



AGENDA  
COMBINED BOARD MEETING  
Bay County Tourist Development Council  
Panama City Beach Convention & Visitors Bureau, Inc.  
Panama City Beach

Tuesday, June 09, 2020

9:00 a.m.

Council Room, PCB City Hall

- I. CALL MEETING TO ORDER**
- II. ROLL CALL**
  - A. Invocation
  - B. Pledge of Allegiance
  - C. Approve the Minutes from February 20 & March 10, 2020
- III. REQUESTS TO ADDRESS THE BOARD ON AGENDA ITEMS (3 Minutes)**
- IV. CONSENT AGENDA**
  - A. BEACH NOURISHMENT - Approve APTIM Coastal Planning & Engineering, Inc. Invoice #491183
- V. PRESENTATIONS**
  - A. Performance Metrics – Mr. Dan Rowe
  - B. FY2019 Audit – Mr. Rich Moreira, CRI
- VI. BOARD ACTION ITEM**
  - A. TDC USACE 2020 Agreement - Mr. Doug Sale
- VII. DISCUSSION ITEMS**
  - A. Beach Maintenance and Leave No Trace Update - Mr. Dan Rowe
  - B. Summer Media Plan Update – Ms. Jayna Leach
- VIII. PRESIDENT’S REPORT**
- IX. CHAIRMAN’S REPORT**
- X. AUDIENCE PARTICIPATION**
- XI. ADJOURNMENT**

**MOTIONS PASSED AT THE COMBINED BOARD MEETING, FEBRUARY 20, 2020**

1. Combined: Approved the minutes from January 14, 2020. **Griffitts/Pease**
2. CVB: Approved appointment of ninth Board Member. **Bailey/Griffitts**
3. CVB: Approved the election of officers.  
Chairman: **Griffitts/Pease**  
Vice Chairman: **Phillips/Chester**  
Secretary/Treasurer: **Griffitts/Pease**
4. Combined: Approved the Consent Agenda:  
Item A - Amend the CVB Purchasing Policy to Allow for Sole Source Purchase of Technical Services  
Item B - Approve APTIM Coastal Planning & Engineering, Inc. Invoice #476770-RI-00636  
Item C - Approve Anchor CEI Invoice #295 and #328  
Item D - Approve CVB Financial Statements for October, November, & December of 2019  
**Phillips/Griffitts**
5. Combined: Approved to recommend to the BOCC to maintain the original debt payment schedule as well as to reserve the right to exercise either option, to maintain the original payment schedule or the new payment schedule, at the recommendation of the TDC/CVB Board.  
**Pease/Wilkes**

COMBINED BOARD MEETING  
Bay County Tourist Development Council  
Panama City Beach Convention & Visitors Bureau, Inc.  
Panama City Beach

Thursday, February 20, 2020

9:00 a.m.

Council Room, PCB City Hall

**Board Members Present:**

Buddy Wilkes, Chairman  
Phil Chester, Vice Chairman  
Andy Phillips  
Phillip Griffiths, Jr.  
Mike Thomas  
Steve Bailey  
Clair Pease  
Yonnie Patronis, Treasurer  
Gary Walsingham

**Board Members Absent:**

NONE

**I. CALL MEETING TO ORDER**

Chairman Buddy Wilkes called the meeting to order at 9:00 a.m.

**II. ROLL CALL**

There were nine members present, zero absent.

**A. Invocation**

Mr. Chester gave the Invocation.

**B. Pledge of Allegiance**

Ms. Pease led the Pledge of Allegiance.

**C. Approve Minutes from January 14, 2020**

***Mr. Griffiths moved; seconded by Ms. Pease, to approve the Minutes.***

***Motion passed by the following unanimous vote:***

<b><i>Mr. Phillips</i></b>	<b><i>Yes</i></b>
<b><i>Mr. Thomas</i></b>	<b><i>Yes</i></b>
<b><i>Mr. Chester</i></b>	<b><i>Yes</i></b>
<b><i>Mr. Bailey</i></b>	<b><i>Yes</i></b>
<b><i>Mr. Wilkes</i></b>	<b><i>Yes</i></b>
<b><i>Mr. Griffiths</i></b>	<b><i>Yes</i></b>
<b><i>Mr. Walsingham</i></b>	<b><i>Yes</i></b>
<b><i>Ms. Pease</i></b>	<b><i>Yes</i></b>
<b><i>Mr. Patronis</i></b>	<b><i>Yes</i></b>

**III. REQUESTS TO ADDRESS THE BOARD ON AGENDA ITEMS (3 Minutes)**

None

**IV. APPOINTMENT OF 9<sup>TH</sup> BOARD MEMBER**

Mr. Bailey nominated Mr. Phillips as a reappointment of his membership. Mr. Thomas stated that he thought this should be open to outside applications. He said there were two or three inquiries regarding this position and that with a new Mayor coming into his seat, maybe it should be held for open applications.

Mr. Patronis stated that if there are any other interested parties, he would like to keep the door open. If not, then go ahead with the vote for Mr. Phillips.

Mr. Griffiths asked Mr. Sale if Mr. Phillips could stay in the seat until the new Mayor replaces Mr. Thomas.

Mr. Bailey stated that he thought Mr. Phillips should be reappointed.

***Mr. Bailey moved; seconded by Mr. Griffiths, to reappoint Mr. Phillips***

***Motion passed to reappoint Mr. Phillips by the following unanimous vote:***

<b><i>Mr. Phillips</i></b>	<b><i>Yes</i></b>
<b><i>Mr. Thomas</i></b>	<b><i>Yes</i></b>
<b><i>Mr. Chester</i></b>	<b><i>Yes</i></b>
<b><i>Mr. Bailey</i></b>	<b><i>Yes</i></b>
<b><i>Mr. Wilkes</i></b>	<b><i>Yes</i></b>
<b><i>Mr. Griffiths</i></b>	<b><i>Yes</i></b>
<b><i>Mr. Walsingham</i></b>	<b><i>Yes</i></b>
<b><i>Ms. Pease</i></b>	<b><i>Yes</i></b>
<b><i>Mr. Patronis</i></b>	<b><i>Yes</i></b>

**V. ELECTION OF OFFICERS**

Appointment of the Chairman: Mr. Chester was nominated by Mr. Griffiths

***Mr. Griffiths moved; seconded by Ms. Pease, to appoint Mr. Chester as Chairman.***

***Motion passed by the following unanimous vote:***

<b><i>Mr. Phillips</i></b>	<b><i>Yes</i></b>
<b><i>Mr. Thomas</i></b>	<b><i>Yes</i></b>
<b><i>Mr. Chester</i></b>	<b><i>Yes</i></b>
<b><i>Mr. Bailey</i></b>	<b><i>Yes</i></b>
<b><i>Mr. Wilkes</i></b>	<b><i>Yes</i></b>
<b><i>Mr. Griffiths</i></b>	<b><i>Yes</i></b>
<b><i>Mr. Walsingham</i></b>	<b><i>Yes</i></b>
<b><i>Ms. Pease</i></b>	<b><i>Yes</i></b>
<b><i>Mr. Patronis</i></b>	<b><i>Yes</i></b>

Appointment of the Vice-Chairman: Ms. Pease was nominated by Mr. Phillips.

**Mr. Phillips moved; seconded by Mr. Chester, to appoint Ms. Pease as Vice Chairman.**

**Motion passed by the following unanimous vote:**

<b>Mr. Phillips</b>	<b>Yes</b>
<b>Mr. Thomas</b>	<b>Yes</b>
<b>Mr. Chester</b>	<b>Yes</b>
<b>Mr. Bailey</b>	<b>Yes</b>
<b>Mr. Wilkes</b>	<b>Yes</b>
<b>Mr. Griffiths</b>	<b>Yes</b>
<b>Mr. Walsingham</b>	<b>Yes</b>
<b>Ms. Pease</b>	<b>Yes</b>
<b>Mr. Patronis</b>	<b>Yes</b>

Appointment of the Secretary/Treasurer: Mr. Patronis was nominated by Mr. Griffiths.

**Mr. Griffiths moved; seconded by Ms. Pease, to reappoint Mr. Patronis as Secretary/Treasurer.**

**Motion passed by the following unanimous vote:**

<b>Mr. Phillips</b>	<b>Yes</b>
<b>Mr. Thomas</b>	<b>Yes</b>
<b>Mr. Chester</b>	<b>Yes</b>
<b>Mr. Bailey</b>	<b>Yes</b>
<b>Mr. Wilkes</b>	<b>Yes</b>
<b>Mr. Griffiths</b>	<b>Yes</b>
<b>Mr. Walsingham</b>	<b>Yes</b>
<b>Ms. Pease</b>	<b>Yes</b>
<b>Mr. Patronis</b>	<b>Yes</b>

## **VI. CONSENT AGENDA**

Mr. Rowe read the Consent Agenda into the record.

