



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR 2022

SERVING THE COMMUNITY WITH P.R.I.D.E!



CITY OF COCOA, FLORIDA

FISCAL YEAR ENDED: SEPTEMBER 30, 2022

PREPARED BY: FINANCE DEPARTMENT

CITY OF COCOA, FLORIDA

ANNUAL COMPREHENSIVE FINANCIAL REPORT



**FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2022**

**Prepared by:
Finance
Department**

CITY OF COCOA, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
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April 7, 2023

The Honorable Mayor,
City Council Members, and
Citizens of the
City of Cocoa, Florida

The Annual Comprehensive Financial Report of the City of Cocoa, Florida (the "City"), for the fiscal year ended September 30, 2022, as presented by the Finance Department of the City, is hereby submitted pursuant to Florida Statutes Chapter 166.241, Chapter 218.3, and Chapter 10.500 of the Rules of the Auditor General of the State of Florida and Article XIV, Section 1 of the City Charter.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. Proper management of the government requires establishing and maintaining an internal control structure designed to ensure that the assets of the government are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the City has established an internal control structure designed to provide reasonable, but not absolute, assurance that the financial statements will be free from material misstatements. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and presents fairly the financial position and the results of operations of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The City's financial statements have been audited by the City's independent certified public accountants, MSL, P.A. The goal of the independent audit is to provide a reasonable assurance that the financial statements of the City for the year ended September 30, 2022, are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended September 30, 2022, are fairly presented in conformity with GAAP. The Independent Auditors' Report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements, in the form of Management's Discussion and Analysis (MD&A). The MD&A provides an introduction, overview and analysis of the basic financial statements; it complements this letter of transmittal and should be read in conjunction with it. The MD&A is located immediately after the auditor's report.

GOVERNMENT PROFILE

The City of Cocoa has a population of 19,892 and is located in central Brevard County, Florida, midway between the cities of Titusville to the north and Melbourne to the south. It was incorporated as a village in 1895 and as a City in 1913. The City Charter, as adopted in 1959, provides for a Council-City Manager form of government. The elected council consists of a Mayor elected at-large and four Council Members that are elected by district. The City Manager is appointed by the City Council.

The City provides a wide range of services normally associated with a municipality. These services include police and fire protection, the construction and maintenance of highways, streets, and infrastructure (public works), community services, recreational activities, and cultural events. In addition to the general government activities, the governing body exercises, or has the ability to exercise, oversight of the Water and Sewer Utility and the Stormwater Utility; therefore, these activities are included in the reporting entity.

The City of Cocoa has a regional water system that provides and sells water within an area extending approximately 268 square miles. The City has supplied water to the residents of Cocoa and adjacent communities since 1927 and is the sole supplier of water to central Brevard County between the NASA and Pineda Causeways, including the cities of Cocoa, Rockledge, Cocoa Beach and Cape Canaveral as well as unincorporated areas on the mainland, Merritt Island, Port Canaveral and the beach area. Federal facilities serviced include Patrick Space Force Base, Kennedy Space Center and Cape Canaveral Air Force Station. The City owns, operates, and maintains 48 wells, a groundwater pretreatment plant, an intake structure/surface water pretreatment plant, two water treatment trains, aquifer storage and recovery system, a transmission and distribution system, and five water storage tanks. The water treatment system has a ground water capacity of 48 million gallons per day and a surface water capacity of 12 million gallons per day, although the current consumptive use permit allows for withdrawals of 31 million gallons per day groundwater and 8.83 million gallons per day surface water. The City also provides sanitary sewer service within the city limits and unincorporated areas adjacent to Cocoa. A water reuse system distributes reclaimed water for irrigation purposes and is available to both residential and commercial customers within the City.

The Cocoa Community Redevelopment Agency (CRA) came into existence in 1981. The agency is overseen by its own governing board consisting of the City of Cocoa, Florida, City Council and two additional members, appointed by the City Council, who reside in, own property in, or are engaged in business within the Agency's defined area. The Cocoa CRA is included within the governmental activities in the City's financial statements as a blended component unit. The Cocoa CRA uses property tax

incremental revenues derived from taxable real property within the geographic boundaries of the redevelopment area to finance redevelopment projects, streetscape and façade improvement programs. During fiscal year 1998, the City created two new redevelopment agencies: The Diamond Square Community Redevelopment Agency (DS CRA) and the U.S. 1 Corridor Community Redevelopment Agency originally set to sunset in 2023. Through an agreement with Brevard County, the term of the Diamond Square CRA was extended an additional 10 years to 2033 and the term of the U.S. 1 Corridor CRA ended on September 30, 2020. The governing board of the Diamond Square CRA is appointed by the Cocoa City Council and is made up of City residents and/or Cocoa business and property owners within the Diamond Square defined area. This agency makes use of property tax incremental revenues derived from taxable real property within the geographic boundaries of the areas to finance redevelopment of those areas. The Diamond Square CRA is reported as a discretely presented component unit.

The annual budget serves as the foundation for the City of Cocoa, Florida's financial planning and control. Budgetary control is maintained to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. The Capital Improvement Program (CIP) is a five-year plan which identifies capital projects and equipment purchases, provides a planning schedule, and identifies options for financing the program. The link between the CIP and the budget is essential and the entire plan is included in the annual budget. All departments are required to submit their budgetary requests to the City Manager, who uses these requests as a starting point for developing a proposed budget to submit to the City Council. The City Council is required by Florida statute to hold two public hearings and adopt a final budget, by resolution, no later than September 30th of each year. After budget adoption, the City manager may transfer funds within the same fund and department up to his approval level. Funds expended may not exceed the budgeted appropriation for personal services, operating expenditures, and capital outlay.

Budget-to-actual comparisons are provided in this report for each major and non-major governmental fund for which an appropriated annual budget has been adopted. This comparison is presented as part of the Required Supplementary Information.

FACTORS AFFECTING FINANCIAL CONDITIONS

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

LOCAL ECONOMY

The City of Cocoa is located on Florida's Spacecoast along the scenic Indian River Lagoon in east central Florida. With direct access to Interstate-95, US Highway 1, State Road 528 and State Road 520, the City's location serves as the connection point to some of the state's major metropolitan markets such as Orlando, Jacksonville, Tampa, and Miami. In addition to Cocoa's advantageous location, the City's streamlined building and

site permitting process and innovative economic development programs foster a favorable environment for development. It is also a short distance from Port Canaveral and many cruise passengers visit the historic downtown when coming or going on a cruise.

Cocoa is home to educational institutions such as Eastern Florida State College's Cocoa campus, the University of Central Florida (UCF) Brevard Campus and the Florida Solar Energy Center. In September, 2022, Eastern Florida State College revealed a 10-year, \$87M plan to update the Cocoa campus. The City's vibrant historic downtown is a quaint downtown shopping dining, and entertainment destination. It contains unique shops, restaurants, and nightclubs. The historic downtown adjoins Riverfront Park and Lee Wenner Park, which provide opportunities for boating, fishing, or enjoying the waterfront. There are more than 65 special events in the Historic Cocoa Village each year, including concerts, wine walks, art and craft shows, car shows, holiday happenings and dog festivals. These events attract over 135,000 visitors per year to Cocoa's downtown.

The Florida economy continued to strengthen in 2022, reaching many milestones. It recorded its second lowest unemployment rate in state history and reached record levels of job creation. Florida was a state that "remained open" during the COVID-19 pandemic, and its bustling economy reflects the determination to continue day-to-day life, despite the pandemic. According to Governor Ron DeSantis, "people and businesses are flocking to Florida". Florida unemployment was 2.7% in September 2022. Florida experienced 24 months of the unemployment rate remaining below the national rate and exceeded the national job growth rate for 31 consecutive months.

Unemployment in the Palm Bay-Melbourne-Titusville Metropolitan Statistical Area was 2.6% as of September 2022. Most major categories of revenue exceeded expectations in FY 2022. A surge in housing in Cocoa has occurred that will accommodate the rise in space and manufacturing industries. A total of 1,821 building permits were issued during the fiscal year. Amazon received its' Certificate of Occupancy in December 2021 for a fulfillment center in the Grissom Industrial area valued at \$33 million. Cirrus, Cocoa Grand, and Integra apartments are under construction. They will add 814 apartments to the City's landscape and have an estimated value of \$130 million. Single-family developments are underway that will bring 158 new homes into the City with an estimated value of \$300,000 per home.

Gross taxable property values increased 4.3% in FY 2022. For FY 2022, the City Council adopted an increased millage rate of 6.4532 mills, an increase of .4742 mills over the prior year. Ad valorem revenue increased 18.2% from FY 2021 as result of the increased millage rate and property value increases. The millage rate, property value increases and new construction, along with interfund transfers from the Water and Sewer Utility Fund for charges for services, payment in lieu of franchise fees and a return on investment provides sufficient revenue to fund the current level of services to the citizens and business owners of Cocoa. More detailed economic information about the City can be found in the Statistical Section of this document.

It is the City's continuous goal is to preserve essential and critical services, maintain adequate reserve balances, and provide resources to promote affordable and sustainable growth in the City of Cocoa. The City was able to provide employees with a salary increase in FY 2022 to make the City's wages more competitive in the community. The City Council uses a strategic plan that is a guiding document for the City to ensure resources are strategically allocated to provide the essential and critical services while maintaining fiscal sustainability. The strategic plan will be updated in 2023 and will continue to serve as the guiding document for the City's annual budget process.

The City leverages the use of grant funding to complement strategic projects throughout various departments. Cocoa is an entitlement community and receives funding from Community Development Block Grants, State Housing Initiative Program and Home Investment Partnerships Program from HUD each year. Grants from the Bullet Proof Vest Program and the Edward Byrne Memorial Justice Assistance grant program supported police operations by providing funding for bullet proof vests and officer training. The Crime Victim Assistance grant program in the police department covers the costs for two victims' assistance employees. The City received its second tranche of the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) and is utilizing the \$3.8M grant for community programs and capital and operating needs. The total amount of grant funding received in FY2022 was \$1.3 million. Detail of the grants expended can be found in the Schedule of Expenditures of Federal Awards in the Other Reports section of this document.

LONG-TERM FINANCIAL PLANNING

The City adopts a multi-year Capital Improvement Program (CIP) annually as part of the budgetary process. The CIP is a planning tool to recognize when major cash expenditures may be necessary. The revenue sources for these projects may come from the issuance of debt, grants, new revenue sources, impact fees and/or fund reserves. Some of the major projects included in the CIP for FY2023-2027 that will impact the future are:

- Police and Fire Radio Replacements
- Street Paving Program
- Indian River Drive Embankment Stabilization
- Dixon and Indian River Drive Roadway Resiliency
- Cox Road Roundabout
- London Blvd. Roundabout
- Clarifier #s 1 and 2 Repairs
- Raw Water Pipeline Upgrades
- Dyal CO2 Bulk Tank Replacement
- Pineda Crossing Water Main Phase II
- Utility Extension at the Lakes at Cocoa Grove
- New 42 inch Pipeline (Little Econ to Wewahootee)

To ensure that funding is available for these future projects, the City has a general fund fiscal sustainability study, stormwater sustainability study and a water and sewer fund

revenue sufficiency study performed each fiscal year. Debt issuance in the utility fund is anticipated in FY 2025 to meet capital needs.

RELEVANT FINANCIAL POLICIES

The Fund Balance Reserve Policy was revised in October 2011 to comply with the new fund balance reporting requirements defined in GASB Statement No. 54, Fund Balance Reporting and Government Fund Type Definitions. This policy, utilized by management as a budgetary tool, establishes a Capital Replacement Reserve (not less than 5% of total capital outlay reported in the prior year audited Annual Financial Report) and a Stabilization Reserve (no less than \$9.5 M or 33% of the total operating expenditures reported in the prior year audited ACFR, whichever is greater) for the General Fund. These reserves are approved by Council through a resolution and are reported in the Annual Financial Report as Committed Fund Balances. The fund balance policy states that reserves should only be used for one-time expenditures. The reserves also should not be used for ongoing expenditures unless a viable revenue plan designated to sustain the expenditures is simultaneously adopted. In the event the funds are not available to establish or replenish the minimum required balances, the target goals shall be achieved by adding a designated amount to the budget to cover the deficiencies over a period not to exceed five years.

MAJOR INITIATIVES

In governmental funds, the City continued with its annual street paving and vehicle replacements in FY 2022. Other significant capital projects in FY 2022 were the purchase of land for village parking, replacement of the boat ramp at Lee Wenner Park and dredging in the boat ramp area, fuel tank replacements and the purchase of a Gradall.

The Water and Sewer Utility Fund improved drainage culverts, laid new water pipe in the Marlin Manor subdivision on Pluckebaum Road, upgraded the ozone contact unit in the water utility. The sewer fund's major projects were bio-nutrient removal efficiency improvements and a redundant inflow pipe. Completion of these projects ensures continued delivery of clean drinking water, compliance with state and federal mandates and a well-maintained water and wastewater utility.

The Stormwater Utility Fund's major initiative for FY 2022 was stormwater pipe lining.

OTHER INFORMATION

Florida state statutes require an annual audit by independent certified public accountants. The accounting firm of MSL, P.A., was selected by the City Council to perform the audit. The Independent Auditors' Report on the financial statement, which included an unmodified ("clean") opinion, is located at the front of the financial section of this report.

The City was awarded Certificate of Achievement for Excellence in Financial Reporting to the City of Cocoa for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended September 30, 2021, from the Government Finance Officers Association of the United States and Canada (GFOA). In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. Management believes that the City's fiscal year 2022 ACFR will meet the Certificate of Achievement Program's requirements.

The preparation of the Annual Comprehensive Financial Report was made possible by the dedicated service of the entire staff of the Finance Department. The efforts of the Finance staff should be recognized for their commitment to ensuring that all City financial operations comply with the strong internal controls that help the City achieve a an unmodified auditor opinion each year and receive the GFOA's Certificate of Achievement for Excellence in Financial Reporting. All other City departments have also contributed directly or indirectly with the preparation of this report by providing timely information to the Finance team, and their cooperation and continued assistance is appreciated. Credit must be also given to the Mayor and City Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City's finances.

Sincerely,



Stockton Whitten
City Manager



Rebecca J. Bowman
Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Cocoa
Florida**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2021

Christopher P. Morrell

Executive Director/CEO



Serving the Community

COUNCIL

Michael Blake
Lavander Hearn
Alex Goins
Herbert "Rip" Dyal
Lorraine Koss

Mayor
Deputy Mayor
Council Member
Council Member
Council Member

EXECUTIVE MANAGEMENT TEAM

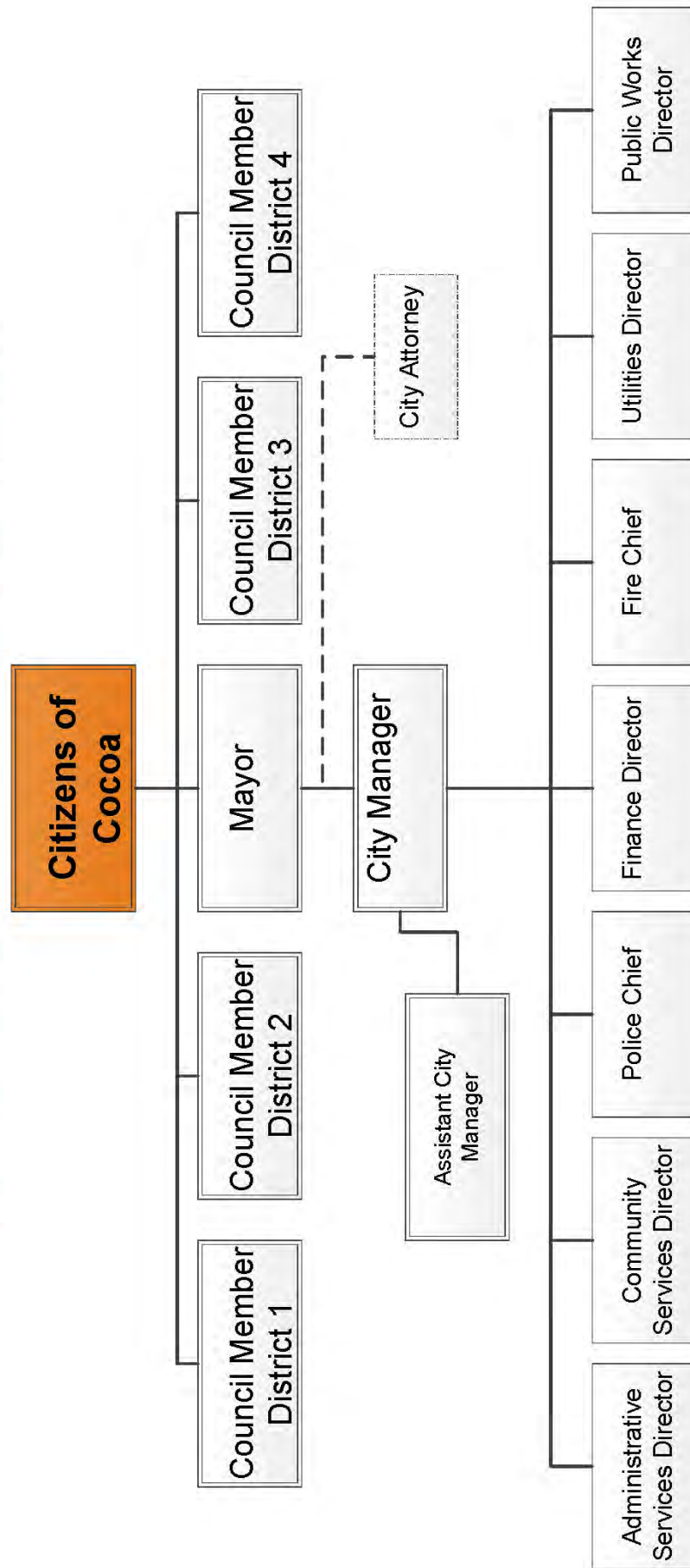
Stockton Whitten
Anthony Garganese
Rebecca Bowman, CGFO, CGFM
Charlene Neuterman
Jonathan Lamm
Evander Collier
John Walsh II, P.E.
Bryant Smith, P.E.
Tammy Gemmati, PHR

City Manager
City Attorney
Finance Director
Community Services Director
Fire Chief
Police Chief
Utilities Director
Public Works/Stormwater Director
Administrative Services Director

As of September 30, 2022



City of Cocoa Organizational Chart





INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the City Council
City of Cocoa, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Cocoa, Florida (the "City") as of and for the fiscal year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, as listed in the table of contents.

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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

Emphasis-of-Matter

As discussed in Notes 3 and 7 to the financial statements, in the fiscal year ended September 30, 2022, the City adopted the provisions of Government Accounting Standards Board Statement ("GASBS") Number 87, *Leases*. Our opinion is not modified with respect to this matter.

The Honorable Mayor and
Members of the City Council
City of Cocoa, Florida

INDEPENDENT AUDITOR'S REPORT (Continued)

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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements as a whole. The Combining and Individual Fund Statements and Schedules section, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining and Individual Fund Statements and Schedules section is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Information

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

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

The Honorable Mayor and
Members of the City Council
City of Cocoa, Florida

INDEPENDENT AUDITOR'S REPORT
(Concluded)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 7, 2023, 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

MSL, P.A.

Certified Public Accountants

Orlando, Florida
April 7, 2023

Management's Discussion and Analysis

As management of the City of Cocoa (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2022. We encourage readers to consider the information presented here in conjunction with additional information we have furnished in our letter of transmittal.

