

City of Cocoa Beach

Annual Comprehensive Financial Report

Fiscal Year Ended

September 30, 2021



City of Cocoa Beach, Florida
ANNUAL COMPREHENSIVE FINANCIAL REPORT
Fiscal Year Ended September 30, 2021

City of Cocoa Beach, Florida
Annual Comprehensive Financial Report
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City of Cocoa Beach
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June 24, 2022

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

The Annual Comprehensive Financial Report (ACFR) of the City of Cocoa Beach, Florida for the fiscal year ended September 30, 2021 is submitted pursuant to Florida Statutes Chapters 11.45 and 218.39, and Section 3.03(4) of the City Charter.

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

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

Internal Controls

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

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

1. Cost considerations will prevent management from ever installing a "perfect" system. Management will properly and deliberately choose to run certain risks because the cost of preventing such risks cannot be justified, (i.e., costs should not exceed benefits);
2. Control related policies and procedures are subject to management override; and
3. Internal controls may be circumvented by collusion between employees.

Independent Audit

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

Management Discussion and Analysis

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

Profile of the Government

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

Budgeting Process and Controls

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

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

Community Background

The City of Cocoa Beach was incorporated in 1925, but really began growing residentially during the height of the Space Program in the 1960's. As a small oceanfront/riverfront community with six miles of highly accessible beaches and river access, lying in between the Banana River and the Atlantic Ocean, the City focuses on being a family-oriented tourist destination; however, the community has a solid residential component with 2,434 single family homes and 6,157 condominiums as of 2020. The diversity of the economy is driven by a mix of hotels/motels and businesses that are supportive of the tourism industry while also supporting the needs of the local residents. Cocoa Beach population (for State shared review purposes in Fiscal Year 2021) is 11,378, but seasonally the population more than doubles. Other factors are the normally (pre-COVID-19) estimated 2.4 million day-visitors to the city annually, reflecting the relative proximity to the Orlando Metro area.

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

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

Economic Condition and Outlook

The initial impact of the global Coronavirus (COVID-19) pandemic on the City's FY 2020 economic activity, i.e., tourism, hospitality, restaurants, etc. was far-reaching. In FY 2021 the beaches and parking areas reopened, Tourism levels resumed, Port Canaveral opened, and cruise ships resumed sailing. In addition, Federal stimulus payments were issued to Federal tax payers, to boost the economy. While not fully returned to pre-COVID levels, the economy did show significant signs of improvement during FY2021.

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

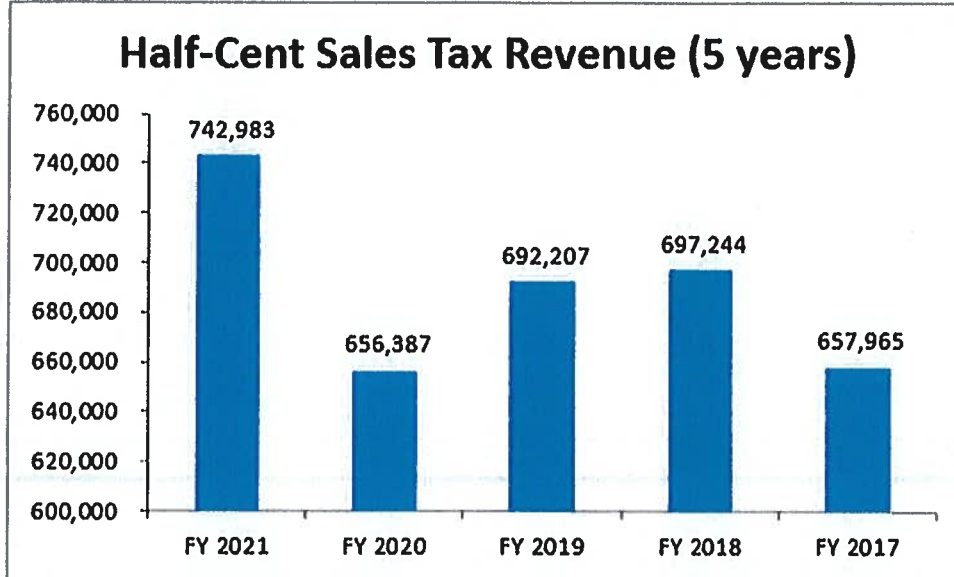
The Kennedy Space Center (KSC) is both a tourist attraction and a major employment center, with several space and defense contractors located there, supported by numerous local suppliers and support services. KSC was adversely impacted by the elimination of the space shuttle program. Facilities at KSC have since been reconfigured for private space endeavors. Activity at KSC increased during FY2021, with satellites being launched, but also manned and unmanned flights. Rocket launches continued to increase throughout FY2021; and are expected to increase in frequency in FY2022. KSC has reclaimed its status as the most active rocket launch facility in the world.

The economic outlook for Brevard County is gradually improving since the unemployment rate rose from a low 2.7% in December 2019 to a double-digit rate of 12.8% in April 2020 due to COVID-19. The unemployment rate dropped to 3.3% as of October 2021 and has continued to drop over the subsequent months.

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

State shared revenues (sales tax and fuel tax) in general, have remained flat or declined since Fiscal Year 2008. However, we saw an overall increase in sales tax revenue in three of

the last five years. Increase in sales tax from FY2020 to FY 2021 was just over 13%.



Fuel tax revenues saw a drop in FY2020 but increased by just under 4% from FY2020 to FY2021. The return to the office of employees working remote during COVID, and people going back to travel/vacations, along with fuel prices continuing to rise has resulted in the increase in fuel taxes.

Following the very low interest rates in FY2020, the Federal Reserve decision to continue lifting rates and move gradually in raising rates further in coming years. Although not at the pre-COVID levels, we are seeing slowly increasing interest rates and corresponding interest revenue.

Taxable property values increased 4.4254% from Fiscal Year 2020 to Fiscal Year 2021. Property values are projected to continue to increase in Brevard County for 2022. Total ad valorem tax collections for Fiscal Year 2021 are \$11,737,095. Through a combination of rising property values and increased millage rates, the gap on the FY2020 revenue losses have narrowed. In addition, the City was awarded \$5,862,492 in American Recovery Plan Act (ARPA) funds. The first half, \$2,931,246 was received by the City on 09/23/2021.

The current session of the Legislature is considering changes in some tax measures. Florida is one of the lowest tax states¹ already, and previous recessionary times will make tax increases or revenue enhancements politically difficult. There are two half-cent sales taxes active at the county level:

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

Long-term Financial Planning

¹ Tax Foundation: [Background Paper](#), October 2013, No. 68.

With a stable population base, the City does not face the issue of adding significant infrastructure and related staffs to accommodate growth. Since the City is essentially fully developed, there is little potential for major additions to the tax roll. Such increases will come primarily from property redevelopment and re-evaluations. The stable (and slightly lower²) population base restricts growth in state shared revenue (allocated on a per capita basis).

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

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

Aging infrastructure has long been of a concern and is further brought to the forefront each summer as wind and rain associated with tropical storms and hurricanes continues to cause extensive damage to City Hall. These facilities date from the 1950s – 1960s and require extensive renovation and/or replacement. With a total budget of \$9.3M, the new Police Station facility construction project was completed in the fall of 2021. The order of magnitude (i.e., plus/minus thirty (\pm 30%) percent) estimate for the City Hall facility is \$4M. Although the main Fire Station was replaced five years ago, an additional \$4M is estimated as the replacement cost for the north area fire station. See Note 3 of the financial statements for debt schedules.

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

In FY2021 two SRF loans, #050610 and #050620 was refunded by a Wastewater Utility System Revenue Bond Series 2020. The present value of the economic gain of the refunded debt is \$1,379,460.

Fiduciary Funds - Pension Trust Funds and OPEB Trust Fund

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

The City provides other non-pension benefits, collectively referred to as other post-employment benefits (OPEB). A fiduciary trust fund is used to aid in accounting for these benefits. The City recognizes the total OPEB liability and related deferred outflows of

² Population in Fiscal Year 2007 = 12,785; Population in Fiscal Year 2019 = 11,292; per state shared revenue allocations.

resources, deferred inflows of resources, and OPEB expense in the financial statements based on the actuarial present value of projected benefit payments as required by generally accepted accounting principles. Specific details are addressed in Note 4 of the financial statements.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Cocoa Beach for its comprehensive annual financial report for the fiscal year ended September 30, 2020. This was the thirty-ninth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report (CAFR). This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

For the twenty-first year, the City also received the GFOA Distinguished Budget Presentation Award for the Fiscal Year 2021 annual budget. To receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communication medium. It is valid for a period of one year. We believe our current budget continues to conform to program requirements, and it has been submitted to GFOA to determine its eligibility for another award.

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

Acknowledgements

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

Other City Departments, although not extensively involved in year-end audit activities, contributed significantly by ensuring the accuracy and integrity of accounting information compiled throughout the year. Without their diligence, the work of the Finance Department would have been considerably more difficult. Special thank you to James McKnight, City Manager from 2016 to 2022, for all your support and dedication to Cocoa Beach. Appreciation must also be expressed to the City's auditors whose suggestions and attention to detail enhanced the quality of this report. In closing, special thanks are expressed to you, Mayor and Commission for your unyielding support and steadfast commitment to maintaining the financial integrity of the City. We can all share in the success we have experienced.

Respectfully submitted,



Robin R. Hayes
City Manager



Patrisha Draycott, CGFO
Chief Financial Officer



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**City of Cocoa Beach, Florida
City Officials
As of September 30, 2021**

MAYOR

Ben Malik

CITY COMMISSION

Ed Martinez
Karalyn Woulas
Skip Williams
Mike Miller

CITY MANAGER

James "Jim" McKnight

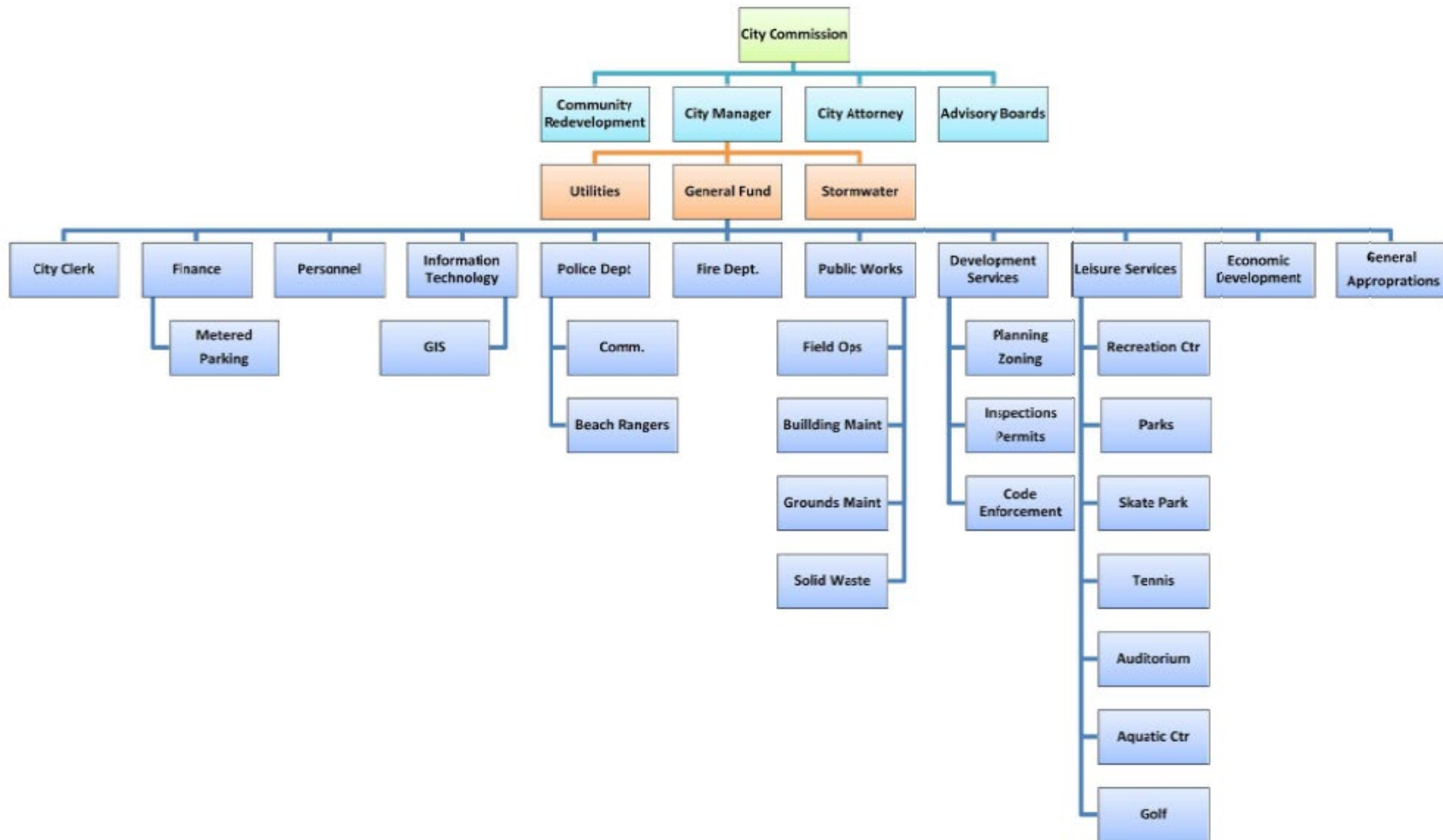
CITY ATTORNEY

Becky Vose

CITY CLERK/PUBLIC RELATIONS

Loredana Kalaghchy

City of Cocoa Beach, Florida
 Organization Chart
 As of September 30, 2021





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Cocoa Beach
Florida**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2020

Christopher P. Morill

Executive Director/CEO



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INDEPENDENT AUDITORS' REPORT

Honorable Mayor and City Commissioners
City of Cocoa Beach, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City Cocoa Beach, Florida (the "City"), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2 to the financial statements, net position and fund balances as of September 30, 2020 have been restated to adjust prior year-end balances related to capital assets and certain related expenses in the enterprise fund and business-type activities, accumulated depreciation of capital assets in the governmental funds. Revenue and due from other governments in the General fund and governmental activities. Revenue and accounts receivable in the Utility System fund. Liabilities of the General Fund, Governmental Activities, Utility System fund, Stormwater Management fund, and Business-type activities related to health insurance liabilities.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, budgetary schedule of the capital improvements project fund, combining pension fund financial statements, and the statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The budgetary of the capital improvements project fund, and combining pension fund financial statements are the responsibility of management and were derived from, and relate directly to, the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards

generally accepted in the United States of America. In our opinion, the budgetary schedule of the capital improvements project fund, and the combining pension fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2022 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

Melbourne, Florida
June 28, 2022



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City Cocoa Beach, Florida Management's Discussion and Analysis

Management's Discussion and Analysis

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

Financial Highlights

- The assets and deferred outflows of resources of the City of Cocoa Beach exceeded its liabilities and deferred inflows of resources as of September 30, 2021, by \$82,739,378 (net position). Of this amount, \$15,953,243 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors. Governmental and business-type assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$41,278,769 and \$41,460,609, respectively.
- The City's total net position was increased by \$10,132,364 or 15%, in comparison to the prior year. The City's unrestricted net position, which may be used to meet the City's ongoing obligations to its citizens and creditors, increased by 5,655,769, a 55% increase from the prior year.
- At September 30, 2021, the City of Cocoa Beach's governmental fund balance sheet reported a combined ending fund balance of \$15,713,634, a decrease of \$3,305,452, including a prior period adjustment of \$783,334 from the Fiscal Year 2020 ending fund balance of \$19,019,086. Of this amount, \$10,641,585 remains in the General Fund of the City as unassigned fund balance.
- The General Fund reported a total fund balance of \$13,321,952 at year end, an increase from last fiscal year of \$2,772,086, including a prior period adjustment of \$783,334. The ending fund balance, as restated, in Fiscal Year 2020 was \$11,333,200. The increase is due to an overall effort to hold expenditures below budgeted amounts where possible to offset decreases in revenues primarily related to the Coronavirus global pandemic (COVID-19).
- Total external debt decreased by \$705,607 (-1.68%) in Fiscal Year 2021. This decrease is due to debt payments of \$2,485,747, draws on state revolving loan debts of \$459,010, a new capital lease for the purchase of a firetruck for \$1,200,000, the net impact of refunded debt of \$121,130, and amortization of bond premiums of \$28,595. See Note 3 to the financial statements for comprehensive debt schedules.

City Cocoa Beach, Florida Management's Discussion and Analysis

Major Initiatives

- Construction of the new Police Station facility was completed in November of 2021. On that note, the police staff transferred over in December of 2021. The project will be fully complete in FY 2022. With a total budget of 9.3M, design and pre-construction for the new 25,000 square foot, 3-story Police Station facility and public safety communication tower was at the forefront in FY 2020. Construction of the facility began in fall of 2020 (FY 2021). Preliminary planning is underway for the replacement of city hall in FY 2022.



- Indian River Lagoon dredging projects are 100% grant funded and continue to be a priority to meet the challenge to improve water quality in the lagoon. The City has two such projects underway:
 - a. The City has an interlocal agreement with Brevard County/Florida Department of Environmental Protection (FDEP) for residential dredging services. Additionally, grants for the dredging project have been awarded by St. Johns River Water Management District (SJRWMD) and the Save Our Indian River Lagoon Project (SOIRLP) (half cent sales tax revenues). The final phase of the citywide residential dredging project was active throughout FY 2021 and is still underway. A total of thirty-six canals will have been dredged when the final phase is done. Completion is expected by the end of March in FY 2022.¹

Grant(s) summary for Muck Dredging Residential Canals:

Saint Johns Water Mgmt. District (SJRWMD)	\$1,500,000
Contingency Allowance (FDEP/Brevard County)	\$ 600,000
Save Our Indian River Lagoon Plan (SOIRLP)	\$6,000,000
Total Grant Funding	\$8,100,000

¹ Phase I, completed in March 2017, consisted of dredging six City canals north of State Road 520. Phase II consisted of dredging five canals in the center portion of the City and was completed in July of 2017. Phase III completed December 2019 included thirteen canals. The final phase (IIb) includes another twelve canals and should be complete in March of FY 2022. A total of 36 canals were dredged.

City Cocoa Beach, Florida Management's Discussion and Analysis

- b. Brevard County is partnering with the City via the SOIRLP to perform the Cocoa Beach Golf Dredging/Capping Project. The SOIRLP has identified the waters around the Cocoa Beach Golf Course as a location of high concentrations of muck. The Project includes approximately 140 acres and 975,000 cubic yards of muck deposits adjacent to the Cocoa Beach Golf Course and Cocoa Beach High School. As part of this project an evaluation of capping as an alternative to muck dredging will be conducted. It was decided by Commission that capping is to be a more cost-effective alternative and that this approach will be undertaken in lieu of muck dredging. The SOIRLP will provide 100% of the project funds. The City will perform all Project Management. The five-year project started in summer of FY 2020. Total Project Cost and grant funding is estimated at \$24,363,100.
- The Water Reclamation Department completed a comprehensive project to improve the sewer treatment plant with major capital upgrades. These upgrades and improvements address items directly related to National Pollutant Discharge Elimination System (NPDES) permitting requirements outlined in the Wastewater Facility Plan. The City secured a Clean Water State Revolving Fund (SRF) Loan for the project (see Note H5 for details).

FINANCIAL STATEMENTS

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

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances in a manner like a private-sector business. The statement of net position presents information on all the City's assets, deferred outflows of resources, liabilities, deferred inflows of resources with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges to external users (business-type activities). The governmental activities of the City include general government, planning and zoning, public safety, transportation, sanitation, street and park maintenance, public improvements, and recreation. The business-type activities of the City include wastewater treatment/reuse and stormwater management.

City Cocoa Beach, Florida Management's Discussion and Analysis

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

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Cocoa Beach, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the City of Cocoa Beach can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

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

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

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

Proprietary Funds

This category of funds includes both enterprise and internal service funds. However, the City does not use internal service funds. The City does maintain two funds which are considered enterprise funds. The City uses enterprise funds to account for the waste collection/disposal/reuse water system, and stormwater management system. Proprietary funds provide the same type of information as the government-wide financial statements. The proprietary fund financial statements provide separate information for the Utilities System Fund, and Stormwater Management Fund, each of which are considered to be major funds of the City.

City Cocoa Beach, Florida Management's Discussion and Analysis

Fiduciary Funds

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

Notes to the Financial Statements

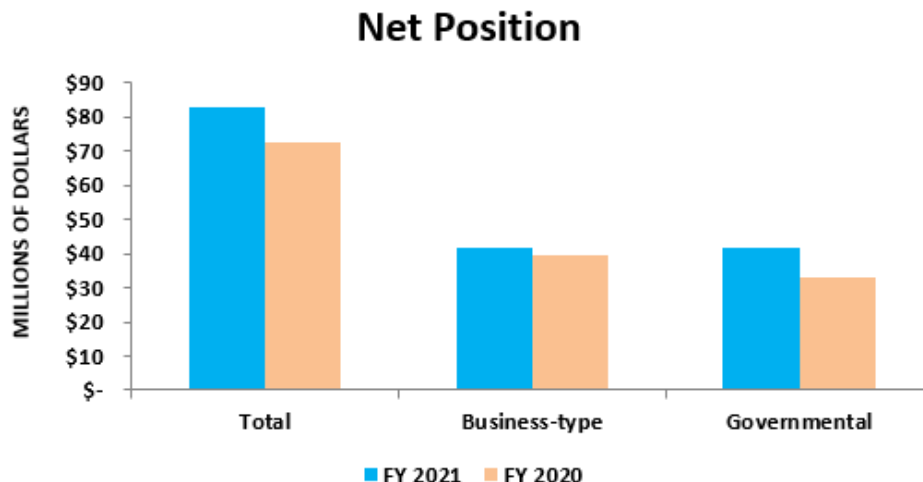
The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Government-wide Financial Analysis

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

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. For the City of Cocoa Beach, the net position was \$82,739,378 at the close of the most recent fiscal year. This is a \$10,363,777 increase in net position over the \$72,375,601 reported in Fiscal Year 2020.

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



As stated above, the City's net position totaled \$82,736,378 at the end of Fiscal Year 2021. The largest portion of the City's net position reflects the investment in capital assets (e.g. land, buildings, machinery, and equipment). Although the City's investment in its capital assets (\$61,950,649) 75% of total net position) is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

City Cocoa Beach, Florida Management's Discussion and Analysis

Schedule of Net Position

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 24,164,490	\$ 21,386,256	\$ 15,455,237	\$ 12,242,628	\$ 39,619,727	\$ 33,628,884
Capital assets	51,163,272	42,053,943	53,149,081	54,075,394	104,312,353	96,129,337
Total assets	<u>75,327,762</u>	<u>63,440,199</u>	<u>68,604,318</u>	<u>66,318,022</u>	<u>143,932,080</u>	<u>129,758,221</u>
Deferred outflows of pension expenses	1,992,661	731,329	364,243	124,581	2,356,904	855,910
Deferred outflows of OPEB expenses	881,356	1,045,745	92,137	145,309	973,493	1,191,054
Total deferred outflows of resources	<u>2,874,017</u>	<u>1,777,074</u>	<u>456,380</u>	<u>269,890</u>	<u>3,330,397</u>	<u>2,046,964</u>
Long-term liabilities outstanding	20,488,351	25,000,931	22,729,486	24,697,663	43,217,837	49,698,594
Other liabilities	7,205,234	4,008,026	2,621,387	2,165,662	9,826,621	6,173,688
Total liabilities	<u>27,693,585</u>	<u>29,008,957</u>	<u>25,350,873</u>	<u>26,863,325</u>	<u>53,044,458</u>	<u>55,872,282</u>
Deferred inflows of pension earnings	6,806,804	2,271,060	1,667,422	235,914	8,474,226	2,506,974
Deferred inflows of OPEB earnings	2,324,729	922,188	581,794	128,140	2,906,523	1,050,328
Deferred revenue-business tax receipts	97,892	-	-	-	97,892	-
Total deferred inflows of resources	<u>9,229,425</u>	<u>3,193,248</u>	<u>2,249,216</u>	<u>364,054</u>	<u>11,478,641</u>	<u>3,557,302</u>
Net investment in capital assets	33,431,778	33,219,144	28,518,871	28,662,592	61,950,649	61,881,736
Restricted	2,825,714	196,391	2,009,772	-	4,835,486	196,391
Unrestricted	5,021,277	(400,467)	10,931,966	10,697,941	15,953,243	10,297,474
Total net position	<u>\$ 41,278,769</u>	<u>\$ 33,015,068</u>	<u>\$ 41,460,609</u>	<u>\$ 39,360,533</u>	<u>\$ 82,739,378</u>	<u>\$ 72,375,601</u>

A portion of the City of Cocoa Beach's net position, \$4,835,486 (less than 6% of total net position) represents resources that are subject to external restrictions on how they may be used. The balance of unrestricted net position, \$15,953,243 (19.2% of total net position) may be used to meet the government's ongoing obligations to citizens and creditors within the respective governmental and business-type activities. At the end of the current fiscal year, the City of Cocoa Beach is able to report positive balances in all three categories of net position as a whole.

