

Financial Statements

March 31
2018

Fiscal Year 2017 Financial Statements Front Beach Road & Pier Park Community Redevelopment Areas

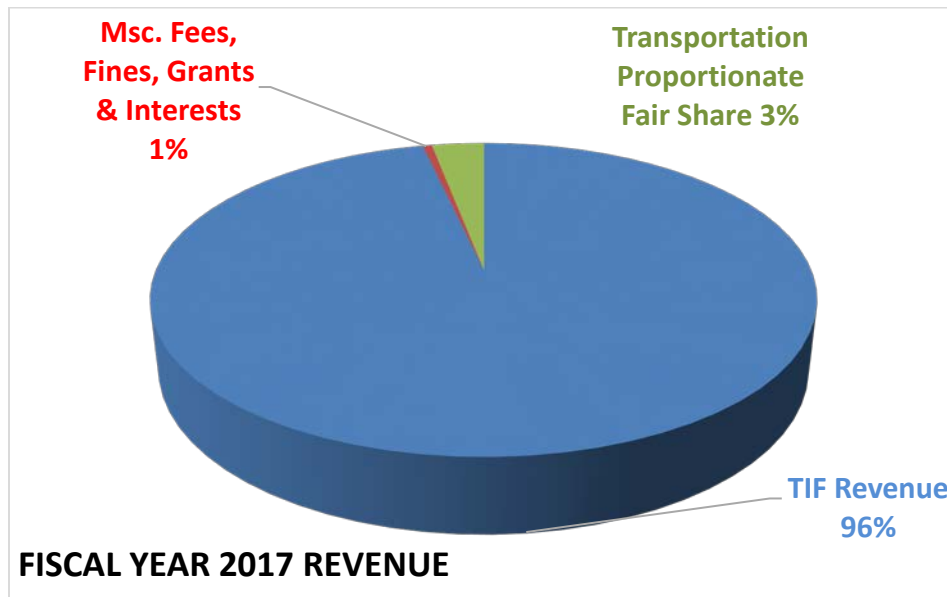


In order to provide the reader with as much information as possible with regard to the activities of both the Front Beach Road and Pier Park Community Redevelopment areas, the attached unaudited financial statements report the combined activities of the Panama City Beach Community Redevelopment Agency (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:

