

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



Annual Financial Report

Year Ended September 30, 2025

CLEARWATER COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Clearwater, Florida)

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

Bruce Rector
Chair

David Allbritton
Trustee

Ryan Cotton
Trustee

Mike Mannino
Trustee

Lina Teixeira
Trustee

Jesus Niño
CRA Executive Director

PREPARED BY:

CITY OF CLEARWATER FINANCE DEPARTMENT

CLEARWATER COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Clearwater, Florida)

ANNUAL FINANCIAL REPORT

YEAR ENDED SEPTEMBER 30, 2025

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Report of Independent Auditor

To the Honorable Chair and Trustees
Clearwater Community Redevelopment Agency

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Clearwater Community Redevelopment Agency (the "CRA"), a component unit of the City of Clearwater, 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 each major fund of the CRA as of September 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund and North Greenwood CRA 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 the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 9 to the financial statements, the governmental activities beginning net position has been restated to correct an error. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 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 May 8, 2026, on our consideration of the CRA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the CRA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the CRA's internal control over financial reporting and compliance.

Cherry Bekaert LLP

Tampa, Florida
May 8, 2026

Management's Discussion and Analysis

As management of the Clearwater Community Redevelopment Agency (CRA), we offer readers of the CRA's financial statements this narrative overview and analysis of the financial activities of the CRA for the fiscal year ended September 30, 2025, with comparisons to prior year performance. We encourage readers to consider the information presented here in conjunction with the statements and related notes contained in the Basic Financial Statements.

Financial Highlights

The assets of the Clearwater Community Redevelopment Agency exceeded its liabilities as of September 30, 2025, by \$32,975,449 (net position). Of this amount, \$6,933,004 is invested in capital assets and \$26,042,445 is restricted for community redevelopment activities.

The CRA's total net position increased by \$4,194,401 during the fiscal year ended September 30, 2025, versus an increase of \$7,192,807 in fiscal 2024, as restated. Expenses increased \$1,143,893 from the prior year, as restated; program revenues decreased \$2,288,270, as restated; and general revenues increased \$433,757, resulting in a decrease in the change in net position of \$2,998,406. The increase in general revenues is due to an increase in investment earnings of \$40,223 resulting from rising interest rates offset by decreased market value of the investment portfolio and corresponding unrealized losses in addition to \$158,465 allocated to ARPA-related project balances in fiscal 2025, as well as a loss in fiscal 2024 on the sale of property to Archway Clearwater Gardens for the construction of affordable housing in the amount of \$393,534.

Overview of Financial Statements

This discussion and analysis are intended to serve as an introduction to the Clearwater Community Redevelopment Agency's basic financial statements. The CRA's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-Wide Financial Statements

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

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

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes).

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 Clearwater Community Redevelopment Agency, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. CRA activities are accounted for in a general fund, a special revenue fund and two capital projects funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, 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. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Clearwater Community Redevelopment Agency adopts an annual appropriated budget for its general fund and special revenue fund. Budgetary comparison statements have been provided for the general fund and special revenue fund to demonstrate compliance with this requirement.

Notes to the Financial Statements

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

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Clearwater Community Redevelopment Agency, assets exceeded liabilities by \$32,975,449 at the close of the most recent fiscal year. The following table provides a summary of the CRA's net position:

Clearwater Community Redevelopment Agency
Net Position
September 30, 2024 and 2025

	Governmental Activities	
	2025	2024 (Restated)
ASSETS		
Current and other assets	\$ 26,593,479	\$ 22,292,564
Capital assets(net)	6,933,004	6,888,093
Total assets	33,526,483	29,180,657
LIABILITIES		
Current and other liabilities	551,034	399,609
Total liabilities	551,034	399,609
NET POSITION		
Net investment in capital assets	6,933,004	6,888,093
Restricted	26,042,445	21,892,955
Total net position	\$ 32,975,449	\$ 28,781,048

The following table provides a summary of the Clearwater Redevelopment Agency's changes in net position for the years ended September 30, 2025 and 2024:

**Clearwater Community Redevelopment Agency
Changes in Net Position
September 30, 2024 and 2025**

	Governmental Activities	
	2025	2024 (Restated)
REVENUES		
Program revenues:		
Charges for Services	\$ 87,309	\$ 84,358
Operating Grants and Contributions	7,489,034	9,442,337
Capital Grants and Contributions	12,500	350,418
General revenues:		
Investment earnings (loss)	966,439	926,216
Gain (loss) on sale of capital assets	-	(393,534)
Total revenues	<u>8,555,282</u>	<u>10,409,795</u>
EXPENSES		
Governmental activities:		
Economic Environment	<u>4,360,881</u>	<u>3,216,988</u>
Total expenses	<u>4,360,881</u>	<u>3,216,988</u>
Change in net position	<u>4,194,401</u>	<u>7,192,807</u>
Total net position - beginning	<u>28,781,048</u>	<u>21,588,241</u>
Total net position - ending	<u>\$ 32,975,449</u>	<u>\$ 28,781,048</u>

Governmental Activities

The increase in governmental activities net position in fiscal 2025 totaled \$4,194,401 as compared to an increase in net position of \$7,192,807 in fiscal 2024, as restated. Key elements of this change are as follows:

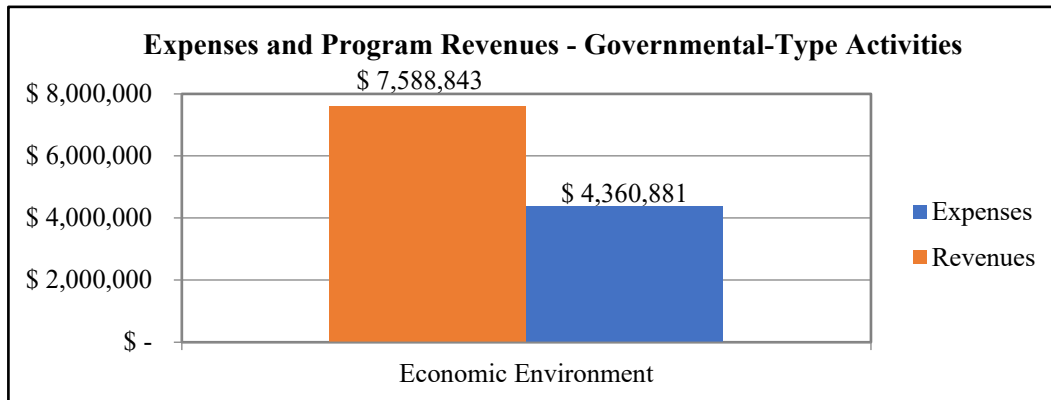
- Total expenses increased \$1,143,893 (35.6%) primarily due an increase of \$16 thousand in the payment to the Clearwater Downtown Development Board to return tax increment funding due to increased property values in the Downtown CRA; an increase of \$25 thousand in community policing services provided by the City of Clearwater; an increase of \$165 thousand in staffing and administrative services provided by the City of Clearwater to the CRA; a payment of \$671 thousand to Duke Energy for undergrounding existing distribution lines along Myrtle Avenue from Cleveland Street to Court Street; a payment of \$286 thousand to the City of Clearwater for impact fees generated by the redevelopment partnership at the former Harborview Center site; and an increase of \$1.1 million in various commercial and residential grant programs throughout the Downtown CRA and North Greenwood CRA; offset by a decrease of \$25 thousand in professional services due to a reduction in survey and appraisal fees, and a decrease of \$1.2 million in contributions to the City of Clearwater for the Cleveland Street project in fiscal 2024. Depreciation

expense increased \$21,538 over the prior year, as restated, due to the acquisition of depreciable assets in fiscal 2025.

