Florida is one of the top destinations in the world.

We want to make sure we stay on top.

- Protecting and growing visitor volume
- Increasing visitor spending
- Extending length of stay
- Increasing visit frequency and visitor retention
- Reducing the gap between seasonal highs and lows
- Increasing travel to emerging Florida destinations

Stimulate balanced incremental growth that delivers the greatest economic impact to Florida through programs that focus on:

- Keep Florida top-of-mind among target audiences.
- Identify and engage advocates in promoting the Florida brand.
- Promote industry alignment and collective impact through partner investment and thought leadership.

Marketing strategies
HOW?

BY CHALLENGING OURSELVES
TO THINK BIGGER, TO BECOME
MASTERS OF INNOVATION,
AND TO ESTABLISH NEW
INDUSTRY STANDARDS.

BY CONNECTING FLORIDA
STORIES WITH TRAVELERS
WHEREVER THEY ARE, WHENEVER
THEY WANT IT, ON ANY DEVICE.

BY LEADING BY EXAMPLE
WITH STRATEGIC ACTION
AND ALIGNING THE INDUSTRY
TO ACHIEVE THE GREATEST
GOOD FOR FLORIDA.
One of the most powerful sentences in any language is, “I’m on vacation.” Everyday, millions of people experience that joy in Florida—the world’s greatest travel destination. Even more people dream about it. At VISIT FLORIDA, and through our Partners in the tourism industry, we appreciate the great responsibility and privilege of helping travelers realize a dream:

“I’M ON VACATION. I’M IN FLORIDA.”
WE HAVE PURPOSE.
WE HAVE A VISION.
WE HAVE A CLEAR MISSION.
WE HAVE A SINGULAR GOAL.
WE HAVE A DEFINED OBJECTIVE.

AND OUR VALUES ENSURE THAT WE REMAIN FOCUSED ON WHAT IS MOST IMPORTANT.
TOGETHER, IT’S OUR TIME TO SHINE.
OUR PURPOSE IS TO
BRIGHTEN
THE LIVES OF ALL.
OUR VISION IS TO ESTABLISH FLORIDA AS THE NO. 1 TRAVEL DESTINATION IN THE WORLD.

WE ARE ON A MISSION TO STRENGTHEN FLORIDA’S SHARE OF THE GLOBAL TRAVEL MARKET.
WE ARE FOCUSED ON A SINGULAR GOAL TO MAXIMIZE THE ECONOMIC IMPACT OF TRAVEL AND TOURISM TO FLORIDA.

OUR OBJECTIVE IS CLEAR: GENERATE $100 BILLION IN TOURISM-RELATED SPEND BY 2020.
Our values provide the direction for our future plans. They serve as the foundation for our team and how we do business. They guide our actions and inspire us to be better every day.
MAKE AN IMPACT.

Impact is not a derivative of luck but a product of informed decisions, deliberate actions and measurable outcomes. We are results-focused and believe that every single day is full of opportunities to achieve positive change. We ask ourselves: How can I add value to my team, the Industry and the world?
WE WILL

WORK PURPOSEFULLY
AND LIVE PASSIONATELY.

We will be excellent in our jobs. And we will have fun in the process. We will take initiative and act with integrity. To be our best selves requires dedicated time for work and play. Our “office” is the No. 1 destination in the world. We promote it. And explore it.
WE WILL INNOVATE.

Innovation is born through challenging the status quo. We are committed to nurturing ideas, embracing change, and building a culture that encourages our team to be daring. If we stumble, we will learn from the experience and improve.
VISION
Establish Florida as the No. 1 travel destination in the world.

MISSION
Strengthen Florida’s share of the global travel market.

GOAL
Maximize the economic impact of travel and tourism to Florida.

OBJECTIVE
$100 billion in tourism-related spend by 2020.

VALUES
MAKE AN IMPACT.
WORK PURPOSEFULLY AND LIVE PASSIONATELY.
INNOVATE.

MARKETING STRATEGIES

KEEP FLORIDA TOP-OF-MIND AMONG TARGET AUDIENCES.

STIMULATE BALANCED INCREMENTAL GROWTH THAT DELIVERS THE GREATEST ECONOMIC IMPACT TO FLORIDA THROUGH PROGRAMS THAT FOCUS ON:

- Protecting and growing visitor volume
- Increasing visitor spending
- Extending length of stay
- Increasing visit frequency and visitor retention
- Reducing the gap between seasonal highs and lows
- Increasing travel to emerging Florida destinations

IDENTIFY AND ENGAGE ADVOCATES IN PROMOTING THE FLORIDA BRAND.

PROMOTE INDUSTRY ALIGNMENT AND COLLECTIVE IMPACT THROUGH PARTNER INVESTMENT AND THOUGHT LEADERSHIP.
2019-20 MARKETING PLAN
2019-20 VISIT FLORIDA MARKETING PLAN

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ABOUT VISIT FLORIDA

VISIT FLORIDA, the state’s official tourism marketing corporation, serves as Florida’s source for travel planning to visitors across the globe. VISIT FLORIDA is a not-for-profit corporation created as a public/private partnership by the Florida Legislature in 1996.

As the Sunshine State’s No. 1 industry, tourism was responsible for welcoming a record 124.7 million visitors in 2018. Based on the latest economic impact study, out-of-state visitors to Florida contributed $86 billion to Florida’s GDP and supported 1.5 million Florida jobs. According to the Florida Office of Economic and Demographic Research, for every $1 the state invests in VISIT FLORIDA, $2.15 in state tax revenue is generated.

Each year, the Florida Legislature appropriates public funding to be allocated for tourism marketing. VISIT FLORIDA is required to match this public investment dollar for dollar by partnering with the state’s tourism industry through cooperative advertising campaigns, promotional programs, and other innovative marketing ventures. Through this partnership, VISIT FLORIDA serves more than 13,000 tourism businesses from all 67 counties across the state.

VISIT FLORIDA facilitates tourism industry participation in domestic and international travel trade and consumer shows, as well as media missions to the top global visitor markets. VISIT FLORIDA also works closely with travel agents, tour operators and meeting and event planners, and is responsible for operating Florida’s Official Welcome Centers.

2020 STRATEGIC PLAN

To keep Florida ahead of the competition, VISIT FLORIDA and its Board of Directors implemented a strategic plan in 2015 intended to carry the Florida tourism industry through 2020.

PURPOSE. Brighten the lives of all.

VISION. Establish Florida as the No. 1 travel destination in the world.

MISSION. Strengthen Florida’s share of the global travel market.

GOAL. Maximize the economic impact of travel and tourism to Florida.

OBJECTIVE. $100 billion in tourism-related spend by 2020.

VALUES. Make an impact. Work purposefully and live passionately. Innovate.

Learn more about VISIT FLORIDA: VISITFLORIDA.org
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OVERVIEW

VISIT FLORIDA’s vision – to establish Florida as the No. 1 travel destination in the world – is ambitious but achievable. To succeed, VISIT FLORIDA must build a strategic marketing platform that aligns the collective interests of the Florida tourism industry and provides integrated marketing opportunities for the industry to leverage.

MARKETING PRINCIPLES

CREATE VALUE & ADD VALUE

Every VISIT FLORIDA program or initiative must create and add value for travelers and for industry Partners. If the industry can produce a program at the same cost and with the same impact, there is no reason for VISIT FLORIDA to invest resources in the program. VISIT FLORIDA programs must provide the Florida tourism industry a strategic advantage and must inspire consumers with valuable information or a valuable service.

QUALITY VS. QUANTITY

Scale matters, but impact matters more. The impact of a promotion on consumer behavior is more important than the number of people that the promotion reaches. VISIT FLORIDA is committed to delivering high-quality innovative programs that give Florida a competitive advantage. These programs will be thoroughly vetted, measured and optimized to ensure they maximize the impact of every dollar spent.

DIGITAL FIRST

Constant technological advancement has left the world of marketing in a state of permanent transformation. In order to ensure that VISIT FLORIDA thrives in the future, it must be a marketing company that thinks digital first.

TRAVELER-CENTRIC

The goal of all VISIT FLORIDA efforts is to deliver visitors to the state. Our ability to be successful requires a comprehensive understanding of Florida’s visitors and potential travelers. Prioritizing the traveler helps VISIT FLORIDA deliver greater results for our Partners and ultimately the residents of Florida.

DATA-DRIVEN

In order for VISIT FLORIDA to compete in a hyper-competitive landscape, every decision must be data-driven. Priority will be placed on programs that can be measured and optimized and can provide data that continuously improves our ability to attract potential visitors.

EXPERIENCE IS THE CORE OF EVERYTHING

“Customer centricity is no longer a nice-to-have, it’s a must-have,” says the research firm Phocuswright. “The travel industry needs to meet consumers along the entire spectrum of their journey. The sum of these interactions will make up their experience, whether good or bad.”

If it’s worth doing, it’s worth doing right.

While wise financial stewardship is critical in all that we do, VISIT FLORIDA will not sacrifice quality to save money; nor will we initiate a new program or continue with an existing program without dedicating the resources necessary to make the program a success.

VISIT FLORIDA will protect our brand promise and will commit to do it right or not do it at all.

TRENDS WE ARE WATCHING

Marketing and travel are among the fastest-changing industries. Here are some of the trends with near-term importance.

PRIVACY REMAINS PARAMOUNT

For most marketers, all business decisions are grounded in data. It is the key to building stronger brands, smarter audience targeting, and improved customer service.

Customers are often the beneficiaries. Reliable data lead to more relevant content, meaningful interactions, and useful product offers.

But following the countless data breaches over the past few years, consumers are skeptical and growing more vigilant about their privacy. Research from software company Janae found that 69% of American consumers would like to see privacy laws like the European Union’s General Data Protection Regulation (GDPR) enacted.

California’s Consumer Privacy Act will launch on Jan. 1, 2020, and it is just the beginning. Businesses will be forced to become more transparent about the way they collect, store, and use customer data.

With more readily accessible data, consumers have come to expect personalized messaging and experiences. For brands, this means developing a one-to-one marketing approach. And that presents a challenge for smaller companies, like VISIT FLORIDA, who lack the in-house resources to meet these demands. Successful personalized marketing will require partnership with larger brands with established reputations for protecting consumer data.

CIVIC RESPONSIBILITY

Responsible consumerism has gone mainstream. “With the growing ease of buying goods and services,” Forbes reports, “consumers are looking out brands that help them make better, more responsible choices.” Eliminating plastic at home and engaging in a zero-impact lifestyle are daunting changes, but supporting green brands is a feel-good first step for many. A growing number of consumers are passionate about social equality and environmental sustainability – and brands are paying attention. Patagonia and Nike are proactively taking stands on issues in ways that align with their own values and they’re being rewarded with sales and brand loyalty. Destinations should follow suit and get up to date on these trends.

To thrive, Florida brands must seek out and test new partnership opportunities with companies that have the established reputations for protecting consumer data.

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Companies are investing in customer experience teams – which is wise because, as global marketing research firm Euromonitor reports, consumers expect more. They want products and services delivered within frictionless experiences that mesh with their lifestyles.

How far off is the “super app” that takes all aspects of a consumer’s life and combines those functions into a single platform? China already has WeChat: pay your bills, buy groceries, follow the news, check social media, have a video conversation, transfer money between accounts, create a podcast, and add value for travelers and industry Partners. That presents a challenge for smaller companies, like VISIT FLORIDA, who lack the in-house resources to meet these demands. Successful personalized marketing will require partnership with larger brands with established reputations for protecting consumer data.

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For proof of the popularity of the Florida vacation brand and confirmation that marketing matters, look at how far and fast we have come. From 2011 to 2018 - one record year after another - the number of visitors to Florida has increased by 43%, or 37.3 million additional travelers. The newest benchmark is 2018’s 124.7 million visitors. A critical part of maintaining this trend line is identifying opportunities for improvement. Here’s one: International visitor volume is down from its 2013 apex by 7%. Canadian visitation continued to rebound in 2018, and Brazil and Colombia had good years. But Germany, a traditional stronghold for Florida, was off by 9% in 2018.

Source: VISIT FLORIDA

This chart shows the total visitor volume to the state over the past 10 years.

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<th>Year</th>
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</tr>
<tr>
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<td>118.6</td>
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<tr>
<td>2018*</td>
<td>124.7</td>
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</tbody>
</table>

*estimate is preliminary and subject to change
MARKET SHARE
LARGEST SHARE OF VACATION TRAVELERS OF ALL U.S. STATES

For more than a decade now, the Sunshine State has been the uncontested leader among American vacation destinations. Florida’s share of U.S. tourists has hovered around 16% and remains at least four points better than the closest competitor.

That good news is offset by cautionary data: Interest in traveling to Florida within the next two years dropped for the second consecutive year by one point (cultural and culinary diversity and outdoor adventures).

The alternative is also simple: When Florida doesn’t market itself, we risk dropping out of the traveler’s consideration set.

To maintain our market dominance, keeping Florida top of mind among likely travelers is more important than ever. Year-round marketing campaigns reinforce Florida’s staples (beaches, weather, theme parks) and raise awareness for the state’s lesser-known experiences.

The Florida tourism industry has consistently ranked its marketing budget as the state’s largest expense. That mainline marketing budget, and the countless supporting initiatives, pays the dividends, as the Sunshine State’s competitor would need to outspend Florida by at least four points to even compete.

Florida is the uncontested leader among American vacation destinations when it comes to travelers’ expressed interest in visiting. Despite the droppings year over year, Florida’s share of the domestic vacation travel market remains at least four points better than the closest competitor.

Florida’s leading position is no coincidence, but a result of the Sunshine State’s continued focus on marketing and promotion, consistent message delivery, and implementation of market research to identify targeted audiences.

The Sunshine State continues to lead in national discussions of travel marketing, and the Florida Department of Tourism’s market positioning is based on research, analysis, and evaluation of its competitive landscape.

For more than a decade now, the Sunshine State has been the uncontested leader among American vacation destinations. Florida’s share of U.S. tourists has hovered around 16% and remains at least four points better than the closest competitor.

Florida also shines brightest in regional and national comparisons, outpacing the South Atlantic and greater United States for Occupancy, RevPAR and ADR.

This year’s good news is the continuation of a five-year winning streak. Since 2014, Florida hotel occupancy has averaged 18% annual growth; Rooms Sold, 3% annual growth; and ADR, 4% annually.

Quick Facts:
- Florida is the number one destination when it comes to travelers’ expressed interest in visiting.
- Florida’s market share among American vacation travelers has been consistent for more than a decade.
- Florida continues to outpace its closest competitor by at least four points.

HOTEL OCCUPANCY AND REVENUE
FLORIDA SET RECORDS FOR ROOM DEMAND, ADR AND REVPAR

Top-line hotel numbers confirm that 2018 was another strong year for the Florida hotel industry. Room Demand, Average Daily Rate (ADR), and Revenue per Available Room (RevPAR) all rose to historic benchmarks.

In 2018, Florida’s hotel inventory had a net increase of 8,000 rooms, after significantly more hotels opened than closed, leading supply to outpace demand. Average monthly occupancy was 72.9% - a year-over-year decrease of 1%. More growth is expected: 39,000-plus rooms will be added by the end of 2020.

The ADR grew by 4.4% and remained above $115 even during the slower months. Room rate peaked in March, with 11.4 million rooms sold at a daily average of nearly $184. September was lowest at $116.

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HOTEL OCCUPANCY AND ADR
This chart compares Florida’s hotel industry against the values from the South Atlantic region and the U.S. in 2018.

Florida
- Occupancy: 72.9%
- ADR: $144.06
- RevPar: $104.97

South Atlantic
- Occupancy: 67.9%
- ADR: $126.45
- RevPar: $85.88

United States
- Occupancy: 66.2%
- ADR: $129.83
- RevPar: $85.85

Rooms Sold Growth 0.8%
Rooms Sold Growth 1.8%
Rooms Sold Growth 2.8%

OCCUPANCY RATES
This chart shows the five-year trend of Florida occupancy rates compared to U.S. rates.

AVERAGE DAILY ROOM RATE
This chart shows the five-year trend of Florida average daily room rates compared to U.S. rates.

REVENUE PER AVAILABLE ROOM
This chart shows the five-year trend of Florida revenue per available room compared to U.S. rates.

Source: MMGY Global
Portrait of American Travelers 2018-2019
Respondents could select more than one state. The states shown generated the most responses.
**Tourism’s Powerful Economic Impact**

**Out-of-State Visitor Economy Continues to Grow**

More than ever, out-of-state visitors remain vital contributors to the Florida economy. More than one in six Florida jobs is supported by tourism. Out-of-state visitation generates nearly 9% of the state economy and since 2013, Florida’s tourism economy has been on a roll, with out-of-state tourism’s impact on Florida’s GDP up 19%.

