City of Sanford, Florida
Community Redevelopment Agency
A Component Unit of the City of Sanford, Florida

FINANCIAL STATEMENTS

Year Ended September 30, 2025

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Forvis Mazars, LLP
255 South Orange Avenue, Suite 600
Orlando, FL 32801
P 407.740.5400 | F 407.386.6107
forvismazars.us

Independent Auditor's Report

Honorable Mayor and Members of the City Commission
City of Sanford, Florida Community Redevelopment Agency
Sanford, Florida

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 12 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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison schedule be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 26, 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.

Forvis Mazars, LLP

Orlando, Florida
May 26, 2026

Management's Discussion and Analysis

As management of the City of Sanford, Florida Community Redevelopment Agency (the "CRA"), we offer readers of the CRA's financial statements this narrative overview and analysis of the CRA's financial activities for the fiscal year ended September 30, 2025.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the CRA's basic financial statements. The CRA's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required supplementary information in addition to the basic financial statements.

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.

The statement of net position presents information on all of the CRA's assets and liabilities, with the difference 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. Also, capital assets are capitalized and depreciated on the statement of net position whereas related purchases are expended on government fund financial statements.

General Fund. The General Fund is 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, the General 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 the General Fund is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the General Fund 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 General Fund balance sheet and the General Fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between General Fund and governmental activities.

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. The notes to the financial statements are an integral part of the basic financial statements.

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

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 CRA, assets exceeded liabilities by $10,953,473 at the close of the most recent fiscal year. This compares with $11,883,436 at the close of the previous fiscal year, a decrease of $929,963.

	Net Position	
	2025	2024
Current and other assets	$ 5,936,166	$ 6,761,956
Capital assets	5,864,238	5,186,090
Total assets	11,800,404	11,948,046
Current and other liabilities	846,931	64,610
Total liabilities	846,931	64,610
Net position:		
Net investment in capital assets	5,221,229	5,186,090
Restricted	5,732,244	6,697,346
Total net position	$ 10,953,473	$ 11,883,436

Governmental Activities. Governmental activities decreased the CRA's net position by $929,963 in fiscal year 2025. A 8.51% increase in revenue was caused by increased City of Sanford (the "City") and Seminole County (the "County") contributions to the Trust Fund and increased market value of investment income due to the positive market changes. This increased contribution is a result of the appreciation in property values on which City and County contributions are based. These revenue increases were offset by an increase in expenses due to the CRA funding of an Amphitheater and repaving 2nd Street in downtown.

	Changes in Net Position	
	2025	2024
General revenues:		
Property taxes	$ 2,408,458	$ 2,219,559
Miscellaneous income	12,205	0
Investment income	333,043	412,555
Total general revenues	2,753,706	2,632,114
Expenses:		
Economic Environment	3,413,858	901,923
Depreciation	269,811	254,289
Total Expenses	3,683,669	1,156,212
Change in net position	(929,963)	1,475,902
Net position, beginning	11,883,436	10,407,534
Net position, ending	$10,953,473	$11,883,436

Financial Analysis of the General Fund

As noted earlier, the CRA uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The purpose 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 measurement of a government's net resources available for spending at the end of the fiscal year.

The only difference between General Fund operations and governmental activities is the accounting presentation for capital outlay. Capital outlay is accounted for as an expenditure in the General Fund and, to the extent it relates to capital asset additions, is replaced by depreciation expense on the statement of activities.

General Fund Budgetary Highlights

Primary variances between the final budget and actual operating expenditure categories were as follows: $142,053 in operating costs that were carried over to the following fiscal year, $4,765,350 in capital improvements that were not completed.

Capital Asset Administration

The CRA's net investment in capital assets as of September 30, 2025 amounts to $5,864,238, an increase of $678,148.

	Capital Assets (net of depreciation)	
	2025	2024
Land	$ 10,363	$ 10,363
Construction in progress	1,044,807	345,388
Capital assets being depreciated	4,809,068	4,830,339
Total	$ 5,864,238	$ 5,186,090

Additional information on the City's capital assets can be found in Note 4 in the notes to the financial statements.

Economic Factors and Conditions

An increase in area property values resulted in an increase in City and County contributions to the Trust Fund for FY 2025. The CRA was set to sunset on December 18, 2015. Seminole County granted a ten-year extension of the City's CRA to December 31, 2025. The CRA will have one final year after December 31, 2025 to close out, thus FY 2026 will only have limited income to interest and will focus on closing out ongoing projects.