- A. **PURCHASING POLICY** – Amend the CVB Purchasing Policy to Allow for Sole Source Purchase of Technical Services
- B. **BEACH NOURISHMENT** - Approve APTIM Coastal Planning & Engineering, Inc. Invoice #476770-RI-00636
- C. **SPORTS PARK PROJECT MGT** - Approve Anchor CEI Invoice #295 and #328
- D. **FINANCIAL STATEMENT** – Approve CVB/TDC Financial Statements for October, November, & December of 2019

**Mr. Phillips moved; seconded by Mr.Griffitts, to approve the Consent Agenda**

**Motion passed by the following unanimous vote:**

<b>Mr. Phillips</b>	<b>Yes</b>
<b>Mr. Thomas</b>	<b>Yes</b>
<b>Mr. Chester</b>	<b>Yes</b>
<b>Mr. Bailey</b>	<b>Yes</b>
<b>Mr. Wilkes</b>	<b>Yes</b>
<b>Mr. Griffitts</b>	<b>Yes</b>
<b>Mr. Walsingham</b>	<b>Yes</b>
<b>Ms. Pease</b>	<b>Yes</b>
<b>Mr. Patronis</b>	<b>Yes</b>

**VII. BOARD ACTION ITEMS**

- A. Discuss and consider a recommendation to the Bay County Board of County Commissioners to utilize the savings from the refinancing of the Sports Park debt to retire the loan earlier, Mr. Dan Rowe**

Mr. Rowe stated that the refinancing of the Sports Park debt gave a savings due to the drop in interest rate from about four percent to just over two percent. He said that the board has the option to either decrease the monthly debt payment, or recommend to the Board of County Commissioners to keep the current monthly debt payment the same thereby paying off the loan a year and a half early. Mr. Rowe recommended that the board choose the option for the monthly payment to stay the same and pay the debt off early. This option can be changed at a future date if the TDC/CVB Board wishes to change.

**Ms. Pease moved; seconded by Mr.Wilkes, to recommend to the BOCC to maintain the current debt payment schedule as well as to reserve the right to exercise either option, to maintain the original payment schedule or the new payment schedule, at any time in the future.**

**Motion passed by the following unanimous vote:**

<b>Mr. Phillips</b>	<b>Yes</b>
<b>Mr. Thomas</b>	<b>Yes</b>
<b>Mr. Chester</b>	<b>Yes</b>
<b>Mr. Bailey</b>	<b>Yes</b>
<b>Mr. Wilkes</b>	<b>Yes</b>
<b>Mr. Griffitts</b>	<b>Yes</b>
<b>Mr. Walsingham</b>	<b>Yes</b>
<b>Ms. Pease</b>	<b>Yes</b>
<b>Mr. Patronis</b>	<b>Yes</b>

- B. Discuss and consider a recommendation to the Bay County Board of County Commissioners to expand the TDC's landscaping service, Mr. Dan Rowe**

Mr. Rowe discussed the increase in landscape maintenance needed on CVB/TDC maintained roadways. He stated this is necessary to keep the beauty of the beach gateways. Ms. Pease asked if a total scope of work could be attained from the company doing the work. General discussion regarding FDOT maintained areas took place. Mr. Rowe will follow up with the FDOT regarding trash pick-up and other eye sore issues. Mr. Phillips asked who oversees the landscape company is adhering to the contract with the work they do. Mr. Rowe stated that Mr. Bill Lee oversees the work.

General discussion regarding beach maintenance took place. Mr. Walsingham and other board members asked for a landscape architect plan. Mr. Rowe said he would peruse that plan and bring it back to the board.

**VIII. DISCUSSION ITEMS**

**A. Tourist Development Tax Update, Mr. Dan Rowe**

Mr. Rowe gave a summary of tax collection data.

**B. SPORTS PARK UPDATE, Mr. Dan Rowe**

Mr. Rowe introduced Mr. Cox as the new Sports Park General Manager. Mr. Cox discussed his transition into his new position. Then Mr. Chris Obrien spoke regarding Mr. Cox as well as the coming events and site visits. Other discussion by board members regarding vendors and trailers. Mr. Cox discussed how the vendors was handled at his former employer and how the PCB Sports Park can mirror their process.

**C. Indoor Sports/Resiliency Center Update, Mr. Dan Rowe**

Mr. Rowe gave a summary of the status of the indoor facility regarding the grant application. Plans were modified to pursue 13.8 million dollars from FEMA to harden the facility. In addition, the Triumph Gulf Coast application was modified to 26.75 million dollars to provide the rest of the funding. A total of 40 million dollar project with the ability to expand the facility in the future as needed. Both applications are progressing.

In addition to the Indoor Sports Center, Mr. Rowe discussed the "Stay it Forward" initiative, which took over 50 local residents to Mexico Beach and planted sea oats. He also discussed future "Stay it Forward" trips that are currently planned. He played a video of the initiative that the Marketing team created.

Ms. Jayna Leach spoke regarding the national news coverage of the initiative and positive response it has received.

**IX. PRESENTATIONS**

**A. Key Data Platform, Mr. Scott McCloud, Key Data**

Mr. McCloud gave a summary of the background of the Key Data Platform and how it is beneficial to our data needs. He explained how the data is collected and will be available to the board in a variety of reports that are customizable to meet their needs.

**B. 2019 Visitor Sentiment, Mr. Berkley Young, Young Strategies**

Mr. Young gave a summary of his report regarding how visitors feel about our destination. He summarized that first impressions make the most impact on visitor perception.

**X. PRESIDENT'S REPORT**

Mr. Rowe requested to spend up to one hundred thousand dollars be used for building of the Mexico Beach visitor center. He stated this was already approved and included in the budget and program of work.

**XI. CHAIRMAN'S REPORT**

None.

**XII. AUDIENCE PARTICIPATION**

None.

**XIII. ADJOURNMENT**

Respectfully submitted,  
Sharon Cook, Recording Secretary

**MOTIONS PASSED AT THE COMBINED BOARD MEETING, March 10, 2020**

1. Combined: Approved the Consent Agenda:  
Item A - Approve CVB Financial Statement for January of 2020  
**Griffitts/Patronis**
2. Combined: Approved to Decline the Sports Park Naming Rights Counter Proposal and Place a Seven-Day Limit for Response.  
**Thomas/Phillips**



COMBINED BOARD MEETING  
Bay County Tourist Development Council  
Panama City Beach Convention & Visitors Bureau, Inc.  
Panama City Beach

Tuesday, March 10, 2020

9:00 a.m.

Council Room, PCB City Hall

**Board Members Present:**

Phil Chester, Chairman  
Clair Pease, Vice Chairman  
Andy Phillips  
Phillip Griffiths, Jr.  
Mike Thomas  
Steve Bailey  
Buddy Wilkes  
Yonnie Patronis, Treasurer

**Board Members Absent:**

Gary Walsingham

**I. CALL MEETING TO ORDER**

Chairman Phil Chester called the meeting to order at 9:00 a.m.

**II. ROLL CALL**

There were eight members present, one absent.

**A. Invocation**

Mr. Wilkes gave the Invocation.

**B. Pledge of Allegiance**

Ms. Pease led the Pledge of Allegiance.

**III. REQUESTS TO ADDRESS THE BOARD ON AGENDA ITEMS (3 Minutes)**

None

**IV. CONSENT AGENDA**

Mr. Rowe read the Consent Agenda into the record.

**A. FINANCIAL STATEMENT – Approve CVB/TDC Financial Statement January of 2019**

**Mr. Griffiths moved; seconded by Mr. Patronis, to approve the Consent Agenda**

**Motion passed by the following unanimous vote:**

<b>Mr. Phillips</b>	<b>Yes</b>
<b>Mr. Thomas</b>	<b>Yes</b>
<b>Mr. Chester</b>	<b>Yes</b>
<b>Mr. Bailey</b>	<b>Yes</b>
<b>Mr. Wilkes</b>	<b>Yes</b>
<b>Mr. Griffiths</b>	<b>Yes</b>
<b>Ms. Pease</b>	<b>Yes</b>
<b>Mr. Patronis</b>	<b>Yes</b>

**V. DISCUSSION ITEMS**

**A. Tourist Development Tax Update, Mr. Dan Rowe**

Mr. Rowe gave a summary of tax collection data.

**B. SPORTS COMPLEX UPDATE, Mr. Dan Rowe**

Mr. Rowe welcomed Mr. Cox and stated that future bookings are ongoing. The construction is in the punch list phase and will be finished. The construction of the new Homewood Suites has begun. Also, the SFM attorney is working on the beer and wine sales information and will bring that to the board at a future meeting.

