

COCOA COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Cocoa, Florida)

FINANCIAL STATEMENTS

Year Ended September 30, 2025

Cocoa, FL

CONTENTS

	<u>Page Number</u>
FINANCIAL SECTION	
INDEPENDENT AUDITOR'S REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	4
<i>BASIC FINANCIAL STATEMENTS</i>	
Statement of Net Position and Governmental Fund Balance Sheet	9
Statement of Activities and Governmental Fund Revenues, Expenditures, and Changes in Fund Balances	10
Notes to Financial Statements	11
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	23
COMPLIANCE SECTION	
REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i> - INDEPENDENT AUDITOR'S REPORT	25
INDEPENDENT ACCOUNTANT'S REPORT	27
INDEPENDENT AUDITOR'S MANAGEMENT LETTER	28

Independent Auditor's Report

City Council
Cocoa Community Redevelopment Agency
Cocoa, Florida

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the CRA's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 12, 2026, on our consideration of the CRA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the CRA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the CRA's internal control over financial reporting and compliance.

Forvis Mazars, LLP

**Orlando, Florida
August 12, 2026**

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, 2025.

Overview of the Financial Statements

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

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

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

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

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

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

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

Other Information. The CRA adopts an annual appropriated budget for its General Fund. A budgetary comparison schedule 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 \$7,361,083 at the close of the most recent fiscal year. This compares with \$5,879,617 at the close of the previous fiscal year, an increase of \$1,481,466. Cash and investments increased \$1,581,917 due to increased CRA activity. Other assets decreased by \$56,102 largely from a reduction in the lease receivable. Capital Assets decreased \$175,651 due to depreciation. Long-term liabilities decreased by \$62,183 due to scheduled debt payments.

	Net Position	
	2025	2024
Current and other assets	\$ 4,123,849	\$ 2,598,034
Capital assets	3,607,920	3,783,570
Total assets	7,731,769	6,381,604
Short-term liabilities outstanding	15,154	41,913
Long-term liabilities	352,002	414,185
Total liabilities	367,156	456,098
Deferred Inflow of Resources	3,530	45,889
Total deferred inflows of resources	3,530	45,889
Net position:		
Net invested in capital assets	3,255,918	3,369,386
Unrestricted	4,105,165	2,510,231
Total net position	\$ 7,361,083	\$ 5,879,617

Governmental Activities. The components of governmental activities net position are as follows: Economic Environment expenditure activities increased the CRA's net position by \$2,253,596 in fiscal year 2025. A 6.0% increase in total general revenues was caused by an increase property values. The decrease in expenses of \$2,220,107 is due to elimination of expenditures for the Lee Wenner Park parking improvement capital project in FY 2025.

	Changes in Net Position	
	2025	2024
General revenues:		
Intergovernmental	\$ 1,959,551	\$ 1,838,114
Investment income	154,577	145,071
Miscellaneous revenues	71,922	78,219
Total General Revenues	<u>2,186,050</u>	<u>2,061,404</u>
Expenses:		
Economic Environment	408,271	2,661,867
Capital Outlay	30,899	-
Depreciation	263,580	260,700
Debt Service:		
Interest	<u>1,834</u>	<u>2,124</u>
Total Expenses	<u>704,584</u>	<u>2,924,691</u>
Change in Net Position	1,481,466	(863,287)
Net position – beginning	<u>5,879,617</u>	<u>6,742,904</u>
Net position – ending	<u>\$ 7,361,083</u>	<u>\$ 5,879,617</u>

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: Investment revenue was \$154,520 greater than budget due to higher interest rates during the year. Capital Outlay expenses were \$842,493 less than budget due to Cocoa Village Parking (\$750,000) not being started and other capital projects not being started.

