City of Marianna Redevelopment Agency
A Component Unit of the City of Marianna, Florida

For the year ended September 30, 2025

City of Marianna Community Redevelopment Agency
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September 30, 2025

GRIMSLEY & ASSOCIATES
Professional Association

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MEMBER
FLORIDA INSTITUTE AND
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CERTIFIED PUBLIC ACCOUNTANTS

OWEN W. GRIMSLEY, C.P.A.

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the City Council
City of Marianna Community Redevelopment Agency
City of Marianna, Florida

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Marianna Community Redevelopment Agency (the CRA), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the CRA'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, each major fund, and the aggregate remaining fund information of the City of Marianna Community Redevelopment Agency, as of September 30, 2024, and the respective changes in financial position and the respective budgetary comparison for the CRA 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. 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 City of Marianna Redevelopment 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.

Responsibility of Management 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 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 City of Marianna Community Redevelopment 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 Responsibility 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 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, 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 City of Marianna Redevelopment 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 CRA'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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4.1 through 4.5 and the budgetary comparison information on page 18 be presented to supplement the basic financial statements. Such information, 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 Information

Management is responsible for the other information included in the annual report. The other information comprises the information presented for compliance with Section 218.39(3)(c), Florida Statutes and Section 10.554(1)(i)6, Rules of the Auditor General but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exist between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated June 18, 2026 on our consideration of the CRA's internal control over financial reporting and 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 CRA'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 the CRA's internal control over financial reporting and compliance.

Grimsley & Associates

June 18, 2026
Marianna, Florida

Grimsley & Associates, P.A.
Certified Public Accountants

CITY OF MARIANNA
MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of Marianna (the "City"), acting in our capacity as the management of the City of Marianna Community Development Agency (the "CRA"), has prepared the following discussion and analysis to offer readers of the CRA's financial statements this narrative overview and analysis of the financial activities of the CRA for the fiscal year ended September 30, 2025.

FINANCIAL HIGHLIGHTS

The assets of the CRA exceeded its liabilities at the close of the most recent fiscal year by $395,477 (*net position)*.

The CRA's total net position decreased $36,439. This is due to the timing of CRA project/expenses.

OVERVIEW OF THE FINANCIAL STATEMENTS

The management discussion and analysis is intended to serve as an introduction to the CRA's basic financial statements. The basic financial statements of the CRA comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information in addition to the basic financial statements themselves.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The *government-wide financial statements* are designed to provide readers with a broad overview of the CRA's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the CRA's assets and liabilities, with the difference between the two reported as *net position.* Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the CRA is improving or deteriorating.

The *statement of activities* presents information showing how the CRA's net position changed during the most recent 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 flow.* Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements present functions of the CRA that are principally supported by tax increment revenues (*governmental activities*). The governmental activities of the CRA consist of general government expenditures. The CRA has no business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. The government-wide financial statements can be found in this report.

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 CRA, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The CRA utilizes only one fund, the *General Fund*, which is classified as a *governmental* fund and accounts for all financial resources of the CRA.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government wide financial statements, the governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the CRA's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between the *governmental fund* and *governmental activities*.

The basic governmental fund financial statements can be found in this report. The reconciliation between the governmental fund change in fund balance and the governmental activities change in net position can be found in this report.

NOTES TO THE FINANCIAL STATEMENTS

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found in this report.

OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the CRA's budget to actual results for the General Fund for the current year. The CRA adopts an annual appropriated budget for its General Fund, for which 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 a government's financial position. In the case of the CRA, assets exceeded liabilities by $395,477 at the close of the most recent fiscal year.

The CRA's net position at September 30, 2025 and 2024 is summarized below:

Net Position

September 30, 2025 and 2024

Assets	2025	2024
Current and other assets	$427,519	$432,416
Total assets	$427,519	$432,416
Liabilities		
Current liabilities	$ 32,042	$ 500
Total liabilities	$ 32,042	$ 500
Net position		
Restricted-CRA projects	$395,477	$431,916
Total net position	$395,477	$431,916

The CRA's net position decreased by $36,439 during the current fiscal year, which primarily represents the degree to which current year tax increment expenses exceeded revenues.