Ms. Pease asked what the status was for the Royal American naming rights of the park. Mr. Rowe stated it is still in process. He asked Mr. Brown to speak to that topic. Mr. Brown said Mr. Chapman had counter proposals and that he was not happy with the current proposal. Ms. Pease stated that time is of the essence and that this needs to be moved. She asked what was holding up the decision. Mr. Rowe stated that he has asked for clarification from Mr. Chapman because the counter proposal indicated that the naming rights be extended to the indoor sports facility when it is built. This extension was not included in the original agreement approved by the board. In addition, Mr. Chapman wants to place a large trailer in the park for activations and not be required to move it on a daily basis. Ms. Pease stated a trailer is not acceptable due to the damage it causes as well as it looking non-permanent.

Mr. Phillips asked if the monument sign at the entrance to the park could be enhanced. Mr. Rowe stated that the sign is the size, and is as far south, as is legally allowed. He said we will work with St Joe company regarding future signage.

Ms. Pease asked for monthly booking updates as well as food and beverage. Mr. Rowe said Mr. Cox will be providing that in the future.

Mr. Wilkes asked for a time limit for the current negotiations for the sports park naming rights. Mr. Rowe asked the board for guidance to state outright that the naming rights apply only to the current outdoor sports park.

Mr. Thomas stated that the original contract should be what is adhered to. The board agreed to make a motion to accept a contract only as it was originally issued. Moreover, to open the sponsorship to others if Royal American doesn't agree and passes on the agreement.

Mr. Thomas motioned to decline the counter proposal, going back to the original proposal, and the deadline Royal American has to decide is in the next seven days. Also included was for all tents or other sponsor items be removed on a nightly basis. Seconded by Mr. Phillips.

**Mr. Thomas moved; seconded by Mr. Phillips,**

**Motion passed by the following unanimous vote:**

<b>Mr. Phillips</b>	<b>Yes</b>
<b>Mr. Thomas</b>	<b>Yes</b>
<b>Mr. Chester</b>	<b>Yes</b>
<b>Mr. Bailey</b>	<b>Yes</b>
<b>Mr. Wilkes</b>	<b>Yes</b>
<b>Mr. Griffiths</b>	<b>Yes</b>
<b>Ms. Pease</b>	<b>Yes</b>
<b>Mr. Patronis</b>	<b>Yes</b>

### **C. MARKETING UPDATE, Ms. Jayna Leach, Melonie Sturm, & The Watauga Group**

Ms. Leach discussed changes in the marketing plan due to Covid 19. Mr. Phillips asked about the questions being asked by visitors. He stated that his property has had no drop in reservations. Ms. Pease agreed regarding her property. Mr. Rowe stated that our market research models are not showing the same positive results.

The marketing strategy has been developed to strengthen our visitation. Ms. Leach said that our marketing strategy is geared toward the drive in market. Ms. Pease asked if marketing internationally has been cut off. She was told no, not yet.

Ms. Sturm spoke regarding our media plan. She said our plan was to focus on the digital marketing as it provides a more flexible platform to make changes quickly if needed. She also stated our campaign is focusing to our core loyal customers. She also discussed suspending medial should travel restrictions go into effect.

Ms. Leach stated that through digital media, daily updates would be sent out. Also, changes can be made quickly based on current health advisories.

## **VI. PRESENTATIONS**

### **A. Beach Maintenance & Grooming Plan by Coastal Parasail, Mr. Pender**

Mr. Pender discussed the frequency of trash pickup and beach grooming. He suggested increasing the number of time of trash pickup during the summer months. He also stated that additional trash pickup is done on a as needed on call basis. Mr. Phillips discussed the cleaning and grooming of the beach should be a top priority and could be improved. Mr. Rowe stated that the beach racking is scheduled at 3 miles a day every day and trash is picked up twice daily during peak seasons. Mr. Pender suggested that the vehicles that drive on the beach drag a raking device. Mr. Rowe discussed the different devices are available for use. Ms. Pease asked if there is funding available to get the cleaning done on a regular schedule. Mr. Rowe and Mr. Pender discussed the trash pickup and the limitation due to high number of people on the beach and turtle watch patrol. Mr. Pender also discussed the LNT education patrols reporting trash pickups needed. He also said that he has several rakes in storage that were bought after the Deepwater Horizon oil spill.

Ms. Pease asked if the rack cards handed out during the education patrols could also list the flag warnings.

Mr. Phillips discussed increasing the number of patrols as well as signage on the vehicles.

Discussion regarding beach raking took place. Mr. Rowe suggested increasing the number of rakes on the beach at one time. Mr. Rowe said he will review the current contract and make a suggestion to the County Commission to amend the contract to address all issues discussed. Mr. Rowe also clarified that Mr. Pender's employees are not lifeguards and are not to be expected to act as such.

**VII. PRESIDENT'S REPORT**

Mr. Rowe had three items to discuss:

Panama City Beach was named as one of Southern Living's top ten beaches, coming in at number seven this year. That will appear in the April issue of the magazine.

The 10<sup>th</sup> anniversary at ECP Airport is coming up.

Brea Webb is leaving our organization and Katie Griffiths has been hired into that position.

**VIII. CHAIRMAN'S REPORT**

None.

**IX. AUDIENCE PARTICIPATION**

None.

**X. ADJOURNMENT**

Respectfully submitted,  
Sharon Cook, Recording Secretary

**Panama City Beach  
Convention and Visitors Bureau, Inc.**

**FINANCIAL STATEMENTS**

September 30, 2019



**CRI** CARR  
RIGGS &  
INGRAM

CPAs and Advisors

[CRIcpa.com](http://CRIcpa.com)



Panama City Beach Convention and Visitors Bureau, Inc.  
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September 30, 2019

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## **INDEPENDENT AUDITORS' REPORT**

Board of Directors  
Panama City Beach Convention and Visitors Bureau, Inc.  
Panama City Beach, Florida

We have audited the accompanying financial statements of the business-type activities of Panama City Beach Convention and Visitors Bureau, Inc. (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 Panama City Beach Convention and Visitor Bureau'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 Panama City Beach Convention and Visitors Bureau, 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**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the schedules of other postemployment benefits plan on page 20 and 21 are presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government 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 financial statements, and other knowledge we obtained during our audit of the 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.

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 June 1, 2020, on our consideration of Panama City Beach Convention and Visitors Bureau, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 internal control over financial reporting or on compliance.



That integral part of an audit performed in accordance with *Government Auditing Standards* in considering Panama City Beach Convention and Visitors Bureau, Inc.'s internal control over financial reporting and compliance.

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

Certified Public Accountants  
Panama City Beach, Florida  
June 1, 2020

**Panama City Beach Convention and Visitors Bureau, Inc.**  
**Statement of Net Position**

*September 30, 2019*

<b>Assets</b>	
Current assets	
Cash and cash equivalents	\$ 3,222,160
Accounts receivable, net	299,327
Food inventory	2,735
Due from Bay County	1,332,908
Other receivables	5,958
Prepays	612,738
Other current assets	1,973
<b>Total current assets</b>	<b>5,477,799</b>
Noncurrent assets	
Capital assets	
Depreciable, net	104,454
<b>Total noncurrent assets</b>	<b>104,454</b>
<b>Total assets</b>	<b>5,582,253</b>
<b>Deferred outflows of resources</b>	
Deferred outflows - other postemployment benefits	3,035
<b>Total deferred outflows of resources</b>	<b>3,035</b>
<b>Liabilities</b>	
Current liabilities	
Accounts payable	1,338,321
Sales tax payable	3,131
Advance deposits	250,000
Accrued liabilities	197,521
Unearned revenue	622,738
<b>Total current liabilities</b>	<b>2,411,711</b>
Noncurrent liabilities	
Other postemployment benefits liability	228,894
<b>Total noncurrent liabilities</b>	<b>228,894</b>
<b>Total liabilities</b>	<b>2,640,605</b>
<b>Deferred inflows of resources</b>	
Deferred inflows - other postemployment benefits	20,504
<b>Total deferred inflows of resources</b>	<b>20,504</b>
<b>Net position</b>	
Net investment in capital assets	104,454
Unrestricted	2,819,725
<b>Total net position</b>	<b>\$ 2,924,179</b>

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

**Panama City Beach Convention and Visitors Bureau, Inc.**  
**Statement of Revenues, Expenses and Changes in Net Position**

