

# Financial Statements

March 31

# 2017

## Fiscal Year 2016 Financial Statements Front Beach Road & Pier Park Community Redevelopment Areas

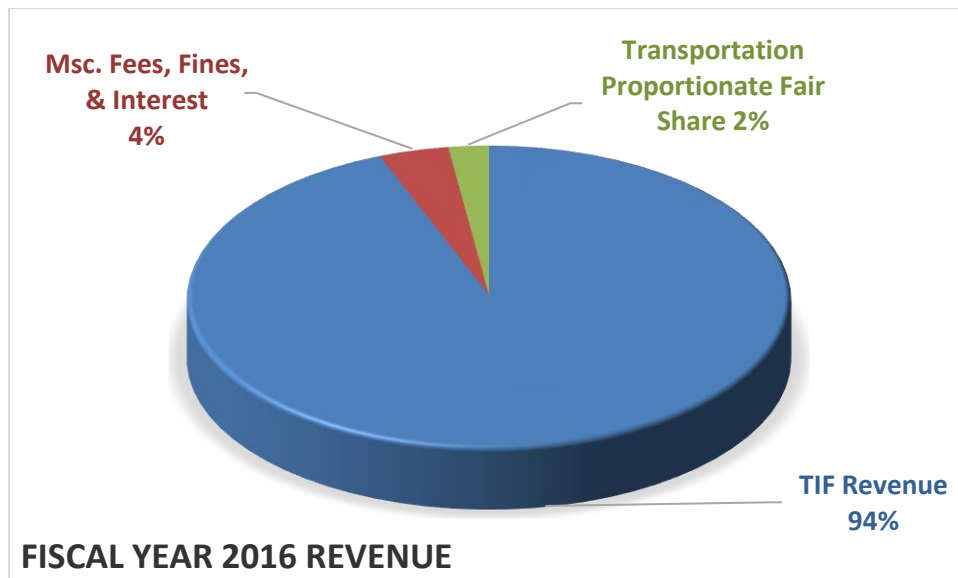


In order to provide the reader with as much information as possible with regard to the activities of both the Front Beach Road and Pier Park Community Redevelopment areas, the attached unaudited financial statements report the combined activities of the Panama City Beach Community Redevelopment Agency (the "Agency") and the City of Panama City Beach CRA Special Revenue Fund. The Agency is a blended component unit of the City of Panama City Beach and as such, its activities are combined with the City's CRA Special Revenue Fund and reported as a major fund within the City's audited financial statements. Tax increment funds are received by the Agency from Bay County and other than interest earnings represent the Agency's sole source of revenue. The tax increment funds related to the Pier Park Community Redevelopment Area are transferred from the agency to the Pier Park CDD. The tax increment funds related to the Front Beach Road Community Redevelopment Area are transferred to the City which restricts the use of such funds to the implementation of the Front Beach Road Community Redevelopment Plan.

## **Front Beach Road CRA Financial Statements**

The Community Redevelopment Agency (CRA) receives its revenue through Tax Increment Funds (TIF). The TIF funds vary based on the increased property values from the 2000 base year. Total TIF revenue received by the CRA since creation of the Front Beach Road CRA is listed below:

