City of Cocoa Beach

Annual Comprehensive Financial Report
Fiscal Year Ended
September 30, 2023



City of Cocoa Beach, Florida

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ended September 30, 2023

Prepared by: Patrisha Draycott, CFO/Assistant City Manager
Jo Ann Clark, Deputy Chief Financial Officer
With the assistance of the
Finance Department staff

City of Cocoa Beach, Florida
Annual Comprehensive Financial Report
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City of Cocoa Beach
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www.cityofcocoabeach.com

April 15, 2024

To the Honorable Mayor, City Commissioners
and Citizens of the City of Cocoa Beach:

The Annual Comprehensive Financial Report (ACFR) of the City of Cocoa Beach, Florida for the fiscal year ended September 30, 2023 is submitted pursuant to Florida Statutes Chapters 11.45 and 218.39, and Section 3.03(4) of the City Charter.

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We consider the enclosed data to be accurate in all material respects and it is reported in a manner designed to present fairly the financial position and results of operations of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities are included.

The report complies in all material respects with the authoritative promulgations by the Governmental Accounting Standards Board (GASB). An explanation of the City's accounting policies is contained in the Notes to Financial Statements, which are an integral part of this Report. These Notes explain the basis of accounting, funds and accounts used, and other significant accounting information.

Internal Controls

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with Generally Accepted Accounting Principles (GAAP).

The internal control structure is intended to provide reasonable, but not absolute, assurance that these objectives are met. The inherent limitations of internal control are that:

1. Cost considerations will prevent management from ever installing a "perfect" system. Management will properly and deliberately choose to run certain risks because the cost of preventing such risks cannot be justified, (i.e. costs should not exceed benefits);

2. Control related policies and procedures are subject to management override; and

3. Internal controls may be circumvented by collusion between employees.

Independent Audit

Chapter 218.39, Florida Statutes requires that the financial statements of the City be audited by an independent Certified Public Accountant, licensed to practice in Florida. This audit has been completed by the City's independent Certified Public Accountants, Carr, Riggs, & Ingram, and their opinion is included in their report.

Management Discussion and Analysis

Generally Accepted Accounting Principles (GAAP) requires management to provide a narrative introduction, overview, and analysis to accompany the basic financial statements. This information is referred to as Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Cocoa Beach's MD&A can be found immediately following the independent auditor's report.

Profile of the Government

The City of Cocoa Beach has a Commission/Manager form of government. The five- member Commission consists of a Mayor and four Commissioners who are elected at large and serve for a period of four years. In the governance of the City, the Commission is charged with the responsibility of establishing policies and enacting ordinances and resolutions. The City Manager is appointed by the Commission and is charged with the responsibility of administering daily operations and implementing Commission directives. The City provides a range of services normally associated with a municipality, including police, fire, emergency medical services, parks and recreational activities, streets and parks maintenance, traffic engineering and metered parking, sanitation, wastewater treatment, stormwater improvements, community redevelopment, marketing, building inspections, code enforcement, planning and zoning, and general administration; including personnel, finance, and public records access through the city clerk. Wastewater treatment services are also provided to the adjacent unincorporated areas, including Port Canaveral and Patrick Air Force Base. The City also operates a twenty-seven-hole golf course. All monies required to support these services are reflected in this report.

Budgeting Process and Controls

The City maintains budgetary control as part of its fiscal management techniques. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the governing body. Annual budgets are prepared for those funds that require them. Budgetary integration is established in the accounting records with a uniform chart of accounts as required by the state.

The government also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts lapse at year end. As demonstrated by the statements and schedules included in the financial section of this report, the government continues to meet its responsibility for sound financial management. Note 1 of the financial statements contains a more complete discussion of the budget process.

Community Background

The City of Cocoa Beach was incorporated in 1925, but really began growing residentially during the height of the Space Program in the 1960's. As a small oceanfront/riverfront community with six miles of highly accessible beaches and river access, lying in between the Banana River and the Atlantic Ocean, the City focuses on being a family-oriented tourist destination; however, the community has a solid residential component with 2,442 single family homes and 6,462 condominiums as of 2022. The diversity of the economy is driven by a mix of hotels/motels and businesses that are supportive of the tourism industry while also supporting the needs of the local residents. Cocoa Beach population (for State shared review purposes in Fiscal Year 2023) is 11,356, but seasonally the population more than doubles. Other factors are the normally estimated 2.4 million day-visitors to the city annually, reflecting the relative proximity to the Orlando Metro area.

Of the 2,700 acres that comprise Cocoa Beach, 900 acres are known as the Thousand Islands with a northern area jointly held by the City, County and State of Florida. The south area Thousand Islands are under the control of the Brevard County Environmentally Endangered Land Program.

The City has invested in the purchase of these islands and seeks to conserve and protect these valuable natural resources. For the most part, the City is built out with only a few exceptions. The primary focus moving forward will be redevelopment in specified areas. It should be noted that industrial uses are not permitted in the city limits.

Economic Condition and Outlook

Cocoa Beach is following the initial impact of the global Coronavirus (COVID-19) pandemic on the City's FY 2020 economic activity, i.e., tourism, hospitality, restaurants, etc., the City of Cocoa Beach has been slowly recovering. In April 2020 unemployment in Cocoa Beach reached 12.8%. At the end of FY2023, the unemployment rate had dropped to 3.2%. Several large re-development projects are currently in progress – The Drift Condominiums, Westin Resort, and Westgate Cocoa Beach Resort. These projects will bring more jobs, more tourism, and an increase in the tax base.

The financial condition and economic vitality of the Cocoa Beach area continues to be influenced by the activities at the Kennedy Space Center and Port Canaveral to the north, and Patrick Space Force Base to the south.

The Kennedy Space Center (KSC) is both a tourist attraction and a major employment center, with several space and defense contractors located there, supported by numerous local suppliers and support services. KSC was adversely impacted by the elimination of the space shuttle program. Facilities at KSC have since been reconfigured for private space endeavors. In 2023 72 orbital missions (rockets) were launched from the Space Coast, including Space X's Falcon and ULA's Delta IV. In 2023 there were 6 orbital crewed flights. It is anticipated that close to 1,000 satellites will be launched from KSC in 2024. With rocket launches scheduled on an increasing basis, KSC has reclaimed its status as the most active rocket launch facility in the world.

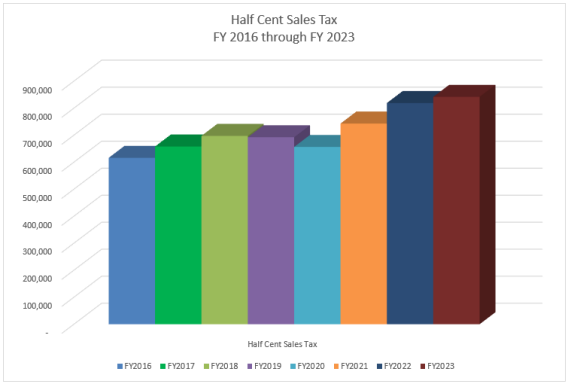
The economic outlook for Brevard County is gradually improving since the unemployment rate rose from a low 2.7% in December 2019 to a double-digit rate of 12.8% in April 2020 due to COVID-19.[1] As of the date of this writing, the economic outlook continues to steadily improve with the September 2023 rate at 3.20%.

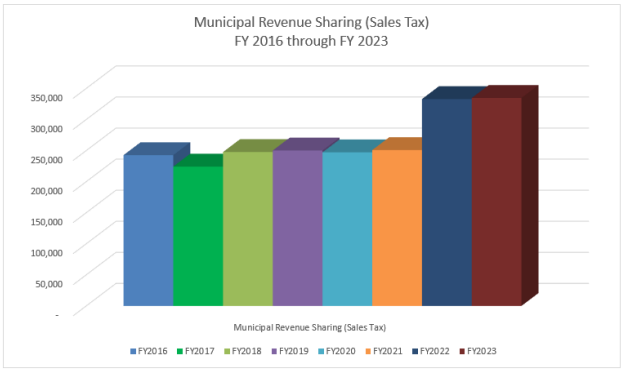
[1] FRED Economic Data, St. Louis Fed. https://fred.stlouisfed.org/series/FLBREV3URN

Prior to the coronavirus pandemic, Port Canaveral sustained a favorable area impact with its growth in cruise ship services, port facilities, tonnage processed, and recreational activities. The Centers for Disease Control and Prevention (CDC) issued of a no-sail order in March 2020 for multiday cruise operations. Despite the cruise operations shutdown, cargo operations, helped by strong construction and road building activity in Florida, held their own. The Port has evolved into a major deep-water port of entry with berthing facilities, a marine commercial park and foreign trade zone. It is the world's first quadra-modal hub, interchanging freight among sea, land, air and space transportation modes. The Port continues to increase cargo ship activity, with the combined port costs for tug boats, piloting, line handling, dockage and water among the lowest in the Southeast. Annual cargo tonnage exceeds 6.5M tons with two liquid bulk facilities and nine dry cargo berths. Exploration Tower, a seven-story welcome center at the Port, is designed to serve as a focal point for the community. Port Canaveral ended its 2022-2023 budget year with nearly 7 million cruise passengers. In the Central Florida area, the Port brings in $3 billion yearly, with nearly 23,000 jobs. With the increased activity at KSC, the cargo business at the Port continues to grow, and the Port is currently working on a plan to expand. [2]

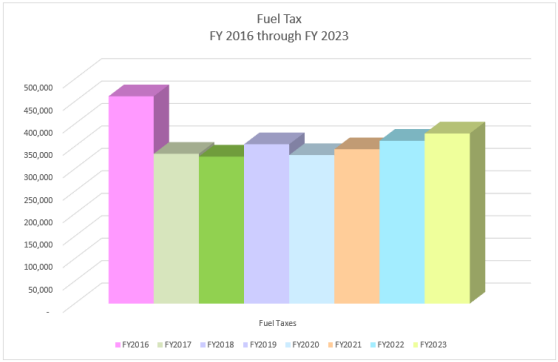
Patrick Space Force Base, home to the 45th Space Wing, is one of the area's major employers, as well as a provider of services to active military personnel, veterans and retirees.

State shared revenues (sales tax and fuel tax) declined from FY2008 through FY2012, and then had small increases each year from FY2013 through FY2018. In FY2020 sales tax revenue was 5.46% less than that of FY2019, the loss resulting from COVID-19 shutdowns. The City saw a notable increase in municipal revenue sharing (sales tax) in FY2022, increasing by 24.65% from FY2021 to FY2022, and has kept a similar level in FY2023, indicating an increase in business activity/sales in the City.





Fuel tax revenues have continued to remain relatively flat, but in the last three years have seen a small, but steady, increase (following the decline in FY2020).



[2] https://mynews13.com/fl/orlando/news/2023/11/08/state-of-port-canaveral

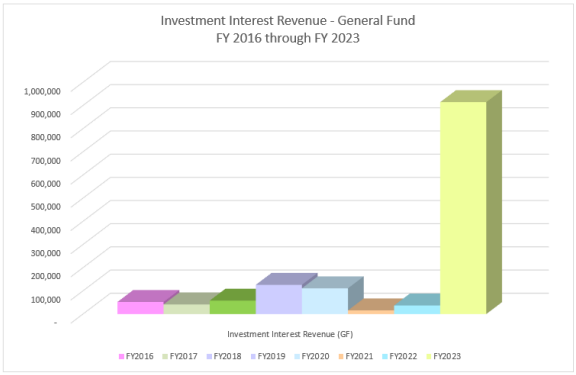
The current session of the Legislature is considering changes in some tax measures. Florida is one of the lowest tax states[3] already, and previous recessionary times will make tax increases or revenue enhancements politically difficult. There are two half-cent sales taxes active at the county level:

- Voters first approved a referendum for a half-cent sales tax in 2016 for the Brevard County school system. In November 2020, voters renewed this surtax that funds critical school repairs and security upgrades.
- In 2017 a half-cent sales tax used to fund the Indian River Lagoon (IRL) restoration was approved by the voters. The City has successfully developed projects and submitted them for funding with proceeds from the IRL sales tax.

Up until the economic effects of the pandemic began being felt throughout financial markets, we were seeing notable increases in interest rate revenue in FY2019 and FY2020. Following COVID, the Federal Reserve dropped rates to 0%, and only funds in long-term investments and savings accounts earned revenue in FY2021 and FY2022. Beginning in March 2022 the Federal Reserve began a series of rate increases, and in just over 16 months increased rates to over 5%.[4] Throughout FY2023 the City has earned nearly $1 million in investment revenue in the General Fund.

Fed Rate Hikes 2022-2023: Taming Inflation

FOMC Meeting Date	Rate Change (bps)	Federal Funds Rate
July 26, 2023	+25	5.25% to 5.50%
May 3, 2023	+25	5.00% to 5.25%
March 22, 2023	+25	4.75% to 5.00%
Feb 1, 2023	+25	4.50% to 4.75%
Dec 14, 2022	+50	4.25% to 4.50%
Nov 2, 2022	+75	3.75% to 4.00%
Sept 21, 2022	+75	3.00% to 3.25%
July 27, 2022	+75	2.25% to 2.50%
June 16, 2022	+75	1.50% to 1.75%
May 5, 2022	+50	0.75% to 1.00%
March 17, 2022	+25	0.25% to 0.50%



Adjusted current taxable property values increased 12.33% from Fiscal Year 2022 to Fiscal Year 2023. Property values are projected to continue to increase in Brevard County for 2024. Total ad valorem tax collections for Fiscal Year 2023 are $16,100,474. Following the economic effects of COVID, the City has been experiencing increases in operating costs – the cost of services and supplies. The City is also seeing notable increases in the costs of capital projects and equipment purchases. The City strives to balance the budget using prioritization of capital needs and improving efficiency to keep the costs low, while looking for alternate revenue sources, such as grants and user fees. Page A–25 of the FY 2023 Budget has a summary of ten years expenditures by use, and page A-26 of the FY2023 Budget has a summary of ten years revenue and expenditures (all funds). Page A-30 of the FY2023 Budget has a detailed explanation of ten years of tax collection history.

Long-term Financial Planning

With a stable population base, the City does not face the issue of adding significant infrastructure and related staffs to accommodate growth. Since the City is essentially fully developed, there is little potential for major additions to the tax roll. Such increases will come primarily from property redevelopment and re-evaluations. The stable (and slightly lower[5]) population base restricts growth in state shared revenue (allocated on a per capita basis).

[3] Tax Foundation: Background Paper, October 2013, No. 68.

[4] https://www.forbes.com/advisor/investing/fed-funds-rate-history/

[5] Population in Fiscal Year 2007 = 12,785; Population in Fiscal Year 2023 = 11,262; per state shared revenue allocations.

The City Commission has an ambitious goal to redevelop Cocoa Beach by making the City a notable tourist destination as well as a desirable place to live. This development will require extensive planning as it must be accompanied by the revenues required to facilitate this development. The main focus, however, will be redevelopment of properties within the City as available underdeveloped and undeveloped land is minimal.

The financial position of the City has remained strong and sound with a stable economic base. It is influenced by the proximity of both the major tourist attractions such as the beaches and Port Canaveral, as well as the proximity to major employers such as the Kennedy Space Center and Patrick Space Force Base. The tourist business, affected by a declining economic environment, has been recovering the past few years. The extent of the increase in property values from the above activities will also be a factor.

Aging infrastructure has long been of a concern and is further brought to the forefront each summer as wind and rain associated with tropical storms and hurricanes continues to cause extensive damage to City infrastructure. City Hall was built in the 1960s and requires replacement. Demolition of City Hall and design of a new City Hall took place in FY2023, with construction scheduled to begin in FY2024. The new City Hall design includes a green space area, stage, wash through area, and community center. In July 2023 the City Commission approved to proceed construction with W&J Construction and a not to exceed amount of $11.5 million. With a total budget of $9.3M, the new Police Station facility construction project began in fall of 2020 and was completed in FY2023. Although the main Fire Station was replaced five years ago, an additional $5M is estimated as the replacement cost for the north area fire station. See Note 3 of the financial statements for debt schedules.

Accumulating and setting aside funding sources for debt service in the face of rising operating costs while maintaining current service levels is challenging. The Commission has addressed this by adopting Resolution 2016–22 which commits $1,000,000 in tax collections to help facilitate funding of construction of new municipal facilities. The police station construction project includes $500,000 of the committed funds in its budget, thus reducing the committed remaining funds to $500,000.

Additionally, to assist in minimizing annual facilities maintenance cost volatility, an energy and facility improvement plan was initiated in FY 2019. Focused reductions in positions and expenditure accounts have too been made. However, these reductions are partially offset by rising direct and indirect costs.

Over the last several years, the wastewater treatment plant required extensive capital upgrades to comply with increased regulatory requirements. These projects were funded with two state revolving fund (SRF) loans. Improvements to the collection systems to increase efficiency and manage peak flows (as experienced during and after Hurricanes Matthew and Irma) continue to be addressed and an additional SRF loan was approved in September 2019. The project was complete at the end of FY 2020, and the debt schedule for the most recent SRF loan was finalized in FY2023. The projects are discussed in more detail in Note 3 of the financial statements.

Rate increases based on studies by outside consultants as well as in-house comparisons to surrounding communities have been adopted by the Commission. These include increases in golf rates, pool and other recreation fees, permit rates, stormwater fees, sewer fees, and fire inspection fees. In FY2023 the City Commission adopted Resolution 2022-16 establishing a Master Fee document. The document is amended by resolution for any rate changes.

Other revenue enhancements will be required as our needs are better defined.

Fiduciary Funds - Pension Trust Funds and OPEB Trust Fund

The City provides three separate pension plans: general employees, police, and firefighters. Each plan is a contributory defined benefit plan administered by its own Board of Trustees. Each plan maintains separate investment pools, although the same investment manager is used by the police and firefighters. Specific details are addressed in Note 4 of the financial statements and Required Supplementary Information.

The City provides other non-pension benefits, collectively referred to as other post-employment benefits (OPEB). A fiduciary trust fund is used to aid in accounting for these benefits. The City recognizes the total OPEB liability and related deferred outflows of resources, deferred inflows of resources, and OPEB expense in the financial statements based on the actuarial present value of projected benefit payments as required by generally accepted accounting principles. Specific details are addressed in Note 4 of the financial statements.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Cocoa Beach for its comprehensive annual financial report for the fiscal year ended September 30, 2022. This was the forty-first consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Annual Comprehensive Annual Financial Report (ACFR). This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

For the twenty third year, the City also received the GFOA Distinguished Budget Presentation Award for the Fiscal Year 2023 annual budget. To receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communication medium. It is valid for a period of one year. We believe our current budget continues to conform to program requirements, and it has been submitted to GFOA to determine its eligibility for another award.

The City's debt policy adopted with Resolution 2014-09 was submitted to the Association of Public Treasurers of the United States and Canada (APT US&C) for their review and certification. The Certification is recognition that the governmental entity has developed and adopted policies that address the fundamental elements of debt issuance and management. The Certificate of Excellence for Debt Policy was presented in 2015. The APT US&C recommends updates at five-year intervals.

Acknowledgements

Preparation of this Comprehensive Annual Financial Report on a timely basis is made possible through the efficient, dedicated and professional efforts of the Finance Department staff. The significant amount of year-end closing procedures required prior to the audit would not have been accomplished without much hard work and personal sacrifice. We are grateful for the contributions they made in the preparation of this report and for their untiring efforts towards improving the Finance Department's operations.

Other City Departments, although not extensively involved in year-end audit activities, contributed significantly by ensuring the accuracy and integrity of accounting information compiled throughout the year. Without their diligence, the work of the Finance Department would have been considerably more difficult. Appreciation must also be expressed to the City's auditors whose suggestions and attention to detail enhanced the quality of this report. In closing, special thanks are expressed to you, Mayor and Commission for your unyielding support and steadfast commitment to maintaining the financial integrity of the City. We can all share in the success we have experienced.

Respectfully submitted,

Wayne R Carragino
City Manager

Patrisha Draycott, CGFO
Chief Financial Officer/ACM

City of Cocoa Beach, Florida
City Officials
As of September 30, 2023

MAYOR
Keith Capizzi

VICE MAYOR
Jeremy Hutcherson

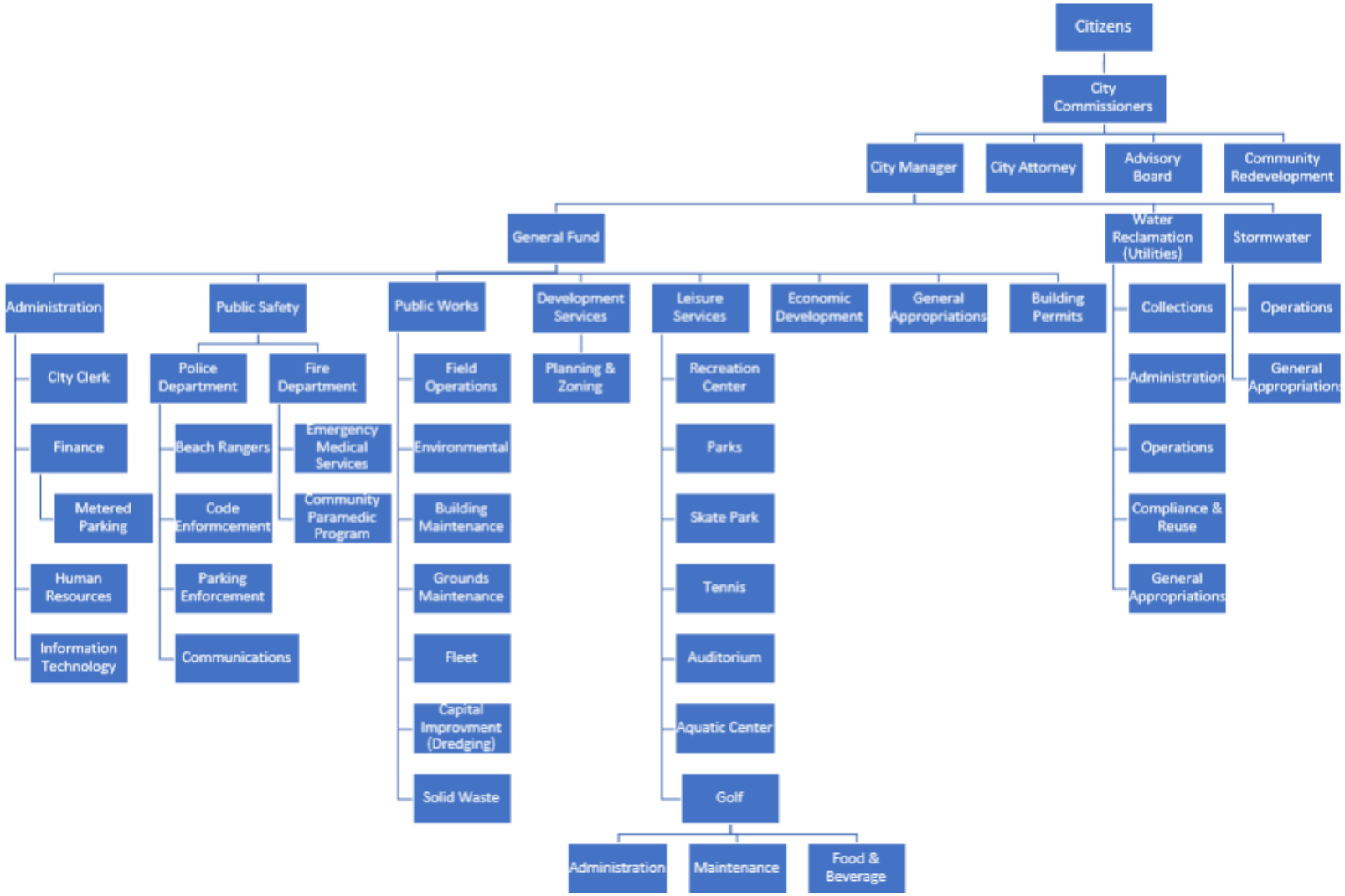
CITY COMMISSION
Karalyn Woulas
Skip Williams
Joshua Jackson

CITY MANAGER
Wayne Carragino

CITY ATTORNEY
Becky Vose

CITY CLERK/PUBLIC RELATIONS
Karin Grooms

City of Cocoa Beach, Florida
Organization Chart
As of September 30, 2023



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Cocoa Beach
Florida

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2022

Christopher P. Morrill

Executive Director/CEO



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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Commissioners
City of Cocoa Beach, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City Cocoa Beach, Florida (the "City"), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2023, and the respective changes in financial position, and, where applicable, cash flows 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 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 City 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.

Emphasis of Matter

As described in Note 2 to the financial statements, in fiscal year 2023, the City adopted new accounting guidance, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinion is not modified with respect to these matters.

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 City's ability to continue as

a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City'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 City'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 as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any

assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Cocoa Beach, Florida's basic financial statements. The accompanying combining nonmajor fund financial statements, the budgetary comparison schedule of the capital improvements project fund and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements, the budgetary comparison schedule of the capital improvements project fund and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 15, 2024, on our consideration of the City'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 City's internal control over financial reporting and compliance.

Carr, Riggs & Ingram, L.L.C.

Melbourne, Florida
April 15, 2024



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MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the City's financial activity, (c) identify changes in the City's financial position, (d) identify any material deviations from the financial plan, and (e) identify individual fund issues or concerns. Readers are encouraged to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal in the Introductory Section of the report.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City of Cocoa Beach exceeded its liabilities and deferred inflows of resources as of September 30, 2023, by $90,541,869 (net position). Of this amount, $16,715,570 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors. Governmental and business-type assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $49,960,264 and $40,581,605, respectively.

- The City's total net position was increased by $3,305,771 or 3.79%, in comparison to the prior year. The City's unrestricted net position, which may be used to meet the City's ongoing obligations to its citizens and creditors, increased by $458,422, a 2.82% increase from the prior year. The increase in net position is partially due to increases in user charges, including utilities system rates and charges for services at the Golf Course. In addition, the City deferred capital projects and capital equipment purchases.

- At September 30, 2023, the City of Cocoa Beach's governmental fund balance sheet reported a combined ending fund balance of $20,479,300, an increase of $11.90% from the Fiscal Year 2022 ending fund balance of $18,302,063. Of this amount, $7,877,221 remains in the General Fund of the City as unassigned fund balance. The unassigned fund balance decreased primarily due to an increase in the General Fund committed fund balance (an increase of $7,489,772 from Fiscal Year 2022 to Fiscal Year 2023). This is the result of the City Commission adopting Ordinance number 1681 setting committed reserve balances of 19% of the General Fund for purposes of disaster recovery.

- The General Fund reported a total fund balance of $16,923,755 at year end, an increase from the last fiscal year of $1,616,906. The ending fund balance in Fiscal Year 2022 was $15,306,849. The increase is due to an overall effort to hold expenditures below budgeted amounts where possible and increases in revenues primarily related to increases in user charges and some rate increases. In FY2023 the City's actuals were $9 million less than budgeted. A large portion of this was a result of delays to capital projects (such as the City Hall construction and the Muck Capping Project). Another factor for the increase in fund balance was an increase in revenue from user charge/rate increases, property taxes resulting in increased property values and redevelopment, and grant funds.

- Total external debt decreased by $3,118,540 (7.89%) in Fiscal Year 2023. This decrease is due to payments in debt obligations in the amount of ($3,122,079) offset by proceeds of new subscription liabilities of $3,540. See Note 3 to the financial statements for comprehensive debt schedules.

MAJOR INITIATIVES

- The construction project for a new City Hall complex design began in FY2023, with construction to begin in FY2024. The City is looking at a blend of cash resources, utilization of ARPA funds, and debt to finance the new City Hall construction. On April 18, 2023 the City Commissioners voted to move forward with the design/architectural plans. The design includes an area for the Freedom 7 senior community center, a parking/wash through area, as well as Commission meeting room, and office space for the City's administrative staff. Currently completion is scheduled for the end of the calendar year 2024/early 2025.



- Indian River Lagoon dredging projects are 100% grant funded and continue to be a priority to meet the challenge to Improve water quality in the lagoon. The City has two such projects underway:

  a. The City has an interlocal agreement with Brevard County/Florida Department of Environmental Protection (FDEP) for residential dredging services. Additionally, grants for the dredging project have been awarded by St. Johns River Water Management District (SJRWMD) and the Save Our Indian River Lagoon Project (SOIRLP) (half cent sales tax revenues). In FY2023 the City began the 400 Channel Dredge project, as well as a project to replace channel markers.

Grant(s) summary for Muck Capping & Dredging Residential Canals:

Save Our Indian River Lagoon (SOIRL)	24,363,100
Florida Department of Environmental Protection (FDEP)	12,000,000
	36,363,100

  b. Brevard County is partnering with the City via the SOIRLP to perform the Cocoa Beach Golf Dredging/Capping Project. The SOIRLP has identified the waters around the Cocoa Beach Golf Course as a location of high concentrations of muck. The Project includes approximately 140 acres and 975,000 cubic yards of muck deposits adjacent to the Cocoa Beach Golf Course and Cocoa Beach High School. As part of this project an evaluation of

MAJOR INITIATIVES (Continued)

capping as an alternative to muck dredging was conducted. It was decided by City Commission that capping would be a more cost-effective alternative and that this approach will be undertaken in lieu of muck dredging. The SOIRLP will provide 100% of the project funds. The City will perform all Project Management. Additional grant funds came from Florida Department of Environmental Protection (FDEP) in FY 2022. The five-year project started in summer of FY 2021. Total Project Cost and grant funding is estimated at $36,363,100.

- The Water Reclamation Department completed a comprehensive project to improve the sewer treatment plant with major capital upgrades. These upgrades and improvements address items directly related to the National Pollutant Discharge Elimination System (NPDES) permitting requirements outlined in the Wastewater Facility Plan. The City secured a Clean Water State Revolving Fund (SRF) Loan for the project (see Note 3 in the financial statements for details).

FINANCIAL STATEMENTS

Overview of the financial statements. This discussion and analysis are intended to serve as an introduction to the City of Cocoa Beach's basic financial statements. The basic financial statements are comprised of three (3) components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. This supplementary information should be considered an integral part of the financial statements.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances in a manner like a private-sector business. The statement of net position presents information on all the City's assets, deferred outflows of resources, liabilities, deferred inflows of resources with the difference between them 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 City 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 cashflows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by 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 to external users (business-type activities). The governmental activities of the City include general government, planning and zoning, public safety, transportation, sanitation, street and park maintenance, public improvements, and recreation. The business-type activities of the City include wastewater treatment/reuse and stormwater management.

The government-wide financial statements include only the City of Cocoa Beach itself (the primary government). The Cocoa Beach Public Library is funded through the Brevard County Free Public Library District, a separate taxing authority and is not included under the reporting entity definition in the City's financial statements.

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 City of Cocoa Beach, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the City of Cocoa Beach can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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 a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Five individual governmental funds are maintained; the General Fund, Community Redevelopment Agency (CRA) Fund, the Building Permit & Inspection Utilization Fund, the Confiscated Property Fund, and the Capital Improvements Project Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and CRA Fund, which are considered to be major funds. Since the Building Permit & Inspection Utilization Fund, the Confiscated Property Fund and the Capital Improvements Projects Fund are not considered to be major funds, data from the funds are combined into a single, aggregated presentation. The City of Cocoa Beach adopts an annual appropriated budget for its governmental funds. A budgetary comparison statement has been provided for the major governmental funds to demonstrate compliance with this budget.

Proprietary Funds

This category of funds includes both enterprise and internal service funds. The City maintains two funds which are considered enterprise funds. The City uses enterprise funds to account for the waste collection/disposal/reuse water system, and stormwater management system. Proprietary funds provide the same type of information as the government-wide financial statements. The proprietary fund financial statements provide separate information for the Utilities System Fund, and Stormwater Management Fund, each of which are considered to be major funds of the City.

Internal service funds are used to account for any activity that provides goods or services to other funds, departments or agencies of the primary government on a cost-reimbursement basis. In FY2023, the City established a new internal service fund – the Health Care Fund – to internally track the City's costs of providing health care services to all current and separated employees.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's programs. The City has three pension trust funds (General Employees', Police, & Firefighters), and an OPEB trust fund. Financial information for these funds is provided in the notes to the financial statements.