*Year Ended September 30, 2019*

<b>Revenues</b>	
Bay County TDC contract	\$ 16,166,559
Co-op income	135,664
Florida Sports Foundation grants	249,787
Special events	108,844
Miscellaneous	73,877
Interest	33,483
Sponsorship income	364,943
<hr/>	
Total revenues	17,133,157
<hr/>	
<b>Expenses</b>	
Accounting	27,631
Advertising	7,746,616
Automobile	6,000
Bad debt	37,932
Contract labor	133,289
Depreciation	12,780
Dues and subscriptions	114,083
Employee benefits	258,380
Facilities rental	36,887
Facility contributions	467
Familiarization	62,353
Film commission	39,900
Insurance	7,176
Legal and professional	74,024
Miscellaneous	3,454
Office	13,028
Payroll taxes	106,230
Postage	76,670
Printing	205,348
Public relations	1,300,910
Repairs and maintenance	98,918
Salaries	1,397,487
Seminars	71,200
Special events	1,181,521
Sponsorships	1,452,525

(Continued)

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

**Panama City Beach Convention and Visitors Bureau, Inc.**  
**Statement of Revenues, Expenses and Changes in Net Position (Continued)**

*Year Ended September 30, 2019*

<b>Expenses (Continued)</b>	
Sporting bid fees - sports marketing	\$ 110,310
Sports park management	762,366
Supplies and facility improvements	11,260
Tourism development - contribution	3,270,566
Trade shows	102,509
Training	1,403
Travel	53,840
Uniforms	4,781
Utilities	16,462
Visitor inquiry	600
<hr/>	
Total expenses	18,798,906
<hr/>	
<b>Change in net position</b>	<b>(1,665,749)</b>
<hr/>	
Net position - beginning of year (as originally stated)	5,311,210
Prior period adjustment	(721,282)
<hr/>	
Net position - beginning of year (as restated)	4,589,928
<hr/>	
<b>Net position - end of year</b>	<b>\$ 2,924,179</b>

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

**Panama City Beach Convention and Visitors Bureau, Inc.**  
**Statement of Cash Flows**

*Year Ended September 30, 2019*

<b>Cash flows from operating activities</b>	
Cash received from intergovernmental revenue	\$ 16,690,495
Cash received from sales and services	359,755
Cash received from grants	249,787
Cash received from miscellaneous operating activities	99,429
Cash paid to suppliers for goods and services	(13,772,547)
Cash paid to employees for services	(1,451,429)
<b>Net cash provided by operating activities</b>	<b>2,175,490</b>
<b>Cash flows from investing activities</b>	
Purchases of capital assets	(743,420)
<b>Net cash used in investing activities</b>	<b>(743,420)</b>
<b>Net change in cash and cash equivalents</b>	<b>1,432,070</b>
<b>Cash and cash equivalents - beginning of year</b>	<b>1,790,090</b>
<b>Cash and cash equivalents - end of year</b>	<b>\$ 3,222,160</b>

(Continued)

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

**Panama City Beach Convention and Visitors Bureau, Inc.**  
**Statement of Cash Flows (Continued)**

*Year Ended September 30, 2019*

**Reconciliation of change in net position to net cash  
provided by operating activities**

Change in net position	\$	(1,665,749)
<hr/>		
Adjustments to reconcile change in net position to net cash provided by operating activities		
Depreciation		12,780
Contribution of nondepreciable capital asset		3,270,566
Bad debt		37,932
(Increase) decrease in assets		
Accounts receivable, net		(288,024)
Food inventory		(2,735)
Due from Bay County		390,668
Other receivable		(5,958)
Prepays		(115,828)
Other current assets		(1,973)
Decrease in deferred outflows		4,114
Increase in liabilities		
Accounts payable		59,204
Sales tax payable		3,131
Advance deposits		250,000
Accrued liabilities		74,674
Unearned revenue		133,268
Other postemployment benefits liability		10,033
Increase in deferred inflows		9,387
<hr/>		
Total adjustments		3,841,239
<hr/>		
Net cash provided by operating activities	\$	2,175,490
<hr/>		

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



**Panama City Beach Convention and Visitors Bureau, Inc.**  
**Notes to Financial Statements**

**NOTE 1 – NATURE OF OPERATIONS**

Panama City Beach Convention and Visitors Bureau, Inc. (Bureau) is a not-for-profit corporation organized 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 Beach, Florida. The Bureau is designed to (1) provide support to advance and promote tourism; (2) finance and effect beach improvement, maintenance, renourishment and restoration; and (3) serve as, operate or fund a convention and meetings bureau to promote the greater Panama City Beaches area. The Bureau is primarily funded from the tourist development taxes collected within the Panama City Beach Tourist Development Tax District through a contract with the Bay County Board of County Commissioners.

For financial reporting purposes, the Bureau is considered a component unit of Bay County, Florida. The Bureau's financial statements have been disclosed in Bay County, Florida's 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 Bureau is a legally separate entity.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Bureau 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 Bureau'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 Bureau's operating statements. The Bureau is accounted for on 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 Bureau's activities are included 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 Bureau's financial statements. The Bureau records accounting transactions on the full accrual basis of accounting, with revenues recorded when earned and expenses recorded when incurred, even though actual payment or receipt may not occur until after the period ends.

**Panama City Beach Convention and Visitors Bureau, 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 investment in capital assets consists of the cost of capital assets, less accumulated depreciation reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use through the restrictions adopted by the Bureau 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 Bureau 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 the allowance for doubtful accounts. As of September 30, 2019, the allowance for doubtful accounts was \$85,852.

***Food Inventory***

Inventory consists of food and paper supplies located at the sports park that are valued at the lower of costs (first in, first out basis) or net realizable value.

***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.

***Deferred Outflows/Inflows of Resources***

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period so, will not be recognized as an outflow of resources (expense) until then. At this time the Bureau has one item that qualifies for reporting in this category. This is the deferred outflows of resources related to other postemployment benefits.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, represents an acquisition of net position that applies to a future period so will not be recognized as an inflow of resources (revenue) until that time. At this time the Bureau has one item that qualifies for reporting in this category. This is deferred inflow of resources related to other postemployment benefits.



**Panama City Beach Convention and Visitors Bureau, Inc.**  
**Notes to Financial Statements**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Unearned Revenue***

Unearned revenue represent revenue received in advance of the earnings process. 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 Bureau and the Bay County Board of County Commissioners for the year ended September 30, 2019, identified the maximum amount of reimbursement available to the Bureau. Reimbursements are required to conform to expenses allowed per the contract.

***Capital Assets***

In 2015, the Bureau purchased land and began the construction of a sports park. The sports park construction was completed in 2019 and the park was contributed to Bay County for \$3,270,566.

The Bureau capitalizes all property and equipment, stated at cost, or fair market value if donated, of more than \$5,000 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. Estimated useful lives are generally 5-7 years.

***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 significantly from those estimates.

***Income Taxes***

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

***Date of Management's Review***

In preparing the financial statements, management of the Bureau has evaluated events and transactions for potential recognition or disclosure through June 1, 2020, the date the financial statements were available to be issued.

**Panama City Beach Convention and Visitors Bureau, Inc.**  
**Notes to Financial Statements**

**NOTE 3 – ACCOUNTS RECEIVABLE, NET**

The Bureau had the following accounts receivable, net, as of September 30, 2019:

Accounts receivable	\$	385,179
Less: allowance for doubtful accounts		(85,852)
<hr/>		
Accounts receivable, net	\$	299,327
<hr/>		

The accounts receivable is comprised primarily of amounts due from co-op customers. The Bureau has no unconditional promises receivable as of September 30, 2019. The Bureau has an amount due from Bay County of \$1,332,908, as of September 30, 2019, for the amounts due under the contract for the year ending September 30, 2019. In addition, the Bureau has other receivables of \$5,958 due from Bay County and Sports Facility Management for miscellaneous expenses paid on their behalf.

**NOTE 4 – CONCENTRATIONS OF CREDIT RISK**

The Bureau maintains its cash balances at financial institutions located in Bay County, Florida. All of the Bureau'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 5 – ECONOMIC DEPENDENCY**

The Bureau is primarily funded by taxes collected by the Bay County Tourist Development Council provided through a contract with the Bay County Board of Commissioners. If this contract were to be discontinued, it would have a material impact on the financial operations of the Bureau.