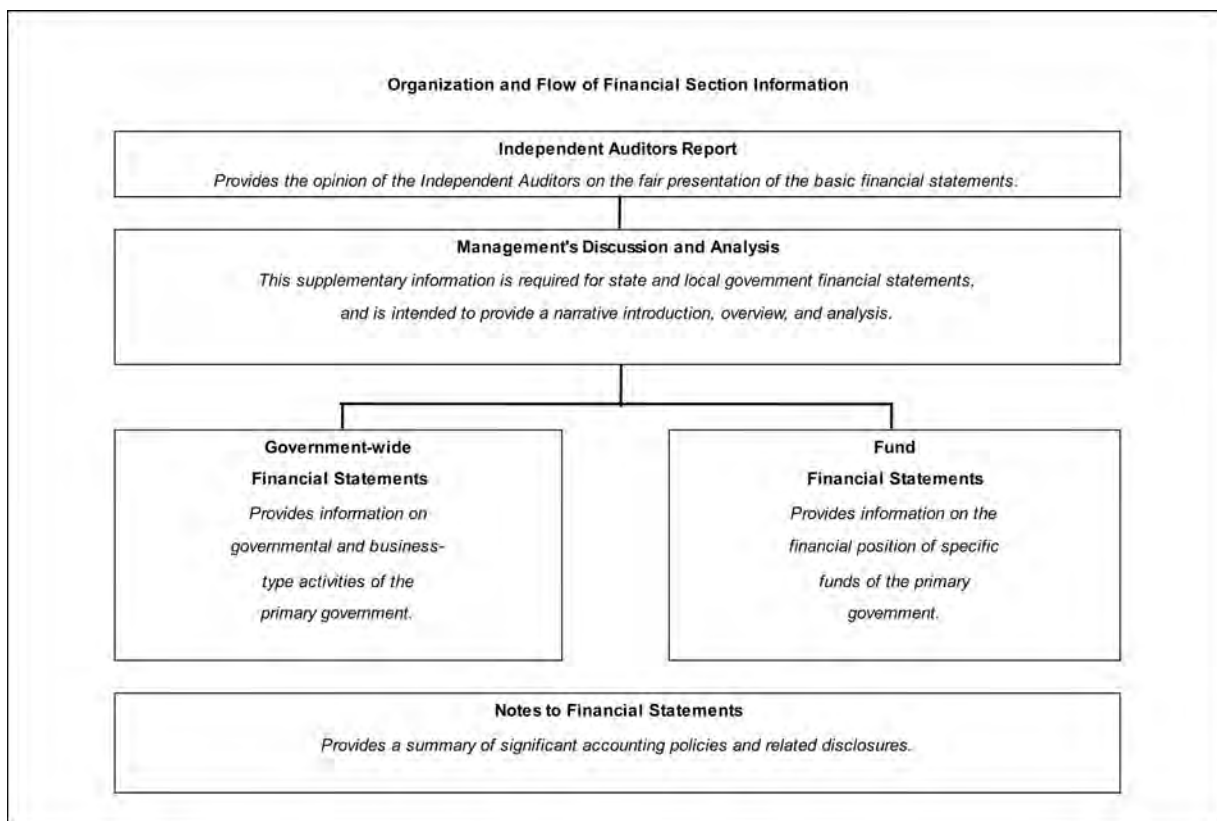
Financial Highlights

- The assets and deferred outflows of resources of the City of Cocoa exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$257,264,419 (net position). Of this amount, \$29,278,200 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The primary government's total net position increased \$19,499,764 or 8.2% from the previous year. This increase was attributed to the increase of \$5,858,761 in the governmental activities and an increase of \$13,641,003 in the business-type activities.
- At September 30, 2022, the City's governmental funds reported combined ending fund balance of \$44,479,357, an increase of \$4,609,182 compared to the prior year. The City's governmental fund balance consists of the following:

Non-spendable -	\$ 338,544	(Inventory, prepaid items and certain long-term receivables)
Restricted -	\$ 4,041,969	(Grants and other restricted revenue sources)
Committed -	\$ 14,308,035	(Stabilization and capital replacement reserves)
Assigned -	\$ 12,260,884	(Community improvement projects/debt service payments)
Unassigned -	\$ 13,529,925	(Available for spending at the government's discretion)
- At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$13,529,925 or 40.9% of total general fund expenditures.
- The City's total long-term liabilities increased \$23,304,749 (12.3%) during the current fiscal year. The governmental activities long-term liabilities increased by \$19,538,305 due mainly to increased net pension liability, the OPEB liability and compensated absences, along with the adoption of GASB 87. The business-type activities long-term liabilities increased by \$3,766,444 due to increases in net pension liability and the adoption of GASB 87.

Overview of the Financial Statements

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



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 similar to a private-sector business.

The *Statement of Net Position* presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. The difference between the assets and liabilities is 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 only 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 (business-type activities). The governmental activities reflect the City's basic services, including general government, public safety, physical environment, economic environment and recreation. The business-type activities of the City include the Water and Sewer Utility System and the Stormwater Utility System.

The government-wide financial statements include the City itself (known as the primary government), and one legally separate redevelopment agency for which the City is financially accountable – Diamond Square Community Redevelopment Agency. Financial information for this component unit is reported separately from the financial information presented for the primary government itself. The Cocoa Community Redevelopment Agency, although also legally separate, functions for all practical purposes as a department of the City and, therefore, has been included as an integral part of the primary government.

Fund financial statements. A *fund* is a grouping of related accounts used to maintain control over resources that are segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City 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* and *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*.

The City maintains fourteen individual governmental funds: the General Fund, Cocoa Community Redevelopment Agency, the American Rescue Plan Fund and eleven non-major funds. The non-major funds are the Community Development Block Grant, Brevard County Home Program, Cocoa Housing Assistance, Building Permits, Arbor Mitigation, Police Confiscated, Police Special Education, Federal Forfeiture, Loan Guarantee, Capital Improvement and Debt Service funds. 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, the American Rescue Plan Fund, and the Cocoa Community Redevelopment Agency, each of which is reported as a major fund. The Cocoa Community Redevelopment Agency Fund and the American Rescue Plan Fund do not qualify as a major fund, but the City desires to report this fund separately to bring the activities of these funds to the reader's attention. Data from the other eleven governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its General Fund and Special Revenue Funds. A budgetary comparison schedule has been provided for the General Fund and each major Special Revenue Fund in the Required Supplementary Information section of this report to demonstrate compliance with this budget.

Proprietary funds. The City maintains two different types of proprietary funds. The first type is Enterprise Funds that are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses Enterprise Funds to account for its Water and Sewer Utility System and Stormwater Utility System activities. The second proprietary fund type the City uses is Internal Service Funds that are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses Internal Service Funds to account for the activity of its worker's compensation and self-insured health plans. Activity reported in the Health Insurance fund in FY22 relate to run-out claims. The City went to a fully-insured health insurance plan effective October 1, 2021. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

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 statements because the resources of those funds are not available to support the City's own programs. The accounting used for Fiduciary Funds is much like that used for Proprietary Funds.

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.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain Required Supplementary Information concerning the City's progress in funding its obligation to provide pension benefits to its employees. Required Supplementary Information can be found in a separate section of this report.

The combining statements referred to earlier in connection with Non-major Governmental Funds and Internal Service Funds are presented immediately following the Required Supplementary Information section on pensions.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$257,264,419 at the close of fiscal year September 30, 2022.

By far the largest portion of the City's net position (\$186,314,211 or 72.4%) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, infrastructure and improvements, and intangibles); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets 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.

City of Cocoa Net Position

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and Other Assets	\$ 56,893,427	\$ 53,932,685	\$ 105,418,306	\$ 98,680,071	\$ 162,311,733	\$ 152,612,756
Capital Assets (Net)	54,976,556	52,674,325	237,558,354	233,772,823	292,534,910	286,447,148
Total Assets	111,869,983	106,607,010	342,976,660	332,452,894	454,846,643	439,059,904
Deferred Outflows of Resources						
Deferred Outflows related to refundings	-	-	3,666,941	4,017,399	3,666,941	4,017,399
Deferred Outflows for OPEB	3,295,049	3,260,778	2,188,887	2,164,568	5,483,936	5,425,346
Deferred Outflows for Pensions	14,076,813	5,500,854	3,986,546	2,666,207	18,063,359	8,167,061
Total Deferred Outflows of Resources	17,371,862	8,761,632	9,842,374	8,848,174	27,214,236	17,609,806
Noncurrent Liabilities	67,873,872	49,092,322	119,398,978	115,632,534	187,272,850	164,724,856
Other Liabilities	6,338,919	4,697,668	18,979,644	19,528,414	25,318,563	24,226,082
Total Liabilities	74,212,791	53,789,990	138,378,622	135,160,948	212,591,413	188,950,938
Deferred Inflows of Resources						
Deferred Inflows for OPEB	4,574,053	5,520,389	2,868,430	3,539,988	7,442,483	9,060,377
Deferred Inflows for Pensions	1,953,260	15,859,915	364,672	5,033,825	2,317,932	20,893,740
Deferred Inflows for Leases	2,444,632	-	-	-	2,444,632	-
Total Deferred Inflows of Resources	8,971,945	21,380,304	3,233,102	8,573,813	12,205,047	29,954,117
Net Position:						
Net Investment in						
Capital Assets	38,679,745	35,752,513	147,634,466	144,119,852	186,314,211	179,872,365
Restricted	4,041,969	1,453,324	37,630,039	33,156,536	41,672,008	34,609,860
Unrestricted	3,335,395	2,992,511	25,942,805	20,289,919	29,278,200	23,282,430
Total Net Position	\$ 46,057,109	\$ 40,198,348	\$ 211,207,310	\$ 197,566,307	\$ 257,264,419	\$ 237,764,655

An additional portion of the City's net position (\$41.7 million or 16.2%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$29,278,200, may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, both for the government as a whole and for its separate governmental and business-type activities. The chart on the following page provides information on the City's change in net position.

City of Cocoa Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
REVENUES						
Program Revenues:						
Charges for Services and Fees	\$ 11,643,571	\$ 17,248,363	\$ 77,546,643	\$ 72,461,783	\$ 89,190,214	\$ 89,710,146
Operating Grants and Contributions	2,771,593	3,055,169	26,954	-	2,798,547	3,055,169
Capital Grants and Contributions	755,253	1,600,242	2,685,358	5,338,039	3,440,611	6,938,281
General Revenues:						
Property Taxes	7,675,100	6,769,653	-	-	7,675,100	6,769,653
Shared Revenues	3,369,050	3,014,567	-	-	3,369,050	3,014,567
Other Taxes and Fees	5,055,810	4,550,259	-	-	5,055,810	4,550,259
Investment Earnings/(Loss)	(414,746)	150,447	(2,338,768)	101,372	(2,753,514)	251,819
Other	2,701,275	870,320	235,995	63,182	2,937,270	933,502
Total Revenues	33,556,906	37,259,020	78,156,182	77,964,376	111,713,088	115,223,396
EXPENSES						
General Government	8,369,986	15,177,191	-	-	8,369,986	15,177,191
Public Safety	19,124,110	14,482,282	-	-	19,124,110	14,482,282
Physical Environment	3,444,418	2,496,002	-	-	3,444,418	2,496,002
Transportation	1,103,133	1,075,246	-	-	1,103,133	1,075,246
Economic Environment	1,062,590	1,453,161	-	-	1,062,590	1,453,161
Culture/Recreation	1,982,854	1,496,465	-	-	1,982,854	1,496,465
Interest on Long-term Debt	573,249	595,990	-	-	573,249	595,990
Water and Sewer	-	-	55,222,159	50,809,040	55,222,159	50,809,040
Stormwater	-	-	1,330,825	1,347,820	1,330,825	1,347,820
Total Expenses	35,660,340	36,776,337	56,552,984	52,156,860	92,213,324	88,933,197
Increase/(Decrease) in Net Position before Transfers	(2,103,434)	482,683	21,603,198	25,807,516	19,499,764	26,290,199
Transfers	7,962,195	9,164,348	(7,962,195)	(9,164,348)	-	-
Increase/(Decrease) in Net Position	5,858,761	9,647,031	13,641,003	16,643,168	19,499,764	26,290,199
Net Position - Beginning of Year	40,198,348	30,551,317	197,566,307	180,923,139	237,764,655	211,474,456
Net Position - End of Year	\$ 46,057,109	\$ 40,198,348	\$ 211,207,310	\$ 197,566,307	\$ 257,264,419	\$ 237,764,655

Governmental activities. Governmental activities increased the City's net position by \$5,858,761. Key elements of this increase are as follows:

- The City's total governmental revenues, excluding transfers, decreased by \$(3,702,114) (10.4%) from the prior year. Charges for services, operating and capital grants and contributions revenue decreased (\$6,733,357). Operating grants decreased (\$283,576). Charges for services decreased (\$5,604,792) due to a change in the way the transfer from the Water and Sewer Utility Fund to the General Fund is accounted for. It was previously recorded as a charge for services and is now treated as a reduction in departmental costs. Property taxes increased \$905,547 due to an increase in the millage rate and increases in property values. Other taxes, shared revenues and miscellaneous income remained consistent with the prior year.
- Expenses related to public safety activities increased by \$4,641,828 (32.05%) from the prior year. This increase can be largely attributed to an increase of \$2,954,397 in pension expense. Additional reductions in public safety were due to unfilled positions.

Although governmental expenditures exceeded revenues by \$(2,103,434) before transfers, the net contributions from other funds (transfers) of \$7,962,195 increased the change in net position to an increase of \$5,858,761.

Business-type activities. Business-type activities increased the City's net position by \$13,641,003. Key elements of this increase are as follows:

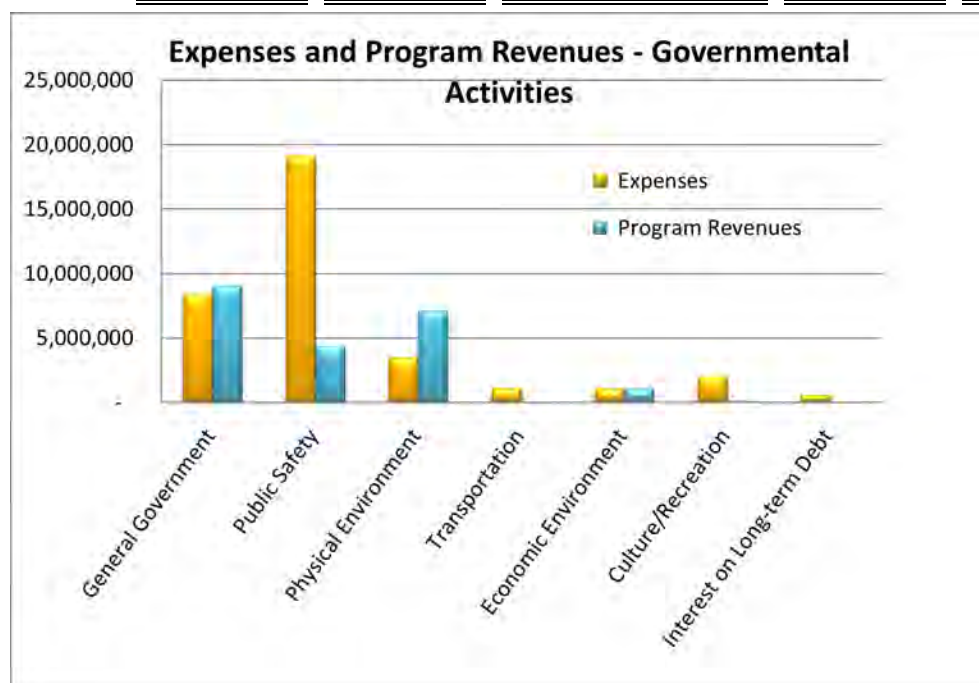
- Business-type activities reflect a 6.0% increase in revenues in the amount of \$191,806. This increase can be attributed an increase in charges for services of \$5,084,860 and a decrease of investment earnings of \$(2,440,140) due to a reduction in market value. There were decreases of \$(2,452,914) in capital and operating grants and contributions and other revenue due to decreased capital contributions related to development.
- Business-type revenues exceeded expenses by \$21,603,198 before transfers to the General Fund. Expenses before transfers related to business-type activity increased \$4,396,124 (7.7%) from the previous year. This increase can be attributed to unfilled positions and a decrease in various operating activity.

The following charts and graphs show the results of governmental activities for fiscal year ended 2022:

Expenses and Program Revenues - Governmental Activities

For the Year Ended September 30, 2022

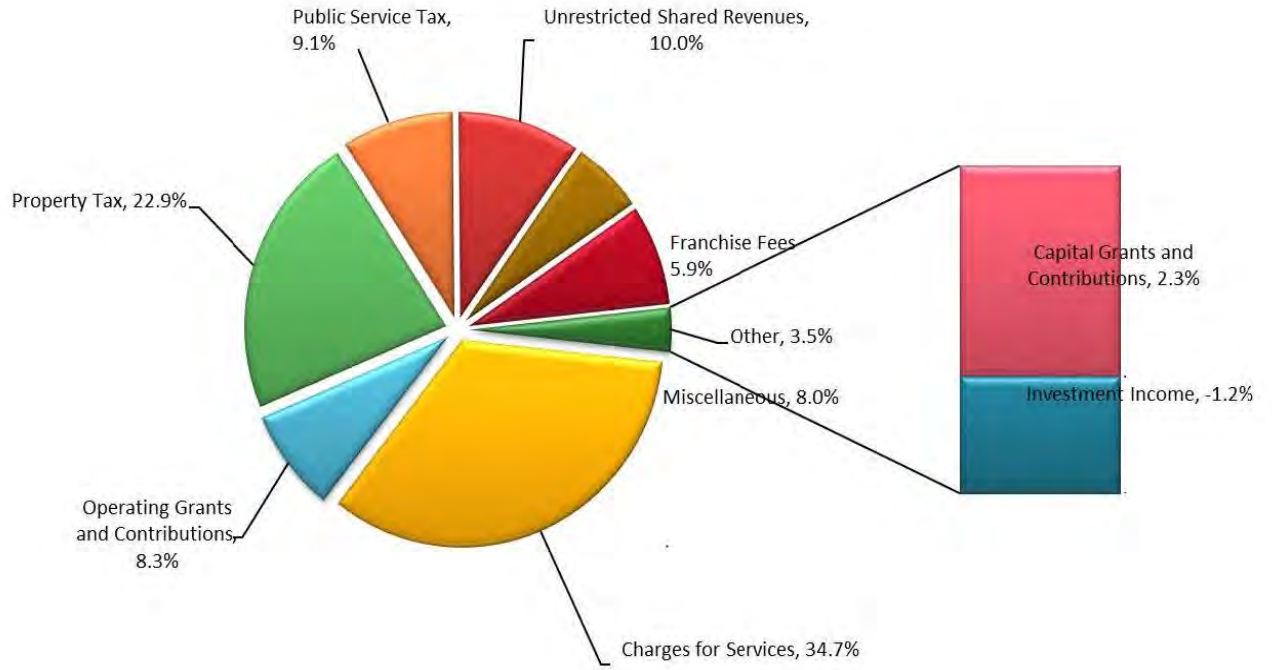
Functions/Programs	Expenses	% of Total	Program Revenues	% of Total	Net (Expense) Revenue
General Government	\$ 8,369,986	23.3%	\$ 1,993,467	13.1%	\$ (6,376,519)
Public Safety	19,124,110	53.6%	4,787,461	31.6%	(14,336,649)
Physical Environment	3,444,418	9.7%	7,683,374	50.6%	4,238,956
Transportation	1,103,133	3.1%	-	0.0%	(1,103,133)
Economic Environment	1,062,590	3.0%	571,718	3.8%	(490,872)
Culture/Recreation	1,982,854	5.6%	134,397	0.9%	(1,848,457)
Interest on Long-term debt	573,249	1.7%	-	0.0%	(573,249)
	<u>\$ 35,660,340</u>	<u>100.0%</u>	<u>\$ 15,170,417</u>	<u>100.0%</u>	<u>\$ (20,489,923)</u>



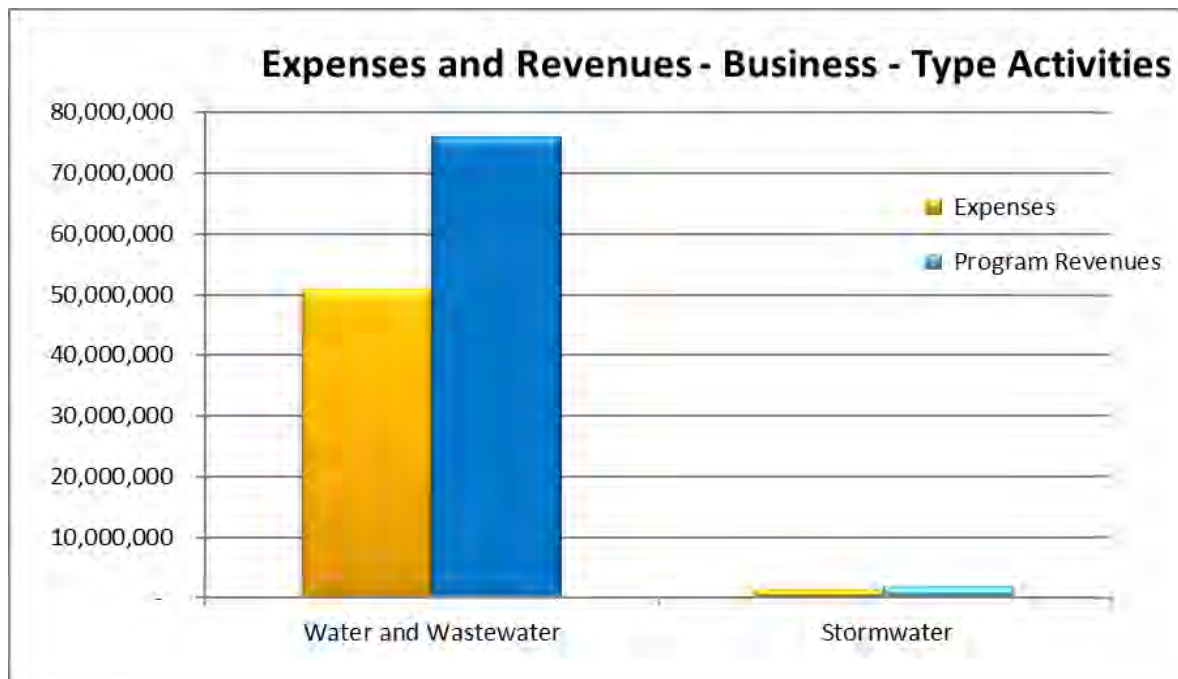
Revenues by Source

Description	Revenues	% of Total
Charges for Services	\$ 11,643,571	34.7%
Operating Grants and Contributions	2,771,593	8.3%
Capital Grants and Contributions	755,253	2.3%
Property Tax	7,675,100	22.9%
Public Service Tax	3,067,937	9.1%
Unrestricted Shared Revenues	3,369,050	10.0%
Gain on Sale of Capital Assets	42,206	0.1%
Franchise Fees	1,987,873	5.9%
Investment Earnings/(Loss)	(414,746)	-1.2%
Miscellaneous	2,659,069	7.9%
	<u>\$ 33,556,906</u>	<u>100.0%</u>

Revenues by Source - Governmental Activities



Revenues by Source - Business-type Activities



The largest portion of revenues for business type funds is charges for services. This is comprised of charges for water and sewer services in the Water and Sewer System and stormwater fees in the Stormwater Fund.

