Financial Statements
and Other Financial Information

Florida Tourism Industry Marketing Corporation, Inc.
d/b/a VISIT FLORIDA

Year ended June 30, 2023
with Report of Independent Auditors

Thomas Howell
Ferguson P.A.
Certified Public Accountants

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Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Florida Tourism Industry Marketing Corporation, Inc. d/b/a VISIT FLORIDA (the Corporation) which comprise the statement of fund net position as of June 30, 2023, the related statements of revenues, expenses, and changes in fund net position, and cash flows as of and for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Corporation, as of June 30, 2023, and the changes in its fund net position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States *(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 the Corporation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the Corporation adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern within one year after the date that the financial statements are issued.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 GAAS 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 GAAS 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 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 the Corporation's internal control. Accordingly, no such opinion is expressed.

Auditor's Responsibility for the Audit of the Financial Statements (continued)

- 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 financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation'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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 5 through 10 be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by the Government Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Corporation's basic financial statements. The schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and Chapter 10.650, *Rules of the Auditor General*, and the schedule of findings and questioned costs relating to federal awards and state financial assistance are presented for purposes of additional analysis and are not a required part of the basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of expenditures of federal awards and state financial assistance and the schedule of findings and questioned costs relating to federal awards and state financial assistance are fairly stated, in all material respects, in relation to the 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 September 18, 2023 on our consideration of the Corporation'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 the Corporation's internal control over financial reporting or on compliance.

Thomas Howell Ferguson P.A.

Tallahassee, Florida
September 18, 2023

Management's Discussion and Analysis

The following Management's Discussion and Analysis is for the financial statements of Florida Tourism Industry Marketing Corporation, Inc. d/b/a VISIT FLORIDA for the fiscal years ended June 30, 2023 and June 30, 2022.

VISIT FLORIDA is a not-for-profit corporation established by s. 288.1226, Florida Statutes, to promote and market Florida tourism. It is considered a component unit of the state of Florida for financial reporting purposes.

History

During the 1996 session, the Florida Legislature voted to dismantle the state's Department of Commerce and transferred the responsibility of promoting and marketing Florida tourism to the Florida Commission on Tourism (the Commission). The Commission operated pursuant to a partnership agreement with the Executive Office of the Governor's Office of Tourism, Trade and Economic Development (OTTED) which outlined the expectations and responsibilities for program implementation. In accordance with Florida law and the OTTED partnership agreement, the Commission formed the Florida Tourism Industry Marketing Corporation, Inc. (which now does business as VISIT FLORIDA) as a direct-support organization responsible for implementing programs under its purview.

Following the 2011 Florida Legislative Session, many Florida public-private partnerships were reorganized, including VISIT FLORIDA. OTTED's duties were transferred to the Department of Economic Opportunity (DEO) and VISIT FLORIDA became a direct-support organization of Enterprise Florida, Inc. (EFI). Thereafter, VISIT FLORIDA's annual public appropriation has been included in DEO's section of the General Appropriations Act and has been made available to VISIT FLORIDA through a contract with DEO and EFI.

Additional Legislative changes in 2017 reduced amounts allowable for match purposes. These revisions provided that contributions from a government entity or from an entity that received more than 50 percent of its revenue in the previous fiscal year from public sources, including revenue derived from taxes, other than taxes collected pursuant to s. 125.0104, from fees, or from other government revenues, are not considered private contributions for purposes of calculating the required one-to-one match[1]. As a result, the total matching funds reported to DEO will be less than the recorded revenue on the financial statements.

Structure

VISIT FLORIDA's exclusive statutory purpose and mission is to promote and market Florida tourism. Its corporate headquarters are located in Tallahassee, Florida. For financial reporting purposes the corporation's marketing activity is organized into the following eight departments:

- The Advertising department develops and executes direct consumer advertising and cooperative advertising efforts with tourism advertising partners. The advertising programs reach consumers inside the state of Florida and targeted markets in the United States and internationally via broadcast, social, print, out-of-home, and digital media channels.
- The Promotions department develops and executes promotional campaigns in cooperation with a variety of media partners, primarily radio stations.
- The Content department creates and distributes Florida travel content, primarily videos, photography and articles.

[1] Chapter 288.1226 (6) (b) 4., F.S.

- The Public Relations department generates positive media exposure for Florida's tourism industry through broadcast, print and digital media in key international and domestic markets. VISIT FLORIDA has public relations representation and/or contractors in the United States, Canada, Mexico, Brazil, Colombia, Germany and the United Kingdom.
- The Marketing and Events department develops and leverages relationships with travel agents, tour operators and meetings professionals to drive sales. The Marketing and Events department in Tallahassee works closely with our contractors in the United States, Canada, Mexico, Brazil, Chile, Argentina, Colombia, Peru, Ecuador, Germany and the United Kingdom to promote Florida.
- The Visitor Services department operates three highway Welcome Centers (located on the Florida border of I-10, I-75, and I-95) and an information center in the Florida State Capitol.
- The Industry Relations and Sales department develops and manages partnership relationships and related activity.
- The Research department sources, analyzes and reports market and marketing performance data.

Financial reporting for VISIT FLORIDA for the year ended June 30, 2023 compared to June 30, 2022.

For financial reporting purposes, VISIT FLORIDA prepares its financial statements under Governmental Accounting Standards and follows the financial statement format required for enterprise funds. The basic financial statements required for enterprise funds include the statement of fund net position (balance sheet), the statement of revenues, expenses, and changes in fund net position (income statement), the statement of cash flows, and the notes to the financial statements. Because the operating activity of the Corporation focuses exclusively on its statutory responsibilities, the financial statements are presented in a singular fund format. Significant transactions and operational issues reflected in the June 30, 2023 and June 30, 2022 financial statements are discussed in the paragraphs below.

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87, Leases. Under the guidance, lessees are required to recognize lease assets (right-of-use) and lease liabilities on the statement of fund net position, unless the lease is a short-term lease or it transfers ownership of the underlying asset. A lessee should reduce the lease liability over the lease term as payments are made and recognize an expense for interest on the liability. The lessee should amortize the lease asset in a systematic and rational manner over the shorter of the lease term or the useful life of the lease asset. The statement is effective for fiscal years beginning after June 15, 2021.

VISIT FLORIDA implemented this statement as of July 1, 2021. The current lease assets recorded are for the corporate office lease, the warehouse lease and the copiers in the corporate office.

