



AGENDA

Community Redevelopment Agency Meeting (CRA)

5:45 PM – Thursday, May 07, 2026 – City Hall

Call to Order

Acknowledgement of Quorum and Proper Notice

1. Approval of Minutes

[1.1](#) Approval of Minutes for August 7, 2025 and October 23, 2025, CRA Meetings

2. CRA Item with Board Discussion and Direction

[2.1](#) Annual Report and General Activities Update

[2.2](#) 2025 Financial Statement & Independent Auditor's Report for the Eustis Downtown and East Town Redevelopment Agency

3. Adjournment

This Agenda is provided to the Commission only as a guide, and in no way limits their consideration to the items contained hereon. The Commission has the sole right to determine those items they will discuss, consider, act upon, or fail to act upon. Changes or amendments to this Agenda may occur at any time prior to, or during the scheduled meeting. It is recommended that if you have an interest in the meeting, you make every attempt to attend the meeting. This Agenda is provided only as a courtesy, and such provision in no way infers or conveys that the Agenda appearing here is, or will be the Agenda considered at the meeting.

If a person decides to appeal any decision made by the board, agency or commission with respect to any matter considered at such meeting or hearing, he or she will need a record of the proceedings, and that, for such purpose, he or she may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based (Florida Statutes, 286.0105). In accordance with the Americans with Disabilities Act of 1990, persons needing a special accommodation to participate in this proceeding should contact the City Clerk 48 hours prior to any meeting so arrangements can be made. Telephone (352) 483-5430 for assistance.



City of Eustis

P.O. Drawer 68 • Eustis, Florida 32727-0068 • (352) 483-5430

TO: Community Redevelopment Agency (CRA)

FROM: Rick Gierok, Interim City Manager

DATE: May 7, 2026

RE: Approval of Minutes

August 7, 2025, CRA Meeting

October 23, 2025, CRA Meeting

Introduction:

This item is for consideration of the minutes of the CRA.

Recommended Action:

Approval of the minutes as submitted.

Prepared By:

Mary Montez, Deputy City Clerk

Reviewed By:

Christine Halloran, City Clerk



MINUTES

Community Redevelopment Agency Meeting (CRA)

5:00 PM – Thursday, August 07, 2025 – City Hall

Call to Order: 5:02 p.m.

Acknowledgement of Quorum and Proper Notice

PRESENT: Mr. Michael Holland, Ms. Emily Lee, Mr. George Asbate, and Chair Willie L. Hawkins

ABSENT: Vice Chair Gary Ashcraft; Lori Pittsley, Downtown Representative; Tanya Wilder, East Town Representative

1. Approval of Minutes

1.1 July 17, 2025 CRA Meeting

Motion to approve the minutes of the July 17, 2025 CRA Meeting was made by Mr. Holland, seconded by Ms. Lee, and approved by roll call vote:

Voting Aye: Mr. Holland, Ms. Lee, Mr. Asbate, and Chair Hawkins.

2. CRA Item with Board Discussion and Direction

2.1 Discussion regarding refinancing of Community Redevelopment Loan for Waterman Site

Tom Carrino, City Manager explained the CRA loan for the former Waterman site was coming due and that Lori Carr, Finance Director, would present refinancing options.

Ms. Carr presented two primary options for refinancing the \$2,411,000 loan due on September 4, 2025. The first option is traditional bank financing, with current interest rates quoted between 3.7% and 3.9%. She noted that one responding bank included prepayment penalties, and this option would also involve closing costs and fees. The second option is internal financing through the General Fund, in which the General Fund would loan the CRA the funds. This option could maintain the current interest rate of 2.875% and offers greater flexibility regarding payment frequency and duration. Additionally, internal financing would not include prepayment penalties or closing costs. However, it would require a formal loan agreement approved by both the CRA Board and the City Commission.

Ms. Carr explained that the current loan had cash collateral that had been earning interest at approximately 3.6%, which was higher than the 2.875% interest rate being paid on the loan. She presented several term options for internal financing: 15-year simple interest loan (recommended by staff), 20-year simple interest loan, 5-year balloon loan based on a 25-year amortization, and a 10-year balloon loan based on a 25-year amortization. She highlighted the 15-year simple interest option at 2.875% would result in monthly payments similar to

the current loan (\$17,000 per month compared to the current \$16,005) and would have the loan mature in 2040, well before the CRA's sunset in 2047.

Mr. Asbate asked about the current earnings on the money being held as collateral, and Ms. Carr confirmed it was earning approximately 3.6%, which is more than the 2.875% interest that would be paid back to the General Fund under the internal financing option. She noted that the General Fund would still make money on the difference between what the city earns on investments (current 12-month CD at 3.63%) versus what the CRA would pay in interest (2.875%).

CONSENSUS: It was a consensus of the Board to follow staff's recommendation for internal financing with a 15-year simple interest term at 2.875%. Mr. Carrino confirmed that formal loan documents would be prepared and brought back for approval, while ensuring the existing loan would be paid off by the September 4th deadline.