**NOTE 6 – CAPITAL ASSETS AND DEPRECIATION**

Capital assets activity for the year ended September 30, 2019, was as follows:

**Panama City Beach Convention and Visitors Bureau, Inc.**  
**Notes to Financial Statements**

**NOTE 6 – CAPITAL ASSETS AND DEPRECIATION (CONTINUED)**

	Balance September 30, 2018 as restated	Increases	Decreases	Balance September 30, 2019
Capital assets, not being depreciated				
Construction in progress	\$ 2,527,146	\$ 743,420	\$ (3,270,566)	\$ -
Total capital assets, not being depreciated	2,527,146	743,420	(3,270,566)	-
Capital assets, being depreciated				
Property and equipment	127,801	-	-	127,801
Accumulated depreciation	(10,567)	(12,780)	-	(23,347)
Total capital assets, being depreciated, net	117,234	(12,780)	-	104,454
Total capital assets, net	\$ 2,644,380	\$ 730,640	\$ (3,270,566)	\$ 104,454

Depreciation expense of \$12,780 was recorded during the year ended September 30, 2019.

**NOTE 7 – DEFERRED COMPENSATION PLAN**

The Bureau offers a tax deferred compensation plan adopted under Section 401(k) of the Internal Revenue Code. The Bureau makes matching contributions on eligible compensation deposited by employees as elective contributions. The Bureau matches up to 7% of eligible compensation. During the year ended September 30, 2019, the Bureau made contributions of \$59,172 to the plan.

**NOTE 8 – ADVERTISING**

Advertising costs are expensed as incurred. Advertising costs for the year ended September 30, 2019, were \$7,746,616.

**NOTE 9 – COMPENSATED ABSENCES**

The vacation leave policy provides for full-time employees to earn between 12 and 18 hours of vacation leave each month, depending upon the type of employment, for a maximum of 216 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 Bureau up to 240 hours per employee. Accrued vacation as of September 30, 2019 was \$152,768. 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.



**Panama City Beach Convention and Visitors Bureau, Inc.**  
**Notes to Financial Statements**

**NOTE 9 – COMPENSATED ABSENCES (CONTINUED)**

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.

**NOTE 10 – RELATED PARTY TRANSACTIONS**

The Bureau is currently located in facilities owned and maintained by the Bay County Tourist Development Council of Bay County, Florida (TDC). The Bureau has no outstanding balances due to the TDC as of September 30, 2019. The Bureau maintains a general liability insurance policy that lists Bay County, Florida and City of Panama City Beach as additional insured parties. The Bureau is not charged for rent or utilities.

**NOTE 11 – CONTINGENCY RESERVE**

The Bay County Board of County Commissioners maintains a contingency reserve for the Bureau. The reserve is funded by all annual unappropriated cash carryforward amounts from tax revenues and any current year tax revenues approved for reservation. There is no maximum reserve amount. The reserve does have a required minimum balance of \$1,000,000. This reserve may be accessed by the Bureau 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 take advantage of unanticipated opportunities. As of September 30, 2019, the County's reserve balance was \$1,147,387.

**NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS**

**Plan Description**

The Bureau participates in a plan established by Bay County Board of County Commissioners (BOCC). The BOCC established the Retirees' Health Insurance Other Postemployment Benefits (OPEB) Plan (Plan), a single employer plan. Pursuant to the provisions of Section 112.0801, Florida Statutes, employees who retire from the Bureau and eligible dependents, may continue to participate in the group insurance plan. Retirees and their eligible dependents shall be offered the same health and hospitalization insurance coverage as is offered to active employees at a premium cost of no more than the premium cost applicable to active employees. The Bureau subsidizes the premium rates paid by the retirees by allowing them to participate in the Plan at blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the Plan on average than those of active employees. The Bureau currently has twenty-three active and two retired employees eligible to receive these benefits. A separate audited GAAP basis employment benefit plan report is not available for this Plan.

**Panama City Beach Convention and Visitors Bureau, Inc.**  
**Notes to Financial Statements**

**NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Eligibility**

A participant is eligible to receive benefits from the Plan upon retirement under the Bureau’s policies plan provisions. To be eligible for retiree benefits, the participant must be covered under the medical plan as an active participant immediately prior to retirement. Participants who are not eligible for retirement at the time of their termination are not eligible for immediate or future benefits from the Plan.

**Benefits Provided**

The OPEB Plan provides healthcare insurance benefits for retirees and their dependents. The OPEB Plan only provides an implicit subsidy as described above.

**Total OPEB Liability**

The Bureau’s total OPEB liability of \$228,894 was measured as of September 30, 2018 based on an actuarial valuation dated September 30, 2017 and rolled forward to a reporting date of September 30, 2019.

**Funding Policy**

Although the contribution requirement is established by statute, the contribution amount required by plan members and the government is established and may be amended by the Board. Currently, members receiving benefits pay the full cost (total premium) for medical coverage.

The monthly contribution rates effective for eligible Bureau plan members during the year are shown below:

Coverage	Plan 3160/3161 HAS/HDHP
Retiree	\$ 567
Retiree and Spouse	1,378

The Bureau has not advance-funded or established a funding methodology for the annual OPEB costs or the net OPEB obligation. Rather, the funding is based on a pay-as-you-go basis. During the fiscal year, the Bureau provided contributions of \$23,534 toward the annual OPEB cost. A schedule of employer contributions can be found in the required supplementary information immediately following the notes.

**Total OPEB Liability and Changes in the Total OPEB Plan Liability**

The measurement date for the Bureau’s total OPEB liability was September 30, 2018 rolled forward to a reporting date of September 30, 2019.

**Panama City Beach Convention and Visitors Bureau, Inc.**  
**Notes to Financial Statements**

**NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

Description	Total
Total OPEB liability	\$ 228,894
OPEB plan fiduciary net position	-
<b>Bureau's net OPEB liability</b>	<b>\$ 228,894</b>

OPEB plan fiduciary net position as a percentage of total OPEB liability 0%

The components of the changes in the total OPEB liability are as follows:

Total OPEB liability as of September 30, 2018	\$ 218,861
Service cost	18,002
Interest	8,494
Effect of economic/demographic gains or losses	2,198
Changes in assumptions	(11,512)
Benefit payments	(7,149)
<b>Total OPEB liability, ending</b>	<b>\$ 228,894</b>

**Actuarial Assumptions and OPEB Liability Sensitivity to Health Trend Rate**

Inflation rate	2.50%
Salary increases	3.25%
Discount rate	4.18%

	Prior to age 65	Cost after age 65
Initial healthcare trend rate	5.10%	5.20%
Ultimate healthcare trend rate	4.50%	4.50%
Years to ultimate healthcare trend rate	61	52

Mortality rates	SOA RP-2000 mortality table with floating scale AA. projections
Actuarial cost method	Entry age normal as a level percentage of pay

**Discount Rate:**

The Bureau has no invested plan assets held in trust to finance the OPEB Plan liability. The discount rate used is based on the return on the bond buyer general obligation 20-year bond municipal index.



**Panama City Beach Convention and Visitors Bureau, Inc.**  
**Notes to Financial Statements**

**NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Sensitivity of OPEB Liability to Healthcare Cost Trend Rate**

The following presents the total OPEB liability of the Bureau, calculated using the discount rate of 4.18%, as well as what the Bureau's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.18%) or 1 percentage point higher (5.18%) than the current rate.

	1% Decrease 3.18%	Discount Rate 4.18%	1% Increase 5.18%
Total OPEB liability	\$ 250,829	\$ 228,894	\$ 209,480

The following presents the total OPEB liability of the Bureau, calculated using the current healthcare cost trend rates as well as what the Bureau's total OPEB liability would be if it were calculated using trend rates that are 1 percentage point lower or 1 percentage point higher than the current trend rates.

	1% Decrease 3.5%-5.1%	Current Trend Rate 4.5%-6.1%	1% Increase 5.5%-7.1%
Total OPEB liability	\$ 198,835	\$ 228,894	\$ 265,888

**OPEB Expense, Deferred Outflows and Inflows of Resources Related to OPEB**

For the year ended September 30, 2019, the Bureau recognized OPEB expense of \$23,534. At September 30, 2019, the Bureau had deferred inflows and outflows of resources related to OPEB from the following sources:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ -	\$ 2,002
Changes of assumptions	(20,504)	
Employer contributions subsequent to the measurement date	-	1,033
<b>Total</b>	<b>\$ (20,504)</b>	<b>\$ 3,035</b>

Other amounts currently reported as deferred outflows of resources and deferred inflows of resources related to other postemployment benefits will be recognized in OPEB expense as follows:

**Panama City Beach Convention and Visitors Bureau, Inc.**  
**Notes to Financial Statements**

**NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

Year ending September 30:	
2020	\$ (1,928)
2021	(1,928)
2022	(1,928)
2023	(1,928)
2024	(1,928)
Thereafter	(8,862)
	\$ (18,502)

**NOTE 13 – FUTURE ACCOUNTING PRONOUNCEMENTS**

The Governmental Accounting Standards Board has issued the following statement that will become effective for 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 Bureau is currently evaluating the effects that this statement will have on its financial statements for the year ending September 30, 2021.