Notes to the Financial Statements

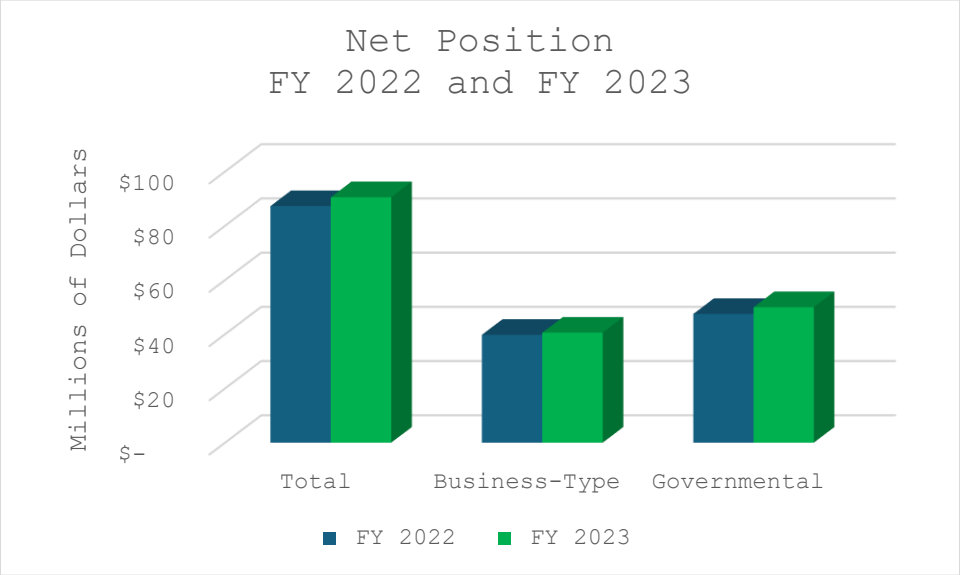
The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The government-wide financial report represents the approach mandated by the Governmental Accounting Standards Board (GASB). GASB sets the uniform standards for presenting government financial reports.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. For the City of Cocoa Beach, the net position was $90,541,869 at the close of the most recent fiscal year. This is a $3,305,771 increase in net position over the $87,236,098 reported in Fiscal Year 2022.

The increase is attributed to the rise in total assets, in both governmental and business-type activities. Most of this increase is a result of the completion of capital projects, including phases of the residential dredging program and major improvements to the Water Reclamation Facility. Detailed information on capital asset activity can be found in Notes 3 in the Notes to the Financial Statements.



As stated above, the City's net position totaled $90,541,869 at the end of Fiscal Year 2023. The largest portion of the City's net position reflects the investment in capital assets (e.g. land, buildings, machinery, and equipment). Although the City's investment in its capital assets ($68,110,244, 75.23% of total net position) is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Schedule of Net Position

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	$ 28,072,209	$ 26,067,322	$ 12,795,750	$ 13,209,899	$ 40,867,959	$ 39,277,221
Capital assets	55,034,968	54,495,268	50,296,927	50,670,768	105,331,895	105,166,036
Total assets	83,107,177	80,562,590	63,092,677	63,880,667	146,199,854	144,443,257
Deferred outflows of pension expenses	8,255,595	10,733,729	476,278	1,113,577	8,731,873	11,847,306
Deferred outflows of OPEB expenses	871,322	799,241	148,604	111,575	1,019,926	910,816
Total deferred outflows of resources	9,126,917	11,532,970	624,882	1,225,152	9,751,799	12,758,122
Long-term liabilties outstanding	31,341,895	32,088,102	20,311,149	22,319,203	51,653,044	54,407,305
Other liabilities	8,444,380	9,534,915	2,440,534	2,548,322	10,884,914	12,083,237
Total liabilities	39,786,275	41,623,017	22,751,683	24,867,525	62,537,958	66,490,542
Deferred inflows of pension earnings	406,332	642,698	48,230	141,869	454,562	784,567
Deferred inflows of OPEB earnings	1,970,343	2,330,000	336,041	332,302	2,306,384	2,662,302
Deferred revenue-business tax receipts	110,880	27,870	-	-	110,880	27,870
Total deferred inflows of resources	2,487,555	3,000,568	384,271	474,171	2,871,826	3,474,739
Net investment in capital assets	39,200,127	37,829,977	28,910,117	27,663,474	68,110,244	65,493,451
Restricted	3,780,151	3,223,772	1,935,904	2,261,727	5,716,055	5,485,499
Unrestricted	6,979,986	6,418,226	9,735,584	9,838,922	16,715,570	16,257,148
Total net position	$ 49,960,264	$ 47,471,975	$ 40,581,605	$ 39,764,123	$ 90,541,869	$ 87,236,098

A portion of the City of Cocoa Beach's net position, $5,716,055 (6.31% of total net position), represents resources that are subject to external restrictions on how they may be used. The balance of unrestricted net position, $16,715,570 (18.46% of total net position) may be used to meet the government's ongoing obligations to citizens and creditors within the respective governmental and business-type activities. At the end of the current fiscal year, the City of Cocoa Beach is able to report positive balances in all three categories of net position as a whole.

The change in net position balance from fiscal year 2022 to fiscal year 2023 is $3,305,771 as shown in the Schedule of Changes in Net Position on the next page. While some revenues had decreases over the prior fiscal year, others showed modest increases, while the expenses were decreased or remained relatively flat. In FY2023 the City budgeted over $7 million for grant revenues and construction costs for the Muck Capping project, however the project did not move forward as quickly as anticipated, and there were no costs or revenues realized in FY2023. Ad valorem tax revenues increased in the General Fund by 16.76% from FY2022 to FY2023. This was a result in an increase to the millage rate by .2100 as well as a 12.33%

increase in the adjusted current year taxable value from FY2022 to FY2023. The increase in taxable value was largely due to a 328.85% increase in current year net new taxable value. In 2023 Florida Power and Light increased rates by over $18/kWh, generating nearly $300,000 more utility tax revenue and over $323,000 more franchise fee revenue. The City increase parking citation fees by $15 per citation, generating just under $100,000 in additional revenue in the parking program. The Country Club had increased play resulting in over $160,000 additional revenue, while keeping costs down, and spending over $168,000 less than budgeted. Investment interest was budgeted at a conservative amount, given the low rates following COVID, however, the actual investment revenue was nearly $1 million more than budgeted.

The following display of Changes in Net Position shows the governmental and business-type activities during the fiscal year.

Schedule of Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	$ 11,215,136	$ 11,780,933	$ 8,854,850	$ 9,002,437	$ 20,069,986	$ 20,783,370
Operating grants and contributions	569,686	3,012,320	-	-	569,686	3,012,320
Capital grants and contributions	-	-	1,326,734	223,212	1,326,734	223,212
General revenues:						
Property taxes	16,148,215	13,709,399	-	-	16,148,215	13,709,399
Other taxes	4,428,498	3,957,985	-	-	4,428,498	3,957,985
Intergovernmental	1,822,361	2,082,298	-	-	1,822,361	2,082,298
Investment earnings	1,089,756	8,233	435,298	5,049	1,525,054	13,282
Other	194,252	925,313	126,375	58,647	320,627	983,960
Total revenues	35,467,904	35,476,481	10,743,257	9,289,345	46,211,161	44,765,826
Expenses:						
General government	6,497,673	5,448,092	-	-	6,497,673	5,448,092
Economic environment	257,415	294,937	-	-	257,415	294,937
Public safety	14,892,935	11,539,079	-	-	14,892,935	11,539,079
Physical environment	5,176,387	4,802,494	-	-	5,176,387	4,802,494
Transportation/public works	3,753,104	3,752,843	-	-	3,753,104	3,752,843
Recreation	3,899,067	3,744,787	-	-	3,899,067	3,744,787
Interest on long-term debt	436,943	444,719	-	-	436,943	444,719
Utilities system	-	-	7,178,447	8,486,181	7,178,447	8,486,181
Stormwater management	-	-	813,419	821,166	813,419	821,166
Total expenses	34,913,524	30,026,951	7,991,866	9,307,347	42,905,390	39,334,298
Increase (decrease) in net position before transfers	554,380	5,449,530	2,751,391	(18,002)	3,305,771	5,431,528
Transfers	1,933,909	801,400	(1,933,909)	(801,400)	-	-
Change in net position	2,488,289	6,250,930	817,482	(819,402)	3,305,771	5,431,528
Net position, beginning	47,471,975	41,278,769	39,764,123	41,460,609	87,236,098	82,739,378
Restatement - note 2	-	(57,724)	-	(877,084)	-	(934,808)
Net position, beginning, restated	47,471,975	41,221,045	39,764,123	40,583,525	87,236,098	81,804,570
Net position, ending	$ 49,960,264	$ 47,471,975	$ 40,581,605	$ 39,764,123	$ 90,541,869	$ 87,236,098

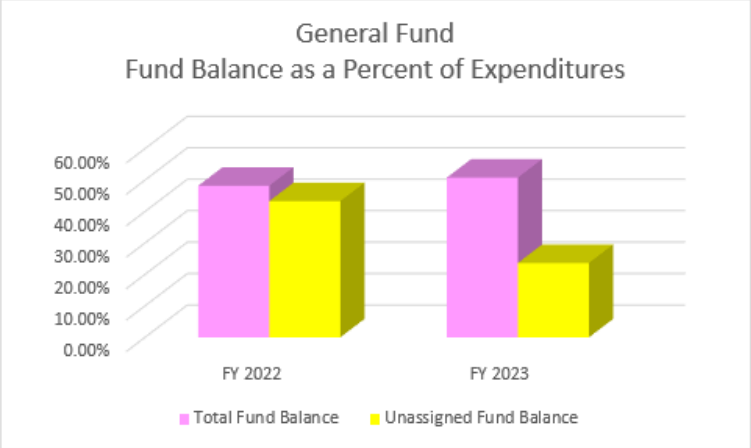
FINANCIAL ANALYSIS OF COCOA BEACH'S FUNDS

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

Governmental Funds. The City uses three governmental fund types (General, Special Revenue, & Capital Projects). The purpose of governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City'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.

As of September 30, 2023, the City of Cocoa Beach's governmental funds reported a combined fund balance of $20,479,300. This is an increase of $2,177,237 from the prior year balance of $18,302,063.

	FY 2022	FY 2023
Total Fund Balance	48.21%	50.80%
Unassigned Fund Balance	43.30%	23.64%



The General Fund is the chief operating fund of the City. As of September 30, 2023, total fund balance in the General Fund was $16,923,755 of which $7,877,221 was unassigned. As a measure of liquidity, a comparison of total and unassigned fund balances to total expenditures for Fiscal Year 2023 ($33,317,173) and Fiscal Year 2022 ($31,748,671) shows percentages of 23.64% and 43.30%, respectively for unassigned fund balance. As previously mentioned in the discussion of changes in net position, the primary change is due to a change in the reserve policy committing additional reserves to disaster recovery. The change in fund balance is also attributed to an overall increase in, tax revenues and grant reimbursements, while also holding expenditures at or below budgeted amounts.

General Fund Budgetary Highlights. A budget to actual statement is provided for the General Fund. A budget column for both the original budget adopted for Fiscal Year 2023 as well as the final budget is presented. A comparison of the final budget to the actual amounts for current expenditures shows a final difference of $9,483,009. A large portion of the difference is from the Muck Dredging project, which had $7,062,520 in State grants and capital expenditures budgeted, however additional costs were expended in FY2023, design is expected to be completed and construction will begin in FY2024. Another portion of the difference is attributed to the carrying over of budgeted funds to the Fiscal Year 2023 budget in the amount of $712,735 for capital projects that were not completed by the end of the fiscal year. Furthermore, operating expenditure actuals were overall held below budgeted amounts.

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund

	Adopted Budget	Final Budget	Actuals	Var Positive (Neg)
Revenues:				
Taxes	$ 18,577,745	$ 18,577,745	$ 19,354,137	$ 776,392
Licenses and permits	1,731,955	1,261,955	182,404	(1,079,551)
Intergovernmental revenues	9,488,404	9,488,404	2,383,919	(7,104,485)
Charges for services	12,041,198	10,636,263	9,697,199	(939,064)
Fines and forfeitures	54,100	54,100	49,186	(4,914)
Investment earnings	15,800	378,650	953,424	574,774
Miscellaneous revenues	82,650	145,650	159,328	13,678
Total revenues	$ 41,991,852	$ 40,542,767	$ 32,779,597	$ (7,763,170)
Expenditures:				
General government	$ 6,479,854	$ 6,674,644	$ 5,933,836	$ 740,808
Economic Environment	54,400	50,900	36,768	14,132
Public safety	12,906,886	12,299,871	12,320,155	(20,284)
Transportation/public works	7,962,498	7,803,598	6,998,565	805,033
Recreation	3,921,979	3,994,129	3,464,829	529,300
Capital outlay	10,943,233	10,900,074	3,416,392	7,483,682
Debt service	1,048,466	1,076,966	1,146,628	(69,662)
Total expenditures	$ 43,317,316	$ 42,800,182	$ 33,317,173	$ 9,483,009

Special Revenue Funds. Special Revenue Funds account for specific revenues and expenditures. The City has two special revenue funds.

Community Redevelopment Agency (CRA) Fund

The CRA is a major governmental fund used to account for monies from the incremental increase in property tax revenue collected within the designated redevelopment area. Consistent with State law, revenues are utilized and expended in accordance with the Community Redevelopment Plan. Fund balance at the end of Fiscal Year 2023 was $2,816,538. Fund balance at the end of Fiscal Year 2022 was $1,517,036. The $1,299,502 net change is reflective of a large increase in assets (investments) in FY2023. A project under consideration in the CRA is a Downtown Cultural Greenspace. This is a project to develop the area where City Hall formerly was located. The funds in investments will be used in FY2024/FY2025 to pay for the greenspace and wash-through portion of the City Hall complex construction.

The TIF has continued to increase in subsequent years as taxable values have risen. The increase from 2022 to 2023 is $278,064, 31.31%. With several large re-development projects that are currently underway, it is anticipated that the TIF will continue to increase in the next few years.

Community Redevelopment Agency Fund (CRA)
Tax Increment Values and Payments

	2023	2022	Increase (Decrease)
Taxable value	$ 249,309,420	$ 217,276,830	$ 32,032,590
Less: base year value	(119,086,930)	(119,086,930)	-
Net taxable value	$ 130,222,490	$ 98,189,900	$ 32,032,590
County tax rate per $1,000 of value	3.2619	3.5661	(0.3042)
City tax rate per $1,000 of value	6.1644	5.9544	0.2100
Tax increment payments			
County	$ 403,534	$ 332,647	$ 70,887
City	762,606	555,429	207,177
Total tax increment payments	$ 1,166,140	$ 888,076	$ 278,064

Confiscated Property Fund

The entire fund balance of the Confiscated Property Fund is considered restricted fund balance because it can only be used for certain enumerated law enforcement expenditures as defined by state statute. The fund balance is $153,329 for Fiscal Year 2023. This balance is unchanged from FY2022.

Building Permit & Inspection Utilization Fund

At the end of Fiscal Year 2022, the City established a new Special Revenue fund to track balances and activities related to new construction building permits, pursuant to Florida Statutes Chapter 553. The fund balance is $504,364 for Fiscal Year 2023.

Capital Projects Improvement Fund

Major governmental facilities construction and improvements transactions are recorded in this fund. In Fiscal Year 2023 the City budgeted for the City Hall complex construction and for the Bicentennial Park construction in this fund. Only preliminary design work was completed in FY2023 for these projects. The fund balance is $81,314 for Fiscal Year 2023.

Proprietary Funds. Beginning in FY2023, the City began using both of the two types of proprietary funds (Enterprise & Internal Service) and provides the same type of information found in the government-wide financial statements, but in more detail.

Enterprise Funds

At September 30, 2023, total net position amounted to $40,129,320 for enterprise funds as compared to $39,764,123 at September 30, 2022. Net position changes are a result of operations, capital grants, capital contributions and transfers in the Utilities System and Stormwater Management Funds.

The net operating income for all of the Enterprise Funds for fiscal years 2023 and 2022 is as follows:

Enterprise Fund Net Operating Income

	2023	2022
Utilities System	$ 815,957	$ 8,454
Stormwater Management	34,745	74,283
Total	$ 850,702	$ 82,737

The operating income in the Utilities System was $807,503 more than in Fiscal Year 2023 primarily due a reduction in the expenses for contractual services, materials, and supplies. This reduction was in operational expenses was from deferring some operational needs until FY2024, as there was no rate increase in FY2023. A rate increase will take place once the rate study, currently being conducted, is complete and approved by the City Commission.

The Stormwater Management operating income decrease of $39,538 from Fiscal Year 2022 is primarily a result of no rate increase in FY2022 and increased operating costs. The City began a rate study in FY2022 and expects to have the study completed and rate increases in FY2024.

Internal Service Funds

In FY2023 the City created a new internal service fund, the Health Care fund, to track the City's costs of providing health care services to current and separated employees. At September 30, 2023, total net position amounted to $1,089,182 for Internal Service funds. The charges for services and operating expenses during FY2023 were used for the new fund net position at the end of FY2023. This balance will be available to offset rising health care costs in future years.

CAPITAL ASSET ADMINISTRATION

Capital Assets. The City of Cocoa Beach's investment in capital assets as of September 30, 2023 is $105,331,895 (net of accumulated depreciation/amortization). This investment in capital assets includes land, buildings, improvements, equipment, infrastructure, work in progress, right-to-use lease assets and right-to-use subscription assets. Governmental activities net investment in capital assets increased by $500,719 and business-type activities decreased by $373,840. The primary reasons for the changes in the Governmental Activities Schedule were the purchase of a new tower fire truck and dredging project. The primary reason for the change in the Business-type Activities Schedule is the disposal and depreciation of aging infrastructure, buildings, improvements, and equipment. Major changes in capital assets during the current fiscal year included the following:

Major changes in governmental activities included a new City Hall complex, new fire squad vehicle, muck capping project, the residential dredging project, fleet vehicle replacements, paving projects, Bicentennial Park improvements, Information Technology (IT) upgrades and equipment, and country club improvements. For the business-type activities, the sludge reuse ground storage tank repairs and various lift station repair projects are in the improvements category. Additionally, for the business-type activities, the major acquisitions are the gravity sewer slip-lining (work in progress category), and the sludge biosolids processing project. These acquisitions were offset by disposals and depreciation of aging infrastructure, buildings, improvements, and equipment.

Schedule of Capital Assets (Net)

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	$ 7,950,653	$ 7,950,653	$ 1,691,599	$ 1,691,599	$ 9,642,252	$ 9,642,252
Work in progress	5,772,269	3,427,874	6,917,849	3,938,024	12,690,118	7,365,898
Buildings	19,632,963	20,052,880	1,644,551	1,717,235	21,277,514	21,770,115
Infrastructure	541,457	558,896	26,727,087	27,657,181	27,268,544	28,216,077
Improvements	16,495,413	17,754,342	12,328,595	14,294,406	28,824,008	32,048,748
Equipment	4,572,579	4,676,074	987,246	1,372,323	5,559,825	6,048,397
Right-to-use lease/subscription assets	69,634	74,549	-	-	69,634	74,549
Total capital assets	$ 55,034,968	$ 54,495,268	$ 50,296,927	$ 50,670,768	$ 105,331,895	$ 105,166,036

The City annually updates a five-year Capital Improvements Program (CIP) and forecasts the funding requirements for necessary equipment and facilities. These requirements, as well as projected costs of operations and maintenance, are compared and adjusted based on forecasted sources of funding over that timeframe. Additional information on the City's capital assets can be found in Note 3 to the financial statements.

DEBT ADMINISTRATION

Long-Term Debt

At the end of the current fiscal year, the City of Cocoa Beach had a total long-term debt in the amount of $36,306,806, not including bond premiums.

The City is participating in the State of Florida Revolving (SRF) Loan Program with twenty (20) year loans for utilities facility upgrades and sewer systems rehabilitation and stormwater improvements. The outstanding balance of the SRF loans is $5,059,099; during the fiscal year 2021 SRF #050610 and #050620 were refinanced with revenue bonds, saving over $1m in interest expense over the life of the debt. In Fiscal Year 2014, the 2004 SRF loan was refunded by a bank loan generating a savings of about $20,000 per year for ten (10) years. This loan was paid in full in FY2023. A second bank loan was issued in Fiscal Year 2014 for the construction of the new fire station and has an outstanding balance of $2,415,000. A lease/purchase agreement for new golf carts was initiated in FY 2022.

The outstanding balance is $317,182. In Fiscal Year 2021 the City entered into a Master Equipment Lease Agreement in the amount of $1,200,000 for a new fire tower truck, and in Fiscal Year 2022 for $440,737 for a new vac-con truck, the master equipment lease has an outstanding balance of $1,554,921. In Fiscal Year 2017 debt was issued with Florida Municipal Loan Council (FMLC) Revenue Bond 2017B to fund the design and construction of the new parking garage in the Community

Redevelopment Agency (CRA). The first payment on the principal of Revenue Bond 2017B was not made until FY 2019 and the outstanding balance is $3,040,000. In Fiscal Year 2019 debt was issued with Special Obligation Revenue Note, Series 2019 for the construction of a new police station and municipal facilities improvements in the amount of $9,751,000, and has an outstanding amount of $8,281,000. See Note 3 to the financial statements for additional information and for subsequent year end debt information.

Schedule of Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Capital Imprvmt Note, Series 2014A, Fire Station Construction	$ 2,415,000	$ 2,595,000	$ -	$ -	$ 2,415,000	$ 2,595,000
Spec Obligation Revenue Note Series 2019, Police Station Construction	8,281,000	8,726,000	-	-	$ 8,281,000	$ 8,726,000
Spec Oblibation Revenue Note Series 2017B CRA Parking Garage	3,040,000	3,305,000	-	-	$ 3,040,000	$ 3,305,000
Financed Equipment Fire Tower Truck, Golf Carts	1,517,182	1,638,895	-	-	$ 1,517,182	$ 1,638,895
Lease/Subscription Based Agreements	84,604	153,157	-	-	$ 84,604	$ 153,157
Wastewater Utility System Revenue Note Series 2014B Utilities Sys Imprvmts	-	-	-	320,000	$ -	$ 320,000
Wastewater Utility System Refunding Series 2020 Refinance SRF #2 & #3	-	-	15,555,000	16,904,000	$ 15,555,000	$ 16,904,000
State Revolving Fund Loan #4 Loan #050621 Stormwater Imprvmts			872,930	932,080	$ 872,930	$ 932,080
State Revolving Fund Loan #5 Loan #050630 Utilities System Imprvmts	-	-	4,186,169	4,410,477	$ 4,186,169	$ 4,410,477
Financed Equipment Vac-Con Utility Truck	-	-	354,921	440,737	$ 354,921	$ 440,737
Total Outstanding Debt	$ 15,337,786	$ 16,418,052	$ 20,969,020	$ 23,007,294	$ 36,306,806	$ 39,425,346

Total external debt decreased by $3,119,040 (-7.91%) in Fiscal Year 2023. The decrease is attributed to the paydown of debt in FY 2023. Additional information on the City's long-term debt can be found in Note 3 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City's elected and appointed officials considered many factors when setting the fiscal year 2024 budget, tax rates, and fees to be charged for the business-type activities. In the past few years, the City has obligated significant dollars on new facilities, street resurfacing and infrastructure upgrades. The City has also managed to accumulate an acceptable level of unassigned reserves. Resolution 2021 - 23 amends formalized reserve policies to be in line with GASB 54 definitions and criteria for classifying fund balances. Bordering the ocean, the City wishes to hold reserve balances sufficient for those immediate expenditures associated with hurricanes, as well as expenditures required to maintain normal operations. Although a substantial portion of hurricane expenditures are typically reimbursed, this practice is considered necessary to avoid disruptions in operations. In FY2023 the City Commission adopted Ordinance number 1681 setting committed reserve balances of 19% of the General Fund for purposes of disaster recovery and setting non committed reserves of not less than 1%, increasing by 1% per year for five years.

The City is effectively built-out, however, several redevelopment projects for new construction are progressing and could produce annual increases in property tax receipts in future years. Redevelopment

projects such as a new municipal complex are currently under construction. Under consideration is replacement/new construction of Fire Station #2 and construction of a municipal marina. It is important to the City's future that property tax revenues be maintained or increased from year-to-year because it is the largest component of the General Fund's annual revenues. Other revenues are not likely to increase significantly and since some of those sources (e. g. state shared revenues, grants) are beyond the City's control, property taxes are the most promising source of future funding. Developing new revenue sources and increasing existing ones are of increasing importance.

Although the City is challenged by increased costs for employee benefits (primarily health insurance, workers compensation), it does not face demands to add personnel to extend current levels of service into new areas. With staffing levels now equal to those of a decade ago, a review to determine appropriate handling of our workloads continues.

The five-year CIP always presumes that operations and capital replacements are expected to be sufficiently funded without having to increase the ad valorem tax rate. This is accomplished through prioritization of capital projects, budgeting for the most critical needs each year, and deferring projects that can potentially last longer.

The City's golf course continues to be challenged to sustain its operations and cover necessary equipment replacements. The high salt content in the area is extremely damaging to the equipment used for maintenance and funding the maintenance expense and replacement costs is an ongoing burden. The City has constructed a garage for equipment storage to aid in mitigating the salt issue and selectively purchases used equipment to lower capital costs. The course has been re-greened with a salt-resistant grass and play is gradually recovering as the economy improves. During FY2023, and continuing into FY2024, the City has been renovating and improving the Country Club facility, including improvements to the restaurant, pro-shop, bathrooms, landscaping, and exterior structures around the Golf Course.

The twenty-seven-hole golf course is actively used, particularly in the busy winter season, so strategies to increase play are marginally helpful, not a solution. The improvements and purchasing practices mentioned in the preceding paragraph are also helpful, but do not produce immediate, dramatic results.

The Golf Course Fund was incorporated into the General Fund with the adoption of Resolution 2013 – 21, beginning in Fiscal Year 2014. Golf course activity is presented in the category of Recreation in the General Fund. Play has still not returned to historical levels, but the number of rounds played continues to rise as the economic recovery continues. A comprehensive study by the National Golf Foundation proposed a series of rate increases and restructuring (i.e. sun-setting) of annual memberships to encourage revenue generation. The study was adopted by Resolution 2015 – 33 in November 2015. The current rates are set by Resolution 2023 – 02. During FY2023 the City began a renovation of the Country club, including new carpeting, painting, screening the outdoor patio, and furniture. The renovations will continue into FY2024 and will include renovations to the bathrooms and some outbuildings.

The Utilities System enterprise fund is in a similar situation. Environmental standards for discharges into the Indian River Lagoon have become stricter. The City completed a Water Treatment Plan Sustainability Plan in FY2020, Resolution 2020-28, to address the long-term management of the assets associated with the plant, which includes a fiscal plan for the maintenance, repair, and replacement of the facility's assets over a 20-year planning period. In April 2023 the City completed a Utility Rate Assessment and in May 2023 the City Commission adopted Resolution 2023-06 increasing rates by 25% effective October 1, 2023. The rate study provided proposed rate increases over a five-year period beginning in FY2024.

The proposed rate increases are necessary to fund debt service for capital items, as well as cover increased costs of operations and the new regulatory requirements.

Forecasts for the Stormwater Management enterprise fund show that large capital improvement projects will have to be funded using grants or loans. Revenues are not sufficient to fund both operations and capital projects of any size. In addition to the budgetary challenges facing the Stormwater Fund, federal Clean Water Act legislation concerning the TMDL and National Pollutant Discharge Elimination System programs are unfunded mandates upon local government and require extensive staff resource time and effort. The last increase in Stormwater rates occurred in FY2020, adopted by Resolution 2015-31. The City is currently working on a rate study, which will be completed in FY2024.

The City's current residential dredging program and schedule was developed through an interlocal agreement with Brevard County, Save Our Indian River Lagoon Program (SOIRLP) and Saint Johns River Water Management District (SJRWMD) as a part of the funding made available to clean the Indian River Lagoon. Dredging for thirty-six residential canals under this agreement continues into FY 2024. Additionally, the five-year Golf Muck Dredging/Capping Project funded by the SOIRLP was added as an Indian River Lagoon clean-up initiative in FY 2020, the design for this project will be completed in FY2024 and construction should begin in FY2024/FY2025. This is a 100% grant funded project.

All these factors were considered in preparing the City's budget for Fiscal Year 2023. The Fiscal Year 2023 millage rate is 6.1644, the rollback rate is 5.3133. The rollback rate produces the same ad valorem tax revenue as the previous year and therefore is not a tax increase. See the economic outlook section of the letter of transmittal for additional details regarding economic conditions.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Cocoa Beach's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Patrisha Draycott, CGFO, Chief Financial Officer, 1600 Minutemen Causeway, Cocoa Beach, Florida, 32931 or pdraycott@cityofcocoabeach.com. The financial statements are included in the City's Annual Comprehensive Financial Report (ACFR) posted on the City's web site at www.cityofcocoabeach.com.