3. Adjournment: 5:13 p.m.

**These minutes reflect the actions taken and portions of the discussion during the meeting. To review the entire discussion concerning any agenda item, go to www.eustis.org and click on the video for the meeting. If available, the video recording may be accessible at <https://www.youtube.com/@EustisComRel/streams> or an audio recording may be requested from the office of the City Clerk.*

CHRISTINE HALLORAN
City Clerk

EMILY A. LEE
Chair



MINUTES

Community Redevelopment Agency Meeting (CRA)

5:30 PM – Thursday, October 23, 2025 – City Hall

Call to Order: 5:31 p.m.

Acknowledgement of Quorum and Proper Notice

PRESENT: Mr. George Asbate, Vice Chair Gary Ashcraft, Mr. Michael Holland, Ms. Emily Lee and Chair Willie L. Hawkins

ABSENT: Lori Pittsley, Downtown Representative; Tanya Wilder, East Town Representative

1. CRA Item with Board Discussion and Direction

1.1 CRA Resolution Number 25-04: Refinancing of CRA Community Redevelopment Loan

Tom Carrino, City Manager, introduced Lori Carr, Finance Director, to review the CRA loan refinancing for the Waterman site.

Ms. Carr reviewed the direction from the City Commission Workshop on August 7, 2025, to direct staff to refinance the loan through the General Fund rather than external financing, using the same 2.875% interest rate. She noted that this approach offers more flexibility, no prepayment penalties, and no closing costs. Ms. Carr also indicated that the 15-year loan will be paid off in 2040, well before the CRA's 2047 sunset, with monthly payments remaining about the same as before.

Motion made by Mr. Asbate, Seconded by Ms. Lee, to approve the loan refinancing as presented. Motion passed on the following vote:

Voting Aye: Mr. Asbate, Vice Chair Ashcraft, Mr. Holland, Ms. Lee, and Chair Hawkins.

2. Adjournment: 5:33 p.m.

**These minutes reflect the actions taken and portions of the discussion during the meeting. To review the entire discussion concerning any agenda item, go to www.eustis.org and click on the video for the meeting. If available, the video recording may be accessible at <https://www.youtube.com/@EustisComRel/streams> or an audio recording may be requested from the office of the City Clerk.*

CHRISTINE HALLORAN
City Clerk

EMILY A. LEE
Chair



City of Eustis

P.O. Drawer 68 • Eustis, Florida 32727-0068 • (352) 483-5430

TO: Community Redevelopment Agency

FROM: Rick Gierok, Interim City Manager

DATE: May 7, 2026

RE: Annual Report and General Activities Update

Introduction:

The Community Redevelopment Agency is a dependent special district created by the city commission in 1990 for the purpose promoting the preservation and enhancement of the tax base in the redevelopment area.

The City Commission serves as the CRA Board of Directors, along with two non-voting community members.

Background:

Florida statute 163.371 requires all Community Redevelopment Agencies to file an annual report. The Downtown and East Town CRA annual report will be posted on the City's website, as well as being presented to the CRA Board today.

Presentation:

The presentation of the annual report and general activities update will include an overview of planned development and redevelopment activities in the CRA area, including the significant impact the Gateway Grant program is producing.

Recommendation Action:

Accept the presentation and 2026 Downtown and East Town Annual Report as satisfaction of the CRA filing requirement under Florida Statute 163.371.

Prepared By:

Al Latimer, Economic Development and CRA Director

Reviewed By:

Miranda Burrowes, Deputy City Manager

Downtown & East Town CRA 2025 Annual Report

City of Eustis, Florida

Overview

- ***CRA created in 1990***
- ***Expanded in 2018***
- ***1,000 acres (approx.)***
- ***Focus: Revitalized designated area and increase tax base***

Mission

- *Revitalize Downtown and East Town*
- *Facilitate community investment*
- *Stimulate economic growth*
- *Improve infrastructure*
- *Increase tax base*
- *Enhance quality of life*

Downtown Master Plan Goals

- *Tell the Eustis story*
- *Enhance connectivity and walkability*
- *Generate tourism attraction strategies*
- *Prioritize the waterfront*
- *Waterfront as branded identity*
- *Make decisions with family needs in mind*

New Residential Development

- *Infill development*
- *190 total new dwelling units*
- *Forrest Glen – 105 units*
- *Zurique Townhomes – 22 units + commercial*
- *Tealwood Estates – 63 units*

Carver Park Improvements

- *Renovated basketball courts*
- *New adjustable goals*
- *Increased community use*
- *Supports youth & recreation*

Clifford House Enhancements

- *Cultural tourism asset*
- *Interior renovations & exhibits*
- *Exterior improvements*
- *Citrus museum onsite*

Economic Catalysts

- *National brands nearby*
- *Job creation*
- *Increased investor confidence*
- *Corridor revitalization*

Gateway Grant Program

- *Encourages private investment*
- *Matching grants for property improvements*
- *20 Completed Projects*
- *\$107,000 CRA Awarded Funds*
- *Leverage 50% Applicant Match*
- *\$214,000 total investment*