In May 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs), which accounts for the rights to use vendors' information technology software. Under the guidance, governments are required to recognize subscription assets (right-of-use) and subscription liabilities on the statement of fund net position, unless the subscription is a short-term agreement. A government should reduce the subscription liability over the subscription term as payments are made and recognize an expense for interest on the liability. The government should amortize the subscription asset in a systematic and rational manner over the shorter of the subscription term or the useful life of the asset. The statement is effective for fiscal years beginning after June 15, 2022.

VISIT FLORIDA implemented this statement as of July 1, 2022, and chose not to present comparative financial statements as this would require restating fiscal year 2021-2022 financials using the new SBITAs guidance. The subscription assets recorded are for software used for VISIT FLORIDA's current website, event management system, single sign-on service and Google suite enterprise licenses.

The statement of fund net position reflects right-of-use lease and subscription assets and current and noncurrent lease and subscription liabilities. The statement of revenues, expenses and changes in fund net position shows the related interest expense. The rents expense and fees and services expense are reduced and the depreciation and amortization expense include the amortization of the lease and subscription assets. See Notes 3, 5 and 6 of the financial statements for a detailed schedule of the capital, lease assets and operating leases and subscription assets.

<u>Statement of Revenue, Expenses, and Changes in Fund Net Position</u>

Each year VISIT FLORIDA receives a portion of its operating revenue from the state of Florida; these funds are appropriated by the Florida Legislature and remitted to VISIT FLORIDA. VISIT FLORIDA is mandated by the Florida Legislature to match the public funding, dollar for dollar, with allowable private funds. The public funding can by appropriated from multiple sources:

- The Tourism Promotional Trust Fund (TPTF), which is funded by a designated share (15.75 percent) of the State's per day rental car surcharge.
- The State Economic Enhancement and Development Trust Fund (SEED), which is funded by document stamp taxes.
- The General Revenue Fund.

For fiscal year ending June 30, 2023, the state appropriation was $50,000,000, which consisted of $24,000,000 from the TPTF, and $26,000,000 from the SEED. For fiscal year ending June 30, 2022, the state appropriation was $50,000,000, which consisted of $21,000,000 from the TPTF and $29,000,000 from the SEED. Both fiscal years required expenditures of $1,000,000 to be spent on veterans marketing and research.

VISIT FLORIDA received additional funding through the Federal Coronavirus Aid, Relief, and Economic Security Act (CARES) and the American Rescue Plan Act (ARPA) in fiscal years ending June 30, 2022 and/or 2023.

- VISIT FLORIDA applied for and was awarded a $5,000,000 CARES federal grant from the Economic Development Administration (EDA). This grant was used to fund Destination Marketing Organizations (DMO) cooperative opportunities in direct response to COVID-19. The $5,000,000 grant required a dollar for dollar match with VISIT FLORIDA funds and DMO funds. The $5,000,000 grant was combined with $3,280,001 in partner participation, and $8,166,459 from VISIT FLORIDA for a total of $16,446,460 in expenses spent on COVID-19 rebound recovery during fiscal year ending June 30, 2022. This grant was only for fiscal year ending June 30, 2022.
- The Florida Legislature appropriated $25,000,000 from the General Revenue Fund to conduct activities that support and fund Florida's tourism industry and its recovery from COVID-19 through promotion and marketing activities, services, functions and programs. This specific appropriation originated from the ARPA funds. The State released $20,435,092 of this appropriation during fiscal year ending June 30, 2022, and the entire amount was expended. The remaining $4,564,908 was released and expended during fiscal year ending June 30, 2023.
- The Governor's Office was notified of additional funds available from the ARPA and allocated these funds to VISIT FLORIDA. The funds were awarded in January 2022 and total $14,851,410 and do not require a match from VISIT FLORIDA. The funds are allotted to support travel, tourism and outdoor recreation sectors and are planned to be spent over a couple of fiscal years. No funds were spent during fiscal year ending June 30, 2022. During fiscal year ending June 30, 2023, ARPA grant funds of $12,446,313 were combined with $4,175,000 in partner participation for a total of $16,621,313 in expenses.

Hurricane Ian made landfall in September 2022 and impacted numerous counties across Florida. A recovery plan was approved for a three-phased approach. The first phase promoted a Florida Strong message as well as promoting the unimpacted areas with time stamped creative. The second phase supported the FEMA designated 19 impacted counties with a one-to-one cooperative campaign when the counties were ready to welcome visitors. The final phase was to specifically support the five southwest impacted counties with customized marketing plans. The total hurricane recovery expenditures were $5,103,688, which includes $900,000 in cooperative participation from the impacted counties.

During fiscal year 2023, the total spent to market travel to the state was $66,011,221 and $997,922 was spent towards marketing the state of Florida to veterans resulting in the total State appropriation and Federal grant funding recorded as $67,009,143.

During fiscal year 2022, the total spent to market travel to the state was $74,435,092 and $1,000,000 was spent towards marketing the state of Florida to veterans resulting in the total State appropriation and Federal grant funding recorded as $75,435,092.

In fiscal year 2023, the Florida tourism industry generated $5,719,434 in cooperative advertising revenue and the related direct advertising expense was $57,607,917. This resulted in a total expenditure for advertising of $63,327,351 during the fiscal year. In fiscal year 2022, the Florida tourism industry generated $4,938,792 in cooperative advertising revenue and the related direct advertising expense was $65,414,644. This resulted in a total expenditure for advertising of $70,353,436 in fiscal year 2022. Total advertising expenditures decreased $7,026,085 from fiscal year 2022 to fiscal year 2023 as a result of a reduction in CARES and ARPA funds.

Trade show and event revenue of $1,901,795 for fiscal year 2023 and $1,563,615 for fiscal year 2022 was generated from industry participation in programs conducted by various departments throughout the organization. The expenses related to these programs are trade show/events direct expenses, a portion of fees and services as well as general and administrative, printing, and travel, and the majority of the expenses for business promotion. The $338,180 increase is due to additional event participation.

Partnership investment revenue results from the dollars received by the VISIT FLORIDA industry Partners. Investments of $1,908,867 were made by 1,464 investing Partners in fiscal year 2023 and $1,117,938 were made by 1,598 investing Partners in fiscal year 2022.