Financial Analysis of the Government's Funds

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

Governmental Funds. The focus of the City's 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. The equity section indicates the extent to which the government is bound to honor constraints on the specific purpose for which amounts in the fund can be spent. The five components of fund balance are as follows:

- Non-spendable fund balance – the portion of the fund balance that cannot be spent because of its form or must be maintained intact. Examples are inventory, prepaid items and certain long-term receivables.
- Restricted fund balance – the portion of the fund balance subject to externally enforceable legal restrictions. Examples are grants, contributions and restricted debt service requirements.
- Committed fund balance – the portion of the fund balance constrained by limitations imposed by the City Council, by resolution, for specific purposes. Examples are stabilization reserve and capital replacement reserve.
- Assigned fund balance – the portion of the fund balance assigned to specific projects or items by the City Council or City Manager. Examples are reserves dedicated to future specific projects and debt service reserves that are not legally restricted.
- Unassigned fund balance – the remaining portion of the fund balance available for spending at the government's discretion.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$44,479,357, which is an increase of \$4,609,182 in comparison to the prior year. The amount of \$13,529,925 constitutes the unassigned portion of the fund balance, which is available for spending at the government's discretion. The remainder of fund balance is non-spendable, restricted, committed or assigned to indicate restriction requirements depending on the classification. Major restrictions, commitments or assignments include: 1) \$4,041,969 is restricted by grant requirements and state statutes, 2) \$14,308,035 is committed for capital replacement and as a stabilization reserve for unanticipated events adversely affecting the financial condition of the City and jeopardizing the continuation of necessary public services, and 3) \$12,260,884 is assigned for future expenses for Cocoa park improvements, building and equipment improvements, donations, ERP software replacement, city-wide roadway construction, economic incentives, housing development, sustainability and resilience initiatives and Cocoa Village parking.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the total fund balance of the general fund was \$38,040,994 an increase of \$5,817,385 from the previous year primarily due to unspent previously budgeted items such as the ERP software replacement and the parks improvements. As a measure of the general fund's liquidity, it may be useful to compare the unassigned fund balance to total expenditures. This amount represents 40.9% of total general fund expenditures.

The American Rescue Plan fund has a total fund balance of \$13,482. There was an increase in this fund for FY22. The City of Cocoa is an entitlement community and therefore received the second tranche of the Coronavirus State and Local Fiscal Recovery Funds (SLFRF). The fund balance reflects interest earned on the advance payment.

The Cocoa Community Redevelopment Agency fund has a total fund balance of \$1,699,168. The decrease in fund balance of \$(752,254) over the prior year is due to repayment off a long-term interfund loan.

Proprietary Funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Water and Sewer Fund at the end of the current fiscal year amounted to \$24,320,849, an increase of \$4,908,805. This increase can be attributed to increases in revenue due to planned rate increases. There were also increases in restricted investments due to the amount of investments in the restricted investment account exceeding the required amount of reserves per bond covenants.

The unrestricted net position for the Stormwater Utility amounted to \$1,621,956, an increase of \$744,081. The stormwater revenue increased by \$117,704 due to a rate increase. Expenses were consistent with the previous year.

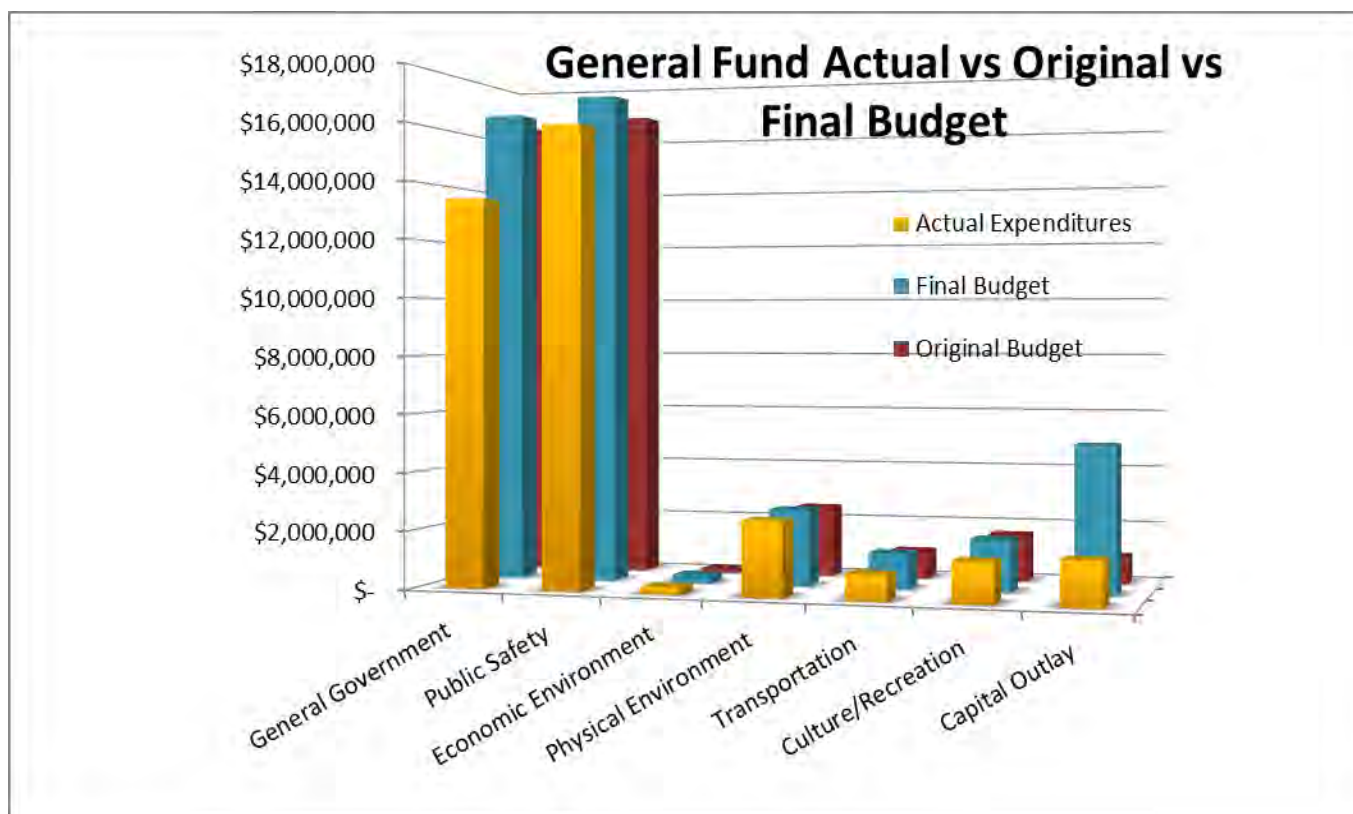
General Fund Budgetary Highlights

	Original Budget	Final Budget	Difference
General Government	\$ 16,225,652	\$ 13,645,410	\$ (2,580,242)
Public Safety	17,931,546	18,393,286	461,740
Physical Environment	3,359,704	6,093,956	2,734,252
Transportation	1,516,407	1,975,329	458,922
Culture/Recreation	2,134,822	2,728,117	593,295
Economic Environment	216,608	198,780	(17,828)
Other Sources/(Uses)	8,453,561	9,495,804	1,042,243
	<u>\$ 49,838,300</u>	<u>\$ 52,530,682</u>	<u>\$ 2,692,382</u>

The net differences between the original budget and the final amended budget expenditures resulted in an increase in the amount appropriated for expenditures, including transfers out, of \$2,692,382 which is largely a result of an increase of \$2,573,248 for capital projects to utilize assigned fund balance.

General Fund Budgetary Comparison

	Actual			
	Expenditures	Final Budget	Change	
General Government	\$ 7,815,840	\$ 13,645,410	\$ 5,829,570	42.7%
Public Safety	17,544,543	18,393,286	848,743	4.6%
Economic Environment	188,204	198,780	10,576	5.3%
Physical Environment	3,606,396	6,093,956	2,487,560	40.8%
Transportation	1,605,198	1,975,329	370,131	18.7%
Culture/Recreation	2,333,993	2,728,117	394,124	14.4%
Other Sources/(Uses)	11,015,091	9,495,804	1,519,287	16.0%
	<u>\$ 44,109,265</u>	<u>\$ 52,530,682</u>	<u>\$ 11,459,991</u>	21.8%



The actual net expenditures were \$11,459,991 under the final budget projections. This is due to assigned fund balance projects not being completed, such as \$750,000 for housing, \$3.0M for a new ERP system, \$2.2M for parks improvements and other assigned fund balance projects not being completed. Additionally, cost savings were achieved from unfilled positions and encumbrances remaining open at the end of the fiscal year due to supply chain issues.

Actual resources available for appropriation were more than the final budget. The final revenue budgeted for the general fund was \$26,099,193; actual receipts of \$27,896,468 indicated an excess of 6.5% or \$1,797,275 from anticipated revenues. This was due to variances in all categories of revenue, but, most significantly, Fines & Forfeiture revenue exceeded the budget by \$697,700.

Capital Asset and Long-term Liabilities

Capital Assets. The City's investment in capital assets for its governmental and business-type activities as of September 30, 2022, amounts to \$292,534,910 (net of accumulated depreciation). This represents a net increase of \$6,087,762 (2.13%) from the previous year. There was an increase in governmental activities of \$2,302,231 representing (37.82%) of the total change in capital assets and a \$3,785,532 increase in business-type activities' capital assets, or (62.18%) of the total change in capital assets. This investment in capital assets includes land, buildings, improvements other than buildings, machinery and equipment, infrastructure, intangibles and construction in progress.

Major capital asset events during the current fiscal year included the following:

- Boat Ramp Rehab & Dredging - \$1,114,373
- Vehicle Replacements - \$708,175
- Gradall Replacement - \$495,174
- Marlin Manor/Pluckebaum Water Line Project - \$601,747.13
- Ozone Contact Unit Upgrade - \$1,184,041
- BNR Efficiency Improvements - \$631,749
- Redundant Finish Flow Pipe - \$1,383,312
- Sewer Line Improvements - \$441,385

These asset additions were offset by depreciation expense. Additional information on the City's capital assets can be found in Note 4 *Capital Assets* of the footnote section of this report.

City of Cocoa City's Capital Assets (net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 7,621,226	\$ 7,162,606	\$ 2,919,197	\$ 2,919,197	\$ 10,540,423	\$ 10,081,803
Buildings and Improvements	29,881,701	29,821,062	17,268,903	10,918,043	47,150,604	40,739,105
Machinery and Equipment	16,893,982	15,570,026	26,655,350	25,579,746	43,549,332	41,149,772
Intangible	3,004,181	2,138,750	7,295,003	3,530,027	10,299,184	5,668,777
Infrastructure/Imp Other	80,043,542	77,912,081	400,681,080	380,347,937	480,724,622	458,260,018
Construction in Progress	453,558	414,191	35,769,006	53,170,211	36,222,564	53,584,402
	137,898,190	133,018,716	490,588,539	476,465,161	628,486,729	609,483,877
Less: Accumulated Depreciation	(82,921,634)	(80,344,391)	(253,030,185)	(242,692,338)	(335,951,819)	(323,036,729)
Capital Assets, net	<u>\$ 54,976,556</u>	<u>\$ 52,674,325</u>	<u>\$ 237,558,354</u>	<u>\$ 233,772,823</u>	<u>\$ 292,534,910</u>	<u>\$ 286,447,148</u>

Long-term Liabilities. At the end of the current fiscal year, the City had total bonded debt outstanding of \$105,171,873. The entire amount of the City's bonded debt represents bonds secured by specified revenue sources (i.e., revenue bonds).

City of Cocoa Outstanding Long-term Debt

The City's long-term debt decreased by \$3,152,314 or 2.77% during the current fiscal year. This reduction in outstanding debt was due to debt service payments in accordance with established amortization schedules. More detailed information on the City's long-term debt can be found in the Note 7 *Long-Term Debt* in the footnote section of this report.

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Bonds Payable	\$ 14,358,697	\$ 14,892,878	\$ 90,813,176	\$ 96,991,855	\$ 105,171,873	\$ 111,884,733
Leases Payable	756,755	-	3,701,791	-	4,458,546	-
Notes and Loans Payable	974,000	1,872,000	-	-	974,000	1,872,000
	<u>\$ 16,089,452</u>	<u>\$ 16,764,878</u>	<u>\$ 94,514,967</u>	<u>\$ 96,991,855</u>	<u>\$ 110,604,419</u>	<u>\$ 113,756,733</u>

Economic Factors and Next Year's Budgets and Rates

Local, national and international economic factors influence the City's revenues in a variety of ways. Positive economic growth is correlated with increased revenues from property taxes, sales taxes, fuel taxes, charges for services, state revenue sharing as well as state and federal grants. Economic growth may be measured by a variety of indicators such as employment growth, new construction, assessed property values and enterprise fund revenues and net position growth. New residential and commercial developments added \$10,839,080 in assessed value (\$650,735 in property taxes) to the tax rolls in FY 2022. Much of this new development was from new apartments and housing developments and an Amazon warehouse. Unemployment in Brevard County was 2.5% at the end of the fiscal year, as compared to 2.7% in the State and 3.5% nationally. The economy overall has rebounded after COVID-19, with a large influx of people moving into and visiting Florida. A recent article on the Historic Cocoa Village in Southern Living magazine has brought many tourists into Cocoa Village that visit while cruising out of Port Canaveral. Cocoa's proximity to the Kennedy Space Center, Port Canaveral and Orlando make it an ideal place for visiting the area and home ownership.

The City increased its millage rate from 5.979 mills to 6.4532 mills in FY 2022. This increase helped to provide the funding for resetting the City's pay grade schedule and increasing employee pay above the routine 3% increase. Since unemployment is so low in the area, competition in the work force is fierce and the City needed to make wages more competitive to attract employees to work for the City of Cocoa. The City was able to maintain all levels of service in FY 2022 through the millage rate increase and the increase in property values. Beyond property taxes, other revenue increases in FY 2022 are attributable to planned rate increases for fire assessment, water and sewer, and stormwater. These rates are established through rate studies and special assessments to ensure the consistent collection of these types of revenue.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, 65 Stone Street, Cocoa, Florida 32922. A copy of the City's Annual Comprehensive Financial reports can also be found on the City's website at www.cocoafl.gov.



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BASIC FINANCIAL STATEMENTS

City of Cocoa, Florida
Statement of Net Position
September 30, 2022

	Primary Government			Component Units
	Governmental	Business-		Diamond Square
	Activities	Type	Total	Redevelopment
		Activities		Agency
Assets:				
Cash and cash equivalents	\$ 41,676,926	\$ 45,820,017	\$ 87,496,943	\$ 791,506
Investments	9,235,759	22,463,973	31,699,732	-
Receivables	1,335,887	9,042,807	10,378,694	-
Receivables, earned but not billed	79,275	5,591,127	5,670,402	-
Tax receivable	45,795	-	45,795	-
Interest Receivable	23,493	-	23,493	-
Due from other governments	1,178,735	41,909	1,220,644	-
Deposits	4,350	-	4,350	-
Inventory	36,038	1,495,892	1,531,930	-
Prepaid items	535,280	178,161	713,441	10,878
Restricted assets:				
Cash and cash equivalents	21,216	8,528,642	8,549,858	-
Investments	-	12,255,778	12,255,778	-
Other receivables	271,891	-	271,891	-
Lease Receivable	2,448,782	-	2,448,782	-
Capital assets:				
Land	7,621,226	2,919,197	10,540,423	181,192
Buildings	29,881,701	17,268,903	47,150,604	-
Improvements other than buildings	-	400,681,080	400,681,080	-
Machinery and equipment	16,893,982	26,655,350	43,549,332	-
Infrastructure	80,043,542	-	80,043,542	477,850
Intangibles	3,004,181	7,295,003	10,299,184	-
Construction in progress	453,558	35,769,006	36,222,564	-
Less accumulated depreciation	(82,921,634)	(253,030,185)	(335,951,819)	(133,829)
Total assets	111,869,983	342,976,660	454,846,643	1,327,597
Deferred Outflows of Resources:				
Deferred outflows related to				
refundings	-	3,666,941	3,666,941	-
Deferred outflows related to pensions	14,076,813	3,986,546	18,063,359	-
Deferred outflows related to OPEB	3,295,049	2,188,887	5,483,936	-
Total deferred outflows of resources	17,371,862	9,842,374	27,214,236	-
Liabilities:				
Accounts, contracts and retainage payable	1,641,571	13,427,720	15,069,291	10,595
Accrued payroll and related liabilities	1,087,637	675,164	1,762,801	1,237
Accrued interest payable	-	13,543	13,543	-
Due to other governments	18,195	17,823	36,018	-
Payable from restricted assets:				
Customer and developer escrow deposits	-	3,791,700	3,791,700	-
Escrow deposits	36,650	1,053,694	1,090,344	-
Unearned revenue	2,735,490	-	2,735,490	-
Other liabilities	62,621	-	62,621	-
Noncurrent liabilities:				
Due within one year:				
Revenue bonds payable	535,000	5,888,000	6,423,000	-
Notes payable	265,000	-	265,000	-
Lease Payable	108,850	329,729	438,579	-
Accrued claims payable	992,000	-	992,000	-
Compensated absences	596,706	326,513	923,219	-
Due in more than one year:				
Revenue bonds payable	13,823,697	84,925,176	98,748,873	-
Notes payable	709,000	-	709,000	-
Lease Payable	647,905	3,372,062	4,019,967	-
Accrued claims payable	1,084,000	-	1,084,000	-
Total OPEB liability	20,296,305	13,260,275	33,556,580	-
Compensated absences	863,778	427,392	1,291,170	-
Net pension liability	28,708,386	10,869,831	39,578,217	-
Total liabilities	74,212,791	138,378,622	212,591,413	11,832

(Continued on the following page)

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

City of Cocoa, Florida
Statement of Net Position
September 30, 2022
(Continued)

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	Diamond Square Redevelopment Agency
Deferred Inflows of Resources:				
Deferred inflows related to pensions	1,953,260	364,672	2,317,932	-
Deferred inflows related to OPEB	4,574,053	2,868,430	7,442,483	-
Deferred Inflow Leases	2,444,632	-	2,444,632	-
Total deferred inflows of resources	8,971,945	3,233,102	12,205,047	-
Net Position:				
Net investment in capital assets	38,679,745	147,634,466	186,314,211	525,213
Restricted for:				
Restricted by Bond Covenant - Public safety	1,206,630	-	1,206,630	-
Restricted by Bond Covenant - Housing assistance	463,720	-	463,720	-
Reserve Fund- Dr. Joe Lee Smith Center	67,000	-	67,000	-
Restricted by Bond Covenant - Debt service	591,742	1,891,950	2,483,692	-
Restricted by Bond Covenant - Capital Improvements	1,699,395	12,420,352	14,119,747	-
Restricted by Bond Covenant - Renewal and replacement	-	2,750,000	2,750,000	-
Restricted by Bond Covenant - Working Capital	-	20,567,737	20,567,737	-
Restricted by Grant Agreements	13,482	-	13,482	-
Unrestricted	3,335,395	25,942,805	29,278,200	790,552
Total net position	<u>\$ 46,057,109</u>	<u>\$ 211,207,310</u>	<u>\$ 257,264,419</u>	<u>\$ 1,315,765</u>

