COCOA COMMUNITY REDEVELOPMENT AGENCY

FINANCIAL STATEMENTS

Year Ended September 30, 2023

Cocoa, FL

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MSL
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Cocoa Community Redevelopment Agency

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying governmental activities and General Fund of the Cocoa Community Redevelopment Agency (the "CRA"), a component unit of the City of Cocoa, Florida as of and for the fiscal year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the CRA's basic financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the General Fund of the CRA, as of September 30, 2023, and the respective changes in financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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

INDEPENDENT AUDITOR'S REPORT
(Concluded)

Required Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated May 17, 2024, on our consideration of the CRA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the CRA's internal control over financial reporting and compliance.

MSL, P.A.

Certified Public Accountants

Orlando, Florida
May 17, 2024

Management's Discussion and Analysis

As management of the Cocoa Community Redevelopment Agency (the "CRA"), we offer readers of the CRA's financial statements this narrative overview and analysis of the CRA's financial activities for the fiscal year ended September 30, 2023.

Overview of the Financial Statements

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

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

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

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Also, capital assets are capitalized and depreciated on the statement of net position whereas related purchases are expended on government fund financial statements.

General Fund. The General Fund is used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the General Fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

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

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

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the CRA, assets exceeded liabilities and deferred inflows by $6,742,904 at the close of the most recent fiscal year. This compares with $5,674,150 at the close of the previous fiscal year 2022, an increase of $1,068,754. Cash and investments increased $1,257,018 due decreased CRA activity. Other assets decreased by $41,622 largely from a reduction in the lease receivable. Capital Assets decreased $293,330 due to depreciation. Long-term liabilities decreased by $120,070 due to scheduled debt payments.

	Net Position	
	2023	2022
Current and other assets	$ 3,320,350	$ 2,104,954
Capital assets	4,004,070	4,297,390
Total assets	7,324,420	6,402,344
Short-term liabilities outstanding	19,029	3,288
Long-term liabilities	474,239	594,309
Total liabilities	493,268	597,597
Deferred Inflow of Resources	88,248	130,607
Total deferred inflows of resources	88,248	130,607
Net position:		
Net invested in capital assets	3,529,831	4,297,400
Unrestricted	3,213,073	1,376,750
Total net position	$ 6,742,904	$ 5,674,150

Governmental Activities. The components of governmental activities net position are as follows: Economic Environment activities increased the CRA's net position by $1,068.754 in fiscal year 2023. A 3.3% increase in revenue was caused by increases in the City of Cocoa (the "City") and Brevard County (the "County") contributions to the CRA because of increased property values. The decrease in expenses of $1,137,918 is due to an interfund loan being paid off in FY22.

	Changes in Net Position	
	2023	2022
General revenues:		
Intergovernmental	$ 1,594,600	$ 1,481,997
Investment income	40,646	16,580
Miscellaneous revenues	83,418	45,580
Total General Revenues	1,718,664	1,544,157
Expenses:		
Economic Environment	332,378	1,533,141
Depreciation	314,833	251,982
Debt Service:		
Interest	2,699	2,715
Total Expenses	649,910	1,787,838
Change in Net Position	1,068,754	(243,681)
Net position – beginning	5,674,150	5,917,831
Net position – ending	$ 6,742,904	$ 5,674,150

Financial Analysis of the General Fund

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

The purpose of the CRA's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the CRA's financing requirements. Particularly, unassigned fund balance may serve as a useful measurement of a government's net resources available for spending at the end of the fiscal year.

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

General Fund Budgetary Highlights

Primary variances between the final budget and actual operating expenditure categories were as follows: expenditures for capital outlay were $2,348,029 less than budget due projects such as Lee Wenner Park parking ($1.5M) and Cocoa Village Parking ($750,000) not being started. Operating expenses were $231,573 under budget because there was no spending in the CRA's contingency account ($304,653) and other charges and obligations ($62,275) were under budget due to an adjustment to the lease principal for common area maintenance. Additionally, IT-related

operating reflected being under budget ($27,000) due to the cameras not being installed by year-end.

Capital Asset Administration

The CRA's capital assets as of September 30, 2023 amount to $4,004,070, a decrease of $293,320. Additional information on the CRA's capital assets can be found in Note 4 *Capital Assets* in the footnote section of this report.