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CITY OF COCOA BEACH, FLORIDA

Basic Financial Statements

City of Cocoa Beach, Florida
Statement of Net Position

September 30, 2023	Primary Government Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 2,072,631	$ 268,365	$ 2,340,996
Investments	23,800,028	7,581,838	31,381,866
Accounts receivable, net of allowance for uncollectible accounts	1,296,428	1,538,368	2,834,796
Due from other governments	569,972	1,113,250	1,683,222
Internal balances	(358,025)	358,025	-
Inventory	90,203	-	90,203
Prepaids	29,218	-	29,218
Restricted assets:			
Cash and cash equivalents	571,754	-	571,754
Investments	-	1,935,904	1,935,904
Capital assets, non-depreciable:			
Land	7,950,653	1,691,599	9,642,252
Construction-in-progress	5,772,269	6,917,849	12,690,118
Capital assets, net:			
Buildings	19,632,963	1,644,551	21,277,514
Infrastructure	541,457	26,727,087	27,268,544
Improvements other than buildings	16,495,413	12,328,595	28,824,008
Equipment	4,572,579	987,246	5,559,825
Right-to-use lease assets	37,274	-	37,274
Right-to-use subscription assets	32,360	-	32,360
Total assets	83,107,177	63,092,677	146,199,854
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	8,255,595	476,278	8,731,873
Deferred outflows related to OPEB	871,322	148,604	1,019,926
Total deferred outflows of resources	9,126,917	624,882	9,751,799

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

September 30, 2023	Primary Government Governmental Activities	Business-type Activities	Total
LIABILITIES			
Accounts and contracts payable	**762,363**	**451,901**	**1,214,264**
Due to other governments	**15,607**	**-**	**15,607**
Accrued liabilities	**1,282,446**	**65,978**	**1,348,424**
Accrued interest payable	**160,243**	**102,469**	**262,712**
Deposits	**111,952**	**-**	**111,952**
Unearned revenue	**4,396,613**	**-**	**4,396,613**
Non-current liabilities:			
Due within one year			
Bonds, notes, and financed purchases	**1,137,448**	**1,743,386**	**2,880,834**
Compensated absences	**510,100**	**76,800**	**586,900**
Lease liability	**57,786**	**-**	**57,786**
Subscription liability	**9,822**	**-**	**9,822**
Due in more than one year			
Bonds, notes, and financed purchases	**14,373,335**	**19,225,634**	**33,598,969**
Compensated absences	**885,104**	**133,559**	**1,018,663**
Subscription liability	**16,996**	**-**	**16,996**
Net pension liability	**13,460,429**	**507,500**	**13,967,929**
Net OPEB liability	**2,606,031**	**444,456**	**3,050,487**
Total liabilities	**39,786,275**	**22,751,683**	**62,537,958**
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	**406,332**	**48,230**	**454,562**
Deferred inflows related to OPEB	**1,970,343**	**336,041**	**2,306,384**
Deferred revenue - business-tax receipts	**110,880**	**-**	**110,880**
Total deferred inflows of resources	**2,487,555**	**384,271**	**2,871,826**
NET POSITION			
Net investment in capital assets	**39,200,127**	**28,910,117**	**68,110,244**
Restricted for:			
Law enforcement	**153,329**	**-**	**153,329**
Community redevelopment	**2,816,538**	**-**	**2,816,538**
Building code enforcement	**504,364**	**-**	**504,364**
Debt Service	**224,606**	**1,935,904**	**2,160,510**
Capital projects	**81,314**	**-**	**81,314**
Unrestricted	**6,979,986**	**9,735,584**	**16,715,570**
Total net position	**$ 49,960,264**	**$ 40,581,605**	**$ 90,541,869**

For the year ended September 30, 2023		Program Revenues		
Functions/Programs	Expenses	Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental activities:				
General government	$ 6,497,673	$ 3,098,833	$ -	$ -
Economic environment	257,415	-	-	-
Public safety	14,892,935	1,439,286	20,481	-
Physical environment	5,176,387	2,682,225	549,205	-
Transportation/public works	3,753,104	133,918	-	-
Recreation	3,899,067	3,860,874	-	-
Interest on long-term debt	436,943	-	-	-
Total governmental activities	34,913,524	11,215,136	569,686	-
Business-type activities				
Utility system	7,178,447	7,956,036	-	1,303,925
Stormwater	813,419	898,814	-	22,809
Total business-type activities	7,991,866	8,854,850	-	1,326,734
Total primary government	42,905,390	20,069,986	569,686	1,326,734
General revenues and transfers:				
Taxes:				
Property taxes				
Local option gas tax				
Franchise taxes				
Utility service tax				
Unrestricted intergovernmental				
Unrestricted investment earnings				
Miscellaneous revenues				
Gain on sale of capital assets				
Transfers, net				
Total general revenues and transfers				
Change in net position				
Net position, beginning of year				
Net position, end of year				

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

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-type Activities	Total
$ (3,398,840)	$ -	$ (3,398,840)
(257,415)	-	(257,415)
(13,433,168)	-	(13,433,168)
(1,944,957)	-	(1,944,957)
(3,619,186)	-	(3,619,186)
(38,193)	-	(38,193)
(436,943)	-	(436,943)
(23,128,702)	-	(23,128,702)
-	2,081,514	2,081,514
-	108,204	108,204
-	2,189,718	2,189,718
(23,128,702)	2,189,718	(20,938,984)
16,148,215	-	16,148,215
378,890	-	378,890
1,782,374	-	1,782,374
2,267,234	-	2,267,234
1,822,361	-	1,822,361
1,089,756	435,298	1,525,054
175,855	126,375	302,230
18,397	-	18,397
1,933,909	(1,933,909)	-
25,616,991	(1,372,236)	24,244,755
2,488,289	817,482	3,305,771
47,471,975	39,764,123	87,236,098
$ 49,960,264	$ 40,581,605	$ 90,541,869

City of Cocoa Beach, Florida
Balance Sheet – Governmental Funds

September 30, 2023	General Fund	Community Redevelopment Agency Fund	Non major Governmental Funds
ASSETS			
Cash and cash equivalents	$ 3,952	$ 1,223,083	$ 701,375
Investments	21,891,937	1,240,697	$ 667,394
Accounts receivable	1,281,622	12,715	-
Due from other governments	569,972	-	-
Inventory	90,203	-	-
Prepaids	29,218	-	-
Restricted cash and cash equivalents	224,606	347,148	-
Total assets	$ 24,091,510	$ 2,823,643	$ 1,368,769
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts and contracts payable	$ 751,415	$ 2,507	$ 6,975
Accrued liabilities	752,608	4,598	173,327
Due to other funds	996,487	-	449,460
Due to other governments	15,607	-	-
Unearned revenue	4,396,613	-	-
Total liabilities	6,912,730	7,105	629,762
Deferred inflows of resources:			
Deferred revenues - unavailable revenue	144,145	-	-
Deferred revenues - business tax receipts	110,880	-	-
Total deferred inflows of resources	255,025	-	-
Fund balances:			
Nonspendable	119,421	-	-
Restricted for			
Law enforcement	-	-	153,329
Community redevelopment	-	2,816,538	-
Building code enforcement	-	-	504,364
Debt service	224,606	-	-
Capital projects	-	-	81,314
Committed	8,702,507	-	-
Unassigned	7,877,221	-	-
Total fund balances	16,923,755	2,816,538	739,007
Total liabilities, deferred inflows of resources, and fund balances	$ 24,091,510	$ 2,823,643	$ 1,368,769

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

	Total Governmental Funds
$	1,928,410
	23,800,028
	1,294,337
	569,972
	90,203
	29,218
	571,754
$	28,283,922
$	760,897
	930,533
	1,445,947
	15,607
	4,396,613
	7,549,597
	144,145
	110,880
	255,025
	119,421
	153,329
	2,816,538
	504,364
	224,606
	81,314
	8,702,507
	7,877,221
	20,479,300
$	28,283,922



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City of Cocoa Beach, Florida
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position

September 30, 2023

Total fund balances - governmental funds		$ 20,479,300
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Governmental capital assets	$ 96,184,325	
Less accumulated depreciation and amortization	(41,149,357)	55,034,968
Receivables that are not available to pay for current period expenditures and, therefore, are not reported in the funds		144,145
The internal service funs are used by management to charge the costs of health insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		636,897
Deferred outflows of resources related to pension and other post employment benefits are not recognized in the governmental funds; however, they are recorded in the statement of net position under full accrual accounting.		9,126,917
Deferred inflows of resources related to pension and other post employment benefits are not recognized in the governmental funds; however, they are recorded in the statement of net position under full accrual accounting.		(2,376,675)
Long-term liabilities, including net OPEB liability, net pension liability and compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.		
Net pension liability	(13,460,429)	
Notes, bonds, financed purchases, leases payable, and subscription based lease arrangement	(15,595,387)	
Compensated absences	(1,263,198)	
Other postemployment benefits	(2,606,031)	(32,925,045)
Interest on long-term debt is not accrued in goernmentals funds but rather is recognized as an expenditure when due.		(160,243)
Net position of governmental activities		$ 49,960,264

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

City of Cocoa Beach, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds

For the year ended September 30, 2023	General Fund	Community Redevelopment Agency Fund	Non major Governmental Funds
Revenues			
Taxes	$ 19,354,137	$ 1,166,140	$ -
Licenses and permits	182,404	-	-
Intergovernmental revenues	2,383,919	-	-
Charges for services	9,697,199	648,148	666,161
Fines and forfeitures	49,186	-	10,585
Investment earnings	953,424	56,763	77,604
Miscellaneous revenues	159,328	1,000	2,016
Total revenues	32,779,597	1,872,051	756,366
Expenditures			
Current:			
General government	5,933,836	-	69,937
Economic environment	36,768	131,924	-
Public safety	12,320,155	-	472,755
Physical environment	3,158,756	-	-
Transportation/public works	3,839,809	-	-
Recreation	3,464,829	-	-
Capital outlay	3,416,392	-	794,209
Debt service:			
Principal	818,806	265,000	-
Interest and other	327,822	135,625	-
Total expenditures	33,317,173	532,549	1,336,901
Excess (deficiency) of revenues over (under) expenditures	(537,576)	1,339,502	(580,535)
Other Financing Sources (Uses)			
Transfers in	2,152,545	-	-
Transfers out	(20,000)	(40,000)	(158,636)
Issuance of debt	3,540	-	-
Proceeds from sale of assets	18,397	-	-
Total other financing sources (uses)	2,154,482	(40,000)	(158,636)
Net change in fund balances	1,616,906	1,299,502	(739,171)
Fund balances, beginning of year	15,306,849	1,517,036	1,478,178
Fund balances, end of year	$ 16,923,755	$ 2,816,538	$ 739,007

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

	Total Governmental Funds
$	20,520,277
	182,404
	2,383,919
	11,011,508
	59,771
	1,087,791
	162,344
	35,408,014
	6,003,773
	168,692
	12,792,910
	3,158,756
	3,839,809
	3,464,829
	4,210,601
	1,083,806
	463,447
	35,186,623
	221,391
	2,152,545
	(218,636)
	3,540
	18,397
	1,955,846
	2,177,237
	18,302,063
$	20,479,300



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City of Cocoa Beach, Florida
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds to the Statement of Net Position

For the year ended September 30, 2023

Net change in fund balances - total governmental funds		$ 2,177,237
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceed depreciation in the current period.		
Capital outlay acquired by use of financial resources	$ 4,210,601	
Current year depreciation and amortization	(3,683,453)	527,148
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, etc.) is to decrease net position		(26,429)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		41,493
Issuance of long-term debt (i.e., bonds, notes, leases and subscriptions) is an other financing source in the governmental funds, but increases long-term liabilities in the statement of net position.		(3,540)
Repayment of long-term debt (i.e., bonds, notes, leases and subscriptions) is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		1,083,806
Some expenses reported in the statement of activities do not require the use of current financial resources, and therefore, are not reported as expenditures in the governmental funds.		
Amortization of bond premium	28,619	
Accrued interest	(2,115)	
Change in self insurance liability	214,363	
Pension expense and change in related deferred outflows and inflows	(2,343,786)	
OPEB expense and change in related deferred outflows and inflows	554,075	
Compensated absences	(399,479)	(1,948,323)
Internal service funds are used by management to charge the costs of the health insurance to individual funds. The net revenue of certain activities of the internal service fund is reported with governmental activities.		636,897
Change in net position of governmental activities		$ 2,488,289

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

City of Cocoa Beach, Florida
Statement of Net Position - Proprietary Funds

September 30, 2023	Business-type Activities - Enterprise Funds: Utility System	Stormwater Management	Total	Governmental Activities: Internal Service Fund
ASSETS				
Current assets:				
Cash and cash equivalents	**$ 268,365**	**-**	**$ 268,365**	**$ 144,221**
Investments	**6,533,996**	**1,047,842**	**7,581,838**	**-**
Accounts receivable, net	**1,361,909**	**176,459**	**1,538,368**	**2,091**
Due from other governments	**1,101,989**	**11,261**	**1,113,250**	**-**
Due from other funds	**-**	**-**	**-**	**1,540,207**
Total current assets	**9,266,259**	**1,235,562**	**10,501,821**	**1,686,519**
Noncurrent assets:				
Restricted noncurrent assets				
Investments	**1,870,316**	**65,588**	**1,935,904**	**-**
Total restricted assets	**1,870,316**	**65,588**	**1,935,904**	**-**
Capital assets				
Land	**1,691,599**	**-**	**1,691,599**	**-**
Building	**3,491,671**	**490,920**	**3,982,591**	**-**
Infrastructure	**41,758,473**	**9,179,396**	**50,937,869**	**-**
Improvements other than buildings	**29,635,050**	**250,814**	**29,885,864**	**-**
Machinery and equipment	**5,495,978**	**110,729**	**5,606,707**	**-**
Construction in progress	**5,823,869**	**1,093,980**	**6,917,849**	**-**
Total capital assets	**87,896,640**	**11,125,839**	**99,022,479**	**-**
Less accumulated depreciation	**(46,710,731)**	**(2,014,821)**	**(48,725,552)**	**-**
Total capital assets, net of accumulated depreciation	**41,185,909**	**9,111,018**	**50,296,927**	**-**
Total noncurrent assets	**43,056,225**	**9,176,606**	**52,232,831**	**-**
Total assets	**52,322,484**	**10,412,168**	**62,734,652**	**1,686,519**
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions	**388,954**	**87,324**	**476,278**	**-**
Deferred outflows related to OPEB	**129,021**	**19,583**	**148,604**	**-**
Total deferred outflows of resources	**517,975**	**106,907**	**624,882**	**-**

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

September 30, 2023	Business-type Activities - Enterprise Funds: Utility System	Stormwater Management	Total	Governmental Activities: Internal Service Fund
Liabilities				
Current liabilities:				
Accounts and contracts payable	**447,808**	**4,093**	**451,901**	**-**
Claims payable	**-**	**-**	**-**	**438,585**
Accrued liabilities	**52,098**	**13,880**	**65,978**	**14,134**
Due to other funds	**-**	**94,260**	**94,260**	**-**
Compensated absences	**57,400**	**19,400**	**76,800**	**-**
Bonds, notes and financed purchases	**1,683,825**	**59,561**	**1,743,386**	**-**
Accrued interest payable	**100,681**	**1,788**	**102,469**	**-**
Total current liabilities	**2,341,812**	**192,982**	**2,534,794**	**452,719**
Noncurrent liabilities:				
Claims payable	**-**	**-**	**-**	**144,618**
Compensated absences	**123,702**	**9,857**	**133,559**	**-**
Net pension liabilities	**430,785**	**76,715**	**507,500**	**-**
Net OPEB liability	**385,887**	**58,569**	**444,456**	**-**
Bonds, notes and financed purchases	**18,412,265**	**813,369**	**19,225,634**	**-**
Total noncurrent liabilities	**19,352,639**	**958,510**	**20,311,149**	**144,618**
Total liabilities	**21,694,451**	**1,151,492**	**22,845,943**	**597,337**
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	**39,387**	**8,843**	**48,230**	**-**
Deferred inflows related to OPEB	**291,758**	**44,283**	**336,041**	**-**
Total deferred inflows of resources	**331,145**	**53,126**	**384,271**	**-**
NET POSITION				
Net investment in capital assets	**21,089,819**	**8,238,088**	**29,327,907**	**-**
Restricted for debt service	**1,870,316**	**$ 65,588**	**1,935,904**	**-**
Unrestricted	**7,854,728**	**1,010,781**	**8,865,509**	**1,089,182**
Total net position	**$ 30,814,863**	**$ 9,314,457**	**$ 40,129,320**	**$ 1,089,182**
Adjustment to reflect the cumulative internal balance for the net effect of the activity between the internal service fund and the enterprise funds over time.			**452,285**	
Net position of business-type activities			**$ 40,581,605**	

City of Cocoa Beach, Florida
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds

For the year ended September 30, 2023	Business-type Activities - Enterprise Funds: Utility System	Business-type Activities - Enterprise Funds: Stormwater Management	Business-type Activities - Enterprise Funds: Total	Governmental Activities - Internal Service Funds
Operating revenues:				
Charges for services	$ 7,956,036	$ 898,814	$ 8,854,850	$ 3,885,954
Other operating revenue	126,375	-	126,375	-
Total operating revenues	8,082,411	898,814	8,981,225	3,885,954
Operating expenses:				
Salaries, wages and employee benefits	2,130,634	428,074	2,558,708	-
Contractual services, materials, and supplies	1,766,574	218,805	1,985,379	-
Insurance	115,440	14,356	129,796	2,796,772
Depreciation	3,253,806	202,834	3,456,640	-
Total operating expenses	7,266,454	864,069	8,130,523	2,796,772
Operating income	815,957	34,745	850,702	1,089,182
Nonoperating revenues (expenses):				
Investment earnings	384,392	50,906	435,298	-
Interest expense	(306,420)	(7,208)	(313,628)	-
Total nonoperating revenues (expenses)	77,972	43,698	121,670	-
Income (loss) before contributions and transfers	893,929	78,443	972,372	1,089,182
Capital contributions - connection fees	174,224	-	174,224	-
Capital grants	1,129,701	22,809	1,152,510	-
Transfers in	-	60,000	60,000	-
Transfers out	(1,779,479)	(214,430)	(1,993,909)	-
Change in net position	418,375	(53,178)	365,197	1,089,182
Net position, beginning of year previously reported	30,396,488	9,367,635	39,764,123	-
Net position, end of year	$ 30,814,863	$ 9,314,457	$ 40,129,320	$ 1,089,182

Change in net position from above	39,764,123
Adjustment to reflect the consolidation of internal service fund actitivies related to enterprise funds for the current year	452,285
Change in net position of business-type activities	$ 40,216,408

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

City of Cocoa Beach, Florida
Statement of Cash Flows – Proprietary Funds

For the year ended September 30, 2023	Business-type Activities - Enterprise Funds: Utility System	Stormwater Management	Total	Governmental Activities: Internal Service Fund
Operating Activities				
Cash received from customers for sales and services	$ 7,051,883	$ 889,240	$ 7,941,123	$ 3,883,863
Cash payments to employees	(1,960,265)	(416,969)	(2,377,234)	-
Cash payments to suppliers for goods and services	(1,609,137)	(253,164)	(1,862,301)	-
Cash payments for insurance and claims expenses	-	-	-	(2,199,435)
Net cash provided by operating activities	3,482,481	219,107	3,701,588	1,684,428
Noncapital Financing Activities				
Interfund loans	-	94,260	94,260	(1,540,207)
Cash transfers in to other funds	-	60,000	60,000	-
Cash transfers out to other funds	(1,779,479)	(214,430)	(1,993,909)	-
Net cash used in noncapital financing activities	(1,779,479)	(60,170)	(1,839,649)	(1,540,207)
Capital and Related Financing Activities				
Acquisition of capital assets	(2,813,442)	(269,357)	(3,082,799)	-
Proceeds from capital grants and contributions	1,303,925	22,809	1,326,734	-
Principal paid on long-term debt	(1,979,124)	(59,150)	(2,038,274)	-
Interest paid on long-term debt and lease liabilities	(308,736)	(6,438)	(315,174)	-
Net cash used in capital and related financing activities	(3,797,377)	(312,136)	(4,109,513)	-
Investing Activities				
Investment income	384,392	50,906	435,298	-
Investment sales	820,688	-	820,688	-
Purchases of investments	325,823	77,486	403,309	-
Net cash provided by investing activities	1,530,903	128,392	1,659,295	-
Net increase (decrease) in cash and cash equivalents	(563,472)	(24,807)	(588,279)	144,221
Cash and cash equivalents, beginning of year	831,837	24,807	856,644	-
Cash and cash equivalents, end of year	$ 268,365	$ -	$ 268,365	$ 144,221

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

For the year ended September 30, 2023	Business-type Activities - Enterprise Funds: Utility System	Stormwater Management	Total	Governmental Activities: Internal Service Fund
Reconciliation of Operating Income to Net Cash Provided by Operating Activities				
Operating income	**$ 815,957**	**$ 34,745**	**$ 850,702**	**$ 1,089,182**
Adjustments to reconcile operating income to net cash provided by operating activities				
Depreciation	**3,253,806**	**202,834**	**3,456,640**	**-**
Change in assets, deferred outflows, liabilities and deferred inflows				
(Increase) decrease in assets and deferred outflows				
Accounts receivable	**71,461**	**1,687**	**73,148**	**(2,091)**
Due from other governments	**(1,101,989)**	**(11,261)**	**(1,113,250)**	**-**
Deferred outflows related to OPEB	**(34,660)**	**(2,369)**	**(37,029)**	**-**
Deferred outflows related to pensions	**541,042**	**96,257**	**637,299**	**-**
Increase (decrease) in liabilities and deferred inflows				
Accounts and contracts payable	**272,877**	**(20,003)**	**252,874**	**583,203**
Accrued liabilities	**(45,841)**	**(687)**	**(46,528)**	**14,134**
Compensated absences	**27,169**	**9,777**	**36,946**	**-**
Net pension liabilities	**(318,688)**	**(71,230)**	**(389,918)**	**-**
Net OPEB liability	**70,667**	**(63)**	**70,604**	**-**
Deferred inflows related to pensions	**(79,094)**	**(14,545)**	**(93,639)**	**-**
Deferred inflows related to OPEB	**9,774**	**(6,035)**	**3,739**	**-**
Total adjustments	**2,666,524**	**184,362**	**2,850,886**	**595,246**
Net cash provided by operating activities	**$ 3,482,481**	**$ 219,107**	**$ 3,701,588**	**$ 1,684,428**

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

City of Cocoa Beach, Florida
Statement of Fiduciary Net Position – Fiduciary Funds

September 30, 2023	Employee Retirement Funds
Assets	
Contributions receivable	**$ 136,053**
Investments, at fair value	**64,279,972**
Total assets	**64,416,025**
Liabilities	
Accounts payable	**38,321**
Total liabilities	**38,321**
Net Position	
Restricted for pensions	**61,736,625**
Restricted for OPEB benefits	**2,641,079**
Total net position	**$ 64,377,704**

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

City of Cocoa Beach, Florida
Statement of Changes in Fiduciary Net Position – Fiduciary Funds

For the year ended September 30, 2023		Employee Retirement Funds
Additions		
Contributions:		
State	$	**363,885**
Employer		**1,941,536**
Employees		**646,780**
Total contributions		**2,952,201**
Investment income (loss):		
Net appreciation in the fair value of investments		**3,009,529**
Interest and dividends		**2,435,825**
		5,445,354
Less: investment related expenses		**(213,312)**
Net investment income (loss)		**5,232,042**
Total additions		**8,184,243**
Deductions		
Benefits paid		**4,509,029**
Refunds of contributions		**38,884**
Administrative expenses		**175,032**
Total deductions		**4,722,945**
Change in net position		**3,461,298**
Net position, beginning of year		**60,916,406**
Net position, end of year	$	**64,377,704**

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Cocoa Beach, Florida (the "City") is a political subdivision of the State of Florida and is located in Brevard County.

Reporting Entity

The City was incorporated in 1925 and has a Commission/City Manager form of government. The City Commission consists of a Mayor and four (4) Commissioners responsible for establishing policies and enacting ordinances and resolutions. They are elected at large. The City Commission appoints the City Manager who is responsible for the daily administration of the City's operations. The accompanying financial statements present the City and its component unit, an entity for which the City is considered to be financially accountable. A blended component unit is, in substance, part of the primary government's operations even though it is a legally separate entity. Thus, a blended component unit is appropriately presented as a fund of the primary government. The accounting policies of the City conform to generally accepted accounting principles (GAAP) as applied to governmental units. The more significant accounting policies used by the City are described below.

In evaluating the City as a reporting entity, management has considered all potential component units in accordance with Section 2100: *Defining the Financial Reporting Entity* of the Governmental Accounting Standards Board (GASB) Codification.

Blended Component Unit

The Community Redevelopment Agency (CRA) was established as an incremental tax district established with City Resolution number 2009-28 on November 19, 2009, pursuant to Florida Statutes Chapter 163. The CRA was organized to finance development within the geographic boundaries of the community redevelopment area. Although legally separate, the CRA is governed the City Commissioners and the services provided by the CRA create a financial benefit relationship with the City. The CRA financial statements are included in the City's Annual Comprehensive Financial Report as a special revenue fund for the year ended September 30, 2023. Beginning in fiscal year 2020, the CRA also issues a standalone financial report as required by Florida Statutes.

Excluded from the Reporting Entity

The Cocoa Beach Public Library is funded through the Brevard County Free Public Library District, a separate taxing authority. The City Commissioners appoint an advisory Library Board that has authority to propose budget recommendations to the County and provide input in the selection of a library director. The Library's actual budget is approved and funded by Brevard County and all its personnel are governed by the policies and procedures of Brevard County. The Cocoa Beach Public Library is therefore not a component unit of the City.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component unit. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

Separate financial statements are provided for governmental funds, proprietary fund and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the 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 related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The 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. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Property taxes, sales taxes, franchise taxes, licenses, and interest 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. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the City.

The proprietary and fiduciary funds are reported using the *economic resources measurement* focus and the *accrual basis of accounting*.

Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the City's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the City's utilities and stormwater services functions and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Fund Financial Statements

The fund financial statements provide information about the City's funds, including its fiduciary funds and blended component unit. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements (Continued)

The *Community Redevelopment Agency (CRA) Fund* is a special revenue fund that accounts for the provisions of carrying out redevelopment activities that include reducing or eliminating blight, improving the tax base, and encouraging public and private investments in the redevelopment area. Tax Increment Financing (TIF) and parking fees and fines provide the revenue sources for the fund.

The City reports the following major enterprise funds:

The *Utilities System Fund* accounts for the provision of sewer and water reuse services to City residents and some county areas.

The *Stormwater Management Fund* accounts for the provision of stormwater drainage services to the residents of the City.

Additionally, the City reports the following trust fund types:

The *Trust Funds* account for the three pension trust funds that account for the accumulation of resources to be used for pension payments to retired general employees, police officers, and firefighters of the City, as well as the Other Post-Employment Benefits (OPEB) Trust Fund, which accounts for the accumulation of resources that are used for payments of retirement benefits other than pensions.

The City's nonmajor governmental funds consist of a capital improvement fund, a law enforcement trust fund, and a building permits and inspection utilization fund.

During the course of operations, the City has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column.

Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements.

Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Information

Budgetary basis of accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all funds except for the following:

The *Confiscated Property Special Revenue Fund* is not budgeted because its sole purpose is to account for property confiscated by law enforcement in accordance with State and Federal Law. The use of these funds is governed by Chapter 932, Florida Statutes. Accordingly, these funds are held in a separate, interest-bearing account.

The *Pension and OPEB trust funds* are not budgeted because the funds held in these accounts are in trust for others; however, the City contributions to those funds are budgeted within the respective departments. See Note 3 for additional information.

Annual operating budgets are prepared on a basis consistent with accounting principles generally accepted in the United States of America. Annual budget appropriations lapse at the end of each fiscal year. Open purchase orders and other commitments are recognized as expenditures in the period in which the actual goods or services are received and a liability is incurred. Encumbrances outstanding at year-end for unfulfilled obligations are canceled and appropriated in the succeeding year's budget. Such amounts, if material, are disclosed in the notes to financial statements under "Commitments."

The City Commission, pursuant to Article V of the City Charter and state statutes, using the following procedures, adopts annual operating budgets:

Each department, office or agency of the City submits a work program and budget request to the Chief Financial Officer during March of each year.

The City Manager reviews the departmental requests, conducts workshop sessions, and presents the proposed budget to the City Commission in July of each year.

The City Commission holds a series of budget workshops and public hearings on the proposed budget and adopts the official annual budget of the City by resolution.

The budgets, as adopted, may be amended through formal approval by the City Commission. Budgetary integration is established in the accounting records for control purposes at the object of expenditure level; however, the City Charter establishes the level at which expenditures may not legally exceed budgeted amounts at the department level. The City's general governmental appropriations are budgeted within the General Fund as if it were a separate department. Items making up this legal level of budgetary control include current other general government expenditures; debt service expenditures and other financing uses. Resolution 2022-14 adopted September 22, 2022 contains budgets for the General Fund and CRA (governmental funds) as well as the Utilities System Fund, and the Stormwater Management Fund (enterprise funds). The City Manager may transfer budgeted amounts within a department, office, or agency of the City without formal approval by the City Commission. The final budget amounts shown in the financial statements include all amendments as approved during the year by the City Commission.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity

Cash and cash equivalents

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and highly liquid short-term investments with original maturities of three months or less from the date of acquisition.

Investments

Investments for the City are reported at fair value (generally based on quoted market prices) except for external investments which comply with the criteria in Section I50: *Investments* to qualify to elect to measure their investments at amortized cost. Accordingly, the fair value of the City's position in the pool is equal to the value of the pooled shares.

Receivables and payables

Trade receivables consist of account balances less than thirty days overdue. Account balances exceeding thirty days overdue are written off and sent to a collection agency. Therefore, all trade receivables reported are deemed collectible.

Interfund Activities and Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" within the fund financial statements. Long-term borrowings between funds are classified as "advances to other funds" or "advances from other funds" in the fund financial statements. These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for any residual balance outstanding between the governmental and business-type activities at the end of the fiscal year, which are reported in the government-wide financial statements as internal balances.

Interfund transactions are reflected as services provided, reimbursements, or transfers. Services provided, deemed to be at or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefitting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or business-type funds are funds are netted as part of the reconciliation to the government-wide presentation.

Inventories and Prepaid Items

Inventories are valued at cost using the first-in/first-out (FIFO) method and consist of expendable supplies. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity (Continued)

Restricted Assets

Certain assets of the City are classified as restricted assets on the statement of net position because their use is limited by law through constitutional provisions or enabling legislation; or by restrictions imposed externally by creditors, grantors, contributors or laws or regulations of other governments. Special restricted asset accounts have been established to account for the sources and uses of these limited use assets as follows:

Note and loan debt service accounts – These assets include certain proceeds from issuance of revenue notes and state revolving loans, as well as certain resources set aside for the repayment of notes and state revolving loans. The restrictions are for the following:

Capital Improvement Revenue Note, Series 2014A
Capital Improvement Refunding Revenue Note, Series 2014B
Wastewater Utility System Revenue Bonds, Series 2020
SRF Loan Repayment Reserve (Clean Water State Revolving Loans 050621, & 050630)

Capital Assets

Capital assets, which include land, buildings, infrastructure, improvements, equipment right-to-use lease assets and right-to-use subscription assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than $1,000 and an estimated useful life in excess of one year.

Land and construction in progress are not depreciated. The other property, plant, equipment, and infrastructure of the primary government are depreciated or amortized using the straight line method over the following estimated useful lives:

Classification	Service Life
Infrastructure	30 - 50 years
Buildings and building improvements	40 years
Improvements other than buildings	10 - 15 years
Machinery, furniture, and equipment	3 - 5 years
Right-to-use lease assets	3 - 5 years
Right-to-use subscription assets	2 - 5 years

Major outlays for capital assets and improvements are capitalized, as projects are commissioned. For individual proprietary funds, interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed. The amount of interest to be capitalized is calculated using the weighted average of construction expenditures multiplied by the interest rate on the debt.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity (Continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represent a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense/ expenditure) until then.

The City has two (2) items that qualify for reporting as deferred outflows of resources, the *deferred outflows related to OPEB* and the *deferred outflows related to pensions*, both reported in the government-wide and proprietary funds statements of net position. The deferred outflows related to pensions are an aggregate of items related to pensions as calculated in accordance with GASB Codification Section P20: *Pension Activities – Reporting for Benefits Provided through Trusts That Meet Specified Criteria*. The deferred outflows related to pensions will be recognized as either pension expense or a change in the net pension liability in future reporting years. The deferred outflows related to other postemployment benefits (OPEB) are an aggregate of items related to OPEB as calculated in accordance with GASB Codification Section P52: *Postemployment Benefits Other Than Pensions – Reporting Benefits Not Provided through Trusts That Meet Specified Criteria*. The deferred outflows related to OPEB will be recognized as a reduction to OPEB health insurance expense or a change in the OPEB liability in future reporting years.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represent an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The City has four (4) items that qualify for reporting as deferred inflows of resources.

The *deferred inflows related to pensions* are an aggregate of items related to pensions as calculated in accordance with GASB Codification Section P20: *Pension Activities – Reporting for Benefits Provided through Trusts That Meet Specified Criteria*. The deferred inflows related to pensions will be recognized as a reduction to pension expense in future reporting years. The deferred inflows related to other postemployment benefits (OPEB) are an aggregate of items related to OPEB as calculated in accordance with GASB Codification Section P52: *Postemployment Benefits Other Than Pensions – Reporting Benefits Not Provided through Trusts That Meet Specified Criteria*. The deferred inflows related to OPEB will be recognized as either OPEB health insurance expense or a change in the OPEB liability in future reporting years. The deferred revenue - business tax receipts (BTR) relate to a non-exchange transaction where the City has received funds, however it does not meet the requirement for recognition of revenue in the current period, and will be recognized in a future period.

The deferred revenue – unavailable inflow of resources reported in the governmental fund balance sheet relate to receivables not collected within the period of availability.

Unearned Revenue

Unearned revenue recorded on the governmental fund balance sheet represents amounts received before eligibility requirements are met.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences

The City permits employees to accumulate earned but unused "paid-time-off" (PTO). PTO is accrued when incurred in the government-wide and proprietary fund financial statements. In governmental funds, a liability for these amounts is reported only if the PTO has matured, for example, as a result of employee resignations and retirements.

Upon termination, PTO is paid in full, but limited to 480 hours. Bargaining unit members are paid in accordance with their respective contracts. This amount is charged to the fund in which the employee was budgeted.

Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds and is recorded as an adjustment to interest expense. Bonds payable are reported net of the applicable bond premium or discount. In accordance with GASB Codification Section I30: *Interest Costs – Imputation*, bond issuance costs are expensed in the period incurred except for prepaid insurance costs.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs are reported as debt service expenditures. Losses incurred on refunding debt in proprietary funds is deferred and amortized over the shorter of the life of the new issue or the remaining life of the refunded issue. Only material amounts of accrued interest are recorded in the financial statements.