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

City of Cocoa, Florida
Statement of Activities
Year Ended September 30, 2022

Functions/Programs:	Program Revenues				Net (Expense) Revenue and Changes in Net Position				Component Units Diamond Square Redevelopment Agency
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government				
					Governmental Activities	Business-Type Activities	Total		
Primary Government									
Governmental activities:									
General government	\$ 8,369,986	\$ 419,433	\$ 1,574,034	\$ -	\$ (6,376,519)	\$ -	\$ (6,376,519)	\$ -	-
Public safety	19,124,110	4,492,653	120,878	173,930	(14,336,649)	-	(14,336,649)	-	-
Recreation	1,982,854	109,397	25,000	-	(1,848,457)	-	(1,848,457)	-	-
Economic development	1,062,590	-	571,718	-	(490,872)	-	(490,872)	-	-
Physical environment	3,444,418	6,622,088	479,963	581,323	4,238,956	-	4,238,956	-	-
Transportation	1,103,133	-	-	-	(1,103,133)	-	(1,103,133)	-	-
Interest	573,249	-	-	-	(573,249)	-	(573,249)	-	-
Total governmental activities	35,660,340	11,643,571	2,771,593	755,253	(20,489,923)		(20,489,923)		-
Business-type activities:									
Water and sewer	55,222,159	75,562,582	-	2,685,358	-	23,025,781	23,025,781		-
Stormwater utility	1,330,825	1,984,061	26,954	-	-	680,190	680,190		-
Total business-type activities	56,552,984	77,546,643	26,954	2,685,358		23,705,971	23,705,971		-
Total primary government	\$ 92,213,324	\$ 89,190,214	\$ 2,798,547	\$ 3,440,611	\$ (20,489,923)	\$ 23,705,971	\$ 3,216,048	\$ -	-
Component Units									
Diamond Square									
Redevelopment Agency	\$ 123,260	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	(123,260)
Total component units	\$ 123,260	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	(123,260)
General revenues:									
Property taxes					\$ 7,675,100	\$ -	\$ 7,675,100	\$ -	-
Public utility and communication taxes					3,067,937	-	3,067,937	-	-
Franchise fees based on Gross Receipts					1,987,873	-	1,987,873	-	-
Shared revenues not restricted to specific programs					3,369,050	-	3,369,050		307,937
Gain on sale of capital assets					42,206	8,969	51,175		-
Unrestricted interest income/(loss)					(414,746)	(2,338,768)	(2,753,514)		4,322
Miscellaneous					2,659,069	227,026	2,886,095		2,456
Transfers, net					7,962,195	(7,962,195)	-		-
Total general revenues					26,348,684	(10,064,968)	16,283,716		314,715
Change in net position					5,858,761	13,641,003	19,499,764		191,455
Net position, beginning					40,198,348	197,566,307	237,764,655		1,124,310
Net position, ending					\$ 46,057,109	\$ 211,207,310	\$ 257,264,419	\$ -	1,315,765

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

City of Cocoa, Florida
Balance Sheet - Governmental Funds
September 30, 2022

	General Fund	Cocoa Redevelopment Agency	American Rescue Plan	Nonmajor Governmental Funds	Total Governmental Funds
Assets:					
Cash and cash equivalents	\$ 31,950,209	\$ 1,689,913	\$ 2,569,233	\$ 4,254,298	\$ 40,463,653
Restricted Cash	21,216	-	-	-	21,216
Investments	5,948,299	-	-	547,023	6,495,322
Accounts receivable, net	1,331,358	-	-	4,529	1,335,887
Accounts receivable earned, but not billed	79,275	-	-	-	79,275
Tax receivable	45,795	-	-	-	45,795
Interest Receivable	23,470	23	-	-	23,493
Due from other governments	870,826	-	-	307,909	1,178,735
Inventory	36,038	-	-	-	36,038
Prepaid items	298,471	8,054	-	-	306,525
Deposits	-	4,350	-	-	4,350
Other receivable	-	271,891	-	-	271,891
Lease Receivable	2,318,059	130,723	-	-	2,448,782
	<u>\$ 42,923,016</u>	<u>\$ 2,104,954</u>	<u>\$ 2,569,233</u>	<u>\$ 5,113,759</u>	<u>\$ 52,710,962</u>
Total assets					
Liabilities:					
Liabilities					
Accounts payable	\$ 1,350,860	\$ 225	\$ -	\$ 226,511	\$ 1,577,596
Accrued payroll and related liabilities	1,077,778	3,063	-	6,796	1,087,637
Unearned revenue	61,923	-	2,555,751	117,816	2,735,490
Due to other governments	4,043	-	-	11,045	15,088
Escrow deposits	10,772	-	-	25,878	36,650
Other liabilities	62,621	-	-	-	62,621
	<u>2,567,997</u>	<u>3,288</u>	<u>2,555,751</u>	<u>388,046</u>	<u>5,515,082</u>
Total liabilities					
Deferred Inflows of Resources:					
Deferred inflow - Whitley Marina settlement revenue	-	271,891	-	-	271,891
Deferred Inflow Leases	2,314,025	130,607	-	-	2,444,632
	<u>2,314,025</u>	<u>402,498</u>	<u>-</u>	<u>-</u>	<u>2,716,523</u>
Total deferred inflows of resources					
Fund Balances:					
Nonspendable	338,544	-	-	-	338,544
Restricted	67,000	1,699,168	13,482	2,262,319	4,041,969
Committed	11,844,641	-	-	2,463,394	14,308,035
Assigned	12,260,884	-	-	-	12,260,884
Unassigned	13,529,925	-	-	-	13,529,925
	<u>38,040,994</u>	<u>1,699,168</u>	<u>13,482</u>	<u>4,725,713</u>	<u>44,479,357</u>
Total fund balances					
Total liabilities and fund balances	<u>\$ 42,923,016</u>	<u>\$ 2,104,954</u>	<u>\$ 2,569,233</u>	<u>\$ 5,113,759</u>	<u>\$ 52,710,962</u>

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

City of Cocoa, Florida
Reconciliation of Balance Sheet to the Statement of Net Position
September 30, 2022

Total fund balances of governmental funds		\$ 44,479,357
Amounts reported for governmental activities in the statement of net position are different because:		
Deferred inflows (related to the Whitley Marina settlement) previously recorded as revenue in governmental activities but deferred in governmental funds.		271,891
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		54,976,556
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in governmental funds.		
Deferred outflows of resources for pensions	\$ 14,076,813	
Deferred inflows of resources for pensions	<u>(1,953,260)</u>	12,123,553
Deferred outflows and inflows of resources related to OPEB are applicable to future periods and, therefore, are not reported in governmental funds.		
Deferred outflows of resources for OPEB	3,295,049	
Deferred inflows of resources for OPEB	<u>(4,574,053)</u>	(1,279,004)
Long-term liabilities are not due and payable in the current period and, accordingly, are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities--both current and long-term--are reported in the statement of net position. Long-term liabilities at year-end consist of:		
Bonds payable (net of unamortized premium/discount)	(14,358,697)	
Notes payable	(974,000)	
Leases	(756,755)	
Other postemployment benefits	(20,296,305)	
Net pension liability	(28,708,386)	
Compensated absences	<u>(1,460,484)</u>	(66,554,627)
Internal service funds are used by management to charge the costs of certain activities, such as workers' compensation and health insurance to individual funds. The assets and liabilities of certain internal service funds are included in governmental activities in the statement of net position.		2,039,383
Total net position of governmental activities		<u>\$ 46,057,109</u>

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

City of Cocoa, Florida
Statement of Revenues, Expenditures and
Changes in Fund Balances - Governmental Funds
Year Ended September 30, 2022

	General Fund	Cocoa Redevelopment Agency	American Rescue Plan	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 11,361,377	\$ -	\$ -	\$ -	\$ 11,361,377
Special assessments	3,119,213	-	-	-	3,119,213
Licenses, permits, and fees	2,055,611	-	-	766,991	2,822,602
Intergovernmental	3,484,349	1,481,997	761,141	502,702	6,230,189
Charges for services	7,456,969	-	-	-	7,456,969
Fines and forfeitures	40,941	-	-	40,191	81,132
Interest earnings/(loss)	(264,848)	16,580	10,217	(7,730)	(245,781)
Miscellaneous	642,856	42,359	-	68,112	753,327
Total revenues	27,896,468	1,540,936	771,358	1,370,266	31,579,028
Expenditures:					
Current:					
General government	6,354,672	-	61,434	45	6,416,151
Public safety	16,951,326	-	-	496,630	17,447,956
Recreation	1,860,215	-	-	-	1,860,215
Economic development	188,204	130,761	30,603	407,664	757,232
Physical environment	3,435,739	-	-	-	3,435,739
Transportation	869,429	-	-	-	869,429
Capital outlay	3,382,893	1,354,864	669,105	43,007	5,449,869
Debt service:					
Principal	50,876	57,799	-	1,408,000	1,516,675
Interest	820	2,715	-	593,896	597,431
Total expenditures	33,094,174	1,546,139	761,142	2,949,242	38,350,697
Excess (deficiency) of revenues over (under) expenditures	(5,197,706)	(5,203)	10,216	(1,578,976)	(6,771,669)
Other Financing Sources (Uses):					
Transfers in	12,695,338	3,221	-	2,025,873	14,724,432
Transfers out	(1,935,776)	(1,402,380)	-	(913,062)	(4,251,218)
Proceeds from sales of capital assets	42,206	-	-	-	42,206
Lease proceeds	213,323	652,108	-	-	865,431
Total other financing sources (uses)	11,015,091	(747,051)	-	1,112,811	11,380,851
Net change in fund balances	5,817,385	(752,254)	10,216	(466,165)	4,609,182
Fund Balances, Beginning of Year	32,223,609	2,451,422	3,266	5,191,878	39,870,175
Fund Balances, End of Year	\$ 38,040,994	\$ 1,699,168	\$ 13,482	\$ 4,725,713	\$ 44,479,357

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

City of Cocoa, Florida
Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balance of Governmental Funds to the Statement of Activities
Year Ended September 30, 2022

Net change in fund balances - total governmental funds	\$	4,609,182
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Amounts reported for governmental activities in the statement of activities
are different because:

Governmental funds report capital purchases as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives and reported as depreciation expense.

Expenditures for capital assets (includes \$24 donated assets)	\$ 5,449,893	
Less current year depreciation	<u>(3,117,229)</u>	2,332,664

In the statement of activities, only the gain or loss on the sale of capital assets are reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balances by the cost of the capital assets sold or disposed.

Gain (loss) on sale of capital assets		(30,433)
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Cash pension contributions reported in the funds were more than the calculated pension expense on the statement of activities and therefore increased net position.

		(1,185,028)
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Internal service funds are used by management to charge the costs of certain activities, such as workers' compensation and health insurance to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.

		(553,698)
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The issuance of long-term debt (e.g., bonds and notes payable) provide current financial resources to governmental funds, while repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas those amounts are deferred and amortized in the statement of activities.

Principal payments	1,516,675	
Issuance of Debt	(865,431)	
Amortization of premium and discount	<u>24,181</u>	675,425

Some revenues are recorded in the statement of activities, but since they do not provide current financial resources are not reported as revenues in the funds. This is the net amount of revenues recorded in the statement of activities in the current year.

		(21,649)
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Some expenses reported in the statement of activities (e.g., compensated absences) do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

		(100,587)
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The increase in the other post-employment benefit balances reported in the statement of activities does not require the use of current financial resources and, therefore, is not reported as an expenditure in governmental funds.

		<u>132,885</u>
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Change in Net Position of Governmental Activities	\$	<u>5,858,761</u>
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The accompanying notes are an integral part of the financial statements.

City of Cocoa, Florida
Statement of Net Position -
Proprietary Funds
September 30, 2022

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Services Fund
	Water and Sewer System	Stormwater Fund (Non-Major)	Total	
Assets:				
Current assets:				
Cash and cash equivalents	\$ 43,380,466	\$ 2,439,551	\$ 45,820,017	\$ 1,213,273
Restricted current assets:				
Cash and cash equivalents	8,528,642	-	8,528,642	-
Investments	22,271,586	192,387	22,463,973	2,740,437
Accounts receivable, net	9,039,494	3,313	9,042,807	-
Accounts receivable earned, but not billed	5,591,127	-	5,591,127	-
Due from other governments	41,775	134	41,909	-
Inventory	1,495,892	-	1,495,892	-
Prepaid items	174,519	3,642	178,161	228,755
Total current assets	90,523,501	2,639,027	93,162,528	4,182,465
Noncurrent assets:				
Restricted noncurrent assets:				
Investments	12,255,778	-	12,255,778	-
Capital assets:				
Land	2,795,148	124,049	2,919,197	-
Buildings	17,268,903	-	17,268,903	-
Improvements other than buildings	394,615,689	6,065,391	400,681,080	-
Machinery and equipment	24,970,265	1,685,085	26,655,350	-
Intangibles	7,295,003	-	7,295,003	-
Construction in progress	35,641,523	127,483	35,769,006	-
Less accumulated depreciation/amortization	(249,943,418)	(3,086,767)	(253,030,185)	-
Total capital assets, net of accumulated depreciation/amortization	232,643,113	4,915,241	237,558,354	-
Total noncurrent assets	244,898,891	4,915,241	249,814,132	-
Total assets	335,422,392	7,554,268	342,976,660	4,182,465
Deferred Outflows of Resources:				
Deferred outflows related to refundings	3,666,941	-	3,666,941	-
Deferred outflows related to pensions	3,840,592	145,954	3,986,546	-
Deferred outflows related to OPEB	2,130,240	58,647	2,188,887	-
Total deferred outflows of resources	9,637,773	204,601	9,842,374	-

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

City of Cocoa, Florida
Statement of Net Position -
Proprietary Funds (Continued)
September 30, 2022

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Services Fund
	Water and Sewer System	Stormwater Fund (Non-Major)	Total	
Liabilities:				
Current liabilities (payable from current assets):				
Accounts and claims payable	\$ 2,619,166	\$ 211,958	\$ 2,831,124	\$ 63,975
Contracts payable	10,273,089	-	10,273,089	-
Retainage payable	323,507	-	323,507	-
Accrued payroll and related liabilities	655,530	19,634	675,164	-
Compensated absences	313,913	12,600	326,513	-
Accrued claims payable	-	-	-	992,000
Due to other governments	17,823	-	17,823	3,107
Current liabilities (payable from restricted assets):				
Accrued interest	13,543	-	13,543	-
Customer and developer deposits	3,791,700	-	3,791,700	-
Other deposits	1,053,694	-	1,053,694	-
Revenue bonds payable	5,888,000	-	5,888,000	-
Lease Payable	329,729	-	329,729	-
Total current liabilities	25,279,694	244,192	25,523,886	1,059,082
Noncurrent liabilities:				
Compensated absences	413,020	14,372	427,392	-
Accrued claims payable	-	-	-	1,084,000
Total OPEB Liability	13,119,397	140,878	13,260,275	-
Net pension liability	10,518,227	351,604	10,869,831	-
Revenue bonds payable, net of unamortized bond discount/premium	84,925,176	-	84,925,176	-
Lease Payable	3,372,062	-	3,372,062	-
Total noncurrent liabilities	112,347,882	506,854	112,854,736	1,084,000
Total liabilities	137,627,576	751,046	138,378,622	2,143,082
Deferred Inflows of Resources:				
Deferred inflows related to pensions	342,702	21,970	364,672	-
Deferred inflows related to OPEB	2,783,352	85,078	2,868,430	-
Total deferred inflows of resources	3,126,054	107,048	3,233,102	-
Net Position:				
Net investment in capital assets	142,881,475	4,752,991	147,634,466	-
Restricted for:				
Restricted by Bond Covenant - Debt service	1,891,950	-	1,891,950	-
Restricted by Bond Covenant - Capital improvements	12,420,352	-	12,420,352	-
Restricted by Bond Covenant - Renewal and replacement	2,750,000	-	2,750,000	-
Restricted by Bond Covenant - Working capital	20,041,909	525,828	20,567,737	-
Unrestricted	24,320,849	1,621,956	25,942,805	2,039,383
Total net position	\$ 204,306,535	\$ 6,900,775	\$ 211,207,310	\$ 2,039,383

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

City of Cocoa, Florida
Statement of Revenues, Expenses, and Changes in Net Position -
Proprietary Funds
Year Ended September 30, 2022

	Business-type Activities - Enterprise Funds			Governmental Activities -
	Water and Sewer System	Stormwater Fund (Non-Major)	Total	Internal Service Funds
Operating revenues:				
Charges for services	\$ 66,834,976	\$ -	\$ 66,834,976	\$ 1,440,668
Impact fees	4,910,420	-	4,910,420	-
Special Assessment Revenue	-	1,984,061	1,984,061	-
Fire protection	3,817,186	-	3,817,186	-
Miscellaneous revenue	223,676	3,350	227,026	43,171
Total operating revenues	75,786,258	1,987,411	77,773,669	1,483,839
Operating expenses:				
Water/sewer treatment	15,487,310	-	15,487,310	-
Administration	14,163,004	1,051,655	15,214,659	-
Depreciation/amortization	11,374,042	279,170	11,653,212	-
Insurance claims and expenses	-	-	-	(642,445)
Transmission and distribution	8,227,639	-	8,227,639	-
Lift stations and lines	2,205,864	-	2,205,864	-
Total operating expenses	51,457,859	1,330,825	52,788,684	(642,445)
Operating income (loss)	24,328,399	656,586	24,984,985	2,126,284
Nonoperating revenues (expenses):				
Gain/(loss) on disposal of assets	(40,559)	8,969	(31,590)	-
Grants from other agencies	-	26,954	26,954	-
Interest Income/(loss)	(2,337,037)	(1,731)	(2,338,768)	(168,963)
Interest expense	(3,723,741)	-	(3,723,741)	-
Total nonoperating revenues (expenses)	(6,101,337)	34,192	(6,067,145)	(168,963)
Income before contributions and transfers	18,227,062	690,778	18,917,840	1,957,321
Capital contributions and transfers				
Capital contributions	2,654,645	-	2,654,645	-
Capital grant	30,713	-	30,713	-
Transfers in	1,291,710	44,721	1,336,431	39,539
Transfers out	(9,270,157)	(28,469)	(9,298,626)	(2,550,558)
Total capital contributions and transfers	(5,293,089)	16,252	(5,276,837)	(2,511,019)
Change in net position	12,933,973	707,030	13,641,003	(553,698)
Net position, beginning	191,372,562	6,193,745	197,566,307	2,593,081
Net position, ending	\$ 204,306,535	\$ 6,900,775	\$ 211,207,310	\$ 2,039,383

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

City of Cocoa, Florida
Statement of Cash Flows -
Proprietary Funds
Year Ended September 30, 2022

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Water and Sewer System	Stormwater Fund	Total	
Cash flows from operating activities:				
Cash received from customers for sales and services	\$ 75,190,112	\$ 2,021,244	\$ 77,211,356	\$ 1,548,805
Cash payments to suppliers for goods and services	(25,533,437)	(332,183)	(25,865,620)	3,107
Cash payments to employees	(16,503,593)	(526,889)	(17,030,482)	-
Cash payments for insurance and claims expense	-	-	-	(1,762,292)
Net cash provided by (used in) operating activities	33,153,082	1,162,172	34,315,254	(210,380)
Cash flows from noncapital financing activities:				
Cash transfers in from other funds	1,291,710	44,721	1,336,431	39,539
Cash transfers out to other funds	(9,270,157)	(28,469)	(9,298,626)	(2,550,558)
Operating grants	-	26,954	26,954	-
Net cash provided by (used in) noncapital financing activities	(7,978,447)	43,206	(7,935,241)	(2,511,019)
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(12,040,108)	(384,563)	(12,424,671)	-
Proceeds from sale of capital assets	(40,559)	-	(40,559)	-
Principal paid on revenue bonds and loans	(2,167,209)	-	(2,167,209)	-
Interest paid on long-term debt	(4,025,758)	-	(4,025,758)	-
Proceeds from issuance of bonds	-	-	-	-
Capital contributions - grant	30,713	-	30,713	-
Net cash provided by (used in) in capital and related financing activities	(18,242,921)	(384,563)	(18,627,484)	-
Cash flows from investing activities:				
Investment income/(loss)	(2,337,037)	(1,731)	(2,338,768)	(168,963)
Proceeds from sale/maturity of investments	-	-	-	-
Purchase of investments	12,889,383	15,650	12,905,033	483,253
Net cash provided by (used in) investing activities	10,552,346	13,919	10,566,265	314,290
Net increase (decrease) in cash and cash equivalents	17,484,060	834,734	18,318,794	(2,407,109)
Cash and cash equivalents, beginning	34,425,048	1,604,817	36,029,865	3,620,382
Cash and cash equivalents, ending	\$ 51,909,108	\$ 2,439,551	\$ 54,348,659	\$ 1,213,273
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income/(loss)	\$ 24,328,399	\$ 656,586	\$ 24,984,985	\$ 2,126,284
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation/amortization	11,374,042	279,170	11,653,212	-
Change in assets and liabilities:				
(Increase) decrease in assets:				
Accounts receivable	(1,220,189)	33,833	(1,186,356)	64,966
Due from other governments	(41,775)	-	(41,775)	-
Inventory	(530,928)	-	(530,928)	-
Prepaid items	(3,125)	(474)	(3,599)	(40,127)
Pension Asset	395,386	42,798	438,184	-
Deferred outflows of resources - pensions	(1,278,476)	(41,863)	(1,320,339)	-
Deferred outflows of resources - OPEB	(23,548)	(771)	(24,319)	-
Increase (decrease) in liabilities:				
Accounts and claims payable	(1,368,624)	189,603	(1,179,021)	(276,869)
Contracts payable and retainage payable	(223,403)	-	(223,403)	-
Accrued payroll and related liabilities	278,074	5,513	283,587	-
Accrued claims payable	-	-	-	(2,087,741)
Due to other governments	(546)	-	(546)	3,107
OPEB Liability	582,503	19,074	601,577	-
Net pension liability	5,432,625	148,038	5,580,663	-
Deferred inflows of resources - pensions	(4,521,111)	(148,042)	(4,669,153)	-
Deferred inflows of resources - OPEB	(650,265)	(21,293)	(671,558)	-
Deposits	624,043	-	624,043	-
Total adjustments	8,824,683	505,586	9,330,269	(2,336,664)
Net cash provided by (used in) operating activities	\$ 33,153,082	\$ 1,162,172	\$ 34,315,254	\$ (210,380)
Noncash capital and related financing activities:				
Acquisition of capital assets through contributions from property owners, developers and other governments	\$ 2,654,645	\$ -	\$ 2,654,645	\$ -

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

City of Cocoa, Florida
Statement of Net Position -
Fiduciary Funds
September 30, 2022

	Employee Pension Trust Funds
Assets:	
Cash and cash equivalents	\$ 2,388,862
U.S. Bonds and T-bills	1,925,505
Investments at fair value:	
Corporate Bonds	3,501,842
Stocks	15,152,720
Mutual funds	32,872,264
Pooled Comingled Equity Funds	3,048,565
US real estate investment fund	11,759,708
Accounts receivable	6
Interest receivable	53,341
	<hr/>
Total assets	70,702,813
	<hr/>
Liabilities:	
Accounts payable	\$ 206,675
	<hr/>
Total liabilities	206,675
	<hr/>
Net Position:	
Restricted for pension benefits	\$ 70,496,138
	<hr/> <hr/>

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

City of Cocoa, Florida
Statement of Changes in Fiduciary Net Position -
Fiduciary Funds
Year Ended September 30, 2022

	Employee Pension Trust Funds
Additions	
Contributions:	
Employer contributions	\$ 2,326,422
Employee contributions	419,620
State contributions	<u>349,782</u>
Total contributions	<u>3,095,824</u>
Investment earnings:	
Net increase/(decrease) in the fair value of investments	(15,639,793)
Interest and dividends	<u>2,706,979</u>
Total investment earnings	(12,932,814)
Less investment expense	<u>341,018</u>
Net investment earnings	<u>(13,273,832)</u>
Total additions	<u>(10,178,008)</u>
Deductions	
Benefits payments	4,812,069
Administrative expenses	<u>247,852</u>
Total deductions	<u>5,059,921</u>
Change in net position	(15,237,929)
Net position, beginning of year	<u>85,734,067</u>
Net position, end of year	<u><u>70,496,138</u></u>

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

CITY OF COCOA, FLORIDA

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Cocoa, Florida (the “City”) was incorporated as a village in 1895 and as a city in 1913. The City of Cocoa was re-created pursuant to House Bill 1348, as set forth in Chapter 59-1186, Laws of Florida. The City has a population of approximately 19,290 and is located on the central east coast of Florida. The City operates under a charter adopted in 1959 and provides for a Council-City Manager form of government. The governing body is a five-member elected City Council comprised of a Mayor and four Council members. The City Council appoints the City Manager who is responsible for the administration of all City services.