	Capital Assets (net of depreciation and amortization)	
	2023	2022
Land	$ 4,980	$ 4,980
CIP	82,184	78,361
Buildings	234,458	251,283
Improvements	3,142,619	3,306,424
Equipment	79,411	76,026
Right-to Use Leased Assets	460,018	580,316
Total	$ 4,004,070	$ 4,297,390

Economic Factors and Conditions

Unemployment in Brevard County was 3.1% at the end of the fiscal year, as compared to 2.8% in the State and 3.8% nationally. The economy performed strongly in FY 2023. Actual revenues exceeded expectations due to healthy increases in property values and an increased millage rate. Inflation was 3.4% at the end of FY 2023, although operating costs have increased significantly. The Cocoa CRA's proximity to the Kennedy Space Center, Port Canaveral and Orlando make it an ideal place for visiting the Historic Cocoa Village and many cruise passengers visit the Village, enjoying the quaint shops. There are several projects that the Cocoa CRA is working on that will increase the taxable values in the CRA, such as attracting a buyer to purchase the old City Hall site to build a mixed-use building and conversion of an old Bank of America building into mixed-use property as well. In FY 2023, the City increased its millage rate to 6.9532 mills from 6.4532 mills, resulting in increased revenues to the CRA as well.

Requests for Information

This financial report is designed to provide a general overview of the CRA's finances for all those with an interest in the government's finances. Questions concerning any of the information should be addressed to the Finance Director, 65 Stone St., Cocoa, FL 32922.

COCOA COMMUNITY REDEVELOPMENT AGENCY

STATEMENT OF NET POSITION AND GOVERNMENTAL FUND BALANCE SHEET

September 30, 2023

	General Fund	Adjustments (Note 2)	Statement of Net Position
ASSETS			
Cash and Cash Equivalents	$ 2,946,931	$ -	$ 2,946,931
Prepaid items	8,741	-	8,741
Deposits	4,350	-	4,350
Lease Receivable	88,421	-	88,421
Other Receivables	271,907	-	271,907
Capital Assets			
Nondepreciable	-	87,164	87,164
Depreciable, net	-	3,916,906	3,916,906
TOTAL ASSETS	$3,320,350	$4,004,070	$ 7,324,420
LIABILITIES			
Accounts payable	$ 16,023	-	16,023
Accrued payroll and related liabilities	3,006	-	3,006
Lease Liability	-	474,239	474,239
TOTAL LIABILITIES	19,029	474,239	493,268
DEFERRED INFLOWS OF RESOURCES			
Deferred inflow - Whitley Bay Settlement	271,891	(271,891)	-
Lease Receivable	88,248	-	88,248
TOTAL DEFERRED INFLOWS OF RESOURCES	360,139	(271,891)	88,248
FUND BALANCES/NET POSITION			
Fund balances:			
Nonspendable	8,741	(8,741))	-
Restricted	2,932,441	(2,932,441)	-
TOTAL FUND BALANCES	2,941,182	(2,941,182)	-
TOTAL LIABILITIES AND FUND BALANCES	$3,320,350		
Net position:			
Net investment in capital assets		3,529,831	3,529,831
Restricted		3,213,073	3,213,073
TOTAL NET POSITION		$ 6,742,904	$ 6,742,904

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

COCOA COMMUNITY REDEVELOPMENT AGENCY

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

Year Ended September 30, 2023

	General Fund	Adjustments (Note 2)	Statement of Activities
REVENUES			
Intergovernmental	$ 1,594,600	$ -	$ 1,594,600
Investment Income	40,646	-	40,646
Miscellaneous Revenues	83,418	-	83,418
TOTAL REVENUES	1,718,664	-	1,718,664
EXPENDITURES/EXPENSES			
Economic Environment	332,378	-	332,378
Capital Outlay	21,504	(21,504)	-
Depreciation	-	314,833	314,833
Debt Service:			
Principal	120,069	(120,069)	-
Interest	2,699	-	2,699
TOTAL EXPENDITURES/EXPENSES	476,650	173,260	649,910
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES/EXPENSES	1,242,014	(173,260)	1,068,754
OTHER FINANCING SOURCES (USES)			
Lease Proceeds	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-
CHANGE IN FUND BALANCE/NET POSITION	1,242,014	(173,260)	1,068,754
FUND BALANCES/NET POSITION			
Beginning of the year	1,699,168	3,974,982	5,674,150
End of the year	$ 2,941,182	$ 3,801,722	$ 6,742,904

