



DESTINATION PANAMA CITY
REGULARLY SCHEDULED QUARTERLY MEETING
May 12, 2020

9:00AM (approximate time, follows City Commission Meeting)

- 1) Roll Call
- 2) Acceptance of TDT Revenue Reports – Collections thru March 2020
- 3) Acceptance of Financial Statement Period Ending March 31, 2020
- 4) Acceptance of the 2019 Final Audit as prepared by Carr, Riggs, & Ingram
- 5) Presentation by Florida Architects – Future Visitors Center
- 6) Ratification of Updates to DPC Official Logo
- 7) CEO Updates
 - a) Marketing
 - i) Welcome Back Campaign
 - ii) Visitors Guide
 - iii) New Website
 - b) COVID-19 initiatives
 - i) #StayHomeTogether
 - ii) Facebook Group for Panama City Restaurants & Bars
 - iii) #LoveTravels Social Media Campaign
 - iv) Panama City Heritage Classic Fishing Tournament
 - c) FY21 Budget Guidance
 - i) Visitors Center
 - ii) Alternative Revenue Opportunities
- 8) Public Participation
- 9) Adjournment

**Panama City Community Development Council
dba Destination Panama City
Agenda Item Summary**

1. PRESENTER NAME:

Jennifer M. Vigil
President & CEO

2. MEETING DATE:

5/12/2020

3. REQUESTED MOTION/ACTION:

Motion to Accept TDT Revenue Reports for as presented.

4. AGENDA

PRESENTATION ☐
PUBLIC HEARING ☐
CONSENT ☐
REGULAR ☒

5. IS THIS ITEM BUDGETED (IF APPLICABLE)?: YES ☐ NO ☐ IF NO, STATE ACTION REQUIRED ☐ N/A

BUDGET ACTION:
FINANCIAL IMPACT SUMMARY STATEMENT:

DETAILED ANALYSIS ATTACHED?: YES ☐ NO ☐

6. BACKGROUND: (WHY IS THE ACTION NECESSARY, WHAT ACTION WILL BE ACCOMPLISHED, (WHO, WHERE, WHEN & HOW))

Clerk of Court TDT division collects revenue and provides the attached reports.



TDT Monthly Analysis

		FY20	% change	FY19 5.00%	% change	FY18 5.00%	% change	FY17 5.00%	% change	FY16 5.00%	% change	FY15 5.00%
OCT	131.67%	123,861.72	-47.21%	53,465.19	-10.17%	101,281.73	19.23%	112,754.00		94,571.27		-
NOV	123.84%	91,643.79	-41.31%	40,942.54	-4.86%	69,765.50	11.00%	73,327.00		66,059.88		-
DEC	118.73%	82,443.03	-45.66%	37,691.14	5.63%	69,355.65	5.76%	65,657.00		62,079.90		-
JAN	57.93%	79,980.05	-23.33%	50,642.49	-6.09%	66,053.88	-10.00%	70,339.00	23.92%	78,155.39		63,069.50
FEB	23.55%	73,996.73	-27.20%	59,891.56	-3.94%	82,266.95	-7.72%	85,637.00	5.64%	92,804.00		87,845.52
MAR	10.47%	88,811.23	-45.62%	80,393.83	-4.76%	147,842.53	-2.82%	155,229.00	-20.33%	159,731.00		200,483.24
APR			-24.44%	112,406.97	-0.32%	148,755.72	-2.61%	149,230.00	17.10%	153,227.00		130,848.26
MAY			-12.71%	139,913.92	0.48%	160,287.99	4.75%	159,517.00	4.15%	152,286.00		146,220.71
JUN			-21.88%	187,808.86	17.94%	240,405.16	-3.22%	203,829.00	4.32%	210,619.00		201,906.34
JUL			-15.73%	231,805.34	4.60%	275,072.33	-1.10%	262,982.00	11.66%	265,911.00		238,143.02
AUG			19.03%	158,028.14	7.51%	132,766.82	14.11%	123,488.00	-8.34%	108,223.00		118,070.60
SEP			7.07%	125,158.45	2.78%	116,889.75	14.31%	113,733.00	3.74%	99,494.00		95,907.58
TOTAL	67.40%	540,736.55	-20.65%	1,278,148.43	2.22%	1,610,744.01	2.11%	\$ 1,575,722	20.32%	\$ 1,543,161		\$ 1,282,495

