ESCAMBIA COUNTY, FLORIDA
COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of Escambia County, Florida)

FINANCIAL STATEMENTS

SEPTEMBER 30, 2025

Warren Averett
CPAs AND ADVISORS
www.warrenaverett.com

The report accompanying this deliverable was issued by Warren Averett, LLC.

ESCAMBIA COUNTY, FLORIDA
COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of Escambia County, Florida)

FINANCIAL STATEMENTS

SEPTEMBER 30, 2025

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Warren Averett
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INDEPENDENT AUDITORS' REPORT

Board Members
Community Redevelopment Agency
Escambia County, Florida

Opinions
We have audited the accompanying financial statements of the governmental activities and the General Fund of the Escambia County, Florida 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 and the General Fund 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 the 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relation to our audit. We believe 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 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' 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 auditors' 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 exits.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgement 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 the budgetary comparison schedule, as listed in the table of contents, 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 Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated February 13, 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 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 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.

Warren Averett, LLC

Pensacola, Florida
February 13, 2026

Management’s Discussion and Analysis

ESCAMBIA COUNTY, FLORIDA
COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of Escambia County, Florida)
MANAGEMENT'S DISCUSSION & ANALYSIS

This Management's Discussion and Analysis ("MD&A") presents the readers of the financial statements a narrative overview of the financial activities of the Community Redevelopment Agency ("CRA") of Escambia County, Florida for the fiscal year ended September 30, 2025. We encourage readers to consider the information presented here in conjunction with additional information that has been furnished in the Notes to the financial statements.

The Escambia County CRA districts are reported as a blended component unit of Escambia County, Florida (primary government). Pursuant to Florida Statutes Section 163 Part III, the Community Redevelopment Act of 1969 authorized government to use tax increment financing as means for community redevelopment.

Capital improvements within the individual CRA districts are recorded as assets of the primary government.

The CRA was established to account for the operations of the community redevelopment initiatives. There are nine established redevelopment districts which are funded by tax increment financing (TIF) portions of property taxes for each respective district. At the end of fiscal year 2025 restricted fund balance was $15,736,566. The fund balance increased $2,548,559. While the TIF funding from Escambia County remained at 75%, this rate remained constant primarily due to more projects expenditures within the TIF districts in order to expedite cleaner, safer neighborhoods and increase property values.

Financial Highlights

- The assets of the CRA district exceeded its liabilities at the close of the most recent fiscal year by $15,736,566 (net position).

- The CRA's total net position increased by $2,548,559 governmental activities which was attributable to an increase in tax increment financing revenues.

Overview of Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the CRA's basic financial statements which are comprised of the 1) government-wide financial statements 2) fund financial statements 3) notes to the financial statements. This report also contains required supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-Wide Financial Statements

The CRA's government-wide financial statements provide readers with a broad overview of the CRA's finances in a manner similar to a private-sector business. In addition, the government-wide statements are prepared using the accrual basis of accounting.

The Statement of Net Position represents information on the CRA's assets, liabilities and deferred inflows/outflows of resources, with the differences between them 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 revenue are reported as soon as the underlying event giving rise to the change occurs, regardless of the time of related cash flows. Expenses are reported as incurred. Therefore, revenue and expenses for some items will only result in cash inflows/outflows in future fiscal periods.

The CRA's 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 include general government activities and community development. The CRA has no business-type activities.

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 nine funds for the fiscal year ended September 30, 2025, which are operating funds for each of the following districts: *Brownsville, Warrington, Palafox, Barrancas, Englewood, Cantonment, Ensley, Atwood* and *Oakfield.* All funds utilize tax increment revenues, and all funds of the Districts are governmental funds and are combined in the presentation of the General Fund.

Governmental Fund – General Fund

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, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirement.

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 statements of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The CRA maintains nine individual governmental funds for each of CRA district, adopting an annual appropriated budget for each of these funds to demonstrate compliance with the budget and provide an analysis of significant budgetary variances. All of funds budgets' are combined in the presentation of the General Fund.

