FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORTS

DOWNTOWN/HISTORIC YBOR TAMPA TOURISM
MARKETING SPECIAL BENEFIT DISTRICT

September 30, 2025

COMMITTEE MEMBERS SEPTEMBER 30, 2025

Joe Collier
Mainsail Development (Epicurean Hotel)

Raul Aguilera
Embassy Suites Tampa Downtown Convention Center

Chris Southwick
The Tampa EDITION

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

Michelle Hontz
Aloft Tampa Downtown

Crystal Arthur
Hampton Inn & Suites Ybor City

Zac Sumner
Hilton Garden Inn Tampa Ybor

Andrew Spicknall
Hotel Flor Tampa Downtown, Le Meridien Tampa

Laura Maldonado
Hotel Haya Ybor City

Barry Kuhnke
Hotel Tampa Riverwalk

Amber t'Hoen
Hyatt Place & Hyatt House Tampa Downtown

Larry Collier
The Barrymore Hotel Tampa Riverwalk

Matt Gerber
The Westin Tampa Waterside

Charlie Whiteacre
Hampton Inn & Home2 Suites Tampa Downtown Channel District

ADMINISTRATION

Executive Director — Bob Morrison

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Karl N. Swan
Dennis A. Paleveda

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, 2025, 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, 2025, 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.

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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.

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, 2026, 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.

Berger, Toombs, Elam, Gaines & Frank, P.A.

Tampa, Florida
June 30, 2026

September 30, 2025

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, 2025, with selected comparisons to the prior year ended September 30, 2024. 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, 2025, by $1,280,217 (net position). Net position decreased by $231,648 from the previous fiscal year as a result of increased tourism marketing expenses.

- As of September 30, 2025, the District's general fund reported an ending fund balance of $1,280,217, a decrease of $231,648 from the previous fiscal year.

Using this Annual Report

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.

Because the District has no capital assets, long-term liabilities, or deferred inflows or outflows of resources, the net position reported in the government-wide financial statements is equal to the general fund balance reported in the fund financial statements as of September 30, 2025.

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 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, 2025, the assets were more than the liabilities by $1,280,217.

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

	2025	2024
Cash and cash equivalents	$ 1,322,524	$ 612,479
Assessments receivable	415,834	949,299
Total assets	1,738,358	1,561,778
Accounts payable and accrued expenses	458,141	49,913
Total liabilities	458,141	49,913
Net Position:		
Unrestricted	1,280,217	1,511,865
Net position	$ 1,280,217	$ 1,511,865

Governmental activities decreased the District's net position by $231,648 primarily as a result of increased tourism marketing expenses related to increased convention and event activity for the fiscal year ended September 30, 2025.

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

	2025	2024
Revenues:		
Program revenues:		
Tourism marketing assessments	$ 1,579,496	$ 1,328,005
Interest income	126	10
Total revenues	1,579,622	1,328,015
Expenses:		
Tourism marketing expenses	1,811,270	1,032,587
Change in net position	(231,648)	295,428
Net position, beginning of year	1,511,865	1,216,437
Net position, end of year	$ 1,280,217	$ 1,511,865

Tourism marketing assessment revenues increased by $251,491 during 2025 due to increased convention and event activity in Downtown Tampa and the related region, as well as increased hotel participation. Tourism marketing expenses also increased during 2025 by $778,683 related to the same convention and event activity.

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, 2025, the District's general fund reported an ending fund balance of $1,280,217, a decrease of $231,648 in comparison with the previous fiscal year. Of this amount, all is considered unassigned.

Economic Factors/Currently Known Facts, Decisions, or Conditions

The District concept was originally structured to recognize hotel room inventory as a foundational component of the assessment funding formula, collected from participating hotels on a pro rata basis, based upon each property's number of active hotel rooms.

The District's business model established a two-part platform - 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, patterns and room revenue generation by prospective visitors / guests.

- Part 2 – The Convention Concession Installment Plan seeks to create a convention group recruitment fund to secure conventions and large city-wide events that meet certain room nights and a minimum of group hotels with convention group business that would have otherwise not select the Tampa Convention Center or Tampa as a destination, because of competitive bid cost considerations.

The post-pandemic trend of domestic and international travel habits has concluded. The growing challenge – convention cities in the Tampa/Hillsborough County competitive set have now aggressively reentered the overall convention group and leisure travel market with the objective to undercut the progress that the Tampa market has accomplished over the last five (5) years.

What are the currently known facts?

