



**Panama City Beach  
Community Redevelopment Agency**

**FINANCIAL STATEMENTS**

**September 30, 2023**



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**Panama City Beach Community Redevelopment Agency  
Agency Officials  
Year Ended September 30, 2023**

CRA Board Members

Mayor Stuart Tetterer

Ward 1 Council Member Paul Casto

Ward 2 Council Member Ethan Register

Ward 3 Council Member Mary Coburn

Ward 4 Council Member Michael Jarman



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## **INDEPENDENT AUDITOR’S REPORT**

To the Honorable Chairman and Board members  
Panama City Beach Community Redevelopment Agency

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities and the major fund of the Panama City Beach Community Redevelopment Agency (the “Agency”), a component unit of the City of Panama City Beach, Florida, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Agency’s basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Agency, as of September 30, 2023, 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.

#### ***Basis for Opinions***

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. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Agency and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Agency's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 5-8 and 19-20 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2024, on our consideration of the 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Agency's internal control over financial reporting and compliance.

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

Carr, Riggs & Ingram, LLC  
Panama City Beach, Florida  
June 19, 2024

## Panama City Beach Community Redevelopment Agency Management's Discussion and Analysis

As management of the Panama City Beach Community Redevelopment Agency (the “Agency”), we offer readers of the Agency’s financial statements this narrative overview and analysis of the Agency’s financial performance during the fiscal year ended September 30, 2023. This information is designed in a manner to enhance the readers understanding of the Agency’s financial position and activities in conjunction with the audited basic financial statements which follow.

### Financial Highlights

- The total assets and deferred outflows of resources of the Agency exceeded its liabilities and deferred inflows of resources by \$1,123 at the end of the fiscal year.
- The Agency’s total net position increased \$908 from the prior year.
- The Agency’s operating revenues increased 18% from the prior year.
- The Agency’s operating expenditures increased 2% from the prior year.

### Overview of the Financial Statements

The financial section of this annual report consists of three parts – management’s discussion and analysis (this section), the basic financial statements, and required supplementary information.

### Government-wide Financial Statements

The government-wide financial statements include the *statement of net position* and *statement of activities*. These statements are designed to provide readers with a broad overview of the Agency’s financial position, in a manner like that of private-sector companies. All of the Agency’s activities are reported as governmental activities in the government-wide financial statements.

The *statement of net position* presents information on all assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the Agency, with the difference between them reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of the Agency’s improving or declining financial position.

The *statement of activities* presents information on all revenues and expenses of the Agency and the change in net position for the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

# Panama City Beach Community Redevelopment Agency Management's Discussion and Analysis

## Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Agency, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

*Fund financial statements* provide financial information for the Agency's general fund and more detailed information about the Agency's activities. Governmental fund financial statements provide information on the *current* assets and liabilities of the funds, changes in *current* financial resources (revenues and expenditures), and *current* available resources.

*Fund financial statements* for the Agency's general fund include a *balance sheet* and a *statement of revenues, expenditures, and change in fund balance*.

The *government-wide financial statements* and the *fund financial statements* provide different presentations of the Agency's financial position. The government-wide financial statements provide an overall picture of the Agency's financial standing. These statements, which are comparable to private-sector companies, provide a good understanding of the Agency's overall financial health and present the means used to pay for various activities, or functions provided by the Agency.

*Notes to basic financial statements* provide additional detail concerning the financial activities and financial balances of the Agency. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

## Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information (RSI) which is a comparison between the Agency's adopted and final budget and actual financial results for its general fund. The Agency adopts an annual budget for its general fund, and a budgetary comparison schedule has been provided to demonstrate compliance with this budget.

## Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of an Agency's financial position. In the case of the Panama City Beach Community Redevelopment Agency, assets exceeded liabilities by \$1,123 at the close of the most recent fiscal year.

