

CONSOLIDATED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT

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

September 30, 2021 and 2020

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Tampa Bay Convention & Visitors Bureau, Inc.
DBA: Visit Tampa Bay and Affiliate

We have audited the accompanying consolidated financial statements of Tampa Bay Convention & Visitors Bureau, Inc. DBA: Visit Tampa Bay and Affiliate (the "Organization"), which comprise the consolidated statements of financial position as of September 30, 2021 and 2020, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

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



Opinion

In our opinion, the consolidated 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 and Affiliate as of September 30, 2021, and 2020, 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.

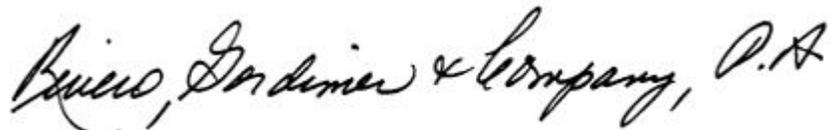
Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statement of financial position and consolidating statement of activities and changes in net assets as of and for the year ended September 30, 2021 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 24, 2022 on our consideration of the Organization's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Tampa, Florida
March 24, 2022



Tampa Bay Convention & Visitors Bureau, Inc.
DBA: Visit Tampa Bay and Affiliate

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

September 30,

ASSETS	<u>2021</u>	<u>2020</u>
Current assets		
Cash and cash equivalents	\$ 5,466,560	\$ 7,160,771
Accounts receivable		
Service contracts	112,500	112,500
Partnership	-	70,013
Other	232,151	995,203
Inventory	70,974	76,364
Prepaid expenses and other assets	296,684	105,676
Total current assets	<u>6,178,869</u>	<u>8,520,527</u>
Furniture, equipment, and leasehold improvements, net of accumulated depreciation and amortization	<u>2,994,666</u>	<u>2,188,848</u>
TOTAL ASSETS	<u>\$ 9,173,535</u>	<u>\$ 10,709,375</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 629,616	\$ 330,838
Accrued expenses	914,902	106,896
Deferred lease credits, current portion	159,891	40,770
Capital lease payable, current portion	48,963	42,232
Pass through funding	943,091	369,787
Unearned revenue		
Partnership	16,400	206,803
Other	17,400	71,155
Total current liabilities	<u>2,730,263</u>	<u>1,168,481</u>
Long-term liabilities		
Deferred lease credits, net of current portion	1,413,696	1,277,086
Note payable - PPP	870,120	893,600
Capital lease payable, net of current portion	88,394	20,748
Total long-term liabilities	<u>2,372,210</u>	<u>2,191,434</u>
Total liabilities	<u>5,102,473</u>	<u>3,359,915</u>
Net assets		
Without donor restrictions		
Undesignated	2,671,062	6,349,460
Board designated - operating reserve	1,400,000	-
Board designated - concessions	-	1,000,000
With donor restrictions	-	-
Total net assets	<u>4,071,062</u>	<u>7,349,460</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 9,173,535</u>	<u>\$ 10,709,375</u>

The accompanying notes are an integral part of these consolidated statements.

Tampa Bay Convention & Visitors Bureau, Inc.
DBA: Visit Tampa Bay and Affiliate

CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

For the year ended September 30,

	2021	2020
Revenues		
Service contracts	\$ 15,422,609	\$ 15,925,499
Tourism marketing district	20,000	166,999
Partnership dues	310,006	457,277
Partnership events	102,447	93,010
Promotional partnerships	359,836	590,385
Visitor information center	176,934	137,598
PEO fee income	57,280	72,093
In-kind contributions	186,112	66,952
PPP loan forgiveness	893,600	-
Total revenues	17,528,824	17,509,813
Expenses		
Convention and sales services	4,498,091	3,648,455
Marketing and leisure sales	15,118,354	8,479,806
Visitor center	605,921	598,185
Partnership services	584,856	440,002
Total expenses	20,807,222	13,166,448
Change in net assets	(3,278,398)	4,343,365
Net Assets - beginning of year	7,349,460	3,006,095
Net Assets - end of year	\$ 4,071,062	\$ 7,349,460

The accompanying notes are an integral part of these consolidated statements.

