

**PANAMA CITY COMMUNITY
REDEVELOPMENT AGENCY**

PANAMA CITY, FLORIDA

COMPONENT UNIT FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2018



Tipton, Marler, Garner & Chastain
The CPA Group

PANAMA CITY COMMUNITY REDEVELOPMENT AGENCY

PANAMA CITY, FLORIDA

COMPONENT UNIT FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2018

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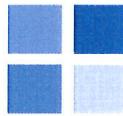
FISCAL YEAR ENDED SEPTEMBER 30, 2018

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor, City Commissioners,
and City Manager
Panama City Community Redevelopment Agency
Panama City, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities of Panama City Community Redevelopment Agency, component unit of the City of Panama City, Florida, as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Panama City Community Redevelopment Agency'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.

Auditor's Responsibility

Our responsibility is to express opinions 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that

are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the Panama City Community Redevelopment Agency, as of September 30, 2018, and the respective changes in financial position 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 budgetary comparison information on pages 20-23 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis 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 25, 2019, on our consideration of the Panama City Community Redevelopment Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Panama City Community Redevelopment Agency's internal control over financial reporting and compliance.

Tipton, Marker, Turner & Chastain

Panama City, Florida

April 25, 2019

PANAMA CITY COMMUNITY REDEVELOPMENT AGENCY
STATEMENT OF NET POSITION
SEPTEMBER 30, 2018

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 1,185,816
Grants receivable	292,322
Due from other funds	311
Inventory	199,297
Capital assets:	
Non-depreciable	1,960,887
Depreciable, net	4,307,258
Total assets	<u>7,945,891</u>
LIABILITIES	
Accounts payable	45,848
Due to other funds	15
Accrued salaries	6,940
Non-current liabilities:	
Due within one year:	
Compensated absences	2,101
Due in more than one year:	
Compensated absences	6,304
Total liabilities	<u>61,208</u>
NET POSITION	
Net investment in capital assets	6,268,145
Restricted for:	
Community redevelopment	1,616,538
Total net position	<u>\$ 7,884,683</u>

See the accompanying notes.

PANAMA CITY COMMUNITY REDEVELOPMENT AGENCY
STATEMENT OF ACTIVITIES
FISCAL YEAR ENDED SEPTEMBER 30, 2018

	<u>Governmental Activities</u>
EXPENSES	
Current:	
General government:	
Personnel services	\$ 187,754
Operating expenditures	<u>2,440,515</u>
Total program expenses	<u>2,628,269</u>
REVENUES	
Taxes	2,172,010
Investment earnings	13,023
Miscellaneous	<u>76,768</u>
Total general revenues	<u>2,261,801</u>
Deficiency of revenues under expenses	(366,468)
OTHER FINANCING SOURCES (USES)	
Transfers - out	<u>(287,235)</u>
Decrease in net position	(653,703)
NET POSITION, BEGINNING OF YEAR	<u>8,538,386</u>
NET POSITION, END OF YEAR	<u>\$ 7,884,683</u>

See the accompanying notes.

PANAMA CITY COMMUNITY REDEVELOPMENT AGENCY
BALANCE SHEET – RECONCILIATION OF THE GOVERNMENTAL
FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION

GOVERNMENTAL FUNDS
SEPTEMBER 30, 2018

	Downtown Community Redevelopment Area	Downtown North Community Redevelopment Area	St. Andrews Community Redevelopment Area	Millville Community Redevelopment Area	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 376,827	\$ 466,723	\$ 331,548	\$ 10,718	\$ 1,185,816
Grants receivable	-	259,274	-	33,048	292,322
Due from other funds	-	275	30	6	311
Inventory	-	199,297	-	-	199,297
Total assets	\$ 376,827	\$ 925,569	\$ 331,578	\$ 43,772	\$ 1,677,746
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 3,069	\$ 20,663	\$ 21,617	\$ 499	\$ 45,848
Due to other funds	-	15	-	-	15
Accrued salaries	1,029	3,006	2,484	421	6,940
Total liabilities	4,098	23,684	24,101	920	52,803
Fund Balances:					
Non-spendable:					
Inventory	-	199,297	-	-	199,297
Spendable:					
Restricted for:					
Community redevelopment	372,729	702,588	307,477	42,852	1,425,646
Total fund balances	372,729	901,885	307,477	42,852	1,624,943
Total liabilities and fund balances	\$ 376,827	\$ 925,569	\$ 331,578	\$ 43,772	
Amounts reported for governmental activities in the statement of net position are different because:					
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.					
Capital assets	\$ 8,068,713				
Less accumulated depreciation	(1,800,568)				6,268,145
Compensated absences are not due and payable in the current period and therefore are not reported in the funds.					(8,405)
Net position of governmental activities					\$ 7,884,683

See the accompanying notes.