## Panama City Beach Community Redevelopment Agency Management's Discussion and Analysis

The following table reflects the condensed statement of net position:

### Panama City Beach Community Redevelopment Agency's Net Position

<i>September 30,</i>	<b>2023</b>	2022
Current and other assets	\$ 228,679	\$ 215
Total assets	<b>228,679</b>	215
Current liabilities	<b>227,556</b>	215
Total liabilities	<b>227,556</b>	215
Net position		
Restricted	<b>927</b>	100
Unrestricted	<b>196</b>	115
Total net position	<b>\$ 1,123</b>	\$ 215

The following table shows condensed revenue and expense data:

### Panama City Beach Community Redevelopment Agency's Changes in Net Position

<i>Year Ended September 30,</i>	<b>2023</b>	2022
<b>Revenues</b>		
Tax increment funds	\$ 16,389,314	\$ 13,846,973
Other income	-	64
Interest	<b>908</b>	-
Total revenues	<b>16,390,222</b>	13,847,037
<b>Expenses</b>		
Economic environment	<b>479,089</b>	471,235
Total expenses	<b>479,089</b>	471,235
Change in net position before transfers	<b>15,911,133</b>	13,375,802
Transfers out	<b>(15,910,225)</b>	(13,375,738)
(Decrease) increase in net position	<b>\$ 908</b>	\$ 64

## **Panama City Beach Community Redevelopment Agency Management's Discussion and Analysis**

### **Financial Analysis of the Agency's Funds**

As of September 30, 2023, total assets were \$228,679, total liabilities were \$227,556, and total net position was \$1,123. Assets increased by \$228,464, liabilities increased by \$227,341, and net position increased by \$908. Tax increment funds increased by \$2,542,341 due to an increase in property tax values, on which the tax increment funds are based. Transfers out increased by \$2,534,487 due to the increase in property tax values noted above.

### **Requests for Information**

This report was prepared by the City of Panama City Beach's Finance department. Questions concerning this report or requests for additional information should be addressed to the City of Panama City Beach, 17007 Panama City Beach Parkway, Panama City Beach, Florida 32413-2199, and attention: Debra Gibson, Finance Director.

**Panama City Beach Community Redevelopment Agency  
Statement of Net Position**

<i>September 30, 2023</i>	Governmental Activities
<hr/>	
<b>Assets</b>	
Cash and cash equivalents	\$ 1,123
Due from primary government	227,556
<hr/>	
Total assets	228,679
<b>Liabilities</b>	
Due to other governments	227,556
<hr/>	
Total liabilities	227,556
<b>Net Position</b>	
Restricted for	
Community redevelopment	927
Unrestricted	196
<hr/>	
Total net position	\$ 1,123
<hr/> <hr/>	

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

**Panama City Beach Community Redevelopment Agency  
Statement of Activities – Governmental Activities**

*For the year ended September 30, 2023*

Program Revenues

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Change in Net Position
Governmental activities					
Economic environment	\$ 479,089	\$ -	\$ -	\$ -	\$ (479,089)
<b>Total governmental activities</b>	<b>\$ 479,089</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(479,089)</b>

General revenues and transfers	
Tax increment funds	16,389,314
Interest	908
Transfers, net	(15,910,225)
<b>Total general revenues</b>	<b>479,997</b>
<b>Change in net position</b>	<b>908</b>
<b>Net position, beginning of year</b>	<b>215</b>
<b>Net position, end of year</b>	<b>\$ 1,123</b>

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

**Panama City Beach Community Redevelopment Agency  
Balance Sheet – Governmental Fund**

*September 30, 2023*

General Fund

**Assets**

Cash and cash equivalents	\$	1,123
Due from primary government		227,556

Total assets	\$	228,679
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**Liabilities and fund balance**

Liabilities

Due to other governments	\$	227,556
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Total liabilities		227,556
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Fund balance

Restricted for		
Community redevelopment		927
Unassigned		196

Total fund balance		1,123
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Total liabilities and fund balance	\$	228,679
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There are no reconciling items necessary to arrive at the amounts reported for governmental activities in the statement of net position.		-
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Net position of governmental activities	\$	1,123
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*The accompanying notes are an integral part of the basic financial statements.*

**Panama City Beach Community Redevelopment Agency  
Statement of Revenues, Expenditures, and Changes in Fund Balance –  
Governmental Fund**

<i>For the year ended September 30, 2023</i>	General Fund
<b>Revenues</b>	
Tax increment funds	\$ 16,389,314
Interest	908
<hr/>	
Total revenues	16,390,222
<b>Expenditures</b>	
Current	
Economic environment	479,089
<hr/>	
Total expenditures	479,089
Excess of revenues over expenditures	15,911,133
<b>Other Financing Sources (Uses)</b>	
Transfers out	(15,910,225)
<hr/>	
Net other financing sources (uses)	(15,910,225)
<hr/>	
Net change in fund balance	908
Fund balance, beginning of year	215
<hr/>	
Fund balance, end of year	\$ 1,123
<hr/>	
<b>Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Fund to the Statement of Activities</b>	
Net change in fund balance (from above)	\$ 908
There are no reconciling items necessary to arrive at the amounts reported for governmental activities in the statement of activities.	-
<hr/>	
Change in net position of governmental activities	\$ 908
<hr/>	