- Total program revenues decreased \$2,288,270 (23.2%), due to a reduction in capital contributions of \$337,918 from the City of Clearwater for property acquisitions, and a \$3.0 million contribution received in fiscal 2024 from the City of Clearwater to fund and establish projects in the new North Greenwood CRA; offset by an increase in tax increment revenues in the amount of \$374,044 (6.1%) from Pinellas County, the City of Clearwater and the Clearwater Downtown Development Board as a result of increased property tax values in the Downtown CRA, an increase in tax increment revenues in the amount of \$494,795 (141.0%) from Pinellas County and the City of Clearwater for the North Greenwood CRA, an increase of \$2,951 (3.5%) from the Clearwater Downtown Development Board (DDB) for administrative services provided by CRA staff, a contribution of \$167,858 from the Pinellas Suncoast Transit Authority for a portion of the undergrounding costs paid to Duke Energy, and a contribution of \$10,000 from the City of Clearwater for public art at The Mercado.
- Total general revenues increased \$433,757 due to an increase in investment earnings of \$40,223 resulting from rising interest rates offset by decreased market value of the investment portfolio and corresponding unrealized losses as well as \$158,465 allocated to ARPA-related project balances in fiscal 2025, in addition to a loss of \$393,534 on the sale of property to Archway Clearwater Gardens, LLC in fiscal 2024 for the construction of affordable housing.

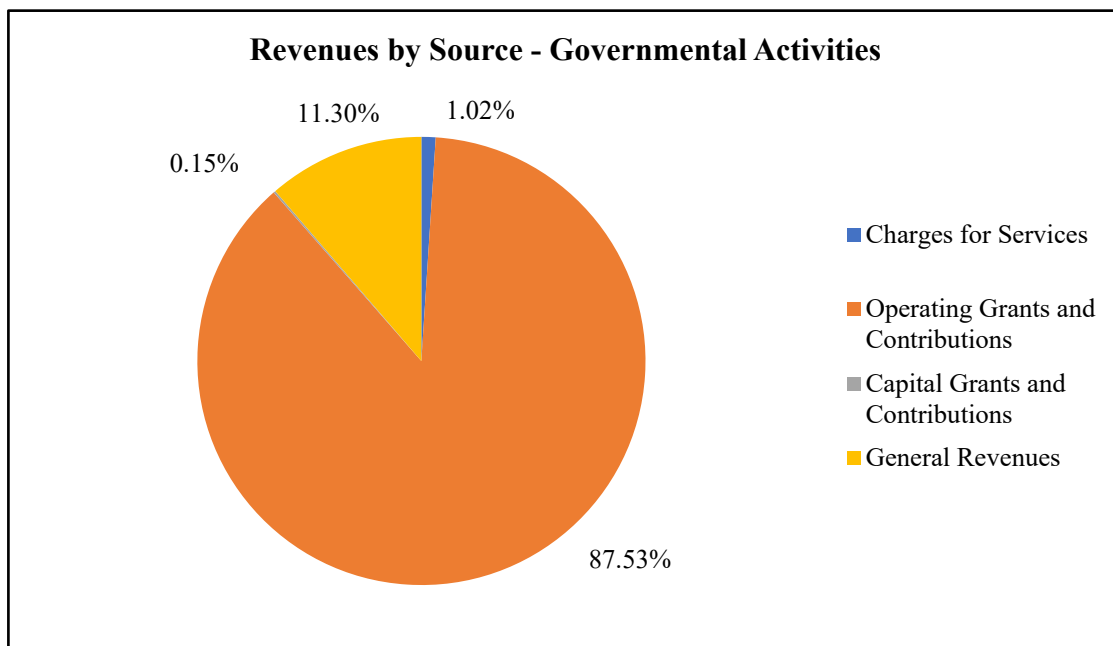
Expenses and Program Revenues - Governmental Activities

Functions/Programs	Expenses	% of Total	Program Revenues	% of Total	Net (Expense) Revenue
Economic Environment	\$ 4,360,881	100.00%	\$ 7,588,843	100.00%	\$ 3,227,962
Total	<u>\$ 4,360,881</u>	<u>100.00%</u>	<u>\$ 7,588,843</u>	<u>100.00%</u>	<u>\$ 3,227,962</u>



Revenues by Source - Governmental Activities

Revenues Source	Revenues	% of Total
Charges for Services	\$ 87,309	1.02%
Operating Grants and Contributions	7,489,034	87.53%
Capital Grants and Contributions	12,500	0.15%
General Revenues	966,439	11.30%
Total	<u>\$ 8,555,282</u>	<u>100.00%</u>



Financial Analysis of the Clearwater Community Redevelopment Agency's Funds

As noted earlier, the Clearwater Community Redevelopment Agency uses fund accounting to ensure and demonstrate compliance with finance related requirements.

Governmental Funds

The focus of the Clearwater Community Redevelopment Agency's governmental funds is to provide information on near term inflows, outflows, and balances of spendable resources of the Community

Redevelopment Agency. Such information is useful in assessing the CRA's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The CRA reports the General Fund, North Greenwood CRA Special Revenue Fund, Downtown CRA Capital Projects Fund and North Greenwood CRA Capital Projects Fund as major governmental funds.

As of the end of the current fiscal year, the CRA's general fund reported an ending fund balance of \$5,102,500, an increase of \$1,998,550 for fiscal 2025 in comparison with an increase of \$3,100,450 for the prior year. \$5,100,000 of this amount is offset by mortgage receivables on the Archway Clearwater Gardens and Indigo Apartments projects, and \$2,500 is restricted for encumbrances. Revenues increased \$223,891 (3.2%) due to an increase of \$374,044 (6.1%) in tax increment revenue received from Pinellas County, the City of Clearwater and the Clearwater Downtown Development Board as a result of increased property tax values in the Downtown CRA, as well as an increase of \$2,951 (3.5%) in the payment received from the Clearwater Downtown Development Board (DDB) for administrative services provided by CRA staff, as offset by a decrease in investment earnings of \$153,104 (16.5%) resulting from decreased market value of the investment portfolio and corresponding unrealized losses partially offset by rising interest rates. Current expenditures increased \$35,356 (3.1%) primarily due an increase of \$16 thousand in the payment to the Clearwater Downtown Development Board to return tax increment funding due to increased property values; an increase of \$34 thousand in the payment to the City of Clearwater for staffing and administrative services provided by the City to the CRA, an increase of \$5 thousand in advertising and marketing costs, and a decrease of \$20 thousand due to a reduction in survey and appraisal fees for various sites in the Downtown CRA.