PANAMA CITY COMMUNITY REDEVELOPMENT AGENCY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

GOVERNMENTAL FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2018

	Downtown Community Redevelopment Area	Downtown North Community Redevelopment Area	St. Andrews Community Redevelopment Area	Millville Community Redevelopment Area	Total Governmental Funds
REVENUES					
Taxes	\$ 258,032	\$ 1,147,572	\$ 447,882	\$ 318,524	\$ 2,172,010
Investment earnings	1,920	8,094	2,420	589	13,023
Miscellaneous	-	46,868	-	29,900	76,768
Total revenues	259,952	1,202,534	450,302	349,013	2,261,801
EXPENDITURES					
Current:					
General government:					
Personnel services	30,522	72,323	64,847	18,992	186,684
Operating expenditures	101,733	1,715,436	241,122	57,065	2,115,356
Economic environment:					
Community redevelopment improvements	-	215,636	298,098	126,708	640,442
Total expenditures	132,255	2,003,395	604,067	202,765	2,942,482
Excess (deficiency) of revenues over (under) expenditures	127,697	(800,861)	(153,765)	146,248	(680,681)
OTHER FINANCING SOURCES (USES)					
Transfers - out	(5,596)	(106,843)	(14,213)	(160,583)	(287,235)
Net change in fund balances	122,101	(907,704)	(167,978)	(14,335)	(967,916)
FUND BALANCES					
Beginning of year	250,628	1,809,589	475,455	57,187	
End of year	\$ 372,729	\$ 901,885	\$ 307,477	\$ 42,852	

Amounts reported for governmental activities in the statement of activities are different because:

The governmental funds reported capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Expenditures for capital assets	\$ 640,442
Capital disposals	(5,500)
Less current year depreciation	(319,659)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Accrued compensated absences	(1,070)
Change in net position of governmental activities	\$ (653,703)

**PANAMA CITY COMMUNITY REDEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Reporting Entity

On November 22, 1983, the City of Panama City, Florida (City) adopted ordinance No. 1153 designating the Panama City Downtown Improvement Board as the Panama City Community Redevelopment Agency pursuant to Florida Statute 163.357(2). On September 12, 2006, the City restructured the Panama City Community Redevelopment Agency by adopting ordinance No. 2216 pursuant to Section 163.357, Florida Statutes. Four community redevelopment areas have been established for which separate trust funds have been opened. The Downtown Community Redevelopment Area was established to finance projects within the central business region in Downtown Panama City. The Downtown Community Redevelopment Agency District was recently extended for an additional 20 years by action of the City Commission under the provisions of Florida Statute Chapter 163 part III. Ordinance No. 2488 and No. 2489 were adopted on March 12, 2013 and may be found in the public records of the City and CRA. The St. Andrews Community Redevelopment Area was established to finance projects in the St. Andrews region of Panama City. The Downtown North Community Redevelopment Area was established to finance projects in the Downtown North region of Panama City. The Millville Community Redevelopment Area was established to finance projects in the Millville region of Panama City.

The accounting methods and procedures adopted by the Panama City Community Redevelopment Agency (Agency), a component unit of Panama City, Florida, conform to United States generally accepted accounting principles as applied to governmental entities.

Members of the Board are appointed by the City, Board of Commissioners. Because of the City's ability to exercise oversight responsibility, the Panama City Community Redevelopment Agency is included in the general purpose financial statements of the City as a blended component unit.

Revenues are derived from the incremental increases in ad valorem taxes levied each year by taxing authorities, except school districts and water management districts, on taxable real property in the project areas using the year each agency was established as its tax base year. The Agency received \$1,002,591 in ad valorem taxes from the City for the year ended September 30, 2018.

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). GASB is the accepted standard setting body for governmental accounting and financial reporting.