The change in net position balance from fiscal year 2020 to fiscal year 2021 is \$10,132,364 as shown in the Schedule of Changes in Net Position on the next page. This change includes increased tax revenue partially because of an increase in property values. While some revenues had comparatively significant decreases over the prior fiscal year, others showed modest increases, while the expenditures decreased or remained relatively flat.

City Cocoa Beach, Florida Management's Discussion and Analysis

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

Schedule of Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Programs revenues:						
Charges for services	\$ 10,165,088	\$ 8,499,455	\$ 8,798,040	\$ 8,485,392	\$ 18,963,128	\$ 16,984,847
Operating grants and contributions	3,249,064	772,574	158,560	-	3,407,624	772,574
Capital grants and contributions	-	3,732,094	473,030	\$ 2,813,348	473,030	6,545,442
General revenues:						
Property taxes	12,681,566	12,110,760	-	-	12,681,566	12,110,760
Other taxes	3,567,669	3,522,128	-	-	3,567,669	3,522,128
Intergovernmental	1,845,660	786,077	19,631	-	1,865,291	786,077
Investment earnings	21,323	263,740	125,368	206,327	146,691	470,067
Other	131,369	135,914	900	-	132,269	135,914
Total revenues	31,661,739	29,822,742	9,575,529	11,505,067	41,237,268	41,327,809
Expenses:						
General government	4,985,659	5,110,091	-	-	4,985,659	5,110,091
Economic environment	242,761	-	-	-	-	-
Public safety	8,272,119	8,920,204	-	-	8,272,119	8,920,204
Physical environment	3,119,546	1,758,727	-	-	3,119,546	1,758,727
Transportation/public works	3,343,321	4,488,918	-	-	3,343,321	4,488,918
Recreation	3,449,028	3,305,469	-	-	3,449,028	3,305,469
Interest on long-term debt	453,724	511,713	-	-	453,724	511,713
Utilities System	-	-	6,517,273	7,162,431	6,517,273	7,162,431
Stormwater Management	-	-	721,473	618,028	721,473	618,028
	23,866,158	24,095,122	7,238,746	7,780,459	30,862,143	31,875,581
Increase (decrease) in net position before transfers	7,795,581	5,727,620	2,336,783	3,724,608	10,132,364	9,452,228
Transfers	821,400	821,400	(821,400)	(821,400)	-	-
Change in net position	8,616,981	6,549,020	1,515,383	2,903,208	10,132,364	9,452,228
Net position, beginning	33,015,068	26,466,048	39,360,533	36,457,325	72,375,601	62,923,373
Restatement - Note 2	(353,280)	-	584,693	-	231,413	-
Net position, beginning, restated	32,661,788	26,466,048	39,945,226	36,457,325	72,607,014	62,923,373
Net position, ending	\$ 41,278,769	\$ 33,015,068	\$ 43,560,685	\$ 39,360,533	\$ 82,739,378	\$ 72,375,601

City Cocoa Beach, Florida Management's Discussion and Analysis

FINANCIAL ANALYSIS OF COCOA BEACH'S FUNDS

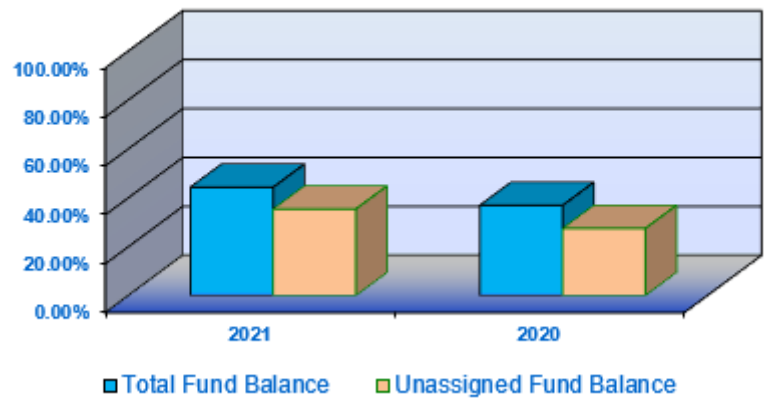
As noted earlier, the City of Cocoa Beach uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The City uses three governmental fund types (General, Special Revenue, & Capital Projects). The purpose of governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of September 30, 2021, the City of Cocoa Beach's governmental funds reported a combined fund balance of \$15,713,634. This is a decrease of \$3,305,452 from the prior year balance of \$19,019,086.

The General Fund is the chief operating fund of the City. As of September 30, 2021, total fund balance in the General Fund was \$13,321,952 of which \$10,641,585 was unassigned. As a measure of liquidity, a comparison of total and unassigned fund balances to total expenditures for Fiscal Year 2021 (\$30,102,280) and Fiscal Year 2020 (\$28,629,469) shows percentages of 35% and 27%, respectively for unassigned fund balance. As previously mentioned in the discussion of changes in net position, the change in fund balance is also attributed to an overall increase in, tax revenues and grant reimbursements, while also holding expenditures at or below budgeted amounts.

**General Fund
Fund Balance as Percent of Expenditures**



	2021	2020
Total Fund Balance	44%	37%
Unassigned Fund Balance	35%	27%

A budget to actual statement is provided for the General Fund. A budget column for both the original budget adopted for Fiscal Year 2021 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 \$2,926,628. A portion of the difference is attributed to the carrying over of budgeted funds to the Fiscal Year 2021 budget in the amount of \$1,161,632 for capital projects that were not completed by the end of the fiscal year. Furthermore, operating expenditure actuals were overall held below budgeted amounts to mitigate revenue shortfalls related to COVID-19.

City Cocoa Beach, Florida Management's Discussion and Analysis

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

Community Redevelopment Agency (CRA) Fund

The CRA is a major governmental fund used to account for monies from the incremental increase in property tax revenue collected within the designated redevelopment area. Consistent with State law, revenues are utilized and expended in accordance with the Community Redevelopment Plan. Fund balance at the end of Fiscal Year 2021 was \$803,558. Fund balance at the end of Fiscal Year 2020 was \$255,359. The \$548,199 net change is reflective of revenues exceeding expenditures. In 2019, an advance was made from the Utilities Fund to the CRA in the amount of \$250,000 to ensure that adequate funding was available to complete the downtown parking garage. The advance will be paid back in full by the end of FY 2022.

Although the City's electorate approved the formation of a CRA in 2008, the Community Redevelopment Plan was not delivered to the taxing authorities until April 2012 and tax incremental financing (TIF) was not available prior to Fiscal Year 2014. Accordingly, loans from the General Fund totaling \$261,230 were made to provide funds for the development of the CRA plan. In 2015, repayment of the advance began and continued through FY 2021.

The TIF has continued to increase in subsequent years as taxable values have risen. The increase from 2020 to 2021 is \$110,441 or 17%.

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

	2021	2020	Increase (Decrease)
Taxable value	\$ 203,686,580	\$ 190,527,340	\$ 13,159,240
Less: Base year value	(119,086,930)	(119,086,930)	-
Net taxable value	\$ 84,599,650	\$ 71,440,410	\$ 13,159,240
County tax rate per \$1,000 of value	3.6900	3.8200	(0.1300)
City tax rate per \$1,000 of value	5.8294	5.8294	0.0000
Tax increment payments:			
County	\$ 296,797	\$ 259,230	\$ 37,567
City	468,507	395,632	72,875
Total tax increment payments	\$ 765,304	\$ 654,862	\$ 110,441

Confiscated Property Fund

The entire fund balance of the Confiscated Property Fund is considered restricted fund balance because it can only be used for certain enumerated law enforcement expenditures as defined by state statute. The fund balance is \$210,124 for Fiscal Year 2021.

City Cocoa Beach, Florida Management's Discussion and Analysis

Capital Improvements Project Fund

Major governmental facilities construction and improvements transactions are recorded in this fund. The fund was re-established in FY 2019 to account for Special Obligation Revenue Note 2019 proceeds of \$9,751,000 to be used for the design and construction costs of the new police station and infrastructure improvements to facilities and equipment throughout the city. The infrastructure and equipment improvements were completed in FY 2020 and the police station construction is on-going with completion scheduled for the first quarter of FY 2022.

Proprietary Funds. The City currently uses one of the two types of proprietary funds (Enterprise & Internal Service) and provides the same type of information found in the government-wide financial statements, but in more detail. The City does not use internal service funds.

Enterprise Funds

At September 30, 2021, total net position amounted to \$41,460,609 for enterprise funds as compared to \$39,360,533 at September 30, 2020. Net position changes are a result of operations, capital grants, capital contributions and transfers in the Utilities System and Stormwater Management Funds.

The net operating income for all of the enterprise funds for fiscal years 2021 and 2020 is as follows:

Enterprise Funds Net Operating Income		
	FY 2021	FY 2020
Utilities system	\$ 2,005,525	\$ 996,107
Stormwater management	180,023	281,152
Total	\$ 2,185,548	\$ 1,277,259

The operating income in the Utilities System was \$1,009,418 greater than in Fiscal Year 2020 primarily due to decreased operating costs associated with services, materials, and supplies.

The Stormwater Management operating income decrease of \$101,129 from Fiscal Year 2020 is primarily a result of an increase in contractual services, materials, and supplies. Generally, some year over year operating expenditures remained consistent due to the concentration on the Total Maximum Daily Load (TMDL) capital project.

CAPITAL ASSET ADMINISTRATION

Capital Assets. The City of Cocoa Beach's investment in capital assets as of September 30, 2021 is \$104,312,353 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, equipment, infrastructure, and work in progress. Governmental activities net investment in capital assets increased by \$10,521,467, net of restatement, and business-type activities decreased by \$1,388,246, net of restatement. The primary reasons for the changes in the Governmental Activities Schedule are the work in progress on the new police station and dredging project. The primary reason for the change in the Business-type Activities Schedule is the depreciation of aging infrastructure, buildings, improvements, and equipment. Major changes in capital assets during the current fiscal year included the following:

City Cocoa Beach, Florida Management's Discussion and Analysis

Schedule of Capital Assets (Net)

	Governmental Activities		Business-type Activities		Total	
	2021	2020 *	2021	2020 *	2021	2020 *
Land	\$ 7,950,653	\$ 7,950,653	\$ 1,691,599	\$ 1,691,599	\$ 9,642,252	\$ 9,642,252
Buildings	11,595,057	11,968,824	1,789,917	1,862,601	13,384,974	13,831,425
Improvements	8,015,111	8,748,085	16,245,971	18,106,903	24,261,082	26,854,988
Equipment	2,907,018	3,223,288	1,160,423	839,768	4,067,441	4,063,056
Infrastructure	576,335	593,774	28,615,220	29,292,938	29,191,555	29,886,712
Construction in progress	20,119,098	8,157,181	3,645,951	2,743,519	23,765,049	10,900,700
Total	\$ 51,163,272	\$ 40,641,805	\$ 53,149,081	\$ 54,537,328	\$ 104,312,353	\$ 95,179,133

* as restated

Major changes in governmental activities included the new police station project, the residential dredging project, fleet vehicle replacements, paving projects, Information Technology (IT) upgrades and equipment, and country club improvements. For the business-type activities, the Tulip Well Repair/Rehabilitation project is in the improvements category. Additionally, for the business-type activities, the major acquisitions are the replacements of reclaimed water piping along Cedar Ave and the forcemain at sewer lift station #7 are in the work in progress category. These acquisitions were offset by disposals and depreciation of aging infrastructure, buildings, improvements, and equipment.

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

DEBT ADMINISTRATION

Long-Term Debt

At the end of the current fiscal year, the City of Cocoa Beach had total long-term debt in the amount of \$41,530,870.

The City is participating in the State of Florida Revolving (SRF) Loan Program with twenty (20) year loans for utilities facility upgrades and sewer systems rehabilitation and stormwater improvements. The outstanding balance of the SRF loans is \$5,624,066; this includes the draws received in the amount of \$459,010 for SRF loan #050630. In Fiscal Year 2014, the 2004 SRF loan was refunded by a bank loan generating a savings of about \$20,000 per year for ten (10) years. The outstanding balance is \$635,000. A second bank loan was issued in Fiscal Year 2014 for the construction of the new fire station and has an outstanding balance of \$2,770,000. A lease/purchase agreement for new golf carts was initiated in FY 2018. The outstanding balance is \$38,965. In Fiscal Year 2016 the City entered into a Master Equipment Lease Agreement in the amount of \$878,703 for various equipment units and was fully repaid during Fiscal Year 2021. 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 and the current outstanding balance is \$3,555,000. In Fiscal Year 2019 debt was issued with Special Obligation Revenue Note, Series 2019 for the construction of a new police station and municipal facilities improvements in the amount of \$9,751,000. The previous year outstanding amount was 9,584,000. The current year outstanding balance is \$9,160,000. During Fiscal Year 2021, the City issued the Wastewater Utility System Revenue Bond, Series

City Cocoa Beach, Florida Management's Discussion and Analysis

2020 to refund SRF loans totaling \$18,829,207, the City anticipated interest savings on the refunding to be \$1,379,460. See Note 3 to the financial statements for additional information.

Schedule of Outstanding Debt:

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
SRF #2 & SRF#3 Refinance Revenue Bond Series 2020	\$ -	\$ -	\$ 18,233,000	\$ -	\$ 18,233,000	\$ -
State Revolving Loan (#4)	-	-	990,821	1,049,158	990,821	1,049,158
State Revolving Loan (#5)	-	-	4,633,246	4,647,775	4,633,246	4,647,775
Revenue Note (Series 2014A)	2,770,000	2,940,000	-	-	2,770,000	2,940,000
Revenue Note (Series 2014B)	-	-	635,000	945,000	635,000	945,000
CRA Improvement Revenue Bonds, Series 2017B	3,555,000	3,795,000	-	-	3,555,000	3,795,000
Special Obligation Revenue Note, Series 2019	9,160,000	9,584,000	-	-	9,160,000	9,584,000
Capital Lease(s)	1,238,965	189,244	-	-	1,238,965	189,244
Total	\$ 16,723,965	\$ 16,508,244	\$ 24,492,067	\$ 6,641,933	\$ 41,216,032	\$ 23,150,177

Total external debt decreased by (2%) in Fiscal Year 2021. The decrease is attributed to ongoing regular debt payments of \$2,485,747, draws on state revolving loan debts of \$459,010, a new capital lease for the purchase of a firetruck for \$1,200,000, the net impact of refunded debt of \$121,130, and amortization of bond premiums of \$28,595.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City's elected and appointed officials considered many factors when setting the fiscal year 2021 budget, tax rates, and fees to be charged for the business-type activities. In the past few years, the City has obligated significant dollars on new facilities, street resurfacing and infrastructure upgrades. The City has also managed to accumulate an acceptable level of unassigned reserves. Resolution 2020 - 23 amends formalized reserve policies to be in line with GASB 54 definitions and criteria for classifying fund balances. Bordering the ocean, the City wishes to hold reserve balances sufficient for those immediate expenditures associated with hurricanes, as well as expenditures required to maintain normal operations. Although a substantial portion of hurricane expenditures are typically reimbursed, this practice is considered necessary to avoid disruptions in operations.

As FY 2021 progressed, the slow recovery from COVID-19 economic impacts began to gradually improve. Cruise lines reopened July of 2021 with new regulations regarding vaccinations for guests. Additionally, certain establishments lifted mask policy's depending on customer vaccination status. For Service-related revenues, i.e., parking, and leisure services have increased now that travel restrictions have been lifted and we welcome tourists back into our area. The vaccine distribution programs have had tremendous success as they continue to normalize travel in areas and in-person services.

City Cocoa Beach, Florida Management's Discussion and Analysis

The City is effectively built-out, however, several redevelopment projects for new construction are progressing and could produce annual increases in property tax receipts in future years. Redevelopment projects such as a new municipal complex are being evaluated as new designs and engineering are discussed. It is important to the City's future that property tax revenues be maintained or increased from year-to-year because it is the largest component of the General Fund's annual revenues. An increase in property taxes is considered in the 2021 budget to be applied to road repairs and other capital costs/projects. Other revenues are not likely to increase significantly and since some of those sources (e. g. state shared revenues, grants) are beyond the City's control, property taxes are the most promising source of future funding. Developing new revenue sources and increasing existing ones are of increasing importance.

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

The five-year CIP always presumes that operations and capital replacements are expected to be sufficiently funded without having to increase the ad valorem tax rate. We will have a real opportunity to test this presumption in the coming years.

The City's golf course continues to be challenged to sustain its operations and cover necessary equipment replacements. The high salt content in the area is extremely damaging to the equipment used for maintenance and funding the maintenance expense and replacement costs is an ongoing burden. The City has constructed a garage for equipment storage to aid in mitigating the salt issue and selectively purchases used equipment to lower capital costs. The course has been re-greened with a salt-resistant grass and play is gradually recovering as the economy improves.

The City is effectively built-out, however, several redevelopment projects for new construction are progressing and could produce annual increases in property tax receipts in future years. Redevelopment projects such as a new municipal complex are being evaluated as new designs and engineering are discussed. It is important to the City's future that property tax revenues be maintained or increased from year-to-year because it is the largest component of the General Fund's annual revenues. An increase in property taxes is considered in the 2021 budget to be applied to road repairs and other capital costs/projects. Other revenues are not likely to increase significantly and since some of those sources (e. g. state shared revenues, grants) are beyond the City's control, property taxes are the most promising source of future funding. Developing new revenue sources and increasing existing ones are of increasing importance.

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

The five-year CIP always presumes that operations and capital replacements are expected to be sufficiently funded without having to increase the ad valorem tax rate. We will have a real opportunity to test this presumption in the coming years.

City Cocoa Beach, Florida Management's Discussion and Analysis

The City's golf course continues to be challenged to sustain its operations and cover necessary equipment replacements. The high salt content in the area is extremely damaging to the equipment used for maintenance and funding the maintenance expense and replacement costs is an ongoing burden. The City has constructed a garage for equipment storage to aid in mitigating the salt issue and selectively purchases used equipment to lower capital costs. The course has been re-greened with a salt-resistant grass and play is gradually recovering as the economy improves.

Economic Factors and Next Year's Budgets and Rates (CONTINUED)

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

The Golf Course Fund was incorporated into the General Fund with the adoption of Resolution 2013 – 21, beginning in Fiscal Year 2014. Golf course activity is presented in the category of Recreation in the General Fund. Play has generally increased as a result of the COVID-19 pandemic. A comprehensive study by the National Golf Foundation proposed a series of rate increases and restructuring (i.e. sun setting) of annual memberships to encourage revenue generation. The study was adopted by Resolution 2015 – 33 in November 2015 new rates were subsequently adopted. The current rates are set by Resolution 2018 – 05.

The Utilities System enterprise fund is in a similar situation. Environmental standards for discharges into the Indian River Lagoon have become stricter. We commissioned an updated comprehensive study in Fiscal Year 2018 to address specific capital replacements and upgrades required to meet the new discharge requirements schedule. We adopted Resolution 2018-21 which enacted a rate schedule that adjusts each year through FY 2022 to fund the necessary debt service for capital items, as well as cover increased costs of operations and the new regulatory requirements. Utility rates increased by 5% in FY 2021.

Forecasts for the Stormwater Management enterprise fund show that large capital improvement projects will have to be funded using grants or loans. Revenues are not sufficient to fund both operations and capital projects of any size. In addition to the budgetary challenges facing the Stormwater Fund, federal Clean Water Act legislation concerning the TMDL and National Pollutant Discharge Elimination System programs are unfunded mandates upon local government and require extensive staff resource time and effort.

The City's current residential dredging program and schedule was developed through an interlocal agreement with Brevard County, Save Our Indian River Lagoon Program (SOIRLP) and Saint Johns River Water Management District (SJRWMD) as a part of the funding made available to clean the Indian River Lagoon. Dredging for thirty-six residential canals under this agreement continues into FY 2022. Additionally, the five-year Golf Muck Dredging/Capping Project funded by the SOIRLP was added as an Indian River Lagoon clean-up initiative in FY 2020.

All these factors were considered in preparing the City's budget for Fiscal Year 2021. The Fiscal Year 2021 millage rate is 5.9544, the rollback rate is 5.5431. The rollback rate produces the same ad valorem tax revenue as the previous year and therefore is not a tax increase. See the economic outlook section of the letter of transmittal for additional details regarding economic conditions.

City Cocoa Beach, Florida Management's Discussion and Analysis

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Cocoa Beach's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Patrisha Draycott, CGFO, Chief Financial Officer, 2 South Orlando Avenue, Cocoa Beach, Florida, 32931 or pdraycott@cityofcocoa-beach.com. The financial statements are included in the City's Annual Comprehensive Financial Report (ACFR) posted on the City's web site at www.cityofcocoa-beach.com.





