

Audit of Visit Orlando's Compliance with the 2019 Tourism Promotion Agreement



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Orange County Comptroller's Office

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The mission of the Orange County Comptroller's Office is to serve the citizens of Orange County and our customers by providing responsive, ethical, effective, and efficient protection and management of public funds, assets, and documents, as specified in the Florida Constitution and Florida Statutes.

Vision

The vision of the Orange County Comptroller's Office is to be recognized as a highly competent, cohesive team leading the quest for continuing excellence in the effective safeguarding and ethical management of public funds, assets, and documents.



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COUNTY
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July 29, 2025

Jerry L. Demings, County Mayor
and
Board of County Commissioners

We have conducted an audit of Visit Orlando. The audit was limited to a review of Visit Orlando's compliance with the 2019 Tourism Promotion Agreement. The period audited was January 2023 through December 2023.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Responses to our Recommendations for Improvement were received from both Visit Orlando and County Administration. The responses are included in the Appendix of this report.

We appreciate the cooperation of Visit Orlando, Orange County Convention Center, and County Administration personnel during the course of the audit.

Phil Diamond, CPA
County Comptroller

c: Casandra Matej, Chief Executive Officer, Visit Orlando
Byron Brooks, County Administrator
Lisa Snead, Assistant County Administrator



Executive Summary

Why This Audit is Important

Millions of visitors pay Tourist Development Taxes (TDT) at hotels and other short-term rentals in Orange County every year. The County collected more than \$353 million of TDT in 2023 and provided \$105 million to Visit Orlando (VO) under the 2019 Tourism Promotion Agreement (Agreement). TDT collections have increased regularly with VO receiving over \$100 million in TDT Funds every year since 2022. This Agreement is the County's largest annual TDT commitment. VO also collected about \$8.98 million from other sources. The distinction between TDT and Private Funds is an important issue in this report. Florida law and the Agreement both restrict how TDT Funds can be spent. Private Funds do not have such restrictions. Additionally, given the importance of tourism to the County economy and community, it is essential that the TDT Funds collected by the County are well spent.

According to the Agreement, "VO shall use its best commercially reasonable efforts to advertise, sell, promote, and market the tourism attractions, accommodations and amenities in Orange County." This audit focused on VO's compliance with the Agreement to ensure that TDT funds are spent in the best commercially reasonable way and transparent with reporting to taxpayers.

Transparency in public spending is essential to maintaining the trust and confidence of taxpayers. It ensures that TDT funds are used efficiently and responsibly. Recipients of tax funds should adequately document how funds are allocated and spent to ensure accountability and enable public oversight.

What We Found

The audit revealed several compliance issues, including misclassifying TDT revenues as Private Funds, TDT expenditures that did not promote tourism, and engaging in lobbying activities without BCC approval. VO also did not adhere to internal policies regarding the evaluation of event returns and competitive procurement practices. In addition, we identified areas where the County should improve contract monitoring. We also identified areas where the Agreement should



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be modified to clarify its terms. This would help avoid competing interpretations of the Agreement's terms. Details about each of these issues are provided below.

Revenues Should Have Been Reimbursed to TDT Funds

As previously identified in our 2019 audit, VO incorrectly classified TDT revenues as Private Funds and failed to reimburse VO's TDT Funds. This audit revealed that in 2023, at least \$3.54 million in other revenue should have been reimbursed to VO's TDT Funds because the revenues were directly related to TDT expenditures. Further, the Agreement is unclear whether an additional \$996,100 from website/newsletter advertising should also have been reimbursed to VO's TDT Funds. If so, the total amount due to TDT Funds would increase to \$4.54 million.

Return on Investment Was Not Evaluated on Events Paid For With TDT Funds

VO staff did not comply with internal policies for evaluating the return on events hosted by VO. VO's internal expense reporting policy requires its staff to evaluate ROI for hosted events and business travel exceeding \$500 as part of a Summary Report. VO's policy highlights ROI/return evaluation as a key component of event documentation. However, management stated that costs are not included in the Summary Reports. As a result, there is a gap between VO's policy and actual practice, as none of the Summary Reports reviewed included ROI calculations.

TDT Funds Spent on Ineligible Expenditures

We identified \$379,780 in TDT Fund expenditures that did not promote tourism. VO also improperly used TDT Funds to pay for member-related overhead costs.

Reserve Funds Source Cannot Be Determined

VO commingled TDT and Private Funds in one reserve account. As of December 31, 2023, the account had a balance of \$15 million. We confirmed that 52% of the amount had been transferred from TDT Funds, and only \$875,000 had been transferred from Private Funds. VO is unable to provide evidence of the source of funds for the remaining balance of \$6,367,794.

VO Engaged in Lobbying Without BCC Approval



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The Agreement explicitly prohibits VO from engaging in state legislative lobbying activities without prior approval from the BCC. Our review of VO's website identified instances where VO staff engaged in activities that appear to be lobbying without BCC approval.

Contract Monitoring Was Not Adequately Performed By Orange County

The County did not adequately monitor VO's compliance with the Agreement. As a result, VO's noncompliance issues were not identified. Additionally, the County has not conducted an independent economic analysis of its investment in VO. This analysis could enable the BCC to better understand the benefits and costs associated with its spending on VO and other TDT recipients.

Overall Evaluation

We have conducted an audit of Visit Orlando's compliance with the 2019 Tourism Promotion Agreement. We have identified violations of the current Agreement. Additionally, we have found material concerns related to revenues and expenditures of Tourist Development Tax Funds, which can be remedied by Visit Orlando's actions and through an amendment to the Agreement. These violations and material concerns are detailed in the recommendations section of the report.



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Background

Orlando/Orange County Convention & Visitors Bureau, Inc., doing business as Visit Orlando (VO), is the official destination marketing organization for Orange County (County). It is responsible for promoting the region as a premier destination for leisure, conventions, and business travel.

Established as a not-for-profit trade association, VO collaborates with County government and local tourism stakeholders to drive economic impact through travel and tourism. With 74 million visitors in 2023, Central Florida is one of the most visited places in the United States, according to VO.

VO is governed by a board of directors composed of representatives from the tourism, hospitality, and business sectors, as well as public officials. The organization operates under the 2019 Tourism Promotion Agreement (Agreement) with the County. The County has provided VO with a portion



of the Orange County Tourist Development Taxes (TDT) collected since VO's inception in 1983.

TDT is a local option tax authorized by the State of Florida and levied on short-term rentals, including hotels, motels, vacation rentals, and other transient accommodations. The current TDT rate in Orange County is 6%. The use of TDT is regulated by Section 125.0104, Florida Statutes.

Tourism is the largest sector of the County's economy. The County collected over \$353 million of TDT revenue in 2023. The County paid VO \$105 million from calendar year 2023 TDT collections.¹ VO also collected revenue from other sources, including membership fees, cooperatives, participation fees, advertising revenue, and interest earnings. However, as shown in the following chart, revenue from these other sources has declined over the past decade while TDT funding

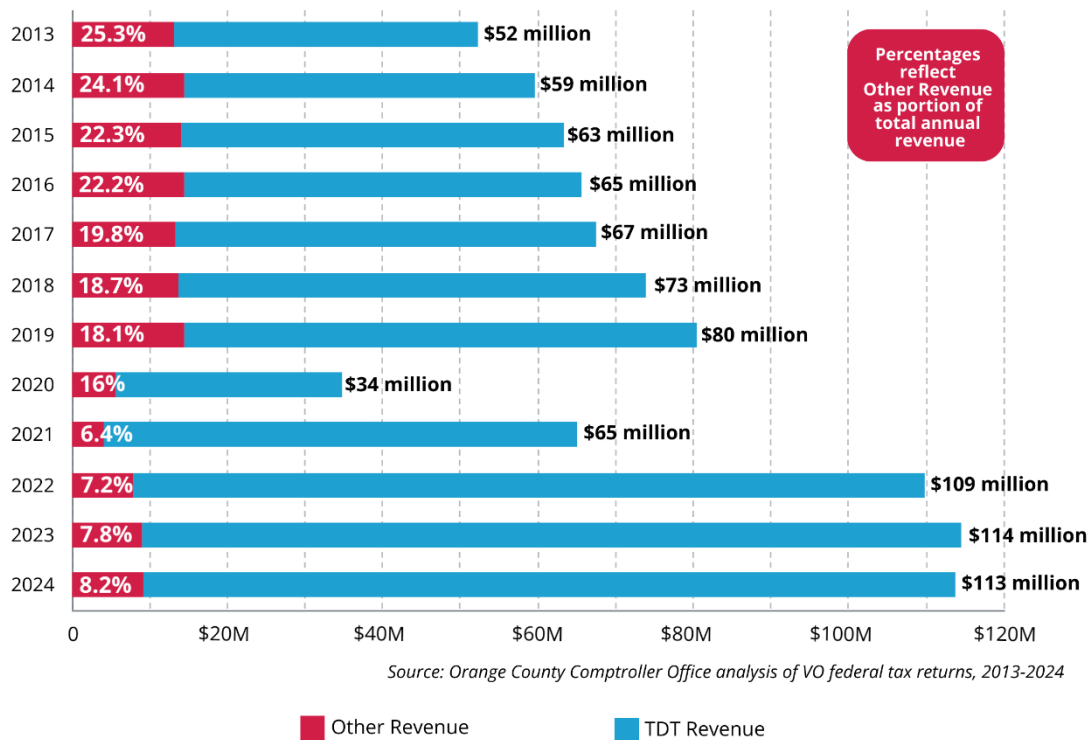
¹ The County also provided VO \$1 million for the Business Development Fund and \$4 million for the Sports Incentive Fund.



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has increased. To better align cost recovery with program expenses, VO should reassess its fees to ensure they better align with its costs.

Total VO Revenues By Source



**VO is expected to receive approximately \$1 billion
in TDT Funds from 2013 through the end of 2025**

The distinction between TDT and Private Funds is an important issue in this report. Florida law and the Agreement both restrict how TDT Funds can be spent. Private Funds do not have such restrictions. Additionally, given the importance of tourism to the County economy and community, it is essential that the TDT Funds collected by the County are well spent.

In 2019, the County and VO entered into a long-term agreement to continue providing funding to VO. In exchange, the Agreement requires VO, among other things, to:



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“... use its best commercially reasonable efforts to advertise, sell, promote, and market the tourism attractions, accommodations and amenities ... in order to maintain and increase the numbers and quality of visitors, conventions, trade shows and meetings in Orange County throughout the term of this Agreement.”

The Board of County Commissioners (BCC) approved amendments in 2024 addressing provisions related to board appointments, funding levels, and the term of the Agreement — extending it for four years. Additional modifications were made in part based on an interim memorandum issued by our office during this audit.²

Overall Evaluation

We have conducted an audit of Visit Orlando's compliance with the 2019 Tourism Promotion Agreement. We have identified violations of the current Agreement. Additionally, we have found material concerns related to revenues and expenditures of Tourist Development Tax Funds, which can be remedied by Visit Orlando's actions and through an amendment to the Agreement. These violations and material concerns are detailed in the recommendations section of the report.

² Appendix C – Interim Memo and Response to Visit Orlando



1. Visit Orlando Incorrectly Classified and Deposited TDT Revenues as Private Funds

Visit Orlando (VO) divides its revenue into two categories — Tourist Development Tax Funds (TDT Funds) and Non-TDT Funds (Private Funds). The distinction is that TDT Funds are subject to spending restrictions and other terms and conditions based on the Agreement, including numerous accountability and transparency requirements. TDT Funds are also subject to spending restrictions as mandated by Florida law. Private Funds are not subject to these restrictions or requirements.

Agreement Requirements

In our prior audit, we found that VO was misclassifying certain expense reimbursements paid with TDT Funds as Private Funds — instead of correctly classifying those funds as TDT Funds. We recommended that VO correct this practice, and VO agreed. As a result, the following section was added to the Agreement:

“Visit Orlando will treat reimbursements from advertising partners for cooperative marketing, promotional, and advertising opportunities (co-ops) or similar arrangements, where the Tax was used to cover the cost of the program as being subject to all restrictions and all requirements of this Agreement applicable to Tax funds and will provide reporting for these expenditures/reimbursements in a format acceptable to the County.”