In the North Greenwood CRA special revenue fund, tax increment revenues from the City of Clearwater and Pinellas County increased \$494,795 (141.0%) due to increased property values. Investment earnings increased \$34,862 (100.0%) as there was no allocation to this fund in fiscal 2024. \$130,815 was paid to the City of Clearwater for staffing and administrative services provided by the City to the CRA, \$1,989 was expended for various supplies and services, and the balance of \$752,261 was transferred to the North Greenwood CRA capital projects fund for future projects. \$4,570 was returned from the North Greenwood CRA capital projects fund for an overage in the fiscal 2024 transfer.

The fund balance of the Downtown CRA capital projects fund increased from \$15,443,742 to \$16,982,136, an increase of \$1,538,394 or 10.0% during the current fiscal year compared to an increase of \$2,168,482 for fiscal 2024. Revenues increased \$177,858 due to a contribution of \$167,858 from the Pinellas Suncoast Transit Authority for a portion of the undergrounding costs paid to Duke Energy, as well as a \$10,000 contribution from the City of Clearwater for public art installations at The Mercado. Current expenditures increased \$666,160 (32.9%), primarily due to an increase in fees paid for artwork at The Mercado of \$75 thousand, an increase of \$864 thousand in various residential and commercial grant programs, a payment of \$671 thousand to Duke Energy for undergrounding existing distribution lines along Myrtle Avenue from Cleveland Street to Court Street, a payment of \$286 thousand to the City of Clearwater for impact fees generated by the redevelopment partnership at the former Harborview Center site, an increase of \$25 thousand in community policing services provided by the City of Clearwater, offset by a decrease of \$37 thousand in holiday decorations and a contribution of \$1.2 million to the City of Clearwater for the Cleveland Street project in fiscal 2024. Capital outlay increased \$82,221 (100.0%) from the prior year, due to sitework at the former Fire Station 45 property which was acquired by the CRA in fiscal 2020 for redevelopment purposes.

The fund balance of the North Greenwood CRA capital projects fund increased from \$3,345,263 to \$3,957,809, an increase of \$612,546 (18.3%). Interest of \$158,465 was earned on ARPA-related project balances. Expenditures increased \$293,610 primarily due to payments for various residential and commercial grant programs. Transfers in of \$752,261 represent excess funds from the North Greenwood

CRA special revenue fund to be used for future projects, and transfers out of \$4,570 represent a return to the special revenue fund of an overage in the fiscal 2024 transfer.

The fund balances are restricted, and only available for spending to preserve and enhance the tax base per the redevelopment trust fund for the Downtown CRA established pursuant to Chapter 163.387, Florida Statutes, City of Clearwater Ordinance 7214-03, and Pinellas County Ordinance 04-10; and the redevelopment trust fund for the North Greenwood CRA established pursuant to Chapter 163.387, Florida Statutes, City of Clearwater Ordinance 9642-23, and Pinellas County Ordinance 23-5.

General Fund Budgetary Highlights

Final budgeted General Fund revenues are \$75,621 greater than original budgeted revenues due to an increase in interest earnings of \$167,783, offset by a decrease in tax increment financing from Pinellas County and the City of Clearwater in the amount of \$92,162.

Final budgeted General Fund expenditures are \$1,752 less than original budgeted expenditures due to an adjustment to reflect actual and anticipated expenditures for the fiscal year.

Final budgeted General Fund transfers out are \$77,373 greater than original budgeted transfers out, reflecting a net increase in funding to capital projects to adjust for actual tax increment funding received from Pinellas County and the City of Clearwater.

Total actual expenditures were \$611,066 less than final budgeted expenditures, primarily due to expenditures being less than anticipated for payments to the City of Clearwater for administrative services provided by the City to the CRA (\$308 thousand), professional and contractual services (\$247 thousand), advertising and promotional costs (\$19 thousand), and travel and training (\$24 thousand).

Capital Assets

Capital assets include land, buildings and improvements other than buildings. As of September 30, 2025, the Clearwater Community Redevelopment Agency had investments in capital assets totaling \$6,933,004 (net of accumulated depreciation).

**Clearwater Community Redevelopment Agency
Comparative Statement of Capital Assets
September 30, 2024 and 2025**

	Governmental Activities	
	2025	2024 (Restated)
Land	\$ 6,208,413	\$ 6,195,913
Buildings	586,913	586,913
Improvements other than buildings	223,250	-
Construction in progress	82,221	223,250
	<u>7,100,797</u>	<u>7,006,076</u>
Less: accumulated depreciation	<u>(167,793)</u>	<u>(117,983)</u>
Capital assets, net	<u>\$ 6,933,004</u>	<u>\$ 6,888,093</u>

Net capital assets for the CRA's governmental activities increased from \$44,911 (0.7%), from \$6,888,093 to \$6,933,004, reflecting an increase in land and construction in progress values of \$94,721 due to sitework at various properties to prepare them for redevelopment, in addition to \$49,810 in depreciation expense.

Land and buildings consist of properties purchased by the CRA to be offered to for redevelopment opportunities intended to attract people to live, work and play in the Downtown CRA and North Greenwood CRA. Improvements other than buildings consist of the CRA's share of improvements at The Mercado, and construction in progress consists of sitework at the former Fire Station 45 property which was acquired by the CRA in fiscal 2020.

Long-Term Debt

The Clearwater Community Redevelopment Agency's tax increment revenues are not pledged externally to any lender for any indebtedness related to the CRA.

Economic Factors and Next Year's Budgets and Rates

Factors considered in preparing the Clearwater Community Redevelopment Agency's budget for fiscal year 2026 included:

- In the original Downtown CRA, taxable county property values increased 4.12%, from \$568.8 million to \$592.3 million, while taxable municipal property values increased 4.13%, from \$568.7 million to \$592.2 million. In the expanded Downtown CRA, taxable county property values increased 8.53%, from \$211.5 million to \$229.6 million, while taxable municipal property values increased 8.51%, from \$211.2 million to \$229.2 million. The difference between municipal and county taxable values is due to an additional homestead exemption offered by the City of Clearwater to low-income seniors. The tax increment received by the Downtown CRA from Pinellas County, the City of Clearwater and the Clearwater Downtown Development Board is based on the increase in taxable value in the Downtown CRA over a base year, which is identified as 1981 for the original Downtown CRA and 2004 for the expanded Downtown CRA.
- In the North Greenwood CRA, taxable county property values increased 5.27%, from \$416.4 million to \$438.3 million, while taxable municipal property values increased 5.27%, from \$415.0 million to \$436.7 million. The difference between municipal and county taxable values is due to an additional homestead exemption offered by the City of Clearwater to low-income seniors. The tax increment received by the North Greenwood CRA from Pinellas County and the City of Clearwater is based on the increase in taxable value in the North Greenwood CRA over a base year, which is identified as 2022.
- The CRA entered into a three-year interlocal agreement with the Clearwater Downtown Development Board to provide personnel, administrative and management services for fiscal years 2026-2028. This agreement has been in place since fiscal year 2000. It provides for the Clearwater Downtown Development Board to pay the CRA \$90,365 for these services in fiscal year 2026, an increase of 3.5% over the previous year, with 5% increases scheduled for fiscal years 2027 and 2028. It also provides for the CRA to return the tax increment payment received from the Clearwater Downtown Development Board pursuant to Florida Statue 163.387 in exchange for the performance of certain responsibilities and functions consistent with and in furtherance of the Downtown Redevelopment Plan.

