

**COMMUNITY REDEVELOPMENT AGENCY
OF THE CITY OF WINTER HAVEN
(A Component Unit of the City of Winter Haven, Florida)**

FINANCIAL STATEMENTS

**FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2025**

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**COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF WINTER HAVEN
(A Component Unit of the City of Winter Haven, Florida)
FINANCIAL STATEMENTS**

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

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FINANCIAL SECTION

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Independent Auditor's Report

**Board of Directors
Community Redevelopment Agency of the City of Winter Haven
Winter Haven, Florida**

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and major fund (the "General Fund") of the Community Redevelopment Agency of the City of Winter Haven (the "CRA"), a component unit of the City of Winter Haven, 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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and major fund (the "General Fund") of the CRA, as of September 30, 2025, and the respective changes in financial position and budgetary comparison for the General Fund 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 (GAAS) 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.

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 the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 9 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 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

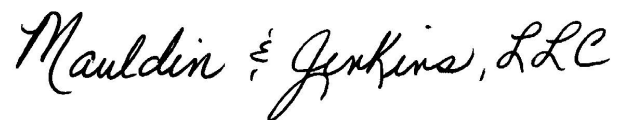
Other Information

Management is responsible for the other information included in the annual report. The other information comprises the combining balance sheet – General Fund and the combining statement of revenues, expenditures, and changes in fund balance – General Fund, but does not include the basic financial statements and our auditor’s report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 15, 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, 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.



Bradenton, Florida
April 15, 2026

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COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF WINTER HAVEN
(A Component Unit of the City of Winter Haven, Florida)
FOR THE YEAR ENDED SEPTEMBER 30, 2025
MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Community Redevelopment Agency of the City of Winter Haven, Florida (the "CRA"), we offer the readers of the CRA's basic financial statements this narrative overview and analysis of the financial activities of the CRA for the year ended September 30, 2025. We encourage readers to consider the information presented here in conjunction with the CRA's financial statements.

The Community Redevelopment Agency of the City of Winter Haven, established in 2000, fosters and promotes community redevelopment activities in two designated districts: Downtown and Florence Villa. The CRA is a "special district" under Florida Statute. Activities of the CRA are detailed in redevelopment plans customized for each district and include:

- Infrastructure Improvements
- Streetscaping or Beautification
- Affordable Housing
- Recreation and Park Facility Improvements
- Economic Development
- Transportation
- Neighborhood Enhancement

The CRA is operated by a Board of Directors, including the five current City Commissioners and two City residents. The Board receives input from two advisory committees, one for each district.

The CRA is primarily funded through Tax Increment Financing (TIF), a process of capturing property tax revenues that would normally go to Polk County and the City. TIF funds are deposited into a Redevelopment Trust Fund that can then be spent on specific projects or used to leverage additional financing for larger projects.

Financial Highlights

- The assets of the CRA exceeds its liabilities as of September 30, 2025 by \$5,845,045 (Net Position).
- The CRA's total assets as of September 30, 2025 were \$6,047,796.
- The CRA's total revenue was \$5,216,494 consisting primarily of CRA Incremental Tax Revenue.
- The CRA's total expenses came to \$3,519,186.
- The increase in net position was \$1,697,308.

Overview of 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: government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF WINTER HAVEN
(A Component Unit of the City of Winter Haven, Florida)
FOR THE YEAR ENDED SEPTEMBER 30, 2025
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the CRA's finances using the accrual basis of accounting. The CRA's government-wide financial statements include the following:

- Statement of Net Position – reports the CRA's assets, liabilities, and net position at the end of the fiscal year and provides information about the nature and amounts of investment of resources and obligations to creditors.
- Statement of Activities – reports the results of activity over the course of the fiscal year. It details the costs associated with operating the CRA and how those costs were funded. It also provides an explanation of the change in net position from the previous fiscal year-end to the current fiscal year-end.
- The basic financial statements also include notes that provide required disclosures and other information necessary to gather the full meaning of the material presented in the statements.
- The analysis of net position, revenue, and expenses are detailed and provide a comprehensive portrayal of financial conditions and related trends. The analysis includes all assets and liabilities using the accrual basis of accounting. Accrual accounting is similar to the accounting used by most private sector companies. Accrual accounting recognizes revenue and expenses when earned or incurred regardless of when cash is received or paid.

Our analysis presents the CRA's net position, which can be thought of as the difference between what the CRA owns (assets) and what the CRA owes (liabilities). The net position analysis will allow the reader to measure the health or financial position of the CRA. The CRA's net position consists of restricted net position that can only be spent for specific purposes because of constraints imposed by external sources (such as grantors, bondholders, and higher levels of government), or imposed by constitutional provisions or enabling legislation.

Over time, significant changes to the CRA's net position are an indicator of whether its financial health is improving or deteriorating. To fully assess the financial health of any CRA, the reader must also consider other nonfinancial factors such as fluctuations in the local economy and fluctuations in fuel prices.

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 is accounted for as a governmental 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 evaluating a government's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions.

**COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF WINTER HAVEN
(A Component Unit of the City of Winter Haven, Florida)
FOR THE YEAR ENDED SEPTEMBER 30, 2025
MANAGEMENT'S DISCUSSION AND ANALYSIS**

The CRA adopts an annual appropriated budget. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with the budget.

Notes to the Financial Statements

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements.

Government-Wide Financial Analysis

The table below presents a summary of net position as of September 30, 2025 and 2024 derived from the government-wide statement of net position:

Statement of Net Position

	<u>2025</u>	<u>2024</u>	<u>Change</u>
Assets			
Current and other assets	\$ 6,047,796	\$ 4,195,282	\$ 1,852,514
Liabilities			
Current and other liabilities	178,967	46,263	132,704
Long-term liabilities	23,784	1,282	22,502
Total liabilities	<u>202,751</u>	<u>47,545</u>	<u>155,206</u>
Net position			
Restricted	5,845,045	4,147,737	1,697,308
Total net position	<u>\$ 5,845,045</u>	<u>\$ 4,147,737</u>	<u>\$ 1,697,308</u>

Assets increased \$1,852,514 from the prior year, while liabilities increased by \$155,206 from the prior year. There was an increase in net position of \$1,697,308 in the current year.

**COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF WINTER HAVEN
(A Component Unit of the City of Winter Haven, Florida)
FOR THE YEAR ENDED SEPTEMBER 30, 2025
MANAGEMENT'S DISCUSSION AND ANALYSIS**

The table below presents a summary of changes in net position for the years ended September 30, 2025 and 2024 as derived from the government-wide statement of activities:

Statement of Activities			
	2025	2024	Change
Revenues			
Taxes	\$ 4,923,935	\$ 4,317,583	\$ 606,352
Intergovernmental	-	1,995	(1,995)
Investment income	288,359	243,793	44,566
Rents	4,200	7,800	(3,600)
Gain on sale of assets	-	1,000	(1,000)
Total revenues	5,216,494	4,572,171	644,323
Expenses			
Economic environment	3,519,186	3,919,816	(400,630)
Total expenses	3,519,186	3,919,816	(400,630)
Change in net position	1,697,308	652,355	1,044,953
Beginning net position	4,147,737	3,495,382	652,355
Ending net position	\$ 5,845,045	\$ 4,147,737	\$ 1,697,308

In fiscal year 2025, total revenue was \$5,216,494, while total expenses were \$3,519,186. This resulted in a positive change in net position of \$1,697,308.

The taxable value of property located within the two CRA Districts increased \$66,744,031 in fiscal year 2025 resulting in Ad Valorem proceeds increasing \$606,352 over the previous year. Intergovernmental revenues in the previous year included funding from the GiveWell Community Foundation for beautification projects. In fiscal year 2025, \$6,425 was recorded as deferred revenue, as the related expenses were not yet incurred. Investment income increased by \$44,566 over the prior year.

Expenses decreased \$400,630 in fiscal year 2025 due largely to decreased expenses for contributions toward the City of Winter Haven's (the "City") capital projects, and other expenses. A comparison of expenses by category is as follows:

	2025	2024	Change
Contributions to the City's capital projects	\$ 641,116	\$ 1,769,651	\$ (1,128,535)
Economic development	429,242	365,829	63,413
Contributions to the City's debt service	972,504	973,199	(695)
Other	1,477,606	816,613	660,993
Total expenses	\$ 3,520,468	\$ 3,925,292	\$ (404,824)

**COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF WINTER HAVEN
(A Component Unit of the City of Winter Haven, Florida)
FOR THE YEAR ENDED SEPTEMBER 30, 2025
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Governmental Fund Financial Analysis

General Fund

The General Fund reported ending fund balance of \$5,868,830, an increase of \$1,719,812 over the prior year. The fund balance consists of \$2,527 in nonspendable for prepaid items, and the remaining \$5,866,303 is restricted for community redevelopment. The changes in General Fund activity are discussed in the government-wide analysis above.

Recent projects and grants include the following:

Downtown CRA District

Economic Development

RainDance	\$	193,004
Fourth Street Quad Plex		642
Ave F SW, LLC		1,910
750 Ave C SW, LLC		22,981
First Street North (Bond Clinic)		34,640
Six/Tne, LLC		184
1150 WHG LLC		113,129
Retail Strategies, LLC		27,500
Hakim Rasheed		12,579
MPH Hotels		79,892
Total	\$	<u>486,461</u>

Capital Expenditures

Underground Utility Lines	\$	365,460
Solar Light S Parking Garage		60,388
Lake Maude - Weather Alert System		12,405
Total	\$	<u>438,253</u>

Grants

Façade/Sidewalk Grants	\$	<u>321,845</u>
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**COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF WINTER HAVEN
(A Component Unit of the City of Winter Haven, Florida)
FOR THE YEAR ENDED SEPTEMBER 30, 2025
MANAGEMENT'S DISCUSSION AND ANALYSIS**

General Fund Budgetary Highlights

The General Fund budget to actual statement is presented in the basic financial statements. The schedule shows the original adopted budget, the final budget, actual results, and the positive or negative variance between the final budget and actual results. After the original budget is approved, it may be amended for various reasons such as unanticipated revenues, unforeseen expenditures, or new grant awards. There were no amendments to the budget in the current year.

- The actual net change in the fund balance of the General Fund compared to the final budget was a positive variance of \$5,124,268.
- General Fund revenues were \$154,391 more than the final budgeted amount.
- Actual expenditures in the General Fund were \$4,969,877 less than the final budget. Significant variances are due to other projects that were budgeted but did not occur or were not completed in the current year.

Long-Term Liabilities

Long-term liabilities. As of year-end, the CRA had \$23,784 in long-term liabilities for compensated absences. Additional information can be found in Note 3 Long-Term Liabilities.

Economic Factors and Next Year's Budget and Rates

The Community Redevelopment Agency of the City of Winter Haven, Florida (CRA) is reported as a blended component unit of the City of Winter Haven. Its annual budget was approved on September 23, 2025. The following factors were considered in preparing the CRA's budget for the 2025 fiscal year:

- The City of Winter Haven is the 78th largest city in Florida, and the second largest city (17 cities total) in Polk County.
- The City of Winter Haven is currently growing at a rate of 3.65% and its population has increased by 27.00% since 2020.
- Property values are forecast to increase by 12.63% in fiscal year 2025.

