

**City of Jacksonville, Florida
Community Redevelopment Agency
Fund**

Audited Financial Statements

For the Fiscal Year Ended September 30, 2016



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**City of Jacksonville, Florida
Community Redevelopment Agency Fund**

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September 30, 2016**

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of the City Council
City of Jacksonville, Florida

We have audited the accompanying financial statements of the sub-funds within the Tax Increment District Fund, also known as the Community Redevelopment Agency Fund (the "CRA's"), a blended component unit of the City of Jacksonville, Florida (the "City"), which comprise the balance sheet as of September 30, 2016, and the related statement of revenues, expenditures and changes in fund balances for the year then ended, and the related notes to the financial statements.

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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 financial position of each of the City's CRA's as of September 30, 2016, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the accompanying financial statements were prepared to facilitate the independent audit requirements contained in Section 163.387(8), Florida Statutes, and are not intended to be a complete presentation of the City's financial activity. Our opinion is not modified with respect to that matter.

Carly Riggs & Ingram, L.L.C.

Jacksonville, Florida

March 28, 2017

**City of Jacksonville Florida
Community Redevelopment Agency Fund**

**Balance Sheet
September 30, 2016**

	Northbank Downtown CRA						
	Northside East CRA	Northside West CRA	Southside CRA	JIA CRA	KingSoutel Crossing CRA	Total	
Assets							
Equity in pooled cash and cash equivalents	\$ 2,677,657	\$ 4,288,148	\$ 1,262,894	\$ 1,236,589	\$ 125,000	\$ 9,590,288	
Total assets	\$ 2,677,657	\$ 4,288,148	\$ 1,262,894	\$ 1,236,589	\$ 125,000	\$ 9,590,288	
Liabilities and fund balances							
Liabilities							
Accounts payable and accrued liabilities	\$ 480	\$ -	\$ -	\$ -	\$ -	\$ 480	
Total liabilities	480	-	-	-	-	480	
Fund balances							
Restricted	2,677,177	4,288,148	1,262,894	1,236,589	125,000	9,589,808	
Total fund balances	2,677,177	4,288,148	1,262,894	1,236,589	125,000	9,589,808	
Total liabilities and fund balances	\$ 2,677,657	\$ 4,288,148	\$ 1,262,894	\$ 1,236,589	\$ 125,000	\$ 9,590,288	

The accompanying notes are an integral part of this financial statement.

**City of Jacksonville Florida
Community Redevelopment Agency Fund**

**Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended September, 30 2016**

	Northbank Downtown CRA		Southside CRA	JIA CRA	KingSoutel Crossing CRA	Total
	Northside East CRA	Northside West CRA				
Revenues						
Property taxes	\$ 2,088,420	\$ 3,623,511	\$ 3,456,811	\$ 8,361,067	\$ 506,351	\$ 18,036,160
Interest income	164,924	-	-	-	-	164,924
Payment in lieu of taxes	32,985	-	-	-	-	32,985
Total revenues	2,286,329	3,623,511	3,456,811	8,361,067	506,351	18,234,069
Expenditures						
Misc. Non-Departmental Expenditures	3,424,139	-	1,052,215	759,946	-	5,236,300
Subsidies & Contributions To Other Govt	-	-	-	-	-	-
Subsidies & Contributions To Private Org	180,750	-	-	-	-	180,750
Total expenditures	3,604,889	-	1,052,215	759,946	-	5,417,050
Excess of revenues over (under) expenditures	(1,318,560)	3,623,511	2,404,596	7,601,121	506,351	12,817,019
Other financing sources (uses)						
Transfers in	2,429,615	-	-	-	-	2,429,615
Transfers out	-	(2,429,615)	-	-	-	(2,429,615)
Transfers from (to) the City of Jacksonville	(957,692)	394,911	(3,246,452)	(7,954,532)	(1,852,457)	(13,616,222)
Total other financing sources (uses)	1,471,923	(2,034,704)	(3,246,452)	(7,954,532)	(1,852,457)	(13,616,222)
Net change in fund balances	153,363	1,588,807	(841,856)	(353,411)	(1,346,106)	(799,203)
Fund balances, October 1	2,523,814	2,699,341	2,104,750	1,590,000	1,471,106	10,389,011
Fund balances, September 30	\$ 2,677,177	\$ 4,288,148	\$ 1,262,894	\$ 1,236,589	\$ 125,000	\$ 9,589,808

The accompanying notes are an integral part of this financial statement.



