



HAINES CITY CRA
COMMUNITY REDEVELOPMENT AGENCY

FISCAL YEAR 2025

2025

ANNUAL REPORT

Nurturing the Heart of Florida

A year of record growth, finished parks, safer streets, and neighborhoods on the rise — reinvested right here at home.

\$10.95M

TAX INCREMENT REVENUE

+10.85%

TIF GROWTH OVER FY2024

\$960M+

DISTRICT TAXABLE VALUE

OUR MISSION

Preserving, unifying, and nurturing the heart of Florida — eliminating blight while fostering **economic growth, community pride, and vibrant public spaces.**

The Haines City Community Redevelopment Agency reinvests the growth in our own property values back into our neighborhoods, parks, and business districts. This report tells the story of Fiscal Year 2025 — October 1, 2024 through September 30, 2025.

INSIDE THIS REPORT

03	A Letter from the Executive Director	3
04	What Is the CRA — and How Does TIF Work?	4
05	Our Two Districts	5
06	2025 by the Numbers	6
07	Delivered in 2025	7
09	Underway Right Now	9
11	Transformations: Before & After	11
12	Programs for Residents & Businesses	12
13	Community Safety	13
14	Accounting, Made Simple	14
15	Statutory Reporting (F.S. 163.371)	15
16	Looking Ahead: FY2026	16
17	Your CRA Board	17

This Annual Report is filed with the City of Haines City and published online pursuant to Sections 163.356(3)(c) and 163.371(2), Florida Statutes. Financial figures are drawn from the CRA's audited financial statements for the fiscal year ended September 30, 2025, unless otherwise noted. The complete audited financial statements are attached as Exhibit A.

A message from the Executive Director.

On behalf of the Haines City Community Redevelopment Agency, I am pleased to present the Fiscal Year 2025 Annual Report. This was the strongest year in the Agency's history: tax increment revenue reached a record **\$10.95 million**, an increase of 10.85% over FY2024, reflecting continued growth in property values across both redevelopment districts.

Those resources were put directly to work — completing the all-inclusive playground at Boomerang Park, funding the Community-Oriented Policing Unit, supporting homeowners and small businesses through the CRA's grant programs, advancing sidewalk and infrastructure projects, and reducing outstanding debt by \$1.9 million.

The CRA accomplishes this work without levying any new taxes. As property values within the districts grow, the resulting increment is reinvested in the neighborhoods and business corridors that generated it.

The year ahead brings significant work, including the Oakland Garden Splash Pad, new trails and turf fields, and renovation of the historic Train Depot. On behalf of the CRA Board and staff, thank you for your continued engagement and support.

James R. Elensky

Executive Director, Haines City Community Redevelopment Agency



"As Haines City becomes more valuable, more of that value stays in Haines City."

Your growth, reinvested. That's the whole idea.

The Haines City CRA was created in 1990 under Chapter 163, Part III, Florida Statutes, to revitalize areas experiencing blight and underinvestment. Its funding tool — Tax Increment Financing — is refreshingly simple:

1

A baseline is set

When each district was created, the value of all property inside it was recorded — the "base year" value.

2

The city grows

New homes, businesses, and improvements push property values above that baseline, year after year.

3

Growth comes home

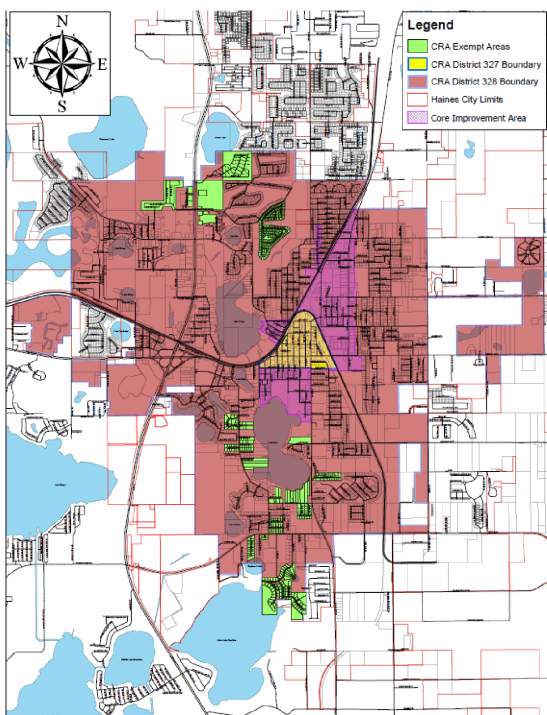
Taxes on the increase — the increment — flow into a trust fund that can only be spent inside the districts, on projects in our Redevelopment Plan.

\$0

The CRA levies no new taxes. It doesn't set millage rates or assess your property. The base revenues that existed before the CRA continue flowing to the City, Polk County, and other taxing authorities — only the growth is reinvested, and only here at home.

Established by Ordinance No. 770 on April 19, 1990, and amended by Resolution No. 558 in 1991, the CRA was expanded in 2001 (Ordinance No. 01-994) to cover nearly the entire city. It is governed by a seven-member Board and managed day-to-day by the Executive Director, with support from City departments. Every budget, program, and project is approved in a public meeting.

Two districts. One heartbeat.



District 327 (yellow) — the historic downtown core. District 328 (rose) — the 2001 expansion area. Check any address at hainescity-cra.com/map.

DISTRICT 327 • EST. 1990

Historic Downtown

Where Haines City began. Home to Main Street, the historic Train Depot, and the storefronts that anchor our identity.

\$37.2M

2025 TAXABLE VALUE

3.4×

GROWTH SINCE 2001

DISTRICT 328 • EST. 2001

The Expansion District

Neighborhoods, parks, and corridors across nearly the entire city — where most of our families live and our growth is happening.

\$960.2M

2025 TAXABLE VALUE

5.6×

GROWTH SINCE 2001

~8 mi²

COMBINED AREA

18,000+

DISTRICT
RESIDENTS

42K+

CITY POPULATION

THE HEADLINES

2025 by the numbers.

Audited results for the fiscal year ended September 30, 2025 — the strongest year in the agency's 35-year history.

\$10.95M

TAX INCREMENT REVENUE

A record — up 10.85% over FY2024

\$11.54M

TOTAL REVENUES

Including \$576K earned on investments

\$7.23M

PUT TO WORK

Programs, projects, policing & debt

\$2.28M

CAPITAL INVESTMENT

Parks, facilities & infrastructure

\$1.87M

DEBT PAID DOWN

\$1.48M of principal retired

\$419K

COMMUNITY POLICING

Funding the C.O.P.S. Unit

\$17.1M

SAVED FOR PROJECTS

Year-end fund balance, 100% restricted to redevelopment

464%

VALUE GROWTH

District 328 taxable value since the 2001 base year

Clean

AUDIT OPINION

Unmodified independent opinion, issued April 29, 2026

Every one of these numbers began as something smaller: a Board vote, a resident's idea at a public meeting, a bid opening, a Saturday ribbon-cutting. Together, they are the strongest case yet that reinvestment works.

