

**TAMPA BAY CONVENTION & VISITORS BUREAU, INC.  
DBA: VISIT TAMPA BAY**

**FINANCIAL STATEMENTS**

**YEARS ENDED SEPTEMBER 30, 2016 AND 2015**

**TAMPA BAY CONVENTION & VISITORS BUREAU, INC.  
DBA: VISIT TAMPA BAY  
TABLE OF CONTENTS  
YEARS ENDED SEPTEMBER 30, 2016 AND 2015**

<b>INDEPENDENT AUDITORS' REPORT</b>	<b>1</b>
<b>FINANCIAL STATEMENTS</b>	
<b>STATEMENTS OF FINANCIAL POSITION</b>	<b>3</b>
<b>STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS</b>	<b>4</b>
<b>STATEMENTS OF FUNCTIONAL EXPENSES</b>	<b>5</b>
<b>STATEMENTS OF CASH FLOWS</b>	<b>7</b>
<b>NOTES TO FINANCIAL STATEMENTS</b>	<b>8</b>
<b>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 <i>GOVERNMENT AUDITING STANDARDS</i></b>	<b>15</b>

## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Tampa Bay Convention & Visitors Bureau, Inc.  
dba: Visit Tampa Bay  
Tampa, Florida

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Tampa Bay Convention & Visitors Bureau, Inc. dba: Visit Tampa Bay (a nonprofit organization), which comprise the statements of financial position as of September 30, 2016 and 2015, and the related statements of activities and changes in net assets, functional expenses, and cash flows 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 of 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.

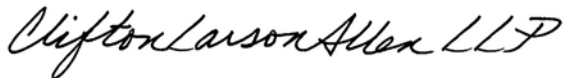
Board of Directors  
Tampa Bay Convention & Visitors Bureau, Inc.  
dba: Visit Tampa Bay

***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. dba: Visit Tampa Bay as of September 30, 2016 and 2015, 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 February 3, 2017, on our consideration of Tampa Bay Convention & Visitors Bureau, Inc. dba: 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. dba: Visit Tampa Bay's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Tampa, Florida  
February 3, 2017

**TAMPA BAY CONVENTION & VISITORS BUREAU, INC.**  
**DBA: VISIT TAMPA BAY**  
**STATEMENTS OF FINANCIAL POSITION**  
**SEPTEMBER 30, 2016 AND 2015**

	<u>2016</u>	<u>2015</u>
<b>ASSETS</b>		
Cash	\$ 2,990,754	\$ 2,665,524
Accounts Receivable:		
Local Government	1,049,641	149,404
Partnership	21,445	1,812
Other	289,187	237,527
Inventory	64,893	73,857
Prepaid Expenses and Other Assets	<u>254,587</u>	<u>201,405</u>
Total Current Assets	4,670,507	3,329,529
 Furniture, Equipment, and Leasehold Improvements, Net of Accumulated Depreciation and Amortization	 <u>135,442</u>	 <u>216,625</u>
 Total Assets	 <u><u>\$ 4,805,949</u></u>	 <u><u>\$ 3,546,154</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
Accounts Payable	\$ 1,014,234	\$ 662,548
Accrued Expenses	534,281	289,006
Rent Payable	123,763	245,527
Passthrough Funding	346,336	-
Unearned Revenue:		
Partnership	261,461	255,365
Other	<u>41,899</u>	<u>53,121</u>
Total Current Liabilities	2,321,974	1,505,567
 Net Assets - Unrestricted	 <u>2,483,975</u>	 <u>2,040,587</u>
 Total Liabilities and Net Assets	 <u><u>\$ 4,805,949</u></u>	 <u><u>\$ 3,546,154</u></u>

See accompanying Notes to Financial Statements.