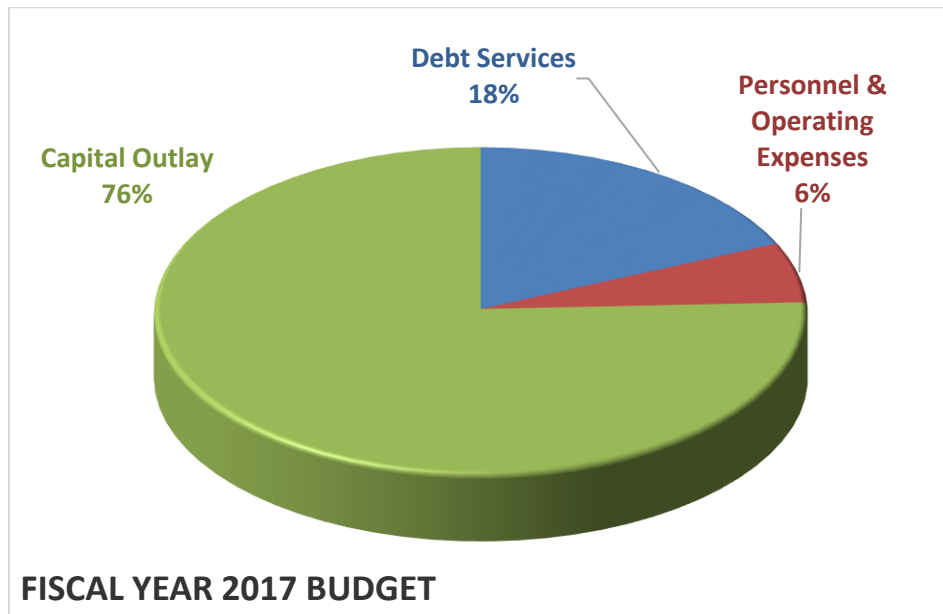
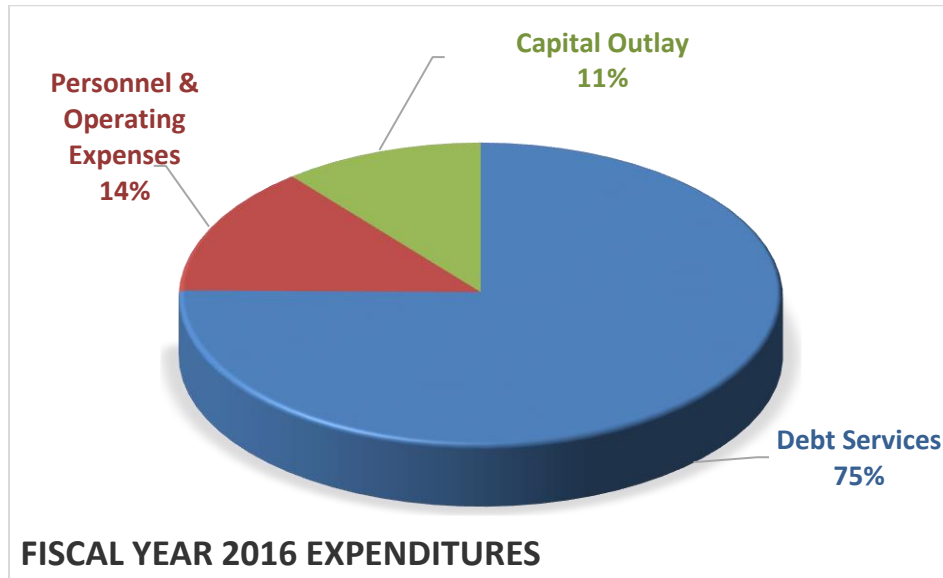
<b>Fiscal Year 2003- 2016 TIF Revenue</b>	
<b>2003</b>	<b>\$ 923,154</b>
<b>2004</b>	<b>\$ 1,848,987</b>
<b>2005</b>	<b>\$ 2,494,974</b>
<b>2006</b>	<b>\$ 6,940,002</b>
<b>2007</b>	<b>\$ 9,234,244</b>
<b>2008</b>	<b>\$ 8,522,456</b>
<b>2009</b>	<b>\$ 10,019,940</b>
<b>2010</b>	<b>\$ 8,246,840</b>
<b>2011</b>	<b>\$ 7,263,322</b>
<b>2012</b>	<b>\$ 6,396,058</b>
<b>2013</b>	<b>\$ 5,719,481</b>
<b>2014</b>	<b>\$ 5,710,445</b>
<b>2015</b>	<b>\$ 7,829,110</b>
<b>2016</b>	<b>\$ 8,632,890</b>
<b>Total</b>	<b>\$89,781,903</b>



The CRA actual revenue in fiscal year 2016 totaled \$9,182,392. The CRA also receives monies from public parking, proportionate share payments, interest, rents and code enforcement fines. The CRA issued Capital Improvement Revenue Bonds, Series 2006, in the amount of \$54,835,000. As of September 30, 2016, all of the Bond proceeds have been expended primarily for new road reconstruction

and right-of-way acquisition. On March 26, 2015 the City issued \$42,915,000 Capital Improvement Revenue Bonds, Series 2015, to advance refund a portion of the outstanding principal amount of the City's Series 2006 bonds. Debt service payments are approximately \$3.5 million per year with final maturity November 1, 2031. The City has sufficient funds on hand to build CRA Front Beach Road Segment 2 which is now under construction. The City will explore additional funding opportunities to be able to move forward with future phases more expeditiously.

