

FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORTS

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

September 30, 2013 and 2012

TABLE OF CONTENTS

Independent Auditors' Report	1 - 2
Financial Statements	
Statements of Financial Position	3
Statements of Activities and Changes in Net Assets	4
Statements of Cash Flows	5
Statements of Functional Expenses	6 - 7
Notes to Financial Statements	8 – 14
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	15 – 17

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of Tampa Bay Convention & Visitors Bureau, Inc. d/b/a Visit Tampa Bay (a Florida corporation), which comprise the statements of financial position as of September 30, 2013 and 2012, and the related statements of activities and changes in net assets, cash flows, and functional expenses for the years 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 financial statements 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.

Auditors' Responsibility

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. Those standards require that we plan and perform the audits 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 auditors' 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 entity'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 the entity's 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.

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

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 Visit Tampa Bay as of September 30, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 6, 2014, on our consideration of Tampa Bay Convention & Visitors Bureau, Inc. d/b/a Visit Tampa Bay'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 result of that testing, and not to provide an opinion on 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 Tampa Bay Convention & Visitors Bureau, Inc. d/b/a Visit Tampa Bay's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Tampa, Florida
March 6, 2014

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

STATEMENTS OF FINANCIAL POSITION

September 30,

	<u>2013</u>	<u>2012</u>
ASSETS		
Cash	\$ 2,637,302	\$ 980,288
Accounts receivable		
Local government	549,464	1,315,465
Membership	22,725	7,220
Other	232,379	404,866
Inventory	48,279	51,800
Prepaid expenses and other assets	<u>76,622</u>	<u>39,092</u>
Total current assets	3,566,771	2,798,731
Furniture, equipment and leasehold improvements, net of accumulated depreciation and amortization	<u>394,633</u>	<u>264,581</u>
TOTAL ASSETS	<u><u>\$ 3,961,404</u></u>	<u><u>\$ 3,063,312</u></u>
LIABILITIES AND NET ASSETS		
Accounts payable	\$ 951,659	\$ 672,399
Accrued expenses	582,971	610,290
Unearned revenue		
Membership	251,012	267,052
Other	<u>87,122</u>	<u>20,279</u>
Total current liabilities	<u>1,872,764</u>	<u>1,570,020</u>
Commitments and contingencies	-	-
Net assets - unrestricted	<u>2,088,640</u>	<u>1,493,292</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 3,961,404</u></u>	<u><u>\$ 3,063,312</u></u>

The accompanying notes are an integral part of these statements.

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

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

For the years ended September 30,

	<u>2013</u>	<u>2012</u>
REVENUES		
Government contracts	\$8,510,297	\$9,674,421
Membership dues	549,749	534,256
Membership events	211,601	207,403
Promotional partnerships	341,559	597,631
Registration and housing	122,599	187,991
Management fee income	605,106	545,358
Visitor information center	122,839	107,102
In-kind contributions	<u>501,288</u>	<u>272,610</u>
Total revenues	<u>10,965,038</u>	<u>12,126,772</u>
EXPENSES		
Sales, marketing and public relations	8,652,801	9,934,620
Convention and visitor services	1,073,855	1,209,481
Membership services	<u>643,034</u>	<u>680,851</u>
Total expenses	<u>10,369,690</u>	<u>11,824,952</u>
Change in net assets	<u>595,348</u>	<u>301,820</u>
Net assets, beginning of year	<u>1,493,292</u>	<u>1,191,472</u>
Net assets, end of year	<u><u>\$2,088,640</u></u>	<u><u>\$1,493,292</u></u>

The accompanying notes are an integral part of these statements.

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

STATEMENTS OF CASH FLOWS

For the years ended September 30,

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities		
Change in net assets	<u>\$ 595,348</u>	<u>\$ 301,820</u>
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	136,632	124,407
Decrease (increase) in accounts receivable	922,983	(710,682)
Decrease (increase) in inventory	3,521	(29,597)
(Increase) decrease in prepaid expenses and other assets	(37,530)	78,824
Increase in accounts payable and accrued expenses	251,941	157,643
Increase (decrease) in unearned revenue	50,803	(98,907)
Total adjustments	<u>1,328,350</u>	<u>(478,312)</u>
Net cash provided by (used in) operating activities	1,923,698	(176,492)
Cash flows (used in) investing activities		
Capital expenditures	<u>(266,684)</u>	<u>(200,718)</u>
Net increase (decrease) in cash	1,657,014	(377,210)
Cash, beginning of year	980,288	1,357,498
Cash, end of year	<u><u>\$2,637,302</u></u>	<u><u>\$ 980,288</u></u>

The accompanying notes are an integral part of these statements.