Statement of Activities
Years Ended September 30, 2025 and 2024

Revenue	2025	2024
General revenue:		
Tax increment revenue	$309,569	$203,586
Investment earnings	2,148	2,443
Total revenue	311,717	206,029
Expenses		
General government	348,156	93,627
Total expenses	348,156	93,627
Increase (Decrease)in net position	(36,439)	112,402
Net position-beginning of year	431,916	319,514
Net position-end of year	$395,477	$431,916

Tax increment revenues increased by $105,983 for the year.

General government expenses increased $254,529 due to the timing of CRA projects.

FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUND

As noted earlier, the CRA uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental fund. The CRA has only one governmental fund, the General Fund. The focus of this *governmental fund* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information is useful in assessing the CRA's financing requirements. In particular, *unassigned fund balance* and fund balance *assigned for the subsequent year's budget* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the CRA's General Fund reported an ending fund balance of $395,477, a decrease of $36,439 for the year. All of the CRA's fund balance is restricted for CRA projects.

The approximately $36,439 decrease in fund balance for the General Fund in 2025 was attributable to CRA project expenses in excess of tax increment revenue.

GENERAL FUND BUDGETARY HIGHLIGHTS

During 2025, total revenues were overr budget by approximately $6,400. Overall, total expenditures were approximately $74,200 less than the final budgeted appropriations for 2025. There was approximately $125,000 increase from the original budgeted expenditures to the final amended budget for the year.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets**.** The CRA does not have any capital assets.

Noncurrent Liability**.** The CRA does not have any debt obligations at September 30, 2025.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The following economic factors were considered in establishing the CRA's budget for the 2025/2026 fiscal year.

-The property valuations in the CRA district were consistent in 2026.
-Inflationary and economic trends in the area compare favorably relative to national trends.
-The CRA Board designated certain projects to accomplish in 2025/2026.
These factors were considered in preparing the CRA's budget for the 2025/2026 fiscal year.

September 30, 2025

		GOVERNMENTAL ACTIVITIES
Assets		
Restricted assets		
Cash and cash equivalents		427,519
Total assets		427,519
Liabilities		
Accounts payable		32,042
Total liabilities		32,042
Net position		
Restricted for:		
Community development projects		395,477
Total net position	$	395,477

For the year ended September 30, 2025

		PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
FUNCTIONS/PROGRAMS	**EXPENSES**	**CHARGES FOR SERVICES**	**OPERATING GRANTS & CONTRIBUTIONS**	**CAPITAL GRANTS & CONTRIBUTIONS**	**GOVERNMENTAL ACTIVITIES**
Primary Government					
Governmental Activities:					
General government	$ 348,156	$ -	$ -	$ -	$ (348,156)
Total governmental activities	348,156	-	-	-	(348,156)
Total primary government	$ 348,156	$ -	$ -	$ -	(348,156)

General Revenues	
Taxes:	
Tax increment revenue	309,569
Interest and investment earnings	2,148
Total general revenues and transfers	311,717
Change in net position	(36,439)
Net position - beginning	431,916
Net position - ending	$ 395,477

The accompanying notes are an integral part of these financial statements

City of Marianna Community Redevelopment Agency
Balance Sheet
Governmental Funds

September 30, 2025

		Community Redevelopment Agency
Assets		
Restricted assets		
Cash and cash equivalents		427,519
Total assets	$	427,519
Liabilities		
Accounts payable		32,042
Total liabilities		32,042
Fund balances		
Restricted for:		
Community development projects		395,477
Total fund balances		395,477
Total liabilities and fund balances	$	427,519

The accompanying notes are an integral part of these financial statements

City of Marianna Community Redevelopment Agency
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position

September 30, 2025

Amounts reported for governmental activities in the statement of net position are different because:		
Total fund balances – governmental funds	$	395,477
Net position of governmental activities	$	395,477

City of Marianna Community Redevelopment Agency
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds

For the year ended September 30, 2025

		COMMUNITY REDEVELOPMENT AGENCY
Revenues		
Other taxes	$	309,569
Interest		2,148
Total revenues		311,717
Expenditures		
Current		
General government		348,156
Total expenditures		348,156
Excess of revenues over (under) expenditures		(36,439)
Net change in fund balances		(36,439)
Fund balances - beginning		431,916
Fund balances - ending	$	395,477