**TAMPA BAY CONVENTION & VISITORS BUREAU, INC.**  
**DBA: VISIT TAMPA BAY**  
**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**YEARS ENDED SEPTEMBER 30, 2016 AND 2015**

	<u>2016</u>	<u>2015</u>
<b>REVENUES</b>		
Government Contracts	\$ 12,449,641	\$ 10,116,220
Partnership Dues	541,505	539,722
Partnership Events	251,010	209,300
Promotional Partnerships	860,874	534,351
Registration and Housing	33,171	84,944
Management Fee Income	34,792	19,448
Visitor Information Center	239,692	198,647
In-Kind Contributions	578,867	563,045
Total Revenues	<u>14,989,552</u>	<u>12,265,677</u>
<b>EXPENSES</b>		
Sales, Marketing, and Public Relations	12,147,680	10,146,205
Convention and Visitor Services	1,685,656	1,377,871
Partnership Services	712,828	609,648
Total Expenses	<u>14,546,164</u>	<u>12,133,724</u>
<b>CHANGE IN NET ASSETS</b>	443,388	131,953
Net Assets - Beginning of Year	<u>2,040,587</u>	<u>1,908,634</u>
<b>NET ASSETS - END OF YEAR</b>	<u><u>\$ 2,483,975</u></u>	<u><u>\$ 2,040,587</u></u>

See accompanying Notes to Financial Statements.

**TAMPA BAY CONVENTION & VISITORS BUREAU, INC.**  
**DBA: VISIT TAMPA BAY**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED SEPTEMBER 30, 2016**

	Sales, Marketing, and Public Relations	Convention and Visitor Services	Membership Services	Administration	Total
Salaries	\$ 2,166,772	\$ 346,957	\$ 213,949	\$ 1,190,834	\$ 3,918,512
Payroll Taxes	163,460	29,205	16,419	69,713	278,797
Employee Benefits	325,298	58,438	34,745	185,213	603,694
Total Salaries and Related Expenses	2,655,530	434,600	265,113	1,445,760	4,801,003
Advertising	3,238,061	-	-	-	3,238,061
Contract Services	364,974	29,251	-	1,877	396,102
Cost of Good Sold	-	118,299	-	-	118,299
Depreciation	79,026	35,676	6,737	25,574	147,013
Event Hosting	-	-	189,277	-	189,277
Fulfillment	111,530	-	-	-	111,530
General and Administrative	131,777	6,369	8,859	371,554	518,559
In-Kind Contributions	119,708	410,280	48,879	-	578,867
Local and Community	20,224	4,631	6,271	289,890	321,016
Promotions	1,726,170	22,012	-	-	1,748,182
Site Visit	305,178	9,765	-	-	314,943
Technology Support	220,611	-	-	26,469	247,080
Tenancy	419,314	190,416	35,428	126,717	771,875
Tradeshow Participation	929,535	-	-	3,304	932,839
Travel	64,096	9,052	2,076	36,294	111,518
Total Expenses before Overhead Allocation	10,385,734	1,270,351	562,640	2,327,439	14,546,164
Overhead Allocation	1,761,946	415,305	150,188	(2,327,439)	-
Total Expenses	<u>\$ 12,147,680</u>	<u>\$ 1,685,656</u>	<u>\$ 712,828</u>	<u>\$ -</u>	<u>\$ 14,546,164</u>

See accompanying Notes to Financial Statements.

**TAMPA BAY CONVENTION & VISITORS BUREAU, INC.**  
**DBA: VISIT TAMPA BAY**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED SEPTEMBER 30, 2015**