- The CRA entered into a three-year interlocal agreement with the City of Clearwater to provide staffing and administrative services to the CRA for fiscal years 2026-2028, and to provide for the reimbursement of certain expenses by the CRA to the City.
- The CRA entered into a three-year interlocal agreement with the City of Clearwater to fund two dedicated police officers to provide enhanced community policing within the Downtown CRA for fiscal years 2026-2028.

Request for Information

This financial report is designed to provide a general overview of the Clearwater Community Redevelopment Agency's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Clearwater, Finance Department, 100 S. Myrtle Avenue, Clearwater, Florida 33756-5520.

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Clearwater Community Redevelopment Agency
(A Component Unit of the City of Clearwater, Florida)
Statement of Net Position
September 30, 2025

ASSETS

Current assets:

Cash and cash equivalents	\$ 21,424,696
Receivables	5,168,783
Total current assets	<u>26,593,479</u>

Noncurrent assets:

Land	6,208,414
Buildings, net	439,584
Improvements other than buildings	202,785
Construction in progress	82,221
Total noncurrent assets	<u>6,933,004</u>
Total assets	<u>33,526,483</u>

LIABILITIES

Accounts payable and other current liabilities	168,975
Due to other governments	382,059
Total liabilities	<u>551,034</u>

NET POSITION

Net investment in capital assets	6,850,783
Restricted for:	
Community Redevelopment	26,124,666
Total net position	<u>\$ 32,975,449</u>

The notes to financial statements are an integral part of this statement.

Clearwater Community Redevelopment Agency
(A Component Unit of the City of Clearwater, Florida)
Statement of Activities
For the Year Ended September 30, 2025

Functions/Programs	Expenses	Charges for Services	Program Revenues		Net (Expense) Revenue and Change in Net Position	
			Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	
					Governmental Activities	Total
Governmental activities:						
Economic Environment	\$ 4,360,881	\$ 87,309	\$ 7,489,034	\$ 12,500	\$ 3,227,962	\$ 3,227,962
Total governmental activities	4,360,881	87,309	7,489,034	12,500	3,227,962	3,227,962
Total primary government	\$ 4,360,881	\$ 87,309	\$ 7,489,034	\$ 12,500	3,227,962	3,227,962
General revenues:						
Investment earnings (loss)					966,439	966,439
Total general revenues					966,439	966,439
Change in net position					4,194,401	4,194,401
Net position - beginning, as previously reported					28,435,997	28,435,997
Correction of an error - See Note 9					345,051	345,051
Net position - beginning as restated					28,781,048	28,781,048
Net position - ending					\$ 32,975,449	\$ 32,975,449

The notes to financial statements are an integral part of this statement.

Clearwater Community Redevelopment Agency
(A Component Unit of the City of Clearwater, Florida)
Balance Sheet
Governmental Funds
September 30, 2025

	General Fund	North Greenwood CRA	Downtown CRA Capital Projects Fund	North Greenwood CRA Capital Projects Fund	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 318,250	\$ -	\$ 17,132,924	\$ 3,973,522	\$ 21,424,696
Mortgages, notes and other loans (net)	5,100,000	-	-	-	5,100,000
Accrued interest	60,119	8,664	-	-	68,783
Total assets	<u>\$ 5,478,369</u>	<u>\$ 8,664</u>	<u>\$ 17,132,924</u>	<u>\$ 3,973,522</u>	<u>\$ 26,593,479</u>
Liabilities					
Accounts and contracts payable	\$ 2,429	\$ 45	\$ 150,788	\$ 15,713	\$ 168,975
Due to other governments	373,440	8,619	-	-	382,059
Total liabilities	<u>375,869</u>	<u>8,664</u>	<u>150,788</u>	<u>15,713</u>	<u>551,034</u>
Fund Balance					
Restricted	<u>5,102,500</u>	<u>-</u>	<u>16,982,136</u>	<u>3,957,809</u>	<u>26,042,445</u>
Total fund balance	<u>5,102,500</u>	<u>-</u>	<u>16,982,136</u>	<u>3,957,809</u>	<u>26,042,445</u>
Total liabilities and fund balance	<u>\$ 5,478,369</u>	<u>\$ 8,664</u>	<u>\$ 17,132,924</u>	<u>\$ 3,973,522</u>	<u>\$ 26,593,479</u>

The notes to financial statements are an integral part of this statement.

Clearwater Community Redevelopment Agency
(A Component Unit of the City of Clearwater, Florida)
Reconciliation of Balance Sheet
to the Statement of Net Position
For the Year Ended September 30, 2025

Fund balances of governmental funds		\$ 26,042,445
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and are not reported in the		
Cost of capital assets	7,100,797	
Less: Accumulated Depreciation	<u>(167,793)</u>	
		6,933,004
Net position of governmental activities		<u><u>\$ 32,975,449</u></u>

The notes to financial statements are an integral part of this statement.

Clearwater Community Redevelopment Agency
(A Component Unit of the City of Clearwater, Florida)
Governmental Funds
For the Year Ended September 30, 2025

	General Fund	North Greenwood CRA	Downtown CRA Capital Projects Fund	North Greenwood CRA Capital Projects Fund	Total Governmental Funds
Revenues					
Intergovernmental revenue - tax increment	\$ 6,465,543	\$ 845,633	\$ -	\$ -	\$ 7,311,176
Intergovernmental revenue - local	-	-	177,858	-	177,858
Charges for services	87,309	-	-	-	87,309
Investment earnings (loss):					
Interest	506,327	109,066	-	158,465	773,858
Net appreciation (depreciation) in fair value	266,785	(74,204)	-	-	192,581
Net investment earnings (loss)	773,112	34,862	-	158,465	966,439
Total revenues	7,325,964	880,495	177,858	158,465	8,542,782
Expenditures					
Current:					
Economic Environment	1,193,260	132,804	2,691,397	293,610	4,311,071
Capital outlay:					
Economic Environment	-	-	82,221	-	82,221
Total expenditures	1,193,260	132,804	2,773,618	293,610	4,393,292
Excess (deficiency) of revenues over expenditures	6,132,704	747,691	(2,595,760)	(135,145)	4,149,490
Other Financing Sources (Uses)					
Transfers in	2,000,000	4,570	6,134,154	752,261	8,890,985
Transfers out	(6,134,154)	(752,261)	(2,000,000)	(4,570)	(8,890,985)
Total other financing sources (uses)	(4,134,154)	(747,691)	4,134,154	747,691	-
Net change in fund balances	1,998,550	-	1,538,394	612,546	4,149,490
Fund balances - beginning	3,103,950	-	15,443,742	3,345,263	21,892,955
Fund balances - ending	\$ 5,102,500	\$ -	\$ 16,982,136	\$ 3,957,809	\$ 26,042,445

The notes to financial statements are an integral part of this statement.