The accompanying notes are an integral part of these financial statements

City of Marianna Community Redevelopment Agency
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the year ended September 30, 2025

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	$ (36,439)
Change in net assets of governmental activities	$ (36,439)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Marianna Community Redevelopment Agency (the "CRA") is a dependent special district established by the City of Marianna, Florida (the "City") under authority granted by Florida Statute 163, Section III. The purpose of the CRA is to promote and guide the physical an economic redevelopment of the downtown Marianna area. The CRA is a legally separate entity established by Ordinance Number 822 of the City of Marianna in June 1993. The governing body of the CRA consists of the City Council and the City staff manages and administers the financial matters of the CRA.

On December 1, 2020, the City adopted a Community Redevelopment Plan and created a community Redevelopment Agency West End Trust Fund by Ordinance Number 1099 and Resolution 2020-11. The governing body consists of the City Council. The area of the CRA is the West End "blighted area" within the meaning of Chapter 163, Part III, Florida Statutes. Both the Downtown CRA and West End CRA have advisory boards that make recommendations to the City Council.

As defined by U.S. generally accepted accounting principles, the financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Based upon the application of these criteria, the CRA was evaluated and determined to be a component unit of the City of Marianna, Florida. The governing board of the CRA consists of the City Council and the tax increment financing received by the CRA is considered evidence of the City's obligation to provide financial support to the CRA.

B. Government-Wide and Fund Financial Statements

The basic financial statements consist of the government-wide financial statements and fund financial statements. Both sets of statements distinguish between governmental and business-type activities. The CRA has no business-type activities. Government-wide financial statements comprised of the statement of net position and the statement of activities report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities*,* which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities*,* which rely to a significant extent on fees and charges for support.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues are classified into three categories: charges for services, operating grants and contributions, and capital grants and contributions. Charges for services refer to direct recovery from customers for services rendered. Grants and contributions refer to revenues restricted for specific programs whose use may be restricted further to operational or capital items. The general revenues section displays revenue collected that helps support all functions of government and contributes to the change in the net assets for the fiscal year.

The fund financial statements follow and report additional and detailed information about operations for major funds individually and non-major funds in the aggregate for governmental funds. A reconciliation is provided that converts the results of governmental fund accounting to the government-wide presentations.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. 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 requirements imposed by the provider have been met.

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, considered to be sixty days. 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Restricted Assets

Restricted assets consist of cash which is required by resolution or contractual obligation to be set aside for specific purposes and is therefore unavailable for general operating purposes. When both restricted and unrestricted (unassigned) net assets are available, restricted assets are applied first. When both assigned and unassigned net assets are available, assigned net assets are applied first.

E. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

F. Due from Other Governments

Amounts due from other governments are shown at their net realizable value. See Note 4.

G. Subsequent Events

Subsequent events have been evaluated through the date of the Independent Auditors' Report, which is the date the financial statements were available to be issued.

H. Fund Balance Reporting and Governmental Fund-Type Definitions

The City adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Type Definitions* (GASB Statement No. 54) effective October 1, 2010. This GASB Statement clarifies governmental fund balance classifications and fund-type definitions. Fund balances are classified either as non-spendable or spendable. See Note 19.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Impact of Recently Issued Accounting Pronouncements

New Accounting Standards Adopted

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. There were no significant impacts of implementing this Statement.

GASB Statement No. 102, *Certain Risk Disclosures.* The objective of this Statement is to provide users of government financial statements with essential information about risk related to a government's vulnerabilities due to certain concentrations or constraints. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. There were no significant impacts from implementing this statement.

Recently Issued But Not Yet Effective

GASB has issued the following pronouncements that may affect future financial position, results of operations, cash flows, or financial presentation of the City upon implementation. Management has not yet evaluated the effect of implementation of these standards.

