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**Follow up on the Audit of Visit Orlando's Compliance with
the 2019 Tourism Promotion Agreement**

BCC Meeting - Discussion

February 10, 2026



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- **Audit Recommendations**
- **Reclassification of Funds**
- **Amendments to 2019 Visit Orlando Tourism Promotion Agreement**
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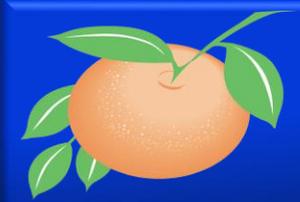
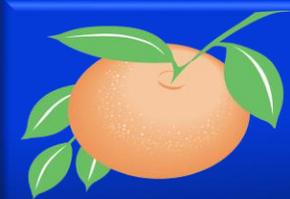


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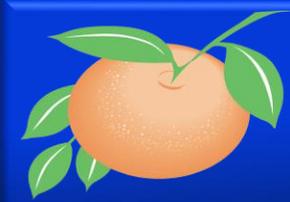
Background

- **October 2019:** BCC Approved 2019 Visit Orlando Tourism Promotion Agreement to Replace 2007 Agreement

- Step up to 30% of TDT Revenue Provided for Sales & Marketing by 22/23 FY
- Initial Term Through September 2024 with a Renewal Through September 2028

- **January 2024:** BCC Provided Direction on Amendments to the 2019 Funding Agreement and Reallocation of Visit Orlando Funding

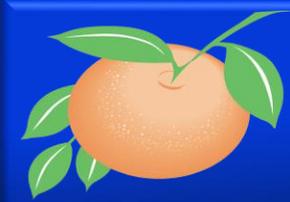
Mayor Demings Requested that the Comptroller Conduct an Audit of Visit Orlando



Background

- **March 2024:** **BCC Approved First Amendment to 2019 Visit Orlando Agreement**
 - **Provided Additional Time for Negotiations to Continue on Renewal of Agreement**

- **May 2024:** **BCC Approved Second Amendment to 2019 Visit Orlando Agreement**
 - **Provided Appointment of County Commissioner to Visit Orlando Board**
 - **Redirected \$15M Annually to Sports Incentives and ARC with Some Caveats**
 - **Set Out Requirements for Discussing and Handling Any Future Material Audit Recommendations**
 - **Set Rules for Reserves and Investments**
 - **Extended Term to September 2028 and Added Renewal Option Through 2032**



Background

- **July 29, 2025: Comptroller Issues Visit Orlando Audit**
- **August 26, 2025: Visit Orlando Audit Presented to and Discussed by BCC**
 - **Staff was Directed by the Mayor to Work with Visit Orlando and the Comptroller to review the audit and recommend modifications that may be necessary to clarify the 2019 Agreement. The Mayor directed that the scope of staff's work would be to Address Significant Audit Recommendations and Make Any Necessary Accounting Reclassifications.**
- **September 2025 – February 2026: OC, Visit Orlando, and Comptroller Staff Met Routinely to Review and Address Audit Recommendations, Work Out Retroactive and Prospective Adjustments, and Amend the 2019 Agreement Accordingly**

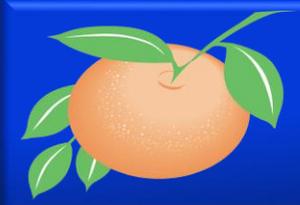


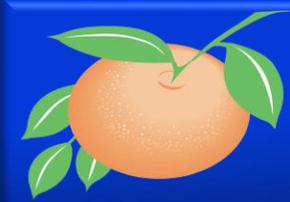
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Audit Recommendations

- **VO should reclassify TDT Funds and perform retrospective review to 2019**
- **ROI Analysis should be performed to determine if TDT funds are spent effectively**
- **Orange County should enhance contract monitoring and enforcement**
- **VO should develop an overhead cost allocation methodology**
- **VO should obtain BCC approval before lobbying**
- **VO should recommunicate its procurement policy and retrain employees**



Audit Recommendation - #1

- **A. Comptroller Recommendation – VO Should Reimburse TDT Funds for \$3,436,243 of Revenue generated from TDT Funds. Payment should be made from its Funds to its TDT bank Account.**
 - **ACTION TAKEN: Visit Orlando Reclassified \$3,436,243.**

- **B. VO should Perform a Retrospective Review of Revenue Received since 2019 to Identify Additional TDT Reimbursements that may have been misclassified and deposited into its Funds.**
 - **ACTION TAKEN: Revenues have been reviewed back to 2019 and VO has reclassified all revenues to the appropriate accounts in accordance with the Comptroller's Recommendations. \$10,484,262 has been reclassified by VO since the August 26, 2025 BCC Update.**



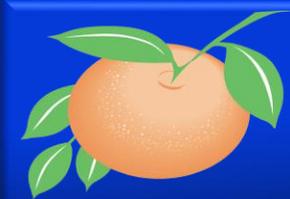
Audit Recommendation- #1 continued

C. VO In Collaboration with County Administration, should determine how the reserve funds of \$6,367,794 Should be classified and recommend its proposed plan to the BCC for Review and Approval.