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

COCOA COMMUNITY REDEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The Cocoa Community Redevelopment Agency (the "CRA") is a blended component unit of the City of Cocoa, Florida (the "City") comprised of a seven-member governing board of the CRA that consists of five City of Cocoa Council members and two additional members who reside or are engaged in business in the limits of the City.

The CRA was created pursuant to Section 163.356, Florida Statutes, through ordinances passed by the City and the County. It was created by City Resolution 10-81, dated April 14, 1981. Its primary activities include the rehabilitation, conservation, or redevelopment of slum or blighted areas within the City. The City provides accounting and administrative support to the CRA without charge; the CRA does not have personnel or administrative facilities.

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

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

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

Government-wide and Fund Financial Statements

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the CRA considers revenues to be available if they are collected within 60 days of the end of the current period. Expenditures generally are recorded when a liability is incurred.

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

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

Budgets and the Budgetary Process

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

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

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

The CRA's management cannot amend or transfer appropriations.

For the year ended September 30, 2023, the CRA's budget was prepared on a modified accrual basis.

Pooled Cash and Equivalents

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

Capital Assets

Capital Assets purchased in the General Fund are recorded as expenditures at the time of purchase. It is the policy of the CRA to capitalize property and equipment over $5,000 or more for equipment or an individual cost of $25,000 or more for buildings, improvements other than buildings, and infrastructure with an estimated useful life in excess of one year. Lesser amounts are expensed. The CRA does not have donated capital assets.

Depreciation has been recorded over the following estimated useful lives using the straight-line method.

Assets	Years
Buildings	50
Infrastructure	15 - 75
Equipment	5 - 20
Vehicles	5 - 20

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

Prepaids

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid, using the consumption method, in both the government-wide and fund financial statements. Expenditures are incurred during the period benefited by the prepayment.

Fund Balance

The CRA has classified governmental fund balances as follows:

- Nonspendable Fund Balance – Amounts that are inherently not spendable because of their form (such as inventory) and/or that cannot be readily convertible to cash (such as prepaid assets or the long-term portion of loans receivable).
- Restricted Fund Balance – Amounts that have externally enforceable limitations on their use. These amounts are constrained to the specific purposes by their providers (such as grantors, bondholders, or higher levels of government pursuant to enabling legislation, e.g., gas tax revenues that must be used for road repairs).

Estimates and Assumptions

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

Receivables

All accounts receivable are shown net of allowance for uncollectible accounts. On 10/01/2021, the CRA entered into a 49-month lease as Lessor for the use of a USPS Post Office. An initial lease receivable was recorded in the amount of $172,966. As of 9/30/23, the value of the lease receivable is $88,421. The lessee is required to make monthly fixed payments of $3,545. The lease has an interest rate of 0.2133%. The value of the deferred inflow of resources as of September 30, 2023 was $88,248, and the City recognized lease revenue of $42,359 during the fiscal year.

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

Adjustments were made to include capital assets (net of accumulated depreciation), lease liability, and a deferred inflow related to the Whitley Bay Marina Legal Settlement on the statement of net position. This resulted in a net difference between the ending General Fund balances and the total net position of $6,742,894.

Total fund balance	$ 2,941,182
Capital assets, net	4,004,070
Lease liability	(474,239)
Deferred inflow – Whitley Bay Marina	271,891
Total net position	$ 6,742,904

Adjustments were made to include depreciation expense and eliminate capital outlay expenditures, recognize unavailable revenue, and expense uncompleted project in CIP, on the statement of activities. This resulted in a net difference between “excess revenues over expenditures” and “change in net position” of ($1,068,754).