The external statements are prepared from accounts of the Agency that are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts.

PANAMA CITY COMMUNITY REDEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental funds are used to account for the Agency's governmental activities, including the collection and disbursement of specific or legally restricted monies, the acquisition of construction of capital assets, and the servicing of general long-term debt.

The Agency's governmental funds are special revenue funds, which are the Agency's primary operating funds. The special revenue funds account for all financial activities of the Agency and are included in the preparation of the entity-wide financial statements and the fund financial statements.

Measurement Focus and Basis of Accounting

The basic financial statements of the Agency are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to financial statements

Government-Wide Financial Statements

Government-wide financial statements display information about the reporting government as a whole, except for its fiduciary activities. These statements include separate columns for the governmental and business-type activities of the primary government. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees and charges for support. The Agency has no business-type activities.

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and agency fund financial statements. Under the accrual basis of accounting revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 – *Accounting and Financial Reporting for Nonexchange Transactions*.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as expenditures. Proceeds of long-term debt are recorded as liabilities in the government-wide financial statements, rather than as other financing sources. Amounts paid to reduce long-term indebtedness of the reporting government are reported as reductions of the related liabilities, rather than as expenditures.

PANAMA CITY COMMUNITY REDEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Grants, entitlements, and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment, or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Indirect expenses not allocated to functions are reported separately. Interest on general long-term debt is considered such an indirect expense. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and entitlement revenues that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not reported as program revenues are reported as general revenues.

Fund Financial Statements

Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Current financial resources measurement focus generally means that only current assets and current liabilities are included in the balance sheet. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are “measurable and available”). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period.

The Agency considers grants, entitlements, and other revenues available if collected within 60 days after year-end. Grants, entitlements, and interest are all considered to be susceptible to accrual and are recognized as revenues of the fiscal year. All other revenue items are considered to be measurable and available only when cash is received by the Agency.

Expenditures are recorded when the related fund liability is incurred, except for unmatured principal and interest on general long-term debt which is recognized when due.

Budgetary Data

Formal budgetary accounting is generally employed as a management control for all funds. Annual operating budgets are adopted each year by the Agency and amended as required. The same basis of accounting is used to reflect actual revenues and expenditures/expenses as recognized by generally accepted accounting principles.

Commitments for goods and services at the end of the year are recorded as encumbrances for budgetary control. These encumbrances lapse at the end of the year and become part of the following year's budgetary amounts. All unencumbered budgeted appropriations, except project budgets, lapse at the end of each fiscal year.

**PANAMA CITY COMMUNITY REDEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

The Agency pools cash resources of its various funds to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the pooled cash accounts is available to meet current operating requirements. Cash in excess of current requirements is invested in money market accounts.

The Agency considers all demand accounts and money market funds which are not subjected to withdrawal restrictions to be cash and cash equivalents.

Receivables

Receivables are reported at their gross value. Management considers all receivables as collectible, therefore, no provision for doubtful accounts is provided in these financial statements.

The Agency participates in loan rehabilitation programs that assist low income residents in obtaining safe and sanitary housing, businesses in downtown improvement areas, and rental housing improvements. The loans are due and payable at their respective maturity dates or change of home ownership, whichever occurs first. The Agency maintains a security interest in the property. These loans are non-interest bearing and will mature at various dates up to 2023.✓

Inventories

All inventories are valued at cost and are real estate held for resale. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Capital Assets

Capital assets are recorded as expenditures at the time of purchase, and are capitalized at historical cost in the statement of net position. Capital assets are defined typically as assets with an initial, individual cost of more than \$1,500 and an estimated useful life in excess of two years. Donated assets are recorded at acquisition value on the date received. Depreciation is provided using the straight-line method over the estimated useful lives of the related assets. Estimated useful lives are as follows:

Buildings	30 years
Improvements other than buildings	10 years
Machinery and equipment	5-10 years
Roads/Infrastructure	40 years

PANAMA CITY COMMUNITY REDEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position

Net position is classified in two categories. The general meaning of each is as follows:

Net investment in capital assets – represents the difference between 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.

Restricted net position is liquid assets (generated from revenues) which are not accessible for general use because of third-party (statutory) limitations.

Fund Balance Reporting

In accordance with Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the Agency classifies governmental fund balances as follows:

Non-spendable – the portion of a fund balance that cannot be spent because they are either not in spendable form (such as inventories and prepaid amounts) or legally or contractually required to be maintained intact.