Statement No.	GASB Accounting Standard	Fiscal Year Effective
103	*Financial Reporting Model Improvements*	2026
104	*Disclosure of Certain Capital Assets*	2026

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

The City and CRA follow these procedures in establishing the budget reflected in the financial statements:

1. City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.

2. The budget is legally enacted through passage of an ordinance.

3. The budget of the CRA is prepared on the modified accrual basis of accounting the following exception:
   The City includes a portion of the prior year's fund balance represented by unappropriated liquid assets remaining in the fund as a budgeted revenue in the succeeding year. The results of operation in accordance with generally accepted accounting principles do not recognize the fund balance allocation as revenue, as it is the result of the prior period's excess of revenues over expenditures.

4. Budgetary control is at the department level.

NOTE 3: CASH

At year end, the carrying amount of the City's deposits was $427,519 and the bank balance was $461,745. The bank balance was covered by federal depository insurance and, for the amount in excess of such federal depository insurance, by the State of Florida's Public Deposit Act. Provisions of the Act require that public deposits may only be made at qualified public depositories. The Act requires each qualified public depository to deposit with the State Treasurer eligible collateral equal to or in excess of the required collateral as determined by the provisions of the Act. In the event of a failure by a qualified public depository, losses in excess of federal depository insurance and proceeds from the sale of securities pledged by the defaulting depository are assessed against the other qualified public depositories of the same type as the depository in default. When other qualified public depositors are assessed additional amounts, they are assessed on a pro-rata basis.

NOTE 4 – DUE FROM OTHER GOVERNMENTS

Due from other governments represents amounts due to the City of Marianna CRA from Jackson County, Florida and the City of Marianna. The amount due as of September 30, 2025 is $0.

NOTE 5 – TAX REVENUES

Tax increment revenues are the primary source of revenue for the CRA. Tax increment revenue is collected from the two governmental entities that levy property taxes within the legally defined redevelopment area of the CRA, the City of Marianna and Jackson County, Florida. For the year ended September 30, 2025, the CRA recorded tax revenues from the City and the County in the amount of $303,133.

NOTE 6 – RELATED PARTY TRANSACTIONS

For the year ended September 30, 2025, the CRA paid the City $19,995 for contractual and other services provided by the City to the CRA in connection with various administrative and redevelopment activities.

NOTE 7 – RECLASSIFICATION

Certain 2024 amounts have been reclassified to conform to 2025 classifications. Such reclassifications had no effect on reported net income.

NOTE 8 – RISK MANAGEMENT

The City, and therefore the CRA, is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors or omissions; injuries to employees and/or the public; or damage to property of others; and natural disasters for which the City carries commercial insurance. Insurance against losses is provided for the following types of risk:

- Workers' compensation and employer's liability
- General and automobile liability
- Real and personal property damage
- Public officials' liability
- Accidental death and dismemberment

NOTE 9 – FUND EQUITY

Governmental Funds

Non-spendable fund balances include amounts that cannot be spent because they are not in spendable form or are legally or contractually required to be maintained intact. The CRA had no non-spendable net assets at September 30, 2025.

Spendable fund balances are classified based on a hierarchy of the CRA's ability to control the spending of these fund balances and are reported in the following categories: restricted, committed, assigned and unassigned. For the year ending September 30, 2025, the CRA reports net assets as restricted, assigned and unassigned. Restricted net assets have externally imposed constraints placed on the use of resources by creditors, grantors, contributors, laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Assigned net assets have constraints placed on the use of resources by the CRA's intent to use the resources for a specific purpose. Unassigned fund balances have not been restricted, committed or assigned to specific purposes within the general fund. In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is generally depleted in the order of restricted, committed, assigned and unassigned.

Required Supplementary Information

City of Marianna Community Redevelopment Agency
Budget to Actual Comparison Schedule

For the year ended September 30, 2025

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL AMOUNTS (BUDGETARY BASIS)	VARIANCE WITH FINAL BUDGET
Revenues				
Taxes	$ 296,133	$ 303,133	$ 309,569	$ 6,436
Interest	1,200	2,200	2,148	(52)
Total revenues	297,333	305,333	311,717	6,384
Expenditures				
General government	297,333	422,363	348,156	74,207
Total expenditures	297,333	422,363	348,156	74,207
Excess of revenues over (under) expenditures	-	(117,030)	(36,439)	80,591
Net change in fund balance	-	(117,030)	(36,439)	80,591
Fund balance - beginning	319,514	319,514	319,514	-
Fund balance - ending	$ 319,514	$ 202,484	$ 283,075	$ 80,591

