

**DOWNTOWN COCOA BEACH
COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Cocoa Beach, Florida)**

FINANCIAL STATEMENTS

**Fiscal Year Ended
September 30, 2024**

**Prepared by:
Hana Juman, Finance Director
Devan Taly, Deputy Finance Director
With the assistance of the Finance Department staff**



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INTRODUCTORY SECTION



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Downtown Cocoa Beach Community Redevelopment Agency

AGENCY OFFICIALS

YEAR ENDED SEPTEMBER 30, 2024

Agency Board Members

Keith Capizzi, Mayor
Skip Williams, Vice-Mayor
Jeremy Hutcherson, Commissioner
Joshua Jackson, Commissioner
Karalyn Woulas, Commissioner

Administrator

Devan Taly





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FINANCIAL SECTION



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Independent Auditor's Report

**Board of Directors and CRA Administrator
Downtown Cocoa Beach Community Redevelopment Agency
Cocoa Beach, Florida**

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and major fund (the "General Fund") of the Downtown Cocoa Beach Community Redevelopment Agency (the "CRA"), a component unit of the City of Cocoa Beach, Florida, as of and for the year ended September 30, 2024, 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 major fund (the "General Fund") of the CRA, as of September 30, 2024, and the respective changes in financial position and budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 9 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 Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section 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 March 13, 2025, 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, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the CRA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the CRA's internal control over financial reporting and compliance.



Bradenton, Florida
March 13, 2025



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MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis (MD&A) of the Downtown Cocoa Beach Community Redevelopment Agency (the "CRA") is designed to: (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the CRA's financial activity, (c) identify changes in the CRA's financial position, (d) identify any material deviations from the financial plan, and (e) identify its ability to address the net year's challenges. Lastly, the MD&A will recognize any material deviations from the approved budget.

The Downtown Cocoa Beach Community Redevelopment Agency was established in 2009 by the City of Cocoa Beach Commission under Chapter 163, Part III, Florida Statutes. The CRA is a dependent taxing district and a component unit of the City of Cocoa Beach, Florida (the "City"). The CRA is responsible for promoting economic redevelopment activities that include reducing or eliminating blight, improving the tax base, and encouraging public and private investments in the redevelopment area. In Cocoa Beach, the CRA Board has been determined to be the City Commission. No other governance structure, such as an Advisory Board, has been created.

The CRA has presented its financial statements in accordance with the reporting model required by Governmental Accounting Standards Board Statement No 34, *Basic Financial Statements and Managements' Discussion and Analysis for State and Local Governments*.

Financial Highlights

- The assets of the CRA exceeded its liabilities as of September 30, 2024, by \$2,773,305 (net position). Of this amount, \$1,317,148 (net position restricted for community redevelopment) may be used to meet the CRA's ongoing obligations to citizens and creditors.
- The CRA's total net position decreased by \$1,054,505.
- The CRA's tax increment revenues increased by \$160,720. This resulted from increased property values with the CRA district from Fiscal Year 2023 to Fiscal Year 2024.
- Total external debt decreased by \$280,000 in Fiscal Year 2024. The decrease is attributed to the principal payment on debt.

FINANCIAL STATEMENTS

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the CRA's basic financial statements. The basic financial statements are comprised of three 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 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. Additionally, 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, 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 the General Fund 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.

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

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. The CRA's net position was \$2,773,305 at the close of the Fiscal Year 2024. This is a \$1,054,505 decrease in net position over the \$3,827,810 reported in the prior fiscal year.

The following schedule is a summary of the Fiscal Year 2024 Statement of Net Position with comparative information for Fiscal Year 2023.