**Here are some other highlights:**

- Every 81 visitors support one Florida job.
- Florida’s tourism-supported jobs increased by 2.9% in 2017; in the United States, the increase was 2.1%.
- Visitor spending on lodging in 2017 was up 4.1%.
- Visitors’ economic impact on Florida’s GDP increased by 3.2% in 2017.

High consumer confidence, low gasoline prices, employment, wage growth, as well as the attractiveness of Florida as a destination for both domestic and international travelers are factors contributing to growth in the visitor economy. (Source: U.S. Travel Association)

**Tourism’s Impact on GDP**

- **Direct** $44.3B
- **Induced** $22.7B
- **Indirect** $18.8B

**Total** $85.9B

All sectors of the Florida economy benefit from tourism either directly or through:

**Indirect Impacts** such as increased sales for local businesses who supply the tourism industry (e.g. supplier to the hotel that delivers goods and services and employs workers to meet the demand)

**Induced Impacts** such as increased sales for local businesses through resident spending of income earned in tourism and supporting sectors (e.g. the employees of the hotel supplier purchase goods and services at a household level, such as food, child care, and home insurance).

**Tourism’s Contribution to Florida’s GDP**

This chart shows the amount that out-of-state visitors contribute to Florida’s economy each year

- **2013** $72.0 billion
- **2014** +8.2%
- **2015** $80.2 billion
- **2016** +3.7%
- **2017** $85.9 billion

**Source:** Rockport Analytics

**Jobs Supported by Out-of-State Visitors**

- **Out-of-State Tourism Supported Employment**
- **Out-of-State Visitor Volume**

**Quick Facts**

- Out-of-state visitors supported nearly 1.5 million Florida jobs in 2017, with an associated income of $55 billion.
- From 2013 - 2017, Florida tourism-supported jobs grew by 13.3%. That rate was higher than overall job growth in both the US (7.4%) and in Florida (12.8%).
- Tourism keeps Florida’s taxes low. Visitors save every Florida household $1,511/year in taxes.
- According to the Florida Legislature’s chief economist, tourism accounted for 12.9% or $3 billion of total state sales tax collections.
- Bed taxes in rural counties have grown nearly 50% faster than in urban counties since 2012, according to the Florida Department of Revenue.
FLORIDA VISITORS

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DOMESTIC MARKET
THE GREAT MAJORITY OF FLORIDA’S VISITORS LIVE IN THE U.S.

Where do Florida’s visitors originate? How are they getting here? What are their favorite Florida activities and destinations? Combine this attention to data with valuable input from tourism industry leadership and the result is a record 124.7 million visitors in 2018 — with 110.3 million, or 89%, of those visitors from the United States.

Florida attracts vacationers from all 50 states, but more than two-thirds (70%) of those visitors come from 15 states, all but two of them east of the Mississippi River. In 2017, Florida experienced the largest increases in share from Missouri, Maryland, Tennessee, and Virginia. Visitors west of the Mississippi also have played a significant role in Florida’s record run. From 2013 to 2017, their share of domestic visitor volume has increased from 20.3% to 22.5%.

Examining mode of travel, the data shows more non-air travelers coming to Florida (an increase of 4.7 million from 2017 to 2018) and a willingness to cover greater distances to get here. The average round-trip distance is nearly 2,000 miles. There were 15 million more air visitors from 2017 to 2018, as demand rose to the supply. Available flights from the United States into Florida have increased by 16% since 2013.

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Among metropolitan areas, New York City, Atlanta, Philadelphia, Chicago, Washington, D.C., and Boston are the greatest contributors to Florida’s visitor numbers. These Super Six DMAs (Designated Market Areas) account for nearly one-third of Florida’s domestic volume. Nine secondary markets, including four metros west of the Mississippi River, contribute 16% of Florida’s visitors. A year-over-year increase of nearly 2 points in share among these secondary markets meant an additional 1.9 million visitors.

FLORIDA’S SUPER SIX MARKETS

FLORIDA’s Visitors from Top 15 States

FLORIDA’s Visitors from Top 15 States

FLORIDA’s Visitors from Top 15 States
SUPER SIX MARKET SNAPSHOT

New York City
- New York City remained Florida’s top DMA in 2017 despite a 4.8% decrease in volume and a share decrease of 0.6 points to 10.5%.
- New York City ranks as the No. 1 DMA for VISIT FLORIDA’s Family, Experience, Adventure, Winter, and Impulse Getaway audience segments.
- Nearly one in three of Florida’s leisure visitors from New York City come in the spring and their top activity is visiting friends and relatives.
- The New York metropolitan area has the largest population in the U.S. at 20.3 million.

Atlanta
- Atlanta, Florida’s number two origin DMA, is the top drive market.
- Visitors from Atlanta have the shortest average length of stay compared to the other Super Six DMAs.
- More than 20% of all leisure travel parties from Atlanta are traveling with children.

Philadelphia
- Philadelphia is Florida’s number three origin market for domestic visitors.
- Almost half of the visitors from Philadelphia are Baby Boomers – the largest share of that generation among the Super Six DMAs.
- The top activities for visitors from Philadelphia are going to the beach, visiting friends and relatives, and culinary or dining experiences.

Chicago
- Chicago is Florida’s number four origin market, accounting for nearly 4% of Florida’s domestic visitors.
- Chicago is the second-most popular air market, representing 6% of Florida’s domestic air visitors.
- The majority of Florida’s visitors from Chicago come in spring and summer.
- More than one in three of Florida’s leisure visitors from Chicago are GenXers – the highest share among the Super Six. Nearly a fourth of Florida’s visitors from Chicago are Affluent Families.

Washington, D.C.
- Leisure visitors from this DMA have the highest average household income ($142,700) among the Super Six.
- Nearly one in four of Florida’s leisure visitors from Washington, D.C. is a Millennial – the greatest share compared to the other top six markets.
- The majority of visitors from Washington, D.C. are traveling alone.

Boston
- Boston is Florida’s number six origin market for domestic visitors.
- Nearly one-third of Florida’s leisure visitors from Boston come in the spring.
- 55% of Boston’s visitors fly to Florida and Boston is the fourth-largest origin market for domestic air visitors.
- Among the top six markets, Boston leisure visitors have the longest average length of stay at 5.2 nights – up from 4.9 nights the previous year.

Florida’s Secondary Markets
- Nashville, Houston, Detroit, Indianapolis, Dallas, Raleigh, Baltimore, St. Louis, and Los Angeles account for 16% of Florida’s domestic visitation – an increase of nearly 2 percentage points from the previous year.
- Nashville, Tenn., for a second consecutive year had the largest share increase, with the Nashville market increasing from 1.6% of Florida’s domestic visitation in 2016 to 2.4% in 2017.
- St. Louis, Mo., became one of Florida’s top 15 origin markets for the first time in 2017.
- Among Florida’s Super Six and secondary markets, Dallas-Fort Worth has the highest percentage of leisure travelers visiting Florida in the summer. The majority of Florida’s visitors from this origin market are young families.

DEMographics

LIFESTAGE SEGMENTS

Florida’s domestic visitors represent a diverse portfolio of generational cohorts, income levels, family composition, and ethnicities. Florida tracks visitor volume, spending, and other patterns by lifestyle segmentation. Lifestyle categories combine three variables (age, household income, and the presence of children in the household) to create seven segments that are most likely to differentiate visitors.

The most recent data around lifestyle segments shows highlights and challenges. The Sunshine State attracts a greater share of the mature audience (55-and-older) than all other U.S. destinations combined. Families remain an important segment to Florida and their overall visitor volume grew from 2016 to 2017. But Florida lost ground with two segments that have no children. Young and Free (18-34 years old) and Maturing and Free (35-54 years old) account for nearly one-third of all U.S. travelers.

COMPARISON OF U.S. AND FLORIDA TRAVELERS

This chart shows the share of U.S. travelers by lifestage compared to the share of Florida’s visitors by lifestage.

LIFESTAGE SEGMENT COMPOSITION

This chart shows the share of domestic visitors to Florida by lifestage.

Lifestyle Definitions

Young & Free (18-34; any income; no kids)
Young Family (18-34; any income; kids in HH)
Maturing & Free (35-54; any income; no kids)
Maturing Family (35-54; <$75K; kids in HH)
Affluent Family (35-54; $75K+; kids in HH)
Affluent Mature (55 or older; <$100K; no kids)
Affluent Mature (55 or older; $100K+; no kids)

Lifestage Definitions

Affluent Mature (55 or older; $100K+) (no kids)
Affluent Family (35-54; $75K+; kids in HH)
Maturing Family (35-54; <$75K; kids in HH)
Maturing & Free (35-54; any income; no kids)
Young Family (18-34; any income; kids in HH)
Young & Free (18-34; any income; no kids)

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Affluent Mature (55 or older; <$100K; no kids)
Affluent Mature (55 or older; $100K+; no kids)
**Florida is recognized globally as a family vacation destination. One-third of Florida’s domestic visitors have children in the household – a higher share than U.S. travelers as a whole. The U.S. Travel Association’s 2018 Domestic Travel Market Report affirms that family tourism is increasing, so competition for these travelers will remain fierce and marketing campaigns that target them will be critically important.**

2017 was a bounceback year for Florida’s family travelers, with that audience segment adding more than 3 million to its Florida visitor volume. In 2018, 44% of family travelers interested in visiting Florida had children under 18 in their household. In response to that data, VISIT FLORIDA increased its investment in the marketplace in Spring 2018 with new family campaigns and fresh creative approaches. Early indicators suggest that family travel continued to grow in 2018.

**BABY BOOMERS ON THE RISE**

Florida visitors span the generations. Boomers and Generation X together represent nearly 70% of visitors to the state. In 2017, the share of 55-and-older visitors overtook those 35-54 for the first time and now accounts for the largest share of Florida’s domestic audience. Given 2017’s substantial rise in overall visitor volume, Florida gained visitors from each generation except Silent/G.I. But Millennials were the only generation to experience an increase in share - up 2 percentage points – prompting share shifts elsewhere. Looking ahead, as Millennials age and start families, visitor volume is expected to rise as more and more travel parties include children.

**DOMESTIC VISITORS VS. FLORIDA TRAVELERS**

This chart shows the breakout by generation of U.S. travelers compared to Florida travelers.

![Domestic Visitors Volume by Generation](image)

**DOMESTIC VISITORS BY AGE AND FAMILY COMPOSITION**

This chart shows that in 2017, Non-Family Lifestages (those with no children in the household) made up 40% of Florida’s domestic visitors. This chart also shows that in 2017, the Millennials (born 1981 or after) and Baby Boomers (born 1946-1964) made up more than a third of Florida’s domestic visitors.

![Domestic Visitors by Age and Family Composition](image)

**THE IMPACT OF CRISIS ON OCCUPANCY**

Hurricane Michael was the third-strongest storm to ever make landfall in the United States. Its impact in Northwest Florida was devastating but covered significantly less geography than 2017’s Hurricane Irma, which had prompted a surge in hotel occupancy for emergency workers and displaced residents. The occupancy spike that occurred with Michael was much more limited geographically and in duration.

And then there was Red Tide, which peaked in September and besiegued Southwest Florida for months. The primary goal in a crisis response marketing effort is to protect Florida’s brand perception as a top travel destination and to ensure that travelers will continue to visit.

In 2017 and 2018, VISIT FLORIDA developed crisis response campaigns that maintained Florida’s desirability. Without that targeted messaging, perceptions would have been damaged, visitation would have dropped, and Florida’s economy would have sustained an even greater blow. Instead, Florida continued its record run of tourism.

**IMPACT ON FLORIDA VACATION INTEREST**

![Impact on Florida Vacation Interest](image)
International visitors are vital to Florida tourism revenue. They stay longer and spend almost twice as much per person as domestic visitors.

In 2018, 14.3 million international visitors accounted for 11% of Florida’s visitor volume. These visitors contributed $15.2 billion to Florida’s GDP, or 17.7% of tourism’s impact on the state economy.

Since 2013, the strong dollar and volatile politics have depressed international visitation and foreign travel to the United States has grown at a slower rate than to the rest of the world – even declining in some years. In Florida, international visitation is off by 7% from its apex in 2013. But in 2017, three key international markets (Canada, Brazil, and Colombia) rebounded and the recovery appears to be spreading, with both the U.K. and Mexico showing growth in 2018.

Perspective is valuable. During these past eight years of record volume, international and domestic visitors have taken turns leading the way.

German visitor volume in 2018 was off by 9%. Germany tends to be resilient to economic swings and they prioritize vacations, making it a reliable source market. But German travelers also are more sensitive to political factors in their potential vacation destinations. For this reason, travel to the U.S. from Germany is expected to slow in the coming years.

China is the world’s largest outbound travel market and getting larger. Trips are more frequent and long-haul travel is no longer a once-in-a-lifetime occasion. Independent travelers, who plan their own vacations without the help of a tour operator, accounted for almost all of the increases in Chinese travel overseas. That growing segment now represents 40% of China’s outbound market.

China is forecast to be the No. 2 overseas source market for U.S. tourism by the end of 2022. Florida’s opportunity lies with those independent travelers who are seeking new destinations and experiences beyond the traditional U.S. gateways of California and New York.

### INTERNATIONAL MARKET SNAPSHOT

**Canada**
- • The average trip value of a Canadian travel party visiting Florida is $1,948 while the average trip value among Canadian families is $2,579 and Matures $2,621.
- • Canadian visitors stay an average of 21.2 nights.

**United Kingdom**
- • The average trip value for a UK travel party is $2,581.
- • Florida’s British visitors stay an average of 11.9 nights.

**Brazil**
- • Brazilian travel parties, on average, have a trip value of $3,766.
- • Brazilian visitors stay an average of 10.7 nights.

**Germany**
- • The average trip value for a German travel party is $2,625.
- • German travelers stay an average of 12.7 nights and travel widely throughout the state.

**Secondary Latin America**
- • The average trip value of an Argentine travel party is $3,160; Colombian, $1,887; and Mexican air visitors, $1,621.
- • The average length of stay in Florida among Argentinians and Colombians is 11.3 nights; and Mexican air visitors, 7.4 nights.

**China**
- • The average trip value for a Chinese travel party is $3,465.
- • While visiting the U.S., Chinese travelers stay in Florida an average of 14.2 nights.

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**INTERNATIONAL MARKET**

**VISITORS WHO STAY LONGER AND SPEND MORE**

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**HERE IS THE CURRENT OUTLOOK FOR SEVERAL KEY INTERNATIONAL MARKETS:**

**Canada** remains Florida’s No. 1 international market, but competition from other vacation destinations has increased. While the exchange rate has stabilized, the lower value of the Canadian dollar will continue to affect auto trips. Marketing efforts must continue to address the currency exchange reality and counter the possibility of Florida fatigue.

**United Kingdom** outbound travel is sensitive to economic and political circumstances at home. British visitation weakened after Brexit passed and the subsequent decline in value of the pound compared to the U.S. dollar. Though signs of recovery appeared in 2018, the higher cost of visiting Florida, such as rising hotel and attractions rates, will be a challenge. Competitors are also spending more in the U.K. travel market to build awareness for their destinations. If Florida is to maintain its market share, in-country efforts must combat the rising cost of travel here and maintain Britons’ longterm relationship with the Florida travel product.

Florida’s top South American markets have great potential as long as they remain politically stable and economic growth continues as predicted. At their peak, Brazil’s outbound trips represented less than 5% of its population. For comparison, consider the United Kingdom, where the number of trips and the population were virtually equal. As the conditions in Brazil, Colombia and Argentina improve, the travel potential of these markets is ripe for nurturing.

Closer to Florida, **Mexico** is another Latin American market that shows potential. Growth in outbound Mexican air travel contributed to Florida’s annual visitation growth for eight of the past nine years, including 2018. The U.S. has welcomed more than 2 million Mexican air visitors annually since 2014, and Florida’s share of those visitors has ranged between 17% and 20%.

**Argentina** and **Colombia** have a trip value of $3,766 and $3,160, respectively, and represent two countries that may be affected by the political and economic conditions discussed above. These markets have a trip value of $3,766 and $3,160, respectively, and represent two countries that may be affected by the political and economic conditions discussed above.

**Secondary Latin America** is a segment that is showing potential.**Argentina in particular** is a country that is showing potential. Argentina in particular is a country that is showing potential.