	Sales, Marketing, and Public Relations	Convention and Visitor Services	Partnership Services	Administration	Total
Salaries	\$ 1,937,795	\$ 324,552	\$ 174,097	\$ 1,056,836	\$ 3,493,280
Payroll Taxes	150,443	28,072	13,891	64,652	257,058
Employee Benefits	286,796	47,143	28,999	180,231	543,169
Total Salaries and Related Expenses	2,375,034	399,767	216,987	1,301,719	4,293,507
Advertising	2,577,213	-	-	-	2,577,213
Contract Services	300,906	65,011	-	13,450	379,367
Cost of Good Sold	-	101,391	-	-	101,391
Depreciation	82,518	31,630	6,523	26,530	147,201
Event Hosting	-	518	165,445	-	165,963
Fulfillment	85,505	-	-	-	85,505
General and Administrative	133,325	8,044	4,242	226,615	372,226
In-Kind Contributions	219,902	285,988	57,155	-	563,045
Local and Community	21,462	4,286	553	216,658	242,959
Promotions	1,186,836	31,398	-	-	1,218,234
Site Visit	348,003	8,090	-	-	356,093
Technology Support	219,127	-	-	53,112	272,239
Tenancy	390,400	162,320	30,607	118,252	701,579
Tradeshow Participation	577,396	-	-	3,369	580,765
Travel	34,022	6,826	2,079	33,510	76,437
Total Expenses before Overhead Allocation	8,551,649	1,105,269	483,591	1,993,215	12,133,724
Overhead Allocation	1,594,556	272,602	126,057	(1,993,215)	-
Total Expenses	<u>\$ 10,146,205</u>	<u>\$ 1,377,871</u>	<u>\$ 609,648</u>	<u>\$ -</u>	<u>\$ 12,133,724</u>

See accompanying Notes to Financial Statements.



**TAMPA BAY CONVENTION & VISITORS BUREAU, INC.**  
**DBA: VISIT TAMPA BAY**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED SEPTEMBER 30, 2016 AND 2015**

	<u>2016</u>	<u>2015</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 443,388	\$ 131,953
Adjustments to Reconcile Change in Net Assets to Net Cash		
Provided (Used) by Operating Activities:		
Depreciation	147,013	147,201
(Increase) Decrease in Accounts Receivable	(971,530)	96,019
(Increase) Decrease in Inventory	8,964	(1,214)
(Increase) Decrease in Prepaid Expenses and Other Assets	(53,182)	(156,404)
Increase (Decrease) in Accounts Payable and Accrued Expenses	821,533	(425,074)
Increase (Decrease) in Unearned Revenue	(5,126)	(4,844)
Net Cash Provided (Used) by Operating Activities	<u>391,060</u>	<u>(212,363)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital Expenditures	<u>(65,830)</u>	<u>(43,504)</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	325,230	(255,867)
Cash - Beginning of Year	<u>2,665,524</u>	<u>2,921,391</u>
<b>CASH - END OF YEAR</b>	<u><u>\$ 2,990,754</u></u>	<u><u>\$ 2,665,524</u></u>

See accompanying Notes to Financial Statements.

**TAMPA BAY CONVENTION & VISITORS BUREAU, INC.**  
**DBA: VISIT TAMPA BAY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016 AND 2015**

**NOTE 1 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:

**Description of the Organization**

The Tampa Bay Convention & Visitors Bureau, Inc. dba: Visit Tampa Bay (Visit Tampa Bay) is a nonprofit organization located in Tampa, Florida. Visit Tampa Bay 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 Visit Tampa Bay 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 750 businesses throughout Tampa Bay in order to provide a quality experience to conventions and visitors as Visit Tampa Bay leads the effort of economic development through tourism.

**Partnership Services**

This division is responsible for managing partnership and developing programs for involvement of community partners in seminars, workshops, special events, and other programs of Visit Tampa Bay.

**Basis of Accounting**

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

Visit Tampa Bay 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 nonprofit organizations and requires a statement of financial position, a statement of activities, and a statement of cash flows.

**TAMPA BAY CONVENTION & VISITORS BUREAU, INC.**  
**DBA: VISIT TAMPA BAY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016 AND 2015**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Accounting (Continued)**

FASB ASC 958-605 requires Visit Tampa Bay 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 Visit Tampa Bay to meet the stipulations or become unrestricted by the passage of time. Currently, Visit Tampa Bay has no temporarily restricted net assets.

**Permanently Restricted Net Assets**

Subject to donor-imposed stipulations that they be retained and invested permanently by Visit Tampa Bay. Currently, Visit Tampa Bay has no permanently restricted net assets.

**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.

**Accounts Receivable and Unearned Partnership Revenues**

Accounts receivable are recorded at estimated net realizable value. None of the accounts receivable at September 30, 2016 and 2015 are deemed to be uncollectible. Therefore, no provision for uncollectible amounts has been made in the accompanying financial statements.