2.96%

540,736.55 FY20 YTD

1,278,148.43 FY19 YTD

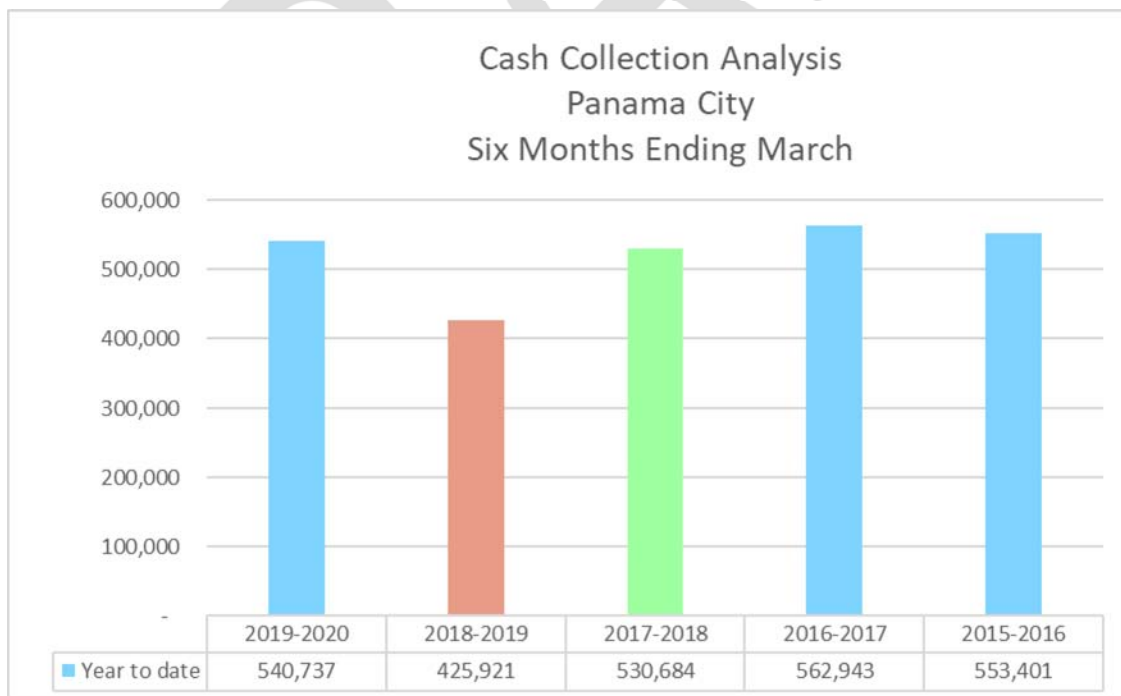
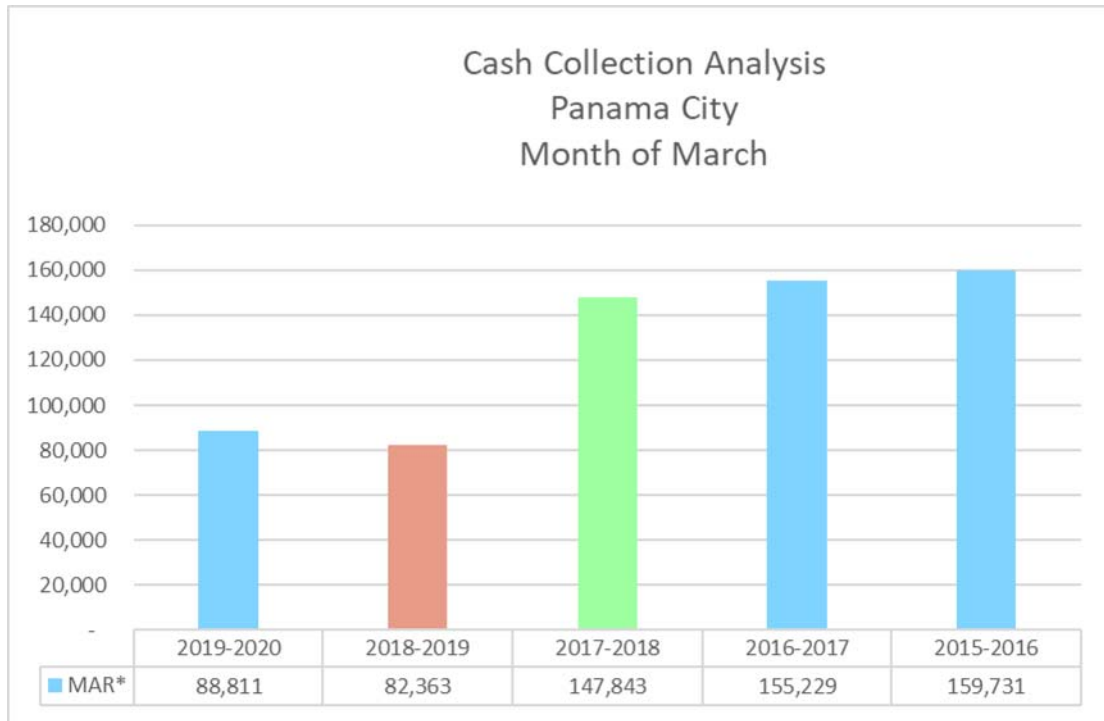
1,610,744.01 FY18YTD