The Front Beach Road CRA Fiscal Year 2016 Expenditures and Fiscal Year 2017 Budget are shown below:



In 2001, the City entered into an agreement with the Panama City Beach Community Redevelopment Agency, the Pier Park Community Development District (the "CDD") and the St. Joe Company ("St. Joe") titled the "Public Improvement Partnership Agreement" (the "PIPA"). This Agreement provided the construction of improvements in the Pier Park Redevelopment Area and the transfer of properties between the parties which facilitated the development of this area.

### **Pier Park CRA Financial Statement**

For the year ended September 30, 2016, tax increment funds remitted by the County to the City for the Pier Park CRA were in the amount of \$469,982. These funds were subsequently paid to the Community Development District (CDD) by the City. Additionally, the City has irrevocably pledged the business tax receipts collected within Pier Park to the CDD to be applied (after deduction of certain amounts for public safety services) to certain CDD costs and obligations, including the payment of interest and principal on the debt obligations, in a priority specifically detailed in the PIPA. Business tax receipts collected within the Pier Park CRA in the fiscal year ended September 30, 2016 were in the amount of \$2,200,258. Of this amount, \$380,107 was retained by the City for the provision of public safety services within the Pier Park CRA. The amount retained by the City is determined in accordance with the PIPA. The balance of collected funds, \$1,820,151 was remitted by the City to the CDD.



See attached **Exhibit A** for a copy of the Community Redevelopment Fund Balance Sheet as of September 30, 2016 and the Statement of Revenues, Expenditures and Changes in Fund Balances for the year ended September 30, 2016.

## Exhibit A

City of Panama City Beach, Florida  
Balance Sheet  
Community Redevelopment Fund  
September 30, 2016

	<b>Community Redevelopment Fund</b>
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<b>Assets</b>	
Cash	\$ 241,566
Accounts receivable	600
Prepaid expenses	1,705
Cash - restricted	21,498,144
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Total assets	\$ 21,742,015
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<b>Liabilities and fund balances</b>	
Liabilities	
Accounts payable	\$ 45,483
Due to other governments	136
Due to other funds	312
Accrued expenses	5,499
Deferred revenue	500
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Total liabilities	51,930
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Fund balances	
Nonspendable	1,705
Restricted	21,453,460
Committed	-
Assigned	234,920
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Total fund balances	21,690,085
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Total liabilities and fund balances	\$ 21,742,015
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City of Panama City Beach, Florida  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Community Redevelopment Fund  
Year Ended September 30, 2016

	<b>Community Redevelopment Fund</b>
<b>Revenues</b>	
Tax increment funds	
Front Beach Road	\$ 8,632,890
Pier Park	469,982
Nuisance abatement assessments	117,030
Municipal services impact fees	201,100
Fines and forfeitures	149,118
Rents	5,379
Interest	9,651
Other fees and miscellaneous	67,224
Total revenues	9,652,374
<b>Expenditures</b>	
Current	
General government	
Front Beach Road	94,953
Pier Park	469,982
Highways and streets	532,641
Debt service	
Principal	2,095,000
Interest and fiscal charges	1,301,927
Capital outlay	
Highways and streets	494,007
Total expenditures	4,988,510
Excess of revenues over expenditures	4,663,864
Other financing sources (uses)	
Transfers out	(1,226,370)
Total other financing sources (uses)	(1,226,370)
Net change in fund balances	3,437,494
Fund balances - beginning	18,252,591
Fund balances - ending	\$ 21,690,085