

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORTS

DOWNTOWN/HISTORIC YBOR TAMPA TOURISM
MARKETING SPECIAL BENEFIT DISTRICT

September 30, 2023

DOWNTOWN/HISTORIC YBOR TAMPA TOURISM MARKETING SPECIAL BENEFIT DISTRICT

COMMITTEE MEMBERS SEPTEMBER 30, 2023

Joe Collier
Epicurean Hotel

Patrick Sorge
Hyatt Place & House Tampa Downtown

Chris Southwick
The Tampa EDITION

Ron McAnagh
Tampa Marriott Water Street, and JW Marriott Water Street

Michelle Hontz
Aloft Tampa Downtown

Crystal Arthur
Hampton Inn & Suites Ybor City

Carlos Santana
Hilton Garden Inn Tampa Ybor

Crystal Rivera
Hotel Flor Tampa Downtown

Laura Maldonado
Hotel Haya Ybor City

Barry Kuhnke
Hotel Tampa Riverwalk

Andrew Spicknall
Le Meridien Tampa

Larry Collier
The Barrymore Hotel Tampa Riverwalk

ADMINISTRATION

Executive Director Bob Morrison

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INDEPENDENT AUDITOR'S REPORT



RIVERO, GORDIMER & COMPANY, P.A.

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American Institute of Certified Public Accountants
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INDEPENDENT AUDITOR'S REPORT

To the Members
Downtown/Historic Ybor Tampa Tourism Marketing Special Benefit District
Tampa, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and general fund of the Downtown/Historic Ybor Tampa Tourism Marketing Special Benefit District (the "District"), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the general fund of the District as of September 30, 2023, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit 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. 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 District 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 opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District'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.

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit 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 financial statements are free from material misstatement.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, 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 basic financial statements, and other knowledge we obtained during our audit of the basic 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.

Other Information

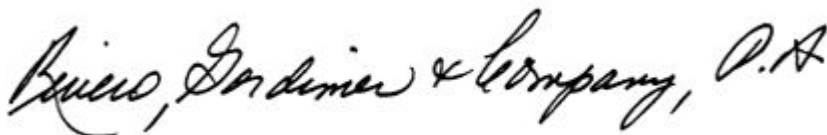
Management is responsible for the other information included in the annual report. The other information comprises the data elements required by Section 218.321(1)(e), Florida Statutes but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2024, on our consideration of the District'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 District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Tampa, Florida
June 30, 2024



MANAGEMENT'S DISCUSSION AND ANALYSIS

DOWNTOWN/HISTORIC YBOR TAMPA TOURISM MARKETING SPECIAL BENEFIT DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis ("MD&A") of the financial performance and activity of the Downtown/Historic Ybor Tampa Tourism Marketing Special Benefit District (the "District") is to provide an introduction and understanding of the financial statements of the District for the year ended September 30, 2023, with selected comparisons to the prior year ended September 30, 2022. The information presented should be read in conjunction with the financial statements, notes, and supplemental schedules found in this report.

On October 15, 2020, the City of Tampa adopted Resolution No. 2020-714 to create the Downtown/Historic Ybor Tampa Tourism Marketing Special Benefit District (the "District"). The District is funded through assessments to participating hotels within the District's limits. Prior to October 15, 2020, the District was managed by the HCHMA's TMD Steering Committee, which was designated by the City as the Owner's Association under the initial version of the City of Tampa's Tourism Marketing District ordinance.

Financial Highlights

- The assets of the District exceeded its liabilities at September 30, 2023, by \$1,320,731 (net position). Net position increased by \$131,403 from the previous fiscal year.
- As of September 30, 2023, the District's general fund reported an ending fund balance of \$1,320,731, an increase of \$131,403 from the previous fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The financial section of this report consists of four parts: Report of Independent Auditor, required supplementary information which includes the management's discussion and analysis (this section), the basic financial statements, and the compliance section. The basic financial statements include two kinds of statements that present different views of the District.

Government-Wide Financial Statements

The government-wide financial statements provide both long-term and short-term information about the District's overall financial status. These statements use a format similar to a private sector business. They include a statement of net position and a statement of activities.

The statement of net position presents information on the District's assets and liabilities. Net position, the difference between assets and liabilities, and is a useful way to measure the District's financial health.