0.78%

-3.94%



Tourist Development Tax, Bay County, Florida



Bay County Tourist Development Tax, Post Office Box 1230, Panama City, Florida 32402

Express Delivery: 840 w 11th St Suite #3000, Panama City, Florida 32401

Phone: (850) 747-5226 Fax: (850) 747-5212

Visit us at: <https://TDC.BayCoClerk.com/TouristTax/> Email: TDC@BayCoClerk.com



Tourist Development Tax, Bay County, Florida

FY2020 Cash/Accrual Breakdown

Panama City

Attributed period	Collected in						
	<u>Nov</u>	<u>Dec</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	
	Pre	\$ 636.04	\$ -				\$ 636.04
	Oct	\$ 123,225.69	\$ -				\$ 123,225.69
	Nov		\$ 91,643.79	\$ 3,550.25	\$ 9.24		\$ 95,203.28
	Dec			\$ 78,892.78	\$ 107.05		\$ 78,999.83
	Jan				\$ 79,863.76		\$ 79,863.76
	Feb					\$ 70,308.95	\$ 1,993.52
	Mar					\$ 3,687.78	\$ 86,817.71
	Apr						\$ -
May						\$ -	
Jun						\$ -	
Jul						\$ -	
Aug						\$ -	
Sep						\$ -	
Post	\$ 123,861.73	\$ 91,643.79	\$ 82,443.03	\$ 79,980.05	\$ 73,996.73	\$ 88,811.23	\$ 540,736.56

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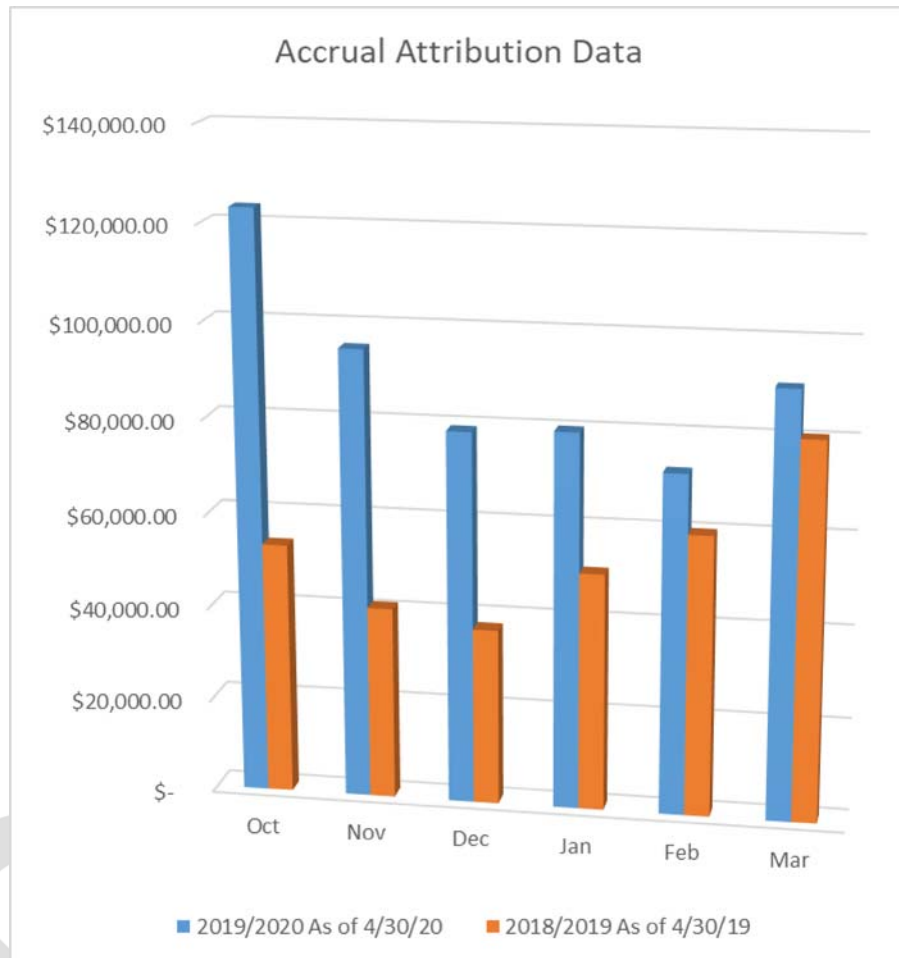
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Tourist Development Tax, Bay County, Florida

