

# 2025

Community Redevelopment Agency  
City of Newberry, Florida

Financial Statements and  
Independent Auditor's Report

September 30, 2025

**PURVIS GRAY**  
CERTIFIED PUBLIC ACCOUNTANTS

**FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITOR’S REPORT  
COMMUNITY REDEVELOPMENT AGENCY**

**CITY OF NEWBERRY, FLORIDA**

**SEPTEMBER 30, 2025**

**TABLE OF CONTENTS**

<b>Independent Auditor’s Report</b> .....	1-3
<b>Management’s Discussion and Analysis</b> .....	4-8
<b>Financial Statements</b>	
Government-Wide Financial Statements:	
Statement of Net Position .....	9
Statement of Activities .....	10
Fund Financial Statements:	
Balance Sheet .....	11
Statement of Revenues, Expenditures, and Changes in Fund Balance.....	12
Notes to Financial Statements.....	13-15
<b>Required Supplementary Information (Unaudited)</b>	
Schedule of Revenue, Expenditures, and Changes in Fund Balances – Budget to Actual – General Fund .....	16
Note to Required Supplementary Information .....	17
<b>Other Reports</b>	
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 <i>Government Auditing Standards</i> .....	18-19
Independent Accountant’s Report on Compliance with Section 218.415, Florida Statutes – Investment of Public Funds .....	20
Independent Accountant’s Report on Compliance with Section 163.387(6) and (7), Florida Statutes.....	21
Management Letter .....	22-24

## INDEPENDENT AUDITOR'S REPORT

To the Honorable City Commissioners  
Community Redevelopment Agency  
City of Newberry, Florida

### Report on the Financial Statements

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities and the major fund of the Community Redevelopment Agency (the CRA), a component unit of the City of Newberry, Florida, 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 and the major fund of the CRA, as of September 30, 2025, 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 CRA, 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 CRA'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.

### CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

[purvisgray.com](http://purvisgray.com)

Members of American and Florida Institutes of Certified Public Accountants

To the Honorable City Commissioners  
Community Redevelopment Agency  
City of Newberry, Florida

## INDEPENDENT AUDITOR'S REPORT

### ***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 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 CRA'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 and major fund budgetary comparison information 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

To the Honorable City Commissioners  
Community Redevelopment Agency  
City of Newberry, Florida

### INDEPENDENT AUDITOR'S REPORT

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 March 16, 2026, on our consideration of the CRA'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 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.

*Purvis Gray*

March 16, 2026  
Gainesville, Florida

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**COMMUNITY REDEVELOPMENT AGENCY  
OF THE CITY OF NEWBERRY, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2025**

As management of the Community Redevelopment Agency (the CRA) of the City of Newberry, Florida (the City), we 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. The Management's Discussion and Analysis is designed to: assist the reader in focusing on significant financial issues, provide an overview of the CRA's financial activity, identify changes in the CRA's financial position (its ability to address the next and subsequent year challenges), identify any material deviations from the financial plan (the approved budget), and identify individual fund issues or concerns.

**Financial Highlights**

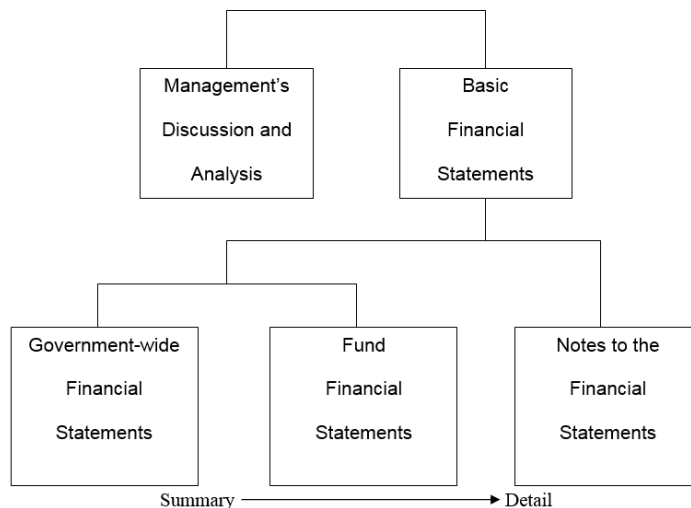
- The CRA's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources on September 30, 2025, by \$704,905.
- CRA revenues were \$597,167.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the CRA's basic financial statements. The CRA's basic financial statements comprise three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves that will enhance the reader's understanding of the financial condition of the CRA.