Requests for Information

This financial report is designed to provide a general overview of the CRA's finances for all those with an interest. Questions concerning any of the information provided on this report or requests for additional information should be addressed as follows:

Colleen (CJ) Scott, CPA, CGFO, CPM Finance Director
Community Redevelopment Agency of the City of Winter Haven, Florida
551 Third St NW
Winter Haven, Florida 33881

COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF WINTER HAVEN
(A Component Unit of the City of Winter Haven, Florida)

STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

	Governmental Activities
ASSETS	
Cash and investments	\$ 6,044,817
Accounts receivable, net	452
Prepaid items	2,527
Total assets	6,047,796
LIABILITIES	
Current liabilities	
Accounts payable	163,392
Accrued liabilities	9,150
Unearned revenue	6,425
Noncurrent liabilities	
Due within one year	23,784
Total liabilities	202,751
NET POSITION	
Restricted	5,845,045
Total net position	\$ 5,845,045

The accompanying notes are an integral part of the financial statements.

**COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF WINTER HAVEN
(A Component Unit of the City of Winter Haven, Florida)**

**STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025**

Functions/programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental activities				
Economic environment	\$ 3,519,186	\$ -	\$ -	\$ (3,519,186)
Total governmental activities	\$ 3,519,186	\$ -	\$ -	(3,519,186)
General revenues				
Property taxes				4,923,935
Unrestricted investment earnings				288,359
Other				4,200
Total general revenues				5,216,494
Change in net position				
Net position, beginning				4,147,737
Net position, ending				\$ 5,845,045

The accompanying notes are an integral part of the financial statements.

COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF WINTER HAVEN
(A Component Unit of the City of Winter Haven, Florida)

BALANCE SHEET – GENERAL FUND
SEPTEMBER 30, 2025

ASSETS

Cash	\$ 6,044,817
Accounts receivable	452
Prepaid items	2,527
Total assets	<u>\$ 6,047,796</u>

LIABILITIES AND FUND BALANCE

Liabilities

Accounts payable	\$ 163,392
Accrued liabilities	9,150
Unearned revenue	6,425
Total liabilities	<u>178,967</u>

Fund balance

 Nonspendable:

Prepays	2,527
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 Restricted for:

Community redevelopment	5,866,302
Total fund balance	<u>5,868,829</u>

Total liabilities and fund balance	<u>\$ 6,047,796</u>
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The accompanying notes are an integral part of the financial statements.

COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF WINTER HAVEN
(A Component Unit of the City of Winter Haven, Florida)
RECONCILIATION OF THE BALANCE SHEET – GENERAL FUND
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

Total fund balance, General Fund \$ 5,868,829

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

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the General Fund.

Compensated absences (23,784)

Total net position, governmental activities \$ 5,845,045

The accompanying notes are an integral part of the financial statements.

COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF WINTER HAVEN
(A Component Unit of the City of Winter Haven, Florida)
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE – GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

Revenues		
Taxes		\$ 4,923,935
Rents		4,200
Investment earnings		288,359
Total revenues		5,216,494
Expenditures		
Current		
Economic environment:		
Downtown CRA		2,837,589
Florence Villa CRA		659,095
Total expenditures		3,496,684
Change in fund balances		1,719,810
Fund balances, beginning		4,149,019
Fund balances, ending		\$ 5,868,829

**COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF WINTER HAVEN
(A Component Unit of the City of Winter Haven, Florida)
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – GENERAL FUND TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025**

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

Net change in fund balance, General Fund	\$	1,719,810
Long-term liabilities are not due and payable in the current period and therefore are not reported in the General Fund.		
Net change in compensated absences	<u>\$</u>	<u>(22,502)</u>
		<u>(22,502)</u>
Change in net position of governmental activities	\$	<u><u>1,697,308</u></u>

The accompanying notes are an integral part of the financial statements.

COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF WINTER HAVEN
(A Component Unit of the City of Winter Haven, Florida)
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL – GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues				
Taxes	\$ 4,982,903	\$ 4,982,903	\$ 4,923,935	\$ (58,968)
Rents	4,200	4,200	4,200	-
Investment earnings	75,000	75,000	288,359	213,359
Total revenues	<u>5,062,103</u>	<u>5,062,103</u>	<u>5,216,494</u>	<u>154,391</u>
Expenditures				
Current				
Economic environment:				
Downtown CRA:				
Personnel expenditures	155,058	155,058	112,307	42,751
Operating expenditures	748,978	678,800	562,768	116,032
Capital projects	2,087,775	2,117,272	435,547	1,681,725
Economic development	450,000	835,397	429,242	406,155
Payments to the city General Fund	972,504	972,504	972,504	-
Payments to the city dark fiber fund	27,650	27,650	27,650	-
Other	571,519	571,519	297,571	273,948
Florence Villa CRA:				
Personnel expenditures	134,909	134,909	92,167	42,742
Operating expenditures	325,831	427,281	124,104	303,177
Capital projects	2,045,397	1,945,397	69,624	1,875,773
Payments to the city construction fund	-	100,000	100,000	-
Payments to the city dark fiber fund	8,295	8,295	8,295	-
Other	536,057	492,479	264,905	227,574
Total expenditures	<u>8,063,973</u>	<u>8,466,561</u>	<u>3,496,684</u>	<u>4,969,877</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,001,870)</u>	<u>(3,404,458)</u>	<u>1,719,810</u>	<u>5,124,268</u>
Change in fund balances	(3,001,870)	(3,404,458)	1,719,810	5,124,268
Fund balances, beginning	<u>4,149,019</u>	<u>4,149,019</u>	<u>4,149,019</u>	<u>-</u>
Fund balances, ending	<u>\$ 1,147,149</u>	<u>\$ 744,561</u>	<u>\$ 5,868,829</u>	<u>\$ 5,124,268</u>

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COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF WINTER HAVEN
(A Component Unit of the City of Winter Haven, Florida)
SEPTEMBER 30, 2025
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Community Redevelopment Agency of the City of Winter Haven, Florida (the "CRA"), a component unit of the City of Winter Haven (the "City"), was established by City Resolution No. R-00-7 on March 13, 2000, as authorized by Chapter 163, Florida Statutes, to grow and develop the City of Winter Haven. Its mission is to prevent and eliminate slum and blighted conditions within the community and to foster and promote community redevelopment activities in two designated areas: Downtown and Florence Villa. The CRA is governed by a Board of seven members, including the five current City of Winter Haven City Commissioners and two City residents. Management of the City has operational responsibility for the CRA. The CRA is considered to be a blended component unit in the City's Annual Comprehensive Financial Report.