The statement of activities presents information showing how the District's net position changed during this fiscal year. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

Fund Financial Statements

The District, like other governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. A fund is a grouping of related accounts that is used to

DOWNTOWN/HISTORIC YBOR TAMPA TOURISM
MARKETING SPECIAL BENEFIT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS - Continued

maintain control over resources that have been segregated for specific activities or objectives. The District uses one governmental fund to account for its operations.

The District follows Governmental Accounting Standards Board Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The reporting standard establishes a hierarchy for fund balance classifications and the constraints imposed on the uses of those resources.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, this set of financial statements focuses on events that produce near-term inflows and outflows of spendable resources as well as on the balances of spendable resources available at the end of the fiscal year and is a narrower focus than the government-wide financial statements.

By comparing functions between the two sets of statements for government funds and governmental activities, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison.

The District adopts an annual appropriated budget for the general fund. A budgetary comparison statement is provided for the general fund in order to present budgetary compliance.

The financial statements also include notes. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Financial Analysis of the Government as a Whole

Changes in net position over time can be a useful indicator of a government's financial position. At the end of the fiscal year ended September 30, 2023, the assets were more than the liabilities by \$1,320,731.

Following is a comparison of the District's net position as of September 30:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 380,986	393,637
Assessments receivable	944,500	877,698
Prepays	3,750	-
Total assets	<u>1,329,236</u>	<u>1,271,335</u>
Accounts payable and accrued expenses	<u>8,505</u>	<u>82,007</u>
Total liabilities	<u>8,505</u>	<u>82,007</u>
Net Position:		
Unrestricted	<u>1,320,731</u>	<u>1,189,328</u>
Net position	<u>\$ 1,320,731</u>	<u>\$ 1,189,328</u>

DOWNTOWN/HISTORIC YBOR TAMPA TOURISM
MARKETING SPECIAL BENEFIT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS - Continued

Governmental activities increased the District's net position by \$131,403 primarily as a result of increased assessment fees charged for the fiscal year ended September 30, 2023.

Following is a comparison of the District's statement of activities for the years ended September 30:

	2023	2022
Revenues:		
Program revenues:		
Charges for services	\$ 1,229,355	1,038,805
Interest income	7	-
Total revenues	1,229,362	1,038,805
Expenses:		
Tourism marketing expenses	1,097,959	851,886
Increase in net position	131,403	186,919
Net position, beginning of year	1,189,328	1,002,409
Net position, end of year	\$ 1,320,731	\$ 1,189,328

Tourism marketing expenses during 2023 related to marketing initiatives with complementary organizations.

Financial Analysis of the District's General Fund

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. Governmental funds provide information on near-term inflows, outflows, and balances of spendable resources. This information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

As of September 30, 2023, the District's general fund reported an ending fund balance of \$1,320,731, an increase of \$131,403 in comparison with the previous fiscal year. Of this amount, all is considered unassigned

Economic Factors/Currently Known Facts, Decisions, or Conditions

The District is fully funded by assessment revenues collected from participating hotels.

The District's business model, as a result, established a two-part platform of Tourism Enhancement Services and a Convention Concession Installment Plan. The model mirrored the purpose of the District which was to generate supplemental room nights for participating hotel properties by documenting the investment of assessments and payments into a strategic guest development protocol.

- Part 1 – Tourism Enhancement envisions the use of digital technology to build a marketing presence that facilitates the nurturing of the District's brand, The Treasure Collection, while utilizing technology to measure booking decisions and patterns by prospective visitors / guests.

DOWNTOWN/HISTORIC YBOR TAMPA TOURISM
MARKETING SPECIAL BENEFIT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS - Continued

- Part 2 – The Convention Concession Installment Plan seeks to create a convention group recruitment fund to secure conventions that meet certain room nights and a minimum of group hotels being utilized.

As the market entered the post-pandemic phase, the travel habits of Americans continued to reflect a pent-up demand for leisure travel and the capacity to take advantage of pandemic-related savings. The challenge – convention cities in the Tampa/Hillsborough County competitive set began to reenter the market seeking to reestablish the pre-pandemic market that they had formerly experienced.

The market also faced another unanticipated condition. The State of Florida took several policy positions on issues surrounding health care, civil rights, and human rights. As a result, the State of Florida became the target of a wide range of threats of boycotts from convention and corporate group business that either led to destinations in Florida losing out on prospective business because of delegate backlash or refusal made by convention planner clients to allow bids from Florida destinations. This includes in both instances, group business categories targeted by the District.