Spendable –

Restricted – the portion of a fund balance for which external constraints are placed on the use of resources that are either externally imposed by creditors, grantors, contributors, or laws or regulation of other governments; or imposed by law through constitutional provisions or enabling legislation.

Committed – the portion of fund balance that can be used only for specific purposes that are internally imposed by the Agency through formal action of the Agency's highest level of decision making authority. Such formal action may only be modified or rescinded by the same formal action that imposed the original constraint.

Assigned – the portion of fund balance amounts established by management of the Agency, per the Agency's expenditure policy, that are intended to be used for specific purposes that are neither restricted nor committed.

Unassigned – residual net resources.

PANAMA CITY COMMUNITY REDEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Agency considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the Agency would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

Compensated Absences

Employees are entitled to certain compensated absences based on their length of employment. With minor exceptions, compensated absences either vest or accumulate and are accrued when they are earned. The amount of accrued vacation for the year ended September 30, 2018 was \$8,405.

Use of Estimates

The preparation of financial statements in conformity with 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.

Recently Issued Accounting Pronouncements

In June 2015, the GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension Plans*. This statement will improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). The requirements of this statement are effective for financial statements for periods beginning after June 15, 2017. The Agency has determined that GASB No. 75 is not applicable to this report.

In March 2016, the GASB issued Statement No. 81, *Irrevocable Split-Interest Agreements*. This statement will enhance the comparability of financial statements by providing accounting and financial reporting guidance for irrevocable split-interest agreements in which a government is a beneficiary. The requirements of this statement are effective for financial statements for periods beginning after December 15, 2016. The Agency has determined that GASB No. 81 is not applicable to this report.

In November 2016, the GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. This statement will enhance comparability of financial statements among governments by establishing uniform criteria for governments to recognize and measure certain ARO's, including obligations that may not have been previously reported. The requirements of this statement are effective for financial statements for periods beginning after June 15, 2018. The Agency is evaluating the impact, if any, upon its financial position, results of operations or cash flows upon adoption.

PANAMA CITY COMMUNITY REDEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. This statement will enhance consistency and comparability by establishing specific criteria for identifying activities that should be reported as fiduciary activities and clarifying whether and how business-type activities should report their fiduciary activities. The requirements of this statement are effective for financial statements for periods beginning after December 15, 2018. The Agency is evaluating the impact, if any, upon its financial position, results of operations or cash flows upon adoption.

In March 2017, the GASB issued Statement No. 85, *Omnibus 2017*. This statement will enhance consistency in the application of accounting and financial reporting requirements. The requirements of this statement are effective for financial statements for periods beginning after June 15, 2017. The Agency has implemented GASB No. 85 in this report, however it does not have any current impact on the Agency.

In May 2017, the GASB issued Statement No. 86, *Certain Debt Extinguishment Issues*. This statement will increase consistency in accounting and financial reporting for debt extinguishments by establishing uniform guidance for derecognizing debt that is defeased in substance, regardless of how cash and other monetary assets placed in an irrevocable trust for the purpose of extinguishing that debt were acquired. The requirements of this statement are effective for financial statements for periods beginning after June 15, 2017. The Agency has determined that GASB No. 86 is not applicable to this report.

In June 2017, the GASB issued Statement No. 87, *Leases*. This statement will increase the usefulness of governments' financial statements by requiring reporting 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. The requirements of this statement are effective for financial statements for periods beginning after December 15, 2019. The Agency is evaluating the impact, if any, upon its financial position, results of operations or cash flows upon adoption.

In March 2018, the GASB issued Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. This statement will improve the information that is disclosed in notes of governmental financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The requirements of this statement are effective for reporting periods beginning after June 15, 2018. The Agency is evaluating the impact, if any, upon its financial position, results of operations or cash flows upon adoption.

In June 2018, The GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This statement will enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and will simplify accounting for interest cost incurred before the end of a construction period. The requirements of this statement are effective for reporting periods beginning after December 15, 2019. The Agency is evaluating the impact, if any, upon its financial position, results of operations or cash flows upon adoption.