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

# Panama City Beach Community Redevelopment Agency Notes to Financial Statements

## **Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### ***Reporting Entity***

The Panama City Beach Community Redevelopment Agency (the “Agency”), a component unit of the City of Panama City Beach, Florida (the “City” and “Primary Government”), was created to effect and carry out community redevelopment purposes and projects within the City of Panama City Beach’s community redevelopment areas as determined by the City of Panama City Beach, Florida City Council (“City Council”) pursuant to Florida Statutes. The Agency was established by the City Council via Resolution 00-23 on November 30, 2000. The Agency is constituted as a public instrumentality separate and distinct from the City. Pursuant to Florida Statutes, Section 163.357, the City Council declared itself to sit ex-officio to the governing body of the Agency. The Agency does not exercise control over other governmental agencies or authorities.

Revenue sources for the Agency consist primarily of tax increment funds.

The accompanying financial statements present only the operations of the Agency and are not intended to present the financial position and results of the City of Panama City Beach, Florida. Complete financial statements for the City of Panama City Beach, Florida may be obtained at the City’s administrative offices located at 17007 Panama City Beach Parkway, Panama City Beach, Florida 32413-2199.

### ***Government-wide and Fund Financial Statements***

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Agency. *Governmental activities* are those which normally are supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *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 contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

### ***Measurement Focus, Basis of Accounting, and Financial Statement Presentation***

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility and timing requirements imposed by the provider have been met.

# Panama City Beach Community Redevelopment Agency

## Notes to Financial Statements

### Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### ***Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)***

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Tax increment funds and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the Agency.

#### ***Government-wide Financial Statements***

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from the governmental fund. Separate financial statements are provided for the governmental fund.

#### ***Fund Financial Statements***

The fund financial statements provide information about the Agency's fund. The emphasis of fund financial statements is on the major governmental fund.

The Agency reports the following major governmental fund:

The *General Fund* is the Agency's operating fund. It accounts for all financial resources of the Agency.

#### ***Budgetary Information***

The Agency has elected, as permitted by Section 2400: *Budgetary Reporting* of the GASB Codification, to disclose all budgetary information in the notes to the required supplementary information.

## Panama City Beach Community Redevelopment Agency Notes to Financial Statements

### **Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### ***Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Fund Balance***

##### *Cash and cash equivalents*

The Agency's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term highly liquid investments with original maturities of three months or less from the date of acquisition.

##### *Categories and Classification of Net Position and Fund Balance*

*Net position flow assumption* – Sometimes the Agency will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Agency's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

*Fund balance flow assumptions* – Sometimes the Agency will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the Agency's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

*Fund balance policies* – Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The Agency itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The provisions of GASBC Section 1800, *Classification and Terminology*, specifies the following classifications:

*Nonspendable fund balance* – Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

*Restricted fund balance* – Restricted fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

*Committed fund balance* – The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Agency's highest level of decision-making authority. The City Council is the highest level of decision-making authority for the Agency that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

## Panama City Beach Community Redevelopment Agency Notes to Financial Statements

### Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### ***Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Fund Balance (Continued)***

*Assigned fund balance* – Amounts in the assigned fund balance classification are intended to be used by the Agency for specific purposes but do not meet the criteria to be classified as committed. The City Council may assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

*Unassigned fund balance* – Unassigned fund balance is the residual classification for the General Fund.

#### ***Revenues and Expenditures/Expenses***

*Program revenues* – Amounts reported as *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 contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

*Tax increment funds* – The CRA's primary source of revenue is tax increment funds. These revenues are generated by capturing additional and a share of new tax revenues generated in the redevelopment area as defined and calculated in various City Council resolutions and an interlocal agreement between the City and Bay County.

#### ***Use of Estimates***

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates.

#### ***Subsequent Events***

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 19, 2024 and determined there were no events that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

## Panama City Beach Community Redevelopment Agency Notes to Financial Statements

### **Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### ***Recently Issued and Implemented Accounting Pronouncements***

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Assets and liabilities resulting from SBITAs should be recognized and measured using the facts and circumstances that existed at the beginning of the fiscal year in which this Statement is implemented. Governments are permitted, but are not required, to include in the measurement of the subscription asset capitalizable outlays associated with the initial implementation stage and the operation and additional implementation stage incurred prior to the implementation of this Statement. There were no significant impacts of implementing this statement.