- In FY 25, the TMD generated over 22,000 directly attributable room nights
- Revenue over Ad Spend: $10.40 to $1 (Metric Standard: 4x)
- TMD Average Daily Rate per quarter: Q1: $308, Q2: $378; Q3: $256; Q4: $263
- Smith Travel Average Daily Rate for overall Hillsborough County & Downtown in the comparable periods:

Q1 Hillsborough $169 & Downtown+ $239.
Q2 Hillsborough $203 & Downtown+ $292.
Q3 Hillsborough $173 & Downtown+ $250.
Q4 Hillsborough $141 & Downtown+ $196

What does this mean for Market Condition?
Convention Pipeline Strong Thru 2025:

- Multiple First – Time Conventions Choosing Tampa
- Repeat Multi – Year Commitments
- Summer Business Growth
- Strategic Use of Incentives to fill need periods

As a result, what decisions face the TMD Steering Committee with its "Treasure Collection" Branding?

- Ensure smaller/luxury hotels also benefit
- Continue changing outdated Tampa perceptions.
- Stay competitive as other cities expand
- Protect the TMD endorsed long – term Convention booking strategy

Executive Outlook
Tampa's hospitality market is transitioning into a stronger, more premium destination with healthy momentum. Financially stable, the market is performing beyond industry expectations, and future bookings remain solid.
Immediate Action Priorities are:

- Continued Multi – segment tourism strategy
- Protect summer convention pipeline
- Expand luxury / international targeting.

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

DOWNTOWN/HISTORIC YBOR TAMPA TOURISM
MARKETING SPECIAL BENEFIT DISTRICT

STATEMENT OF NET POSITION

September 30, 2025

	Governmental Activities
ASSETS	
Current assets:	
Cash and cash equivalents	$ 1,322,524
Assessments receivable	415,834
Total assets	1,738,358
LIABILITIES	
Liabilities:	
Accounts payable and accrued expenses	458,141
Total liabilities	458,141
NET POSITION	
Unrestricted	1,280,217
Total net position	$ 1,280,217

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, 2025

	Governmental Activities
Program expenses:	
Tourism marketing expenses	$ 1,811,270
Total program expenses	1,811,270
General revenues:	
Tourism marketing assessments	1,579,496
Interest income	126
Total general revenues	1,579,622
Decrease in net position	(231,648)
Net position, beginning of year	1,511,865
Net position, end of year	$ 1,280,217

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, 2025

ASSETS		
Cash and cash equivalents	$	1,322,524
Assessments receivables		415,834
Total assets	$	1,738,358
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable and accrued expenses	$	458,141
Total liabilities		458,141
Fund balance:		
Unassigned		1,280,217
Total fund balance		1,280,217
Total liabilities and fund balance	$	1,738,358

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, 2025

Revenues:	
Tourism marketing assessments	$ 1,579,496
Interest income	126
Total revenues	1,579,622
Expenditures:	
City of Tampa administrative fee	15,637
Tax Collector administrative fee	15,795
Administrative services	169,000
Legal and professional services	106,967
Tourism engagement services	771,831
Tourism enhancement services	724,999
Miscellaneous fees	7,041
Total expenditures	1,811,270
Net change in fund balance	(231,648)
Fund balance, beginning of year	1,511,865
Fund balance, end of year	$ 1,280,217

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.

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. Special assessments are recognized as revenues in the year for which they are levied and collected.

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.

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 - CHANGE IN ACCOUNTING PRINCIPLE

The District adopted Governmental Accounting Standards Board (GASB) Statement No. 102, *Certain Risk Disclosures* during the year ended September 30, 2025. GASB Statement No. 102 established disclosure requirements for significant risks arising from concentration or constraints that could affect the District's ability to acquire resources or manage spending. The adoption of these standards did not have any significant impacts on the District's financial statements.

NOTE D - 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.

NOTE D - SPECIAL ASSESSMENTS - Continued

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.

NOTE E - 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, 2025, the District had $0 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, 2025, 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, 2025, unassigned fund balance is $1,280,217. 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.

NOTE E - FUND BALANCE REPORTING - Continued

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 F - 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, 2025.

REQUIRED SUPPLEMENTARY INFORMATION

DOWNTOWN/HISTORIC YBOR TAMPA TOURISM MARKETING SPECIAL BENEFIT DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND

Year ended September 30, 2025

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance - Favorable (Unfavorable)
Revenues:				
Tourism marketing assessments	$ 1,483,616	$ 1,483,616	$ 1,579,496	$ 95,880
Interest income	-	-	126	126
Total revenues	1,483,616	1,483,616	1,579,622	96,006
Expenditures:				
City of Tampa administrative fee	14,688	14,688	15,637	(949)
Tax Collector administrative fee	14,836	14,836	15,795	(959)
Administrative services	156,000	156,000	169,000	(13,000)
Legal and professional services	105,000	105,000	106,967	(1,967)
Tourism engagement services	-	-	771,831	(771,831)
Tourism enhancement services	1,000,000	1,000,000	724,999	275,001
Miscellaneous fees	13,300	13,300	7,041	6,259
Total expenditures	1,303,824	1,303,824	1,811,270	(507,446)
Excess (deficit) of revenues over expenditures	179,792	179,792	(231,648)	(411,440)
Fund balance, beginning of year	1,511,865	1,511,865	1,511,865	-
Fund balance, end of year	$ 1,691,657	$ 1,691,657	$ 1,280,217	$ (411,440)

COMPLIANCE SECTION

RIVERO, GORDIMER & COMPANY, P.A.
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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, 2025, 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, 2026.