PANAMA CITY COMMUNITY REDEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In August 2018, The GASB issued Statement No. 90, *Majority Equity Interests*. This statement will enhance the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and improve the relevance of financial statement information for certain component units. The requirements of this statement are effective for reporting periods beginning after December 15, 2018. The Agency is evaluating the impact, if any, upon its financial position, results of operations or cash flows upon adoption.

NOTE 2 – DEPOSITS WITH FINANCIAL INSTITUTIONS

GASB Statement No. 40, *Deposits and Investment Risk Disclosures – an Amendment of GASB Statement No. 3* amends GASB Statement No. 3, *Deposits with Financial Institutions, Investments (Including Repurchase Agreements), and Reverse Repurchase Agreements*, and is designed to inform financial statement users about deposit and investment risks that could affect a government's ability to provide services and meet its obligations as they become due. GASB Statement No. 40 addresses common deposit and investment risks related to credit risk, custodial credit risk, concentration of credit risk, interest rate risk, and foreign currency risk and requires that deposit and investment policies related to the risks be disclosed, as applicable.

In accordance with GASB Statement No. 40, the following disclosures are made regarding the Agency's deposit balance as of September 30, 2018:

Deposits:

Under the Agency's investment policy the Agency may invest in obligations of the U.S. Treasury and its agencies, interest bearing time deposits or savings accounts in banks provided that such deposits are secured by collateral as prescribed by Chapter 280, Florida Security for Public Deposits, of the Florida Statutes and the State Treasurer's investment pool.

Included in the Agency's cash balances are amounts deposited with banks in interest bearing accounts, non-interest bearing demand accounts, and interest bearing time deposit accounts. The bank balances are entirely insured by federal depository insurance or by collateral pursuant to the Florida Security for Public Deposits Act of the State of Florida.

PANAMA CITY COMMUNITY REDEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 3 – CAPITAL ASSETS

Changes in capital assets were as follows:

	Balance September 30, 2017	Increases	Decreases	Balance September 30, 2018
Capital assets, not being depreciated:				
Land	\$ 1,960,887	\$ -	\$ -	\$ 1,960,887
Capital assets, being depreciated:				
Buildings	629,339	23,450	-	652,789
Improvements other than buildings	2,345,751	616,992	353	2,962,390
Machinery and equipment	107,993	-	38,849	69,144
Roads/Infrastructure	2,423,503	-	-	2,423,503
Total capital assets, being depreciated	<u>5,506,586</u>	<u>640,442</u>	<u>39,202</u>	<u>6,107,826</u>
Less accumulated depreciation for:				
Buildings	94,313	17,340	-	111,653
Improvements other than buildings	837,070	177,241	221	1,014,090
Machinery and equipment	85,927	7,084	33,481	59,530
Roads/Infrastructure	497,301	117,994	-	615,295
Total accumulated depreciation	<u>1,514,611</u>	<u>319,659</u>	<u>33,702</u>	<u>1,800,568</u>
Total capital assets being depreciated, net	<u>3,991,975</u>	<u>320,783</u>	<u>5,500</u>	<u>4,307,258</u>
Total capital assets, net	<u>\$ 5,952,862</u>	<u>\$ 320,783</u>	<u>\$ 5,500</u>	<u>\$ 6,268,145</u>

Depreciation expense was charged to functions/programs of the governmental activities as follows:

General government	\$ 319,659
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NOTE 4 – PROPERTY TAX CALENDAR

Panama City Community Redevelopment Agency receives property taxes from the City of Panama City and Bay County, Florida, who assesses and collects the taxes. The property tax revenue calendar is as follows:

Lien date	January 1	Payment due by	March 31
Levy date	October 1	Delinquent date	April 1
Tax bill mailing deadline	November 30	Tax Sale – delinquent property tax	June 1

PANAMA CITY COMMUNITY REDEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 5 – RISK MANAGEMENT

The Agency is exposed to various risks of losses related to torts; thefts of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Agency maintains commercial insurance coverage covering each of the above risks of loss. Management believes that the coverage is adequate to preclude any significant uninsured risk exposure to the Agency.