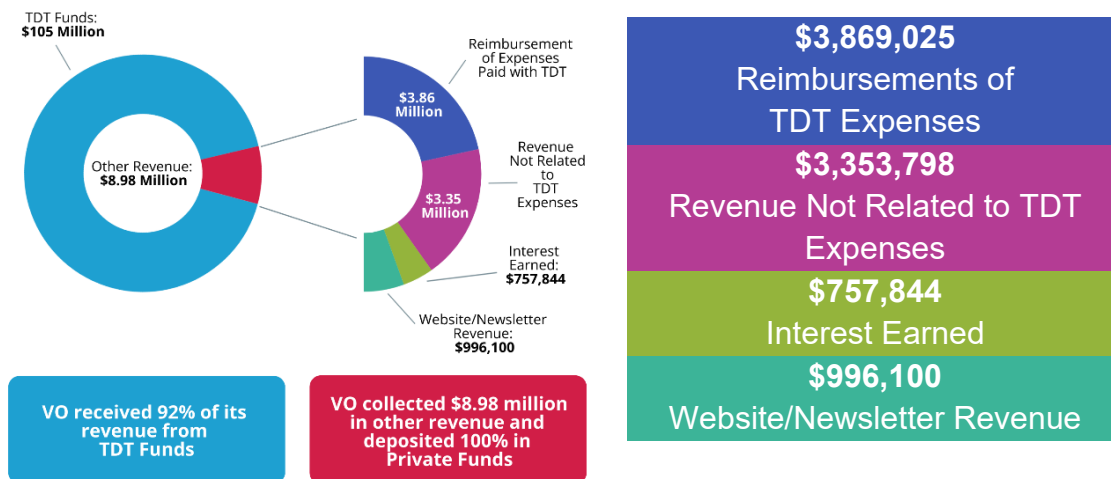
Visit Orlando Revenues Received

VO received \$105 million from County TDT collections for 2023.³ This was 92% of VO's total funding. In addition to County TDT payments, VO collected revenue from other sources, including membership fees, cooperatives, participation fees, advertising revenue, and interest earnings. In total, it collected about \$8.98 million from these other sources in 2023.

³ The County also provided VO \$1 million for the Business Development Fund and \$4 million for the Sports Incentive Fund.

We categorized the \$8,976,767 in other revenue as follows:⁴

2023 Revenue Breakdown



Below are some revenue sources where VO appears to have misclassified some or all TDT revenues as Private revenues. As a result, TDT funds would not have been spent transparently and may not have complied with the Agreement.

Other Revenue Owed to VO's TDT Account

VO deposited the entire \$8.98 million in its Private Funds bank account. Of that amount, at least **\$3.54 million** should have been reported and deposited as TDT Funds — not Private Funds.

Further, it is unclear in the Agreement whether an additional **\$996,100** from website/newsletter advertising should also have been reimbursed to VO's TDT Funds. If so, the total amount due to TDT Funds would increase to **\$4.54 million**.

At Least
\$3.54 million
Should Be Reimbursed to
VO's TDT Funds

The following sections explain the issues with these revenue sources in more detail.

⁴ Appendix D – Detailed List of Revenues

Cooperative Advertising

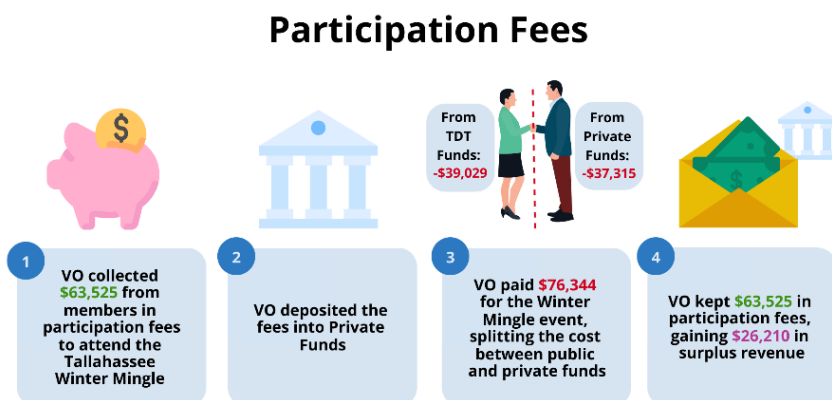
During our prior audit of VO, we identified approximately \$2.8 million in TDT Funds reimbursed to VO by its advertising partners. We found that VO incorrectly classified these reimbursements as Private Funds, and VO concurred. The Agreement was amended to address this audit issue as shown above.

During this audit, we noted that VO received similar reimbursements of \$965,358 in 2023. Although VO deposited this money in its Private Funds bank account, VO transferred \$713,008 to the TDT account in March 2024 — shortly after the start of our audit. **VO never reimbursed the remaining \$252,350. This amount should be reimbursed to VO's TDT Funds.**

Participation Fees

VO collected \$1,322,422 from its members to attend or sponsor trade shows, sales events, and familiarization tours hosted by VO. These events included expenses paid with both Private and TDT Funds. However, VO classified 100% of these reimbursements as Private Funds — not TDT Funds.

The Agreement does not specifically define how these reimbursements should be allocated. However, we calculated an allocation based on the percentage of expenses paid from each funding source. Under that methodology, **\$608,263 should have been reimbursed to VO's TDT Funds for 2023 participation fees.**

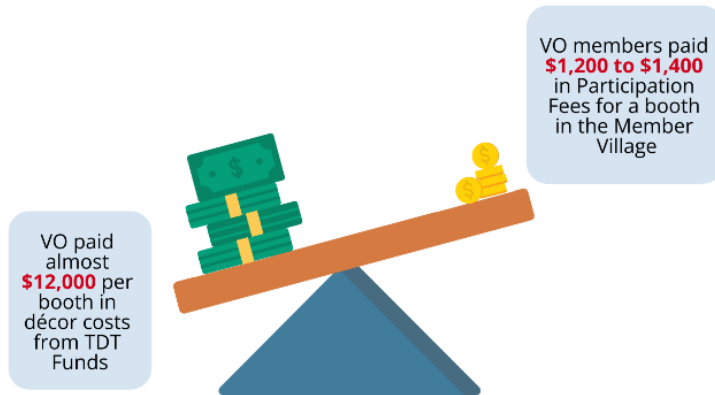


One event included in these totals was the 2023 Tallahassee Winter Mingle. VO collected \$63,525 from its members to attend the event.

Event expenses totaled \$76,344. VO paid \$37,315 from its Private Funds and \$39,029 from its TDT Funds. However, VO classified the entire \$63,525 collected as Private Funds. Therefore, VO had surplus revenue of \$26,210 from this event.

VO also misclassified the revenues it received from the 2023 IPW trade show.

IPW Member Village Costs



Here, 19 members paid VO \$1,200 to \$1,400 each for a 10x10 booth in the “member village.” These member fees were all recorded as Private Funds.

At the same time, VO paid almost \$12,000 per booth in décor costs from TDT Funds for each of the 19 member booths. VO’s reimbursements

should have been classified as TDT Funds — subject to public disclosure.

Miscellaneous TDT Reimbursements

We also identified miscellaneous revenues totaling \$1,581,245.⁵ We estimate that **\$1,445,121 of these amounts were TDT expense reimbursements and should be repaid to VO’s TDT Funds.**

The bulk of this amount was an Employee Retention Tax Credit that VO received from the IRS. Although approximately 94% of VO’s payroll expenses are paid with TDT Funds, VO classified the entire payroll tax credit as Private Funds.

Interest Earnings

In 2023, VO earned \$757,844 in interest from the following accounts:

- TDT Funds checking,
- Private Funds checking, and
- Two reserve accounts.

VO incorrectly recorded the full amount of interest as Private Funds. Based on the account sources, **\$525,694 of the interest should have been allocated to TDT Funds and deposited into the TDT bank account.**

⁵ Appendix D – Detailed List of Revenues



Additionally, VO commingled TDT and Private Funds in one reserve account. As of December 31, 2023, the account had a \$15 million balance, composed of:

- \$3,878,603 – TDT Funds deposit (January 2023)
- \$3,878,603 – TDT Funds deposit (December 2022)
- \$875,000 – Private Funds deposit (2014)
- \$6,367,794 – Source of funds undetermined

VO has not provided documentation to evidence the source of the remaining \$6,367,794. TDT and Private Funds should be accounted for separately as required by the Agreement.⁶

Other Advertising Revenue Not Addressed in Agreement

VO received \$996,100 in revenue from advertising on the VO website and digital newsletters in 2023. VO used only TDT Funds to pay for the website and newsletter. In 2023, it paid over \$1 million from TDT Funds to maintain the website. Although VO used its Membership staff — paid from Private Funds — to sell this advertising, VO did not track and allocate their time to advertising sales. As a result, an allocation between TDT Funds and Private Funds can't be computed.

Management stated that revenues should only be allocated to TDT Funds for any additional expenses incurred. However, management's argument ignores the fact that there would be nothing to sell (and no revenues) without the TDT Funds invested in VO's website. VO's Agreement doesn't specifically address this situation. If the Agreement outlined revenue allocation based on direct/indirect costs, it would be clear to all parties how these revenues should be allocated.

Other Revenue Reimbursements 2019 - 2022

As noted above, VO repaid a portion of the 2023 cooperative advertising reimbursements shortly after our audit started. However, VO elected not to reimburse more than \$600,000 of 2022 cooperative advertising reimbursements to the TDT bank account. According to management, VO didn't reimburse those funds because it used Private Funds for TDT-eligible expenses.

⁶ VO Agreement section 2.9 — Visit Orlando shall keep its accounting transactions in accordance with accounting principles generally accepted in the United States (GAAP), and in detail sufficient to segregate and account separately for its revenues and expenditures in accordance with the provisions of this Agreement.



If VO offset reimbursements by paying TDT-eligible expenses from Private Funds, TDT expenses were omitted from the public TDT disbursement listing. This would be a violation of the Agreement and would undermine the transparency and accountability of tax funds as required by the BCC through the Agreement.

Our audit only reviewed 2023 revenues in detail. The Agreement provision requiring VO to treat reimbursements as TDT Funds has been in effect since 2019. As a result, additional TDT reimbursements may be due for 2019-2022.

Recommendation No. 1

Visit Orlando should:

- A) Reimburse TDT Funds for \$3,436,243 of revenues generated from TDT Funds. Payment should be made from its Private Funds to its TDT bank account;⁷
- B) Perform a retrospective review of revenues received since 2019 to identify additional TDT reimbursements that may have been misclassified and deposited into its Private Funds;
- C) In collaboration with County Administration, determine how the undocumented reserve funds of \$6,367,794 should be classified and recommend its proposed plan to the Board of County Commissioners for review and approval;
- D) Develop and implement clear policies and procedures to ensure accurate classification and reporting of revenue sources — particularly for co-op revenues, interest income, and shared-cost activities;
- E) Deposit all revenues generated from TDT expenditures into its TDT bank account promptly after receipt; and,
- F) Evaluate participation fees charged to members to ensure that revenues better align with costs.

⁷ \$3,544,436 minus \$713,008 for 2023 cooperative advertising, plus \$604,815 for 2022 cooperative advertising.



As we have identified a material finding involving the inaccurate classification of millions of dollars of TDT, **County Administration should:**

- A) Consider invoking the “material concern” provision of the Agreement to address and correct these issues with Visit Orlando. Remedies include amending the Agreement to address ambiguities in the contract related to revenue generated from programs and events funded by TDT Funds; and,
- B) Increase its oversight of Visit Orlando and require periodic revenue reconciliations to ensure TDT Funds are managed in compliance with all contractual requirements.

2. Return on Investment Analysis Was Not Performed to Determine if TDT Funds Were Spent Appropriately

Analyzing Return on Investment (ROI) is critical for assessing expenditures, comparing initiatives, and guiding resource allocation.⁸ With limited funds and unlimited marketing opportunities, VO should review marketing and promotion ROI to determine which efforts are delivering value and which are not.

Event-Level ROI Analysis

VO's internal expense reporting policy requires its staff to evaluate ROI for hosted events and business travel exceeding \$500 as part of a Summary Report.⁹ VO's policy highlights ROI/return evaluation as a key component of event documentation. However, management stated that costs are not included in the Summary Reports. As a result, there is a gap between VO's policy and actual practice, as none of the Summary Reports reviewed included ROI calculations. Specifically, we noted issues with each of the sampled event Summary Reports.

These issues included:

1. **Familiarization Event:** Showcased local hotels and attractions to 17 convention planners from one event management company.

⁸ ROI is typically calculated as: $ROI = (Revenue - Costs) / Costs$.