As required by accounting principles generally accepted in the United States of America, these financial statements present the CRA and component units for which the CRA is financially accountable. The application of these criteria provides for identification of any entities for which the CRA is financially accountable and other organizations that the nature and significance of their relationship with the CRA are such that exclusion would cause the CRA's basic financial statements to be misleading or incomplete. Based on the application of these criteria, the CRA has determined that there are no component units.

Basis of Presentation

The accounts of the CRA are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Currently, the CRA has only one fund, the General Fund. The General Fund is a major fund and is the operating fund of the CRA. It is used to account for all financial resources and expenditures.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on activities of the CRA. The CRA reports only governmental activities; it does not have any business-type activities.

COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF WINTER HAVEN
(A Component Unit of the City of Winter Haven, Florida)
SEPTEMBER 30, 2025
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues consist of charges for services, grants and contributions that are restricted to meeting an operational or capital requirement of a particular function. Payments received from taxes, insurance proceeds and other items not properly included as program revenues are reported as general revenues.

Separate financial information is provided for the governmental fund.

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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period 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 current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Budgets and Budgetary Data

The following are the procedures in establishing the budget:

The CRA's executive director prepares the annual fiscal operating budget. The proposed budget is then presented to the CRA's Board of Directors for changes and final approval. Once adopted, the budget serves as legal authorization for expenditures.

Formal budgetary integration is employed as a management control device during the year for all governmental fund types. The budget for the General Fund is adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP). The level of budgetary control for the CRA's revenues and expenditures is set at the fund level of the CRA's respective districts, Downtown and Florence Villa. All appropriations lapse at the close of the fiscal year.

COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF WINTER HAVEN
(A Component Unit of the City of Winter Haven, Florida)
SEPTEMBER 30, 2025
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Incremental Property Tax Revenue

The CRA's primary source of revenue is tax-increment funding. This revenue is computed by applying the respective tax rates for the City and Polk County (the "County") multiplied by the increased value of property tax located within the boundaries of the redevelopment areas of the CRA in excess of the base property value.

The tax levy is established prior to October 1 of each year and the Polk County Property Appraiser incorporates the millages established by the City and County into the total tax levy. All property is reassessed according to its fair value on January 1 of each year. All taxes are due and payable on November 1 (levy date) of each year or as soon thereafter as the assessment roll is certified and delivered to the Tax Collector. All unpaid taxes become delinquent on April 1 following the year in which they are assessed. Discounts are allowed for early payment at the rate of 4% in the month of November, 3% in the month of December, 2% in the month of January, and 1% in the month of February. The taxes paid in March are without discount.

Delinquent taxes on real property bear interest of up to 18% per year. On or prior to June 1 following the tax year, certificates are sold for all delinquent taxes on real property. Application for a tax deed on any unredeemed tax certificates may be made by the certificate holder after a period of two years. Unsold certificates are held by the County.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. Prepaids are expensed during the periods benefited.

Compensated Absences

The CRA records the portion of accumulated unused compensated absences, more likely than not, to be used or paid out based on each employee's accumulated unused hours and rate of pay, plus certain salary-related fringe benefits. All accumulated unused compensated absences are accrued when incurred in the government-wide financial statements. A liability for these amounts is normally reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Fund Balances

Governmental fund equity is classified as fund balance. The following classifications describe the relative strength of the spending constraints:

Nonspendable – Amounts that are: (a) not in spendable form, or (b) legally or contractually required to be maintained intact. "Not in spendable form" includes items that are not expected to be converted to cash (such as inventories and prepaid amounts) and generally long-term items such as advances to other funds or amounts that are required to be maintained intact (corpus of a permanent fund).

COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF WINTER HAVEN
(A Component Unit of the City of Winter Haven, Florida)
SEPTEMBER 30, 2025
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balances (Continued)

Restricted – Amounts that can be spent only for specific purposes stipulated by: (a) external resources providers such as creditors (by debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed – Amounts that can be used only for specific purposes determined by a formal action (ordinance) of the Board, the CRA's highest level of decision making authority. Commitments may be changed or lifted only by the Board taking the same formal action (ordinance) that imposed the constraints originally. Resources accumulated pursuant to stabilization arrangements are reported in this category only if they are specific and nonrecurring.

Assigned – Amounts intended to be used by the CRA for specific purposes. According to the CRA's fund balance policy, this includes spendable fund balance amounts established by the Board or CRA management that are neither restricted nor committed. The CRA's fund balance policy does not describe the specific action required to assign fund balance.

Unassigned – Includes the residual classification for the General Fund. This classification represents fund balance that is spendable and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the CRA considers restricted to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the CRA considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

The CRA's fund balance is restricted for community redevelopment.

Net Position

Net position represents the difference between assets and liabilities. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the CRA or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF WINTER HAVEN
(A Component Unit of the City of Winter Haven, Florida)
SEPTEMBER 30, 2025
NOTES TO FINANCIAL STATEMENTS

NOTE 2. DEPOSITS AND INVESTMENTS

Cash and cash equivalents as of September 30, 2025 consisted of:

Deposits	\$ 120,863
Investments	<u>5,923,954</u>
Total	<u>\$ 6,044,817</u>

Custodial Credit Risk is defined as the risk that, in the event of failure of the counterparty, the CRA will not be able to recover the value of its deposits and securities that are in the possession of an outside party. Bank balances of the CRA's deposits at September 30, 2025 were \$120,863.