Government-wide Overall Financial Analysis

The following is a summary of the CRA's governmental activities net position for the current year and prior year:

	2025	2024	Change
ASSETS			
Current and other assets	$ 16,292,295	$ 13,491,277	$ 2,801,018
Total Assets	16,292,295	13,491,277	2,801,018
LIABILITIES			
Current liabilities	555,729	303,270	252,459
Total Liabilities	555,729	303,270	252,459
NET POSITION			
Restricted to:			
Community Development	15,736,566	13,188,007	2,548,559
Total net position	$ 15,736,566	$ 13,188,007	$ 2,548,559

The 19.32% increase in net position is primarily due to a 20.58% increase in property tax revenues.

The following is a summary of the changes in the CRA's governmental activities net position for the current year and prior year:

	2025	2024	Change
REVENUES			
Program revenues:			
Operating grants & contributions	$ 17,500	$ 35,000	$ (17,500)
General revenues:			
Tax increment revenues	8,103,407	6,720,193	1,383,214
Investment & miscellaneous	770,873	727,848	43,025
Intergovernmental	-	443,341	(443,341)
	$ 8,891,780	$ 7,926,382	$ 965,398
EXPENSES			
General government	$ 6,343,221	$ 4,074,836	$ 2,268,385
Total Liabilities	$ 6,343,221	$ 4,074,836	$ 2,268,385
Changes in net position	2,548,559	3,851,546	(1,302,987)
Net position, beginning	13,188,007	9,336,461	3,851,546
Net position, ending	$ 15,736,566	$ 13,188,007	$ 2,548,559

A 6.23% increase in property valuations compared to the base year resulted in a 20.58% increase in incremental property tax. A 55.67% increase in expenses resulted in an overall 19.32% increase in net position.

The following is a summary of the CRA's change in fund balance by district for the current year and prior year:

	2025	2024	Change
Brownsville CRA	$ 1,549,744	$ 1,061,832	$ 487,912
Warrington CRA	3,869,165	4,059,988	(190,823)
Palafox CRA	841,076	690,071	151,005
Barrancas CRA	1,017,459	954,350	63,109
Englewood CRA	612,071	478,620	133,451
Cantonment CRA	556,447	1,042,136	(485,689)
Ensley CRA	4,222,364	3,032,397	1,189,967
Atwood CRA	1,054,865	783,384	271,481
Oakfield CRA	2,013,375	1,085,229	928,146
	$ 15,736,566	**$ 13,188,007**	**$ 2,548,559**

Virtually all districts increased in fund balance as a result of increased revenues provided by higher property values.

Budgetary Comparison

	Original Budget	Final Budget	Change
Taxes	$ 8,103,407	$ 8,103,407	$ -
Intergovernmental	17,500	17,500	-
	$ 8,120,907	$ 8,120,907	$ -

EXPENDITURES

	Original Budget	Final Budget	Change	
Administrative	$ 657,419	$ 658,303	$ 884	0%
Operating	2,749,175	12,251,732	9,502,557	346%
Grant and Aid	1,858,585	1,667,225	(191,360)	-10%
Capital Outlay	3,707,313	6,731,654	3,024,341	82%
Total Expenditures	$ 8,972,492	$ 21,308,914	$ 12,336,422	137%

Economic Factors and Next Year's Budget

One of the primary focuses of the Board of County Commissioners during the budget process is to continue the enhancement of neighborhood services throughout the county. The Board provided direction to maintain the TIF increment at 75% and will generate roughly $8.1 million in funding within the TIF Districts. Escambia County has a total of 22 TIF Districts for budgeting purposes. The TIF Districts fund a variety of Community Redevelopment Areas (CRA) and projects in the county. These funds are used to pay for infrastructure improvements in these districts, neighborhood programs, safety initiatives, street lighting and are intended to alleviate the blight felt in these communities as well as increasing property values in the affected areas.

As Escambia County continues to grow, the commitment to promoting activities and programs designed to improve the quality of life for citizens and build a sustainable, livable community is essential. Escambia County's Comprehensive Plan plays a part in this process by encouraging economic growth and development using the Tax Increment Financing (TIF) to pay for infrastructure improvements and to alleviate blight in designated Community Redevelopment Areas (CRA's).