Clearwater Community Redevelopment Agency
(A Component Unit of the City of Clearwater, Florida)
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
to the Statement of Activities
For the Year Ended September 30, 2025

Net change in fund balances - total government funds	\$ 4,149,490	
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Amounts reported for governmental activities in the statement of activities are different

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate these costs over the life of the assets. This is the amount by which capital outlays exceeded depreciation in the current period.

Expenditures for capital assets	82,221	
Less: Current year depreciation	<u>(49,810)</u>	
		32,411

Some revenues reported in the Statement of Activities do not provide current financial resources and therefore are not reported as revenues in the governmental funds.

Donated capital assets	<u>12,500</u>	
		12,500

Change in net position of governmental activities		<u><u>\$ 4,194,401</u></u>
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The notes to financial statements are an integral part of this statement.

Clearwater Community Redevelopment Agency
(A Component Unit of the City of Clearwater, Florida)
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
General Fund
For the Year Ended September 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental revenue - tax increment	\$ 6,557,705	\$ 6,465,543	\$ 6,465,543	\$ -
Charges for services	87,309	87,309	87,309	-
Investment earnings (loss):				
Interest	300,000	467,783	506,327	38,544
Net appreciation (depreciation) in fair value	-	-	266,785	266,785
Net investment earnings (loss)	300,000	467,783	773,112	305,329
Total revenues	6,945,014	7,020,635	7,325,964	305,329
EXPENDITURES				
Current:				
Economic Environment	1,806,078	1,804,326	1,193,260	611,066
Total expenditures	1,806,078	1,804,326	1,193,260	611,066
Excess (deficiency) of revenues over expenditures	5,138,936	5,216,309	6,132,704	916,395
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	2,000,000	2,000,000
Transfers out	(5,138,936)	(5,216,309)	(6,134,154)	(917,845)
Total other financing sources (uses)	(5,138,936)	(5,216,309)	(4,134,154)	1,082,155
Net change in fund balances	-	-	1,998,550	1,998,550
Fund balances - beginning	3,103,950	3,103,950	3,103,950	-
Fund balances - ending	\$ 3,103,950	\$ 3,103,950	\$ 5,102,500	\$ 1,998,550

The notes to financial statements are an integral part of this statement.

Clearwater Community Redevelopment Agency
(A Component Unit of the City of Clearwater, Florida)
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
North Greenwood CRA
For the Year Ended September 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental revenue - tax increment	\$ 860,226	\$ 845,633	\$ 845,633	\$ -
Investment earnings (loss):				
Interest	-	67,603	109,066	41,463
Net appreciation (depreciation) in fair value	-	-	(74,204)	(74,204)
Net investment earnings (loss)	-	67,603	34,862	(32,741)
Total revenues	<u>860,226</u>	<u>913,236</u>	<u>880,495</u>	<u>(32,741)</u>
EXPENDITURES				
Current:				
Economic Environment	<u>162,632</u>	<u>160,975</u>	<u>132,804</u>	<u>28,171</u>
Total expenditures	<u>162,632</u>	<u>160,975</u>	<u>132,804</u>	<u>28,171</u>
Excess (deficiency) of revenues over expenditures	<u>697,594</u>	<u>752,261</u>	<u>747,691</u>	<u>(4,570)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	4,570	4,570
Transfers out	<u>(697,594)</u>	<u>(752,261)</u>	<u>(752,261)</u>	<u>-</u>
Total other financing sources (uses)	<u>(697,594)</u>	<u>(752,261)</u>	<u>(747,691)</u>	<u>4,570</u>
Net change in fund balances	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The notes to financial statements are an integral part of this statement.

CLEARWATER COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Clearwater, Florida)
Notes to the Financial Statements
September 30, 2025

(1) Summary of Significant Accounting Policies

In 1981, the City of Clearwater (City) initially established a Community Redevelopment Agency (CRA), generally encompassing 260 acres, excluding existing rights-of-way, within an area generally described as Jones and Grove Streets to the north, Chestnut, Turner and Gould Streets to the south, Clearwater Bay to the west, and Missouri and Frederica Avenues to the east. The CRA was expanded in 2002 with approval of the City and the Pinellas County Board of County Commissioners to incorporate the eastern gateway area to downtown now referred to as the “Downtown Gateway.” The expansion area contains approximately 228 acres, excluding existing rights-of-way, abutting and to the east of the original CRA, more generally described as the area lying east of Greenwood and Missouri Avenues, east to Highland Avenue, and bounded to the north by Drew Street, and to the south by Court Street.

In 2004, the City and Pinellas County approved a significant update to the Clearwater Downtown Redevelopment Plan that set forth an ambitious list of capital improvement projects and strategies for reducing blight and spurring economic redevelopment, for a duration of thirty years. As a condition of CRA expansion, the CRA was required to update Pinellas County on its progress in implementing the 2004 redevelopment plan after a 15-year time period. On February 26, 2019, the County voted unanimously to continue its support of the CRA as an urban revitalization area and to fund the CRA at 95% of the eligible tax increment for another 15 years, to 2034.

On January 12, 2023, the City of Clearwater adopted a Redevelopment Plan for the North Greenwood Community Redevelopment Area by Resolution 23-01; and on February 2, 2023 adopted Ordinance No. 9642-23 establishing a Redevelopment Trust Fund for the North Greenwood Community Redevelopment Area pursuant to F.S. 163.387, providing for the deposit of funds into the trust fund, establishing the base year, providing for the funding of the Redevelopment Trust Fund, providing for the appropriation of tax increment revenues to the Redevelopment Trust Fund, providing for the use of such funds by the Community Redevelopment Agency, and providing for the duration of the tax increment financing. On May 23, 2023, the Pinellas County Board of County Commissioners adopted County Resolution 23-44 and County Ordinance 23-5, formally approving the North Greenwood CRA Plan, creating a Redevelopment Trust Fund, and setting the County’s TIF contribution rate at 95%. The County’s approval also established a mid-point review in ten years that will include a full assessment by staff with recommendations if the County’s TIF contribution should be adjusted or ended, and directed the creation of a North Greenwood Community Redevelopment Citizen Advisory Committee.

The CRA is funded primarily by tax increment financing (TIF) revenues collected from Pinellas County, the City of Clearwater, and the Clearwater Downtown Development Board (for the original Downtown CRA only). TIF revenues are based on the increase in taxable value in each redevelopment area over a base year, which is identified as 1981 for the original Downtown CRA, 2004 for the expanded Downtown CRA, and 2022 for the North Greenwood CRA.