The Governmental Accounting Standards Board has issued statements that will become effective in future years. These statements are as follows:

GASB Statement No. 100, *Accounting Changes and Error Corrections*, This Statement establishes accounting and financial reporting requirements for (a) accounting changes and (b) the correction of an error in previously issued financial statements (error correction). This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

**Panama City Beach Community Redevelopment Agency  
Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Recently Issued and Implemented Accounting Pronouncements (Continued)***

GASB Statement No. 101, *Compensated Absences*, The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

The Agency is evaluating the requirements of the above statements and the impact on reporting.

**Note 2: DETAILED NOTES ON ALL FUNDS**

***Intergovernmental Receivables, Payables, and Transfers***

Transfers for the year ended September 30, 2023:

	Transfers in:	
	City	Total
Transfers out:		
Community Redevelopment Agency	\$ 15,910,225	\$ 15,910,225
Total	\$ 15,910,225	\$ 15,910,225

Transfers are used to move revenues from the fund that is required (per statute or budget) to collect them to the fund that is required (per local legislation) to expend them.

***Governmental Fund Balance***

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Agency is bound to observe constraints imposed upon the use of the resources in the governmental funds. The Agency has \$1,123 in fund balance at September 30, 2023.

**REQUIRED SUPPLEMENTARY INFORMATION**

**Panama City Beach Community Redevelopment Agency  
Schedule of Revenues, Expenditures, and Changes in Fund Balance –  
Budget and Actual – General Fund**

<i>For the year ended September 30, 2023</i>	Budgeted Amounts		Variance with Final Budget - Actual Amounts Budgetary Basis	Actual Amounts Budgetary Basis	Budget to GAAP Difference	Actual Amounts GAAP Basis
	Original	Final				
<b>Revenues</b>						
Tax increment funds	\$ 16,352,347	16,389,314	\$ -	\$ 16,389,314	\$ -	\$ 16,389,314
Interest	-	-	908	908	-	908
<b>Total revenues</b>	<b>16,352,347</b>	<b>16,389,314</b>	<b>908</b>	<b>16,390,222</b>	<b>-</b>	<b>16,390,222</b>
<b>Expenditures</b>						
Current						
Economic environment	479,445	479,089	-	479,089	-	479,089
<b>Total expenditures</b>	<b>479,445</b>	<b>479,089</b>	<b>-</b>	<b>479,089</b>	<b>-</b>	<b>479,089</b>
Excess of revenues over expenditures	15,872,902	15,910,225	908	15,911,133	-	15,911,133
Other financing sources (uses)						
Transfers out	(15,872,900)	(15,910,225)	-	(15,910,225)	-	(15,910,225)
<b>Total other financing sources (uses)</b>	<b>(15,872,900)</b>	<b>(15,910,225)</b>	<b>-</b>	<b>(15,910,225)</b>	<b>-</b>	<b>(15,910,225)</b>
<b>Net change in fund balance</b>	<b>2</b>	<b>-</b>	<b>908</b>	<b>908</b>	<b>-</b>	<b>908</b>
Fund balance, beginning of year	101	200	15	215	-	215
<b>Fund balance, end of year</b>	<b>\$ 103</b>	<b>\$ 200</b>	<b>\$ 923</b>	<b>\$ 1,123</b>	<b>\$ -</b>	<b>\$ 1,123</b>

*The accompanying budgetary notes to required supplementary information are an integral part of this schedule.*

## **Panama City Beach Community Redevelopment Agency Budgetary Notes to Required Supplementary Information**

### **Note 1: BUDGETARY INFORMATION**

An annual budget is adopted by the Agency's Board on a cash basis of accounting. All annual appropriations lapse at fiscal year-end. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level. Budget transfer authority is provided to the City of Panama City Beach City Manager, ex-officio as manager of the Agency within a fund as long as the total budget of the fund is not increased. Agency Board action is required for the approval of a supplemental budget.



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**INDEPENDENT AUDITOR’S MANAGEMENT LETTER**

The Honorable Chairman and Board Members  
 Panama City Beach Community Redevelopment Agency

**Report on the Financial Statements**

We have audited the financial statements of the Panama City Beach Community Redevelopment Agency (the “Agency”) as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated June 19, 2024.