The TMD's Steering Committee approved a media plan developed by digital marketing vendor, Visit Tampa bay, that contained an overall strategy to extend the treasure Collection brand with an underlying emphasis of the welcoming posture of the market to a diverse pool of convention and group business, while aggressively seeking convention opportunities with the targeted completion of 18 new meeting rooms in the Tampa Convention Center. This three-prong approach allowed the TMD to be an aggressive competitor for 2025, 2026 and 2027 opportunities.

Finally, the District made three key adjustments in fiscal year 2023. First, the TMD per room assessment increased to \$310.25. Second, the TMC grew by three additional participating properties, growing its participant hotel number under the treasure Collection brand to 13 properties. Third, the digital marketing budget continue to exceed its ROI targets. As a result, the TMD targeted those platforms that continued to deliver growing Average Daily Rate (ADR), which offered an elevated level of accountability – the conversion of marketing dollars into room revenue and direct supplemental room night yields.

Requests for Information

Questions concerning any of the information provided in this report or requests for additional financial information should be addressed as follows:

Downtown/Historic Ybor Tampa Tourism Marketing Special Benefit District
P.O. Box 3298
Tampa, Florida 33601

BASIC FINANCIAL STATEMENTS

DOWNTOWN/HISTORIC YBOR TAMPA TOURISM
MARKETING SPECIAL BENEFIT DISTRICT

STATEMENT OF NET POSITION

September 30, 2023

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 380,986
Assessments receivable	944,500
Prepays	<u>3,750</u>
Total assets	<u>1,329,236</u>
LIABILITIES	
Liabilities:	
Accounts payable and accrued expenses	<u>8,505</u>
Total liabilities	<u>8,505</u>
NET POSITION	
Unrestricted	<u>1,320,731</u>
Total net position	<u><u>\$ 1,320,731</u></u>

The accompanying notes are an integral part of this statement.

DOWNTOWN/HISTORIC YBOR TAMPA TOURISM
MARKETING SPECIAL BENEFIT DISTRICT

STATEMENT OF ACTIVITIES

For the year ended September 30, 2023

	<u>Governmental Activities</u>
Program expenses:	
Tourism marketing expenses	\$ 1,097,959
Total program expenses	<u>1,097,959</u>
General revenues:	
Tourism marketing assessments	1,229,355
Interest income	<u>7</u>
Total general revenues	<u>1,229,362</u>
Increase in net position	131,403
Net position, beginning of year	<u>1,189,328</u>
Net position, end of year	<u><u>\$ 1,320,731</u></u>

The accompanying notes are an integral part of this statement.

DOWNTOWN/HISTORIC YBOR TAMPA TOURISM
MARKETING SPECIAL BENEFIT DISTRICT

BALANCE SHEET – GENERAL FUND

September 30, 2023

ASSETS

Cash and cash equivalents	\$	380,986
Assessments receivables		944,500
Prepays		<u>3,750</u>
Total assets	\$	<u><u>1,329,236</u></u>

LIABILITIES AND FUND BALANCE

Liabilities:

Accounts payable and accrued expenses	\$	<u>8,505</u>
Total liabilities		<u>8,505</u>

Fund balance:

Nonspendable		3,750
Unassigned		<u>1,316,981</u>
Total fund balance		<u><u>1,320,731</u></u>

Total liabilities and fund balance	\$	<u><u>1,329,236</u></u>
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The accompanying notes are an integral part of this statement.

DOWNTOWN/HISTORIC YBOR TAMPA TOURISM
MARKETING SPECIAL BENEFIT DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
GENERAL FUND

For the year ended September 30, 2023

Revenues:	
Charges for services	\$ 1,229,355
Interest income	7
Total revenues	1,229,362
Expenditures:	
City of Tampa administrative fee	12,149
Tax Collector administrative fee	12,274
Administrative services	125,700
Legal and professional services	46,731
Tourism engagement services	299,532
Tourism enhancement services	600,065
Miscellaneous fees	1,508
Total expenditures	1,097,959
Net change in fund balance	131,403
Fund balance, beginning of year	1,189,328
Fund balance, end of year	\$ 1,320,731

NOTES TO THE FINANCIAL STATEMENTS

DOWNTOWN/HISTORIC YBOR TAMPA TOURISM
MARKETING SPECIAL BENEFIT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2023

NOTE A - ORGANIZATION AND REPORTING ENTITY

1. Reporting Entity

On April 18, 2018, an agreement was reached between the Hillsborough County Tax Collector's Office, the City of Tampa, Florida and the Hillsborough County Hotel and Motel Association, Inc. to create the Tampa Downtown/ Historic Ybor Tourism Marketing District. This agreement was further amended with Ordinance No. 2020-54 by establishing services to be provided by the Downtown/Historic Ybor Tampa Tourism Marketing Special Benefit District (the "District").

