

# Financial Statements

March 31

# 2016

## Fiscal Year 2015 Financial Statements Front Beach Road & Pier Park Community Redevelopment Areas

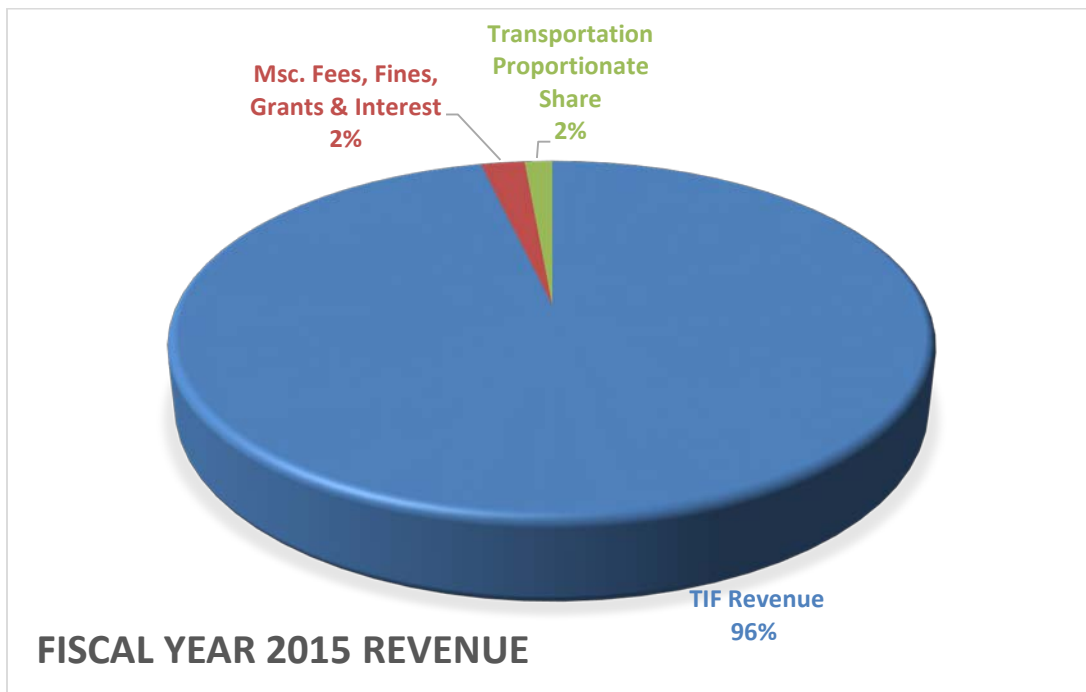


In order to provide the reader with as much information as possible with regard to the activities of both the Front Beach Road and Pier Park Community Redevelopment Areas, the attached financial statements report the combined activities of the Panama City Beach Community Redevelopment Agency (the "Agency")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

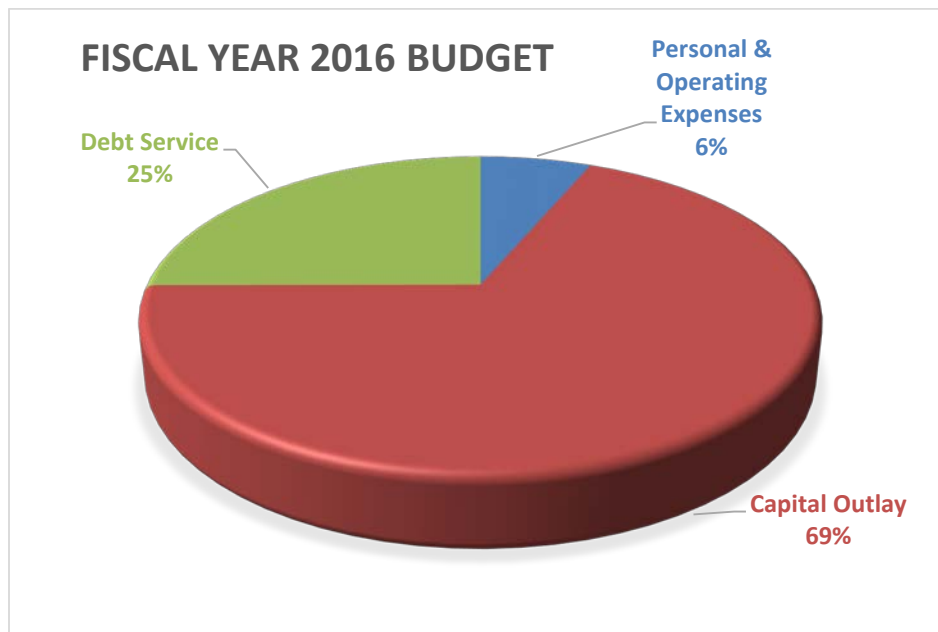
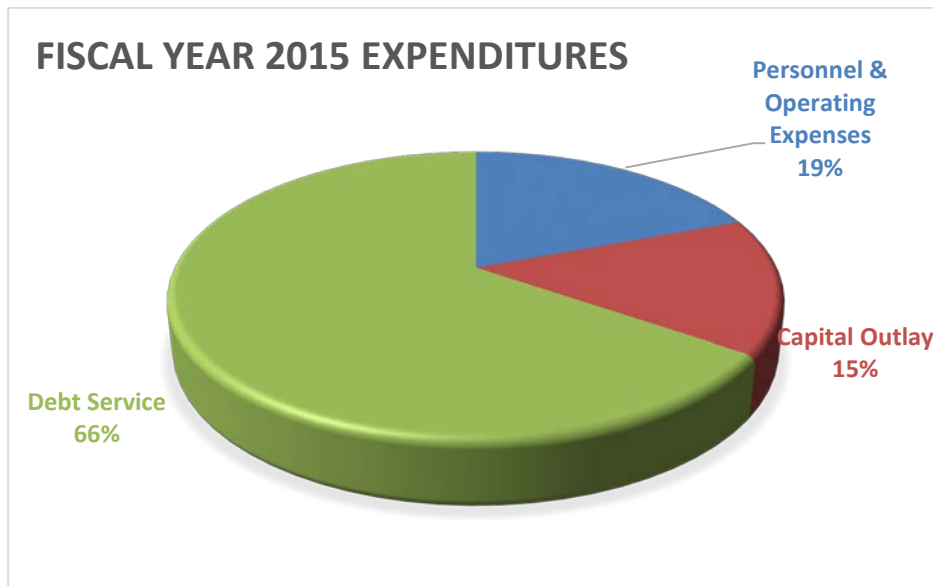
Fiscal Year 2003- 2015 TIF Revenue	
2003	\$ 923,154
2004	\$ 1,848,987
2005	\$ 2,494,974
2006	\$ 6,940,002
2007	\$ 9,234,244
2008	\$ 8,522,456
2009	\$10,019,940
2010	\$ 8,246,840
2011	\$ 7,263,322
2012	\$ 6,396,059
2013	\$ 5,719,481
2014	\$ 5,710,445
2015	\$ 7,829,110
<b>Total</b>	<b>\$81,149,014</b>