Business Incubator

- *Partnership with UCF*
- *Supports entrepreneurs*
- *17+ events, 260+ participants*
- *Strengthens local economy*
- *\$950K in combined revenue, 16 FTE's, and 11 part-time employees.*

Eustis In Bloom

- *Affiliate Chapter of America in Bloom*
- *Enhance visual appeal – flowers & plants*
- *Foster pride and community involvement*
- *Supports tourism*
- *Encourages new investment*

Financial Highlights

- *1990 base value: \$37M*
- *2025 value: \$171M*
- *10.1% annual increase*
- *TIF funds redevelopment*

Conclusion

- *Strong growth and momentum*
- *Ongoing strategic investments*
- *Focus on long-term sustainability*
- *Continued community impact*



City of Eustis

P.O. Drawer 68 • Eustis, Florida 32727-0068 • (352) 483-5430

TO: Community Redevelopment Agency

FROM: Rick Gierok, Interim City Manager

DATE: May 7, 2026

RE: 2025 Financial Statement & Independent Auditor's Report for the Eustis
Downtown and East Town Redevelopment Agency

Introduction:

The City's auditors, Purvis, Gray and Co., will provide a short presentation of the results of the 2025 Financial Statement & Independent Auditor's Report for the Eustis Downtown and East Town Redevelopment Agency.

Prepared by:

Lori Carr, Finance Director

Reviewed by:

Mari Leisen, Deputy Finance Director
Miranda Burrowes, Deputy City Manager

Attachments

2025 Financial Statement & Independent Auditor's Report for Eustis Downtown and East Town Redevelopment Agency for FY ending September 30, 2025

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

The Eustis City Commission
Eustis Community Redevelopment Agency
Eustis, Florida

We have audited the financial statements of the governmental activities and the major fund of the Eustis Community Redevelopment Agency (the CRA), a component unit of the City of Eustis, Florida (the City), for the year ended September 30, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated December 17, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the CRA are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended September 30, 2025. We noted no transactions entered into by the CRA during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events, and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. No significant accounting estimates were noted during our audit.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

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The Eustis City Commission
Eustis Community Redevelopment Agency
Eustis, Florida

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated April 16, 2026.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the CRA's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the CRA's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures on the required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the information and use of the Board of Directors and management of the CRA, and is not intended to be, and should not be, used by anyone other than these specified parties.

Purvis Gray

April 16, 2026
Ocala, Florida

2025

Eustis Downtown and East Town
Redevelopment Agency

Financial Statements and
Independent Auditor's Report

September 30, 2025

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR’S REPORT**

**EUSTIS DOWNTOWN AND
EAST TOWN REDEVELOPMENT AGENCY
EUSTIS, FLORIDA**

SEPTEMBER 30, 2025

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INDEPENDENT AUDITOR'S REPORT

The Eustis City Commission
 Eustis Downtown and East Town Redevelopment Agency
 Eustis, Florida

Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund of the Eustis Downtown and East Town Redevelopment Agency (the CRA), a component unit of the City of Eustis, 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 financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the CRA, as of September 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the CRA, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the CRA's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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Eustis, Florida

INDEPENDENT AUDITOR'S REPORT

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in 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 and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who 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

The Eustis City Commission
Eustis Downtown and East Town Redevelopment Agency
Eustis, Florida

INDEPENDENT AUDITOR'S REPORT

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 16, 2026, on our consideration of the CRA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City'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 City's internal control over financial reporting and compliance.

Purvis Gray

April 16, 2026
Ocala, Florida

**EUSTIS DOWNTOWN AND EAST TOWN REDEVELOPMENT AGENCY
CITY OF EUSTIS, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025**

This supplement to the Independent Auditor's Report and Financial Statements has been developed in accordance with the Governmental Accounting Standards Board (GASB) Statement No. 34. It is intended to provide the readers of this report with a general overview of the financial activities of the Eustis Downtown and East Town Redevelopment Agency (the CRA). The CRA provides the following discussion and analysis of the CRA's financial activities for the fiscal year ended September 30, 2025. Management's Discussion and Analysis is designed to: (a) assist the reader to focus on significant financial issues, (b) provide an overview of the CRA's financial activities, (c) identify changes in the CRA's financial position, (d) identify material deviations from the financial plan, and (e) identify individual fund issues or concerns. We encourage readers to consider the information presented here in conjunction with the CRA's financial statements.

The CRA

The CRA was created under Chapter 163, Florida Statutes, and Ordinance No. 90-42 of the City of Eustis, Florida (the City). The Governing Board of the CRA (the Board) is appointed by the City Council and, therefore, the City exercises significant influence over its operations and fiscal management. The CRA is considered a component unit for financial reporting purposes and is included as a blended special revenue fund within the City's overall basic financial statements.

These financial statements are presented for the purpose of complying with state law, specifically Florida Statute Section 163.387(8)(a), which requires separate audited financial statements for each community redevelopment agency that has revenues or expenditures that exceed \$100,000.