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CITY OF COCOA BEACH, FLORIDA
Basic Financial Statements

City of Cocoa Beach, Florida
Statement of Net Position

<i>September 30, 2021</i>	Primary Government		Total
	Governmental Activities	Business-type Activities	
ASSETS			
Cash and cash equivalents	\$ 9,981,320	\$ 302,530	\$ 10,283,850
Investments	7,630,970	9,874,141	17,505,111
Accounts receivable, net of allowance for uncollectible accounts	941,282	1,372,977	2,314,259
Due from other governments	1,907,380	3,200	1,910,580
Internal balances	(85,423)	85,423	-
Inventory	80,256	-	80,256
Prepays	4,447	-	4,447
Restricted assets:			
Cash and cash equivalents	550,829	65,588	616,417
Investments	-	1,944,184	1,944,184
Net pension asset	3,153,429	1,807,194	4,960,623
Capital assets not being depreciated:			
Land	7,950,653	1,691,599	9,642,252
Construction-in-progress	20,119,098	3,645,951	23,765,049
Capital assets net of accumulated depreciation			
Buildings	11,595,057	1,789,917	13,384,974
Infrastructure	576,335	28,615,220	29,191,555
Improvements other than buildings	8,015,111	16,245,971	24,261,082
Equipment	2,907,018	1,160,423	4,067,441
Total assets	75,327,762	68,604,318	143,932,080
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	1,992,661	364,243	2,356,904
Deferred outflows related to OPEB	881,356	92,137	973,493
Total deferred outflows of resources	2,874,017	456,380	3,330,397

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

<i>September 30, 2021</i>	Primary Government		Total
	Governmental Activities	Business-type Activities	
LIABILITIES			
Accounts and contracts payable	1,553,022	382,916	1,935,938
Due to other governments	15,607	-	15,607
Accrued liabilities	1,009,761	77,358	1,087,119
Accrued interest payable	164,354	114,602	278,956
Deposits	86,069	-	86,069
Unearned revenue	2,651,301	-	2,651,301
Non-current liabilities:			
Due within one year			
Bonds, notes, and capital leases	897,965	1,925,511	2,823,476
Compensated absences	827,155	121,000	948,155
Due in more than one year			
Bonds, notes, and capital leases	16,140,839	22,566,555	38,707,394
Compensated absences	296,446	26,836	323,282
Net pension liability	748,380	-	748,380
Net OPEB liability	3,302,686	136,095	3,438,781
Total liabilities	27,693,585	25,350,873	53,044,458
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	6,806,804	1,667,422	8,474,226
Deferred inflows related to OPEB	2,324,729	581,794	2,906,523
Deferred revenue - business-tax receipts	97,892	-	97,892
Total deferred inflows of resources	9,229,425	2,249,216	11,478,641
NET POSITION			
Net investment in capital assets	33,431,778	28,518,871	61,950,649
Restricted for:			
Law enforcement	210,124	-	210,124
Community redevelopment	803,558	-	803,558
Building code enforcement	213,604	-	213,604
Debt Service	220,428	2,009,772	2,230,200
Capital projects	1,378,000	-	1,378,000
Unrestricted	5,021,277	10,931,966	15,953,243
Total net position	\$ 41,278,769	\$ 41,460,609	\$ 82,739,378

City of Cocoa Beach, Florida
Statement of Activities

For the year ended September 30, 2021

Functions/Programs	Expenses	Program Revenues		
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental activities:				
General government	\$ 4,985,659	\$ 3,575,438	\$ -	\$ -
Economic environment	242,761	-	-	-
Public safety	8,272,119	1,380,193	16,926	-
Physical environment	3,119,546	1,997,134	3,232,138	-
Transportation/public works	3,343,321	178,697	-	-
Recreation	3,449,028	3,033,626	-	-
Interest on long-term debt	453,724	-	-	-
Total governmental activities	23,866,158	10,165,088	3,249,064	-
Business-type activities				
Utility system	6,517,273	7,907,539	158,560	370,323
Stormwater	721,473	890,501	-	102,707
Total business-type activities	7,238,746	8,798,040	158,560	473,030
Total primary government	31,104,904	18,963,128	3,407,624	473,030

General revenues and transfers:

Taxes:

Property taxes

Local option gas tax

Franchise taxes

Utility service tax

Unrestricted intergovernmental

Unrestricted investment earnings

Miscellaneous revenues

Gain on sale of capital assets

Transfers, net

Total general revenues and transfers

Change in net position

Net position, beginning of year, as previously reported

Prior period adjustment (See Note 2)

Net position, beginning of year, as adjusted

Net position, end of year

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

**Net (Expense) Revenue
and Changes in Net Position**

Governmental Activities	Business-type Activities	Total
\$ (1,410,221)	\$ -	\$ (1,410,221)
(242,761)	-	(242,761)
(6,875,000)	-	(6,875,000)
2,109,726	-	2,109,726
(3,164,624)	-	(3,164,624)
(415,402)	-	(415,402)
(453,724)	-	(453,724)
<u>(10,452,006)</u>	<u>-</u>	<u>(10,452,006)</u>
-	1,919,149	1,919,149
-	271,735	271,735
-	2,190,884	2,190,884
<u>(10,452,006)</u>	<u>2,190,884</u>	<u>(8,261,122)</u>
12,681,566	-	12,681,566
343,779	-	343,779
1,305,915	-	1,305,915
1,917,975	-	1,917,975
1,845,660	-	1,845,660
21,323	19,631	40,954
108,799	125,368	234,167
22,570	900	23,470
821,400	(821,400)	-
<u>19,068,987</u>	<u>(675,501)</u>	<u>18,393,486</u>
8,616,981	1,515,383	10,132,364
33,015,068	39,360,533	72,375,601
(353,280)	584,693	231,413
<u>32,661,788</u>	<u>39,945,226</u>	<u>72,607,014</u>
<u>\$ 41,278,769</u>	<u>\$ 41,460,609</u>	<u>\$ 82,739,378</u>

City of Cocoa Beach, Florida
Balance Sheet – Governmental Funds

<i>September 30, 2021</i>	General Fund	Community Redevelopment Agency Fund	Capital Improvements Project Fund
ASSETS			
Cash and cash equivalents	\$ 8,888,384	\$ 531,314	\$ 351,498
Investments	6,253,465	34,310	1,343,195
Accounts receivable	936,404	4,878	-
Due from other governments	1,907,380	-	-
Inventory	80,256	-	-
Prepays	4,447	-	-
Restricted cash and cash equivalents	220,428	330,401	-
Total assets	\$ 18,290,764	\$ 900,903	\$ 1,694,693
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts and contracts payable	\$ 1,225,561	\$ 11,922	316,693
Accrued liabilities	978,451	-	-
Due to other funds	-	85,423	-
Due to other governments	15,607	-	-
Unearned revenue	2,651,301	-	-
Total liabilities	4,870,920	97,345	316,693
Deferred inflows of resources:			
Deferred revenues - business tax receipts	97,892	-	-
Total deferred inflows of resources	97,892	-	-
Fund balances:			
Nonspendable	84,703	-	-
Restricted for			
Law enforcement	-	-	-
Community redevelopment	-	803,558	-
Building code enforcement	213,604	-	-
Debt Service	220,428	-	-
Capital projects	-	-	1,378,000
Committed	2,161,632	-	-
Unassigned	10,641,585	-	-
Total fund balances	13,321,952	803,558	1,378,000
Total liabilities, deferred inflows of resources, and fund balances	\$ 18,290,764	\$ 900,903	\$ 1,694,693

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

Non major Governmental Fund	Total Governmental Funds
\$ 210,124	\$ 9,981,320
-	7,630,970
-	941,282
-	1,907,380
-	80,256
-	4,447
-	550,829
<u>\$ 210,124</u>	<u>\$ 21,096,484</u>

\$ -	\$ 1,554,176
-	978,451
-	85,423
-	15,607
-	2,651,301
<u>-</u>	<u>5,284,958</u>

-	97,892
<u>-</u>	<u>97,892</u>

-	84,703
210,124	210,124
-	803,558
-	213,604
-	220,428
-	1,378,000
-	2,161,632
-	10,641,585
<u>210,124</u>	<u>15,713,634</u>
<u>\$ 210,124</u>	<u>\$ 21,096,484</u>



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

September 30, 2021

Total fund balances - governmental funds		\$ 15,713,634
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Governmental capital assets	86,959,867	
Less accumulated depreciation and amortization	<u>(35,796,595)</u>	51,163,272
Deferred outflows of resources related to pension and other post employment benefits are not recognized in the governmental funds; however, they are recorded in the statement of net position under full accrual accounting.		
		2,874,017
Deferred inflows of resources related to pension and other post employment benefits are not recognized in the governmental funds; however, they are recorded in the statement of net position under full accrual accounting.		
		(9,131,533)
Long-term liabilities, including net OPEB liability, net pension liability and compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.		
Net pension asset	\$ 3,153,429	
Net pension liability	(748,380)	
Notes and leases payable	(17,038,804)	
Compensated absences	(1,026,446)	
Insurance liability	(213,380)	
Other postemployment benefits	<u>(3,302,686)</u>	(19,176,267)
Interest on long-term debt is not accrued in governmental funds but rather is recognized as an expenditure when due.		
		(164,354)
Net position of governmental activities		\$ 41,278,769

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

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

<i>For the year ended September 30, 2021</i>	General Fund	Community Redevelopment Agency Fund	Capital Improvements Project Fund
Revenues			
Taxes	\$ 15,483,931	\$ 765,304	\$ -
Licenses and permits	867,932	-	-
Intergovernmental revenues	5,094,724	-	-
Charges for services	8,884,639	322,042	-
Fines and forfeitures	73,583	-	-
Investment earnings	15,418	145	5,760
Miscellaneous revenues	99,520	9,279	-
Total revenues	30,519,747	1,096,770	5,760
Expenditures			
Current:			
General government	4,948,603	-	-
Economic environment	-	117,270	-
Public safety	9,819,754	-	-
Physical environment	1,708,847	-	-
Transportation/public works	3,343,321	-	-
Recreation	3,102,319	-	-
Capital outlay	6,108,090	-	7,145,230
Debt service:			
Principal	744,870	240,000	-
Interest and other	326,476	163,986	-
Total expenditures	30,102,280	521,256	7,145,230
Excess (deficiency) of revenues over (under) expenditures	417,467	575,514	(7,139,470)
Other Financing Sources (Uses)			
Transfers in	868,715	-	500,000
Transfers out	(520,000)	(27,315)	-
Issuance of debt	1,200,000	-	-
Proceeds from sale of assets	22,570	-	-
Total other financing sources (uses)	1,571,285	(27,315)	500,000
Net change in fund balances	1,988,752	548,199	(6,639,470)
Fund balances, beginning of year, as previously reported	10,549,866	255,359	8,017,470
Prior period adjustments (see Note 2)	783,334	-	-
Fund balances, beginning of year, as restated	11,333,200	255,359	8,017,470
Fund balances, end of year	\$ 13,321,952	\$ 803,558	\$ 1,378,000

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

Non major Governmental Funds	Total Governmental Funds
\$ -	\$ 16,249,235
-	867,932
-	5,094,724
-	9,206,681
16,892	90,475
-	21,323
-	108,799
<u>16,892</u>	<u>31,639,169</u>
-	4,948,603
-	117,270
-	9,819,754
-	1,708,847
-	3,343,321
-	3,102,319
3,159	13,256,479
-	984,870
-	490,462
<u>3,159</u>	<u>37,771,925</u>
<u>13,733</u>	<u>(6,132,756)</u>
-	1,368,715
-	(547,315)
-	1,200,000
-	22,570
-	2,043,970
<u>13,733</u>	<u>(4,088,786)</u>
196,391	19,019,086
-	783,334
196,391	19,802,420
<u>\$ 210,124</u>	<u>\$ 15,713,634</u>



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City of Cocoa Beach, Florida

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances – Governmental Funds to the Statement of Net Position**

For the year ended September 30, 2021

Net change in fund balances - total governmental funds \$ (4,088,786)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceed depreciation in the current period.

Capital outlay	\$ 13,136,051	
Depreciation expense	<u>(2,614,584)</u>	10,521,467

Issuance of long-term debt is an other financing source in the governmental funds, but increases long-term liabilities in the statement of net position. (1,200,000)

Repayment of note principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 984,870

Compensated absences are reported in the statement of activities when earned. As they do not require the use of current financial resources, they are not reported as expenditures on governmental funds until they have matured. This is the amount of compensated absences reported in the statement of activities in the prior year that has matured in the current year. 90,514

Cash OPEB contributions reported in the funds were greater than the calculated OPEB expense on the statement of activities and therefore increase net position. 182,770

Cash pensions contributions reported in the funds were greater than the calculated pension expense on the statement of activities and therefore increase net position. 2,080,817

Some expenses reported in the statement of activities do not require the use of current financial resources, and therefor, are not reported as expenditures in the governmental funds

Amortization of bond premium	28,595	
Interest expense	8,119	
Change in self insurance liability	8,615	45,329

Change in net position of governmental activities \$ 8,616,981

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

<i>September 30, 2021</i>	Business-type Activities - Enterprise Funds		
	Utility System	Stormwater Management	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 296,417	\$ 6,113	\$ 302,530
Investments	8,598,548	1,275,593	9,874,141
Accounts receivable, net	1,220,899	152,078	1,372,977
Due from other governments	3,200	-	3,200
Due from other funds	173,448	-	173,448
Total current assets	10,292,512	1,433,784	11,726,296
Noncurrent assets:			
Restricted noncurrent assets			
Cash and cash equivalents	-	65,588	65,588
Investments	1,944,184	-	1,944,184
Net pension asset	1,565,240	241,954	1,807,194
Total restricted assets	3,509,424	307,542	3,816,966
Capital assets			
Land	1,691,599	-	1,691,599
Building	3,491,671	490,920	3,982,591
Infrastructure	41,692,568	9,178,056	50,870,624
Improvements other than buildings	29,635,050	250,814	29,885,864
Machinery and equipment	4,827,697	110,729	4,938,426
Construction in progress	3,171,184	474,767	3,645,951
Total capital assets	84,509,769	10,505,286	95,015,055
Less accumulated depreciation	(40,257,479)	(1,608,495)	(41,865,974)
Total capital assets, net of accumulated depreciation	44,252,290	8,896,791	53,149,081
Total noncurrent assets	47,761,714	9,204,333	56,966,047
Total assets	58,054,226	10,638,117	68,692,343
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	314,945	49,298	364,243
Deferred outflows related to OPEB	81,755	10,382	92,137
Total deferred outflows of resources	396,700	59,680	456,380

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

<i>September 30, 2021</i>	Business-type Activities - Enterprise Funds		
	Utility System	Stormwater Management	Total
Liabilities			
Current liabilities:			
Accounts and contracts payable	257,932	124,984	382,916
Accrued liabilities	67,295	10,063	77,358
Due to other funds	-	88,025	88,025
Compensated absences	108,000	13,000	121,000
Notes payable	1,866,769	58,742	1,925,511
Accrued interest payable	112,565	2,037	114,602
Total current liabilities	2,412,561	296,851	2,709,412
Noncurrent liabilities:			
Compensated absences	24,723	2,113	26,836
Net OPEB liability	129,437	6,658	136,095
Notes payable	21,634,476	932,079	22,566,555
Total noncurrent liabilities	21,788,636	940,850	22,729,486
Total liabilities	24,201,197	1,237,701	25,438,898
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	1,443,460	223,962	1,667,422
Deferred inflows related to OPEB	502,185	79,609	581,794
Total deferred inflows of resources	1,945,645	303,571	2,249,216
NET POSITION			
Net investment in capital assets	20,621,859	7,897,012	28,518,871
Restricted for debt service	1,944,184	65,588	2,009,772
Unrestricted	9,738,041	1,193,925	10,931,966
Total net position	\$ 32,304,084	\$ 9,156,525	\$ 41,460,609

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

<i>For the year ended September 30, 2021</i>	Business-type Activities - Enterprise Funds		
	Utility System	Stormwater Management	Total
Operating revenues:			
Charges for services	\$ 7,907,539	\$ 890,501	\$ 8,798,040
Other operating revenue	125,860	408	126,268
Total operating revenues	8,033,399	890,909	8,924,308
Operating expenses:			
Salaries, wages and employee benefits	1,236,030	186,791	1,422,821
Contractual services, materials, and supplies	1,536,590	308,638	1,845,228
Insurance	91,989	11,947	103,936
Depreciation	3,163,265	203,510	3,366,775
Total operating expenses	6,027,874	710,886	6,738,760
Operating income	2,005,525	180,023	2,185,548
Nonoperating revenues (expenses):			
Investment earnings	12,361	547	12,908
Interest on advance to other fund	6,723	-	6,723
Debt issuance expense	(51,499)	-	(51,499)
Interest expense	(437,900)	(10,587)	(448,487)
Total nonoperating revenues (expenses)	(470,315)	(10,040)	(480,355)
Income before contributions and transfers			
	1,535,210	169,983	1,705,193
Capital contributions - connection fees	158,560	-	158,560
Capital grants	370,323	102,707	473,030
Transfers in	-	40,000	40,000
Transfers out	(861,400)	-	(861,400)
Change in net position	1,202,693	312,690	1,515,383
Net position, beginning of year, as	30,524,636	8,835,897	39,360,533
Prior period adjustment (see Note 2)	576,755	7,938	584,693
Net position, beginning of year, as restated	31,101,391	8,843,835	39,945,226
Net position, end of year	\$ 32,304,084	\$ 9,156,525	\$ 41,460,609

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

<i>For the year ended September 30, 2021</i>	Business-type Activities - Enterprise Funds		
	Utility System	Stormwater Management	Total
Operating Activities			
Cash received from customers for sales and services	\$ 8,893,779	\$ 902,047	\$ 9,795,826
Cash payments to employees	(1,699,849)	(263,493)	(1,963,342)
Cash payments to suppliers for goods and services	(1,757,405)	(202,557)	(1,959,962)
Net cash provided by operating activities	5,436,525	435,997	5,872,522
Noncapital Financing Activities			
Interfund loans	182,279	(98,964)	83,315
Cash transfers in to other funds	-	40,000	40,000
Cash transfers out to other funds	(861,400)	-	(861,400)
Net cash used in noncapital financing activities	(679,121)	(58,964)	(738,085)
Capital and Related Financing Activities			
Acquisition of capital assets	(1,704,673)	(273,855)	(1,978,528)
Proceeds from capital grants and contributions	528,883	102,707	631,590
Principal paid on revenue bonds	(1,442,540)	(58,337)	(1,500,877)
Principal paid on defeased debt	(18,770,870)	-	(18,770,870)
Proceeds from issuance of debt	19,351,011	-	19,351,011
Costs of bond issuance	(51,499)	-	(51,499)
Interest paid on long-term debt and lease liabilities	(391,999)	(10,705)	(402,704)
Net cash used in capital and related financing activities	(2,481,687)	(240,190)	(2,721,877)
Investing Activities			
Investment income	19,084	547	19,631
Purchases of investments	(6,970,919)	(974,130)	(7,945,049)
Net cash used in investing activities	(6,951,835)	(973,583)	(7,925,418)
Net decrease in cash and cash equivalents	(4,676,118)	(836,740)	(5,512,858)
Cash and cash equivalents, beginning of year	4,972,535	908,441	5,880,976
Cash and cash equivalents, end of year	\$ 296,417	\$ 71,701	\$ 368,118

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

<i>For the year ended September 30, 2021</i>	Business-type Activities - Enterprise Funds		
	Utility System	Stormwater Management	Total
Reconciliation of Operating Income to Net Cash Provided by Operating Activities			
Operating income	\$ 2,005,525	\$ 180,023	\$ 2,185,548
Adjustments to reconcile operating income to net cash provided by operating activities			
Depreciation	3,163,265	203,510	3,366,775
Change in assets, deferred outflows, liabilities and deferred inflows			
(Increase) decrease in assets and deferred outflows			
Accounts receivable	107,522	11,138	118,660
Due from other governments	752,858	-	752,858
Prepaid items	30,790	2,957	33,747
Net pension asset	(1,460,630)	(226,532)	(1,687,162)
Deferred outflows related to OPEB	45,688	7,484	53,172
Deferred outflows related to pensions	(206,370)	(33,292)	(239,662)
Increase (decrease) in liabilities and deferred inflows			
Accounts and contracts payable	(159,616)	115,071	(44,545)
Accrued liabilities	36,880	(671)	36,209
Compensated absences	(20,757)	(1,539)	(22,296)
Net OPEB liability	(486,286)	(79,658)	(565,944)
Deferred inflows related to pensions	1,237,856	193,652	1,431,508
Deferred inflows related to OPEB	389,800	63,854	453,654
Total adjustments	3,431,000	255,974	3,686,974
Net cash provided by operating activities	\$ 5,436,525	\$ 435,997	\$ 5,872,522

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

<i>September 30, 2021</i>	Employee Retirement Funds
<hr/>	
Assets	
Contributions receivable	\$ 228,568
Investments, at fair value	76,930,318
<hr/>	
Total assets	77,158,886
Liabilities	
Accounts payable	12,574
Accrued expenses	(53,671)
<hr/>	
Total liabilities	(41,097)
Net Position	
Restricted for pensions	74,550,607
Restricted for OPEB benefits	2,649,376
<hr/>	
Total net position	\$ 77,199,983
<hr/> <hr/>	

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

	Employee Retirement Funds
<i>For the year ended September 30, 2021</i>	
<hr/>	
Additions	
Contributions:	
State	\$ 228,562
Employer	2,000,000
Employees	502,041
<hr/>	
Total contributions	2,730,603
<hr/>	
Investment income:	
Net appreciation in the fair value of investments	10,391,404
Interest and dividends	3,341,053
<hr/>	
	13,732,457
Less: investment related expenses	(153,703)
<hr/>	
Net investment income	13,578,754
<hr/>	
Total additions	16,309,357
<hr/>	
Deductions	
Benefits paid	4,008,134
Refunds of contributions	43,925
Administrative expenses	149,174
<hr/>	
Total deductions	4,201,233
<hr/>	
Change in net position	12,108,124
<hr/>	
Net position, beginning of year	65,091,859
<hr/>	
Net position, end of year	\$ 77,199,983
<hr/> <hr/>	

City of Cocoa Beach, Florida Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

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

Blended Component Unit

The Community Redevelopment Agency (CRA) was established as an incremental tax district established with City Resolution number 2009-28 on November 19, 2009, pursuant to Florida Statutes Chapter 163. The CRA was organized to finance development within the geographic boundaries of the community redevelopment area. Although legally separate, the CRA is governed the City Commissioners and the services provided by the CRA create a financial benefit relationship with the City. The CRA financial statements are included in the City’s Annual Comprehensive Financial Report as a special revenue fund for the year ended September 30, 2021. Beginning in fiscal year 2020, the CRA also issues a standalone financial report as required by Florida Statutes.

Excluded from the Reporting Entity

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

City of Cocoa Beach, Florida Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements

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

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

City of Cocoa Beach, Florida Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

The City reports the following major governmental funds:

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

City of Cocoa Beach, Florida Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements (Continued)

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

The *Capital Improvements Project Fund* is a capital projects fund to account for Special Obligation Revenue Note 2019 proceeds being used for the design and construction costs of a new police station.

The City reports the following major enterprise funds:

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

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

Additionally, the City reports the following trust fund types:

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

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

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

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

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

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

City of Cocoa Beach, Florida Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Information

Budgetary basis of accounting

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

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

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

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

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

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

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

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

The budgets, as adopted, may be amended through formal approval by the City Commission. Budgetary integration is established in the accounting records for control purposes at the object of expenditure level; however, the City Charter establishes the level at which expenditures may not legally exceed budgeted amounts at the department level. The City's general governmental appropriations are budgeted within the General Fund as if it were a separate department. Items making up this legal level of budgetary control include current other general government expenditures; debt service expenditures and other financing uses. Resolution 2020-19 adopted September 17, 2020 contains budgets for the General Fund and CRA (governmental funds) as well as the Utilities System Fund, and the Stormwater Management Fund (enterprise funds). The City Manager may transfer budgeted amounts within a department, office, or agency of the City without formal approval by the City Commission. The final budget amounts shown in the financial statements include all amendments as approved during the year by the City Commission.

City of Cocoa Beach, Florida Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Cash and cash equivalents

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

Investments

Investments for the City are reported at fair value (generally based on quoted market prices) except for external investments which comply with the criteria in Section 150: *Investments* to qualify to elect to measure their investments at amortized cost. Accordingly, the fair value of the City's position in the pool is equal to the value of the pooled shares.

Receivables and payables

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

Interfund Activities and Transactions

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

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

Inventories and Prepaid Items

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

City of Cocoa Beach, Florida
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Inventories and Prepaid Items (continued)

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

Restricted Assets

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

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

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

Capital Assets

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

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

Classification	Service Life
Infrastructure	30 - 50 years
Buildings and building improvements	40 years
Improvements other than buildings	10 - 15 years
Machinery, furniture, and equipment	3 - 5 years

City of Cocoa Beach, Florida Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Capital Assets (Continued)

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

Deferred Outflows/Inflows of Resources

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

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has three (3) items that qualify for reporting as deferred inflows of resources.

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

City of Cocoa Beach, Florida Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Unearned Revenue

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

Compensated Absences

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

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

Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds and is recorded as an adjustment to interest expense. Bonds payable are reported net of the applicable bond premium or discount. In accordance with GASB Codification Section 130: *Interest Costs – Imputation*, bond issuance costs are expensed in the period incurred except for prepaid insurance costs.

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

Pensions

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

City of Cocoa Beach, Florida Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Other Post-Employment Benefits (OPEB) Liability

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

Categories and Classifications of Fund Equity

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

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

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

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

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

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

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

City of Cocoa Beach, Florida Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Categories and Classifications of Fund Equity (Continued)

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

Unassigned fund balance – Unassigned fund balance is the residual classification for the General Fund.

Revenues and Expenditures/Expenses

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

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

The City is permitted by State law to levy taxes up to 10 mills on assessed valuation. However, Chapter 74-430, Laws of Florida, a special act applicable only to governmental units in Brevard County, limits the annual increase to 10% of the prior year's millage. During a Special Session in June 2007, the Florida Legislature adopted HB1B, which limits municipal property tax rates effective with the 2007-2008 fiscal year. This legislation establishes reductions in the millage rate based on a calculated growth in per capita taxes between the 2002 and 2007 fiscal years. The Legislature did authorize local governments to use the rolled back millage rate if approved by a super majority vote of the governing body. The adopted millage for the year ended September 30, 2021 was 5.8294.

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

City of Cocoa Beach, Florida Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Encumbrances

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

Use of Estimates

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

Subsequent Events

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

Recently Issued and Implemented Accounting Pronouncements

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

In June 2017, the GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset.

Under this Statement, a lessee is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

In August 2018, the GASB issued Statement No. 90, *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment.

City of Cocoa Beach, Florida Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (Continued)

A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The requirements should be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit and (2) reporting a component unit if the government acquires a 100 percent equity interest. Those provisions should be applied on a prospective basis.

GASB Statement No. 92, *Omnibus 2020*, enhances comparability in accounting and financial reporting and improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The requirement of this Statement are effective for reporting periods beginning after June 15, 2021.

In May 2020, the GASB issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA.

To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Assets and liabilities resulting from SBITAs should be recognized and measured using the facts and circumstances that existed at the beginning of the fiscal year in which this Statement is implemented.

In June 2020, the GASB issued GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

City of Cocoa Beach, Florida
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (Continued)

The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this Statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021.

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

Note 2: PRIOR PERIOD RESTATEMENTS AND RECLASSIFICATIONS

Certain amounts for prior fiscal years have been reclassified to be consistent with the fiscal year 2021 presentation.

In fiscal year 2021, the City restated opening net position and fund balances to correct errors in prior years financial statements.