The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although separate legal entities, are, in substance, part of the government’s operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that it is legally separate from the government.

1. Component Units

Effective for the FY20 fiscal year, the State of Florida amended FS 163.387 (8) requiring separate financial statements to be issued for each CRA that meets a specified \$100,000 threshold. The component units' financial information is audited and included in the City's annual report and the separately issued annual reports can be obtained from the City Clerk's office, on the City's website at cocoa.org or the CRA website at choosecocoa.org.

a) Blended Component Units

Cocoa Redevelopment Agency (the “Agency”) – The Agency was organized under Section 163 of the Florida Statutes and formally came into existence in 1981. The Agency uses property tax incremental revenues derived from taxable real property within the geographic boundaries of the community redevelopment area to finance the rehabilitation, conservation, and re-development of affordable housing and related facilities for residents of low or moderate income. The Agency’s Board is comprised of the five members of the City Council and two additional members who reside in, or are engaged in business in, the area of the Agency’s operation. The Cocoa CRA is reported as a blended component unit because the governing body is substantively the same and the City manages the activities of the CRA in essentially the same manner as it manages its own activities.

Cocoa Public Safety Employees’ Retirement Systems – The City’s public safety employees participate in two Public Safety Employees’ Retirement Systems (“PSERS”). Each single-employer PSERS plan (firefighters and police officers) functions for the benefit of its employees and is governed by a five-member pension Board, consisting of two City employees, two legal residents of the City, and one member appointed by the other four. The City and PSERS participants are obligated to fund all PSERS costs based upon actuarial valuations. The pension Board is authorized to establish benefit levels and to approve the actuarial assumptions used in the determination of contribution levels.

CITY OF COCOA, FLORIDA

NOTES TO FINANCIAL STATEMENTS

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

a) Blended component units *(Continued)*

Cocoa General Employees' Retirement System – City employees not participating in the PSERS or the 401(a) Defined Contribution Plan are covered under the General Employees' Retirement System ("GERS"), unless they opted out as of March 1, 2009, to be included in the Florida Retirement System (see Note 10). The GERS functions for the benefit of its employees and is governed by a five-member pension board consisting of three elected City employees and two City Council appointees residing in the City. The City and GERS participants are obligated to fund all GERS costs based upon actuarial valuations. The GERS pension Board is authorized to establish benefit levels and to approve the actuarial assumptions used in the determination of contribution levels.

Pension information for the PSERS and the GERS is found in a combined format in the Fiduciary Statement of Net Position and Statement of Changes in the Fiduciary Net Position in the City's annual report. Stand-alone financial reports for the for the individual PSERS and the GERS plans are contained in the annual actuarial reports that are prepared by an external consultant and can be obtained from the City Clerk.

b) Discretely Presented Component Units

Diamond Square Redevelopment Agency – The Diamond Square Redevelopment Agency was organized under Section 163 of the Florida Statutes and formally came into existence in 1998. The Diamond Square Redevelopment Agency uses property tax incremental revenues derived from taxable real property within the geographic boundaries of the community redevelopment area to finance development within that area. The Board is appointed by the City Council and is comprised of seven members who reside in, or are engaged in business in, the area of the Diamond Square Redevelopment Agency's operation. There is a potential for the Agency to provide specific financial benefits to, or impose specific financial burdens on, the City.

Financial information on the discretely presented component unit activity can be found in the Government-Wide Statement of Net Position, Statement of Activities, and Note 4 (D) Capital Assets/Discretely Presented Component Units. The separately issued financial statements for each CRA meeting the statutory threshold can be found on the City's website or at www.cocoafl.org or at the CRAs' web pages at www.choosecocoa.org.

c) Related Organizations

The Mayor of Cocoa is responsible for appointing the members of the Board of the Cocoa Housing Authority (CHA), but the City's accountability for this organization does not extend beyond making these appointments. The CHA's operating and capital expenditures, including debt service, is financed entirely by federal grants and rentals. Since the City does not have any involvement for the determination of CHA's budget or rental rates, the CHA is not considered a component unit of the City. However, according to the Florida Retirement System (FRS), because the CHA is a dependent special district, the City is responsible for remitting pension contributions for the CHA employee and employer contributions. These contributions and related expense are reflected in Note 10.

CITY OF COCOA, FLORIDA
NOTES TO FINANCIAL STATEMENTS

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

B. Measurement Focus and Basis of Accounting and Financial Statement Presentation

1. 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 non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which are normally supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges 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 or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *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 or segment. 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 funds, and fiduciary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and *available*. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period.

For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, OPEB obligations and claims and judgments, are recorded only when payment is due.

Property taxes, franchise fees, 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. All other revenue items are considered to be measurable and available only when cash is received by the government.

CITY OF COCOA, FLORIDA
NOTES TO FINANCIAL STATEMENTS

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

a) Restricted Net Position

The balance of the restricted net position at September 30, 2022 in the enterprise funds are as follows:

Debt Service	\$ 1,891,950
Capital Improvements	12,420,352
Working Capital	20,567,737
Renewal and Replacement	<u>2,750,000</u>
Total Restricted Net Position	<u>\$ 37,630,039</u>

2. Fund Financial Statements

a) The City reports the following major governmental funds:

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

The *Cocoa Redevelopment Agency Fund* accounts for incremental tax revenues within the downtown Cocoa Village area. The monies are restricted by State Statute to specific projects or a class of projects within this geographical area.

The *American Rescue Plan Fund* accounts for revenue received and related expenditures from receipt of the State and Local Fiscal Recovery Funds.

b) The City reports the following major proprietary funds:

- (i) The *Water and Sewer Fund* accounts for water and sewer operations that are financed and operated in a manner similar to private business enterprise. The fund is intended to be predominantly self-supported from user charges.

c) Additionally, the City reports the following funds:

Internal Service Funds

The *internal service funds* account for the activity of the City's workers' compensation self-insurance fund and healthcare self-insurance fund. Services are provided to various City departments on a cost-reimbursement basis.

The City reports the following fiduciary funds:

The *pension trust funds* account for assets, liabilities, revenues and expenses of the pension plans of the City's general employees, firefighters and police officers and the defined contribution plan. The activities of these funds are subject to state mandatory regulations, local ordinances and the policies of the governing boards.

CITY OF COCOA, FLORIDA

NOTES TO FINANCIAL STATEMENTS

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

c) Additionally, the City reports the following funds:(*Continued*)

The City's non-major governmental funds consist of special revenue funds (Community Development Block Grant, Cocoa Housing Assistance Trust, Brevard County Home Program, Loan Guarantee, Police Confiscated Funds, Police Special Education and Federal Forfeiture), a Capital Improvements fund and a Debt Service fund. The City's non-major enterprise fund consists of the stormwater utility fund.

As a rule, the effect of interfund activity has been eliminated from the government- wide financial statements. Exceptions to this general rule are charges between the City's water and sewer function and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported in the various functions concerned.

Amounts reported as *program revenues* include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 2) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, *general revenues* include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and providing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the water and sewer enterprise fund and the City's internal service funds are charges to customers for sales and services. The Water and Sewer System fund also recognizes as operating revenues the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and the internal service 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.

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

3. Fund Balance

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Non-spendable Fund Balance— Amounts that are inherently not spendable because of their form (such as inventory) and/or that cannot convert or are not readily convertible to cash (such as prepaid assets or the long-term portion of loans receivable).

Restricted Fund Balance— Amounts that have externally enforceable limitations on their use. These amounts are constrained to the specific purposes by their providers (such as grantors, bondholders, or higher levels of government pursuant to enabling legislation, e.g., gas tax revenues that must be used for road repairs).

Committed Fund Balance— Amounts that have self-imposed limitations established through actions of the City Council (the City's highest level of decision-making authority) set in place prior

CITY OF COCOA, FLORIDA
NOTES TO FINANCIAL STATEMENTS

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

3. Fund Balance *(Continued)*

to the end of a financial reporting period. These amounts cannot be used for any other purpose, unless the City Council takes action by Resolution to remove or change the limitation.

Assigned Fund Balance— Amounts that the City intends to use for a specific purpose. The authority for such intent may be expressed by the City Council, the Finance Committee or the City Manager in accordance with the City's Fund Balance Reserve Policy.

Unassigned Fund Balance— The remaining portion of fund balance which is spendable and not obligated or specifically designated and, therefore, available for any purpose. The General Fund is the only fund that reports a positive unassigned fund balance.

In other governmental funds, it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

The City will use restricted amounts to be spent first when both restricted and unrestricted fund balance is available, unless there are legal documents or contracts that prohibit doing this, such as in grant agreements requiring dollar-for-dollar spending. Additionally, the City would first use Unassigned Fund Balance, unless the expenditure is identified as a component of the Committed or Assigned Fund Balance, when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

CITY OF COCOA, FLORIDA

NOTES TO FINANCIAL STATEMENTS

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

3. Fund Balance *(Continued)*

At September 30, 2022, the City's fund balances were classified as follows:

	General	Cocoa Redevelopment Agency	American Rescue Plan	Nonmajor Funds	Total Governmental Funds
Fund balances:					
Non-spendable:					
Inventory	\$ 36,038	\$ -	\$ -	\$ -	\$ 36,038
Prepaid Items	298,471	-	-	-	298,471
Leases	4,035	-	-	-	4,035
Restricted:					
Public safety	-	-	-	1,206,630	1,206,630
Section 108 Loan Debt Service Reserve	67,000	-	-	-	67,000
Community Improvement projects	-	1,699,168	-	227	1,699,395
Debt Service Payments	-	-	-	591,742	591,742
Capital Projects	-	-	13,482	-	13,482
Housing Assistance	-	-	-	463,720	463,720
Committed:					
Stabilization Fund	11,344,641	-	-	-	11,344,641
Capital Replacement	500,000	-	-	-	500,000
Capital Projects	-	-	-	2,422,028	2,422,028
Tree Replacement	-	-	-	41,366	41,366
Assigned:					
City-wide Software Upgrade	3,000,000	-	-	-	3,000,000
Cocoa Park Improvements	2,334,930	-	-	-	2,334,930
Cocoa Village Parking	241,379	-	-	-	241,379
Capital Improvements	2,899,637	-	-	-	2,899,637
Donations	59,215	-	-	-	59,215
Economic Incentives	500,000	-	-	-	500,000
Employee Recruitment Programs	600,000	-	-	-	600,000
Grants	810,000	-	-	-	810,000
Housing	1,150,000	-	-	-	1,150,000
Road & Sidewalk Improvements	628,223	-	-	-	628,223
Sustainability/Resiliency Initiatives	37,500	-	-	-	37,500
Unassigned	13,529,925	-	-	-	13,529,925
Total fund balances	<u>\$ 38,040,994</u>	<u>\$ 1,699,168</u>	<u>\$ 13,482</u>	<u>\$ 4,725,713</u>	<u>\$ 44,479,357</u>

4. Budgets & Budgetary Accounting

The following procedures are used to establish the budgetary data reflected in the financial statement:

- a) No later than August 1 of each year, the City Manager submits a proposed operating budget to City Council for the fiscal year commencing the following October 1.
- b) Public hearings are held to obtain taxpayer comments.
- c) Prior to October 1, the budget is legally enacted through the passage of a resolution.
- d) Budgets are legally adopted and formal budgetary integration is employed as a management control device during the year for all appropriated funds, including the internal service funds. The budget for the enterprise fund is derived in compliance with bond covenants and operational needs. The pension trust funds are not budgeted.

CITY OF COCOA, FLORIDA
NOTES TO FINANCIAL STATEMENTS

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

4. Budgets & Budgetary Accounting *(Continued)*

- e) Budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). The budget for the enterprise fund is adopted on a non-GAAP basis to reflect budget versus actual information related to "operations and maintenance" as defined in bond covenants.
- f) The City Manager is authorized to transfer all or part of an unencumbered appropriation balance between departments within a fund; however, any revisions that alter the total appropriations of any fund must be approved by City Council. The classification at which expenditures may not legally exceed appropriations is at the object classification level. During the fiscal year, various appropriations were approved in accordance with this policy. Budgeted amounts shown in the financial statements are as originally adopted and as further amended.
- g) Appropriations lapse at the end of the fiscal year. Re-appropriation of remaining encumbrances that will continue into the following year require separate approval by City Council in the following fiscal year.

5. Cash and Cash Equivalents

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

Cash balances available within various funds, except pension trust funds, were pooled for investment purposes. Substantially all deposits at September 30, 2022, were invested using the pooled investment concept. Interest earned was allocated to the various funds based on their average cash and investment balances.

Cash and cash equivalents for the purpose of the proprietary fund statement of cash flows include: cash, short-term investments with original maturities of three months or less from the date of acquisition, and money market funds.

Investments are reported at fair value, with the exception of external investment pools that comply with criteria set forth in Section 150: *Investments* of the GASB Codification and have elected to measure their investments at amortized cost. Accordingly, the fair value of the City's position in the external investment pools having met these criteria is equal to the value of pooled shares.

CITY OF COCOA, FLORIDA
NOTES TO FINANCIAL STATEMENTS

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

a) The City is authorized to invest surplus funds as follows:

- (i) The State Pool, administered by the Florida State Board of Administration;
- (ii) U.S. Government securities and agencies of the U.S. Government;
- (iii) U.S.-sponsored agencies, including Federal Farm Credit Bank ("FFCB"), Federal Home Loan Bank or its City banks ("FHLB"), Federal National Mortgage Association ("FNMA"), Federal Home Loan Mortgage Corporation ("Freddie-Macs"), and Federal Home Loan Mortgage Corporation participation certificates;
- (iv) Interest-bearing time deposits or savings accounts;
- (v) Repurchase agreements, commercial paper and bankers' acceptances;
- (vi) Corporate notes issued by corporations operating in the United States or by depository institutions licensed by the United States;
- (vii) State or local government taxable or tax-exempt debt, general obligation debt, or revenue bonds;
- (viii) Money market mutual funds, which are open-end, no load funds, where the share value of funds is equal to \$1.00;
- (ix) Intergovernmental investment pools that are authorized pursuant to the Florida Interlocal Cooperation Act, provided said funds contain no derivatives.

b) The General Employees' Pension Fund is authorized to invest surplus funds as follows:

- (i) Corporate fixed income securities rated "BAA" or higher by Moody's or "BBB" by Standard & Poor's;
- (ii) Corporate fixed income securities rated "BAA" or higher by Moody's or "BBB" by Standard & Poor's;
- (iii) Collateralized mortgage obligations whose collateral is secured by Government National Mortgage Association ("GNMA"), Federal Home Loan Mortgage Corporation ("FHLMC") or Federal National Mortgage Association ("FNMA");
- (iv) The money market or short-term investment fund ("STIF") provided by the fund's custodian;
- (v) Direct obligations of the U.S. Government with a maturity of one year or less;
- (vi) Commercial paper with a maturity of 270 days or less that is rated "A-1" by Moody's or "P-1" by Standard & Poor's; and
- (vii) Bankers acceptances issued by the 50 largest banks in the United States (in terms of total assets).

CITY OF COCOA, FLORIDA
NOTES TO FINANCIAL STATEMENTS

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

c) The Police Officers' Pension Fund is authorized to invest surplus funds as follows:

- (i) Time, savings and money market deposit accounts of a national bank, a state bank or a savings and loan institution, insured by the Federal Deposit Insurance Corporation ("FDIC"), provided the amount deposited does not exceed the insured amount, and cash instruments that have a quality rating of at least Standard & Poor's "P-1" or Moody's "A-1";
- (ii) Obligations issued by the United States Government or obligations guaranteed as to principal and interest by the United States Government or by an agency of the United States Government;
- (iii) Bonds issued by the State of Israel;
- (iv) Bonds or other evidences or indebtedness issued or guaranteed by a corporation organized under the laws of the United States or the District of Columbia and the corporation is listed on one or more of the recognized national exchanges or on the National Market System of the NASDAQ stock market, provided the issuer has a quality rating of at least "A" by Standard & Poor's or Moody's;
- (v) Equity investments (common stock, convertible bonds, and preferred stock) in a corporation listed on one or more of the recognized national exchanges or on the National Market System of the NASDAQ stock market;
- (vi) Commingled stock, bond or money market funds whose investments are restricted to securities meeting the requirements of Section 3 of the Investment policy related to liquidity, custodian, bid requirement and risk diversification;
- (vii) Investments in real estate are limited to real estate investment trusts ("REITs"); and
- (viii) Repurchase agreements adhering to the requirements of the Master Repurchase Agreement.

d) The Firefighters' Pension Fund is authorized to invest surplus funds as follows:

- (i) At all times, the Board's investments are subject to the limitations set forth in Florida Statute Sections 215.47(1-8), (10), and (16), except as otherwise permitted by Chapter 175 or by local ordinance;
- (ii) Equity investments (common stock, convertible bonds, and preferred stock) in a corporation listed on one or more of the recognized national exchanges or on the National Market System of the NASDAQ stock market;
- (iii) Fixed income investments shall be permitted in obligations of the United States or obligations guaranteed as to principal and interest by the Government of the United States, with a minimum quality rating of "A" or equivalent, as rated by one or more recognized bond rating services at the time of purchase;

CITY OF COCOA, FLORIDA
NOTES TO FINANCIAL STATEMENTS

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

d) The Firefighters Pension Fund is authorized to invest surplus funds as follows: (Cont.)

- (iv) Fixed income investments in bonds issued by the State of Israel;
- (v) Money market funds, short-term investment funds; securities rated "A-1" or better by Moody's or "P-1" or better by Standard & Poor's; and
- (vi) Time or savings accounts of a national bank, a state bank insured by the Bank Insurance Fund, or a savings, building, and loan association insured by the Savings Association Insurance Fund which is administered by the FDIC.

Investments for the City, as well as for its component units, are stated at fair value. Banks and savings and loans in which City funds are deposited must be classified as a qualified public depository, as defined in the Florida Security for Public Deposits Act, Chapter 280, Florida Statutes, before any deposits are made with those institutions.

6. Inventories

All inventories are valued at cost. The cost is recorded in inventory at the time of purchase and is charged to the appropriate department when consumed using an average cost method. Inventories of the governmental funds consist principally of supplies for City vehicles and fuel. Inventories of the proprietary funds primarily consist of maintenance supplies.

7. Prepaid Items

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

8. Restricted Assets

The use of certain assets of the Water and Sewer Utility Fund are restricted by certain provisions of bond resolutions and other agreements. Other assets are restricted by nature of the funding sources. Assets so designated are identified as restricted assets on the statement of net position and fund level statements.