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AMERICAN INSTITUTE OF
OWEN W. GRIMSLEY, C.P.A.
CERTIFIED PUBLIC
ACCOUNTANTS

INDEPENDENT AUDITORS'
MANAGEMENT LETTER

Honorable Mayor and City Council
City of Marianna Community Redevelopment Agency
Marianna, Florida

Report on the Financial Statements
We have audited the financial statements of the City of Marianna Community Redevelopment Agency (the "CRA"), as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated June 18, 2026.

Auditors' 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 Auditors' 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 Accountants' Report on an examination conducted in accordance with *AICPA Profession Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated June 18, 2026, 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 annual financial audit report. There were no prior audit findings.

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 the management letter, unless disclosed in the notes to the financial statements. This information is disclosed in the notes to the financial statements.

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Honorable Mayor and City Council
City of Marianna Community Redevelopment Agency
Marianna, Florida

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 CRA has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific conditions met. In connection with our audit, we determined that the CRA 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 CRA. It is management's responsibility to monitor the CRA'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 determined that the CRA provided the necessary information to the City of Marianna, Florida, for proper reporting within the audited financial statements of the City 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 information below provided by the City of Marianna Community Redevelopment District's management that is unaudited and, we do not express an opinion or provide any assurance on this information reported:

a. The total number of CRA employees compensated in the last pay period of the CRA's fiscal year was 0.
b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the CRA's fiscal year was 0.
c. All compensation earned by awarded to employees, whether paid or accrued, regardless of contingency as $0.
d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency was $0.
e. Noted no construction project with a total cost of at least $65,000 approved by the CRA management that is scheduled to begin on or after October 1 of the fiscal year being reported.
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, is presented herein on page 18.

Honorable Mayor and City Council
City of Marianna Community Redevelopment Agency
Marianna, Florida

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, which warrants the attention of those charges with governance. In connection with our audit, we did not have any such findings.

Property Assessed Clean Energy (PACE) Programs

As required by Section 10.554(1)(i)6.a., Rules of the Auditor General, a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, did not operate within the City's geographical boundaries during the fiscal year under audit.

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, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Grimsley & Associates

June 18, 2026 — Grimsley & Associates, P.A.
Marianna, Florida — Certified Public Accountants

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AMERICAN INSTITUTE OF
CERTIFIED PUBLIC
ACCOUNTANTS
OWEN W. GRIMSLEY, C.P.A.

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH SPECIFIED FLORIDA STATUTE SECTIONS

Honorable Mayor and City Council
City of Marianna Redevelopment Agency
Marianna, Florida

We have examined City of Marianna CRA's Community Redevelopment Agency's (the "CRA") compliance with the following Florida Statutes during the year ended September 30, 2025:

Section 218.415	Investment Guidelines
Section 163.387 (6) and (7)	Redevelopment Trust Fund

Management is responsible for the CRA's compliance with those requirements. Our responsibility is to express an opinion on the CRA's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform our examination to obtain reasonable assurance about whether the CRA complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the CRA complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the CRA's compliance with specified requirements.

In our opinion, the CRA complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2025.

This report is intended solely for the information and use of 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.

Grimsley & Associates

June 18, 2026
Marianna, Florida

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OWEN W. GRIMSLEY, C.P.A.

INDEPENDENT AUDITORS' 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 Mayor and City Council
City of Marianna Community Redevelopment Agency
Marianna, Florida

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, each major fund, and the aggregate remaining fund information of the City of Marianna Community Redevelopment Agency (the "CRA") as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the CRA's basic financial statements and have issued our report thereon dated June 18, 2026.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the CRA's internal control over financial reporting (internal control) to determine the 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 CRA's internal control. Accordingly, we do not express an opinion on the effectiveness of the CRA'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 considered to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the CRA's financial statements are free of 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 determination of financial statement amounts. 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.

Grimsley & Associates

June 18, 2026
Marianna, Florida

Grimsley & Associates, P.A.
Certified Public Accountants