Financial Highlights

- The assets of the CRA exceeded its liabilities at the close of the most recent fiscal year by \$4,336,118 (Net Position).
- The CRA's fund balance decreased by \$2,268,010 as a result of 2025 operations.
- Revenues for fiscal year 2025 were \$827,330 while expenditures totaled \$3,990,055. Contributions from the City's General Fund totaled \$894,715.
- For the period ended September 30, 2025, actual revenues exceeded budgeted revenues by \$122,657 while actual expenditures were \$1,631,007 less than budgeted expenditures.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the CRA's basic financial statements, which are comprised of the following four (4) components:

- Government-Wide Financial Statements
- Fund Financial Statements
- Notes to Financial Statements
- Required Supplementary Information

Government-Wide Financial Statements

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

**EUSTIS DOWNTOWN AND EAST TOWN REDEVELOPMENT AGENCY
CITY OF EUSTIS, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025**

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

The *Statement of Activities* presents information showing how the CRA's net position changed during the most recent fiscal year. 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 for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements listed above distinguish functions of the CRA that are principally supported by ad-valorem taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activity of the CRA is community redevelopment.

The government-wide financial statements include only the activities of the CRA. However, the CRA is considered a blended component unit of the City and, as such, the financial information of the CRA is included in the City's Annual Comprehensive Financial Report for each fiscal year.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The CRA uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows* and *outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the CRA'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 CRA's *near-term* financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balance provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Restricted Fund Balance

Fund balance should be reported as Restricted when constraints placed on the use of resources, such as enabling legislation, which authorizes the government to access, levy, charge, or otherwise mandate payment of resources. All of the CRA's fund balance is considered Restricted.

**EUSTIS DOWNTOWN AND EAST TOWN REDEVELOPMENT AGENCY
CITY OF EUSTIS, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025**

Notes to Financial Statements

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

Required Supplementary Information (RSI)

Included in this section of the report is the Budgetary Comparison Schedule.

Government-Wide Financial Analysis

Statement of Net Position

As noted earlier, net position may serve over time as a useful indicator of the CRA's financial position. In the case of the CRA, assets exceeded liabilities by \$4,336,118 (*net position*) as of the close of the most recent fiscal year, an increase of \$263,251 in comparison with the prior year.

The following table reflects a summary of the *Statement of Net Position* for the current and prior year:

	2025	2024
Assets		
Cash and Cash Equivalents	\$ 1,420,557	\$ 3,551,151
Accrued Interest Receivable	-	83,455
Prepaid Items	326	326
Land	3,000,000	3,000,000
Total Assets	4,420,883	6,634,932
Liabilities and Net Position		
Liabilities		
Current:		
Accounts Payable and Accrued Liabilities Due Within One Year	84,765	30,804
	-	2,531,261
Total Liabilities	84,765	2,562,065
Net Position		
Net Investment in Capital Assets	3,000,000	468,739
Restricted	1,336,118	3,604,128
Total Net Position	\$ 4,336,118	\$ 4,072,867

**EUSTIS DOWNTOWN AND EAST TOWN REDEVELOPMENT AGENCY
CITY OF EUSTIS, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025**

Statement of Activities

The following table reflects the *Statement of Activities* for the current and prior year:

	2025	2024
Revenues		
TIF Revenue from the County	\$ 677,465	\$ 593,529
TIF Revenue from the City	894,715	784,499
Miscellaneous:		
Interest	149,865	148,797
Total Revenues	1,722,045	1,526,825
Expenditures		
Current:		
General Government	259,318	411,238
District Rehabilitation and Beautification	178,451	130,572
Housing Rehabilitation	130,978	64,416
Debt Service - Interest	72,134	75,948
Capital Outlay Contributed to Primary Government	817,913	43,315
Total Expenditures	1,458,794	725,489
Net Change in Net Position	263,251	801,336
Net Position, Beginning of Year	4,072,867	3,271,531
Net Position, End of Year	\$ 4,336,118	\$ 4,072,867

There was an increase in tax increment financing revenues in the current year due to an increase in property values within the CRA district. There was an increase in the expenditures due to spending on rehabilitation and beautification within the district and the payoff of the loan agreement. This contributed to a decrease in net position.

Financial Analysis of the CRA's Funds

Governmental Funds

The focus of the CRA's *governmental funds* is to provide information on *near-term* inflows, outflows, and balances of *spendable resources*. Such information is useful in assessing the CRA's financing requirements. 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's fund balance includes \$1,335,792, restricted for redevelopment projects within the CRA district.

Tax increment financing revenue totaling \$1,575,180 represented approximately 91% of all revenues. The CRA's Net Position increased by \$263,251 in the current year. The increase in tax increment financing revenues received by the CRA in the current year resulted from increased property values within the CRA district.

**EUSTIS DOWNTOWN AND EAST TOWN REDEVELOPMENT AGENCY
CITY OF EUSTIS, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025**

Capital Assets and Debt Administration

Capital Assets

The CRA's capital assets are considered to be property of the City and, therefore, are included as capital assets in the City's government-wide financial statements, with the exception of the land financed by the CRA. Capital asset activity for the year ended September 30, 2025, can be found in the City's audited financial statements.