NOTE 6 – LONG-TERM DEBT

Changes in long-term liability obligations for the year ended September 30, 2018 are as follows:

	Balance September 30, 2017	Increases	Decreases	Balance September 30, 2018	Due in One Year
Compensated Absences	\$ 7,335	\$ 16,890	\$ 15,820	\$ 8,405	\$ 2,101

NOTE 7 – OPERATING LEASE

On September 30, 2008 an agreement was made between Panama City Community Redevelopment Agency and the City of Panama City, Florida. The City has agreed to purchase park property requested by the CRA for not more than 2.5 million dollars. The Agency agrees to lease the property from the City. The rent will be an amount equal to the difference between any acquisition grants secured and the actual purchase costs of the property in annual amounts amortized over fifteen years. At September 30, 2018, the future rental commitments were not determinable.

NOTE 8 – RETIREMENT PLANS

The Retirement Plan and Trust for the General Employees of the City of Panama City, Florida

- a. *Plan Description* – The Agency participates in the Retirement Plan and Trust for the General Employees of the City of Panama City, Florida (Fund). The Plan is a single-employer defined contribution plan administered by Voya Financial.
- b. *Plan Provisions and Eligibility* – All full-time Agency employees hired after January 1, 1996, are eligible to participate in the Plan. The City ordinances establish these plan provisions. Participants must be 18 years or older with three months of service. The effective date of participation is the first day of the month coinciding with or following ninety days of employment. Members qualify for normal retirement, after obtaining ten years of creditable service, on the first of the month coinciding with or following the participant's 65th birthday.

PANAMA CITY COMMUNITY REDEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 8 – RETIREMENT PLANS (Continued)

Each participant who is an employee on his or her attainment of normal retirement age or is terminated as a result of death or disability, to the extent not then vested, shall become fully vested. Upon the death of the participant, the participant's vested plan account shall be paid to the participant's beneficiary. If a participant's employment terminates for any reason other than retirement, disability or death, the benefits shall be vested as follows:

<u>Years of Service</u>	<u>Vested Percentage</u>
Less than 2	0%
2	20%
3	40%
4	60%
5	80%
6 or more	100%

The unvested portion shall be forfeited on the day the participant's employment is terminated. Any forfeitures that result from a participant's termination before he or she completes at least 12 months of service will be returned to the employer. All other forfeitures are allocated to the employer contribution accounts of eligible participants.

- c. *Contribution Obligations* – The Agency is required by a resolution of the City of Panama City, Florida to contribute 10% of participants' salaries to the plan. The City Commission has the authority to change contribution amounts. Total pension expense amounted to \$14,789, of which \$2,548 was forfeitures for the fiscal year ended September 30, 2018. This is a noncontributory plan.
- d. A separately issued annual report of the Fund is available from Voya Financial, Plan Number 666935, 1 Orange Way C35, Windsor, CT 06095.

NOTE 9 – ENCUMBRANCES

The amount of encumbrances outstanding as of September 30, 2018 is as follows:

Governmental Funds –	
Special Revenue Funds –	
Downtown Community Redevelopment Area	\$ 2,239
Downtown North Community Redevelopment Area	57,543
St. Andrews Community Redevelopment Area	5,244
Millville Community Redevelopment Area	<u>49,543</u>
Total outstanding encumbrances	<u>\$ 114,569</u>

PANAMA CITY COMMUNITY REDEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 9 – ENCUMBRANCES (Continued)

Encumbrances at year-end do not constitute expenditures or liabilities; therefore, they are not reflected in the financial statements.

NOTE 10 – COMMITMENTS

Construction Commitments:

The amount of outstanding construction commitments as of September 30, 2018 is as follows:

Governmental Funds –	
Special Revenue Funds –	
Downtown North Community Redevelopment Area	\$ 54,273
Millville Community Redevelopment Area	<u>49,543</u>
Total construction commitments	<u>\$ 103,816</u>

The commitments represent the difference between the contract prices of the various projects and the amounts paid on each contract.

NOTE 11 – SUBSEQUENT EVENTS

On October 10, 2018, the Agency was directly impacted by Hurricane Michael. As of April 25, 2019, the date these financial statements were issued, the Agency is unable to determine the financial effect of damages. The Agency did not have any other subsequent events requiring disclosure or recording in these financial statements.