DELIVERED IN 2025

Play, for every child.

Boomerang Park's new all-inclusive playground opened in 2025 — designed so children of all abilities can climb, spin, and play side-by-side. It joined new shade sails and site improvements that turned a neighborhood park into a destination.



Clockwise from top: the new all-inclusive playground; play equipment designed for all ages and abilities; cutting the ribbon with the community.

Promises kept.

Completed during the 2025 reporting period:

Boomerang Park All-Inclusive Playground

A playground accessible to children of all abilities — the centerpiece of Boomerang Park's transformation.

Parks & Recreation

Marquee Sign — Hinson Avenue

A new digital marquee connecting residents to city events and announcements along one of our busiest corridors.

Infrastructure

Janet Jolly Smith Heater & Chiller

Year-round comfort at the Janet Jolly Smith aquatic facility with a new heater and chiller system.

Community Facilities

These join recent seasons' finished work across the districts — the Larry Parish shade structure, Ben W. Graham Park playground, Lake Eva playground enhancements and tennis court lighting, and the **Heart of Florida mural** by artist Mishou Sanchez that has become a downtown landmark.



The Heart of Florida mural, downtown Haines City — public art celebrating our history, culture, and community pride.

UNDERWAY RIGHT NOW

Hard hats on, all over town.

Eight projects are in active delivery across the districts — each one already funded, each one on its way to a ribbon-cutting near you.

Oakland Garden Splash Pad

EARLY 2027

Interactive water play for children and families — transforming Oakland Garden into a signature attraction.

PARKS & RECREATION

Langston Avenue Park Playground

SPRING 2026

A new family-friendly playground with safe, engaging play equipment.

PARKS & RECREATION

Langston Avenue Park Lights & Restroom

SPRING 2026

New lighting and a modern restroom to enhance safety and accessibility.

PARKS & RECREATION

Boomerang Park Shading & Restroom

SUMMER 2026

Shaded seating and a restroom facility to make park days more comfortable.

PARKS & RECREATION

Boomerang Park Lake Nature Trail

FALL 2026

A walking trail around the lake connecting recreation with nature.

PARKS & RECREATION

Myers Wiley & 7-Acre Field Turfing

SUMMER 2026

Turf installation at Myers Wiley Field and the adjacent 7-acre field for year-round play.

PARKS & RECREATION

Lake Eva Shoreline Improvements

SUMMER 2026

Shoreline stabilization and environmental improvements at Lake Eva.

PARKS & RECREATION

Boys & Girls Club Mural

SPRING 2026

A new public art installation at the Boys & Girls Club.

PUBLIC ART

Status and target dates per hainescity-cra.com as of publication; schedules subject to weather, permitting, and contractor availability.

NEXT UP

On the drawing board.

In planning and design now — the next wave of investment, focused on walkability, downtown, and catalytic development.

Train Depot Renovation	Restoring the historic depot for community use.	Target 2026
Downtown Parking Lot	New parking to support downtown businesses and visitors.	Target 2026
Stewart Commons	Mixed-use development on Martin Luther King Jr. Way — street-level shops with housing above.	Target 2027
Main Street Sidewalk	Safer, more walkable connections through the heart of downtown.	Target 2027
Stuart Avenue Sidewalk	Engineering and design for pedestrian safety and connectivity.	Target 2027
Peninsular Sidewalk	Expanded, upgraded sidewalks connecting residents across the district.	Target 2027
Johnson Avenue Sidewalk	Sidewalk improvements for pedestrian safety and connectivity.	Target 2027

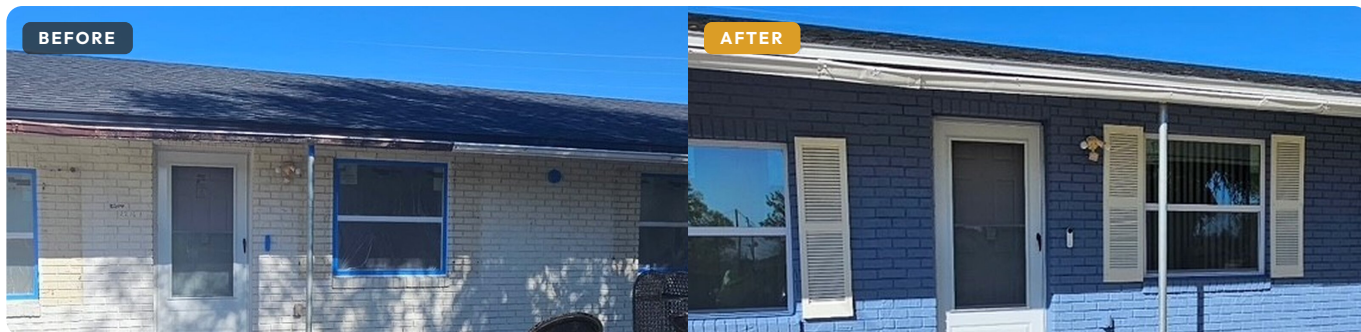


Modern playgrounds, trails, and green spaces — the throughline of every CRA investment.

TRANSFORMATIONS

See the difference investment makes.

Through the CRA's residential rehabilitation grants, homeowners across the districts repaired roofs, replaced windows, and refreshed exteriors — lifting whole blocks with them.



Painted brick & new shutters — a fresh face for a family home.



Full roof replacement — protection that matters most.



Complete exterior repaint — pride you can see from the street.

Two grant programs. One goal.

The CRA offers two rehabilitation grant programs — one for homeowners, one for businesses. Check your address at hainescity-cra.com/map, then visit hainescity-cra.com/programs for guidelines and applications, or contact the CRA office about eligibility.

Residential Rehabilitation Grant Program

FOR RESIDENTS

Financial assistance for homeowners to address critical repairs and improvements that preserve safe, livable housing and enhance neighborhood appearance. Eligible improvements include:

- **Exterior Pressure Washing & Painting**
- **Roof Repair or Replacement**
- **Exterior Windows & Doors**
Repair or replacement.
- **HVAC Repair or Replacement**
- **Exterior Steps, Railings & Ramps**
Repair or replacement of existing structures.
- **Code Violation Repairs***
Repairs that address and resolve City code violations.

* See the program guidelines at hainescity-cra.com/programs for complete details.

Commercial Structural Rehabilitation Grant

FOR BUSINESSES

Support for business and property owners to improve the appearance, functionality, and safety of commercial spaces throughout the districts. Eligible improvements include:

- **Façade, Awnings & Signs**
- **Electrical & Plumbing**
- **HVAC**
- **Roofing**
- **Exterior Pressure Washing & Painting**

\$3.7M

Scaling up in FY2026. The adopted budget commits \$3.0 million to the Residential Rehabilitation Grant Program and \$700,000 to commercial structural rehabilitation grants across both districts — the largest program investment in CRA history.