Tampa Bay Convention & Visitors Bureau, Inc.
DBA: Visit Tampa Bay and Affiliate

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For the year ended September 30, 2021

	Program Services				Total Program Services	General and Administration	Total Expenses
	Convention Sales and Services	Marketing and Leisure Sales	Visitor Center	Partnership Services			
Salaries	\$ 874,915	\$ 1,012,166	\$ 86,908	\$ 116,186	\$ 2,090,175	\$ 847,446	\$ 2,937,621
Payroll taxes	56,976	52,265	5,820	6,302	121,363	59,756	181,119
Employee benefits	105,208	96,031	8,979	11,269	221,487	138,081	359,568
Total salaries and related expenses	1,037,099	1,160,462	101,707	133,757	2,433,025	1,045,283	3,478,308
Administration	5,530	124,434	2,088	772	132,824	241,396	374,220
Advertising	-	11,022,082	-	-	11,022,082	-	11,022,082
Community engagement	777	1,305	925	454	3,461	36,532	39,993
Concessions and incentives	1,060,007	170,000	-	-	1,230,007	-	1,230,007
Cost of good sold	-	-	120,032	-	120,032	-	120,032
Depreciation and amortization	93,551	131,069	62,091	4,072	290,783	123,719	414,502
Independent contractors	48,000	220,750	-	-	268,750	13,500	282,250
Industry memberships	-	6,088	-	-	6,088	123,260	129,348
Industry relations	3,925	14,185	540	2,818	21,468	43,005	64,473
In-kind contributions	-	-	-	186,113	186,113	-	186,113
In-market events	106,034	167,387	-	-	273,421	-	273,421
Out-of-market events	68,226	182,630	-	-	250,856	-	250,856
Partnership events	-	-	-	141,410	141,410	-	141,410
Research and forecasting	-	440,499	-	-	440,499	-	440,499
Special event concession	1,112,723	-	-	-	1,112,723	-	1,112,723
Technology	48,613	226,684	16,216	5,995	297,508	65,877	363,385
Tenancy	211,406	289,117	70,519	26,070	597,112	286,488	883,600
Total expenses before overhead allocation	3,795,891	14,156,692	374,118	501,461	18,828,162	1,979,060	20,807,222
Overhead allocation	702,200	961,662	231,803	83,395	1,979,060	(1,979,060)	-
Total expenses per consolidated statement of activities	<u>\$ 4,498,091</u>	<u>\$ 15,118,354</u>	<u>\$ 605,921</u>	<u>\$ 584,856</u>	<u>\$ 20,807,222</u>	<u>\$ -</u>	<u>\$ 20,807,222</u>

The accompanying notes are an integral part of this consolidated statement.

Tampa Bay Convention & Visitors Bureau, Inc.
DBA: Visit Tampa Bay and Affiliate

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For the year ended September 30, 2020