Excess of revenues over expenditures	$ 1,242,014
Capital outlay	21,504
Less: Principal payments	120,069
Less: Depreciation/amortization expense	(314,833)
Change in net position	$ 1,068,754

NOTE 3 - POOLED CASH AND EQUIVALENTS

The CRA’s cash and equivalents account is combined with the pooled cash of the City. The City’s cash accounts consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition, all of which were entirely covered by federal depository insurance or by a multiple financial institution collateral pool pursuant to the Public Depository Security Act of the State of Florida. This Act requires that the City maintain deposits only in “qualified public depositories.” All qualified public depositories must deposit with the State Treasurer eligible collateral in such amounts as required by the Act. In addition, qualified public depositories are required under the Act to assume mutual responsibility against loss caused by the default or insolvency of other qualified public depositories of the same type. Should a default or insolvency occur, the State Treasurer will implement procedures for payment of losses according to the validated claims of the City.

NOTE 3 - POOLED CASH AND EQUIVALENTS (*Continued)*

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

NOTE 4 - CAPITAL ASSETS

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

	Balance October 1, 2022	Additions and Transfers	Deletions and Transfers	Balance September 30, 2023
Governmental Activities				
Land	$ 4,980	$ -	$ -	$ 4,980
CIP	78,361	51,286	(47,463)	82,184
Total capital assets, not being depreciated	83,341	51,286	(47,463)	87,164
Capital assets being depreciated:				
Buildings	521,897	-	-	521,897
Equipment	137,663	17,690	-	155,353
Intangibles Right-to-use Leased Building	652,108	-	-	590,419
Infrastructure	4,692,669	-	-	4,692,669
Less: Accumulated depreciation/amortization	(1,790,288)	(314,833)	-	(2,043,432)
Total capital assets being depreciated	4,214,049	(297,143)	-	3,916,906
Total capital assets	$4,297,390	$ (245,857)	$ (47,463)	$ 4,004,070

Depreciation and amortization expense amounted to $314,833 during fiscal year 2023, which is included on the statement of activities.

NOTE 5 - LONG-TERM LIABILITIES

LEASES

On October 1, 2021, the Cocoa CRA entered into a 109-month lease as Lessee for the use of the Cocoa Village Partners/Cocoa CRA Post office lease. An initial lease liability was recorded in the amount of $590,419. As of September 30, 2023, the value of the lease liability is $474,240. The Cocoa CRA is required to make monthly fixed payments of $5,943. The lease has an interest rate of 0.4753%. The value of the right to use asset as of September 30, 2023, of $460,419 with accumulated amortization of $130,001 is included with Buildings on the Lease Class activities table found below. The Cocoa CRA has one extension option for 60 months.

COCOA CRA ACTIVITIES:

	Balance October 1, 2022	Additions	Reductions	Balance September 30, 2023
Lease Liability				
Buildings				
CVP/CRA Post Office Lease	$ 594,308	$ -	$ (120,069)	$ 474,239
Total Lease Liability	$ -	$ -	$ (120,069)	$ 474,239

Principal and Interest Requirements to Maturity

	Governmental Activities		
Fiscal Year	Principal Payments	Interest Payments	Total Payments
2024	$ 60,055	$ 2,124	$ 62,179
2025	62,210	1,834	64,044
2026	64,432	1,533	65,965
2027	66,722	1,222	67,944
2028	69,0832	900	69,9832
2029 - 2033	151,738	789	152,527
	$ 474,239	$ 8,402	$ 482,641

NOTE 6 - LITIGATION

The City was involved in a lawsuit filed by the Petitioner against the Florida Department of Environmental Protection and the City to obtain a 25-year sovereign submerged land lease related to a boardwalk and promenade constructed jointly by the City and the Petitioner. On November 8, 2005, the parties reached a settlement agreement whereby the Petitioner agreed to reimburse the City for its portion of construction costs in the amount of $607,837 to be paid in installments through 2009. In accordance with the settlement agreement, the City received $135,946 and $200,000 during 2007 and 2006, respectively.

During 2008, the Petitioner suspended payments, as the note payable to the City is subordinate to other debt of the Petitioner. At such time as the priority debt is paid by the Petitioner, they will resume payments to the City. A receivable for the remaining amount due, $271,891, is recorded as of September 30, 2023 in the CRA fund as a settlement receivable. The related revenue has been deferred in the governmental fund financial statements, as it is not collectible soon enough to pay liabilities of the current period.

