

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

**CONSOLIDATED FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION**

**YEARS ENDED SEPTEMBER 30, 2019 AND 2018**



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**TAMPA BAY CONVENTION & VISITORS BUREAU, INC.**  
**DBA: VISIT TAMPA BAY AND AFFILIATE**  
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## INDEPENDENT AUDITORS' REPORT

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

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

We have audited the accompanying consolidated financial statements of Tampa Bay Convention & Visitors Bureau, Inc. dba: Visit Tampa Bay and Affiliate (a nonprofit organization), which comprise the consolidated statements of financial position as of September 30, 2019 and 2018, and the related consolidated statements of activities, 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the 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' judgment, 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 the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

### ***Opinion***

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Tampa Bay Convention & Visitors Bureau, Inc. dba: Visit Tampa Bay and Affiliate as of September 30, 2019 and 2018, and the changes in their net assets and their 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 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 audits 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 February 25, 2020, 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 tests 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.

### **CliftonLarsonAllen LLP**

Tampa, Florida  
February 25, 2020

**TAMPA BAY CONVENTION & VISITORS BUREAU, INC.**  
**DBA: VISIT TAMPA BAY AND AFFILIATE**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**SEPTEMBER 30, 2019 AND 2018**

<b>ASSETS</b>	2019	2018
<b>CURRENT ASSETS</b>		
Cash	\$ 2,477,297	\$ 3,116,747
Accounts Receivable:		
Service Contracts	170,985	80,341
Partnership	8,700	1,900
Other	531,127	578,751
Inventory	74,048	61,489
Prepaid Expenses and Other Assets	511,280	346,172
Total Current Assets	3,773,437	4,185,400
 Furniture, Equipment, and Leasehold Improvements, Net of Accumulated Depreciation and Amortization	 2,436,568	 2,759,080
 Total Assets	 \$ 6,210,005	 \$ 6,944,480
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 478,751	\$ 669,625
Accrued Expenses	642,746	585,518
Deferred Lease Credits, Current Portion	75,672	55,362
Capital Lease Payable, Current Portion	42,624	41,267
Pass Through Funding	423,804	508,891
Unearned Revenue:		
Partnership	260,175	243,374
Other	47,317	53,792
Total Current Liabilities	1,971,089	2,157,829
<b>LONG-TERM LIABILITIES</b>		
Deferred Lease Credits, Net of Current Portion	1,206,493	1,273,909
Capital Lease Payable, Net of Current Portion	26,328	68,952
Total Long-Term Liabilities	1,232,821	1,342,861
 Total Liabilities	 3,203,910	 3,500,690
<b>NET ASSETS</b>		
Without Donor Restrictions	3,006,095	3,443,790
 Total Liabilities and Net Assets	 \$ 6,210,005	 \$ 6,944,480

See accompanying Notes to Consolidated Financial Statements.

**TAMPA BAY CONVENTION & VISITORS BUREAU, INC.**  
**DBA: VISIT TAMPA BAY AND AFFILIATE**  
**CONSOLIDATED STATEMENTS OF ACTIVITIES**  
**YEARS ENDED SEPTEMBER 30, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
<b>REVENUES WITHOUT DONOR RESTRICTIONS</b>		
Service Contracts	\$ 14,093,640	\$ 13,725,023
Tourism Marketing District	749,919	459,553
Partnership Dues	503,759	495,608
Partnership Events	183,723	258,738
Promotional Partnerships	1,164,985	712,271
Visitor Information Center	227,800	124,973
PEO Fee Income	36,274	31,199
In-Kind Contributions	192,519	208,222
Total Revenues Without Donor Restrictions	<u>17,152,619</u>	<u>16,015,587</u>
<b>EXPENSES</b>		
Sales and Marketing	15,669,951	12,817,597
Convention Services	765,290	905,328
Visitor Center and Services	618,195	524,786
Partnership Services	536,878	449,859
Total Expenses	<u>17,590,314</u>	<u>14,697,570</u>
<b>CHANGE IN NET ASSETS</b>	(437,695)	1,318,017
Net Assets - Beginning of Year	<u>3,443,790</u>	<u>2,125,773</u>
<b>NET ASSETS - END OF YEAR</b>	<u><u>\$ 3,006,095</u></u>	<u><u>\$ 3,443,790</u></u>

See accompanying Notes to Consolidated Financial Statements.