Capital Assets

Capital assets are reported as assets of the primary government, and as such are not reportable assets of the individual community redevelopment districts.

Requests for Information

This financial report is designed to provide a general overview of the Escambia County CRA's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Escambia County CRA office at 221 Palafox Place, Suite 305, Pensacola, Florida 32502.

Financial Statements

ESCAMBIA COUNTY, FLORIDA
COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of Escambia County, Florida)
STATEMENT OF NET POSITION AND GOVERNMENTAL FUND BALANCE SHEET
SEPTEMBER 30, 2025

	General Fund	Adjustments	Statement of Net Position
ASSETS			
Cash and Investments	$ 16,292,295	$ -	$ 16,292,295
Total Assets	$ 16,292,295	-	16,292,295
LIABILITIES			
Accounts Payable	311,975	-	311,975
Contracts Payable	26,966	-	26,966
Accrued Liabilities	14,592	-	14,592
Due to Other Governments	202,196	-	202,196
Total Liabilities	555,729	-	555,729
FUND BALANCE/NET POSITION:			
Fund Balance			
Restricted - Economic & Community Development	15,736,566	(15,736,566)	
Total Fund Balance	15,736,566	(15,736,566)	
Total Liabilities and Fund Balance	$ 16,292,295		
Net Position			
Restricted - Economic & Community Development		15,736,566	15,736,566
Total Net Position		$ -	$ 15,736,566

ESCAMBIA COUNTY, FLORIDA
COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of Escambia County, Florida)
STATEMENT OF ACTIVITIES AND
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
SEPTEMBER 30, 2025

	General Fund	Adjustments	Statement of Activities
REVENUES			
Intergovernmental:			
Tax increment revenues	$ 8,103,407	$ -	$ 8,103,407
Grants	17,500	-	17,500
Investment Income (loss)	763,601	-	763,601
Miscellaneous Revenues	7,272	-	7,272
Total Revenues	8,891,780	-	8,891,780
EXPENDITURES			
Current:			
General Government			
Administrative	494,605	-	494,605
Operating	1,567,084	-	1,567,084
Grant and Aid	762,262	-	762,262
Operating - capital	3,519,270	-	3,519,270
Total Expenditures/expenses	6,343,221	-	6,343,221
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,548,559	(2,548,559)	-
Change in Net Position			2,548,559
Net Change in Fund Balance	2,548,559		
Fund Balance/Net Position - Beginning	13,188,007		13,188,007
Fund Balance/Net Position- Ending	$ 15,736,566		$ 15,736,566

NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Reporting entity

Pursuant to Florida Statutes section 163 Part III, the Community Redevelopment Act of 1969 authorized governments to use tax increment financing as a means for community redevelopment. The primary purpose of this Act is to provide local governments with a source of funds to revitalize the deteriorated portions of their communities. In 1995, the Board of County Commissioners (BOCC) adopted Ordinance No. 95-6 which established the Community Redevelopment Agency (CRA) of Escambia County. The BOCC serves as the CRA Board and has all rights, powers, duties, privileges and immunities authorized by the Act. Included under the CRA jurisdiction are the following redevelopment areas referred to by location as Warrington, Brownsville, Atwood, Englewood, Ensley, Oakfield, Palafox, Barrancas and Cantonment. All activities within the redevelopment areas are reported in a governmental fund – general fund as a collective “CRA.”

For financial reporting purposes, the CRA is a blended component unit of the primary government of Escambia County, Florida (the County), and therefore, is included as such in the Escambia County, Florida, Annual Comprehensive Financial Report as a special revenue fund.

The following is a summary of the significant principles and policies used in the preparation of these financial statements.

B. Basis of presentation – government-wide and fund financial statements

The CRA’s basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

The statement of net position reports the CRA’s financial position as of the end of the fiscal year. In this statement, the CRA’s net position is restricted. The CRA does not have any capital assets or long-term obligations.

The statement of activities reports functional categories of programs are provided by the CRA and demonstrate how and to what degree those programs are supported by specific revenue. 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 external fees and charges for support. The CRA has no business-type activities.