The graph below is provided to assist in understanding the component parts of the financial statements:

**Required Components of Annual Financial Report**



**COMMUNITY REDEVELOPMENT AGENCY  
OF THE CITY OF NEWBERRY, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2025**

**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, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference 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, focusing on both the gross and net costs of various activities that are supported by the CRA's general tax increment financing and other revenues.

Both financial statements distinguish the functions of the CRA, which are principally supported by tax increment funding based on property valuation. The CRA's governmental activities are intended to rehabilitate, conserve, and redevelop areas within the district's geographic boundaries.

The government-wide financial statements can be found on pages 9 and 10 of this report.

**Fund financial statements.** The fund financial statements provide a more detailed look at the CRA's most significant activities. 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 only reports as a governmental fund.

**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, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, and the *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.

All of the CRA's activities are accounted for in a governmental fund. Governmental funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Such information may be useful in evaluating a government's near-term financing requirements. Governmental funds are reported using an accounting method called *modified accrual accounting*, which provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the CRA's programs. The relationship between government activities (reported in the statement of net position and the statement of activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

**COMMUNITY REDEVELOPMENT AGENCY  
OF THE CITY OF NEWBERRY, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2025**

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 government's *near-term* financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The CRA reports one (1) individual governmental fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the CRA general fund.

The CRA adopts an annual appropriated budget for its general fund. The budget is a legally adopted document that incorporates input from the City's citizens, management, and the commission's decisions about which services to provide and how to pay for them. It also authorizes the CRA to obtain funds from identified sources to finance these current-period activities. A budgetary comparison schedule has been provided to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 11 and 12 of 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 on pages 13-15 of 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 budgetary information. Required supplementary information can be found on pages 16-17 of this report.

**Government-Wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The CRA's assets and deferred outflows exceeded liabilities and deferred inflows by \$704,905 at the close of the most recent fiscal year.

By far, the largest portion of the CRA's net position reflects its cash balances.

**Net Position**

	Governmental Activities	
	2025	2024
Current and Other Assets	\$ 717,949	\$ 524,944
<b>Total Assets</b>	<b>717,949</b>	<b>524,944</b>
Other Liabilities	13,044	8,502
<b>Total Liabilities</b>	<b>13,044</b>	<b>8,502</b>
<b>Restricted Net Position</b>	<b>\$ 704,905</b>	<b>\$ 516,442</b>

**COMMUNITY REDEVELOPMENT AGENCY  
OF THE CITY OF NEWBERRY, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2025**

The balance of the *restricted net position*, \$704,905, may be used to meet the CRA's ongoing obligation to citizens and creditors.

At the end of the current fiscal year, the CRA reports positive balances in net position.

**Changes in Net Position**

	<b>Governmental Activities</b>	
	<b>2025</b>	<b>2024</b>
<b>Revenues</b>		
General Revenues:		
Tax Increment Revenues	\$ 555,496	\$ 474,458
Intergovernmental Revenue	2,000	-
Investments and Other Income	39,671	12,889
<b>Total Revenues</b>	<u>597,167</u>	<u>487,347</u>
<b>Expenses</b>		
Economic Development	169,325	140,186
Capital Improvements Contributed to Primary Government	239,379	134,607
<b>Total Expenses</b>	<u>(408,704)</u>	<u>(274,793)</u>
<b>Change in Net Position</b>	<u>188,463</u>	<u>212,554</u>
<b>Net Position, Beginning of Year</b>	<u>516,442</u>	<u>303,888</u>
<b>Net Position, End of Year</b>	<u>\$ 704,905</u>	<u>\$ 516,442</u>

**Governmental activities**—Governmental activities increased the CRA's net position by \$188,463 in 2025. This is primarily due to an increase in Tax Increment Revenues and interest earned.

**Financial Analysis of the Government's Funds**

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

**Governmental funds**—The focus of the CRA's governmental funds 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.

As of the end of the fiscal year 2025, the CRA's governmental fund reported an ending fund balance of \$704,905, an increase of \$188,463 from the previous year.