Four officers. Every block. First names.

The CRA funds the Haines City Police Department's Community-Oriented Policing (C.O.P.S.) Unit — four officers whose beat is the relationship itself.

You'll find them where community happens — at engagements across the districts: reading to students at Hero Days, senior expos, trunk-or-treats, career fairs, and Shop with a Cop. In the unit's most recent quarterly report alone (October–December 2025), officers took part in more than **20 community engagements**, alongside the everyday work of knowing residents by name.

The unit also acts on what residents raise. Concerns about unsafe driving in a fast-growing city led to targeted traffic enforcement at resident-identified locations. And with crime data showing youth involvement in bullying, burglary, and theft, officers partnered with the **Boys & Girls Club** on mentorship focused on early intervention — positive role models before there's ever a report number.

4**DEDICATED OFFICERS**

Funded by the CRA

\$419K**FY2025 INVESTMENT**

Audited public safety expenditure

20+**ENGAGEMENTS PER
QUARTER**

Per the unit's most recent quarterly report

The most effective public safety investment is a relationship — built one school visit, one engagement, one front porch at a time.

Accounting, made simple.

Audited figures for the fiscal year ended September 30, 2025 — the complete audited statements are attached as Exhibit A.

Where it came from — \$11.54M

City tax increment	\$5.10M
County tax increment	\$5.86M
Investment earnings	\$0.58M
Other	\$0.01M

Where it went — \$7.23M

Capital projects	\$2.28M
Economic development	\$2.24M
Debt service	\$1.87M
Community policing	\$0.42M
Culture & recreation	\$0.41M
General government	\$0.01M

The remaining **\$4.31 million** was added to the CRA's project reserves, bringing the year-end fund balance to **\$17.15 million** — every dollar restricted by law to redevelopment inside the districts, and already committed to the projects on pages 9–10 and future debt reduction under Section 163.387(7), Florida Statutes. The CRA also reduced its long-term debt to **\$12.4 million**, on schedule to retire in 2031.



Clean audit. The CRA's independent auditors issued an unmodified opinion on the FY2025 financial statements (April 29, 2026), conducted under Government Auditing Standards. Audited statements: Exhibit A and hainescity-cra.com/resources.

Statutory reporting.

Performance data reported pursuant to Section 163.371(2)(b), Florida Statutes, for the 2025 reporting year.

PROJECTS COMPLETED DURING THE REPORTING PERIOD	CATEGORY	EST. COST
Boomerang Park All-Inclusive Playground & shade structures	Parks & Recreation	\$480,000
Marquee Sign — Hinson Avenue	Infrastructure	\$62,500
Janet Jolly Smith Aquatic Heater & Chiller	Community Facilities	\$75,000

MAJOR PROJECTS STARTED OR COMMITTED DURING FY2025	DISTRICT	EST. COST
Myers Wiley Field & 7-Acre Field turfing	328	\$2,600,000
Johnson Avenue passthrough construction	328	\$1,250,000
Peninsular Drive sidewalk construction	328	\$725,000
Train Depot renovation	327	\$242,500
Downtown parking (Bowen site demolition)	327	\$80,000
Lake Eva Banquet Hall A/V upgrades	328	\$22,000

ADDITIONAL STATUTORY DATA	AMOUNT
Total expenditures from the redevelopment trust fund (audited)	\$7,230,675
Original (base year 2001) taxable value — District 327	\$10,947,110
Original (base year 2001) taxable value — District 328	\$170,233,292
Taxable value as of January 1, 2025 — District 327	\$37,231,563
Taxable value as of January 1, 2025 — District 328	\$960,232,543
Expended on affordable housing for low- and middle-income residents	\$0*

* No FY2025 expenditures met this statutory definition. The FY2026 adopted budget commits \$3.0M to the Residential Rehabilitation Grant Program for income-qualified homeowners, and the planned Stewart Commons development reserves upper-floor housing for low-to-moderate-income households.

Progress toward plan goals (§163.371(2)(c)): FY2025 advanced every objective of the Haines City Redevelopment Plan — downtown revitalization (Train Depot, parking, master plan), recreation (playgrounds, trails, splash pad), economic growth (record TIF revenue, business programs), connectivity (four sidewalk projects), sound administration (clean audit), and public safety (C.O.P.S. Unit). Year-end reserves were allocated 100% to statutory options (c) reduce future debt and (d) specific projects under §163.387(7) — nothing returned, everything reinvested.

FY2026: the boldest chapter yet.

The Board adopted a combined FY2026 budget of **\$12.1 million** — and pointed it at the projects residents asked for most.

CATALYTIC DEVELOPMENT

Stewart Commons — the MLK corridor, reborn

A new mixed-use development on Martin Luther King Jr. Way: street-level retail bays for small and minority-owned businesses, with modern, energy-efficient apartments for working families above. One blighted corner becomes a neighborhood anchor — walkable, welcoming, and built to last. FY2026 commitment: **\$2.8 million**.

\$3.0M

RESIDENTIAL REHABILITATION GRANT PROGRAM

The largest homeowner program in
CRA history

\$1.15M

DEVELOPMENT INCENTIVES

Partnering with private investment in
both districts

\$700K

COMMERCIAL GRANTS

Façade & structural rehab programs,
both districts

Add the projects already underway — the splash pad, playgrounds, trails, turf fields, Train Depot, and sidewalks — and FY2026 is set to touch more neighborhoods than any year before it. Follow along, project by project, at hainescity-cra.com/projects.

LEADERSHIP

Your CRA Board.

Seven community leaders — the five City Commissioners plus two Board-elected members who live or do business in the districts — guide every dollar and every project. Terms are staggered four years.

Omar Arroyo

CITY COMMISSIONER

Morris West

CITY COMMISSIONER

Anne Huffman

CITY COMMISSIONER

Vernel Smith

CITY COMMISSIONER

Kim Downing

CITY COMMISSIONER

Albertine Richard

BOARD-ELECTED
MEMBER

Ketorah Manuel

BOARD-ELECTED
MEMBER

James R. Elensky

EXECUTIVE DIRECTOR

Roster as of the date of this report.

**1st
Thursday**

Join us. CRA Board meetings are held the first Thursday of each month at 5:30 PM in the City Commission Chambers at City Hall. Every meeting is open to the public — your ideas shape what we build next.

The Board approves all budgets, programs, and projects in public session. Agendas, minutes, plans, and reports are available at hainescity-cra.com/resources.



Nurturing the Heart of Florida

Haines City Community Redevelopment Agency

303 Ledwith Avenue, Haines City, FL 33844

(863) 421-3600 ext. 3504 · CRainfo@hainescityfl.gov

hainescity-cra.com

Filed with the City of Haines City pursuant to §§163.356(3)(c) and 163.371(2), Florida Statutes, and published at hainescity-cra.com. Audited financial statements for the fiscal year ended September 30, 2025 are attached as Exhibit A. District boundary maps are published at hainescity-cra.com/map as required by §163.371(1), Florida Statutes.