Requests for Information

This financial report is designed to provide a general overview of the CRA's finances for all those with an interest in the government's finances. Questions concerning any of the information should be addressed to the Finance Director, 300 N. Park Ave., Sanford, FL 32771.

CITY OF SANFORD, FLORIDA
COMMUNITY REDEVELOPMENT AGENCY

STATEMENT OF NET POSITION AND GOVERNMENTAL FUND BALANCE SHEET

September 30, 2025

	General Fund	Adjustments (Note 2)	Statement of Net Position
Assets			
Pooled cash and equivalents	$ 5,902,654	$ -	$ 5,902,654
Accounts receivable, net	33,512		33,512
Capital assets:			
Nondepreciable	-	1,055,170	1,055,170
Depreciable, net	-	4,809,068	4,809,068
Total assets	$ 5,936,166	$ 5,864,238	$ 11,800,404
Liabilities			
Accounts payable	830,121	-	830,121
Accrued liabilities	16,810	-	16,810
Total liabilities	846,931	-	846,931
Fund balances/Net Position			
Fund balances:			
Restricted for downtown redevelopment	5,089,235	(5,089,235)	-
Total fund balances	5,089,235	(5,089,235)	-
Total liabilities and fund balances	$ 5,936,166		
Net position			
Net investment in capital assets		5,864,238	5,221,229
Restricted for downtown redevelopment		5,089,235	5,732,244
Total net position		$ 10,953,473	$ 10,953,473

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

CITY OF SANFORD, FLORIDA
COMMUNITY REDEVELOPMENT AGENCY

STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Year Ended September 30, 2025

	General Fund	Adjustments (Note 2)	Statement of Activities
Revenues			
Property taxes	$ 2,408,458	$ -	$ 2,408,458
Investment income	333,043	-	333,043
Miscellaneous Income	12,205	-	12,205
Total revenues	2,753,706	-	2,753,706
Expenditures/Expenses			
Current:			
Economic Environment	3,413,858	-	3,413,858
Depreciation	-	269,811	269,811
Capital outlay	947,959	(947,959)	-
Total expenditures	4,361,817	(678,148)	3,683,669
Excess (deficiency) of revenues over (under) expenditures	(1,608,111)	678,148	(929,963)
Net change in fund balances/Net position	(1,608,111)	678,148	(929,963)
Fund balances/Net position			
Beginning of the year	6,697,346	5,186,090	11,883,436
End of the year	$ 5,089,235	$ 5,864,238	$ 10,953,473

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The City of Sanford, Florida Community Redevelopment Agency (the "CRA") is a blended component unit of the City of Sanford, Florida (the "City"). The five-member governing board of the CRA consists of two members appointed by the Seminole County, Florida (the "County") governing board and three members appointed by the City's governing board.

The CRA was created pursuant to Section 163.356, Florida Statutes, through ordinances passed by the City and the County. It was created by City Ordinance 3282 and County Ordinance 95-R-246. Its primary activities include the rehabilitation, conservation, or redevelopment of slum or blighted areas within the Lake Monroe Waterfront and Downtown District, which was established by an Interlocal agreement with Seminole County in 1996.

Pursuant to Florida Statute 163.387, the CRA is funded primarily by incremental ad valorem tax revenues levied and remitted in amounts proportionate to property tax values for each participating entity. The CRA is economically dependent on such revenue.

The accounting policies of the CRA conform to accounting principles generally accepted in the United States of America.

These financial statements present the financial position and results of operations controlled by or dependent upon the CRA. In evaluating the CRA as a reporting entity, management has addressed all potential component units for which the CRA may or may not be financially accountable and, as such, be includable in the CRA's financial statements. No component units exist which would require inclusion in the CRA's financial statements.

Government-wide and Fund Financial Statements

The CRA has only governmental activities and only one function, and, as such, it is eligible for special-purpose financial statement presentation; accordingly, the government-wide financial statements are presented together with the governmental fund financial statements, described below, with an adjustment column presented to reconcile the two sets of statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Governmental Fund Financial Statements - The CRA has one governmental fund type, which is the General Fund. The General Fund is the primary operating fund used to account for all resources and operations. Governmental funds are accounted for on a "spending" or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on the balance sheet. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current position.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the CRA considers revenues to be available if they are collected within 65 days of the end of the current period. Expenditures generally are recorded when a liability is incurred.