	Program Services				Total Program Services	General and Administration	Total Expenses
	Convention Sales and Services	Marketing and Leisure Sales	Visitor Center	Partnership Services			
Salaries	\$ 1,088,393	\$ 939,908	\$ 87,755	\$ 126,572	\$ 2,242,628	\$ 670,618	\$ 2,913,246
Payroll taxes	74,974	62,185	5,742	7,719	150,620	55,623	206,243
Employee benefits	151,124	134,954	6,252	17,729	310,059	101,729	411,788
Total salaries and related expenses	<u>1,314,491</u>	<u>1,137,047</u>	<u>99,749</u>	<u>152,020</u>	<u>2,703,307</u>	<u>827,970</u>	<u>3,531,277</u>
Advertising	-	5,270,021	-	-	5,270,021	-	5,270,021
Community engagement	5,122	7,067	2,495	2,078	16,762	211,859	228,621
Concessions and incentives	289,222	-	-	-	289,222	-	289,222
Cost of good sold	-	-	90,785	-	90,785	-	90,785
Depreciation and amortization	154,723	96,544	83,879	12,447	347,593	80,316	427,909
Independent contractors	32,650	169,938	-	-	202,588	-	202,588
Industry memberships	-	-	-	-	-	209,400	209,400
Industry relations	2,620	18,337	-	6,387	27,344	34,318	61,662
In-kind contributions	-	-	-	66,952	66,952	-	66,952
In-market events	113,011	51,688	-	-	164,699	-	164,699
Other expenses	31,968	57,969	7,279	2,549	99,765	270,377	370,142
Out-of-market events	330,294	383,759	-	-	714,053	-	714,053
Partnership events	-	-	-	87,760	87,760	-	87,760
Research and forecasting	-	325,983	-	-	325,983	-	325,983
Technology	67,950	151,390	15,609	5,467	240,416	133,236	373,652
Tenancy	307,942	188,414	70,737	24,774	591,867	159,855	751,722
Total expenses before overhead allocation	<u>2,649,993</u>	<u>7,858,157</u>	<u>370,533</u>	<u>360,434</u>	<u>11,239,117</u>	<u>1,927,331</u>	<u>13,166,448</u>
Overhead allocation	<u>998,462</u>	<u>621,649</u>	<u>227,652</u>	<u>79,568</u>	<u>1,927,331</u>	<u>(1,927,331)</u>	<u>-</u>
Total expenses per consolidated statement of activities	<u>\$ 3,648,455</u>	<u>\$ 8,479,806</u>	<u>\$ 598,185</u>	<u>\$ 440,002</u>	<u>\$ 13,166,448</u>	<u>\$ -</u>	<u>\$ 13,166,448</u>

The accompanying notes are an integral part of this consolidated statement.

Tampa Bay Convention & Visitors Bureau, Inc.
DBA: Visit Tampa Bay and Affiliate

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the year ended September 30,

	2021	2020
Cash flows from operating activities		
Change in net assets	\$ (3,278,398)	\$ 4,343,365
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities		
Depreciation and amortization	414,502	427,909
PPP loan forgiveness	(893,600)	-
Decrease (increase) in accounts receivable	833,065	(466,904)
Decrease (increase) in inventory	5,390	(2,316)
(Increase) decrease in prepaid expenses and other assets	(191,008)	405,604
Increase (decrease) in accounts payable and accrued expenses	1,106,784	(683,763)
Increase in deferred lease credits	255,731	35,691
Increase (decrease) in pass through funding	573,304	(54,017)
Decrease in unearned revenue	(244,158)	(29,534)
Net cash (used) provided by operating activities	(1,418,388)	3,976,035
Cash flows from investing activities		
Purchases of furniture, equipment, and leasehold improvements	(1,095,706)	(132,038)
Net cash used by investing activities	(1,095,706)	(132,038)
Cash flows from financing activities		
Proceeds received from PPP note payable	870,120	893,600
Principal payments on capital lease payable	(50,237)	(54,123)
Net cash provided by financing activities	819,883	839,477
Net (decrease) increase in cash and cash equivalents	(1,694,211)	4,683,474
Cash and cash equivalents - beginning of year	7,160,771	2,477,297
Cash and cash equivalents - end of year	\$ 5,466,560	\$ 7,160,771
Supplemental disclosure of noncash investing and financing activities:		
Cash paid for interest	\$ 4,999	\$ 1,966
Equipment acquired through capital lease	\$ 124,614	\$ 48,151

The accompanying notes are an integral part of these consolidated statements.

Tampa Bay Convention & Visitors Bureau, Inc.
DBA: Visit Tampa Bay and Affiliate

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2021 and 2020

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

1. Description of the Organization

Tampa Bay Convention & Visitors Bureau, Inc. dba: Visit Tampa Bay (Visit Tampa Bay) and Affiliate (collectively, the Organization) includes the accounts of Visit Tampa Bay and its Affiliate, Tampa Hillsborough Film and Digital Media Commission, Inc. (Film Tampa Bay).

The Organization consists of two nonprofit corporations located in Tampa, Florida. The Organization represents approximately 800 businesses throughout Tampa Bay and promotes the area as a choice destination for conventions and visitors. Film Tampa Bay exists within Tampa Bay, to help boost the overall marketing and economic development impact for Tampa Bay.