Statement of Net Position

	2024	2023
Current and other assets	\$ 1,746,749	\$ 2,823,643
Capital assets	4,416,493	4,373,373
Total assets	\$ 6,163,242	\$ 7,197,016
Long-term liabilities outstanding	\$ 2,960,336	\$ 3,017,601
Other liabilities	429,601	351,605
Total liabilities	\$ 3,389,937	\$ 3,369,206
Net investment in capital assets	\$ 1,456,157	\$ 1,075,772
Restricted	1,317,148	2,752,038
Total net position	\$ 2,773,305	\$ 3,827,810

As stated above, the CRA's net position totaled \$2,773,305 at the end of Fiscal Year 2024. It should be noted that the resources needed to repay the CRA Parking Garage debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The CRA uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

The change in net position balance from Fiscal Year 2024 to Fiscal Year 2023 is \$1,054,505 as shown in the Schedule of Changes in Net Position on the next page. This change includes increased tax revenue because of an increase in property values located within the CRA. Some revenues and other financing sources had comparatively modest increases over the prior fiscal year, while the expenditures associated with maintenance of the parking garage increased somewhat over the former fiscal period.

The following schedule of Changes in Net Position shows activities for Fiscal Year 2024 with comparative information for Fiscal Year 2023:

Statement of Activities

	<u>2024</u>	<u>2023</u>
Revenues		
General revenues		
Property tax assessments	\$ 1,326,860	\$ 1,166,140
Charges for services	564,893	648,148
Investment income	58,619	57,763
Miscellaneous income	40	-
Total revenues	<u>1,950,412</u>	<u>1,872,051</u>
Expenses		
Economic environment	399,843	131,924
Depreciation	125,491	125,491
Interest and other	50,485	100,381
Total expenses	<u>575,819</u>	<u>357,796</u>
Interfund transfers out	<u>(2,429,098)</u>	<u>(40,000)</u>
Change in net position	(1,054,505)	1,474,255
Beginning net position	3,827,810	2,353,555
Ending net position	<u>\$ 2,773,305</u>	<u>\$ 3,827,810</u>

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 2024 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 \$1,411,916. This is because operating expenditure actuals were overall below budgeted amounts and transfers for repayments of advances are excluded.

CRA Tax Increment Financing (TIF)

Monies from the incremental increase in property tax revenue (TIF) collected within the designated redevelopment area is recorded in the CRA. Consistent with State law, revenues are utilized and expended in accordance with the Community Redevelopment Plan. The TIF has continued to increase in subsequent years as taxable values have risen. The increase from 2023 to 2024 is \$160,720.

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

	2024	2023	Increase (Decrease)
Taxable value	\$ 270,687,284	\$ 249,309,420	\$ 21,377,864
Less: Base year value	(119,086,930)	(119,086,930)	-
Net taxable value	<u>\$ 151,600,354</u>	<u>\$ 130,222,490</u>	<u>\$ 21,377,864</u>
County tax rate per \$1,000 of value	3.2619	3.2619	0.0000
City tax rate per \$1,000 of value	6.1644	6.1644	0.0000
Tax increment payments:			
County	\$ 439,061	\$ 403,534	\$ 35,527
City	887,799	762,606	125,193
Total tax increment payments	<u>\$ 1,326,860</u>	<u>\$ 1,166,140</u>	<u>\$ 160,720</u>

CAPITAL ASSET ADMINISTRATION

Capital Assets

The CRA's investment in capital assets as of September 30, 2024 is \$4,416,493 (net of accumulated depreciation). This investment in capital assets includes the parking garage facility and improvements to the facility. Governmental activities net investment in capital assets increased by \$43,120 for depreciation. The schedule of changes in capital assets from the current fiscal year to the prior fiscal year is included in the following:

Capital Assets (Net of Accumulated Depreciation)

	2024	2023
Construction in progress	\$ 168,611	\$ -
Buildings	4,218,736	4,340,805
Improvements	29,146	32,568
	<u>\$ 4,416,493</u>	<u>\$ 4,373,373</u>

DEBT ADMINISTRATION

Long-Term Debt

At the end of the current fiscal year, the CRA had total long-term debt in the amount of \$2,760,000.

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 currently \$2,760,000. See Note 2 to the financial statements for additional information.