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**INTERNATIONAL MARKET SNAPSHOT**

**INTERNATIONAL VOLUME**

The chart shows the five-year trend of international visitation.

<table>
<thead>
<tr>
<th>Year</th>
<th>Visitors (in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>14.0M</td>
</tr>
<tr>
<td>2015</td>
<td>14.5M</td>
</tr>
<tr>
<td>2016</td>
<td>14.4M</td>
</tr>
<tr>
<td>2017</td>
<td>14.3M</td>
</tr>
<tr>
<td>2018</td>
<td>14.5M</td>
</tr>
</tbody>
</table>

*Estimate is preliminary and subject to change.
**International Markets to Watch**

While the majority of international visitors came from six key markets, Florida has seen potential for growth across the globe especially as airports expand and new flights open up.

**Outbound Travel to the U.S.**

- **France**
  - Growth in outbound travel to the U.S. is forecast to hover slightly above 3% over the next five years.
  - Florida's market share of U.S. visits rose from 11.0% in 2014 to 11.9% in 2016, before dropping to 11.3% in 2017.
  - The forecast for French travel to the U.S. is for annual growth at an annual rate of 3% during the next five years.
  - The average trip value for a French travel party visiting Florida is $2,850.
  - Florida's Australian visitors stay an average of 10.2 nights and make their travel decision an average of 7 months out.
  - A travel agency (33%) is the information source most used by Florida's Australian visitors for trip planning, followed by OTAs (44%) and airlines (43%).

- **Australia**
  - Outbound travel to the U.S. is forecast to continue growing through 2023.
  - Florida’s market share of Spaniards visiting the U.S. rose from 12.7% in 2012 to a high of 27.5% in 2016, before dropping to 20.1% in 2017.
  - Spaniards stay in Florida an average of 10.1 nights.

- **Spain**
  - Outbound travel to the U.S. is forecast to continue growing through 2023.
  - Florida’s market share of Spaniards visiting the U.S. rose from 12.7% in 2012 to a high of 27.5% in 2016, before dropping to 20.1% in 2017.
  - Spaniards stay in Florida an average of 10.1 nights.

- **India**
  - The forecast for Indian travel to the U.S. is good: 5% growth over the next five years.
  - Indian travelers often travel to multiple Florida destinations during their trip.
  - Visiting friends or relatives (VFR) and traveling for business are a rich opportunity for marketing efforts and destination exploration.
  - The average trip value for an Indian travel party to Florida is $963 - a smaller number by comparison because 71% of Indians travel alone and often stay with friends or relatives.
  - Indian travelers stay in Florida an average of 11.6 nights.
  - 36% of Florida’s Indian visitors are traveling for business and 22% visit friends and/or relatives.

- **Italy**
  - U.S. visits have hovered around 1 million during the past few years and are forecast to surpass 1.5 million in 2019.
  - Direct flights and capacity to Florida are scheduled to increase by more than 10%.
  - Florida’s market share of U.S. visitors hit a high of 23.7% in 2017. With annual growth in U.S. visits expected to average 3% over the next five years, Florida will benefit if it maintains its market share.
  - The average trip value of an Italian travel party visiting Florida is $1,406.
  - Italian travelers stay in Florida an average of 9 nights.

- **Chile**
  - Chile is considered South America’s most stable and prosperous nation. In 2019, Chile’s GDP is forecast to increase 3.4% and disposable income is expected to rise 1.5%
  - Outbound travel to the U.S. has grown 6% or more annually during 11 of the past 13 years and growth is expected to continue. Thanks to visa waivers, Chilean travelers can easily enter the U.S. and access Florida via a direct flight.
  - The average trip value for a Chilean travel party visiting Florida is $2,734.
  - Chilean travelers stay in Florida an average of 10.1 nights and 56% rent an automobile.

- **Gulf Cooperation Council (GCC)**
  - The GCC is comprised of six countries: Saudi Arabia, Kuwait, Bahrain, Qatar, Oman, and the United Arab Emirates.
  - Outbound travel from the GCC is on a steady growth path and estimated outbound travel spend is forecast to reach $140 billion by 2025.
  - GCC leisure travelers take long vacations, on average lasting 21-42 days and expansions by Middle Eastern airlines over the past few years have made it easier to reach new destinations.

- **Israel**
  - Outbound travel to the U.S. is forecast to grow over the next few years. According to data on overseas visitors to Florida obtained from the National Travel and Tourism Office, Florida’s market share is 17.3%. Florida could capture more Israeli travelers, especially with the growth potential of a new direct flight from Tel Aviv to Orlando and increasing demand for the existing Tel Aviv-Miami flight.
WHAT LIES AHEAD

Florida is one of the world’s leading destinations, riding the crest of eight consecutive record years of tourism. But will eight become nine? The reality is that external factors plus VISIT FLORIDA’s new budget limitations will pose challenges to sustainability. Here are six narratives that will likely impact VISIT FLORIDA’s ability to drive visitation.

RESURGENCE OF U.S. TRAVEL AGENTS

Travel agents are back in fashion. There was a time recently when they were considered dinosaurs, when the majority view was that the abundance of digital, consumer-facing booking options would push travel agencies into extinction. But Phocuswright reports that personal networks and relationships, destination knowledge, and planning expertise matter.

Hail the travel advisor (as they now prefer to be called). “Leisure agents are specialists,” Phocuswright says. “They are communicating constantly with their customer network via mobile devices, social media, whatever works. Personal relationships are playing into agents’ hands, since this shows they’re truly the keepers of the keys to lucrative leisure travelers.”

Millennials know this, according to Forbes. They appreciate “the expertise of a travel advisor, seeing them as they might see a personal trainer for fitness expertise or a nutritionist.” According to Vox, Millennials tend to be short on time but not money, so they reach out for help. Also, because of the contradictory nature of online reviews, Millennials trust the advice they are getting from travel pros.

Phocuswright research data confirms the renaissance. At 30%, travel agencies are the single largest sales channel in the travel industry, followed by supplier-direct website bookings (28%) and OTAs (18%). By 2021, website bookings are expected to rank first, but travel agency bookings are predicted to continue growing 2-3% annually.

For Florida tourism, travel advisors remain vital word-of-mouth storytellers on our behalf, and a strong opportunity for growth. They remind potential visitors that in addition to the Florida sunshine, beaches and theme parks, there are cultures and cuisines and lesser-known experiences waiting to be discovered.

LAST-MINUTE TRAVELERS: CATCH THEM WHEN WE CAN

Think of our Impulse Getaway segment, but even younger. These are the DIY travelers. 40% are under age 35 and they are tech-first operators. They book everything – transportation, lodging, event tickets – and they execute their plans two weeks and often less before their trip.

These last-minute travelers, or LMTs, have a preference for nature and the outdoors. Roughly a third of this segment make national/state parks and beaches their primary destinations. That’s two boxes checked for Florida.

But LMTs come and go in a blink; their trips are 1-3 days in length. And nearly half stay with friends. Also:

• They prefer booking through OTAs, particularly Expedia.
• They are careful spenders, but more than half can be swayed through travel deals and bundles.

Given the nature of how they plan and decide in the moment, this audience can be a lever that helps tourism businesses quickly respond to unexpected recent performance. An emotional connection with this audience might be an always-on strategy that emphasizes everyone’s need for an occasional break, and Florida is that source of wellness.

Once in location, LMTs are most likely to rely on word-of-mouth recommendations. We can make it easier for them with targeted advertising and personalization. The in-person experience needs to feel customized to fulfill Florida’s hospitality promise and improve the odds of a return visit.
The Lure of International Travel

More and more, U.S. travelers are looking across borders and overseas. The dollar is strong. Airfares are down. Available flights have increased.

Since 2014, U.S. outbound travel is averaging 9% annual growth. In 2018, 93 million Americans traveled internationally, with the leading preferences being Europe, Mexico and Canada.

Further, 52% of Millennials intend to take one or more international trips during the next 12 months. Remember that Millennials represent the largest portion of the U.S. traveling population and Florida has struggled at times to get their attention.

Why Marketing Matters

Travel and Tourism is a key sector for economic development and job creation throughout the world. In 2018, tourism made up more than 10% of the global economy. And in the coming years, the tourism economy is expected to continue to grow at a faster rate than the global economy as a whole.

In 2017-18, the 50 state DMOs spent $959 million promoting their destinations – a 45% increase since 2009-10. Rival destinations have studied Florida’s promoting their destinations – to better serve the interests of communities instead of solely promoting rampant visitation growth. The economic prosperity delivered by the Florida tourism industry should not come at the expense of local residents’ quality of life.

VISIT FLORIDA, local destination marketing organizations, and businesses within the state tourism industry must understand residents’ concerns at ground level in order to better plan infrastructure and destination experiences according to the limits of change. Annual tourism performance goals should focus on the right kind of visitors, not just more visitors. It is time to double down on promoting unexplored Florida – lesser-known destinations that can handle an influx of tourists.

Focusing on sustainable tourism will put Florida in position for continued and purposeful growth in the long run, but the Florida tourism industry needs help. Protecting one of the state’s top economic drivers will require buy-in from public, private, and governmental stakeholders across the state.

Redefining Family Travel

What has been a growth trend for several years now appears to be a fact of life. The makeup of American families has shifted:

- The number of solo-parent households has increased by just over 30%, according to the United States Census Bureau.
- 20% of Americans live in multigenerational households. Most of these families are non-white, reflecting the growing diversity of the U.S. population.
- Millennials are the driving force behind these data points.

Catering to these niche markets is a rich opportunity for Florida tourism. As a destination known for its appeal to families, Florida is in a better position and can serve the diverse needs of this audience segment. Campaign messaging and imagery should reflect what families look like in America and more should be done to ensure that these “non-traditional” families are encouraged to travel here by creating products and experiences that fit their needs. For example, businesses could provide unique pricing programs for lone-parent families and skip-gen family travelers that don’t penalize them for being different. Specialized services could address the unique needs of the caregivers - like a hotel nanny program that is a standard amenity similar to a gym or spa service; or dining packages that work for all kinds of tastes and diet restrictions.

Families are a lucrative travel segment and a bedrock audience for Florida tourism. They come here for the beaches and attractions, of course; they keep coming back because effective tourism marketing reminds them how Florida destinations are paying attention to who they are and what they need.

Responding to Overtourism

Overtourism is plaguing some of the world’s greatest destinations. Residents of Venice, Amsterdam, Barcelona, and Santorini are protesting the growing number of visitors while those same visitors leave dissatisfied with their overcrowded experience. Europe has been hit hardest by the stress of increased travel and tourism, and Florida must pay attention.

As one of the top destinations in the world with continued record visitor growth, over tourism is a legitimate concern as crowds and traffic stress the state’s most popular destinations and threaten to sour vacation experiences. But what can be done to head off this problem?

Florida can protect its lead by improving collaboration among key stakeholders - locals and governmental entities - to better serve the interests of communities instead of solely promoting rampant visitation growth. The economic prosperity delivered by the Florida tourism industry should be achieved in a way that protects the Florida experience and the environment.

The history of Florida tourism, especially in this decade, shows the wisdom and effectiveness of an industry and the state working together for a common goal.

2017-2018 Top Ten State Marketing Budgets

Half of the combined DMO spend comes from these top 10 states.

<table>
<thead>
<tr>
<th>State</th>
<th>Total Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>California</td>
<td>$20M</td>
</tr>
<tr>
<td>Hawaii</td>
<td>$13M</td>
</tr>
<tr>
<td>Florida</td>
<td>$76M</td>
</tr>
<tr>
<td>New York</td>
<td>$70M</td>
</tr>
<tr>
<td>Illinois</td>
<td>$37M</td>
</tr>
<tr>
<td>Michigan</td>
<td>$35M</td>
</tr>
<tr>
<td>Oregon</td>
<td>$33M</td>
</tr>
<tr>
<td>Utah</td>
<td>$22M</td>
</tr>
<tr>
<td>Colorado</td>
<td>$22M</td>
</tr>
<tr>
<td>Arizona</td>
<td>$22M</td>
</tr>
</tbody>
</table>

Source: U.S. Travel Association
As a mature destination hosting 124.7 million non-resident visitors a year, Florida attracts travelers from a wide variety of consumer segments and geographic origins. Understanding and effectively communicating with these consumers, based on their individual preferences, is critical to Florida’s success as a tourism destination.

A budget cut by 34% will necessitate changes in priorities and asset allocation, but the goal remains the same: Maintain the record results of the past eight years. Some origin markets, demographics, and psychographics will become more important and some will be paused. Our go-to-market strategies will shift. VISIT FLORIDA will constantly monitor and evaluate resources, programs, and performance to optimize against the organization’s goals. The opportunities are great and our success is made more likely by aligning the goals and efforts of Florida’s tourism industry. The power of a united travel industry is undeniable and more important than ever.

In fiscal year 2019-20, VISIT FLORIDA will harness our collaborative efforts around four key strategies:

<table>
<thead>
<tr>
<th>MARKETING STRATEGIES</th>
<th>01 DRIVE DEMAND</th>
<th>02 INCREASE YIELD</th>
<th>03 BRAND ENGAGEMENT</th>
<th>04 INDUSTRY ALIGNMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Keep Florida top of mind among target audiences</td>
<td>Stimulate balanced incremental growth that delivers the greatest economic impact to Florida through programs that focus on:</td>
<td>Identify and engage advocates in promoting the Florida brand</td>
<td>Promote industry alignment and collective impact through Partner investment and thought leadership</td>
</tr>
</tbody>
</table>
For planning purposes, below is a high-level overview of VISIT FLORIDA’s FY 19-20 market approach. This plan and the tactics that follow are subject to change based on VISIT FLORIDA’s FY 19-20 level of funding and strategic initiatives.

### WINTER TRAVELERS
- **January**: 44%
- **February**: 47%
- **March**: 47%
- **April**: 50%
- **May**: 50%
- **June**: 54%

### TRAVEL TRADE & MEETINGS
- **2013**: 4.7 nights
- **2014**: 4.6 nights
- **2015**: 4.9 nights
- **2016**: 4.9 nights

### LENGTH OF STAY
- **Spring**: 24%
- **Summer**: 44%
- **Fall**: 15%
- **Winter**: 18%

### FAMILY PROFILE
- **AGE OF TRAVELER**
  - 18-34: 34%
  - 35-54: 26%
  - 55-64: 24%
  - 65+: 17%

- **AGE OF PARENT**
  - 18-34 years Old: 29%
  - 35-49 years Old: 47%
  - 50-64 years Old: 16%
  - 65+ years Old: 9%

### TRANSPORTATION MODE
- **Airplane**: 67%
- **Non-Air**: 33%

### SEASONALITY
- **Fall**: 26%
- **Winter**: 26%
- **Spring**: 24%
- **Summer**: 22%

### PRIMARY/SECONDARY TRIP MOTIVATIONS
- **Visiting friends/relatives**: 44%
- **Beach**: 34%
- **Shopping**: 24%
- **Theme/Amusement/Water park**: 22%

### EXPERIENCE TRAVELERS
- **1-2 months**: 33%
- **3-6 months**: 33%
- **6 months or more**: 34%

### TRIP PLANNING TIME FRAME
- **6 weeks or less**: 12%
- **1 month**: 12%
- **2-3 months**: 24%
- **4-6 months**: 14%
- **6+ months**: 19%
- **More than 6 months**: 19%

### TRAVEL TIERS
- **Less than 2 years**: 36%
- **2-5 years**: 32%
- **6-12 years**: 43%
- **13-17 years**: 36%

### EXPERIENCE SEEKERS’ TOP FLORIDA ACTIVITIES
- **Beach**: 50%
- **Shopping**: 47%
- **Theme/Amusement/Water park**: 23%
- **Museums**: 16%

### ADVENTURE SEEKERS’ TOP FLORIDA ACTIVITIES
- **Fishing**: 39%
- **Zoos/Aquariums/Aviaries**: 20%
- **Historic sites/churches**: 14%

### ADVENTURE SEEKERS’ TOP FLORIDA ACTIVITIES
- **Historic sites/churches**: 14%
- **Nightlife/dancing**: 20%
- **Musical performance/show**: 13%
- **Urban sightseeing**: 12%

### IMPULSE GETAWAY PROFILE
- **Florida**: 33%
- **All U.S.**: 26%

### FOLLOWING AGE RANGES
- **Less than 2 years**: 36%
- **2-5 years**: 32%
- **6-12 years**: 43%
- **13-17 years**: 36%

### GENERATION
- **Silent/G.I.**: 10%
- **Baby Boomer**: 41%
- **GenX**: 27%
- **Millenial**: 22%

### LODGING TYPE
- **Paid Accommodation**: 62%
- **Hotel**: 37%
- **Non-Hotel**: 25%
- **Non-Paid Accommodation**: 38%

### SEASONALITY TRIP PLANNING TIME FRAME
- **Less than 1 month**: 33%
- **1-2 months**: 33%
- **3-6 months**: 33%
- **6 months or more**: 34%