**NOTE 14 – PRIOR PERIOD ADJUSTMENT**

Subsequent to the issuance of the prior year audited financial statements, the Bureau determined that the Bureau's liability for other postemployment benefits should be recorded on the financial statements of the Bureau rather than on the financial statements of Bay County. The effect of this error is an understatement of OBEP liability of \$218,861, deferred outflows of \$7,149 and deferred inflows of resources of \$11,117 at September 30, 2018.

In addition, the Bureau determined that a portion of the land under which the Sports Park occupies was deeded to the County in March 2018. The effect of this error is an understatement of tourism development - contribution of \$498,453 for the year ended September 30, 2018 and overstatement of assets and equity at September 30, 2018. As a result, the Bureau's beginning net position at October 1, 2018, has been decreased by \$721,282.



**Panama City Beach Convention and Visitors Bureau, Inc.**  
**Notes to Financial Statements**

**NOTE 15 – 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 Bureau. 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.

**REQUIRED SUPPLEMENTARY INFORMATION**

**Panama City Beach Convention and Visitors Bureau, Inc.**  
**Schedule of Changes in the Bureau's Total Other**  
**Postemployment Benefits Liability and Related Ratios**

September 30,	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Total OPEB liability</b>										
Service cost	\$ 18,002	\$ 19,090	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Interest	8,494	6,977	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Changes in benefit terms	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Effect of economic/demographic gains or losses	2,198	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Differences between expected and actual experience	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Changes in assumptions	(11,512)	(12,211)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Benefit (payments) refunds	(7,149)	(8,058)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net change in OPEB liability	10,033	5,798	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total OPEB liability - beginning	218,861	213,063	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total OPEB liability - ending (a)	\$ 228,894	\$ 218,861	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Plan fiduciary net position</b>										
Contributions - employer	\$ -	\$ -	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions - employee	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net investment income	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Benefit payments/refunds	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Administrative expenses	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Other	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net change in plan fiduciary net position	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position - beginning	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position - ending (b)	\$ -	\$ -	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net OPEB liability - ending (a) - (b)	\$ 228,894	\$ 218,861	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total OPEB liability	0%	0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Covered-employee payroll	\$ 1,373,953	\$ 1,372,370	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net OPEB liability as a percentage of covered-employee payroll	16.66%	15.95%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

This schedule is intended to show information for 10 years. 2018 is the first year for this presentation, so no prior year data is available. Additional years will be included as they become available.

See independent auditors' report

**Panama City Beach Convention and Visitors Bureau, Inc.  
Schedule of Employer Contributions for Retirees' Health  
Insurance Other Postemployment Benefits Plan**

September 30,	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Contractually required contribution	\$ -	\$ -	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions in relation to the contractually required contribution	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contribution deficiency/(excess)	\$ -	\$ -	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Bureau's covered-employee payroll	\$ 1,373,953	\$ 1,372,370	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered-employee payroll	0%	0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

This schedule is intended to show information for 10 years. 2018 is the first year for this presentation, so no prior year data is available. Additional years will be included as they become available.

# COMPLIANCE REPORT

**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 Beach Convention and Visitors Bureau, Inc.  
Panama City Beach, 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 Beach Convention and Visitors Bureau, Inc. (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 Panama City Beach Convention and Visitors Bureau, Inc.'s basic financial statements as listed in the table of contents, and have issued our report thereon dated June 1, 2020.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Panama City Beach Convention and Visitors Bureau, 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 Beach Convention and Visitors Bureau, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Panama City Beach Convention and Visitors Bureau, 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 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 Beach Convention and Visitors Bureau, 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.

*Carr, Riggs & Ingram, L.L.C.*

Certified Public Accountants  
Panama City Beach, Florida  
June 1, 2020



APTIM  
 2481 NW Boca Raton Blvd.  
 Boca Raton, FL 33431  
 Tel: +1-561-391-8102  
 Fax: +1 561-391-9116

May 27, 2020  
 Invoice # 491183

Charlene Honnen  
 Panama City Beach Convention/Visitors Bureau, Inc.  
 17001 Panama City Beach Parkway  
 Panama City Beach, FL 32417

Billing Period: through 4/30/2020  
 Consultant's Project #636220954  
 Phase: 2016- 2019 Engineering Services w/o Reimbursables

**DIRECT LABOR:**

Coastal Engineering Services	SK	Project Manager	1.25
Coastal Engineering Services	HB	Junior Coastal Engineer	1.50

**HOURS**

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2.75

**EXPENSES:**

Coastal Protection Engineering LLC- Invoice # 204 (April 2020 services)

\$2,727.50

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\$2,727.50

**PERSONNEL SUMMARY:**

<u>PERSONNEL SUMMARY:</u>	<u>HOURS</u>	<u>HOURLY RATE</u>	<u>TOTAL</u>
Stephen Keehn	1.25	\$175.00	\$218.75
Holly Berckenhoff	1.50	\$95.00	\$142.50
<b>TOTAL HOURS:</b>	<u>2.75</u>		<b>TOTAL WAGES: \$361.25</b>

**EXPENSES:**

Coastal Protection Engineering LLC- Invoice # 204 (April 2020 services)

\$2,727.50

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\$2,727.50

**TOTAL CURRENT AMOUNT DUE THIS INVOICE..... \$3,088.75**

**Detail Summary:**

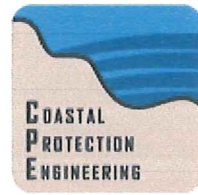
Technical review of USACE draft plans and specifications.

**Please remit to:**

P.O. Box 847958  
 Boston, MA 02284-7958



# Coastal Protection Engineering LLC



**APTIM Environmental & Infrastructure LLC**  
2481 NW Boca Raton Blvd  
Boca Raton, Florida 33431  
(561)361-9116

**Date:** 05/04/2020  
**Due date:** 06/03/2020  
**Invoice no:** 204

Billing period: 04/01/2020 to 04/30/2020

Professional Engineering Services Invoice For:

Bay County 2016 Hourly Services - APTIM#636220954  
PO# 212751

## DIRECT LABOR & EXPENSES:

Item Description	Quantity	Price	Sum
Bay County - Sr. Coastal Engineer (TB)	9.5	145.00	1,377.50
Bay County - Senior Marine Biologist (LF)	10	135.00	1,350.00
		<b>Subtotal:</b>	<b>2,727.50</b>
		Tax:	0.00
		<b>Total (USD):</b>	<b>2,727.50</b>

TOTAL CURRENT AMOUNT DUE THIS INVOICE 2,727.50

Please remit to:  
Coastal Protection Engineering LLC  
5301 N. Federal Hwy, Suite 335  
Boca Raton, FL 33487  
+15615655100

Bank account details:  
**Bank name:** Chase  
**Bank account No.:** 518765828  
**SWIFT/BIC code:** 0720003326  
**Address:** 3901 N Federal Highway, Boca Raton, FL, 33431

**COOPERATION AGREEMENT  
BETWEEN  
THE UNITED STATES OF AMERICA  
and  
BOARD OF COUNTY COMMISSIONERS OF BAY COUNTY,  
FLORIDA  
for  
REHABILITATION OF A FEDERAL EROSION CONTROL AND  
STORM DAMAGE REDUCTION PROJECT**

**THIS AGREEMENT**, entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2020, by and between THE DEPARTMENT OF THE ARMY (hereinafter referred to as the "Government") represented by the District Commander, Mobile District, U.S. Army Corps of Engineers, and Board of County Commissioners of Bay County, Florida, (hereinafter referred to as the "Sponsor"), represented by its Chair of the Board of County Commissioners of Bay County.