9. Capital Assets

Capital assets, which include property, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, pipelines, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

Capital assets are defined by the government as assets with an estimated useful life in excess of two years and an individual cost of \$5,000 or more for equipment or an individual cost of \$25,000 or more for buildings, improvements other than buildings, and infrastructure. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated and confiscated capital assets are recorded at acquisition value. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized. The cost of capital assets retired or sold, together with the related accumulated depreciation, is removed from the respective accounts and any gain or loss on disposition is credited or charged to warnings in the government-wide financial statements and proprietary fund statements.

CITY OF COCOA, FLORIDA
NOTES TO FINANCIAL STATEMENTS

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

9. Capital Assets *(Continued)*

Capital assets of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

Buildings	50 years
Infrastructure	15 to 75 years
Equipment	5 to 20 years
Vehicles	5 to 20 years

The City recognizes amortization of software over a period of 3 years using the straight-line method.

10. Amortization of Bond Premium and Discounts

Bond discounts and premiums are amortized over the life of the bonds using the effective interest method. In the governmental funds, these costs are recorded as other sources or uses of funds when bonds are issued. Issuance costs are expensed at the time of debt issuance.

11. Receivables

Outstanding balances between funds are reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

All account and tax receivables are shown net of allowance for uncollectible accounts.

Property Taxes 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. Pursuant to Chapter 200.065(5)(a), Florida Statutes the maximum millage rate that the City may levy is a rolled-back rate based on the amount of taxes which would have been levied in the prior year if the maximum millage rate had been applied, adjusted for the change in per capita Florida personal income, unless a higher rate is adopted, in which case the maximum is the adopted rate. The Cocoa City Council levy for the fiscal year ended September 30, 2022 was 6.4532 mills, which represents an increase over the rolled back rate.

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

CITY OF COCOA, FLORIDA
NOTES TO FINANCIAL STATEMENTS

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

12. Financed Purchase Obligations

In the government-wide financial statements and proprietary fund financial statements, financed purchase obligations and the related cost of assets acquired are reflected in the Statement of Net Position. For financed purchase obligations originating in governmental funds, an expenditure of the asset and an offsetting other financing source are reflected in the fund financial statements in the year of obligation.

13. Leases

The City is a lessee for leases of office equipment, machinery and equipment, and office space. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide and proprietary fund financial statements.

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

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

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

The lease term includes the noncancelable period of the lease. Lease payments included in the measurement of the lease liability are comprised of fixed payments and any purchase option price that the City is reasonably certain to exercise. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or to not exercise a termination option. Extension options are only included in the lease term if the lease is reasonably certain to be extended. The City monitors changes in circumstances that would require a re-measurement of its leases and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

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

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

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

- fixed payments less any lease incentives receivable
- The exercise of a purchase option, if it is reasonably certain that the option will be executed.

CITY OF COCOA, FLORIDA
NOTES TO FINANCIAL STATEMENTS

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

13. Leases (*Continued*)

- Payments of penalties for terminating the lease, if the lease term reflects the City exercising that option.

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

The City is a lessor for noncancelable leases of office space, billboard space, and cell tower space. The city recognizes a lease receivable and a deferred inflow of resources in the government-wide, proprietary fund and governmental fund financial statements.

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

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

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

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

14. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation and a portion of sick pay is accrued when incurred in the government-wide and proprietary fund type financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

15. Deferred Outflows of Resources/Deferred Inflows of Resources

The deferred amount for advance refunding of debt in the Water and Sewer fund is classified as deferred outflows of resources.

The deferred outflows related to pensions are an aggregate of items related to pensions as calculated in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. Total deferred outflows of resources related to pensions were \$18,063,359 for the year ended September 30, 2022.

CITY OF COCOA, FLORIDA
NOTES TO FINANCIAL STATEMENTS

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

15. Deferred Outflows of Resources/Deferred Inflows of Resources *(Continued)*

In addition to assets and liabilities, the City reports the financial statement elements of deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to future periods and will not be recognized as an outflow of resources (expenditure or expense) until that applicable time. Deferred inflows of resources represent and acquisition of net assets that applies to future periods and will not be recognized as an inflow of resources (revenue) until that applicable time.

The City reports three items that qualify as deferred outflows of resources on its government-wide and proprietary statements of net position - deferred outflows related to pensions, related to refundings, and related to OPEB. The deferred outflows for pension are an aggregate of items related to pensions as calculated in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions*. The deferred outflows for pensions will be recognized as pension expense or a reduction of the net pension liability in future reporting years. The deferred outflows for OPEB represent contributions toward OPEB cost by the City that will offset the total OPEB liability in future reporting years. The deferred outflows related to bond refunding are for the business-type funds only.

The City reports three items that qualify as deferred inflows of resources on its government-wide and proprietary statements of net position - deferred inflows related to pensions, OPEB and leases. The deferred inflows related to pensions are an aggregate of items related to pensions and are calculated in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. The deferred outflows for OPEB are an aggregate of items related to OPEB, as calculated in accordance with GASB Statements No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The deferred outflows for pension/OPEB will be recognized as a reduction to pension/OPEB expense in future reporting years. In addition, the government-wide statement of net position include deferred inflows for leases. These amounts will be recognized as revenue over the life of the corresponding lease.

The City reports two items that qualify as deferred inflow of resources on the governmental balance sheet. The deferred inflow of resources for Whitley Bay pertains to an amount owed from a settlement agreement for construction of a boardwalk and promenade. (See Note 12 for further information.) The other deferred inflow item is related to leases in the General Fund. This amount will be recognized as revenue over the life of the corresponding lease.

16. Defined Benefit Pension Plans

The City participates in cost-sharing, multiple-employer, defined benefit pension plans that are administered by the State of Florida, Department of Management Services, Division of Retirement. Additionally, the City participates in three separate single-employer defined benefit pension plans for firefighters, police officers and those full-time employees who did not elect to be in the Florida Retirement System. For purposes of measuring the net pension asset or liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net positions of the City and state-administered defined benefit pension plans and additions to/deductions from the City and state-administered defined benefit pension plans' fiduciary net positions have been determined on the same basis as they are reported by the City and state-administered defined benefit pension plans.

CITY OF COCOA, FLORIDA
NOTES TO FINANCIAL STATEMENTS

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

16. Defined Benefit Pension Plans *(Continued)*

For this purpose, plan member contributions are recognized in the period in which the contributions are due. The City's employer contributions are recognized when due and the City has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the City and state-administered defined benefit pension plans.

17. Unearned Revenues

Unearned revenues include amounts collected before the revenue recognition criteria are met. The unearned items consist of grant and other revenues received in excess of amounts earned since the work has not been performed and, therefore, expenditures not incurred.

18. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures/expenses during the reporting period. Actual results could differ from management's estimates.

19. Fund Deficit

There are no funds that report a fund deficit as of September 30, 2022.

20. New Accounting Pronouncements

The City implemented GASB Statement 87 Leases in FY2022. 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 the 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 liability and an intangible right-to-use lease asset, and a lessor 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.

21. Net Position Restricted by Enabling Legislation

The City reports net position restricted by enabling legislation for public safety (\$1,206,630) and housing assistance (\$463,720) as of September 30, 2022.

CITY OF COCOA, FLORIDA

NOTES TO FINANCIAL STATEMENTS

NOTE 2 - DEPOSITS & INVESTMENTS

A. Governmental & Business-Type Activities Deposits and Investments

The City invests certain surplus funds in an external investment pool, the Local Government Surplus Funds Trust Fund (the "Florida Prime"). The State Pool is administered by the Florida State Board of Administration ("SBA"), who provides regulatory oversight.

Under GASB Codification 150: *Investments*, if a participant has an investment in a qualifying external investment pool that measures for financial reporting purposes all of its investments at amortized cost, it should disclose the presence of any limitations or restrictions on withdrawals (such as redemption notice periods, maximum transaction amounts, and the qualifying external investment pool's authority to impose liquidity fees or redemption gates) in notes to the financial statements.

As of September 30, 2022, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit the City's access to 100% of its account value in either external investment pool.

At September 30, 2022, the City's carrying amount of cash deposits was \$96,043,251 and the bank balance was \$88,720,925. In addition, the City holds \$3,550 of petty cash. The component units' carrying amount of deposits with banks was \$791,506 and the bank balance was \$791,506. As of September 30, 2022, \$250,000 of the City's bank balances is covered by the 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.

Credit Risk

The City's investment policy and the investment policies for the City's General Employees', Police Officers' and Firefighters' Pension Funds limit investments to securities with specific ranking criteria.

Interest Rate Risk

The City's investment policy limits interest rate risk by requiring that investment maturities shall not be greater than seven years. In addition, the overall required weighted average duration is required to be less than three years. The City's General Employees', Police Officers' and Firefighters' Pension Funds do not address interest rate risk.

Concentration of Credit Risk

The City's Police Officers' and Firefighters' Pension Funds do not allow for an investment in any one issuer that is in excess of five percent of the respective funds' total investments, except for securities issued by the U.S. Government or its agencies, which may be held without limitation. The City's investment policy and the investment policy of the City's General Employees' Pension Fund do not address concentration of credit risk.

CITY OF COCOA, FLORIDA

NOTES TO FINANCIAL STATEMENTS

NOTE 2 - DEPOSITS & INVESTMENTS *(Continued)*

A. Governmental & Business-Type Activities Deposits and Investments *(Continued)*

Foreign Currency Risk

The City's pension funds contain investments in foreign stock mutual funds and foreign corporate bonds; however, all of the investments are denominated in U.S. dollars and are not exposed to foreign currency risk.

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, the City will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The City's investment policy does not contain requirements that would limit exposure to custodial credit risk for investments. Pension plans operate under separate investment policies. The fiduciary funds' U.S. Real Estate Investments are not covered by the SIPC (Securities Investor Protection Corporation) insurance, are uncollateralized and held by the pension funds' broker-dealer (counterparty); therefore, the balance as of September 30, 2022 of \$11,759,708 is subject to custodial credit risk. The fiduciary funds' remaining investments are covered by SIPC insurance.

At September 30, 2022, the City had the following investments:

Investment Type	Fair Value	Less than 1	1 - 5	6 - 10	More than 10	Rating	Agency	Level
SBA (Florida Prime)	\$ 523,915	\$ 523,915	\$ -	\$ -	\$ -	AAAm	S&P	
FL Class	-	-	-	-	-	AAA - A-	S&P	
Money Market Fund								
Money Market Fund	399	399	-	-	-	AAA	S&P	L1
Money Market Fund	2,702,809	2,702,809	-	-	-	AAAm	S&P	L1
Corporate Bonds								
Corporate Bonds (Aaa - A1)	-	-	-	-	-	A+	S&P	L2
Municipal Bonds								
Municipal Bonds (AA)	549,225	-	549,225	-	-	AA	S&P	L2
Municipal Bonds (AAA)	998,635	-	998,635	-	-	AAA	S&P	L2
US Treasuries								
US Treasuries	34,708,950	1,277,327	33,431,623	-	-	AA+	S&P	L2
US Agencies								
US Agencies (Aaa)	12,681,108	1,753,746	10,927,362	-	-	AA+	S&P	L2
Total primary government cash equivalents and investments	<u>\$ 52,165,041</u>	<u>\$ 6,258,196</u>	<u>\$ 45,906,845</u>	<u>\$ -</u>	<u>\$ -</u>			
Less: Total Cash Equivalents, at cost	<u>\$ 8,209,531</u>							
Total Investments	<u><u>\$ 43,955,510</u></u>							

CITY OF COCOA, FLORIDA

NOTES TO FINANCIAL STATEMENTS

NOTE 2 - DEPOSITS & INVESTMENTS *(Continued)*

B. Fiduciary Investments

At September 30, 2022, the fiduciary funds had the following investments:

Investment Type	Fair Value	Less than 1	1 - 5	6 - 10	More than 10	Rating	Agency	Level
US Bonds and T-bills	1,925,505	-	59,495	937,534	928,476	AAA, Not Rated AA+ - A-, BBB+ - BB, Not Rated	S&P	L2
Corporate Bonds	3,501,842	166,163	1,691,376	1,592,593	51,710		S&P	L2
Stocks	15,152,720	15,041,636	33,675	5,851	71,558	Not Rated		L1
Mutual Funds	32,872,264	32,872,264	-	-	-	Not Rated		L1
Pooled Comingled Equity Funds	3,048,565	3,048,565	-	-	-	Not Rated		L1
Real Estate Investments	11,759,708	11,759,708	-	-	-	Not Rated		L3
Total Investments	<u>\$ 68,260,604</u>	<u>\$ 62,888,336</u>	<u>\$ 1,784,546</u>	<u>\$ 2,535,978</u>	<u>\$ 1,051,744</u>			
Total Cash Equivalents, at cost	2,388,862							
Contributions Receivable	6							
Interest Receivable	<u>53,341</u>							
Total Fiduciary Fund Cash Equivalents and Investments	<u><u>\$ 70,702,813</u></u>							

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 GASB 72 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 plan 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.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

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

CITY OF COCOA, FLORIDA
NOTES TO FINANCIAL STATEMENTS

NOTE 2 - DEPOSITS & INVESTMENTS *(Continued)*

B. Fiduciary Investments *(Continued)*

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

The following 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, 2022.

Equities: Valued at quoted market prices.

Mutual Funds: Valued at quoted market prices for Level 2 investments and net asset value if the quoted market price is unavailable.

U.S. Real Estate Investment: Valued at net asset value, which approximates fair value.

American Core Realty: Valued using pricing models maximizing the use of observable inputs for similar securities.

SEI Trust Company: Valued at last quoted sale price on the primary exchange or market on which they are traded or at the most recent quoted bid price.

Fixed Income Funds: Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yield currently available on comparable securities of issuers with similar credit ratings.

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.

CITY OF COCOA, FLORIDA

NOTES TO FINANCIAL STATEMENTS

NOTE 2 - DEPOSITS & INVESTMENTS *(Continued)*

B. Fiduciary Investments *(Continued)*

Level Three Financial Instruments

The following table summarizes the City's Fiduciary Funds' Level 3 financial instruments, the value technique used to measure the fair value of those financial instruments as of September 30, 2022, and the significant unobservable inputs and the ranges of those values for those inputs.

Instrument	Fair Value 09/30/2022	Principal Valuation Technique	Significant Unobservable Inputs	Range of Significant Input Values	Weighted Average
American Realty Advisors	\$ 2,645,836	Discounted Cash Flow	Going-In Cap Rate Exit Cap Rate Discount Rate	-4.41% to 7.37% 4.00% to 7.25% 5.00% to 9.00%	3.48% 4.69% 6.11%
Barings	1,861,661	Discounted Cash Flow	Discount Rate Terminal Cap Rate DCF Term (years)	5.00% to 8.24% 4.0% to 7.0% 10 to 11 years	6.58% 4.98% 10.18 years
TA Realty	2,245,474	Discounted Cash Flow (DCF) Analysis	Discount Rate Exit Cap Rate DCF Term (years)	5.5% to 8.0% 4.5% to 6.5% 10 years	N/A N/A N/A
U.S. Realty	5,006,737	Discounted Cash Flow Direct Capitalization	Exit Cap Rate Discount Rate Market rent Growth Rate DCF Term	3.75% to 7.71% 5.00% to 9.71% 2.4% to 3.60% 10 to 18 years	5.91% 7.09% 2.97% 10.56 years
	<u>\$ 11,759,708</u>				

Fair Value of Investments in Entities that Use Net Asset Value (NAV)

The following table summarizes investments measured at fair value based on NAV per share as of September 30, 2022:

	Fair Value	Unfunded Commitments	Redemption Frequency (If currently eligible)	Redemption Notice Period
American Realty Advisors	\$ 2,645,836	N/A	Quarterly	10 Days
Westwood Trust Large Cap Value Equity	2,613,816	N/A	Daily	3 Days
TA Realty	2,245,474	N/A	Quarterly	45 Days
Barings	1,861,661	N/A	Quarterly	60 Days
U.S. Real Estate	\$ 5,006,737	N/A	Quarterly	None

CITY OF COCOA, FLORIDA

NOTES TO FINANCIAL STATEMENTS

NOTE 3 - RECEIVABLES

Accounts Receivable

Receivables as of September 30, 2022, for the government's individual major funds and nonmajor, enterprise major and non-major, and internal service funds in the aggregate, including applicable allowances for uncollectible accounts, are as follows:

	General Fund	Nonmajor Governmental Funds	Water and Sewer Fund	Nonmajor Enterprise Fund	Total
Accounts receivable	\$ 1,417,759	\$ 4,529	\$ 9,210,465	\$ 8,240	\$ 10,640,993
Accounts receivable earned, but not billed	79,275	-	5,591,127	-	5,670,402
Tax Receivable	45,795	-	-	-	45,795
Gross receivables	1,542,829	4,529	14,801,592	8,240	16,357,190
Less: allowance for uncollectible accounts	(86,401)	-	(170,971)	(4,927)	(262,299)
Total net receivables	\$ 1,456,428	\$ 4,529	\$ 14,630,621	\$ 3,313	\$ 16,094,891

The City provides an allowance for accounts receivable that may become uncollectible. At September 30, 2022, this allowance was \$86,401 in the general fund, \$170,971 in the water and sewer system fund, and \$4,927 in the stormwater fund. No other allowances for doubtful accounts are maintained since all other accounts receivable are considered collectible at September 30, 2022.

Lease Receivables

For the year ended September 30, 2022, the financial statements include the adoption of GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

On October 13, 2021, the City entered into a 98 month lease as Lessor for the use of AT&T Cell Tower 382218. An initial lease receivable was recorded in the amount of \$235,134. As of September 30, 2022, the value of the lease receivable is \$208,300. The lessee is required to make monthly fixed payments of \$2,292. The lease has an interest rate of 0.3277%. The value of the deferred inflow of resources as of September 30, 2022 was \$207,302, and the City recognized lease revenue of \$27,832 during the fiscal year. The lessee has one extension option, each for 60 months.

On October 1, 2021, the City entered into a 312 month lease as Lessor for the use of Sprint Cell Tower A2C5163. An initial lease receivable was recorded in the amount of \$820,067. As of September 30, 2022, the value of the lease receivable is \$790,786. The lessee is required to make annual fixed payments of \$29,281. The lease has an interest rate of 0.8037%. The value of the deferred inflow of resources as of September 30, 2022 was \$788,570, and the City recognized lease revenue of \$31,497 during the fiscal year. The lessee has 5 extension options, each for 60 months.

CITY OF COCOA, FLORIDA
NOTES TO FINANCIAL STATEMENTS

NOTE 3 - RECEIVABLES (Continued)

On October 1, 2021, the City entered into a 49 month lease as Lessor for the use of USPS Post Office. An initial lease receivable was recorded in the amount of \$172,966. As of September 30, 2022, the value of the lease receivable is \$130,723. The lessee is required to make monthly fixed payments of \$3,545. The lease has an interest rate of 0.2133%. The value of the deferred inflow of resources as of September 30, 2022 was \$130,607, and the City recognized lease revenue of \$42,359 during the fiscal year.

On October 1, 2021, the City entered into a 159 month lease as Lessor for the use of Lamar Billboard Lease 004-09121-01. An initial lease receivable was recorded in the amount of \$38,757. As of September 30, 2022, the value of the lease receivable is \$36,169. The lessee is required to make monthly fixed payments of \$250. The lease has an interest rate of 1.2003%. The value of the deferred inflow of resources as of September 30, 2022 was \$35,832, and the City recognized lease revenue of \$2,925 during the fiscal year. The lessee has 3 extension option(s), each for 36 months. The City has 1 extension option, each for 12 months. The City had a termination period of 3 months as of the lease commencement.

On October 1, 2021, the City entered into a 69 month lease as Lessor for the use of T-Mobile Cell Tower A2C0020A. An initial lease receivable was recorded in the amount of \$198,375. As of September 30, 2022, the value of the lease receivable is \$165,461. The lessee is required to make quarterly fixed payments of \$8,150. The lease has an interest rate of 0.2133%. The value of the deferred inflow of resources as of September 30, 2022 was \$163,875, and the City recognized lease revenue of \$34,500 during the fiscal year. The lessee has 1 extension option, each for 60 months.

On October 1, 2021, the City entered into a 420 month lease as Lessor for the use of AT&T Cell Tower 14386094. An initial lease receivable was recorded in the amount of \$889,129. As of September 30, 2022, the value of the lease receivable is \$859,129. The lessee is required to make annual fixed payments of \$30,000. The lease has an interest rate of 1.8820%. The value of the deferred inflow of resources as of September 30, 2022 was \$863,726, and the City recognized lease revenue of \$25,404 during the fiscal year. The lessee has 6 extension options, each for 60 months.

On October 1, 2021, the City entered into a 20 month lease as Lessor for the use of T-Mobile Cell Tower A2C0555A. An initial lease receivable was recorded in the amount of \$24,951. As of September 30, 2022, the value of the lease receivable is \$9,991. The lessee is required to make monthly fixed payments of \$1,250. The lease has an interest rate of 0.2477%. The value of the deferred inflow of resources as of September 30, 2022 was \$10,202, and the City recognized lease revenue of \$14,749 during the fiscal year.