Panama City



	Accrual Attribution Data				
	<u>2019/2020 As of 4/30/20</u>	<u>2018/2019 As of 4/30/19</u>	<u>Variance</u>	<u>Variance %</u>	<u>2018/2019 FINAL 4/30/20</u>
Oct	\$ 123,225.69	\$ 53,465.19	\$ 69,760.50	130.48%	\$ 53,465.19
Nov	\$ 95,203.28	\$ 40,942.54	\$ 54,260.74	132.53%	\$ 40,942.54
Dec	\$ 78,999.83	\$ 37,527.04	\$ 41,472.79	110.51%	\$ 40,885.58
Jan	\$ 79,863.76	\$ 50,642.49	\$ 29,221.27	57.70%	\$ 50,642.49
Feb	\$ 72,302.47	\$ 59,891.56	\$ 12,410.91	20.72%	\$ 59,891.56
Mar	\$ 90,505.49	\$ 80,393.83	\$ 10,111.66	12.58%	\$ 80,393.83
Apr-Sep	\$ -	\$ 454.74			
	\$ 540,100.52	\$ 323,317.39	\$ 216,783.13	67.05%	\$ 326,221.19

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**Panama City Community Development Council
dba Destination Panama City
Agenda Item Summary**

1. PRESENTER NAME:

Jennifer M. Vigil
President & CEO

2. MEETING DATE:

5/12/2020

3. REQUESTED MOTION/ACTION:

Approve Financial Reports for period ending March 31, 2020

4. AGENDA

PRESENTATION ☐
PUBLIC HEARING ☐
CONSENT ☐
REGULAR ☒

5. IS THIS ITEM BUDGETED (IF APPLICABLE)?: YES ☐ NO ☐ IF NO, STATE ACTION REQUIRED ☐ N/A

BUDGET ACTION:
FINANCIAL IMPACT SUMMARY STATEMENT:

DETAILED ANALYSIS ATTACHED?: YES ☐ NO ☐

6. BACKGROUND: (WHY IS THE ACTION NECESSARY, WHAT ACTION WILL BE ACCOMPLISHED, (WHO, WHERE, WHEN & HOW))

Accounting staff has prepared the Financial reports. Staff request approval on financials as presented.

Panama City Community Development Council, Inc.
Statement of Net Position, **UNAUDITED**
March 31, 2020
Interim financial reporting; for internal management use only

Assets

Cash and cash equivalents	\$ 529,221
Accounts receivable	28,869
Equipment & furniture	2,662
Allowance for depr/amort	(1,731)
Total assets	<u><u>\$ 559,021</u></u>

Liabilities and Net Position

Liabilities:

Accounts payable	\$ -
Other accrued liabilities	22,777
Deposits	100,000
Total liabilities	<u><u>122,777</u></u>

Net position:

Unrestricted net position	436,244
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Total liabilities and net position	<u><u>\$ 559,021</u></u>
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Final audited balances may vary from interim financial reports.

Panama City Community Development Council, Inc.
Statement of Revenues, Expenses, and Changes in Net Position **UNAUDITED**
For the period ended March 31, 2020
Interim financial reporting; for internal management use only

	Adopted Budget	Budget Amendments	Amended Budget	Y-T-D Actual
Revenues:				
Intergovernmental:				
Bay County TDC Contract	\$ 799,500	\$ -	\$ 799,500	\$ 360,199
Bay County Carry Forward Revenue	100,000		100,000	-
Advertising revenue PC CDC	-	-	-	-
Total intergovernmental	899,500	-	899,500	360,199
Miscellaneous:				
Investment/Interest earnings	-		-	1,924
Insurance proceeds	-		-	-
Private Contributions & Donations	-		-	217,240
Miscellaneous	-		-	504
Event booth rentals	-		-	-
Sponsorship revenue	-		-	8,156
Alcohol sales	-		-	-
Merchandise sales	-		-	-
Event ticket sales	-		-	2,275
Total miscellaneous	-	-	-	230,099
Total Revenues	899,500	-	899,500	590,298
Expenses:				
Personal services	233,131		233,131	112,608
Operating expenses:				
Professional Services	20,000		20,000	3,580
Accounting & Auditing	23,500		23,500	9,100
Other Contractual Svcs	6,000		6,000	-
Other Contractual Svcs Dues	102,500		102,500	40,815
Travel and Per Diem	25,000		25,000	2,401
Non-staff Travel Expenses	5,000		5,000	1,658
Communication Services	7,500		7,500	3,667
Freight & Postage Service	25,000		25,000	226
Utility Services	5,000		5,000	1,078
Rental & Leases	25,000		25,000	9,732
Insurance	10,000		10,000	494
Repairs & Maintenance Svc	6,000		6,000	-
Printing & Binding	30,000		30,000	4,364
Promotional Activities	300,000		300,000	155,346
Other Current Charges	20,000		20,000	1,760
Office Supplies	1,000		1,000	495
Operating Supplies	12,000		12,000	1,528
Books Publications Memberships	30,000		30,000	11,507
Training	6,000		6,000	1,920
Operational Reserve For Contingency	3,869		3,869	-
Capital Outlay:				
Buildings	-		-	-
Machinery & Equipment	3,000		3,000	-
Total Expenses	899,500	-	899,500	362,279
Net change in net position	\$ -	\$ -	\$ -	\$ 228,019
Net position-beginning of year				208,225
Net position-end of year				\$ 436,244