EXHIBIT A

**HAINES CITY
COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Haines City, Florida)**

FINANCIAL STATEMENTS

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

THIS PAGE INTENTIONALLY LEFT BLANK.

HAINES CITY COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Haines City, Florida)
FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

TABLE OF CONTENTS

Page

FINANCIAL SECTION

Independent Auditor's Report.....	1-3
Management's Discussion and Analysis.....	4-8
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position.....	9
Statement of Activities	10
Fund Financial Statements – Governmental Funds	
Balance Sheet – General Fund	11
Reconciliation of Governmental Funds Balance Sheet to the	
Statement of Net Position	12
Statement of Revenues, Expenditures and Changes in Fund Balance –	
General Fund	13
Reconciliation of the Statement of Revenues, Expenditures and Changes in	
Fund Balance – General Fund to the Statement of Activities.....	14
Statement of Revenues, Expenditures and Changes in Fund Balance –	
Budget (GAAP Basis) and Actual – General Fund	15
Notes to Financial Statements	16-23

OTHER REPORTS

Independent Auditor's Report on Internal Control Over Financial Reporting and on	
Compliance and Other Matters Based on an Audit of Financial Statements	
Performed in Accordance with <i>Government Auditing Standards</i>	24 and 25
Schedule of Findings and Responses	26
Summary Schedule of Prior Year Findings	27
Independent Auditor's Management Letter.....	28-30
Independent Accountant's Report – Investment Compliance.....	31

THIS PAGE INTENTIONALLY LEFT BLANK.

FINANCIAL SECTION

THIS PAGE INTENTIONALLY LEFT BLANK.



Independent Auditor's Report

**Board of Directors and Executive Director
Haines City Community Redevelopment Agency
Haines City, Florida**

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and major fund (the "General Fund") of the Haines City Community Redevelopment Agency (the "CRA"), (a component unit of the City of Haines City, Florida), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the CRA's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major 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 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 generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the CRA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the CRA's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 8 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 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 April 29, 2026, on our consideration of the CRA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the CRA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering CRA's internal control over financial reporting and compliance.



Bradenton, Florida
April 29, 2026

THIS PAGE INTENTIONALLY LEFT BLANK.

HAINES CITY COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Haines City, Florida)
FOR THE YEAR ENDED SEPTEMBER 30, 2025
MANAGEMENT’S DISCUSSION AND ANALYSIS

This section of the report presents our discussion and analysis of the performance of the Haines City Community Redevelopment Agency (the “CRA”) during the year ended September 30, 2025. Please read it in conjunction with the CRA’s financial statements, which follow this section.

Financial Highlights

- The assets of the CRA exceeded its liabilities at the close of the most recent fiscal year by \$22,839,371 (net position). Of this amount, \$16,699,038 was reflected as restricted for community redevelopment.
- The CRA’s total net position increased by \$5,624,446 over the course of this year’s operations primarily caused by less than anticipated spending in redevelopment programs.
- The CRA’s General Fund reported an ending fund balance of \$17,147,317, an increase of \$4,307,571 from the prior period which resulted from excess revenues over expenditures.
 - Of this amount, \$16,356,115 is designated for District 328 and \$791,202 is designated for District 327.
- The Haines City CRA achieved a 10.85% increase in Tax Increment Financing Revenues over the prior fiscal year which is primarily driven by new development activity and rising property values within the redevelopment area.

Overview of the Financial Statements

The financial section of this annual report consists of two parts: (1) management’s discussion and analysis (this section), and (2) the basic financial statements.

Basic Financial Statements

Government-wide financial statements. The focus of the *government-wide financial statements* is on the overall financial position and activities of the CRA. Reporting is similar to that of a private-sector business. The government-wide financial statements report information about the CRA as a whole and about its activities in a way that helps answer questions about the financial health of the CRA and whether the activities of the year contributed positively or negatively to that health.

The government-wide financial statements include the statement of net position and statement of activities.

The *statement of net position* presents information on the assets held and liabilities owed by the CRA, both long- and short-term. Assets are reported when acquired and liabilities are reported when they are incurred, regardless of the timing of the related cash flows to acquire these assets or liquidate such liabilities. For example, the CRA reports buildings and infrastructure as assets, even though they are not available to pay the obligations incurred by the CRA. On the other hand, the CRA reports liabilities, even though these liabilities might not be paid until several years into the future.

HAINES CITY COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Haines City, Florida)
FOR THE YEAR ENDED SEPTEMBER 30, 2025
MANAGEMENT'S DISCUSSION AND ANALYSIS

The difference between the CRA's total assets and total liabilities is *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. Although the purpose of the CRA is not to accumulate net position in general, as this amount increases, it indicates that the financial position of the CRA is improving over time.

The *statement of activities* presents the revenues and expenses of the CRA. The items presented on the statement of activities are measured in a manner like the approach used in the private sector in that revenues are recognized when earned and expenses are reported when incurred. Accordingly, revenues are reported even when they may not be collected for several months after the end of the accounting period and expenses are recorded even though they may not have used cash during the current period.

Both of the government-wide financial statements distinguish functions of the CRA that are principally supported by taxes and intergovernmental revenue (governmental activities). The governmental activities of the CRA are mainly economic environment activities.

Fund financial statements. The focus of fund financial statements is directed to specific activities of the CRA. The CRA, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental fund. The CRA has only one governmental fund, a General Fund. Financial statements consist of a balance sheet and a statement of revenue, expenditures, and change in fund balance. These statements are prepared on an accounting basis that is significantly different from that used to prepare the government-wide financial statements.

In general, these financial statements have a short-term emphasis and, for the most part, measure and account for cash and other assets that can easily be converted to cash. For example, amounts reported on the balance sheet include items such as cash and receivables but do not include capital assets such as land and buildings. The difference between a fund's total assets and total liabilities is the fund balance, and generally indicates the amount that can be used to finance the next fiscal year's activities. The operating statement for governmental funds reports only those revenues that were collected during the current period or very shortly after the end of the year. Expenditures are generally recorded when incurred.

For the most part, the balances and activities accounted for in governmental funds are also reported in the governmental activities columns of the government-wide financial statements. However, because different accounting bases are used to prepare governmental fund financial statements and government-wide financial statements, there are often significant differences between the totals presented. For this reason, there is an analysis after the governmental fund balance sheet that reconciles the total fund balance for the governmental fund to the amount of net position presented in the governmental activities column on the Statement of Net Position. Also, there is an analysis after the statement of revenue, expenditures, and changes in fund balance that reconciles the total change in fund balance for the General Fund to the change in net position as reported in the governmental activities column in the statement of activities.