Visit Tampa Bay currently invoices for partnership renewals and event and program sponsorships in advance of the partnership renewal date or the date of the event or program. These amounts are recorded in accounts receivable and unearned partnership revenues when invoiced.

**Passthrough Funding**

Visit Tampa Bay receives funds from Hillsborough County to promote; out of area advertising, local festivals and events, and visitor centers in the Tampa Bay area. Visit Tampa Bay does not control how these funds are spent and reimburses third parties for their costs incurred. As such Visit Tampa Bay does not recognize any revenue or expense associated with these funds.

**TAMPA BAY CONVENTION & VISITORS BUREAU, INC.**  
**DBA: VISIT TAMPA BAY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016 AND 2015**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenue Recognition**

Visit Tampa Bay's revenue comes from both public and private sources. Public revenue from government contracts is recognized when earned. Private revenue represents partnership dues, partnership events and promotional partnerships. Promotional partnerships include advertising, tradeshow and promotional co-ops, as well as visitor center sales. Partnership dues represent revenues from businesses with interests in Tampa Bay that wish to support Visit Tampa Bay's efforts to market our destination. Partnership dues are recognized ratably on a monthly basis over the partnership period. Partnership events revenue is recognized in the period that the underlying event occurs. Promotional partnerships revenue is recognized when earned.

**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.

**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 5, Visit Tampa Bay 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 Visit Tampa Bay's policy to capitalize expenditures for furniture and equipment having a unit cost in excess of \$1,000.

**In-Kind and Noncash Contributions**

In-kind donation items used by Visit Tampa Bay 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 Visit Tampa Bay; however, no amounts are recorded in the accompanying financial statements for non-specialist services.

**TAMPA BAY CONVENTION & VISITORS BUREAU, INC.**  
**DBA: VISIT TAMPA BAY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016 AND 2015**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Income Taxes**

Visit Tampa Bay is incorporated as a nonprofit organization and is exempt from federal income taxes under Section 501(c)(6) of the Internal Revenue Code. Visit Tampa Bay is subject to taxation for unrelated business income, which includes income from retail operations. Visit Tampa Bay has income tax matters that may arise from ongoing operations from time to time, and management would make accruals for those matters where appropriate.

The Commission has adopted the standard for accounting for uncertain tax positions. Visit Tampa Bay's 2012 through 2015 tax years are open for examination by the Internal Revenue Service (IRS). Visit Tampa Bay 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.

**Management Fee Income**

Visit Tampa Bay performs management services for the Tampa Bay Sports Commission, Inc. (the Sports Commission), a Florida nonprofit corporation, in accordance with a management agreement which expired in 2014. Prior to October 1, 2014, the management fees charged included payroll and payroll related costs for employees of the Sports Commission who were employed by Visit Tampa Bay and included in payroll and payroll-related costs in the financial statements of Visit Tampa Bay. Beginning October 1, 2014, Visit Tampa Bay continued performing management and administrative services for the Sports Commission, but no longer charged a management fee for such services. Instead, direct payroll and employee benefit costs are charged to the Sports Commission and classified as personnel costs in the financial statements of the Sports Commission. Such costs totaled \$896,643 and \$768,774 in the years ended September 30, 2016 and 2015, respectively.

**Advertising Costs**

Advertising costs are charged to operations when the advertisement is published. Advertising expense was approximately \$3.2 million and \$2.6 million in the years ended September 30, 2016 and 2015, respectively.

**Functional Allocation of Expenses**

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

**TAMPA BAY CONVENTION & VISITORS BUREAU, INC.**  
**DBA: VISIT TAMPA BAY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016 AND 2015**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Related Party Transactions**

Visit Tampa Bay enters into certain promotional partnership and marketing transactions with organizations affiliated with members of Visit Tampa Bay's board of directors. During the years ended September 30, 2016 and 2015, revenue of approximately \$399,283 and \$72,000, respectively, was recognized from organizations affiliated with certain members of the board of directors. In addition, Visit Tampa Bay incurred expenses of approximately \$601,663 and \$550,000 during the years ended September 30, 2016 and 2015, respectively, with organizations affiliated with certain members of the board of directors. These transactions are conducted at arm's length and are in the normal course of business.