All balances in excess of the Federal Deposit Insurance Corporation (FDIC) for demand and time deposits are fully collateralized pursuant to Chapter 280, Florida Statutes. The City's investment policy requires that the deposit be entirely covered by federal depository insurance or by collateral pledged with the State Treasurer pursuant to Chapter 280, Florida Statutes. Under this Chapter, in the event of default by a participating financial institution (a qualified public depository), all participating institutions are obligated to reimburse the governmental entity for the loss. Other than the preceding, the CRA has no policy on custodial credit risk.

The CRA invests funds throughout the year with Florida PRIME, an investment pool administered by the State Board of Administration, under the regulatory oversight of the state of Florida. Investments in Florida PRIME are made pursuant to Chapter 125.31, Florida Statutes. The investments are not categorized because they are not evidenced by securities that exist in physical or book entry form.

Throughout the year and as of September 30, 2025, Florida PRIME contained certain floating and adjustable rate securities. These investments represented 18.2% of Florida PRIME's portfolio at September 30, 2025.

Florida PRIME meets all of the necessary criteria to elect to measure all of the investments in Florida PRIME at amortized cost, as a cash equivalent. The dollar weighted average days to maturity (WAM) of Florida PRIME as of September 30, 2025 was 47 days. Next interest rate reset dates for floating securities are used in the calculation of the WAM. The weighted average life (WAL) of the Florida PRIME at September 30, 2025 was 73 days. Investments in Florida PRIME must carry an "AAAm" rating from Standard and Poor's. On September 30, 2025, Standard and Poor's Ratings Services assigned the Florida PRIME an "AAAm" principal stability funding rating.

COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF WINTER HAVEN
(A Component Unit of the City of Winter Haven, Florida)
SEPTEMBER 30, 2025
NOTES TO FINANCIAL STATEMENTS

NOTE 2. DEPOSITS AND INVESTMENTS (CONTINUED)

With regard to redemption gates, Chapter 218.409(8)(a), Florida Statutes, states that “The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the executive director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the trustees, the Joint Legislative Auditing Committee, and the Investment Advisory Council. The trustees shall convene an emergency meeting as soon as practicable from the time the executive director has instituted such measures and review the necessity of those measures. If the trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the moratorium may be extended by the executive director until the trustees are able to meet to review the necessity for the moratorium. If the trustees agree with such measures, the trustees shall vote to continue the measures for up to an additional 15 days. The trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the trustees exceed 15 days.”

With regard to liquidity fees, Florida Statute 218.409(4) provides authority for the SBA to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. At present, no such disclosure has been made. As of September 30, 2025, there were no redemption fees, maximum transaction amounts, or any other requirements that serve to limit a participant’s daily access to 100% of their account value.

NOTE 3. LONG-TERM LIABILITIES

The following is a summary of long-term liabilities for the year ended September 30, 2025:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<u>Governmental Activities:</u>					
Compensated absences	\$ 1,282	\$ 22,502 *	\$ -	\$ 23,784	\$ 23,784
Total governmental activities long-term liabilities	<u>\$ 1,282</u>	<u>\$ 22,502</u>	<u>\$ -</u>	<u>\$ 23,784</u>	<u>\$ 23,784</u>

* Changes for are presented net, in accordance with GASB 101.

NOTE 4. RISK MANAGEMENT

The CRA is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. To protect against this risk the CRA has purchased commercial insurance policies. The CRA is liable for deductibles on certain coverage. Insurance settlements have not exceeded insurance coverage in any of the three prior fiscal years.

COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF WINTER HAVEN
(A Component Unit of the City of Winter Haven, Florida)
SEPTEMBER 30, 2025
NOTES TO FINANCIAL STATEMENTS

NOTE 5. TAX ABATEMENTS

The CRA determined that it is desirable to facilitate redevelopment opportunities within the Florence Villa and Downtown Community Redevelopment Areas of the City through tax increment rebatement and other incentives. The development incentives are consistent with the Community Redevelopment Plans for the two CRA areas and are in compliance with Florida State Statutes 163, Part III and 163.370(1)(d), Resolution R-00-19. A Summary description of the incentives available is as follows:

Real Estate Development Accelerator (REDA) – This incentive targets large-scale development projects that enhance the economic diversity of the Florence Villa Community Redevelopment and/or Downtown Community Redevelopment Areas and are anticipated to increase, by \$5 million or more, the ad valorem Taxable Value within the Florence Villa Community Redevelopment and/or Downtown Community Redevelopment Areas. This incentive can be utilized in the form of a land purchase price mark-down, tax increment financing rebates or similar types of assistance. Each project is negotiated on an individual basis.

Real Estate Development Accelerator II (REDA II) – This incentive is for large-scale development projects that enhance the economic diversity of the Florence Villa and/or Downtown Community Redevelopment Areas and are anticipated to increase the ad valorem Taxable Value of the subject site by \$15 million or more. This incentive can be utilized in the form of land mark-down, infrastructure improvements, tax increment financing rebates or similar types of assistance. Each project is negotiated on an individual basis.

Housing Investment Program (HIP) – This incentive targets developers of new housing units, renovations of existing housing units that increase the taxable value of the project by at least 100%, and for sale/for rent residential projects investing at least \$2 million dollars. Projects could qualify for a \$10,000 per unit incentive for market-rate housing. Developers are given the choice of A or B below, plus the option of the Smart City Bonus:

- A. Reimbursement not to exceed \$10,000 per units from the project's actual tax increment; or
- B. Reimbursement of up to 80% of the project's actual tax increment for years 1-5 and reimbursement of 70% of the project's actual tax increment for years 6-15; and Smart City Bonus: Both A. and B. above could also receive \$1,500 per unit grant upon completion of construction when the project includes three or more approved Smart City technologies as provided by the Smart City Advisory Committee or City Staff.