Final audited balances may vary from interim financial reports.

**Panama City Community Development Council
dba Destination Panama City
Agenda Item Summary**

1. PRESENTER NAME:

Jennifer M. Vigil
President & CEO

2. MEETING DATE:

5/12/2020

3. REQUESTED MOTION/ACTION:

Accept the FY2019 Annual Audit as prepared by Carr, Riggs, and Ingram

4. AGENDA

PRESENTATION ☐

PUBLIC HEARING ☐

CONSENT ☐

REGULAR ☒

5. IS THIS ITEM BUDGETED (IF APPLICABLE)?: YES ☐ NO ☐ IF NO, STATE ACTION REQUIRED ☐ N/A

BUDGET ACTION:

FINANCIAL IMPACT SUMMARY STATEMENT:

DETAILED ANALYSIS ATTACHED?: YES ☐ NO ☐

6. BACKGROUND: (WHY IS THE ACTION NECESSARY, WHAT ACTION WILL BE ACCOMPLISHED, (WHO, WHERE, WHEN & HOW))

Carr, Riggs, and Ingram has completed the FY19 Audit with Management letter. Staff request Board approve the FY19 Audit as presented.

**Panama City Community
Development Council, Inc.**

FINANCIAL STATEMENTS

September 30, 2019



CRI CARR
RIGGS &
INGRAM

CPAs and Advisors

CRIcpa.com

Panama City Community Development Council, Inc.
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September 30, 2019

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REPORTS ON INTERNAL CONTROL AND COMPLIANCE MATTERS

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* 11



Carr, Riggs & Ingram, LLC
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(850) 784-4866 (fax)
www.cricpa.com

INDEPENDENT AUDITORS' REPORT

Board of Directors
Panama City Community Development Council, Inc.
Panama City, Florida

We have audited the accompanying financial statements of the business-type activities of the Panama City Community Development Council, Inc. (Council) (a nonprofit organization), a component unit of Bay County, Florida, as of and for the year ended September 30, 2019, and the related notes to financial statements, which collectively comprise the Council's basic financial statements as listed in the table of contents.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 auditors consider 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 the business-type activities, of the Panama City Community Development Council, Inc. as of September 30, 2019, and the changes in its financial position, and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Management has omitted the management's discussion and analysis information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 23, 2020, on our consideration of Panama City Community Development Council, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Panama City Community Development Council, Inc.'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 Panama City Community Development Council, Inc.'s internal control over financial reporting and compliance.

Cam, Riggs & Ingram, L.L.C.

Certified Public Accountants
Panama City Beach, Florida
April 23, 2020

Panama City Community Development Council, Inc.
Statement of Net Position

September 30, 2019

Assets

Current assets

Cash and cash equivalents	\$ 324,345
Prepays	9,937
Accounts receivable, net	40,706

Total current assets	374,988
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Noncurrent assets

Capital assets, net	931
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Total noncurrent assets	931
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Total assets	375,919
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Liabilities

Current liabilities

Accounts payable and accrued expenses	63,768
Advance deposits	100,000
Unearned revenue	8,278

Total current liabilities	172,046
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Total liabilities	172,046
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Net position

Net investment in capital assets	931
Unrestricted	202,942

Total net position	\$ 203,873
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The accompanying notes are an integral part of these financial statements.