**WITNESSETH THAT:**

**WHEREAS**, the Panama City Beach Erosion Control and Storm Damage Reduction Project (hereinafter referred to as the Project) was constructed as authorized by Section 501 (a) of the Water Resources Development Act of 1986, Public Law 99-662, as amended;

**WHEREAS**, pursuant to 33 U.S.C. 701n, the Government is authorized to assist in the repair and restoration of any federally authorized hurricane or shore protective structure damaged or destroyed by wind, wave, or water action of other than an ordinary nature;

**WHEREAS**, via written correspondence, the Public Sponsor has requested the Government to repair or restore the Project which was damaged by wind, wave, or water action of an other than an ordinary nature, in accordance with 33 U.S.C. 701n, and established policies of the U.S. Army Corps of Engineers; and,

**WHEREAS**, the work to be undertaken is described in a report entitled Panama City Beach Erosion Control and Storm Damage Reduction Project, Project Information Report prepared by the District Engineer, U.S. Army Engineer District Mobile, dated April 2019 and

approved by the Division Engineer on July 6, 2019; and

**WHEREAS**, the Sponsor hereby represents that it has the authority and legal capability to furnish the non-Federal cooperation hereinafter set forth and is willing to participate in the Project Rehabilitation Effort in accordance with the terms of this Agreement;

**NOW, THEREFORE**, the Government and the Sponsor agree as follows:

## **ARTICLE I - DEFINITIONS AND GENERAL PROVISIONS**

For purposes of this agreement:

A. The term "Rehabilitation Effort" shall mean full restoration of the Project to its authorized dimensions of the construction template by placing approximately 1,580,000 cubic yards of material between Florida Department of Environmental Protection monument R-1 and R-33 and R-62 to R-91, as generally described in the Panama City Beach Erosion Control and Storm Damage Reduction Project, Project Information Report prepared by the District Engineer, U.S. Army Engineer District Mobile, dated April 2019 and approved by the Division Engineer on July 6, 2019;

B. The term "Rehabilitation Effort costs" shall mean all costs incurred by the Sponsor and the Government directly related to construction of the Rehabilitation Effort. Such term shall include, but is not necessarily be limited to: actual construction costs, including supervision and inspection costs; costs of contract dispute settlements or awards; and the cost of investigations to identify the existence of hazardous substances as identified in Article XIA. The term shall not include any costs for operation and maintenance; any costs that correct deferred or deficient maintenance; any increased costs for betterments or Sponsor-preferred alternatives; periodic nourishment under the project authorization; or the costs of lands, easements, rights-of-way, borrow, or relocations.

C. The term "betterment" shall mean the design and construction of a

Rehabilitation Effort feature accomplished on behalf of, or at the request of, the Sponsor, in accordance with standards that exceed the standards that the Government would otherwise apply for accomplishing the Rehabilitation Effort.

## **ARTICLE II - OBLIGATIONS OF THE GOVERNMENT AND PUBLIC SPONSOR**

A. The Government, subject to receiving funds appropriated by the Congress of the United States shall expeditiously construct the Rehabilitation Effort, applying those procedures usually followed or applied in Federal projects, pursuant to Federal laws, regulations, and policies. The Sponsor shall be afforded the opportunity to review and comment on all solicitations for all contracts, including relevant plans and specifications, prior to the issuance of such solicitations. The Contracting Officer will, in good faith, consider the comments of the Sponsor, but award of contracts, modifications or change orders, and performance of all work on the Rehabilitation Effort (whether the work is performed under contract or by Government personnel), shall be exclusively within the control of the Contracting Officer.

B. As further specified in Article III, the Sponsor shall provide all lands, easements, and rights-of-way, including suitable borrow and dredged or excavated material disposal areas, and perform all relocations determined by the Government to be necessary for construction, operation, and maintenance of the Project and Rehabilitation Effort.

C. As further specified in Article IV, the Sponsor shall contribute, in cash, in-kind services, or a combination thereof, a contribution toward construction of the Rehabilitation Effort in an amount equal to 0 percent of Rehabilitation Effort costs.

D. The Sponsor shall not use Federal funds to meet its share of Rehabilitation Effort costs under this Agreement unless the expenditure of such funds is expressly authorized by statute as verified in writing by the Federal granting agency.

E. The Sponsor shall hold and save the Government free from all damages arising from the construction, operation, and maintenance of the Rehabilitation Effort, the Project, and any related betterments, except for damages due to the fault or

negligence of the Government or the Government's contractors.

F. The Sponsor agrees to continue to participate in and comply with the policies and procedures of the U.S. Army Corps of Engineers Rehabilitation and Inspection Program and of Title 33, Code of Federal Regulations, Part 208.10 (33 CFR 208.10).

G. The Sponsor may request the Government to accomplish betterments. The Sponsor shall be solely responsible for any increase in costs resulting from the betterments and all such increased costs will be paid in advance by the Sponsor in accordance with Article IV.

### **ARTICLE III - LANDS, RELOCATIONS, AND PUBLIC LAW 91-646**

A. The Government shall provide the Sponsor with a description of the anticipated real estate requirements and relocations for the Rehabilitation Effort. Thereafter, the Sponsor shall furnish all lands, easements, and rights-of-way, including suitable borrow and dredged or excavated material disposal areas, and perform any relocations, as may be determined by the Government in that description, or in any subsequent description, to be necessary for the construction, operation, and maintenance of the Project and the Rehabilitation Effort. The necessary lands, easements, and rights-of-way may be provided incrementally for each construction contract. All lands, easements, and rights-of-way determined by the Government to be necessary for work to be performed under a construction contract must be furnished prior to the advertisement of that construction contract.

B. The Sponsor shall comply with the applicable provisions of the Uniform Relocation Assistance and Real Property Acquisitions Policy Act of 1970, Public Law 91-646, as amended by Title IV of the Surface Transportation and Uniform Relocation Assistance Act of 1987 (Public Law 100-17), and the Uniform Regulations contained in 49 CFR Part 24, in acquiring lands, easements, and rights of way, required for construction, operation, and maintenance of the Project and the Rehabilitation Effort, including those necessary for relocations, borrow materials, and dredged or excavated material disposal, and shall inform all affected persons of applicable

benefits, policies, and procedures in connection with said Act.

#### **ARTICLE IV - METHOD OF PAYMENT**

A. The Sponsor shall provide, during the period of construction, cash payments, in-kind services, or a combination thereof, required to meet the Sponsor's obligations under Article II of the Agreement. Rehabilitation Effort costs are currently estimated to be \$34,400,000 and the Sponsor's share (cash and services in kind) of Rehabilitation Effort costs is currently estimated to be \$0. In order to meet the Sponsor's cash payment requirements, the Sponsor must provide a cash contribution estimated to be \$0. The dollar amounts set forth in this paragraph are based upon the Government's best estimates that reflect projections of costs, price level changes, and anticipated inflation. Such cost estimates are subject to adjustments based upon costs actually incurred and are not to be construed as the total financial responsibilities of the Government and the Sponsor.

B. The required cash contribution shall be provided as follows: At least ten calendar days prior to the award of the first construction contract, the Government shall notify the Sponsor of the Sponsor's estimated share of the Rehabilitation Effort costs including the Sponsor's estimated share of the costs attributable to the Rehabilitation Effort incurred prior to the initiation of construction. Within five calendar days thereafter, the Sponsor shall provide the Government the full amount of the required contribution by delivering a check payable to "FAO, USAED Mobile (K5)" to the Contracting Officer representing the Government. The Government shall draw on the funds provided by the Sponsor such sums as the Government deems necessary to cover contractual and in-house fiscal obligations attributable to the Rehabilitation Effort as they are incurred, as well as Rehabilitation Effort costs incurred by the Government. In the event that total Rehabilitation Effort costs are expected to exceed the estimate given at the outset of construction, the Government shall immediately notify the Sponsor of the additional contribution the Sponsor will be required to make to meet the Sponsor's share of the revised estimate. Within ten calendar days thereafter, the Sponsor shall provide the Government the full amount of the additional required contribution.



C. During the period of construction, the Government will provide periodic financial reports on the status of the total Rehabilitation Effort costs and status of contributions made by the Sponsor. Upon completion of the Rehabilitation Effort and resolution of all relevant contract claims and appeals, the Government shall compute the total Rehabilitation Effort costs and tender to the Sponsor a final accounting of the Sponsor's share of total Rehabilitation Effort costs.

1. In the event the total contribution by the Sponsor is less than the Sponsor's required share of total Rehabilitation Effort costs, the Sponsor shall, no later than 90 calendar days after receipt of written notice, make a cash payment to the Government of whatever sum is required to meet the Sponsor's required share of the total project costs.

2. In the event total contribution by the Sponsor is more than the Sponsor's required share of total Rehabilitation Effort costs, the Government shall, no later than 90 calendar days after the final accounting is complete, subject to the availability of funds, return the excess to the Sponsor; however, the Sponsor shall not be entitled to any refund for in-kind services. In the event the existing funds are not available to repay the Sponsor for excess contributions provided, the Government shall seek such appropriations as are necessary to repay the Sponsor for excess contributions provided.

## **ARTICLE V - CREDITING OF IN-KIND SERVICES**

The Government has approved a credit for In-Kind Services, compatible with the Rehabilitation Effort, in the estimated amount of \$0 for implementation of such services by the Sponsor. The affording of such credit shall be subject to an onsite inspection by the Government to verify that the work was accomplished in a satisfactory manner and is suitable for inclusion in the Rehabilitation Effort. The actual amount of such credit shall be subject to an audit conducted to determine reasonableness, allocability, and allowability of costs. The Government shall apply the credit amount toward any additional cash contribution required under this Agreement. The Sponsor shall not receive credit for any amount in excess of such additional cash contribution, nor shall the Sponsor be entitled to any reimbursement

for any excess credit amount.

