CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

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

September 30, 2023 and 2022

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INDEPENDENT AUDITORS' REPORT

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

Report on the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Tampa Bay Convention & Visitors Bureau, Inc. DBA: Visit Tampa Bay and Affiliate (non-profit organizations), which comprise the consolidated statements of financial position as of September 30, 2023 and 2022, 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.

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, 2023, and 2022, 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.

Basis for Opinion

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*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Tampa Bay Convention & Visitors Bureau, Inc. DBA: Visit Tampa Bay and Affiliate and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

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In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Tampa Bay Convention & Visitors Bureau, Inc. DBA: Visit Tampa Bay and Affiliate's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit 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 Tampa Bay Convention & Visitors Bureau, Inc. DBA: Visit Tampa Bay and Affiliate's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Tampa Bay Convention & Visitors Bureau, Inc. DBA: Visit Tampa Bay and Affiliate's ability to continue as a going concern for a reasonable period of time.

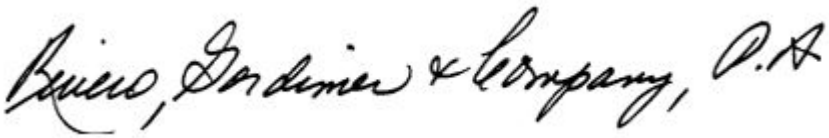
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

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, 2023 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 21, 2024 on our consideration of Tampa Bay Convention & Visitors Bureau, Inc. DBA: Visit Tampa Bay and Affiliate'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 Tampa Bay Convention & Visitors Bureau, Inc. DBA: Visit Tampa Bay and Affiliate'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 Tampa Bay Convention & Visitors Bureau, Inc. DBA: Visit Tampa Bay and Affiliate's internal control over financial reporting and compliance.



Tampa, Florida
March 21, 2024

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

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

September 30,

	2023	2022
ASSETS		
Current assets		
Cash and cash equivalents	$ 5,490,172	$ 4,686,197
Accounts receivable		
Service contracts	152,500	112,500
Other	369,058	278,956
Inventory	118,673	94,484
Prepaid expenses and other assets	659,393	636,079
Total current assets	6,789,796	5,808,216
Furniture, equipment, and leasehold improvements, net of accumulated depreciation and amortization	2,286,636	2,713,356
Right of use operating lease asset, net	3,310,897	4,105,840
Right of use finance lease asset, net	49,846	87,095
TOTAL ASSETS	$ 12,437,175	$ 12,714,507
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	$ 1,332,429	$ 454,522
Accrued expenses	774,468	678,447
Operating lease payable, current portion	883,794	852,674
Finance lease payable, current portion	33,841	37,363
Pass through funding	146,216	1,041,084
Unearned revenue		
Partnership	60,203	128,851
Other	206,908	47,575
Total current liabilities	3,437,859	3,240,516
Long-term liabilities		
Operating lease payable, net of current portion	3,704,867	4,667,956
Finance lease payable, net of current portion	17,189	51,031
Total long-term liabilities	3,722,056	4,718,987
Total liabilities	7,159,915	7,959,503
Net assets		
Without donor restrictions		
Undesignated	2,777,260	3,355,004
Board designated - private revenue operating reserve	2,500,000	1,400,000
With donor restrictions	-	-
Total net assets	5,277,260	4,755,004
TOTAL LIABILITIES AND NET ASSETS	$ 12,437,175	$ 12,714,507

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,

	2023	2022
Revenues		
Service contracts	$ 25,537,622	$ 18,498,823
Tourism marketing district	899,597	678,916
Partnership dues	459,677	452,953
Partnership events	191,993	135,784
Promotional partnerships	1,052,400	506,488
Visitor information center	254,406	289,056
PEO fee income	72,459	66,111
In-kind contributions	333,822	264,576
Interest income	105,437	-
Other income	39,945	-
PPP loan forgiveness	-	870,120
Total revenues	28,947,358	21,762,827
Expenses		
Convention sales and services	6,413,025	4,616,855
Marketing and public relations	20,480,130	15,074,929
Unlock Tampa Bay visitor center	889,382	710,585
Partnership	642,565	676,516
Total expenses	28,425,102	21,078,885
Change in net assets	522,256	683,942
Net assets - beginning of year	4,755,004	4,071,062
Net assets - end of year	$ 5,277,260	$ 4,755,004