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 first paragraph of this section 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 recommendations as items 2025-001 that we consider to be a material weakness.

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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* and which are described in the accompanying schedule of findings and questioned costs as items 2025-001.

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

Government Auditing Standards requires the auditor to perform limited procedures on 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 recommendations. 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.

Rivero, Gordimer & Company, P.A.

Tampa, Florida
June 30, 2026

RG&Co
CPAS AND ADVISORS
RIVERO, GORDIMER & COMPANY, P.A.

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

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

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, 2025, and have issued our report thereon dated June 30, 2026.

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, 2026, 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 been taken to address findings and recommendations made in the preceding financial audit report, except for the following findings:

Tabulation of Uncorrected Audit Findings		
Current Year Finding No.	FY 2023-24 Finding No.	FY 2022-23 Finding No.
2025-001	2023-002	2023-002

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.

Property Assessed Clean Energy (PACE) Programs

As required by Section 10.554(1)(i)6.a., *Rules of the Auditor General*, the District, a statement as to whether a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, did not operate within the District's geographical boundaries during the fiscal year under audit.

Specific Information (unaudited)

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 26.

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 noted finding 2025-001 in the accompanying schedule of findings and recommendations.

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

The District's response to the findings identified in our audit is described in the accompanying letter of management's response. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

Rivero, Gordimer & Company, P.A.

Tampa, Florida
June 26, 2026

SCHEDULE OF FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED SEPTEMBER 30, 2025
DOWNTOWN/HISTORIC YBOR TAMPA TOURISM
MARKETING SPECIAL BENEFIT DISTRICT

Finding 2025-001: Material Weakness 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, 2025.

Effect: The District did not monitor budgetary spending timely resulting in expenditures exceeding the budget leading to noncompliance with Florida Statutes. It should be noted that these additional expenditures were approved individually by the District, however, a formal budget amendment was not presented nor approved by the District.

Recommendation: We recommend the District implement timely monitoring controls surrounding budgetary expenditures. Expenditures above budget should be approved by the Board of Directors and properly documented within a budget amendment in the Board of Directors meeting minutes.

View of responsible officials and planned corrective actions: Management concurs with the recommendation. See accompanying letter of management's response.

Rivero, Gordimer & Company
201 N Franklin St, #2200
Tampa, FL 33602

SUBJECT: Downtown / Historic Ybor Tourism Marketing District Requested Corrective Action Plan

The Downtown / Historic Ybor Tourism Marketing District (TMD) has had the opportunity to review the analysis and observations of Rivero, Gordimer & Co. regarding treatment of expenses that exceed the budgeted expenditures.

In short, the TMD will restructure its budget format to reflect an operating protocol in alignment with this corrective action plan. The fund balance reserve has historically been established to position the TMD to secure future Tourism Engagement related services opportunities as these pre-approved convention concession expenditures are submitted for payment.

The corrective action plan should reflect the following steps:

(a) By July 1st of each year, the HCHLA Executive Director will prepare the TMD's annual budget, which includes requested appropriations for the next fiscal year.

(b) The budget will also reflect, if appropriate, the anticipated draw down of the TMD's beginning of the year fund balance, to include but not limited to the TMD's Tourism Engagement Services requirements.

(c) The proposed budget will be presented to the TMD Steering Committee members for review at a public meeting for approval.

(d) Expenditures may not legally exceed budgeted appropriations unless approved or ratified either before the appropriation is scheduled for payment or at a subsequent TMD Steering Committee meeting.

(e) Any revision that alters the total expenditures must be approved by a majority of the Steering Committee members.

(f) In instances where budget appropriations and estimated revenues have been revised during the year, the budget data presented in the financial statements represents the authorized amounts.

(g) Unexpended appropriations lapse at year-end.

Thank you for the opportunity to outline the particulars of this action plan.

Best regards,

Bob Morrison

Bob Morrison
HCHLA Executive Director
(813) 833-8311

RIVERO, GORDIMER & COMPANY, P.A.
CPAS AND ADVISORS

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, 2025. 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 judgment, 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 our 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, 2025.

Rivero, Gordimer & Company, P.A.

Tampa, Florida
June 30, 2026

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DOWNTOWN/HISTORIC YBOR TAMPA TOURISM
MARKETING SPECIAL BENEFIT DISTRICT

DATA ELEMENTS REQUIRED BY SECTION 218.39(3)(c), FLORIDA STATUTES

September 30, 2025

Data Element	Reference	Comment
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)	$ 169,000
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 19