On October 13, 2021, the City entered into a 109 month lease as Lessor for the use of American Tower Cell Tower VZL32930. An initial lease receivable was recorded in the amount of \$273,620. As of September 30, 2022, the value of the lease receivable is \$248,223. The lessee is required to make annual fixed payments of \$25,397. The lease has an interest rate of 0.3277%. The value of the deferred inflow of resources as of September 30, 2022 was \$244,518, and the City recognized lease revenue of \$29,101 during the fiscal year. The lessee has 2 extension options, each for 60 months.

CITY OF COCOA, FLORIDA

NOTES TO FINANCIAL STATEMENTS

NOTE 3 - RECEIVABLES (Continued)

Governmental funds lease receivable and deferred inflows of resources activity for the year ended September 30, 2022 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Lease Receivable				
Infrastructure				
T-Mobile Cell Tower A2C0020A	\$ -	\$ 198,375	\$ (32,914)	\$ 165,461
Sprint Cell Tower A2C5163	-	820,067	(29,281)	790,786
AT&T Cell Tower 382218	-	235,134	(26,834)	208,300
T-Mobile Cell Tower A2C0555A	-	24,951	(14,960)	9,991
American Tower Cell Tower VZL32930	-	273,620	(25,397)	248,223
Lamar Billboard Lease 004-09121-01	-	38,757	(2,588)	36,169
AT&T Cell Tower 14386094	-	889,129	(30,000)	859,129
Total Infrastructure Lease Receivable	-	2,480,033	(161,974)	2,318,059
Buildings				
USPS Post Office	-	172,966	(42,243)	130,723
Total Building Lease Receivable	-	172,966	(42,243)	130,723
Total Lease Receivable	\$ -	\$ 2,652,999	\$ (204,217)	\$ 2,448,782

Principal and Interest Expected to Maturity

Governmental Activities			
Fiscal Year	Principal Payments	Interest Payments	Total Payments
2023	\$ 179,863	\$ 24,972	\$ 204,835
2024	171,547	24,140	195,687
2025	175,505	23,304	198,809
2026	138,619	22,486	161,105
2027	128,663	21,712	150,375
2028 - 2032	418,388	97,476	515,864
2033 - 2037	262,299	80,877	343,176
2038 - 2042	288,667	63,922	352,589
2043 - 2047	325,623	44,596	370,219
2048 - 2052	206,087	24,484	230,571
2053 - 2056	153,521	7,290	160,811
Total	\$ 2,448,782	\$ 435,259	\$ 2,884,041

	Beginning Balance	Additions	Reductions	Ending Balance
Deferred Inflow of Resources				
Infrastructure				
T-Mobile Cell Tower A2C0020A	\$ -	\$ 198,375	\$ (34,500)	\$ 163,875
Sprint Cell Tower A2C5163	-	820,068	(31,497)	788,571
AT&T Cell Tower 382218	-	235,134	(27,832)	207,302
T-Mobile Cell Tower A2C0555A	-	24,951	(14,749)	10,202
American Tower Cell Tower VZL32930	-	273,620	(29,102)	244,518
Lamar Billboard Lease 004-09121-01	-	38,757	(2,925)	35,832
AT&T Cell Tower 14386094	-	889,129	(25,404)	863,725
Total Infrastructure Deferred Inflow of Resources	-	2,480,034	(166,009)	2,314,025
Buildings				
USPS Post Office	\$ -	\$ 172,966	\$ (42,359)	\$ 130,607
Total Building Deferred Inflow of Resources	-	172,966	(42,359)	130,607
Total Deferred Inflow of Resources	\$ -	\$ 2,653,000	\$ (208,368)	\$ 2,444,632

CITY OF COCOA, FLORIDA

NOTES TO FINANCIAL STATEMENTS

NOTE 4 - CAPITAL ASSETS

A. Governmental Activities

General Governmental activities for the year ended September 30, 2022 was as follows:

General	Beginning Balance	Additions/ Transfers	Deletions/ Transfers	Ending Balance
Governmental activities:				
Capital assets, not being depreciated/amortized:				
Land	\$ 7,157,626	\$ 458,620	\$ -	\$ 7,616,246
Construction in progress	341,844	450,184	(416,831)	375,197
Total capital assets, not being depreciated/amortized	7,499,470	908,804	(416,831)	7,991,443
Capital assets, being depreciated/amortized:				
Buildings	29,299,165	60,639	-	29,359,804
Equipment	15,453,916	1,872,822	(570,419)	16,756,319
Intangibles	2,138,750	-	-	2,138,750
Intangibles RTU Leased Equip	-	213,323	-	213,323
Infrastructure	73,894,601	1,456,272	-	75,350,873
Total capital assets being depreciated/amortized:	120,786,432	3,603,056	(570,419)	123,819,069
Less accumulated depreciation/amortization for:				
Buildings	(9,657,684)	(945,656)	-	(10,603,340)
Equipment	(11,062,209)	(1,066,310)	539,985	(11,588,534)
Intangibles	(2,136,250)	-	-	(2,136,250)
Intangibles RTU Leased Equip	-	(53,937)	-	(53,937)
Infrastructure	(55,949,942)	(799,343)	-	(56,749,285)
Total accumulated depreciation/amortization	(78,806,085)	(2,865,246)	539,985	(81,131,346)
Total capital assets being depreciated/amortized, net	41,980,347	737,810	(30,434)	42,687,723
 Governmental activities capital assets, net	 \$ 49,479,817	 \$ 1,646,614	 \$ (447,265)	 \$ 50,679,166

*Current year additions for intangibles include GASB 87 implementation

CITY OF COCOA, FLORIDA

NOTES TO FINANCIAL STATEMENTS

NOTE 4 - CAPITAL ASSETS *(Continued)*

A. Governmental Activities *(Continued)*

Cocoa CRA activity for the year ended September 30, 2022 was as follows:

	Beginning Balance	Additions/ Transfers	Deletions/ Transfers	Ending Balance
Cocoa CRA activities:				
Capital assets, not being depreciated/amortized:				
Land	\$ 4,980	\$ -	\$ -	\$ 4,980
Construction in progress	72,347	6,014	-	78,361
Total capital assets, not being depreciated/amortized	77,327	6,014	-	83,341
Capital assets, being depreciated/amortized:				
Buildings	521,897	-	-	521,897
Equipment	116,110	21,553	-	137,663
Intangibles RTU Leased Bldg	-	652,108	-	652,108
Infrastructure	4,017,480	675,189	-	4,692,669
Total capital assets being depreciated/amortized:	4,655,487	1,348,850	-	6,004,337
Less accumulated depreciation/amortization for:				
Buildings	(253,789)	(16,825)	-	(270,614)
Equipment	(50,824)	(10,813)	-	(61,637)
Intangibles RTU Leased Bldg	-	(71,792)	-	(71,792)
Infrastructure	(1,233,693)	(152,552)	-	(1,386,245)
Total accumulated depreciation/amortization	(1,538,306)	(251,982)	-	(1,790,288)
Total capital assets being depreciated/amortized, net	3,117,181	1,096,868	-	4,214,049
 Governmental activities capital assets, net	 \$ 3,194,508	 \$ 1,102,882	 \$ -	 \$ 4,297,390

*Current year additions for intangibles include GASB 87 implementation

CITY OF COCOA, FLORIDA

NOTES TO FINANCIAL STATEMENTS

NOTE 4 - CAPITAL ASSETS (Continued)

A. Governmental Activities (Continued)

Total capital asset activity for the Primary Government for the year ended September 30, 2022 was as follows:

	Beginning Balance	Additions/ Transfers	Deletions/ Transfers	Ending Balance
Total Primary				
Governmental activities:				
Capital assets, not being depreciated/amortized:				
Land	\$ 7,162,606	\$ 458,620	\$ -	\$ 7,621,226
Construction in progress	414,191	456,198	(416,831)	453,558
Total capital assets, not being depreciated/amortized	7,576,797	914,818	(416,831)	8,074,784
Capital assets, being depreciated/amortized:				
Buildings	29,821,062	60,639	-	29,881,701
Equipment	15,570,026	1,894,375	(570,419)	16,893,982
Intangibles	2,138,750	-	-	2,138,750
Intangibles RTU Leased Equip	-	213,323	-	213,323
Intangibles RTU Leased Bldg	-	652,108	-	652,108
Infrastructure	77,912,081	2,131,461	-	80,043,542
Total capital assets being depreciated/amortized:	125,441,919	4,951,906	(570,419)	129,823,406
Less accumulated depreciation/amortization for:				
Buildings	(9,911,473)	(962,481)	-	(10,873,954)
Equipment	(11,113,033)	(1,077,124)	539,986	(11,650,171)
Intangibles	(2,136,250)	(2,500)	-	(2,138,750)
Intangibles RTU Leased Equip	-	(51,437)	-	(51,437)
Intangibles RTU Leased Bldg	-	(71,792)	-	(71,792)
Infrastructure	(57,183,635)	(951,895)	-	(58,135,530)
Total accumulated depreciation/amortization	(80,344,391)	(3,117,229)	539,986	(82,921,634)
Total capital assets being depreciated/amortized, net	45,097,528	1,834,677	(30,433)	46,901,772
Governmental activities capital assets, net	\$ 52,674,325	\$ 2,749,495	\$ (447,264)	\$ 54,976,556

*Current year additions for intangibles include GASB 87 implementation

Depreciation/amortization expense was charged to functions/programs of the City's governmental funds as follows:

Governmental activities:	
General government	\$ 1,928,612
Public safety	520,136
Recreation	127,222
Economic development	303,732
Physical environment	2,976
Transportation	234,551
Total depreciation/amortization expense - governmental activities	<u>\$ 3,117,229</u>

CITY OF COCOA, FLORIDA
NOTES TO FINANCIAL STATEMENTS

NOTE 4 - CAPITAL ASSETS (Continued)

B. Business-type Activities

	Beginning Balance	Additions/ Transfers	Deletions/ Transfers	Ending Balance
Business-type activities:				
Capital assets, not being depreciated/amortized:				
Land	\$ 2,919,197	\$ -	\$ -	\$ 2,919,197
Construction in progress	53,170,211	8,302,340	(25,703,545)	35,769,006
Total capital assets, not being depreciated/amortized:	56,089,408	8,302,340	(25,703,545)	38,688,203
Capital assets, being depreciated/amortized:				
Buildings	10,918,043	6,350,860	-	17,268,903
Improvements other than buildings	380,347,937	20,333,143	-	400,681,080
Equipment	25,579,746	2,509,052	(1,433,448)	26,655,350
Intangibles	3,530,027	-	-	3,530,027
Intangibles RTU Leased Equip	-	3,764,976	-	3,764,976
Total capital assets, being depreciated/amortized:	420,375,753	32,958,031	(1,433,448)	451,900,336
Less accumulated depreciation/amortization for:				
Buildings	(5,695,502)	(375,624)	-	(6,071,126)
Improvements other than buildings	(213,223,596)	(9,937,207)	-	(223,160,803)
Equipment	(20,723,924)	(1,136,688)	1,315,365	(20,545,247)
Intangibles	(3,049,316)	(140,943)	-	(3,190,259)
Intangibles RTU Leased Equip	-	(62,750)	-	(62,750)
Total accumulated depreciation/amortization	(242,692,338)	(11,653,212)	1,315,365	(253,030,185)
Total capital assets, being depreciated/amortized, net	177,683,415	21,304,819	(118,083)	198,870,151
Business-type activities capital assets, net	<u>\$ 233,772,823</u>	<u>\$ 29,607,159</u>	<u>\$ (25,821,628)</u>	<u>\$ 237,558,354</u>

*Current year additions for intangibles include GASB 87 implementation

Depreciation/amortization expense was charged to functions/programs of the City's business-type activities as follows:

Business-type activities:	
Water and Sewer System	\$ 11,374,042
Stormwater Utility	279,170
Total depreciation/amortization expense - business-type activities	<u>\$ 11,653,212</u>

CITY OF COCOA, FLORIDA
NOTES TO FINANCIAL STATEMENTS

NOTE 4 - CAPITAL ASSETS (Continued)

C. Discretely Presented Component Units

Activity for the Diamond Square Redevelopment Agency for the year ended September 30, 2022 was as follows:

	Beginning Balance	Additions/ Transfers	Deletions/ Transfers	Ending Balance
Capital assets, not being depreciated/amortized:				
Land	\$ 181,192	\$ -	\$ -	\$ 181,192
Construction in progress	-	-	-	-
Total capital assets, not being depreciated/amortized	181,192	-	-	181,192
Capital assets, being depreciated/amortized:				
Improvements other than buildings	477,850	-	-	477,850
Less accumulated depreciation/amortization for:				
Improvements other than buildings	(117,950)	(15,879)	-	(133,829)
Total capital assets, being depreciated/amortized, net	359,900	(15,879)	-	344,021
Diamond Square Agency capital assets, net	<u>\$ 541,092</u>	<u>\$ (15,879)</u>	<u>\$ -</u>	<u>\$ 525,213</u>

D. Construction Commitments

The City has active construction commitments as of September 30, 2022. At fiscal year-end, the City's commitments with such contracts totaling more than \$100,000 are summarized by project as follows:

Project	Spent-to-Date	Remaining Commitment
Industrial Park Pump Station	\$ 4,795	\$ 420,315
BNR Efficiency Improvements	523,462	1,622,472
Redundant Finish Flow Pipe	4,580,868	1,149,723
Marlin Manor Pipeline	2,000,677	598,003
SR528 Force Main Relocation	79,597	153,503
SCADA Migration	93,808	154,829
Lift Station 1 Mitigation	38,903	614,404
Broadmoor / Fiske Improvements	-	262,847
Civic Center Air Conditioning	-	100,890
Total	<u>\$ 7,322,110</u>	<u>\$ 5,076,986</u>

The above remaining commitment balances include accounts and retainages payable recorded in the City's financial statements as of September 30, 2022.

CITY OF COCOA, FLORIDA
NOTES TO FINANCIAL STATEMENTS

NOTE 4 - CAPITAL ASSETS (Continued)

E. Net Investment in Capital Assets

The net investment in capital assets component of net position consisted of the following components as of September 30, 2022:

	Governmental Activities	Business-type Activities	Diamond Square Redevelopment Agency
Capital Assets, Net of Depreciation/Amortization	\$ 54,976,556	\$ 237,558,354	\$ 525,213
Calculation of Outstanding Capital Debt			
Less: Revenue Bonds Payable	14,010,000	84,916,000	-
Unamortized Premiums/Discounts	348,697	5,897,176	-
Leases Payable	756,755	3,702,225	-
Notes Payable	974,000	-	-
Retainage Payable		323,507	-
Capital Assets in Accts Payable	207,359	919,935	-
Total Outstanding Capital Debt	16,296,811	95,758,843	-
Add:			
Unspent Debt Proceeds	-	2,168,012	-
Deferred Outflow Related to Refundings	-	3,666,941	-
Total Adjustments	-	5,834,953	-
Net Investment in Capital Assets	\$ 38,679,745	\$ 147,634,464	\$ 525,213

CITY OF COCOA, FLORIDA

NOTES TO FINANCIAL STATEMENTS

NOTE 5 - INTERFUND ACTIVITY

Interfund Transfers

Interfund transfers at September 30, 2022 are as follows:

	Transfers In	Transfers Out	Purpose
Major Funds:			
General Fund	\$ 12,695,338	\$ 1,935,776	Transfer for Return on Investment (ROI) & Payment in Lieu of Franchise Fee (PILOFF), debt service, and CRA interfund loan payoff
Water Sewer Fund	1,291,710	9,270,157	Transfers for ROI & PILOFF
Stormwater Fund	44,721	28,469	Transfer investment reallocation
Community Redevelopment Agency	3,221	1,402,380	Transfer for interfund loan payoff
Nonmajor Governmental Funds:			
Special Revenue Funds	127,378	115,252	Correction of interfund transfer
Debt Service Fund	1,897,001	18,991	Transfer to fund current year debt service payments
Capital Projects Funds	-	778,819	Transfer excess fund balance
Brevard County HOME	1,494		Closing transfer from Health Insurance Fund
Internal Service Funds:			
Health Insurance		2,235,202	To close 530 Health Insurance fund
Workers' Compensation	39,539	315,356	Correction of interfund transfer
Total Interfund Transfers	<u>\$ 16,100,402</u>	<u>\$ 16,100,402</u>	

CITY OF COCOA, FLORIDA

NOTES TO FINANCIAL STATEMENTS

NOTE 6 - SHORT-TERM LIABILITIES

The City bills and collects charges for sewer and other services on behalf of Brevard County; the Cities of Cape Canaveral, Cocoa Beach, Rockledge, and Titusville; and Sun Lake and Merritt Island Utility Company. Cash collections are remitted to these entities monthly. At September 30, 2022, the balance recorded as contracts payable due to these entities was \$10,273,089, which includes amounts billed but not yet collected of \$6,528,238, and revenue earned but not yet billed of \$2,799,024. Amounts collected and not yet remitted to these entities at year-end totaled \$3,674,060 in the Water and Sewer System fund. The City has collected for, and not yet remitted to, the County permit fees totaling \$17,087, in addition to \$18,931 due to other governments for various fees and services.

NOTE 7 - LONG-TERM LIABILITIES

A. Changes in Long-term Liabilities

Long-term liability activity for the year ended September 30, 2022 is as follows:

	Beginning Balance	Additions/ Transfers	Deletions/ Transfers	Ending Balance	Due Within One Year
Governmental Activities					
Bond payable:					
Revenue bonds payable	\$ 14,520,000	\$ -	\$ (510,000)	\$ 14,010,000	\$ 535,000
Less unamortized amounts:					
For issuance discounts	(36,441)	-	1,401	(35,040)	-
For issuance premium	409,319	-	(25,582)	383,737	-
Total bonds payable	14,892,878	-	(534,181)	14,358,697	535,000
Notes from direct placements	1,233,000	-	(788,000)	445,000	220,000
Notes from direct borrowing	639,000	-	(110,000)	529,000	45,000
Leases Payable	-	865,430	(108,675)	756,755	108,850
Accrued claims payable	4,163,741	1,006,827	(3,094,568)	2,076,000	992,000
Total OPEB liability	19,448,583	847,722	-	20,296,305	-
Net pension liability	7,355,223	21,353,163	-	28,708,386	-
Compensated absences	1,359,897	1,142,515	(1,041,928)	1,460,484	596,706
Governmental activities long-term liabilities	<u>\$ 49,092,322</u>	<u>\$ 25,215,657</u>	<u>\$ (5,677,352)</u>	<u>\$ 68,630,627</u>	<u>\$ 2,497,556</u>

CITY OF COCOA, FLORIDA

NOTES TO FINANCIAL STATEMENTS

NOTE 7 - LONG-TERM LIABILITIES (Continued)

A. Changes in Long-term Liabilities (Continued)

	Beginning Balance	Additions/ Transfers	Deletions/ Transfers	Ending Balance	Due Within One Year
Business-type Activities					
Bond payable:					
Revenue bonds payable	\$ 59,865,000	\$ -	\$ (2,410,000)	\$ 57,455,000	\$ 2,530,000
Less unamortized amounts:					
For issuance discounts	-	-	-	-	-
For issuance premium	6,206,855	-	(309,679)	5,897,176	-
Total bonds payable	66,071,855	-	(2,719,679)	63,352,176	2,530,000
Direct placement:					
Revenue bonds payable - private placement	30,920,000	-	(3,459,000)	27,461,000	3,358,000
Total all bonds payable	96,991,855	-	(6,178,679)	90,813,176	5,888,000
Leases Payable	-	3,764,976	(63,185)	3,701,791	329,729
OPEB liability	12,658,698	601,577	-	13,260,275	-
Net pension liability	5,289,168	5,580,663	-	10,869,831	-
Compensated absences	692,813	880,428	(819,336)	753,905	326,513
Business-type activities long-term liabilities	<u>\$ 115,632,534</u>	<u>\$ 10,827,644</u>	<u>\$ (7,061,200)</u>	<u>\$ 119,398,978</u>	<u>\$ 6,544,242</u>

For the governmental activities, capital leases and compensated absences are generally liquidated by current resources of the General Fund. Other governmental liabilities such as OPEB and pension are liquidated by the fund in which the liability was incurred.

Principal and interest paid in the current fiscal year for the Fire Protection Revenue Bonds, Series 2016, was \$460,013 and pledged gross revenue was \$3,119,213. As of September 30, 2022, principal and interest to maturity in 2046 to be paid from pledged future revenues totalled \$7,050,000. Principal and interest paid in the current fiscal year for the Capital Improvement Revenue Bond, Series 2016, was \$611,413 and pledged gross revenue was \$5,055,810. As of September 30, 2022, principal and interest to maturity in 2037 to be paid from pledged future revenues totalled \$6,960,000.

Principal and interest paid in the current fiscal year for the Water and Sewer System Revenue Bonds, Capital Improvement Revenue Notes was \$8,898,361, and pledged net revenue and impact fees was \$40,291,816. As of September 30, 2022, principal and interest to maturity in 2048 to be paid from pledged future revenues totaled \$128,542,293.