Panama City Community Development Council, Inc.
Statement of Revenues, Expenses and Change in Net Position

Year Ended September 30, 2019

Revenues	
Bay County TDC contract	\$ 908,670
Promotional program	63,406
Advertising	500
Interest income	2,249
Contributions	2,095
Insurance proceeds	66,437
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Total revenues	1,043,357
<hr/>	
Expenses	
Promotional activities	425,051
Facility maintenance	86,434
Depreciation	533
Insurance	8,334
Publications	28,223
Office	8,766
Other	5,569
Payroll	263,205
Postage and shipping	143
Professional services	68,624
Travel	7,137
Utilities, telephone and internet	11,297
<hr/>	
Total expenses	913,316
<hr/>	
Change in net position	130,041
<hr/>	
Net position - beginning of year	73,832
<hr/>	
Net position - end of year	\$ 203,873
<hr/>	

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

Panama City Community Development Council, Inc.
Statement of Cash Flows

Year Ended September 30, 2019

Cash flows from operating activities	
Cash received from intergovernmental revenue	\$ 918,611
Cash received from sales and services	500
Cash received from miscellaneous operating activities	65,655
Cash paid to suppliers for goods and services	(569,723)
Cash paid to employees for services	(267,178)
Net cash provided by operating activities	147,865
Net change in cash and cash equivalents	147,865
Cash and cash equivalents - beginning of year	176,480
Cash and cash equivalents - end of year	\$ 324,345
Reconciliation of change in net position to net cash provided by operating activities	
Change in net position	\$ 130,041
Adjustments to reconcile change in net position to net cash provided by operating activities	
Depreciation	533
Decrease in assets	
Accounts receivable, net	10,862
Prepays	653
Increase (decrease) in liabilities	
Accounts payable and accrued expenses	6,697
Unearned revenue	(921)
Total adjustments	17,824
Net cash provided by operating activities	\$ 147,865

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

Panama City Community Development Council, Inc.
Notes to Financial Statements

NOTE 1 – NATURE OF OPERATIONS

Panama City Community Development Council, Inc. (Council) is a nonprofit corporation organized, on October 30, 2014, under Chapter 617 of the *Florida Statutes* whose purpose is to provide support for the Bay County Tourist Development Council, the Board of County Commissioners of Bay County, Florida, and where not in conflict with those two, the City of Panama City, Florida. The Council is designed to promote a positive image for Panama City, increase tourism, and coordinate the marketing efforts of the total tourism community. The Council is primarily funded from the tourist development taxes collected within the Panama City Tourist Development Tax District, provided through a contract with the Council and the Board of County Commissioners.

For financial reporting purposes, the Council is considered a component unit of Bay County, Florida. The Council's financial statements have been disclosed in the Bay County, Florida financial statements as a discretely presented component unit. Discretely presented component units are reported in a separate column in Bay County, Florida's financial statements to emphasize that the Council is a legally separate entity.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Council have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted primary standard setting body for establishing governmental accounting and financial reporting principles. The Council's significant accounting policies are described below.

Measurement Focus and Basis of Accounting

The term, measurement focus, is used to denote what is being measured and reported in the Council's financial statements. The Council's financial statements are accounted for using the flow of economic resources measurement focus. The accounting objectives of this measurement focus are the determination of changes in net position, net position and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported and equity is reported as net position.

The term, basis of accounting, is used to determine when a transaction or event is recognized in the Council's financial statements. The Council records accounting transactions on the full accrual basis of accounting, with revenues recorded when earned and expenses recorded when incurred, according to the terms of the contract, even though actual payment or receipt may not occur until after the period ends.

Panama City Community Development Council, Inc.
Notes to Financial Statements

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position

Net position represents the difference between assets and liabilities. Net position reported as net investment in capital assets consists of net capital assets reduced by outstanding balances of any related debt obligations. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the Council or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. At September 30, 2019, there was no restricted net position.

Cash and Cash Equivalents

The Council considers all highly liquid debt instruments with an initial maturity of three months or less when purchased to be cash equivalents.

Accounts Receivable, Net

All receivables are reported at their gross value and, where appropriate, are reduced by an allowance for doubtful accounts. As of September 30, 2019, there was no allowance for doubtful accounts as management considers all receivables to be collectable.

Prepays

Payments made to vendors for services that will benefit periods beyond September 30, 2019, are recorded as prepaids using the consumption method by recording an asset for the prepaid amount and recording the expense in the year in which services are consumed.

Unearned Revenue

Unearned revenue represent revenue received in advance of the earnings process. The unearned revenue will be recognized as revenue in the fiscal year they are earned in accordance with the accrual basis of accounting.

Revenue Recognition

Revenue is recognized on the accrual basis of accounting. The contract entered into between the Council and the Board of County Commissioners for the year ended September 30, 2019, identified the maximum amount of reimbursement. Reimbursements are limited to County allowable expenses.

Capital Assets

The Council capitalizes all property and equipment, stated at cost, or estimated fair market value if donated, of more than \$1,000 and a useful life of more than one year. Depreciation is recorded on the straight-line basis over the estimated useful lives of the assets. The estimated useful lives of equipment are generally 5-7 years.