	Schedule of Outstanding Debt	
	2024	2023
CRA Improvement Revenue Bonds, Series 2017B	\$ 2,760,000	\$ 3,040,000

Total external debt decreased by \$280,000 in Fiscal Year 2024. The decrease is attributed to the principal payment on debt.

ECONOMIC FACTORS AND CHALLENGES

In Fiscal Year 2024, the City continued the construction phase of developing the ¾-acre area where the old City Hall building was located. The cost of the cultural green space is estimated at \$1.65 million, and the estimated cost to the CRA of the wash through is estimated at \$1.5 million. Construction is estimated to reach completion by March of 2025.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the CRA's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Hana Juman, Finance Director, 2 S Orlando Ave, Cocoa Beach, Florida, 32931 or hana.juman@cityofcocoabeach.com. The financial statements are posted on the City's web site at www.cityofcocoabeach.com.

Downtown Cocoa Beach Community Redevelopment Agency

(A Component Unit of the City of Cocoa Beach, Florida)

STATEMENT OF NET POSITION SEPTEMBER 30, 2024

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 29,295
Investments	1,322,690
Accounts receivable	10,939
Prepays	383,825
Capital assets, nondepreciable	168,611
Capital assets, net of accumulated depreciation	4,247,882
Total assets	6,163,242
LIABILITIES	
Current liabilities	
Accounts payable and accrued liabilities	2,406
Accrued expenses	257,490
Accrued interest	50,250
Other current liabilities	119,455
Noncurrent liabilities	
Due within one year	318,619
Due in more than one year	2,641,717
Total liabilities	3,389,937
NET POSITION	
Net investment in capital assets	1,456,157
Restricted	1,317,148
Total net position	\$ 2,773,305

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

Downtown Cocoa Beach Community Redevelopment Agency

(A Component Unit of the City of Cocoa Beach, Florida)

STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

Functions/programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental activities				
Economic environment	\$ 525,334	\$ 564,893	\$ -	\$ 39,559
Interest and other fiscal charges	50,485	-	-	(50,485)
Total governmental activities	<u>\$ 575,819</u>	<u>\$ 564,893</u>	<u>\$ -</u>	<u>(10,926)</u>
General revenues				
Property taxes				1,326,860
Unrestricted investment earnings				58,619
Other revenue				40
Transfers to primary government				<u>(2,429,098)</u>
Total general revenues and transfers				<u>(1,043,579)</u>
Change in net position				(1,054,505)
Net position, beginning				<u>3,827,810</u>
Net position, ending				<u>\$ 2,773,305</u>

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

Downtown Cocoa Beach Community Redevelopment Agency

(A Component Unit of the City of Cocoa Beach, Florida)

BALANCE SHEET - GENERAL FUND

SEPTEMBER 30, 2024

ASSETS	
Cash	\$ 29,295
Investments	1,322,690
Accounts receivable	10,939
Prepaid items	383,825
Total assets	<u>\$ 1,746,749</u>
LIABILITIES AND FUND BALANCE	
LIABILITIES	
Accounts payable and accrued liabilities	\$ 2,406
Accrued expenses	257,490
Other current liabilities	119,455
Total liabilities	<u>379,351</u>
FUND BALANCE	
Nonspendable:	
Prepays	383,825
Restricted for:	
Community redevelopment	983,573
Total fund balance	<u>1,367,398</u>
Total liabilities and fund balance	<u>\$ 1,746,749</u>

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

Downtown Cocoa Beach Community Redevelopment Agency

(A Component Unit of the City of Cocoa Beach, Florida)

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION SEPTEMBER 30, 2024

Total fund balance, General Fund		\$	1,367,398
Amounts reported for the 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.			
Capital assets	\$	5,629,256	
Less accumulated depreciation		<u>(1,212,763)</u>	
			<u>4,416,493</u>
Long-term liabilities are not due and payable in the current period and therefore are not reported in the General Fund.			<u>(2,960,336)</u>
Interest on long-term debt is not accrued in governmental funds but rather is recognized as an expenditure when due.			<u>(50,250)</u>
Total net position, governmental activities		\$	<u><u>2,773,305</u></u>