Long-Term Debt

The CRA's long-term debt obligation decreased by \$2,531,261, which is attributed to the payment on the debt obligation. Additional information on the CRA's debt can be found in Note 5.

	10/1/2024			9/30/2025
	Balance	Additions	Payments	Balance
Governmental Activities				
Loan Payable - 2021	\$ 2,531,261	\$ -	\$ (2,531,261)	\$ -
	<u>\$ 2,531,261</u>	<u>\$ -</u>	<u>\$ (2,531,261)</u>	<u>\$ -</u>

Budgetary Highlights

An annual budget is prepared for the CRA and approved by the City Commission. The legal level of control is maintained at the fund level. Budget appropriations may not be legally exceeded on a fund basis. The budget is adopted on a basis consistent with generally accepted accounting principles.

Economic Factors and Future Developments

The CRA will continue to plan projects and infrastructure improvements that align with its redevelopment priorities for the designated district. The CRA will continue to implement the community's shared development goals through its redevelopment strategies and critical tasks.

Request for Information

This financial information is designed to present users with a general overview of the CRA's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Eustis Downtown and East Town Redevelopment Agency located at P.O. Drawer 68, Eustis, Florida 32727.

FINANCIAL STATEMENTS

EUSTIS DOWNTOWN AND EAST TOWN REDEVELOPMENT AGENCY
STATEMENT OF NET POSITION AND GOVERNMENTAL FUND BALANCE SHEET
SEPTEMBER 30, 2025

	<u>Special Revenue Fund</u>	<u>Adjustments (Note 2)</u>	<u>Statement of Net Position</u>
Assets			
Cash and Cash Equivalents	\$ 1,420,557	\$ -	\$ 1,420,557
Prepaid Items	326	-	326
Land	-	3,000,000	3,000,000
Total Assets	<u>1,420,883</u>	<u>3,000,000</u>	<u>4,420,883</u>
Liabilities			
Current:			
Accounts Payable and Accrued Liabilities	84,765	-	84,765
Total Liabilities	<u>84,765</u>	<u>-</u>	<u>84,765</u>
Fund Balance			
Non-Spendable	326	(326)	-
Restricted	1,335,792	(1,335,792)	-
Total Fund Balance	<u>1,336,118</u>	<u>(1,336,118)</u>	<u>-</u>
Total Liabilities and Fund Balance	<u>\$ 1,420,883</u>		
Net Position			
Net Investment in Capital Assets		3,000,000	3,000,000
Restricted for:			
Community Redevelopment Projects		1,335,792	1,336,118
Total Net Position		<u>\$ 4,335,792</u>	<u>\$ 4,336,118</u>

See accompanying notes.

EUSTIS DOWNTOWN AND EAST TOWN REDEVELOPMENT AGENCY
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
SEPTEMBER 30, 2025

	<u>Special Revenue Fund</u>	<u>Adjustments (Note 2)</u>	<u>Statement of Activities</u>
Revenues			
TIF Revenue from the County	\$ 677,465	\$ -	\$ 677,465
TIF Revenue from the City	-	894,715	894,715
Miscellaneous:			
Interest	149,865	-	149,865
Total Revenues	<u>827,330</u>	<u>894,715</u>	<u>1,722,045</u>
Expenditures			
Current:			
General Government	259,318	-	259,318
District Rehabilitation and Beautification	178,451		178,451
Housing Rehabilitation	130,978	-	130,978
Debt Service:			
Principal Payments	2,531,261	(2,531,261)	-
Interest and Fees	72,134	-	72,134
Capital Outlay	817,913	(817,913)	-
Capital Outlay Contributed to Primary Government	-	817,913	817,913
Total Expenditures	<u>3,990,055</u>	<u>(2,531,261)</u>	<u>1,458,794</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(3,162,725)</u>	<u>3,425,976</u>	<u>263,251</u>
Other Financing Sources (Uses)			
Contribution from Primary Government	894,715	(894,715)	-
Total Other Financing Sources (Uses)	<u>894,715</u>	<u>(894,715)</u>	<u>-</u>
Net Change in Fund Balance/Net Position	(2,268,010)	2,531,261	263,251
Fund Balance/Net Position, Beginning of Year	<u>3,604,128</u>	<u>468,739</u>	<u>4,072,867</u>
Fund Balance/Net Position, End of Year	<u>\$ 1,336,118</u>	<u>\$ 3,000,000</u>	<u>\$ 4,336,118</u>

See accompanying notes.