### PRIMARY/SECONDARY TRIP MOTIVATIONS
- **Visiting friends/relatives**: 44%
- **Beach**: 34%
- **Shopping**: 24%
- **Theme/Amusement/Water park**: 22%

### AGE OF TRAVELER
- **18-24 years Old**: 29%
- **25-49 years Old**: 47%
- **50-64 years Old**: 16%
- **65+ years Old**: 9%

### SEASONALITY
- **Spring**: 26%
- **Summer**: 26%
- **Fall**: 24%
- **Winter**: 22%

### EXPERIENCE SEEKERS’ TOP FLORIDA ACTIVITIES
- **Beach**: 50%
- **Shopping**: 47%
- **Theme/Amusement/Water park**: 23%
- **Museums**: 16%

### TRIP PLANNING TIME FRAME
- **6 weeks or less**: 12%
- **1 month**: 12%
- **2-3 months**: 24%
- **4-6 months**: 14%
- **6+ months**: 19%
- **More than 6 months**: 19%

### EXPERIENCE SEEKERS’ TOP FLORIDA ACTIVITIES
- **Beach**: 50%
- **Shopping**: 47%
- **Theme/Amusement/Water park**: 23%
- **Museums**: 16%
**MARKETING TACTICS**

**STRATEGY 1: DRIVE DEMAND**
- Create integrated audience campaigns in top domestic markets
- Create co-op programs aligned with VISIT FLORIDA’s overarching marketing objectives
- Develop and sustain marketing partnerships that increase reach and relevance
- Maintain ongoing search presence (SEO/SEM)
- Leverage VISIT FLORIDA content for domestic marketing campaigns
- Align collaborative pitching with press visits and media relations
- Build and sustain relations with global media and social influencers
- Collaborate with DMO partners to pitch stories and host media visits that yield a larger awareness footprint to the state
- Create influencer campaigns to reach social communities in order to promote awareness, engagement and advocacy
- Leverage best-in-class partnerships to extend the Florida Meetings message through larger channels
- Coordinate promotions in key global markets to maintain high-level Florida brand awareness

**STRATEGY 2: INCREASE YIELD**
- Create integrated campaigns in top international markets
- Execute trade media and consumer media relations at international events
- Develop and maintain relationships with tour operators and travel agents in key international markets
- Coordinate international trade FAMs throughout the year for key markets
- Promote educational programming for travel trade
- Build relationships with influential global product managers
- Increase relevance of VISIT FLORIDA-owned and -operated events such as Florida Huddle and Florida Encounter
- Develop and maintain relationships with airlines and airports to support route development
- Coordinate promotions featuring unique experiences, less traveled destinations and multi-destination prize packages
- Develop and distribute content promoting lesser known destinations and experiences
- Leverage expertise of Welcome Center staff to educate and serve Florida visitors

**STRATEGY 3: BRAND ENGAGEMENT**
- Promote engagement with #LoveFL across different audiences and passions
- Leverage social conversations to build brand engagement and advocacy
- Develop opportunities to connect with Florida visitors while they are traveling
- Foster social conversations related to Florida travel experiences

**STRATEGY 4: INDUSTRY ALIGNMENT**
- Engage with and educate Partners through marketing consultations and sales calls
- Continuously promote VISIT FLORIDA programs and partnership opportunities through social channels, direct mail campaigns and in-person events
- Enhance Partner benefits platform to provide more exclusive opportunities for VISIT FLORIDA Marketing Partners
- Develop programs and webinars that deliver education/thought leadership to the industry
- Invest in developing tools and resources that drive Partner retention and demonstrate value of participation
- Increase the value of co-op to Partners by developing year-round, non-traditional and bundled packages
- Create, manage and distribute corporate messaging to improve alignment with the Florida Tourism Industry
- Manage all crisis communication efforts and provide industry direction and support as needed
- Facilitate international co-op opportunities for Partners, leveraging the Florida Brand
- Create unique Partner opportunities at trade shows and signature events
- Promote a statewide customer service training and certification program for Welcome Center partners
DEPARTMENT PROJECT PLANS

BRAND

• Lead the planning, development and execution of five different integrated consumer audience campaigns
• Build upon an integrated campaign strategy to further strengthen Florida’s market share in international markets
• Ongoing focus and growth of Share a Little Sunshine, Florida’s advocate community
• Continue to optimize the refreshed Florida tourism brand
• Evolve VISIT FLORIDA’s corporate brand

CONTENT

• Regularly create and publish new videos and articles based on desires of potential travelers
• Optimize and expand search performance for Florida content
• Develop content to enrich VISIT FLORIDA’s integrated audience campaigns
• Enhance user experience with VISIT FLORIDA owned content to better serve potential visitors and Partners
• Develop and distribute content for niche and underserved travel audiences

INTERNATIONAL MARKETING

• Further develop the cooperative marketing model and program
• Focus on more customized industry communication and consultation to deepen alignment and value for Partners
• Enhance industry education and engagement opportunities through new technology
• Improve Partner engagement reporting
• Execute Targeted Marketing Assistance Program and industry grant offerings
• Improve experience and value for VISIT FLORIDA signature event sponsors
• Grow partner base and retention rate
• Restructure Strategic Alliance Partnership program

CORPORATE MEETINGS

• Integrate VISIT FLORIDA signature events with industry Meetings & Conventions
• Develop and improve relationships with Partners, including creating more opportunities to attend industry Meetings & Conventions
• Develop a marketing campaign to promote meetings in Florida and Florida Encounter
• Identify opportunities to provide the best attendee experience for all VISIT FLORIDA signature events
• Improve data collection process and ROI assessment

PAID MEDIA

• Plan and purchase media for integrated North American marketing campaigns and international marketing campaigns
• Develop ongoing co-op opportunities for Partners aligned with key audiences
• Improve media performance tracking to enhance future media mix design
• Explore new and innovative media opportunities to keep VISIT FLORIDA at the forefront of destination marketing

INDUSTRY RELATIONS, CO-OP & SALES

• UK Integrated Marketing Campaign
• Brazil Integrated Marketing Campaign
• Germany Integrated Marketing Campaign
• Expand digital presence in China
• Promote and expand Florida Travel Pro e-Learning platform

PROJECT APPROACH

UK Integrated Marketing Campaign
• Brazil Integrated Marketing Campaign
• Germany Integrated Marketing Campaign
• Expand digital presence in China
• Promote and expand Florida Travel Pro e-Learning platform
## DEPARTMENT PROJECT PLANS

### PROMOTIONS
- Coordinate promotions in key global markets
- Conduct relationship-building efforts in key global markets
- Execute promotions at a one-to-one match in media value

### SOCIAL MEDIA
- Increase engagement with potential visitors across the globe
- Improved integration of social listening data to influence day-to-day social engagement and long-term audience planning
- Develop an industry-wide editorial calendar to better align Florida’s social conversations
- Execute social media influencer campaigns across the calendar year
- Launch and maintain a social media presence across key channels in China

### PUBLIC RELATIONS
- Conduct regionally-focused group familiarization tours and individual media and influencer familiarization tours
- Develop public relations initiatives to enhance North American integrated consumer audience campaigns
- Develop public relations initiatives to enhance international integrated marketing campaigns
- Improve VISIT FLORIDA’s media and influencer relationship development process to deepen connections with trade and consumer journalists and influencers

### TRAVEL TRADE
- Build relationships with North America travel agents in key markets to expand knowledge of undiscovered Florida experiences
- Promote and expand Florida Travel Pro e-Learning platform

### RESEARCH
- Launch qualitative and behavioral consumer research studies
- Execute in-depth Florida research study for international markets
- Continue to test and optimize Florida’s refreshed brand creative
- Develop interactive dashboards to monitor economic and travel trends
- Deepen VISIT FLORIDA’s ability to track ROI across integrated marketing efforts
<table>
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<tr>
<th>Assets</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>$24,159,097</td>
<td>$30,920,669</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>18,113,675</td>
<td>18,277,554</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td>903,855</td>
<td>750,417</td>
</tr>
<tr>
<td>Total current assets</td>
<td>43,176,627</td>
<td>49,948,640</td>
</tr>
<tr>
<td>Non-current assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted cash</td>
<td>2,164,855</td>
<td>2,164,855</td>
</tr>
<tr>
<td>Capital assets, net</td>
<td>2,649,822</td>
<td>3,712,885</td>
</tr>
<tr>
<td>Total non-current assets</td>
<td>4,814,677</td>
<td>5,877,740</td>
</tr>
<tr>
<td>Total assets</td>
<td>$47,991,304</td>
<td>$55,826,380</td>
</tr>
</tbody>
</table>

| Liabilities                                 |            |            |
| Current liabilities                         |            |            |
| Accounts payable                           | $2,880,660 | $3,073,703 |
| Accrued expenses                           | 23,708,311 | 27,388,805 |
| Unearned restricted revenue                 | 737,503    | 999,542    |
| Total current liabilities                   | 27,326,474 | 31,462,050 |

| Fund net position                           |            |            |
| Net investment in capital assets            | 2,649,822  | 3,712,885  |
| Restricted for economic risk                | 2,164,855  | 2,164,855  |
| Unrestricted                               | 15,850,153 | 18,486,590 |
| Fund net position                           | 20,664,830 | 24,364,330 |
| Total liabilities and fund net position     | $47,991,304| $55,826,380|

*The accompanying notes are an integral part of these financial statements.*

-10-
Grant Programs

$2,232,114.30: Amount awarded to 134 grant recipients through the Tourism Recovery Grant Program for Red Tide, Tourism Recovery Grant Program for Hurricane Michael, Advertising Matching Grant, Minority Convention Grant and Targeted Marketing Assistance Program (TMAP) Grant programs.

Partner Involvement

- Total # of Florida Tourism industry business involved with VISIT FLORIDA (partner number): 13,409
- Total # of new investing Partners enrolled with VISIT FLORIDA: 162

Economic Benefit Data

- 130.2 million* out-of-state and international visitors to Florida
- 1.5 million Floridians employed due to tourism
- 81 Florida visitors it takes to support each tourism job
- $85.9 billion added to Florida's economy by visitors
- $11.4 billion state and local tax revenue generated due to tourism
- 2.1 million visitors in the state on an average day
- $235 million added to Florida's economy by visitors every day
- $2.15 Tax revenue returned to the state for every $1 invested in VISIT FLORIDA
- 55.4 Percent of visitors who were significantly influenced by VISIT FLORIDA marketing efforts (up 18.5 pp since 2010)
- 2.7 million Travelers who visited VISIT FLORIDA's five Official Florida Welcome Centers

*preliminary; subject to revision

Media Impressions and Media Value

- Total earned media impressions: 2,312,773,355
- Total earned media value: $46,127,570
- Total number of media missions and receptions conducted: 10 owned by VF - we also attended media marketplaces and other media networking events that we did not host.
• Total number of influencers hosted: 46
• Total number of traditional consumer and trade media hosted: 149

**Promotions**

• Total number of promotions: 214
• Total media value of promotions: $90,095,591.17
• Consumer impressions generated from promotional programs: 781,082,920

**Travel Trade and Sales**

• Sales calls – 78 in 9 countries
• Tradeshows - 21
• Missions/Roadshows - 14
• FAMs - 8
• Special/Signature Events - 5
• Trainings/Sales calls – 30
• Trade Journalists Hosted – 12

**Total Industry Investment in VISIT FLORIDA Co-Op Programs Last Fiscal Year**

• Hard dollars: $1,723,414.00
• Soft dollars: $5,467,265.00

**Web, Social Media, and Content**

• Total visits to VISITFLORIDA.com: 11,934,411 visitors
• Total views of articles and videos on VISITFLORIDA.com: 29,125,804 page views
• Total number of articles, videos, and photographs produced:
  o 145 articles
  o 106 videos
  o 762 photographs
• YouTube views in 2019 - 10,516,607
• VISIT FLORIDA total social media followers - 1,527,210
  o Instagram - 349,812
  o Facebook - 931,137
  o Twitter - 184,459
  o YouTube - 43,800
  o Pinterest - 18,002
• Share a Little Sunshine total social media followers - 640,136
  o Instagram - 107,101
  o Facebook - 515,873
  o Twitter - 17,162
- SALS Facebook Group Membership as of 1/6/20 - 2,479
  - Facebook group South Florida - 611
  - Facebook group Central Florida - 538
  - Facebook group North Florida - 1,330
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Business Climate and Economic Development

- DEO Accomplishments
- Opportunities and Recommendations

DEO Partners (reporting on DEO established annual performance standards)

- Enterprise Florida, Inc.
- CareerSource Florida, Inc.

VISIT FLORIDA

(NOTE: no statutory requirement in s. 20.60(10) (2017 or 2018) to include Florida Microfinance Loan Program but s. 288.9936 requires annual report of Microfinance Loan Program be included in the department report by s. 20.60(10) as provided from Enterprise Florida, Inc. per s. 288.9935(8)).
The Florida Tourism Industry Marketing Corporation, VISIT FLORIDA, serves as the state’s official tourism marketing
corporation and the official source for travel planning to visitors across the globe. VISIT FLORIDA is not a government
agency, but a not-for-profit corporation created as a public/private partnership by the Florida Legislature in 1996.

Through this public/private partnership, VISIT FLORIDA serves more than 13,000 tourism industry businesses,
including major strategic alliance partnerships with Busch Gardens Tampa, Disney Destinations, The Hertz Corporation,
Hilton, LEGOLAND Florida Resort, SeaWorld Parks & Resorts Orlando, Simon Shopping Destinations and Universal
Orlando Resort.

VISIT FLORIDA facilitates tourism industry participation in domestic and international travel trade and consumer shows,
as well as media missions to the top global visitor markets. VISIT FLORIDA also works closely with travel agents, tour
operators, meeting and event planners, and is responsible for operating Florida’s four Official Welcome Centers.
According to surveys conducted during FY2018-19, 55.4 percent of visitors were significantly influenced by VISIT
FLORIDA marketing efforts.

Last year, Florida set a record by welcoming 127.0 million visitors. Nearly 112.6 million were out-of-state domestic
travelers and 14.4 million came to the Sunshine State from 194 countries. On any given day, Florida has 2.1 million
visitors, more than the number of people who live in 14 different states and the District of Columbia.

Tourism's contribution to Florida's economy continues to grow as well. In the latest economic impact study conducted on
2017 visitation, visitors added $85.9 billion to Florida’s GDP. Their spending contributed $11.4 billion in state and local
tax revenue and supported nearly 1.5 million Florida jobs. For every $1 the state invests in VISIT FLORIDA, $2.15 in tax
revenue is generated.
## VISIT FLORIDA Performance Measures for State Fiscal Year 2018-2019

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<th>FY17/18 Actuals</th>
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<tr>
<td>Annual percentage of domestic visitors to Florida influenced by VISIT FLORIDA’s primary marketing programs</td>
<td>40%</td>
<td>55.40%</td>
<td>57.80%</td>
</tr>
<tr>
<td>Percentage increase in likelihood of visiting Florida after exposure to VISIT FLORIDA’s digital marketing among domestic audiences</td>
<td>29%</td>
<td>41.00%</td>
<td>N/A</td>
</tr>
<tr>
<td>Percentage of domestic leisure travelers reporting awareness of VISIT FLORIDA’s marketing</td>
<td>45%</td>
<td>49.20%</td>
<td>N/A</td>
</tr>
<tr>
<td>Industry rating of VISIT FLORIDA’s performance in promoting tourism to Florida</td>
<td>8.0/10</td>
<td>8.5/10</td>
<td>N/A</td>
</tr>
<tr>
<td>Annual share of domestic vacation trips</td>
<td>15%</td>
<td>17.78%</td>
<td>16.23%</td>
</tr>
<tr>
<td>Annual share of international visitor spending</td>
<td>20%</td>
<td>19.70%</td>
<td>19.84%</td>
</tr>
<tr>
<td>Maintain annual market share in traditional feeder markets</td>
<td>20%</td>
<td>24.27%</td>
<td>19.71%</td>
</tr>
<tr>
<td>Growth in annual market share in emerging markets</td>
<td>17%</td>
<td>19.08%</td>
<td>17.65%</td>
</tr>
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</table>

### VISIT FLORIDA Marketing Activities:

1. Total number of individual businesses actively participating in VISIT FLORIDA marketing activities: 12,000, 13,408, 12,816
2. Total number of individual businesses, located in RACEC-designated communities, actively participating in VISIT FLORIDA marketing activities and the percentage coverage of the total RACEC-designated communities: 600 / 90%, 714 / 94%, 707 / 94%

Number of strategies in the Florida Strategic Plan for Economic Development being implemented by VISIT FLORIDA: 4, 4, 4

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Footnotes:

*Unless otherwise noted all information provided is the most recent data available for the reporting period.*

More information about VISIT FLORIDA may be found at: [http://www.visitflorida.org/](http://www.visitflorida.org/)

A copy of VISIT FLORIDA’s Annual Report may be found at: [http://www.visitflorida.org/about-us/what-we-do/annual-reports](http://www.visitflorida.org/about-us/what-we-do/annual-reports)
Florida Tourism Industry
Marketing Corporation, Inc.
d/b/a
VISIT FLORIDA

Financial Statements
and Other Financial Information

Years ended June 30, 2019 and 2018
Florida Tourism Industry Marketing Corporation, Inc.  
d/b/a VISIT FLORIDA  
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Years ended June 30, 2019 and 2018

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<td>Schedule of Findings and Questioned Costs - State Financial Assistance</td>
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INDEPENDENT AUDITORS’ REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of Florida Tourism Industry Marketing Corporation, Inc. d/b/a VISIT FLORIDA (the Corporation), which comprise the statements of fund net position as of June 30, 2019 and 2018, and the related statements of revenues, expenses, and changes in fund net position, and cash flows as of and for the years then ended, and the related notes to the financial statements.