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

Downtown Cocoa Beach Community Redevelopment Agency

(A Component Unit of the City of Cocoa Beach, Florida)

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

GENERAL FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

REVENUES

Property taxes	\$	1,326,860
Charges for services		564,893
Investment earnings		58,619
Other revenues		40
Total revenues		<u>1,950,412</u>

EXPENDITURES

Current		
Economic environment		2,828,941
Debt service		
Principal		280,000
Interest		122,000
Capital outlay		168,611
Total expenditures		<u>3,399,552</u>

Deficiency of revenues under expenditures		<u>(1,449,140)</u>
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Net change in fund balance		(1,449,140)
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Fund balance, beginning		<u>2,816,538</u>
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Fund balance, ending	\$	<u><u>1,367,398</u></u>
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The accompanying notes are an integral part of the financial statements.

Downtown Cocoa Beach Community Redevelopment Agency

(A Component Unit of the City of Cocoa Beach, Florida)

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-GENERAL FUND TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balance, General Fund		\$	(1,449,140)
Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund.			
Capital outlay	\$	168,611	
Depreciation expense		<u>(125,491)</u>	
			<u>43,120</u>
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.			
			<u>280,000</u>
Interest on long-term debt is not accrued in governmental funds but rather is recognized as an expenditure when due.			
Accrued interest and amortization of bond premium		<u>71,515</u>	
			<u>71,515</u>
Change in net position of governmental activities		\$	<u><u>(1,054,505)</u></u>

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

Downtown Cocoa Beach Community Redevelopment Agency

(A Component Unit of the City of Cocoa Beach, Florida)

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET (GAAP BASIS) AND ACTUAL – GENERAL FUND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Original Budget	Final Budget	Actual Amount	Variance With Final Budget
Revenues				
Property taxes	\$ 887,799	\$ 887,799	\$ 887,799	\$ -
Intergovernmental revenue	464,352	464,352	439,061	(25,291)
Charges for services	426,000	426,000	564,893	138,893
Investment income	11,400	11,400	58,619	47,219
Other revenues	-	-	40	40
Total revenues	1,789,551	1,789,551	1,950,412	160,861
Expenditures				
Current				
Economic environment	3,791,078	3,784,468	2,828,941	955,527
Debt service				
Principal	280,000	280,000	280,000	-
Interest	122,000	122,000	122,000	-
Capital outlay	625,000	625,000	168,611	456,389
Total expenditures	4,818,078	4,811,468	3,399,552	1,411,916
Excess of revenues over expenditures	(3,028,527)	(3,021,917)	(1,449,140)	1,572,777
Change in fund balances	(1,238,976)	(1,232,366)	501,272	1,733,638
Fund balances, beginning	2,816,538	2,816,538	2,816,538	-
Fund balances, ending	\$ 1,577,562	\$ 1,584,172	\$ 3,317,810	\$ 1,733,638



Basic Financial Statements

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The City of Cocoa Beach, Florida Downtown Community Redevelopment Agency (the "CRA" or "Agency") is a blended component unit of the City of Cocoa Beach, Florida (the "City"). It is a public entity established under the guidelines for the Community Redevelopment Act (Chapter 163, Part III, Florida Statutes (F.S.)) to implement community redevelopment activities. The five-member governing board (the "Board") has been determined to be the City Commission. No other governance structure, such as an Advisory Board, has been created.

On January 29, 2008, the electorate of the City voted to authorize establishment of a Downtown Community Redevelopment Agency (CRA). Accordingly, the City Commission adopted Resolution 2008-13 requesting Brevard County to delegate to the City Commission the powers to create a Downtown CRA. In turn, Brevard County adopted Resolution 08-128 authorizing the creation of the City's CRA for a period of 25 years from its creation. The City Commission adopted Resolution 2009-28 on November 19, 2009, creating the Downtown Community Redevelopment Agency. The CRA shall expire on December 31, 2033.