The mission of Visit Tampa Bay is to create vibrant economic development for the Tampa community by collaboratively increasing visitation to Tampa Bay. Their mission is accomplished through tourism via meeting and conventions, sporting events, film production, and leisure travelers. Film Tampa Bay exists within Tampa Bay, to help boost the overall marketing and economic development impact for Tampa Bay.

The operations of the Organization can be broken down into the following departments, each having specific yet overlapping functions as detailed below:

Convention Sales and Services

This department coordinates with partners, venues, County and City officials and front-line responders in order to provide a quality experience for conventions and sporting events. The department assists in all phases of planning and execution of meetings and events, as well as trains front line staff of approximately 800 businesses on places to stay and things to do in the destination for a greater level of cohesiveness and service to the visitors.

Marketing and Leisure Sales

These departments competitively promote the destination nationally and internationally and lead the effort of economic development through tourism. They sell and market the area as a tourism and meeting destination that targets both the consumer and the travel industry through advertising, digital media, promotions, direct sales, and public relations.

Visitor Center

These departments create awareness to visitors of our hotels, heritage, attractions, cuisine and shopping for an elevated awareness of the area to create higher visitor satisfaction and spend. It includes a gift shop of a curated selection of Tampa-themed memorabilia and apparel.

Tampa Bay Convention & Visitors Bureau, Inc.
DBA: Visit Tampa Bay and Affiliate

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2021 and 2020

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

Partnership Services

This department secures new partners and services and collaborates with current partnerships to collectively promote the destination for greater visibility and ultimately a higher visitation and spend in Hillsborough County.

2. Principles of Consolidation

The consolidated financial statements include the accounts of Visit Tampa Bay and Film Tampa Bay. The Organizations have been consolidated due to the presence of common control and economic interest as required under generally accepted accounting principles in the United States of America (GAAP). All significant intercompany accounts and transactions have been eliminated in consolidation.

3. Basis of Accounting

The accompanying consolidated financial statements are presented on the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America (GAAP). Under this guidance, the Organization is required to report information regarding its financial position and activities according to two classes of net assets:

Net Assets Without Donor Restriction – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. The Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends, or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restriction.

4. Cash and Cash Equivalents

The Organization places its cash in high-credit, quality institutions. At times, such balances may be in excess of the U.S. Federal Deposit Insurance Corporation (FDIC) insurance limit.

Tampa Bay Convention & Visitors Bureau, Inc.
DBA: Visit Tampa Bay and Affiliate

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2021 and 2020

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

5. Revenue and Service Contracts

Service contracts and the tourism marketing district revenues are classified as with and without donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions and corresponding receivable are recognized when an unconditional promise to give is received. An allowance for doubtful contributions and grants receivable is considered unnecessary, as management considers all accounts to be collectible.

6. Program Service Fees

Program service fees include partnership dues, partnership events, promotional partnerships, visitor information center, and PEO fee income. Program service fees and related receivables are reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing services to their program participants. Revenue is recognized as performance obligations are satisfied. Payments received in advance are deferred to the period in which the performance obligation is being met. The following is a description of the Organization's program service fees:

Partnership Dues: Partnership dues include annual partnerships. Annual partnership dues are renewed on anniversary date and are recognized in revenue evenly over the partnership period. With partnership dues, partners receive enhanced website and Official Visitor Guide listings, have access to sales leads, referrals, service requests, and industry research and reports, invitations to partner events and networking events. Partners are billed annually. Unearned partnership revenue is reflected as unearned revenue in the consolidated statement of financial position.

Partnership Events: Ticket sales for events are recognized over time during the duration of the event. Advance ticket sales are held in unearned revenue until the time the event is delivered.

Promotional Partnerships: Promotional partnerships include cooperative advertising, sponsorships, and tradeshow. Cooperative advertisement agreements are recognized over time as advertisement campaign is delivered. Sponsorships are recognized as performance obligations are met. Sponsors receive admission to various partnership events, advertising opportunities, and other benefits. Ticket sales for tradeshow are recognized over time during the duration of the tradeshow.