Panama City Community Development Council, Inc.
Notes to Financial Statements

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Taxes

The Council is exempt from income taxes under Internal Revenue Code Section 501(c)(6), except for income taxes on unrelated business income. No provision for income taxes has been made in these financial statements since there was no taxable unrelated business income for the year ended September 30, 2019. The Council is not classified as a private foundation.

Date of Management's Review

In preparing the financial statements, management has evaluated events and transactions for potential recognition or disclosure through April 23, 2020, the date the financial statements were available to be issued.

NOTE 3 – CONCENTRATIONS

The Council maintains its cash balances at financial institutions located in Bay County, Florida. All of the Council's accounts are placed in banks that are qualified public depositories, as required by law (Florida Security for Public Deposits Act). Every qualified public depository is required by this law to deposit with the State Treasurer eligible collateral equal to, or in excess of, an amount to be determined by the State Treasurer. The State Treasurer is required by this law to ensure that the depositors' funds are entirely collateralized throughout the fiscal year. In the event of failure by a qualified public depository, losses, in excess of federal depository insurance and proceeds from the sale of the securities pledged by the defaulting depository, are assessed against the other qualified public depositories of the same type as the depository in default. When other qualified public depositories are assessed additional amounts, they are assessed on a pro rata basis.

NOTE 4 – ECONOMIC DEPENDENCY

The Council is substantially funded by taxes collected by the Bay County Tourist Development Council provided through a contract with the Council and the Board of County Commissioners. If this contract were to be discontinued, it would have a material impact on the financial operations of the Council. As of September 30, 2019, Bay County is maintaining funds of \$1,444,222 related to taxes collected for the

Panama City Community Development Council, Inc.
Notes to Financial Statements

NOTE 4 – ECONOMIC DEPENDENCY (CONTINUED)

Panama City Tourist Development Tax District. For fiscal year September 30, 2019, the Bay County Clerk was paid \$38,405 for administration costs of collecting the Panama City Tourist Development Tax.

NOTE 5 – RELATED PARTY TRANSACTIONS

The Commissioners of the City of Panama City (City) serve as the board for the Council. The accounting staff of the City also provides accounting services for the Council. For the year ended September 30, 2019, the Council paid the City \$13,500 for accounting services. As of September 30, 2019, no amounts are due to the City for accounting services.

NOTE 6 – CAPITAL ASSETS AND DEPRECIATION

Changes in property and equipment are summarized as follows:

	Balance September 30, 2018		Increases	(Decreases)		Balance September 30, 2019
Capital asset, being depreciated						
Equipment	\$ 2,662	\$	-	\$	-	\$ 2,662
Accumulated depreciation	(1,198)		(533)		-	(1,731)
Total capital assets being depreciated	1,464		(533)		-	931
Total capital assets, net	\$ 1,464	\$	(533)	\$	-	\$ 931

Depreciation expense of \$533 was recorded during the year ended September 30, 2019.

NOTE 7 – COMPENSATED ABSENCES

The vacation leave policy provides for full-time employees to earn between 10 and 18 hours of vacation leave each month, depending upon the number of years of service, for a maximum of 240 hours per calendar year. Part-time employees accumulate vacation leave at the same rate prorated for hours worked. Vacation time earned but not used is accrued by the Council up to 240 hours per employee. Accrued vacation as of September 30, 2019 was \$13,775. The sick leave policy provides for full-time employees to earn 8 hours of sick leave each month for a maximum of 96 hours per calendar year. Part-time employees accumulate sick leave at the same rate, prorated for hours worked. Unused sick leave is forfeited at termination of employment, therefore no amount is accrued.

Panama City Community Development Council, Inc.
Notes to Financial Statements

NOTE 8 – CONTINGENCY RESERVE

The Bay County Board of County Commissioners maintains a contingency reserve for the Council. The reserve is funded by all annual unappropriated cash carryforward amounts from tourist development tax revenues and any current year tourist development tax revenues approved for reservation. There is no maximum reserve amount. The reserve will be funded to a balance of \$500,000, from a portion of annual tax receipts limited to no less than 10% nor more than 15% of annual receipts. Once met the balance should not be reduced below \$500,000. This reserve may be accessed by the Council after approval of the Bay County Board of County Commissioners. Funds may be withdrawn in the event of a disaster or unanticipated adverse circumstances, to minimize deficit financing of capital projects, or to address the needs from other unanticipated problems or opportunities. As of September 30, 2019, the County's reserve balance was \$500,000.