To implement the purposes of the CRA, the Board and the City have entered into an interlocal agreement authorizing the use of City staff and City resources for the creation of the required Redevelopment Plan for the downtown area.

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

In 2018, the Brevard County Commission and CRA Board executed an interlocal agreement to continue with the Downtown CRA tax increments and the building of a parking garage within the CRA.

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 government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the Agency. Governmental activities are those which normally are supported by taxes and intergovernmental revenues.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

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 twelve months of year-end). All other revenue items are considered to be measurable and available only when cash is received by the Agency.

Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from the governmental fund. Separate financial statements are provided for the governmental fund.

Fund Financial Statements

The fund financial statements provide information about the Agency's fund. The emphasis of fund financial statements is on the major governmental fund.

The Agency reports the following major governmental fund:

The *General Fund* is the Agency's operating and general fund. It accounts for all financial resources of the Agency.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgetary Information

The CRA's Board adopts an annual operating budget, which can be amended by the Board throughout the year. The Agency's Administrator or their designee may make transfers of appropriations within a department as long as the total budget of the department is not increased. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level.

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

Encumbrance accounting is employed for this governmental fund. Open commitments are recognized as expenditures in the period in which the actual goods or services are received and a liability is incurred. Encumbrances (e.g., contracts) outstanding at year end for unfulfilled obligations are cancelled and reappropriated in the succeeding year's budget. Accordingly, there were no encumbrances outstanding at year-end.

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.

For the year ended September 30, 2024, the CRA's budget was prepared on a modified accrual basis.

Pooled Cash and Cash Equivalents

Pooled cash and equivalents are stated at fair value.

Assets, Liabilities, and Net Position or Fund Balance

Cash and Cash Equivalents

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

Restricted Investments

The Agency's restricted investments is comprised of cash held by the fiscal agent for debt service.

Investments

Investments for the Agency are reported at fair value (generally based on quoted market prices) except for the position in the State Board of Administration Local Government Surplus Trust Fund (Florida PRIME), the Florida Public Assets for Liquidity Management (Florida PALM), the Florida Surplus Asset Fund Trust (Florida SAFE) and the Florida Cooperative Liquid Assets Securities System (Florida CLASS). Florida PRIME, PALM, SAFE and CLASS are local government investment pools which meet all of the specified criteria in Section In5: Investment Pools (External) of the GASB Codification (GASBC) to qualify to elect to measure their investments at amortized cost. Accordingly, the fair value of the Agency's position in the pool is equal to the value of the pooled shares.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Net Position or Fund Balance (Continued)

Receivables

All trade and property tax receivables are considered to be fully collectible. As provided by law, the Brevard County Property Appraiser assesses all properties for ad valorem taxing purposes and the Brevard County Tax Collector collects and distributes all taxes. Ad valorem taxes are levied based on property valuation as of January 1. The fiscal year for which ad valorem taxes are levied begins on October 1. Taxes are due beginning November 1, delinquent on April 1, and lien on May 30. Property tax revenues are recognized in the fiscal year for which they are budgeted and also become due and payable. Virtually all unpaid taxes are collected via tax sale certificates sold on or prior to June 1; therefore, no material taxes are receivable at fiscal year-end.

Capital Assets

Capital assets, which include buildings and improvements are reported in the governmental columns in the government-wide financial statements. Capital assets are defined by the CRA as assets with an initial, individual cost of more than \$1,000 and an estimated useful life exceeding one year. The cost of improvements and replacements, which extend the useful lives of assets or increase their capacity, are capitalized. Repairs and maintenance costs, which do not improve or extend the useful life of the respective assets, are charged to expense.

