciation      | 662,061           | 552,328           |
|                                    | <u>\$ 264,581</u> | <u>\$ 188,271</u> |

NOTE C - EMPLOYEE BENEFIT PLAN

The Bureau maintains a defined contribution 401(k) plan that provides benefits to all participating full time employees who have reached 21 years of age and have completed one year of service. The Bureau's contributions to the plan are equal to 100% of participant contributions to the plan up to 5% of their annual salary, plus a discretionary profit sharing contribution not to exceed 5% of the annual salary of each participant. The Bureau's contributions to the plan approximated \$133,000 and \$165,000 for the years ended September 30, 2012 and 2011, respectively.

NOTE D - ACCRUED EXPENSES

Accrued expenses and other liabilities consisted of the following at September 30,:

|                             | <u>2012</u>       | <u>2011</u>       |
|-----------------------------|-------------------|-------------------|
| Accrued payroll             | \$ 456,249        | \$ 388,778        |
| Accrued paid time off       | 121,039           | 144,725           |
| Accrued 401(k) contribution | 33,002            | 19,974            |
| Other accrued expenses      | -                 | 80,000            |
|                             | <u>\$ 610,290</u> | <u>\$ 633,477</u> |

NOTE E - GOVERNMENT CONTRACTS

The Bureau received significant funding (approximately 80% and 77% during the years ended September 30, 2012 and 2011, respectively) from contracts with Hillsborough County, Florida to promote Tampa and Hillsborough County as a site for conventions and a destination for visitors. The total revenue earned on these contracts approximated \$9.7 million and \$8.2 million for the years ended September 30, 2012 and 2011, respectively. Under the Bureau's primary contract, which expires in September 2013, funds received from the County are based upon the total tourist development tax collected. The Bureau received \$8.0 million under this contract for the each of the years in the period ended September 30, 2012. The Bureau will receive up to \$8.2 million under this contract in the year ending September 30, 2013.

Tampa Bay Convention & Visitors Bureau, Inc.  
d/b/a Tampa Bay & Company

NOTES TO FINANCIAL STATEMENTS – CONTINUED

September 30, 2012 and 2011

NOTE F - COMMITMENTS AND CONTINGENCIES

Lease Commitments

The Bureau leases office space in Tampa, Florida under a non-cancelable operating lease agreement that expires in 2017. Rental payments pursuant to this lease approximated \$253,000 and \$558,000 for the years ended September 30, 2012 and 2011, respectively. The Bureau subleases a portion of its office space to THEDC under a lease that expired in 2012. Rental payments received related to this sublease approximately \$83,600 and \$86,700 during 2012 and 2011, respectively. In addition, the Bureau leases space for a Visitor Center under a lease that expires in April 2017. Rental payments pursuant to this lease approximated \$35,000 and \$17,500 for the years ended September 30, 2012 and 2011, respectively. Under the terms of these leases, rental payments for a portion of 2012 were abated. However, the amount of rent abated was charged to rent expense in 2012 and is included in rent payable at September 30, 2012, in the accompanying financial statements. This balance will be amortized reduce recorded rent expense over the remaining 60 months of the leases. The Bureau also leases various equipment under operating leases with terms ranging from two to four years. Rental expenses charged against operations for these equipment leases were approximately \$66,000 and \$59,100 for the years ended September 30, 2012 and 2011, respectively.

The approximate future minimum lease payments, by year and in aggregate, under non-cancelable operating leases with terms of one year or more consist of the following at September 30:

| Year ending<br>September 30 | Minimum<br>lease<br>payments |
|-----------------------------|------------------------------|
| 2013                        | \$ 589,078                   |
| 2014                        | 605,928                      |
| 2015                        | 623,285                      |
| 2016                        | 641,156                      |
| 2017                        | 561,722                      |
|                             | <u>\$3,021,169</u>           |

Contract Conditions

Various county contracts require the fulfillment of certain conditions as set forth in the originating contracts. Failure to fulfill the conditions could result in the return of funds related to such contracts. Although this is a possibility, management deems the contingency remote, due to both the nature of the contracts and current conditions. Additionally, the availability of funding under these contracts is subject to change with little or no advance notice.

Tampa Bay Convention & Visitors Bureau, Inc.  
d/b/a Tampa Bay & Company

NOTES TO FINANCIAL STATEMENTS – CONTINUED

September 30, 2012 and 2011

NOTE G – SUBSEQUENT EVENTS

The Bureau has evaluated events and transactions occurring subsequent to September 30, 2012 as of March 15, 2013, which was the date the financial statements were available to be issued. Subsequent events occurring after March 15, 2013 have not been evaluated by management. No material events have occurred since September 30, 2012 that requires recognition or disclosure in the financial statements.

INDEPENDENT AUDITORS' 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

TAMPA BAY CONVENTION & VISITORS BUREAU, INC.  
d/b/a TAMPA BAY & COMPANY

September 30, 2012



**INDEPENDENT AUDITORS' 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**

The Board of Directors  
Tampa Bay Convention & Visitors Bureau, Inc. d/b/a Tampa Bay & Company

We have audited the financial statements of Tampa Bay Convention & Visitors Bureau, Inc. d/b/a Tampa Bay & Company (the "Bureau") as of and for the year ended September 30, 2012, and have issued our report thereon, dated March 15, 2013. We conducted our audit in accordance with 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 of America.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Bureau's internal control over financial reporting as a basis for designing our auditing procedures 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 Bureau's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Bureau's internal control over financial reporting.

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 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 Bureau's financial statements will not be prevented, or detected and corrected on a timely basis.

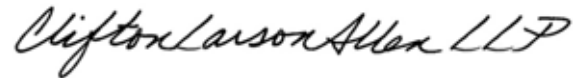
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

The Board of Directors  
Tampa Bay Convention & Visitors Bureau, Inc. d/b/a Tampa Bay & Company

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements are free of 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*.

This report is intended solely for the information and use of Board of Directors, management, and applicable city, county and federal agencies and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

**CliftonLarsonAllen, LLP**

Tampa, Florida  
March 15, 2013