Capital Asset Administration

The CRA's capital assets as of September 30, 2025, amount to \$3,607,920, a decrease of \$175,651 due to depreciation and amortization expense. 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)	
	2025	2024
Land	\$ 80,845	\$ 4,980
CIP	90,622	117,368
Buildings	200,808	217,633
Infrastructure	2,815,009	2,978,814
Equipment	90,219	69,358
Intangible Leased Assets	330,417	395,418
Total	<u>\$ 3,607,920</u>	<u>\$ 3,783,571</u>

Outstanding Long-term Liabilities

The CRA's long-term debt decreased by \$62,183 or 15% during the current fiscal year. This reduction in outstanding debt was due to scheduled debt payments. More detailed information on the CRA's long-term debt can be found in Note 5 Long-Term Liabilities in the footnote section of this report.

	Outstanding Long-Term Debt	
	2025	2024
Lease Liability	\$ 352,002	\$ 414,185
Total	<u>\$ 352,002</u>	<u>\$ 414,185</u>

Economic Factors and Conditions

Local, national and international economic factors influence the City's revenues in a variety of ways. Positive economic growth is correlated with increased revenues from property taxes. Economic growth may be measured by a variety of indicators such as employment growth, new construction, assessed property values, and net position growth. New residential and commercial developments for city as a whole added \$67,742,117 in gross taxable value (\$471,024 in property taxes) to the tax rolls in FY 2025. Much of this new development was from new apartments, housing developments and commercial construction. Unemployment in Brevard County was 4.6% at the end of the fiscal year, which was slightly up from the FY 2024 unemployment rate of 3.6%. Affordable housing continues to be an issue in Florida. Home insurance costs peaked at about \$2,794 though 2025 - a 63% increase since 2020. In efforts to provide some relief, Florida's governor is proposing additional homestead exemptions to homeowners. This would have

significant impact on CRAs that rely on the ad valorem revenue generated by property taxes. It is unknown at this time what the actual property tax relief will be. Despite concerns about inflation, the economy performed strongly in FY 2025. Actual revenues exceeded expectations due to increases in economic-driven revenue sources. Interest earnings remained high in FY 2025 due to interest rates remaining high, although they did drop some in the fiscal year. In FY 2025, the CRA's millage rate the same at 6.9532 mills.

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, 2025

	General Fund	Adjustments (Note 2)	Statement of Net Position
ASSETS			
Cash and Cash Equivalents	\$ 3,839,434	\$ -	\$ 3,839,434
Prepaid items	4,629	-	4,629
Deposits	4,351	-	4,351
Lease Receivable	3,544	-	3,544
Other Receivables	271,891	-	271,891
Capital Assets			
Nondepreciable	-	171,467	171,467
Depreciable, net	-	3,436,453	3,436,453
TOTAL ASSETS	<u>\$4,123,849</u>	<u>\$3,607,920</u>	<u>\$ 7,731,769</u>
LIABILITIES			
Accounts payable	\$ 10,731	-	\$ 10,731
Accrued payroll and related liabilities	4,423	-	4,423
Lease Liability			
Due within one year	-	64,459	64,459
Due in more than one year	-	287,543	287,543
TOTAL LIABILITIES	<u>15,154</u>	<u>352,002</u>	<u>367,156</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflow - Whitley Bay			
Settlement	271,891	(271,891)	-
Lease Receivable	3,530	-	3,530
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>275,421</u>	<u>(271,891)</u>	<u>3,530</u>
FUND BALANCES/NET POSITION			
Fund balances:			
Nonspendable	4,629	(4,629)	-
Restricted	3,828,645	(3,828,645)	-
TOTAL FUND BALANCES	<u>3,833,274</u>	<u>(3,833,274)</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$4,123,849</u>		
Net position:			
Net investment in capital assets		3,255,918	3,255,918
Unrestricted		4,105,165	4,105,165
TOTAL NET POSITION		<u>\$ 7,361,083</u>	<u>\$ 7,361,083</u>