⁹ Appendix E – Excerpt of Visit Orlando's Expense Policy



- Summary Report included estimated future revenue but failed to include any associated costs. Therefore, ROI was impossible to calculate.
 - Revenue calculations included some events that were booked before the familiarization event and should not have been considered revenue generated from this event.
2. **Canada Sales/Media Mission:** Traveled to Canada to provide information to travel agents and media on marketing Orlando as a destination.
- Summary Report included statistics — number of agents, room nights, and published media content — but did not include any costs. Therefore, ROI was impossible to calculate.
3. **Florida Governor's Conference on Tourism:** Annual educational conference for the Florida tourism industry.
- VO didn't calculate costs or return. Therefore, ROI was impossible to analyze.

Due to the consistent cost omissions, we did not review any other Summary Reports. However, we identified several events where the ROI was unclear, primarily due to their geographical location. One example is the Michelin Event held in New York City, which was intended to promote tourism by showcasing a Michelin-starred Orlando restaurant.¹⁰

The event was marketed as featuring Capa, an Orlando restaurant. It was held at The Musket Room in New York City and primarily featured dishes prepared by The Musket Room's chefs. This dinner, which hosted 40 guests, was paid for with TDT Funds totaling \$75,000 — \$1,875 per guest. Given that the event was held out of state and did not prominently feature the promoted Florida restaurant, we question whether it delivered sufficient value in terms of promoting Orange County tourism.

ROI cannot be accurately calculated without including both return and cost components. Otherwise, this could lead to investment in low-performing activities, rather than prioritizing those with a demonstrably higher return on TDT Funds.

¹⁰ [When Stars Align—Orlando's Capa Comes to New York's Musket Room](#)



Agreement-Level ROI Analysis

The County has not conducted an independent ROI analysis of VO's performance. However, in response to discussions about potential TDT funding reductions, VO commissioned a report to measure the total economic impact of its activities. This report was presented to the BCC in November 2023. The report claimed a 33:1 ROI — every dollar provided to VO generated 33 dollars of economic activity.

Florida's Office of Economic & Demographic Research (EDR) conducted a similar study in 2021 (covering 2016-2019) to measure the economic impact of Visit Florida. EDR noted that multiple factors influence tourism demand — many unrelated to marketing. ROI results can vary widely depending on assumptions and inputs, especially when studies are commissioned by parties with a vested interest.

It is unclear which factors were considered in the 33:1 calculation. An independent analysis commissioned directly by the County is necessary to ensure an unbiased evaluation of ROI. More importantly, this analysis would enable the BCC to better understand the benefits, costs, and opportunity costs of its relationship with VO.

Recommendation No. 2

Visit Orlando should:

- A) Revise its internal expense reporting policy to include a standardized methodology for calculating ROI. The guidance should clearly define required inputs (e.g., direct costs, attributable returns), appropriate timeframes for measuring outcomes, and documentation standards. This will help ensure consistency, accuracy, and transparency in ROI reporting across all events and initiatives;
- B) Provide additional training for employees on the requirement to include both costs and the calculated ROI for each applicable event or travel activity in Summary Reports, as stated in the current policy. Reports lacking this information should be considered incomplete and returned for revision; and,
- C) Implement a review process to verify the accuracy of ROI/return calculations, including validation of both cost and return components.



County Administration should periodically commission an independent ROI assessment to evaluate the overall effectiveness of its tourism promotion strategies and investments.

3. TDT Funds Were Used to Pay for Ineligible Expenses

VO is required to use TDT Funds for allowable uses under the Agreement and Florida law.¹¹ Our review of a sample of TDT-funded expenditures identified **\$379,780** in expenses that do not appear to promote tourism. Examples include:

- **Local Events:** We reviewed expenses from three luncheons VO hosted for local attendees.¹² The events celebrated VO's achievements while also providing updates to members and guests on tourism-related travel trends, economic forecasts, and performance metrics. For 2023, the total cost of the three luncheons was more than \$860,000. VO used \$161,541 in TDT Funds for audiovisual and décor costs for two of the 2023 events. VO claimed these luncheons were intended to help members market themselves to travel agents and tour operators. However, the event agendas show there were no such opportunities.¹³ Therefore, payments for these events were not allowable uses of TDT Funds.
- **Sustainability Strategy Contract:** In 2023, VO signed a \$427,700 multi-year agreement (with \$137,500 paid in 2023) to develop an environmental sustainability plan. While this may be a good policy, it does not appear to be an approved use of TDT Funds.
- **Sky Boxes:** VO spent \$20,600 on two Kia Center sky boxes at the 2023 NCAA March Madness tournament. Only eight of the 48 attendees were potential clients. The rest were VO staff, VO members, and elected officials. As only eight clients attended, the second sky box does not appear necessary for entertaining clients and should not have been paid for with TDT Funds.

¹¹ VO Agreement section 2.3

¹² May Travel and Tourism Event, August Business Insights, and December Year-End Celebration

¹³ Appendix F – Example of Visit Orlando Luncheon Agenda

- **Personal Item Purchases:** VO used TDT Funds to purchase the following items that had no demonstrated connection to tourism promotion:
 - Orange Vans sneakers (\$1,821)
 - Christmas sweaters and card (\$417)
 - Tuxedo (\$310)
- **Executive Car Allowance:** VO paid its CEO \$12,210 from TDT Funds for a car allowance. This was in addition to the executive's other compensation. The Agreement prohibits such executive benefits unless approved by VO's Board and disclosed to the County Administrator. VO could not provide evidence of either.
- **Trade Show Absence:** VO paid \$6,000 for an employee to attend a trade show. However, the employee failed to attend, and VO did not send a replacement. VO only received a \$3,000 refund.
- **Office Décor and Design:** VO spent \$6,505 of TDT Funds on architectural design, a personal refrigerator for its COO's office, and posters and window clings for non-client-facing areas — none of which promote tourism.



VO's use of TDT Funds for these expenditures violates the terms of the Agreement, as they do not appear to directly support County tourism promotion.

Recommendation No. 3

Visit Orlando should strengthen its oversight processes to ensure that all TDT expenditures strictly comply with the terms of the Agreement and Florida law. Specifically, Visit Orlando should:

- A) Implement a formal review process for all TDT expenditures to ensure they are allowable uses under the Agreement;
- B) Conduct periodic training for its finance and program staff on allowable TDT Fund uses to ensure compliance with the Agreement's spending restrictions; and,



- C) Repay \$341,911 in unallowable TDT expenditures identified in this audit. Payment should be made from its Private Funds to its TDT bank account.¹⁴

4. Orange County Should Enhance Contract Monitoring and Enforcement

Effective Agreement monitoring is essential to ensure both parties fulfill their obligations. VO has received more than \$100 million in TDT Funds every year since 2022. This amount has regularly increased. This Agreement is the County's largest annual TDT commitment and warrants ongoing oversight.

The Agreement details VO's responsibilities to the County, including various reports and documents that VO must provide. However, no County employee or department is currently responsible for monitoring VO's Agreement compliance or overseeing overall performance. This lack of monitoring has led to several instances where VO has failed to meet contractual requirements that the County did not identify. For example:



- The Agreement requires VO to submit a program-area based budget, in sufficient detail to separately identify the receipt and expenditure of all TDT Funds by August 1st. VO did not provide a 2023 budget. The 2023 expense budget on VO's website totaled \$72.5 million, yet the financial statements reflected actual expenditures of \$121 million — an overage of \$48.5 million, representing a 67% variance. The Agreement does not require VO to submit budget amendments or provide explanations for variances. This results in a lack of accountability for spending overages.
- The Agreement requires VO to submit an annual marketing plan and budget (the "Work Plan") to the Orange County Convention Center (OCCC) for approval. Any unused funds are to be rolled over to the next year. However, we reviewed Work Plans from 2021 to 2024 and found that none included a budget. OCCC management confirmed that it did

¹⁴ \$37,869 was transferred to TDT in 2024 as a result of this audit.



not receive a budget for these years. Without a complete Work Plan, OCCC cannot ensure that VO's spending aligns with its priorities or verify that unused funds were carried over properly.

- VO is required to submit a monthly TDT disbursement report to the Comptroller's Office. The report is then published on the Comptroller's website. However, we compared the 2023 disbursement reports to VO's 2023 banking transactions and found unreported disbursements totaling over \$6 million, mostly related to Business Development Fund and Sports Incentive Fund accounts.
- The Agreement requires VO to submit copies of all contracts utilizing TDT Funds so that they can be posted on the Comptroller's website. We reviewed a sample of 38 VO contracts in effect in 2023 and found that nine contracts were not submitted. Submitting these contracts is crucial for ensuring public transparency in how TDT Funds are spent.

Strong monitoring is essential to ensure that VO complies with the Agreement. It will also proactively identify potential issues to be addressed in future amendments and provide opportunities to maximize the value that the County receives from its investment in VO.

Recommendation No. 4

County Administration should:

- A) Designate an individual responsible for overseeing Visit Orlando's performance under the Agreement. This individual should track compliance with all contractual requirements, including the timely submission of reports, budgets, and other documents, and promptly address any issues; and,
- B) Develop monitoring procedures for the employee(s) assigned this responsibility.

Visit Orlando should submit a complete marketing plan and budget (the "Work Plan") to the Orange County Convention Center for approval, as required by the Agreement. This should include a clear budget to allow OCCC to evaluate whether funds are aligned with its priorities and ensure that unused funds are carried over as stipulated.



5. Inappropriate Use of TDT Funds for Member-Related Overhead Costs

In addition to promoting County tourism, VO provides membership services to over 1,600 members from various sectors of Central Florida's tourism industry. While membership benefits differ by industry, VO generally provides its members with opportunities for networking, education, and consumer exposure. In exchange, VO collects membership and participation fees, including event-related payments.

VO's Membership group is dedicated to managing these member relationships. Its key responsibilities include:

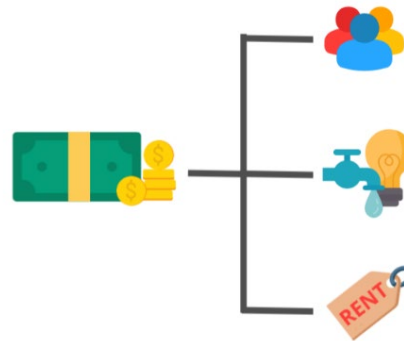
- **Recruitment and Retention:** Bringing in new members and ensuring current members find value in their membership.
- **Engagement and Support:** Helping members make the most of VO's marketing and sales platforms.
- **Events and Networking:** Hosting events and educational opportunities to foster collaboration within the tourism community.
- **Account Management:** Serving as the primary point of contact for members.

Per the Agreement, using TDT Funds to support member-related activities is limited to:

1. Assisting members in marketing themselves to tour operators and travel agencies.
2. Paying for trade shows costs over and above member contributions.

Accordingly, VO uses Private Funds to cover direct expenses related to its Membership group. However, VO management reported that it does not allocate any portion of overhead expenses to Private Funds — even when those costs support member-related functions. Instead, all overhead costs are paid with TDT Funds. Examples of 2023 TDT-funded overhead expenditures include:

- **\$1.19 million** for rent, utilities, and commercial insurance — expenses that also support the Membership group.
- **\$5.5 million** in salaries and benefits for administrative support staff (e.g., Finance, HR, and IT) that serve the entire organization, including the Membership group.
- **\$164,826** in compensation for the Senior Vice President of Membership and Support Services, who oversees the Membership group and other client-related departments.



By failing to allocate any overhead costs to Private Funds, VO is improperly using TDT Funds to support member-related activities — contrary to the terms of the Agreement.

Recommendation No. 5

Visit Orlando should develop and implement a cost allocation methodology to ensure that overhead expenses benefiting member-related activities are appropriately charged to Private Funds, rather than to TDT Funds. This methodology should:

- Identify shared overhead costs (e.g., rent, administrative salaries, utilities) that support both TDT-funded and member-related functions; and,
- Allocate those costs proportionally based on reasonable and supportable criteria, such as staff time, square footage usage, or departmental budgets.

County Administration should consider invoking the “material concern” provision of the Agreement to address and correct these issues with Visit Orlando. Remedies could include amending the Agreement to address the allocation of overhead expenses and clearly outlining how overhead expenses should be allocated. Additionally, the County should periodically review Visit Orlando’s cost allocation practices to ensure continued adherence to TDT spending restrictions.

6. Visit Orlando Engaged in Lobbying Activities Without Board of County Commissioners Approval

The Agreement explicitly prohibits VO from engaging in state legislative lobbying activities without prior approval from the BCC.