City of Jacksonville, Florida
Community Redevelopment Agency Fund

Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The legally separate entities, JIA, KingSoutel Crossing, Renew Arlington, Southside, and Northbank Downtown (formally Northside East and Northside West) (the “CRAs”) were created by ordinance of the City to carry out community redevelopment within the City of Jacksonville under Chapter 163, Part 3, of the Florida Statutes. The City Council sits as the Agency Board of the JIA, KingSoutel Crossing, and Renew Arlington Community Redevelopment Agencies and approves the budgets. The Downtown Investment Authority Board sits as the board of the Southside and Northbank Downtown Community Redevelopment Agencies and approves the budgets. The CRAs’ approved budgets are then submitted to the City of Jacksonville City Council so that they may be included in the City’s annual budget for adoption. The CRAs are reported as a blended component unit of the City because the City Council has operational responsibility for the CRAs and because of the existence of a financial benefit/burden relationship. All five (5) CRAs are combined into the Tax Increment District Fund for financial reporting in the City’s comprehensive annual financial report. The Renew Arlington CRA did not have activity for the year ended September 30, 2016.

Basis of Presentation

The CRAs’ Tax Increment District project funds are reported as separate major governmental funds. The accompanying financial statements are special purpose financial statements. They have been prepared to facilitate the requirement for an independent audit of the City’s CRA sub-funds and, accordingly, result in an incomplete presentation of the City’s financial activity that is otherwise in conformity with generally accepted accounting principles. The accompanying financial statements include only these funds and do not purport to, and do not, constitute a complete presentation of the City’s financial activity.

Measurement Focus/Basis of Accounting

The CRA sub-funds are accounted for on a current financial resources measurement focus and the modified accrual basis of accounting. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of “available spendable resources.” Their operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets and, accordingly, are said to present a summary of sources and uses of “available spendable resources” during a period.

Under the modified accrual basis of accounting, revenues are recognized when they become measurable and available as net current assets. Major revenues that are determined to be susceptible to accrual include property taxes, payments in lieu of taxes and investment income. Generally, the CRA sub-funds use a 60-day availability period for revenue recognition.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

The City’s policy, as applied to the CRA sub-funds, is to use restricted resources first, then unrestricted resources, when both are available for use to fund an activity.



**City of Jacksonville, Florida
Community Redevelopment Agency Fund**

Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and cash equivalents

Cash and cash equivalents are reported in the financial statements as “*equity in pooled cash and cash equivalents*.” All monies of the City, which are not legally restricted to separate administration, are pooled together for investment purposes while each individual fund and/or account is maintained on a daily transaction basis by the City Treasurer.

Fund Balance

The CRA sub-funds follow the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* to classify fund balances for governmental funds into specifically defined classifications. The classifications comprise a hierarchy based primarily on the extent to which the CRA sub-funds are bound to honor constraints on the specific purposes for which amounts in the funds can be spent.

The fund balances of the City’s CRA sub-funds are classified as *restricted* pursuant to the provisions of GASB Statement No. 54. 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.

The City’s policy is to expend resources in the following order: restricted, committed, assigned, and unassigned.

NOTE 2 – CASH ON DEPOSIT

The City maintains a cash pool that is available for use by funds that include the CRA funds. The “*equity in pooled cash and cash equivalents*” on the balance sheet, consists of cash owned by each CRA and is defined as resources that can be liquidated without delay or penalty. Investment earnings are allocated to the individual funds monthly based on the sub-funds’ weighted average daily cash and investment balance.

Monies on deposit with financial institutions in the form of demand deposit accounts, time deposit accounts and certificates of deposit are defined as public deposits. All of the deposits of the City’s CRA sub-funds are held in qualified public depositories pursuant to Florida Statutes, Chapter 280, *Florida Security for Public Deposits Act*, and covered by federal depository insurance. For amounts in excess of federal depository insurance, the Act provides that all qualified public depositories are fully insured. The qualified public depository must pledge 50% of the average daily balance for each month of all public deposits in excess of any applicable depository insurance. Additional collateral, up to a maximum of 125% of the average daily balance may be required if deemed necessary under the conditions set forth in the Act. Obligations pledged to secure deposits must be delivered to the State Treasurer, or with the approval of the State Treasurer, to a bank, savings association, or trust company provided a power of attorney is delivered to the State Treasurer.