Management’s Responsibility for the Financial Statements

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

Auditors’ Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Florida Tourism Industry Marketing Corporation, Inc. d/b/a VISIT FLORIDA, as of June 30, 2019 and 2018, and the changes in its fund net position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management’s Discussion and Analysis on pages 4 through 9, the Schedule of Changes in Total OPEB Liability and Related Ratios on page 23, and the Notes to Schedule of Changes in Total OPEB Liability and Related Ratios on page 24, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Corporation’s basic financial statements. The accompanying Schedule of Expenditures of State Financial Assistance is presented for purposes of additional analysis as required by Chapter 10.650, Rules of the Auditor General, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States.
States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated August 26, 2019 on our consideration of the Corporation’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation’s internal control over financial reporting and compliance.

*Carr, Riggs & Ingram, LLC*

Tallahassee, FL

August 26, 2019
I am proud to present the financial statements of Florida Tourism Industry Marketing Corporation, Inc. d/b/a VISIT FLORIDA for the fiscal years ended June 30, 2019 and June 30, 2018. VISIT FLORIDA is a not-for-profit corporation that promotes and markets travel to and within the state of Florida.

During the 1996 session, the Florida Legislature voted to dismantle the state’s Department of Commerce and turned the responsibility of promoting and marketing Florida tourism over to the Florida Commission on Tourism (the Commission). To fulfill its legislative mandate, the Commission created the Florida Tourism Industry Marketing Corporation, Inc., which today does business under the name VISIT FLORIDA, promoting Florida tourism worldwide. The Commission had a partnership agreement with the Office of Tourism, Trade and Economic Development (OTTED) which outlined the expectations and responsibilities for implementation of programs mandated by the Legislature. The Commission, in accordance with the partnership agreement with OTTED, administered a contractual agreement with VISIT FLORIDA to serve as the Commission’s direct support organization.

During the 2011 Session of the Florida Legislature, a reorganization of public/private partnerships, including VISIT FLORIDA, was initiated by Governor Rick Scott and shaped by the legislative leadership in both the Senate and House. This legislation replaced the OTTED with the Department of Economic Opportunity (DEO) which has a partnership agreement with Enterprise Florida, Inc. to contract with VISIT FLORIDA as a direct support organization for tourism marketing on behalf of the state of Florida.

Based on this relationship, VISIT FLORIDA is considered a component unit of the state of Florida for financial reporting purposes. The Corporation operates in accordance with Section 288.1226 of the Florida Statutes. The main office is located in Tallahassee, Florida.

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

**VISIT FLORIDA Mission**

To strengthen Florida’s share of the global travel market with the goal of maximizing the economic impact of travel and tourism to Florida with the objective of $100 billion in tourism-related spend by 2020.

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\(^1\) Chapter 288.1226 (6) (b) 4., F.S.
VISIT FLORIDA has the following departments within the organization to carry out the company mission.

The Advertising department provides direct mass media marketing to potential travelers and travel trade. A primary component of this advertising is to coordinate cooperative advertising programs with the Florida tourism industry. The advertising programs reach consumers inside the state of Florida and targeted markets in the United States and internationally via broadcast, social, print, out-of-home, and digital media channels.

The Promotions department generates maximum exposure for Florida and its visitor amenities by creating exciting market-specific cooperative promotions involving broadcast, print, digital, retail, and packaged goods outlets.

The Content department creates, publishes, and promotes all Florida content, primarily videos, photography and articles. Content is distributed in many ways including on VISITFLORIDA.com, social media, and paid placements.

The Public Relations department works to deliver positive exposure for Florida’s Tourism Industry through broadcast, print and digital media in key international and domestic markets. They also host media familiarization tours, media missions and receptions. VISIT FLORIDA has public relations representation and/or contractors in the United States, Canada, Latin America, the United Kingdom, Germany, and China.

The Marketing and Events department works closely with key travel agents, tour operators and meeting professionals to keep Florida in the destination forefront. They also organize educational seminars, reservation training, familiarization tours, trade shows and consumer shows and invite the Florida Industry to participate in these events to create a larger Florida presence. The International Marketing and Events department in Tallahassee works closely with our contractors in Canada, Brazil, Mexico, Germany, China, India, and the United Kingdom to promote Florida.

The Visitor Services department operates the welcome centers located at the four major routes entering Florida (I-10, I-75, I-95, and US 231) as well as the Florida Capitol. Visitors receive a warm welcome at the welcome centers from informative staff, as well as a cup of fresh juice and a vast assortment of brochures promoting all that the state of Florida has to offer.

The Industry Relations and Sales department works with the Florida tourism industry to provide added value to the industry by their participation in the Partners program and advertising and marketing programs. VISIT FLORIDA is an industry driven organization and depends on the active involvement of the state’s tourism-related businesses. Through our Partners program, VISIT FLORIDA provides these businesses a vast assortment of marketing opportunities. The revenues generated through Partnership investments help market the entire state as a desirable destination. During the fiscal year 2011, VISIT FLORIDA implemented a “Web Listing Affiliate” platform for those tourism-related businesses solely looking to be listed on VISITFLORIDA.com. As of June 30, 2019, VISIT FLORIDA had 11,596 Web Listing Affiliates and 1,813 fully engaged Partners, for a total of 13,409 tourism businesses being served by VISIT FLORIDA.
The Research department tracks and monitors domestic and international travel trends. It supplies VISIT FLORIDA, its advertising agencies, state officials, Partners, Board members and other members of the tourism industry with vital information needed to support and grow Florida's number one industry.

**Financial reporting for VISIT FLORIDA for the year ended June 30, 2019 compared to June 30, 2018.**

For financial reporting purposes, VISIT FLORIDA follows the financial statement format required for enterprise funds. The basic financial statements required for enterprise funds include the statement of fund net position (balance sheet), the statement of revenues, expenses, and changes in fund net position (income statement), the statement of cash flows, and the notes to the financial statements. Because the operating activity of the Corporation focuses exclusively on its statutory responsibilities, the financial statements are presented in a singular fund format. Significant transactions and operational issues reflected in the June 30, 2019 and June 30, 2018 financial statements are discussed in the paragraphs below.

**Statement of Revenue, Expenses, and Changes in Fund Net Position**

Each year VISIT FLORIDA receives a portion of its operating revenue from the state of Florida; these funds are appropriated by the Florida Legislature and remitted to VISIT FLORIDA. VISIT FLORIDA is mandated by the Florida Legislature to match the public funding, dollar for dollar, with private funds. For the fiscal year ended June 30, 2019, the state appropriation was $76,000,000, which consisted of $31,000,000 from the Tourism Promotional Trust Fund, which is funded by a designated share (15.75 percent) of the State’s per day rental car surcharge, $26,000,000 from the State Economic Enhancement and Development Trust fund, and $19,000,000 from General Revenue fund. For the fiscal year ended June 30, 2018, the state appropriation was $76,000,000, which consisted of $24,000,000 from the Tourism Promotional Trust Fund and $52,000,000 from the State Economic Enhancement and Development Trust fund. Both fiscal year appropriations included $1,000,000 to market the state of Florida to veterans as a permanent home and to disseminate information to improve veterans’ knowledge of the access to benefits. During fiscal year 2019, only $994,680 was spent towards marketing the state of Florida to veterans resulting in the total appropriation received of $75,994,680. During fiscal year 2018, only $999,152 was spent towards marketing the state of Florida to veterans resulting in the total appropriation received of $75,999,152.

In fiscal year 2019, the Florida Tourism Industry generated $8,326,411 in Cooperative advertising revenue. The related direct advertising expense was $52,395,493. This resulted in a total expenditure for advertising of $60,721,904 in fiscal 2019. In fiscal year 2018, the Florida Tourism Industry generated $8,255,067 in Cooperative advertising revenue. The related direct advertising expense was $50,071,227. This resulted in a total expenditure for advertising of $58,326,294 in fiscal 2018. Total advertising expenditures increased $2,395,610 from fiscal 2018 to fiscal 2019 due to approved additional crisis spend related to Hurricane Michael recovery and red tide recovery spend.
Trade show and event revenue of $2,532,202 for fiscal year 2019 and $2,259,001 for fiscal year 2018 was generated from industry participation in programs conducted by various departments throughout the organization. The expenses related to these programs are trade show/events direct expenses, a portion of fees and services, printing, and travel, and the majority of the expenses for business promotion.

Partnership investment revenue results from the dollars received by the VISIT FLORIDA industry Partners. Investments of $1,228,964 were made by 1,813 investing Partners in fiscal year 2019 and $1,379,390 were made by 1,863 Partners in fiscal year 2018.

Other operating revenue of $2,860,094 for fiscal year 2019 and $2,368,159 for fiscal year 2018 consist of the following: revenue from Strategic Alliance Partners, brochure and transparency rental space revenue in the five official Florida Welcome Centers, research revenue, publication revenue from advertisers in the Florida Vacation Guide, Florida Map!, and Seashell Guide, revenue generated from advertisers in cooperative programs and on the consumer website, and reimbursement from the Florida Department of Citrus for juice served at the Welcome Centers.

Contributed promotional value of $90,455,292 for fiscal year 2019 and $106,224,614 for fiscal year 2018 was the value of the media equivalency generated by our Promotions department. Contributed Promotional Value qualifies under Florida Statutes towards the required private sector match, but it is not recognized in the audited financial statements. The decrease in promotional value is due to a decrease in the number of promotions in the program and a reduction in the United Kingdom winter promotion.

Salaries and benefits for fiscal year 2019 were $12,450,525 and for fiscal year 2018 was $11,150,943. The corporation funded 143 positions for fiscal year 2019 and 140 positions for fiscal year 2018. At the end of May 2019, due to a legislative budget reduction of one-third or $26M for fiscal year 2020, VISIT FLORIDA reduced staff by one-third. The number of staff positions at fiscal year-end was 91.

Fulfillment expenses of $214,134 for fiscal year 2019 and $251,662 for fiscal year 2018 were costs associated with consumer requests for Florida Vacation Guides and the Florida Map!. These costs include freight, handling, postage, and toll free numbers expenditures. This expense decreased due to reduced provision of items to international warehouses.

Tourism research of $1,330,493 for fiscal year 2019 and $1,657,009 for fiscal year 2018 include costs associated with research projects conducted by VISIT FLORIDA’s Research department to allow them to report statutory travel data to the state of Florida and to conduct research for the Florida tourism industry on the status of Florida tourism, how it is performing, and what is needed for future growth.

Grants of $2,250,087 for fiscal year 2019 and $268,748 for fiscal year 2018 were provided to assist VISIT FLORIDA Partners with improving their marketing efforts by offering advertising matching grants, small business grants, minority convention grants, and cultural, heritage and nature grants. Many of these grants are created in Florida Statute. The increase of $1,981,339 is primarily due to providing hurricane recovery and red tide recovery grants in 2019.
The private funds received by VISIT FLORIDA to count toward the match with the State dollars totaled $105,456,311 for the year ended June 30, 2019 and $120,515,241 for the year ended June 30, 2018. These amounts include the contributed promotional value and interest income with the decrease for 2019 due mainly to a decrease in contributed promotional value. VISIT FLORIDA exceeded the dollar for dollar match for both fiscal years. As noted above, legislative changes effective July 1, 2017 to Chapter 288, Florida Statutes, reduced amounts allowable for match purposes, therefore the total private match reported to DEO for 2019 is $99,438,021.

Statement of Fund Net Position

The cash balance for fiscal year 2019 was $26,323,952, which includes the restricted Economic Risk Fund of $2,164,855. The cash balance for fiscal year 2018 was $33,085,524, which includes the restricted Economic Risk Fund of $2,164,855.

The accounts receivable balance of $18,113,675 for fiscal year 2019 consisted of $17,494,680 from the state of Florida, with the remainder for both years due primarily for future events. Accounts receivable of $18,277,554 for fiscal year 2018 consisted of $17,999,152 from the state of Florida. Prepaid expenses of $903,855 for fiscal year 2019 and $750,417 for fiscal year 2018 consisted of expenditures made in advance of scheduled events.

As of June 30, 2019 and 2018, VISIT FLORIDA had invested, net of accumulated depreciation and amortization, $2,649,822 and $3,712,885, respectively, in a range of capital assets including furniture, equipment and software, leasehold improvements and automobiles. A more detailed schedule about VISIT FLORIDA’s capitals assets is presented in Note 3 (page 16) of the financial statements.

Accounts payable of $2,880,660 for fiscal year 2019 and $3,073,703 for fiscal year 2018 were for invoices received and not yet due for payment. Accrued expenses of $23,708,311 for fiscal year 2019 and $27,388,805 for fiscal year 2018 were comprised primarily of amounts committed to production and advertising programs through our advertising agencies. Unearned restricted revenue for both fiscal years consists of revenue collected for programs for Welcome Center rentals, meeting and events, and partner investments for the next fiscal year. The balance is $737,503 for fiscal year 2019 and $999,542 for fiscal year 2018. VISIT FLORIDA has no long-term debt.

VISIT FLORIDA recorded a decrease in net position of $3,699,500 for the year ended June 30, 2019 due to additional approved crisis spend related to Hurricane Michael recovery and red tide recovery. There was an increase of $1,360,184 for the year ended June 30, 2018, some of which was used for capital outlay.
Florida Tourism Industry Marketing Corporation, Inc.  
Management’s Discussion and Analysis  

Fiscal Year 2018-2019  |  Fiscal Year 2017-2018  |  Year over Year Variance  
---|---|---  
**Total Assets**  
Capital Assets  
2,649,822  
3,712,885  
(1,063,063)  
Non-capital Assets  
45,341,482  
52,113,495  
(6,772,013)  
47,991,304  
55,826,380  
(7,835,076)  
**Total Liabilities**  
27,326,474  
31,462,050  
(4,135,576)  
**Total Net Position**  
Net Investment in capital assets  
2,649,822  
3,712,885  
(1,063,063)  
Restricted for economic risk  
2,164,855  
2,164,855  
-  
Unrestricted  
15,850,153  
18,486,590  
(2,636,437)  
20,664,830  
24,364,330  
(3,699,500)  
**Total Revenues***  
90,995,699  
90,289,776  
705,923  
**Total Expenses***  
94,695,199  
88,929,592  
5,765,607  
*Balances exclude value of Contributed Promotional Value - see note 7 of the financial statements.

**Next Fiscal Year**

The appropriation from the Florida Legislature is $50,000,000 for the upcoming fiscal year ending June 30, 2020. This will be funded by the Tourism Promotional Trust Fund (rental car surcharge) at $24,000,000, and the State Economic Enhancement and Development Trust fund at $26,000,000. Included in the appropriation is $1,000,000 to market the state of Florida to veterans as a permanent home and to disseminate information to improve veterans’ knowledge of the access to benefits.

The appropriation by the Florida Legislature for next fiscal year was reduced by $26,000,000, which is roughly one-third less than the current fiscal year. Due to this reduction, staffing was reduced by one-third and the US 231 highway welcome center will no longer be operated by VISIT FLORIDA effective July 1, 2019. The corporation is funding 85 staff positions for the upcoming fiscal year.