Other operating revenue of $9,999,234 for fiscal year 2023 and $6,775,356 for fiscal year 2022 consist of the following: brochure and transparency rental space revenue in the official Florida Welcome Centers, research revenue, publication revenue from advertisers in the Florida Vacation Guide, Florida Map!, and Seashell Guide, revenue generated from advertisers in cooperative programs and on the consumer website, and reimbursement from the Florida Department of Citrus for juice served at the Welcome Centers. The increase of $3,223,878 is due to additional revenue generated from partner participation related to co-op programs including the Hurricane Recovery program.

Contributed promotional value of $83,334,895 for fiscal year 2023 and $94,886,532 for fiscal year 2022 was the actual market value of the media generated by VISIT FLORIDA's Promotions department. Contributed promotional value qualifies under Florida Statutes towards the required private sector match, but it is not recognized in the audited financial statements. The decrease in promotional value is the result of a decrease in the number of promotions and the length of airtime.

Salaries and benefits for fiscal year 2023 were $7,742,728 and for fiscal year 2022 were $7,193,534. The corporation funded 83 positions during fiscal year 2023.

Fees and services of $5,740,832 for fiscal year 2023 and $5,662,141 for fiscal year 2022 were primarily for contracted services related to content creation, domestic and international agency representation for VISIT FLORIDA's marketing and events and public relations departments, PR campaigns and events, trade show events services, services for the website, and other information technology services.

Fulfillment expenses of $222,628 for fiscal year 2023 and $212,977 for fiscal year 2022 were costs associated with consumer requests for Florida Vacation Guides and the Florida Map!. These costs include freight, handling, postage, and toll-free numbers expenditures.

Research of $1,675,350 for fiscal year 2023 and $1,919,017 for fiscal year 2022 include costs associated with research projects conducted by VISIT FLORIDA's Research department to allow them to report statutory travel data to the state of Florida and to conduct research for the Florida tourism industry on the status of Florida tourism, how it is performing, and what is needed for future growth.

The private funds received by VISIT FLORIDA to count toward the match with the State dollars totaled $102,974,307 for the year ended June 30, 2023 and $109,316,085 for the year ended June 30, 2022. These amounts include the contributed promotional value and interest income with the decrease for 2023 due mainly to a decrease in contributed promotional value offset by additional participation in the programs offered for the fiscal year. VISIT FLORIDA exceeded the dollar for dollar match for the fiscal year. As noted above, legislative changes effective July 1, 2017 to Chapter 288, Florida Statutes, reduced amounts allowable for match purposes, therefore the total private match reported to DEO is $97,358,689.

<u>Statement of Fund Net Position</u>

The cash balance for the fiscal year was $11,844,232, which includes the restricted Economic Risk Fund of $2,164,855. The cash balance for fiscal year 2022 was $14,346,575, which included the restricted Economic Risk Fund of $2,164,855.

The accounts receivable balance of $20,328,441 for fiscal year 2023 consists of $9,997,922 for the 4th quarter payment and $3,237,577 for ARPA reimbursement from the state of Florida, $4,729,026 for Federal ARPA reimbursement and the remainder is primarily for co-op advertising billings. Accounts receivable of $23,447,892 for fiscal year 2022 consists of $10,000,000 for the 4th quarter payment and $11,844,350 for ARPA reimbursement from the state of Florida with the remainder primarily for co-op advertising billings. Prepaid expenses of $952,501 for fiscal year 2023 and $822,569 for fiscal year 2022 consisted of expenditures made in advance of scheduled events.

As of June 30, 2023, and 2022, VISIT FLORIDA had invested, net of accumulated depreciation and amortization, $495,900 and $184,124, respectively, in a range of capital assets including furniture, equipment, and leasehold improvements. A more detailed schedule about VISIT FLORIDA's capital assets is presented in Note 3 of the financial statements.

As of June 30, 2023, the right-of-use lease and subscription assets recorded, net of accumulated amortization, are $4,009,144 and the current lease and subscription liabilities are $515,214 and $3,596,872 for the noncurrent lease and subscription liabilities. The right-of-use lease assets recorded as of June 30, 2022, are $382,976 and the current lease liabilities are $116,812 and $269,047 for the noncurrent lease liabilities.

VISIT FLORIDA moved into a new office building and implemented GASB 96 during fiscal year 2023, which accounts for the increases in the right-of-use assets and related liabilities. See Notes 5 and 6 of the financial statements for a more detailed schedule about VISIT FLORIDA's lease and subscription assets.

Accounts payable of $100,277 for fiscal year 2023 and $234,885 for fiscal year 2022 were for invoices received and not yet due for payment. Accrued expenses of $17,103,159 for fiscal year 2023 and $23,022,566 for fiscal year 2022 were comprised primarily of amounts committed to production and advertising programs through our advertising agencies. Unearned restricted revenue for both fiscal years consists of revenue collected for programs for Welcome Center rentals, meeting and events, and partner investments for the next fiscal year. The balance is $1,126,642 for fiscal year 2023 and $1,054,926 for fiscal year 2022.

VISIT FLORIDA recorded an increase in net position of $591,095 for the year ended June 30, 2023, some of which was used for capital outlay during the year. There was a decrease in net position of $2,377,010 for the year ended June 30, 2022. This decrease was a result of the $3,000,000 board approved match of the EDA CARES grant.

	Fiscal Year 2022-2023	Fiscal Year 2021-2022	Year over Year Variance
Total Assets			
Capital and Right-of-use Assets	4,505,044	567,100	3,937,944
Non-capital Assets	33,125,174	38,728,095	(5,602,921)
	37,630,218	39,295,195	(1,664,977)
Total Liabilities	22,442,164	24,698,236	(2,256,072)
Total Net Position			
Net Investment in capital assets	495,900	184,124	311,776
Restricted for economic risk	2,164,855	2,164,855	-
Unrestricted	12,527,299	12,247,980	279,319
	15,188,054	14,596,959	591,095
Total Revenues*	86,648,555	89,864,645	(3,216,090)
Total Expenses*	86,057,460	92,241,655	(6,184,195)

**Balances exclude value of Contributed Promotional Value - see Note 7 of the financial statements.*

Next Fiscal Year

The appropriation from the Florida Legislature is $80,000,000 for the upcoming fiscal year ending June 30, 2024. This will be funded by the Tourism Promotional Trust Fund (rental car surcharge) at $24,000,000, the State Economic Enhancement and Development Trust fund at $26,000,000, and General Revenue fund at $30,000,000. As required by law, $1,000,000 must be expended on veterans marketing and research.