Our review of VO's website identified instances where VO staff engaged in activities that appear to be lobbying without BCC approval. For example, in March 2023, VO CEO, Casandra Matej, "joined a statewide delegation of colleagues to speak on behalf of our industry... Through appointments with key legislators, we discussed high-priority issues and bills that would impact the allocation of county-based Tourist Development Taxes and the future of VISIT FLORIDA." Although County Administration was aware of these lobbying activities, the BCC did not approve these activities as required by the Agreement.



According to Florida Statute 11.045(1)(e), "Lobbying means influencing or attempting to influence legislative action or nonaction through oral or written communication or an attempt to obtain the goodwill of a member or employee of the Legislature." According to VO, its meetings with legislators were educational in nature and did not constitute lobbying. However, educational meetings could easily influence legislative decisions. In short, education could easily be confused with lobbying. Engaging in lobbying without BCC authorization is prohibited and may conflict with the County's legislative priorities.

Recommendation No. 6

Visit Orlando should obtain BCC approval before discussing potential legislative matters with state legislators that could be perceived as lobbying.

7. Visit Orlando Did Not Comply with Its Procurement Policies

The Agreement requires VO to adopt procurement policies that encourage competitive bidding and requests for proposals (RFPs). It also requires VO to comply with policies that support local businesses, where practicable. We reviewed VO's Procurement Policy and Procedures (Procurement Policy). The Procurement Policy details the following specific competitive procurement requirements:¹⁵



If the Purchase is Between:	Documentation Required:
\$0 - \$10,000	Purchase Order
\$10,001 - \$50,000	Purchase Order, three (3) bids, and Summary Memo
\$50,001 - \$100,000	Purchase Order, three (3) bids, and Summary Memo; or RFQ and Summary Memo
\$100,001 - \$200,000	RFQ or RFP and Summary Memo
> \$200,000	RFP and Summary Memo

We tested a sample of 42 purchases that met the criteria for competitive pricing. We found that **14 of the 42 purchases (33%) did not comply** with the Procurement Policy. Key issues identified include:

- **Outdated RFP:** Four vendors with total purchases ranging from \$400,000 to \$3.7 million have not been subject to an RFP process since 2019 or earlier — one goes back to 2014. The Procurement Policy permits an RFP exemption only if services were competitively procured within the past 24 months and conditions remain unchanged. A nine-year gap significantly exceeds the policy.
- **Improper Sole Source Justification:** VO classified eight purchases — totaling over \$1 million — as sole source procurements. However, based on the nature of the goods and services, we found insufficient justification to exempt these from competitive bidding.

¹⁵ Although the Procurement Policy was revised in April 2023, we evaluated purchases according to the new policy requirements.



- **Recurring Purchases Should Have an RFP:** Two sets of purchases totaling \$200,139 (47 checks) and \$158,289 (44 checks) were not competitively bid. VO claimed the individual amounts were too small to trigger RFP requirements. However, the policy clearly requires an RFP for goods or services with **annual or aggregate spending over \$100,000 in a two-year period**. These purchases exceeded that limit.

Additionally, the Procurement Policy requires staff to document the selection process for each vendor on a Summary Memo for all purchases. Nineteen of the 42 purchases had no Summary Memo.

Without a competitive process, there is limited pricing pressure, which may result in overpaying for goods or services. Non-competitive procurement can also create the appearance of favoritism, bias, or conflicts of interest. This undermines confidence in the procurement process and impairs effective oversight.

Recommendation No. 7

Visit Orlando should:

- A) Re-communicate the Procurement Policy to all relevant staff, with emphasis on key thresholds, documentation requirements, and the consequences of noncompliance; and,
- B) Conduct mandatory training sessions for all employees and reviewers involved in procurement, focusing on Procurement Policy requirements and proper procedures.



Audit Scope

The audit scope was limited to Visit Orlando's revenues and expenditures. The audit period was from January 2023 to December 2023.

Audit Objective

The objective of the audit was to determine whether VO complied with the 2019 Tourism Promotion Agreement.

Audit Methodology

To meet the audit objectives, we performed the following testing:¹⁶

- Compared listings of TDT disbursements provided to the County Comptroller to VO's TDT bank statements to determine if the listings were complete.
- Reviewed procedures for check distributions to determine if controls were adequately designed.
- Analyzed VO's bank statements and general ledger entries to verify whether all deposits were recorded in VO's financial system.
- Reviewed a sample of revenue journal entries to determine if they were generated from TDT Funds and appropriately accounted for as reimbursements of TDT Funds.
- Reviewed a sample of Meetings & Convention Sales and Marketing (MCSM) Funds expense transactions to determine if each was an allowable use of MCSM Funds.
- Analyzed the MCSM budget for calendar years 2020 to 2023 to determine the effect of not requiring a minimum budget amount.
- For a sample of travel and entertainment expenses, determined if each item complied with both the Agreement and VO's Expense Policy and Reporting Procedures.
- For a sample of procurements, performed the following:

¹⁶ As the samples used were non-statistical, results were not extrapolated to the entire population.



- Verified whether a competitive procurement process was used as stipulated under VO's Procurement Policy.
 - Determined if each procurement was supported by documentation as required under VO's Procurement Policy.
 - If contracts were executed, determined if the contract was provided to the Comptroller for posting to the Comptroller's website.
- Verified whether membership-related expenses were appropriately paid for with only Private Funds.
- Reviewed both the County's and the State of Florida's lobbyist websites, as well as VO's corporate blog for evidence of VO engaging in lobbying activities.
- For a sample of transactions paid with TDT Funds, reviewed supporting documentation to determine if the associated costs were for activities allowed under the Agreement.
- For a sample of projects, reviewed VO's calculation of the return on investment.



ACTION PLAN

VISIT ORLANDO ACTION PLAN

NO.	RECOMMENDATIONS	MANAGEMENT'S RESPONSE		
		CONCUR	PARTIALLY CONCUR	DO NOT CONCUR
1.	Visit Orlando should:			
A)	Reimburse TDT Funds for \$3,436,243 of revenues generated from TDT Funds. Payment should be made from its Private Funds to its TDT bank account;		✓	
B)	Perform a retrospective review of revenues received since 2019 to identify additional TDT reimbursements that may have been misclassified and deposited into its Private Funds;		✓	
C)	In collaboration with County Administration, determine how the undocumented reserve funds of \$6,367,794 should be classified and recommend its proposed plan to the Board of County Commissioners for review and approval;			✓
D)	Develop and implement clear policies and procedures to ensure accurate classification and reporting of revenue sources — particularly for co-op revenues, interest income, and shared-cost activities;	✓		
E)	Deposit all revenues generated from TDT expenditures into its TDT bank account promptly after receipt; and,	✓		
F)	Evaluate participation fees charged to members to ensure that revenues better align with costs.	✓		
2.	Visit Orlando should:			
A)	Revise its internal expense reporting policy to include a standardized methodology for calculating ROI. The guidance should clearly define required inputs (e.g., direct costs, attributable returns), appropriate timeframes for measuring outcomes, and documentation standards. This will help ensure consistency, accuracy, and transparency in ROI reporting across all events and initiatives;		✓	
B)	Provide additional training for employees on the requirement to include both costs and the calculated ROI for each applicable event or travel activity in Summary Reports, as stated in the current policy. Reports lacking this information should be	✓		



VISIT ORLANDO ACTION PLAN

NO.	RECOMMENDATIONS	MANAGEMENT'S RESPONSE		
		CONCUR	PARTIALLY CONCUR	DO NOT CONCUR
	considered incomplete and returned for revision; and,			
C)	Implement a review process to verify the accuracy of ROI/return calculations, including validation of both cost and return components.	✓		
3.	Visit Orlando should strengthen its oversight processes to ensure that all TDT expenditures strictly comply with the terms of the Agreement and Florida law. Specifically, Visit Orlando should:			
A)	Implement a formal review process for all TDT expenditures to ensure they are allowable uses under the Agreement;	✓		
B)	Conduct periodic training for its finance and program staff on allowable TDT Fund uses to ensure compliance with the Agreement's spending restrictions; and,	✓		
C)	Repay \$341,911 in unallowable TDT expenditures identified in this audit. Payment should be made from its Private Funds to its TDT bank account.		✓	
4.	Visit Orlando should submit a complete marketing plan and budget (the "Work Plan") to the Orange County Convention Center for approval, as required by the Agreement. This should include a clear budget to allow OCCC to evaluate whether funds are aligned with its priorities and ensure that unused funds are carried over as stipulated.	✓		
5.	Visit Orlando should develop and implement a cost allocation methodology to ensure that overhead expenses benefiting member-related activities are appropriately charged to Private Funds, rather than to TDT Funds. This methodology should:			
A)	Identify shared overhead costs (e.g., rent, administrative salaries, utilities) that support both TDT-funded and member-related functions; and,	✓		
B)	Allocate those costs proportionally based on reasonable and supportable criteria, such as staff time, square footage usage, or departmental budgets.	✓		

**VISIT ORLANDO ACTION PLAN**

NO.	RECOMMENDATIONS	MANAGEMENT'S RESPONSE		
		CONCUR	PARTIALLY CONCUR	DO NOT CONCUR
6.	Visit Orlando should obtain BCC approval before discussing potential legislative matters with state legislators that could be perceived as lobbying.			✓
7.	Visit Orlando should:			
A)	Re-communicate the Procurement Policy to all relevant staff, with emphasis on key thresholds, documentation requirements, and the consequences of noncompliance; and,	✓		
B)	Conduct mandatory training sessions for all employees and reviewers involved in procurement, focusing on Procurement Policy requirements and proper procedures.	✓		



ACTION PLAN

COUNTY ADMINISTRATION ACTION PLAN

NO.	RECOMMENDATIONS	MANAGEMENT'S RESPONSE		
		CONCUR	PARTIALLY CONCUR	DO NOT CONCUR
1.	As we have identified a material finding involving the inaccurate classification of millions of dollars of TDT, County Administration should:			
A)	Consider invoking the "material concern" provision of the Agreement to address and correct these issues with Visit Orlando. Remedies include amending the Agreement to address ambiguities in the contract related to revenue generated from programs and events funded by TDT Funds; and,	✓		
B)	Increase its oversight of Visit Orlando and require periodic revenue reconciliations to ensure TDT Funds are managed in compliance with all contractual requirements.	✓		
2.	County Administration should periodically commission an independent ROI assessment to evaluate the overall effectiveness of its tourism promotion strategies and investments.	✓		
4.	County Administration should:			
A)	Designate an individual responsible for overseeing Visit Orlando's performance under the Agreement. This individual should track compliance with all contractual requirements, including the timely submission of reports, budgets, and other documents, and promptly address any issues; and,	✓		
B)	Develop monitoring procedures for the employee(s) assigned this responsibility.	✓		
5.	County Administration should consider invoking the "material concern" provision of the Agreement to address and correct these issues with Visit Orlando. Remedies could include amending the Agreement to address the allocation of overhead expenses and clearly outlining how overhead expenses should be allocated. Additionally, the County should periodically review Visit Orlando's cost allocation practices to ensure continued adherence to TDT spending restrictions.	✓		

APPENDIX A – VISIT ORLANDO'S MANAGEMENT RESPONSE



Audit of Visit Orlando's Compliance with the
2019 Tourism Promotion Agreement



July 28, 2025

The Honorable Phil Diamond
Orange County Comptroller
P.O. Box 38
Orlando, FL 32802-0038

Dear Comptroller Diamond:

On behalf of our organization, we want to extend our sincere thanks to the Orange County Comptroller's Office for conducting a thorough audit of our operations. We greatly value the time and professionalism your team has dedicated to this important process. We welcome your oversight and view it as an essential opportunity to strengthen our internal practices, enhance transparency, and ensure we meet the highest standards of accountability. We are grateful for your recommendations and are committed to working collaboratively to implement best practices wherever needed.

We respectfully ask that the final report also acknowledges the areas for which Visit Orlando was found to be in compliance or performing effectively. By including these confirmed positive findings, it would offer readers a more complete and balanced understanding of our operations. It is also worth noting that Visit Orlando has consistently received clean annual independent financial audits, underscoring the strengths of our financial controls and compliance practices.

We believe such context will help stakeholders avoid misinterpreting the audit and reinforce that we are in compliance with all material requirements of our contractual agreement with Orange County. This recommendation is made in alignment with best practices for objective reporting and to ensure the audit report fully reflects all significant findings, beyond just the identified recommendations. We remain committed to addressing the issues identified by the audit and to upholding the high standards by which we operate, including the many areas in which we continue to maintain material compliance.