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, 2023

	Program Services						
	Convention Sales and Services	Marketing and Public Relations	Unlock Tampa Bay Visitor Center	Partnership	Total Program Services	General and Administration	Total Expenses
Salaries	$ 1,561,094	$ 1,386,766	$ 197,537	$ 223,688	$ 3,369,085	$ 1,053,707	$ 4,422,792
Payroll taxes	91,010	74,352	8,317	9,537	183,216	88,314	271,530
Employee benefits	177,500	121,865	20,344	21,400	341,109	157,582	498,691
Total salaries and related expenses	1,829,604	1,582,983	226,198	254,625	3,893,410	1,299,603	5,193,013
Administration	20,391	44,598	5,715	-	70,704	375,134	445,838
Advertising	-	13,932,431	-	-	13,932,431	-	13,932,431
Community engagement	2,217	3,102	171	6,099	11,589	157,380	168,969
Concessions and incentives	1,465,233	593,377	-	-	2,058,610	-	2,058,610
Cost of good sold	-	-	148,131	-	148,131	-	148,131
Depreciation and amortization	181,927	183,825	50,990	-	416,742	180,713	597,455
Independent contractors	117,500	408,693	-	-	526,193	60,000	586,193
Industry memberships	-	6,258	-	-	6,258	225,162	231,420
Industry relations	19,528	68,409	750	1,764	90,451	105,731	196,182
In-kind contributions	-	-	-	333,822	333,822	-	333,822
In-market events	508,851	310,279	-	15	819,145	-	819,145
Out-of-market events	583,158	783,081	-	-	1,366,239	-	1,366,239
Partnership events	-	215,068	-	46,240	261,308	-	261,308
Research and forecasting	-	536,183	-	-	536,183	-	536,183
Special event concession	52,566	-	-	-	52,566	-	52,566
Technology	83,506	269,682	23,405	-	376,593	76,655	453,248
Tenancy	326,960	325,612	91,640	-	744,212	300,137	1,044,349
Total expenses before overhead allocation	5,191,441	19,263,581	547,000	642,565	25,644,587	2,780,515	28,425,102
Overhead allocation	1,221,584	1,216,549	342,382	-	2,780,515	(2,780,515)	-
Total expenses per consolidated statement of activities	$ 6,413,025	$ 20,480,130	$ 889,382	$ 642,565	$ 28,425,102	-	$ 28,425,102