The CRA’s financial records and accounts are maintained in accordance with the principles of “fund accounting,” whereby resources are classified for accounting and reporting purposes into funds to ensure compliance with any special restrictions or limitations on the use of such resources.

C. Measurement focus and basis of accounting

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

The fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recognized under the *modified accrual basis of accounting* when the fund liability is incurred.

D. Funding

The primary source of revenue for the CRA is tax increment financing (TIF), whereby a portion of the difference between the amounts of ad-valorem tax levied each year within the CRA's redevelopment areas and the amounts which would have been produced by the same levy on the assessed values of taxable real property in the redevelopment areas' base year is restricted for redevelopment purposes. The ad-valorem taxes levied by the BOCC and Escambia Children's Trust (ECT) are subject to the TIF.

E. Property Tax

Under Florida law, the assessments of all properties and the collections of all county, municipal, and school board property taxes are consolidated in the offices of the Property Appraiser and the Tax Collector. The laws of the state regulating tax assessments are also designed to assure a consistent property valuation method statewide. Florida Statutes generally permit counties to levy ad valorem taxes on real and tangible personal property at a rate not to exceed 10 mills for countywide purposes. All property is assessed at 100% of just value.

For the fiscal year 2025, the countywide operating millage rate assessed was 6.6165 mills and the CRA tax increment of that millage rate was 75.0% for the Brownsville, Warrington, Palafox, Barrancas, Englewood, Cantonment, Ensley, Atwood, and Oakfield CRAs.

All property is assessed by the Property Appraiser according to its fair market value on January 1st of each year. The certified assessment roll is delivered by the Property Appraiser to the Tax Collector.

The tax levy is established by the BOCC prior to October 1st of each year and the Tax Collector incorporates the millage into the total tax levy, which includes the municipalities, special districts, and the School Board tax requirements and produces the tax bill.

All property taxes are billed in arrears and become due and payable on November 1st of each year. All unpaid taxes become delinquent on April 1st following the year which they are assessed. The legal lien date is January 1st of each year. Discounts are allowed for early payment.

F. Capital Assets

The CRA does not have title to any capital assets as any improvements made with its funding sources are contributed to the BOCC. These assets are capitalized at cost and depreciated in Escambia County's government-wide financial statements.

2. Cash and Investments

The CRA participates in the County maintained cash and investment pool, as are all other funds in the County unless prohibited. Interest income is distributed to the appropriate funds monthly. The County's cash deposits are held by banks that qualify as public depositories under the Florida Security for Public Deposits Act as required by Chapter 280, Florida Statutes. At September 30, 2025, the reported amount of the CRA's cash and investment accounts was approximately $16.2 million and consisted of $13.2 million of cash deposits in qualified public depositories and investments of approximately $3 million.

Investment Portfolio

All investments are held within the County's investment portfolio. The County's investment portfolio consists of $102,166,105, CRA's share $678,510, in direct obligations of United States Treasury Securities, Federal Instruments, Commercial Paper, Corporate Notes, State and/or Local Government debt, and Local Government Investment Pool funds which are reported at fair value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools,* and GASB Statement No. 72, *Fair Value Measurement and Application.*

The County had the following investment types by issuer and effective duration presented in terms of years:

Investment Portfolio

Security Type	Fair Value	Weighted Average Duration (Years)	Credit Rating	Percentage of Portfolio
Short Term Investments:				
United States Treasury Securities	$ 4,772,823	0.87		4.67%
Federal Instruments	3,046,242	0.62	AA+	2.98%
Corporate Notes	9,685,352	0.75	A- (BBB+/-)	9.48%
Asset-Backed Security	8,105,566	0.63	AAA	7.93%
Total short term investments	25,609,983			25.06%
Long Term Investments:				
United States Treasury Securities	$ 35,257,461	1.72	AA+	34.51%
Federal Instruments	4,331,373	1.74	AA+	4.24%
Corporate Notes	30,122,881	1.74	A+	29.49%
Asset-Backed Security	6,844,407	1.54	AAA	6.70%
Total long term investments	76,556,122			74.94%
Total Fair Value	$ 102,166,105			100.00%
Portfolio Weighted Average Duration		1.46		