The Clearwater City Council serves as the governing board of the CRA, and City management has operational responsibility for the CRA. The CRA does not have any employees.

CLEARWATER COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Clearwater, Florida)
Notes to the Financial Statements
September 30, 2025

The CRA maintains its accounting records in accordance with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the CRA's accounting policies are described below.

(a) Reporting Entity

The Governmental Accounting Standards Board requires that these financial statements disclose any component units of the Clearwater Community Redevelopment Agency. Component units generally are legally separate entities for which a primary government is financially accountable. In addition, the primary government is able to impose its will upon the component unit, or there is a possibility that the component unit may provide specific financial benefits or impose specific financial burdens on the primary government. The CRA does not have any component units. The CRA is a component unit of the City of Clearwater and, therefore, is reported as a blended component unit in the City's Annual Comprehensive Financial Report in accordance with generally accepted accounting principles.

(b) Government-Wide and Fund Financial Statements

The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the activities of the primary government. Governmental activities normally are supported by tax increment financing collected from the Pinellas County, the City of Clearwater, and the Clearwater Downtown Development Board for the Downtown CRA, and Pinellas County and the City of Clearwater for the North Greenwood CRA, which are reported as intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for the governmental funds. Since the governmental fund financial statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental activities column, a reconciliation is presented on the page following each statement, which briefly explains the adjustments necessary to reconcile the fund based financial statements to the governmental activities column of the government-wide presentation.

(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 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

CLEARWATER COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Clearwater, Florida)
Notes to the Financial Statements
September 30, 2025

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 government considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Interest income associated with the current fiscal period is considered to be susceptible to accrual and so has been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the CRA.

Intergovernmental revenues, comprised primarily tax increment financing (TIF) revenues from Pinellas County, the City of Clearwater and the Clearwater Downtown Development Board are generally recognized as revenues in the period when all eligibility requirements, as defined by GASB Statement No. 33, have been met, and funds are available from the government.

The CRA reports the following major governmental funds:

The general fund is the government's primary operating fund, and includes the services, supplies and expenditures that occur during the fiscal year to conduct the Downtown CRA's daily operations.

The special revenue fund includes the services, supplies and expenditures that occur during the fiscal year to conduct the North Greenwood CRA's daily operations.

The Downtown CRA capital projects fund is used to account for capital improvements and funding for established programs within the Downtown CRA whose work extends beyond one fiscal year. Funds are appropriated to specific redevelopment projects in support of the Clearwater Downtown Redevelopment Plan, which was most recently updated in 2018.

The North Greenwood CRA capital projects fund is used to account for capital improvements and funding for established programs within the North Greenwood CRA whose work extends beyond one fiscal year. Funds are appropriated to specific redevelopment projects in support of the North Greenwood Community Redevelopment Area Plan, which was adopted in 2023.

(d) Budgets

An annual appropriated budget is legally adopted by the Trustees by resolution on a basis consistent with generally accepted accounting principles for the general fund and the special revenue fund. The budget is controlled at the fund level. The Trustees are authorized to transfer budgeted amounts within the general fund and the special revenue fund. In instances where appropriations and estimated revenues have been amended during the year by resolution, budget data presented in the financial statements represent final authorized amounts. Encumbrances outstanding at year-end are not reappropriated as part of the subsequent year's budget.

CLEARWATER COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Clearwater, Florida)
Notes to the Financial Statements
September 30, 2025

(e) Encumbrances

Encumbrance accounting is used in governmental funds to ensure effective budgetary control and accountability and to facilitate effective cash planning and control. As of September 30, 2025, encumbrances expected to be honored upon performance by the vendor in the coming year were:

General fund	\$ 2,500
Capital projects funds	<u>2,508,455</u>
	<u>\$2,510,955</u>

(f) Cash and Investments

The Clearwater Community Redevelopment Agency does not currently maintain accounts with either financial institutions or brokerages titled under its name. Cash and cash equivalents as presented in these financial statements reflects the CRA's equity in the City of Clearwater's pooled cash and investments and for purposes of these financial statements are considered demand deposits. All investments are governed by the City's Investment Policy, adopted on September 9, 2010.

Investments with original maturities of three months or less are considered to meet the definition of cash equivalents. The majority of the investments in which the City's funds have equity are held by the City's consolidated pool of cash and investments.

The City utilizes a consolidated cash pool to account for cash and investments of all City funds other than those which are required by ordinance to be physically segregated. The CRA is a participant in the City's pooled cash and investments program. The consolidated cash pool concept allows each participating fund to benefit from the economies of scale and improved yield which are inherent to a larger investment pool. Formal accounting records detail the individual equities of the participating funds. The cash pool utilizes a single checking account for all receipts and disbursements.

Since fund equities in this cash management pool have the general characteristics of demand deposits in that additional funds may be deposited at any time and also funds may be withdrawn at any time without prior notice or penalty, each fund's equity account is considered a cash equivalent regardless of the maturities of investments held by the pool.

(g) Fund Balance

The Clearwater Community Redevelopment Agency classifies the elements of fund balance in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definition*. The objective of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which the CRA is bound to observe constraints imposed upon the use of the resources reported in the governmental funds. Each classification of fund balance is based on the relative strength of the constraints that control how specific amounts can be spent.

CLEARWATER COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Clearwater, Florida)
Notes to the Financial Statements
September 30, 2025

The order of spending would follow the same hierarchy; that is, if an amount for a specific purpose is categorized as restricted or committed, then spending for such purpose would come from that classification before any lower classification.

Nonspendable fund balance represents amounts that cannot be spent, such as inventories, prepaid amounts, property held for resale, long-term notes receivable and amounts that are legally or contractually required to remain intact.

Restricted fund balance includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

Committed fund balance includes amounts that can be used only for the specific purposes determined by the highest level of legal authority of the Trustees, a resolution, and can only be changed by the same action.

Assigned fund balance includes amounts that are intended to be used by the Trustees for specific purposes but do not meet the criteria to be classified as restricted or committed because they are supported by management's intent rather than a formal action of the Trustees.

Unassigned fund balance represents the residual amount of fund balance not contained in the other classifications.

The Clearwater Community Redevelopment Agency has not adopted a minimum fund balance policy.

(h) Significant Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from the estimates.

(2) Deposits and Investments

Cash and cash equivalents as of September 30, 2025 are as follows:

Demand deposits	\$21,424,696
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Interest Rate Risk

As a means of limiting exposure to fair value losses arising from rising interest rates, the City's pooled cash investment policy prohibits investments in securities maturing more than fifteen years from the date of purchase, unless matched to a specific cash flow requirement. Additionally, the policy allows no more than 10% of the portfolio to have maturities in excess of ten years unless specifically matched against a debt or obligation. Finally, the investment policy states that it is the City's intent to keep the weighted average maturity to three years or less, except for temporary situations due to market conditions and/or cash needs when the average maturity may exceed three years but shall not exceed five years.