**TAMPA BAY CONVENTION & VISITORS BUREAU, INC.**  
**DBA: VISIT TAMPA BAY AND AFFILIATE**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED SEPTEMBER 30, 2019**

	Program Services				Total Program Services	General and Administration	Total Expenses
	Sales and Marketing	Convention Services	Visitor Center and Services	Partnership Services			
Salaries	\$ 2,252,802	\$ 267,172	\$ 111,094	\$ 143,069	\$ 2,774,137	\$ 1,264,584	\$ 4,038,721
Payroll Taxes	161,741	19,840	8,977	10,678	201,236	74,567	275,803
Employee Benefits	325,655	41,178	5,935	18,513	391,281	117,603	508,884
Total Salaries and Related Expenses	2,740,198	328,190	126,006	172,260	3,366,654	1,456,754	4,823,408
Advertising	6,129,807	-	154	-	6,129,961	-	6,129,961
Contract Services	464,307	-	-	-	464,307	34,700	499,007
Cost of Goods Sold	-	-	123,730	-	123,730	-	123,730
Depreciation and Amortization	221,162	25,583	62,472	11,528	320,745	74,217	394,962
Event Hosting	-	-	-	162,091	162,091	-	162,091
Fulfillment	75,218	-	-	-	75,218	-	75,218
In-Kind Contributions	114,247	34,894	-	43,378	192,519	-	192,519
Local and Community	10,640	1,397	15,676	3,802	31,515	340,107	371,622
Promotions	1,541,006	29,823	-	-	1,570,829	-	1,570,829
Site Visit	378,571	20,325	-	-	398,896	-	398,896
Technology Support	248,929	-	700	-	249,629	52,523	302,152
Tenancy	509,528	61,473	104,102	26,589	701,692	153,953	855,645
Tradeshaw Participation	911,741	-	-	-	911,741	-	911,741
Travel	50,297	6,420	2,565	2,819	62,101	61,195	123,296
Other Expenses	94,352	4,892	9,632	730	109,606	545,631	655,237
Total Expenses Before Overhead Allocation	13,490,003	512,997	445,037	423,197	14,871,234	2,719,080	17,590,314
Overhead Allocation	2,179,948	252,293	173,158	113,681	2,719,080	(2,719,080)	-
Total Expenses per Consolidated Statement of Activities	<u>\$ 15,669,951</u>	<u>\$ 765,290</u>	<u>\$ 618,195</u>	<u>\$ 536,878</u>	<u>\$ 17,590,314</u>	<u>\$ -</u>	<u>\$ 17,590,314</u>

See accompanying Notes to Consolidated Financial Statements.

**TAMPA BAY CONVENTION & VISITORS BUREAU, INC.**  
**DBA: VISIT TAMPA BAY AND AFFILIATE**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED SEPTEMBER 30, 2018**