The Governor's Office was notified of additional funds available from the ARPA and allocated these funds to VISIT FLORIDA. The funds were awarded in January 2022 and total $14,851,410. The funds are allotted to support travel, tourism and outdoor recreation sectors and are planned to be spent over a few fiscal years. No grant funds were spent during fiscal year ending June 30, 2022, $12,446,313 was spent during fiscal year ending June 30, 2023. The remaining $2,405,097 will be spent during fiscal year ending June 30, 2024.

The Department of Business Professional Regulation (DBPR), in its Division of Hotels & Restaurants, received a $1,000,000 appropriation for the Florida Restaurant and Lodging Association (FRLA) In-State Tourism Marketing Campaign Appropriations Project. This Project allows VISIT FLORIDA to contract with FRLA to develop a coordinated marketing, media, and events program to promote Florida tourism by residents of the State.

Respectfully submitted,

Shanna Pace
Chief Financial Officer

Florida Tourism Industry Marketing Corporation, Inc.
d/b/a VISIT FLORIDA

Statement of Fund Net Position

June 30, 2023

Assets		
Current assets:		
Cash	$	9,679,377
Accounts receivable, net		20,328,441
Prepaid expenses and other assets		952,501
Total current assets		30,960,319
Noncurrent assets:		
Restricted cash		2,164,855
Capital assets, net		495,900
Leases, right-of-use assets, net		3,351,382
Information technology subscriptions, right-of-use assets, net		657,762
Total noncurrent assets		6,669,899
Total assets	$	37,630,218
Liabilities		
Current liabilities:		
Accounts payable	$	100,277
Accrued expenses		17,103,159
Unearned restricted revenue		1,126,642
Lease liabilities, current		310,547
Information technology subscription liabilities, current		204,667
Total current liabilities		18,845,292
Noncurrent liabilities:		
Lease liabilities, noncurrent		3,149,760
Information technology subscription liabilities, noncurrent		447,112
Total liabilities		22,442,164
Fund net position:		
Net investment in capital assets		495,900
Restricted for economic risk		2,164,855
Unrestricted		12,527,299
Total fund net position		15,188,054
Total liabilities and fund net position	$	37,630,218

See accompanying notes.

Florida Tourism Industry Marketing Corporation, Inc.
d/b/a VISIT FLORIDA

Statement of Revenues, Expenses, and Changes in Fund Net Position

Year ended June 30, 2023

Operating revenues:	
Program support:	
Cooperative advertising	$ 5,719,434
Trade show and events	1,901,795
Partnership investment	1,908,867
Other	9,999,234
Contributed promotional value (Note 7)	-
State of Florida grants and direct appropriations	49,997,922
Federal and federal pass-through grants	17,011,221
Total operating revenues	86,538,473
Expenses:	
Advertising	57,607,917
Business promotion	770,346
Citrus juice	150,766
Cooperative advertising	5,719,434
Depreciation and amortization	553,305
Fees and services	5,740,832
Fulfillment	222,628
General and administrative	1,560,045
Insurance premiums - hurricane recovery	135,000
Interest expense	86,707
Printing	303,060
Rents	75,868
Salaries and benefits	7,742,728
Research	1,675,350
Trade show and event direct	1,745,291
Travel	1,968,183
Total expenses	86,057,460
Operating income	481,013
Nonoperating revenue:	
Interest income	110,082
Increase in fund net position	591,095
Fund net position at beginning of year	14,596,959
Fund net position at end of year	$ 15,188,054

See accompanying notes.

Florida Tourism Industry Marketing Corporation, Inc.
d/b/a VISIT FLORIDA

Statement of Cash Flows

Year ended June 30, 2023

Operating activities	
Cash received from program services	$ 14,131,006
Cash received from operating grants	75,821,779
Cash payments to suppliers for goods and services	(84,230,176)
Cash payments to employees	(7,681,071)
Net cash used in operating activities	(1,958,462)
Investing activities	
Interest income received	110,082
Net cash provided by investing activities	110,082
Capital and related financing activities	
Purchase of capital assets	(334,510)
Lease payments	(187,654)
Information technology subscriptions payments	(131,799)
Net cash used in capital and related financing activities	(653,963)
Net decrease in cash and restricted cash	(2,502,343)
Cash and restricted cash at beginning of year	14,346,575
Cash and restricted cash at end of year	$ 11,844,232
Reconciliation of operating income to net cash used in operating activities	
Operating income	$ 481,013
Adjustments to reconcile operating income to net cash used in operating activities:	
Depreciation and amortization	553,305
Changes in operating assets and liabilities:	
Accounts receivable	3,119,451
Prepaid expenses and other assets	(129,932)
Accounts payable	(134,608)
Accrued expenses	(5,919,407)
Unearned restricted revenue	71,716
Net cash used in operating activities	$ (1,958,462)

(continued)

Florida Tourism Industry Marketing Corporation, Inc.
d/b/a VISIT FLORIDA

Statement of Cash Flows (continued)

Year ended June 30, 2023

Cash and restricted cash consists of:	
Cash	$ 9,679,377
Restricted cash	2,164,855
	$ 11,844,232
Other supplemental disclosures of noncash transactions:	
Lease right-of-use assets acquired	$ 3,262,102
Lease right-of-use liabilities acquired	(3,065,214)
Information technology subscription right-of-use assets acquired	783,578
Information technology subscription right-of-use liabilities acquired	(642,506)

See accompanying notes.

1. Summary of Significant Accounting Policies

Reporting Entity

Florida Tourism Industry Marketing Corporation, Inc. d/b/a VISIT FLORIDA (the Corporation) is a component unit of the state of Florida. The Corporation is a not-for-profit corporation formed June 9, 1995, to promote travel and drive visitation to and within the state of Florida through cooperative advertising programs, trade shows, promotional events, public relations, publicity efforts, research services, and operation of four official welcome centers. The Corporation contracts with the Florida Department of Economic Opportunity and Enterprise Florida, Inc. for tourism marketing on behalf of the state of Florida and employs a staff of more than 83. The Corporation is headquartered in Tallahassee and operates three official Welcome Centers and the Capitol Welcome Center. The Corporation has domestic and international contractors in the United States, Canada, Mexico, Brazil, Chile, Argentina, Colombia, Peru, Ecuador, Germany and the United Kingdom.

The accounting policies of the Corporation conform to generally accepted accounting principles (GAAP) as applied to governmental units. The more significant accounting policies of the Corporation are described below.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

Proprietary funds report activities generally financed and operated like private businesses and include enterprise funds and internal service funds. For financial reporting purposes, the Corporation follows the financial statement format required for enterprise funds. Enterprise funds are used to report activities for which a fee is charged to external users for goods or services. Proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized as earned and expenses are recognized when services or benefits are received.