Facade and Exterior Improvement Program (for Developers) – A reimbursement program which provides reimbursement of up to 50% of the cost of facade improvements. The maximum reimbursement is \$25,000.

COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF WINTER HAVEN
(A Component Unit of the City of Winter Haven, Florida)
SEPTEMBER 30, 2025
NOTES TO FINANCIAL STATEMENTS

NOTE 5. TAX ABATEMENTS (CONTINUED)

Commercial Redevelopment – Redevelopment of existing commercial buildings within the Downtown Community Redevelopment and/or Florence Villa Community Redevelopment Areas that will increase the ad valorem taxable value by at least 100%. A factor in qualifying for this incentive is the degree to which the project retains authentic character and appearance deemed desirable. Qualifying projects may be eligible for a rebate of 50% of the tax increment created by the renovation for up to ten years.

Capital Improvement Grant Program – Annual reimbursement of tax increment revenue, up to 50% of the previous year annual "interest only" portion on the principal amount of a loan obtained for rehabilitation or renovation of a project located in the Downtown Community Redevelopment and/or Florence Villa Community Redevelopment Areas. Amortized points, fees and closing costs are not reimbursable. Loans from participating lenders would be based on the lower of the prime rate or actual loan interest rate. The maximum reimbursement is based on the annual amount of tax increment revenue actually received by the City and/or CRA from the project.

At the conclusion of fiscal year 2025, the following economic incentive agreements were outstanding:

1. Physician's Partnership

A December 9, 2013 development agreement with Physician's Partnership for the development of a 11,440 square foot medical office building located in the Downtown CRA District. Physicians Partnership annually received 100% of the County's tax increment paid on this structure. The payments were scheduled to continue until \$239,107 had been amortized. The CRA has made payments totaling \$175,673.76 over the life of the Developer's Agreement. However, the property was sold in 2024 and an assignment of the Developer's Agreement has not been executed. Therefore, payment was not made in fiscal year 2024/2025. Should the City receive evidence of an assignment of the Developer's Agreement, and should the CRA Board and City Commission approve and accept the assignment, payments may resume.

2. First Street North LLC

Pursuant to a Development Agreement approved by the CRA Board and City Commission in March 2017 rebated 60% of the annual tax increment actually received by the City for up to a period of ten years. The incentive was approved for the construction of a Bond Clinic medical facility on First Street North. The CRA made incentive payments totaling \$34,972.35 in fiscal year 2024/2025. However, the property was sold in June of 2025 and an assignment of the Developer's Agreement has not been executed. Therefore, future payments will cease unless the City receives evidence of an assignment of the Developer's Agreement, and the CRA Board and City Commission approve and accept the assignment. Should they do so, payments may resume.

COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF WINTER HAVEN
(A Component Unit of the City of Winter Haven, Florida)
SEPTEMBER 30, 2025
NOTES TO FINANCIAL STATEMENTS

NOTE 5. TAX ABATEMENTS (CONTINUED)

3. Six-Ten Development Agreement

The Six-Ten Corporation planned to build 128 market rate apartments in four downtown locations with an investment of \$21 million. Six-Ten received a tax rebate of up to \$5,000 per unit. Only 20 units have been constructed pursuant to this agreement. The CRA made payments totaling \$100,000 for the constructed 20 units. There was no payment by the CRA in fiscal year 2024/2025. The developer does not plan to construct the remaining 108 units allowable by the agreement. Therefore, final payment has been made for the 20 units developed. No further payments are anticipated.

4. Dundee Self Storage LLC

Pursuant to a Development Agreement approved in October 2017, Dundee Self- Storage is eligible for a rebate of 50% of the actual cost of façade improvements at 335 Magnolia Avenue, up to \$15,000. The annual rebate will continue for ten years, or for as long as the CRA exists, and shall not exceed 100% of the actual annual tax increment revenue generated from the improvements. This agreement was approved by the City Commission in October 2017. The CRA made payments of \$631.99 in fiscal year 2024/2025.

5. Central South, LLC

Pursuant to a Redevelopment Grant Agreement approved in June, 2020 Central South, LLC is eligible for a rebate of 50% of the actual cost of façade improvements at 150 3rd Street SW, up to \$15,000. The annual rebate will continue for ten years, or for as long as the CRA exists, and shall not exceed 100% of the actual annual tax increment revenue generated from the improvements. The CRA did not make a payment in fiscal year 2024/2025, as the property did not generate a tax increment.

6. RainDance Development Agreement

Pursuant to a Developer's Agreement approved by the CRA Board and City Commission in December, 2020, RainDance, LLC is eligible for 60% of the actual annual tax increment received by the City and \$5,000 per unit tax increment rebate until September 30, 2030. Raindance, LLC has constructed 105 multi-family units was eligible for tax increment rebate fiscal year 2024/2025. The CRA made a payment in the amount of \$193,004.03.

7. 750 Avenue C SW, LLC Development Agreement

Pursuant to a Development Agreement approved by the CRA Board and the City Commission in May 2019, 750 Avenue C SW, LLC was eligible to receive tax increment rebate incentive payments of \$5,000 per unit. 750 Avenue C SW constructed 15 multifamily units in the Downtown CRA District and received annual payment from the CRA until the property was sold to BNL Champs in April of 2024. An assignment of the Developer's Agreement was approved by the CRA and City Commission. The CRA made a payment in the amount of \$22,981.01 in fiscal year 2024/2025.

COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF WINTER HAVEN
(A Component Unit of the City of Winter Haven, Florida)
SEPTEMBER 30, 2025
NOTES TO FINANCIAL STATEMENTS

NOTE 5. TAX ABATEMENTS (CONTINUED)

8. Winter Haven, FL 0721 LLC

Pursuant to a Developer's Agreement approved by the CRA Board and the City Commission in September 2021, Winter Haven, FL 0721 LLC is eligible to receive a rebate of 90% of the annual tax increment actually received by the City until September 30, 2030, and an additional underground utility reimbursement, not to exceed \$190,000. The incentive was approved for the construction of a six-story hotel with approximately 108 rooms on five parcels within the Downtown CRA district. The CRA made a payment in the amount of \$79,891.55 in fiscal year 2024/2025.

9. Ave F SW LLC

Pursuant to a Redevelopment Grant Agreement approved by the CRA Board in September, 2021 Ave F SW is eligible for a rebate of 50% of the actual façade improvements to redevelop seven multi-family units at 212 Ave F SW, up to \$15,000. The annual rebate may continue for ten years, or for as long as the CRA exists, but shall not exceed 100% of the actual annual tax increment revenue generated from the improvements. The CRA made payments of \$1,909.97 in the fiscal year 2024/2025. However, the property was sold to a non-profit in December, 2024. The Redevelopment Grant Agreement was assigned to the new owner, but as a non-profit, the property is exempt from ad valorem taxes and will no longer generate a tax increment. No further rebates are anticipated.

10. Six-Ten LLC

Pursuant to a Redevelopment Grant Agreement approved by the CRA Board in March, 2021 Six-Ten, LLC is eligible for a rebate of 50% of the actual façade improvements at 543 Avenue B SW, up to \$15,000. The annual rebate will continue for ten years, or for as long as the CRA exists, but shall not exceed 100% of the actual tax increment revenue generated from the improvements. The CRA made no payments in fiscal year 2024/2025, as the project did not create a tax increment.

11. Six-Ten LLC

Pursuant to a Redevelopment Grant Agreement approved by the CRA Board in March, 2021 Six-Ten, LLC is eligible for a rebate of 50% of the actual façade improvements at 140 6th Street SW, up to \$15,000. The annual rebate will continue for ten years, or for as long as the CRA exists, but shall not exceed 100% of the actual tax increment revenue generated from the improvements. The CRA made a payment in the amount of \$183.50 in fiscal year 2024/2025.

12. Onicx Group LLC

This Developer's Agreement was approved by the CRA Board and City Commission in October 2021. This agreement is no longer in effect as certain conditions of the agreement were not met.

COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF WINTER HAVEN
(A Component Unit of the City of Winter Haven, Florida)
SEPTEMBER 30, 2025
NOTES TO FINANCIAL STATEMENTS

NOTE 5. TAX ABATEMENTS (CONTINUED)

13. PMF Lake Idyl, LLC Agreement

Pursuant to a Developer's Agreement approved by the CRA Board and City Commission in June, 2022 PMF Lake Idyl, LLC is eligible to receive an annual tax increment rebate not to exceed \$10,000 per unit developed. PMF Lake Idyl, LLC plans to build 96 multi-family units at the corner of MLK Blvd. and 11th Street NE, in the Florence Villa District. The developer has not yet commenced construction of this project and therefore the CRA has made no payments.

14. Katina Campbell Agreement

Pursuant to a Developer's Agreement approved by the CRA Board and the City Commission in September, 2021 Katina Campbell is eligible to receive annual tax increment rebates not to exceed \$10,000 per unit for up to five units. Katina Campbell has developed six multi-family units upon two parcels within the Florence Villa Community Redevelopment Area. However, as property taxes were not yet paid, the CRA made no payment in the fiscal year 2024/2025.

15. 1150 WHG LLC Agreement

Pursuant to a Developer's Agreement approved by the CRA Board and the City Commission in November, 2022, and subsequent amendments, 1150 WHG LLC eligible for tax increment rebates of up to \$11,500 per unit for 238 units and utility connection fee reimbursements not to exceed \$385,396.20. There are currently approximately 200 units redeveloped upon the property. The CRA made a payment in the amount of \$38,370.24 in fiscal year 2024/2025.

16. Brett and Erin Cranmer Agreement

Pursuant to a Developer's Agreement approved by the CRA Board and the City Commission in March, 2023 Brett and Erin Cranmer are eligible to receive tax increment rebates not to exceed \$10,000 per unit for up to two units. The project is constructed and the CRA made a payment in the amount of \$642.44 in fiscal year 2024/2025.

17. The Breeze Winter Haven, LLC Agreement

Pursuant to a Developer's Agreement adopted by the CRA Board and City Commission in June, 2023 the Breeze Winter Haven, LLC is eligible to receive 90% of the tax increment generated by the project for 20 years. The project was recently completed totaling 102 multi-family units. The CRA made no payment in fiscal year 2024/2025, as the project was not yet on the Polk County Tax roll.

18. FatCat, LLC (Upper Crust Pizza)

Pursuant to a Redevelopment Grant Agreement approved by the CRA Board in March, 2024 FatCat Equities, LLC is eligible for payment of 100% of the tax increment generated by the project annually to a maximum of \$15,000. There was no payment made in fiscal year 2024/2025, as the project did not generate a tax increment.

COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF WINTER HAVEN
(A Component Unit of the City of Winter Haven, Florida)
SEPTEMBER 30, 2025
NOTES TO FINANCIAL STATEMENTS

NOTE 5. TAX ABATEMENTS (CONTINUED)

19. Derrick McWaters

Pursuant to a Developer's Agreement approved by the CRA Board and the City Commission in January, 2025 Derrick McWaters is eligible for up to \$10,000 per unit tax increment rebate for up to a maximum of 13 units. The project is partially constructed. There was no payment made in fiscal year 2024/2025.

20. The Carl Winter Haven, LLC

Pursuant to a Developer's Agreement approved by the CRA Board and the City Commission in May, 2025 The Carl Winter Haven, LLC is eligible for 90% tax increment rebates for years one through ten, 75% tax increment rebates for years 11 through 15, and 65% tax increment financing for years 16 through 20. Additionally, they are eligible for a reimbursement of utility improvement work in an amount not to exceed \$611,477. This project is not yet constructed and therefore received no payment in fiscal year 2024/2025.