CLEARWATER COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Clearwater, Florida)
Notes to the Financial Statements
September 30, 2025

Credit Risk

The City's pooled cash investment policy, in accordance with Florida Statutes, allows investments in direct obligations of the United States, federal agencies, debt issued by the State of Florida or any political subdivision, and commercial paper of prime quality of the highest letter and numerical rating as provided by at least one nationally recognized rating service.

Concentration of Credit Risk

The City's pooled cash investment policy limits the investment in any one issuer to 40% of the portfolio.

Custodial Credit Risk

Monies on deposit with financial institutions are held in qualified public depositories pursuant to Chapter 280, Florida Statutes, which provides protection against any loss to public depositors. Consistent with the City's investment policy, investments securities owned by the City are held by the City's custodian in the City's name and all purchases use the "delivery vs. payment" procedure.

(3) Capital Assets

Capital asset activity for the year ended September 30, 2025 is as follows:

	Beginning Balance (Restated)	Increases	Decreases	Ending Balance
Governmental Activities:				
Non-depreciable capital assets:				
Land	\$ 6,195,913	\$ 12,500	\$ -	\$ 6,208,413
Construction in progress	223,250	82,221	(223,250)	82,221
Total non-depreciable capital assets	6,419,163	94,721	(223,250)	6,290,634
Depreciable capital assets:				
Buildings	586,913	-	-	586,913
Improvements other than buildings	-	223,250	-	223,250
Total depreciable capital assets	586,913	223,250	-	810,163
Less accumulated depreciation for:				
Buildings	(117,983)	(49,810)	-	(167,793)
Total accumulated depreciation	(117,983)	(49,810)	-	(167,793)
Net depreciable capital assets	468,930	173,440	-	642,370
Net governmental activities capital assets	\$ 6,888,093	\$ 268,161	\$ (223,250)	\$ 6,933,004

Capital assets, as defined by the CRA, are assets with a useful life of greater than one year with a cost of \$100,000 for buildings, and \$50,000 for improvements other than buildings. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. As of September 30, 2025, capital assets include donated land valued at \$234,103 and donated buildings valued at \$117,007, net of accumulated depreciation.

CLEARWATER COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Clearwater, Florida)
Notes to the Financial Statements
September 30, 2025

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	10-40
Improvements other than buildings	20-50

(4) Interfund transfers

Transfers from the general fund to the Downtown CRA capital projects fund contributed to the following projects:

Community Policing project	\$ 257,493
Community Engagement project	217,845
Economic Development - City project	1,264,110
Infrastructure – City project	1,291,844
Housing - City project	410,206
Housing - County project	2,692,656
	<u>\$ 6,134,154</u>

Transfers from the special revenue fund to the North Greenwood CRA capital projects fund contributed to the following projects:

Economic Development - City project	\$ 129,996
Housing – County project	363,386
Mobility – City project	162,202
Mobility - County project	96,677
	<u>\$ 752,261</u>

Transfers from the Downtown CRA capital projects fund to the General Fund were contributed by the following project for the Indigo Apartments mortgage loan:

Housing - County project	<u>\$ 2,000,000</u>
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Transfers from the North Greenwood CRA capital projects fund to the special revenue fund were contributed by the following project:

Economic Development – City project	<u>\$ 4,570</u>
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(5) Interlocal Agreements

- On September 16, 2024, the Clearwater Community Redevelopment Agency (CRA) Trustees approved an interlocal agreement with the City of Clearwater (City) to underwrite the cost of additional community policing services by the Clearwater Police Department to address quality of life issues, drug dealing and homelessness in the Downtown CRA. Actual funding provided totaled \$257,493 for the fiscal year.

CLEARWATER COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Clearwater, Florida)
Notes to the Financial Statements
September 30, 2025

- On September 16, 2024, the Clearwater Community Redevelopment Agency (CRA) Trustees approved an interlocal agreement with the City of Clearwater (City) to provide funding for staffing and administrative services performed by the City for the CRA. Actual fees reimbursed to the City by the CRA totaled \$752,713 for the fiscal year.
- On September 16, 2024, the Clearwater Community Redevelopment Agency (CRA) Trustees approved an interlocal agreement with the Clearwater Downtown Development Board (DDB) for the term of October 1, 2024 to September 30, 2025. The agreement specifies that the CRA will refund to the DDB the fiscal 2025 tax increment payment received from the DDB, which totaled \$379,275 for the fiscal year, in support of downtown redevelopment initiatives. The agreement also provides that the CRA will deduct \$87,309 from the reimbursement, to represent reimbursement to the CRA from the DDB for fiscal 2025 administrative support services provided.

(6) Contingent Liabilities and Commitments

The CRA is involved in various litigation occurring in the normal course of business. Results are not anticipated to have a material effect on the financial condition of the CRA. The CRA is a defendant in a lawsuit filed by Crum Properties II, LLC (“Crum”), alleging Breach of Contract, Common Law Breach of Warranty, Contractual Indemnification, Negligent Misrepresentation, and Fraudulent Inducement related to a 1998 Development Agreement that was assigned to Crum when Crum acquired the property in 2004. While the last two counts are limited to tort damages of \$200,000, the first three counts have no sovereign immunity cap. The CRA believes that an unfavorable outcome is reasonably possible.

(7) Loans Payable

The following loans payable are reported as Due to Other Governments on the general fund balance sheet and the government-wide statement of net position:

City of Clearwater:

On September 1, 2011, the City of Clearwater approved a loan to the CRA in the amount of \$325,440 for the environmental cleanup expense of the Car Pro site in the East Gateway area of the Downtown CRA. The loan is interest-free and is to be repaid upon the sale of the parcel.

Clearwater Downtown Development Board:

On September 22, 2003, the CRA Trustees approved an interlocal agreement with the Clearwater Downtown Development Board (DDB). Under the terms of this agreement, the DDB agreed to loan the CRA \$48,000 to purchase property. The unsecured loan is not subject to interest and will be repaid to the DDB upon subsequent sale of the property. If the property is resold for an amount greater than the original purchase price, the CRA will pay a proportionate share (3.85%) of the profit. If the property sells for less than the original purchase price, then the CRA will reimburse the DDB for the entire principal amount of the loan.

CLEARWATER COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Clearwater, Florida)
Notes to the Financial Statements
September 30, 2025

(8) Mortgage Loans Receivable

- On April 9, 2024, the Community Redevelopment Agency closed on the sale of seven parcels at 1260 Cleveland Street and 1277 Grove Street to Archway Clearwater Gardens, LLC for the construction of an 81-unit affordable housing development consisting of one- and two-bedroom apartment units ranging from 620-890 square feet. The units will be limited to households earning up to 30%-80% of Area Median Income and will be income restricted for the life of the project. This transaction is secured by a mortgage note in the amount of \$17 million to Raymond James Bank as senior lender; a second subordinate mortgage note to the Community Redevelopment Agency in the amount of \$3 million for a 30-year deferred term at 0% interest; a third subordinate mortgage note to the City of Clearwater in the amount of \$610,000 funded by SHIP and HOME grants for a 30-year term at 0% interest; and a fourth subordinate mortgage note to the Community Redevelopment Agency in the amount of \$1.35 million for a 40-year deferred term at 4.18% interest. As of September 30, 2025, mortgage loans for this project total \$3.1 million, consisting of \$1.75 million of the \$3.0 million loan drawn to date, plus \$1.35 million for the purchase of the property from the Community Redevelopment Agency.
- On June 18, 2025, the Community Redevelopment Agency provided funding in the amount of \$2.0 million in the form of a zero percent deferred loan to SAH Indigo Holdings LP for the land acquisition and a portion of the rehabilitation of the real property at 801 Chestnut Street known as Indigo Apartments, which is comprised of 208 units to be converted to affordable housing. The principal will become due forty-three years after construction of the project is complete, and may be forgiven on or before the maturity date by either the Clearwater Community Redevelopment Agency or the City of Clearwater as applicable.