Visitor Information Center: Sales of merchandise are recognized at a point in time upon sale.

Tampa Bay Convention & Visitors Bureau, Inc.
DBA: Visit Tampa Bay and Affiliate

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2021 and 2020

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

7. In-kind Contributions

In-kind donation items used by the Organization are recorded as contributions and expenses at their fair value at the date of donation. Contributed services are recorded as contributions and expenses at their fair value, to the extent they create or enhance nonfinancial 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 Organization; however, no amounts are recorded in the accompanying consolidated financial statements for non-specialist services.

8. Inventory

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

9. Furniture, Equipment, and Leasehold Improvements

Furniture and equipment are stated at cost. Depreciation and amortization are computed utilizing the straight-line method over the estimated useful lives (three to ten years) of the related assets. Routine maintenance and repairs are charged to expense as incurred, while costs of betterments and renewals are capitalized. It is the Organization's policy to capitalize expenditures for furniture, equipment and leasehold improvements having a unit cost in excess of \$1,000.

As discussed in note F1, the Organization 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 leasehold improvements and deferred lease credits in the accompanying consolidated financial statements. Such cost is being amortized over shorter of the estimated useful life or the remaining lease term.

10. Pass Through Funding

The Organization receives funds from Hillsborough County to promote out-of-area advertising, local festivals and events, and visitor centers in the Tampa Bay area. The Organization does not control how these funds are spent and reimburses third parties for their costs incurred. As such, the Organization does not recognize any revenue or expense associated with these funds. This funding is included in cash in the accompanying consolidated financial statements.

Tampa Bay Convention & Visitors Bureau, Inc.
DBA: Visit Tampa Bay and Affiliate

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2021 and 2020

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

11. Income Taxes

The two entities that comprise the Organization are incorporated as nonprofit organizations and are exempt from federal income taxes under Section 501(c)(6) of the Internal Revenue Code. The Organization is subject to taxation for unrelated business income. The Organization 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 Organization adopted the standard for accounting for uncertain tax positions and management believes that each entity has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the consolidated financial statements.

12. Professional Employer Organization (PEO) Fee Income

The Organization performs Professional Employer Organization (PEO) services for the Tampa Bay Sports Commission, Inc. (the Sports Commission), a Florida nonprofit corporation, along with other unrelated Florida nonprofit organizations. The Organization recognizes PEO fee income when earned.

13. Advertising

Advertising costs are charged to operations when the cost is incurred.

14. Functional Allocation of Expenses

The costs of providing programs and supporting services activities have been summarized on a functional basis in the consolidated statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Salaries and related payroll expenses are allocated based on estimated time and effort of the Organization's personnel. Technology, depreciation, and other expenses are allocated based on management's estimate of usage applicable to the programs and supporting services benefited and indirectly allocated based on headcount. Tenancy is indirectly allocated based on headcount. Allocation of all other expenses is based on actual usage or management's estimate of usage applicable to the programs and supporting services benefited.

15. Use of Estimates

The preparation of the consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and those differences could be material.

Tampa Bay Convention & Visitors Bureau, Inc.
DBA: Visit Tampa Bay and Affiliate

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2021 and 2020

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

16. Reclassifications

Certain amounts from the September 30, 2020 consolidated financial statements have been reclassified to conform to the September 30, 2021 presentation. These reclassifications had no effect on the reported net assets or change in net assets of the Organization.

NOTE B - LIQUIDITY AND AVAILABILITY

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

	2021	2020
Cash and cash equivalents	\$ 5,466,560	\$ 7,160,771
Accounts receivable	344,651	1,177,716
Total financial assets	5,811,211	8,338,487
Less: pass through funding	(943,091)	(369,787)
Total financial assets available for general expenditures within one year	\$ 4,868,120	\$ 7,968,700

The governing board has established an operating reserve fund, totaling \$1.4 million, with the goal of mitigating unexpected expenses, losses of income, and to ensure the continuity of operations during an emergency.