COCOA COMMUNITY REDEVELOPMENT AGENCY

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

Year Ended September 30, 2025

	General Fund	Adjustments (Note 2)	Statement of Activities
REVENUES			
Intergovernmental	\$ 1,959,551	\$ -	\$ 641,318
Investment Income	154,577	-	154,577
Miscellaneous Revenues	71,922	-	1,390,155
TOTAL REVENUES	<u>2,186,050</u>	<u>-</u>	<u>2,186,050</u>
EXPENDITURES/EXPENSES			
Economic Environment	408,271	-	408,271
Capital Outlay	118,828	(87,929)	30,899
Depreciation	-	263,580	263,580
Debt Service:			
Principal	62,183	(62,183)	-
Interest	1,834	-	1,834
TOTAL EXPENDITURES/EXPENSES	<u>591,116</u>	<u>113,468</u>	<u>704,584</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES/EXPENSES	<u>1,594,934</u>	<u>(113,468)</u>	<u>1,481,466</u>
CHANGE IN FUND BALANCE/NET POSITION	1,594,934	(113,468)	1,481,466
FUND BALANCES/NET POSITION			
Beginning of the year	<u>2,238,340</u>	<u>3,641,277</u>	<u>5,879,617</u>
End of the year	<u><u>\$ 3,833,274</u></u>	<u><u>\$ 3,527,809</u></u>	<u><u>\$ 7,361,083</u></u>

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

COCOA COMMUNITY REDEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2025

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.

COCOA COMMUNITY REDEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2025

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.

COCOA COMMUNITY REDEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2025

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

Budgets and the Budgetary Process

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

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

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

The CRA's management cannot amend or transfer appropriations.

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

Pooled Cash and Equivalents

Cash and 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 two years. Lesser amounts are expensed. The CRA does not have donated capital assets.

COCOA COMMUNITY REDEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2025

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

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

<u>Assets</u>	<u>Years</u>
Buildings	50
Infrastructure	15 - 75
Equipment	5 - 20
Intangible Asset-Software	3
Intangible Assets-Leases	3 – 30
Intangible-Subscription	3 – 10
Vehicles	5 – 20

The CRA recognizes amortization of intangible software assets over a period of 3 years using the straight-line method. The CRA recognizes amortization for lease intangible assets over the life of the lease. The CRA recognizes amortization for intangible subscription assets over the term of the subscription for the use of software technology.

Prepays

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

COCOA COMMUNITY REDEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2025

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

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 9/30/25, the value of the lease receivable is \$3,544. The lessee is required to make monthly fixed payments of \$3,544. The lease has an interest rate of 0.2133%. The value of the deferred inflow of resources as of September 30, 2025, was \$3,530, and the CRA recognized lease revenue of \$42,359 during the fiscal year.

Leases

The CRA is a lessee for leases of office space. The CRA recognizes a lease liability and an intangible right-to-use lease asset (lease asset).

At the commencement of a lease, the CRA initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portions of lease payments made. The lease asset is measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the term of the lease.

Key estimated and judgments related to leases include how the CRA determines 1) the discount rate it uses to discount the expected lease payments to present value, 2) the lease term, and 3) lease payments.

The CRA uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the CRA generally uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancelable period of the lease. Lease payments included in the measurement of the lease liability are comprised of fixed payments and any purchase option price that the CRA is reasonably certain to exercise. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or to not exercise a

COCOA COMMUNITY REDEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2025

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

Leases (*Continued*)

termination option. Extension options are only included in the lease term if the lease is reasonably certain to be extended. The CRA monitors changes in circumstances that would require a re-measurement of its leases and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Leased assets are reported with other capital assets and lease liabilities and are reported with long-term debt on the statement of net position.

Payments due under the lease contracts include fixed payments. The office space lease includes costs for common area maintenance.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments less any lease incentives receivable.
- The exercise of a purchase option, if it is reasonably certain that the option will be executed.
- Payments of penalties for terminating the lease, if the lease term reflects the CRA exercising that option.

Lease payments made under certain extension options are also included in the measurement of the liability. Extension and termination options are included in the lease agreements. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the group, the lessee's incremental borrowing rate is used. The incremental borrowing rate is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

The CRA is a lessor for noncancelable leases of office space. The CRA recognizes a lease receivable and a deferred inflow of resources.