	Program Services				Total Program Services	General and Administration	Total Expenses
	Sales and Marketing	Convention Services	Visitor Center and Services	Partnership Services			
Salaries	\$ 2,171,491	\$ 365,730	\$ 107,684	\$ 61,400	\$ 2,706,305	\$ 1,184,960	\$ 3,891,265
Payroll Taxes	159,097	28,311	8,489	3,591	199,488	72,521	272,009
Employee Benefits	315,921	59,728	11,193	7,450	394,292	117,007	511,299
Total Salaries and Related Expenses	2,646,509	453,769	127,366	72,441	3,300,085	1,374,488	4,674,573
Advertising	4,240,955	-	3,528	-	4,244,483	-	4,244,483
Contract Services	451,328	-	-	-	451,328	-	451,328
Cost of Goods Sold	-	-	76,905	-	76,905	-	76,905
Depreciation and Amortization	214,278	24,837	54,277	10,072	303,464	65,373	368,837
Event Hosting	-	-	-	216,464	216,464	-	216,464
Fulfillment	69,758	-	-	-	69,758	-	69,758
In-Kind Contributions	105,236	78,030	-	24,957	208,223	-	208,223
Local and Community	21,933	1,586	-	1,130	24,649	300,461	325,110
Promotions	1,155,835	27,096	-	-	1,182,931	-	1,182,931
Site Visit	296,261	13,467	-	-	309,728	-	309,728
Technology Support	223,978	-	2,696	-	226,674	55,693	282,367
Tenancy	521,819	60,841	95,012	25,588	703,260	142,955	846,215
Tradeshaw Participation	685,878	-	-	-	685,878	-	685,878
Travel	44,787	3,337	-	2,229	50,353	60,336	110,689
Other Expenses	83,581	6,117	20,791	1,177	111,666	532,415	644,081
Total Expenses Before Overhead Allocation	10,762,136	669,080	380,575	354,058	12,165,849	2,531,721	14,697,570
Overhead Allocation	2,055,461	236,248	144,211	95,801	2,531,721	(2,531,721)	-
Total Expenses per Consolidated Statement of Activities	<u>\$ 12,817,597</u>	<u>\$ 905,328</u>	<u>\$ 524,786</u>	<u>\$ 449,859</u>	<u>\$ 14,697,570</u>	<u>\$ -</u>	<u>\$ 14,697,570</u>

See accompanying Notes to Consolidated Financial Statements.



**TAMPA BAY CONVENTION & VISITORS BUREAU, INC.**  
**DBA: VISIT TAMPA BAY AND AFFILIATE**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**YEARS ENDED SEPTEMBER 30, 2019 AND 2018**

	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ (437,695)	\$ 1,318,017
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation and Amortization	394,962	368,837
(Increase) Decrease in:		
Accounts Receivable	(49,820)	7,786
Inventory	(12,559)	(32,206)
Prepaid Expenses and Other Assets	(165,108)	(125,622)
Increase (Decrease) in:		
Accounts Payable and Accrued Expenses	(133,646)	(300,780)
Deferred Lease Credits	(47,106)	244,752
Pass Through Funding	(85,087)	204,849
Unearned Revenue	10,326	24,086
Net Cash Provided (Used) by Operating Activities	(525,733)	1,709,719
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of Furniture, Equipment, and Leasehold Improvements	(72,450)	(632,155)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Principal Payments on Capital Lease Payable	(41,267)	(16,060)
Net Cash Used by Financing Activities	(41,267)	(16,060)
<b>NET INCREASE (DECREASE) IN CASH</b>	(639,450)	1,061,504
Cash - Beginning of Year	3,116,747	2,055,243
<b>CASH - END OF YEAR</b>	\$ 2,477,297	\$ 3,116,747
<b>SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES:</b>		
Cash Paid for Interest	\$ 2,962	\$ 1,531
Equipment Acquired Through Capital Lease	\$ -	\$ 126,279

See accompanying Notes to Consolidated Financial Statements.

**TAMPA BAY CONVENTION & VISITORS BUREAU, INC.  
DBA: VISIT TAMPA BAY AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019 AND 2018**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities**

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 mission of Visit Tampa Bay is to lead the effort of economic development through tourism via meeting and conventions, sporting events, film production, and leisure travelers. The mission of Visit Tampa Bay is to create vibrant growth for the Tampa area by promoting, developing and expanding a united visitor industry. The independent not-for-profit organization represents more than 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 operations of the Organization can be broken down into the following departments, each having specific yet overlapping functions as detailed below:

**Sales and Marketing**

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.

**Convention 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 over 800 partners on places to stay and things to do in the destination for a greater level of cohesiveness and service to the visitors.

**Visitor Center and Services**

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.

**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.

**TAMPA BAY CONVENTION & VISITORS BUREAU, INC.**  
**DBA: VISIT TAMPA BAY AND AFFILIATE**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019 AND 2018**

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

**Principles of Consolidation**

The consolidated financial statements include the accounts of Visit Tampa Bay and the 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.

**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. Currently, the Organization has no net assets with donor restrictions.