Leases

Lease contracts that provide the City with control of a non-financial asset, such as land, buildings or equipment, for a period of time in excess of twelve months are reported as a leased asset with a related lease liability. The lease liability is recorded at the present value of future lease payments, including fixed payments, variable payments based on an index or fixed rate and reasonably certain residual guarantees. The intangible leased asset is recorded for the same amount as the related lease liability plus any prepayments and initial direct costs to place the asset in service. Leased assets are amortized over the shorter of the useful life of the asset or the lease term. The lease liability is reduced for lease payments made, less the interest portion of the lease payment.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pensions

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position, and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Post-Employment Benefits (OPEB) Liability

For purposes of measuring the net OPEB liability, deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

Categories and Classifications of Fund Equity

Net position flow assumption – Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund balance flow assumptions – Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund balance policies – Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, specifies the following classifications:

Nonspendable fund balance – Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Categories and Classifications of Fund Equity (Continued)

Restricted fund balance – Restricted fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance – The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority. The governing council is the highest level of decision-making authority for the City that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Assigned fund balance – Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. Decisions with regard to these purposes and amounts will be as determined by the City Commission by Resolution. The City Commission may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Unassigned fund balance – Unassigned fund balance is the residual classification for the General Fund. The unassigned fund balance represents amounts that have not been assigned to other funds and have not been restricted, committed or assigned to specific purposes with the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

Revenues and Expenditures/Expenses

Program revenues – Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Property taxes – Property taxes are billed November 1st (discounts are available for early payment) for the calendar year beginning January 1st. Taxes are due March 1st and become delinquent on April 1st and tax certificates on all property on which taxes are delinquent are sold at the end of May of each year. Property taxes are considered fully collected (i.e. 95% of the levy) during and prior to the end of the fiscal year. Therefore, no material amounts of property taxes are receivable.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues and Expenditures/Expenses (Continued)

The City is permitted by State law to levy taxes up to 10 mills on assessed valuation. However, Chapter 74-430, Laws of Florida, a special act applicable only to governmental units in Brevard County, limits the annual increase to 10% of the prior year's millage. During a Special Session in June 2007, the Florida Legislature adopted HB1B, which limits municipal property tax rates effective with the 2007-2008 fiscal year. This legislation establishes reductions in the millage rate based on a calculated growth in per capita taxes between the 2002 and 2007 fiscal years. The Legislature did authorize local governments to use the rolled back millage rate if approved by a super majority vote of the governing body. The adopted millage for the year ended September 30, 2023 was 6.1644.

Proprietary funds operating and nonoperating revenues and expenses – Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Utility System Fund and the Stormwater Management Fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for expenditure of monies are recorded as reservations of budget, is employed as an extension of the statutory required budgetary process. At year-end, outstanding encumbrances represent material purchase commitments for goods and services which were ordered, budgeted, and appropriated, but had not been received or completed at date. Although encumbrances lapse at year-end, it is the intention to substantially honor these encumbrances under authority provided in the subsequent year's budget.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, April 15, 2024, and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Recently Issued and Implemented Accounting Pronouncements

In May 2020, the GASB issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments).

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (Continued)

This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Assets and liabilities resulting from SBITAs should be recognized and measured using the facts and circumstances that existed at the beginning of the fiscal year in which this Statement is implemented. Governments are permitted, but are not required, to include in the measurement of the subscription asset capitalizable outlays associated with the initial implementation stage and the operation and additional implementation stage incurred prior to the implementation of this Statement. Additional information about the changes to the financial statements related to the implementation of this Statement can be found in Note 2.

The Governmental Accounting Standards Board has issued statements that will become effective in future years. These statements are as follows:

GASB Statement No. 100, *Accounting Changes and Error Corrections*, This Statement establishes accounting and financial reporting requirements for (a) accounting changes and (b) the correction of an error in previously issued financial statements (error correction). This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

GASB Statement No. 101*, Compensated Absences*, The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

The City is evaluating the requirements of the above statements and the impact on reporting.

Note 2: CHANGE IN ACCOUNTING PRINCIPLE AND ERROR CORRECTION

In fiscal year 2023, the City implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. In accordance with generally accepted accounting principles, the implementation of this statement requires the restatement of the September 30, 2022 net position to record the cumulative effect of recording the right-to-use subscription assets less accumulated amortization net of the respective subscription liabilities as of September 30, 2022.

Adjustments to opening net position are enumerated below:

	Governmental Activities	Total
Net position, September 30, 2022 as previously reported	$ 47,471,975	$ 87,236,098
Implementation of new accounting principle - GASB 96, SBITAs [(1)]		
Right-of-use subscription assets	38,981	38,981
Subscription liability	(38,981)	(38,981)
Net position, September 30, 2022, restated	$ 47,471,975	$ 87,236,098

The opening balance of the right-of-use subscription assets and the subscription liability on the statement of net position of the governmental activists were updated to provide for the implementation of GASB Statement No. 96, *Subscription Based Information Technology Agreements.*

Note 3: DETAILED NOTES ON ALL FUNDS

Deposits and Investments

As of September 30, 2023, $250,000 of the City's bank balances are covered by federal depository insurance (FDIC). Monies invested in amounts greater than the insurance coverage are secured by the qualified public depositories pledging securities with the State Treasurer in such amounts required by the Florida Security for Public Depositories Act. In the event of a default or insolvency of a qualified public depositor, the State Treasurer will implement procedures for payment of losses according to the validated claims of the City pursuant to Section 280.08, Florida Statutes. At September 30, 2023, the City held $2,619,343 in excess of FDIC insurance limits in a financial institution that is not a qualified public depository.

The investment program is established in accordance with the City's investment policy, outlined in resolution 2017-20, pertinent bond resolutions and Section 218.45, Florida Statutes, which allows the City to invest any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1969, direct obligations of the United States Government, obligations of the different agencies of the Federal Government, registered money market funds and accounts of state qualified public depositories.

The City participates in Florida Public Assets for Liquidity Management, (Florida PALM), external investment pool. The Florida PALM is a common law trust established under the laws of the State of Florida and is designed to meet the cash management and short term needs of its participants.

Note 3: DETAILED NOTES ON ALL FUNDS (Continued)

Deposits and Investments (continued)

The Fund is sponsored by the Florida School Boards Association and the Florida Association of District School Superintendents and is directed by a board of trustees. The fair value of the City's position in the pool is equal to the value of the pooled shares or net asset value.

The City participates in Florida Local Government Investment Trust fund, (Florida LGIT), external investment pool. The Florida LGIT is a common law trust established under the laws of the State of Florida and is designed to meet both short and medium term cash management needs of its participants. The Fund is sponsored by the Florida Court Clerks and Comptrollers and the Florida Association of Counties and is directed by a board of trustees. The fair value of the City's position in the pool is equal to the value of the pooled shares or net asset value.

The Florida Surplus Asset Fund Trust (Florida SAFE) is a common law trust organized under the laws of the State of Florida as an intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act, as provided in Section 163.01 of the Florida Statutes. The investment pool consists of obligations guaranteed by the full faith and credit of the United States, U.S. government agency obligations, commercial paper, bank obligations and other obligations permitted by applicable Florida Statutes. The fair value of the City's position in the pool is equal to the value of the pooled shares or net asset value.

The City participates in Florida Cooperative Liquid Assets Securities System, (Florida CLASS), external investment pool. The Florida CLASS is a common law trust established under the laws of the State of Florida and designed to meet short term cash management needs Florida governmental entities. The investment pool consists of obligations guaranteed by the full faith and credit of the United States, U.S. government agency obligations, repurchase agreements, collateralized band deposits, money market funds and other funds permitted by applicable Florida Statutes. The fair value of the City's position in the pool is equal to the value of the pooled shares or net asset value.

The City's OPEB trust fund participated in the Florida Municipal Investment Trust (FMIvT). The FMIvT is a Local Government Investment Pool (LGIP) and is considered an external investment pool for reporting purposes. The plans own shares in one or more FMIvT portfolios. The plans' investments are the FMIvT portfolios, not the individual securities held within each FMIvT portfolio. The Fund is sponsored by the Florida League of Cities and is directed by a board of trustees.

Under GASB Codification I50: *Investments*, if a participant has an investment in a qualifying external investment pool that measures for financial reporting purposes all of its investments at amortized cost it should disclose the presence of any limitations or restrictions on withdrawals (such as redemption notice periods, maximum transaction amounts, and the qualifying external investment pool's authority to impose liquidity fees or redemption gates) in notes to the financial statements.

Restricted cash in the Community Redevelopment Agency fund of $347,148 represents cash transferred to the fiscal agent to service outstanding bonds.

Deposits available within various funds, except fiduciary trust funds, were consolidated for investment purposes. Interest earned was allocated to the various funds based on their average cash and investment balances.

Note 3: DETAILED NOTES ON ALL FUNDS (Continued)

Deposits and Investments (continued)

The pension trust funds are authorized by their respective enabling ordinances to make various investments with the following items prohibited: futures; general obligations issued by a foreign government; hedge funds; bonds issued by a state or municipality; limited partnerships; private equities; options; private mortgages; margin accounts; insurance annuities; securities lending; and internally managed assets. Additionally, for each fund, no more than 5% of fund assets may be invested in the securities of any one issuing company (this excludes the U. S. Government and its agencies). No investment may exceed 5% of the outstanding capital stock of any one company. The aggregate investments in common and capital stock and convertible securities (at cost) may not exceed 65% of the assets of the Police and Fire funds, or 60% of the assets of the General Employees fund.

Custodial credit risk – Custodial credit risk for deposits is the risk in the event of the failure of a depository financial institution a government may not be able to recover deposits. Monies placed on deposit with financial institutions in the form of demand deposits, time deposits or certificate of deposits are defined as public deposits. The financial institutions in which the City places its deposits are certified as "qualified public depositories," as required under the Florida Security for Public Deposits Act. For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

Interest rate risk – Interest rate risk is the possibility that interest rates will rise and reduce the fair value of an investment. The City's investment policy limits interest rate risk by requiring that an attempt be made to match investment maturities with known cash needs and anticipated cash flow requirements.

Credit risk – Section I50: *Investments* of the GASB Codification requires that governments provide information about credit risk associated with their investments by disclosing the credit rating of investments in debt securities as described by nationally recognized statistical rating organizations.

Concentration risk – Section I50: *Investments* of the GASB Codification requires disclosures of investments in any one issuer that represents five percent or more of total investments, excluding investments issued or explicitly guaranteed by the U.S government, investments in mutual funds, external investments pools and other pooled investments.

Fair Value – GASB Codification Section 3100: *Fair Value Measurements* establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

Note 3: DETAILED NOTES ON ALL FUNDS (Continued)

Deposits and Investments (continued)

The three levels of the fair value hierarchy under the codification are described as follows:

Level 1 (L1): Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the City has the ability to access.

Level 2 (L2): Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 (L3): Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following table sets forth by level, within the fair value hierarchy, the City's assets at fair value as of September 30, 2023:

				Maturities (in years)		
	S&P Rating	Level	Fair Value	Less than 1	1 - 5	More than 5
Investments by fair value level						
Primary government						
Cash			$ 158	$ 158	$ -	$ -
Debt securities - US government obligations	Aaa	L2	398,432	398,432	-	-
FL PALM	AAAm	-	16,214,604	16,214,604	-	-
FL LGIT Day to day bond fund	AAAm	-	6,224,876	6,224,876	-	-
FL SAFE	AAAm	-	5,274,890	5,274,890	-	-
FL CLASS	AAAm	-	5,204,810	5,204,810	-	-
Total primary government			33,317,770	33,317,770	-	-

Note 3: DETAILED NOTES ON ALL FUNDS (Continued)

Deposits and Investments (continued)

	S&P Rating	Level	Fair Value	Maturities (in years) Less than 1	1 - 5	More than 5
Fiduciary funds						
Cash or equivalents	-	-	1,455,015	1,455,015	-	-
Mutual funds	-	L1	54,313,832	54,313,832	-	-
Real estate funds	-	L3	5,437,410	5,437,410	-	-
Alternative investments	-	L2	432,635	432,635	-	-
Florida Municipal Investment Trust	-	-	2,641,080	2,215,866	-	425,214
Total fiduciary fund			64,279,972	63,854,758	-	425,214
Total investments			$ 97,597,742	$ 97,172,528	$ -	$ 425,214

The following table summarizes the City's Level 3 financial instruments, the value technique used to measure the fair value of those financial instruments as of September 30, 2023, and the significant unobservable inputs and the ranges:

Instrument	Fair Value	Principal Valuation Techniques	Significant Unovservable Inputs	Range (Weighted Average)
Real estate funds	$ 5,437,410	Discounted cash flow	Discount rate	5.00% - 7.75%
			Terminal cap rate	4.00% - 7.00%
			Market interest rate	3.92% - 10.57%

The following table summarizes investments measured at fair value based on NAV per share as of September 30, 2023:

Instrument	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
FL PALM	$ 16,214,604	$ -	Daily	None
FL LGIT	6,224,876	-	Daily	None
FL SAFE	5,274,890	-	Daily	None
FL CLASS	5,204,810	-	Daily	None
Real estate funds	5,437,410	-	Quarterly	30 days
Alternative investments	432,635	-	Daily	None

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at September 30, 2023.

Debt and equity securities – Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using quoted market prices for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique based on the price or yield of similar debt securities.

Note 3: DETAILED NOTES ON ALL FUNDS (Continued)

Deposits and Investments (continued)

Mutual funds – Mutual funds classified in Level 1 of the fair value hierarchy are valued using quoted market prices for those investments. Mutual funds classified in Level 2 of the fair value hierarchy, while underlying securities have observable Level 1 pricing inputs or observable Level 2 significant other pricing inputs, are not publicly quoted and are based on market-corroborated data.

Alternative Investments– valued at net asset value.

Real estate funds – The real estate funds invest primarily in U.S. commercial and multi-family residential real estate. Distributions from each fund will be received as the underlying investments of the funds are liquidated. The funds were formed as open-ended investments and will have perpetual existence unless terminated by the ownership (partners). Because it is not probable that any individual investment will be sold, the fair value of each individual investment has been determined using the NAV per share (or its equivalent) of the City's ownership interest in partners' capital.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the City believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Accounts Receivable

For the Wastewater Utility System and Stormwater Utility Funds, operating revenues are generally recognized on the basis of cycle billings rendered monthly. The amount of services delivered for the period from the last billing date to September 30, 2023 (unbilled receivable), is estimated and accrued at year end. The City deems all amounts collectable therefore an allowance for doubtful accounts is not necessary. If payments are not received from customers, services are shut off and deposits are applied against negative balances.

Property taxes are considered fully collected (95% of the levy) during and prior to the end of the fiscal year. Therefore, no material amounts of property taxes are receivable as of September 30, 2023. There are no other reserves for receivables recorded by the City as of September 30, 2023.

Note 3: DETAILED NOTES ON ALL FUNDS (Continued)

Capital Assets

The following is a summary of changes in capital assets during the year ended September 30, 2023:

	Beginning Balance *	Increases	Decreases/ Transfers	Ending Balance
Governmental Activities				
Capital assets, non-depreciable:				
Land	$ 7,950,653	$ -	$ -	$ 7,950,653
Construction-in-progress	3,427,874	2,344,395	-	5,772,269
Capital assets, non-depreciable	11,378,527	2,344,395	-	13,722,922
Capital assets, being depreciated/amortized:				
Buildings	25,050,090	-	(150,806)	24,899,284
Improvements other than buildings	36,209,139	123,315	305,460	36,637,914
Equipment	18,749,693	1,736,625	(598,891)	19,887,427
Infrastructure	879,707	-	-	879,707
Right-to-use lease assets - equipment	111,824	-	-	111,824
Right-to-use subscription assets *	38,981	6,266	-	45,247
Capital assets, being depreciated/amortized	81,039,434	1,866,206	(444,237)	82,461,403
Less accumulated depreciation/ amortization for:				
Buildings	(4,997,210)	(627,732)	358,621	(5,266,321)
Improvements other than buildings	(18,454,797)	(1,706,746)	19,042	(20,142,501)
Equipment	(14,073,619)	(1,281,374)	40,145	(15,314,848)
Infrastructure	(320,811)	(17,439)	-	(338,250)
Right-to-use lease assets - equipment	(37,275)	(37,275)	-	(74,550)
Right-to-use subscription assets	-	(12,887)	-	(12,887)
Total accumulated depreciation/amortization	(37,883,712)	(3,683,453)	417,808	(41,149,357)
Total capital assets being depreciated/amortized, net	43,155,722	(1,817,247)	-	41,312,046
Governmental activities capital assets, net	$ 54,534,249	$ 527,148	$ (26,429)	$ 55,034,968

* as restated

Note 3: DETAILED NOTES ON ALL FUNDS (Continued)

Capital Assets (continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities				
Capital assets, non-depreciable				
Land	$ 1,691,599	$ -	$ -	$ 1,691,599
Construction-in-progress	3,938,024	2,979,825	-	6,917,849
Capital assets, non-depreciable	5,629,623	2,979,825	-	8,609,448
Capital assets, being depreciated				
Buildings	3,982,591	-	-	3,982,591
Infrastructure	50,889,949	47,920	-	50,937,869
Improvements other than buildings	29,885,864	-	-	29,885,864
Equipment	5,555,834	55,055	(4,182)	5,606,707
Capital assets, being depreciated	90,314,238	102,975	(4,182)	90,413,031
Less accumulated depreciation for				
Buildings	(2,265,356)	(72,684)	-	(2,338,040)
Infrastructure	(23,232,768)	(978,014)	-	(24,210,782)
Improvements other than buildings	(15,591,458)	(1,965,811)	-	(17,557,269)
Equipment	(4,183,511)	(440,131)	4,181	(4,619,461)
Total accumulated depreciation	(45,273,093)	(3,456,640)	4,181	(48,725,552)
Total capital assets being depreciated, net	45,041,145	(3,353,665)	(1)	41,687,479
Business-type activities capital assets, net	$ 50,670,768	$ (373,840)	$ (1)	$ 50,296,927

Depreciation and amortization expense was allocated to the governmental functions in the statement of activities as follows:

For the year ended September 30,	2023
Governmental activities	
General government	$ 293,608
Public safety	907,464
Public works	1,945,632
Economic environment	125,491
Recreation	411,258
Total depreciation expense - governmental activities	$ 3,683,453

Note 3: DETAILED NOTES ON ALL FUNDS (Continued)

Capital Assets (continued)

Depreciation expense was allocated to the enterprise functions in the statement of revenues, expenses, and changes in fund net position as follows:

For the year ended September 30,	2023
Business-type activities	
Utility system	$ 3,253,806
Stormwater management	202,834
Total depreciation and amortization expense - business-type activities	$ 3,456,640

Long-Term Debt and Liabilities

Community Redevelopment Agency Bonds

Florida Municipal Loan Council Refunding and Revenue Bonds, Series 2017B. On September 1, 2017, the Downtown Cocoa Beach Community Redevelopment agency entered into a interlocal agreement with the Florida Municipal Loan Council for the issuance of bonds in an original amount of $6,790,000 for which the CRA's proportionate share was $4,245,000 of serial bonds. The serial bonds are payable in semi-annual installments beginning April 2018 through October 2031 and bear interest from 3% to 5% per annum. The bonds were issued to finance construction of a public parking garage in the Downtown Community Redevelopment Area consisting of approximately 241 parking spaces, bathrooms, showers and an elevator.

Notes payable

Capital Improvement Revenue Note, Series 2014A. On April 23, 2014 the City entered into a loan agreement with a financial institution in an amount of $3,790,000 and interest of 3.28% per annum for the purpose of a new fire station and other various capital improvements. The loan is secured by pledged revenues from utility franchise fees and contains a covenant whereby, no later than 1 month before the payment date, the City will fund a debt service account with the future payment amount. The loan is payable in semi-annual installments beginning November 1, 2014 through November 1, 2033 and contains prepayment penalties.

Capital Improvement Revenue Refunding Note, Series 2014B. On March 5, 2014, the City entered into a loan agreement with a bank in the amount of $2,840,000 and interest of 1.88% per annum for the purpose of refunding the State Revolving Fund (SRF) Loan agreement CS12068506P. The loan is secured by pledged revenues from utility franchise fees and contains a covenant whereby, no later than 1 month before the payment date, the City will fund a debt service account with the future payment amount. The loan is payable in semi-annual installments beginning July 15, 2014 through July 15, 2023. During the fiscal year ended September 30, 2023, the outstanding principal was fully satisfied, leaving no amount owed as of September 30, 2023.

Note 3: DETAILED NOTES ON ALL FUNDS (Continued)

Long-Term Debt and Liabilities (continued)

Clean Water State Revolving Loan, #050621. On July 6, 2015, the City entered into a loan agreement with the State of Florida in an original amount of $1,193,215 and interest of 1.48% per annum plus a service charge for the purpose of sewer treatment and rehabilitation projects. The loan is secured by revenues derived from the operation of the City's Utility System fund and payable in semi-annual installments beginning December 2017 through June 2037.

Clean Water State Revolving Loan, #050630. On August 26, 2019 the City entered into a loan agreement with the state in an original amount of $5,089,289 and interest of 0.345% per annum plus a service charge purpose of sewer treatment and improvement projects. The loan is secured by revenues derived from the operation of the City's Utility System fund and payable in semi-annual installments beginning April 2021 through October 2040.

Special Obligation Revenue Note, Series 2019. On August 22, 2019 the City entered into a loan agreement with a financial institution in an original amount of $9,751,000 and interest of 2.45% for the purpose of construction of a new police station and the cost of municipal facilities energy and equipment improvement to include; control enhancements, HVAC armor, LED lighting, tightening of building envelopes and roofs. The loan is payable in semi-annual installments beginning January 15, 2020 through July 15, 2039.

Utility Tax Revenue Refunding Note, Series 2020. On October 13, 2020 the City entered into an agreement with a bank in an amount of $18,892,000 with a fixed interest rate of 1.61% per annum for the purpose of refunding the Clean Water State Revolving Loan #050610 and #050620. The note requires bi-annual payments of interest and principal beginning on December 1, 2020 through the maturity date on December 1, 2036.

The following is a summary of governmental activities notes payable for the year ended September 30, 2023:

	Governmental Activities							
	Capital Improvement Note Series 2014a		CRA Revenue Bonds Series 2017b		Special Obligation Revenue Note Series 2019		Total	
Year ending September 30,	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	$ 185,000	$ 76,178	$ 280,000	$ 122,000	$ 456,000	$ 197,299	$ 921,000	$ 395,477
2025	190,000	70,028	290,000	107,750	467,000	185,992	947,000	363,770
2026	200,000	63,632	305,000	92,875	478,000	174,416	983,000	330,923
2027	205,000	56,990	320,000	77,250	490,000	162,558	1,015,000	296,798
2028	210,000	50,184	340,000	60,750	502,000	150,405	1,052,000	261,339
2029-2033	1,170,000	140,220	1,505,000	95,875	2,702,000	559,041	5,377,000	795,136
2034-2038	255,000	4,182	-	-	2,639,000	195,081	2,894,000	199,263
2039-2040	-	-	-	-	547,000	6,700	547,000	6,700
Total	2,415,000	461,414	3,040,000	556,500	8,281,000	1,631,492	13,736,000	2,649,406
Current portion	(185,000)	(76,178)	(280,000)	(122,000)	(456,000)	(197,299)	(921,000)	(395,477)
Non-current	$ 2,230,000	$ 385,236	$ 2,760,000	$ 434,500	$ 7,825,000	$ 1,434,193	$ 12,815,000	$ 2,253,929

Note 3: DETAILED NOTES ON ALL FUNDS (Continued)

Long-Term Debt and Liabilities (continued)

The following is a summary of business-type activities notes payable for the year ended September 30, 2023:

	Business-type Activities					
Year ending	SRF Loan #050621		SRF Loan #050630		Wastewater Utility System Revenue Bond, Series 2020	
September 30,	Principal	Interest	Principal	Interest	Principal	Interest
2024	$ 59,561	$ 6,027	$ 225,859	$ 28,496	$ 1,371,000	$ 244,962
2025	59,976	5,612	227,420	26,935	1,394,000	222,800
2026	60,394	5,194	228,992	25,363	1,415,000	200,268
2027	60,816	4,772	230,575	23,780	1,440,000	177,390
2028	61,242	4,346	232,168	22,186	1,462,000	154,117
2029-2033	312,721	15,219	1,185,135	86,636	7,674,000	408,280
2034-2038	258,220	4,132	1,226,663	45,108	799,000	6,432
2039-2043	-	-	629,357	6,529	-	-
Total	872,930	45,302	4,186,169	265,033	15,555,000	1,414,249
Current portion	(59,561)	(6,027)	(225,859)	(28,496)	(1,371,000)	(244,962)
Non-current	$ 813,369	$ 39,275	$ 3,960,310	$ 236,537	$ 14,184,000	$ 1,169,287

	Business-type Activities	
Year ending	Total	
September 30,	Principal	Interest
2024	$ 1,656,420	$ 279,485
2025	1,681,396	255,347
2026	1,704,386	230,825
2027	1,731,391	205,942
2028	1,755,410	180,649
2029-2033	9,171,856	510,135
2034-2038	2,283,883	55,672
2039-2043	629,357	6,529
Total	20,614,099	1,724,584
Current portion	(1,656,420)	(279,485)
Non-current	$ 18,957,679	$ 1,445,099

Note 3: DETAILED NOTES ON ALL FUNDS (Continued)

Long-Term Debt and Liabilities (continued)

Financed purchases

In October 2020, through a Master Lease/Purchase Agreement with a Bank for the acquisition of a fire truck. The contract has a principal amount $1,200,000 and accrues interest at 1.78% per annum. The purchase agreement requires regular payments beginning on October 15, 2021 through the end of the purchase on October 15, 2030.

In October, 2021, the City acquired golf carts through a Lease/Purchase agreement with a Bank. The contract has a principal amount of $467,197 and accrues interest at 3.79% per annum. The purchase agreement requires regular quarterly payments beginning on January 15, 2022 through the end of the purchase on October 15, 2026.

In December, 2021, the City acquired a vehicle through a Lease/Purchase agreement with a Bank. The contract has a principal amount of $440,737 and accrues interest at 1.34% per annum. The purchase agreement requires regular annual payments beginning on December 1, 2022 through the end of the purchase on December 1, 2026.

The following is a summary of minimum payments for financed purchases for the year ended September 30, 2023:

Year ending	Governmental Activities					
	Tower Truck		Golf Carts		Total	
September 30,	Principal	Interest	Principal	Interest	Principal	Interest
2024	$ 141,000	$ 21,360	$ 75,448	$ 8,253	$ 216,448	$ 29,613
2025	143,000	18,850	103,979	7,622	246,979	26,472
2026	146,000	16,305	107,981	7,622	253,981	23,927
2027	149,000	13,706	29,774	262	178,774	13,968
2028	151,000	11,053	-	-	151,000	11,053
2029-2033	470,000	16,821	-	-	470,000	16,821
Total	1,200,000	98,095	317,182	23,759	1,517,182	121,854
Current portion	(141,000)	(21,360)	(75,448)	(8,253)	(216,448)	(29,613)
Non-current	$ 1,059,000	$ 76,735	$ 241,734	$ 15,506	$ 1,300,734	$ 92,241

Year ending	Business-type Activities	
	Financed Purchase	
September 30,	Principal	Interest
2024	$ 86,966	$ 4,756
2025	88,132	3,591
2026	89,313	2,410
2027	90,510	1,213
2028	-	-
2029-2033	-	-
Total	354,921	11,970
Current portion	(86,966)	(4,756)
Non-current	$ 267,955	$ 7,214

Note 3: DETAILED NOTES ON ALL FUNDS (Continued)

Long-Term Debt and Liabilities (continued)

Leases

The City has entered into lease agreements to obtain the right-to-use of office equipment. The total annual rental for the leases the City paid for the fiscal year ended September 30, 2023 was $56,390. The lease has a 63 month initial term. The lease agreement has monthly payments of $4,880, with the agreement expiring in fiscal year 2024.

The following is a schedule of minimum future lease payments from lease agreements as of September 30:

For the years ending September 30,	Principal Payments	Interest Expense	Total
2024	$ 57,786	$ 770	$ 58,556
Total	$ 57,786	$ 770	$ 58,556

Subscription-Based Information Technology Arrangements

The City has three software arrangements that requires recognition under GASBC Section S:80, *Subscription-Based Information Technology Arrangements* (SBITAs). The City now recognizes a subscription liability and an intangible right-to-use subscription asset for scheduling and camera software for public safety and printer software for all the City's departments.

The scheduling software arrangement is a one year agreement, initiated in fiscal year 2022 with a monthly payment of $478. The City has imputed an interest rate of 3.25%. to determine the present value of the intangible right-to-use asset and subscription liability. The City has an option to extend this arrangement for an additional 12 months. There is no option to purchase the software and there are no residual value guarantees in the agreement.

The camera software arrangement is a 5 year agreement, initiated in fiscal year 2022 with an annual payment of $8,940. There is no option to extend the arrangement or purchase the software. The City has imputed an interest rate of 3.45%. to determine the present value of the intangible right-to-use asset and subscription liability. There are not residual value guarantees in the agreement.

The printer software arrangement is a 2 year agreement, initiated in fiscal year 2023 with an annual payment of $1,795. There is no option to extend the arrangement or purchase the software. The City has imputed an interest rate of 2.85%. to determine the present value of the intangible right-to-use asset and subscription liability. There are not residual value guarantees in the agreement.

Note 3: DETAILED NOTES ON ALL FUNDS (Continued)

Long-Term Debt and Liabilities (continued)

Subscription-Based Information Technology Arrangements (continued)

The following is a schedule of minimum future payments from SBITAs as of September 30, 2023:

	Governmental Activities		
For the years ending September 30,	Principal	Interest	Total
2024	$ 9,822	$ 913	$ 10,735
2025	8,354	586	8,940
2026	8,642	298	8,940
Total	$ 26,818	$ 1,797	$ 28,615

Changes In Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2023, was as follows for governmental activities:

	Beginning Balance *	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Notes payable					
Capital Improvement Note, Series 2014A	$ 2,595,000	$ -	$ (180,000)	$ 2,415,000	$ 185,000
Special Obligation Revenue Note, Series 2019	8,726,000	-	(445,000)	8,281,000	456,000
Total notes from direct borrowings	11,321,000	-	(625,000)	10,696,000	641,000
Bonds payable					
Florida Municipal Loan Council Refund and Revenue Bonds, Series 2017B	3,305,000	-	(265,000)	3,040,000	280,000
Total bonds payable	3,305,000	-	(265,000)	3,040,000	280,000
Bond premiums	286,220	-	(28,619)	257,601	-
Financed purchases	1,638,895	-	(121,713)	1,517,182	216,448
Lease liability	114,176	-	(56,390)	57,786	57,786
Subscription liability	38,981	3,540	(15,703)	26,818	9,822
Compensated absences	959,991	945,267	(510,054)	1,395,204	510,100
Governmental activity long-term liabilities	$ 17,664,263	$ 948,807	$ (1,622,479)	$ 16,990,591	$ 1,715,156

** restated for subscription liability*

Note 3: DETAILED NOTES ON ALL FUNDS (Continued)

Changes In Long-Term Liabilities (continued)

The Capital improvement Note, Series 2014a, the Special Obligation Note Series 2019, and compensated absences will be liquidated in future periods primarily by the General Fund for governmental activities. The Florida Municipal Loan Council Refund and Revenue Bonds, Series 2017B will be liquidated by the Community Redevelopment Agency fund.

Long-term liability activity for the year ended September 30, 2023, was as follows for business-type activities:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities					
Notes payable					
SRF Loan #050621	$ 932,080	$ -	$ (59,150)	$ 872,930	$ 59,561
SRF Loan #050630	4,410,477	-	(224,308)	4,186,169	225,859
Capital Improvement Refunding					
Revenue Note, Series 2014B	320,000	-	(320,000)	-	-
Wastewater Utility System					
Revenue Bond, Series 2020	16,904,000	-	(1,349,000)	15,555,000	1,371,000
Total notes from direct borrowings	22,566,557	-	(1,952,458)	20,614,099	1,656,420
Financed purchase	440,737	-	(85,816)	354,921	86,966
Compensated absences	173,413	113,699	(76,753)	210,359	76,800
Business-type activity long-term liabilities	$ 23,180,707	$ 113,699	$ (2,115,027)	$ 21,179,379	$ 1,820,186

Business-type activities notes payable and compensated absences will be liquidated by their respective proprietary fund.