**General Fund Budgetary Highlights**

On September 30, 2025, the CRA's General Fund experienced a positive variance between its final operating revenue budget and actual operating revenue in the amount of \$34,841. This was primarily driven by higher interest earnings than budgeted.

**COMMUNITY REDEVELOPMENT AGENCY  
OF THE CITY OF NEWBERRY, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2025**

The CRA experienced a positive variance between its final operating expenditure budget and actual operating expenditures in the amount of \$736,686. This is primarily due to projects that were not completed in the current fiscal year and will continue in the next fiscal year.

The schedule of revenues, expenditures, and changes in fund balances - budget to actual can be found on page 16 of this report.

**Economic Factors and Next Year's Budgets and Rates**

Due to the impact of current economic trends, all the initiatives listed below were considered in preparing the CRA's budget for the 2025 fiscal year:

■ **Generally**

The final certified incremental value of property within the CRA increased to \$86.2 million.

The population is estimated to be 9,553 on September 30, 2025, which is a 5% increase from the previous fiscal year.

The unemployment rate for the Gainesville MSA at December 31, 2025, was 5.3%, which includes the City of Newberry. This is an increase from the previous fiscal year's rate of 3.9%.

**Requests for Information**

This financial report is designed to provide a general overview of the CRA's finances for all those with an interest in the government's finances and to demonstrate the CRA's accountability. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Chief Finance Officer, City of Newberry, 25493 NW 1<sup>st</sup> Ave, Newberry, Florida 32669.

## **FINANCIAL STATEMENTS**

**COMMUNITY REDEVELOPMENT AGENCY  
CITY OF NEWBERRY, FLORIDA  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2025**

**Assets**

Cash and Cash Equivalents	\$ 712,449
Accounts Receivable	<u>5,500</u>

**Total Assets**

717,949

**Liabilities**

Accounts Payable	10,298
Accrued Expenses	<u>2,746</u>

**Total Liabilities**

13,044

**Net Position**

Restricted for Community Redevelopment	<u>704,905</u>
--	----------------

**Total Net Position**

\$ 704,905

See accompanying notes.

**COMMUNITY REDEVELOPMENT AGENCY  
CITY OF NEWBERRY, FLORIDA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	<u>Expenses</u>	<u>Net Revenue (Expense) and Changes in Net Position Total Governmental Activities</u>
<b>Functions</b>		
Governmental Activities:		
Economic Development	\$ 169,325	\$ (169,325)
Capital Improvements Contributed to Primary Government	239,379	(239,379)
Total Governmental Activities	<u>\$ 408,704</u>	<u>(408,704)</u>
General Revenues:		
Tax Increment Revenues		555,496
Intergovernmental Revenue		2,000
Investment and Other Income		39,671
Total General Revenues		<u>597,167</u>
<b>Change in Net Position</b>		188,463
<b>Net Position, Beginning of Year</b>		<u>516,442</u>
<b>Net Position, End of Year</b>		<u>\$ 704,905</u>

See accompanying notes.

**COMMUNITY REDEVELOPMENT AGENCY  
CITY OF NEWBERRY, FLORIDA  
BALANCE SHEET  
SEPTEMBER 30, 2025**

	<b>General Fund</b>
<b>Assets</b>	
Cash and Cash Equivalents	\$ 712,449
Accounts Receivable	5,500
<b>Total Assets</b>	717,949
 <b>Liabilities and Fund Balance</b>	
<b>Liabilities</b>	
Accounts Payable	10,298
Accrued Expenses	2,746
<b>Total Liabilities</b>	13,044
<b>Fund Balance</b>	
Restricted for:	
Community Redevelopment	704,905
<b>Total Fund Balance</b>	704,905
 <b>Total Liabilities and Fund Balance</b>	\$ 717,949
 <b>Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position</b>	
Fund Balance - Total Governmental Funds	\$ 704,905
 <b>Net Position of Governmental Activities</b>	\$ 704,905

See accompanying notes.