Fair Value of Investments

Escambia County measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- *Level 1:* Quoted prices for identical investments in active markets;
- *Level 2:* Observable inputs other than quoted market prices: and
- *Level 3:* Unobservable inputs

At September 30, 2025, Escambia County had the following recurring fair value measurements:

	9/30/2025	Level 1	Level 2	Level 3	CRA'S Share
Investments by fair value level					
Debt Securities					
Corporate Notes - Long Term	$ 30,122,881	$ -	$ 30,122,881	$ -	$ 200,053
Corporate Notes - Short Term	9,685,352	-	9,685,352	-	64,323
United States Treasury Securities - Long Term	35,257,461	-	35,257,461	-	234,154
United States Treasury Securities - Short Term	4,772,823	-	4,772,823	-	31,697
Federal Instruments - Long Term	4,331,373	-	4,331,373	-	28,766
Federal Instruments - Short Term	3,046,242	-	3,046,242	-	20,231
Asset Backed Securities - Long Term	6,844,407	-	6,844,407	-	45,455
Asset Backed Securities - Short Term	8,105,566	-	8,105,566	-	53,831
Total debt securities	$ 102,166,105	$ -	$ 102,166,105	$ -	$ 678,510
Investments (cash equivalents) measured at the net asset value (NAV)					
LGIP - FL Prime	122,848,307				815,864
LGIP - FLCLASS	102,769,484				682,516
LGIP - FL FIT	92,710,952				615,715
LGIP - FL TRUST	39,153,291				260,026
Total investments measured at the NAV	357,482,034				2,374,121
Total investments measured at fair value	**$ 459,648,139**				**$ 3,052,631**

3. Litigation

In the opinion of management, based on the advice of legal counsel, there are no lawsuits or claims outstanding which could have a material adverse effect on the financial position of the CRA.

Required Supplementary Information

ESCAMBIA COUNTY, FLORIDA
COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of Escambia County, Florida)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SEPTEMBER 30, 2025

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance with Final Budget - Over (Under)**
REVENUES				
Taxes	$ 8,103,407	$ 8,103,407	$ 8,103,407	$ -
Intergovernmental	17,500	17,500	17,500	-
Investment Income (loss)	-	-	763,601	763,601
Miscellaneous Revenues	-	-	7,272	7,272
Total Revenues	8,120,907	8,120,907	8,891,780	770,873
EXPENDITURES				
Current:				
General Government				
Administrative	657,419	658,303	494,605	163,698
Operating	2,749,175	12,251,732	1,567,084	10,684,648
Grant and Aid	1,858,585	1,667,225	762,262	904,963
Operating - capital	3,707,313	6,731,654	3,519,270	3,212,384
Total Expenditures	8,972,492	21,308,914	6,343,221	14,965,693
Excess (Deficiency) of Revenues Over (Under) Expenditures	(851,585)	(13,188,007)	2,548,559	15,736,566
Net Change in Fund Balance	(851,585)	(13,188,007)	2,548,559	15,736,566
Fund Balance - Beginning	851,585	13,188,007	13,188,007	-
Fund Balance - Ending	$ -	$ -	$ 15,736,566	$ 15,736,566

The CRA operates under budget procedures applicable to counties pursuant to Florida Statutes. An annual budget is legally adopted for the CRA on a basis consistent with accounting principles generally accepted in the United States of America. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is at the fund level.

The CRA's tentative budget is prepared by the BOCC for the ensuing fiscal year. As required by Florida Statutes, the proposed budget contains balanced statements of estimated revenues and proposed expenditures.

After public hearings, a final budget is prepared and adopted no later than September 30th. The CRA budget, which is included in Escambia County's budget, is legally enacted through passage of a resolution.

The County Budget Department is authorized to transfer budgeted amounts within and between departments of the fund; however, the Board of County Commissioners must approve any revisions that alter the total expenditures of the fund.

The budgets presented in the accompanying schedule are as originally adopted, or as legally amended, by the BOCC during the year ended September 30, 2025.