**NOTES TO FINANCIAL STATEMENTS
EUSTIS DOWNTOWN AND EAST TOWN REDEVELOPMENT AGENCY
EUSTIS, FLORIDA**

Note 1 - Summary of Significant Accounting Policies

The Eustis Downtown and East Town Redevelopment Agency's (the CRA) financial statements are prepared in accordance with generally accepted accounting principles, as applicable to governments. The following is a summary of the more significant policies:

Reporting Entity

The City of Eustis, Florida (the City) established the CRA in November of 1990, by Ordinance No. 90-42 and Part III of Chapter 163 of the Florida Statutes. The purpose of the CRA is to finance and redevelop the City's designated redevelopment areas. The governing body of the CRA is the City Commission (the Commission) and, therefore, the City exercises significant influence over its operations and fiscal management. The CRA is considered a component unit for financial reporting purposes and is included as a blended special revenue fund within the City's overall basic financial statements.

Financial Statements

These financial statements are presented for the purpose of complying with state law, specifically Florida Statutes, Section 163.387(8)(a), which requires separate audited financial statements for each community redevelopment agency that has revenues or expenditures that exceed \$100,000.

Entity-wide financial statements are prepared at the City-wide level by the City and include the CRA. Copies of that report can be obtained from the City's Finance Department.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements

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

Fund Financial Statements

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 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting, except for debt service expenditures, which are recorded only when payment is due.

Considering that the fund statements are presented on a different measurement focus and basis of accounting than the government-wide governmental activities column, a reconciliation is sometimes necessary to explain the adjustments needed to reconcile the fund based financial statements to the governmental activities column of the government-wide presentation.

**NOTES TO FINANCIAL STATEMENTS
EUSTIS DOWNTOWN AND EAST TOWN REDEVELOPMENT AGENCY
EUSTIS, FLORIDA**

TIF revenue, when levied for, and interest associated with the current fiscal period, are both considered to be measurable and have been recognized as revenues of the current fiscal year, if available.

When both restricted and unrestricted resources are available for use, it is the CRA's policy to use restricted resources first, and then unrestricted resources as they are needed.

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

Budgetary Requirements

An annual budget is prepared for all funds of the City, including the CRA. The budget amounts presented in the accompanying financial statements are as originally adopted, or as legally amended, by the Commission during the year ended September 30, 2025. The City Manager is authorized to transfer part or all of an unencumbered appropriation balance between departments within a fund; however, the Commission must approve any amendments that affect the total appropriations of any fund. Budget appropriations may not be legally exceeded on a fund basis. The budget is adopted on a basis consistent with generally accepted accounting principles.

Assets and Net Position

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and deposits placed only with qualified public depositories.

Capital Assets

Capital assets include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items). The CRA's capital assets not financed with CRA debt are considered to be property of the City and, therefore, are included as capital assets in the City's government-wide financial statements. Such capital asset activity for the year ended September 30, 2025, can be found in the City's audited financial statements. As the capital assets are retained by the City, the CRA contributes capital to the general fund for capital outlay related to the CRA's redevelopment and infrastructure projects, except for land financed by the CRA.

Long-Term Obligations

Long-term obligations, such as bonds and notes, are recorded at the government-wide level for the governmental activities. The amounts payable within one year are classified as non-current liabilities due within one year on the government-wide statement of net position.

Nature and Purpose of the Fund Balance

In the fund financial statements, the governmental fund reports fund classifications that comprise a hierarchy based primarily on the extent to which the CRA is bound to honor constraints on the specific purposes for which amounts in the fund can be spent. Amounts that are restricted to specific purposes either by: a) constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation are classified as restricted fund balances. Amounts that can only be used for specific purposes pursuant to constraints imposed by the Commission through an ordinance or resolution are classified as committed fund balances.

**NOTES TO FINANCIAL STATEMENTS
EUSTIS DOWNTOWN AND EAST TOWN REDEVELOPMENT AGENCY
EUSTIS, FLORIDA**

Amounts that are constrained by the CRA's intent to be used for specific purposes but are neither restricted nor committed are classified as assigned fund balances. Assignments are made by the Commission. 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 fund balance that is not restricted, committed, or assigned to specific purposes within the general fund.

Unspent TIF revenues are restricted for future redevelopment projects and are reported as restricted fund balance in the financial statements. Unassigned fund balance, if any, represents fund balance that has not been restricted, committed, or assigned to specific purposes within the general fund.

Net Position

The government-wide statements utilized a net position presentation. Restricted net position are unspent TIF revenues that are restricted for future redevelopment projects. Unrestricted net position represents the net position of the CRA that is not restricted for any project or purpose.

Other Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Payroll Related Expenses and Liabilities

All functions of the CRA are performed by employees of the City. Payroll activity for the year ended September 30, 2025, can be found in the City's audited financial statements.

Interest Income

Interest income resulting from pooling of cash in a master bank account is allocated to the CRA based on its proportionate share.

Note 2 - Explanation of Certain Differences Between the Government-Wide and Fund Financial Statements

Statement of Net Position and Governmental Fund Balance Sheet

The governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and net position of governmental activities as reported in the government-wide statement of net position.

Statement of Activities and Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance

The governmental fund statement of revenues, expenditures, and changes in fund balance includes a reconciliation between the capital outlay of the governmental fund and the capital outlay contributed to the primary government as reported in the government-wide statement of activities.