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

HAINES CITY COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Haines City, Florida)
FOR THE YEAR ENDED SEPTEMBER 30, 2025
MANAGEMENT'S DISCUSSION AND ANALYSIS

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

	2025	2024	Change
Current and other assets	\$ 17,377,920	\$ 12,994,402	\$ 4,383,518
Capital assets	18,238,158	18,404,099	(165,941)
Total assets	<u>\$ 35,616,078</u>	<u>\$ 31,398,501</u>	<u>\$ 4,217,577</u>
Long-term liabilities	\$ 10,873,196	\$ 12,397,825	\$ (1,524,629)
Other liabilities	1,903,511	1,785,751	117,760
Total liabilities	<u>\$ 12,776,707</u>	<u>\$ 14,183,576</u>	<u>\$ (1,406,869)</u>
Net investment in capital assets	\$ 5,840,333	\$ 4,524,376	\$ 1,315,957
Restricted	16,999,038	12,690,549	4,308,489
Total net position	<u>\$ 22,839,371</u>	<u>\$ 17,214,925</u>	<u>\$ 5,624,446</u>

As noted earlier, net position may serve, over time, as a useful indication of the CRA's financial position. At the close of the most recent fiscal year, the CRA's assets exceeded its liabilities by \$22,839,371.

The CRA's total net position is divided between restricted, at 74.4%, representing resources that are available for spending and net investment in capital assets at 25.6%. Net investment in capital assets reflects the CRA's investment in capital assets reduced by the amount of outstanding related liabilities used to acquire or construct these assets. Although the capital assets are shown net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the assets themselves cannot be used to liquidate these liabilities.

HAINES CITY COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Haines City, 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		
	<u>2025</u>	<u>2024</u>	<u>Change</u>
Revenues			
Program revenues			
Operating grants and contributions	\$ 6,988	\$ 34,813	\$ (27,825)
General revenues			
Property tax assessments	5,097,834	4,463,872	633,962
Intergovernmental	5,856,514	5,199,195	657,319
Miscellaneous income	576,910	711,096	(134,186)
Total revenues	<u>11,538,246</u>	<u>10,408,976</u>	<u>1,129,270</u>
Expenses			
General government	10,517	-	10,517
Public safety	419,275	66,076	353,199
Culture and recreation	1,721,092	394,629	1,326,463
Economic environment	2,776,972	2,836,248	(59,276)
Interest and other fiscal charges	985,944	1,286,718	(300,774)
Total expenses	<u>5,913,800</u>	<u>4,583,671</u>	<u>1,330,129</u>
Change in net position	5,624,446	5,825,305	(200,859)
Beginning net position	<u>17,214,925</u>	<u>11,389,620</u>	<u>5,825,305</u>
Ending net position	<u>\$ 22,839,371</u>	<u>\$ 17,214,925</u>	<u>\$ 5,624,446</u>

Governmental Activities

Governmental activities increased the CRA's net position by \$5,624,446 caused by the increased tax base revenue and lower expenditures.

Financial Analysis of the CRA General Fund

As noted earlier, the CRA uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the CRA's *General Fund* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the CRA's financing requirements. In particular, the *fund balance* at year-end provides the resources available for spending.

Budgetary Highlights

The difference between the CRA's original budget and the final amended budget is solely due to reappropriated fund balance for projects that were not completed by September 30, 2025.

HAINES CITY COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Haines City, Florida)
FOR THE YEAR ENDED SEPTEMBER 30, 2025
MANAGEMENT'S DISCUSSION AND ANALYSIS

Capital Assets and Long-Term Liabilities

Capital assets. As of September 30, 2025 and 2024, the CRA had \$18,238,158 and \$18,404,099, respectively, invested in a variety of capital assets, as reflected in the following schedule:

Capital Assets (Net of Accumulated Depreciation)

	2025	2024	Change
Land	\$ 953,885	\$ 825,703	\$ 128,182
Construction in progress	366,613	234,392	132,221
Buildings and improvements	12,815,293	12,730,767	84,526
Equipment	342,043	434,216	(92,173)
Infrastructure	3,760,324	4,179,021	(418,697)
	<u>\$ 18,238,158</u>	<u>\$ 18,404,099</u>	<u>\$ (165,941)</u>

Long-term liabilities. As of year-end, the CRA had \$12,397,825 in long-term debt, which consist of two notes with maturities extending through fiscal year 2031 and a copier lease.

The debt position of the CRA is summarized below. Additional information can be found in Note 5 Long-Term Liabilities:

	2025	2024	Change
CenterState Bank Loans Payable	\$ 12,395,482	\$ 13,873,946	\$ (1,478,464)
Lease Liability	2,343	5,777	(3,434)
	<u>\$ 12,397,825</u>	<u>\$ 13,879,723</u>	<u>\$ (1,481,898)</u>

Request for Information

This financial report is designed to provide residents, taxpayers, customers and creditors with a general overview of the CRA's finances and to demonstrate the CRA's accountability. For questions concerning the information in this report or requests for additional financial information, contact the City's Chief Financial Officer at 620 East Main Street, Haines City, Florida 33844.

THIS PAGE INTENTIONALLY LEFT BLANK.

HAINES CITY COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Haines City, Florida)
STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

	<u>Governmental Activities</u>
ASSETS	
Cash	\$ 17,377,870
Accounts receivable	50
Capital assets, nondepreciable	1,320,498
Capital assets, depreciable, net of accumulated depreciation	<u>16,917,660</u>
Total assets	<u>35,616,078</u>
LIABILITIES	
Current liabilities	
Accounts payable and accrued liabilities	230,603
Accrued interest	148,279
Noncurrent liabilities	
Due within one year	1,524,629
Due in more than one year	<u>10,873,196</u>
Total liabilities	<u>12,776,707</u>
NET POSITION	
Net investment in capital assets	5,840,333
Restricted	<u>16,999,038</u>
Total net position	<u>\$ 22,839,371</u>

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

HAINES CITY COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Haines City, 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 Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities					
General government	\$ 10,517	\$ -	\$ -	\$ -	\$ (10,517)
Public safety	419,275	-	-	-	(419,275)
Culture and recreation	1,721,092	-	-	-	(1,721,092)
Economic environment	3,376,536	-	6,988	-	(3,369,548)
Interest and other fiscal charges	386,380	-	-	-	(386,380)
Total governmental activities	<u>\$ 5,913,800</u>	<u>\$ -</u>	<u>\$ 6,988</u>	<u>\$ -</u>	<u>(5,906,812)</u>
General revenues					
Property taxes					5,097,834
Intergovernmental revenue (not restricted to specific programs)					5,856,514
Unrestricted investment earnings					<u>576,910</u>
Total general revenues					<u>11,531,258</u>
Change in net position					5,624,446
Net position, beginning					<u>17,214,925</u>
Net position, ending					<u>\$ 22,839,371</u>

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

HAINES CITY COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Haines City, Florida)
BALANCE SHEET
GENERAL FUND
SEPTEMBER 30, 2025

ASSETS	
Cash	\$ 17,377,870
Accounts receivable	50
Total assets	<u>\$ 17,377,920</u>
LIABILITIES AND FUND BALANCE	
LIABILITIES	
Accounts payable and accrued liabilities	\$ 230,603
Total liabilities	<u>230,603</u>
FUND BALANCE	
Restricted for:	
Community redevelopment	<u>17,147,317</u>
Total fund balance	<u>17,147,317</u>
Total liabilities and fund balance	<u>\$ 17,377,920</u>

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

HAINES CITY COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Haines City, Florida)
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

Total fund balance, General Fund	\$	17,147,317
----------------------------------	----	------------

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the General Fund.