Note 3: DETAILED NOTES ON ALL FUNDS (Continued)

Pledged Revenues

The City has revenue notes outstanding at September 30, 2023, for which revenues of the City have been pledged for repayment. Revenues pledged to repay these obligations are as follows:

	Amount Issued	Future Principal and Interest	Current Pledged Revenue	Current Year Principal and Interest	Current Percentage of Revenue
Governmental Activities:					
Revenue Notes					
Capital Improvement Note, Series 2014A	$ 3,790,000	$ 2,876,414	$ 1,725,938	$ 262,164	15%
Special Obligation Revenue Note, Series 2019	$ 9,751,000	$ 9,912,492	$ 16,732,981	$ 653,336	4%
Florida Municipal Loan Council Refund and Revenue, Series 2017B	$ 6,790,000	$ 3,596,500	$ 648,148	$ 400,625	62%
Business-type Activities:					
SRF Loan #050621	$ 1,193,215	$ 918,232	$ 898,814	$ 65,588	7%
SRF Loan #050630	$ 5,089,289	$ 4,451,202	$ 8,130,260	$ 254,354	3%
Wastewater Utility System Revenue Bond, Series 2020	$ 18,892,000	$ 16,969,249	$ 8,130,260	$ 1,615,769	20%

Interfund Receivables, Payables And Transfers

	Transfers		
Transfers	In	Out	Net
Major Funds			
General Fund	$ 2,152,545	$ (20,000)	$ 2,132,545
Community Redevelopment Agency	-	(40,000)	(40,000)
Non-major funds	-	(158,636)	(158,636)
Utility Fund	-	(1,779,479)	(1,779,479)
Stormwater Management Fund	60,000	(214,430)	(154,430)
Total	$ 2,212,545	$ (2,212,545)	$ -

The transfer from the General Fund to the Community Redevelopment Fund provides incremental ad-valorem tax revenue in accordance with the CRA agreement. The transfers from the CRA and the General Fund to the Capital Improvement fund are for construction of a new building. Transfers from the Utility Fund and Stormwater Management fund to the General Fund are at amounts authorized by the City Commission and intended to reimburse for services rendered.

Note 3: DETAILED NOTES ON ALL FUNDS (Continued)

Net Investment In Capital Assets

The elements of this calculation are as follows:

	Governmental Activities	Business-type Activities	Total
Capital assets (net)	$ 55,034,968	$ 50,296,927	$ 105,331,895
Outstanding debt related to capital assets	(15,834,841)	(21,386,810)	(37,221,651)
Net investment in capital assets	$ 39,200,127	$ 28,910,117	$ 68,110,244

Note 4: RETIREMENT PLANS

Description of Plans

The City maintains three contributory single employer defined benefit pension plans (Plans) that provide for retirement, disability, and death benefits as described below. These Plans are:

City of Cocoa Beach General Employees' Pension Trust Fund (General Employees)
City of Cocoa Beach Police Officers' Retirement Trust Fund (Police Officers')
City of Cocoa Beach Firefighters' Retirement Trust Fund (Firefighters')

Summary of significant accounting policies (all Plans)

Basis of accounting

The Plans' financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to each plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits, refunds, and administrative costs are recognized when due and payable in accordance with the terms of each plan. On-behalf payments, made by the state totaling $136,017 and $227,868 for the Police Officers' and Firefighters' plans respectively, were recognized as revenues and expenditures in the General Fund during the year ended September 30, 2023.

Method used to value investments

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value.

Note 4: RETIREMENT PLANS (Continued)

Presentation of financial statements

The Plans do not issue stand-alone financial reports and are not included in the reports of any other entity.

Funding requirements

The City uses the entry age normal actuarial cost method (EAN) to determine required contributions. This method provides a stable pattern of minimum required contributions at a level dollar amount (for each plan) and allows a more transparent analysis of the changes experienced from one year to the next.

City contributions are actuarially determined sufficient to pay current costs and amortize unfunded past service costs, if any, as provided in Chapter 112, Florida Statutes.

Florida Statutes, Chapters 175 and 185, require members to contribute not less than .5% of their annual salary. The City is required to contribute at an actuarially determined rate, which includes the state's premium tax proceeds. Employer contributions for police officers and firefighters include on-behalf payments from the state of Florida related to state excise taxes collected on homeowners' insurance policies. Municipalities that have established pension plans complying with the provisions of Chapters 175 and 185, Florida Statutes, and that have enacted appropriate taxing legislation are eligible to receive revenues generated from excise taxes on gross receipts of certain insurance premiums from policyholders covering property within the City limits.

These state premium tax proceeds are the Firefighters' Pension Fund Excise Tax, which is imposed on the gross receipts of property insurance policy premiums, and the Police Officers' Pension Fund Excise Tax, which is imposed on the gross receipts of casualty insurance policy premiums.

Contributions

Active members of each Plan are required to contribute 5% of base wages to the Plan. For all plans, the City pays the amount required in order to pay current costs and amortize unfunded past service cost, if any, as provided in Chapter 112, Florida Statutes.

Plan administration

The General Employees Pension Plan is administered by a Board of Trustees comprised of:

a. Two Trustees who are Plan participants, either a current employee or a retiree receiving benefits, elected by the employees in secret ballot elections;
b. One resident of the City to be appointed by the City Commission;
c. One member of the City Commission chosen by the City Commission;
d. The City Chief Financial Officer who serves as Chairman of the Board of Trustees.

The Police Officers' Retirement Trust Fund is administered by a Board of Trustees comprised of:

a. Two City Commission appointees who are City residents;
b. Two elected Members of the Plan;
c. Fifth Member elected by other four and appointed by Commission.

Note 4: RETIREMENT PLANS (Continued)

Plan administration (continued)

The Firefighters' Retirement Trust is administered by a Board of Trustees comprised of:

a. Two City Commission appointees who are City residents;
b. Two elected Members of the Plan;
c. Fifth Member elected by other four and appointed by Commission.

Plan Membership and benefits

Plan membership as of the valuation date of October 1, 2022 is as follows:

Plan Membership	General Employees	Police Officers'	Fire-fighters'
Inactive plan members or beneficiaries currently receiving benefits	115	37	28
Inactive plan members entitled to, but not yet receiving benefits	34	11	4
Active plan members	135	35	28
Total plan membership	284	83	60

The three plans provide retirement, termination, disability, and death benefits. A summary of those benefits, by plan, is outlined below.

	General Employees	Police Officers'	Firefighters'
Normal Retirement:	Age 62 and 5 years of service.	Age 55 and 10 years of service, age 52 and 25 years of service, 30 years of service regardless of age.	Age 55 and 10 years of service, 25 years of service regardless of age.
	Benefits if employed on or after 11/18/99, 2.50% of Average Final Compensation times Credited Service. If employed before 11/18/99, 3.00% of Average Final Compensation times Credited Service. For 25 or more years of Credited Service on 12/31/98, the maximum benefit payable is 90% of Average Final Compensation. Otherwise, the maximum benefit payable is 80% of Average Final Compensation.	Retirement benefits are calculated as 4.00% of Average Final Compensation (AFC) times Credited Service before 11/19/98, plus 3.00% of AFC times Credited Service on or after 11/19/98.	4% of Average Final Compensation (AFC) times Credited Service before 11/19/98, plus 3% of AFC times Credited Service on or after 11/19/98.

Note 4: RETIREMENT PLANS (Continued)

Plan Membership and Benefits (continued)

	General Employees	Police Officers'	Firefighters'
Early Retirement:	Age 52 and 5 years of Credited Service.	Age 50 and 10 Years of Credited Service. Deferred benefit payable at Normal Retirement or immediate benefit reduced 3% per year.	Age 45 and 10 years of Credited Service. Benefit Amount: Deferred benefit payable at Normal Retirement or immediate benefit reduced 3% per year.
Termination of Employment:	Vested employees receive full benefits upon retirement age. Nonvested are entitled to return of employee contributions.	Vested employees receive full benefits upon retirement age. Nonvested are entitled to return of employee contributions.	Vested employees receive full benefits upon retirement age. Nonvested are entitled to return of employee contributions.
Disability Benefits:	Disability benefit accrued to date of disability, reduced as for Early Retirement from date of disability to Normal Retirement Date.	Benefit accrued to date of disability but not less than 42% of Average Monthly Earnings (Service Incurred).	Benefit accrued to date of disability but not less than 42% of Average Monthly Earnings (Service Incurred).
Pre-retirement Death Benefits:	Survivor benefit is 10 year certain amount adjusted for vesting status at time of death of plan member. Nonvested are entitled to return of employee contributions.	Survivor benefit is 10 year certain amount adjusted for vesting status at time of death of plan member. Nonvested are entitled to return of employee contributions.	Survivor benefit is 10 year certain amount adjusted for vesting status at time of death of plan member. Nonvested are entitled to return of employee contributions.
Deferred Retirement Option (DROP):	Normal retirement date. Accrued benefit frozen but earns interest until DROP exit (no more than 5 years later).	Normal retirement date. Accrued benefit frozen but earns interest until DROP exit (no more than 5 years later).	Normal retirement date. Accrued benefit frozen but earns interest until DROP exit (no more than 5 years later).

Note 4: RETIREMENT PLANS (Continued)

Pension Plan Investments

Each plan's investment policy was adopted by the respective Pension Board of Trustees, which has the authority for establishing and amending investment policy decisions for each of the plans that they administer. The policy outlines suitable, authorized investments along with asset allocations.

For the year ended September 30, 2023, the annual money-weighted rate of return on the plans' investments, net of pension investment expense, was 10.28% for General, 6.88% for Police, and 7.12% for Fire. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

	General Employees	Police Officers'	Fire-fighters'
Annual money-weighted rate of return net of investment expenses	10.28%	6.88%	7.12%

Net Pension Liability, Significant Assumptions, And Discount Rate

The components of the net pension liability of the City as of September 30, 2023, were as follows:

	General Employees	Police Officers'	Fire-fighters'
Total pension liability	$ 33,584,372	$ 21,889,397	$ 20,240,660
Plan fiduciary net position	(29,147,887)	(16,278,960)	(16,319,653)
City's net pension liability	$ 4,436,485	$ 5,610,437	$ 3,921,007
Plan fiduciary net position as a percentage of the total pension liability	86.79%	74.37%	80.63%

The total pension liability was determined by an actuarial valuation, using the following actuarial assumptions applied to all measurement periods for each plan.

	General Employees	Police Officers'	Fire-fighters'
Valuation date	October 1, 2022	October 1, 2022	October 1, 2022
Inflation	2.60%	2.50%	2.50%
Salary increases (including inflation)	Service based	Service based	Service based
Investment rate of return (net of investment expense, including inflation)	7.25%	7.40%	7.40%
Discount rate	7.25%	7.40%	7.40%

Note 4: RETIREMENT PLANS (Continued)

Net Pension Liability, Significant Assumptions, And Discount Rate (continued)

Mortality rates were based on the July 1, 2021 FRS special risk actuarial valuation for the Police and Fire Employees plans and the July 1, 2021 FRS no special risk actuarial valuation for the General Employees plan. Disabled tables were used for disabled lives.

For the Firefighters and Police Officers' plans, actuarial assumptions used in the October 1, 2022 valuation were based on the results of an actuarial experience study issued July 29, 2021. The actuarial assumptions used for General Employees plan October 1, 2022 valuation were based upon an experience study dated November 16, 2021.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the plans' target asset allocation as of September 30, 2023, are summarized in the following table:

	General Employees		Police Officers'		Firefighters'	
Asset Class	Target Allocation	Long-term Expected Rate of Return	Target Allocation	Long-term Expected Rate of Return	Target Allocation	Long-term Expected Rate of Return
Domestic equity	35.00%	7.20%	50.00%	7.50%	50.00%	7.50%
International equity	15.00%	2.90%	15.00%	8.50%	15.00%	8.50%
Broad market fixed income	-	-	15.00%	2.50%	15.00%	2.50%
Global fixed income	-	-	5.00%	3.50%	5.00%	3.50%
Real estate	-	-	15.00%	4.50%	15.00%	4.50%
Bonds	30.00%	1.70%	-	-	-	-
Convertibles	10.00%	5.90%	-	-	-	-
Infrastructure	5.00%	5.10%	-	-	-	-
Private Real Estate	5.00%	5.90%	-	-	-	-
	100.00%		100.00%		100.00%	

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, each Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the net pension liability.

Note 4: RETIREMENT PLANS (Continued)

Pension Expense and Deferred Inflows/Outflows of Resources Related to Pensions

For the year ended September 30, 2023, the City recognized a pension expense of $1,776,499 for the General Employees plan; $1,474,711 for the Police Officers' plan; and $1,465,573 for the Firefighters' plan.

On September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	General Employees		Police Officers'		FireFighters'	
	Deferred Outflow of Resources	Deferred Inflow of Resources	Deferred Outflow of Resources	Deferred Inflow of Resources	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	$ 613,629	$ 320,102	$ 162,008	$ -	$ 251,464	$ 48,933
Changes of assumptions	380,784	85,527	151,722	-	145,251	-
Net difference between projected and actual earnings	3,011,291	-	1,981,182	-	2,034,542	-
Contributions made subsequent to the measurement date	-	-	-	-	-	-
Total	$ 4,005,704	$ 405,629	$ 2,294,912	$ -	$ 2,431,257	$ 48,933

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending September 30,	General Employees	Police Officers'	Firefighters'
2024	$ 859,865	$ 723,387	$ 743,255
2025	1,045,203	564,031	640,992
2026	1,734,105	993,409	991,993
2027	(39,098)	14,085	6,084
Total	$ 3,600,075	$ 2,294,912	$ 2,382,324

Note 4: RETIREMENT PLANS (Continued)

Changes in Net Pension Liability and Sensitivity to Changes in Discount Rate

General Employees

	Pension Liability	Fiduciary Net Position	(Asset) Liability
Balances at September 30, 2022	$ 31,753,038	$ 27,323,538	$ 4,429,500
Changes for the year			
Service cost	756,787	-	756,787
Interest	2,289,570	-	2,289,570
Differences between expected and actual experience	644,069	-	644,069
Changes of assumptions	-	-	-
Contributions - employer	-	573,398	(573,398)
Contributions - employee	-	370,510	(370,510)
Net investment income	-	2,785,668	(2,785,668)
Benefit payments, including refunds of employee contributions	(1,859,092)	(1,859,092)	-
Administrative expense	-	(46,135)	46,135
Net changes	1,831,334	1,824,349	6,985
Balances at September 30, 2023	$ 33,584,372	$ 29,147,887	$ 4,436,485

The sensitivity of the net pension liability to changes in the discount rate is shown below.

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
City's net pension liability - General Employees	$ 8,025,232	$ 4,436,485	$ 1,394,013

Note 4: RETIREMENT PLANS (Continued)

Changes in Net Pension Liability and Sensitivity to Changes in Discount Rate (continued)

Police Officers'

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at September 30, 2022	$ 21,288,852	$ 15,659,800	$ 5,629,052
Changes for the year			
Service cost	340,319	-	340,319
Interest	1,551,604	-	1,551,604
Differences between expected and actual experience	31,712	-	31,712
Changes of assumptions	-	-	-
Contributions - employer	-	656,306	(656,306)
Contributions - state	-	136,017	(136,017)
Contributions - employee	-	132,057	(132,057)
Net investment income	-	1,071,658	(1,071,658)
Benefit payments, including refunds of employee contributions	(1,323,090)	(1,323,090)	-
Administrative expense	-	(53,788)	53,788
Net changes	600,545	619,160	(18,615)
Balances at September 30, 2023	$ 21,889,397	$ 16,278,960	$ 5,610,437

The sensitivity of the net pension liability to changes in the discount rate is shown below.

	1% Decrease (6.40%)	Current Discount Rate (7.40%)	1% Increase (8.40%)
City's net pension liability - Police Officers'	$ 8,115,033	$ 5,610,437	$ 3,518,811

Note 4: RETIREMENT PLANS (Continued)

Changes in Net Pension Liability and Sensitivity to Changes in Discount Rate (continued)

Firefighters'

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension (Asset) Liability
Balances at September 30, 2022	$ 19,829,948	$ 15,632,671	$ 4,197,277
Changes for a year			
Service cost	395,446	-	395,446
Interest	1,446,150	-	1,446,150
Differences between expected and actual experience	(65,244)	-	(65,244)
Changes of assumptions	-	-	-
Changes of benefit terms	-	-	-
Contributions - employer	-	611,832	(611,832)
Contributions - state	-	241,700	(241,700)
Contributions - employee	-	127,478	(127,478)
Net investment income	-	1,110,717	(1,110,717)
Benefit payments, including refunds of employee contributions	(1,365,640)	(1,365,639)	(1.00)
Administrative expense	-	(39,106)	39,106
Net changes	410,712	686,982	(276,270)
Balances at September 30, 2023	$ 20,240,660	$ 16,319,653	$ 3,921,007

The sensitivity of the net pension liability to changes in the discount rate is shown below.

	1% Decrease (6.40%)	Current Discount Rate (7.40%)	1% Increase (8.40%)
City's net pension liability - Firefighters'	$ 6,169,242	$ 3,921,007	$ 2,037,312

Pension Plan Financial Statements

The City does not issue separate financial statements for the General Employees, Police Officers' or the Firefighters pension plans. The basic financial statements of the City include a statement of net position and a statement of changes in fiduciary net position that presents a single column for each fund type for all pension trust funds.

Note 4: RETIREMENT PLANS (Continued)

Pension Plan Financial Statements (continued)

Combining fiduciary fund information

The following tables present the combined fiduciary funds net position activity as of September 30, 2023:

		Employee Benefit Fund			
	OPEB Trust	General	Police		
September 30, 2023	Fund	Employees	Officers'	Firefighters'	Total
Assets					
Contribution receivable	$ -	$ -	$ 136,053	$ -	$ 136,053
Investments, at fair value	2,641,079	29,173,092	16,153,032	16,312,769	64,279,972
Total assets	2,641,079	29,173,092	16,289,085	16,312,769	64,416,025
Liabilities					
Accounts payable	-	32,696	-	5,625	38,321
Total liabilities	-	32,696	-	5,625	38,321
Net Position					
Restricted for pensions	-	29,140,396	16,289,085	16,307,144	61,736,625
Restricted for OPEB benefits	2,641,079	-	-	-	2,641,079
Total net position	$ 2,641,079	$ 29,140,396	$ 16,289,085	$ 16,307,144	$ 64,377,704

The net OPEB liability is generally liquidated by the General Fund. The net pension liabilities of the Police Officers' and Firefighters' pension plans will by liquidated by the General Fund. The net pension liability of the General Employees' pension plan will be liquidated by the General Fund and the respective proprietary funds.

Note 4: RETIREMENT PLANS (Continued)

Pension Plan Financial Statements (continued)

The fiduciary funds change in fiduciary net position activity for the year ended September 30, 2023 was as follows:

For the year ended September 30, 2023	OPEB Trust Fund	Pension Trust General Employees	Police Officers'	Firefighters'	Total
Additions					
Contributions					
State	$ -	$ -	$ 136,017	$ 227,868	$ 363,885
Employer	100,000	573,398	656,306	611,832	1,941,536
Employees	-	387,118	132,257	127,405	646,780
Total contributions	100,000	960,516	924,580	967,105	2,952,201
Investment income (loss)					
Net depreciation in the fair value of investments	-	2,118,087	423,328	468,114	3,009,529
Interest and dividends	243,735	779,638	709,385	703,067	2,435,825
	243,735	2,897,725	1,132,713	1,171,181	5,445,354
Less: investment expense	(3,053)	(120,247)	(52,481)	(37,531)	(213,312)
Total investment income (loss)	240,682	2,777,478	1,080,232	1,133,650	5,232,042
Total additions	340,682	3,737,994	2,004,812	2,100,755	8,184,243
Deductions					
Benefits paid	-	1,820,600	1,322,789	1,365,640	4,509,029
Refunds of contributions	-	38,884	-	-	38,884
Administrative expenses	-	61,652	52,738	60,642	175,032
Total deductions	-	1,921,136	1,375,527	1,426,282	4,722,945
Change in net position	340,682	1,816,858	629,285	674,473	3,461,298
Net position, beginning of year	2,300,397	27,323,538	15,659,800	15,632,671	60,916,406
Net position, end of year	$ 2,641,079	$ 29,140,396	$ 16,289,085	$ 16,307,144	$ 64,377,704

Note 4: RETIREMENT PLANS (Continued)

Pension Expense

The total of the City's pension expense for the fiscal year ended September 30, 2023 is as follows:

Plan Description	Pension Expense
Defined benefit plans:	
Police officers' plan	$ 1,474,711
Firefighters' plan	1,465,573
General employees' plan	1,776,499
Total pension expense	$ 4,716,783

Note 5: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Plan Description

The City of Cocoa Beach's Retiree Health Care Plan (Plan) is a single employer defined benefit postemployment health care plan that covers eligible retired employees. The Plan, which is administered by the City, allows employees who retire and meet retirement eligibility requirements under one of the City's retirement plans to continue medical and life insurance coverage as a participant in the City's plan.

Benefits Provided

Pre-Medicare retirees who retired prior to January 1, 2009 and retired from active service before January 1, 2014 (with a minimum of 10 years of service) and participate in the group insurance plan offered by the City of Cocoa Beach are required to contribute 50% of the active premium. Once these retirees are Medicare eligible, the City converts the health insurance to a Medicare supplement policy and pays 50% of the premium.

Retirees who retire after January 1, 2014, but were hired prior to January 1, 2009, must meet certain age and service requirements to be eligible for any City-paid premiums.

For retirees hired after January 1, 2009, at least 25 years of service is required before the City will contribute 33% of Pre-Medicare premiums. In addition, General employees must be at least age 62 and Police Officers and Firefighters must be at least age 55. Retirees are eligible for coverage in the Medicare supplement policy but pay 100% of the premium.

For employees who retired prior to October 1, 2006, life Insurance is offered in the amount of $5,000 to retirees up to age 70, and then coverage drops to $2,500. The retiree contributes 100% of the premium for this benefit.

Funding Policy

The contributions made to the program are no less than the benefits paid to retirees (both on an explicit and implicit basis) and administrative expenses. Additional funding is determined during the annual budget process and approved by the Commission.

Note 5: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Plan Membership

OPEB membership consisted of the following:

September 30, 2023	
Inactive plan members or beneficiaries currently receiving benefits	46
Active plan members	203
Total plan membership	249

Actuarial Assumptions and Other Inputs

In the September 30, 2023 measurement data, the actuarial assumptions and other inputs, applied include the following:

Inflation	2.50%
Salary increase rates(s)	Varies with Service
Discount rate	5.69%
Health care cost trend rates	Initially 7.25% trending to 4% over 52 years
Investment rate of return	6.50%

The Long-Term Expected Rate of Return on OPEB Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the Long-Term Expected Rate of Return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Rate of Return
Core bonds	10.00%	1.40%
Core plus	10.00%	1.70%
US large cap equity	30.00%	5.10%
US small cap equity	16.00%	5.60%
Non-US equity	24.00%	5.60%
Core real estate	10.00%	4.50%

All mortality rates were based on the Pub-2010 mortality tables. All mortality rates are those outlined in Milliman's July 1, 2023 Florida Retirement System (FRS) valuation report. All tables include fully generational adjustments for mortality improvements using gender-specific improvement scale MP-2018.

Note 5: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Changes in OPEB Liability and Sensitivity to Changes in Discount Rate

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Total OPEB Liability (a) - (b)
Balance as of September 30, 2022	$ 5,402,617	$ 2,300,397	$ 3,102,220
Changes for the year			
Service cost	129,946	-	129,946
Interest	290,941	-	290,941
Changes of assumptions	473,847	-	473,847
Difference between expected and actual experience	(377,916)	-	(377,916)
Explicit contributions - employer	-	100,000	(100,000)
Implicit contributions - employer	-	227,869	(227,869)
Net investment income (loss)	-	243,735	(243,735)
Explicit benefit payments	(258,769)	(258,769)	-
Implicit benefit payments	30,901	30,901	-
Administrative expenses	-	(3,053)	3,053
Net changes	288,950	340,683	(51,733)
Balance as of September 30, 2023	$ 5,691,567	$ 2,641,080	$ 3,050,487

Changes of assumptions reflect a change in the discount rate from 5.77% for the year ended September 30, 2022, to 5.69% for the year ended September 30, 2023. Also reflected are updated health care costs and premiums, updated health care cost trend rates, and updated retirement, termination and salary increase rates.

Sensitivity of the Net OPEB Liability

The following table represents the City's total and net OPEB liability calculated using the current discount rate, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (4.69%)	Current Discount Rate (5.69%)	1% Increase (6.69%)
Net OPEB Liability	$ 3,669,310	$ 3,050,487	$ 2,530,050

Note 5: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Changes in OPEB Liability and Sensitivity to Changes in Discount Rate

The following table represents the City's total and net OPEB liability calculated using the current health care cost trend as well as what the City's net OPEB liability would be if it were calculated using a health care cost trend rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (3.00% - 6.25%)	Healthcare Cost Trend Rates (4.00% - 7.25%)	1% Increase (5.00% - 8.25%)
Net OPEB Liability	$ 2,460,001	$ 3,050,487	$ 3,757,674

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the fiscal year ended September 30, 2023, the City of Cocoa Beach recognized an OPEB expense (benefit) of $(188,893). In addition the City reported deferred inflows of resources related to the OPEB plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 192,411	$ 931,449
Change of assumptions	760,577	1,374,935
Net difference between projected and actual earnings on OPEB plan investments	66,938	-
Total	$ 1,019,926	$ 2,306,384

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the OPEB plan will be recognized in the expense as follows:

Year ending September 30,	
2024	$ (217,767)
2025	(215,346)
2026	(133,281)
2027	(381,133)
2028	(362,916)
Thereafter	23,985
Total	$ (1,286,458)

Note 6: RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The City purchases separate commercial insurance coverage for workers' compensation, liability, and property damage. Coverage for workers' compensation and automobile claims are limited to the maximum liability exposure the City faces under Florida statutes. Coverage for general liability claims is a maximum of $1,000,000 combined single limit.

The commercial insurance carried is a claims incurred policy for which the City is covered for claims originating against the City during the policy period. The amount of coverage is dependent on the date of the liability-imposing event. The City has maintained continuous coverage and does not believe it has any exposure to events which occurred prior to the year ended September 30, 2023.

The employee medical insurance is a shared cost policy for which the City pays a recurring administrative fee and claims as asserted. The City's health insurance expenditure is based upon a carryforward experience level, whereby each month the City pays the benefit payments net of the specific stop loss, plus the in-month change in experience deficit, plus adjustments. All departments of the City participate in the program and make payments based on estimates of amounts needed to pay prior and current year claims, claims reserves, and administrative costs. A liability for claims is reported if it is probable that a liability has occurred and the amount is estimable. As of September 30, 2023, the City has an estimated $339,618 in outstanding claims incurred but not reported. Consequently, the City does not believe it has any future exposure for medical claims by its employees beyond this estimate.

Changes in the estimated accrued claims payable in fiscal years 2023 and 2022 were as follows:

	2023	2022
Balance, beginning of year	**$ 679,434**	$ 467,196
Current year claims and changes in estimate	**2,714,625**	3,336,984
Claims payments	**(2,796,722)**	(3,124,746)
Balance, end of year	**$ 597,337**	$ 679,434

Note 7: COMMITMENTS AND CONTINGENCIES

During the ordinary course of its operation, the City is party to various claims, legal actions, and complaints. While the ultimate effect of such litigation cannot be ascertained at this time, in the opinion of counsel for the City, the liabilities which may arise from such actions would not result in losses which would exceed the liability insurance limits in effect at the time the claim arose or otherwise materially affect the financial condition of the City or results of activities.

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal and state governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable fund(s). The amount, if any, of expenditures from current or prior years which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts not recorded, if any, to be immaterial.

The City has active construction projects as of September 30, 2023. At year-end, the City's commitments with contractors are as follows:

General Fund	$	373,831
Capital Projects Improvement Fund		154,520
Utilities		2,122,276
Stormwater		42,340
Total outstanding commitments	$	2,692,967

General Fund and Capital Projects Improvements are mainly funded by general tax revenue . Stormwater projects are primarily funded by charges for services . Utilities projects are funded by charges for services and grants from the US Department of Housing and Urban Development.



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REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MANAGEMENT'S DISCUSSION AND ANALYSIS

City of Cocoa Beach, Florida
Budgetary Comparison Schedule – General Fund

For the year ended September 30, 2023	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Taxes	$ 18,577,745	$ 18,577,745	$ 19,354,137	$ 776,392
Licenses and permits	1,731,955	1,261,955	182,404	(1,079,551)
Intergovernmental revenues	9,488,404	9,488,404	2,383,919	(7,104,485)
Charges for services	12,041,198	10,636,263	9,697,199	(939,064)
Fines and forfeitures	54,100	54,100	49,186	(4,914)
Investment earnings	15,800	378,650	953,424	574,774
Miscellaneous revenues	82,650	145,650	159,328	13,678
Total revenues	41,991,852	40,542,767	32,779,597	(7,763,170)
Expenditures				
Current:				
General government:				
Mayor and City Commission	164,815	159,815	132,244	27,571
City Attorney - legal services	252,000	252,000	247,200	4,800
City Manager	558,499	556,499	548,142	8,357
Personnel	428,696	400,196	365,503	34,693
City Clerk	290,682	242,682	178,203	64,479
Finance	1,048,890	974,044	949,831	24,213
Metered parking program	395,287	424,052	353,701	70,351
Information technology	1,655,268	1,644,339	1,583,324	61,015
Other general government	1,685,717	2,021,017	1,575,688	445,329
Ecomomic environment	54,400	50,900	36,768	14,132
Public safety:				
Police department	6,267,846	5,857,151	5,897,992	(40,841)
Communications	874,240	874,740	816,057	58,683
Fire department	5,301,697	5,276,697	5,332,486	(55,789)
Building department:				
Planning, zoning and	358,983	291,283	278,711	12,572
Inspections and permits	104,120	-	(5,091)	5,091
Transportation/public works:				
Field operations	1,513,047	1,462,547	1,381,661	80,886
Building maintenance	990,534	1,016,134	812,938	203,196
Grounds maintenance	953,079	897,579	786,016	111,563
Fleet management	1,005,298	963,798	859,194	104,604
Physical environment	3,500,540	3,463,540	3,158,756	304,784

For the year ended September 30, 2023	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Recreation:				
Administration and community	613,523	572,646	458,452	114,194
Golf	2,619,221	2,728,051	2,451,018	277,033
Parks	162,599	168,869	148,609	20,260
Swimming pool	524,436	522,363	407,964	114,399
Beach rangers	-	-	(2,000)	2,000
Tennis courts	2,200	2,200	786	1,414
Capital outlay	10,943,233	10,900,074	3,416,392	7,483,682
Debt service:				
Principal	721,418	749,418	818,806	(69,388)
Interest	327,048	327,548	327,822	(274)
Total expenditures	43,317,316	42,800,182	33,317,173	9,483,009
Excess of (deficiency) of revenues	(1,325,464)	(2,257,415)	(537,576)	1,719,839
Other Financing Sources (Uses)				
Transfers in	1,744,016	2,522,995	2,152,545	(370,450)
Transfers out	(820,000)	(596,300)	(20,000)	(576,300)
Issuance of debt	-	-	3,540	(3,540)
Proceeds from sale of assets	15,000	15,000	18,397	3,397
Total other financing sources (uses)	939,016	1,941,695	2,154,482	(946,893)
Net change in fund balance	(386,448)	(315,720)	1,616,906	772,946
Fund balance, beginning of the year,	15,306,849	15,306,849	15,306,849	-
Fund balance, end of year	$ 14,920,401	$ 14,991,129	$ 16,923,755	$ 772,946

Note that this schedule is prepared on a budgetary basis, but is not different from Generally Accepted Accounting Principles (GAAP) in the presentation.