**COMMUNITY REDEVELOPMENT AGENCY  
CITY OF NEWBERRY, FLORIDA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	<b>General Fund</b>
<b>Revenues</b>	
Tax Increment Revenues	\$ 555,496
Intergovernmental Revenue	2,000
Investment and Other Income	39,671
<b>Total Revenues</b>	597,167
<b>Expenditures</b>	
Economic Development:	
Personal Services	74,324
Operating Expenses	95,001
Capital Outlay	239,379
<b>(Total Expenditures)</b>	(408,704)
<b>Net Change in Fund Balance</b>	188,463
<b>Fund Balance, Beginning of Year</b>	516,442
<b>Fund Balance, End of Year</b>	\$ 704,905
<b>Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities</b>	
Net Change in Fund Balance - Total Governmental Funds	\$ 188,463
<b>Change in Net Position of Governmental Activities</b>	\$ 188,463

See accompanying notes.

## **NOTES TO FINANCIAL STATEMENTS**

**COMMUNITY REDEVELOPMENT AGENCY  
CITY OF NEWBERRY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**Note 1 - Summary of Significant Accounting Policies**

**Financial Reporting Entity**

In 2021, the Community Redevelopment Agency (the CRA) was established by the City of Newberry, Florida (the City) by Ordinance No. 45 as a public body to implement the community redevelopment activities outlined under Chapter 163 and Chapter 189, Florida Statutes. As established by Resolution No. 13, the City Commission serves as the CRA Board, and the City maintains operational responsibility for the CRA's activity. Although legally separate, the CRA is appropriately blended as a governmental fund type component unit into the primary government of the City.

The accounting policies of the CRA conform to accounting principles generally accepted in the United States of America (GAAP) applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the standard setting body for governmental accounting and financial reporting.

**Government-Wide and Fund Financial Statements**

The government-wide financial statements report information on all of the governmental activities of the CRA. The government-wide focus is more on the sustainability of the CRA as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The fund financial statements focus on short-term results of operations and financing decisions at a specific fund level. Governmental activities are normally supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given functional category are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific functional category. Program revenues include operating and capital grants and contributions.

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

The basic financial statements consist of the government-wide financial statements and fund 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. Tax increment financing from property taxes are recognized as revenue in the year when levied for. 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. Only current assets and deferred outflows of resources and current liabilities and deferred inflows of resources are generally included on their balance sheet. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide governmental activities column, a reconciliation is sometimes necessary to explain the adjustments needed to reconcile the fund based financial statements to the governmental activities column of the government-wide presentation.

**COMMUNITY REDEVELOPMENT AGENCY  
CITY OF NEWBERRY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

The CRA's operating statements present sources (revenue and other financing sources) and uses (expenditures and other financing uses) of available spendable resources during the period. 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 CRA considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting, except for debt service expenditures, which are recognized when due.

Tax increment financing revenue and associated interest with the current fiscal period are both considered to be measurable and have been recognized as revenues of the current fiscal year, if available.

The CRA reports the general fund as a major governmental fund. The general fund is used to account for all financial resources received by the CRA. The general fund serves as the primary operating fund of the CRA. The CRA does not have any non-major funds.

**Assets, Liabilities, and Net Position**

*Deposits and Investments:* The CRA's cash and cash equivalents are considered to be cash on hand, demand deposits, and highly liquid instruments with original maturities of three months or less from the date of acquisition.

*Capital Assets:* The CRA pays for certain infrastructure improvements (roads, sidewalks, and other utility infrastructure) within the designated redevelopment area; however, these improvements are considered to be property of the City and, therefore, are included as capital assets in the City's government-wide financial statements.

Any capital assets titled to the CRA are reported in governmental activities in the government-wide financial statements. The CRA utilizes the City's capitalization policy and capitalizes assets with a cost in excess of \$5,000 and an estimated life greater than two years. Capital assets are recorded at historical cost or estimated historical cost, if actual historical cost is not available. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized but are expensed as incurred.

*Nature and Purpose of Fund Balance:* In the fund financial statements, the governmental fund reports fund classifications that comprise a hierarchy based primarily on the extent to which the CRA is bound to honor constraints on the specific purposes for which amounts in the fund can be spent. Amounts that are restricted to specific purposes either by: a) constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation are classified as restricted fund balances. Per Florida Statutes, Section 163.387, resources deposited into a redevelopment trust fund are restricted for community redevelopment activities pursuant to the approved redevelopment plan.