The District is subject to a written delegation agreement entered into between the City of Tampa, Florida and the Hillsborough County Hotel Motel Association ("HCHMA"), whereas in the provision, the City of Tampa, Florida appoints the HCHMA as the Owner's Association and delegates the power and authority to manage and administer the affairs of the District, provided all matters related to the District shall be in accordance with all applicable provision of law and shall be subject to the terms of the delegation agreement.

The District is funded through assessments to participating properties within the District. These special assessments shall be levied by the City of Tampa, Florida Council and collection of the special assessments shall be handled by the Hillsborough County Tax Collector. The Hillsborough County Tax Collector shall retain one percent of the special assessments collected to cover the cost of collecting and remitting the special assessments. The Hillsborough County Tax Collector will then forward the special assessments collected, less the one percent fee to the City of Tampa, Florida. The City of Tampa, Florida will then forward the special assessments collected, less the one percent fee charged by the City of Tampa, Florida to the District. The special assessments may be collected monthly from the owner of each property or parcel of land within the District and shall not exceed the cost of providing services.

2. Membership of the District

The District's governing body is designated by the City of Tampa, Florida. As such, the District is considered a dependent special district.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Presentation

The financial statements of the District have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") as applied to government units. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles in the United States of America. The District's accounting policies are described below.

DOWNTOWN/HISTORIC YBOR TAMPA TOURISM
MARKETING SPECIAL BENEFIT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS- CONTINUED

September 30, 2023

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

2. Measurement Focus and Basis of Accounting

The operations of the District are recorded in a governmental fund. Governmental funds are used to account for activities primarily supported by taxes, grants, and similar revenue sources.

The District reports the general fund as a major governmental fund, which represents the District's sole operating fund and accounts for all financial resources of the District.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied and collected. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the government.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Special assessments associated with current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period.

3. Cash

Cash includes amounts on hand and in demand deposit accounts. The District's investment policy is to maintain funds in near-cash investments, which yield the highest possible return within the limitations established by Florida statutes and the County ordinances.

DOWNTOWN/HISTORIC YBOR TAMPA TOURISM
MARKETING SPECIAL BENEFIT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS- CONTINUED

September 30, 2023

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

4. Assessments Receivables

No substantial losses are anticipated from present receivable balances, therefore, no allowance for uncollectible accounts is deemed necessary.

5. Net Position

Net position represents the difference between assets and liabilities in the government-wide financial statements. The District does not have any related long-term debt used to acquire capital assets. Net position is reported as restricted in the government-wide financial statement when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, laws, or regulations of other governments. The District has no assets subject to restriction.

6. Use of Estimates

The preparation of financial statements requires management to make use of estimates that affect reported amounts. Actual results could differ from these estimates.

NOTE C - SPECIAL ASSESSMENTS

The District is funded through the special assessments of non ad valorem assessments. Non ad valorem special assessments are defined in Florida Statutes, Chapter 197.3632((1)d) "as only those assessments which are not based on millage and which can become a lien against a homestead as permitted in Section 4. Article X of the State Constitution". Although both property taxes and special assessments are compulsory levies on property, special assessments are distinguished from property taxes because special assessments must provide a special benefit to be assessment property. In addition, unlike taxes, with special assessments there must be a connection between the governmental expense funded through the assessment revenues and the properties being assessed.

The District's assessment rate charged to properties was \$310.25 per hotel room within the district at October 6, 2022, with 13 hotels benefiting from the District's services.

Under the law of Florida, the valuation and assessment of all properties and the collection of all assessments are performed by the Hillsborough County Tax Collector and the City of Tampa.

All properties are assessed on a monthly basis or as soon thereafter as the assessment roll is certified and delivered to the Hillsborough County Tax Collector. Because of the Hillsborough County Tax Collector's efficient system for collecting assessments and remitting the proceeds to District, any delinquent or uncollected assessment revenues at year-end are immaterial. Based on prior experience, the District has always been able to fully collect on special assessment revenues.