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, 2022

	Program Services						
	Convention Sales and Services	Marketing and Public Relations	Unlock Tampa Bay Visitor Center	Partnership	Total Program Services	General and Administration	Total Expenses
Salaries	$ 1,114,255	$ 1,282,288	$ 104,680	$ 129,309	$ 2,630,532	$ 1,077,635	$ 3,708,167
Payroll taxes	78,676	67,269	7,029	7,633	160,607	66,536	227,143
Employee benefits	130,099	117,715	11,102	12,297	271,213	166,195	437,408
Total salaries and related expenses	1,323,030	1,467,272	122,811	149,239	3,062,352	1,310,366	4,372,718
Administration	13,928	40,118	3,631	864	58,541	300,147	358,688
Advertising	-	9,825,641	-	-	9,825,641	-	9,825,641
Community engagement	867	619	454	1,833	3,773	114,110	117,883
Concessions and incentives	809,213	296,807	-	-	1,106,020	-	1,106,020
Cost of good sold	-	-	141,661	-	141,661	-	141,661
Depreciation and amortization	164,274	188,476	81,310	10,193	444,253	168,408	612,661
Independent contractors	108,000	301,942	-	-	409,942	25,137	435,079
Industry memberships	-	6,100	-	-	6,100	156,433	162,533
Industry relations	8,397	45,847	760	35	55,039	90,330	145,369
In-kind contributions	-	-	-	264,576	264,576	-	264,576
In-market events	258,499	259,524	-	-	518,023	-	518,023
Out-of-market events	324,748	461,517	-	-	786,265	-	786,265
Partnership events	-	-	-	164,095	164,095	-	164,095
Research and forecasting	-	401,255	-	-	401,255	-	401,255
Special event concession	225,000	-	-	-	225,000	-	225,000
Technology	64,199	269,123	16,735	3,983	354,040	65,815	419,855
Tenancy	292,275	335,336	76,187	18,135	721,933	299,630	1,021,563
Total expenses before overhead allocation	3,592,430	13,899,577	443,549	612,953	18,548,509	2,530,376	21,078,885
Overhead allocation	1,024,425	1,175,352	267,036	63,563	2,530,376	(2,530,376)	-
Total expenses per consolidated statement of activities	$ 4,616,855	$ 15,074,929	$ 710,585	$ 676,516	$ 21,078,885	$ -	$ 21,078,885

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,

	2023	2022
Cash flows from operating activities		
Change in net assets	$ 522,256	$ 683,942
Adjustments to reconcile change in net assets to net cash used by operating activities		
Depreciation and amortization	597,455	612,661
PPP loan forgiveness	-	(870,120)
Right of use operating asset amortization	794,943	815,127
Increase in accounts receivable	(130,102)	(46,805)
Increase in inventory	(24,189)	(23,510)
Increase in prepaid expenses and other assets	(23,314)	(339,395)
Increase (decrease) in accounts payable and accrued expenses	973,928	(411,549)
(Decrease) increase in pass through funding	(894,868)	97,993
Decrease in operating lease payable	(931,969)	(973,924)
Increase in unearned revenue	90,685	142,626
Net cash provided (used) by operating activities	974,825	(312,954)
Cash flows from investing activities		
Purchases of furniture, equipment, and leasehold improvements	(133,486)	(418,446)
Net cash used by investing activities	(133,486)	(418,446)
Cash flows from financing activities		
Principal payments on finance and capital lease payable	(37,364)	(48,963)
Net cash used by financing activities	(37,364)	(48,963)
Net increase (decrease) in cash and cash equivalents	803,975	(780,363)
Cash and cash equivalents - beginning of year	4,686,197	5,466,560
Cash and cash equivalents - end of year	$ 5,490,172	$ 4,686,197
Supplemental disclosure of noncash investing and financing activities:		
Cash paid for interest	$ 1,493	$ 2,348
Asset acquired through operating lease	$ -	$ 4,920,967

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, 2023 and 2022

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 public officials such as police and fire as well as with private stakeholders such as hotel and venues to increase overnight hotel stays from meetings, conventions, and sporting events in Tampa Bay through targeted selling, creative marketing and exceptional and safe service that maximizes customer satisfaction and economic impact. These departments assist in all phases of selling, planning, and execution of meetings and events.

Marketing and Public Relations

These departments competitively promote the destination nationally and internationally and lead the effort of economic development through tourism. Collaborate with partners to offer a variety of options for things to do, places to eat and stay in the destination thereby increasing visitor spend. 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.

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

Leisure Sales

This department promotes and markets the Visit Tampa Bay brand message to all segments of leisure travelers to increase overnight hotel stays within Hillsborough County for domestic and international visitors.

Unlock Tampa Bay Visitors Center

This department enhances experience and awareness to increase visitor volume, length of stay and visitor spending. It includes a gift shop of a curated selection of products from local artisans and merchants to sell products that showcase the rich culture, diversity, and broad spectrum of offerings in the destination.

Partnership

This department secures partnerships to generate private revenue for the Organization.