Respectfully submitted,

Shanna Pace  
Chief Financial Officer
Florida Tourism Industry Marketing Corporation, Inc.
d/b/a VISIT FLORIDA
Statements of Fund Net Position

<table>
<thead>
<tr>
<th>June 30,</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>$24,159,097</td>
<td>$30,920,669</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>$18,113,675</td>
<td>$18,277,554</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td>$903,855</td>
<td>$750,417</td>
</tr>
<tr>
<td>Total current assets</td>
<td>$43,176,627</td>
<td>$49,948,640</td>
</tr>
<tr>
<td>Non-current assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted cash</td>
<td>$2,164,855</td>
<td>$2,164,855</td>
</tr>
<tr>
<td>Capital assets, net</td>
<td>$2,649,822</td>
<td>$3,712,885</td>
</tr>
<tr>
<td>Total non-current assets</td>
<td>$4,814,677</td>
<td>$5,877,740</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$47,991,304</td>
<td>$55,826,380</td>
</tr>
</tbody>
</table>

| **Liabilities** |            |            |
| Current liabilities |        |            |
| Accounts payable | $2,880,660 | $3,073,703 |
| Accrued expenses | $23,708,311 | $27,388,805 |
| Unearned restricted revenue | $737,503 | $999,542 |
| Total current liabilities | $27,326,474 | $31,462,050 |

| Fund net position |            |            |
| Net investment in capital assets | $2,649,822 | $3,712,885 |
| Restricted for economic risk | $2,164,855 | $2,164,855 |
| Unrestricted | $15,850,153 | $18,486,590 |
| **Fund net position** | $20,664,830 | $24,364,330 |

| Total liabilities and fund net position | $47,991,304 | $55,826,380 |

*The accompanying notes are an integral part of these financial statements.*
## Florida Tourism Industry Marketing Corporation, Inc.
d/b/a VISIT FLORIDA

### Statements of Revenues, Expenses, and Changes in Fund Net Position

**Years ended June 30,**

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating revenues</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program support</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cooperative advertising</td>
<td>$8,326,411</td>
<td>$8,255,067</td>
</tr>
<tr>
<td>Trade show and events</td>
<td>2,532,202</td>
<td>2,259,001</td>
</tr>
<tr>
<td>Partnership investment</td>
<td>1,228,964</td>
<td>1,379,390</td>
</tr>
<tr>
<td>Other</td>
<td>2,860,094</td>
<td>2,368,159</td>
</tr>
<tr>
<td>Contributed promotional value (Note 7)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>State of Florida grants and direct appropriations</td>
<td>75,994,680</td>
<td>75,999,152</td>
</tr>
<tr>
<td><strong>Total operating revenues</strong></td>
<td>90,942,351</td>
<td>90,260,769</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advertising</td>
<td>52,395,493</td>
<td>50,071,227</td>
</tr>
<tr>
<td>Business promotion</td>
<td>951,398</td>
<td>879,359</td>
</tr>
<tr>
<td>Citrus juice</td>
<td>186,743</td>
<td>196,752</td>
</tr>
<tr>
<td>Cooperative advertising</td>
<td>8,326,411</td>
<td>8,255,067</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>1,060,657</td>
<td>1,383,324</td>
</tr>
<tr>
<td>Fees and services</td>
<td>7,819,746</td>
<td>8,188,392</td>
</tr>
<tr>
<td>Fulfillment</td>
<td>214,134</td>
<td>251,662</td>
</tr>
<tr>
<td>General and administrative</td>
<td>1,531,910</td>
<td>1,446,827</td>
</tr>
<tr>
<td>Grants</td>
<td>2,250,087</td>
<td>268,748</td>
</tr>
<tr>
<td>Insurance premiums - hurricane recovery</td>
<td>212,381</td>
<td>125,108</td>
</tr>
<tr>
<td>Printing</td>
<td>336,303</td>
<td>442,701</td>
</tr>
<tr>
<td>Rents</td>
<td>554,722</td>
<td>471,173</td>
</tr>
<tr>
<td>Salaries and benefits</td>
<td>12,450,525</td>
<td>11,150,943</td>
</tr>
<tr>
<td>Tourism research</td>
<td>1,330,493</td>
<td>1,657,009</td>
</tr>
<tr>
<td>Trade show and event direct</td>
<td>2,369,514</td>
<td>1,552,505</td>
</tr>
<tr>
<td>Travel</td>
<td>2,704,682</td>
<td>2,588,795</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td>94,695,199</td>
<td>88,929,592</td>
</tr>
<tr>
<td><strong>Operating (loss) income</strong></td>
<td>(3,752,848)</td>
<td>1,331,177</td>
</tr>
<tr>
<td><strong>Nonoperating revenue</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest income</td>
<td>53,348</td>
<td>29,007</td>
</tr>
<tr>
<td><strong>Total nonoperating revenue</strong></td>
<td>53,348</td>
<td>29,007</td>
</tr>
<tr>
<td>Change in fund net position</td>
<td>(3,699,500)</td>
<td>1,360,184</td>
</tr>
<tr>
<td>Fund net position at beginning of year</td>
<td>24,364,330</td>
<td>23,004,146</td>
</tr>
<tr>
<td>Fund net position at end of year</td>
<td>$20,664,830</td>
<td>$24,364,330</td>
</tr>
</tbody>
</table>

*The accompanying notes are an integral part of these financial statements.*
Florida Tourism Industry Marketing Corporation, Inc.  
d/b/a VISIT FLORIDA  
Statements of Cash Flows

<table>
<thead>
<tr>
<th>Years ended June 30,</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash received from program services</td>
<td>$14,404,911</td>
<td>$14,690,014</td>
</tr>
<tr>
<td>Cash received from operating grants</td>
<td>76,499,152</td>
<td>65,999,784</td>
</tr>
<tr>
<td>Cash payments to suppliers for goods and services</td>
<td>(83,155,562)</td>
<td>(66,816,034)</td>
</tr>
<tr>
<td>Cash payments to employees</td>
<td>(12,255,868)</td>
<td>(11,593,419)</td>
</tr>
<tr>
<td>Cash payments for operating grants</td>
<td>(2,250,087)</td>
<td>(268,748)</td>
</tr>
<tr>
<td>Net cash (used in) provided by operating activities</td>
<td>(6,757,454)</td>
<td>2,011,597</td>
</tr>
<tr>
<td><strong>Capital and related financing activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase of capital assets</td>
<td>(57,466)</td>
<td>(178,447)</td>
</tr>
<tr>
<td>Net cash used in capital and related financing activities</td>
<td>(57,466)</td>
<td>(178,447)</td>
</tr>
<tr>
<td><strong>Investing activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest income received</td>
<td>53,348</td>
<td>29,007</td>
</tr>
<tr>
<td>Net cash provided by investing activities</td>
<td>53,348</td>
<td>29,007</td>
</tr>
<tr>
<td>Net change in cash and restricted cash</td>
<td>(6,761,572)</td>
<td>1,862,157</td>
</tr>
<tr>
<td>Cash and restricted cash, beginning of year</td>
<td>33,085,524</td>
<td>31,223,367</td>
</tr>
<tr>
<td>Cash and restricted cash, end of year</td>
<td>$26,323,952</td>
<td>$33,085,524</td>
</tr>
</tbody>
</table>

Cash and restricted cash consist of the following:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$24,159,097</td>
<td>$30,920,669</td>
</tr>
<tr>
<td>Restricted cash</td>
<td>2,164,855</td>
<td>2,164,855</td>
</tr>
<tr>
<td>Cash and restricted cash, end of year</td>
<td>$26,323,952</td>
<td>$33,085,524</td>
</tr>
</tbody>
</table>

Reconciliation of operating income to net cash provided by operating activities

| Operating (loss) income | $3,752,848 | $1,331,177 |
| Adjustments to reconcile operating income to net cash (used in) provided by operating activities: |               |         |
| Depreciation and amortization | 1,060,657 | 1,383,324 |
| Net loss on disposal of assets | 59,872 | -         |
| Changes in operating assets and liabilities |               |         |
| Accounts receivable | 163,879     | (9,734,899) |
| Prepaid expenses and other assets | (153,438) | (140,249)  |
| Accounts payable | (193,043)  | (538,880)   |
| Accrued expenses | (3,680,494) | 9,547,196   |
| Unearned restricted revenue | (262,039) | 163,928    |
| Net cash (used in) provided by operating activities | $6,757,454 | $2,011,597 |

The accompanying notes are an integral part of these financial statements.
NOTE 1 – SUMMARY SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Florida Tourism Industry Marketing Corporation, Inc. d/b/a VISIT FLORIDA (the Corporation) is a component unit of the State of Florida. The Corporation is a not-for-profit corporation formed June 9, 1995, to promote travel and drive visitation to and within the State of Florida through cooperative advertising programs, trade shows, promotional events, public relations, publicity efforts, research services, and operation of five official welcome centers. The Corporation contracts with Enterprise Florida, Inc. for tourism marketing on behalf of the State of Florida and employs a staff of more than 140 at the Corporation’s headquarters in Tallahassee and its five official Welcome Centers, including outside sales personnel. The Corporation has international contractors in the United Kingdom, Canada, Latin America, Germany, China, and India, as well as in Mexico, from where additional service is provided for Latin America.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

These financial statements have been prepared in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. The accounting and reporting treatment applied to a fund is determined by its measurement focus.

Proprietary funds report activities generally financed and operated like private businesses and include enterprise funds and internal service funds. For financial reporting purposes, VISIT FLORIDA follows the financial statement format required for enterprise funds. Enterprise funds are used to report activities for which a fee is charged to external users for goods or services.

Enterprise funds use the economic resources measurement focus and thus, the accrual basis of accounting. Revenues are recognized as earned and expenses are recognized when services or benefits are received.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing goods and services in connection with a proprietary fund’s ongoing operations. Operating revenues consist primarily of grant revenues from the Department of Economic Opportunity (DEO) and program support derived from cooperative advertising revenue, trade show and event revenue, partnership investments, other revenue from advertising, website, and Welcome Center activities. These are the principal revenues used by the Corporation to carry out its exempt purpose. Operating expenses include all costs of providing program services and the depreciation and amortization of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.
NOTE 1 – SUMMARY SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Restricted Cash

The financial instruments exposed to concentrations of credit risk consist primarily of cash. Cash consists of demand deposits, for which the aggregate bank balances were approximately $26,980,242 and $36,244,597 at June 30, 2019 and 2018. Restricted cash represents a noncurrent amount designated for economic risk by the Corporation’s Board of Directors at both June 30, 2019 and 2018. Demand deposits of the Corporation are insured by the Federal Deposit Insurance Corporation or collateralized with securities in Florida’s multiple financial institution collateral pool pursuant to Chapter 280, Florida Statutes.

Accounts Receivable

Accounts receivable consists primarily of amounts due for trade shows and events, advertising, and amounts due from the State of Florida associated with the partnership agreement described in Note 8. This amount is reported net of the Corporation’s allowance for doubtful accounts of approximately $50,000 and $4,000 at June 30, 2019 and 2018, respectively. The Corporation determines its allowance for doubtful accounts based on specific identification.

Capital Assets

Capital assets are recorded at cost less accumulated depreciation and amortization. Capital assets are depreciated or amortized over the related estimated useful lives, ranging from three to seven years, using primarily the straight-line method. The Corporation’s policy is to capitalize asset acquisitions greater than $1,000 with useful lives greater than two years. Upon retirement or disposal, the asset and corresponding accumulated depreciation and amortization are removed from the Corporation’s accounts and any gain or loss is reported as a nonoperating item. Repairs are expensed as incurred.

In accordance with the terms of the State of Florida contract, title to capital assets purchased with contract funds shall be vested with the State upon dissolution of the Corporation.

Intangible Assets

At the time of acquisition, the Corporation assesses its intangible assets to determine the estimated useful life of each individually-identifiable intangible asset. Those assets are amortized over the period identified, unless their life is determined to be indefinite in which case the asset(s) are evaluated annually for impairment. All intangible assets currently recognized by the Corporation (other than those included as capital assets) have been assessed with a five year useful life.
NOTE 1 – SUMMARY SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

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

Cooperative advertising revenue represents the amount paid by a third party to an agency or representative handling a Corporation sponsored advertising campaign to promote travel to and within the state of Florida. Such revenue qualifies under Florida Statutes toward the Corporation’s matching requirements discussed in Note 8.

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

Subsequent Events

The Corporation has evaluated subsequent events through the date of the Independent Auditors’ Report, which is the date the financial statements were available to be issued.

Use of Estimates

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

Accounting Guidance Not Yet Effective

In June 2017, the GASB issued Statement No. 87, Leases. The guidance in this statement and its amendments supersedes previous leasing guidance. Under the guidance, lessees are required to recognize lease assets and lease liabilities on the statement of fund net position, unless the lease is a short-term lease or it transfers ownership of the underlying asset. A lessee should reduce the lease liability over the lease term as payments are made and recognize an expense for interest on the liability. The statement is effective for fiscal years beginning after December 15, 2019. Early adoption is permitted. The Corporation is currently evaluating the impact of the guidance on its financial statements.
NOTE 2 – INCOME TAXES

The Corporation received a determination letter from the Internal Revenue Service in July 1996, granting it an exemption from federal income tax under the Internal Revenue Code, Section 501(c)(6), and as such, is liable for income taxes only on business income unrelated to the purposes for which it is exempt. The Corporation had no significant unrelated business income for the years ended June 30, 2019 and 2018. As of June 30, 2019 and 2018, the Corporation had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

NOTE 3 – CAPITAL ASSETS, NET

Capital assets, net, consisted of the following at June 30, 2019:

<table>
<thead>
<tr>
<th></th>
<th>July 1, 2018</th>
<th>Additions</th>
<th>Deletions</th>
<th>June 30, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Furniture</td>
<td>$346,750</td>
<td>$</td>
<td>$ (8,585)</td>
<td>$338,165</td>
</tr>
<tr>
<td>Equipment and software</td>
<td>6,933,835</td>
<td>26,986</td>
<td>(269,203)</td>
<td>6,691,618</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>428,726</td>
<td>30,480</td>
<td>(39,813)</td>
<td>419,393</td>
</tr>
<tr>
<td>Automobiles</td>
<td>31,400</td>
<td></td>
<td></td>
<td>31,400</td>
</tr>
<tr>
<td><strong>Total capital assets</strong></td>
<td>7,740,711</td>
<td>57,466</td>
<td>(317,601)</td>
<td>7,480,576</td>
</tr>
<tr>
<td>Accumulated depreciation and amortization</td>
<td>(4,027,826)</td>
<td>(1,060,657)</td>
<td>257,729</td>
<td>(4,830,754)</td>
</tr>
<tr>
<td><strong>Capital assets, net</strong></td>
<td>$3,712,885</td>
<td>$ (1,003,191)</td>
<td>$ (59,872)</td>
<td>$2,649,822</td>
</tr>
</tbody>
</table>

Capital assets, net, consisted of the following at June 30, 2018:

<table>
<thead>
<tr>
<th></th>
<th>July 1, 2017</th>
<th>Additions</th>
<th>Deletions</th>
<th>June 30, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Furniture</td>
<td>$342,232</td>
<td>4,518</td>
<td></td>
<td>$346,750</td>
</tr>
<tr>
<td>Equipment and software</td>
<td>6,795,657</td>
<td>150,636</td>
<td>(12,458)</td>
<td>6,933,835</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>405,433</td>
<td>23,293</td>
<td></td>
<td>428,726</td>
</tr>
<tr>
<td>Automobiles</td>
<td>31,400</td>
<td></td>
<td></td>
<td>31,400</td>
</tr>
<tr>
<td><strong>Total capital assets</strong></td>
<td>7,574,722</td>
<td>178,447</td>
<td>(12,458)</td>
<td>7,740,711</td>
</tr>
<tr>
<td>Accumulated depreciation and amortization</td>
<td>(2,836,960)</td>
<td>(1,203,324)</td>
<td>12,458</td>
<td>(4,027,826)</td>
</tr>
<tr>
<td><strong>Capital assets, net</strong></td>
<td>$4,737,762</td>
<td>$ (1,024,877)</td>
<td>$</td>
<td>$3,712,885</td>
</tr>
</tbody>
</table>

Depreciation and amortization expense related to capital assets totaled $1,060,657 and $1,203,324 for the years ended June 30, 2019 and 2018, respectively.