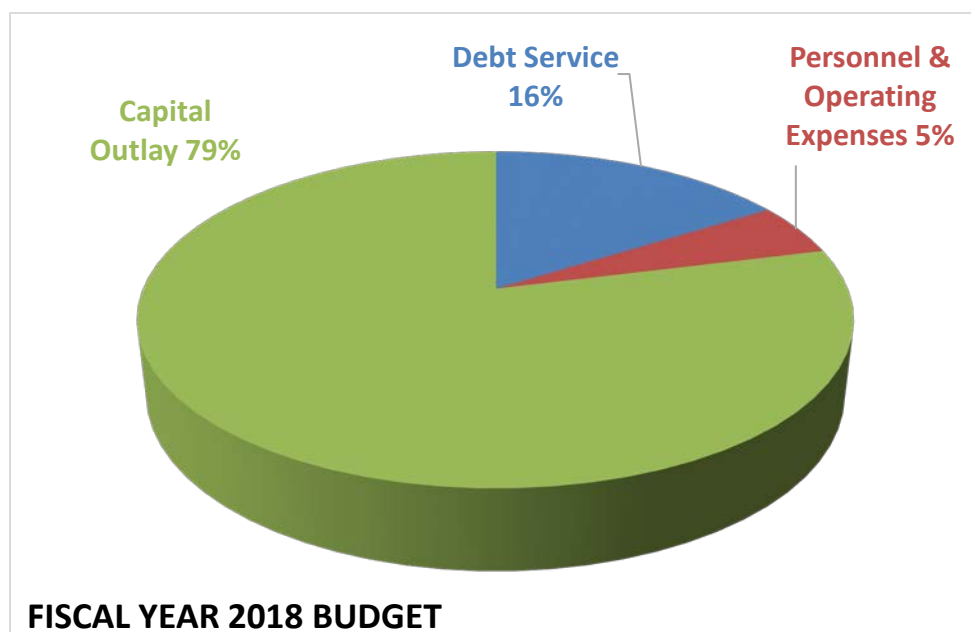
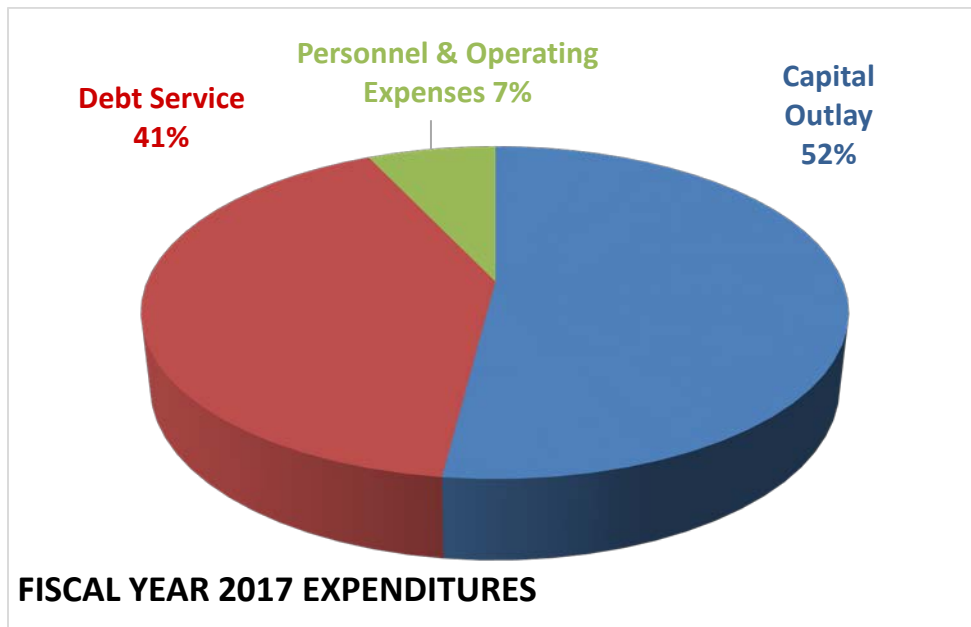
Fiscal Year 2003- 2017	TIF Revenue
2003	\$ 923,154
2004	\$ 1,848,987
2005	\$ 2,494,974
2006	\$ 6,940,002
2007	\$ 9,234,244
2008	\$ 8,522,456
2009	\$10,019,940
2010	\$ 8,246,840
2011	\$ 7,263,322
2012	\$ 6,396,058
2013	\$ 5,719,481
2014	\$ 5,710,445
2015	\$ 7,829,110
2016	\$ 8,632,890
2017	\$ 9,425,307
Total	\$ 99,207,210



The CRA actual revenue in fiscal year 2017 totaled \$9,772,046. 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, 2017, 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 2017 Expenditures and Fiscal Year 2018 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 for 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 Statements

For the year ended September 30, 2017, tax increment funds remitted by the County to the City for the Pier Park CRA were in the amount of \$479,697. 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, 2017 were in the amount of \$2,222,924. Of this amount, \$406,714 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, \$1,816,210 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, 2017 and the Statement of Revenues, Expenditures and Changes in Fund Balances for the year ended September 30, 2017.

Exhibit A

City of Panama City Beach, Florida
Balance Sheet
Community Redevelopment Fund
September 30, 2017

	Community Redevelopment Fund
Assets	
Cash	\$ 881
Accounts receivable	36
Prepaid expenses	216
Cash - restricted	23,459,691
Due from other funds - restricted	3,024
Total assets	\$ 23,463,848
Liabilities and fund balances	
Liabilities	
Accounts payable	\$ 400,006
Due to other governments	288
Due to other funds	4,828
Accrued expenses	6,471
Deferred revenue	1,900
Total liabilities	413,493
Fund balances	
Nonspendable	216
Restricted	23,053,143
Unassigned	(3,004)
Total fund balances	23,050,355
Total liabilities and fund balances	\$ 23,463,848

City of Panama City Beach, Florida
Statement of Revenues, Expenditures and Changes in Fund Balances
Community Redevelopment Fund
Year Ended September 30, 2017

	Community Redevelopment Fund
Revenues	
Tax increment funds	
Front Beach Road	\$ 9,425,307
Pier Park	479,697
Municipal services impact fees	296,000
Fines and forfeitures	3,800
Rents	4,800
Interest	295
Other fees and miscellaneous	41,844
Total revenues	10,251,743
Expenditures	
Current	
General government	
Front Beach Road	88,581
Pier Park	479,697
Highways and streets	546,057
Debt service	
Principal	2,210,000
Interest and fiscal charges	1,202,588
Capital outlay	
Highways and streets	4,364,550
Total expenditures	8,891,473
Excess of revenues over expenditures	1,360,270
Net change in fund balances	1,360,270
Fund balances - beginning	21,690,085
Fund balances - ending	\$ 23,050,355

Contact Information

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