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.

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

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.

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 at the beginning of each fiscal year and are recognized in revenue evenly over the fiscal year. With partnership dues, partners receive website and 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 and sponsorships 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.

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

Promotional Partnerships: Promotional partnerships include cooperative advertising, sponsorships, and tradeshows. 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. Registrations for tradeshows are recognized over time during the duration of the tradeshow.

Unlock Tampa Bay Visitor's Center: Sales of merchandise are recognized at a point in time upon sale.

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. Fair value of all in-kind contributions are based on current market rates of identical items or services. Contributed accommodations, meals and entertainment, and transportation are used for marketing program activities. The Organization did not monetize any contributed nonfinancial assets and did not have donor restrictions.

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 $5,000.

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

As discussed in note F1, the Organization received a tenant allowance for 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 as a credit to the right of use asset in the accompanying consolidated financial statements.

10. 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.

11. 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.

12. Advertising

Advertising costs are charged to operations when the cost is incurred. Total advertising cost was $13,932,431 and $9,825,641 for the years ended September 30, 2023 and 2022, respectively.

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

13. 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.

14. 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.

15. Change in Accounting Principle

The Organization changed its accounting principle for recognizing revenue and expenses on pass through funding with an effective date of October 1, 2022. The Organization's pass through funds generally involve funds from Hillsborough County to promote out-of-area advertising, local festivals and events, and visitor centers in the Tampa Bay area. The Organization previously did not recognize revenue and expenses associated with these funds. As a result of a change in the accounting principle, the Organization began recognizing revenue and related costs for pass through funds received from Hillsborough County. This change is preferable in that it improves transparency about the extent of funding received. The change in accounting principle was adopted prospectively in the year ended September 30, 2023. As a result, there was no cumulative effect of the change on the change in net assets, net assets without donor restrictions, or total assets as of October 1, 2022.

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:

	2023	2022
Cash and cash equivalents	$ 5,490,172	$ 4,686,197
Accounts receivable	521,558	391,456
Total financial assets	6,011,730	5,077,653
Less: pass through funding	(146,216)	(1,041,084)
Total financial assets available for general expenditures within one year	$ 5,865,514	$ 4,036,569

The Organization also has a $1 million revolving line of credit it may draw upon in the case of unforeseen liquidity needs.

The governing board has established a private revenue operating reserve fund, totaling $2.5 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:

	2023	2022
Leasehold improvements	$ 3,369,757	$ 3,369,757
Furniture and equipment	1,383,098	1,350,393
Software	142,064	142,064
Vehicles	100,780	-
	4,995,699	4,862,214
Less: accumulated depreciation and amortization	(2,709,063)	(2,148,858)
	$ 2,286,636	$ 2,713,356

Depreciation expense was $560,206 and $566,027 for the years ended September 30, 2023 and 2022, 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 $143,000 and $113,000 for the years ended September 30, 2023 and 2022, respectively.

NOTE E - SERVICE CONTRACTS

The Organization received significant funding (approximately 88% and 89% during the years ended September 30, 2023 and 2022, 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 $25.5 million and $18.5 million for the years ended September 30, 2023 and 2022, 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 $23 million and $17.3 million under this contract for the years ended September 30, 2023 and 2022, respectively. This contract has been renewed through fiscal year-end 2025.

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. In accordance with ASC 842, *Leases*, the Organization recorded a right of use operating asset and operating lease payable of $6,494,554, which is the net present value of future minimum lease payments at the time the accounting standard was implemented using a discount rate of 0.91%, the published applicable federal rate at the time the accounting standard was implemented. In addition, under the terms of the office space lease, rental payments for a portion of 2018 were abated and the Organization received an allowance for the cost of tenant improvements to be applied against rent payments totaling approximately $1,574,000, which reduced the right of use asset to $4,920,967 at October 1, 2021.