DOWNTOWN/HISTORIC YBOR TAMPA TOURISM
MARKETING SPECIAL BENEFIT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS- CONTINUED

September 30, 2023

NOTE D - FUND BALANCE REPORTING

There are two major types of fund balances, which are non-spendable and spendable. Non-spendable fund balances are balances that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. At September 30, 2023, the District had \$3,750 in non-spendable fund balance. In addition to the non-spendable fund balance, GASB 54 has provided a hierarchy of spendable fund balances, based on a hierarchy of spending constraints.

- A. Restricted – Amounts that can be spent only for the specific purposes stipulated by: (a) external resource providers such as creditors (by debt covenants), grantors, contributors, or laws or regulations of other Districts or (b) imposed by law through constitutional provisions or enabling legislation.
- B. Committed – Amounts that can be used only for the specific purposes determined by a formal action of the District’s highest level of decision-making authority.
- C. Assigned – Amounts intended to be used by the District for specific purposes. Assigned fund balance represents the amount that is not restricted or committed. The intent shall be expressed by the District. At September 30, 2023, the District had \$0 of assigned fund balance, which represents the amount needed to eliminate the projected deficit in the subsequent year’s budget in an amount no greater than the projected excess of expected expenditures and budgeted contingency reserve over expected revenues.
- D. Unassigned – This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes. At September 30, 2023, unassigned fund balance is \$1,316,981. It is the goal of the District to achieve and maintain an unassigned fund balance equal to or greater than 10% of expenditures to cover unexpected expenditures and revenue shortfalls from year to year.

The District’s policy is to apply expenditures against restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance, in that order, under circumstances where a particular expenditure can be made from more than one fund classification.

NOTE E - RISK MANAGEMENT

During the ordinary course of its operations, the District is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District maintains commercial insurance coverage in amounts management feels is adequate to protect and safeguard the assets of the District. There have been no significant reductions in coverage nor have settlement amounts exceeded the District’s coverage during the year ended September 30, 2023.

REQUIRED SUPPLEMENTARY INFORMATION

DOWNTOWN/HISTORIC YBOR TAMPA TOURISM
MARKETING SPECIAL BENEFIT DISTRICT

NOTES TO SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE – BUDGET AND ACTUAL – GENERAL FUND

Year ended September 30, 2023

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance - Favorable (Unfavorable)
Revenues:				
Charges for services	\$ 1,049,266	\$ 1,049,266	\$ 1,229,355	\$ 180,089
Interest income	-	-	7	7
Total revenues	1,049,266	1,049,266	1,229,362	180,096
Expenditures:				
City of Tampa administrative fee	10,493	10,493	12,149	(1,656)
Tax Collector administrative fee	10,493	10,493	12,274	(1,781)
Administrative services	66,000	66,000	125,700	(59,700)
Legal and professional services	90,000	90,000	46,731	43,269
Tourism engagement services	200,000	200,000	299,532	(99,532)
Tourism enhancement services	650,000	650,000	600,065	49,935
Miscellaneous fees	1,700	1,700	1,508	192
Total expenditures	1,028,686	1,028,686	1,097,959	(69,273)
Excess (deficit) of revenues over expenditures	20,580	20,580	131,403	110,823
Fund balance, beginning of year	1,189,328	1,189,328	1,189,328	-
Fund balance, end of year	<u>\$ 1,209,908</u>	<u>\$ 1,209,908</u>	<u>\$ 1,320,731</u>	<u>\$ 110,823</u>

COMPLIANCE SECTION



INDEPENDENT AUDITOR'S 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

To the Members
Downtown/Historic Ybor Tampa Tourism Marketing Special Benefit District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and general fund of Downtown/Historic Ybor Tampa Tourism Marketing Special Benefit District (the "District"), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated June 30, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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 preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2023-001 to be a material weakness.



Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District'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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings and questioned costs as item 2023-002.