**NOTES TO FINANCIAL STATEMENTS
EUSTIS DOWNTOWN AND EAST TOWN REDEVELOPMENT AGENCY
EUSTIS, FLORIDA**

Note 3 - Cash and Cash Equivalents

At September 30, 2025, the carrying amount of the CRA's cash and cash equivalent deposits are \$1,420,557. The City's cash and cash equivalent deposits are held by a bank that qualifies as a public depository under the *Florida Security for Public Deposits Act* as required by Chapter 280, Florida Statutes. All deposits are fully insured and collateralized by either the Federal Deposit Insurance Corporation or Florida's Multiple Financial Institution Collateral Pool. The City maintains an investment policy managing authorized investments. Further information on the City's cash and investments can be found in the notes to the annual financial statements of the City.

Note 4 - Capital Assets

Asset activity for the year ended September 30, 2025, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Land	\$ 3,000,000	\$ -	\$ -	\$ 3,000,000

All assets not acquired with CRA debt are transferred to the primary government.

Note 5 - Long-Term Debt

Notes outstanding at September 30, 2025, consist of the following:

	<u>10/1/2024 Balance</u>	<u>Additions</u>	<u>Payments</u>	<u>9/30/2025 Balance</u>	<u>Due Within One Year</u>
Governmental Activities					
Loan Payable - 2021	\$ 2,531,261	\$ -	\$ (2,531,261)	\$ -	\$ -
	<u>\$ 2,531,261</u>	<u>\$ -</u>	<u>\$ (2,531,261)</u>	<u>\$ -</u>	<u>\$ -</u>

In September 2020, the CRA obtained a note payable to provide financing in the amount of \$3,000,000 for the purchase of three large land lots located within the downtown district. The five-year loan has a fixed interest rate of 2.875%. Principal and interest payments of \$16,512 will be paid monthly, beginning in October 2020, with a balloon payment in the final year. The loan was paid off at September 30, 2025. Due to a significant increase in loan interest rates, in October 2025 the Commission approved the general fund to internally finance the remaining loan balance of \$2.4 million. The term of the loan is 15 years, and the interest will remain the same as the previous loan at 2.875%.

Note 6 - TIF Revenue

The CRA is primarily funded through TIF revenue. The revenue is computed by applying the operating tax for the City Lake County Taxing Authority and Lake County Water Authority multiplied by the increase in property value of the district over the base year value, minus 5%. The City Lake County Taxing Authority and Lake County Water Authority are required to fund this amount annually without regard to tax collections or other obligations.

REQUIRED SUPPLEMENTARY INFORMATION

**EUSTIS DOWNTOWN AND EAST TOWN REDEVELOPMENT AGENCY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET TO ACTUAL
SEPTEMBER 30, 2025**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental:				
Incremental Tax Transfers - County	\$ 624,673	\$ 624,673	\$ 677,465	\$ 52,792
Miscellaneous:				
Interest	80,000	80,000	149,865	69,865
Total Revenues	<u>704,673</u>	<u>704,673</u>	<u>827,330</u>	<u>122,657</u>
Expenditures				
Current:				
General Government:				
Operating	118,620	178,645	259,318	(80,673)
Non-Departmental Incentive	245,000	728,884	309,429	419,455
Debt Service:				
Debt Service Principal	2,527,558	2,531,358	2,531,261	97
Debt Service Interest	71,001	72,176	72,134	42
Capital Outlay	714,100	2,110,000	817,913	1,292,087
Total Expenditures	<u>(3,676,279)</u>	<u>(5,621,063)</u>	<u>(3,990,055)</u>	<u>1,631,008</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,971,606)</u>	<u>(4,916,390)</u>	<u>(3,162,725)</u>	<u>1,753,665</u>
Other Financing Sources (Uses)				
Transfers In - Primary Government	896,578	896,578	894,715	(1,863)
Debt Proceeds/Bank Loan	2,527,558	2,527,558	-	(2,527,558)
Total Other Financing Sources (Uses)	<u>3,424,136</u>	<u>3,424,136</u>	<u>894,715</u>	<u>(2,529,421)</u>
Net Change in Fund Balance	452,530	(1,492,254)	(2,268,010)	(775,756)
Fund Balances, Beginning of Year	<u>3,604,128</u>	<u>3,604,128</u>	<u>3,604,128</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 4,056,658</u>	<u>\$ 2,111,874</u>	<u>\$ 1,336,118</u>	<u>\$ (775,756)</u>

OTHER REPORTS

PURVIS GRAY

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*

The Eustis City Commission
Eustis Downtown and East Town Redevelopment Agency
Eustis, 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 Eustis Downtown and East Town Redevelopment Agency (the CRA) as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the CRA's financial statements, and have issued our report thereon dated April 16, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the CRA's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness on 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, non-compliance with which could have a direct and material effect on

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

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

Purpose of this Report

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

Purvis Gray

April 16, 2026
Ocala, Florida

PURVIS GRAY

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

The Eustis City Commission
Eustis Downtown and East Town Redevelopment Agency
Eustis, Florida

We have examined the Eustis Downtown and East Town Redevelopment Agency's (the CRA) compliance with the requirements of Section 163.387(6) and (7), Florida Statutes, as of and for the year ended September 30, 2025, as required by Section 10.556(10)(f), *Rules of the Auditor General*. Management is responsible for the CRA's compliance with those requirements. Our responsibility is to express an opinion on the CRA's compliance based on our examination.