At the commencement of a lease, the CRA initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the

COCOA COMMUNITY REDEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2025

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

Leases (*Continued*)

lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the term of the lease.

Key estimates and judgments include how the CRA determines the 1) discount rate it uses to discount the expected lease receipts to present value, 2) lease term, and 3) lease receipts. The CRA uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancelable period of the lease. Lease receipts included in the measurement of the lease receivable is comprised of fixed payments from the lessee.

The CRA monitors changes in circumstances that would require a re-measurement of its leases and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Current Pronouncements

GASB Statement No. 101, *Compensated Absences*:

The requirement of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. The requirements for this Statement are effective for the CRA's fiscal year beginning October 1, 2024. Implementation of GASB Statement No. 101 has no effect on the CRA's FY 2025 financial statements.

GASB Statement No. 102, *Certain Risk Disclosures*:

The new disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. GASB Statement 102 is effective for the CRA's fiscal year beginning October 1, 2024. Implementation of GASB Statement No. 102 has no effect on the CRA's FY 2025 financial statements.

Future Pronouncements

GASB Statement No. 103, *Financial Reporting Model Improvements*:

The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability.

This Statement also addresses certain application issues. GASB Statement 103 is effective for the CRA's fiscal year beginning October 1, 2025.

COCOA COMMUNITY REDEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2025

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

GASB Statement No. 104, *Disclosure of Certain Capital Assets*:

The new disclosures will provide users of financial statements with essential information about certain types of capital assets in order to make informed decisions and assess accountability. Additionally, the disclosure requirements will improve consistency and comparability between governments. GASB Statement No. 104 is effective for the CRA's fiscal year beginning October 1, 2025.

The CRA is currently evaluating the effects that these statements will have on its 2025 and 2026 financial statements.

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 \$3,527,809.

Total fund balance	\$ 3,833,274
Capital assets, net	3,607,920
Lease liability	(352,002)
Settlement Revenue	<u>271,891</u>
Total net position	<u>\$ 7,361,083</u>

Adjustments were made to include depreciation expense and eliminate capital outlay expenditures, recognize unavailable revenue, and expense uncompleted projects in CIP, on the statement of activities. This resulted in a net difference between "excess revenues over expenditures" and "change in net position" of (\$113,468).

Excess of revenues over expenditures	\$ 1,594,934
Capital outlay	87,929
Add: Principal payments	62,183
Less: Depreciation/amortization expense	<u>(263,580)</u>
Change in net position	<u>\$ 1,481,466</u>

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

COCOA COMMUNITY REDEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2025

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

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.

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, 2025:

	Balance October 1, 2024	Additions and Transfers	Deletions and Transfers	Balance September 30, 2025
Governmental Activities				
Land	\$ 4,980	\$ 75,865	\$ -	\$ 80,845
CIP	117,367	18,423	(45,168)	90,622
Total capital assets, not being depreciated	122,347	94,288	(45,168)	171,467
Capital assets being depreciated:				
Buildings	521,897	-	-	521,897
Equipment	160,370	38,810	-	199,180
Intangibles Right-to-use				
Leased Building	590,419	-	-	590,419
Infrastructure	4,692,669	-	-	4,692,669
Less: Accumulated depreciation/amortization	(2,304,132)	(263,580)	-	(2,567,712)
Total capital assets being depreciated	3,661,223	(224,770)	-	3,436,453
Total capital assets	<u>\$ 3,783,570</u>	<u>\$ (130,482)</u>	<u>\$ (45,168)</u>	<u>\$ 3,607,920</u>

Depreciation and amortization expense amounted to \$263,580 during fiscal year 2025, which is included on the statement of activities.

COCOA COMMUNITY REDEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2025

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, 2025, the value of the lease liability is \$352,002, as shown with Buildings on the Lease Class activities table found below. 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 intangible lease asset as of September 30, 2025, is \$590,419 with accumulated amortization of \$260,001. The Cocoa CRA has one extension option for 60 months.