NOTE C - FURNITURE, EQUIPMENT, AND LEASEHOLD IMPROVEMENTS

Furniture, equipment, and leasehold improvements consist of the following at September 30:

	2021	2020
Leasehold improvements	\$ 2,210,951	\$ 2,210,951
Furniture and equipment	1,506,148	1,237,779
Software	125,913	368,345
Construction in progress	897,151	-
	4,740,163	3,817,075
Less: accumulated depreciation and amortization	(1,745,497)	(1,628,227)
	\$ 2,994,666	\$ 2,188,848

Tampa Bay Convention & Visitors Bureau, Inc.
DBA: Visit Tampa Bay and Affiliate

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2021 and 2020

NOTE C - FURNITURE, EQUIPMENT, AND LEASEHOLD IMPROVEMENTS - Continued

Depreciation expense was \$414,502 and \$427,909 for the years ended September 30, 2021 and 2020, respectively.

NOTE D - EMPLOYEE BENEFIT PLAN

The Organization 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 Organization'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 Organization's contributions to the plan totaled approximately \$96,000 and \$93,000 for the years ended September 30, 2021 and 2020, respectively.

NOTE E - SERVICE CONTRACTS

The Organization received significant funding (approximately 93% and 91% during the years ended September 30, 2021 and 2020, respectively) from service 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 totaled approximately \$16.3 million and \$15.9 million for the years ended September 30, 2021 and 2020, respectively. Under the Organization's primary contract, funds received from the County are based upon the total tourist development tax collected. The Organization received approximately \$9.5 million and \$14.4 million under this contract for the years ended September 30, 2021 and 2020, respectively. This contract has been renewed through fiscal year-end 2023.

NOTE F - COMMITMENTS AND CONTINGENCIES

1. Operating Leases

The Organization leases office space in Tampa, Florida under a noncancelable operating lease agreement that expires in 2028. The Organization also leases various equipment under operating leases with terms ranging from two to eight years. Rent expense related to these leases totaled approximately \$857,700 and \$767,000 for the years ended September 30, 2021 and 2020, respectively.

Under the terms of the office space lease, rental payments for a portion of 2018 were abated. However, the amount of rent abated was charged to rent expense and included in deferred lease credits in the accompanying consolidated financial statements. In addition, under the terms of the leases, the Organization received an allowance for the cost of tenant improvements to be applied against rent payments. Such allowance has been recorded in leasehold improvements and deferred lease credits in the accompanying consolidated financial statements and has been amortized to reduce rent expense over the remaining life of the lease.

Tampa Bay Convention & Visitors Bureau, Inc.
DBA: Visit Tampa Bay and Affiliate

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2021 and 2020

NOTE F - COMMITMENTS AND CONTINGENCIES - Continued

The 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, 2021:

<u>Year ending September 30,</u>	<u>Minimum Lease Payments</u>
2022	\$ 947,265
2023	975,713
2024	1,005,023
2025	1,035,135
2026	1,066,152
Thereafter	1,662,230
	\$ 6,691,518

2. Capital Leases

The Organization leases various equipment under capital leases expiring at various times through fiscal year 2025. The equipment and the related liability under the capital leases are recorded at the present value of the future payments due under the leases.

The following is a summary of the leased assets included in equipment at September 30:

<u>Classification</u>	<u>2021</u>	<u>2020</u>
Equipment	\$ 299,044	\$ 174,430
Less: accumulated amortization	(161,687)	(111,450)
Equipment under capital lease, net	\$ 137,357	\$ 62,980

Tampa Bay Convention & Visitors Bureau, Inc.
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2021 and 2020

NOTE F - COMMITMENTS AND CONTINGENCIES - Continued

The future minimum lease payments under the capital leases together with the present value of the net minimum lease payments consist of the following at September 30, 2021:

<u>Year ending September 30,</u>	<u>Amount</u>
2022	\$ 51,614
2023	38,856
2024	34,591
2025	17,295
Total minimum lease payments	142,356
Less: amount representing interest	(4,999)
Capital lease payable	137,357
Less: current portion of capital lease payable	(48,963)
Capital lease payable, net	<u>\$ 88,394</u>

3. 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.