Adjustments to opening net position are enumerated below:

	Government-wide Statements		
	Governmental Activities	Business-type Activities	Total
Net position, September 30, 2020, as previously reported	\$ 33,015,068	\$ 39,360,533	\$ 72,375,601
Cumulative effect of restatement of fixed assets ⁽¹⁾	(1,412,138)	461,934	(950,204)
Cumulative effect of restatement of compensated absences ⁽²⁾	497,519	75,280	572,799
Cumulative effect of the accrued insurance liability ⁽³⁾	129,040	(34,357)	94,683
Cumulative effect in applying the accrual recognition of intergovernmental, franchise fees, and utility tax revenues ⁽⁴⁾	432,299	-	432,299
Cumulative effect in applying the accrual recognition of utility related receivables ⁽⁵⁾	-	81,836	81,836
Beginning net position, as restated	\$ 32,661,788	\$ 39,945,226	\$ 72,607,014

City of Cocoa Beach, Florida
Notes to Financial Statements

Note 2: PRIOR PERIOD RESTATEMENTS (Continued)

	General Fund	Utility System Fund	Stormwater Fund
Fund balance/net position, September 30, 2020, as previously reported	\$ 10,549,866	\$ 30,524,636	\$ 8,835,897
Cumulative effect of restatement of fixed assets ⁽¹⁾	-	461,934	-
Cumulative effect of restatement of compensated absences ⁽²⁾	-	63,400	11,880
Cumulative effect of the accrued insurance liability ⁽³⁾	351,035	(30,415)	(3,942)
Cumulative effect in applying the accrual recognition of intergovernmental, franchise fees, and utility tax revenues ⁽⁴⁾	432,299	-	-
Cumulative effect in applying the accrual recognition of utility related receivables ⁽⁵⁾	-	81,836	-
Beginning fund balance/net position, as restated	\$ 11,333,200	\$ 31,101,391	\$ 8,843,835

- (1) The opening balance of capital assets and related depreciation in the governmental funds as reported in the prior year financial statements did not agree to the City's capital asset subsidiary ledger. Further, assets related to work in process in the enterprise funds which met the criteria for capitalization in the prior year were not capitalized.
- (2) The calculation of compensated absences based on the total accrued compensated absences of its employees. The calculation in accordance with GAAP is the terminal liability, which is the amount of compensated absences up to the payout limitations as specified in City policy or collective bargaining agreements.
- (3) The design of the City's healthcare insurance plan (Plan) generates an incurred but not reported (IBNR) liability any time the Plan does not hit its stop-loss limits. In accordance with GAAP, the IBNR would meet the criteria of a liability under full accrual accounting used by enterprise funds but does not meet the current financial resources focus under modified accrual for a fund liability of the governmental funds. At September 30, 2020, an IBNR liability was recorded in the General Fund, but the IBNR liability was not allocated out to the enterprise funds.
- (4) In the prior year revenue and receivables related to taxes and fees levied by the State and remitted to the City was not recorded in the period levied or earned.
- (5) In the prior year revenue and receivables related to exchange transactions for utility services provided was not recognized in the period in which it was earned.

Note 3: DETAILED NOTES ON ALL FUNDS

Deposits and Investments

As of September 30, 2021, \$500,000 of the City's bank balances are covered by federal depository insurance (FDIC). Monies invested in amounts greater than the insurance coverage are secured by the qualified public depositories pledging securities with the State Treasurer in such amounts required by the Florida Security for Public Depositories Act. In the event of a default or insolvency of a qualified public depositor, the State Treasurer will implement procedures for payment of losses according to the validated claims of the City pursuant to Section 280.08, Florida Statutes. At September 30, 2021, the City held \$600,421 in excess of FDIC insurance limits in a financial institution that is not a qualified public depository.

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

The City participates in Florida Public Assets for Liquidity Management, (Florida PALM), external investment pool. The Florida PALM is a common law trust established under the laws of the State of Florida and is designed to meet the cash management and short term needs of its participants. 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's OPEB trust fund participated in the Florida Municipal Investment Trust (FMIVT). The FMIVT is a Local Government Investment Pool (LGIP) and is considered an external investment pool for reporting purposes. The plans own shares in one or more FMIVT portfolios. The plans' investments are the FMIVT portfolios, not the individual securities held within each FMIVT portfolio. The Fund is sponsored by the Florida League of Cities and is directed by a board of trustees.

Note 3: DETAILED NOTES ON ALL FUNDS (Continued)

Deposits and Investments (continued)

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.

Restricted cash in the Community Redevelopment Agency fund of \$330,401 represents cash transferred to the fiscal agent to service outstanding bonds.

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

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

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

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

Credit risk – Section 150: *Investments* of the GASB Codification requires that governments provide information about credit risk associated with their investments by disclosing the credit rating of investments in debt securities as described by nationally recognized statistical rating organizations.

Concentration risk – Section 150: *Investments* of the GASB Codification requires disclosures of investments in any one issuer that represents five percent or more of total investments, excluding investments issued or explicitly guaranteed by the U.S government, investments in mutual funds, external investments pools and other pooled investments.

Note 3: DETAILED NOTES ON ALL FUNDS

Deposits and Investments (continued)

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.

City of Cocoa Beach, Florida
Notes to Financial Statements

Note 3: DETAILED NOTES ON ALL FUNDS

Deposits and Investments (continued)

The following table sets forth by level, within the fair value hierarchy, the City's assets at fair value as of September 30, 2021:

	S&P Rating	Level	Fair Value	Maturities (in years)		
				Less than 1	1 - 5	More than 5
Investments by fair value level						
Primary government						
Debt securities - US						
government obligations	Aaa	L2	\$ 1,846,740	\$ 1,048,272	\$ 798,468	\$ -
FL PALM	AAAm	-	8,232,772	8,232,772	-	-
FL LGIT Short term bond fund	AAAf	-	1,774,225	-	1,774,225	-
FL LGIT Day to day bond fund	AAAm	-	6,086,714	6,086,714	-	-
FL SAFE	AAAm	-	1,508,844	1,508,844	-	-
Total primary government			19,449,295	16,876,602	2,572,693	-
Fiduciary funds						
Cash or equivalents	-	-	1,071,381	1,071,381	-	-
Mutual funds	-	L1	69,307,237	69,307,237	-	-
Real estate funds	-	L3	3,495,180	3,495,180	-	-
Alternative investments	-	L2	460,815	460,815	-	-
Florida Municipal Investment Trust	-	-	2,595,705	2,019,458	-	576,247
Total fiduciary fund			76,930,318	76,354,071	-	576,247
Total investments			\$ 96,379,613	\$ 93,230,673	\$ 2,572,693	\$ 576,247

The following table summarizes the City's Level 3 financial instruments, the value technique used to measure the fair value of those financial instruments as of September 30, 2021, and the significant unobservable inputs and the ranges:

Instrument	Fair Value	Principal Valuation Techniques	Significant Unobservable Inputs	Range (Weighted Average)
Real estate funds	\$ 3,495,180	Discounted cash flow	Discount rate Terminal cap rate Market interest rate	5.5% - 8.00% 4.25% - 6.75% 0.18% - 8.12%

City of Cocoa Beach, Florida
Notes to Financial Statements

Note 3: DETAILED NOTES ON ALL FUNDS (Continued)

Deposits and Investments (continued)

The following table summarizes investments measured at fair value based on NAV per share as of September 30, 2021:

Instrument	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
FL PALM	\$ 8,232,772	\$ -	Daily	None
FL LGIT	7,860,939	-	Daily	None
FL SAFE	1,508,844	-	Daily	Up to 5 days
Real estate funds	3,495,180	-	Quarterly	30 days
Alternative investments	460,815	-	Daily	None

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at September 30, 2021.

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

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

Alternative Investments– valued at net asset value.

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

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

Accounts Receivable

For the Wastewater Utility System and Stormwater Utility Funds, operating revenues are generally recognized on the basis of cycle billings rendered monthly. The amount of services delivered for the period from the last billing date to September 30, 2021 (unbilled receivable), is estimated and accrued at year end. The City deems all amounts collectable therefore an allowance for doubtful accounts is not necessary. If payments are not received from customers, services are shut off and deposits are applied against negative balances.

City of Cocoa Beach, Florida
Notes to Financial Statements

Note 3: DETAILED NOTES ON ALL FUNDS (Continued)

Accounts Receivable (Continued)

Property taxes are considered fully collected (95% of the levy) during and prior to the end of the fiscal year. Therefore, no material amounts of property taxes are receivable as of September 30, 2021. There are no other reserves for receivables recorded by the City as of September 30, 2021.

Capital Assets

The following is a summary of changes in capital assets during the year ended September 30, 2021:

	Beginning Balance *	Increases	Decreases	Ending Balance
Governmental Activities				
Capital assets, not being depreciated				
Land	\$ 7,950,653	\$ -	\$ -	\$ 7,950,653
Construction-in-progress	8,157,181	11,982,394	(20,477)	20,119,098
Capital assets, not being depreciated	16,107,834	11,982,394	(20,477)	28,069,751
Capital assets, being depreciated				
Buildings	16,053,297	25,089	-	16,078,386
Improvements other than buildings	24,941,888	230,025	(263)	25,171,650
Equipment	16,089,517	919,020	(248,164)	16,760,373
Infrastructure	879,707	-	-	879,707
Capital assets, being depreciated	57,964,409	1,174,134	(248,427)	58,890,116
Less accumulated depreciation for				
Buildings	(4,084,473)	(398,856)	-	(4,483,329)
Improvements other than buildings	(16,193,803)	(962,999)	263	(17,156,539)
Equipment	(12,866,229)	(1,235,290)	248,164	(13,853,355)
Infrastructure	(285,933)	(17,439)	-	(303,372)
Total accumulated depreciation	(33,430,438)	(2,614,584)	248,427	(35,796,595)
Total capital assets being depreciated, net	24,533,971	(1,440,450)	-	23,093,521
Governmental activities capital assets, net	\$ 40,641,805	\$ 10,541,944	\$ (20,477)	\$ 51,163,272

* as restated

City of Cocoa Beach, Florida
Notes to Financial Statements

Note 3: DETAILED NOTES ON ALL FUNDS (Continued)

Capital Assets (continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities				
Capital assets, not being depreciated				
Land	\$ 1,691,599	\$ -	\$ -	\$ 1,691,599
Construction-in-progress *	2,743,519	959,699	(57,267)	3,645,951
Capital assets, not being depreciated	4,435,118	959,699	(57,267)	5,337,550
Capital assets, being depreciated				
Buildings	3,982,591	-	-	3,982,591
Infrastructure	50,870,624	-	-	50,870,624
Improvements other than buildings	29,494,885	390,979	-	29,885,864
Equipment	4,268,332	685,118	(15,024)	4,938,426
Capital assets, being depreciated	88,616,432	1,076,097	(15,024)	89,677,505
Less accumulated depreciation for				
Buildings	(2,119,991)	(72,683)	-	(2,192,674)
Infrastructure	(21,281,206)	(974,198)	-	(22,255,404)
Improvements other than buildings	(11,684,462)	(1,955,431)	-	(13,639,893)
Equipment	(3,428,564)	(364,463)	15,024	(3,778,003)
Total accumulated depreciation	(38,514,223)	(3,366,775)	15,024	(41,865,974)
Total capital assets being depreciated, net	50,102,209	(2,290,678)	-	47,811,531
Business-type activities capital assets, net	\$ 54,537,327	\$ (1,330,979)	\$ (57,267)	\$ 53,149,081

* as restated

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

<i>For the year ended September 30,</i>	2021
Governmental activities	
General government	218,867
Public safety	366,817
Public works	1,508,373
Economic environment	125,491
Recreation	395,036
Total depreciation expense - governmental activities	\$ 2,614,584

City of Cocoa Beach, Florida
Notes to Financial Statements

Note 3: DETAILED NOTES ON ALL FUNDS (Continued)

Capital Assets (continued)

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

<i>For the year ended September 30,</i>	<u>2021</u>
Business-type activities	
Utility system	\$ 3,163,265
Stormwater management	203,510
Total depreciation and amortization expense - business-type activities	\$ 3,366,775

Long-Term Debt and Liabilities

Community Redevelopment Agency Bonds

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

Notes payable

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

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

City of Cocoa Beach, Florida Notes to Financial Statements

Note 3: DETAILED NOTES ON ALL FUNDS (Continued)

Long-Term Debt and Liabilities (continued)

Clean Water State Revolving Loan, #050610 , On July 12, 2011 the City entered into a loan agreement with the State of Florida in an original amount of \$20,871,742 and interest of 2.65% per annum plus a service charge for the purpose of sewer treatment and rehabilitation projects. The loan is secured by revenues derived from the operation of the City's Utility System fund and payable in semi-annual installments beginning March 2014 through September 2033. This loan was refunded during the year ended September 30, 2021 by the Wastewater Utility System Revenue Bond, Series 2020.

Clean Water State Revolving Loan, #050620, On March 3, 2014 the City entered into a loan agreement with the State of Florida in an original amount of \$4,089,023 and interest of 2.39% per annum plus a service charge for the purpose of sewer treatment and rehabilitation projects. The loan is secured by revenues derived from the operation of the City's Utility System fund and payable in semi-annual installments beginning May 2017 through November 2036. This loan was refunded during the year ended September 30, 2021 by the Wastewater Utility System Revenue Bond, Series 2020.

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

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

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

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

The present value of the economic gain of the refunded debt is \$1,379,460.

City of Cocoa Beach, Florida
Notes to Financial Statements

Note 3: DETAILED NOTES ON ALL FUNDS (Continued)

Long-Term Debt and Liabilities (continued)

The following is a summary of governmental activities notes payable for the year ended September 30, 2021:

<i>Year ending</i> <i>September 30,</i>	Governmental Activities					
	Capital Improvement Note Series 2014a		CRA Revenue Bonds, Series 2017b		Special Obligation Revenue Note Series 2019	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 175,000	\$ 87,986	\$ 250,000	\$ 148,500	\$ 434,000	\$ 219,104
2023	180,000	82,164	265,000	135,625	445,000	208,336
2024	185,000	76,178	280,000	122,000	456,000	197,299
2025	190,000	70,028	290,000	107,750	467,000	185,992
2026	200,000	63,632	305,000	92,875	478,000	174,416
2027-2031	1,095,000	214,430	1,770,000	227,950	2,573,000	688,266
2032-2036	745,000	37,146	395,000	5,925	2,705,000	326,009
2037-2039	-	-	-	-	1,602,000	59,510
Total	2,770,000	631,564	3,555,000	840,625	9,160,000	2,058,932
Current portion	(175,000)	(87,986)	(250,000)	(148,500)	(434,000)	(219,104)
Non-current	\$ 2,595,000	\$ 543,578	\$ 3,305,000	\$ 692,125	\$ 8,726,000	\$ 1,839,828

<i>Year ending</i> <i>September 30,</i>	Governmental Activities	
	Total	
	Principal	Interest
2022	\$ 859,000	\$ 455,590
2023	890,000	426,125
2024	921,000	395,477
2025	947,000	363,770
2026	983,000	330,923
2027-2031	5,438,000	1,130,646
2032-2036	3,845,000	369,080
2037-2039	1,602,000	59,510
Total	15,485,000	3,531,121
Current portion	(859,000)	(455,590)
Non-current	\$ 14,626,000	\$ 3,075,531

City of Cocoa Beach, Florida
Notes to Financial Statements

Note 3: DETAILED NOTES ON ALL FUNDS (Continued)

Long-Term Debt and Liabilities (continued)

The following is a summary of business-type activities notes payable for the year ended September 30, 2021:

<i>Year ending September 30,</i>	Business-type Activities					
	SRF Loan #050621		SRF Loan #050630		Capital Improvement Refunding Revenue Note, Series 2014B	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 58,742	\$ 6,846	\$ 222,769	\$ 31,586	\$ 315,000	\$ 11,938
2023	59,150	6,438	224,308	30,046	320,000	6,016
2024	59,561	6,027	225,859	28,496	-	-
2025	59,976	5,612	227,420	26,935	-	-
2026	60,394	5,194	228,992	25,363	-	-
2027-2031	308,374	19,567	1,168,921	102,852	-	-
2032-2036	319,835	8,555	1,209,880	61,892	-	-
2037-2041	64,789	347	1,125,096	19,497	-	-
Total	990,821	58,586	4,633,245	326,667	635,000	17,954
Current portion	(58,742)	(6,846)	(222,769)	(31,586)	(315,000)	(11,938)
Non-current	\$ 932,079	\$ 51,740	\$ 4,410,476	\$ 295,081	\$ 320,000	\$ 6,016

<i>Year ending September 30,</i>	Business-type Activities			
	Wastewater Utility System Revenue Bond, Series 2020		Total	
	Principal	Interest	Principal	Interest
2022	\$ 1,329,000	\$ 288,246	\$ 1,925,511	\$ 338,616
2023	1,349,000	266,769	1,952,458	309,269
2024	1,371,000	244,962	1,656,420	279,485
2025	1,394,000	222,800	1,681,396	255,347
2026	1,415,000	200,268	1,704,386	230,825
2027-2031	7,433,000	650,504	8,910,295	772,923
2032-2036	3,942,000	95,715	5,471,715	166,162
2037-2041	-	-	1,189,885	19,844
Total	18,233,000	1,969,264	24,492,066	2,372,471
Current portion	(1,329,000)	(288,246)	(1,925,511)	(338,616)
Non-current	\$ 16,904,000	\$ 1,681,018	\$ 22,566,555	\$ 2,033,855

City of Cocoa Beach, Florida
Notes to Financial Statements

Note 3: DETAILED NOTES ON ALL FUNDS (Continued)

Capital Leases

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

The following is a summary of governmental activities capital leasing for the year ended September 30, 2021:

<i>Year ending September 30,</i>	Governmental Activities	
	Capital leases	
	Principal	Interest
2022	\$ 38,965	\$ 256
2023	-	21,360
2024	141,000	21,360
2025	143,000	18,850
2026	146,000	16,305
2027-2031	770,000	41,581
Total	1,238,965	\$ 119,712
Current portion	(38,965)	(256)
<u>Non-current</u>	<u>\$ 1,200,000</u>	<u>\$ 119,456</u>

City of Cocoa Beach, Florida
Notes to Financial Statements

Note 3: DETAILED NOTES ON ALL FUNDS (Continued)

Changes In Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2021, was as follows for governmental activities:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Notes payable					
Capital Improvement Note, Series 2014A	\$ 2,940,000	\$ -	\$ (170,000)	\$ 2,770,000	\$ 175,000
Special Obligation Revenue Note, Series 2019	9,584,000	-	(424,000)	9,160,000	434,000
Total notes from direct borrowings	12,524,000	-	(594,000)	11,930,000	609,000
Bonds payable					
Florida Municipal Loan Council Refund and Revenue Bonds, Series 2017B	3,795,000	-	(240,000)	3,555,000	250,000
Total bonds payable	3,795,000	-	(240,000)	3,555,000	250,000
Bond premiums	343,434	-	(28,595)	314,839	-
Capital leases	189,835	1,200,000	(150,870)	1,238,965	38,965
Compensated absences*	1,116,960	736,766	(730,125)	1,123,601	827,155
Governmental activity long-term liabilities	\$ 17,969,229	\$ 1,936,766	\$ (1,743,590)	\$ 18,162,405	\$ 1,725,120

* as restated

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

City of Cocoa Beach, Florida
Notes to Financial Statements

Note 3: DETAILED NOTES ON ALL FUNDS (Continued)

Changes In Long-Term Liabilities (continued)

Long-term liability activity for the year ended September 30, 2021, was as follows for business-type activities:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities					
Notes payable					
SRF Loan #050610	\$ 15,114,351	\$ -	\$ (15,114,351)	\$ -	\$ -
SRF Loan #050620	3,656,519	-	(3,656,519)	-	-
SRF Loan #050621	1,049,158	-	(58,337)	990,821	58,742
SRF Loan #050630	4,647,775	459,010	(473,540)	4,633,245	222,769
Capital Improvement Refunding					
Revenue Note, Series 2014B	945,000	-	(310,000)	635,000	315,000
Wastewater Utility System					
Revenue Bond, Series 2020	-	18,892,000	(659,000)	18,233,000	1,329,000
Total notes from direct borrowings	25,412,803	19,351,010	(20,271,747)	24,492,066	1,925,511
Compensated absences*	170,132	99,500	(121,796)	147,836	121,000
Business-type activity long-term liabilities	\$ 25,582,935	\$ 19,450,510	\$ (20,393,543)	\$ 24,639,902	\$ 2,046,511

* as restated

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

City of Cocoa Beach, Florida
Notes to Financial Statements

Note 3: DETAILED NOTES ON ALL FUNDS (Continued)

Pledged Revenues

The City has revenue notes outstanding at September 30, 2021, for which revenues of the City have been pledged for repayment. Revenues pledged to repay these obligations are as follows:

	Amount Issued	Future Principal and Interest	Current Pledged Revenue	Current Year Principal and Interest	Current Percentage of Revenue
Governmental Activities:					
Revenue Notes					
Capital Improvement Note, Series 2014A	\$ 3,790,000	\$ 3,401,564	\$ 1,305,915	\$ 263,644	20%
Florida Municipal Loan Council Refund and Revenue, Series 2017B	\$ 4,245,000	\$ 4,395,625	\$ 468,507	\$ 400,750	86%
Business-type Activities:					
SRF Loan #050621	\$ 983,820	\$ 1,049,407	\$ 890,501	\$ 65,588	7%
SRF Loan #050630	\$ 4,578,372	\$ 4,959,912	\$ 8,063,699	\$ 592,077	7%
Capital Improvement Refunding Revenue Note, Series 2014B	\$ 2,840,000	\$ 652,954	\$ 1,034,053	\$ 326,938	32%
Wastewater Utility System Revenue Bond, Series 2020	\$ 18,892,000	\$ 20,202,264	\$ 8,063,699	\$ 851,635	11%

Interfund Receivables, Payables And Transfers

Operating Transfers	Transfers		Net
	In	Out	
Major Funds			
General Fund	\$ 868,715	\$ (520,000)	\$ 348,715
Community Redevelopment Agency	-	(27,315)	(27,315)
Capital Improvement Fund	500,000	-	500,000
Non-major funds	-	-	-
Utility Fund	-	(861,400)	(861,400)
Stormwater Management Fund	40,000	-	40,000
Total	\$ 1,408,715	\$ (1,408,715)	\$ -

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

City of Cocoa Beach, Florida
Notes to Financial Statements

Note 3: DETAILED NOTES ON A MMMLL FUNDS (Continued)

Net Investment In Capital Assets

The elements of this calculation are as follows:

	Governmental Activities	Business-type Activities	Total
Capital assets (net)	\$ 51,163,272	\$ 53,149,081	\$ 104,312,353
Outstanding debt related to capital assets	(17,038,804)	(24,492,066)	(41,530,870)
Accounts and retainage payable	(692,690)	(138,144)	(830,834)
Net investment in capital assets	\$ 33,431,778	\$ 28,518,871	\$ 61,950,649

Note 4: RETIREMENT PLANS

Description of Plans

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

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

Summary of significant accounting policies (all Plans)

Basis of accounting

The Plans' financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to each plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits, refunds, and administrative costs are recognized when due and payable in accordance with the terms of each plan. On-behalf payments, made by the state totaling \$108,304 and \$120,258 for the Police Officers' and Firefighters' plans respectively, were recognized as revenues and expenditures in the General Fund during the year ended September 30, 2021.

Method used to value investments

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

Note 4: RETIREMENT PLANS (Continued)

Presentation of financial statements

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

Funding requirements

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

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

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

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

Contributions

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

Plan administration

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

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

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

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

City of Cocoa Beach, Florida
Notes to Financial Statements

Note 4: RETIREMENT PLANS (Continued)

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

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

Plan membership as of the valuation date of October 1, 2020 is as follows:

<i>Plan Membership</i>	General Employees	Police Officers'	Fire- fighters'
Inactive plan members or beneficiaries currently receiving benefits	105	37	27
Inactive plan members entitled to, but not yet receiving benefits	26	9	5
Active plan members	133	38	25
Total plan membership	264	84	57

Plan benefits

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

	General Employees	Police Officers'	Firefighters'
Normal Retirement:	Age 62 and 5 years of service.	Age 55 and 10 years of service, age 52 and 25 years of service, 30 years of service regardless of age.	Age 55 and 10 years of service, 25 years of service regardless of age.
	Benefits if employed on or after 11/18/1999, 2.50% of Average Final Compensation times Credited Service. If employed before 11/18/1999, 3.00% of Average Final Compensation times Credited Service. If the Member had 25 or more years of Credited Service on 12/31/1998, the maximum benefit payable is 90% of Average Final Compensation. Otherwise, the maximum benefit payable is 80% of Average Final Compensation.	Retirement benefits are calculated as 4.00% of Average Final Compensation (AFC) times Credited Service before 11/19/1998, plus 3.00% of AFC times Credited Service on or after 11/19/1998.	4% of Average Final Compensation (AFC) times Credited Service before 11/19/98, plus 3% of AFC times Credited Service on or after 11/19/98.