*Compensation Costs:* The CRA has employees of its own. Salaries and benefits related to these employees are reported on the CRA's financial statements.

**COMMUNITY REDEVELOPMENT AGENCY  
CITY OF NEWBERRY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

*Net Position:* The government-wide statements utilize a net position presentation. Net investment in capital assets is that portion of net position that relates to the CRA's capital assets reduced by accumulated depreciation. Restricted net position is unspent tax increment financing revenues that are restricted for future community redevelopment.

*Use of Estimates:* The preparation of financial statements in conformity with GAAP 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 statement and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Note 2 - Cash and Cash Equivalents**

**Deposits**

At September 30, 2025, the carrying amount of the CRA's cash deposits was \$712,449. All of the City's cash deposits are held in banks that qualify as a public depository under the *Florida Security for Public Deposits Act* (the Act) as required by Chapter 280, Florida Statutes. Under the Act, all qualified public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits, times the depository's collateral pledged level. The pledging level may range from 25% to 125% depending upon the depository's financial condition and establishment period. All collateral must be deposited with an approved financial institution. In event of default by a qualified public depository, all claims for public deposits would be satisfied by the State Treasurer from the proceeds of federal deposit insurance, pledged collateral of the public depository in default and, if necessary, a pro rata assessment to the other qualified public depositories in the collateral pool. Therefore, all cash and time deposits held by banks are fully insured and collateralized.

**Note 3 - Tax-Increment Financing Revenue**

The CRA is primarily funded through tax-increment financing revenue. This revenue is computed by multiplying the City's operating millage rate by 95% of the increased value of property in the CRA over the base property value for both the City and Alachua County (the County). The City and County are required to fund this amount annually without regard to tax collections or other obligations.

**REQUIRED SUPPLEMENTARY INFORMATION  
(UNAUDITED)**

**COMMUNITY REDEVELOPMENT AGENCY  
CITY OF NEWBERRY, FLORIDA  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN  
FUND BALANCES - BUDGET TO ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Tax Increment Revenues	\$ 562,326	\$ 562,326	\$ 555,496	\$ (6,830)
Intergovernmental Revenue	-	-	2,000	2,000
Miscellaneous	-	-	39,671	39,671
<b>Total Revenues</b>	<b>562,326</b>	<b>562,326</b>	<b>597,167</b>	<b>34,841</b>
<b>Expenditures</b>				
Economic Development:				
Personal Services	77,210	77,210	74,324	2,886
Operating Expenses	118,180	118,180	95,001	23,179
Capital Outlay	950,000	950,000	239,379	710,621
<b>(Total Expenditures)</b>	<b>(1,145,390)</b>	<b>(1,145,390)</b>	<b>(408,704)</b>	<b>736,686</b>
<b>Net Change in Fund Balance</b>	<b>(583,064)</b>	<b>(583,064)</b>	<b>188,463</b>	<b>771,527</b>
<b>Fund Balance, Beginning of Year</b>	<b>516,442</b>	<b>516,442</b>	<b>516,442</b>	<b>-</b>
<b>Fund Balance, End of Year</b>	<b>\$ (66,622)</b>	<b>\$ (66,622)</b>	<b>\$ 704,905</b>	<b>\$ 771,527</b>

See note to required supplementary information.

**COMMUNITY REDEVELOPMENT AGENCY  
CITY OF NEWBERRY, FLORIDA  
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION  
SEPTEMBER 30, 2025**

**Note 1 - Budgetary Procedures and Budgetary Accounting**

The Community Redevelopment Agency (the CRA) adheres to the following procedures in establishing the budgetary data reflected in the accompanying financial statements.

The CRA's budget is first adopted by the CRA's Board and is then presented to the City of Newberry, Florida (the City) Commission for ratification prior to September 30. The City Commission serves as the CRA and governing board.

## **OTHER REPORTS**

**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**

To the Honorable City Commissioners  
Community Redevelopment Agency  
City of Newberry, 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 and the major fund of the Community Redevelopment Agency (the CRA), a component unit of the City of Newberry, Florida (the City), 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 March 16, 2026.

**Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion 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 consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

**CERTIFIED PUBLIC ACCOUNTANTS**

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

[purvisgray.com](http://purvisgray.com)

Members of American and Florida Institutes of Certified Public Accountants

To the Honorable City Commissioners  
Community Redevelopment Agency  
City of Newberry, Florida

**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**

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the CRA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance 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 non-compliance 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 CRA'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 CRA's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Purvis Gray*

March 16, 2026  
Gainesville, Florida

**INDEPENDENT ACCOUNTANT’S REPORT ON COMPLIANCE  
WITH SECTION 218.415, FLORIDA STATUTES – INVESTMENT OF PUBLIC FUNDS**

To the Honorable City Commissioners  
Community Redevelopment Agency  
City of Newberry, Florida

We have examined the Community Redevelopment Agency’s (the CRA) compliance with Section 218.415, Florida Statutes, as of and for the year ended September 30, 2025. 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 the examination to obtain reasonable assurance about whether the CRA complied, in all material respects, with the 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 judgment, including an assessment of the risks of material non-compliance, whether due to fraud or error. We believe that the evidence we 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 engagement.

Our examination does not provide a legal determination of 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 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 pass-through entities, the CRA Board members, and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.

*Purvis Gray*

March 16, 2026  
Gainesville, Florida

**CERTIFIED PUBLIC ACCOUNTANTS**

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

[purvisgray.com](http://purvisgray.com)

Members of American and Florida Institutes of Certified Public Accountants

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

To the Honorable City Commissioners  
Community Redevelopment Agency  
City of Newberry, Florida

We have examined the Community Redevelopment Agency's (the CRA) compliance with Section 163.387(6) and (7), Florida Statutes, as of and for the year ended September 30, 2025. 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 the examination to obtain reasonable assurance about whether the CRA complied, in all material respects, with the 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 judgment, including an assessment of the risks of material non-compliance, whether due to fraud or error. We believe that the evidence we 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 engagement.

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

In our opinion, the CRA has complied with Section 163.387(6) and (7), Florida Statutes, applicable to the CRA, 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 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 pass-through entities, the CRA Board members, and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.

*Purvis Gray*

March 16, 2026  
Gainesville, Florida

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa  
purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

## MANAGEMENT LETTER

To the Honorable City Commissioners  
Community Redevelopment Agency  
City of Newberry, Florida

### Report on the Financial Statements

We have audited the financial statements of the Community Redevelopment Agency (the CRA), a component unit of the City of Newberry, Florida (the City), as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated March 16, 2026.

### 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 an examination conducted in accordance with American Institute of Certified Public Accountants *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 March 16, 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 financial audit report. There were no findings or recommendations made in the preceding annual financial audit report.

### 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. This is disclosed in Note 1 of the financial statements.

### Financial Condition and Management

Sections 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

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

[purvisgray.com](http://purvisgray.com)

Members of American and Florida Institutes of Certified Public Accountants

To the Honorable City Commissioners  
Community Redevelopment Agency  
City of Newberry, Florida

## MANAGEMENT LETTER

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 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 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.

### **Property Assessed Clean Energy (PACE) Programs**

As required by Section 10.554(1)(i)6.a., *Rules of the Auditor General*, the CRA must state whether a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, did/did not operate within the CRA's geographical boundaries during the fiscal year under audit. The CRA has not authorized the operation of a PACE program, and management is not aware of the operation of any such program, within its geographical boundaries.

### **Special District Component Unit**

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.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7, *Rules of the Auditor General*, the CRA reported:

#### Unaudited

- a. The total number of district employees compensated in the last pay period of the district's fiscal year as 1.
- b. The total number of independent contractors to whom non-employee compensation was paid in the last month of the district's fiscal year as 6.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$73,576.
- d. All compensation earned by or awarded to non-employee independent contractors, whether paid or accrued, regardless of contingency as \$302,759.
- 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 \$0.

To the Honorable City Commissioners  
Community Redevelopment Agency  
City of Newberry, Florida

### MANAGEMENT LETTER

- 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 \$0.

#### **Additional Matters**

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires that we communicate non-compliance 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 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, and the Board of Directors and management of the CRA, and is not intended to be, and should not be, used by anyone other than these specified parties.

*Purvis Gray*

March 16, 2026  
Gainesville, Florida

# PURVIS GRAY

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

[purvisgray.com](http://purvisgray.com)