1. Summary of Significant Accounting Policies (continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing goods and services in connection with a proprietary fund's ongoing operations. Operating revenues consist primarily of grant revenues from the Department of Economic Opportunity (DEO) and program support derived from cooperative advertising revenue, trade show and event revenue, partnership investments, other revenue from advertising, website, and Welcome Center activities. These are the principal revenues used by the Corporation to carry out its exempt purpose. Operating expenses include all costs of providing program services and the depreciation and amortization of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Cash and Restricted Cash

The financial instruments exposed to concentrations of credit risk consist primarily of cash. Cash consists of demand deposits, for which the aggregate bank balances were approximately $11,844,000 at June 30, 2023. Restricted cash represents a noncurrent amount designated for economic risk by the Corporation's Board of Directors at June 30, 2023. Demand deposits of the Corporation are insured by the Federal Deposit Insurance Corporation or collateralized with securities in Florida's multiple financial institution collateral pool pursuant to Chapter 280, Florida Statutes.

Accounts Receivable

Accounts receivable consists primarily of amounts due for trade shows and events, advertising, federal grant funds, and amounts due from the state of Florida associated with the partnership agreement described in Note 8. This amount is reported net of the Corporation's allowance for doubtful accounts of $10,782 at June 30, 2023. The Corporation determines its allowance for doubtful accounts based on specific identification based on management's experience with prior collections.

Capital Assets

Capital assets are recorded at cost less accumulated depreciation and amortization. Capital assets are depreciated or amortized over the related estimated useful lives, ranging from three to seven years, using primarily the straight-line method. The Corporation's policy is to capitalize asset acquisitions greater than $5,000. Upon retirement or disposal, the asset and corresponding accumulated depreciation and amortization are removed from the Corporation's accounts and any gain or loss is reported as a nonoperating item.

1. Summary of Significant Accounting Policies (continued)

Capital Assets (continued)

Capital assets are recorded at cost less accumulated depreciation. Depreciation is computed on the straight-line method over the estimated useful lives of the related assets. The estimated useful lives are as follows:

	Useful Lives
Furniture	7
Leasehold improvements	5
Equipment and software	3-5

Revenue Recognition

Operating revenues consist primarily of program support derived from cooperative advertising revenue, trade show and event revenue, partnership investments, other revenue from advertising, website, Welcome Center activities, and the Department of Economic Opportunity (DEO) grant, which are the principal revenues used by the Corporation to carry out its exempt purpose. Operating expenses include all costs of providing program services and the depreciation and amortization of capital assets.

Cooperative advertising revenue represents the Corporation's cost of advertising billed to third parties that participate in advertisements promoting travel to and within the state of Florida. Such revenue qualifies under Florida Statutes toward the Corporation's matching requirements discussed in Note 8.

Partnership investments represent voluntary contributions from businesses with interests in Florida tourism that wish to support the Corporation's efforts to promote travel and drive visitation to and within the state of Florida.

Grant revenue is recognized as income when the applicable grant expense is incurred. Revenues are recognized when earned. Amounts received in advance from businesses for participating in trade shows or events sponsored by the Corporation are included in unearned restricted revenue and recognized as revenue in the period when the trade show or event occurs.

Subsequent Events

The Corporation has evaluated subsequent events through September 18, 2023, the date the financial statements were available to be issued. During the period from June 30, 2023 to September 18, 2023, the Corporation did not have any material recognizable subsequent events.

1. Summary of Significant Accounting Policies (continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Recent Accounting Pronouncements

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITAs), effective for the Corporation's fiscal year beginning July 1, 2022. This Statement defines a SBITA as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. Under this statement, a government is required to recognize a subscription liability and an intangible asset representing the government's right to use the subscription asset. The Corporation implemented this statement as of July 1, 2022.

2. Income Taxes

The Corporation received a determination letter from the Internal Revenue Service in July 1996, granting it an exemption from federal income tax under the Internal Revenue Code, Section 501(c)(6), and as such, is liable for income taxes only on business income unrelated to the purposes for which it is exempt. The Corporation had no significant unrelated business income for the year ended June 30, 2023. There are currently no Internal Revenue Service audits in progress for any tax periods. With few exceptions, the Corporation is no longer subject to examinations by major tax jurisdictions for years ended June 30, 2019 and prior.

3. Capital and Right-of-Use Assets, Net

Capital and right-of-use assets, net, consisted of the following at June 30, 2023:

	Beginning Balances	Additions	Deletions	Ending Balances
Furniture	$ 185,216	$ 133,397	$ (42,321)	$ 276,292
Equipment and software	1,993,036	126,714	(234,573)	1,885,177
Construction in progress	111,059	-	(111,059)	-
Leasehold improvements	415,737	185,458	(212,535)	388,660
Leases, right-of-use assets, office space	909,767	3,262,102	(569,526)	3,602,343
Leases, right-of-use assets, equipment	36,126	-	-	36,126
Information technology subscriptions, right-of-use assets	-	783,578	-	783,578
	3,650,941	4,491,249	(1,170,014)	6,972,176
Accumulated depreciation and amortization	(2,972,782)	(544,647)	1,050,297	(2,467,132)
	$ 678,159	$ 3,946,602	$ (119,717)	$ 4,505,044

Depreciation and amortization expense related to capital and right-of-use assets totaled $544,647 for the year ended June 30, 2023.

4. Intangible Assets, Net

The Corporation recognized $375,000 of specifically-identifiable intangible assets related to the purchase of the Florida Huddle event from Huddle International, LLC, during the year ended June 30, 2013. The intangible assets were fully amortized as of June 30, 2019. $525,000 of the intangible assets were fully amortized and removed during the year ending June 30, 2023 as they were deemed to have no value due to expiration of agreements and other matters.

Intangible assets consisted of the following at June 30, 2023:

Business name, trademarks, and web presence	$ 375,000
	375,000
Accumulated amortization	(375,000)
	$ -

5. Operating Leases

The Corporation has entered into various operating leases for office space, warehouse space, and office equipment. A lease agreement for office space for a 15 year term ending in July 2022 and has a related right-of-use lease asset originally valued at $569,525 with accumulated amortization of $569,525 as of June 30, 2023. A lease agreement for office space for a 11 year term ending in November 2033 and has a related right-of-use lease asset originally valued at $3,262,102 with accumulated amortization of $172,990 as of June 30, 2023. The lease agreement for warehouse space is for a 5 year term ending in January 2027 and has a related right-of-use asset originally valued at $340,242 with accumulated amortization of $96,402 as of June 30, 2023. The lease agreement for office equipment is for a 5 year term ending in July 2025 and has a related right-of-use asset originally valued at $36,126 with accumulated amortization of $17,695 as of June 30, 2023.