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REQUIRED SUPPLEMENTARY INFORMATION

COCOA COMMUNITY REDEVELOPMENT AGENCY

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

YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
GENERAL FUND				
Revenues:				
Intergovernmental	$ 1,645,873	$ 1,594,600	$ 1,594,600	$ (137,083)
Investment Income	-	-	40,646	16,580
Miscellaneous Revenues	42,248	42,248	42,359	3,332
TOTAL REVENUES	1,688,121	1,661,328	1,677,605	(117,171)
EXPENDITURES				
Current:				
Economic Environment	615,321	563,961	332,378	454,382
Capital Outlay	2,350,000	2,369,542	21,504	2,348,038
Debt Service:				
Principal	-	57,816	120,069	62,253
Interest	-	2,700	2,699	(1)
TOTAL EXPENDITURES	2,965,321	2,994,019	476,650	2,641,873
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,277,200)	(1,357,171)	1,242,014	2,599,185
OTHER FINANCING SOURCES (USES)				
Lease Proceeds	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
NET CHANGE IN FUND BALANCE	(1,277,200)	(1,357,171)	1,242,014	2,599,185
FUND BALANCE - BEGINNING	1,699,168	1,699,168	1,699,168	-
FUND BALANCE - ENDING	$ 421,968	$ 341,997	$ 2,941,182	$ 2,599,185

COMPLIANCE SECTION



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*

To the Board of Commissioners
Cocoa Community Redevelopment Agency

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Cocoa Community Redevelopment Agency (the "CRA") as of and for the fiscal year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the CRA's financial statements and have issued our report thereon dated May 17, 2024.

Internal Control over Financial Reporting

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

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

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

To the Board of Commissioners
Cocoa Community Redevelopment Agency

Compliance and Other Matters

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

Pursuant to provisions of Chapter 10.550, *Rules of the Auditor General*, we reported certain matters to management of the CRA in a separate management letter and Independent Accountant's Report dated May 17, 2024.

Purpose of this Report

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

MSL, P.A.

Certified Public Accountants

Orlando, Florida
May 17, 2024

MSL
Certified Public Accountants

INDEPENDENT ACCOUNTANT'S REPORT

To the Board of Commissioners
Cocoa Community Redevelopment Agency

We have examined the Cocoa Community Redevelopment Agency's (the "CRA") compliance with the requirements of Sections 163.387(6) and (7) and 218.415, Florida Statutes, during the fiscal year ended September 30, 2023. Management is responsible for the CRA's compliance with those requirements. Our responsibility is to express an opinion on the CRA's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the AICPA. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the CRA complied with those requirements, in all material respects. An examination involves performing procedures to obtain evidence about the CRA's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the CRA's compliance with specified requirements.

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

In our opinion, the CRA complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2023.

MSL, P.A.

Certified Public Accountants

Orlando, Florida
May 17, 2024

MSL
Certified Public Accountants

INDEPENDENT AUDITOR'S MANAGEMENT LETTER

To the Board of Commissioners
Cocoa Community Redevelopment Agency

Report on the Financial Statements

We have audited the basic financial statements of the Cocoa Community Redevelopment Agency (the "CRA") as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated May 17, 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; 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 Financial Statements Performed in Accordance with *Government Auditing Standards*, and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated May 17, 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. There were no recommendations made in the preceding audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The legal authority is disclosed in the notes to the financial statements.

Financial Condition

Sections 10.554(1)(i)5.a. and 10.556(7), *Rules of the Auditor General*, require that we apply appropriate procedures and communicate the results of our determination as to whether or not the CRA has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the CRA did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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

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

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 218.38(3)(b), Florida Statues. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

Specific information of the CRA, a dependent district of the City of Cocoa, Florida, that is required by Section 218.39(3)(c), Florida Statutes, and Section 10.544(1)(i)6, Rules of the Auditor General, is reported in the City of Cocoa's management letter for the fiscal year ended September 30, 2023.

Additional Matters

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

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

MSL, P.A.

Certified Public Accountants

Orlando, Florida
May 17, 2024