Compliance Section

Warren Averett
CPAs AND ADVISORS

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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*

Board Members
Community Redevelopment Agency
Escambia County, Florida

We have audited, 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, the financial statements of the governmental activities and general fund of the Escambia County, Florida 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 February 13, 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 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 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 or significant deficiencies. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters
As part of obtaining reasonable assurance about whether the 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, noncompliance with which could have a direct and material effect on the financial statements.

However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Warren Averett, LLC

Pensacola, Florida
February 13, 2026

Warren Averett
CPAs AND ADVISORS

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INDEPENDENT ACCOUNTANTS' REPORT ON EXAMINATION OF COMPLIANCE REQUIREMENTS IN ACCORDANCE WITH CHAPTER 10.550, *RULES OF THE AUDITOR GENERAL*

Board Members
Community Redevelopment Agency
Escambia County, Florida

We have examined the Escambia County, Florida Community Redevelopment Agency (the "CRA'") compliance with the following requirements for the year ended September 30, 2025:

(1) Florida Statute 218.415 in regard to investments
(2) Florida Statutes 163.387(6) and (7) in regard to community redevelopment agencies

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 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 judgment, 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. We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement. Our examination does not provide a legal determination on the CRA's compliance with specified requirements.

In our opinion, the CRA has 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 CRA and the Auditor General, State of Florida, and is not intended to be and should not be used by anyone other than these specified parties.

Warren Averett, LLC

Pensacola, Florida
February 13, 2026

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MANAGEMENT LETTER

Board Members
Community Redevelopment Agency
Escambia County, Florida

Report on the Financial Statements
We have audited the financial statements of the Escambia County, Florida Community Redevelopment Agency (the "CRA"), as of and for the year ended September 30, 2025, and have issued our report thereon dated February 13, 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 Florida Auditor General*.

Other Reports Requirements
We have issued our Independent Auditors' Report on Internal Control Over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated February 13, 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. No findings were reported in the audit of the CRA in the prior year.

Financial Condition and Management
Sections 10.554(1)(i)5.a. and 10.556(7), *Rules of the Auditor General*, require that we apply appropriate procedures and report 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 identification of 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. 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.

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 operate within Escambia County's boundaries during the fiscal year under audit.

As required by Section 10.554(1)(i)6.b. and Section 10.554(1)(i)6.c, Rules of the Auditor General, a list of all program administrators and third-party administrators that administered the program along with the full names and contact information of each such program administrator and third-party administrator is provided below.

Florida Resiliency and Energy District "FRED"
William "Bill" F. Spivey Jr. - Executive Director
Chris Bryan – Program Analyst
Phone – 407-624-5797
Email – cbryan@fdfcbonds.com
Florida Development Finance Corp.
156 Tuskawilla Road, Suite 2340
Winter Springs, FL 32708
Administrator for the Florida Resiliency and Energy District

Florida Green Finance Authority
James Candela – Special District Services
Phone – 561-630-4922 ext: 240
Fax – 561-630-4923
2501 A Burns Road
Palm Beach Gardens, FL 33410

Florida PACE Funding Agency (FPFA)
Michael Moran – Executive Director
Wendy Leach – Director of Operations
Will Saba – SR. Vice President
Phone – 800-969-4382
18201 Von Karman Avenue, Suite 220
Irvine, CA 92612
dta – www.financedta.com

Green Corridor
Beatrice Medina – Assistant Director, PACE Group Willdan Financial Services
Phone – 951-587-3500
Fax – 951-587-3510
27368 Via Industria, Suite 200
Temecula, CA 92590

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 CRA 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 or awarded to employees, whether paid or accrued regardless of contingency was $0.
d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency was $0.
e. The CRA does not have any construction project with a total cost of at least $65,000 approved by the CRA 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 CRA amends a final adopted budget under Section 189.016(6), Florida Statutes, as included in the Schedule of Revenues, Expenditures, and Changes in Fund Balance- Budget to Actual reported on page 17.

The specific information reported in the previous paragraph has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

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 charged with governance. In connection with our audit, we did not have 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 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.

Warren Averett, LLC

Pensacola, Florida
February 13, 2026