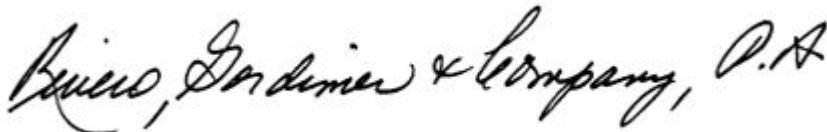
Downtown/Historic Ybor Tampa Tourism Marketing Special Benefit District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Downtown/Historic Ybor Tampa Tourism Marketing Special Benefit District's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Downtown/Historic Ybor Tampa Tourism Marketing Special Benefit District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

Tampa, Florida
June 30, 2024



DOWNTOWN/HISTORIC YBOR TAMPA TOURISM
MARKETING SPECIAL BENEFIT DISTRICT

SUMMARY OF AUDIT FINDINGS

September 30, 2023

Finding 2023-001: Material Weakness in Internal Controls Related to Financial Close

Criteria: An effective system of internal controls over financial reporting provides that a material misstatement would be prevented or detected, and corrected on a timely manner.

Condition: As part of the year end close process for the year ended September 30, 2023, assessments receivable and related charges for services were incorrectly recorded, as well as accrued liabilities and the related expenditures. Additionally, the District did not complete bank reconciliations in a timely manner.

Cause: A lack of a formal financial close process led to the misstatement and incomplete bank reconciliations.

Effect: Assessments receivable and the related general revenues were overstated by approximately \$274,000. Accounts payable and the related expenditures were overstated by approximately \$35,000.

Recommendation: We recommend that a formal financial close process be implemented to include timely reconciliations and a detailed analytical review.

View of responsible officials and planned corrective actions: See management's response to findings on pages 27 – 28.

Finding 2023-002: Deficiency in Internal Controls Related to Budget Monitoring

Criteria: An effective system of internal controls ensures that budgetary spending is monitored effectively and timely to ensure compliance with the adopted budget.

Condition: The District should monitor the budgetary expenditures in a timely manner to ensure that all expenditures are within the approved budgetary amounts.

Cause: The District did not monitor budgetary spending timely by management during the year ended September 30, 2023.

Effect: The District did not monitor budgetary spending timely resulting in expenditures exceeding budget.

Recommendation: We recommend the District implement timely monitoring controls surrounding budgetary expenditures.

View of responsible officials and planned corrective actions: See management's response to findings on pages 27 – 28.

DOWNTOWN/HISTORIC YBOR TAMPA TOURISM
MARKETING SPECIAL BENEFIT DISTRICT

SUMMARY OF PRIOR AUDIT FINDINGS

September 30, 2023

Finding 2022-001: Material Weakness in Internal Controls Related to Financial Close

Finding: The financial close process is considered necessary to ensure the District's financial statements identify reporting requirements and potential U.S GAAP departures. The District should review its current policies and procedures over accounting and financial reporting, including its review of year end transactions and bank reconciliations. Financial close procedures should be designed to identify compliance requirements and potential U.S. GAAP departures.

Status: This is a repeat finding and has not been corrected by management.

Finding 2022-002: Material Weakness in Internal Controls Related to Compliance

Finding: Florida Statutes require the District to supply information about moneys placed in Qualified Public Depositories as well as maintaining minutes of all public meetings. The District should implement controls to ensure compliance with Florida Statutes to ensure compliance. These procedures should be designed to identify compliance requirements and potential U.S. GAAP departures.

Status: This is a repeat finding and have not been corrected by management.



Downtown / Historic Ybor **TOURISM MARKETING SPECIAL BENEFIT DISTRICT**

June 30, 2024

Rivero, Gordimer & Company, P.A.
P.O. Box 172359
Tampa, Florida 33672

SUBJECT: Management Response to Audit Summary Findings

Management believes that it is important to outline several corrective action steps which have been taken and completed in FY24 which we believe are responsive to the material weaknesses and/or deficiencies concluded by the Audit Summary Findings.

As a result, the District's management team and the Steering Committee have crafted a series of policy and management initiatives during this fiscal year as outlined below:

▪ **TMD Fiscal Policies and Processes**

The District has adopted several policies that will serve to provide guidance in connection with its financial close and reconciliation procedures.

• **Financial Close Reporting Policy**

This policy has been designed to provide guidelines regarding monthly close vs. quarterly close vs. annual close processes to the extent that differences in close processes exist.

• **TMD Closing Checklist for Monthly and Annual Reconciliation**

This checklist has been designed to capture projected due dates (workdays) for the following categories of processes:

- Bank Records Reconciliation
- Accrued Revenue
- Prepaid Expenses
- Accrued Expenses
- Commitment Schedules
- Financial Statement Reviews
- Closing Procedures

This checklist shall also provide sign-off and data preparation from both the preparer and reviewer.