NOTE F - COMMITMENTS AND CONTINGENCIES - Continued

The right of use operating lease asset is amortized using the straight-line method over the lease term. The right of use operating lease assets consists of the following as of September 30:

	2023	2022
Classification		
Office space	$ 4,920,967	$ 4,920,967
Less: accumulated amortization	(1,610,070)	(815,127)
Building under operating lease, net	$ 3,310,897	$ 4,105,840

The future minimum lease payments, by year and in aggregate, under the noncancelable operating lease consist of the following:

Year ending September 30,	Minimum Lease Payments
2024	$ 921,480
2025	1,035,135
2026	1,066,152
2027	1,098,101
2028	564,128
Total future minimum payments	4,684,996
Less interest	(96,335)
Operating lease payable	$ 4,588,661

2. Finance Leases

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

NOTE F - COMMITMENTS AND CONTINGENCIES - Continued

The following is a summary of the leased assets included in right of use finance lease asset at September 30:

	2023	2022
Classification		
Equipment	$ 299,044	$ 299,044
Less: accumulated amortization	(249,198)	(211,949)
Equipment under finance lease, net	$ 49,846	$ 87,095

The future minimum lease payments under the finance leases together with the present value of the net minimum lease payments consist of the following at September 30, 2023:

Year ending September 30,	Amount
2024	$ 34,591
2025	17,295
Total future minimum payments	51,886
Less interest	(856)
Finance lease payable	$ 51,030

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.

NOTE G - PPP LOAN PAYABLE

The U.S. Small Business Administration (SBA) Paycheck Protection Program (PPP) loan was established for organizations who continued to pay their employees during the COVID-19 pandemic. The Organization received $870,120 as a second draw PPP loan. The Organization fully met the requirements for loan forgiveness under the PPP program in November 2021. The forgiveness has been recognized as revenue in the Consolidated Statement of Activities and Changes in Net Assets for the year ended September 30, 2022.

NOTE H - LINE OF CREDIT

The Organization has a $1,000,000 revolving line of credit available at a financial institution as of September 30, 2023. The line of credit bears interest at the Daily Simple Secured Overnight Financing Rate (SOFR) plus 2%. The line of credit is secured by personal property of the Organization. There were no borrowings under the line of credit at September 30, 2023 or 2022.

NOTE I - IN-KIND CONTRIBUTIONS

The Organization received the following contributions of nonfinancial assets for the year ended September 30:

	2023	2022
Accommodations	$ 128,864	$ 97,002
Event production	57,874	-
Meals and entertainment	126,425	156,124
Transportation	20,659	11,450
Total in-kind contributions	$ 333,822	$ 264,576

NOTE J - 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, 2023 and 2022, revenue of approximately $1,352,000 and $987,000, respectively, was recognized from organizations affiliated with certain members of the board of directors. In addition, the Organization incurred expenses of approximately $847,000 and $484,000 during the years ended September 30, 2023 and 2022, 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 K - SUBSEQUENT EVENTS

The Organization has evaluated events and transactions occurring subsequent to September 30, 2023 as of March 21, 2024 which is the date the consolidated financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