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

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended September 30, 2013

	Sales, Marketing and Public Relations	Convention & Visitor Services	Membership Services	Administration	Total
Salaries	\$ 2,208,476	\$ 294,384	\$ 214,113	\$ 830,285	\$ 3,547,258
Payroll Taxes	178,163	26,575	16,326	68,179	289,243
Employee benefits	323,413	40,593	34,348	153,365	551,719
Total salaries and related expenses	2,710,052	361,552	264,787	1,051,829	4,388,220
Advertising	1,825,287	-	-	-	1,825,287
Contract services	278,811	93,620	-	-	372,431
Cost of good sold	-	61,329	-	-	61,329
Depreciation	81,005	31,123	7,354	17,150	136,632
Event hosting	-	87,489	83,294	-	170,783
Fulfillment	82,809	-	-	-	82,809
General and administrative	126,458	13,618	5,429	320,991	466,496
In-Kind contributions	330,028	136,213	35,047	-	501,288
Local and community	116,018	3,587	2,166	39,401	161,172
Promotions	477,021	33,565	-	-	510,586
Site Visit	258,549	6,956	-	-	265,505
Technology support	192,710	-	-	25,393	218,103
Tenancy	365,629	29,113	121,932	74,516	591,190
Tradeshow participation	513,813	-	-	-	513,813
Travel	47,464	6,772	9,800	40,010	104,046
Total expenses before overhead allocation	7,405,654	864,937	529,809	1,569,290	10,369,690
Overhead allocation	1,247,147	208,918	113,225	(1,569,290)	-
Total expenses	\$ 8,652,801	\$ 1,073,855	\$ 643,034	\$ -	\$ 10,369,690

The accompanying notes are an integral part of this statement.

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

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended September 30, 2012

	Sales, Marketing and Public Relations	Convention & Visitor Services	Membership 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 Visit Tampa Bay

NOTES TO FINANCIAL STATEMENTS

September 30, 2013 and 2012

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 Visit Tampa Bay (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 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 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 Visit Tampa Bay

NOTES TO FINANCIAL STATEMENTS – CONTINUED

September 30, 2013 and 2012

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, 2013 and 2012 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 Visit Tampa Bay

NOTES TO FINANCIAL STATEMENTS – CONTINUED

September 30, 2013 and 2012

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. As discussed in Note F, the Bureau recorded a reduction in its rent for the cost of certain leasehold improvements in connection with its office lease. In accordance with generally accepted accounting principles, the amount of this allowance has been recorded in fixed assets and rent payable in the accompanying financial statements. Such cost is being amortized over the life of the lease (65 months).

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 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 Visit Tampa Bay

NOTES TO FINANCIAL STATEMENTS – CONTINUED

September 30, 2013 and 2012

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

Income Taxes - continued

The Bureau has adopted the standard for accounting for uncertain tax positions. The Bureau's 2009 through 2013 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 2014. The Bureau also provides certain 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 \$500,000 and \$400,000 during the years ended September 30, 2013 and 2012, respectively. Management fees received from THEDC were \$42,000 and \$84,000 during the years ended September 30, 2013 and 2012, respectively. 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 were \$41,604 and \$33,591 during the years ended September 30, 2013 and 2012, respectively. As discussed below, the Bureau also subleases a portion of its office space to THEDC under a lease that expired in 2012. However, THEDC continues to pay office rent on a month to month basis.

10. Advertising Costs

Advertising costs are charged to operations when the advertisement is published. Advertising expense was approximately \$1.8 million and \$1.7 million in the years ended September 30, 2013 and 2012, respectively.

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.