Capital assets	\$ 40,977,858		
Less accumulated depreciation	<u>(22,739,700)</u>		18,238,158

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

CenterState Bank Loan, Series 2014	(736,560)		
CenterState Bank Loan, Series 2016 Refunding	(11,658,922)		
Lease liability	(2,343)		
Accrued interest expense	<u>(148,279)</u>		<u>(12,546,104)</u>

Total net position, governmental activities	\$	<u><u>22,839,371</u></u>
---	----	--------------------------

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

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

REVENUES

Property taxes	\$ 5,097,834
Intergovernmental - tax increment financing	5,856,514
Investment earnings	576,910
Other revenues	6,988
Total revenues	<u>11,538,246</u>

EXPENDITURES

Current	
General government	10,517
Public safety	419,275
Culture and recreation	408,735
Economic environment	2,240,498
Debt service	
Principal	1,481,898
Interest	387,298
Capital outlay	2,282,454
Total expenditures	<u>7,230,675</u>

Net change in fund balance	4,307,571
----------------------------	-----------

Fund balance, beginning	<u>12,839,746</u>
--------------------------------	-------------------

Fund balance, ending	<u><u>\$ 17,147,317</u></u>
-----------------------------	-----------------------------

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

HAINES CITY COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Haines City, 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	\$	4,307,571
--	----	-----------

The General Fund reports capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays in the current period.

Capital outlay	\$	1,480,162	
Depreciation expense		<u>(1,646,103)</u>	(165,941)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

Principal payments		<u>1,481,898</u>	1,481,898
--------------------	--	------------------	-----------

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are used. The net change associated with these expenses/expenditures is as follows:

Accrued interest		<u>918</u>
Change in net position of governmental activities	\$	<u><u>5,624,446</u></u>

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

HAINES CITY COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Haines City, 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

	Original Budget	Final Budget	Actual Amount	Variance With Final Budget
Revenues				
Property taxes	\$ 5,140,000	\$ 5,140,000	\$ 5,097,834	\$ (42,166)
Intergovernmental - tax increment financing	5,855,000	5,855,000	5,856,514	1,514
Investment earnings	425,000	425,000	576,910	151,910
Other revenues	282,535	5,379,860	6,988	(5,372,872)
Total revenues	<u>11,702,535</u>	<u>16,799,860</u>	<u>11,538,246</u>	<u>(5,261,614)</u>
Expenditures				
Current				
General government	185,000	185,000	10,517	174,483
Public safety	338,000	338,000	419,275	(81,275)
Culture and recreation	511,625	511,625	408,735	102,890
Economic environment	5,237,550	5,237,550	2,240,498	2,997,052
Debt service				
Principal	1,981,208	1,981,208	1,481,898	499,310
Interest	511,152	511,152	387,298	123,854
Capital outlay	2,938,000	8,035,325	2,282,454	5,752,871
Total expenditures	<u>11,702,535</u>	<u>16,799,860</u>	<u>7,230,675</u>	<u>9,569,185</u>
Net change in fund balance	-	-	4,307,571	4,307,571
Fund balances, beginning	<u>12,839,746</u>	<u>12,839,746</u>	<u>12,839,746</u>	<u>-</u>
Fund balances, ending	<u>\$ 12,839,746</u>	<u>\$ 12,839,746</u>	<u>\$ 17,147,317</u>	<u>\$ 4,307,571</u>

THIS PAGE INTENTIONALLY LEFT BLANK.

HAINES CITY COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Haines City, Florida)

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

The Community Redevelopment Agency (the “CRA”) was created on April 4, 1991, by Resolution No. 558 under Section 163.356, Florida Statutes. Its sole purpose is to finance and redevelop the City of Haines City, Florida’s (the “City”) designated redevelopment areas. The CRA is governed by a seven member Board; five members are the City Commission members and the other two are appointed by the City Commission.

The CRA was established in accordance with the Community Redevelopment Act of 1969. This state act allows municipalities to use increases in property tax revenue to finance the necessary public investments in the project area. In accordance with provisions of this act, the CRA developed and implemented a Community Redevelopment Plan to remove the conditions of slum and blight that existed within the City's core and the adjacent residential areas.

Funding for redevelopment and restoration projects that are essential for the reduction of slum and blight and the stimulation of private sector revitalization efforts is provided primarily from the tax increment generated by the increased valuation of properties within the community redevelopment area. Increases in property tax revenue above the baseline assessment that was established upon adoption of the Community Redevelopment Plan is set aside in the Community Redevelopment Trust Fund and can be utilized only for projects identified in the plan.

The CRA is a separate entity from the City. However, the City Commission of the City of Haines City serves substantially as the CRA Board and performs the legislative functions, governing duties and corporate responsibilities of the agency. The City Manager serves as the executive director of the agency, performs the administrative duties and oversees the day to day operations of the agency. Several City departments, including Community Services, Developmental Services, Finance, and Engineering, provide assistance in planning and implementing project activities that are designed to revitalize and restore the identified blighted areas.

B. Government-Wide and Fund Financial Statements

The basic financial statements consist of the government-wide financial statements and fund financial statements.

The government-wide financial statements include a statement of net position and a statement of activities. These statements report on the CRA as a whole and provide a complete financial picture of the CRA.

The government-wide statement of net position reports all financial and capital resources of the CRA’s governmental activities. Governmental activities are those supported by taxes and intergovernmental revenue. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Although there were none, program revenues include charges for services that are recovered directly from customers for services rendered. Taxes and other items not properly included among program revenues are reported instead as general revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Since the CRA fund financial statements are presented on a different measurement focus and basis of accounting than the government-wide financial statements, reconciliations are provided that briefly explain the adjustments necessary to reconcile the governmental fund financial statements to the government-wide governmental activities financial statements.

HAINES CITY COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Haines City, Florida)

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses reported when a liability is incurred, regardless of the timing of related cash flows. Tax increment financing from property taxes are recognized as revenue in the year when levied.

The governmental fund financial statements (the “General Fund”) are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are generally recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the CRA considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

D. Deposits

The CRA considers cash on hand, cash with fiscal agents, and overnight investments with original maturities of less than three months to be cash and cash equivalents. The CRA pools its cash balances with the City.

E. Receivables

Receivables consist of trade receivables and amounts due from other governments and are recorded net of any allowance for uncollectible amounts, if applicable.