City of Cocoa Beach, Florida
Notes to Financial Statements

Note 4: RETIREMENT PLANS (Continued)

Plan Membership and Benefits (continued)

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

City of Cocoa Beach, Florida
Notes to Financial Statements

Note 4: RETIREMENT PLANS (Continued)

Pension Plan Investments

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

For the year ended September 30, 2021, the annual money-weighted rate of return on the plans' investments, net of pension investment expense, was 20.86% for General, 20.92% for Police, and 20.86% for Fire. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

	General Employees	Police Officers'	Fire- fighters'
Annual money-weighted rate of return net of investment expenses	20.86%	20.92%	20.86%

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

The components of the net pension liability (asset) of the City as of September 30, 2021, were as follows:

	General Employees	Police Officers'	Fire- fighters'
General employees			
Total pension liability	\$ 30,822,283	\$ 20,389,156	\$ 19,101,565
Plan fiduciary net position	(34,985,330)	(19,640,776)	(19,899,141)
City's net pension liability (asset)	\$ (4,163,047)	\$ 748,380	\$ (797,576)
Plan fiduciary net position as a percentage of the total pension liability	113.51%	96.33%	104.18%

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

	General Employees	Police Officers'	Fire- fighters'
Valuation date	October 1, 2020	October 1, 2020	October 1, 2020
Inflation	2.60%	2.50%	2.50%
Salary increases (including inflation)	4.00% - 18.00%	4.00% - 18.00%	4.00% - 10.00%
Investment rate of return (net of investment expense, including inflation)	7.25%	7.40%	7.40%
Discount rate	7.25%	7.40%	7.40%

City of Cocoa Beach, Florida
Notes to Financial Statements

Note 4: RETIREMENT PLANS (Continued)

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

Mortality rates were based on the July 1, 2018 FRS special risk actuarial valuation for the Police and Fire Employees plans and the July 1, 2018 FRS no special risk actuarial valuation for the General Employees plan. Disabled tables were used for disabled lives.

For the Firefighters and Police Officers' plans, actuarial assumptions used in the October 1, 2020 valuation were based on the results of an actuarial experience study issued August 3, 2021 and July 29, 2021, respectively. The actuarial assumptions used for General Employees plan October 1, 2020 valuation were based upon an experience study dated November 16, 2021.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the plans' target asset allocation as of September 30, 2021, are summarized in the following table:

Asset Class	General Employees		Police Officers'		Firefighters'	
	Target Allocation	Long-term Expected Rate of Return	Target Allocation	Long-term Expected Rate of Return	Target Allocation	Long-term Expected Rate of Return
Domestic equity	-	8.30%	50.00%	7.50%	50.00%	7.50%
International equity	15.00%	4.10%	15.00%	8.50%	15.00%	8.50%
Broad market fixed income	-	-	20.00%	2.50%	20.00%	2.50%
Global fixed income	-	-	5.00%	3.50%	5.00%	3.50%
Real estate	5.00%	5.50%	10.00%	4.50%	10.00%	4.50%
Bonds	30.00%	3.10%	-	-	-	-
Convertibles	10.00%	7.80%	-	-	-	-
Infrastructure	5.00%	7.00%	-	-	-	-

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

City of Cocoa Beach, Florida
Notes to Financial Statements

Note 4: RETIREMENT PLANS (Continued)

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

For the year ended September 30, 2021, the City recognized a pension expense (benefit) of \$(1,070,722) for the General Employees plan; \$(872,936) for the Police Officers' plan; and \$(632,475) for the Firefighters' plan.

On September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	General Employees		Police Officers'		FireFighters'	
	Deferred Outflow of Resources	Deferred Inflow of Resources	Deferred Outflow of Resources	Deferred Inflow of Resources	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 295,119	\$ 569,915	\$ 103,564	\$ 124,093	\$ 305,734	\$ 6,085
Changes of assumptions	761,568	256,581	455,166	98,274	435,753	70,380
Net difference between projected and actual earnings	-	3,287,920	-	2,049,524	-	2,011,454
Contributions made subsequent to the measurement date	-	-	-	-	-	-
Total	\$ 1,056,687	\$ 4,114,416	\$ 558,730	\$ 2,271,891	\$ 741,487	\$ 2,087,919

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

<i>Year ending September 30,</i>	General Employees	Police Officers'	Firefighters'
2022	\$ (761,109)	\$ (552,964)	\$ (345,125)
2023	(733,480)	(320,247)	(226,194)
2024	(874,240)	(400,001)	(336,425)
2025	(688,900)	(439,949)	(438,688)
Total	\$ (3,057,729)	\$ (1,713,161)	\$ (1,346,432)

City of Cocoa Beach, Florida
Notes to Financial Statements

Note 4: RETIREMENT PLANS (Continued)

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

General Employees

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension (Asset) Liability
Balances at September 30, 2020	\$ 29,139,760	\$ 29,617,208	\$ (477,448)
Changes for the year			
Service cost	639,073	-	639,073
Interest	2,244,412	-	2,244,412
Differences between expected and actual experience	(515,553)	-	(515,553)
Changes of assumptions	951,960	-	951,960
Contributions - employer	-	605,000	(605,000)
Contributions - employee	-	294,853	(294,853)
Net investment income	-	6,146,104	(6,146,104)
Benefit payments, including refunds of employee contributions	(1,637,369)	(1,637,369)	-
Administrative expense	-	(40,466)	40,466
Net changes	1,682,523	5,368,122	(3,685,599)
Balances at September 30, 2021	\$ 30,822,283	\$ 34,985,330	\$ (4,163,047)

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
City's net pension (asset) liability - General Employees	\$ (888,842)	\$ (4,163,047)	\$ (6,944,974)

City of Cocoa Beach, Florida
Notes to Financial Statements

Note 4: RETIREMENT PLANS (Continued)

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

Police Officers'

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at September 30, 2020	\$ 19,236,782	\$ 16,672,172	\$ 2,564,610
Changes for the year			
Service cost	329,623	-	329,623
Interest	1,464,679	-	1,464,679
Differences between expected and actual experience	85,833	-	85,833
Changes of assumptions	606,886	-	606,886
Contributions - employer	-	650,000	(650,000)
Contributions - state	-	108,304	(108,304)
Contributions - employee	-	117,425	(117,425)
Net investment income	-	3,472,317	(3,472,317)
Benefit payments, including refunds of employee contributions	(1,334,647)	(1,334,647)	-
Administrative expense	-	(44,795)	44,795
Net changes	1,152,374	2,968,604	(1,816,230)
Balances at September 30, 2021	\$ 20,389,156	\$ 19,640,776	\$ 748,380

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

	1% Decrease (6.40%)	Current Discount Rate (7.40%)	1% Increase (8.40%)
City's net pension liability - Police Officers'	\$ 3,120,317	\$ 748,380	\$ (1,230,348)

City of Cocoa Beach, Florida
Notes to Financial Statements

Note 4: RETIREMENT PLANS (Continued)

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

Firefighters'

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension (Asset) Liability
Balances at September 30, 2020	\$ 17,502,404	\$ 16,759,418	\$ 742,986
Changes for a year			
Service cost	289,719	-	289,719
Interest	1,343,271	-	1,343,271
Differences between expected and actual experience	304,361	-	304,361
Changes of assumptions	581,004	-	581,004
Contributions - employer	-	420,006	(420,006)
Contributions - state	-	119,284	(119,284)
Contributions - employee	-	89,175	(89,175)
Net investment income	-	3,479,143	(3,479,143)
Benefit payments, including refunds of employee contributions	(919,194)	(919,194)	-
Administrative expense	-	(48,691)	48,691
Net changes	1,599,161	3,139,723	(1,540,562)
Balances at September 30, 2021	\$ 19,101,565	\$ 19,899,141	\$ (797,576)

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

	1% Decrease (6.40%)	Current Discount Rate (7.40%)	1% Increase (8.40%)
City's net pension (asset) liability - Firefighters'	\$ 1,296,578	\$ (797,576)	\$ (2,552,810)

Pension Plan Financial Statements

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

City of Cocoa Beach, Florida
Notes to Financial Statements

Note 4: RETIREMENT PLANS (Continued)

Pension Plan Financial Statements (continued)

Combining fiduciary fund information

The following tables present the combined fiduciary funds net position activity as of September 30, 2021:

<i>September 30, 2021</i>	Employee Benefit Fund				Total
	OPEB Trust Fund	General			
		Employees	Police Officers'	Firefighters'	
Assets					
Contribution receivable	\$ -	\$ -	\$ 108,304	\$ 120,264	\$ 228,568
Investments, at fair value	2,595,705	34,985,331	19,551,081	19,798,201	76,930,318
Total assets	2,595,705	34,985,331	19,659,385	19,918,465	77,158,886
Liabilities					
Accounts payable	-	-	5,625	6,949	12,574
Accrued expenses	(53,671)	-	-	-	(53,671)
Total liabilities	(53,671)	-	5,625	6,949	(41,097)
Net Position					
Restricted for pensions	-	34,985,331	19,653,760	19,911,516	74,550,607
Restricted for OPEB benefits	2,649,376	-	-	-	2,649,376
Total net position	\$ 2,649,376	\$ 34,985,331	\$ 19,653,760	\$ 19,911,516	\$ 77,199,983

City of Cocoa Beach, Florida
Notes to Financial Statements

Note 4: RETIREMENT PLANS (Continued)

Pension Plan Financial Statements (continued)

The fiduciary funds change in fiduciary net position activity for the year ended September 30, 2021 was as follows:

<i>For the year ended September 30, 2021</i>	Pension Trust				Total
	OPEB Trust Fund	General Employees	Police Officers'	Firefighters'	
Additions					
Contributions					
State	\$ -	\$ -	\$ 108,304	\$ 120,258	\$ 228,562
Employer	325,000	605,000	650,000	420,000	2,000,000
Employees	-	295,229	117,425	89,387	502,041
Total contributions	325,000	900,229	875,729	629,645	\$ 2,730,603
Investment income					
Net appreciation in the fair value of investments	-	5,102,144	2,640,967	2,648,293	10,391,404
Interest and dividends	455,532	1,124,463	880,762	880,296	3,341,053
	455,532	6,226,607	3,521,729	3,528,589	13,732,457
Less: investment expense	(2,888)	(80,878)	(34,955)	(34,982)	(153,703)
Total investment income	452,644	6,145,729	3,486,774	3,493,607	13,578,754
Total additions	777,644	7,045,958	4,362,503	4,123,252	16,309,357
Deductions					
Benefits paid	171,329	1,593,444	1,322,843	920,518	4,008,134
Refunds of contributions	-	43,925	-	-	43,925
Administrative expenses	-	40,466	58,072	50,636	149,174
Total deductions	171,329	1,677,835	1,380,915	971,154	4,201,233
Change in net position	606,315	5,368,123	2,981,588	3,152,098	12,108,124
Net position, beginning of year	2,043,061	29,617,208	16,672,172	16,759,418	65,091,859
Net position, end of year	\$ 2,649,376	\$ 34,985,331	\$ 19,653,760	\$ 19,911,516	\$ 77,199,983

City of Cocoa Beach, Florida
Notes to Financial Statements

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

Plan Description

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

Benefits Provided

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

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

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

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

Funding Policy

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

Plan Membership

OPEB membership consisted of the following:

September 30, 2021

Inactive plan members or beneficiaries currently receiving benefits	48
Inactive plan members entitled to, but not yet receiving benefits	-
Active plan members	202
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Total plan membership	250

City of Cocoa Beach, Florida
Notes to Financial Statements

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

Actuarial Assumptions and Other Inputs

In the September 30, 2021 measurement data, the actuarial assumptions and other inputs, applied include the following:

Inflation	2.50%
Discount rate	5.08%
Health care cost trend rates	Initially 5% trending to 7% over 54 years
Investment rate of return	6.50%

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

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

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

All mortality rates were based on the Pub-2010 mortality tables. All mortality rates are those outlined in Milliman's July 1, 2021 Florida Retirement System (FRS) valuation report. All tables include fully generational adjustments for mortality improvements using gender-specific improvement scale MP-2018.

City of Cocoa Beach, Florida
Notes to Financial Statements

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

Changes in OPEB Liability and Sensitivity to Changes in Discount Rate

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Total OPEB Liability (a) - (b)
Balance as of September 30, 2020	\$ 7,797,487	\$ 2,043,062	\$ 5,754,425
Changes for the year			
Service cost	234,008	-	234,008
Interest	258,371	-	258,371
Changes of assumptions	(1,391,292)		(1,391,292)
Difference between expected and actual experience	(644,697)	-	(644,697)
Explicit contributions - employer	-	108,105	(108,105)
Implicit contributions - employer	-	219,392	(219,392)
Net investment income	-	621,128	(621,128)
Explicit benefit payments	(171,328)	(171,328)	-
Implicit benefit payments	(48,064)	(48,064)	-
Administrative expenses	-	(176,591)	176,591
Net changes	(1,763,002)	552,642	(2,315,644)
Balance as of September 30, 2021	\$ 6,034,485	\$ 2,595,704	\$ 3,438,781

Changes of assumptions reflect a change in the discount rate from 3.55% for the year ended September 30, 2020, to 5.08% for the year ended September 30, 2021. Also reflected are updated health care costs and premiums, updated health care cost trend rates, and updated retirement, termination and salary increase rates.

Sensitivity of the Net OPEB Liability

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

	1% Decrease (4.08%)	Current Discount Rate (5.08%)	1% Increase (6.08%)
Net OPEB Liability	\$ 4,249,840	\$ 3,438,781	\$ 2,777,390

City of Cocoa Beach, Florida
Notes to Financial Statements

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

Changes in OPEB Liability and Sensitivity to Changes in Discount Rate

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

	1% Decrease (3.00% - 6.00%)	Ultimate Trend (4.00% - 7.00%)	1% Increase (5.00% - 8.00%)
Net OPEB Liability	\$ 2,699,860	\$ 3,438,781	\$ 4,348,249

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

For the fiscal year ended September 30, 2021, the City of Cocoa Beach recognized an OPEB expense (benefit) of \$241,888. In addition the City reported deferred inflows of resources related to the OPEB plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 352,484	\$ 766,405
Change of assumptions	621,009	1,739,597
Net difference between projected and actual earnings on OPEB plan investments	-	400,521
Total	\$ 973,493	\$ 2,906,523

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

Year ending September 30,

2022	\$ (452,787)
2023	(446,331)
2024	(203,942)
2025	(201,521)
2026	(119,454)
Thereafter	(508,995)
Total	\$ (1,933,030)

Note 6: RISK MANAGEMENT

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

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

The commercial insurance carried is a claims incurred policy for which the City is covered for claims originating against the City during the policy period. The amount of coverage is dependent on the date of the liability-imposing event. The City has maintained continuous coverage and does not believe it has any exposure to events which occurred prior to the year ended September 30, 2021.

The employee medical insurance is a shared cost policy for which the City pays a recurring administrative fee and claims as asserted. The City's health insurance expenditure is based upon a carryforward experience level, whereby each month the City pays the benefit payments net of the specific stop loss, plus the in-month change in experience deficit, plus adjustments. As of September 30, 2021, the City has an estimated \$264,420 in outstanding claims incurred but not reported. Consequently, the City does not believe it has any future exposure for medical claims by its employees beyond this estimate.

Note 7: COMMITMENTS AND CONTINGENCIES

Litigation

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

Grants and Financial Assistance

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

City of Cocoa Beach, Florida
Notes to Financial Statements

Note 7: COMMITMENTS AND CONTINGENCIES (Continued)

Construction Commitments

The City has active construction projects as of September 30, 2021. At year-end, the City's commitments with contractors are as follows:

Capital Improvements Project fund	\$	990,540
Stormwater Management fund		405,001
General fund		38,795
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Total outstanding commitments	\$	1,434,336
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Operating Leases

The City has entered into operating lease agreements to obtain the right-to-use various office equipment. The total annual rent for the equipment

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

<i>September 30,</i>		
<hr/>		
2022	\$	58,557
2023		58,557
2024		53,677
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Total	\$	170,791
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Note 8: UNCERTAINTIES

In March 2020, the World Health Organization made the assessment that the outbreak of the novel coronavirus (COVID-19) can be characterized as a pandemic. As a result, uncertainties have arisen that may have a significant negative impact on the ongoing operating activities and the future results of the Town. The occurrence and extent of such an impact will depend on future developments, including (i) the and spread of the virus, (ii) government quarantine measures, (iii) voluntary and precautionary restrictions on travel or meetings, (iv) the effects on the financial markets, and (v) the effects on the economy overall, all of which are uncertain as of September 30, 2021.

The City's fiduciary funds invests in various investment securities. Investment securities are exposed to various risks such as interest rates, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported as deferred inflows, outflows, and the net pension liability (asset).

**REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN
MANAGEMENT'S DISCUSSION AND ANALYSIS**

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

<i>For the year ended September 30, 2021</i>	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Taxes	\$ 15,293,092	\$ 15,293,092	\$ 15,483,931	\$ 190,839
Licenses and permits	588,900	588,900	867,932	279,032
Intergovernmental revenues	5,597,775	5,597,775	5,094,724	(503,051)
Charges for services	8,316,493	8,324,524	8,884,639	560,115
Fines and forfeitures	50,500	50,500	73,583	23,083
Investment earnings	67,500	67,500	15,418	(52,082)
Miscellaneous revenues	72,809	81,687	99,520	17,833
Total revenues	29,987,069	30,003,978	30,519,747	515,769
Expenditures				
Current:				
General government:				
Mayor and City Commission	113,115	113,115	92,012	21,103
City Attorney - legal services	252,000	252,000	252,110	(110)
City Manager	368,914	368,914	373,955	(5,041)
Personnel	323,197	323,197	281,985	41,212
City Clerk	242,436	242,436	219,890	22,546
Finance	802,944	802,944	778,683	24,261
Metered parking program	490,168	503,590	482,235	21,355
Information technology	1,200,131	1,202,531	1,185,612	16,919
Other general government	1,312,662	1,317,662	1,282,145	35,517
Public safety:				
Police department	4,674,096	4,664,096	4,667,976	(3,880)
Communications	803,914	803,914	744,094	59,820
Fire department	3,847,749	3,831,729	3,690,486	141,243
Building department:				
Planning, zoning and	491,220	491,220	353,564	137,656
Inspections and permits	290,497	290,497	363,634	(73,137)
Transportation/public works:				
Field operations	1,220,398	1,205,431	1,223,848	(18,417)
Building maintenance	818,961	801,248	755,089	46,159
Grounds maintenance	617,127	637,127	663,556	(26,429)
Fleet management	834,648	835,948	700,828	135,120
Physical environment	1,759,400	1,771,900	1,708,847	63,053

City of Cocoa Beach, Florida
Statement of Revenues, Expenditures and Changes in Fund Balances –
Budget and Actual – General Fund (Continued)

Recreation:				
Administration and community	465,506	459,426	373,891	85,535
Golf	2,122,041	2,123,341	2,014,741	108,600
Parks	238,024	238,024	198,771	39,253
Swimming pool	488,610	488,610	438,296	50,314
Beach rangers	62,318	62,318	76,343	(14,025)
Tennis courts	2,186	2,186	277	1,909
Capital outlay	7,367,359	8,124,156	6,108,090	2,016,066
Debt service:				
Principal	744,846	744,846	744,846	-
Interest	326,502	326,502	326,476	26
Total expenditures	32,280,969	33,028,908	30,102,280	2,926,628
Excess of (deficiency) of revenues	(2,293,900)	(3,024,930)	417,467	3,442,397
Other Financing Sources (Uses)				
Transfers in	948,715	948,715	868,715	(80,000)
Transfers out	(520,000)	(520,000)	(520,000)	-
Issuance of debt	1,200,000	1,200,000	1,200,000	-
Proceeds from sale of assets	5,000	5,000	22,570	17,570
Total other financing sources (uses)	1,633,715	1,633,715	1,571,285	(62,430)
Net change in fund balance	(660,185)	(1,391,215)	1,988,752	3,379,967
Fund balance, beginning of the year, as restated	11,333,200	11,333,200	11,333,200	-
Fund balance, end of year	\$ 10,673,015	\$ 9,941,985	\$ 13,321,952	\$ 3,379,967

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

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

<i>For the year ended September 30, 2021</i>	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Property taxes	\$ 765,053	\$ 765,053	\$ 765,304	\$ 251
Charges for services	175,000	203,000	322,042	119,042
Interest	900	900	145	(755)
Miscellaneous revenue	-	9,279	9,279	-
Total revenues	940,953	978,232	1,096,770	118,538
Expenditures				
Economic development	76,942	121,221	117,270	3,951
Debt service	323,316	323,316	240,000	83,316
Interest expense	164,018	164,018	163,986	32
Total expenditures	487,334	487,334	521,256	83,348
Excess (Deficiency) of Revenues Over (Under) Expenditures	453,619	490,898	575,514	201,886
Other Financing Sources				
Transfers out	(107,315)	(107,315)	(27,315)	80,000
Total other financing sources	(107,315)	(107,315)	(27,315)	-
Net change in fund balance	346,304	383,583	548,199	201,886
Fund balance, beginning of year	255,359	255,359	255,359	-
Fund balance, end of year	\$ 601,663	\$ 638,942	\$ 803,558	\$ 201,886

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

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

<i>As of and for the year ended September 30,</i>	2021	2020	2019	2018	2017	2016	2015	2014	2013
Total Pension Liability									
Service cost	\$ 639,073	\$ 622,293	\$ 619,034	\$ 625,201	\$ 584,519	\$ 545,829	\$ 533,313	\$ 539,287	\$ 500,499
Interest	2,244,412	2,145,833	2,077,332	1,988,818	1,853,234	1,732,753	1,651,759	1,564,938	1,476,982
Difference between expected and actual experience	(515,553)	491,865	(340,064)	(107,227)	469,323	(316,930)	(113,781)	-	-
Changes of assumptions	951,960	(427,634)	-	-	40,962	688,895	-	-	-
Contributions - buy back	-	-	-	-	6,585	-	-	-	-
Benefit payments, including refunds of member contributions	(1,637,369)	(1,516,932)	(1,434,443)	(1,282,573)	(1,209,098)	(1,060,176)	(1,017,261)	(938,707)	(824,004)
Net change in total pension liability	1,682,523	1,315,425	921,859	1,224,219	1,745,525	1,590,371	1,054,030	1,165,518	1,153,477
Total pension liability - beginning	29,139,760	27,824,335	26,902,476	25,678,257	23,932,732	22,342,361	21,288,331	20,122,813	18,969,336
Total pension liability - ending (a)	30,822,283	29,139,760	27,824,335	26,902,476	25,678,257	23,932,732	22,342,361	21,288,331	20,122,813
Plan Fiduciary Net Position									
Contribution - employer	605,000	560,000	525,000	510,000	425,001	559,031	786,715	898,200	850,280
Contribution - employee	294,853	293,346	283,369	279,093	284,664	279,795	248,332	235,872	231,937
Contributions - buy back	-	-	-	-	6,585	-	-	-	-
Net investment income	6,146,104	3,075,647	1,015,118	1,981,691	2,639,271	2,007,647	(669,085)	1,955,398	2,302,167
Benefit payments, including refunds of member contributions	(1,637,369)	(1,516,932)	(1,434,443)	(1,282,573)	(1,209,098)	(1,060,176)	(1,017,261)	(938,707)	(824,004)
Administrative expense	(40,466)	(52,696)	(23,527)	(27,732)	(22,069)	(23,056)	(20,811)	(21,453)	(14,705)
Net change in plan fiduciary net position	5,368,122	2,359,365	365,517	1,460,479	2,124,354	1,763,241	(672,110)	2,129,310	2,545,675
Plan fiduciary net position - beginning	29,617,208	27,257,843	26,892,326	25,431,847	23,307,493	21,544,252	22,216,362	20,087,052	17,541,377
Plan fiduciary net position - ending (b)	34,985,330	29,617,208	27,257,843	26,892,326	25,431,847	23,307,493	21,544,252	22,216,362	20,087,052
Net pension liability - ending (a) - (b)	\$ (4,163,047)	\$ (477,448)	\$ 566,492	\$ 10,150	\$ 246,410	\$ 625,239	\$ 798,109	\$ (928,031)	\$ 35,761
Plan fiduciary net position as a percentage of the total pension liability	113.51%	101.64%	97.96%	99.96%	99.04%	97.39%	96.43%	104.36%	99.82%
Covered payroll	\$ 5,897,070	\$ 5,866,914	\$ 5,667,922	\$ 5,581,312	\$ 5,693,277	\$ 5,595,907	\$ 4,966,634	\$ 4,717,435	\$ 4,638,735
Net pension liability as a percentage of covered payroll	-70.60%	-8.14%	9.99%	0.18%	4.33%	11.17%	16.07%	-19.67%	0.77%

Note 1: GASB Codification P20 requires information for 10 years. However, until a full 10-year trend is compiled, the City is presenting information for only the years for which information is available.