While we appreciate and generally support many of the recommendations aimed at further enhancing our practices, we would like to express some reservations regarding certain findings. Throughout the audit process, we have made every effort to provide thorough information to the Orange County Comptroller's Office about the unique aspects of our business operations and the specific terms of our contractual obligations. Despite the collaborative spirit of this process, a few of the findings may stem from differing interpretations of Visit Orlando's role as a private, non-profit destination marketing organization, which differs in some important respects from a county agency.

We are united in our shared commitment to serving the best interests of our community.

Sincerely,

Casandra Matej
President & CEO

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6277 Sea Harbor Drive, Suite 400, Orlando, FL 32821-8043

VisitOrlando.com

APPENDIX A – VISIT ORLANDO'S MANAGEMENT RESPONSE



Audit of Visit Orlando's Compliance with the
2019 Tourism Promotion Agreement



NO.	RECOMMENDATIONS	MANAGEMENT'S RESPONSE		
		CONCUR	PARTIALLY CONCUR	DO NOT CONCUR
1A	Reimburse TDT Funds for \$3,436,243 of revenues generated from TDT Funds. Payment should be made from its Private Funds to its TDT checking account		✓	
1B	Perform a retrospective review of revenues received since 2019 to identify additional TDT reimbursements that may have been misclassified and deposited into its Private Funds		✓	
1C	In collaboration with County Administration, determine how the undocumented reserve funds of \$6,367,794 should be classified and recommend its proposed plan to the Board of County Commissioners for review and approval			✓
1D	Develop and implement clear policies and procedures to ensure accurate classification and reporting of revenue sources — particularly for co-op revenues, interest income, and shared-cost activities	✓		
1E	Deposit all revenues generated from TDT expenditures into its TDT checking account promptly after receipt	✓		
1F	Evaluate participation fees charged to members to ensure that revenues better align with costs	✓		
2A	Revise its internal expense reporting policy to include a standardized methodology for calculating ROI. The guidance should clearly define required inputs (e.g., direct costs, attributable returns), appropriate timeframes for measuring outcomes, and documentation standards. This will help ensure consistency, accuracy, and transparency in ROI reporting across all events and initiatives		✓	
2B	Provide additional training for employees on the requirement to include both costs and the calculated ROI for each applicable event or travel activity in Summary Reports, as stated in the current policy. Reports lacking this information should be considered incomplete and returned for revision	✓		
2C	Implement a review process to verify the accuracy of ROI/return calculations, including validation of both cost and return components	✓		
3A	Implement a formal review process for all TDT expenditures to ensure they are allowable uses under the Agreement	✓		



APPENDIX A – VISIT ORLANDO'S MANAGEMENT RESPONSE



Audit of Visit Orlando's Compliance with the
2019 Tourism Promotion Agreement



3B	Conduct periodic training for its finance and program staff on allowable TDT Fund uses to ensure compliance with the Agreement's spending restrictions	✓		
3C	Repay \$352,211 in unallowable TDT expenditures identified in this audit. Payment should be made from its Private Funds to its TDT checking account		✓	
4	Visit Orlando should submit a complete marketing plan and budget (the "Work Plan") to the Orange County Convention Center for approval, as required by the Agreement. This should include a clear budget to allow OCCC to evaluate whether funds are aligned with its priorities and ensure that unused funds are carried over as stipulated.	✓		
5A	Identify shared overhead costs (e.g., rent, administrative salaries, utilities) that support both TDT-funded and member-related functions	✓		
5B	Allocate those costs proportionally based on reasonable and supportable criteria, such as staff time, square footage usage, or departmental budgets	✓		
6	Visit Orlando should obtain BCC approval before discussing potential legislative matters with state legislators that could be perceived as lobbying			✓
7A	Re-communicate the Procurement Policy to all relevant staff, with emphasis on key thresholds, documentation requirements, and the consequences of noncompliance	✓		
7B	Conduct mandatory training sessions for all employees and reviewers involved in procurement, focusing on Procurement Policy requirements and proper procedures	✓		

Recommendation 1 (A - F)

Management Response (Concur D, E, F; partially concur with A & B; and do not concur with C):

While Visit Orlando does not believe that the recommended reclassification amount is accurate, in an effort to prioritize transparency and accountability moving forward and due to the ambiguity in the contract regarding revenue classification, we will reclassify certain identified funds from the non-TDT reserve account to TDT tax fund reserve out of an abundance of caution. County Administration and Visit Orlando will collaboratively clarify best practices. Some revenue sources, such as advertising revenue, are new requests that are not addressed in the Agreement and will require new methodology, which will be created through Visit Orlando policy revisions established with County Administration.

Visit Orlando does not concur that any of the \$6.4 million in reserve funds are TDT funds, as this was not identified in prior audits or contract discussions. However, to the extent necessary, Visit Orlando will confirm with County Administration the reserve balances, which were appropriately disclosed in Visit Orlando's annual audited





financials (since the inception of the reserves), presented and accepted without objection during the 2019 County audit and each round of contract negotiations. This recommendation would require that Visit Orlando violate our own record retention policy to prove the source of previously audited and accepted funds. One purpose of audits is to confirm balances as a starting point for moving forward, so we disagree with this recommendation.

Visit Orlando has existing procedures for classifying revenue, interest, and shared-cost activities. As part of our normal processes, we will review, and where appropriate, revise and enhance our internal policies to incorporate clearer documentation standards.

As we have historically done, Visit Orlando will continue to ensure that participation fees align not only with appropriate costs but most importantly our nonprofit mission.

Recommendation 2 (A - C)

Management Response (Concur B & C, partially concur with A):

Additional training and improvements align with our core values as we are always striving for continuous improvement. Visit Orlando currently has industry-leading performance criteria in place to evaluate the effectiveness of our investments and programming.

Performance measurement is essential to evaluating the effectiveness of each of our activities regardless of the funding source and is part of our stringent internal evaluation of proposed programming and related expenditures.

Visit Orlando measures performance using function-specific metrics and industry-standard methodologies. Performance is assessed across multiple levels of the organizations, including by the Audit & Oversight Committee, and includes factors such as room night production, lead generation, conversion rates, media value, economic impact studies, and economic impact calculations of specific events. These methods are best practices in the destination marketing industry.

For example, the Michelin media event in New York was not "a dinner," but designed as an expansive media event in partnership with Michelin to increase destination exposure and specifically to highlight the elevated culinary arts in Orange County. Marketing Orange County to new verticals in various ways is a key strategy to achieve our annual visitation goals and maintain our status as the No. 1 visited destination in the U.S. Food travel plays a significant role, and hosting a media event in New York allowed us to effectively share our narrative and engage with a well-traveled segment, the foodie community. New York is the No. 1 media market in the country and the event resulted in multiple influencer and media stories that promoted Orlando, including in People Magazine, Travel + Leisure, and on the Michelin Guide website. The results equate to a \$5.7 million media value.

Summary Reports are just one of many internal tools used to capture outcomes and learnings. They are not, and were never intended to be, a comprehensive financial evaluation mechanism.

The current Travel & Business Development Policy, which was effective on January 1, 2024, includes updated guidance on Summary Reports. All new hires are required to complete training on this policy within 60 days. Organization-wide training occurred in February 2024 (100% completion), followed by a tailored session in March and a refresher in June for all expense submitters and department-specific training.

We remain committed to evolving our reporting tools and performance evaluation standards and policy based on industry standards and an ever-changing marketplace.

Recommendation 3 (A - C)



Management response (Concur A & B, partially concur with C):

Visit Orlando has a formal review process to ensure the appropriate expenditure of all funds. Our expense report and management training has and will continue to focus on compliance and training.

Visit Orlando partially concurs with recommendation C by reclassifying \$326.79 of identified expenditures. Visit Orlando does not agree that the other identified expenses are categorically ineligible under the Agreement, we will work with County Administration to establish clear guidelines, which will be used to classify these expenses. We are taking this step without conceding their ineligibility under state law, as activities such as trade show attendance and media events are industry-standard practices in tourism promotion. Moving forward, we will work with County Administration to establish a clear policy to ensure consistency in expenditure classification.

After reviewing the cited expenditures, we agree that a portion should be reclassified from Non-TDT Funds, including the referenced tuxedo (\$310, which was a personal expense and was outside of Visit Orlando policy), raffle ticket (\$5, personal expense and was outside of Visit Orlando policy), and car mileage (\$11.79, misclassified as TDT when a sales staff member attended a membership recruiting event to discuss Visit Orlando role in meetings and convention sales).

Local events promote tourism by educating and connecting our industry, delivering industry education to stakeholders, showcasing our industry to clients, and generating significant international media coverage. International media stories help promote our area. The education is focused on ensuring that our Orange County businesses have the right research, insight into Visit Orlando activities, key tools to succeed, and the most recent marketing trends, all of which small businesses and the community can use to market their businesses so that collaboratively we work together to grow the Orange County visitor economy.

The contract with Martiz directly supports our meetings and conventions sales efforts, particularly in international markets where such criteria are now standard. The ability to respond to meetings & conventions RFPs and speak with organizations about earth-friendly issues is part of Visit Orlando's meetings & conventions sales strategy, and green initiatives are a key pillar of our ecotourism efforts.

According to the 2023 Professional Convention Management Association Convene Survey, over 70% of business event professionals report that their clients are actively seeking greener meetings. Nearly 80% say that being earth-friendly influences site selection and RFPs. In this evolving landscape, destinations that prioritize green initiatives not only future-proof their meetings industry but also attract a new generation of purpose-driven organizers, participants, and corporate partners.

We are working with Maritz, an established thought leader in this segment, in the meetings industry. We have completed a community survey to benchmark current practices, hold community-wide events to develop our business goals, and have created a plan and roadmap for Visit Orlando's use in our storytelling of destination differentiation. The final deliverable will be creating and releasing an industry tool kit so other businesses, in particular small businesses, can use it to develop their own plan and improve their position in the marketplace.

The skybox was used for client engagement and tourism sales at a high-visibility national event, which had an economic impact on our community. Visit Orlando's sales strategies include showing clients our diverse community by bringing them on-site (where our data shows that three out of four customers we bring to the destination convert into a definite booking for Orange County); exposing clients to members (who help show everything that Orange County has to offer); and connecting them with elected officials (who help us combat objections that clients may have to help close business). This specific client event, the NCAA Basketball Tournament, resulted in \$105M economic impact to Orange County. In terms of business development, the client



attendance represented a potential economic impact of over \$557M.

Clothing purchases such as branded shoes are part of Visit Orlando's tourism promotion strategy and sales strategy to build brand awareness through event uniforms, similar to how organizations purchase branded shirts or lanyards, and are a commonly used technique by organizations at trade shows with thousands of attendees.

The sweaters, which were used to film the card, supported our sales strategy, which resulted in a holiday thank-you touch point sent to over 42,500 tourism and meeting contacts, including clients. Saying thank you to our clients and multiple touch points are part of Visit Orlando's meetings & convention sales strategy, promote tourism, and are a commonly used marketing technique. It is widely regarded by experts in sales that it takes 6 – 8 touch points with a customer before a prospective opportunity is uncovered. This number has gone up significantly in recent years due to contact with customers being reduced to digital versus in-person experiences.

The referenced trade show absence was an exception and the full refund available from the event organizer was received. Attending trade shows is essential to our sales strategy, and in this case, no suitable replacement was available.

Our office space (and client-facing décor such as window clings) contribute to destination branding, enhance client meetings, and promote Orange County as a destination when we host current and prospective clients at the office.

Recommendation 4
Management response (Concur):

Visit Orlando has complied with the Agreement and has annually submitted the Work Plan to OCCC. OCCC, also, holds a place on the Visit Orlando Board of Directors and is actively involved in the Visit Orlando annual budget process. We will provide information in a different format and work with the OCCC to establish a mutually agreed-upon format and level of budget detail that aligns with both contractual obligations and practical needs. Any unspent funds will continue to be handled in accordance with the Agreement.

Recommendation 5 (A - B)
Management response (Concur with A & B):

While not required in the Agreement, Visit Orlando concurs with recommendation A and B and will notify County Administration after implementing this new request. Prior audits and the Agreement do not raise this as an issue or requirement. Many of the subject costs are fixed and will be incurred whether or not Visit Orlando expends non-TDT funds or engages in activities paid for with non-TDT dollars. It is also important to note that non-TDT funds are used largely to enhance and leverage the expenditure of TDT funds, resulting in a greater economic impact for each TDT dollar Visit Orlando receives.

Visit Orlando will consider a methodology to identify and allocate shared overhead costs supporting both TDT-funded and non-TDT funded activities.