NOTE 9 – FUTURE ACCOUNTING PRONOUNCEMENTS

The Governmental Accounting Standards Board has issued statements the following statement that will become effective in the year ending September 30, 2021. This statement addresses:

- Statement No. 87, *Leases*, increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this statement are effective for reporting periods beginning after December 15, 2019.

The Council is currently evaluating the effects that this statement will have on its financial statements for the year ending September 30, 2021.

NOTE 10 – SUBSEQUENT EVENTS

In March 2020, the World Health Organization made the assessment that the outbreak of a novel coronavirus (COVID-19) can be characterized as a pandemic. As a result, uncertainties have arisen that may have a significant negative impact on the operating activities and results of the Organization. The occurrence and extent of such an impact will depend on future developments, including (i) the duration and spread of the virus, (ii) government quarantine measures, (iii) voluntary and precautionary restrictions on travel or meetings, (iv) the effects on the financial markets, and (v) the effects on the economy overall, all of which are uncertain.

COMPLIANCE SECTION

**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
Panama City Community Development Council, Inc.
Panama City, 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 the business-type activities of the Panama City Community Development Council, Inc. (a nonprofit organization), a component of Bay County, Florida, as of and for the year ended September 30, 2019, and the related notes to financial statements, which collectively comprise the Panama City Community Development Council, Inc.'s basic financial statements as listed in the table of contents, and have issued our report thereon dated April 23, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Panama City Community Development Council, Inc.'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Panama City Community Development Council, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Panama City Community Development Council, Inc.'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 Panama City Community Development Council, Inc.'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.

Caru, Riggs & Ingram, L.L.C.

Certified Public Accountants
Panama City Beach, Florida
April 23, 2020

***Panama City Community Development Council
dba Destination Panama City
Agenda Item Summary***

1. PRESENTER NAME:

Jennifer Vigil
President & CEO

2. MEETING DATE:

5/12/2020

3. REQUESTED MOTION/ACTION:

No Motion Required

4. AGENDA

PRESENTATION ☒
PUBLIC HEARING ☐
CONSENT ☐
REGULAR ☐

5. IS THIS ITEM BUDGETED (IF APPLICABLE)?: YES ☐ NO ☐ IF NO, STATE ACTION REQUIRED ☐ N/A

BUDGET ACTION:
FINANCIAL IMPACT SUMMARY STATEMENT:

DETAILED ANALYSIS ATTACHED?: YES ☐ NO ☐

6. BACKGROUND: (WHY IS THE ACTION NECESSARY, WHAT ACTION WILL BE ACCOMPLISHED, (WHO, WHERE, WHEN & HOW))

After requesting proposals from four local architects that are currently listed on the Bay County Professional Services Agreements roster, Florida Architects was chosen to begin work designing the new multi-purpose Visitors Center facility.

Florida Architects is present to give a brief presentation on the progress and the anticipated timeline.

**Panama City Community Development Council
dba Destination Panama City
Agenda Item Summary**

1. PRESENTER NAME:

Jennifer Vigil
President & CEO

2. MEETING DATE:

5/12/2020

3. REQUESTED MOTION/ACTION:

Ratify the decision of CEO Vigil in amending the official logo of Destination Panama City.

4. AGENDA

PRESENTATION ☐
PUBLIC HEARING ☐
CONSENT ☐
REGULAR ☒

5. IS THIS ITEM BUDGETED (IF APPLICABLE)?: YES ☐ NO ☐ IF NO, STATE ACTION REQUIRED ☐ N/A

BUDGET ACTION:
FINANCIAL IMPACT SUMMARY STATEMENT:

DETAILED ANALYSIS ATTACHED?: YES ☐ NO ☐

6. BACKGROUND: (WHY IS THE ACTION NECESSARY, WHAT ACTION WILL BE ACCOMPLISHED, (WHO, WHERE, WHEN & HOW))

As part of the ongoing branding of Panama City as a traveler destination, a logo was developed and approved by the board in 2016. The logo has been well received by partners, travelers and permanent residents. Unfortunately, the logo has come with challenges due to the range of color, the sharp points, gradient of color, and fine detail lines. In 2019, the organization was notified that our website was not meeting ADA compliance standards. In efforts to correct and mitigate the issue, staff began the process of revising the website. One of the challenges was the requirement of contrasting colors.

Staff engaged new marketing agency of record, Fahlgren Mortine, to help fine tune the logo. They were provided guidance on previous challenges, the need for ADA compliance, and that our community liked the original logo.

With some very slight changes – the challenges were overcome. CEO Vigil directed staff to begin using the new version of the logo immediately so that progress on the new website would not be delayed. Below the original logo is on the left and the updated logo's are on the right.