City of Cocoa Beach, Florida
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Community Redevelopment Agency

For the year ended September 30, 2023	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Property taxes	$ 1,196,580	$ 1,196,580	$ 1,166,140	$ (30,440)
Charges for services	391,000	391,000	648,148	257,148
Interest	500	500	56,763	56,263
Miscellaneous revenue	-	-	1,000	1,000
Total revenues	1,588,080	1,588,080	1,872,051	283,971
Expenditures				
Economic development	211,028	171,028	131,924	39,104
Debt service	265,000	265,000	265,000	-
Interest expense	135,625	135,625	135,625	-
Total expenditures	611,653	571,653	532,549	39,104
Excess (Deficiency) of Revenues Over (Under) Expenditures	976,427	1,016,427	1,339,502	323,075
Other Financing Sources				
Transfers out	(41,290)	(81,290)	(40,000)	41,290
Total other financing sources	(41,290)	(81,290)	(40,000)	-
Net change in fund balance	935,137	935,137	1,299,502	323,075
Fund balance, beginning of year	1,517,036	1,517,036	1,517,036	-
Fund balance, end of year	$ 2,452,173	$ 2,452,173	$ 2,816,538	$ 323,075

Note that this schedule is prepared on a budgetary basis, but is not different from Generally Accepted Accounting (GAAP) in the presentation.

City of Cocoa Beach, Florida
Schedule of Changes in Net Pension Liability and Related Ratios
General Employees' Retirement Fund
Last Ten Fiscal Years

As of and for the year ended September 30,	**2023**	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability										
Service cost	**$ 756,787**	$ 686,541	$ 639,073	$ 622,293	$ 619,034	$ 625,201	$ 584,519	$ 545,829	$ 533,313	$ 539,287
Interest	**2,289,570**	2,219,660	2,244,412	2,145,833	2,077,332	1,988,818	1,853,234	1,732,753	1,651,759	1,564,938
Difference between expected and actual experience	**644,069**	(189,801)	(515,553)	491,865	(340,064)	(107,227)	469,323	(316,930)	(113,781)	-
Changes of assumptions	**-**	-	951,960	(427,634)	-	-	40,962	688,895	-	-
Contributions - buy back	**-**	-	-	-	-	-	6,585	-	-	-
Benefit payments, including refunds of member contributions	**(1,859,092)**	(1,785,645)	(1,637,369)	(1,516,932)	(1,434,443)	(1,282,573)	(1,209,098)	(1,060,176)	(1,017,261)	(938,707)
Net change in total pension liability	**1,831,334**	930,755	1,682,523	1,315,425	921,859	1,224,219	1,745,525	1,590,371	1,054,030	1,165,518
Total pension liability - beginning	**31,753,038**	30,822,283	29,139,760	27,824,335	26,902,476	25,678,257	23,932,732	22,342,361	21,288,331	20,122,813
Total pension liability - ending (a)	**33,584,372**	31,753,038	30,822,283	29,139,760	27,824,335	26,902,476	25,678,257	23,932,732	22,342,361	21,288,331
Plan Fiduciary Net Position										
Contribution - employer	**573,398**	415,004	605,000	560,000	525,000	510,000	425,001	559,031	786,715	898,200
Contribution - employee	**370,510**	321,424	294,853	293,346	283,369	279,093	284,664	279,795	248,332	235,872
Contributions - buy back			-	-	-	-	6,585	-	-	-
Net investment income	**2,785,668**	(6,559,342)	6,146,104	3,075,647	1,015,118	1,981,691	2,639,271	2,007,647	(669,085)	1,955,398
Benefit payments, including refunds of member contributions	**(1,859,092)**	(1,785,645)	(1,637,369)	(1,516,932)	(1,434,443)	(1,282,573)	(1,209,098)	(1,060,176)	(1,017,261)	(938,707)
Administrative expense	**(46,135)**	(53,233)	(40,466)	(52,696)	(23,527)	(27,732)	(22,069)	(23,056)	(20,811)	(21,453)
Net change in plan fiduciary net position	**1,824,349**	(7,661,792)	5,368,122	2,359,365	365,517	1,460,479	2,124,354	1,763,241	(672,110)	2,129,310
Plan fiduciary net position - beginning	**27,323,538**	34,985,330	29,617,208	27,257,843	26,892,326	25,431,847	23,307,493	21,544,252	22,216,362	20,087,052
Plan fiduciary net position - ending (b)	**29,147,887**	27,323,538	34,985,330	29,617,208	27,257,843	26,892,326	25,431,847	23,307,493	21,544,252	22,216,362
Net pension liability - ending (a) - (b)	**$ 4,436,485**	$ 4,429,500	$ (4,163,047)	$ (477,448)	$ 566,492	$ 10,150	$ 246,410	$ 625,239	$ 798,109	$ (928,031)
Plan fiduciary net position as a percentage of the total pension liability	**86.79%**	86.05%	113.51%	101.64%	97.96%	99.96%	99.04%	97.39%	96.43%	104.36%
Covered payroll	**$ 7,409,587**	$ 6,428,490	$ 5,897,070	$ 5,866,914	$ 5,667,922	$ 5,581,312	$ 5,693,277	$ 5,595,907	$ 4,966,634	$ 4,717,435
Net pension liability as a percentage of covered payroll	**59.87%**	68.90%	-70.60%	-8.14%	9.99%	0.18%	4.33%	11.17%	16.07%	-19.67%

City of Cocoa Beach, Florida
Schedule of City Contributions
General Employees' Retirement Fund
Last Ten Fiscal Years

As of and for the year ended September 30,	**2023**	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	**$ 475,695**	$ 472,494	$ 548,427	$ 502,795	$ 520,882	$ 488,923	$ 409,916	$ 559,031	$ 786,715	$ 898,200
Contributions in relation to the actuarially determined contributions	**573,398**	415,004	605,000	560,000	525,000	510,000	425,001	559,031	786,715	898,200
Contribution deficiency (excess)	**$ (97,703)**	$ 57,490	$ (56,573)	$ (57,205)	$ (4,118)	$ (21,077)	$ (15,085)	$ -	$ -	$ -
Covered payroll	**$ 7,409,587**	$ 6,428,490	$ 5,897,070	$ 5,866,914	$ 5,667,922	$ 5,581,312	$ 5,693,277	$ 5,595,907	$ 4,966,634	$ 4,717,435
Contributions as a percentage of covered payroll	**7.74%**	6.46%	10.26%	9.55%	9.26%	9.14%	7.46%	9.99%	15.84%	19.04%

Notes to Schedule
Valuation Date: 10/1/21

Note 1: Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal in which contributions are reported.

City of Cocoa Beach, Florida
Schedule of Changes in Net Pension Liability and Related Ratios
Police Officers' Pension Plan
Last Ten Fiscal Years

As of and for the year ended September 30,	**2023**	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability										
Service cost	**$ 340,319**	$ 322,204	$ 329,623	$ 297,678	$ 280,676	$ 312,449	$ 266,442	$ 264,410	$ 268,905	$ 278,445
Interest	**1,551,604**	1,485,780	1,464,679	1,443,169	1,447,501	1,365,029	1,282,422	1,248,592	1,215,095	1,166,413
Change in excess state money	**-**	-	-	-	-	-	-	(25,826)	-	-
Difference between expected and actual experience	**31,712**	358,226	85,833	78,378	(496,372)	460,321	386,258	(205,356)	(159,029)	-
Changes of assumptions	**-**	-	606,886	(196,549)	-	-	36,994	636,451	-	-
Contributions - buy back	**-**	-	-	47,992	-	-	22,500	-	52,320	-
Benefit payments, including refunds of member contributions	**(1,323,090)**	(1,266,514)	(1,334,647)	(1,515,490)	(1,093,911)	(989,830)	(959,625)	(1,052,685)	(855,473)	(798,118)
Net change in total pension liability	**600,545**	899,696	1,152,374	155,178	137,894	1,147,969	1,034,991	865,586	521,818	646,740
Total pension liability - beginning	**21,288,852**	20,389,156	19,236,782	19,081,604	18,943,710	17,795,741	16,760,750	15,895,164	15,373,346	14,726,606
Total pension liability - ending (a)	**21,889,397**	21,288,852	20,389,156	19,236,782	19,081,604	18,943,710	17,795,741	16,760,750	15,895,164	15,373,346
Plan Fiduciary Net Position										
Contribution - employer	**656,306**	555,000	650,000	865,000	865,000	860,000	782,512	822,359	625,885	751,980
Contribution - state	**136,017**	115,133	108,304	110,273	109,736	107,105	101,389	104,215	97,977	99,477
Contribution - employee	**132,057**	117,421	117,425	105,737	100,003	89,780	95,018	91,834	80,429	91,260
Contributions - buy back	**-**	-	-	47,992	-	-	22,500	-	52,320	-
Net investment income	**1,071,658**	(3,462,389)	3,472,317	1,833,038	593,406	1,562,850	1,529,239	1,085,149	(150,618)	1,089,153
Benefit payments, including refunds of member contributions	**(1,323,090)**	(1,266,514)	(1,334,647)	(1,515,490)	(1,093,911)	(989,830)	(959,625)	(1,052,685)	(855,473)	(798,118)
Administrative expense	**(53,788)**	(39,627)	(44,795)	(48,249)	(36,318)	(36,507)	(41,061)	(41,054)	(37,661)	(32,708)
Net change in plan fiduciary net position	**619,160**	(3,980,976)	2,968,604	1,398,301	537,916	1,593,398	1,529,972	1,009,818	(187,141)	1,201,044
Plan fiduciary net position - beginning	**15,659,800**	19,640,776	16,672,172	15,273,871	14,735,955	13,142,557	11,612,585	10,602,767	10,789,908	9,588,864
Plan fiduciary net position - ending (b)	**16,278,960**	15,659,800	19,640,776	16,672,172	15,273,871	14,735,955	13,142,557	11,612,585	10,602,767	10,789,908
Net pension liability - ending (a) - (b)	**$ 5,610,437**	$ 5,629,052	$ 748,380	$ 2,564,610	$ 3,807,733	$ 4,207,755	$ 4,653,184	$ 5,148,165	$ 5,292,397	$ 4,583,438
Plan fiduciary net position as a percentage of the total pension liability	**74.37%**	73.56%	96.33%	86.67%	80.05%	77.79%	73.85%	69.28%	66.70%	70.19%
Covered payroll	**$ 2,641,146**	$ 2,348,425	$ 2,348,495	$ 2,114,730	$ 2,000,053	$ 1,795,611	$ 1,900,351	$ 1,836,685	$ 1,697,629	$ 1,825,203
Net pension liability as a percentage of covered payroll	**212.42%**	239.69%	31.87%	121.27%	190.38%	234.34%	244.86%	280.30%	311.75%	251.12%

City of Cocoa Beach, Florida
Schedule of City Contributions
Police Officers' Pension Plan
Last Ten Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	**$ 775,441**	**$ 659,438**	$ 783,458	$ 966,431	$ 987,426	$ 932,461	$ 933,642	$ 876,833	$ 723,862	$ 851,457
Contributions in relation to the actuarially determined contributions	**779,588**	**670,133**	758,304	975,273	974,736	967,105	883,901	926,574	723,862	851,457
Contribution deficiency (excess)	**$ (4,147)**	**$ (10,695)**	$ 25,154	$ (8,842)	$ 12,690	$ (34,644)	$ 49,741	$ (49,741)	$ -	$ -
Covered payroll	**$ 2,641,146**	**$ 2,348,425**	$ 2,348,495	$ 2,114,730	$ 2,000,053	$ 1,795,611	$ 1,900,351	$ 1,836,685	$ 1,697,629	$ 1,825,203
Contributions as a percentage of covered payroll	**29.52%**	**28.54%**	32.29%	46.12%	48.74%	53.86%	46.51%	50.45%	42.64%	46.65%

Notes to Schedule
Valuation Date: 10/1/21

Note 1: Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal in which contributions are reported.

City of Cocoa Beach, Florida
Schedule of Changes in Net Pension Liability and Related Ratios
Firefighters' Pension Plan
Last Ten Fiscal Years

As of and for the year ended September 30,	**2023**	**2022**	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability										
Service cost	**$ 395,446**	$ 353,306	$ 289,719	$ 275,256	$ 263,330	$ 252,306	$ 223,453	$ 238,463	$ 226,817	$ 231,534
Interest	**1,446,150**	1,389,162	1,343,271	1,288,768	1,252,370	1,193,937	1,106,270	1,084,188	1,054,408	1,020,957
Change in excess state money	**-**	-	-	-	-	-	-	(654,119)	77,735	85,864
Changes of benefit terms	**-**	-	-	-	(1,726)	-	-	-	-	-
Difference between expected and actual experience	**(65,244)**	350,749	304,361	154,929	(24,340)	281,198	483,038	(88,821)	(17,490)	-
Changes of assumptions	**-**	-	581,004	(140,761)	-	-	26,411	229,105	-	-
Benefit payments, including refunds of member contributions	**(1,365,640)**	(1,364,834)	(919,194)	(859,597)	(1,207,655)	(757,898)	(715,766)	(735,874)	(1,070,390)	(588,887)
Net change in total pension liability	**410,712**	728,383	1,599,161	718,595	281,979	969,543	1,123,406	72,942	271,080	749,468
Total pension liability - beginning	**19,829,948**	19,101,565	17,502,404	16,783,809	16,501,830	15,532,287	14,408,881	14,335,939	14,064,859	13,315,391
Total pension liability - ending (a)	**20,240,660**	19,829,948	19,101,565	17,502,404	16,783,809	16,501,830	15,532,287	14,408,881	14,335,939	14,064,859
Plan Fiduciary Net Position										
Contribution - employer	**611,832**	425,000	420,006	570,000	675,000	609,433	475,026	655,200	561,835	581,513
Contribution - state	**241,700**	177,433	119,284	113,250	108,999	111,216	132,166	144,452	162,542	170,671
Contribution - employee	**127,478**	96,706	89,175	84,052	78,566	77,874	80,832	80,412	68,646	76,167
Net investment income	**1,110,717**	(3,564,535)	3,479,143	1,763,334	607,901	1,596,550	1,540,888	1,104,852	(147,286)	1,080,437
Benefit payments, including refunds of member contributions	**(1,365,639)**	(1,364,834)	(919,194)	(859,597)	(1,207,655)	(757,898)	(715,766)	(735,874)	(1,070,390)	(588,887)
Administrative expense	**(39,106)**	(36,240)	(48,691)	(55,981)	(36,084)	(38,992)	(29,789)	(32,055)	(29,141)	(18,863)
Net change in plan fiduciary net position	**686,982**	(4,266,470)	3,139,723	1,615,058	226,727	1,598,183	1,483,357	1,216,987	(453,794)	1,301,038
Plan fiduciary net position - beginning	**15,632,671**	19,899,141	16,759,418	15,144,360	14,917,633	13,319,450	11,836,093	10,619,106	11,072,900	9,771,862
Plan fiduciary net position - ending (b)	**16,319,653**	15,632,671	19,899,141	16,759,418	15,144,360	14,917,633	13,319,450	11,836,093	10,619,106	11,072,900
Net pension liability - ending (a) - (b)	**$ 3,921,007**	$ 4,197,277	$ (797,576)	$ 742,986	$ 1,639,449	$ 1,584,197	$ 2,212,837	$ 2,572,788	$ 3,716,833	$ 2,991,959
Plan fiduciary net position as a percentage of the total pension liability	**80.63%**	78.83%	104.18%	95.75%	90.23%	90.40%	85.75%	82.14%	74.07%	78.73%
Covered payroll	**$2,549,567**	$ 1,934,123	$ 1,783,500	$ 1,681,035	$ 1,571,321	$ 1,557,486	$ 1,616,637	$ 1,608,236	$ 1,441,819	$ 1,386,146
Net pension liability as a percentage of covered payroll	**153.79%**	217.01%	-44.72%	44.20%	104.34%	101.72%	136.88%	159.98%	257.79%	215.85%

City of Cocoa Beach, Florida
Schedule of City Contributions
Firefighters' Pension Plan
Last Ten Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	**$ 799,799**	$ 566,698	$ 479,284	$ 650,393	$ 694,681	$ 720,649	$ 673,167	$ 733,677	$ 646,642	$ 666,321
Contributions in relation to the actuarially determined contributions	**765,005**	602,433	539,290	683,250	783,999	720,649	607,192	799,652	646,642	666,321
Contribution deficiency (excess)	**$ 34,794**	$ (35,735)	$ (60,006)	$ (32,857)	$ (89,318)	$ -	$ 65,975	$ (65,975)	$ -	$ -
Covered payroll	**$ 2,549,567**	$ 1,934,123	$ 1,668,674	$ 1,681,035	$ 1,571,321	$ 1,557,486	$ 1,616,637	$ 1,608,236	$ 1,441,819	$ 1,386,146
Contributions as a percentage of covered payroll	**30.0%**	31.1%	32.3%	40.6%	49.9%	46.3%	37.6%	49.7%	44.8%	48.1%

Notes to Schedule

Valuation Date: 10/1/21

Note 1: Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal in which contributions are reported.

NOTES TO REQUIRED PENSION SUPPLEMENTARY INFORMATION:

Note 1: PLAN CHANGES IN BENEFIT TERMS

There have been no changes in benefits since the prior valuation for all three pension plans.

Note 2: CHANGES OF ASSUMPTIONS

There have been no changes in assumptions since the prior valuation for all three pension plans.

Note 3: METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES

	General Employees	Police Employees	Fire Employees
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal
Amortization method	New UAAL amortization bases are amortized over 15 years. Bases established prior to the valuation date are adjusted proportionally to match the Expected Unfunded Actuarial Accrued Liability as of the valuation date, in order to align prior year bases with the portion of the current year UAAL associated with prior	New UAAL amortization bases are amortized over 15 Years. Bases established prior to the valuation date are adjusted proportionally to match the Expected Unfunded Actuarial Accrued Liability as of the valuation date, in order to align prior year bases with the portion of the current year UAAL associated with prior	New UAAL amortization bases are amortized over 15 Years. Bases established prior to the valuation date are adjusted proportionally to match the Expected Unfunded Actuarial Accrued Liability as of the valuation date, in order to align prior year bases with the portion of the current year UAAL associated with prior
Remaining amortization period	14 years	14 years	14 years
Asset valuation method	Historical geometric four-year average fair value return	Historical geometric four-year average fair value return	Historical geometric four-year average fair value return
Inflation	2.6%	2.5%	2.5%
Payroll increases	0%	0%	0%

Note 3: METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES (Continued)

	General Employees	Police Employees	Fire Employees
Salary increases	Service based	Service based	Service based
*Interest rate	7.25%	7.40%	7.40%
Retirement age	Age 62 and 5 years of Credited Service.	Earlier of: 1) Age 55 and the completion of 10 years of Credited Service, 2) Age 52 and the completion of 25 years of Credited Service, or 3) the completion of 30 years of Credited Service, regardless of age	Earlier of: 1) Age 55 and 10 years of Credited Service, or 2) 25 years of Credited Service, regardless of age
Early retirement	Age 52 and 5 years of Credited Service.	Age 50 and 10 years of Credited Service	Attained Age 45 with 10 Years of Credited Service
Mortality	Healthy Active Lives: Female: PubG.H-2010 for Employees. Male: PubG.H-2010 (Below Median) for Employees, set back one year.	Healthy Active Lives: Female: PubG.H-2010 for Employees. Male: PubG.H-2010 (Below Median) for Employees, set back one year.	Healthy Active Lives: Female: PubG.H-2010 for Employees. Male: PubG.H-2010 (Below Median) for Employees, set back one year.
	Healthy Retiree Lives: Female: PubG.H-2010 (Below Median) for Healthy Retirees. Male: PubG.H-2010 (Below Median) for Healthy Retirees, set back one year.	Healthy Retiree Lives: Female: PubG.H-2010 (Below Median) for Healthy Retirees. Male: PubG.H-2010 (Below Median) for Healthy Retirees, set back one year.	Healthy Retiree Lives: Female: PubG.H-2010 (Below Median) for Healthy Retirees. Male: PubG.H-2010 (Below Median) for Healthy Retirees, set back one year.

Note 3: METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES (Continued)

	General Employees	Police Employees	Fire Employees
Mortality	Beneficiary Lives: Female: PubG.H-2010 (Below Median) for Healthy Retirees. Male: PubG.H-2010 (Below Median) for Healthy Retirees, set back one year.	Beneficiary Lives: Female: PubG.H-2010 (Below Median) for Healthy Retirees. Male: PubG.H-2010 (Below Median) for Healthy Retirees, set back one year.	Beneficiary Lives: Female: PubG.H-2010 (Below Median) for Healthy Retirees. Male: PubG.H-2010 (Below Median) for Healthy Retirees, set back one year.
	Disabled Lives: PubG.H-2010 for Disabled Retirees, set forward three years. All rates are projected generationally with Mortality Improvement Scale MP-2018. We feel this assumption sufficiently accommodates future mortality improvements.	Disabled Lives: PubG.H-2010 for Disabled Retirees, set forward three years. All rates are projected generationally with Mortality Improvement Scale MP-2018. We feel this assumption sufficiently accommodates future mortality improvements.	Disabled Lives: PubG.H-2010 for Disabled Retirees, set forward three years. All rates are projected generationally with Mortality Improvement Scale MP-2018. We feel this assumption sufficiently accommodates future mortality improvements.

*Interest rate is compounded annually, net of investment-related expenses, including inflation.

Note 4: MONEY-WEIGHTED RATE OF RETURN

This schedule is intended to provide information about the actual performance of the pension plan's investment portfolio because it takes into account the effects of transactions that increase the amount of pension plan investments (such as contributions from employers, non-employer contributing entities, and plan members) and those that decrease the amount of pension plan investments (such as benefit payments).

General Employees

2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
10.28%	-18.96%	20.86%	11.35%	3.79%	7.82%	11.38%	9.31%	-2.98%	9.55%

Police Officers'

2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
6.88%	-17.77%	20.92%	12.05%	3.98%	11.71%	13.01%	10.02%	-1.37%	11.11%

Firefighters'

2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
7.12%	-18.09%	20.86%	11.6%	4.0%	11.9%	13.0%	10.2%	-1.3%	10.8%

City of Cocoa Beach, Florida
Required Other Postemployment Benefits Supplementary Information
Last Seven Years

As of and for the year ended September 30,	**2023**	2022
Total OPEB Liability		
Service cost	**$ 129,946**	$ 147,667
Interest	**290,941**	301,209
Difference between expected and actual experience	**(377,916)**	(135,364)
Changes of assumptions or other inputs	**473,847**	(707,531)
Explicit benefit payments	**(258,769)**	(271,653)
Implicit benefit payments	**30,901**	33,804
Net change in total OPEB liability	**288,950**	(631,868)
Total OPEB liability - beginning	**5,402,617**	6,034,485
Total OPEB liability - ending	**5,691,567**	5,402,617
Plan Fiduciary Net Position		
Explicit contributions - employer	**100,000**	100,000
Implicit contributions - employer	**227,869**	237,849
Net investment income	**243,735**	(392,179)
Explicit benefit payments	**(258,769)**	(271,653)
Implicit benfit payments	**30,901**	33,804
Administrative expense	**(3,053)**	(3,128)
Net change in plan fiduciary net position	**340,683**	(295,307)
Plan fiduciary net position - beginning	**2,300,397**	2,595,704
Plan fiduciary net position - ending	**2,641,080**	2,300,397
Total OPEB liability	**$ 3,050,487**	$ 3,102,220
Plan fiduciary net position as a percentage of total OPEB liability	**46.40%**	42.58%
Covered payroll	**$12,918,905**	$ 10,381,583
Total OPEB liability as a percentage of covered payroll	**23.61%**	29.88%
* The following discount rate was used in each period:	**5.69%**	5.77%

* GASB Codification P52 requires an employer to disclose a 10-year history. However, until a full 10-year trend is compiled, information will be presented only for those years which information is available.

2021	2020	2019	2018	2017
$ 234,008	$ 189,883	$ 157,858	$ 212,520	$ 227,237
258,371	276,127	263,064	288,588	254,072
(644,697)	448,963	(354,014)	95,393	-
(1,391,292)	496,376	466,294	(1,566,653)	(678,077)
(171,328)	(264,865)	(252,087)	(150,000)	(130,101)
(48,064)	46,732	46,686	(89,140)	(78,541)
(1,763,002)	1,193,216	327,801	(1,209,292)	(405,410)
7,797,487	6,604,271	6,276,470	7,485,762	7,891,172
6,034,485	7,797,487	6,604,271	6,276,470	7,485,762
108,105	100,000	352,087	250,000	230,101
219,392	218,133	(46,686)	89,140	78,541
621,128	133,073	94,389	126,209	178,426
(171,328)	(264,865)	(252,087)	(150,000)	(130,101)
(48,064)	46,732	46,686	(89,140)	(78,541)
(176,591)	(2,354)	(2,177)	(2,015)	(1,753)
552,642	230,719	192,212	224,194	276,673
2,043,062	1,812,343	1,620,131	1,395,937	1,119,264
2,595,704	2,043,062	1,812,343	1,620,131	1,395,937
$ 3,438,781	$ 5,754,425	$ 4,791,928	$ 4,656,339	$ 6,089,825
43.01%	26.20%	27.44%	25.81%	18.65%
$ 9,639,094	$ 9,866,485	$ 9,940,598	$ 9,889,192	$ 8,816,274
35.68%	58.32%	48.21%	47.09%	69.07%
5.08%	3.55%	3.87%	4.40%	3.76%

City of Cocoa Beach, Florida
Schedule of City OPEB Contributions
Last Seven Fiscal Years

	2023	2022
Actuarially determined contribution	**$ 274,037**	$ 249,214
Contributions in relation to the actuarially determined contributions	**100,000**	100,000
Contribution deficiency (excess)	**$ 174,037**	$ 149,214
Covered payroll	**$ 12,918,905**	$ 10,381,583
Contributions as a percentage of covered payroll	**0.77%**	0.96%

Notes to Schedule

Valuation Date: 10/1/22

Note 1: Actuarially determined contribution rates are calculated as of September 30 for the fiscal year in which contributions are reported.

Note 2: GASB Codification P20 requires information for 10 years. However, until a full 10-year trend is compiled, the City is presenting information for only the years for which information is available.

2021	2020	2019	2018	2017
$ 303,521	$ 480,901	$ 450,296	$ 453,999	$ 576,881
108,105	100,000	352,087	250,000	230,101
$ 195,416	$ 380,901	$ 98,209	$ 203,999	$ 346,780
$ 9,639,094	$ 9,866,485	$ 9,940,598	$ 9,889,192	$ 8,816,274
1.12%	1.01%	3.54%	2.53%	2.61%

City of Cocoa Beach, Florida
Money-Weighted Rate of Return (OPEB Plan)
Last Seven Fiscal Years

The annual money-weighted rate of return, net of investment expense was as follows:

As of and for the year ended September 30,

2023	2022	2021	2020	2019	2018	2017
10.27%	-14.69%	37.72%	6.47%	4.90%	7.83%	8.72%

OTHER SUPPLEMENTARY INFORMATION

City of Cocoa Beach, Florida
Combining Balance Sheet – Nonmajor Governmental Funds

September 30, 2023	Special Revenue Funds: Confiscated Property	Special Revenue Funds: Building Permit & Inspection Utilization	Capital Projects Improvement Fund	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	**$ 153,329**	**$ 548,046**	**$ -**	**$ 701,375**
Investments	**-**	**-**	**667,394**	**667,394**
Total assets	**$ 153,329**	**$ 548,046**	**$ 667,394**	**$ 1,368,769**
LIABILITIES				
Accounts payable	**$ -**	**$ 6,975**	**$ -**	**$ 6,975**
Accrued expenses	**-**	**36,707**	**136,620**	**173,327**
Due to other funds	**-**	**-**	**449,460**	**449,460**
Total liabilities	**-**	**43,682**	**586,080**	**629,762**
FUND BALANCES				
Restricted	**153,329**	**504,364**	**81,314**	**739,007**
Total fund balances	**153,329**	**504,364**	**81,314**	**739,007**
Total liabilities and fund balances	**$ 153,329**	**$ 548,046**	**$ 667,394**	**$ 1,368,769**

City of Cocoa Beach, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds

For the Year Ended September 30, 2023	Special Revenue Funds: Confiscated Property	Special Revenue Funds: Building Permit & Inspection Utilization	Capital Projects Improvement Fund	Total Nonmajor Governmental Funds
Revenues				
Charges for services	$ -	$ 666,161	$ -	$ 666,161
Fines and forfeitures	-	10,585	-	10,585
Investment and other income	-	46,707	30,897	77,604
Miscellaneous revenues	-	2,016	-	2,016
Total revenues	-	725,469	30,897	756,366
Expenditures				
Current:				
General government	-	-	69,937	69,937
Public safety	-	472,755	-	472,755
Capital outlay	-	-	794,209	794,209
Total expenditures	-	472,755	864,146	1,336,901
Excess of revenues over expenditures	-	252,714	(833,249)	(580,535)
Other financing uses				
Transfers out	-	(158,636)	-	(158,636)
Total other financing uses	-	(158,636)	-	(158,636)
Net change in fund balances	-	94,078	(833,249)	(739,171)
Fund balances, beginning of year	153,329	410,286	914,563	1,478,178
Fund balances, end of year	$ 153,329	$ 504,364	$ 81,314	$ 739,007

City of Cocoa Beach, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Capital Improvements Project Revenue Fund

For the year ended September 30, 2023	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Interest	$ (500)	$ (500)	$ 30,897	$ 31,397
Total revenues	(500)	(500)	30,897	31,397
Expenditures				
General government	-	-	69,937	(69,937)
Capital outlay	9,700,000	9,956,000	794,209	9,161,791
Total expenditures	9,700,000	9,956,000	864,146	9,091,854
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,700,500)	(9,956,500)	(833,249)	9,123,251
Other Financing Sources				
Transfers in	-	-	-	-
Total other financing sources	-	-	-	-
Net change in fund balance	(9,700,500)	(9,956,500)	(833,249)	9,123,251
Fund balance, beginning of year	914,563	914,563	914,563	-
Fund balance, end of year	$ (8,785,937)	$ (9,041,937)	$ 81,314	$ 9,123,251

Note that this schedule is prepared on a budgetary basis, but is not different from Generally Accepted Accounting (GAAP) in the presentation.

City of Cocoa Beach, Florida
Combining Statement of Fiduciary Net Position – Pension (and Other Employee Benefit) Trust Funds

September 30, 2023	OPEB Trust Fund	Employee Benefit Fund: General Employees	Employee Benefit Fund: Police Officers'	Employee Benefit Fund: Firefighters'	Total
Assets					
Contribution receivable	$ -	$ -	$ 136,053	$ -	$ 136,053
Investments, at fair value	2,641,079	29,173,092	16,153,032	16,312,769	64,279,972
Total assets	2,641,079	29,173,092	16,289,085	16,312,769	64,416,025
Liabilities					
Accounts payable	-	32,696	-	5,625	38,321
Total liabilities	-	32,696	-	5,625	38,321
Net Position					
Restricted for pensions	-	29,140,396	16,289,085	16,307,144	61,736,625
Restricted for OPEB benefits	2,641,079	-	-	-	2,641,079
Total net position	$ 2,641,079	$ 29,140,396	$ 16,289,085	$ 16,307,144	$ 64,377,704

City of Cocoa Beach, Florida
Combining Statement of Changes in Fiduciary Net Position – Pension (and Other Employee Benefit) Trust Funds

For the year ended September 30, 2023	OPEB Trust Fund	Pension Trust: General Employees	Pension Trust: Police Officers'	Pension Trust: Firefighters'	Total
Additions					
Contributions					
State	$ -	$ -	$ 136,017	$ 227,868	$ 363,885
Employer	100,000	573,398	656,306	611,832	1,941,536
Employees	-	387,118	132,257	127,405	646,780
Total contributions	100,000	960,516	924,580	967,105	2,952,201
Investment income (loss)					
Net depreciation in the fair value of investments	-	2,118,087	423,328	468,114	3,009,529
Interest and dividends	243,735	779,638	709,385	703,067	2,435,825
	243,735	2,897,725	1,132,713	1,171,181	5,445,354
Less: investment expense	(3,053)	(120,247)	(52,481)	(37,531)	(213,312)
Total investment income (loss)	240,682	2,777,478	1,080,232	1,133,650	5,232,042
Total additions	340,682	3,737,994	2,004,812	2,100,755	8,184,243
Deductions					
Benefits paid	-	1,820,600	1,322,789	1,365,640	4,509,029
Refunds of contributions	-	38,884	-	-	38,884
Administrative expenses	-	61,652	52,738	60,642	175,032
Total deductions	-	1,921,136	1,375,527	1,426,282	4,722,945
Change in net position	340,682	1,816,858	629,285	674,473	3,461,298
Net position, beginning of year	2,300,397	27,323,538	15,659,800	15,632,671	60,916,406
Net position, end of year	$ 2,641,079	$ 29,140,396	$ 16,289,085	$ 16,307,144	$ 64,377,704

STATISTICAL SECTION

This part of the City of Cocoa Beach, Florida's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Table of Contents

A. Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Schedule A1 Net Position by Component

Schedule A2 Changes in Net Position

Schedule A3 Fund Balances – Governmental Funds

Schedule A4 Changes in Fund Balances – Governmental Funds

B. Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local own-source revenues - ad valorem property taxes, occupational license taxes, and building permits revenues.