Recommendation 6
Management response (Do not concur):

Visit Orlando does not concur with the recommendation as it has not previously or is currently engaged in lobbying activities before the state as defined by the Florida statutes or any Orange County Comptroller's interpretation of those laws. Visit Orlando believes that activities that could be "perceived as lobbying" are





contradictory to the Agreement because they are vague and subject to individual interpretation.

Visit Orlando has not previously, and does not currently:

- Engage in lobbying before the Florida Legislature;
- Engage in lobbying individual members of the Florida Legislature; nor,
- Employ or contract with anybody who is a registered lobbyist on behalf of Visit Orlando at the state legislature.

The example cited by the audit — Florida Tourism Day — is mischaracterized as a lobbying event. Rather, it is an advocacy event in support of the tourism industry. Visit Orlando's participation in the 2023 event did not constitute lobbying, as the activities were educational in nature and did not influence specific legislation related to TDT, nor were they in conflict with the priorities of the Board of County Commissioners. Visit Orlando has previously offered this information (see Exhibit A – Visit Orlando Response Memo).

Should Orange County staff request that Visit Orlando perform activities defined as lobbying by the Agreement and Florida statutes, Visit Orlando would follow the existing agreement and seek BCC consent prior to lobbying before the state legislature.

Recommendation 7

Management's Response (Concur with A & B):

Visit Orlando concurs with the recommendation and acknowledges the need of any organization to continuously communicate and strengthen training around policies.

The current policy was revised with board approval prior to the initiation of the audit in April 2023, including new and continuous training. Visit Orlando will continue to train all relevant staff to emphasize key policy thresholds, documentation requirements, and the consequences of noncompliance.

As part of our commitment to continuous improvement, we are also reviewing the policy to identify additional refinements that includes clarity of our current practices that meet management and Audit & Oversight committee approval.

CC:

Visit Orlando Board of Directors
Byron Brooks AICP, Orange County Administrator, Orange County
Lisa Sneed, Assistant County Administrator, Orange County
Wendy Kittleson, Assistant Comptroller, Orange County Comptroller
Ray Walls, Deputy Director, Orange County Convention Center



EXHIBIT A: VISIT ORLANDO RESPONSE MEMO



MEMO

To: Orange County Comptroller Phil Diamond, CPA

CC: Jerry L. Demings, Mayor Orange County; Nicole H Wilson, District 1 Commissioner; Christine Moore, District 2 Commissioner; Mayra Uribe District 3 Commissioner; Maribel Gomez Cordero, District 4 Commissioner; Emily Bonilla, District 5 Commissioner; Michael Scott, District 6; Byron Brooks, Orange County Administrator; Terry Prather, Visit Orlando Board Chair

From: Casandra Matej, Visit Orlando President & CEO

Date: August 16, 2024

Re: Visit Orlando Response to August 12 Audit Status Memo

This is to acknowledge receipt of the Audit Status memo dated August 12. We remain fully committed to fiscal responsibility and transparency in the use of all of our dollars, including taxpayer dollars.

Due to some inaccurate inferences and conclusions drawn by some from the memo, we felt it necessary to address the items outlined. Visit Orlando operations are fully aligned and in compliance with our Tourism Promotion Agreement with Orange County.

There has been no misuse of any funds. Every dollar, whether public or private, goes to our mission to inspire, promote, and grow global travel to Orange County for economic and community benefit, which by all measures has been extremely successful resulting in robust TDT collections.

We were expecting a typical audit process described in the Yellow Book—Government Auditing Standards, which includes reviewing, discussing, and working through the findings with the Comptroller's office. We hope this process includes objectivity when your office presents findings to prevent potentially incorrectly communicating results that might confuse the public. This is part of the process described in the Yellow Book in Objectivity (section 3.11), Sufficiency of Evidence (section 8.101), and Report Format (section 9.06).

We anticipated having the chance to provide our own explanations when the findings were released. Providing Visit Orlando with this opportunity would help the Comptroller's office reach accurate and appropriate conclusions.



6277 Sea Harbor Drive, Suite 400, Orlando, FL 32821-8043

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APPENDIX A – VISIT ORLANDO'S MANAGEMENT RESPONSE



Audit of Visit Orlando's Compliance with the
2019 Tourism Promotion Agreement



We look forward to engaging in the process described by the standards as we move forward toward the issuance of the final audit report. Following the Yellow Book would help our community avoid inaccurate inferences and conclusions that memos like this could inadvertently create.

Item #1

- Comptroller: Visit Orlando is required to provide the county with "a *monthly listing of all disbursements of Tax funds, including payee name.*" The TDT Disbursement Listings provided to the Comptroller did not include all disbursements using TDT funds. Information regarding \$6.3 million of TDT spending was omitted from the listings sent to the Comptroller in 2023. This amount primarily consisted of Sports Incentive Fund and Business Development Fund payments.
- *Visit Orlando Response:* Records of the \$6.3 million referenced above are sent to the Comptroller's office monthly and include bank statements and copies (scanned checks or ACH receipt) of all disbursements. This practice has been in place since the inception of each program and not objected to by the Comptroller's office. Visit Orlando will now send these items in your preferred format.

Item #2

- Comptroller: In our prior audit, we found - and Visit Orlando agreed - that amounts collected from its members for advertising co-ops should be reimbursed to the TDT account. (These co-op arrangements involve upfront marketing campaign costs paid with TDT funds that are later reimbursed by members for their shares of the costs). For 2023, revenues collected from members for advertising co-ops totaling \$713,008 were not included in public funds until March 2024 - shortly after the BCC requested this audit. Visit Orlando also failed to reimburse the TDT Account for \$604,815 collected from members for the advertising co-ops during 2022.
- *Visit Orlando Response:* The process has been updated, and we will disburse payments for co-op programs directly from our non-TDT account, eliminating the need to transfer funds in the future.

Item #3

- Comptroller: Other than funds paid to Visit Orlando by Orange County, Visit Orlando has classified all other revenues it has collected as private funds - not public funds. This includes revenues generated from TDT expenditures. For

2



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example, participation fees are received from members for advertising at events funded by TDT, but are improperly classified as private funds.

- *Visit Orlando Response:* We are complying with the terms of the contract. Our contract with Orange County allows for generating private funds. We use the private dollars to leverage TDT dollars to enhance the leisure marketing campaigns and convention sales strategies, trades shows and sales events for maximum impact. Further clarification to address your examples in regard to the classification would be helpful.

Item #4

- *Comptroller:* During 2023, every bank account funded with TDT funds, TDT operating account, reserve account, savings account, business development fund, and sports incentive fund) exceeded the \$250,000 FDIC insurance limit. This means that public funds held in these accounts were subject to risk of loss in case of bank failure.
- *Visit Orlando Response:* Maintaining the safety and security of public funds is a top priority for Visit Orlando. Visit Orlando has always been prudent with managing TDT funds and ensures their security by working with reputable financial institutions. We continuously monitor the financial stability of our banking partners and diversify our accounts to mitigate any risk of loss. Preliminary research has been completed, and there are mechanisms in place to secure funds above the FDIC insurance limit. We are working with our Board and Audit and Oversight committee on the best available options.

Item #5

- *Comptroller:* TDT funds held in Visit Orlando's sports incentive and business development fund accounts were earning less than 1%. Although not a breach of contract, this is a questionable financial practice. In contrast, Visit Orlando earned over 5% for its private fund accounts.
- *Visit Orlando Response:* In 2019, feedback received from the Comptroller's office requested accounts holding the sports incentive and business development funds be moved to a fund with lower risk, thus a lower interest rate. Although not required by our contract, we have been following that feedback consistently since it was received. The observation in the August 12 memo, is a different approach than the feedback we received in 2019. Visit Orlando will look to the final audit report and adjust and implement accordingly.





Item #6

- Comptroller: Visit Orlando paid bank service fees for the sports incentive fund and business development fund accounts from TDT funds. Bank fees were paid from the sports incentive fund without BCC approval as required in the contract. The agreement also provides that business development funds shall not be used for administrative expenses. Additionally, bank fees exceeded interest revenue for the business development fund account in 2023.
- *Visit Orlando Response:* The annual bank fees total \$956.50 and \$430.75 for the two funds. Visit Orlando does not collect administrative fees to manage these funds. The bank fees are third-party fees charged by the bank to manage the funds. We manage the funds at the direction of Orange County.

Item #7

- Comptroller: Visit Orlando participated in lobbying activities during 2023 without prior approval from the BCC. These activities included testifying at a Florida legislative committee meeting, and meetings with legislators and policymakers to advocate on issues affecting the tourism and convention industries. Visit Orlando's contract prohibits these activities without the BCC's prior approval.
- *Visit Orlando's contract states:*
 - Visit Orlando agrees that it shall not undertake, or cause to be undertaken, or participate in, any lobbying before the state legislature on matters dealing with the TDT, local governmental tax policies or opposing any stated legislative priorities of the BCC, without the prior consent of the BCC.
- *Visit Orlando Response:* Visit Orlando has not participated in any lobbying that opposes stated legislative priorities of the BCC. Visit Orlando attended the Florida Legislative committee meeting as a collaborative effort *with* Orange County government providing testimony focused on sharing the value of tourism to Orange County and partnership with VISIT FLORIDA. In addition, Orange County's 2023 legislative agenda states it will "oppose legislation that negatively impacts TDT funding and governance," which was approved by BCC on January 24, 2023.

We are committed to being good partners throughout this process. Please reach out if more information is needed.





To: Wendy Kittleson, Assistant Comptroller, Orange County Comptroller

From: Lisa Snead, Assistant County Administrator/Acting HR Director

Date: July 25, 2025

Subject: Audit of Visit Orlando's Compliance with the 2019 Tourism Promotion Agreement

County Administration extends our sincere appreciation to the audit team for the thorough review and thoughtful recommendations regarding Visit Orlando's (VO) Compliance with the 2019 Tourism Promotion Agreement, requested by Mayor Demings at the January 23, 2024, BCC meeting. We acknowledge that the request for this audit was outside of the Comptrollers' established audit plan, and we are thankful to you and the County Comptroller for reprioritizing the plan to accommodate the Mayor's request. We value the collaboration between County Administration and the County Comptroller's Office and appreciate the value that it adds to ensuring continuous improvement, transparency, and accountability in the use of Tourist Development Tax proceeds within our community.

We are pleased to report that most of the recommendations from the Visit Orlando Audit Status Update on August 12, 2024, have already been implemented and collaborative efforts between VO, Convention Center, County Administration and Comptroller's Office are underway to strengthen monitoring, clarify contract language and enhance internal reviews. County Administration agrees that clear, well-defined contract language is essential to minimizing ambiguity and ensuring compliance.

Recommendation No. 1 County Administration:

- A. County Administration should consider invoking the "material concern" provision of the Agreement to address and correct issues with Visit Orlando. Remedies include amending the Agreement to address ambiguities in the contract related to revenue generated from programs and events funded by TDT Funds.
- B. Increase its oversight of Visit Orlando and require periodic revenue reconciliations to ensure TDT Funds are managed in compliance with all contractual requirements.

COUNTY ADMINISTRATOR'S OFFICE

201 South Rosalind Ave. ■ Reply To: Post Office Box 1393 ■ Orlando, Florida 32802 -1393
Telephone: 407-836 -7370 ■ Fax: 407 -836-7399 ■ countyadmin@ocfl.net



Audit of Visit Orlando's Compliance with the 2019 Tourism Promotion Agreement

Page 2

Management's Response:

- A. We concur** and appreciate the collaborative efforts between VO, the County Comptroller's Office, our Office and Convention Center staff to work through ambiguities related to classification of revenues and will continue to work together to ensure best practices are implemented to accurately classify revenues. County Administration will work with VO to amend the agreement to address ambiguities in the contract related to revenue generated from programs and events funded by the TDT funds and will clarify policies and procedures related to revenue classification. An amended agreement would then be presented to the BCC for approval. If we can't come to a resolution by December 1, 2025 we will invoke the material concern provision of the agreement. The scope of the review will be focused specifically on revenues generated from programs and events funded by the TDT and will not impact already agreed upon terms of the VO Agreement. The recommendations will be implemented prospectively upon amendment of the agreement.
- B. We concur** with the recommendation for increased oversight of VO, including the required periodic revenue reconciliations to ensure compliance with the contractual requirements. We will address this further under Recommendation No. 4.

Recommendation No. 2 County Administration:

County Administration should periodically commission an independent ROI assessment to evaluate the overall effectiveness of its tourism promotion strategies and investments.