The CRA actual revenue in fiscal year 2015 totaled \$8,123,916. 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, 2015, 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 will final maturity November 1, 2031. The City has sufficient funds to build the next phase of roadway construction for the CRA. However, Debt TIF and grant funds will need to be accrued in order to build any future phases of the CRA.

The Front Beach Road CRA Fiscal Year 2015 Expenditures and Fiscal Year 2016 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 provides for the construction of improvements in the Pier Park Redevelopment Area and the transfer of properties between the parties to facilitate the development of this area.

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

For the year ended September 30, 2015, tax increment funds remitted by the County to the City for the Pier Park CRA were in the amount of \$450,500. 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 Public Improvement Partnership Agreement (PIPA). Business tax receipts collected within the Pier Park CRA in the fiscal year ended September 30, 2015 were in the amount of \$2,135,934. Of this amount, \$355,240 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 under the terms of the PIPA between the City and the CDD. The balance of collected funds, \$1,780,694, 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, 2015 and the Statement of Revenues, Expenditures and Changes in Fund Balances for the year ended September 30, 2015.

## Exhibit A

City of Panama City Beach, Florida		
Balance Sheet		
Community Redevelopment Fund		
September 30, 2015		
		Community Redevelopment Fund
<b>Assets</b>		
Cash		\$ 261,139
Accounts receivable		440
Prepaid expenses		2,859
Cash - restricted		18,531,825
Total assets		\$ 18,796,263
<b>Liabilities and fund balances</b>		
<b>Liabilities</b>		
Accounts payable		\$ 530,356
Due to other governments		370
Due to other funds		8,518
Accrued expenses		3,149
Deferred revenue		1,150
Total liabilities		543,543
<b>Fund balances</b>		
Nonspendable		2,859
Restricted		18,002,343
Committed		-
Assigned		247,518
Total fund balances		18,252,720
Total liabilities and fund balances		\$ 18,796,263

City of Panama City Beach, Florida	
Statement of Revenues, Expenditures and Changes in Fund Balances	
Community Redevelopment Fund	
Year Ended September 30, 2015	
	<b>Community Redevelopment Fund</b>
<b>Revenues</b>	
Tax increment funds	
Front Beach Road	\$ 7,829,110
Pier Park	450,500
Municipal services impact fees	114,100
Fines and forfeitures	71,769
Rents	5,462
Interest	1,808
Other fees and miscellaneous	101,667
Total revenues	8,574,416
<b>Expenditures</b>	
Current	
General government	
Front Beach Road	231,563
Pier Park	450,500
Highways and streets	445,043
Debt service	
Principal	1,670,000
Interest and fiscal charges	2,013,356
Other debt service costs	145,853
Capital outlay	
Highways and streets	899,281
Total expenditures	5,855,596
Excess of revenues over expenditures	2,718,820
Other financing sources (uses)	
Proceeds from issuance of refunding bonds	42,915,000
Payment to refunding bonds escrow agent	(42,635,070)
Total other financing sources (uses)	279,930
Net change in fund balances	2,998,750
Fund balances - beginning	15,253,970
Fund balances - ending	\$ 18,252,720

**Contact Information**

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