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

<i>As of and for the year ended September 30,</i>	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined contribution	\$ 548,427	\$ 502,795	\$ 520,882	\$ 488,923	\$ 409,916	\$ 559,031	\$ 786,715	\$ 898,200	\$ 850,280
Contributions in relation to the actuarially determined contributions	605,000	560,000	525,000	510,000	425,001	559,031	786,715	898,200	850,280
Contribution deficiency (excess)	\$ (56,573)	\$ (57,205)	\$ (4,118)	\$ (21,077)	\$ (15,085)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 5,897,070	\$ 5,866,914	\$ 5,667,922	\$ 5,581,312	\$ 5,693,277	\$ 5,595,907	\$ 4,966,634	\$ 4,717,435	\$ 4,638,735
Contributions as a percentage of covered payroll	10.26%	9.55%	9.26%	9.14%	7.46%	9.99%	15.84%	19.04%	18.33%

Notes to Schedule

Valuation Date: 10/1/20

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

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

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

<i>As of and for the year ended September 30,</i>	2021	2020	2019	2018	2017	2016	2015	2014	2013
Total Pension Liability									
Service cost	\$ 329,623	\$ 297,678	\$ 280,676	\$ 312,449	\$ 266,442	\$ 264,410	\$ 268,905	\$ 278,445	\$ 257,819
Interest	1,464,679	1,443,169	1,447,501	1,365,029	1,282,422	1,248,592	1,215,095	1,166,413	1,118,532
Change in excess state money	-	-	-	-	-	(25,826)	-	-	-
Difference between expected and actual experience	85,833	78,378	(496,372)	460,321	386,258	(205,356)	(159,029)	-	-
Changes of assumptions	606,886	(196,549)	-	-	36,994	636,451	-	-	-
Contributions - buy back	-	47,992	-	-	22,500	-	52,320	-	-
Benefit payments, including refunds of member contributions	(1,334,647)	(1,515,490)	(1,093,911)	(989,830)	(959,625)	(1,052,685)	(855,473)	(798,118)	(798,796)
Net change in total pension liability	1,152,374	155,178	137,894	1,147,969	1,034,991	865,586	521,818	646,740	577,555
Total pension liability - beginning	19,236,782	19,081,604	18,943,710	17,795,741	16,760,750	15,895,164	15,373,346	14,726,606	14,149,051
Total pension liability - ending (a)	20,389,156	19,236,782	19,081,604	18,943,710	17,795,741	16,760,750	15,895,164	15,373,346	14,726,606
Plan Fiduciary Net Position									
Contribution - employer	650,000	865,000	865,000	860,000	782,512	822,359	625,885	751,980	719,322
Contribution - state	108,304	110,273	109,736	107,105	101,389	104,215	97,977	99,477	97,465
Contribution - employee	117,425	105,737	100,003	89,780	95,018	91,834	80,429	91,260	87,375
Contributions - buy back	-	47,992	-	-	22,500	-	52,320	-	-
Net investment income	3,472,317	1,833,038	593,406	1,562,850	1,529,239	1,085,149	(150,618)	1,089,153	1,174,778
Benefit payments, including refunds of member contributions	(1,334,647)	(1,515,490)	(1,093,911)	(989,830)	(959,625)	(1,052,685)	(855,473)	(798,118)	(798,796)
Administrative expense	(44,795)	(48,249)	(36,318)	(36,507)	(41,061)	(41,054)	(37,661)	(32,708)	(37,849)
Net change in plan fiduciary net position	2,968,604	1,398,301	537,916	1,593,398	1,529,972	1,009,818	(187,141)	1,201,044	1,242,295
Plan fiduciary net position - beginning	16,672,172	15,273,871	14,735,955	13,142,557	11,612,585	10,602,767	10,789,908	9,588,864	8,346,569
Plan fiduciary net position - ending (b)	19,640,776	16,672,172	15,273,871	14,735,955	13,142,557	11,612,585	10,602,767	10,789,908	9,588,864
Net pension liability - ending (a) - (b)	\$ 748,380	\$ 2,564,610	\$ 3,807,733	\$ 4,207,755	\$ 4,653,184	\$ 5,148,165	\$ 5,292,397	\$ 4,583,438	\$ 5,137,742
Plan fiduciary net position as a percentage of the total pension liability	96.33%	86.67%	80.05%	77.79%	73.85%	69.28%	66.70%	70.19%	65.11%
Covered payroll	\$ 2,348,495	\$ 2,114,730	\$ 2,000,053	\$ 1,795,611	\$ 1,900,351	\$ 1,836,685	\$ 1,697,629	\$ 1,825,203	\$ 1,747,510
Net pension liability as a percentage of covered payroll	31.87%	121.27%	190.38%	234.34%	244.86%	280.30%	311.75%	251.12%	294.00%

Note 1: GASB codification P20 requires information for 10 years. However, until a full 10-year trend is compiled, the City is presenting information for only the years for which information is available.

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined contribution	\$ 758,304	\$ 966,431	\$ 987,426	\$ 932,461	\$ 933,642	\$ 876,833	\$ 723,862	\$ 851,457	\$ 716,786
Contributions in relation to the actuarially determined contributions	758,304	975,273	974,736	967,105	883,901	926,574	723,862	851,457	716,786
Contribution deficiency (excess)	\$ -	\$ (8,842)	\$ 12,690	\$ (34,644)	\$ 49,741	\$ (49,741)	\$ -	\$ -	\$ -
Covered payroll	\$ 2,348,495	\$ 2,114,730	\$ 2,000,053	\$ 1,795,611	\$ 1,900,351	\$ 1,836,685	\$ 1,697,629	\$ 1,825,203	\$ 1,747,510
Contributions as a percentage of covered payroll	32.29%	46.12%	48.74%	53.86%	46.51%	50.45%	42.64%	46.65%	41.02%

Notes to Schedule

Valuation Date: 10/1/20

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

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

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

<i>As of and for the year ended September 30,</i>	2021	2020	2019	2018	2017	2016	2015	2014	2013
Total Pension Liability									
Service cost	\$ 289,719	\$ 275,256	\$ 263,330	\$ 252,306	\$ 223,453	\$ 238,463	\$ 226,817	\$ 231,534	\$ 214,383
Interest	1,343,271	1,288,768	1,252,370	1,193,937	1,106,270	1,084,188	1,054,408	1,020,957	971,801
Change in excess state money	-	-	-	-	-	(654,119)	77,735	85,864	-
Changes of benefit terms	-	-	(1,726)	-	-	-	-	-	-
Difference between expected and actual experience	304,361	154,929	(24,340)	281,198	483,038	(88,821)	(17,490)	-	-
Changes of assumptions	581,004	(140,761)	-	-	26,411	229,105	-	-	-
Benefit payments, including refunds of member contributions	(919,194)	(859,597)	(1,207,655)	(757,898)	(715,766)	(735,874)	(1,070,390)	(588,887)	(588,887)
Net change in total pension liability	1,599,161	718,595	281,979	969,543	1,123,406	72,942	271,080	749,468	597,297
Total pension liability - beginning	17,502,404	16,783,809	16,501,830	15,532,287	14,408,881	14,335,939	14,064,859	13,315,391	12,718,094
Total pension liability - ending (a)	19,101,565	17,502,404	16,783,809	16,501,830	15,532,287	14,408,881	14,335,939	14,064,859	13,315,391
Plan Fiduciary Net Position									
Contribution - employer	420,006	570,000	675,000	609,433	475,026	655,200	561,835	581,513	564,182
Contribution - state	119,284	113,250	108,999	111,216	132,166	144,452	162,542	170,671	153,173
Contribution - employee	89,175	84,052	78,566	77,874	80,832	80,412	68,646	76,167	66,823
Net investment income	3,479,143	1,763,334	607,901	1,596,550	1,540,888	1,104,852	(147,286)	1,080,437	1,190,873
Benefit payments, including refunds of member contributions	(919,194)	(859,597)	(1,207,655)	(757,898)	(715,766)	(735,874)	(1,070,390)	(588,887)	(588,887)
Administrative expense	(48,691)	(55,981)	(36,084)	(38,992)	(29,789)	(32,055)	(29,141)	(18,863)	(24,007)
Net change in plan fiduciary net position	3,139,723	1,615,058	226,727	1,598,183	1,483,357	1,216,987	(453,794)	1,301,038	1,362,157
Plan fiduciary net position - beginning	16,759,418	15,144,360	14,917,633	13,319,450	11,836,093	10,619,106	11,072,900	9,771,862	8,409,705
Plan fiduciary net position - ending (b)	19,899,141	16,759,418	15,144,360	14,917,633	13,319,450	11,836,093	10,619,106	11,072,900	9,771,862
Net pension liability - ending (a) - (b)	\$ (797,576)	\$ 742,986	\$ 1,639,449	\$ 1,584,197	\$ 2,212,837	\$ 2,572,788	\$ 3,716,833	\$ 2,991,959	\$ 3,543,529
Plan fiduciary net position as a percentage of the total pension liability	104.18%	95.75%	90.23%	90.40%	85.75%	82.14%	74.07%	78.73%	73.39%
Covered payroll	\$ 1,783,500	\$ 1,681,035	\$ 1,571,321	\$ 1,557,486	\$ 1,616,637	\$ 1,608,236	\$ 1,441,819	\$ 1,386,146	\$ 1,336,468
Net pension liability as a percentage of covered payroll	-44.72%	44.20%	104.34%	101.72%	136.88%	159.98%	257.79%	215.85%	265.14%

Note 1: GASB codification P20 requires information for 10 years. However, until a full 10-year trend is compiled, the City is presenting information for only the years for which information is available.

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined contribution	\$ 479,284	\$ 650,393	\$ 694,681	\$ 720,649	\$ 673,167	\$ 733,677	\$ 646,642	\$ 666,321	\$ 648,989
Contributions in relation to the actuarially determined contributions	539,290	683,250	783,999	720,649	607,192	799,652	646,642	666,321	648,989
Contribution deficiency (excess)	\$ (60,006)	\$ (32,857)	\$ (89,318)	\$ -	\$ 65,975	\$ (65,975)	\$ -	\$ -	\$ -
Covered payroll	\$ 1,668,674	\$ 1,681,035	\$ 1,571,321	\$ 1,557,486	\$ 1,616,637	\$ 1,608,236	\$ 1,441,819	\$ 1,386,146	\$ 1,336,468
Contributions as a percentage of covered payroll	32.3%	40.6%	49.9%	46.3%	37.6%	49.7%	44.8%	48.1%	48.6%

Notes to Schedule

Valuation Date: 10/1/20

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

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

City of Cocoa Beach, Florida
Notes to Pension Required Supplementary Information
All Pension Plans

NOTES TO REQUIRED PENSION SUPPLEMENTARY INFORMATION:

Note 1: PLAN CHANGES IN BENEFIT TERMS

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

Note 2: CHANGES OF ASSUMPTIONS

Firefighters' Pension Plan

For measurement date September 30, 2021, as a result of an Experience Study prepared July 29, 2021, the Board has approved the following changes:

1. The investment return assumption was reduced from 7.75% to 7.40%, net of investment related expenses.
2. The salary increase rates were adjusted to reflect an increase in the rates for members with less than 10 years of service, and a slight decrease for those with 10 or more years of service.
3. The assumed rates of Early Retirement were adjusted slightly based on experience observed during the period.
4. The withdrawal rates were adjusted to reflect an overall increase in the assumed rates of turnover for members with less than 16 years of service, in addition to a 0% assumption for those with 16 or more years of service.
5. The disability rates were increased at all ages by a factor of three.

Police Officers' Pension Plan

For measurement date September 30, 2021 amounts reported as changes of assumptions resulted from an Experience Study dated July 29, 2021. The following changes were made:

1. The investment return assumption was reduced from 7.75% to 7.40%, net of investment related expenses.
2. The salary increase rates were generally adjusted downward based on experience observed during the period.
3. The assumed rates of Early Retirement and withdrawal were adjusted slightly based on experience observed during the period.
4. The disability rates were increased at all ages by a factor of three.

General Employees' Pension Plan

For measurement date September 30, 2021, the Board approved the following assumption changes based on the November 16, 2021 actuarial experience study:

1. Interest Rate – assumed rate was reduced from 7.75% to 7.25% per year, net of investment-related expenses.
2. Salary Increases – assumed rates were adjusted at most levels of service, reflecting actual experience over the last 10 years.
3. Retirement Rates – assumed rates for Normal Retirement were reduced between ages 65 and 69.
4. Termination Rates – assumed rates were reduced for members with less than 5 years of Credited Service, and increased for those with 5 or more years of Credited Service.

City of Cocoa Beach, Florida
Notes to Pension Required Supplementary Information
All Pension Plans

Note 3: METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES

	General	Police Employees	Fire Employees
Actuarial cost method	Frozen entry age	Entry age normal	Entry age normal
Amortization method	Level dollar amount	Level % of pay, Closed	Level % of pay, Closed
Remaining amortization period	5 Years	5 Years	5 Years
Asset valuation method	Historical geometric four-year average market value return	Historical geometric four-year average market value return	Historical geometric four-year average market value return
Inflation	2.6%	2.5%	2.5%
Payroll increases	0%	0%	0%
Salary increases	Service based	Service based	Service based
*Interest rate	7.25%	7.40%	7.4%
Retirement age	Age 62 and 5 years of Credited Service	Earlier of: 1) Age 55 and the completion of 10 years of Credited Service, 2) Age 52 and the completion of 25 years of Credited Service, or 3) the completion of 30 years of Credited Service, regardless of age	Earlier of: 1) Age 55 and 10 years of Credited Service, or 2) 25 years of Credited Service, regardless of age
Early retirement	Age 52 and 5 years of Credited Service	Age 50 and 10 years of Credited Service	Attained Age 45 with 10 Years of Credited Service
Mortality	7/01/19 FRS not special risk	7/01/19 FRS special risk	7/01/19 FRS special risk

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

City of Cocoa Beach, Florida
Notes to Pension Required Supplementary Information
All Pension Plans

Note 4: MONEY-WEIGHTED RATE OF RETURN

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

General Employees								
2021	2020	2019	2018	2017	2016	2015	2014	2013
20.86%	11.35%	3.79%	7.82%	11.38%	9.31%	-2.98%	9.55%	13.01%
Police Officers'								
2021	2020	2019	2018	2017	2016	2015	2014	2013
20.92%	12.05%	3.98%	11.71%	13.01%	10.02%	-1.37%	11.11%	13.90%
Firefighters'								
2021	2020	2019	2018	2017	2016	2015	2014	2013
20.86%	11.6%	4.0%	11.9%	13.0%	10.2%	-1.3%	10.8%	13.8%

Note 1: GASB Codification P20 requires information for 10 years. However, until a full 10-year trend is compiled, the City is presenting information for only the years for which information is available.

City of Cocoa Beach, Florida
Schedule of Changes in the City's Net OPEB Liability and Related Ratios
Last Five Fiscal Years

<i>As of and for the year ended September 30,</i>	2021	2020
Total OPEB Liability		
Service cost	\$ 234,008	\$ 189,883
Interest	258,371	276,127
Difference between expected and actual experience	(644,697)	448,963
Changes of assumptions or other inputs	(1,391,292)	496,376
Explicit benefit payments	(171,328)	(264,865)
Implicit benefit payments	(48,064)	46,732
Net change in total OPEB liability	(1,763,002)	1,193,216
Total OPEB liability - beginning	7,797,487	6,604,271
Total OPEB liability - ending	6,034,485	7,797,487
Plan Fiduciary Net Position		
Explicit contributions - employer	\$ 108,105	100,000
Implicit contributions - employer	219,392	218,133
Net investment income	621,128	133,073
Explicit benefit payments	(171,328)	(264,865)
Implicit benefit payments	(48,064)	46,732
Administrative expense	(176,591)	(2,354)
Net change in plan fiduciary net position	552,642	230,719
Plan fiduciary net position - beginning	2,043,062	1,812,343
Plan fiduciary net position - ending	2,595,704	2,043,062
Total OPEB liability	\$ 3,438,781	\$ 5,754,425
Plan fiduciary net position as a percentage of total OPEB liability	43.01%	26.20%
Covered payroll	\$ 9,639,094	\$ 9,866,485
Total OPEB liability as a percentage of covered payroll	35.68%	58.32%
* The following discount rate was used in each period:	5.08%	3.55%

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

City of Cocoa Beach, Florida
Schedule of Changes in the City's Net OPEB Liability and Related Ratios
Last Five Fiscal Years (Continued)

2019	2018	2017
\$ 157,858	\$ 212,520	\$ 227,237
263,064	288,588	254,072
(354,014)	95,393	-
466,294	(1,566,653)	(678,077)
(252,087)	(150,000)	(130,101)
46,686	(89,140)	(78,541)
327,801	(1,209,292)	(405,410)
6,276,470	7,485,762	7,891,172
6,604,271	6,276,470	7,485,762
352,087	250,000	230,101
(46,686)	89,140	78,541
94,389	126,209	178,426
(252,087)	(150,000)	(130,101)
46,686	(89,140)	(78,541)
(2,177)	(2,015)	(1,753)
192,212	224,194	276,673
1,620,131	1,395,937	1,119,264
1,812,343	1,620,131	1,395,937
\$ 4,791,928	\$ 4,656,339	\$ 6,089,825
27.44%	25.81%	18.65%
\$ 9,940,598	\$ 9,889,192	\$ 8,816,274
48.21%	47.09%	69.07%
3.87%	4.40%	3.76%

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

	2021	2020
Actuarially determined contribution	\$ 303,521	\$ 480,901
Contributions in relation to the actuarially determined contributions	108,105	100,000
<hr/>		
Contribution deficiency (excess)	\$ 195,416	\$ 380,901
<hr/>		
Covered payroll	\$ 9,639,094	\$ 9,866,485
Contributions as a percentage of covered payroll	1.1%	1.0%

Notes to Schedule

Valuation Date: 10/1/20

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

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

**City of Cocoa Beach, Florida
Schedule of City OPEB Contributions
Last Five Fiscal Years (Continued)**

2019	2018	2017
\$ 450,296	\$ 453,999	\$ 576,881
352,087	250,000	230,101
\$ 98,209	\$ 203,999	\$ 346,780
\$ 9,940,598	\$ 9,889,192	\$ 8,816,274
3.5%	2.5%	2.6%

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

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

OPEB				
<i>As of and for the year ended September 30,</i>				
2021	2020	2019	2018	2017
37.72%	6.47%	4.90%	7.83%	8.72%

OTHER SUPPLEMENTARY INFORMATION

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

<i>For the year ended September 30, 2021</i>	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Interest	\$ 10,000	\$ 10,000	\$ 5,760	\$ (4,240)
Total revenues	10,000	10,000	5,760	(4,240)
Expenditures				
Capital outlay	629,804	8,508,387	7,145,230	1,363,157
Total expenditures	629,804	8,508,387	7,145,230	1,363,157
Excess (Deficiency) of Revenues Over (Under) Expenditures	(619,804)	(8,498,387)	(7,139,470)	1,358,917
Other Financing Sources				
Transfers in	500,000	500,000	500,000	-
Total other financing sources	500,000	500,000	500,000	-
Net change in fund balance	(119,804)	(7,998,387)	(6,639,470)	1,358,917
Fund balance, beginning of year	8,017,470	8,017,470	8,017,470	-
Fund balance, end of year	\$ 7,897,666	\$ 19,083	\$ 1,378,000	\$ 1,358,917

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

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

<i>September 30, 2021</i>	Employee Benefit Fund				Total
	OPEB Trust Fund	General Employees	Police Officers'	Firefighters'	
Assets					
Contribution receivable	\$ -	\$ -	\$ 108,304	\$ 120,264	\$ 228,568
Investments, at fair value	2,595,705	34,985,331	19,551,081	19,798,201	76,930,318
Total assets	2,595,705	34,985,331	19,659,385	19,918,465	77,158,886
Liabilities					
Accounts payable	-	-	5,625	6,949	12,574
Accrued expenses	(53,671)	-	-	-	(53,671)
Total liabilities	(53,671)	-	5,625	6,949	(41,097)
Net Position					
Restricted for pensions	-	34,985,331	19,653,760	19,911,516	74,550,607
Restricted for OPEB benefits	2,649,376	-	-	-	2,649,376
Total net position	\$ 2,649,376	\$ 34,985,331	\$ 19,653,760	\$ 19,911,516	\$ 77,199,983

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

<i>For the year ended September 30, 2021</i>	Pension Trust				Total
	OPEB Trust Fund	General Employees	Police Officers'	Firefighters'	
Additions					
Contributions					
State	\$ -	\$ -	\$ 108,304	\$ 120,258	\$ 228,562
Employer	325,000	605,000	650,000	420,000	2,000,000
Employees	-	295,229	117,425	89,387	502,041
Total contributions	325,000	900,229	875,729	629,645	\$ 2,730,603
Investment income					
Net appreciation in the fair value of investments	-	5,102,144	2,640,967	2,648,293	10,391,404
Interest and dividends	455,532	1,124,463	880,762	880,296	3,341,053
	455,532	6,226,607	3,521,729	3,528,589	13,732,457
Less: investment expense	(2,888)	(80,878)	(34,955)	(34,982)	(153,703)
Total investment income	452,644	6,145,729	3,486,774	3,493,607	13,578,754
Total additions	777,644	7,045,958	4,362,503	4,123,252	16,309,357
Deductions					
Benefits paid	171,329	1,593,444	1,322,843	920,518	4,008,134
Refunds of contributions	-	43,925	-	-	43,925
Administrative expenses	-	40,466	58,072	50,636	149,174
Total deductions	171,329	1,677,835	1,380,915	971,154	4,201,233
Change in net position	606,315	5,368,123	2,981,588	3,152,098	12,108,124
Net position, beginning of year	2,043,061	29,617,208	16,672,172	16,759,418	65,091,859
Net position, end of year	\$ 2,649,376	\$ 34,985,331	\$ 19,653,760	\$ 19,911,516	\$ 77,199,983

STATISTICAL SECTION

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

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A. Financial Trends

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

Schedule A1 Net Position by Component

Schedule A2 Changes in Net Position

Schedule A3 Fund Balances – Governmental Funds

Schedule A4 Changes in Fund Balances – Governmental Funds

B. Revenue Capacity

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

Schedule B1 Assessed Value and Estimated Actual Value of Taxable Property

Schedule B2 Direct and Overlapping Property Tax Rates

Schedule B3 Principal Property Taxpayers

Schedule B4 Property Tax Levies and Collections

C. Debt Capacity

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

Schedule C1 Ratio of Outstanding Debt by Type

Schedule C2 Direct and Overlapping Governmental Activities Debt

Schedule C3 Pledged Revenue Coverage

Schedule C4 Ratios of General Bonded Debt Outstanding, See notes

Schedule C5 Legal Debt Margin Information, See notes

D. Demographic and Economic Information Financial Trends

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

Schedule D1 Demographic and Economic Statistics

Schedule D2 Principal Employers

E. Operating Information

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

Schedule E1 Employees by Function/Program

Schedule E2 Operating Indicators by Function/Program

Schedule E3 Capital Asset Statistics by Function/Program

Additional Notes

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

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

	2012	2013	2014	2015
Governmental activities				
Net investment in capital assets	\$ 18,261,764	\$ 18,080,949	\$ 23,650,099	\$ 22,249,281
Restricted	204,697	206,541	594,503	864,117
Unrestricted	8,984,450	5,609,847	2,278,071	(3,923,940)
Total governmental activities net position	\$ 27,450,911	\$ 23,897,337	\$ 26,522,673	\$ 19,189,458
Business-type activities				
Net investment in capital assets	\$ 32,096,348	\$ 29,003,772	\$ 25,003,758	\$ 24,343,465
Restricted	98,193	824,865	824,865	1,029,297
Unrestricted	2,091,980	8,318,197	8,376,696	8,857,119
Total business-type activities net position	\$ 34,286,521	\$ 38,146,834	\$ 34,205,319	\$ 34,229,881
Primary government				
Net investment in capital assets	\$ 50,358,112	\$ 47,084,721	\$ 48,653,857	\$ 46,592,746
Restricted	302,890	1,031,406	1,419,368	1,893,414
Unrestricted	11,076,430	13,928,044	10,654,767	4,933,179
Total primary government net position	\$ 61,737,432	\$ 62,044,171	\$ 60,727,992	\$ 53,419,339