Management's Response:

We concur -Periodic Independent ROI Analysis should be conducted to evaluate the overall effectiveness of tourism and promotion and investments. The goal and intent of such an analysis would ensure that a study be unbiased and objective, looking at the whole market related to TDT. This analysis will be based upon industry best practices and would examine TDT revenue growth and visitor growth to determine the impact of VO's work. Such a study would need to reflect the complexities and the difficulty in isolating VO's impact versus a collective tourism impact. Before commissioning a study, we would want to ensure that taxpayer funds are only spent on a study if there is a guarantee that it would add value and clarity and would not be redundant to studies that are already conducted related to TDT revenues.



Audit of Visit Orlando's Compliance with the 2019 Tourism Promotion Agreement

Page 3

Recommendation No. 4 County Administration:

- A. Should Designate an individual responsible for overseeing VO's performance under the Agreement. This individual should track compliance with all contractual requirements, including the timely submission of reports, budgets, and other documents, and promptly address any issues.
- B. Should Develop monitoring procedures for the employee(s) assigned this responsibility.

Management's Response:

- A. We concur** - Currently, the Visit Orlando (VO) Contract is reviewed in part by County Administration, Fiscal & Business Services, Convention Center, and County Comptroller's Staff. We agree that it would add value to have a single point of contact assigned responsibility to review and monitor the VO Contract and other TDT Contracts.

Due to the thriving Central Florida Tourism Market and expansion of the use of TDT, this revenue source and associated contracts have grown and will likely continue to grow, requiring increased oversight and monitoring. County Administration will identify the appropriate staff to oversee TDT Revenues and contract monitoring, including the VO Tourism Promotion Agreement.

- B. We Concur** - Monitoring procedures will be established for the staff assigned this responsibility to ensure effective oversight and compliance with all contractual requirements including the periodic revenue reconciliation recommended in Recommendation No. 1 (B).

Recommendation No. 5 County Administration:

County Administration should consider invoking the "material concern" provision of the Agreement to address and correct issues with Visit Orlando. Remedies could include amending the Agreement to address the allocation of overhead expenses clearly outlining how overhead expenses should be allocated. Additionally, the County should periodically review Visit Orlando's cost allocation practices to ensure continued adherence to TDT spending restrictions.



Audit of Visit Orlando's Compliance with the 2019 Tourism Promotion Agreement

Page 4

Management's Response:

We concur – We will work with VO to amend the agreement to address an allocation methodology for overhead expenses. The cost allocation practices will be reviewed periodically to ensure compliance with TDT spending restrictions. This review function will be identified in the job responsibilities of the staff identified for TDT oversight.

We thank Comptroller Diamond and the audit team for their professionalism and collaboration during the completion of this audit. The guidance provided has identified opportunities to clarify ambiguities, to strengthen oversight and enhance accountability for the Tourism Development Tax funding provided to VO.

C: Byron W. Brooks, AICP, County Administrator
Carla Bell Johnson, AICP, Deputy County Administrator
Casandra Matej, President & CEO, Visit Orlando
Ray Walls, Deputy Director, Orange County Convention Center



OFFICE OF THE COMPTROLLER

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Web page: www.occompt.com

Date: August 12, 2024

To: Jerry L. Demings, County Mayor
-AND-
Board of County Commissioners

From: Phil Diamond, CPA, County Comptroller

Subject: Visit Orlando Audit Status Update

PAD

Background

As you will remember, you requested that my office conduct an audit of Visit Orlando at the January 23, 2024 BCC meeting.

You requested the audit in the context of the ongoing discussions about Visit Orlando's contract renewal and its funding level. In response to the Board's request, I issued a memo on February 8, 2024. In the memo, I advised the Board that we had audited Visit Orlando and issued an audit report in July 2019. I also mentioned that we planned to do a 'follow-up' audit in the fall. However, given the Board's request and the timing around the contract amendments at that time, I agreed to reprioritize our work plan and conduct this audit earlier than initially planned. Finally, I committed to providing an interim report detailing any significant issues by September 1st.

This memo will summarize significant issues that we have identified to date. Please note that this is not our final audit report because we are still conducting audit testing. Therefore, the final report will be issued at a later date. The final report will include these issues and any additional issues identified after the date of this memo. The final report will also include specific recommendations related to the audit issues.

The 2019 Audit Report

The 2019 audit report included four recommendations, all of which Visit Orlando concurred with when the report was issued. Visit Orlando has implemented two of the four recommendations. However, Visit Orlando has not implemented the other two recommendations. Consequently, Visit Orlando is still not complying with the tourism agreement with respect to two previous audit findings, as follows:



Visit Orlando Audit Status Update
August 12, 2024
Page 2

- Visit Orlando is required to provide the county with "a monthly listing of all disbursements of Tax funds, including payee name." The TDT Disbursement Listings provided to the Comptroller did not include all disbursements using TDT funds. Information regarding \$6.3 million of TDT spending was omitted from the listings sent to the Comptroller in 2023. This amount primarily consisted of sports incentive fund and business development fund payments.
- In our prior audit, we found — and Visit Orlando agreed — that amounts collected from its members for advertising co-ops should be reimbursed to the TDT account. (These co-op arrangements involve upfront marketing campaign costs paid with TDT funds that are later reimbursed by members for their shares of the costs). For 2023, revenues collected from members for advertising co-ops totaling \$713,008 were not included in public funds until March 2024 — shortly after the BCC requested this audit. Visit Orlando also failed to reimburse the TDT Account for \$604,815 collected from members for the advertising co-ops during 2022.

2024 Audit Issues Identified to Date

Resolved Issues The following issues were discussed with Visit Orlando and County Administration before Visit Orlando's latest contract amendment was approved by the BCC on May 21, 2024. These issues were addressed in the current contract amendment:

- Interest earned on TDT funds in Visit Orlando's Reserve accounts was recorded as private revenue. A total of \$599,254.02 in interest was transferred from these accounts to the private funds account in 2023. In addition, interest earned on the TDT operating account was also recorded as private revenue. The contract amendment requires that interest earnings associated with TDT funds shall be considered public funds.
- In 2023, Visit Orlando accumulated over \$35 million in reserve/carryover funds. However, the contract did not specifically authorize reserve/carryover funds. According to Visit Orlando's original agreement, "*Both parties have agreed that a formal designation of a portion of Tax funds payable hereunder as "emergency response funds" is unnecessary and that Visit Orlando will allocate resources as appropriate in the event such emergencies should occur.*" The contract amendment now provides specific limits on how much Visit Orlando can retain as reserves.



Visit Orlando Audit Status Update
August 12, 2024
Page 3

Outstanding Issues The following pending issues have not been addressed in the current contract or amendment:

- Other than funds paid to Visit Orlando by Orange County, Visit Orlando has classified all other revenues it has collected as private funds — not public funds. This includes revenues generated from TDT expenditures. For example, participation fees are received from members for advertising at events funded by TDT, but are improperly classified as private funds.
- During 2023, every bank account funded with TDT funds (TDT operating account, reserve account, savings account, business development fund, and sports incentive fund) exceeded the \$250,000 FDIC insurance limit. This means that public funds held in these accounts were subject to risk of loss in case of bank failure.
- TDT funds held in Visit Orlando's sports incentive and business development fund accounts were earning less than 1%. Although not a breach of contract, this is a questionable financial practice. In contrast, Visit Orlando earned over 5% for its private fund accounts.
- Visit Orlando paid bank service fees for the sports incentive fund and business development fund accounts from TDT funds. Bank fees were paid from the sports incentive fund without BCC approval as required in the contract. The agreement also provides that business development funds shall not be used for administrative expenses. Additionally, bank fees exceeded interest revenue for the business development fund account in 2023.
- Visit Orlando participated in lobbying activities during 2023 without prior approval from the BCC. These activities included testifying at a Florida legislative committee meeting, and meetings with legislators and policymakers to advocate on issues affecting the tourism and convention industries. Visit Orlando's contract prohibits these activities without the BCC's prior approval.

If you have any questions or would like to discuss these issues, please contact me.

C: Byron Brooks, County Administrator
Jeff Newton, County Attorney
Casandra Matej, President/CEO, Visit Orlando



OFFICE OF THE COMPTROLLER

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Date: August 20, 2024
To: Casandra Matej, Visit Orlando President and CEO
From: Phil Diamond CPA, Orange County Comptroller *PAD*
Re: Visit Orlando's August 16 Memo

I was disappointed by your response to our audit status memo. Contrary to the suggestions in your response, all of our audits, including the current Visit Orlando audit, are conducted with full objectivity and adhere to the highest professional standards. Our audit team is highly credentialed and brings a wealth of experience to every audit we conduct. I fully stand behind this and every audit conducted by my audit staff.

In reference to your comments regarding the Yellow Book—Government Auditing Standards, every audit complies with Generally Accepted Government Auditing Standards. As required by Yellow Book, our office is subject to a peer review every three years that reviews the documentation and procedures followed by our office. We are very proud that we passed our peer review. In fact, the external independent auditors did not identify any areas of improvement for our operations. I have attached a copy of our most recent peer review.

As stated this was an interim memo. The final report will have more detail, including recommendations for improvement and Visit Orlando's official response. As you know, we have held weekly status meetings with Visit Orlando's Senior Vice President of Finance and Business Affairs, where we discussed each of these issues. Prior to distributing the memo, we emailed you the issues included in our memo. In that email, we asked for feedback if the issues identified were factually inaccurate. We did not receive any feedback. These issues should not have been unexpected.

Your response claims that "Visit Orlando operations are fully aligned and in compliance with our Tourism Promotion Agreement." This contradicts our audit findings, which are supported by audit evidence. Specifically, we have identified multiple instances where Visit Orlando was not in compliance with the agreement. Some of the non-compliance issues reported in our memo were:



Visit Orlando's August 16 Memo
August 20, 2024
Page 2

- **Tourism Promotion Agreement Section 2.12 Reporting Requirements.** *Visit Orlando shall have the obligation to ensure and increase responsible, transparent disclosure of its operations. Visit Orlando and the County will work together on the format and content of these reporting requirements. Visit Orlando shall submit the following items to the County and the Comptroller: 2.12.10 A monthly listing of all disbursements of Tax funds, including payee name, by the 25th day of the following month.*

A file of tax disbursements is sent to the Comptroller, which Visit Orlando compiles from multiple bank accounts into one file. This file is uploaded to the Comptroller's website for the purpose of public transparency. However, this is not a complete monthly disbursement listing of all tax funds as required in the agreement. During 2023, \$6.3 million in tax fund disbursements mostly from the sports incentive fund and business development fund were omitted from this file, which is contractually required. **As such, Visit Orlando did not comply with the Tourism Promotion Agreement.**

- **Tourism Promotion Agreement Section 2.1 Compliance with Florida law and the Agreement** *....In addition, Visit Orlando will treat reimbursements from advertising partners for cooperative marketing, promotional, and advertising opportunities (co-ops) or similar arrangements, where the Tax was used to cover the cost of the program as being subject to all restrictions and all requirements of this Agreement applicable to Tax funds and will provide reporting for these expenditures/reimbursements in a format acceptable to the County.*

In the 2019 audit, Visit Orlando agreed that the amounts collected from advertising co-ops should be reimbursed to the TDT account. That provision was then included in the 2019 Tourism Promotion Agreement. We noted in 2022 that \$604,815 was collected from advertising co-ops and never reimbursed to the TDT funds. **As such, Visit Orlando did not comply with the Tourism Promotion Agreement.**

In addition, Visit Orlando has classified all revenues, except funds paid by Orange County, as private funds. This includes funds where Tax was used to cover the cost of the program. **As such, Visit Orlando did not comply with the Tourism Promotion Agreement.**



Visit Orlando's August 16 Memo
August 20, 2024
Page 3

- **Tourism Promotion Agreement Section 2.13 Lobbying: Other Prohibited Expenditures.** Visit Orlando agrees that it shall not undertake, or cause to be undertaken, or participate in, any lobbying before the state legislature on matters dealing with the Tax, local government tax policies or opposing any stated legislative priorities of the BCC, without the prior consent of the BCC.

We identified over ten meetings with state legislators on matters dealing with the Tax and, testimony before a legislative committee meeting without prior BCC approval. **As such, Visit Orlando did not comply with the Tourism Promotion Agreement.**

In your response you indicated that "We are committed to being good partners throughout this process." It is my hope that we can work together to address these issues (and any other issue(s) discovered during the final phases of the audit) to facilitate improvements for the benefit of taxpayers and our community.