The following is a schedule of future minimum lease payments required under the lease agreements:

For the year ended June 30,	Principal	Interest	Total payments
2024	$ 300,834	$ 112,430	$ 413,264
2025	318,662	103,043	421,705
2026	328,976	93,101	422,077
2027	315,680	82,685	398,365
2028	289,530	72,558	362,088
Thereafter	1,896,911	193,447	2,090,358
	$ 3,450,593	$ 657,264	$ 4,107,857

6. Information Technology Subscriptions

The Corporation has entered into various subscription based information technology agreements (SBITAs). A SBITA for data security software for a 3 year term ending in June 2025 has a related right-of-use SBITA asset originally valued at $25,199 with accumulated amortization of $8,400 as of June 30, 2023. A SBITA for Google enterprise licenses for a 3 year term ending in November 2025 has a related right-of-use SBITA asset originally valued at $83,230 with accumulated amortization of $18,495 as of June 30, 2023. A SBITA for website licensing for a 4 year term ending in December 2026 has a related right-of-use SBITA asset originally valued at $519,242 with accumulated amortization of $64,905 as of June 30, 2023. A SBITA for event registration management software for a 5 year term ending in January 2027 has a related right-of-use SBITA asset originally valued at $155,907 with accumulated amortization of $34,016 as of June 30, 2023.

The following is a schedule of future minimum lease payments required under the lease agreements:

For the year ended June 30,	Principal	Interest	Total payments
2024	$ 195,394	$ 22,774	$ 218,168
2025	203,651	15,332	218,983
2026	174,963	7,578	182,541
2027	68,499	1,245	69,744
	$ 642,507	$ 46,929	$ 689,436

7. Contributed Promotional Value

As part of its statutory purpose, the Corporation assists interested parties in organizing Florida promotional packages. In return for their assistance, the Corporation and other participants receive complimentary advertising in the various print, television, internet, and radio media used in promoting the package. The media equivalency value associated with the complimentary advertising qualifies under Florida Statutes toward the Corporation's matching requirements discussed in Note 8; however, as a gift in kind, such contributed promotional value is not recognized for financial statement purposes. For the year ended June 30, 2023, the total media equivalency value used to satisfy the Corporation's matching requirements was $83,334,895.

8. Partnership Agreement and Other State and Federal Funding

The Corporation receives annual appropriations from the State of Florida through an operating agreement with Enterprise Florida, Inc. (EFI), which has an annual partnership agreement with DEO. Under the terms of the operating agreement, the Corporation was required to maintain a one-to-one match of private to public contributions for the fiscal year ended June 30, 2023.

8. Partnership Agreement and Other State and Federal Funding (continued)

During the year ended June 30, 2022, the Corporation received a $14,851,410 grant from the U.S. Department of Commerce, Economic Development Administration, for another marketing campaign pursuant to the American Rescue Plan Act (ARPA). There is no match requirement associated with this award. During the year ended June 30, 2023, the Corporation received and expended $12,446,313 under this award.

For the year ended June 30, 2022, the State of Florida appropriated $25,000,000 from the general revenue fund to the DEO to contract with the Corporation to conduct activities that support and fund Florida's tourism industry and its recovery from COVID-19. These funds originated from the ARPA. There is no match requirement from the federal government associated with this award. Due to the fact that the Corporation is required to match all state appropriations the Corporation was able to provide a one-to-one match of these funds. $4,564,908 and $20,435,092 was released by the DEO and expended during the years ended June 30, 2023 and 2022, respectively.

The following table represents the funding received from the state of Florida for the fiscal year ended June 30, 2023:

Tourism Promotional Trust Fund	$ 24,000,000
State Economic Enhancement and Development Trust Fund	26,000,000
Hotel and Restaurant Trust Fund	50,000,000
State pass-through federal funds	
General Fund	4,564,908
Total	$ 54,564,908

Total private contributions for the year ended June 30, 2023 were $102,974,307, which include interest income and contributed promotional value revenue disclosed in Note 7. Pursuant to Section 288, Florida Statutes, the total amount of private contributions reported to DEO for the match requirement were $97,358,689 for the year ended June 30, 2023. Contributions from a government entity or from an entity that received more than 50 percent of its revenue in the previous fiscal year from public sources, including revenue derived from taxes, other than taxes collected pursuant to s. 125.0104, from fees, or from other government revenues, are not considered private contributions for purposes of calculating the required one-to-one match. As a result, the total matching funds reported to DEO are less than the total recorded on the financial statements.

For the year ending June 30, 2024, the Corporation has a $24,000,000 appropriation from the Tourism Promotional Trust Fund, a $26,000,000 appropriation from the State Economic Enhancement and Development Trust Fund, and a $30,000,000 appropriation from the General Fund.

9. Employee Retirement Plan

The Corporation has a defined contribution 401(k) retirement plan (the Plan) that covers substantially all employees. The Corporation has elected, under the safe harbor provisions, to match employee contributions up to the lesser of the amount deferred or 6% of employees' wages. An employee is eligible to participate in the Plan on the later of the employee's date of hire or upon attainment of his or her twenty first birthday. Eligible employees immediately become fully vested in the employer's safe harbor match contribution. Contributions to the Plan for the year ended June 30, 2023 was approximately $311,000, and is included in salaries and benefits.

10. Other Postemployment Benefits

Plan Description

The Corporation administers a single-employer defined-benefit health-related benefit plan (the Retiree Health Plan). The plan provides health-related benefits for eligible retirees and their dependents after the attainment of age 60 through the Corporation's group medical/prescription insurance and dental plans, which cover both active and retired members, until the retirees are eligible for Medicare benefits on their 65th birthday.

These benefits were established and may be amended by the Corporation's Board of Directors. During the fiscal year ended June 30, 2009, the Board amended the plan to provide these benefits only to employees hired on or before December 31, 2008, and the plan is closed to new entrants. The Retiree Health Plan does not issue a publicly available financial report.

Funding Policy

The Corporation's other postemployment benefits are unfunded. The Corporation pays 100% of the cost of the retiree and 88% of the cost for any spouse coverage. This policy was established and may be amended by the Corporation's Board of Directors.