Property taxes associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period and are recognized as revenue when the amount is received within the availability period which is limited to 60 days after the end of the fiscal year.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Budgets and the Budgetary Process

The CRA's Board adopts an annual operating budget, which can be amended by the Board throughout the year.

At the fund level, actual expenditures cannot exceed the budgeted amounts; however, with proper approval by the Board, budgetary transfers between line items can be made.

The accompanying Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual for the General Fund reflects the original and final budget authorization amounts, which includes all amendments. Appropriations lapse at the close of the fiscal year.

The CRA's management cannot amend or transfer appropriations.

For the year ended September 30, 2025, the CRA's budget was prepared on a modified accrual basis.

Pooled Cash and Equivalents

Cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. The City presents all investments at fair value.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Property and Equipment

Property and equipment purchased in the General Fund are recorded as expenditures at the time of purchase. It is the policy of the CRA to capitalize property and equipment over $10,000 with an estimated useful life in excess of one year. Lesser amounts are expensed. Depreciation has been recorded using the straight-line method over useful lives varying from 3 to 40 years, depending upon the asset type. The CRA does not have donated fixed assets.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Fund Balance

The unassigned fund balance for governmental funds represents the CRA's resources available for future operations. Restricted fund balances encompass the portion of net fund resources subject to externally enforceable legal restrictions. This includes externally imposed restrictions by creditors (such as debt covenants), grantors, contributors, laws or regulations of other governments, as well as restrictions imposed by law through constitutional provisions or enabling legislation. The CRA's fund balance is restricted for use for the CRA area through enabling legislation.

Estimates and Assumptions

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 statements, and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Adjustments were made to include capital assets (net of accumulated depreciation) on the statement of net position. This resulted in a net difference between the ending General Fund balances and the total net position of $5,864,238.

Total fund balance	$ 5,089,235
Capital assets, net	5,864,238
Total net position	$10,953,473

Adjustments were made to include depreciation expense and eliminate capital outlay expenditures, if any, on the statement of activities. This resulted in a net difference between "change in fund balance" and "change in net position" of $678,148.

Change in fund balance	$(1,608,111)
Add: Capital outlay expense	947,959
Less: Depreciation expense	(269,811)
Change in net position	$ (929,963)

NOTE 3 - POOLED CASH AND EQUIVALENTS

The CRA's pooled cash and equivalents account is combined with the pooled cash of the City. The City's cash accounts consist of interest-bearing accounts and investments at fair value.

Earnings from the pooled funds are allocated to the CRA based on the CRA's proportionate share of the pool.

Custodial Credit Risk – Bank Deposits. Bank deposits are insured by the FDIC up to $250,000. Amounts in excess of $250,000 are secured by the Public Deposits Trust Fund maintained by the Treasurer of the State of Florida. The Trust Fund is a multiple financial institution pool with the ability to assess its members' financial institutions for collateral shortfalls if a member fails. For this reason, deposits are considered substantially insured.

NOTE 4 - CAPITAL ASSETS

The following is a summary of changes in the CRA's capital assets during the fiscal year ended September 30, 2025:

	Balance October 1, 2024	Additions and Transfers	Deletions and Transfers	Balance September 30, 2025
Governmental Activities				
Land	$ 10,363	$ -	$ -	$ 10,363
Construction in progress	345,388	947,959	(248,540)	1,044,807
Total capital assets, not being depreciated	355,751	947,959	(248,540)	1,055,170
Capital assets being depreciated				
Machinery and Equipment	5,648	-	-	5,648
Improvements	9,216,983	-	248,540	9,465,523
Less: Accumulated depreciation	(4,392,292)	(269,811)	-	(4,662,103)
Total capital assets being depreciated	4,830,339	(269,811)	248,540	4,809,068
Total capital assets	$ 5,186,090	$ 678,148	$ -	$ 5,864,238

Depreciation expense amounted to $269,811 during fiscal year 2025, which is included on the statement of activities.

NOTE 5 - SUBSEQUENT EVENTS

On December 31, 2025, subsequent to the fiscal year-end, the CRA sunset in accordance with applicable Florida statutes and the adopted interlocal agreement with Seminole County establishing the Agency.