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

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

September 30, 2023

	Visit Tampa Bay	Film Tampa Bay	Eliminating Entries	Total
ASSETS				
Current assets				
Cash and cash equivalents	$ 5,242,154	$ 248,018	$ -	$ 5,490,172
Related party custodial cash	248,018	-	(248,018)	-
Accounts receivable				
Service contracts	-	152,500	-	152,500
Other	364,164	4,894	-	369,058
Inventory	118,673	-	-	118,673
Prepaid expenses and other assets	658,785	608	-	659,393
Related party receivable	23,337	-	(23,337)	-
Total current assets	6,655,131	406,020	(271,355)	6,789,796
Furniture, equipment, and leasehold improvements, net	2,285,636	1,000	-	2,286,636
Right of use operating lease asset, net	3,310,897	-	-	3,310,897
Right of use finance lease asset, net	49,846	-	-	49,846
TOTAL ASSETS	$ 12,301,510	$ 407,020	$ (271,355)	$ 12,437,175
LIABILITIES AND NET ASSETS				
Current liabilities				
Accounts payable	$ 1,328,923	$ 3,506	$ -	$ 1,332,429
Accrued expenses	732,193	42,275	-	774,468
Operating lease payable, current portion	883,794	-	-	883,794
Finance lease payable, current portion	33,841	-	-	33,841
Pass through funding	146,216	-	-	146,216
Related party custodial cash liabilities	248,018	-	(248,018)	-
Unearned revenue				
Partnership	60,203	-	-	60,203
Other	206,908	-	-	206,908
Related party payable	-	23,337	(23,337)	-
Total current liabilities	3,640,096	69,118	(271,355)	3,437,859
Long-term liabilities				
Operating lease payable, net of current portion	3,704,867	-	-	3,704,867
Finance lease payable, net of current portion	17,189	-	-	17,189
Total long-term liabilities	3,722,056	-	-	3,722,056
Total liabilities	7,362,152	69,118	(271,355)	7,159,915
Net assets				
Without donor restrictions				
Undesignated	2,439,358	337,902	-	2,777,260
Board designated - private revenue operating reserve	2,500,000	-	-	2,500,000
With donor restrictions	-	-	-	-
	4,939,358	337,902	-	5,277,260
TOTAL LIABILITIES AND NET ASSETS	$ 12,301,510	$ 407,020	$ (271,355)	$ 12,437,175

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, 2023

	Visit Tampa Bay	Film Tampa Bay	Eliminating Entries	Total
Revenues				
Service contracts	$ 24,907,622	$ 630,000	$ -	$ 25,537,622
Tourism marketing district	899,597	-	-	899,597
Partnership dues	459,677	-	-	459,677
Partnership events	191,993	-	-	191,993
Promotional partnerships	1,051,346	51,054	(50,000)	1,052,400
Visitor information center	254,406	-	-	254,406
PEO fee income	86,910	-	(14,451)	72,459
In-kind contributions	333,822	-	-	333,822
Interest income	105,437	-	-	105,437
Other income	39,945	-	-	39,945
Total revenues	28,330,755	681,054	(64,451)	28,947,358
Expenses				
Convention sales and services	6,413,025	-	-	6,413,025
Marketing and public relations	19,872,351	672,230	(64,451)	20,480,130
Unlock Tampa Bay visitor center	889,382	-	-	889,382
Partnership	642,565	-	-	642,565
Total expenses	27,817,323	672,230	(64,451)	28,425,102
Change in net assets	513,432	8,824	-	522,256
Net assets - beginning of year	4,425,926	329,078	-	4,755,004
Net assets - end of year	$ 4,939,358	$ 337,902	$ -	$ 5,277,260

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, 2023

RIVERO, GORDIMER & COMPANY, P.A.

CPAS AND ADVISORS

Member
American Institute of Certified Public Accountants
Florida Institute of Certified Public Accountants

Herman V. Lazzara
Sam A. Lazzara
Kevin R. Bass
Jonathan E. Stein
Stephen G. Douglas
Marc D. Sasser, of Counsel
Cesar J. Rivero, in Memoriam (1942-2017)
Michael E. Helton
James K. O'Connor
David M. Bohnsack
Julie A. Davis

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, 2023, 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 21, 2024.

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.

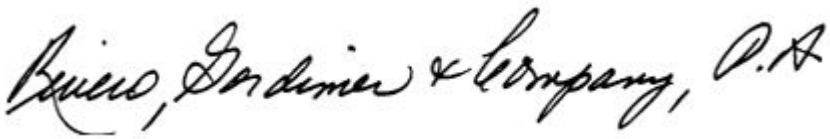
One Tampa City Center • 201 N. Franklin St., Suite 2600 • Tampa, Florida 33602 • 813-875-7774 fax 813-874-6785 • www.rgcocpa.com

Report on 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 21, 2024