Total OPEB Liability and OPEB Expense

The Corporation has elected to calculate the total OPEB liability and related information using the Alternative Measurement Method (AMM) permitted by GASB Statement No. 75 for employers in plans with fewer than one hundred total plan members. The measurement date of the OPEB liability is June 30, 2022. Management is unaware of any changes between the measurement date of the OPEB liability and the Corporation's reporting date of June 30, 2023, that are expected to have a significant effect on the total OPEB liability. The OPEB liability is included in accrued expenses on the statement of fund net position.

10. Other Postemployment Benefits (continued)

The following table shows the changes in the Corporation's total OPEB liability to the Retiree Health Plan for the year ended June 30, 2023:

Service cost	$ 8,322
Interest on total OPEB liability	3,287
Difference between expected and actual experience	-
Changes of assumptions and other inputs	(13,995)
Benefit payments	(18,466)
Net change in total OPEB liability	(20,852)
Total OPEB liability at beginning of year	172,101
Total OPEB liability at end of year	$ 151,249

OPEB (income) expense consists of the following:

Service cost	$ 8,322
Interest on total OPEB liability	3,287
Difference between expected and actual experience	-
Changes of assumptions and other inputs	(13,995)
Benefit payments	(18,466)
Total OPEB income	$ (20,852)

Recognition of Deferred Outflows and Inflows of Resources

Differences between expected and actual experience and changes in assumptions are recognized in OPEB expense using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the OPEB plan (active employees and inactive employees) determined as of the beginning of the measurement period.

At the beginning of the current measurement period, the average of the expected remaining service lives for purposes of recognizing the applicable combined deferred outflows and inflows of resources established in the current measurement period is 10 years.

10. Other Postemployment Benefits (continued)

Funded Status and Funding Progress

As of June 30, 2023, the OPEB liability for benefits is $151,249, all of which is unfunded. There are no plan assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The covered payroll (annual payroll of active employees covered by the plan) during fiscal year ended June 30, 2022, of the most recent complete actuarial assessment, was $1,138,972 and the ratio of the unfunded total OPEB liability to the covered payroll was 13.28%. There were 15 total covered employees, including 14 active employees and 1 inactive employee currently receiving benefits.

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the Retiree Health Plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each AMM calculation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. As authorized by GASB Statement No. 75, the Alternative Measurement Method allows the employer to use simplifications of certain assumptions in measuring the costs and liabilities.

The entry age actuarial normal cost method with an increasing normal cost pattern consistent with salary increase assumptions was used. The actuarial assumptions included a 3.69% discount rate for the measurement year ended June 30, 2022, and a general price inflation of 2.25% for the year ended June 30, 2022. The discount rate is equal to the tax-exempt municipal bond rate based on Fidelity's "20-Year Municipal GO AA Index". The unfunded total OPEB liability is being amortized as a level percentage of projected payroll on a closed basis. Payroll growth, including inflation of 14.50% for 2022 and 5.75% for 2023, then gradually decreasing .25% per year with an ultimate rate of 3.75%. Life expectancies were based on the Generational RP-2000 Generational Combined Healthy Participant mortality tables. Because the plan is funded on a pay-as-you-go basis, no experience study has been completed for this program.

10. Other Postemployment Benefits (continued)

Sensitivity Analysis

The following tables demonstrate the sensitivity of the total OPEB liability to changes in the health cost trend rate and discount rate. The sensitivity analysis shows the impact on the total OPEB liability if the health cost trend rate and discount rate were 1.00% higher or 1.00% lower than the current rates at the measurement date of June 30, 2022.

Discount Rate			Healthcare Cost Trend Rate		
1% Decrease	Current Discount Rate 3.69%	1% Increase	1% Decrease	Current Healthcare Cost Trend Rate 5.75%	1% Increase
$ 159,621	$ 151,249	$ 142,225	$ 137,126	$ 151,249	$ 167,366

11. Related Parties

The Corporation routinely enters into transactions within the ordinary course of business with entities that board members are affiliated with or employed by.

Other Required Supplementary Information

Florida Tourism Industry Marketing Corporation, Inc.
d/b/a VISIT FLORIDA

Schedule of Changes in Total Other Post-Employment Benefits Liability and Related Ratios

Years ended June 30,

For the measurement years ended	**2022**	2021	2020	2019	2018	2017
Service cost	**$ 8,322**	$ 8,827	$ 7,273	$ 19,254	$ 18,460	$ 20,997
Interest on total OPEB Liability	**3,287**	4,896	6,729	13,652	14,387	12,795
Difference between expected and actual experience	**-**	(12,956)	-	(120,310)	-	-
Changes of assumptions and other inputs	**(13,995)**	(1,103)	5,250	(13,490)	(1,150)	(10,911)
Benefit payments	**(18,466)**	(37,129)	(34,816)	(63,709)	(55,257)	(53,518)
Net change in total OPEB liability	**(20,852)**	(37,465)	(15,564)	(164,603)	(23,560)	(30,637)
Total OPEB liability at beginning of year	**172,101**	209,566	225,130	389,733	413,293	443,930
Total OPEB liability at end of year	**$ 151,249**	$ 172,101	$ 209,566	$ 225,130	$ 389,733	$ 413,293
Estimated covered-employee payroll	**$ 1,138,972**	$ 1,131,418	$ 1,131,418	$ 1,184,179	$ 2,426,108	$ 2,355,445
Total OPEB liability as a percentage of covered-employee payroll	**13.28%**	15.21%	18.52%	19.01%	16.06%	17.55%

Fiscal year 2018 was the first year of implementation of GASB Statement No. 75; additional years' information will be included as it becomes available in future years.

See report of independent auditors.

Florida Tourism Industry Marketing Corporation, Inc.
d/b/a VISIT FLORIDA

Notes to Schedule of Changes in Total Other Post-Employment Benefits Liability and Related Ratios

Year ended June 30, 2023

Valuation date:	June 30, 2021
Measurement date:	June 30, 2022
Roll forward procedures:	The Total OPEB Liability was rolled forward twelve months from the Valuation Date to the Measurement Date using standard actuarial techniques.