**REQUIRED
SUPPLEMENTARY
INFORMATION**

PANAMA CITY COMMUNITY REDEVELOPMENT AGENCY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET (GAAP BASIS) AND ACTUAL – DOWNTOWN CRA
FISCAL YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
REVENUES				
Taxes	\$ 258,568	\$ 258,568	\$ 258,032	\$ (536)
Investment earnings	-	-	1,920	1,920
Total revenues	<u>258,568</u>	<u>258,568</u>	<u>259,952</u>	<u>1,384</u>
EXPENDITURES				
Current:				
General government:				
Personnel services	34,167	34,167	30,522	3,645
Operating expenditures	144,643	149,420	101,733	47,687
Debt service	<u>313,558</u>	<u>130,917</u>	<u>-</u>	<u>130,917</u>
Total expenditures	<u>492,368</u>	<u>314,504</u>	<u>132,255</u>	<u>182,249</u>
Excess (deficiency) of revenues over (under) expenditures	(233,800)	(55,936)	127,697	183,633
OTHER FINANCING SOURCES (USES)				
Transfers - out	<u>(8,010)</u>	<u>(8,010)</u>	<u>(5,596)</u>	<u>2,414</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (241,810)</u>	<u>\$ (63,946)</u>	<u>122,101</u>	<u>\$ 186,047</u>
FUND BALANCES				
Beginning of year			<u>250,628</u>	
End of year			<u>\$ 372,729</u>	

See the independent auditor's report.

PANAMA CITY COMMUNITY REDEVELOPMENT AGENCY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET (GAAP BASIS) AND ACTUAL – DOWNTOWN NORTH CRA
FISCAL YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
REVENUES				
Taxes	\$ 1,148,265	\$ 1,148,265	\$ 1,147,572	\$ (693)
Investment earnings	-	-	8,094	8,094
Miscellaneous	-	-	46,868	46,868
Total revenues	<u>1,148,265</u>	<u>1,148,265</u>	<u>1,202,534</u>	<u>54,269</u>
EXPENDITURES				
Current:				
General government:				
Personnel services	90,472	90,472	72,323	18,149
Operating expenditures	1,348,553	1,404,616	1,715,436	(310,820)
Economic environment:				
Community redevelopment improvements	<u>996,007</u>	<u>503,429</u>	<u>215,636</u>	<u>287,793</u>
Total expenditures	<u>2,435,032</u>	<u>1,998,517</u>	<u>2,003,395</u>	<u>(4,878)</u>
Excess (deficiency) of revenues over (under) expenditures	(1,286,767)	(850,252)	(800,861)	49,391
OTHER FINANCING SOURCES (USES)				
Transfers - out	<u>(60,606)</u>	<u>(108,606)</u>	<u>(106,843)</u>	<u>1,763</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (1,347,373)</u>	<u>\$ (958,858)</u>	<u>(907,704)</u>	<u>\$ 51,154</u>
FUND BALANCES				
Beginning of year			<u>1,809,589</u>	
End of year		<u>\$ 901,885</u>		

See the independent auditor's report.

PANAMA CITY COMMUNITY REDEVELOPMENT AGENCY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET (GAAP BASIS) AND ACTUAL – ST. ANDREWS CRA
FISCAL YEAR ENDED SEPTEMBER 30, 2018

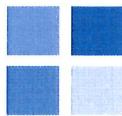
	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
REVENUES				
Taxes	\$ 448,318	\$ 448,318	\$ 447,882	\$ (436)
Investment earnings	-	-	2,420	2,420
Total revenues	<u>448,318</u>	<u>448,318</u>	<u>450,302</u>	<u>1,984</u>
EXPENDITURES				
Current:				
General government:				
Personnel services	76,447	76,447	64,847	11,600
Operating expenditures	245,102	283,620	241,122	42,498
Economic environment:				
Community redevelopment improvements	332,460	520,354	298,098	222,256
Total expenditures	<u>654,009</u>	<u>880,421</u>	<u>604,067</u>	<u>276,354</u>
Excess (deficiency) of revenues over (under) expenditures	(205,691)	(432,103)	(153,765)	278,338
OTHER FINANCING SOURCES (USES)				
Transfers - out	<u>(18,525)</u>	<u>(18,525)</u>	<u>(14,213)</u>	<u>4,312</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ <u>(224,216)</u>	\$ <u>(450,628)</u>	\$ <u>(167,978)</u>	\$ <u>282,650</u>
FUND BALANCES				
Beginning of year				<u>475,455</u>
End of year			\$ <u>307,477</u>	

See the independent auditor's report.