Schedule A1

	2016		2017		2018		2019		2020		2021
\$	24,182,508	\$	26,290,568	\$	27,578,331	\$	29,172,420	\$	33,219,144	\$	33,431,778
	456,923		445,157		180,521		196,391		196,391		2,825,714
	(3,432,120)		(3,184,461)		(5,055,455)		(2,902,763)		(400,467)		5,021,277
\$	21,207,311	\$	23,551,264	\$	22,703,397	\$	26,466,048	\$	33,015,068	\$	41,278,769
\$	25,427,503	\$	27,971,940	\$	26,666,412	\$	26,320,292	\$	28,662,592	\$	28,518,871
	1,029,297		637,235		-		-		-		2,009,772
	7,625,604		8,315,120		9,471,689		10,137,033		10,697,941		10,931,966
\$	34,082,404	\$	36,924,295	\$	36,138,101	\$	36,457,325	\$	39,360,533	\$	41,460,609
\$	49,610,011	\$	54,262,508	\$	54,244,743	\$	55,492,712	\$	61,881,736	\$	61,950,649
	1,486,220		1,082,392		180,521		196,391		196,391		4,835,486
	4,193,484		5,130,659		4,416,234		7,234,270		10,297,474		15,953,243
\$	55,289,715	\$	60,475,559	\$	58,841,498	\$	62,923,373	\$	72,375,601	\$	82,739,378

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

	2012	2013	2014	2015
Program expenses				
Governmental activities:				
General government	\$ 2,788,002	\$ 2,919,124	\$ 1,285,245	\$ 3,487,514
Economic environment	-	-	-	-
Public Safety	8,906,595	8,648,071	9,289,985	8,632,350
Physical Environment	1,448,782	1,480,466	1,491,654	1,441,963
Transportation/Public Works	3,450,828	2,970,897	5,199,935	3,744,760
Recreation	1,202,669	1,085,135	3,874,112	3,346,596
Interest on long-term debt	9,587	2,736	-	125,844
Total governmental activities program expenses	\$ 17,806,463	\$ 17,106,429	\$ 21,140,931	\$ 20,779,027
Business-type activities:				
Utilities system	\$ 4,846,321	\$ 4,802,654	\$ 6,428,259	\$ 6,180,828
Golf	2,704,671	2,636,838	-	-
Stormwater	482,407	507,130	512,869	472,371
Total business-type activities program expenses	\$ 8,033,399	\$ 7,946,622	\$ 6,941,128	\$ 6,653,199
Total primary government program expenses	\$ 25,839,862	\$ 25,053,051	\$ 28,082,059	\$ 27,432,226
Program revenues				
Governmental activities:				
General government	\$ 2,047,310	\$ 2,073,020	\$ 2,395,990	\$ 2,044,829
Economic environment	-	-	-	-
Public Safety	642,032	725,412	665,589	626,835
Physical Environment	1,605,658	1,593,151	1,662,458	1,663,153
Transportation/Public Works	1,109,997	1,021,125	1,140,466	1,267,992
Recreation	244,540	274,497	2,496,625	2,436,776
Operating grants and contributions	-	-	-	-
Capital grants and contributions	547,108	328,225	478,810	660,802
Total governmental activities program revenues	\$ 6,196,645	\$ 6,015,430	\$ 8,839,938	\$ 8,700,387
Business-type activities:				
Charges for services:				
Utilities system	\$ 6,058,715	\$ 5,633,604	\$ 5,830,201	\$ 5,799,532
Golf	2,225,397	2,311,096	-	-
Stormwater	667,912	585,947	592,638	595,644
Operating grants and contributions	-	-	-	-
Capital grants and contributions	73,391	54,314	159,540	558,212
Total business-type activities program revenues	\$ 9,025,415	\$ 8,584,961	\$ 6,582,379	\$ 6,953,388
Total primary government program revenues	\$ 15,222,060	\$ 14,600,391	\$ 15,422,317	\$ 15,653,775

Schedule A2

	2016	2017	2018	2019	2020	2021
\$	4,819,444	\$ 4,935,118	\$ 4,968,022	\$ 5,721,658	\$ 5,110,091	\$ 4,985,659
	-	-	-	-	-	\$ 242,761
	7,726,733	8,782,659	8,730,028	9,260,591	8,920,204	8,272,119
	1,468,270	1,510,816	1,670,732	1,725,572	1,758,727	3,119,546
	3,368,439	3,526,815	4,300,002	4,311,053	4,488,918	3,343,321
	3,539,718	3,432,942	3,486,931	3,556,167	3,305,469	3,449,028
	124,169	307,420	328,326	242,703	511,713	453,724
\$	21,046,773	\$ 22,495,770	\$ 23,484,041	\$ 24,817,744	\$ 24,095,122	\$ 23,866,158
\$	6,491,931	\$ 6,828,930	\$ 7,122,007	\$ 6,791,714	\$ 7,162,431	\$ 6,517,273
	-	-	-	-	-	-
	471,907	500,555	726,342	809,824	618,028	721,473
\$	6,963,838	\$ 7,329,485	\$ 7,848,349	\$ 7,601,538	\$ 7,780,459	\$ 7,238,746
\$	28,010,611	\$ 29,825,255	\$ 31,332,390	\$ 32,419,282	\$ 31,875,581	\$ 31,104,904
\$	1,161,342	\$ 1,134,935	\$ 2,946,376	\$ 3,266,840	\$ 3,173,940	\$ 3,575,438
	-	-	-	-	-	\$ -
	981,899	1,105,118	1,188,367	1,231,927	1,325,274	1,380,193
	1,763,280	1,801,744	1,854,899	1,949,517	1,922,149	1,997,134
	1,874,144	2,652,362	165,065	180,710	179,109	178,697
	2,340,083	2,161,586	2,161,540	2,103,825	1,898,983	3,033,626
	283,861	746,727	499,643	1,102,563	772,574	16,926
	1,844,670	1,015,000	1,021,221	1,756,900	3,732,094	3,232,138
\$	10,249,279	\$ 10,617,472	\$ 9,837,111	\$ 11,592,282	\$ 13,004,123	\$ 13,414,152
\$	6,268,290	\$ 6,628,578	\$ 7,005,833	\$ 7,330,994	\$ 7,599,442	\$ 7,907,539
	-	-	-	-	-	-
	800,882	815,368	841,390	864,848	885,950	890,501
	-	-	-	9,317	-	158,560
	208,794	3,221,488	400,350	297,200	2,813,348	473,030
\$	7,277,966	\$ 10,665,434	\$ 8,247,573	\$ 8,502,359	\$ 11,298,740	\$ 9,429,630
\$	17,527,245	\$ 21,282,906	\$ 18,084,684	\$ 20,094,641	\$ 24,302,863	\$ 22,843,782

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

	2012	2013	2014	2015
Net (expense) revenue				
Governmental activities	\$ (11,609,818)	\$ (11,090,999)	\$ (12,300,993)	\$ (12,078,640)
Business-type activities	992,016	638,339	(358,749)	300,189
Total primary government net expense	\$ (10,617,802)	\$ (10,452,660)	\$ (12,659,743)	\$ (11,778,451)
General revenues and other changes in net position				
Governmental activities:				
General revenues:				
Property taxes	\$ 6,348,123	\$ 6,352,123	\$ 6,680,713	\$ 7,102,087
Local option gas tax	458,735	408,959	393,454	417,978
Franchise taxes	1,358,787	1,231,315	1,290,918	1,294,985
Excise taxes	1,891,349	1,964,827	1,991,139	1,976,393
Intergovernmental	645,626	668,540	699,504	722,933
Unrestricted investment earnings	96,921	(1,692)	58,705	79,118
Miscellaneous revenues	112,638	97,773	165,712	156,703
Transfers	491,054	(3,184,420)	3,646,185	509,000
Total governmental activities	\$ 11,403,233	\$ 7,537,425	\$ 14,926,330	\$ 12,259,197
Business-type activities:				
Unrestricted investment earnings	\$ 66,561	\$ 37,554	\$ 63,419	\$ 73,088
Miscellaneous revenues	-	-	-	-
Transfers	(491,054)	3,184,420	(3,646,185)	(509,000)
Total business-type activities	\$ (424,493)	\$ 3,221,974	\$ (3,582,766)	\$ (435,912)
Total primary government	\$ 10,978,740	\$ 10,759,399	\$ 11,343,564	\$ 11,823,285
Changes in net position				
Governmental activities	\$ (206,585)	\$ (3,553,574)	\$ 2,625,337	\$ 180,557
Business-type activities	567,523	3,860,313	(3,941,515)	(135,723)
Total primary government	\$ 360,938	\$ 306,739	\$ (1,316,178)	\$ 44,834

Schedule A2 (Continued)

2016	2017	2018	2019	2020	2021
\$ (10,797,494)	\$ (11,878,298)	\$ (13,646,930)	\$ (13,225,462)	\$ (11,090,999)	\$ (10,452,006)
314,128	3,335,949	399,224	900,821	3,518,281	2,190,884
\$ (10,483,366)	\$ (8,542,349)	\$ (13,247,706)	\$ (12,324,641)	\$ (7,572,718)	\$ (8,261,122)
\$ 7,657,945	\$ 9,126,174	\$ 10,375,705	\$ 11,215,262	\$ 12,110,760	\$ 12,681,566
461,652	333,671	327,312	354,872	330,750	343,779
1,272,155	1,247,130	1,274,531	1,294,054	1,257,463	1,305,915
1,989,682	1,901,602	2,006,144	1,981,511	1,933,915	1,917,975
737,261	779,801	822,000	826,724	786,077	1,845,660
42,569	10,575	76,363	229,480	263,740	21,323
145,083	264,298	469,223	227,210	135,914	131,369
509,000	559,000	859,000	859,000	821,400	821,400
\$ 12,815,347	\$ 14,222,251	\$ 16,210,278	\$ 16,988,113	\$ 17,640,019	\$ 19,068,987
\$ 47,395	\$ 64,942	\$ 92,510	\$ 277,403	\$ 206,327	\$ 19,631
(509,000)	(559,000)	(859,000)	(859,000)	(821,400)	(821,400)
\$ (461,605)	\$ (494,058)	\$ (766,490)	\$ (581,597)	\$ (615,073)	\$ (675,501)
\$ 12,353,742	\$ 13,728,193	\$ 15,443,788	\$ 16,406,516	\$ 17,024,946	\$ 18,393,486
\$ 2,017,853	\$ 2,343,953	\$ 2,563,348	\$ 3,762,651	\$ 6,549,020	\$ 8,616,981
(147,477)	2,841,891	(367,266)	319,224	2,903,208	1,515,383
\$ 1,870,376	\$ 5,185,844	\$ 2,196,082	\$ 4,081,875	\$ 9,452,228	\$ 10,132,364

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

	2012	2013	2014	2015
General Fund				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-
Nonspendable	3,530,116	140,544	374,973	222,504
Restricted	16,200	16,200	402,375	672,125
Committed	668,570	328,918	3,031,960	422,975
Assigned	-	-	-	-
Unassigned	6,116,168	6,396,738	5,007,909	4,530,258
Total general fund	\$ 10,331,054	\$ 6,882,400	\$ 8,817,217	\$ 5,847,862
All other governmental funds				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-
Nonspendable	-	-	4,649	4,983
Restricted	188,497	190,341	192,128	191,992
Committed (Metered Parking)	1,106,949	1,144,536	1,045,024	1,115,763
Assigned	-	-	-	-
Unassigned	-	-	(261,230)	(191,818)
Total all other governmental funds	\$ 1,295,446	\$ 1,334,877	\$ 980,571	\$ 1,120,920

Schedule A3

2016	2017	2018	2019	2020	2021
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
246,919	239,286	280,372	264,291	271,343	84,703
264,636	264,636	264,636	264,636	264,636	434,032
1,018,716	1,435,818	1,629,521	1,476,337	2,161,632	2,161,632
-	-	-	-	-	-
3,714,213	2,976,927	5,039,536	7,424,653	7,852,255	10,641,585
\$ 5,244,484	\$ 4,916,667	\$ 7,214,065	\$ 9,429,917	\$ 10,549,866	\$ 13,321,952
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
5,082	5,346	5,543	15,170	16,297	-
192,287	4,680,521	4,675,443	9,922,252	8,452,923	2,391,682
1,126,273	1,928,182	-	-	-	-
-	-	-	-	-	-
(77,030)	151,595	-	(70,875)	-	-
\$ 1,246,612	\$ 6,765,644	\$ 4,680,986	\$ 9,866,547	\$ 8,469,220	\$ 2,391,682

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

	2012	2013	2014	2015
Revenues				
Taxes	\$ 10,056,994	\$ 9,957,224	\$ 10,356,221	\$ 10,791,445
Licenses and permits	416,435	433,729	449,991	441,606
Intergovernmental revenues	1,192,734	996,765	1,178,314	1,383,735
Charges for services	4,349,042	4,311,489	6,567,717	6,585,380
Fines & forfeitures	900,892	971,569	1,396,075	1,067,909
Investment earnings	96,921	(1,692)	54,907	79,118
Miscellaneous revenues	95,804	68,191	116,854	101,393
Total revenues	\$ 17,108,822	\$ 16,737,275	\$ 20,120,079	\$ 20,450,586
Expenditures				
General government	\$ 3,260,223	\$ 3,160,833	\$ 3,749,095	\$ 4,399,772
Economic environment	-	-	-	-
Public Safety	8,379,998	8,402,158	9,174,689	9,252,083
Physical Environment	1,448,782	1,480,466	1,491,654	1,441,963
Transportation/Public Works	2,785,826	2,712,413	5,156,369	5,244,532
Recreation	1,043,540	1,018,472	3,605,523	3,249,398
Capital Outlay	-	-	-	-
Debt Service				
Principal	175,000	185,000	69,401	75,000
Interest	9,587	2,736	-	125,844
Total expenditures	\$ 17,102,956	\$ 16,962,078	\$ 23,246,731	\$ 23,788,592
Excess of revenues over (under) expenditures				
	\$ 5,866	\$ (224,803)	\$ (3,126,652)	\$ (3,338,006)
Other financing sources (uses)				
Land purchases	-	-	-	-
Transfers in	1,090,074	1,112,184	1,575,341	1,218,930
Transfers out	(599,020)	(4,296,604)	(658,178)	(709,930)
Sale of Capital Assets	-	-	-	-
Capital lease	-	-	-	-
Issuance of debt	-	-	3,790,000	-
Premium on debt	-	-	-	-
Total other financing sources	\$ 491,054	\$ (3,184,420)	\$ 4,707,163	\$ 509,000
Net change in fund balances				
	\$ 496,920	\$ (3,409,223)	\$ 1,580,511	\$ (2,829,006)
Debt service as a percentage of non-capital expenditures				
	1.15%	1.16%	0.43%	1.42%

Notes:

Modified accrual basis of accounting

Rise of debt service percentage in Fiscal Year 2017 is attributed to Equipment Master Lease payments

Schedule A4

	2016	2017	2018	2019	2020	2021
\$	11,381,434	\$ 12,608,577	\$ 13,983,692	\$ 14,845,699	\$ 15,632,888	\$ 16,249,235
	482,642	586,788	736,536	645,339	741,709	867,932
	2,865,792	2,541,528	2,342,864	3,686,187	5,290,745	5,094,724
	7,331,896	7,818,769	7,523,826	8,019,542	7,692,153	9,206,681
	306,210	450,188	55,885	67,938	65,593	90,475
	42,569	10,575	76,363	229,480	263,740	21,323
	145,083	264,298	290,457	201,897	110,387	108,799
\$	22,555,626	\$ 24,280,723	\$ 25,009,623	\$ 27,696,082	\$ 29,797,215	\$ 31,639,169
\$	4,733,699	\$ 5,038,902	\$ 6,102,703	\$ 4,919,563	\$ 4,820,807	4,948,627
	-	-	-	-	-	117,270
	8,593,542	8,845,792	9,017,098	9,816,003	10,357,771	9,819,754
	1,468,270	1,510,816	1,670,732	1,725,572	1,758,727	1,708,847
	5,954,177	4,886,276	4,866,390	5,291,411	7,892,109	3,343,321
	3,320,906	3,265,936	3,798,436	3,327,465	3,044,346	3,102,319
	-	-	-	-	-	13,256,479
	226,252	467,657	454,566	663,948	733,294	984,846
	124,169	307,420	219,948	280,164	496,014	490,462
\$	24,421,015	\$ 24,322,799	\$ 26,129,873	\$ 26,024,126	\$ 29,103,068	\$ 37,771,925
\$	(1,865,389)	\$ (42,076)	\$ (1,120,250)	\$ 1,671,956	\$ 694,147	\$ (6,132,756)
	-	-	-	-	-	-
	1,265,170	1,277,099	3,032,557	1,188,850	1,264,347	1,368,715
	(756,170)	(718,099)	(2,173,557)	(329,850)	(442,947)	(547,315)
	-	-	178,766	25,313	25,527	22,570
	878,703	-	295,224	-	-	-
	-	4,245,000	-	9,751,000	-	1,200,000
	-	429,291	-	-	-	-
\$	1,387,703	\$ 5,233,291	\$ 1,332,990	\$ 10,635,313	\$ 846,927	\$ 2,043,970
\$	(477,686)	\$ 5,191,215	\$ 212,740	\$ 12,307,269	\$ 1,541,074	\$ (4,088,786)
	1.75%	2.95%	3.07%	5.27%	5.74%	5.85%

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

Fiscal Year	Taxable Value Real Property for Operating Purposes	Personal Property for Operating Purposes	Gross Taxable Value	New Construction Taxable Value	Adjusted Taxable Value	Final Taxable Value*	Millage Rate **
2012	1,282,995,490	36,505,989	1,319,501,479	1,955,124	1,317,546,355	1,317,771,181	5.0240
2013	1,336,061,370	39,768,882	1,375,830,252	1,068,490	1,374,761,762	1,317,345,221	4.9798
2014	1,420,415,260	42,997,287	1,463,412,547	2,768,970	1,460,643,577	1,375,437,743	4.9798
2015	1,528,428,150	44,389,202	1,572,817,352	3,875,580	1,568,941,772	1,462,050,879	4.9798
2016	1,651,383,595	44,356,979	1,695,740,574	7,726,440	1,688,014,134	1,570,025,655	4.9798
2017	1,790,137,425	45,689,227	1,835,826,652	3,666,242	1,832,160,410	1,689,173,910	5.4798
2018	1,926,013,887	47,699,982	1,973,713,869	2,355,548	1,971,358,321	1,834,321,456	5.7298
2019	2,046,878,881	50,724,415	2,097,603,296	11,191,720	2,086,411,576	2,018,543,186	5.7298
2020	2,141,432,855	55,389,524	2,196,822,379	8,596,439	2,188,225,940	2,107,856,272	5.8294
2021	2,268,681,405	56,692,892	2,325,374,297	3,521,533	2,321,852,764	2,199,480,742	5.9544

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

- Notes:**
1. Final taxable value determined after Valuation Board rulings.
 2. The rate used in the calculation for property taxes. One mil equals \$1 per \$1,000 of taxable value. A millage of 5.9544, which is the current (Fiscal Year 2021) rate in effect for the City of Cocoa Beach is equal to \$5.84 for each \$1,000 of taxable value on real property.
 3. Property is assessed at actual value and therefore a separate table for assessed and actual data is not presented.

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

City Direct Rates		Overlapping Rates				
Fiscal Year	Basic Rate *	Brevard County	Brevard County Schools		Other **	Total Millage
			Operating	Capital Outlay		
2012	4.9798	5.9199	6.5960	1.5000	0.3658	19.3615
2013	4.9798	5.7979	6.1060	1.5000	0.3628	18.7465
2014	4.9798	5.4589	5.8390	1.5000	0.5230	18.3007
2015	4.9798	5.3047	5.7750	1.5000	0.4988	18.0583
2016	4.9798	5.3590	5.7750	1.5000	0.4445	18.0583
2017	5.4798	5.1512	5.4160	1.5000	0.4241	17.9711
2018	5.4798	4.9117	5.0680	1.5000	0.3952	17.3547
2019	5.7298	4.6700	4.8000	1.5000	0.3700	17.0698
2020	5.8294	4.5100	4.5900	1.5000	0.3500	16.7794
2021	5.9544	4.3500	4.4400	1.5000	0.3100	16.5100

Source: Brevard County Property Appraiser website.

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

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

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

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

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

Taxpayer	2021			2022		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Hilton (1550 North Atlantic)	\$ 28,253,990	1	1.40%	\$ 8,500,000	3	0.58%
Cocoa Beach Development, Inc (Cocoa Beach Resort)	23,525,080	2	1.17%	20,177,650	1	1.38%
DAD Inc (International Palms)	18,090,690	3	0.90%	7,800,000	4	0.54%
Ocean Partners Hospitality LLC 5500 North Group (Days Inn/Best Western)	13,695,030	4	0.68%	-	12	0.00%
Jeffrey Wells	12,540,350	5	0.62%	-	-	0.00%
Northport Inc Et Al (Ocean Landings)	12,063,980	6	0.60%	4,678,700	7	0.00%
Westgate Resorts Ltd & Pier (Walkula)	11,866,040	7	0.59%	-	-	0.00%
Discovery Reosrt, Inc	11,087,960	8	0.55%	10,636,720	2	0.73%
Cocoa Beach Hospitality LLC (Quality Inn)	9,294,730	9	0.46%	-	-	0.00%
Ron Jon Surf Shop of Florida Inc	9,276,970	10	0.46%	4,161,063	9	0.29%
Branch Cornerstone Assoc.LP (Inland Western)*	7,953,220	11	0.39%	5,800,000	5	0.40%
Cocoa Beach Surf Company	7,645,260	12	0.38%	4,000,000	10	0.27%
Las Olas Beach Club	5,281,200	13	-	-	-	0.00%
Pandey Hotel Cocoa Beach LLC (Doubletree,Cocoa Beach Hotel Fund)	5,000,000	14	-	4,500,000	8	0.31%
TOTALS	\$ 175,574,500		8.19%	\$ 70,254,133		3.92%
Total City final taxable value	\$ 2,018,543,186			\$ 1,457,119,766		

Source: Brevard County Property Appraiser
Multiple properties may be included in some taxable assessed values
*This Taxpayer includes the Cornerstone Plaza Publix

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

Fiscal Year	Gross Tax Levy (1)	Collected Within the Fiscal Year of the Levy		Current Year Collections for Prior Years	Total Collections	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2012	6,562,237	6,327,427	96.42%	20,696	6,348,123	96.74%
2013	6,560,116	6,302,734	96.08%	49,388	6,352,122	96.83%
2014	6,849,405	6,599,358	96.35%	55,240	6,654,598	97.16%
2015	7,281,531	6,974,913	95.79%	13,075	6,987,988	95.97%
2016	7,832,316	7,445,190	95.06%	12,070	7,457,259	95.21%
2017	9,256,330	8,773,566	94.78%	10,390	8,783,956	94.90%
2018	10,510,295	9,743,132	92.70%	175,935	9,919,067	94.37%
2019	11,326,775	10,390,175	91.73%	216,957	10,607,132	93.65%
2020	12,242,466	11,204,780	91.52%	223,187	11,427,967	93.35%
2021	12,821,653	11,737,095	91.54%	161,897	11,898,992	92.80%

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

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

Current Year Collections includes prior year taxes and penalties collected.