4. Construction Commitments

During the year ended September 30, 2019, the Organization entered into a contract to renovate office space under an operating lease. The lease amendment, which is effective September 16, 2019, included certain tenant improvement allowances of \$316,708. The Organization expanded upon these allowances and entered into a construction contract of which \$316,708 will be paid by the lessor. As of September 30, 2021, approximately \$897,200 of construction costs have been incurred. Management anticipates construction to conclude during fiscal year 2022.

NOTE G - PPP LOAN PAYABLE

In April 2020, the Organization received a \$893,600 U.S. Small Business Administration (SBA) Paycheck Protection Program (PPP) loan for organizations who continued to pay their employees during the COVID-19 pandemic. The Organization was granted loan forgiveness in January 2021, as it fully met the requirements for loan forgiveness under the PPP program. The forgiveness has been recognized as revenue in the Statement of Activities and Changes in Net Assets for the year ended September 30, 2021.

Tampa Bay Convention & Visitors Bureau, Inc.
DBA: Visit Tampa Bay and Affiliate

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2021 and 2020

NOTE G - PPP LOAN PAYABLE - Continued

Additionally, in March 2021, the Organization received \$870,120 as a second draw PPP loan. The Organization can apply for loan forgiveness for the amount used for payroll and other specific costs outlined in the loan agreement. The Organization plans to file for forgiveness in accordance with the terms of the agreement and anticipates the loan to be fully forgiven in 2022. See Note I - Subsequent Events.

NOTE H - RELATED PARTY

The Organization enters into certain promotional partnership and marketing transactions with organizations affiliated with members of the Organization's board of directors. During the years ended September 30, 2021 and 2020, revenue of approximately \$253,000 and \$295,000, respectively, was recognized from organizations affiliated with certain members of the board of directors. In addition, the Organization incurred expenses of approximately \$622,000 and \$305,000 during the years ended September 30, 2021 and 2020, 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 I - SUBSEQUENT EVENTS

The Organization has evaluated events and transactions occurring subsequent to September 30, 2021 as of March 24, 2022 which is the date the consolidated financial statements were available to be issued.

In November 2021, the Organization was granted full forgiveness of the U.S. Small Business Administration (SBA) Paycheck Protection Program (PPP) loan in the amount of \$870,120 as it fully met the requirements for loan forgiveness under the PPP program. The forgiveness will be recognized as revenue in the Statement of Activities and Changes in Net Assets for the year ending September 30, 2022.

SUPPLEMENTARY INFORMATION

Tampa Bay Convention & Visitors Bureau, Inc.
DBA: Visit Tampa Bay and Affiliate

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

September 30, 2021

	Visit Tampa Bay	Film Tampa Bay	Eliminating Entries	Total
ASSETS				
Current assets				
Cash and cash equivalents	\$ 5,196,179	\$ 270,381	\$ -	\$ 5,466,560
Related party custodial cash	270,381	-	(270,381)	-
Accounts receivable				
Service contracts	-	112,500	-	112,500
Partnership	-	-	-	-
Other	217,610	14,541	-	232,151
Inventory	70,974	-	-	70,974
Prepaid expenses and other assets	283,769	12,915	-	296,684
Related party receivable	21,745	-	(21,745)	-
Total current assets	<u>6,060,658</u>	<u>410,337</u>	<u>(292,126)</u>	<u>6,178,869</u>
Furniture, equipment, and leasehold improvements, net	<u>2,988,371</u>	<u>6,295</u>	<u>-</u>	<u>2,994,666</u>
TOTAL ASSETS	<u>\$ 9,049,029</u>	<u>\$ 416,632</u>	<u>\$ (292,126)</u>	<u>\$ 9,173,535</u>
LIABILITIES AND NET ASSETS				
Current liabilities				
Accounts payable	\$ 577,235	\$ 52,381	\$ -	\$ 629,616
Accrued expenses	881,208	33,694	-	914,902
Deferred lease credits, current portion	159,891	-	-	159,891
Capital lease payable, current portion	48,963	-	-	48,963
Pass through funding	943,091	-	-	943,091
Related party custodial cash liabilities	270,381	-	(270,381)	-
Unearned revenue				
Partnership	16,400	-	-	16,400
Other	17,400	-	-	17,400
Related party payable	-	21,745	(21,745)	-
Total current liabilities	<u>2,914,569</u>	<u>107,820</u>	<u>(292,126)</u>	<u>2,730,263</u>
Long-term liabilities				
Deferred lease credits	1,413,696	-	-	1,413,696
Note payable - PPP	870,120	-	-	870,120
Capital lease payable, net of current portion	88,394	-	-	88,394
Total long-term liabilities	<u>2,372,210</u>	<u>-</u>	<u>-</u>	<u>2,372,210</u>
Total liabilities	<u>5,286,779</u>	<u>107,820</u>	<u>(292,126)</u>	<u>5,102,473</u>
Net assets				
Without donor restrictions				
Undesignated	2,362,250	308,812	-	2,671,062
Board designated - operating reserve	1,400,000	-	-	1,400,000
With donor restrictions	-	-	-	-
	<u>3,762,250</u>	<u>308,812</u>	<u>-</u>	<u>4,071,062</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 9,049,029</u>	<u>\$ 416,632</u>	<u>\$ (292,126)</u>	<u>\$ 9,173,535</u>