- **ACTION TAKEN: There is no way to determine the source of the reserve funds because bank records dating back to 1997 – 2014 are not available. Therefore, no further reclassification is recommended.**

D. VO Should Develop and Implement Clear Policies and Procedures to Ensure Accurate Classification and Reporting of Revenue Sources – Particularly for Co-op Revenue, Interest Income, and Shared-Cost Activities.

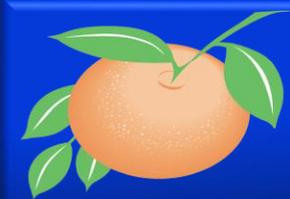
- **ACTION TAKEN: VO has developed and Implemented Clear Policies and Procedures to Ensure Accurate Classification and Reporting of Revenue Sources – Particularly for Co-op Revenue, Interest Income, and Shared-Cost Activities.**



Audit Recommendation - #1 continued

E. VO should deposit all revenues generated from TDT Expenditures into its TDT bank account promptly after receipt.

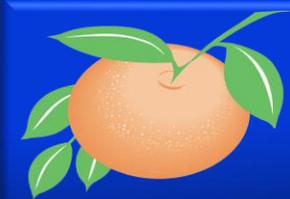
- **ACTION TAKEN: VO has Created and Implemented a Standard Operating Procedure to ensure the accurate monthly reclassification of expenses and revenues among accounts.**
- **F. VO Should Evaluate Participation Fees Charged to Members to Ensure that Revenues Better Align with Costs.**
- **ACTION TAKEN: VO has developed and Implemented Policies and Procedures to Ensure Accurate Classification and Reporting of Revenue Sources.**



Audit Recommendation - #2

A. VO should Revise its Internal Expense Reporting Policy to Include a Standardized Methodology for Calculation 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.

- **ACTION TAKEN: VO has Created and Implemented a Standard Operating Procedure to Provide a standard for pre-approving trade shows, events and missions for the organization to ensure alignment with Visit Orlando's mission.**



Audit Recommendation - #2 continued

B. VO Should 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 current policy. Reports lacking this information should be considered incomplete and returned for revision.

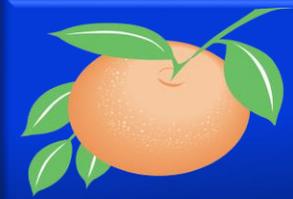
- **ACTION TAKEN: VO has developed and implemented an updated ROI methodology and developed a training plan for employees.**



Audit Recommendation - #2 continued

C. VO Should Implement a Review Process to Verify the Accuracy of ROI/return calculations, including validation of both cost and return components.

ACTION TAKEN: VO has developed a standardized ROI methodology for the organization to ensure alignment with Visit Orlando's mission. In addition, they have created a pre-event approval form and a post event measurement tool aligned with industry standards.



Audit Recommendation - #3

VO Should strengthen its oversight processes to ensure that all TDT expenditures strictly comply with the terms of the Agreement and Florida law.

A. VO Should Implement a Review Process for all TDT Expenditures to ensure they are allowable uses under the Agreement.

- **ACTION TAKEN: VO has developed and implemented a SOP that outlines the process for coding and reviewing documents related to Tourist Development Tax (TDT) funds, ensuring compliance with the Visit Orlando–Orange County agreement and supporting transparency in TDT disbursements.**
- **In addition, VO hired an internal auditor starting March 2.**

B. VO should conduct periodic training for its finance and program staff on allowable TDT Fund uses to ensure compliance with the Agreements spending restrictions.

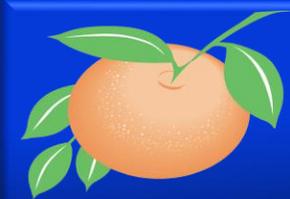
- **ACTION TAKEN: VO has developed a training plan to educate team members on allowable and non-allowable uses of Tourist Development Tax dollars. The plan provides for training of new members, continuing education, and disciplinary actions for violations.**



Audit Recommendation - #4

VO Should submit a complete marketing plan and budget (the "Work Plan") to 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.