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

NOTES TO FINANCIAL STATEMENTS – CONTINUED

September 30, 2013 and 2012

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

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 \$600,000 and \$1 million during the years ended September 30, 2013 and 2012, respectively, with organizations affiliated with certain members of the Board of Directors.

13. Reclassifications

Certain amounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

NOTE B – FURNITURE, EQUIPMENT and LEASEHOLD IMPROVEMENTS

Furniture and equipment consist of the following at September 30:

	2013	2012
Furniture, computers and equipment	\$ 951,607	\$ 799,915
Leasehold improvements	241,719	126,727
	1,193,326	926,642
Less accumulated depreciation	798,693	662,061
	<u>\$ 394,633</u>	<u>\$ 264,581</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 \$134,000 and \$133,000 for the years ended September 30, 2013 and 2012, respectively.

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

NOTES TO FINANCIAL STATEMENTS – CONTINUED

September 30, 2013 and 2012

NOTE D - ACCRUED EXPENSES

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

	2013	2012
Accrued payroll	\$ 422,958	\$ 456,249
Accrued paid time off	124,050	121,039
Accrued 401(k) contribution	35,963	33,002
	<u>\$ 582,971</u>	<u>\$ 610,290</u>

NOTE E - GOVERNMENT CONTRACTS

The Bureau received significant funding (approximately 78% and 80% during the years ended September 30, 2013 and 2012, 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 \$8.5 million and \$9.7 million for the years ended September 30, 2013 and 2012, respectively. Under the Bureau's primary contract, which expires in September 2015, funds received from the County are based upon the total tourist development tax collected. The Bureau received \$8.2 and \$8.0 million under this contract for each of the years in the period ended September 30, 2013 and 2012, respectively. The Bureau will receive up to \$8.45 and \$8.7 million under this contract in the years ending September 30, 2014 and 2015, respectively.

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 \$442,783 and \$253,000 for the years ended September 30, 2013 and 2012, 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 totaled approximately \$85,500 and \$83,600 during 2013 and 2012, 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 \$76,600 and \$35,000 for the years ended September 30, 2013 and 2012, respectively. Under the terms of these leases, rental payments for a portion of 2013 and 2012 were abated. However, the amount of rent abated was charged to rent expense and is included in rent payable in the accompanying financial statements. In addition, under the terms of the leases, the Bureau received an allowance for the cost of tenant improvements to be applied against rent payments. Such allowance has been recorded in leasehold improvements and rent payable in the accompanying financial statements. The total amount of rent payable (\$427,000) in the accompanying financial statements at September 30, 2013, will be amortized to reduce rent expense over the remaining life of the lease.

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

NOTES TO FINANCIAL STATEMENTS – CONTINUED

September 30, 2013 and 2012

NOTE F - COMMITMENTS AND CONTINGENCIES - Continued

Lease Commitments - continued

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 \$47,000 and \$66,000 for the years ended September 30, 2013 and 2012, 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:

<u>Year ending September 30</u>	<u>Minimum lease payments</u>
2014	\$ 632,556
2015	659,403
2016	676,088
2017	583,605
2018	<u>3,647</u>
	<u><u>\$ 2,555,299</u></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.

NOTE G – SUBSEQUENT EVENTS

The Bureau has evaluated events and transactions occurring subsequent to September 30, 2013 as of March 6, 2014, which was the date the financial statements were available to be issued. Subsequent events occurring after March 6, 2014 have not been evaluated by management. No material events have occurred since September 30, 2013 that require 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 VISIT TAMPA BAY

September 30, 2013

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 Visit Tampa Bay
Tampa, Florida

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 Tampa Bay Convention & Visitors Bureau, Inc., which comprise the statement of financial position as of September 30, 2013, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 6, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Tampa Bay Convention & Visitors Bureau, Inc.'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 Tampa Bay Convention & Visitors Bureau, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Tampa Bay Convention & Visitors Bureau, Inc.'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 a 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Board of Directors
Tampa Bay Convention and Visitors Bureau, Inc. d/b/a Visit Tampa Bay

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Tampa Bay Convention & Visitors Bureau, Inc.'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 result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

CliftonLarsonAllen LLP

Tampa, Florida
March 6, 2014