**NOTE 2 FURNITURE, EQUIPMENT, AND LEASEHOLD IMPROVEMENTS**

Furniture and equipment consist of the following at September 30:

	2016	2015
Furniture, Computers, and Equipment	\$ 835,071	\$ 1,082,627
Leasehold Improvements	241,719	241,719
Total	1,076,790	1,324,346
Less: Accumulated Depreciation	941,348	1,107,721
Total	<u>\$ 135,442</u>	<u>\$ 216,625</u>

**NOTE 3 EMPLOYEE BENEFIT PLAN**

Visit Tampa Bay 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. Visit Tampa Bay'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. Visit Tampa Bay's contributions to the plan approximated \$131,000 and \$112,000 for the years ended September 30, 2016 and 2015, respectively.

**NOTE 4 GOVERNMENT CONTRACTS**

Visit Tampa Bay received significant funding (approximately 83% during the years ended September 30, 2016 and 2015) 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 \$12.4 million and \$10.1 million for the years ended September 30, 2016 and 2015, respectively. Under Visit Tampa Bay's primary contract, funds received from the County are based upon the total tourist development tax collected. Visit Tampa Bay received \$11.7 million and \$8.7 million under this contract for each of the years in the period ended September 30, 2016 and 2015, respectively. Both of these government contracts have been renewed through fiscal year-end 2017.

**TAMPA BAY CONVENTION & VISITORS BUREAU, INC.**  
**DBA: VISIT TAMPA BAY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016 AND 2015**

**NOTE 5 COMMITMENTS AND CONTINGENCIES**

**Lease Commitments**

Visit Tampa Bay leases office space in Tampa, Florida under a noncancelable operating lease agreement that expires in 2017. Rent expense related to this lease approximated \$467,000 and \$455,000 for the years ended September 30, 2016 and 2015, respectively. In addition, Visit Tampa Bay leases space for a visitor center under a lease that expires in April 2017. Rent expense related to this lease approximated \$79,000 and \$77,000 for the years ended September 30, 2016 and 2015, respectively.

Under the terms of these leases, rental payments for a portion of 2016 and 2015 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, Visit Tampa Bay 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 (\$121,553 and \$245,527 at September 30, 2016 and 2015, respectively) in the accompanying financial statements will be amortized to reduce rent expense over the remaining life of the leases. Visit Tampa Bay 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 \$62,000 and \$58,000 for the years ended September 30, 2016 and 2015, respectively.

The approximate future minimum lease payments, by year and in aggregate, under noncancelable 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>
2017	\$ 583,605
2018	3,647
Total	<u>\$ 587,252</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.**  
**DBA: VISIT TAMPA BAY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016 AND 2015**

**NOTE 6   SUBSEQUENT EVENTS**

During December 2016, Visit Tampa Bay entered into an additional office building lease. The total lease term spans 127 months with escalating monthly base rent payments ranging from \$44,548 to \$59,869.

Subsequent events occurring after February 3, 2017 have not been evaluated by management. No material events have occurred since September 30, 2016 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**

Board of Directors  
Tampa Bay Convention & Visitors Bureau, Inc.  
dba: 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. dba: Visit Tampa Bay, which comprise the statement of financial position as of September 30, 2016, 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 February 3, 2017.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Tampa Bay Convention & Visitors Bureau, Inc. dba: Visit Tampa Bay'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. dba: Visit Tampa Bay's internal control. Accordingly, we do not express an opinion on the effectiveness of Tampa Bay Convention & Visitors Bureau, Inc. dba: Visit Tampa Bay'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.

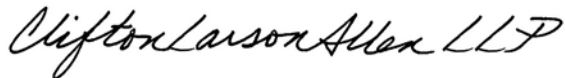
Board of Directors  
Tampa Bay Convention & Visitors Bureau, Inc.  
dba: Visit Tampa Bay

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Tampa Bay Convention & Visitors Bureau, Inc. dba: Visit Tampa Bay'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 black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

**CliftonLarsonAllen LLP**

Tampa, Florida  
February 3, 2017