Activity between the CRA and the City that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year (if any) are reported as “advances to/from other funds.” All other outstanding balances between the CRA and City (if any) are reported as “due to/from other funds.”

F. Capital Assets

Capital assets, including land, buildings and improvements, infrastructure, intangibles, and vehicles and equipment, are reported in the government-wide financial statements. Capital assets are those that have a useful life of greater than one year and a value of greater than \$5,000. Capital assets are stated at cost in the government-wide financial statements. Donated capital assets are stated at acquisition cost on the date contributed. Depreciation is recorded in the government-wide statements as an operating expense for all assets meeting the CRA’s capitalization threshold. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized but are expensed as incurred. Depreciation is provided over estimated useful lives using the straight-line method. Estimated useful lives are as follows:

Buildings and improvements	5-40 years
Equipment and right-to-use leased assets	5-10 years
Infrastructure	10-25 years

HAINES CITY COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Haines City, Florida)

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Long-Term Obligations

In the government-wide financial statements, long-term obligations are reported as liabilities in the statement of net position.

H. Leases

Lessee: The CRA is a lessee for noncancellable leases of equipment and recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements. The CRA recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the CRA initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life (five years).

Key estimates and judgments related to leases include how the CRA determines: (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments:

- The CRA uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the CRA generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the CRA is reasonably certain to exercise.

The CRA monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

I. Fund Balance/Net Position

In the fund financial statements, the General Fund reports fund classifications that comprise a hierarchy based primarily on the extent to which the CRA is bound to honor constraints imposed on the use of resources reported. Amounts that are restricted to specific purposes either by: (a) constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation are classified as restricted fund balances. Amounts that can only be used for specific purposes pursuant to constraints imposed by the Board of Directors through a resolution are classified as committed fund balances. These constraints remain binding unless removed or changed in the same manner employed to commit those resources by resolution. Amounts that are constrained by the CRA's intent to be used for specific purposes, however, are neither restricted, nor committed are classified as assigned fund balances. Assignments are approved by the Executive Director.

HAINES CITY COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Haines City, Florida)

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Fund Balance/Net Position (Continued)

Non-spendable fund balances include amounts that cannot be spent because they are either: (a) not in spendable form, or (b) legally or contractually required to be maintained intact. Unassigned fund balance represents an amount that has not been restricted, committed, or assigned to specific purposes within the General Fund. When both restricted and unrestricted fund balances are available for use, it is the CRA's policy to use restricted fund balance first, then unrestricted fund balance. Furthermore, committed fund balances are reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

Net position of the government-wide financial statements are categorized as net investment in capital assets, restricted or unrestricted. The first category represents capital assets net of accumulated depreciation, less outstanding debt related to the acquisition or construction of the capital assets.

The restricted category, if any, represents the balance of assets restricted by requirements of revenue bonds and other externally imposed constraints or by legislation. Unrestricted net position represents resources that are available for spending.

J. Budgetary Data

On or before September 1 of each year, the City Manager submits to the City Commission a proposed operating budget for the fiscal year commencing October 1. A public hearing is conducted at City Hall to obtain taxpayer comments. Prior to October 1, the budget is legally enacted through passage of an ordinance.

As set forth in the City Charter, the CRA Board legally adopts an annual budget for the General Fund. The annual budget for the General Fund is prepared in accordance with GAAP for governmental fund types (modified accrual basis). All annual appropriations lapse at fiscal year-end.

Budgetary control is legally maintained at the fund level. City and CRA policy requires that expenditures do not exceed budgeted appropriations at the department level. Department heads are permitted to transfer appropriations between line items within their department, with the approval of the Finance Director and City Manager. Appropriations may be transferred between departments with the approval of the Finance Director and City Manager. The City Commission approves budget amendments for expenditures/expenses which are funded by new or increased revenue sources through passage of an ordinance. All outstanding commitments at fiscal year-end are re-appropriated at fiscal year-end as part of the following year's budget.

K. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and deferred outflows of resources, and liabilities and deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from those estimates.

L. Risk Management

The CRA is insured, through the City's self-insurance program, for general liability, health, directors and officers, and property damage. There are no outstanding general liability claims related to the CRA.

HAINES CITY COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Haines City, Florida)

NOTES TO FINANCIAL STATEMENTS

NOTE 2 – TAX INCREMENT REVENUE

The primary source of revenue is tax increment funds received through the City of Haines City and Polk County. The revenue from the City is treated as property taxes, while the remainder is recorded as intergovernmental revenue – tax increment financing.

NOTE 3 – DEPOSITS AND INVESTMENTS

At September 30, 2025, the bank balances of the CRA's deposits was \$12,994,352. All of the CRA's public deposits are held in qualified public depositories pursuant to Florida Statutes, Chapter 280, *Florida Security for Public Deposits Act*. Under the Act, all qualified public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits, times the depository's collateral pledging level. The pledging level may vary depending upon the depository's financial condition and establishment period. All collateral must be deposited with an approved financial institution. Any losses to public depositors are covered by applicable deposit insurance, sale of securities pledged as collateral and, if necessary, assessments against other qualified public depositories of the same type as the depository in default. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof.

NOTE 4 – CAPITAL ASSETS

The following is a summary of capital asset activity for the year ended September 30, 2025:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated				
Land	\$ 825,703	\$ 128,182	\$ -	\$ 953,885
Construction in progress	234,392	1,349,926	(1,217,705)	366,613
Total capital assets not being depreciated	<u>1,060,095</u>	<u>1,478,108</u>	<u>(1,217,705)</u>	<u>1,320,498</u>
Capital assets, being depreciated				
Buildings and improvements	27,767,860	1,217,705	-	28,985,565
Equipment and right-to-use leased assets	796,235	2,054	(1,266)	797,023
Infrastructure	9,874,772	-	-	9,874,772
Total capital assets being depreciated	<u>38,438,867</u>	<u>1,219,759</u>	<u>(1,266)</u>	<u>39,657,360</u>
Less accumulated depreciation for				
Buildings and improvements	(15,037,093)	(1,133,179)	-	(16,170,272)
Equipment and right-to-use leased assets	(362,019)	(94,227)	1,266	(454,980)
Infrastructure	(5,695,751)	(418,697)	-	(6,114,448)
Total accumulated depreciation	<u>(21,094,863)</u>	<u>(1,646,103)</u>	<u>1,266</u>	<u>(22,739,700)</u>
Total capital assets being depreciated, net	<u>17,344,004</u>	<u>(426,344)</u>	<u>-</u>	<u>16,917,660</u>
Capital assets, net	<u>\$ 18,404,099</u>	<u>\$ 1,051,764</u>	<u>\$ (1,217,705)</u>	<u>\$ 18,238,158</u>

Depreciation expense in the amount of \$1,312,357 was charged to culture and recreation and \$333,746 was charged to the economic environment function for the year ended September 30, 2025.