## **ARTICLE VI- OPERATION AND MAINTENANCE**

A. The Sponsor maintains responsibility for operating and maintaining the Project at all times. After the Contracting Officer has determined that construction of the Rehabilitation Effort is complete and provided the Sponsor with written notice of such determination, the Sponsor shall operate and maintain the Project, to include those areas restored by the Rehabilitation Effort, at no cost to the Government, in accordance with specific directions prescribed by the Government in Engineer Regulation 500-1-1 and any subsequent amendments thereto and other applicable authorities.

B. The Sponsor hereby gives the Government a right to enter, at reasonable times and in a reasonable manner, upon land that the Sponsor owns or controls for access to the Project for the purposes of inspection, and, if necessary, for the purpose of completing, operating, and maintaining the Project. If an inspection shows the Sponsor for any reason is failing to fulfill the Sponsor's obligations under this Agreement without receiving prior written approval from the Government, the Government will send a written notice to the Sponsor. If, after 30 calendar days from receipt of such notice, the Sponsor continues to fail to perform, then the Government shall have the right to enter, at reasonable times and in a reasonable manner, upon lands the Sponsor owns or controls for access to the Project for the purposes of completing, operating, and maintaining the Project, or to deny further assistance under Public Law 84-99. No action by the Government shall operate to relieve the Sponsor of responsibility to meet the Sponsor obligations as set forth in this Agreement, or to preclude the Government from pursuing any other remedy at law or equity to assure faithful performance pursuant to this Agreement.

## **ARTICLE VII -FEDERAL AND STATE LAWS**

In the exercise of the Sponsor's rights and obligations hereunder, the Sponsor agrees to comply with all applicable Federal and state laws and regulations.

## **ARTICLE VIII- RELATIONSHIP OF PARTIES**

The Government and the Sponsor act in an independent capacity in the performance of their respective functions under this Agreement, and neither party is to be considered the officer, agent, nor employee of the other.

## **ARTICLE IX -OFFICIALS NOT TO BENEFIT**

No member of or delegate to the Congress, or resident commissioner, shall be admitted to any share or part of this Agreement, or to any benefit that may arise therefrom.

## **ARTICLE X -COVENANT AGAINST CONTINGENT FEES**

The Sponsor warrants that no person or selling agency has been employed or retained to solicit or secure this Agreement upon agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Sponsor for the purpose of securing business. For breach or violation of this warranty, the Government shall have the right to annul this Agreement without liability, or, in the Government's discretion, to add to the Agreement or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

## **ARTICLE XI- TERMINATION OR SUSPENSION**

If at any time the Sponsor fails to carry out its obligations under this Agreement, the District Commander shall terminate or suspend work on the Rehabilitation Effort, unless the District Commander determines that continuation of work on the Rehabilitation Effort is in the interest of the United States or is necessary in order to satisfy agreements with any other non-Federal interests in connection with this Rehabilitation Effort and the Project. However, deferral of future performance under this agreement shall not affect existing obligations or relieve the parties of liability for any obligation previously incurred. In the event that either party elects to

terminate this Agreement pursuant to this Article, both parties shall conclude their activities relating to the rehabilitation Effort and proceed to a final accounting in accordance with Article IV of this Agreement. In the event that either party elects to defer future performance under this Agreement pursuant to this Article, such deferral shall remain in effect until such time as either the Government or Sponsor elects to proceed with further construction or terminates this Agreement.

## **ARTICLE XII -HAZARDOUS SUBSTANCE**

A. After execution of this Agreement and upon direction by the Contracting Officer, the Sponsor shall perform, or cause to be performed, such investigations for hazardous substances as are determined necessary by the Government of the Sponsor to identify the existence and extent of any hazardous substances regulated under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) 42 U.S.C. Sections, 9601-9675, on lands necessary to Rehabilitation Effort construction, operation, and maintenance. All actual costs incurred by the Sponsor that are properly allowable and allocable to performance of any such investigations for hazardous substances shall be included in total Rehabilitation Effort costs and cost shared as a construction cost.

B. In the event it is discovered through an investigation for hazardous substances or other means that any lands, easements, rights-of-way, or disposal areas to be acquired or provided for the Project or the Rehabilitation Effort contain any hazardous substances regulated under CERCLA, the Sponsor and the Government shall provide prompt notice to each other, and the Sponsor shall not proceed with the acquisition of lands, easements, rights-of-way, or disposal areas until mutually agreed.

C. The Government and the Sponsor shall determine whether to initiate construction of the Rehabilitation Effort, or, if already in construction, to continue with construction of the Rehabilitation Effort, or to terminate construction of the Rehabilitation Effort for the convenience of the Government in any case where hazardous substances regulated under CERCLA are found to exist on any lands necessary for the Rehabilitation Effort. Should the Government and the Sponsor

determine to proceed or continue with the construction after considering any liability that may arise under CERCLA, the Sponsor shall be responsible, as between the Government and the Sponsor, for any and all necessary clean up and response costs, to include the costs of any studies and investigations necessary to determine an appropriate response to the contamination. Such costs shall not be considered a part of the total Rehabilitation Effort costs as defined in this Agreement. In the event the Sponsor fails to provide any funds necessary to pay for cleanup and response costs or to otherwise discharge the Sponsor's responsibilities under this paragraph upon direction by the Government, the Government may either terminate or suspend work on the Rehabilitation Effort or proceed with further work as provided in Article X of this Agreement.

D. The Sponsor and Government shall consult with each other to assure that responsible parties bear any necessary clean up and response costs as defined in CERCLA. Any decision made pursuant to paragraph C of this Article shall not relieve any party from any liability that may arise under CERCLA.

E. As between the Government and the Sponsor, the Sponsor shall be considered the operator of the Project (which the Rehabilitation Effort is repairing and restoring) for purposes of CERCLA liability. To the maximum extent practicable, the Sponsor shall operate and maintain the Project in a manner that will not cause liability to arise under CERCLA.

### **ARTICLE XIII –NOTICES**

A. All notices, requests, demands, and other communications required or permitted to be given under this Agreement shall be deemed to have been duly given if in writing and delivered personally, given by prepaid telegram, or mailed by first-class (postage prepaid), registered, or certified mail, as follows:

If to the Sponsor:

Chairman

Board of County Commissioners of Bay County, Florida

840 West 11<sup>th</sup> Street  
Panama City, Florida 32401

If to the Government:

District Commander  
U.S. Army Corps of Engineers, Mobile District  
P.O. Box 2288  
Mobile, Alabama 36628-0001

B. A party may change the address to which such communications are to be directed by giving written notice to the other party in the manner provided in this Article.

C. Any notice, request, demand, or other communication made pursuant to this Article shall be deemed to have been received by the addressee at such time as it is either personally delivered, or, seven calendar days after it is mailed, as the case may be.

**IN WITNESS HEREOF**, the parties hereto have executed this Agreement, which shall become effective upon the date it is signed by the District Commander.

THE DEPARTMENT OF THE ARMY

BOARD OF COUNTY  
COMMISSIONERS OF BAY  
COUNTY, FLORIDA

BY: \_\_\_\_\_

BY: \_\_\_\_\_

Colonel Sebastien P. Joly  
District Commander  
Mobile District

Mr. Philip Griff Griffiths  
Chairman Board of County  
Commissioners

DATE: \_\_\_\_\_

DATE: \_\_\_\_\_



**CERTIFICATION REGARDING LOBBYING**

The undersigned certifies, to the best of his or her knowledge and belief that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. 1352. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 2020

\_\_\_\_\_  
Mr. Philip Griff Griffitts, Chairman  
Board of County Commissioners  
Bay County, FL

**CERTIFICATE OF AUTHORITY**

I, Don Banks and Douglas Sale, do hereby certify that we are the principal legal officers of the Board of County Commissioners of Bay County, Florida and the Bay County Tourist Development Council, respectively, and that the Board of County Commissioners of Bay County, Florida is a legally constituted public body with full authority and legal capability to perform the terms of the Agreement between the Department of the Army and Bay County, Florida, for itself and on behalf of the Bay County Tourist Development Council, an agency of Bay County Florida, in connection with the Project, and to pay damages, if necessary, in the event of the failure to perform in accordance with the terms of this Agreement, and that the persons who have executed this Agreement on behalf of Bay County, Florida have acted within their statutory authority.

IN WITNESS WHEREOF, I have made and executed this certification this \_\_\_\_\_ day of \_\_\_\_\_ 2020.

\_\_\_\_\_  
Don Banks  
County Attorney

\_\_\_\_\_  
Douglas Sale  
Attorney for TDC