NOTE 4 – INTANGIBLE ASSETS, NET

The Corporation recognized $900,000 of specifically-identifiable intangible assets related to the purchase of the Florida Huddle event from Huddle International, LLC during the year ended June 30, 2013. The Corporation began operating the Florida Huddle event in January 2014, and as such the amortization of these intangible assets began during that fiscal year.
NOTE 4 – INTANGIBLE ASSETS, NET (CONTINUED)

Intangible assets consisted of the following:

<table>
<thead>
<tr>
<th>June 30,</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business name, trademarks and web presence</td>
<td>$375,000</td>
<td>$375,000</td>
</tr>
<tr>
<td>Customer lists</td>
<td>375,000</td>
<td>375,000</td>
</tr>
<tr>
<td>Non-compete agreements</td>
<td>150,000</td>
<td>150,000</td>
</tr>
<tr>
<td>Total intangible assets</td>
<td>900,000</td>
<td>900,000</td>
</tr>
<tr>
<td>Accumulated amortization</td>
<td>(900,000)</td>
<td>(900,000)</td>
</tr>
<tr>
<td>Intangible assets, net</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Amortization expense related to intangible assets totaled $-0- and $180,000 for the years ended June 30, 2019 and 2018, respectively.

NOTE 5 – OPERATING LEASES

The Corporation has entered into various operating leases for office equipment and warehouse space. The Corporation also has a lease agreement for office space for a 15 year term. Rental expense was $930,159 and $886,610 for the years ended June 30, 2019 and 2018, respectively, and includes rent expense per the Statements of Revenues, Expenses, and Changes in Fund Net Position as well as other equipment and warehouse rental expenses directly allocated to other functional expense categories.

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

<table>
<thead>
<tr>
<th>Years ending June 30,</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>$591,295</td>
</tr>
<tr>
<td>2021</td>
<td>588,696</td>
</tr>
<tr>
<td>2022</td>
<td>605,274</td>
</tr>
<tr>
<td>2023</td>
<td>88,598</td>
</tr>
<tr>
<td>Total minimum lease payments</td>
<td>$1,873,863</td>
</tr>
</tbody>
</table>
NOTE 6 – EMPLOYEE RETIREMENT PLAN

The Corporation has a defined contribution 401(k) retirement plan (the Plan) that covers substantially all employees. The Corporation has elected, under the safe harbor provisions, to match employee contributions up to the lesser of the amount deferred or 6% of employees’ wages. An employee is eligible to participate in the Plan on the later of the employee’s date of hire or upon attainment of his or her twenty first birthday. Eligible employees immediately become fully vested in the employer’s safe harbor match contribution. Contributions to the Plan for the years ended June 30, 2019 and 2018, were $487,340 and $439,055, respectively, and are included in salaries and benefits on the statements of revenues, expenses, and changes in fund net position.

NOTE 7 – CONTRIBUTED PROMOTIONAL VALUE

As part of its statutory purpose, the Corporation assists interested parties in organizing Florida promotional packages. In return for their assistance, the Corporation and other participants receive complimentary advertising in the various print, television, internet, and radio media used in promoting the package. The media equivalency value associated with the complimentary advertising qualifies under Florida Statutes toward the Corporation’s matching requirements discussed in Note 8; however, as a gift in kind, such contributed promotional value is not recognized for financial statement purposes. For the years ended June 30, 2019 and 2018, the total media equivalency value was $90,455,292 and $106,224,614, respectively.

NOTE 8 – PARTNERSHIP AGREEMENT AND OTHER STATE FUNDING

The Corporation received annual appropriations from the State of Florida through operating agreements with DEO for the years ended June 30, 2019 and 2018. Under the terms of the operating agreements, the Corporation was required to maintain a one-to-one match of private to public contributions for the years ended June 30, 2019 and 2018.

The following table represents the funding received from the State of Florida:

<table>
<thead>
<tr>
<th>Years ended June 30,</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tourism Promotional Trust Fund</td>
<td>$30,994,680</td>
<td>$23,999,152</td>
</tr>
<tr>
<td>State Economic Enhancement and Development Trust Fund</td>
<td>26,000,000</td>
<td>52,000,000</td>
</tr>
<tr>
<td>General Revenue Fund</td>
<td>19,000,000</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$75,994,680</strong></td>
<td><strong>$75,999,152</strong></td>
</tr>
</tbody>
</table>

Total private contributions for the years ended June 30, 2019 and 2018 were $105,456,311 and $120,515,241, respectively, which include interest income and contributed promotional value revenue disclosed in Note 7. Pursuant to Section 288, Florida Statutes, the total amount of private contributions reported to DEO for the match requirement were $99,438,021 and $114,541,813 for the years ended June 30, 2019 and 2018, respectively.
NOTE 8 – PARTNERSHIP AGREEMENT AND OTHER STATE FUNDING (CONTINUED)

In the previous year, the State of Florida appropriated funds from the Hotel and Restaurant Trust Fund to the Corporation to contract with the Florida Restaurant and Lodging Association, Inc. to develop a coordinated marketing, media, and events program to promote Florida’s tourism by residents of the state. There were no funds appropriated for the years ended June 30, 2019 and 2018. The Corporation expended $392,746 for the year ended June 30, 2018 related to this campaign carried over from the prior year. The campaign required a private matching program, which totaled $0 and $374,856 of contributed promotional value for the years ended June 30, 2019 and 2018, respectively.

For the year ending June 30, 2020, the Corporation has a $24,000,000 appropriation from the Tourism Promotional Trust Fund and a $26,000,000 appropriation from the State Economic Enhancement and Development Trust Fund.

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS

*Plan Description.* The Corporation administers a single-employer defined-benefit health-related benefit plan (the Retiree Health Plan). The plan provides health-related benefits for eligible retirees and their dependents after the attainment of age 60 through the Corporation’s group medical/prescription insurance and dental plans, which cover both active and retired members, until the retirees are eligible for Medicare benefits on their 65th birthday. These benefits were established and may be amended by the Corporation’s Board of Directors. During the fiscal year ended June 30, 2009, the Board amended the plan to provide these benefits only to employees hired on or before December 31, 2008, and the plan is closed to new entrants. The Retiree Health Plan does not issue a publicly available financial report.

*Funding Policy.* Premiums for single retiree medical/prescription, dental, and vision coverage are subsidized and fully paid by the Corporation. For dependent coverage, premium contributions are required from the retiree at a rate of 14% of gross premium. This policy was established and may be amended by the Corporation’s Board of Directors. The Corporation paid benefits of $55,257 and $62,003 to the Retiree Health Plan for the years ended June 30, 2019 and 2018, respectively.

*Total OPEB Liability and OPEB Expense.* The Corporation has elected to calculate the total OPEB liability and related information using the Alternative Measurement Method permitted by GASB Statement No. 75 for employers in plans with fewer than one hundred total plan members. The measurement date of the OPEB liability is June 30, 2018. Management is unaware of any changes between the measurement date of the OPEB liability and the Corporation’s reporting date of June 30, 2019 that are expected to have a significant effect on the total OPEB liability.
NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

The following table shows the changes in the Corporation’s total OPEB liability to the Retiree Health Plan:

<table>
<thead>
<tr>
<th>Years ended June 30,</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service cost</td>
<td>$18,460</td>
<td>$-</td>
</tr>
<tr>
<td>Interest on total OPEB liability</td>
<td>14,387</td>
<td>$-</td>
</tr>
<tr>
<td>Changes of assumptions</td>
<td>(1,150)</td>
<td>$-</td>
</tr>
<tr>
<td>Benefit payments</td>
<td>(55,257)</td>
<td>$-</td>
</tr>
<tr>
<td>Net change in total OPEB liability</td>
<td>(23,560)</td>
<td>$-</td>
</tr>
<tr>
<td>Total OPEB liability at beginning of year</td>
<td>413,293</td>
<td>413,293</td>
</tr>
<tr>
<td>Total OPEB liability at end of year</td>
<td>$389,733</td>
<td>$413,293</td>
</tr>
</tbody>
</table>

The Corporation’s OPEB (income) expense was $(33,479) and $-0- for the years ended June 30, 2019 and 2018, respectively. OPEB expense consisted of the following:

<table>
<thead>
<tr>
<th>Year ended June 30,</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service cost</td>
<td>$18,460</td>
<td>$-</td>
</tr>
<tr>
<td>Interest on total OPEB liability</td>
<td>14,387</td>
<td>$-</td>
</tr>
<tr>
<td>Changes in assumptions and other inputs</td>
<td>(11,069)</td>
<td>$-</td>
</tr>
<tr>
<td>Benefit payments</td>
<td>(55,257)</td>
<td>$-</td>
</tr>
<tr>
<td>Total OPEB expense</td>
<td>$(33,479)</td>
<td>$-</td>
</tr>
</tbody>
</table>

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

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

Funded Status and Funding Progress. As of June 30, 2019 and 2018, the total OPEB liability for benefits was $389,733 and $413,429, respectively, all of which is unfunded. There are no plan assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The covered payroll (annual payroll of active employees covered by the plan) during the measurement years ended June 30, 2018 and 2017, based on data as of the June 30, 2017 valuation, the most recent complete actuarial assessment, was estimated at $2,426,108 and $2,355,445, respectively, and the ratio of the unfunded total OPEB liability to the covered payroll was 16% and 18%, respectively. There were 37 total covered employees, including 34 active employees and 3 inactive employees currently receiving benefits.
NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of the valuation. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in OPEB liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The entry age actuarial normal cost method with an increasing normal cost pattern consistent with salary increase assumptions was used. The actuarial assumptions included a 3.62% discount rate and a general price inflation of 1.80%. The discount rate is equal to the tax-exempt municipal bond rate based on Fidelity’s “20-Year Municipal GO AA Index”. The unfunded total OPEB liability is being amortized as a level percentage of projected payroll on a closed basis. Payroll growth, including inflation, for the plan is assumed at 3%. The healthcare cost trend rates are 3.75% for 2018, decreasing .25% per year, with an ultimate rate of 5.6% for 2026 and later years. Life expectancies were based on the Generational RP2000 Generational Combined Healthy Male and Female mortality tables. Because the plan is funded on a pay-as-you-go basis, no experience study has been completed for this program.

Sensitivity Analysis. The following tables demonstrate the sensitivity of the total OPEB liability to changes in the healthcare cost trend rate and discount rate. The sensitivity analysis shows the impact on the total OPEB liability if the health cost trend rate and discount rate were 1.00% higher or 1.00% lower than the current rates at June 30, 2018.

<table>
<thead>
<tr>
<th>Discount Rate</th>
<th>Healthcare Cost Trend Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Discount Rate</td>
<td>Current Healthcare Cost Trend Rate</td>
</tr>
<tr>
<td>1% Decrease</td>
<td>1% Increase</td>
</tr>
<tr>
<td>$406,638</td>
<td>$389,733</td>
</tr>
</tbody>
</table>
NOTE 10 – RELATED PARTY TRANSACTIONS

During the years ended June 30, 2019 and 2018, the Corporation was related to the Florida Restaurant and Lodging Association, Inc. (FRLA) by virtue of FRLA’s President/CEO being a member of the Corporation’s Board of Directors. As a result, the Corporation’s contract with FRLA to develop a coordinated marketing, media, and events program to promote Florida tourism by residents of the state is considered a related party transaction. As noted earlier, the FRLA contract was funded by a direct appropriation to the Corporation from Florida’s Hotel and Restaurant Trust Fund. There were no funds appropriated for the years ended June 30, 2019 and 2018. The program requires a private match, which is administered jointly by the Corporation and FRLA. The match totaled $-0- and $374,856 of contributed promotional value for the years ended June 30, 2019 and 2018, respectively.
OTHER REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Changes in Total OPEB Liability and Related Ratios

<table>
<thead>
<tr>
<th>Measurement year ended June 30,</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service cost</td>
<td>$18,460</td>
<td>$20,997</td>
</tr>
<tr>
<td>Interest on Total OPEB Liability</td>
<td>14,387</td>
<td>12,795</td>
</tr>
<tr>
<td>Changes of assumptions</td>
<td>(1,150)</td>
<td>(10,911)</td>
</tr>
<tr>
<td>Benefit payments</td>
<td>(55,257)</td>
<td>(53,518)</td>
</tr>
<tr>
<td>Net change in total OPEB liability</td>
<td>(23,560)</td>
<td>(30,637)</td>
</tr>
<tr>
<td>Total OPEB liability at beginning of year*</td>
<td>413,293</td>
<td>443,930</td>
</tr>
<tr>
<td>Total OPEB liability at end of year</td>
<td>$389,733</td>
<td>$413,293</td>
</tr>
<tr>
<td>Estimated covered-employee payroll</td>
<td>$2,426,108</td>
<td>$2,355,445</td>
</tr>
<tr>
<td>Total OPEB liability as a percentage of covered-employee payroll</td>
<td>16% 18%</td>
<td></td>
</tr>
</tbody>
</table>

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

Note: Covered-employee payroll presented above is an estimate based on the data as of the June 30, 2017 valuation. GASB Statement No. 75 defined covered-employee payroll as the payroll of employees that are provided with OPEB through the OPEB plan, including employees terminating during the measurement period (fiscal year ending June 30, 2018).
Valuation date: June 30, 2017
Measurement date: June 30, 2018

Methods and Assumptions Used to Determine Total OPEB Liability:

Actuarial cost method Entry Age Normal
Discount rate 3.62%
Salary increases 5.00%
Mortality Life expectancies were based on the RP2000 Generational Combined Healthy Male and Female mortality tables.

Other Information:

The discount rate was changed from 3.56% as of the beginning of the measurement date to 3.62% as of June 30, 2018. This change is reflected in the Schedule of Changes in Total OPEB Liability.

There were no benefit changes during the year.
INDEPENDENT AUDITORS’ REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of Florida Tourism Industry Marketing Corporation, Inc. d/b/a VISIT FLORIDA (the Corporation), which comprise the statement of fund net position as of June 30, 2019, and the related statements of revenues, expenses, and changes in fund net position, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated August 26, 2019.

Internal Control over Financial Reporting

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

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

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

As part of obtaining reasonable assurance about whether the Corporation’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Tallahassee, Florida

August 26, 2019
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR THE MAJOR STATE PROJECT
AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY CHAPTER 10.650, RULES OF THE AUDITOR GENERAL

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

Report on Compliance for the Major State Project
We have audited Florida Tourism Industry Marketing Corporation, Inc. d/b/a VISIT FLORIDA (the Corporation)'s compliance with the types of compliance requirements described in the Department of Financial Services' State Projects Compliance Supplement that could have a direct and material effect on the Corporation’s major state project for the year ended June 30, 2019. The Corporation’s major state project is identified in the summary of auditors’ results section of the accompanying Schedule of Findings and Questioned Costs - State Financial Assistance.

Management’s Responsibility
Management is responsible for compliance with state statutes, regulations, and the terms and conditions of its state financial assistance applicable to its state project.

Auditors’ Responsibility
Our responsibility is to express an opinion on compliance for the Corporation’s major state project based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Chapter 10.650, Rules of the Auditor General (Rules of the Auditor General). Those standards and Rules of the Auditor General require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state project occurred. An audit includes examining, on a test basis, evidence about the Corporation’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major state project. However, our audit does not provide a legal determination of the Corporation’s compliance.
Opinion on the Major State Project

In our opinion, the Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major state project for the year ended June 30, 2019.

Report on Internal Control over Compliance

Management of the Corporation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Corporation’s internal control over compliance with the types of requirements that could have a direct and material effect on its major state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for its major state project and to test and report on internal control over compliance in accordance with Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Corporation’s internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Tallahassee, Florida

August 26, 2019
Schedule of Expenditures of State Financial Assistance
Year ended June 30, 2019

<table>
<thead>
<tr>
<th>State Agency and Program Title</th>
<th>CSFA Number</th>
<th>Contract Number</th>
<th>Expenditures</th>
<th>Funds Provided to Subrecipients</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department of Economic Opportunity</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Economic Development Partnerships</td>
<td>40.040</td>
<td>SB18-003</td>
<td>$75,994,680</td>
<td></td>
</tr>
<tr>
<td>Total expenditures of state financial assistance</td>
<td></td>
<td></td>
<td>$75,994,680</td>
<td></td>
</tr>
</tbody>
</table>
NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of State Financial Assistance (the Schedule) includes the state award activity of the Florida Tourism Industry Marketing Corporation, Inc. d/b/a VISIT FLORIDA (the Corporation) under programs of the State of Florida for the year ended June 30, 2019. The information in this Schedule is presented in accordance with the requirements of Chapter 10.650, Rules of the Auditor General. Because the Schedule presents only a selected portion of the operations of the Corporation, it is not intended to and does not present the financial position, changes in net position or cash flows of the Corporation.