Methods and Assumptions Used to Determine Total OPEB Liability:

Actuarial cost method	Entry Age Normal
Inflation	2.25%
Discount rate	3.69%
Salary increases	5.00%
Retirement age	Varies based on several factors including plan-specific retirement eligibility provisions and experience.
Mortality	RP-2000 Generational Combined Healthy Participant mortality tables, projected from the year 2000 using Projection Scale AA.
Healthcare cost trend rates	14.5% for 2022, 5.75% for 2023, and then gradually decreasing to an ultimate trend rate of 3.75%.

Other Information:

Changes in assumptions and other inputs include the change in the discount rate from 1.92% as of the beginning of the measurement period to 3.69% as of June 30, 2022. This change is reflected in the Schedule of Changes in Total OPEB Liability.

There were no benefit changes during the year.

See report of independent auditors.

Other Financial Information

Thomas Howell Ferguson P.A.
Certified Public Accountants

Report of Independent Auditors 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
Florida Tourism Industry Marketing
Corporation, Inc. d/b/a VISIT 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 (*Government Auditing Standards)*, Florida Tourism Industry Marketing Corporation, Inc. d/b/a VISIT FLORIDA (the Corporation), which comprise the statement of fund net position as of June 30, 2023, and the related statements of revenues, expenses, and changes in fund net position and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 18, 2023.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Corporation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 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.

Thomas Howell Ferguson P.A.

Tallahassee, Florida
September 18, 2023

Thomas Howell Ferguson P.A.
Certified Public Accountants

Report of Independent Auditors on Compliance for Each Major Federal Program and State Project and on Internal Control Over Compliance Required by the Uniform Guidance and Chapter 10.650, *Rules of the Auditor General*

Board of Directors
Florida Tourism Industry Marketing
Corporation, Inc. d/b/a VISIT FLORIDA

Report on Compliance for Each Major Federal Program and State Project

Opinion on Each Major Federal Program and State Project

We have audited Florida Tourism Industry Marketing Corporation, Inc. d/b/a VISIT FLORIDA (the Corporation) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and the requirements described in the *Florida Department of Financial Service's State Projects Compliance Supplement* that could have a direct and material effect on each of the Corporation's major federal program and state project for the year ended June 30, 2023. The Corporation's major federal program and state project are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Corporation complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal program and state project for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program and State Project

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.650, *Rules of the Auditor General*. Our responsibilities under those standards and the Uniform Guidance and Chapter 10.650, *Rules of the Auditor General* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Corporation and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program and state project. Our audit does not provide a legal determination of the Corporation's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Corporation's federal program and state project.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Corporation's compliance based on our audit. 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 GAAS, *Government Auditing Standards*, and the Uniform Guidance and Chapter 10.650, *Rules of the Auditor General* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Corporation's compliance with the requirements of each major federal program and state project as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance and Chapter 10.650, *Rules of the Auditor General*, we:

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

- identify and assess the risks of material noncompliance, 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 Corporation's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- obtain an understanding of the Corporation's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.650, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Thomas Howell Ferguson P.A.
Certified Public Accountants

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.650, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.

Thomas Howell Ferguson P.A.

Tallahassee, Florida
September 18, 2023

Florida Tourism Industry Marketing Corporation, Inc.
d/b/a VISIT FLORIDA

Schedule of Expenditures of Federal Awards and State Financial Assistance

Year ended June 30, 2023

Grantor and Program Title	CFDA or CSFA Number	Grant Contract Number	Total Expenditures
Federal Awards			
United States Department of Commerce Economic Development Administration			
Economic Adjustment Program, ARPA	11.307	04-79-07690	$ 12,446,313
United States Department of Treasury			
Passed through State of Florida, Department of Economic Opportunity:			
Coronavirus State and Local Fiscal Recovery Funds Program	12.617	SB22-002	4,564,908
Total Expenditures of Federal Awards			$ 17,011,221
State Financial Assistance			
Florida Department of Economic Opportunity			
Economic Development Partnerships	40.040	SB23-003	$ 49,997,922
Total Expenditures of State Financial Assistance			$ 49,997,922
Total Awards			$ 67,009,143

Note 1 - This Schedule of Expenditures of Federal Awards and State Financial Assistance (the Schedule) includes the Federal and State grant activity of the Florida Tourism Industry Marketing Corporation, Inc. d/b/a VISIT FLORIDA (the Corporation) for the year ended June 30, 2023, and is presented on the accrual basis of accounting. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations (CFR)* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and Chapter 10.650, *Rules of the Auditor General.*

Note 2 - Amounts included on this Schedule include only the expenditures of Federal Awards and State Financial Assistance received directly from an awarding agency. The amounts on the accompanying Statements of Revenues, Expenses, and Changes in Fund Net Position (and related notes) include additional expenditures associated with other resources committed by the Corporation for purposes of fulfilling its primary grant program.

Note 3 - The Corporation has not elected to use the 10 percent di minimis cost rate allowed under the Uniform Guidance for federal awards.

See report of independent auditors.

Schedule of Findings and Questioned Costs Relating to Federal Awards and State Financial Assistance

Year ended June 30, 2023

Section I -- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards and State Projects

Internal control over major State projects:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified not considered to be material weaknesses?	None reported
Type of auditor's report issued on compliance for major federal programs or state projects?	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Title 2, *Code of Federal Regulations (CFR)* Part 200, *Uniform Administrative Requirements Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) or Chapter 10.650, *Rules of the Auditor General,* State of Florida?	No

Identification of major programs:

Federal Program

CFDA Number	Name of federal program
11.307	Economic Adjustment Program, ARPA

State Project

CSFA Number	Name of state project
40.040	Economic Development Partnerships

Dollar threshold used to distinguish between Type A and Type B federal programs:	$ 750,000
Dollar threshold used to distinguish between Type A and Type B state projects:	$ 1,500,000
Auditee qualified as low-risk auditee pursuant to Uniform Guidance?	Yes

See report of independent auditors.

Schedule of Findings and Questioned Costs Relating to Federal Awards and State Financial Assistance

Year ended June 30, 2022

Section II -- Financial Statement Findings

We noted no matters involving internal control over financial reporting and its operating that we considered to be material weaknesses, significant deficiencies, and/ or control deficiencies required to be reported in accordance with *Government Auditing Standards* .

Section III -- Federal Awards and State Financial Assistance Findings and Questioned Costs

Federal Awards - We noted no matters involving noncompliance that are required to be reported in accordance with 2 CFR 200.516(a).

State Financial Assistance Awards - We noted no matters involving noncompliance that are required to be reported in accordance with *Rules of the Auditor General* of the State of Florida, Chapter 10.656.

Section IV -- Other Matters

No prior findings.