Schedule B1 Assessed Value and Estimated Actual Value of Taxable Property

Schedule B2 Direct and Overlapping Property Tax Rates

Schedule B3 Principal Property Taxpayers

Schedule B4 Property Tax Levies and Collections

C. Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of debt outstanding and the City's ability to issue additional debt in the future, as necessary.

Schedule C1 Ratio of Outstanding Debt by Type

Schedule C2 Direct and Overlapping Governmental Activities Debt

Schedule C3 Pledged Revenue Coverage

Schedule C4 Ratios of General Bonded Debt Outstanding, See notes

Schedule C5 Legal Debt Margin Information, See notes

D. Demographic and Economic Information Financial Trends

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Schedule D1 Demographic and Economic Statistics

Schedule D2 Principal Employers

E. Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Schedule E1 Employees by Function/Program

Schedule E2 Operating Indicators by Function/Program

Schedule E3 Capital Asset Statistics by Function/Program

Additional Notes

Unless otherwise noted, the information in these schedules is derived from the City's Annual Comprehensive Financial Report (ACFR) (or financial statements) for the relevant year.



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City of Cocoa Beach, Florida
Net Position by Component
Last Ten Fiscal Years

	2014	2015	2016	2017
Governmental activities				
Net investment in capital assets	$ 23,650,099	$ 22,249,281	$ 24,182,508	$ 26,290,568
Restricted	594,503	864,117	456,923	445,157
Unrestricted	2,278,071	(3,923,940)	(3,432,120)	(3,184,461)
Total governmental activities net position	$ 26,522,673	$ 19,189,458	$ 21,207,311	$ 23,551,264
Business-type activities				
Net investment in capital assets	$ 25,003,758	$ 24,343,465	$ 25,427,503	$ 27,971,940
Restricted	824,865	1,029,297	1,029,297	637,235
Unrestricted	8,376,696	8,857,119	7,625,604	8,315,120
Total business-type activities net position	$ 34,205,319	$ 34,229,881	$ 34,082,404	$ 36,924,295
Primary government				
Net investment in capital assets	$ 48,653,857	$ 46,592,746	$ 49,610,011	$ 54,262,508
Restricted	1,419,368	1,893,414	1,486,220	1,082,392
Unrestricted	10,654,767	4,933,179	4,193,484	5,130,659
Total primary government net position	$ 60,727,992	$ 53,419,339	$ 55,289,715	$ 60,475,559

Notes:

(1) Accrual Basis of Accounting.

(2) Accounting standards require that net position be reported in three (3) components in the financial statements: net investment in capital assets, restricted, and unrestricted.

(3) Net position is considered restricted only when an external party, such as the state or federal government, places a restriction on how the resources may be used, or through enabling legislation enacted by the City.

(4) Net assets restated as net position beginning Fiscal Year 2013 CAFR.

Schedule A1

2018	2019	2020	2021	2022	2023
$ 27,578,331	$ 29,172,420	$ 33,219,144	$ 33,431,778	$ 37,829,977	$ 39,200,127
180,521	196,391	196,391	2,825,714	3,223,772	3,780,151
(5,055,455)	(2,902,763)	(400,467)	5,298,494	5,418,226	6,979,986
$ 22,703,397	$ 26,466,048	$ 33,015,068	$ 41,555,986	$ 47,471,975	$ 49,960,264
$ 26,666,412	$ 26,320,292	$ 28,662,592	$ 28,518,871	$ 27,663,474	$ 28,910,117
-	-	-	2,009,772	2,261,727	1,935,904
9,471,689	10,137,033	10,697,941	10,931,966	9,838,922	9,735,584
$ 36,138,101	$ 36,457,325	$ 39,360,533	$ 41,460,609	$ 39,764,123	$ 40,581,605
$ 54,244,743	$ 55,492,712	$ 61,881,736	$ 61,950,649	$ 65,493,451	$ 68,110,244
180,521	196,391	196,391	4,835,486	5,485,499	5,716,055
4,416,234	7,234,270	10,297,474	16,230,460	16,257,148	16,715,570
$ 58,841,498	$ 62,923,373	$ 72,375,601	$ 83,016,595	$ 87,236,098	$ 90,541,869

City of Cocoa Beach, Florida
Changes in Net Position
Last Ten Fiscal Years

	2014	2015	2016	2017
Program expenses				
Governmental activities:				
General government	$ 1,285,245	$ 3,487,514	$ 4,819,444	$ 4,935,118
Economic environment	-	-	-	-
Public Safety	9,289,985	8,632,350	7,726,733	8,782,659
Physical Environment	1,491,654	1,441,963	1,468,270	1,510,816
Transportation/Public Works	5,199,935	3,744,760	3,368,439	3,526,815
Recreation	3,874,112	3,346,596	3,539,718	3,432,942
Interest on long-term debt	-	125,844	124,169	307,420
Total governmental activities program expenses	$ 21,140,931	$ 20,779,027	$ 21,046,773	$ 22,495,770
Business-type activities:				
Utilities system	$ 6,428,259	$ 6,180,828	$ 6,491,931	$ 6,828,930
Stormwater	512,869	472,371	471,907	500,555
Total business-type activities program expenses	$ 6,941,128	$ 6,653,199	$ 6,963,838	$ 7,329,485
Total primary government program expenses	$ 28,082,059	$ 27,432,226	$ 28,010,611	$ 29,825,255
Program revenues				
Governmental activities:				
General government	$ 2,395,990	$ 2,044,829	$ 1,161,342	$ 1,134,935
Economic environment	-	-	-	-
Public Safety	665,589	626,835	981,899	1,105,118
Physical Environment	1,662,458	1,663,153	1,763,280	1,801,744
Transportation/Public Works	1,140,466	1,267,992	1,874,144	2,652,362
Recreation	2,496,625	2,436,776	2,340,083	2,161,586
Operating grants and contributions	-	-	283,861	746,727
Capital grants and contributions	478,810	660,802	1,844,670	1,015,000
Total governmental activities program revenues	$ 8,839,938	$ 8,700,387	$ 10,249,279	$ 10,617,472
Business-type activities:				
Charges for services:				
Utilities system	$ 5,830,201	$ 5,799,532	$ 6,268,290	$ 6,628,578
Stormwater	592,638	595,644	800,882	815,368
Operating grants and contributions	-	-	-	-
Capital grants and contributions	159,540	558,212	208,794	3,221,488
Total business-type activities program revenues	$ 6,582,379	$ 6,953,388	$ 7,277,966	$ 10,665,434
Total primary government program revenues	$ 15,422,317	$ 15,653,775	$ 17,527,245	$ 21,282,906

Schedule A2

2018	2019	2020	2021	2022	2023
$ 4,968,022	$ 5,721,658	$ 4,927,872	$ 4,985,659	$ 5,448,092	$ 6,497,673
-	-	-	242,761	294,937	$ 257,415
8,730,028	9,260,591	8,116,759	8,272,119	11,539,079	14,892,935
1,670,732	1,725,572	3,085,153	3,119,546	4,802,494	5,176,387
4,300,002	4,311,053	3,343,321	3,343,321	3,752,843	3,753,104
3,486,931	3,556,167	3,419,351	3,449,028	3,744,787	3,899,067
328,326	242,703	453,724	453,724	444,719	436,943
$ 23,484,041	$ 24,817,744	$ 23,346,180	$ 23,866,158	$ 30,026,951	$ 34,913,524
$ 7,122,007	$ 6,791,714	$ 6,517,273	$ 6,517,273	$ 8,486,181	$ 7,178,447
726,342	809,824	721,473	721,473	821,166	813,419
$ 7,848,349	$ 7,601,538	$ 7,238,746	$ 7,238,746	$ 9,307,347	$ 7,991,866
$ 31,332,390	$ 32,419,282	$ 30,584,926	$ 31,104,904	$ 39,334,298	$ 42,905,390
$ 2,946,376	$ 3,266,840	$ 3,173,940	$ 3,575,438	$ 4,247,113	$ 3,098,833
1,188,367	1,231,927	1,325,274	1,380,193	1,462,193	1,439,286
1,854,899	1,949,517	1,922,149	1,997,134	2,416,668	2,682,225
165,065	180,710	179,109	178,697	130,597	133,918
2,161,540	2,103,825	1,898,983	3,033,626	3,524,362	3,860,874
499,643	1,102,563	772,574	16,926	3,012,320	569,686
1,021,221	1,756,900	3,732,094	3,232,138	-	-
$ 9,837,111	$ 11,592,282	$ 13,004,123	$ 13,414,152	$ 14,793,253	$ 11,784,822
$ 7,005,833	$ 7,330,994	$ 7,599,442	$ 7,907,539	$ 8,113,786	$ 7,956,036
841,390	864,848	885,950	890,501	888,651	898,814
-	9,317	-	158,560	-	-
400,350	297,200	2,813,348	473,030	223,212	1,326,734
$ 8,247,573	$ 8,502,359	$ 11,298,740	$ 9,429,630	$ 9,225,649	$ 10,181,584
$ 18,084,684	$ 20,094,641	$ 24,302,863	$ 22,843,782	$ 24,018,902	$ 21,966,406

City of Cocoa Beach, Florida
Changes in Net Position (Continued)
Last Ten Fiscal Years

	2014	2015	2016	2017
Net (expense) revenue				
Governmental activities	$ (12,300,993)	$ (12,078,640)	$ (10,797,494)	$ (11,878,298)
Business-type activities	(358,749)	300,189	314,128	3,335,949
Total primary government net expense	$ (12,659,743)	$ (11,778,451)	$ (10,483,366)	$ (8,542,349)
General revenues and other changes in net position				
Governmental activities:				
General revenues:				
Property taxes	$ 6,680,713	$ 7,102,087	$ 7,657,945	$ 9,126,174
Local option gas tax	393,454	417,978	461,652	333,671
Franchise taxes	1,290,918	1,294,985	1,272,155	1,247,130
Excise taxes	1,991,139	1,976,393	1,989,682	1,901,602
Intergovernmental	699,504	722,933	737,261	779,801
Unrestricted investment earnings	58,705	79,118	42,569	10,575
Miscellaneous revenues	165,712	156,703	145,083	264,298
Transfers	3,646,185	509,000	509,000	559,000
Total governmental activities	$ 14,926,330	$ 12,259,197	$ 12,815,347	$ 14,222,251
Business-type activities:				
Unrestricted investment earnings	$ 63,419	$ 73,088	$ 47,395	$ 64,942
Miscellaneous revenues	-	-		
Transfers	(3,646,185)	(509,000)	(509,000)	(559,000)
Total business-type activities	$ (3,582,766)	$ (435,912)	$ (461,605)	$ (494,058)
Total primary government	$ 11,343,564	$ 11,823,285	$ 12,353,742	$ 13,728,193
Changes in net position				
Governmental activities	$ 2,625,337	$ 180,557	$ 2,017,853	$ 2,343,953
Business-type activities	(3,941,515)	(135,723)	(147,477)	2,841,891
Total primary government	$ (1,316,178)	$ 44,834	$ 1,870,376	$ 5,185,844

Schedule A2 (Continued)

2018	2019	2020	2021	2022	2023
$ (13,646,930)	$ (13,225,462)	$ (11,090,999)	$ (10,174,789)	$ (15,233,698)	$ (23,128,702)
399,224	900,821	3,518,281	2,190,884	(81,698)	2,189,718
$ (13,247,706)	$ (12,324,641)	$ (7,572,718)	$ (7,983,905)	$ (15,315,396)	$ (20,938,984)
$ 10,375,705	$ 11,215,262	$ 12,110,760	$ 12,681,566	$ 13,709,399	$ 16,148,215
327,312	354,872	330,750	343,779	362,644	378,890
1,274,531	1,294,054	1,257,463	1,305,915	1,552,105	1,782,374
2,006,144	1,981,511	1,933,915	1,917,975	2,043,236	2,267,234
822,000	826,724	786,077	1,845,660	2,082,298	1,822,361
76,363	229,480	263,740	21,323	8,233	1,089,756
469,223	227,210	135,914	108,799	925,313	194,252
859,000	859,000	821,400	821,400	801,400	1,933,909
$ 16,210,278	$ 16,988,113	$ 17,640,019	$ 19,046,417	$ 21,484,628	$ 25,616,991
$ 92,510	$ 277,403	$ 206,327	$ 125,368	$ 5,049	$ 435,298
			126,268	58,647	126,375
(859,000)	(859,000)	(821,400)	(821,400)	(801,400)	(1,933,909)
$ (766,490)	$ (581,597)	$ (615,073)	$ (569,764)	$ (737,704)	$ (1,372,236)
$ 15,443,788	$ 16,406,516	$ 17,024,946	$ 18,476,653	$ 20,746,924	$ 24,244,755
$ 2,563,348	$ 3,762,651	$ 6,549,020	$ 8,894,198	$ 6,250,930	$ 2,488,289
(367,266)	319,224	2,903,208	1,515,383	(819,402)	817,482
$ 2,196,082	$ 4,081,875	$ 9,452,228	$ 10,409,581	$ 5,431,528	$ 3,305,771

City of Cocoa Beach, Florida
Fund Balances – Governmental Funds
Last Ten Fiscal Years

	2014	2015	2016	2017
General Fund				
Nonspendable	$ 374,973	$ 222,504	$ 246,919	$ 239,286
Restricted	402,375	672,125	264,636	264,636
Committed	3,031,960	422,975	1,018,716	1,435,818
Assigned	-	-	-	-
Unassigned	5,007,909	4,530,258	3,714,213	2,976,927
Total general fund	$ 8,817,217	$ 5,847,862	$ 5,244,484	$ 4,916,667
All other governmental funds				
Nonspendable	$ 4,649	$ 4,983	$ 5,082	$ 5,346
Restricted	192,128	191,992	192,287	4,680,521
Committed (Metered Parking)	1,045,024	1,115,763	1,126,273	1,928,182
Assigned	-	-	-	-
Unassigned	(261,230)	(191,818)	(77,030)	151,595
Total all other governmental funds	$ 980,571	$ 1,120,920	$ 1,246,612	$ 6,765,644

Schedule A3

2018	2019	2020	2021	2022	2023
$ 280,372	$ 264,291	$ 271,343	$ 84,703	$ 117,380	$ 119,421
264,636	264,636	264,636	434,032	228,558	224,606
1,629,521	1,476,337	2,161,632	2,161,632	1,212,735	8,702,507
-	-	-	-	-	-
5,039,536	7,424,653	7,852,255	10,641,585	13,748,176	7,877,221
$ 7,214,065	$ 9,429,917	$ 10,549,866	$ 13,321,952	$ 15,306,849	$ 16,923,755
$ 5,543	$ 15,170	$ 16,297	$ -	$ -	$ -
4,675,443	9,922,252	8,452,923	2,391,682	2,995,214	3,555,545
-	-	-	-	-	-
-	-	-	-	-	-
-	(70,875)	-	-	-	-
$ 4,680,986	$ 9,866,547	$ 8,469,220	$ 2,391,682	$ 2,995,214	$ 3,555,545

City of Cocoa Beach, Florida
Changes in Fund Balances – Governmental Funds
Last Ten Fiscal Years

	2014	2015	2016	2017
Revenues				
Taxes	$ 10,356,221	$ 10,791,445	$ 11,381,434	$ 12,608,577
Licenses and permits	449,991	441,606	482,642	586,788
Intergovernmental revenues	1,178,314	1,383,735	2,865,792	2,541,528
Charges for services	6,567,717	6,585,380	7,331,896	7,818,769
Fines & forfeitures	1,396,075	1,067,909	306,210	450,188
Investment earnings	54,907	79,118	42,569	10,575
Miscellaneous revenues	116,854	101,393	145,083	264,298
Total revenues	$ 20,120,079	$ 20,450,586	$ 22,555,626	$ 24,280,723
Expenditures				
General government	$ 3,749,095	$ 4,399,772	$ 4,733,699	$ 5,038,902
Economic environment	-	-	-	-
Public Safety	9,174,689	9,252,083	8,593,542	8,845,792
Physical Environment	1,491,654	1,441,963	1,468,270	1,510,816
Transportation/Public Works	5,156,369	5,244,532	5,954,177	4,886,276
Recreation	3,605,523	3,249,398	3,320,906	3,265,936
Capital Outlay	-	-	-	-
Debt Service				
Principal	69,401	75,000	226,252	467,657
Interest	-	125,844	124,169	307,420
Total expenditures	$ 23,246,731	$ 23,788,592	$ 24,421,015	$ 24,322,799
Excess of revenues over (under) expenditures	$ (3,126,652)	$ (3,338,006)	$ (1,865,389)	$ (42,076)
Other financing sources (uses)				
Land purchases	-	-	-	-
Transfers in	1,575,341	1,218,930	1,265,170	1,277,099
Transfers out	(658,178)	(709,930)	(756,170)	(718,099)
Sale of Capital Assets	-	-	-	-
Capital lease	-	-	878,703	-
Issuance of debt	3,790,000	-	-	4,245,000
Premium on debt	-	-	-	429,291
Total other financing sources	$ 4,707,163	$ 509,000	$ 1,387,703	$ 5,233,291
Net change in fund balances	$ 1,580,511	$ (2,829,006)	$ (477,686)	$ 5,191,215
Debt service as a percentage of non-capital expenditures	0.43%	1.42%	1.75%	2.95%

Schedule A4

2018	2019	2020	2021	2022	2023
$ 13,983,692	$ 14,845,699	$ 15,632,888	$ 16,249,235	$ 17,667,384	$ 20,520,277
736,536	645,339	741,709	867,932	141,056	182,404
2,342,864	3,686,187	5,290,745	5,094,724	5,209,751	2,383,919
7,523,826	8,019,542	7,692,153	9,206,681	11,311,156	11,011,508
55,885	67,938	65,593	90,475	108,001	59,771
76,363	229,480	263,740	21,323	8,233	1,087,791
290,457	201,897	110,387	108,799	80,173	162,344
$ 25,009,623	$ 27,696,082	$ 29,797,215	$ 31,639,169	$ 34,525,754	$ 35,408,014
$ 6,102,703	$ 4,919,563	$ 4,820,807	$ 4,948,627	$ 5,080,977	$ 6,003,773
-	-	-	117,270.00	169,446.00	168,692
9,017,098	9,816,003	10,357,771	9,819,754	10,588,746	12,792,910
1,670,732	1,725,572	1,758,727	1,708,847	3,108,263	3,158,756
4,866,390	5,291,411	7,892,109	3,343,321	3,729,133	3,839,809
3,798,436	3,327,465	3,044,346	3,102,319	3,443,196	3,464,829
-	-	-	13,256,479	6,453,431	4,210,601
454,566	663,948	733,294	984,846	981,639	1,083,806
219,948	280,164	496,014	490,462	479,564	463,447
$ 26,129,873	$ 26,024,126	$ 29,103,068	$ 37,771,925	$ 34,034,395	$ 35,186,623
$ (1,120,250)	$ 1,671,956	$ 694,147	$ (6,132,756)	$ 491,359	$ 221,391
-	-	-	-	-	
3,032,557	1,188,850	1,264,347	1,368,715	2,047,865	2,152,545
(2,173,557)	(329,850)	(442,947)	(547,315)	(1,246,465)	(218,636)
178,766	25,313	25,527	22,570	828,473	18,397
295,224	-	-	-	-	-
-	9,751,000	-	1,200,000	467,197	3,540
-	-	-	-	-	-
$ 1,332,990	$ 10,635,313	$ 846,927	$ 2,043,970	$ 2,097,070	$ 1,955,846
$ 212,740	$ 12,307,269	$ 1,541,074	$ (4,088,786)	$ 2,588,429	$ 2,177,237
3.07%	5.27%	5.74%	5.85%	5.30%	5.00%

City of Cocoa Beach, Florida
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
Schedule B1

Fiscal Year	Taxable Value Real Property for Operating Purposes	Personal Property for Operating Purposes	Gross Taxable Value	New Construction Taxable Value	Adjusted Taxable Value	Final Taxable Value*	Millage Rate **
2014	$ 1,420,415,260	$ 42,997,287	$ 1,463,412,547	$ 2,768,970	$ 1,460,643,577	$ 1,375,437,743	4.9798
2015	1,528,428,150	44,389,202	1,572,817,352	3,875,580	1,568,941,772	1,462,050,879	4.9798
2016	1,651,383,595	44,356,979	1,695,740,574	7,726,440	1,688,014,134	1,570,025,655	4.9798
2017	1,790,137,425	45,689,227	1,835,826,652	3,666,242	1,832,160,410	1,689,173,910	5.4798
2018	1,926,013,887	47,699,982	1,973,713,869	2,355,548	1,971,358,321	1,834,321,456	5.7298
2019	2,046,878,881	50,724,415	2,097,603,296	11,191,720	2,086,411,576	2,018,543,186	5.7298
2020	2,141,432,855	55,389,524	2,196,822,379	8,596,439	2,188,225,940	2,107,856,272	5.8294
2021	2,268,681,405	56,692,892	2,325,374,297	3,521,533	2,321,852,764	2,199,480,742	5.9544
2022	2,578,000,669	64,058,126	2,642,058,795	15,102,070	2,626,956,725	2,327,019,290	6.1644
2023	2,829,124,650	71,789,114	2,900,913,764	10,107,337	2,890,806,427	2,641,996,242	6.1644

Source: Brevard County Property Appraiser (Form DR-420)

Notes:
1. Final taxable value determined after Valuation Board rulings.
2. The rate used in the calculation for property taxes. One mil equals $1 per $1,000 of taxable value. A millage of 6.1644, which is the current (Fiscal Year 2023) rate in effect for the City of Cocoa Beach is equal to $5.84 for each $1,000 of taxable value on real property.
3. Property is assessed at actual value and therefore a separate table for assessed and actual data is not presented.

City of Cocoa Beach, Florida
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
Schedule B2

	City Direct Rates	Overlapping Rates				
			Brevard County Schools			
Fiscal Year	Basic Rate *	Brevard County	Operating	Capital Outlay	Other **	Total Millage
2014	4.9798	5.4589	5.8390	1.5000	0.5230	18.3007
2015	4.9798	5.3047	5.7750	1.5000	0.4988	18.0583
2016	4.9798	5.3590	5.7750	1.5000	0.4445	18.0583
2017	5.4798	5.1512	5.4160	1.5000	0.4241	17.9711
2018	5.4798	4.9117	5.0680	1.5000	0.3952	17.3547
2019	5.7298	4.6700	4.8000	1.5000	0.3700	17.0698
2020	5.8294	4.5100	4.5900	1.5000	0.3500	16.7794
2021	5.9544	4.3500	4.4400	1.5000	0.3100	16.5100
2022	6.1644	4.2100	5.8500	1.5000	0.3000	18.0300
2023	6.1644	3.8500	4.0000	1.5000	0.2800	15.8000

Source: Brevard County Property Appraiser website.

Notes: * The rate used in the calculation for property taxes. One mil equals $1 per $1,000 of taxable value. The tax rate on real property is based on $1 per $1,000 of assessed property value.

** "Other" includes Florida Inland Navigation District and St. John's River Water Management District.

Overlapping rates are those of local and county governments that apply to property owners within the City of Cocoa Beach.

The total millage column applies to all property owners within the City limits.

City of Cocoa Beach, Florida
Principal Property Taxpayers
Current Year and Nine Years Prior
Schedule B3

Taxpayer	2023 Taxable Assessed Value	2023 Rank	2023 Percentage of Total City Taxable Assessed Value	2014 Taxable Assessed Value	2014 Rank	2014 Percentage of Total City Taxable Assessed Value
Hilton (1550 North Atlantic)	$ 36,719,820	1	1.39%	$ 12,000,000	4	0.87%
Doubletree Hotel (2080 N. Atlantic)	33,505,830	2	1.27%	4,745,000	10	0.75%
Ocean Partners Hospitality LLC 5500 North Group (Days Inn/Best Western)	30,138,390	3	1.14%	-	-	0.00%
Westgate Resorts Ltd & Pier (Walkula)	14,380,290	4	0.54%	13,731,040	3	1.00%
Cocoa Beach Hospitality LLC (Quality Inn)	12,809,260	5	0.48%	-	-	0.00%
Discovery Resort Inc.	10,075,000	6	0.38%	10,858,920	6	0.24%
Ron Jon Surf Shop of Florida Inc.	9,596,810	7	0.36%	10,071,150	7	0.22%
Cocoa Beach Surf Company	9,120,710	8	0.35%	5,265,000	9	0.38%
Branch Cornerstone Plaza Assoc. LP	8,157,090	9	0.31%	113,335,000	1	0.31%
Northport Inc.	7,861,770	10	0.30%	-	-	0.00%
DAD Inc. (International Palms)	6,573,500	11	0.25%	-	-	0.00%
Las Olas Beach Club	5,278,140	12	0.20%	-	-	0.00%
Cocoa Beach Developement Inc.	4,763,080	13	-	20,644,620	2	0.00%
Jeffrey Wells	3,941,780	14	-	-	-	0.00%
TOTALS	**$ 192,921,470**		**6.97%**	**$ 190,650,730**		**2.90%**
Total City final taxable value	**$ 2,641,996,242**			**$ 1,375,437,743**		

Source: Brevard County Property Appraiser
Multiple properties may be included in some taxable assessed values

City of Cocoa Beach, Florida
Property Tax Levies and Collections
Last Ten Fiscal Years
Schedule B4

Fiscal Year	Gross Tax Levy	Collected Within the Fiscal Year of the Levy		Current Year Collections for Prior Years	Total Collections	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2014	$ 6,849,405	$ 6,599,358	96.35%	$ 55,240	$ 6,654,598	97.16%
2015	7,281,531	6,974,913	95.79%	13,075	6,987,988	95.97%
2016	7,832,316	7,445,190	95.06%	12,070	7,457,259	95.21%
2017	9,256,330	8,773,566	94.78%	10,390	8,783,956	94.90%
2018	10,510,295	9,743,132	92.70%	175,935	9,919,067	94.37%
2019	11,326,775	10,390,175	91.73%	216,957	10,607,132	93.65%
2020	12,242,466	11,204,780	91.52%	223,187	11,427,967	93.35%
2021	12,821,653	11,737,095	91.54%	161,897	11,898,992	92.80%
2022	13,856,004	12,623,147	91.10%	183,390	12,806,537	92.36%
2023	16,286,322	14,690,145	90.20%	245,870	14,936,015	91.71%

Source: Form 420 Final Taxable Value Line 7, multiplied by millage rate, less allowance for adjustments and discounts.

Notes: Reference the Financial Statements, Note A, Paragraph 14.

Current Year Collections includes prior year taxes and penalties collected.

City of Cocoa Beach, Florida
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
Schedule C1

	Governmental Activities						Business-type Activities									
Fiscal Year	Capital Improvement Revenue Note, 2014A	Special Obligation Revenue Note Series, 2019	CRA Improvement Revenue Bond Series 2017B	Financed Purchases	Lease Liability	Subscription Liability	Financed Purchase	Utility System Improvement Revenue Note 2014B	Utility System Improvement Revenue Note 2020	Clean Water State Revolving Loan 050610	Clean Water State Revolving Loan 050620	Clean Water State Revolving Loan 050621	Clean Water State Revolving Loan 050630	Total Debt of Primary Government	Debt as of Personal Income	Debt Per Capita
2014	$ 3,790,000	$ -	$ -	$ 241,246	$ -	$ -	$ -	$ 2,695,000	$ -	$ 20,433,179	$ -	$ -	$ -	$ 27,159,425	6.21%	$ 2,442
2015	3,715,000	-	-	169,625	-	-	-	2,420,000	-	19,607,982	1,714,186	-	-	27,626,793	6.91%	2,482
2016	3,570,000	-	-	967,076	-	-	-	2,135,000	-	18,759,001	4,170,162	-	-	29,601,239	5.33%	2,647
2017	3,420,000	-	4,245,000	649,419	-	-	-	1,845,000	-	17,885,846	4,180,624	-	-	32,225,889	9.51%	2,858
2018	3,265,000	-	4,645,672	645,077	-	-	-	1,550,000	-	16,987,829	4,010,056	1,141,177	-	32,244,811	6.43%	2,856
2019	3,105,000	9,751,000	4,397,053	361,129	-	-	-	1,250,000	-	16,064,240	3,835,387	1,107,094	508,580	40,379,483	7.48%	3,565
2020	2,940,000	9,584,000	4,138,434	189,835	-	-	-	945,000	-	15,114,351	3,656,519	1,049,158	4,647,775	42,265,072	7.72%	3,715
2021	2,770,000	9,160,000	3,869,814	1,238,965	-	-	-	635,000	18,233,000	-	-	990,821	4,633,245	41,530,845	7.47%	3,646
2022	2,595,000	8,726,000	3,591,194	1,638,895	114,176	38,981	440,737	320,000	16,904,000	-	-	932,080	4,410,477	39,711,540	6.69%	3,488
2023	2,415,000	8,281,000	3,297,575	1,517,182	57,786	26,818	354,921	-	15,555,000	-	-	872,930	4,186,169	36,564,381	5.82%	3,247

Notes:

Percentage of personal income and per capita amounts calculated from information in Table D-1.

Revenue Note 2014 A for fire station construction issued in Fiscal Year 2014 (Governmental Activities).

See Note 3 for a detailed discussion of the Capital Equipment Lease (Governmental Activities).

See Note 3 for a detailed discussion of the Clean Water State Revolving Loans (SRF).

The 2004 SRF loan was refunded by a bank loan in Fiscal Year 2014 - Capital Improvement Revenue Refunding Note, Series 2014B (Business-type Activities).

CRA Improvement Revenue Bonds, Series 2017B were issued in September of 2017. Note 3 details the payment schedule

Special Obligation Revenue Note, Series 2019 were issued in August of 2019. Note 3 details the payment schedule

Details regarding all of the City's outstanding debt can be found in Note 3 Long Term Debt to the Financial Statements.

City of Cocoa Beach, Florida
Direct and Overlapping Governmental Activities Debt
As of September 30, 2023
Schedule C2

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
City Direct Debt (Governmental Activities) (a)	$15,595,387	100.00%	$ 15,595,387
Overlapping Debt			
Brevard County:			
Governmental Activities Debt (b)	$6,724,410	5.37%	361,101
Total Direct and Overlapping Debt	$ 22,319,797		$ 15,956,488

Source: (a) City of Cocoa Beach ACFR FY 23
(b) Brevard County ACFR FY 23

Notes: Percentage based on the FY23 final taxable assesd city and county valuation

City of Cocoa Beach, Florida
Pledged Revenue Coverage
Last Five Fiscal Years
Schedule C3

Fiscal Year	Tax Increment Revenue	Debt Service			Coverage
		Principal	Interest	Total	
2019	$ 556,988	$ 220,000	$ 161,610	$ 381,610	1.46
2020	$ 654,862	$ 230,000	$ 171,350	$ 401,350	1.63
2021	$ 765,304	$ 240,000	$ 160,750	$ 400,750	1.91
2022	$ 888,076	$ 250,000	$ 148,500	$ 398,500	2.23
2023	$ 1,166,140	$ 265,000	$ 135,625	$ 400,625	2.91

Notes: Fiscal Year 2019 was the first full year of the CRA Improvement Revenue Bonds.

Tax Increment Revenue Bonds are backed by the property tax revenue produced by the property tax rate of the City of Cocoa Beach and Brevard County applied to the increase in taxable assessed values above the base year taxable assessed values multiplied by 95%.

