



EXECUTIVE SUMMARY – January 2026 CRA Financial Report

The Town of Eatonville Community Redevelopment Agency (CRA) entered January 2026 with a **strong cash position of approximately \$1.87 million** and ended the period with **\$879,046**, reflecting a **net decrease of approximately \$986,431 (53%)** over the month. This decline is primarily attributable to **planned capital expenditures and redevelopment-related investments**, rather than recurring operational deficits.

Financial Performance Overview

During the period, total **cash inflows were minimal (~\$1,814.93)**, while **total outflows reached approximately \$986,591.50**, indicating a significant imbalance between incoming and outgoing funds. The low inflow is not indicative of long-term revenue capacity, as a **major CRA tax increment funding deposit (~\$954,179)** is reflected separately within the financial activity and supports the agency's overall funding structure.

Spending Activity & Investment Focus

Expenditures during January were heavily concentrated in **capital improvement projects, infrastructure-related payments, and professional services**, including architectural, engineering, legal, and consulting support. These expenditures align with the CRA's strategic objective of advancing redevelopment initiatives and improving community infrastructure.

The spending profile indicates:

- **A high proportion of capital and project-based expenditures**
- **Limited operational overhead**, suggesting disciplined administrative spending
- Continued investment in **long-term economic development and revitalization efforts**

Liquidity & Cash Flow Considerations

While the CRA maintains a **healthy remaining cash balance**, the current pace of expenditures represents a **high burn rate**, equivalent to nearly the total monthly reduction observed. If this level of spending were to continue without offsetting inflows, the agency would face **short-term liquidity pressure**, with an estimated runway of less than one month.



However, it is important to note that:

- The current spending reflects **intentional, project-driven disbursements**
- The CRA is operating within a **planned capital deployment phase**
- Future inflows (e.g., tax increment revenues) are expected to support ongoing activities

Key Risks

- **Short-term liquidity risk** if expenditures are not aligned with revenue timing
- **Dependence on reserve funds** to support active projects
- Potential need for **phasing or reprioritizing capital projects**

Strategic Outlook

The CRA remains **financially viable and strategically positioned**, with resources being actively deployed toward redevelopment goals. The current financial activity reflects **execution of planned investments rather than financial instability**.

Recommended Board Actions

To ensure continued financial sustainability and alignment with strategic priorities, it is recommended that the Board:

1. **Prioritize and phase capital projects** based on available liquidity
2. Establish or reaffirm a **minimum cash reserve policy**
3. **Monitor monthly cash flow and burn rate closely**
4. Evaluate **timing of expenditures relative to anticipated revenues**
5. Explore **additional funding mechanisms or revenue enhancements** where appropriate

Conclusion

January 2026 reflects a **transformational investment period** for the CRA, with significant financial resources being deployed to advance redevelopment initiatives. While cash balances have declined, the expenditures are **strategic and aligned with long-term objectives**. With appropriate oversight and financial management, the CRA is well-positioned to continue delivering on its mission while maintaining fiscal stability.