**Cash**

The Commission 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.

**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 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 CONSOLIDATED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019 AND 2018**

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

**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.

**Accounts Receivable and Unearned Revenues**

Accounts receivable are recorded at their estimated collectible amounts. All of the accounts receivable at September 30, 2019, are deemed to be collectible. Therefore, no provision for uncollectible amounts has been made in the accompanying consolidated financial statements.

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

**Revenue and Revenue Recognition**

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

**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.

**TAMPA BAY CONVENTION & VISITORS BUREAU, INC.**  
**DBA: VISIT TAMPA BAY AND AFFILIATE**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019 AND 2018**

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

**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. As discussed in Note 6, 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.

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

**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.

**Income Taxes**

The two organizations 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.

**TAMPA BAY CONVENTION & VISITORS BUREAU, INC.**  
**DBA: VISIT TAMPA BAY AND AFFILIATE**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019 AND 2018**

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

**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 other Florida nonprofit organizations. The Organization recognizes PEO fee income when earned.

**Advertising**

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

**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. Depreciation, amortization and tenancy expenses are allocated based on headcount. Allocation of all other expenses is based on actual usage or management's estimated of usage applicable to the programs and supporting services benefited.

**Related Party Transactions**

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, 2019 and 2018, revenue of approximately \$472,000 and \$299,000, respectively, was recognized from organizations affiliated with certain members of the board of directors. In addition, the Organization incurred expenses of approximately \$317,000 and \$434,000 during the years ended September 30, 2019 and 2018, 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.

**Change in Accounting Standard**

On August 18, 2016, FASB issued Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Organization has implemented ASU 2016-14 and has adjusted the presentation in these consolidated financial statements accordingly. The ASU has been applied retrospectively to all periods presented. Net assets that had been previously classified as unrestricted net assets are now classified as net assets without donor restrictions.

**TAMPA BAY CONVENTION & VISITORS BUREAU, INC.**  
**DBA: VISIT TAMPA BAY AND AFFILIATE**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019 AND 2018**

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

**Reclassifications**

Certain amounts previously reported in the financial statements for the prior year have been reclassified in order for them to be in conformity with the current year presentation.

**Subsequent Events**

We have evaluated subsequent events through February 25, 2020, the date the consolidated financial statements were available to be issued.

**NOTE 2 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:

	<u>2019</u>	<u>2018</u>
Cash	\$ 2,477,297	\$ 3,116,747
Accounts Receivable	710,812	660,992
Total Financial Assets	3,188,109	3,777,739
Less: Pass Through Funding	<u>(423,804)</u>	<u>(508,891)</u>
Total Financial Assets Available for General Expenditures Within One Year	<u>\$ 2,764,305</u>	<u>\$ 3,268,848</u>

As part of the Organization's liquidity management, the Organization has a line of credit in the amount of \$1,400,000 (Note 7) which could draw upon in the event of an unanticipated liquidity need. The Organization has a goal to maintain financial assets, which consist of cash on hand to meet 2 months of operating expenses of approximately \$2,000,000.

**NOTE 3 FURNITURE, EQUIPMENT, AND LEASEHOLD IMPROVEMENTS**

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

	<u>2019</u>	<u>2018</u>
Furniture and Equipment	\$ 1,509,863	\$ 1,449,324
Leasehold Improvements	2,127,023	2,115,112
Total	3,636,886	3,564,436
Less: Accumulated Depreciation and Amortization	<u>(1,200,318)</u>	<u>(805,356)</u>
Total	<u>\$ 2,436,568</u>	<u>\$ 2,759,080</u>

**TAMPA BAY CONVENTION & VISITORS BUREAU, INC.**  
**DBA: VISIT TAMPA BAY AND AFFILIATE**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019 AND 2018**

**NOTE 4 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 \$135,000 and \$147,000 for the years ended September 30, 2019 and 2018, respectively.