**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 on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant’s Reports on examinations 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 June 19, 2024, 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. Corrective actions have been taken to address findings and recommendations in the preceding annual financial audit report, except as noted below:

<b>Tabulation of Uncorrected Audit Findings</b>		
<b>Current Year Finding #</b>	<b>2021-22 FY Finding #</b>	<b>2020-21 FY Finding #</b>
2023-001	2022-001	2021-001

## **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 legal authority of the Agency is disclosed in the footnotes. The Agency has no component units.

## **Financial Condition and Management**

Section 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 the Agency 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 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 Agency. It is management's responsibility to monitor the 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.

## **Specific Information**

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the Agency reported:

- a. The total number of district employees compensated in the last pay period of the district's fiscal year as zero.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year as zero.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as zero.

- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as zero.
- e. Each construction project with a total cost of at least \$65,000 approved by the district that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as zero.
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes, as disclosed on page 19.

### **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 City of Panama City Beach, Florida, the Agency's Board Members, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

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

Carr, Riggs & Ingram, LLC  
Panama City Beach, Florida  
June 19, 2024

**INDEPENDENT AUDITOR’S 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**

Honorable Chairman and Board Members  
Panama City Beach Community Redevelopment Agency

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 and the major fund of Panama City Beach Community Redevelopment Agency (the “Agency”), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Agency’s basic financial statements, and have issued our report thereon dated June 19, 2024.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Agency’s internal control over financial reporting (internal control) as a basis for designing 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 Agency’s internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 or significant deficiencies may exist that have not been identified.

## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 financial statements. 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.*

Carr, Riggs & Ingram, LLC  
Panama City Beach, Florida  
June 19, 2024

## INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES

The Honorable Chairman and Board Members  
Panama City Beach Community Redevelopment Agency

We have examined the Panama City Beach Community Redevelopment Agency's (the "Agency") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2023. The Agency's Board and management of the Agency is responsible for the Agency's compliance with the specified requirements. Our responsibility is to express an opinion on the Agency's compliance with the specified requirements based on our examination.

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

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

Our examination does not provide a legal determination on the Agency's compliance with the specified requirements.

In our opinion, the Agency complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2023.

This report is intended solely for the information and use of the Agency's board, management and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

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

Carr, Riggs & Ingram, LLC  
Panama City Beach, Florida  
June 19, 2024

## **INDEPENDENT ACCOUNTANT’S REPORT ON COMPLIANCE WITH SECTION 163.387(6) AND SECTION 163.387(7), FLORIDA STATUTES**

The Honorable Chairman and Board Members  
Panama City Beach Community Redevelopment Agency

We have examined the Panama City Beach Community Redevelopment Agency’s (the “Agency”) compliance with the requirements of Section 163.387(6) and (7), Florida Statutes, *Redevelopment Trust Fund Policies*, during the year ended September 30, 2023. The Agency’s board and management of the Agency is responsible for the Agency’s compliance with the specified requirements. Our responsibility is to express an opinion on the Agency’s compliance with the specified requirements based on our examination.

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

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

Our examination does not provide a legal determination on the Agency’s compliance with the specified requirements.

Our examination disclosed the following material noncompliance with Section 163.387(6) and (7), Florida Statutes, *Redevelopment Trust Fund Policies* applicable to the Agency during the year ended September 30, 2023:

### Finding 2023-001

Condition: The Agency did not submit its original fiscal year 2023 annual budget to the Bay County Board of County Commissioners within 10 days after adoption.

Criteria: Section 163.387(6)(b), Florida Statutes, states that “A community redevelopment agency created by a municipality shall submit its annual budget to the board of county commissioners for the county in which the agency is located within 10 days after the adoption of such budget and submit amendments of its annual budget to the board of county commissioners within 10 days after the adoption date of the amended budget.”

Effect: The Agency was not in compliance with Section 163.387(6) Florida Statutes.

Cause: The Agency did not follow their procedures.

Recommendation: We recommend that the Agency implement procedures to ensure compliance with all applicable requirements.

Response: The Agency has implemented procedures to ensure compliance with regard to budget submissions.

In our opinion, except for the material noncompliance described in the preceding paragraph, the Agency complied, in all material respects, with the requirements of Sections 163.387(6) and 163.387(7), Florida Statutes, *Redevelopment Trust Fund*, during the year ended September 30, 2023.

This report is intended solely for the information and use of the Agency's board, management and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

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

Carr, Riggs & Ingram, LLC  
Panama City Beach, Florida  
June 19, 2024