PANAMA CITY COMMUNITY REDEVELOPMENT AGENCY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET (GAAP BASIS) AND ACTUAL – MILLVILLE CRA
FISCAL YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
REVENUES				
Taxes	\$ 320,980	\$ 320,980	\$ 318,524	\$ (2,456)
Investment earnings	200	200	589	389
Miscellaneous	-	-	29,900	29,900
Total revenues	<u>321,180</u>	<u>321,180</u>	<u>349,013</u>	<u>27,833</u>
EXPENDITURES				
Current:				
General government:				
Personnel services	21,434	21,434	18,992	2,442
Operating expenditures	66,992	66,992	57,065	9,927
Economic environment:				
Community redevelopment improvements	110,448	152,449	126,708	25,741
Total expenditures	<u>198,874</u>	<u>240,875</u>	<u>202,765</u>	<u>38,110</u>
Excess of revenues over expenditures	122,306	80,305	146,248	65,943
OTHER FINANCING SOURCES (USES)				
Transfers - out	<u>(162,016)</u>	<u>(162,016)</u>	<u>(160,583)</u>	<u>1,433</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ <u>(39,710)</u>	\$ <u>(81,711)</u>	\$ <u>(14,335)</u>	\$ <u>67,376</u>
FUND BALANCES				
Beginning of year				<u>57,187</u>
End of year			\$ <u>42,852</u>	

See the independent auditor's report.



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF COMPONENT UNIT FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Honorable Mayor, City Commissioners,
and City Manager
Panama City Community Redevelopment Agency
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 governmental activities of the Panama City Community Redevelopment Agency, component unit of the City of Panama City, Florida, as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Panama City Community Redevelopment Agency's basic financial statements, and have issued our report thereon dated April 25, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Panama City Community Redevelopment Agency'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 Redevelopment Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Panama City Community Redevelopment Agency'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

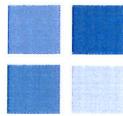
As part of obtaining reasonable assurance about whether the Panama City Community Redevelopment Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which 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.

A handwritten signature in black ink that reads "Tipton, Moul, Mauer & Chastain". The signature is cursive and fluid, with the company name written in a slightly larger, more prominent font than the first name.

Panama City, Florida
April 25, 2019



INDEPENDENT AUDITOR'S MANAGEMENT LETTER

To the Honorable Mayor, City Commissioners,
and City Manager
Panama City Community Redevelopment Agency
Panama City, Florida

Report on the Financial Statements

We have audited the financial statements of the Panama City Community Redevelopment Agency, component unit of the City of Panama City, Florida, as of and for the fiscal year ended September 30, 2018, and have issued our report thereon dated April 25, 2019.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of Component Unit Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated April 25, 2019, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. There were no recommendations made to the Agency in the preceding audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The Panama City Community Redevelopment Agency was established on November 22, 1983 through the City's adoption of Ordinance No. 1153 designating the Agency as the Community Redevelopment Agency under Statute 163.357(2).

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not Panama City Community Redevelopment Agency has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the Panama City Community Redevelopment Agency did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the Panama City Community Redevelopment Agency. It is management's responsibility to monitor the Panama City Community Redevelopment Agency's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Special District Component Units

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

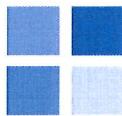
Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Honorable Mayor, City Commissioners, the City Manager, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Tipton, Marks, Bowen & Chastain

Panama City, Florida

April 25, 2019



INDEPENDENT ACCOUNTANT'S REPORT

To the Honorable Mayor, City Commissioners,
and City Manager
Panama City Community Redevelopment Agency
Panama City, Florida

We have examined Panama City Community Redevelopment Agency's compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2018. Management of Panama City Community Redevelopment Agency is responsible for Panama City Community Redevelopment Agency's compliance with the specified requirements. Our responsibility is to express an opinion on Panama City Community Redevelopment Agency's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether Panama City Community Redevelopment Agency complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether Panama City Community Redevelopment Agency complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on Panama City Community Redevelopment Agency's compliance with specified requirements.

In our opinion, Panama City Community Redevelopment Agency complied, in all material respects, with the aforementioned requirements during the year ended September 30, 2018.

Tipton, Marler, Garner & Chastain

Panama City, Florida
April 25, 2019