Attachment

cc: Mayor Jerry L. Demings
Board of County Commissioners
Byron W. Brooks, County Administrator
Jeff Newton, County Attorney



External Quality Control Review

Orange County Comptroller
Audit Division
Peer Review

Conducted in accordance with guidelines of the
Association of Local Government Auditors
for the period of October 1, 2019 through September 30, 2022



**Association of Local Government
Auditors**

February 16, 2023

Phil Diamond, Comptroller
Orange County, Florida
109 E Church Street, Suite 220
Orlando, FL 22035

Dear Mr. Diamond,

We have completed a peer review of the Orange County Comptroller's Audit Division for the period October 1, 2019 through September 30, 2022. In conducting our review, we followed the standards and guidelines contained in the *Peer Review Guide* published by the Association of Local Government Auditors (ALGA).

We reviewed the internal quality control system of your audit organization and conducted tests in order to determine if your internal quality control system operated to provide reasonable assurance of compliance with *Government Auditing Standards* issued by the Comptroller General of the United States. Our procedures included:

- Reviewing the audit organization's written policies and procedures.
- Reviewing internal monitoring procedures.
- Reviewing a sample of audit working papers.
- Reviewing documents related to independence, training, and development of auditing staff.
- Interviewing auditing staff to assess their understanding of, and compliance with, relevant quality control policies and procedures.

Due to variances in individual performance and judgment, compliance does not imply adherence to standards in every case but does imply adherence in most situations. Organizations can receive a rating of pass, pass with deficiencies, or fail. The Orange County Comptroller's Audit Division has received a rating of pass.


Based on the results of our review, it is our opinion that the Orange County Comptroller's Audit Division internal quality control system was suitably designed and operating effectively to provide reasonable assurance of compliance with *Government Auditing Standards* for audit engagements during the period October 1, 2019 through September 30, 2022.


We have highlighted some of the areas in which we believe County Audit excels below:

- The Orange County Audit Manual provides clear and concise guidance to ensure compliance with *Government Auditing Standards*.
- Implementation of an automated audit management application following your last peer review enhances and facilitates oversight and supervision of the audit process.
- Workpapers formats and templates identify applicable Government Auditing Standards and link to supporting documentation, thereby strengthening compliance.

We extend our thanks to you and your staff for the hospitality and cooperation extended to us during our review.

Sincerely,


Gretchen Hudome, CIA, CRMA
Deputy City Auditor
City of Virginia Beach, VA


Carla Broom, CCFO
Audit Manager
Shelby County, TN



OFFICE OF THE COMPTROLLER

**ORANGE
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February 16, 2023

Gretchen Hudome, Deputy City Auditor
City of Virginia Beach

Dear Gretchen,

Thank you for your review of the Orange County Comptroller's Audit Division for the period of October 1, 2019 through September 30, 2022. We are very pleased your team found us to be in full compliance with Government Auditing Standards. Full compliance reflects the dedication of my office to audit excellence in each audit performed.

We appreciate your thorough review of our organization and your attention to detail when reviewing our audit operations. We had many conversations with you during the peer review that will result in process improvements. Additionally, you recognized our audit manual, implementation of automated workpaper software, and our workpaper templates as a key component used to ensure each audit is in compliance with Government Auditing Standards and the highest level of work is performed by our auditors.

Again, we want to thank you and Carla for conducting this review. You provided valuable insight on operations in your office that we will be applying to improve audit efficiency in our operations.

Sincerely,

Wendy Kittleson, CPA, CIA, CIA
Assistant Comptroller, Audit Division

APPENDIX D – DETAILED LIST OF REVENUES



Audit of Visit Orlando's Compliance with the
2019 Tourism Promotion Agreement

Revenue Description	2023 Revenue Collected by VO	TDT Expense Allocation	Private Expense Allocation	Revenue Due to TDT Funds
Reimbursement of Expenses Paid with TDT				
Advertising and Marketing Cooperatives	\$965,358	100%	0%	\$965,358 ¹⁷
Tourism Economics Report	\$35,000	100%	0%	\$35,000
Employee Retention Credit	\$1,490,122	93.70%	6.30%	\$1,396,584
Credit Card Rebate	\$56,123	24.10%	75.90%	\$13,537
Participation Fees from Members	\$1,322,422	46%	54%	\$608,263
Subtotal	\$3,869,025			\$3,018,742
Revenues with Expenses Fully Paid with Private Funds				
Membership Dues	\$3,121,228	0%	100%	\$0
Membership Events	\$215,007	0%	100%	\$0
Other Revenues	\$17,563	0%	100%	\$0
Subtotal	\$3,353,798			\$0
Interest Revenue				
Interest Revenue	\$757,844	Not Applicable	Not Applicable	\$525,694
Revenue Not Addressed in Agreement				
Other Advertising Revenue	\$996,100.00	Not Determined	Not Determined	\$0
2023 Total Revenue	\$8,976,767			\$3,544,436

¹⁷ VO refunded \$713,008 to the TDT account in 2024



Expense Reporting and Documentation Procedures

Expense Report Form

Visit Orlando uses a web-based expense reporting system that interfaces with activity charged on Visit Orlando issued credit cards. Expense reports should be completed for all items charged on Visit Orlando issued cards, as well as any other business related out-of-pocket expenditure for which an employee wishes to be reimbursed.

Expense reports should be submitted electronically within 20 business days after the incurrence of an expense.

Receipts

Expenses should be supported by scans of receipts attached to the reported expenses, but only items over \$25 are required to be supported. While there may be items for which receipts are not practical to obtain, reimbursement of most expenses will be contingent upon the presence of receipts. For entertainment, itemized receipts are required regardless of dollar amount.

Event/Business Travel Summary Report/Memo

For business travel or an event hosted/sponsored by Visit Orlando (FAM, mission, etc.) that requires an expenditure of Visit Orlando funds in excess of \$500, an Event/Business Travel Summary Report/Memo must be completed. Provide the report to your direct supervisor and attach a scanned copy to your expense report. For events/business travel with expenditures of less than \$500, a summary report/memo should be required at the discretion of a Visit Orlando vice president.

Only one report/memo needs to be drafted per event. If the report is drafted by another employee participant, please attach a copy of their report to your expense report.

A full summary report/memo is not required for a training seminar, a nonclient-oriented association event (example: DMAI or Governor's Conference), or any other nonmarketing-oriented travel. However, Visit Orlando employees are required to prepare a summary report/memo for such events in order to a) share information that may be of benefit to others in the department and/or organization, and b) conclude as to the relevance or benefit of expending the funds to attend the event.

The summary report/memo should include the following information (see Attachment H for standard form to be used):

- Name/description – State the name of the event and/or a brief description of the event or travel.
- Marketing purpose/planning – Include a brief discussion of why the event was attended or hosted or the trip taken. Include documentation of the planning and advance discussions, including discussions with participants, partners, Visit Orlando member committees, etc.
- Attendees/participants – Include a list of attendees and their business affiliations. Also, if members participated with Visit Orlando, list them. If the event was large, you can include a



broad description of the attendees rather than a detailed list (e.g., 450 travel agents attended). For business travel, list any clients or partners visited. Unless it is obvious, state why the attendees or parties visited are pertinent to the marketing efforts of Visit Orlando.

- **Budget** – Include a general discussion of the Visit Orlando budget for the event. If anticipated expenses will vary significantly from budget, indicate the revised amount and reason for the variance. For programs with assigned project numbers, the Finance Department will generate a detailed financial report; therefore, a financial recap is not required in the memo.
- **Fair share** – If members or other partners participated in funding the event or travel, please specify the total dollars of fair share or partner revenue and how that was derived.
- **Event/travel highlights and specifics** – Include a detailed description of the event/travel. For example, for events hosted, include the venue, meals provided, presentations or speakers, collateral materials distributed, or other key elements that are pertinent to understand the event or that would be useful in helping plan future events. Collateral materials designed specifically for the event should be attached to the memo.
- **Results/Evaluation/ROI** – Completion of this process should be a primary focus of the employee's documentation of an event, trip or program. Include a discussion of the successes and challenges of the event, travel and/or marketing efforts. Include your conclusion as to the value/return on investment of the expenditure - provide analysis to support your evaluation. Quantify results where possible (e.g., number of leads, etc.).
- **Recommendations** – Include any specific recommendations for future events or trips that would be helpful for planning future events or travel.

Air Travel Policy

Through its marketing and membership partnerships, Visit Orlando has negotiated numerous agreements with airlines for complimentary airfare. A list of current agreements, with booking guidelines and any restrictions, are included in Attachment A. Visit Orlando team members are to check the complimentary airfare and use these travel vouchers when possible. Remember to complete a Travel Request form and have it signed/approved prior to booking flight.

If complimentary vouchers are not available, travel should be booked through American Express Online Travel, Visit Orlando's authorized travel agency listed in Attachment B or the lowest fare found online as outlined under Booking Procedures below.

Class

All domestic travel should be booked at coach-class fares. Purchased first-class travel paid for by Visit Orlando is prohibited. Class upgrades provided by airlines, or through the use of personal frequent flyer miles, are acceptable. However, when traveling with members who are flying in coach, Visit Orlando employees should consider traveling in coach as well.

Because of the physical demands of air travel and to maximize employee performance when traveling, Visit Orlando team members who are required to fly internationally, as part of their job, are permitted to purchase business-class airline tickets for uninterrupted flights outside of North America in excess of 5 hours with prior approval of the president/CEO.





**VISIT ORLANDO'S
INSIGHTS LUNCHEON
THURSDAY, AUGUST 24, 2023**

Disney's Coronado Springs Resort
1000 West Buena Vista Drive
Lake Buena Vista, FL 32830-1000

REGISTER NOW
CLICK HERE TO REGISTER

SCHEDULE

Time	Event	Location
9 am - 12 pm	Registration	Coronado Ballroom Foyer
10 am - 11:15am	General Session	Coronado Ballroom
11:15 am - 12 pm	Networking	Coronado Ballroom Foyer



12 pm - 1:30 pm	Insights Luncheon	Coronado Ballroom
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SPEAKERS & PROGRAM:

MORNING GENERAL SESSION

Industry Intel + Essential Updates

10:00 – 11:15 am

Gain the insights you need to know to plan for future business. Stan Rubins will briefly highlight legal and legislative issues affecting the industry. Mike Waterman will provide an analysis of the major factors shaping the meetings and convention industry and share a forecast for the year to come. Danielle Hollander will give an overview of Orlando's leisure travel and tourism performance so far in 2023, and the outlook for the rest of the year. They will also provide Visit Orlando’s plans to drive visitation and provide a peek into 2024 focusing on key shifts/trends impacting the travel industry.

Stan Rubins	Mike Waterman	Danielle Hollander
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PROGRAM

WELCOME

Casandra Matej, *President & CEO, Visit Orlando*

VISIT ORLANDO UPDATE

Casandra Matej, *President & CEO, Visit Orlando*

INFLUENCER PANEL

Inga Lam, *Host of BuzzFeedTasty Feature for AAPI Month*

Fernanda Romero, *Host of "Travel Conmigo"
Video Series for US Hispanic Segment*

Regine Mont-Louis & Blaise J. Pierre,
Stars of The Wanderer Orlando by Tripadvisor

VISIT ORLANDO'S MAGICAL DINING

Terry Prather, *Board Chair, Visit Orlando*

KEYNOTE

**Crossing the Generational Workforce Divide: Unexpected
Insights to Bridge Generations in Hospitality Today**
Jason Dorsey, *President, The Center for Generational Kinetics*

CLOSING REMARKS

Casandra Matej, *President & CEO, Visit Orlando*

SPECIAL FINALE ENTERTAINMENT

Presented by Walt Disney World® Resort



Jason Dorsey
President – The Center for Generational Kinetics

Keynote Description:

Have you noticed it is challenging to understand, connect with, employ, and develop emerging generations in the workforce? You're not alone. The youngest generation, Gen Z, is now up to age 26! They are very different from previous generations and are now the fastest-growing generation in the workforce. At the same time, the hospitality and experience workforce across Orlando needs to retain, engage, and bridge every other generation, too. This is tough for even the most experienced leaders.

In this high-energy, interactive presentation, acclaimed speaker and generations researcher Jason Dorsey will share new insights into Gen Z and each generation along with practical strategies you can use right away. You may have seen Jason on 60 Minutes, The Today Show, or over 200 other TV shows. He is the author of the bestselling book, *Zconomy: How Gen Z Will Change the Future of Work and What To Do About It*.

Jason is passionate about separating myth from truth through data when it comes to generations and unlocking potential in the workforce. He is the President and Lead Researcher at The Center for Generational Kinetics, a generational research and strategy