For purposes of the Schedule, state awards include all grants, contracts, and similar agreements entered into directly with the State of Florida and other pass-through entities. The Corporation has obtained Catalog of State Financial Assistance (CSFA) numbers to ensure that all programs have been identified in the Schedule.

NOTE 2 – BASIS OF ACCOUNTING

The Schedule was prepared on the accrual basis of accounting.

NOTE 3 – CONTINGENCIES

Grant monies received and disbursed by the Corporation are subject to review by the grantor agency. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon prior experience, the Corporation does not believe that such disallowance, if any, would have a material effect on the financial position of the Corporation. As of June 30, 2019, there were no material questioned or disallowed costs as a result of grant audits in process or completed.

NOTE 4 – NONCASH ASSISTANCE

The Corporation did not receive any state noncash assistance for the year ended June 30, 2019.
SECTION I – SUMMARY OF AUDITORS’ RESULTS

Financial Statements:
1. Type of auditors’ report issued Unmodified
2. Internal control over financial reporting:
   a. Material weaknesses identified? No
   b. Significant deficiencies identified not considered to be material weaknesses? None noted
   c. Noncompliance material to the financial statements noted? No

State Financial Assistance:
1. Type of auditors’ report issued on compliance for major projects Unmodified
2. Internal control over major projects:
   a. Material weaknesses identified? No
   b. Significant deficiencies identified not considered to be material weaknesses? None noted
3. Any audit findings disclosed that are required to be reported in accordance with Chapter 10.650, Rules of the Auditor General? No
4. Identification of major projects:
   CSFA Number State Project
   40.040 Economic Development Partnerships
5. Dollar threshold used to distinguish between type A and type B projects: $2,279,840

SECTION II – FINANCIAL STATEMENT FINDINGS
None noted

SECTION III – STATE FINANCIAL ASSISTANCE FINDINGS
None noted

OTHER MATTERS
(a) No management letter is required because there were no findings required to be reported in the management letter (see AG Rule Section 10.656(3)(e)).
(b) No Summary Schedule of Prior Audit Findings is required because there were no prior audit findings related to State projects (see AG Rules 10.557(3)(e)5. and 10.656(3)(d)5.).
<table>
<thead>
<tr>
<th>Agency / Department / Organization</th>
<th>Pillar Strategy</th>
<th>Activity</th>
<th>Measure Number</th>
<th>Measure</th>
<th>2023 Target</th>
<th>Baseline &amp; (year est.)</th>
<th>Quarter 1 Data</th>
<th>Quarter 2 Data</th>
<th>Quarter 3 Data</th>
<th>Quarter 4 Data</th>
<th>Annual / End of FY Data</th>
<th>Comments</th>
<th>Data Entered By</th>
</tr>
</thead>
<tbody>
<tr>
<td>VISIT FLORIDA</td>
<td>1.5: Recruit, engage and leverage the talent of veterans, exiting military and military spouses to strengthen Florida's workforce.</td>
<td>Promote Florida as a veteran-friendly state to retired and recently separated military personnel; promoting the value of military skill sets to businesses in the state; facilitating workforce training to veterans to meet the needs of employers; and enhance the entrepreneurial skills of veterans.</td>
<td>1.5.1</td>
<td>Increase overall online impressions by a minimum of 30%.</td>
<td>Minimum 30% increase</td>
<td>Beginning of FY18-19: 30% increase from baseline</td>
<td>374%</td>
<td>648%</td>
<td>449%</td>
<td>449%</td>
<td>Quarterly</td>
<td>Megan Yariv <a href="mailto:myariv@visitflorida.org">myariv@visitflorida.org</a></td>
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</tr>
<tr>
<td>VISIT FLORIDA</td>
<td>1.5: Recruit, engage and leverage the talent of veterans, exiting military and military spouses to strengthen Florida's workforce.</td>
<td>Facilitate workplace training and assistance to veterans.</td>
<td>1.5.2</td>
<td>Increase qualified, active applicants by 20%</td>
<td>Minimum 20% increase</td>
<td>Beginning of FY18-19: 20% increase from baseline</td>
<td>Increased by 125% with 1,396 active resumes</td>
<td>Increased by 80% with 2,004 active resumes</td>
<td>Increased by 80% with 2,004 active resumes</td>
<td>Quarterly</td>
<td>Megan Yariv <a href="mailto:myariv@visitflorida.org">myariv@visitflorida.org</a></td>
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<tr>
<td>VISIT FLORIDA</td>
<td>1.5: Recruit, engage and leverage the talent of veterans, exiting military and military spouses to strengthen Florida's workforce.</td>
<td>Promote and advertise job listings to veterans.</td>
<td>1.5.3</td>
<td>Average 85 total job listings monthly</td>
<td>85 average listings per month</td>
<td>Beginning FY18/19</td>
<td>82</td>
<td>179</td>
<td>132</td>
<td>Average: 131</td>
<td>Quarterly</td>
<td>Megan Yariv <a href="mailto:myariv@visitflorida.org">myariv@visitflorida.org</a></td>
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<tr>
<td>VISIT FLORIDA</td>
<td>1.5: Recruit, engage and leverage the talent of veterans, exiting military and military spouses to strengthen Florida's workforce.</td>
<td>Promote and market Florida Is For Veterans program</td>
<td>1.5.4</td>
<td>Secure media coverage, including for entrepreneurial program</td>
<td>Secure media coverage for all 6 program areas of entrepreneurial program for veterans</td>
<td>Beginning FY18/19</td>
<td>27 stories</td>
<td>22 stories</td>
<td>22 stories</td>
<td>Average: 23.7 stories per quarter</td>
<td>Quarterly</td>
<td>Megan Yariv <a href="mailto:myariv@visitflorida.org">myariv@visitflorida.org</a></td>
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<tr>
<td>VISIT FLORIDA</td>
<td>2.2: Support public, military and private industry partnerships and integrated efforts related to research and development, innovative technology transfer and commercialization.</td>
<td>2.2.1</td>
<td>Provide quarterly and yearly updates on visitation to Florida and the current vitality of the Florida tourism industry.</td>
<td>FY18/19</td>
<td>Quarterly update: In 2018Q2, Florida hosted 31.8 million visitors, an increase of 6.2% from 2017Q2 based on preliminary estimates. The volume of air visitors was 14.8 million while the volume of non-air visitors was 15.9 million. In 2018Q3, Florida hosted 30.7 million visitors, an increase of 10.1% from 2017Q3 based on preliminary estimates. The volume of air visitors was 13.3 million while the volume of non-air visitors was 17.4 million. In 2018Q4, Florida hosted 30.3 million visitors, an increase of 4.6% from 2017Q4 based on preliminary estimates. The volume of air visitors was 15.3 million, while the volume of non-air visitors was 15.1 million. In 2019Q1, Florida hosted 35.7 million visitors, an increase of 5.8% from 2018Q1 based on preliminary estimates. Florida’s tourism industry was responsible for welcoming 127.0 million visitors in 2018 that contributed $85.9 billion to the state’s economy and supported 1.5 million jobs for Floridians. Every 81 visitors to the state support one Florida job. For every dollar invested in VISIT FLORIDA, the state sees a return of $2.15 in state tax dollars.</td>
<td>Megan Yaniv <a href="mailto:myariv@visitflorida.org">myariv@visitflorida.org</a></td>
<td>Sara Sowerby Bagdadi <a href="mailto:ssowerby@visitflorida.org">ssowerby@visitflorida.org</a></td>
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<tr>
<td>VISIT FLORIDA</td>
<td>4.3: Improve access to capital to encourage small and minority business growth.</td>
<td>4.3.1</td>
<td>Continue to operate the Targeted Marketing Assistance Program to enhance the tourism marketing of small, minority, rural, and agrotourism businesses.</td>
<td>FY17/18 - program launch</td>
<td>During FY 18-19, VISIT FLORIDA completed the second year of the Targeted Marketing Assistance Program (TMAP), designed to enhance the tourism marketing of small, minority, rural, and agrotourism businesses. From October 1, 2018, to June 30, 2019, we served 122 small businesses with gross revenues of $500,000 or less. In FY 18-19, VISIT FLORIDA staff provided participants with one-on-one marketing consultations and helped deliver other valuable program benefits listed below. This included more than 25 employees.</td>
<td>Megan Yaniv <a href="mailto:myariv@visitflorida.org">myariv@visitflorida.org</a></td>
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<tr>
<td>VISIT FLORIDA</td>
<td>2.4: Brand and consistently market Florida as the best state for business.</td>
<td>2.4.1</td>
<td>Operate visitflorida.com, VISIT FLORIDA’s flagship website, and continue to attract large numbers of unique visitors to same.</td>
<td></td>
<td>visitflorida.com received 11.9 million unique visitors in FY2018-19 and 14.5 million total visitors.</td>
<td>Megan Yaniv <a href="mailto:myariv@visitflorida.org">myariv@visitflorida.org</a></td>
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<tr>
<td>VISIT FLORIDA</td>
<td>2.4: Brand and consistently market Florida as the best state for business.</td>
<td>Provide cooperative marketing programs to market Florida collaboratively with Florida tourism partners.</td>
<td>2.4.2</td>
<td>Drive investment by VISIT FLORIDA partners in cooperative marketing programs in order to offer marketing exposure for Florida tourism businesses and market Florida as a top travel destination.</td>
<td>VISIT FLORIDA partners invested over $1.8m in domestic and international co-op programs in FY18-19.</td>
<td>Annually</td>
<td>Megan Yariv, <a href="mailto:myariv@visitflorida.org">myariv@visitflorida.org</a></td>
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<tr>
<td>VISIT FLORIDA</td>
<td>2.4: Brand and consistently market Florida as the best state for business.</td>
<td>Provide PR marketing to consumers to drive visitation to Florida.</td>
<td>2.4.3</td>
<td>Engage in a number of PR programs to reach consumers and encourage travel to Florida.</td>
<td>VISIT FLORIDA's PR marketing programs generated 3.9 billion consumer impressions in FY18-19.</td>
<td>Annually</td>
<td>Megan Yariv, <a href="mailto:myariv@visitflorida.org">myariv@visitflorida.org</a></td>
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<td>VISIT FLORIDA</td>
<td>2.4: Brand and consistently market Florida as the best state for business.</td>
<td>Provide public relations services, engaging with journalists and other media figures to encourage positive publicity for Florida tourism to generate consumer interest in traveling to Florida.</td>
<td>2.4.4</td>
<td>Engage with key media figures to ensure positive publicity and generate press for Florida tourism.</td>
<td>VISIT FLORIDA's public relations team met with more than 400 journalists and influencers at media receptions, trade shows, media marketplaces and other tourism industry events in FY18/19. The VISIT FLORIDA PR team also brought 195 domestic and international journalists and influencers to Florida last fiscal year that visited and promoted destinations throughout the state.</td>
<td>Annually</td>
<td>Megan Yariv, <a href="mailto:myariv@visitflorida.org">myariv@visitflorida.org</a></td>
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<tr>
<td>VISIT FLORIDA</td>
<td>2.4: Brand and consistently market Florida as the best state for business.</td>
<td>Operate official Florida welcome centers and provide travelers with print materials to market Florida tourism.</td>
<td>2.4.5</td>
<td>Operate official Florida welcome centers, creating a hub for visitors to be able to access Florida vacation guides, brochures, and other materials to help encourage and promote business within the Florida tourism industry.</td>
<td>VISIT FLORIDA hosted a total of 2,775,591 visitors in each of its four highway welcome centers plus the Capitol welcome center in calendar year 2018. Visitors took approximately 14 million print materials (including brochures and flyers provided by partners, in addition to other materials like the Florida vacation guide) over the course of the year.</td>
<td>Annually (calendar year)</td>
<td>Megan Yariv, <a href="mailto:myariv@visitflorida.org">myariv@visitflorida.org</a></td>
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<tr>
<td>VISIT FLORIDA</td>
<td>4.3: Improve access to capital to encourage small and minority business growth.</td>
<td>Enhance the tourism business marketing of small, minority, rural, and agritourism businesses.</td>
<td>4.3.2 Enhance the Targeted Marketing Assistance Program.</td>
<td>Work toward expansion of program for FY19/20.</td>
<td>During the end of FY18/19, VISIT FLORIDA prepared to launch the third TMAP cycle, which will serve 150 small businesses with gross revenues of $1.25 million or less, and nonprofit 501(c)(3) organizations. The program was expanded for FY 19-20 to allow more businesses to participate, and the program length was also extended to one full year. Three new benefits were created this year for accepted businesses: 1) Access to a new Small Business Marketing Toolkit; 2) Discounts of $200 on select VISIT FLORIDA co-op Annually</td>
<td>Megan Yariv <a href="mailto:myariv@visitflorida.org">myariv@visitflorida.org</a></td>
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<tr>
<td>VISIT FLORIDA</td>
<td>4.4: Increase access to entrepreneurial resources, including talent, funding and research and development.</td>
<td>Provide access to obtain local-level tourism research to VISIT FLORIDA partners at a reduced cost.</td>
<td>4.4.1 VISIT FLORIDA provided its partners with the opportunity to purchase tourism research data from vendors such as Visa USA and AllTheRooms at a greatly reduced cost, thus enabling partners to have access to data relating to tourism and visitor spending that enables partners to fine-tune their marketing strategies.</td>
<td>Continue providing programs to partners.</td>
<td>VISIT FLORIDA made these programs available to partners throughout the year. Annually</td>
<td>Megan Yariv <a href="mailto:myariv@visitflorida.org">myariv@visitflorida.org</a></td>
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<tr>
<td>VISIT FLORIDA</td>
<td>4.4: Increase access to entrepreneurial resources, including talent, funding and research and development.</td>
<td>Promote private sector engagement by providing marketing partnerships to Florida businesses.</td>
<td>4.4.2 Engage the Florida tourism industry to promote visitation to and within the state.</td>
<td></td>
<td>During the FY18/19, VISIT FLORIDA had private sector engagement from 2,416 Marketing Partners and paid web listing affiliates and 10,992 free web listing affiliates bringing the total to 13,408 engaged businesses. Annually</td>
<td>Megan Yariv <a href="mailto:myariv@visitflorida.org">myariv@visitflorida.org</a></td>
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<tr>
<td>VISIT FLORIDA</td>
<td>6.4: Promote, protect and preserve Florida’s rich historical and cultural heritage.</td>
<td>Promote historical and cultural tourism opportunities to visitors to Florida.</td>
<td>6.4.1</td>
<td>Market historical and cultural Florida events and attractions, such as Florida’s Black Heritage Trail.</td>
<td>Market historical and cultural Florida events and attractions, such as Florida’s Black Heritage Trail.</td>
<td>VISIT FLORIDA marketed historical and cultural tourism opportunities and launched a feature on Florida’s Black Heritage Trail, <a href="https://www.visitflorida.com/en-us/things-to-do/arts-history/black-history.html">https://www.visitflorida.com/en-us/things-to-do/arts-history/black-history.html</a>. VISIT FLORIDA maintains a Florida Arts and History portal, <a href="https://www.visitflorida.com/en-us/things-to-do/arts-history.html">https://www.visitflorida.com/en-us/things-to-do/arts-history.html</a>.</td>
<td>Megan Yariv <a href="mailto:myariv@visitflorida.org">myariv@visitflorida.org</a></td>
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**Example Re: Measure Number:** If you have 2 activities and measures that fall under Pillar Strategy 1.2, their Measure Numbers will be 1.2.1 and 1.2.2

**Note:** For Annual/End of FY Data, the data can be based on State Fiscal Year or Federal Fiscal Year - just indicate under comments.

Please list any success stories, key accomplishments and/or best practices that you would like to share with DEO and State Plan Leadership.

In August, Governor Ron DeSantis and VISIT FLORIDA announced that Florida welcomed 69.7 million travelers from January through June of 2019, the highest number of visitors during any six months in Florida’s history. This record number represents a 5.2 percent increase over the same period in 2018 and includes 62.1 million domestic visitors, 5.3 million overseas visitors and 2.4 million Canadian visitors.

VISIT FLORIDA President and CEO Dana Young said, “Back-to-back record quarters in the first six months of this year demonstrate that the Florida tourism industry has continued to produce results. VISIT FLORIDA will continue to develop cutting edge marketing programs that highlight our state so that we can attract more visitors, create more jobs, and make Florida the world’s number one place to take a vacation. We appreciate Governor DeSantis for his leadership and support for Florida’s iconic tourism industry.”