- **ACTION TAKEN: The new agreement further clarifies the timeline for adherence to the agreement.**



Audit Recommendation - #5

VO Should Develop and Implement a cost allocation methodology to ensure that overhead expenses benefiting member-related activities are appropriately charged to Non TDT Funds, rather than to TDT Funds. This methodology should:

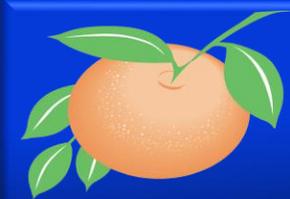
- A. Identify shared overhead costs (e.g., rent, administrative salaries, utilities) that support both TDT-funded and member-related functions; and,**
 - B. Allocate those costs proportionally based on reasonable and supportable criteria, such as staff time, square footage usage, or departmental budgets.**
- **ACTION TAKEN: The agreement has been amended to address the allocation of overhead costs.**



Audit Recommendation - #6

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

- **ACTION TAKEN: Visit Orlando will align with the County's legislative priorities and obtain BCC approval prior to lobbying in accordance with the agreement.**



Audit Recommendation - #7

- A. VO should 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 TAKEN: VO has updated its procurement policy and retrained staff**

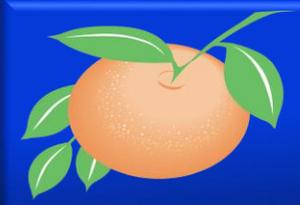
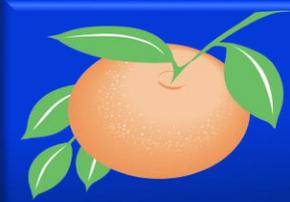


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Reclassification of Funds

Revenue Description	Revenue Due to TDT Funds	Amounts Transferred to TDT Before or During Audit	Amounts Reclassified to non-TDT restricted Post Audit
Advertising and Marketing Co-operatives	\$ 4,630,923	\$ 1,179,262	\$ 3,451,661
Tourism Economics Report	\$70,000		\$70,000
ERC and PPE	\$3,107,964		\$3,107,964
Credit Card Rebate	\$71,645		\$71,645
Participation Fees from Members	\$2,329,886		\$2,329,886
Interest Revenue	\$1,453,106		\$1,453,106
Total Revenue	\$11,663,524	\$1,179,262	\$10,484,262

Visit Orlando Non TDT to Visit Orlando Non TDT Restricted Account

- **Non TDT Restricted are funds received from non TDT tax collection sources which Visit Orlando has agreed to treat as TDT funds for purposes of disclosure and compliance with TDT restrictions.**



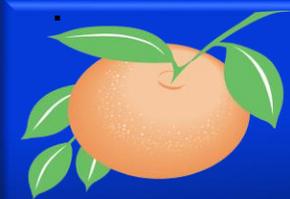
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Amendments to 2019 Visit Orlando Agreement

- **Sections 1.2, 2.2.1, and 2.3.3 (Meetings and Convention Sales and Marketing; Annual Work Plan)**
 - Meetings & convention sales and marketing allocations (“Work Plan Funds”) have been determined annually, but historically, any unspent funds were rolled into the next year.
 - Amendment clarifies that Work Plan Funds continue to be allocated annually, but unspent funds no longer roll over into the next year. Instead, unspent funds will be returned to the VO general tax fund but will retain the same restrictions unless otherwise approved by the County;
 - Allows for Work Plan Funds to come from Non TDT dollars as well as TDT; and
 - Adjusts due dates to align with VO calendar year budget
- **Section 2.1 (Compliance with Law and Agreement)**
 - Amendment Clarifies Revenue Reclassification. Amendment requires VO to classify a proportionate share of any revenue generated as TDT where TDT funds were used to a portion of the expenses
 - Amended requires VO to allocate overhead cost



Amendments to 2019 Visit Orlando Agreement

▪ **Sections 2.12.2 and 2.12.10 (Reporting Requirements)**

- Amendment revises due date for VO budget submission to County from August 1st to December 15th to align with VO calendar year budget review; and
- Requires that monthly disbursement listings include a listing of any amounts reclassified to Tax fund, Business Development Fund and Sports Incentive Fund, as well as any transfers or reallocations from or between any VO accounts

▪ **Section 4.9 (Default / Remedies)**

- Amendment replaces existing broad “Remedies” section with Default and Remedies section which provides for a notice of default and an opportunity to cure for both parties generally within a 45-day period; and
- If the noticed default is not cured within the specified timeframe either party may terminate the agreement or pursue any and all remedies available at law or equity.

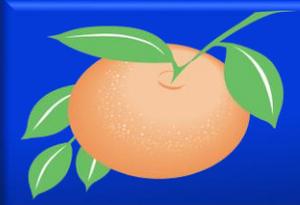
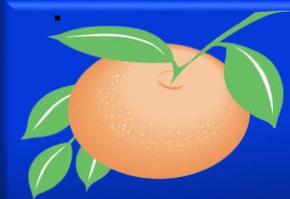


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Additional Actions Planned By the County

- **County independent ROI Analysis**
- **Dedicated staff member**
- **AI Analytics**



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Summary

- **Funds Reclassified as Recommended**
- **Proposed Agreement to the 2019 Tourism Promotion Agreement Addresses Audit Findings and Recommendations**



Requested Action

- **Adopt the Third Amendment to the 2019 Tourism Promotion Agreement between Orange County and Visit Orlando and allow staff to correct any scrivener's errors in the agreement.**

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