Tampa Bay Convention & Visitors Bureau, Inc.
DBA: Visit Tampa Bay and Affiliate

CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For the year ended September 30, 2021

	<u>Visit Tampa Bay</u>	<u>Film Tampa Bay</u>	<u>Eliminating Entries</u>	<u>Total</u>
Revenues				
Service contracts	\$ 14,914,109	\$ 508,500	\$ -	\$ 15,422,609
Tourism marketing district	20,000	-	-	20,000
Partnership dues	310,006	-	-	310,006
Partnership events	102,447	-	-	102,447
Promotional partnerships	359,836	50,455	(50,455)	359,836
Visitor information center	176,934	-	-	176,934
PEO fee income	66,885	-	(9,605)	57,280
In-kind contributions	186,112	-	-	186,112
PPP loan forgiveness	893,600	-	-	893,600
Total revenues	<u>17,029,929</u>	<u>558,955</u>	<u>(60,060)</u>	<u>17,528,824</u>
Expenses				
Convention and sales services	4,498,091	-	-	4,498,091
Marketing and leisure sales	14,659,454	518,960	(60,060)	15,118,354
Visitor center	605,921	-	-	605,921
Partnership services	584,856	-	-	584,856
Total expenses	<u>20,348,322</u>	<u>518,960</u>	<u>(60,060)</u>	<u>20,807,222</u>
Change in net assets	(3,318,393)	39,995	-	(3,278,398)
Net assets - beginning of year	<u>7,080,643</u>	<u>268,817</u>	<u>-</u>	<u>7,349,460</u>
Net assets - end of year	<u>\$ 3,762,250</u>	<u>\$ 308,812</u>	<u>\$ -</u>	<u>\$ 4,071,062</u>

COMPLIANCE REPORT

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

TAMPA BAY CONVENTION & VISITORS BUREAU INC.
DBA: VISIT TAMPA BAY AND AFFILIATE

For the year ended September 30, 2021



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

Board of Directors
Tampa Bay Convention & Visitors Bureau, Inc.
DBA: Visit Tampa Bay and Affiliate

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 consolidated financial statements of Tampa Bay Convention & Visitors Bureau, Inc. DBA: Visit Tampa Bay and Affiliate (the "Organization"), which comprise the consolidated statement of financial position as of September 30, 2021, and the related consolidated statements of activities and changes in net assets, cash flows, and functional expenses for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated March 24, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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.



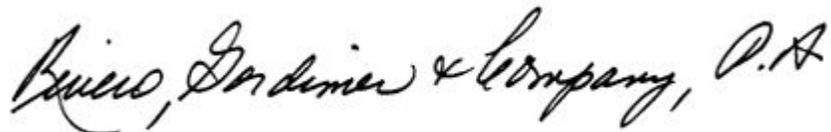
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's consolidated 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 consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization'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 Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Tampa, Florida
March 24, 2022

A handwritten signature in black ink that reads "Benicio, Gordinier & Company, P.A." The signature is written in a cursive, flowing style.