Property and equipment purchased by the CRA is recorded at cost or, if contributed, acquisition value at the date of donation

Capital assets use straight-line depreciation over the following estimated service lives:

<u>Classification</u>	<u>Service Life Ranges</u>
Buildings and building improvements	40 years
Improvements other than buildings	10 - 15 years

Long-Term Obligations

Long-term debt and other long-term obligations are reported as liabilities in the government-wide financial statements for governmental activities. Bond premiums and discounts, as well as issuance costs, are deferred and systematically amortized over the term of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the fiscal year incurred.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as an "other financing" source. 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Net Position or Fund Balance (Continued)

Categories and Classification of Fund Equity

Net position flow assumption – Sometimes the Agency 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 statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Agency's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund balance flow assumptions – Sometimes the Agency 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 Agency'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 Agency 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.

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 Agency's highest level of decision making authority. The governing council is the highest level of decision-making authority for the Agency 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 Agency for specific purposes but do not meet the criteria to be classified as committed. The governing council (council) has by resolution authorized the finance director to assign fund balance. The council 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 fund balance not meeting criteria to be reported as nonspendable, restricted, committed or assigned.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Net Position or Fund Balance (Continued)

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 attach as an enforceable lien on real property and are levied as of July 1st. The tax levy is divided into two billings: the first billing (mailed on July 1) is an estimate of the current year's levy based on the prior year's taxes; the second billing (mailed on January 1) reflects adjustments to the current year's actual levy. The billings are considered past due 30 days after the respective tax billing date, at which time the applicable property is subject to lien, and penalties and interest are assessed.

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, March 13, 2025, and determined there were no events that occurred that required disclosure.

Recently Issued and Implemented Accounting Pronouncements

The Governmental Accounting Standards Board has issued GASB Statement No. 101, *Compensated Absences*, GASB Statement No. 102, *Certain Risk Disclosures*, GASB Statement No. 103, *Financial Reporting Model Improvements*, and GASB Statement No. 104, *Disclosure of Certain Capital Assets*, which will be effective in future years. Management has not completed its analysis of the effects, if any, of these GASB statements on the financial statements of the City.

NOTE 2. DETAILED NOTES ON ALL FUNDS

Deposits and Investments

The Agency pools its deposits with the City. As of September 30, 2024, \$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 Agency pursuant to Section 280.08, Florida Statutes. At September 30, 2024, the City did not hold funds in excess of FDIC insurance limits in a financial institution that is not a qualified public depository.

The City has not adopted an investment policy and the City's investment policies are governed by state statutes. Investment earnings of the pool are allocated to the participating funds at the end of each month based on the ratio of each participant funds' investment to the total pooled investment.

NOTE 2. DETAILED NOTES ON ALL FUNDS (CONTINUED)

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. 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 bond 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.

Under GASB Codification 150: *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. As of September 30, 2023, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit the City's access to 100% of their account value in the external investment pools.

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 Agency 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 Agency 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 – The City's investment policy does not address interest rate risk.

NOTE 2. DETAILED NOTES ON ALL FUNDS (CONTINUED)

Deposits and Investments (Continued)

Credit risk – GASB Codification Section 150: *Investments*, 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.

Foreign currency risk – The City's investments are not exposed to foreign currency risk.

Concentration of credit risk – GASB Codification Section 150: *Investments*, requires disclosures of investments in any one issuer that represents 5% 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).

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.

At September 30, 2024, the Agency had the following investments based on the Agency's investment balance allocated from the pooled investments of the City:

	S&P Rating	Level	Fair Value	Maturities (in years)		
				Less than 1	1 - 5	More than 5
Investments by fair value level						
Agency						
FL PALM	AAA	-	\$ 590,059	\$ 590,059	\$ -	\$ -
FL CLASS	AAA	-	255,820	255,820	-	-
FL LGIT day to day bond fund	AAA	-	255,279	255,279	-	-
FL SAFE NAV	AAA	-	221,532	221,532	-	-
Total Agency			<u>\$ 1,322,690</u>	<u>\$ 1,322,690</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 2. DETAILED NOTES ON ALL FUNDS (CONTINUED)