At the date of sunset, the CRA had outstanding commitments related to projects and agreements approved prior to December 31, 2025. These projects are expected to be completed by December 31, 2026, consistent with previously approved timelines. The City has assumed administrative oversight for these commitments and will administer any remaining activities through project completion.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF SANFORD, FLORIDA
COMMUNITY REDEVELOPMENT AGENCY

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

Year Ended September 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Property taxes	$ 2,454,338	$ 2,454,338	$ 2,408,458	$ (45,880)
Investment income (loss)	139,076	139,076	333,043	193,967
Miscellaneous Income	-	-	12,205	12,205
Total revenues	2,593,414	2,593,414	2,753,706	160,292
Expenditures				
Current:				
Economic environment	2,593,414	4,492,401	3,413,858	1,078,543
Capital outlay	-	4,885,859	947,959	3,937,900
Total expenditures	2,593,414	9,378,260	4,361,817	5,016,443
Excess (deficiency) of revenues over (under) expenditures	-	(6,784,846)	(1,608,111)	5,176,735
Net change in fund balances	-	(6,784,846)	(1,608,111)	5,176,735
Fund balances				
Beginning of year	-	-	6,697,346	6,697,346
Prior carryforward	-	6,784,846	-	(6,784,846)
End of year	$ -	$ -	$ 5,089,235	$ 5,089,235

Note: This schedule is prepared on the basis of generally accepted accounting principles.

COMPLIANCE SECTION

Forvis Mazars, LLP
255 South Orange Avenue, Suite 600
Orlando, FL 32801
P 407.740.5400 | F 407.386.6107
forvismazars.us

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*

Independent Auditor's Report

Honorable Mayor and Member of the City Commission
City of Sanford, Florida Community Redevelopment Agency
Sanford, 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 (*Government Auditing Standards*), the financial statements of the governmental activities and the General Fund of the City of Sanford, Florida Community Redevelopment Agency (the "CRA"), a component unit of the City of Sanford, Florida, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise CRA's basic financial statements, and have issued our report thereon dated May 26, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the CRA's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the CRA's internal control. Accordingly, we do not express an opinion on the effectiveness of the CRA's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the CRA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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

Forvis Mazars, LLP

Orlando, Florida
May 26, 2026

Forvis Mazars, LLP
255 South Orange Avenue, Suite 600
Orlando, FL 32801
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Independent Accountant's Report

Honorable Mayor and Members of the City Commission
City of Sanford, Florida Community Redevelopment Agency
Sanford, Florida

We have examined the compliance of the City of Sanford, Florida Community Redevelopment Agency (the "CRA"), a component unit of the City of Sanford, Florida, with the requirement of Sections 163.387(6) and (7) and 218.415, Florida Statutes, for the year ended September 30, 2025. The CRA's management is responsible for 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 compliance with those requirements, in all material respects. An examination involves performing procedures to obtain evidence about the CRA's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

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

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

Forvis Mazars, LLP

Orlando, Florida
May 26, 2026

Forvis Mazars, LLP
255 South Orange Avenue, Suite 600
Orlando, FL 32801
P 407.740.5400 | F 407.386.6107
forvismazars.us

Independent Auditor's Management Letter

Honorable Mayor and Members of the City Commission
City of Sanford, Florida Community Redevelopment Agency
Sanford, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Sanford, Florida Community Redevelopment Agency (the "CRA"), a component unit of the City of Sanford, Florida, as of and for the year ended September 30, 2025, and have issued our report thereon dated May 26, 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 Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated May 26, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. There were no findings or recommendations made in the preceding 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. The official title and legal authority of the CRA is disclosed in the notes to the financial statements.

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 met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the CRA did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures 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 review of financial information provided by same.

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

Property Assessed Clean Energy (PACE) Programs

As required by Section 10.554(1)(i)6.a., *Rules of the Auditor General,* a PACE program pursuant to Section 163.081 or Section 163.082, Florida Statutes, operated within the City's geographical boundaries during the year under audit.

As required by Section 10.554(1)(i)6.b., *Rules of the Auditor General,* the following is a list of program administrators and third-party administrators that administered the program:

- Florida PACE Funding Agency

As required by Section 10.554(1)(i)6.c., *Rules of The Auditor General,* the full names and contact information of each such program administrator and third-party administrator:

- Florida PACE Funding Agency c/o Counterpointe Energy Solutions
  2600 Maitland Center Blvd, Suite 163
  Maitland, FL 32751

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.

Specific information of the CRA, a dependent special district of the City of Sanford, Florida, that is required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7, *Rules of the Auditor General,* is reported in the City of Sanford's management letter for the year ended September 30, 2025.

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 fraud, waste, or abuse, that has occurred or is likely to have occurred, that has 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 City Commission, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Forvis Mazars, LLP

Orlando, Florida
May 26, 2026