21. Grand Central Cooperative, LLC

Pursuant to a Developer's Agreement approved by the CRA Board and the City Commission in July, 2025 Grand Central Cooperative, LLC is eligible for 60% tax increment rebates for up to 20 years, a building preservation grant not to exceed \$2,000,000 that is payable in five annual payments pursuant to satisfaction of certain milestones, and a utility improvement work reimbursement in an amount not to exceed \$275,000. This project is not yet constructed and therefore received no payment in fiscal year 2024/2025.

NOTE 6. CONTINGENT LIABILITIES

The CRA receives revenues from various federal grants. These grants are for specific purposes and are subject to review and audit by the grantor agencies. Such audits could result in disallowed expenditures under the terms of the grants. Based upon prior experience, CRA management believes such disallowances, if any, would be immaterial.

NOTE 7. SUBSEQUENT EVENTS

The CRA has evaluated all subsequent events through April 15, 2026 the date the financial statements were available to be issued.

OTHER INFORMATION

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**COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF WINTER HAVEN
(A Component Unit of the City of Winter Haven, Florida)**

**COMBINING BALANCE SHEET – GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025**

	Downtown Community Redevelopment Area	Florence Villa Community Redevelopment Area	Total
ASSETS			
Cash	\$ 3,136,525	\$ 2,908,292	\$ 6,044,817
Accounts receivable	452	-	452
Prepaid items	1,333	1,194	2,527
Total assets	<u>3,138,310</u>	<u>2,909,486</u>	<u>6,047,796</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts payable	27,949	135,443	163,392
Accrued liabilities	5,037	4,112	9,149
Unearned revenue	4,473	1,952	6,425
Total liabilities	<u>37,459</u>	<u>141,507</u>	<u>178,966</u>
Fund balance			
Nonspendable	1,333	1,194	2,527
Restricted for:			
Community redevelopment	3,099,517	2,766,785	5,866,302
Total fund balance	<u>3,100,850</u>	<u>2,767,979</u>	<u>5,868,829</u>
Total liabilities and fund balance	<u>\$ 3,138,309</u>	<u>\$ 2,909,486</u>	<u>\$ 6,047,795</u>

COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF WINTER HAVEN
(A Component Unit of the City of Winter Haven, Florida)
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Downtown Community Redevelopment Area	Florence Villa Community Redevelopment Area	Total
REVENUES			
Property taxes	\$ 3,622,283	\$ 1,301,652	\$ 4,923,935
Rents	4,200	-	4,200
Investment earnings	168,217	120,142	288,359
Total revenues	<u>3,794,700</u>	<u>1,421,794</u>	<u>5,216,494</u>
EXPENDITURES			
Current			
Economic environment:			
Personnel expenditures	112,307	92,167	204,474
Operating expenditures	562,768	124,104	686,872
Capital projects	435,547	69,624	505,171
Economic development	429,242	-	429,242
Payments to the City General Fund	972,504	-	972,504
Payments to the City construction fund	-	100,000	100,000
Payments to the City dark fiber fund	27,650	8,295	35,945
Other	297,571	264,905	562,476
Total expenditures	<u>2,837,589</u>	<u>659,095</u>	<u>3,496,684</u>
Net change in fund balance	957,111	762,699	1,719,810
Fund balance, beginning	<u>2,143,739</u>	<u>2,005,280</u>	<u>4,149,019</u>
Fund balance, ending	<u>\$ 3,100,850</u>	<u>\$ 2,767,979</u>	<u>\$ 5,868,829</u>

The accompanying notes are an integral part of the financial statements.

OTHER REPORTS

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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*

**Board of Directors
Community Redevelopment Agency of the City of Winter Haven
Winter Haven, 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 major fund of the Community Redevelopment Agency of the City of Winter Haven (the "CRA"), (a component unit of the City of Winter Haven, 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, and have issued our report thereon dated April 15, 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the CRA's internal control. Accordingly, we do not express an opinion on the effectiveness of the CRA's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not 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.



Bradenton, Florida
April 15, 2026



Independent Auditor's Management Letter

**Board of Directors
Community Redevelopment Agency of the City of Winter Haven
Winter Haven, Florida**

Report on the Financial Statements

We have audited the financial statements of the Community Redevelopment Agency of the City of Winter Haven (the "CRA"), (a component unit of the City of Winter Haven, Florida) as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated April 15, 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 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 April 15, 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 in the preceding annual financial report requiring correction.

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. The CRA has made these disclosures in the notes to the financial statements. There are no component units.

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 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. 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 the 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.

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 as: 2.2 people (2 at 100% and 1 at 20%).
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the CRA's fiscal year as: Four.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as: \$149,538.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as: \$222,003.
- e. Each 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, together with the total expenditures for such project as:
 - Underground Utility Lines - \$365,000
- 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: See page 16 of the financial statements.

Property Assessed Clean Energy (PACE) Programs

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

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 the Florida House of Representatives, the Florida Auditor General, federal and other granting agencies, the Board of Trustees and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.



Bradenton, Florida
April 15, 2026

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Independent Accountant's Report

**Board of Directors
Community Redevelopment Agency of the City of Winter Haven
Winter Haven, Florida**

We have examined the Community Redevelopment Agency of the City of Winter Haven (the "CRA"), (a component unit of the City of Winter Haven, Florida) compliance with Sections 218.415, 163.387(6), and 163.387(7) Florida Statutes, during the year ended September 30, 2025. Management of the CRA 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 judgement, including an assessment of the risks of material noncompliance, 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 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 complied, in all material respects, with the aforementioned requirements during 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.

Bradenton, Florida
April 15, 2026

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