**NOTE 5 SERVICE CONTRACTS**

The Organization received significant funding (approximately 82% and 86% during the years ended September 30, 2019 and 2018, 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 \$14.1 million and \$13.7 million for the years ended September 30, 2019 and 2018, 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 \$13.0 million and \$12.7 million under this contract for the years ended September 30, 2019 and 2018, respectively. This contract has been renewed through fiscal year-end 2021.

**NOTE 6 COMMITMENTS AND CONTINGENCIES**

**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 \$664,000 and \$673,000 for the years ended September 30, 2019 and 2018, 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 CONSOLIDATED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019 AND 2018**

**NOTE 6 COMMITMENTS AND CONTINGENCIES (CONTINUED)**

**Operating Leases (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, 2019:

<u>Year Ending September 30.</u>	<u>Minimum Lease Payments</u>
2020	\$ 743,504
2021	959,660
2022	963,920
2023	989,391
2024	1,019,112
Thereafter	3,816,276
Total	<u>\$ 8,491,863</u>

**Capital Leases**

The Organization leases various equipment under capital leases expiring at various times through fiscal year 2021. 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>2019</u>	<u>2018</u>
Equipment	\$ 126,279	\$ 126,279
Less: Accumulated Amortization	(57,327)	(16,060)
Equipment under Capital Lease, Net	<u>\$ 68,952</u>	<u>\$ 110,219</u>

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, 2019:

<u>Year Ending September 30.</u>	<u>Amount</u>
2020	\$ 44,229
2021	26,638
Total Minimum Lease Payments	70,867
Less: Amount Representing Interest	(1,915)
Capital Lease Payable	68,952
Less: Current Portion of Capital Lease Payable	(42,624)
Capital Lease Payable, Net	<u>\$ 26,328</u>

**TAMPA BAY CONVENTION & VISITORS BUREAU, INC.**  
**DBA: VISIT TAMPA BAY AND AFFILIATE**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019 AND 2018**

**NOTE 6 COMMITMENTS AND CONTINGENCIES (CONTINUED)**

**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 7 LINE OF CREDIT**

The Organization has a \$1,400,000 unsecured revolving line of credit with a bank. Interest is due monthly at a variable rate equal to the 30-day LIBOR plus 2% (3.8% and 4.29% as of September 30, 2019 and 2018, respectively). Principal is due upon maturity in March 2020. The agreement requires the Organization to comply with certain financial and nonfinancial covenants. There is no outstanding balance on the line of credit as of September 30, 2019 and 2018.

**TAMPA BAY CONVENTION & VISITORS BUREAU, INC.**  
**DBA: VISIT TAMPA BAY AND AFFILIATE**  
**CONSOLIDATING STATEMENT OF FINANCIAL POSITION**  
**SEPTEMBER 30, 2019**  
(SEE INDEPENDENT AUDITORS' REPORT)

<b>ASSETS</b>	<u>Visit Tampa Bay</u>	<u>Film Tampa Bay</u>	<u>Eliminating Entries</u>	<u>Total</u>
<b>CURRENT ASSETS</b>				
Cash	\$ 2,412,138	\$ 65,159	\$ -	\$ 2,477,297
Accounts Receivable:				
Service Contracts	-	170,985	-	170,985
Partnership	8,700	-	-	8,700
Other	531,127	-	-	531,127
Inventory	74,048	-	-	74,048
Prepaid Expenses and Other Assets	502,741	8,539	-	511,280
Related Party Receivable	82,380	-	(82,380)	-
Total Current Assets	<u>3,611,134</u>	<u>244,683</u>	<u>(82,380)</u>	<u>3,773,437</u>
Furniture, Equipment, and Leasehold Improvements, Net of Accumulated Depreciation and Amortization	<u>2,432,815</u>	<u>3,753</u>	<u>-</u>	<u>2,436,568</u>
Total Assets	<u>\$ 6,043,949</u>	<u>\$ 248,436</u>	<u>\$ (82,380)</u>	<u>\$ 6,210,005</u>
<b>LIABILITIES AND NET ASSETS</b>				
<b>CURRENT LIABILITIES</b>				
Accounts Payable	\$ 450,979	\$ 27,772	\$ -	\$ 478,751
Accrued Expenses	623,666	19,080	-	642,746
Deferred Lease Credits, Current Portion	75,672	-	-	75,672
Capital Lease Payable, Current Portion	42,624	-	-	42,624
Pass Through Funding	423,804	-	-	423,804
Unearned Revenue:				
Partnership	260,175	-	-	260,175
Other	47,317	-	-	47,317
Related Party Payable	-	82,380	(82,380)	-
Total Current Liabilities	<u>1,924,237</u>	<u>129,232</u>	<u>(82,380)</u>	<u>1,971,089</u>
<b>NONCURRENT LIABILITIES</b>				
Deferred Lease Credits, Net of Current Portion	1,206,493	-	-	1,206,493
Capital Lease Payable, Net of Current Portion	26,328	-	-	26,328
Total Noncurrent Liabilities	<u>1,232,821</u>	<u>-</u>	<u>-</u>	<u>1,232,821</u>
Total Liabilities	<u>3,157,058</u>	<u>129,232</u>	<u>(82,380)</u>	<u>3,203,910</u>
<b>NET ASSETS</b>				
Without Donor Restrictions	<u>2,886,891</u>	<u>119,204</u>	<u>-</u>	<u>3,006,095</u>
Total Liabilities and Net Assets	<u>\$ 6,043,949</u>	<u>\$ 248,436</u>	<u>\$ (82,380)</u>	<u>\$ 6,210,005</u>