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

Fiscal Year	Governmental Activities				Business-type Activities					Total Debt of Primary Government	Debt as of Personal Income	Debt Per Capita
	Capital Improvement Revenue Note, 2014 A	Special Obligation Revenue Note Series, 2019	CRA Improvement Revenue Bond Series 2017B	Capital Lease(s)	Utility System Improvement Revenue Bonds/Note	Clean Water State Revolving Loan 050610	Clean Water State Revolving Loan 050620	Clean Water State Revolving Loan 050621	Clean Water State Revolving Loan 050630			
2012	185,000	-	-	-	-	13,398,470	-	-	-	13,583,470	2.99%	1,206
2013	-	-	-	310,647	-	22,924,791	-	-	-	23,235,438	5.19%	2,064
2014	3,790,000	-	-	241,246	2,695,000	20,433,179	-	-	-	27,159,425	6.21%	2,442
2015	3,715,000	-	-	169,625	2,420,000	19,607,982	1,714,186	-	-	27,626,793	6.91%	2,482
2016	3,570,000	-	-	967,076	2,135,000	18,759,001	4,170,162	-	-	29,601,239	5.33%	2,647
2017	3,420,000	-	4,245,000	649,419	1,845,000	17,885,846	4,180,624	-	-	32,225,889	9.51%	2,858
2018	3,265,000	-	4,645,672	645,077	1,550,000	16,987,829	4,010,056	1,141,177	-	32,244,811	6.43%	2,856
2019	3,105,000	9,751,000	4,397,053	361,129	1,250,000	16,064,240	3,835,387	1,107,094	508,580	40,379,483	7.48%	3,565
2020	2,940,000	9,584,000	4,138,434	189,835	945,000	15,114,351	3,656,519	1,049,158	4,647,775	42,265,072	7.72%	3,715
2021	2,770,000	9,160,000	3,869,814	1,238,965	18,868,000	-	-	990,821	4,633,245	41,530,845	7.47%	3,646

Notes:

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

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

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

See Note3 for a detailed discussion of the Clean Water State Revolving Loans (SRF).

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

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

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

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

City of Cocoa Beach, Florida
Direct and Overlapping Governmental Activities Debt
As of September 30, 2021
Schedule C2

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
City Direct Debt (Governmental Activities) (a)	\$ 41,530,870	100.00%	\$ 41,530,870
Overlapping Debt			
Brevard County:			
Governmental Activities Debt (b)	<u>43,808,791,135</u>	4.79%	<u>2,098,441,095</u>
Total Direct and Overlapping Debt	<u><u>\$ 43,850,322,005</u></u>		<u><u>\$ 2,139,971,965</u></u>

Source: (a) City of Cocoa Beach CAFR Fiscal Year 2020 Statistical Table C-1
(b) Brevard County Finance Department ACFR fiscal year 2021. Table 7 and table 11.

Notes: Percentage based on the 2021 final taxable assessed City and County valuation

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

Fiscal Year	Tax Increment Revenue	Debt Service			Coverage
		Principal	Interest	Total	
2019	\$ 556,988	\$ 220,000	\$ 161,610	\$ 381,610	1.46
2020	654,862	230,000	171,350	401,350	1.63
2021	765,304	240,000	163,986	403,986	1.91

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

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

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

	(1)	(2)	(3)	(4)	(5)	(6)
			Per Capita			
Year	Population	Personal Income	Personal Income	Median Age	Unemployment Rate	School Enrollment
2012	11,233	453,970,462	40,414	53.5	6.0%	2,063
2013	11,259	447,770,430	39,770	56.2	3.9%	1,977
2014	11,121	437,044,179	39,299	56.8	6.3%	1,914
2015	11,131	399,814,389	35,919	58.3	6.1%	1,876
2016	11,182	555,633,580	49,690	47.1	5.2%	1,811
2017	11,276	338,821,248	30,048	59.4	4.6%	1,785
2018	11,292	501,184,128	44,384	59.4	3.7%	1,782
2019	11,328	539,597,952	47,634	57.0	3.5%	N/A
2020	11,378	547,293,178	48,101	56.5	8.5%	1,755
2021	11,391	556,028,883	48,813	59.2	4.3%	1,810

Sources:

- (1) Economic Development Commission (EDC) of Florida's Space Coast
- (2) Estimate (1) x (3)
- (3) Economic Development Commission of Florida's Space Coast
- (4) Economic Development Commission of Florida's Space Coast
- (5) U.S. Department of Labor
- (6) Brevard County Public Schools Include: Cocoa Beach Junior/Senior High School,
Roosevelt Elementary School
Freedom 7 Elementary School

For 2019, enrollment numbers were not available.

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

Employer	2021			2011		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
School Board of Brevard County	9,000 - 9,999	1	4.01% - 4.46%	8,800	1	3.30%
Health First Medical Group	8,000 - 8,999	2	3.57% - 4.01%	6,420	3	2.41%
Harris IT Services Corporation	7,000 - 7,999	3	2.68% - 3.12%	6,550	2	2.46%
Publix Super Markets	3,000 - 3,999	4	1.34% - 1.78%	2,820	6	1.06%
Northrop Grumman Systems Corporation	3,000 - 3,999	5	.89% - 1.34%	-	-	0.00%
Wal-Mart	3,000 - 3,999	6	.89% - 1.34%	2,720	7	1.02%
Brevard County Board of County Commissioners	2,000 - 2,999	7	.89% - 1.34%	1,870	10	0.70%
John F Kennedy Space Center	2,000 - 2,999	8	.89% - 1.34%	2,170	9	0.81%
Florida Institute of Technology	1,000 - 1,999	9	.45% - .89%	-	-	0.00%
SPC Command	1,000 - 1,999	10	.45% - .89%	-	-	0.00%
Lockheed Martin Corporation	1,000 - 1,999	11	.45% - .89%	3,140	5	1.18%
Eastern Florida State College	1,000 - 1,999	12	.45% - .89%	-	-	0.00%
New Rockwell Collins	1,000 - 1,999	13	.45% - .89%	-	-	0.00%
Brevard County Sheriff Office	1,000 - 1,999	14	.45% - .89%	-	-	0.00%
Jacobs Technology	1,000 - 1,999	15	.45% - .89%	-	-	0.00%
TOTALS	<u>N/A</u>		<u>18.31% - 24.96%</u>	<u>34,490</u>		<u>12.94%</u>

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

- Notes:**
1. Employers include retail operations.
 2. Employment figures are for Brevard County.
 3. Exact employment numbers are no longer available as of 2016 for security reasons per the EDC.
 4. Total average employment for Brevard County in fiscal year 2011 was 187,114.
 5. Total average employment for Brevard County in fiscal year 2021 was 277,800.

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

Full-time Equivalent Employees as of September 30

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government	31.70	32.20	31.20	31.90	37.20	36.20	36.20	36.20	36.20	37.20
Police	53.35	54.00	54.45	55.45	55.50	55.45	56.45	58.45	59.05	59.05
Fire	28.00	28.00	28.00	28.00	28.00	28.00	28.00	28.00	28.20	29.80
Public Works	29.10	30.48	30.63	31.00	32.80	34.80	34.80	35.20	36.70	38.90
Parks and Recreation	25.44	29.45	23.27	23.29	29.35	29.35	30.35	30.35	30.35	30.35
Utilities	24.00	24.00	24.00	25.00	25.00	25.00	25.00	25.40	25.40	25.40
Stormwater	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.20	4.20	5.20
Golf Course	45.15	40.95	45.05	40.70	40.70	39.70	39.70	39.70	40.20	40.20
Metered Parking	6.85	6.25	5.25	5.90	5.90	5.90	5.90	5.90	5.90	5.90
Totals	247.59	249.33	245.85	245.24	258.45	258.40	260.40	263.40	266.20	272.00

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

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Police										
Physical arrests	729	616	681	685	581	785	675	589	508	630
Parking violations	7,268	8,527	6,084	5,841	7,770	10,831	13,983	14,993	11,504	13,976
Traffic violations	3,616	3,696	4,163	1,984	2,941	2,904	2,668	2,641	3,779	4637
Fire										
Emergency responses (incidents)	2,150	2,467	2,235	2,565	2,646	2,803	2,745	2,749	2,690	3226
Fires extinguished	63	62	47	46	48	55	57	33	30	12
Inspections	281	582	410	178	196	214	228	453	515	561
Public Works***										
Street resurfacing (miles)	-	-	-	-	0.1	0.32	-	0.54	1	0.22
Pothole repair/patching (square yards)	248	-	269	2,311	184	226	458	201	136	279
Asphalt rejuvenation (square yards)	-	-	-	283,558	263,112	-	-	-	-	0
Parks and Recreation										
Attendees at gymnasium	1,717	2,149	2,385	2,192	2,026	3,265	3,836	4,377	3,547	3575
Pool attendees	21,180	19,564	21,392	25,083	23,021	21,154	19,839	19,858	12,314	22044
Water										
Total metered connections*	4,502	4,501	4,523	4,368	4,570	4,589	4,603	4,615	4,636	4626
Average daily consumption (thousands of gallons)	1,891	1,780	1,808	1,652	1,784	1,768	1,709	1,735	1,633	1670
Wastewater										
Average daily sewage treatment ** (thousands of gallons)	3,705	3,933	4,148	4,260	3,857	3,852	4,094	3,688	3,599	3329

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

* Excludes Patrick AFB.

** Includes Patrick AFB.

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

*** 2016.

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Schools (1)										
Elementary	2	2	2	2	2	2	2	2	2	2
Junior/Senior High	1	1	1	1	1	1	1	1	1	1
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Police Officers (2)	31	34	32	35	35	35	37	39	39	39
Fire										
Stations	2	2	2	2	2	2	2	2	2	2
Firefighters (3)	26	27	27	27	27	27	27	27	28	28
Other Public Works										
Streets (linear miles)	35	35	35	35	35	35	35	35	35	35
Streetlights	1,265	1,265	1,265	1,265	1,265	1,265	1,265	1,265	1,393	1,393
Parks and Recreation										
Parks and playgrounds (4)	12	12	12	12	12	12	12	12	12	12
Golf course (27 holes)	1	1	1	1	1	1	1	1	1	1
Tennis courts (2 clay)	12	12	12	12	12	12	12	12	12	12
Swimming pools (1 adult; 1 children)	2	2	2	2	2	2	2	2	2	2
Maritime Hammock Preserve (5)	1	1	1	1	1	1	1	1	1	1
Skateboard park	1	1	1	1	1	1	1	1	1	1
Utilities										
Wastewater										
Sanitary sewers (miles)	64	64	64	64	64	64	64	64	64	64
Storm sewers (miles)	22	22	22	22	22	22	22	22	23	23
Electricity										
Meter connections (5)	10,137	10,155	10,201	10,235	10,269	10,280	10,129	10,124	10,142	10,420

Notes:

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

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Honorable Mayor and City Commissioners
City of Cocoa Beach, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Cocoa Beach, Florida, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City of Cocoa Beach, Florida's basic financial statements and have issued our report thereon dated June 28, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Cocoa Beach, Florida's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Cocoa Beach, Florida's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Cocoa Beach, Florida's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the schedule of findings as items MW 2021-001, MW 2021-002, MW 2021-003, and MW 2021-004 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the schedule of findings as items SD 2021-005, SD 2021-006, SD 2021-007, and SD 2021-008 to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Cocoa Beach, Florida's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are included in the Independent Auditors' Management Letter as item OM 2021-009.

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

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

Purpose of this Report

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

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

Melbourne, Florida
June 28, 2022

MW 2021-001 REVENUE RECOGNITION

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

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

Cause of condition: The City did not have proper cutoff between periods regarding receivables, including amounts due from other governments, and revenue recognition pursuant to GASBC 1600. As the City did report 12 months' of revenue in each of the affected accounts, the budgetary comparison reports did not suggest that errors in the receivable accruals existed.

Potential effect of condition: Opening net position and fund balance were understated by \$432,299 in the governmental activities and General Fund. Additionally, opening net position was understated by \$81,136 in the business-type activities and the Utility System fund.

Recommendation: We recommend the City review the design of the control over receivables to include the consideration of whether the revenue was earned, or susceptible to accrual, in addition to the determination of the number of months of revenue recorded.

Management's Response: To ensure control over receivables the City will review and determine when revenue was earned, and whether susceptible to accrual, and will accrue based on the month earned.

MW 2021-002 CAPITAL ASSETS

Criteria: The City's capital asset subsidiary ledger serves as the City's official record of capital assets obtained by the City and placed in service for City business. Balances reported in the financial statements should agree to the subsidiary ledger, or a reconciliation of the differences should be available to document and explain any differences.

Condition: The opening balance of capital assets and related depreciation in the governmental funds as reported in the prior year financial statements did not agree to the City's capital asset subsidiary ledger. Further, assets related to work in process in the enterprise funds which met the criteria for capitalization in the prior year were not capitalized.

Cause of condition: A reconciliation of amounts reported in the financial statements to client records was not performed. Additionally, a reconciliation of transactions coded as capital outlay to the amounts capitalized in the subsidiary ledger was not performed in sufficient detail to detect a material error in the prior year.

Potential effect of condition: Accumulated depreciation of fixed assets in the governmental funds was understated by \$1,412,138 and, construction in process (CIP) for the business-type activities and the Utility System fund was understated by \$461,934 at September 30, 2020.

Recommendation: Reconciliations to the financial statements – including the governmental activities – should be performed and the documentation should include evidence of the work performed as well as review of the reconciliation by someone other than the preparer. Reconciliations of the capital outlay accounts for all funds to the amount capitalized should be performed at a level of detail to detect and correct a material error.

Management's Response: The City will implement additional processes to include documentation of work performed and reconciliation of fixed asset system to the general ledger. This reconciliation will be performed by staff other than the preparer.

MW 2021-003 COMPENSATED ABSENCES

Criteria: GASB Codification C60, *Compensated Absences*, prescribes the methods to be used for determining the liability.

Condition: The compensated absences liability was not calculated and reported pursuant to GAAP.

Cause of condition: The City calculated the liability based on the total accrued compensated absences of its employees. The calculation in accordance with GAAP is the terminal liability, which is the amount of compensated absences up to the payout limitations as specified in City policy or collective bargaining agreements.

Potential effect of condition: The compensated absences liability was overstated at September 30, 2020 by \$497,519, and \$75,280 in the governmental activities and business-type activities, respectively. In the fund financial statements at September 30, 2020, the compensated absences liability was overstated by \$63,400 and \$11,880 in the Utility System fund, and the Stormwater Management fund, respectively.

Recommendation: The City should review its policies and collective bargaining agreements for limitations on the amount of accrued unused compensated absences and limit the liability to be accrued to the amount which may be paid out at termination.

Management's Response: The City has updated the process for calculating the compensated absences liability at fiscal year end. This includes a review of policies and collective bargaining agreements which may affect the amount paid out at termination.

MW 2021-004 HEALTH INSURANCE LIABILITIES

Criteria: GASB Codification (GASBC) 1600, *Basis of Accounting* establishes the standards for required methods of accounting for governmental funds and proprietary funds as modified accrual and full accrual, respectively.

Condition: The design of the City's healthcare insurance plan (Plan) generates an incurred but not reported (IBNR) liability any time the Plan does not hit its stop-loss limits. In accordance with GAAP,

City of Cocoa Beach, Florida Schedule of Findings

the IBNR would meet the criteria of a liability under full accrual accounting used by enterprise funds but does not meet the current financial resources focus under modified accrual for a fund liability of the governmental funds. At September 30, 2020, an IBNR liability was recorded in the General Fund, but the IBNR liability was not allocated out to the enterprise funds.

Cause of condition: The design of the control for the review of information provided by third parties and journal entries prepared from that information did to not operate effectively to detect and correct a material error.

Potential effect of condition: At September 30, 2020, the liabilities of governmental activities were overstated by \$129,040; General Fund liabilities were overstated by \$351,035; business-type activities were understated by \$34,357; and, Utility System fund and Stormwater Management fund liabilities were understated by \$30,415 and \$3,942, respectively.

Recommendation: The City should evaluate the design and operation of the control around the review of information from third parties and journal entries to accrue health insurance liabilities so it will detect and correct a material error

Management's Response: The City will review and evaluate the design and operation of the control around information from third parties, and the journal entries necessary to accrue health insurance liabilities. The City will evaluate the process to include additional reconciliation(s) and collection of information to ensure accurate reporting of liabilities at year end.

SD 2021-005 RECONCILIATION CONTROLS AND EXPENDITURE RECOGNITION

Criteria: Reconciling items on the bank reconciliation should be reflective of items that are in-transit as of the date of the bank reconciliation. Additionally, expenditures should be recognized based on the period incurred.

Condition: There were two (2) reconciling items on the September 2021 pooled cash bank reconciliation that were not reflective of in-transit activity as of September 30, 2021; however, the transactions were not actually made until November 2021. In procedures performed over accounts payable, we noted an expenditure for a future period was recognized as an expenditure in the current year.

Cause of condition: The City recorded two (2) wire transfer disbursements made in November 2021 as reconciling items in the September 2021 bank reconciliation. Also, expenditures were recorded based on invoice date, not on the period of performance.

Potential effect of condition: Pooled cash was understated by \$227,588. Expenditures and payables in the General Fund were overstated by \$175,237.

Recommendation: We recommend the City provide for additional review and follow-up for reconciling items that should not be included in the bank reconciliation.

Management's Response: The City will review and evaluate new processes for reconciling cash, including additional reviewer(s) and follow-up of reconciling items.

SD 2021-006 SEGREGATION OF DUTIES

Criteria: A fundamental element of the design of internal controls is the segregation of duties between those who have custody of City assets, perform recordkeeping, and review and approval of the transaction. In electronic point of sale systems, this extends to those who perform cashiering functions should not be able to perform price adjustments, voids, or refunds without review and approval.

Condition: There is not consistent and adequate segregation of duties between those who perform recordkeeping and have those who control or have custody of City assets.

Cause of condition: The design of certain controls does not include an adequate level of segregation of duties.

Potential effect of condition: The potential for an error or defalcation of the City's assets and revenues could occur and not be detected in a timely manner.

Recommendation: Controls design should be reevaluated to include segregation of duties. Specifically, those employees performing cashiering functions should not be able to perform price adjustments, voids, or refunds without review and approval.

Management's Response: The City has already implemented changes to include segregation of duties. Cashiering functions are no longer able to perform price adjustments, voids, or refunds without review and approval.

SD 2021-007 INVESTMENT DISCLOSURES

Criteria: GASB Codification 150, *Investments*, requires the use of a nationally recognized statistical rating organization (rating agency) to obtain information about the credit risk associated with their investments in debt securities.

Condition: The City's method of determining investment ratings was developed internally and did not include the use of a nationally recognized rating organization.

Cause of condition: Statements obtained from investments custodians for the City's investments and for the investments of its fiduciary funds do not include information on the credit risk associated with investments in debt securities obtained from a nationally recognized statistical rating organization. For financial reporting in prior years, the City used an internally-developed methodology to report credit risk ratings.

Potential effect of condition: Users of the financial statements may make assumptions on the quality of the investments held by the City and its fiduciary funds which are not accurate.

Recommendation: The City should only use nationally recognized statistical rating organizations to obtain credit risk information; if an investment is unrated, the City should disclose that fact.

Management's Response: The City should only use nationally recognized statistical rating organizations to obtain credit risk information; if an investment is unrated, the City should disclose that fact.

SD 2021-008 SELECTION OF BASIS FOR ALLOCATED EXPENSES

Criteria: GASB Codification 2200, *Annual Comprehensive Financial Report*, describes indirect expenses (expenditures) and the use of a consistent and reasonable method for allocation of those expenses (expenditures) between functions, activities and funds

Condition: The City used an allocation basis for OPEB expenses (expenditures) which was based on unemployment insurance, a basis not related to the health insurance component of OPEB. Additionally, contributions from the enterprise funds to the General Fund are based on budgeted amounts for which the City did not have a consistent methodology supported by an analysis of actual costs.

Cause of condition: The City used an allocation basis being utilized for other expenses (expenditures); however, this approach was not appropriate for the allocation of OPEB costs to the user departments. For transfers from the enterprise funds to the governmental funds, the City describes the transfer as being adjusted based on the needs of the City rather than a consistent and reasonable method based on direct or indirect expenses (expenditures) incurred.

Potential effect of condition: Using an underlying allocation base unrelated to the direct expense (expenditure) being allocated may lead to a misstatement of expenses (expenditures) in the funds. Transfers from the enterprise funds to the governmental funds without a consistent and reasonable method may result in payment that are significantly in excess or deficient of actual costs.

Recommendation: The City should review the basis of allocation to determine it is consistent with the nature of the expense being allocated. Transfers from the enterprise funds to the General Fund should be based on actual costs, and the factors used should be considered during future rate studies.

Management's Response: The City will review the process of determining the correct basis of allocation based on the nature of the expense being allocated. A process to annually review the actual direct and indirect costs used to determine the transfers from the enterprise funds to the General Fund will be developed, and the factors will be provided for consideration during future rate studies.

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Independent Auditors' Management Letter

Honorable Mayor and City Commissioners
City of Cocoa Beach, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Cocoa Beach, Florida (the "City") as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated June 28, 2022.

Auditors' 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 Florida Auditor General.

Other Reporting Requirements

We have issued our Independent Auditors' 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*; Schedule of Findings; and Independent Accountants' Report on an Examination Conducted in Accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Florida Auditor General. Disclosures in those reports and schedule, which are dated June 28, 2022, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings and recommendations made in the preceding annual 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 legal authority of the City of Cocoa Beach, Florida and its component unit are disclosed in the footnotes.

Financial Condition and Management

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

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

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we noted the following matters.

OM 2021-009 CASH CONCENTRATIONS

Criteria: Chapter 280, Florida Statutes, *Security for Public Deposits*, and the City's investment policies require the City to maintain deposits in excess of FDIC limits with financial institutions that are listed by the State of Florida as a Qualified Public Depository.

Condition: The City has cash in excess of FDIC limits with an FDIC-insured institution which is not a Qualified Public Depository (QPD) with the State of Florida. At September 30, 2021, the account had \$600,421 in cash in excess of FDIC insurance limits.

Cause of condition: The City held investments in a financial institution which matured and were converted to cash; however, the City did not have a control in place to identify the investments had matured and either transfer the cash into a QPD or reinvest the funds.

Potential effect of condition: The City is non-compliant with State Statutes and its investment policies.

Recommendation: The City should develop a control to track investment maturity such that timely action may be taken to ensure that excess cash is not held in a financial institution that is not a QPD, in compliance with City policy and with Florida Statutes.

Management's Response: The City will develop a control to track investment maturity such that timely action may be taken to ensure that excess cash is not held in a financial institution that is not a QPD, in compliance with City policy and with Florida Statutes.

IC 2021-010 REVIEW OF UTILITY RATES AND CHARGES FOR SERVICES

Criteria: The U.S. Government Accountability Office (GAO) and the Committee of Sponsoring Organizations (COSO) describe internal control as a process implemented by management that is designed to provide reasonable assurance regarding the achievement of objectives.

Condition: The City did not maintain evidence of the review of utility rates entered into the billing system.

Cause of condition: The City did not implement a control to include documentation of the review of utility rates that are being entered into the billing system by its third party billing service provider.

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

Recommendation: We recommend that the City document its review of utility rate changes entered in the billing system by its billing service provider. This control should be extended to all revenue streams where users are charged a fee based on a set rate, including rates entered in to the City's internal systems.

Management's Response: The City will develop a monthly sample review of City utility accounts to audit and document its review that utility rate changes entered are accurate.

IC 2021-011 PAYROLL REVIEW CONTROL

Criteria: The design of an internal control should include evidence of performance including the person and time in which it was performed.

Condition: Payroll journal entries did not consistently have evidence of review and approval.

Cause of condition: Evidence of final payroll approval as it moved between departments and the resulting journal entry is not consistently retained.

Potential effect of condition: Without sufficient evidence of the performance of the control, the City may not be able to retroactively identify why or how to correct an error should it occur. The City is not able to demonstrate effective control performance to internal or external stakeholders.

Recommendation: When a review control is performed, sufficient evidence should be retained to demonstrate the control was performed, who performed it, and the time or date in which the control was performed.

Management's Response: The City has developed a process of entering journal entries, with informational cover page, and back up into a records management software and a monthly reconciliation of the documents entered to ensure no documents are missing.

Additional Matters

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

Purpose of this Letter

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

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

Melbourne, Florida
June 28, 2022



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INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH LOCAL GOVERNMENT INVESTMENT POLICIES

Honorable Mayor and City Commissioners
City of Cocoa Beach, Florida

We have examined the City of Cocoa Beach, Florida's compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2021. Management is responsible for the City of Cocoa Beach, Florida's compliance with the specified requirements. Our responsibility is to express an opinion on the City of Cocoa Beach, Florida's compliance with the specified requirements based on our examination.

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

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

In our opinion, the City of Cocoa Beach, Florida complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2021, except as noted in OM 2021-09 as reported in the Independent Auditors' Management Letter.

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

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

Melbourne, Florida
June 28, 2022