Capital Assets

The following is a summary of changes in the Agency's capital assets for fiscal year ending September 30, 2024:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital assets, not being depreciated				
Construction in progress	\$ -	\$ 168,611	\$ -	\$ 168,611
Total capital assets not being depreciated	<u>-</u>	<u>168,611</u>	<u>-</u>	<u>168,611</u>
Capital assets, being depreciated				
Buildings	5,407,545	-	-	5,407,545
Improvements other than buildings	53,100	-	-	53,100
Total capital assets being depreciated	<u>5,460,645</u>	<u>-</u>	<u>-</u>	<u>5,460,645</u>
Less accumulated depreciation for				
Infrastructure	(1,066,740)	(122,069)	-	(1,188,809)
Equipment	(20,532)	(3,422)	-	(23,954)
Total accumulated depreciation	<u>(1,087,272)</u>	<u>(125,491)</u>	<u>-</u>	<u>(1,212,763)</u>
Total capital assets being depreciated, net	<u>4,373,373</u>	<u>(125,491)</u>	<u>-</u>	<u>4,247,882</u>
Capital assets, net	<u>\$ 4,373,373</u>	<u>\$ 43,120</u>	<u>\$ -</u>	<u>\$ 4,416,493</u>

Depreciation expense amounted to \$125,491 during fiscal year 2024, which is included on the statement of activities.

Long-Term Debt and Liabilities

Bonds Payable

Florida Municipal Loan Council Refunding and Revenue Bonds, Series 2017B. On September 1, 2017, the Downtown Cocoa Beach Community Redevelopment Agency entered into an interlocal agreement with the Florida Municipal Loan Council for the issuance of bonds in an original amount of \$6,790,000 for which the Agency's proportionate share was \$4,245,000 of serial bonds. The serial bonds are payable in semiannual 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.

Pledged revenues and principal and interest payments are as follows:

<u>Pledged Revenue</u>	<u>Amount of Issue*</u>	<u>Future Principal and Interest</u>	<u>Current Pledged Revenue</u>	<u>Current Principal and Interest</u>	<u>Current Percentage of Revenue</u>
Governmental Activities					
Florida Municipal Loan Council					
Refunding and Revenue					
Bonds, Series 2017B	\$ 4,245,000	\$ 2,760,000	\$ 564,893	\$ 402,000	71%

* The Agency's proportionate share

NOTE 2. DETAILED NOTES ON ALL FUNDS (CONTINUED)

Long-Term Debt and Liabilities (Continued)

Bonds Payable (Continued)

Annual debt service requirements to maturity for the Agency's note payable are as follows:

<u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 290,000	\$ 107,750	\$ 397,750
2026	305,000	92,875	397,875
2027	320,000	77,250	397,250
2028	340,000	60,750	400,750
2029	355,000	43,375	398,375
Thereafter	1,150,000	52,500	1,202,500
Totals	<u>\$ 2,760,000</u>	<u>\$ 434,500</u>	<u>\$ 3,194,500</u>

Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2024, was as follows:

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Florida Municipal Loan Council Refunding and Revenue					
Bonds, Series 2017B	\$ 3,040,000	\$ -	\$ (280,000)	\$ 2,760,000	\$ 290,000
Plus bond premiums	257,601	-	(57,265)	200,336	28,619
Total governmental activities					
long-term liabilities	<u>\$ 3,297,601</u>	<u>\$ -</u>	<u>\$ (337,265)</u>	<u>\$ 2,960,336</u>	<u>\$ 318,619</u>

The bond payable is liquidated by tax revenues received by the General Fund.

NOTE 3. RISK MANAGEMENT

Insurance

The Agency 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 Agency, through 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 Agency 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 Agency is covered for claims originating against the Agency during the policy period. The amount of coverage is dependent on the date of the liability-imposing event. The Agency has maintained continuous coverage and does not believe it has any exposure to events which occurred prior to the year ended September 30, 2024.