**TAMPA BAY CONVENTION & VISITORS BUREAU, INC.**  
**DBA: VISIT TAMPA BAY AND AFFILIATE**  
**CONSOLIDATING STATEMENT OF ACTIVITIES**  
**YEAR ENDED SEPTEMBER 30, 2019**  
**(SEE INDEPENDENT AUDITORS' REPORT)**

	Visit Tampa Bay	Film Tampa Bay	Eliminating Entries	Total
<b>REVENUES WITHOUT RESTRICTIONS</b>				
Service Contracts	\$ 13,684,155	\$ 409,485	\$ -	\$ 14,093,640
Tourism Marketing District	749,919	-	-	749,919
Partnership Dues	503,759	-	-	503,759
Partnership Events	183,723	-	-	183,723
Promotional Partnerships	1,114,785	50,200	-	1,164,985
Visitor Information Center	227,800	-	-	227,800
Management Fee Income	36,274	-	-	36,274
In-Kind Contributions	192,519	-	-	192,519
Total Revenues Without Restrictions	<u>16,692,934</u>	<u>459,685</u>	<u>-</u>	<u>17,152,619</u>
<b>EXPENSES</b>				
Sales and Marketing	15,200,225	469,726	-	15,669,951
Convention Services	765,290	-	-	765,290
Visitor Center and Services	618,195	-	-	618,195
Partnership Services	536,878	-	-	536,878
Total Expenses	<u>17,120,588</u>	<u>469,726</u>	<u>-</u>	<u>17,590,314</u>
<b>CHANGE IN NET ASSETS</b>	(427,654)	(10,041)	-	(437,695)
Net Assets - Beginning of Year	<u>3,314,545</u>	<u>129,245</u>	<u>-</u>	<u>3,443,790</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 2,886,891</u>	<u>\$ 119,204</u>	<u>\$ -</u>	<u>\$ 3,006,095</u>



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Tampa Bay Convention & Visitors Bureau, Inc. dba: Visit Tampa Bay and Affiliate, which comprise the consolidated statement of financial position as of September 30, 2019, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated February 25, 2020.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the consolidated financial statements, we considered Tampa Bay Convention & Visitors Bureau, Inc. dba: Visit Tampa Bay and Affiliate's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Tampa Bay Convention & Visitors Bureau, Inc. dba: Visit Tampa Bay and Affiliate's internal control. Accordingly, we do not express an opinion on the effectiveness of Tampa Bay Convention & Visitors Bureau, Inc. dba: Visit Tampa Bay and Affiliate's internal control.

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

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

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 Tampa Bay Convention & Visitors Bureau, Inc. dba: Visit Tampa Bay and Affiliate's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of consolidated financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

Tampa, Florida  
February 25, 2020