City of Cocoa Beach, Florida
Demographic and Economic Statistics
Last Ten Fiscal Years
Schedule D1

Year	(1) Population	(2) Personal Income	(3) Per Capita Personal Income	(4) Median Age	(5) Unemployment Rate	(6) School Enrollment
2014	11,121	437,044,179	39,299	56.8	6.3%	1,914
2015	11,131	399,814,389	35,919	58.3	6.1%	1,876
2016	11,182	555,633,580	49,690	47.1	5.2%	1,811
2017	11,276	338,821,248	30,048	59.4	4.6%	1,785
2018	11,292	501,184,128	44,384	59.4	3.7%	1,782
2019	11,328	539,597,952	47,634	57.0	3.5%	N/A
2020	11,378	547,293,178	48,101	56.5	8.5%	1,755
2021	11,391	556,028,883	48,813	59.2	4.3%	1,810
2022	11,385	593,283,735	52,111	56.9	2.7%	1,622
2023	11,262	627,901,548	55,754	57.9	4.8%	1,890

Sources:

(1) Economic Development Commission (EDC) of Florida's Space Coast

(2) Estimate (1) x (3)

(3) Economic Development Commission of Florida's Space Coast

(4) Economic Development Commission of Florida's Space Coast

(5) U.S. Department of Labor

(6) Brevard County Public Schools Include: Cocoa Beach Junior/Senior High School,
Roosevelt Elementary School
Freedom 7 Elementary School

For 2019, enrollment numbers were not available.

City of Cocoa Beach, Florida
Principal Employers
Current Year and Nine Years Prior
Schedule D2

	2023			2014		
Employer	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
School Board of Brevard County	9,000-9,999	1	4.01% - 4.46%	10,115	1	4.10%
Health First Medical Group	7,000-7,999	2	3.57% - 4.01%	7,800	2	3.16%
L3Harris Technologies Inc.	7,000-7,999	3	2.68% - 3.12%	6,005	3	2.44%
Publix Super Market Inc.	3,000 - 3,999	4	1.34% - 1.78%			
Northrop Grumman Corporation	3,000 - 3,999	5	.89% - 1.34%			
Wal-Mart Associates Inc.	3,000 - 3,999	6	.89% - 1.34%			
Brevard County Board of County Commissioners	2,000 - 2,999	7	.89% - 1.34%	2,405	4	0.98%
Blue Orgin Florida LLC.	2,000 - 2,999	8	.89% - 1.34%			
National Aeronauctics SPC Admin.	2,000-2,999	9	.45% - .89%	2,040	6	0.83%
Florida Institute of Technology Inc.	1,000 - 1,999	10	.45% - .89%	1,340	10	0.54%
New Rockwell Collins	1,000 - 1,999	11	.45% - .89%	1,445	9	0.59%
Lockheed Martin Corporation	1,000 - 1,999	12	.45% - .89%			
SpaceX	1,0000-1,999	13	.45%-.89%			
United States SPC Force	1,000 - 1,999	14	.45% - .89%	2,090	5	0.85%
Brevard County Sheriff Office	1,000 - 1,999	15	.45% - .89%			
TOTALS	N/A		18.31% - 24.96%	34,490		16.63%

Source: Economic Development Commission of Florida's Space Coast
Bureau of Labor Statistics

Notes:
1. Employers include retail operations.
2. Employment figures are for Brevard County.
3. Exact employment numbers are no longer available as of 2016 for security reasons per the EDC.

City of Cocoa Beach, Florida
Employees by Function/Program
Last Ten Fiscal Years
Schedule E1

	Full-time Equivalent Employees as of September 30									
Function/Program	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**
General Government	31.20	31.90	37.20	36.20	36.20	36.20	36.20	37.20	37.7	47
Police	54.45	55.45	55.50	55.45	56.45	58.45	59.05	59.05	64.55	88
Fire	28.00	28.00	28.00	28.00	28.00	28.00	28.20	29.80	30.8	42
Public Works	30.63	31.00	32.80	34.80	34.80	35.20	36.70	38.90	39.4	37
Parks and Recreation	23.27	23.29	29.35	29.35	30.35	30.35	30.35	30.35	30.35	24
Utilities	24.00	25.00	25.00	25.00	25.00	25.40	25.40	25.40	25.4	26
Stormwater	4.00	4.00	4.00	4.00	4.00	4.20	4.20	5.20	5.2	6
Golf Course	45.05	40.70	40.70	39.70	39.70	39.70	40.20	40.20	40.2	86
Metered Parking	5.25	5.90	5.90	5.90	5.90	5.90	5.90	5.90	5.5	2
Totals	245.85	245.24	258.45	258.40	260.40	263.40	266.20	272.00	279.5	359

Source:

Notes: FY 23 Full Time equivalent is rounded up

City of Cocoa Beach, Florida
Operating Indicators by Function/Program
Last Ten Fiscal Years
Schedule E2

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Police										
Physical arrests	681	685	581	785	675	589	508	630	624	989
Parking violations	6,084	5,841	7,770	10,831	13,983	14,993	11,504	13,976	10,937	15,842
Traffic violations	4,163	1,984	2,941	2,904	2,668	2,641	3,779	4637	3871	3,828
Fire										
Emergency responses (incidents)	2,235	2,565	2,646	2,803	2,745	2,749	2,690	3226	3676	3609
Fires extinguished	47	46	48	55	57	33	30	12	40	29
Inspections	410	178	196	214	228	453	515	561	449	804
Public Works* **										
Street resurfacing (miles)	-	-	0.1	0.32	-	0.54	1	0.22	1.54	0
Pothole repair/patching (square yards)	269	2,311	184	226	458	201	136	279	121	257.18
Asphalt rejuvenation (square yards)	-	283,558	263,112	-	-	-	-	0	0	0
Parks and Recreation										
Gym Attendees	2,385	2,192	2,026	3,265	3,836	4,377	3,547	3,575	3,963	5,393
Pool attendees	21,392	25,083	23,021	21,154	19,839	19,858	12,314	22044	9,034	15,633
Water										
Total metered connections*	4,523	4,368	4,570	4,589	4,603	4,615	4,636	4626	4634	4633
Average daily consumption (thousands of gallons)	1,808	1,652	1,784	1,768	1,709	1,735	1,633	1670	1699	1640
Wastewater										
Average daily sewage treatment ** (thousands of gallons)	4,148	4,260	3,857	3,852	4,094	3,688	3,599	3329	3156	3662

Notes: Refuse collection - Contracted out.
Library - County provided.
Transit - County provided.

* Excludes Patrick AFB.

** Includes Patrick AFB.

*** Limited road work was recorded in the Public Works categories in multiple fiscal years - City-wide asphalt rejuvenation budgeted in FY 2015 and FY 2016.

Sources: Data provided by City of Cocoa Water Sewer Distribution Report.
Water data provided by City of Cocoa.
Wastewater data provided by City of Cocoa Beach.

City of Cocoa Beach, Florida
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years
Schedule E3

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Schools (1)										
Elementary	2	2	2	2	2	2	2	2	2	2
Junior/Senior High	1	1	1	1	1	1	1	1	1	1
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Police Officers (2)	32	35	35	35	37	39	39	39	41	37
Fire										
Stations	2	2	2	2	2	2	2	2	2	2
Firefighters (3)	27	27	27	27	27	27	28	28	28	37
Other Public Works										
Streets (linear miles)	35	35	35	35	35	35	35	35	35	35
Streetlights	1,265	1,265	1,265	1,265	1,265	1,265	1,393	1,393	1,393	1,072
Parks and Recreation										
Parks and playgrounds (4)	12	12	12	12	12	12	12	12	12	12
Golf course (27 holes)	1	1	1	1	1	1	1	1	1	1
Tennis courts (2 clay)	12	12	12	12	12	12	12	12	12	12
Swimming pools (1 adult; 1 children)	2	2	2	2	2	2	2	2	2	2
Maritime Hammock Preserve (4)	1	1	1	1	1	1	1	1	1	1
Skateboard park	1	1	1	1	1	1	1	1	1	1
Utilities										
Wastewater										
Sanitary sewers (miles)	64	64	64	64	64	64	64	64	64	64
Storm sewers (miles)	22	22	22	22	22	22	23	23	23	23
Electricity										
Meter connections (5)	10,201	10,235	10,269	10,280	10,129	10,124	10,142	10,420	9,932	9,084

Notes:

(1) Schools owned and operated by Brevard County School Board
(2) Sworn officers
(3) Firefighters and chiefs
(4) City and County parks in City limits
(5) Sorted by FPL Franchise Code



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City of Cocoa Beach, Florida
Schedule of Expenditures of Federal Awards

Federal Agency Pass-through Grantor Program Title	Assistance Listing Number	Contract/ Grant Number	Expenditures	Payments to Subrecipients
Department of Housing and Urban Development				
Indirect programs:				
Passed through Florida Department of Commerce				
Community Development Block Grants - State's Program	14.228	IR052	$ 1,078,178	$ -
Total US Department of Housing and Urban Development			1,078,178	-
Department of Justice				
Direct Program:				
Bulletproof Vest Partnership Program	16.607	N/A	5,666	-
Total Department of Justice			5,666	-
Department of the Treasury				
Direct Program:				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	422,586	-
Total Department of the Treasury			422,586	-
Department of Homeland Security				
Direct Programs				
Staffing for Adequate Fire and Emergency Response Grant	97.083	EMW-2021-FF-00913	40,700	-
Indirect programs				
Passed through Florida Executive Office of the Governor				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	4486	26,463	-
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	133	46,044	-
Passed through Florida Division of Emergency Management				
Hazard Mitigation Grant	97.039	H0777	51,523	
Total Department of Homeland Security			164,730	-
Total Expenditures of Federal Awards			$ 1,671,160	$ -

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal spending of the City of Cocoa Beach, Florida (the "City") and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in preparation of, the basic financial statements. Because the schedule presents only a selected portion of the operations of the City, it is not intended to and does not represent the financial position of the City.

Note 2: INDIRECT COST RATE

The Uniform Guidance allows an organization to elect a 10% de minimums indirect cost rate. For the year ended September 30, 2023, the City did not elect to use this rate.

Note 3: LOAN / LOAN GUARANTEE OUTSTANDING BALANCES

The City did not have any federal loans or loan guarantees outstanding during the year ended September 30, 2023.

Note 4: SUB-RECIPIENTS

During the year ended September 30, 2023 the City had no sub-recipients.

Note 5: NONCASH ASSISTANCE AND OTHER

The City did not receive any noncash assistance or federally funded insurance during the year ended September 30, 2023.

Note 6: CONTINGENCIES

Grant monies received and disbursed by the City are for specific purposes and are subject to review by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon experience, the City does not believe that such disallowance, if any, would have a material effect on the financial position of the City.

Note 7: FEDERAL PASS-THROUGH FUNDS

The City is also the sub-recipient of federal funds that have been subjected to testing and are reported as expenditures and listed as federal pass-through funds. Federal awards other than those indicated as pass-through are considered to be direct.

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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*

Honorable Mayor and City Commissioners
City of Cocoa Beach, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Cocoa Beach, Florida, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City of Cocoa Beach, Florida's basic financial statements and have issued our report thereon dated April 15, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Cocoa Beach, Florida'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 City of Cocoa Beach, Florida's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Cocoa Beach, Florida'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 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. We consider the deficiencies described in the schedule of findings as items 2023-001 and 2023-003 to be material weaknesses. 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. We consider the deficiencies described in the schedule of findings as items 2023-004 and 2023-005 to be significant deficiencies.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Cocoa Beach, Florida's financial statements are free of 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 determination of financial statement amounts. 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*.

The City of Cocoa Beach, Florida's Response to Findings

The City of Cocoa Beach, Florida's response to the findings identified in our audit is described in the accompanying schedule of findings and the Independent Auditor's Management Letter. The City of Cocoa Beach, Florida's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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.

Carr, Riggs & Ingram, L.L.C.

Melbourne, Florida
April 15, 2024

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Honorable Mayor and City Commissioners
City of Cocoa Beach, Florida

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Cocoa Beach, Florida's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City of Cocoa Beach, Florida's major federal programs for the year ended September 30, 2023. The City of Cocoa Beach, Florida's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Cocoa Beach, Florida complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).* Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City of Cocoa Beach, Florida and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City of Cocoa Beach, Florida's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City of Cocoa Beach, Florida's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of Cocoa Beach, Florida's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City of Cocoa Beach, Florida's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 City of Cocoa Beach, Florida's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City of Cocoa Beach, Florida's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City of Cocoa Beach, Florida's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-002 to be a material weakness.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the City of Cocoa Beach, Florida's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. the City of Cocoa Beach, Florida's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Carr, Riggs & Ingram, L.L.C.

Melbourne, Florida
April 15, 2024



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Section I – Summary of Auditor's Results

Financial Statements

1.	Type of auditor's report issued	Unmodified
2.	Internal control over financial reporting:	
	a. Material weaknesses identified?	Yes
	b. Significant deficiencies identified not considered to be material weaknesses?	Yes
	c. Noncompliance material to the financial statements noted?	No

Federal Awards

1.	Type of auditor's report issued on compliance for major programs	Unmodified
2.	Internal control over major programs:	
	a. Material weaknesses identified?	Yes
	b. Significant deficiencies identified not considered to be material weaknesses?	No
3.	Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a) of OMB Compliance Supplement?	Yes
4.	Identification of major programs	

Federal ALN	Federal Program or Cluster
14.228	Community Development Block Grants

5.	Dollar threshold used to distinguish between type A and type B programs	$750,000
6.	Auditee qualified as low-risk under 2 CFR 200.520?	No

Section II – Financial Statement Findings

A. Internal Control Over Financial Reporting

2023-001 PREPARATION OF THE SEFA

Criteria: The Schedule of Expenditures of Federal Awards (SEFA) should be prepared in accordance with Uniform Guidance in 2 CFR 200.

Condition: The 2023 Grants Summary provided by the City did not include all grants and/or correctly identify reportable expenditures. Further, review of the Grants Summary report identified amounts due from grantors that had not been accrued in the City's general ledger.

Cause of condition: The City did not have effective controls in place to ensure the Grants Summary schedule was complete and that expenditures for projects supported by multiple funding sources were accurately identified to the appropriate funding source. Further, the City initially only reported grant expenditures for which reimbursement had been requested from the grantor on the SEFA and grant-related receivables as noted on the Grants Summary schedule were not reconciled to amounts in the City's general ledger.

Potential effect of condition: The 2023 Grants Summary report, which is used to draft the SEFA for financial reporting, was incomplete and inaccurate. As a result, the final SEFA reported $355,460 more in Federal award expenditures than indicated on the City's initial Grants Summary report. Receivables related to grants in the General Fund were understated by $102,216. Receivables related to grants were also understated in the Utility System Fund and the Stormwater Fund by $304,785 and $11,261, respectively.

Perspective (context): City personnel responsible for preparing the Grants Summary report are relatively new to the process. Gathering the information to prepare the Grants Summary report is further complicated by the projects that are being paid for from multiple funding sources, such as Federal or state grants, local grants and/or City local match dollars.

Recommendation: The City should accumulate a listing of all open grant projects to be used as the basis for tracking grants for which the Federal or Florida Single Audit rules apply. Information on how expenditures will be applied for projects supported by multiple funding sources should be tracked and documented. Preparation of the Grants Summary report should include reconciliation to grant (project) expenditures in the general ledger as well as reconciliation to grant revenues. A review of intergovernmental revenue accounts as compared to the what grants are listed on the Grants Summary report will also provide better control over completeness.

Management's Response: *The City has compiled a list of all grant-related projects to track according to Federal or Florida SEFA requirements. The summary will include grant-related expenditures as well as revenues to fulfil these requirements. Intergovernmental revenue accounts will be compared with the grant summary to provide better control.*

2023-003 SELECTION OF BASIS FOR ALLOCATIONS

Criteria: GASB Codification Section P20, *Pension Activities – Reporting for Benefits Provided Through Trusts That Meet Specified Criteria*, sets forth the concept that pension costs should be allocated to benefiting fund through the use of an allocation methodology that is a consistent and reasonable method for allocation of those costs between functions, activities and funds.

Chapter 9 of the *Governmental GAAP Guide* provides guidance on accounting for pooled investments, stating "for pooled cash and investments, adequate records must be maintained to provide a basis for identifying each fund's share of the pooled assets, including interest earned and receivable at the end of the period." City policy, as established in Resolution 2017-20, states that "investment earnings and changes in the value of securities shall be allocated based on the amounts contributed by each fund."

Condition: The City used an allocation basis for their pension expenses (expenditures), liability and deferred inflows/outflows which was not consistent with prior years and was not reasonable to the functions and funds that incurred the expenses (expenditures).

The City used an allocation basis for investment balances and investment returns that was not derived from amounts contributed by each participating fund.

Cause of condition: The City used an allocation basis that allocated the total pension costs (of all three pensions) to all funds and did not allocate pensions directly associated with a function or fund to that function or fund and is not consistent with the allocation methodology used in prior years.

The City allocated pooled investments and investment earnings based on budgetary amounts that were not derived from amounts contributed by each participating fund.

Potential effect of condition: Using an underlying allocation base unrelated to the direct expense (expenditure) being allocated led to a misstatement of pension costs between the General Fund and the enterprise funds of approximately $1.8 million, making it necessary for the City to prepare a corrected allocation.

With regards to the investment allocation, the City used a basis for allocation that was not in compliance with City policy. The use of an inappropriate base for allocation of investment balances and related investment income resulted in the allocation of approximately $1.1 million of investments and $49 thousand of investment income to a fund that has historically operated at a deficit and had a negative cash balance at the end of the fiscal year. Upon being notified of the error, the City provided an entry to correct the investment balances at year-end.

Recommendation: For allocations, the City should review allocation methodology to ensure (1) compliance with City policies, (2) reasonableness based on the nature of the amounts being allocated, and (3) consistency with prior years. Should the City determine that a change in methodology is warranted, the City should clearly document the new method of allocation being adopted; how the new methodology complies with City policy and accounting standards; and why the new allocation provides for improved financial reporting.

Management's Response: *The City is currently updating its policy on investments to include allocation methods. Amounts being invested in pooled investments will be invested based on net revenues received during the prior month by each individual fund that participates in the pooled investments.*

Amounts being returned to the City will be allocated based on the prior month-ending investment balances by each individual fund that participates in the pooled investments. If investments are being returned to the City for a specific fund/project/other reason, the investment will be returned to that specific fund. To always ensure positive cash balances, investments may be traded/sold within funds to cover cash shortages. The City will allocate pension expenses by participant department/fund directly associated with each individual pension.

2023-004 REVENUE RECOGNITION

Criteria: GASB Codification (GASBC) 1600, *Basis of Accounting* requires governmental funds use the modified accrual basis of accounting when recognizing revenue and enterprise funds to use the full accrual basis of accounting. This finding was previously reported in the 2021 audit and has been updated/revised in the current year.

Condition: The City did not report revenue and receivables consistent with GAAP and the City's revenue recognition criteria resulting in an understatement of revenues and related receivables (including amounts due from other governments).

Cause of condition: The City did not have proper cutoff between periods regarding receivables and revenue recognition pursuant to GASBC 1600.

Potential effect of condition: Receivables in the General Fund were understated by $290,235 - $162,080 for utility taxes and $128,155 for amounts due from the state. Receivables were also understated in the Police Pension Fund by $136,017.

Recommendation: Year-end close procedures should include a review of receivables to include reconciliation of receivables to amounts as reported on third-party payment reports and review of receipts collected after year-end to ensure proper cut-off for revenue recognition.

Management's Response: *Procedures have been put in place to review revenues and receivables to amounts reported by third-party payment reports and review of receipts collected*.

2023-005 ACCRUALS

Criteria: GASB Codification (GASBC) 1600, *Basis of Accounting,* requires governmental funds use the modified accrual basis of accounting when recognizing expenses and enterprise funds to use the full accrual basis of accounting.

Condition: In fiscal year 2023, the City did not provide for the accrual of construction-related payables and related retainage totaling $449,408. Further, the City accrued an incorrect amount for health insurance claims as of year-end.

Cause of condition: The City did properly record all payables at year end for expenses/expenditures that occurred during the period. The City did not accrue for construction invoices related to the fiscal year that were received after year end, which included not recording the retainage payable associated with outstanding construction contracts. Further, the City incorrectly accrued health insurance claims that were related to the subsequent fiscal year.

Potential effect of condition: Expenses/expenditures and liabilities in the General Fund, Capital Improvement Fund and the Utility Fund were understated by $85,513, $122,286, and $163,398, respectively. The City also understated retainage payable in the Utility Fund by $78,211. Further, the claims liability in the Health Insurance internal service fund was overstated by $57,565.

Recommendation: We recommend the City review for all construction projects open at year-end and implement a process to ensure that all invoices (pay applications) for work performed within the fiscal year are properly accrued, including amounts due for retainage. Further, for invoices such as the one received for health insurance claims that include amounts that apply to different fiscal years be allocated to the appropriate fiscal year to provide for proper cut-off of accruals.

Management's Response: *The City has filled a position focused mainly on projects and grants reporting. The position will be tracking the progress of all city projects as well as pay applications submitted by the contractors for such projects.*

B. Compliance and Other Matters

No matters were reported.

Section III – Federal Award Findings and Questioned Costs

A. Compliance

No matters were reported.

B. Internal Control Over Compliance

2023-002 GRANT REPORTING

U.S. Department of Housing and Urban Development
ALN 14.228 – Community Development Block Grants
Contract No. IR052 (2022)
Passed through the Florida Department of Commerce

Criteria: Section (8) of the agreement with the Florida Department of Commerce (DOC), formerly referred to as the Florida Department of Economic Opportunity (DEO), specifies requirements for the submission of monthly, quarterly and administrative reports and other required information. These reports are detailed in Attachment G to the agreement. Section (18) of the agreement with the DOC requires the City to comply with procurement standards in 2 CFR Section 200.318 – 200.327 and Section 200.330. The agreement further requires the City to provide the DOC copies of all proposed procurement documents for their review and approval prior to the obligation or disbursement of any funds (except for administrative expenses). 2 CFR 200.303(a) requires non-Federal entities to establish and maintain effective internal controls over compliance with laws and regulations applicable to Federal funding.

Condition: The Audit Certification Memo for fiscal year 2022 (due June 30, 2023) and the Section 3 Summary Report (due July 31, 2023) were not filed with the DOC. Further, the Contract and

Subcontract Activity report (due on April 15, 2023) was not filed timely (filed September 7, 2023). With regards to the reimbursement request, the initial reporting was rejected due to noncompliance with procurement provisions in the grant agreement. As a result, the DOC denied $74,813 of the City's request as ineligible expenditures.

Cause of condition: The City did not have effective controls in place to ensure that all required reports were submitted on a timely basis to the DOC; nor were effective controls in place to ensure that only vendors that had been procured in accordance with the provisions of the grant agreement were included in the reimbursement request.

Potential effect of condition: The City is not in compliance with the reporting requirements set forth by the grantor, nor with the procurement requirements set forth in the contract.

Perspective: The City has been in communication with the DOC regarding the Section 3 requirements to assist the City and its contractor to better understand the qualitative efforts needed for hiring and recruitment of Section 3 workers. These communications have been documented on the monthly progress reports submitted to the DOC. Further, the City is in the process of negotiating an amendment to the grantor agreement. An unexecuted draft of this agreement includes language that removes the requirement for the City to file semi-annual Contract and Subcontract Activity forms, replacing them with a close-out report due at completion of the project. The proposed amendment also includes language that will require the Section 3 Summary Report to be filed quarterly rather than annually. With regards to the reimbursement request, the City resubmitted the reimbursement request subsequent to year-end to exclude the vendor identified as ineligible by the DOC. The expenditures reported on the 2023 SEFA were adjusted to reflect only eligible expenditures.

Questioned costs: None.

Recommendation: The City should review and revise, as needed, its current control structure over grant reporting to ensure that all required reports are prepared, independently reviewed and remitted to the grantor on a timely basis. Once the City obtains an executed amendment to the agreement, the City should update its controls to ensure the changes to the grant reporting are incorporated into their procedures. While reviewing grant agreements prior to being signed, the program manager should coordinate with the Finance Department to ensure that the City has controls in place over compliance with procurement provisions contained in the grant agreement.

Management's Response: *The City has filled a position focused mainly on projects and grants reporting. The employee will verify all grant requirements are fulfilled on time and according to the grant contract. Processes are being put in place that will include conversations with the project manager which will ensure they are notified of the necessary steps to fulfill the requirements, as well as final Finance review to ensure compliance.*

Section IV – Prior Findings and Questioned Costs for Federal Awards

No matters were reported.

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Independent Auditor's Management Letter

Honorable Mayor and City Commissioners
City of Cocoa Beach, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Cocoa Beach, Florida (the "City") as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated April 15, 2024.

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, the audit requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards 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*; Independent Auditor's Report on Compliance for Each Major Federal Program and Report over Compliance, Schedule of Findings and Questioned Costs; 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 Florida Auditor General. Disclosures in those reports and schedule, which are dated April 15, 2024, 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. The status of each finding and recommendation made in the preceding annual financial audit report, is noted below:

Original No.	Description	Status	2023 No.
2021-002	Capital Assets Inventory	Resolved	
2021-001	Revenue Recognition	Revised / Repeated	2023-004
2021-008	Selection of Basis for Allocated Expenses	Resolved	
2021-010	Review of Utility Rates and Charges for Service	Revised / Repeated	2023-006
2022-004	Accounting for Financed Purchases	Resolved	
2022-006	Accounts Payable Subsidiary Ledgers	Resolved	

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 legal authority of the City of Cocoa Beach, Florida and its component unit are disclosed in the footnotes.

Financial Condition and Management

Section 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 City of Cocoa Beach, Florida 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 City of Cocoa Beach, Florida 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 City of Cocoa Beach, Florida. It is management's responsibility to monitor the City of Cocoa Beach, Florida'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 noted the following matters.

2023-006 REVIEW OF CHARGES FOR SERVICES

Criteria: The U.S. Government Accountability Office (GAO) and the Committee of Sponsoring Organizations (COSO) describe internal control as a process implemented by management that is designed to provide reasonable assurance regarding the achievement of objectives. This finding was previously reported in the 2021 audit and has been repeated in the current year.

Condition: The City did not conduct reviews or maintain support for review of charges for services entered into various systems. (Charges for services related to: parking, golf course/restaurant services, development services, and recreational services).

Cause of condition: The City did not implement a control to include documentation of the review of charges for services that are entered into the various systems by its employees.

Potential effect of condition: Without documentation of the review, the City cannot provide evidence that such review occurred. Further, the lack of documentation of review will make it more difficult to assess the effectiveness of the internal control.

Recommendation: We recommend that the City documents its review of charges for services entered in the system. This control should be extended to all revenue streams where users are charged a fee based on a set rate, including rates entered in the City's internal systems.

Management's Response: *The City began implementing a review procedure in fiscal year 2023 to review the charges for services entered into our accounting system. The implementation is continuing into fiscal year 2024, as not all revenue streams had a review process in place by year end 2023*.

2023-007 SELF INSURANCE FUND

Criteria: The City is required to present the internal service fund based on GASB requirements. The City needed additional guidance in order to properly reflect the GASB requirement.

Condition: The entry used to create the self-insurance fund needed to be corrected in order to reflect how transactions should have been reported in the newly created fund.

Cause of condition: The City prepared the entry to create the internal service fund without gaining an understanding of the accounting principles relevant to proper reporting of transactions in the new fund.

Potential effect of condition: A correcting entry was needed to record the activity of the internal service fund in order for the accounting to be in compliance with generally accepted accounting principles. The entry was needed, further, to correct the amount accrued for claims incurred but not reported (IBNR).

Recommendation: We recommend the City ensure that accounting principles are researched and properly applied to new transactions or changes to the City's accounting structure. In addition to continued training for Finance personnel, the City should consider obtaining a subscription to the Governmental Accounting Research Systems (GARS) or other resources to allow Finance to access to accounting principles applicable to municipalities.

Management's Response: *The City will use the GARS (GASB) resources to research accounting principles and properly apply to new changes to the City's accounting structure*.

2023-008 IMPLEMENTATION OF NEW GASB STANDARD

Criteria: The City is required to present transactions based on GASB requirements.

Condition: The entry posted by the City in the implementation of GASB Statement No. 96, *Subscription-based Information Technology Arrangements*, incorrectly reported activity for subscriptions in place at the date of implementation as subscriptions executed in the current fiscal year.

Cause of condition: The City did not follow the implementation guidance in GASB Statement No. 96.

Potential effect of condition: A correcting entry was needed to remove the activity reported in the fund financial statements for subscriptions already in place at the date of implementation and report such activity as a prior period restatement.

Recommendation: We recommend the City ensure that accounting principles are researched and properly applied to the implementation of accounting standards.

Management's Response: *The City will use the GARS (GASB) resources to research accounting principles and properly apply to new changes to the City's accounting structure*.

2023-009 CLAIMS LIABILITY

Criteria: GASB Codification Section C50, *Claims and Judgments*, provides guidance on the recording of an estimated *incurred but not reported* (IBNR) loss (liability).

Condition: The City uses amounts provided by the health insurance plan consultant to estimate its IBNR liability at year-end. The City does not currently prepare a look-back analysis of the liability to evaluate the reasonableness of the estimate. During the audit, we calculated a rough estimate of the IBNR loss liability that was lower than the City's estimated IBNR loss by an amount immaterial to the health insurance fund.

Cause of condition: The City relies on information provided by the health insurance plan consultant.

Potential effect of condition: The estimate of the IBNR liability could be overstated (or understated).

Recommendation: We recommend the City prepare a look-back analysis of its IBNR loss liability to ensure the estimate recorded is deemed reasonable.

Management's Response: The City is preparing a look-back analysis of its IBNR loss liability to ensure the estimate recorded is reasonable in comparison to prior years.

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.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we have not noted 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 members of the City Commission and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Carr, Riggs & Ingram, L.L.C.

Melbourne, Florida
April 15, 2024

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INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH LOCAL GOVERNMENT INVESTMENT POLICIES

Honorable Mayor and City Commissioners
City of Cocoa Beach, Florida

We have examined the City of Cocoa Beach, Florida's compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2023. Management is responsible for the City of Cocoa Beach, Florida's compliance with the specified requirements. Our responsibility is to express an opinion on the City of Cocoa Beach, Florida's compliance with the specified requirements based on our examination.

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

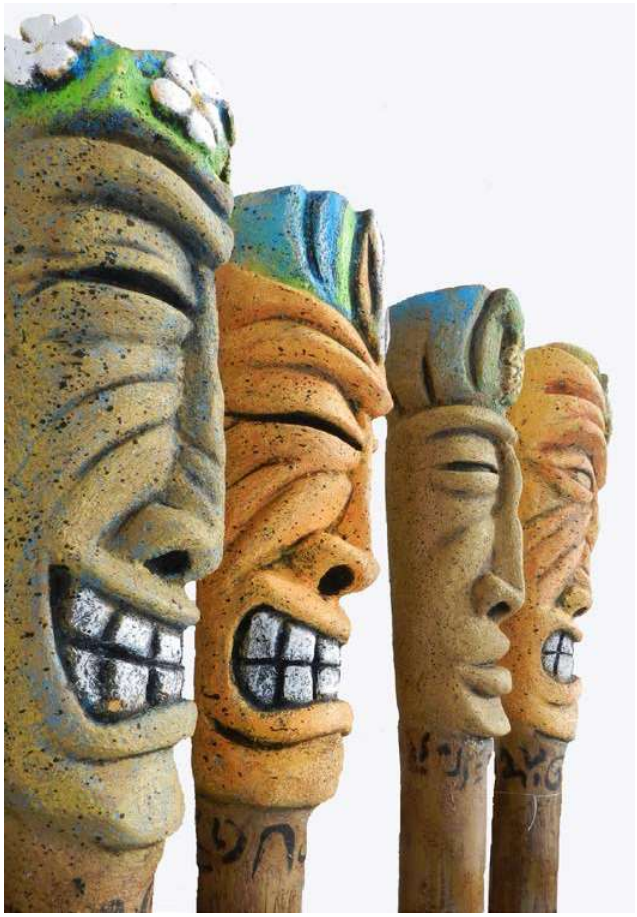
Our examination does not provide a legal determination on the City of Cocoa Beach, Florida's compliance with specified requirements.

In our opinion, the City of Cocoa Beach, Florida complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2023.

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

Carr, Riggs & Ingram, L.L.C.

Melbourne, Florida
April 15, 2024



City of Cocoa Beach, Florida

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