- **TMD Accounting Policy**

The purpose of this policy establishes standards for ensuring accurate financial reporting, transparency, and compliance. The topics covered in the policy include:

- Basis of Accounting
- Revenue Recognition
- Expenditures Classification
- Financial Reporting
- Internal Controls
- Audit/Compliance

- **TMD Administrative Conversion**

The TMD's administrative team will be converted from part-time independent contractors to full-time TMD employees. This transition will provide an additional layer of management verification and accountability.

This adjustment is specifically being initiated to provide a tangible solution to meet the timeliness requirements associated not only with the District's various reports but also to ensure that all budgetary spending is monitored effectively.

This will also address the unique District accounting protocol, in which assessment proceeds are received by the District no sooner than ninety (90) days after collection. This delayed receipt impacts the timing reconciliation of the TMD's financial-related reports.

- **TMD Website**

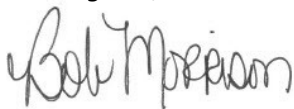
Consistent with Florida Statute requirements, the TMD has completed the establishment of the Downtown/Historic Ybor Tourism Marketing Special Benefit District website. This platform has been developed to meet the required statutory notice and information requirements that govern Florida special benefit districts.

- **Quality Control/Quality Assurance - Frazier & Deeter CPA**

In order to facilitate and provide a quality control component to the District's policy administration, TMD management has outlined with Frazier & Deeter an expanded scope of work. This scope will include Frazier & Deeter as part of the District's financial close policy execution and quality assurance.

Please advise if we can submit any additional clarification which might be found helpful.

Best regards,



Bob Morrison

Executive Director

Downtown/Historic Ybor Tourism Marketing Special Benefit District



MANAGEMENT LETTER BASED ON RULE 10.554(1)(i) OF
THE AUDITOR GENERAL OF THE STATE OF FLORIDA

Report on the Financial Statements

We have audited the financial statements of the Downtown/Historic Ybor Tampa Tourism Marketing Special Benefit District (the "District"), as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated June 30, 2024.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Florida Auditor General.

Other Reporting Requirements

We have issued our Report of Independent Auditor 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* and Independent Accountants Report on Compliance with the Requirements of Section 218.415, Florida Statutes on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated June 30, 2024, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have not been taken to address findings and recommendations made in the preceding financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information is disclosed in Note A to the financial statements.



Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the District has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the District. It is management's responsibility to monitor the District's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Specific Information

The District has included certain information required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General in Other Information included on page 28.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, Members of the District, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.



Tampa, Florida
June 30, 2024



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

INDEPENDENT ACCOUNTANT'S REPORT ON
COMPLIANCE WITH THE REQUIREMENTS
OF SECTION 218.415, FLORIDA STATUTES

To the Members
Downtown/Historic Ybor Tampa Tourism Marketing Special Benefit District

We have examined the Downtown/Historic Ybor Tampa Tourism Marketing Special Benefit District (the "District"), compliance with the local government investment policy requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2023. Management of the District is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the District's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the District complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the District complied with the specified requirements. The nature, timing, and extent of procedures selected depend on our judgement, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet out other ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement. Our examination does not provide a legal determination on the District's compliance with specified requirements.

In our opinion, the District complied, in all material respects, with the local government investment policy requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2023.

Tampa, Florida
June 30, 2024



DOWNTOWN/HISTORIC YBOR TAMPA TOURISM
MARKETING SPECIAL BENEFIT DISTRICT

DATA ELEMENTS REQUIRED BY SECTION 218.32(1)(e), FLORIDA STATUTES

September 30, 2023

<u>Data Element</u>	<u>Reference</u>	<u>Comment</u>
The total number of employees compensated in the last pay period of the fiscal year being reported:	Section 218.32(1)(e)(2)(a)	None
The total number of independent contractors to whom nonemployee compensation was paid in the last month of the fiscal year being reported:	Section 218.32(1)(e)(2)(b)	2
All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency:	Section 218.32(1)(e)(2)(c)	\$ -
All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency:	Section 218.32(1)(e)(2)(d)	\$ 125,700
Each construction project with a total cost of at least \$65,000 approved that is scheduled to being on or after October 1 of the fiscal year being reported, together with total expenditures for such projects.	Section 218.32(1)(e)(2)(e)	None
A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the Council amended a final adopted budget under Section 189.016(6), Florida Statutes:	Section 218.32(1)(e)(3)	See page 21