OTHER REPORTS



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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*

**Board of Directors and Executive Director
Downtown Cocoa Beach Community Redevelopment Agency
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 and major fund of the Downtown Cocoa Beach Community Redevelopment Agency (the "CRA"), (a component unit of the City of Cocoa Beach, Florida), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the CRA's basic financial statements, and have issued our report thereon dated March 13, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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



Bradenton, Florida
March 13, 2025

Downtown Cocoa Beach Community Redevelopment Agency (A Component Unit of the City of Cocoa Beach, Florida)

SCHEDULE OF FINDINGS AND RESPONSES

SECTION I SUMMARY OF AUDIT RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:
Material weaknesses identified? Yes No

Significant deficiencies identified not considered to be material weaknesses? Yes None reported

Noncompliance material to financial statements noted? Yes No

Federal Awards and State Financial Assistance Projects

The Downtown Cocoa Beach Community Redevelopment Agency did not expend \$750,000 in federal or state funds during its fiscal year ended September 30, 2024.

SECTION II FINANCIAL STATEMENT FINDINGS AND RESPONSES

None reported.

SECTION III SCHEDULE OF PRIOR YEAR FINDINGS

None reported.



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Independent Auditor's Management

**Board of Directors and CRA Administrator
Downtown Cocoa Beach Community Redevelopment Agency
Cocoa Beach, Florida**

Report on the Financial Statements

We have audited the financial statements of the Downtown Cocoa Beach Community Redevelopment Agency (the "CRA"), (a component unit of the City of Cocoa Beach, Florida) as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated March 13, 2025.

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 Standard* 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 March 13, 2025, should be considered in conjunction with this management letter.

Prior Audit Findings

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

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 CRA has made these disclosures in the notes to the financial statements. There are no component units.

Financial Condition and Management

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

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

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

Property Assessed Clean Energy (PACE) Programs

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

Specific Information

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the CRA reported:

- a. The total number of CRA employees compensated in the last pay period of the CRA's fiscal year was one.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the CRA's fiscal year was none.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency was \$2,943.
- d. All compensation earned or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency was \$0.
- e. Each construction project with a total cost of at least \$65,000 approved by the CRA that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such projects in fiscal year 2024: Green space \$1,650,000 and Wash through \$1,500,000.
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the CRA amends a final adopted budget under Section 189.016(6), Florida Statutes, as seen on page 17.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7, Rules of the Auditor General, the Downtown Cocoa Beach Community Redevelopment Agency reported:

- a. The millage rate or rates imposed by the Agency. **6.1644.**
- b. The total amount of ad valorem taxes collected by or on behalf of the Agency. **\$1,326,860.**
- c. The total amount of outstanding bonds issued by the Agency and the terms of such bonds as **\$3,040,000 due over nine years.**

Information required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)8, Rules of the Auditor General: The Downtown Cocoa Beach Community Redevelopment Agency has not imposed any special assessments and therefore no reporting is required by Section 218.39(3)(c), 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 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 Board of Trustees and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.



Bradenton, Florida
March 13, 2025



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Independent Accountant's Report

**Board of Directors and CRA Administrator
Downtown Cocoa Beach Community Redevelopment Agency
Cocoa Beach, Florida**

We have examined the Downtown Cocoa Beach Community Redevelopment Agency (the "CRA"), (a component unit of the City of Cocoa Beach, Florida) compliance with Sections 218.415, 163.387(6), and 163.387(7), Florida Statutes, during the year ended September 30, 2024. Management of the CRA is responsible for the CRA's compliance with those requirements. Our responsibility is to express an opinion on the CRA's compliance based on our examination.

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

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

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

In our opinion, the CRA complied, in all material respects, with the aforementioned requirements during the year ended September 30, 2024.

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

Bradenton, Florida
March 13, 2025

Mauldin & Jenkins, LLC



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