COCOA CRA ACTIVITIES:

	Balance October 1, 2024	Additions	Reductions	Balance September 30, 2025
Lease Liability				
Buildings				
CVP/CRA Post Office				
Lease	\$ 414,185	\$ -	\$ (62,237)	\$ 352,002
Total Lease Liability	\$ 414,185	\$ -	\$ (62,237)	\$ 352,002

Principal and Interest Requirements to Maturity

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2026	64,459	1,533	65,992
2027	66,722	1,222	67,944
2028	69,082	900	69,982
2029	71,516	566	72,082
2030 - 2031	80,223	223	80,446
	\$352,002	\$4,444	\$356,446

NOTE 6 - LITIGATION

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, 2025, 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, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
GENERAL FUND				
Revenues:				
Intergovernmental	\$ 2,032,216	\$ 641,318	\$ 1,959,551	\$
Investment Income	-	57	154,577	154,520
Miscellaneous Revenues	-	1,350,250	71,922	(1,278,328)
TOTAL REVENUES	2,032,216	1,991,625	2,186,050	194,425
EXPENDITURES				
Current:				
Economic Environment	1,968,228	1,831,609	408,271	1,423,338
Capital Outlay	-	961,321	118,828	842,493
Debt Service:				
Principal	-	62,211	62,183	28
Interest	-	1,834	1,834	-
TOTAL EXPENDITURES	1,968,228	2,856,975	591,116	2,265,859
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	63,988	(865,350)	1,594,934	2,460,284
OTHER FINANCING SOURCES (USES)				
Lease Proceeds	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
NET CHANGE IN FUND BALANCE	63,988	(865,350)	1,594,934	2,460,284
FUND BALANCE - BEGINNING	2,238,340	2,238,340	-	(2,238,340)
FUND BALANCE - ENDING	\$ 2,302,328	\$ 1,372,990	\$ 1,594,934	\$ 221,944

COMPLIANCE SECTION

**Report on Internal Control Over Financial Reporting and on Compliance and
Other Matters Based on an Audit of Financial Statements Performed in
Accordance With *Government Auditing Standards***

Independent Auditor's Report

City Council
Cocoa Community Redevelopment Agency
Cocoa, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities and the General Fund of the City of Cocoa, Florida Community Redevelopment Agency (the "CRA"), a component unit of the City of Cocoa, Florida, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise CRA's basic financial statements, and have issued our report thereon dated August 12, 2026.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Forvis Mazars, LLP

**Orlando, Florida
August 12, 2026**

Independent Accountant's Report

City Council
Cocoa Community Redevelopment Agency
Cocoa, Florida

We have examined the compliance of the City of Cocoa, Florida Community Redevelopment Agency (the "CRA"), a component unit of the City of Cocoa, Florida, with the requirement of Sections 163.387(6) and (7) and 218.415, Florida Statutes, for the year ended September 30, 2025. The CRA's management is responsible for compliance with those requirements. Our responsibility is to express an opinion on the CRA's compliance based on our examination.

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

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

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

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

Forvis Mazars, LLP

**Orlando, Florida
August 12, 2026**

Independent Auditor's Management Letter

City Council
Cocoa Community Redevelopment Agency
Cocoa, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Cocoa, Florida Community Redevelopment Agency (the "CRA"), a component unit of the City of Cocoa, Florida, as of and for the year ended September 30, 2025, and have issued our report thereon dated August 12, 2026.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, *Rules of the Auditor General*.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated August 12, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

Financial Condition and Management

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

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

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

Property Assessed Clean Energy (PACE) Programs

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

Special District Component Units

Section 10.554(1)(i)5.c., *Rules of the Auditor General*, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

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

Additional Matters

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

Purpose of This Letter

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

Forvis Mazars, LLP

Orlando, Florida
August 12, 2026