HAINES CITY COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Haines City, Florida)

NOTES TO FINANCIAL STATEMENTS

NOTE 5 – LONG-TERM LIABILITIES

Summarized below is the CRA's debt issued to finance the acquisition and construction of major capital facilities that is outstanding as of September 30, 2025:

Governmental activities debt (direct borrowings)

\$4,636,000 total loan payable, 44% of which is payable by the CRA (\$872,520 in principal remaining at September 30, 2025), CenterState Bank–Funds borrowed during fiscal year 2016 to refund two previous notes with Municipal Loan Council. Annual payments will be made over a 15 year period, including interest at 2.70%.

\$24,109,000 loan payable, approximately 90% of which is payable by the CRA (\$13,001,426 in principal remaining at September 30, 2025), CenterState Bank–Funds borrowed during fiscal year 2017 to refund \$2,725,000 of the Police Station Loan from the Florida Municipal Loan Council and \$21,780,000 of the CRA projects loan from the Florida Municipal Loan Council. Semi-annual payments will be made over a 17 year period, including interest at 2.95%.

The CRA has entered into a lease agreement for usage of copier equipment. This agreement has been recorded at the present value of their future minimum lease payments as of the inception date. This agreement carries an interest rate of 2.73% and is payable through 2026.

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>					
Direct Borrowings:					
CenterState Bank Loan, Series 2014	\$ 872,520	\$ -	\$ (135,960)	\$ 736,560	\$ 139,480
CenterState Bank Loan, Series 2016 Refunding	13,001,426	-	(1,342,504)	11,658,922	1,382,806
Lease liability	5,777	-	(3,434)	2,343	2,343
Total governmental activities					
long-term liabilities	<u>\$ 13,879,723</u>	<u>\$ -</u>	<u>\$ (1,481,898)</u>	<u>\$ 12,397,825</u>	<u>\$ 1,524,629</u>

A summary of annual debt service requirements as of September 30, 2025 is as follows:

Fiscal Year	Notes Payable and Lease Liability from		
	Direct Borrowings		
<u>Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 1,524,629	\$ 343,453	\$ 1,868,082
2027	1,567,444	298,262	1,865,706
2028	1,611,266	251,787	1,863,053
2029	1,663,133	203,922	1,867,055
2030	1,716,351	154,511	1,870,862
2031-2033	4,315,002	193,396	4,508,398
	<u>\$ 12,397,825</u>	<u>\$ 1,445,331</u>	<u>\$ 13,843,156</u>

HAINES CITY COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Haines City, Florida)

NOTES TO FINANCIAL STATEMENTS

NOTE 6 – DEPOSITS AND WITHDRAWALS

Pursuant to Florida Statue 163.387, listed below is a summary of the activity and available funding for future projects of the CRA funds at year end:

	<u>Revenues</u>	<u>Expenditures</u>
Source of Revenues		
Ad valorem taxes	\$ 5,097,834	\$ -
Intergovernmental	5,856,514	-
Interest	576,910	-
Other revenues	6,988	-
Purpose of Expenditures		
Public safety	-	419,275
Economic environment	-	408,735
Culture and recreation	-	2,240,498
Capital outlay	-	2,282,454
Debt service	-	1,869,196
	<u>\$ 11,538,246</u>	<u>\$ 7,230,675</u>
Fund available for projects at September 30, 2024:		12,839,746
Total funds available for future projects at September 30, 2025:		<u>\$ 17,147,317</u>

Florida Statute 163.387 Excess Reserve Allocation Summary as of September 30, 2025

<u>Fiscal Year</u>	<u>District 328</u>	<u>District 327</u>	<u>Total</u>
2022	\$ 5,787,528	\$ -	\$ 5,787,528
2023	1,383,295	204,535	1,587,830
2024	5,205,618	258,770	5,464,388
2025	3,979,674	327,897	4,307,571
Total	<u>\$ 16,356,115</u>	<u>\$ 791,202</u>	<u>\$ 17,147,317</u>
Statute Option (c) Reduce Future Debt	\$ 7,416,265	\$ 6,202	\$ 7,422,467
Statute Option (d) Specific Projects	8,939,850	785,000	9,724,850
	<u>\$ 16,356,115</u>	<u>\$ 791,202</u>	<u>\$ 17,147,317</u>

NOTE 7 – 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.

HAINES CITY COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Haines City, Florida)

NOTES TO FINANCIAL STATEMENTS

NOTE 8 – RISK MANAGEMENT

The CRA is exposed to various risks of loss, including general liability, personal injury, workers compensation, and errors and omissions. To manage its risks, the CRA has purchased commercial insurance.

NOTE 9 – SUBSEQUENT EVENTS

The CRA has evaluated all subsequent events through April 29, 2026 the date the financial statements were available to be issued.

OTHER REPORTS

THIS PAGE INTENTIONALLY LEFT BLANK.



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 and Executive Director
Haines City Community Redevelopment Agency
Haines City, 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 Haines City Community Redevelopment Agency (the "CRA"), (a component unit of the City of Haines City, 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 29, 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.

Mauldin & Jenkins, LLC

Bradenton, Florida
April 29, 2026

Haines City Community Redevelopment Agency
(A Component Unit of the City of Haines City, Florida)

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:
Material weaknesses identified?

☐ Yes ☒ No

Significant deficiencies identified not considered
to be material weaknesses?

☐ Yes ☒ None reported

Noncompliance material to financial statements noted?

☐ Yes ☒ No

Federal Awards and State Financial Assistance Projects

The Haines City Community Redevelopment Agency did not expend \$1,000,000 in federal funds or \$750,000 in state funds during its fiscal year ended September 30, 2025.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

None reported.

Haines City Community Redevelopment Agency
(A Component Unit of the City of Haines City, Florida)

**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025**

None.



Independent Auditor's Management Letter

**Board of Directors and Executive Director
Haines City Community Redevelopment Agency
Haines City, Florida**

Report on the Financial Statements

We have audited the financial statements of the Haines City Community Redevelopment Agency (the "CRA"), (a component unit of the City of Haines City, Florida) as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated April 29, 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 Standard* 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 29, 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 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.

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.

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. There were ten employees compensated in the last pay period of the CRA's fiscal year.
- b. There was one independent contractors to whom nonemployee compensation was paid in the last month of the CRA's fiscal.
- c. There was \$26,243 compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency.
- d. There was \$49,800 in compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency.
- e. There were six construction projects with a total cost of at least \$65,000 approved by the CRA that began 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, has been presented on page 15 of this report.

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 29, 2026

THIS PAGE INTENTIONALLY LEFT BLANK.



Independent Accountant's Report

**Board of Directors and Executive Director
Haines City Community Redevelopment Agency
Haines City, Florida**

We have examined the Haines City Community Redevelopment Agency (the "CRA"), (a component unit of the City of Haines City, 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 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 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.

Mauldin & Jenkins, LLC

Bradenton, Florida
April 29, 2026

THIS PAGE INTENTIONALLY LEFT BLANK.