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

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

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

In our opinion, the CRA complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2025.

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

Purvis Gray

April 16, 2026
Ocala, Florida

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INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES

The Eustis City Commission
Eustis Downtown and East Town Redevelopment Agency
Eustis, Florida

We have examined the Eustis Downtown and East Town Redevelopment Agency's (the CRA) compliance with the requirements of Section 218.415, Florida Statutes, as of and for the year ended September 30, 2025, as required by Section 10.556(10)(a), *Rules of the Auditor General*. Management is responsible for the CRA's compliance with those requirements. Our responsibility is to express an opinion on the CRA's compliance based on our examination.

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

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

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

In our opinion, the CRA complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2025.

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

Purvis Gray

April 16, 2026
Ocala, Florida

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MANAGEMENT LETTER

The Eustis City Commission
Eustis Downtown and East Town Redevelopment Agency
Eustis, Florida

Report on the Financial Statements

We have audited the financial statements of the Eustis Downtown and East Town Redevelopment Agency (the CRA) as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated April 16, 2026.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, *Rules of the Auditor General*.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Auditor's Report on examination conducted in accordance with American Institute of Certified Public Accountants *Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated April 16, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

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

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 be disclosed in the Management Letter, unless disclosed in the notes to the financial statements (see Note 1 of the CRA's financial statements as of and for the year ended September 30, 2025, for this information).

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.

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The Eustis City Commission
 Eustis Downtown and East Town Redevelopment Agency
 Eustis, Florida

MANAGEMENT LETTER

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures. It is management's responsibility to monitor the CRA's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Property Assessed Clean Energy (PACE) Programs

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

As required by Sections 10.554(1)(i)6.b., *Rules of the Auditor General*, if a PACE program was operating within the geographical areas of the CRA, a list of all program administrators and third-party administrators that administered the program should be provided.

As required by 10.554(1)(i)6.c., *Rules of the Auditor General*, if a PACE program was operating within the geographical areas of the CRA, the full names and contact information of each such program administrator and third-party administrator should be provided.

The following are the program administrators and their contact information:

Program Administrator	Address	Phone Number	Third-Party Administrators
Florida Green Finance Authority	2501A Burns Rd. Palm Beach Gardens, Florida 33410	561-630-4922 x240	Petros Pace 300 Colorado St., Suite 2000 Austin, Texas 78701 512-599-9037 Renew Financial 555 12th St., Suite 1650 Oakland, California 94607 844-736-3934
Green Corridor Pace District	5385 North Nob Hill Rd. Sunrise, Florida 33351	954-721-8681	Ygrene Energy Fund 6303 Blue Lagoon Drive, Suite 400 Miami, Florida 33126 866-634-1358

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Program Administrator	Address	Phone Number	Third-Party Administrators
Florida Pace Funding Agency	6650 Professional Pkwy, Suite 102 Sarasota, Florida 34240	850-400-PACE	FortiFi 12770 High Bluff Dr., Suite 26, San Diego, California 92130 1-858-345-2000 Home Run Financing 750 University Ave., Suite 140 Los Gatos, California 95032 844-873-7223 Bayview PACE 4425 Ponce de Leon Coral Gables, Florida 33146 844-518-2343
Florida Resiliency and Energy District	156 Tuskawilla Rd., Suite 2340 Winter Springs, Florida 32708	407-712-6352	Florida Development Finance Corp. 156 Tuskawilla Rd., Suite 2340 Winter Springs, Florida 32708 407-712-6352

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 any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, *Rules of the Auditor General*, the CRA reported the following information that was not subject to auditing procedures:

- The total number of district employees compensated in the last pay period of the district’s fiscal year as 0.
- The total number of independent contractors to whom non-employee compensation was paid in the last month of the district’s fiscal year as 0.
- All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$0.
- All compensation earned by or awarded to non-employee independent contractors, whether paid or accrued, regardless of contingency as \$0.

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- Each construction project with a total cost of at least \$65,000 approved by the district that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such projects as:

<u>Project Name</u>	<u>Budget</u>	<u>Total Expenditures To-Date</u>
Sidewalk/Tree Planting	\$ 275,900	\$ 280

- A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes, see Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual as presented in the financial statements for the year ended September 30, 2025.

Additional Matters

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires us to communicate non-compliance with provisions of contracts or grant agreements, or fraud, waste, or abuse, that has occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but 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, Federal and other granting agencies, the CRA, its management, and the Board of Directors of the City of Eustis, Florida, and is not intended to be, and should not be, used by anyone other than these specified parties.

Purvis Gray

April 16, 2026
 Ocala, Florida

PURVIS GRAY

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com