(9) Correction of an Error

On December 20, 2023, the City of Clearwater purchased two properties on behalf of the Community Redevelopment Agency. The capital asset donation and depreciation expense were not recorded in the government-wide statements for fiscal year 2024. Net position has been restated as follows:

Beginning net position, as previously reported		\$ 28,435,997
Donation of capital assets	\$ 350,418	
Fiscal year 2024 depreciation expense	<u>(5,367)</u>	
		345,051
Beginning net position, as restated		<u><u>\$ 28,781,048</u></u>

(10) Subsequent Event

On December 12, 2025, a final certificate of occupancy was issued for the Clearwater Gardens Apartments, and the third and final payment of \$1.75 million was paid to Archway Clearwater Gardens, LLC bringing the total mortgage loans for this project to \$4.35 million, consisting of a \$3.0 million loan plus \$1.35 million for the purchase of the property from the Community Redevelopment Agency.

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**Report of Independent Auditor on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with Government Auditing Standards**

To the Honorable Chair and Trustees
Clearwater Community Redevelopment Agency

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 each major fund of the Clearwater Community Redevelopment Agency (the “CRA”), a component unit of the City of Clearwater, Florida (the “City”), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the CRA’s basic financial statements, and have issued our report thereon dated May 8, 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2025-001 that we consider to be a material weakness.

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*.

CRA’s Response to the Finding

Government Auditing Standards requires the auditor to perform limited procedures on the CRA’s response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The CRA’s response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

Cherry Bekaert LLP

Tampa, Florida
May 8, 2026

Independent Auditor's Management Letter

To the Honorable Chair and Trustees
Clearwater Community Redevelopment Agency

Report on the Financial Statements

We have audited the financial statements of the Clearwater Community Redevelopment Agency (the "CRA"), a component unit of the City of Clearwater, Florida, as of and for the year ended September 30, 2025, and have issued our report thereon dated May 8, 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 Report of Independent Auditor 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 Report of Independent Accountant on Compliance with Local Government Investment Policies of Section 218.415 and Community Redevelopment Agency Requirements of Section 163.387. Disclosure in those reports, which are dated May 8, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. No findings or recommendations were made in the preceding annual financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. Such disclosure is included in the notes to the financial statements. There were no component units related to the CRA.

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 the CRA did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the CRA. It is management's responsibility to monitor the CRA's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by 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, the CRA did not operate a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, within the CRA's geographical boundaries during the fiscal year under audit.

Special District Component Units

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note that CRA failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

Specific Information

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the CRA provided the following information (unaudited):

- a. The total number of CRA employees compensated in the last pay period of the CRA's fiscal year as 0.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the CRA's fiscal year as 35.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$0.
- d. All compensation earned or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$1,483,666.
- 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: \$0.
- 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 159.016(6), Florida Statutes, \$639,237.

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

- a. The millage rate or rates imposed by the CRA as -0-.
- b. The total amount of ad valorem taxes collected by or on behalf of the CRA as \$0.
- c. The total amount of outstanding bonds issued by the CRA and the terms of such bonds as none.

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 note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, the CRA Board, and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.

Cherry Bekaert LLP

Tampa, Florida
May 8, 2026

**Report of Independent Accountant on Compliance
with Local Government Investment Policies of Section 218.415 and
Community Redevelopment Agency Requirements of Section 163.387**

To the Honorable Chair and Trustees
Clearwater Community Redevelopment Agency

We have examined the Clearwater Community Redevelopment Agency's (the "CRA"), a component unit of the City of Clearwater, Florida, compliance with the local government investment policy requirements of Section 218.415, Florida Statutes and the community redevelopment agency requirements of Section 163.387, Florida Statutes, during the year ended September 30, 2025. Management of the CRA is responsible for the CRA's compliance with the specified requirements. Our responsibility is to express an opinion on the CRA's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the CRA complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the CRA complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe the evidence obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the CRA compliance with the specified requirements.

In our opinion, the CRA complied, in all material respects, with the local investment policy requirements of Section 218.415, Florida Statutes and the community redevelopment agency requirements of Section 163.387, Florida Statutes, during the year ended September 30, 2025.

This report is intended solely for the information and use of the Florida Auditor General, the CRA Board, and applicable management and is not intended to be, and should not be, used by anyone other than the specified parties.

Cherry Bekaert LLP

Tampa, Florida
May 8, 2026

CLEARWATER COMMUNITY REDEVELOPMENT AGENCY

SCHEDULE OF FINDINGS AND RESPONSES

YEAR ENDED SEPTEMBER 30, 2025

A. Summary of Auditor's Results

1. The type of report issued on the basic financial statements: **Unmodified opinion**
2. Significant deficiencies in internal control disclosed by the audit of the financial statements: **No**.
3. Material weaknesses in internal control disclosed by the audit of financial statements: **Yes, Finding 2025-001**
4. Noncompliance, which is material to the financial statements: **No**

B. Findings Relating to the Financial Statements Reported in Accordance with *Government Auditing Standards*

2025-001 – Material Weaknesses – Restatement of Net Position

Criteria: Yearly, Clearwater Redevelopment Agency's (the "CRA") Finance Department must produce financial statements in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). A sound financial reporting and close process includes proper oversight and review of annual adjustments, such those related to capital assets.

Condition: During the preparation of the financial statements, staff noted that a donation of three capital assets from the City of Clearwater, Florida, (the "City") to the CRA was not properly reported in the CRA's financial records. The assets had an acquisition cost of \$350,418 and would have been depreciated \$5,367 during the year ended September 30, 2024 if properly capitalized. This caused the CRA's September 30, 2024 net position to be understated by \$345,051.

Cause: In discussion with management, it was determined that this error was the result of the assets being purchased directly by City funds before being donated to the CRA.

Effect: Understatement of capital assets and net position for the year ended September 30, 2024.

Recommendation: It is our recommendation that the reconciliation of the CRA's capital asset rollforward include a comparison to the Pinellas County Property Appraiser's website to ensure all real property owned by the CRA is appropriately reflected in the CRA financial statements.

Views of Responsible Officials and Planned Corrective Actions:

Management concurs with the finding and will implement the recommendation.

C. Status of Prior Year Findings

There were no findings in the prior year.

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