1. Revenue Bonds

Revenue bonds in the City's Water and Sewer System Fund are secured by, and payable from, the gross revenues of the City's water and sewer system. The bond resolutions provide that certain revenues in excess of debt service requirements may be used for general operating purposes.

CITY OF COCOA, FLORIDA

NOTES TO FINANCIAL STATEMENTS

NOTE 7 - LONG-TERM LIABILITIES *(Continued)*

1. Revenue Bonds *(Continued)*

The resolutions applicable to the revenue bonds require the establishment of various bond principal and interest sinking funds and reserve accounts with various requirements for deposit. These requirements have been met for the fiscal year ended September 30, 2022. Revenue bonds outstanding at year-end are as follows:

a) Governmental Activities

Governmental Activities

Capital Improvement Refunding Revenue Bond, Series 2016, original issuance amount of \$8,865,000 to the Capital Projects Fund, due \$295,000 to \$590,000 annually through 2037; interest at 2.000% to 4.000% (plus bond premium \$383,737)	\$ 7,343,737
Fire Protection Assessment Revenue Bond, Series 2016, original issuance amount of \$8,000,000 to the Capital Projects Fund, due \$160,000 to \$445,000 annually through 2046; interest at 2.000% to 4.125% (less bond discount of \$35,040)	<u>7,014,960</u>
Total governmental activities	<u>\$ 14,358,697</u>

- (i) On November 1, 2016, the City issued \$8,865,000 Capital Improvement Refunding Revenue Bonds, Series 2016, a refunding bond. These bonds were sold to: (i) fully refund \$9,550,000 of outstanding Capital Improvement Revenue Bonds, Series 2007, maturing on and after October 1, 2018, and defeasing the lien on all of the Series 2007 Bonds, and (ii) paying certain costs and expenses relating to the issuance of the Series 2016 Bonds. The City completed the refunding to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$925,052. The City's decision to advance refund the Capital Improvement Revenue Bonds, Series 2007, resulted in a reduction of total debt service payments over the next twenty years of \$2,230,407. The Series 2016 bonds bear interest at 2.00% to 4.00% per annum, payable semi-annually on April 1 and October 1. Principal is due annually beginning October 1, 2017, in amounts that range from \$335,000 to \$590,000, until final maturity on October 1, 2037.

This refunding constituted an economic defeasance, but did not legally release the City from its obligation to repay the Capital Improvement Revenue Bonds, Series 2007. Under the terms of the refunding bond, sufficient assets to pay all principal and interest on the fully refunded bond issue were placed into an irrevocable trust account at a commercial bank. The assets, liabilities and financial transactions of this trust account are not reflected in the financial statements of the City.

CITY OF COCOA, FLORIDA
NOTES TO FINANCIAL STATEMENTS

NOTE 7 - LONG-TERM LIABILITIES *(Continued)*

a) Governmental Activities *(Continued)*

Default under the Capital Improvement Refunding Revenue Bonds, Series 2016 includes non-payment of amounts due (principal and interest), failure to perform bond covenants without remedy within a 30-day period and bankruptcy or receivership for longer than 90 days. Upon an event of default, registered owners of not less than 25% of aggregate principal outstanding can appoint a trustee to represent them in legal proceedings related to the rights of the bondholders. In no case, however, shall any holder, trustee or receiver have the right to declare the bonds immediately due and payable.

- (ii) On December 20, 2016, the City issued \$8,000,000 in Fire Protection Assessment Revenue Bonds, Series 2016, with interest rates ranging from 2.000% to 4.125%. The total amount of the debt, principal of \$8,000,000 and interest of \$5,763,711, is to be paid through fiscal year 2047, with annual debt service payments ranging from \$175,000 to \$445,000 beginning in fiscal year 2017. The Series 2016 Bonds were issued by the City for the purpose of, together with other available funds of the City, (i) financing a portion of the costs of acquisition and construction of three fire station facilities and other equipment for the City's fire protection services, (ii) making a deposit to the Series 2016 Reserve Fund Subaccount, and (iii) paying certain costs and expenses relating to the issuance of the Series 2016 Bonds. Debt service will be paid from certain non-ad valorem special assessments (fire protection assessments), with the rates established each year by resolution.

Default under the Fire Protection Assessment Revenue Bonds, Series 2016 includes non-payment of amounts due (principal and interest), failure to perform bond covenants without remedy within a 30-day period, and bankruptcy or receivership for longer than 90 days. Upon an event of default, registered owners of not less than 25% of aggregate principal outstanding can appoint a trustee to represent them in legal proceedings related to the rights of the bondholders. In no case, however, shall any holder, trustee or receiver have the right to declare the bonds immediately due and payable.

CITY OF COCOA, FLORIDA

NOTES TO FINANCIAL STATEMENTS

NOTE 7 - LONG-TERM LIABILITIES (Continued)

b) Business-Type Activities

Business-Type Activities

Water and Sewer System Refunding Revenue Bonds, Series 2003, original issuance amount of \$23,985,000, due \$1,700,000 to \$1,790,000 annually through 2023; interest at 2.000% to 5.500% (plus bond premium of \$49,114) \$ 1,839,114

Water and Sewer System Revenue Bond, Series 2018B, original issuance amount of \$37,540,000, due \$710,000 to \$2,270,000 annually in 2022 through 2048; interest at 3-5% (plus bond premium of \$3,763,023) 38,593,023

Water and Sewer System Refunding Revenue Bond, Series 2018C, original issuance amount of \$20,835,000, due \$980,000 to \$2,050,000 annually in 2027 through 2040; interest at 4-5% (plus bond premium of \$2,085,039) 22,920,039

Total Bonds Payable 63,352,176

Direct Placement Bonds

Water and Sewer System Refunding Revenue Bond, Series 2018A-2, original issuance amount of \$21,805,000, due \$3,645,000 to \$1,175,000 annually in 2018 through 2031; interest at 3.63% (issued at par value) 17,910,000

Water and Sewer System Series 2020 Refunding Bond, original issuance amount of \$13,606,000, due \$1,142,000 to \$428,000 annually in 2022 through 2031; interest at 1.21% (issued at par value) 9,551,000

Total Direct Placement Bonds 27,461,000

Total Business-Type Activities \$ 90,813,176

Annual debt service requirements to maturity for revenue bonds outstanding are as follows:

Year Ending September 30,	Governmental Activities		Business-Type Activities			
	Principal	Interest	Bonds Payable		Direct Placement Bonds	
			Principal	Interest	Principal	Interest
2023	\$ 535,000	\$ 541,025	\$ 2,530,000	\$ 2,711,100	\$ 3,358,000	\$ 759,815
2024	555,000	519,625	765,000	2,583,050	5,177,000	685,234
2025	575,000	497,425	800,000	2,552,450	4,763,000	542,546
2026	600,000	474,425	830,000	2,520,450	4,513,000	403,258
2027	620,000	450,425	1,845,000	2,487,250	2,080,000	260,423
2028-2032	3,495,000	1,880,493	10,845,000	11,325,088	7,570,000	502,229
2033-2037	4,200,000	1,161,356	14,115,000	8,885,900	-	-
2038-2042	1,755,000	564,044	13,620,000	5,203,250	-	-
2043-2047	1,675,000	176,138	9,835,000	2,090,750	-	-
2048-2052	-	-	2,270,000	113,500	-	-
Total	<u>\$ 14,010,000</u>	<u>\$ 6,264,956</u>	<u>\$ 57,455,000</u>	<u>\$ 40,472,788</u>	<u>\$ 27,461,000</u>	<u>\$ 3,153,505</u>

- (i) The Water and Sewer System Refunding Revenue Bonds, Series 2003, are not subject to redemption prior to maturity at the option of the City. However, bonds maturing on October 1, 2019 are subject to mandatory redemption prior to maturity, at the option of the paying agent, at 100% of the principal amount of the bond to be redeemed, on October 1, 2018. In addition, bonds maturing on October 1, 2023 are subject to mandatory redemption prior to maturity, at the option of the paying agent, at 100% of the principal amount of the bonds to be redeemed, on October 1, 2018 and on each October 1 thereafter, through and including October 1, 2023.

CITY OF COCOA, FLORIDA
NOTES TO FINANCIAL STATEMENTS

NOTE 7 - LONG-TERM LIABILITIES (Continued)

b) Business-Type Activities (Continued)

Default under the 2003 Bonds includes non-payment of principal and interest when due, failure to perform bond covenants without remedy within 30 days, and insolvency or bankruptcy. Upon an event of default, registered owners of not less than 51% of the aggregate principal outstanding and accreted value as of the most recent interest payment date, may declare the bonds due and payable immediately. For the Series 2003 bonds, this requires the consent of AMBAC, insurer of the bonds.

- (ii) On August 22, 2018, the City issued \$21,805,000 Water and Sewer System Revenue Refunding Bonds, Series 2018A-1, a refunding bond. These bonds were sold to: (1) fully refund \$8,795,000 of outstanding Water and Sewer Revenue Bonds, Series 2009A maturing October 1, 2039 and defease the lien on all of the Series 2009B bonds and \$12,325,000 of Water and Sewer System Refunding Revenue Bonds, Series 2009B maturing October 1, 2031 and defease the lien on all of the Series 2009B bonds and (2) pay certain costs and expenses relating to the issuance of the Series 2018A-1 Bonds. The City completed the refunding to obtain an economic gain (the difference between the present values of the old and new debt service payments) of \$1,369,098. The City's decision to advance refund the Water and Sewer Revenue Bonds, Series 2009A and the Water and Sewer System Refunding Revenue Bonds, Series 2009B resulted in a reduction of total debt service payments over the next 13 years of \$2,965,093. The Series 2018A-1 Bonds were exchanged for a 2018A-2 Tax Exempt Bond on July 15, 2019. The principal amount of the 2018 Tax-Exempt Bond Series A-2 is payable beginning October 1, 2020. Final maturity of the Series A-2 tax-exempt bond is October 1, 2031.

Default under the 2018A-2 Bonds includes non-payment of principal and interest when due, failure to perform bond covenants without remedy within 30 days, and insolvency or bankruptcy. Upon an event of default, registered owners of not less than 51% of the aggregate principal outstanding and accreted value as of the most recent interest payment date, may declare the bonds due and payable immediately.

- (iii) On October 3, 2018, the City issued \$37,540,000 Water and Sewer System Revenue Bonds, Series 2018B and Water and Sewer System Refunding Revenue Bonds, Series 2018C. The 2018B Bonds are being issued to fund the 2018B Project consisting of the acquisition, construction and equipping of certain capital improvements to the Water and Sewer System. The bonds bear interest at a rate of 3-5% with semi-annual payments due each April 1 and October 1 through October 1, 2048. The 2018C Bonds were issued to advance refund the Water and Sewer System Revenue Bonds, Series 2010 (Federally Taxable – Build America Bonds – Direct Subsidy). Immediately upon issuance, a portion of the proceeds of the 2018C bonds, together with other available funds of the City, were deposited into an escrow account for the purpose of paying principal and interest on the Series 2010 bonds as they come due. Interest on these bonds are 4-5% with payment of interest only due until October 1, 2027 at which time principal installments are due each April 1 and October 1 through October 1, 2040.

CITY OF COCOA, FLORIDA
NOTES TO FINANCIAL STATEMENTS

NOTE 7 - LONG-TERM LIABILITIES (Continued)

b) Business-Type Activities (Continued)

The City completed the refunding to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$2,023,448. The City's decision to advance refund the Water and Sewer System Revenue Bonds, Series 2010, resulted in a reduction of total debt service payments over the next 22 years of \$8,788,883.

Default under the 2018B and 2018C Bonds includes non-payment of principal and interest when due, failure to perform bond covenants without remedy within 30 days, and insolvency or bankruptcy. Upon an event of default, registered owners of not less than 51% of the aggregate principal outstanding and accreted value as of the most recent interest payment date, may declare the bonds due and payable immediately.

iv) On November 12, 2020, The City issued the Water and Sewer System Revenue Bond Series 2020 for \$13,606,000 to finance the acquisition of certain improvements to the City's water and sewer system financed with proceeds of the State Revolving Fund (SRF) loans. This is a private-placement bond with Truist Bank being the sole bondholder. Issuance of this bond paid off all outstanding SRF loans. The Series 2020 Bond was issued at a rate of 1.21% with a maturity date that matched the farthest maturity date of the outstanding SRF loans of March 15, 2031. The issuance of the Series 2020 bond resulted in an economic gain of \$761,931. The bond is secured on a parity lien basis with the Parity Bonds. It is secured with pledge revenues of the net revenue of the water and sewer utility system

2. Notes Payable

a) Governmental Activities

- (i) On December 7, 2010, the City entered into a Capital Improvement Refunding Note, Series 2010, in the principal amount of \$3,200,000 to refund the remaining amount of the Capital Improvement Revenue Bonds, Series 1998, outstanding and to finance certain costs of capital expenditures for the City's public purposes. The note bears interest at a fixed rate of 2.50%.

Upon an Event of Default, registered owners of not less than 25% of the aggregate principal outstanding can appoint a trustee to represent them in legal proceedings related to the rights of the bondholders. In no case, however, shall any holder, trustee or receiver have the right to declare the bonds immediately due and payable

- (ii) On November 14, 2012, the City entered into a Transportation Improvement Revenue Note, Series 2012, in the principal amount of \$1,250,000 for the purpose of financing the City's payment obligations under a funding agreement with the Florida Department of Transportation. The note bears interest at a fixed rate of 1.90%.

Upon an Event of Default, the owner of the note can declare the entire debt immediately due and payable. Issuer may then be obligated for collection and enforcement costs, including attorney's fees.

CITY OF COCOA, FLORIDA

NOTES TO FINANCIAL STATEMENTS

NOTE 7 - LONG-TERM LIABILITIES *(Continued)*

a) Governmental Activities *(Continued)*

- (iii) On November 26, 2014, the City entered into a Capital Improvement Revenue Note, Series 2014, in the principal amount of \$2,010,000 in order to finance the City's purchase of three fire vehicles, consisting of one ladder truck and two rescue pumper trucks. The note bears interest at a fixed rate of 2.20%.

Direct Borrowing

On April 22, 2020, The City entered into a loan agreement with the U.S. Department of Housing and Urban Development (HUD) through the Section 108 Loan Guarantee Program for the construction of the Dr. Joe Lee Smith Community Center in the amount of \$894,000. This loan is a variable interest rate loan that was originally calculated as 20 basis points above the three month LIBOR rate two days prior to the payment due date. On May 1, 2021, HUD transitioned to a new variable interest rate based on 35 basis points above the 3-month T-Bill rate. The loan holds a conversion date clause in which the loan may be converted to a fixed rate loan. As the interest rate is variable and future interest rates are unknown, the amortization schedule as of September 30, 2022 is an estimated amount based on the 3-month T-Bill rate.

The loan guarantee provision of the Community Development Block Grant (CDBG) program provides communities with a source of financing for economic development, housing rehabilitation, public facilities, and large-scale development projects. Local governments borrowing funds guaranteed by Section 108 loans must pledge their current and future CDBG allocations as security for the loan.

The outstanding principal amount of the loan at September 30, 2022 is as follows:

	Issue Date	Due Serially to	Interest Rate	Issue	Balance at September 30, 2022
Section 108 Loan	4/22/20	8/1/39	0.451	\$ 894,000	\$ 529,000

Future requirements to pay principal and interest on the Section 108 Loan at September 30, 2022, are as follows:

Governmental Activities - Direct Borrowing			
	Principal	Interest	Total
Fiscal Year			
2023	45,000	3,525	48,525
2024	45,000	3,337	48,337
2025	45,000	3,130	48,130
2026	45,000	2,933	47,933
2027	45,000	2,736	47,736
2028-2032	225,000	10,731	235,731
2033-2037	79,000	3,930	82,930
Total	<u>\$ 529,000</u>	<u>\$ 30,322</u>	<u>\$ 559,322</u>

CITY OF COCOA, FLORIDA

NOTES TO FINANCIAL STATEMENTS

NOTE 7 - LONG-TERM LIABILITIES *(Continued)*

a) Governmental Activities *(Continued)*

Notes payable outstanding at year-end are as follows:

Governmental Activities

Capital Improvement Revenue Note, Series 2014, original issuance amount of \$2,010,000, payments range from \$195,000 to \$225,000 annually through 2024; interest at 2.20%

445,000

Total governmental activities

\$ 445,000

Upon an event of default, the interest rate increases to the default rate after 5 days past any due date for principal and interest.

Annual debt service requirements to maturity for the notes are as follows:

Year Ending September 30,	Governmental Activities	
	Principal	Interest
2023	\$ 220,000	\$ 9,790
2024	225,000	4,950
2025	-	-
2026	-	-
2027-2031	-	-
Totals	<u>\$ 445,000</u>	<u>\$ 14,740</u>

The note agreements provide for certain debt covenant requirements including debt service and reserve requirements. The City is currently in compliance with each of these covenants.

3. Leases Payable

a) Governmental Activities

For the year ended September 30, 2022, the financial statements include the adoption of GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

CITY OF COCOA, FLORIDA
NOTES TO FINANCIAL STATEMENTS

NOTE 7 - LONG-TERM LIABILITIES (Continued)

a) Governmental Activities (Continued)

On October 1, 2021, the City entered into a 109 month lease as Lessee for the use of CVP/CRA Post Office Lease. An initial lease liability was recorded in the amount of \$652,108. As of September 30, 2022, the value of the lease liability is \$594,309. The City is required to make monthly fixed payments of \$5,943. The lease has an interest rate of 0.4753%. The value of the right to use asset as of September 30, 2022 of \$652,108 with accumulated amortization of \$71,792 is included with Buildings on the Lease Class activities table found below. The City has 1 extension option for 60 months.

On October 1, 2021, the City entered into a 49 month lease as Lessee for the use of Sissine Copier - Dyal. An initial lease liability was recorded in the amount of \$8,665. As of September 30, 2022, the value of the lease liability is \$6,599. The City is required to make monthly fixed payments of \$175. The lease has an interest rate of 0.4753%. The value of the right to use asset as of September 30, 2022 of \$8,665 with accumulated amortization of \$2,089 is included with Equipment on the Lease Class activities table found below.

On October 1, 2021, the City entered into a 49 month lease as Lessee for the use of Sissine Copiers. An initial lease liability was recorded in the amount of \$204,658. As of September 30, 2022, the value of the lease liability is \$155,847. The City is required to make monthly fixed payments of \$4,133. The lease has an interest rate of 0.4753%. The value of the right to use asset as of September 30, 2022 of \$204,658 with accumulated amortization of \$49,348 is included with Equipment on the Lease Class activities table found below.

CITY OF COCOA, FLORIDA

NOTES TO FINANCIAL STATEMENTS

NOTE 7 - LONG-TERM LIABILITIES (Continued)

a) Governmental Activities (Continued)

Amount of Lease Assets by Major Classes of Underlying Asset

GOVERNMENTAL ACTIVITIES: Asset Class	As of September 30, 2022	
	Lease Asset Value	Accumulated Amortization
Buildings	\$ 652,108	\$ 71,792
Equipment	213,233	51,437
Total Leases	\$ 865,341	\$ 123,229

Principal and Interest Requirements to Maturity

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2023	\$ 108,850	\$ 3,360	\$ 112,210
2024	111,334	2,838	114,171
2025	114,067	2,303	116,370
2026	83,642	1,812	85,454
2027	78,630	1,440	80,070
2028 - 2032	260,232	1,990	262,222
Total	\$ 756,755	\$ 13,742	\$ 770,497

GOVERNMENTAL ACTIVITIES:

	Beginning Balance	Additions	Reductions	Ending Balance
Lease Liability				
Equipment				
Sissine Copier - Dyal	\$ -	\$ 8,665	\$ (2,066)	\$ 6,599
Sissine Copiers	-	204,658	(48,810)	155,848
Total Equipment Lease Liability	-	213,323	(50,876)	162,447
Buildings				
CVP/CRA Post Office Lease	-	652,108	(57,799)	594,308
Total Building Lease Liability	-	652,108	(57,799)	594,308
Total Lease Liability	\$ -	\$ 865,431	\$ (108,675)	\$ 756,755

CITY OF COCOA, FLORIDA

NOTES TO FINANCIAL STATEMENTS

NOTE 7 - LONG-TERM LIABILITIES (Continued)

b) Business-Type Activities

On August 1, 2022, the City entered into a 120 month lease as Lessee for the use of Duke Generator. An initial lease liability was recorded in the amount of \$3,764,975. As of September 30, 2022, the value of the lease liability is \$3,701,791. The City is required to make monthly fixed payments of \$36,140. The lease has an interest rate of 2.9270%. The value of the right to use asset as of September 30, 2022 of \$3,764,975 with accumulated amortization of \$62,750 is included with Equipment on the Lease Class activities table found below.

Amount of Lease Assets by Major Classes of Underlying Asset

Asset Class	As of September 30, 2022	
	Lease Asset Value	Accumulated Amortization
Equipment	\$ 3,764,975	\$ 62,750
Total Leases	\$ 3,764,975	\$ 62,750

Principal and Interest Requirements to Maturity

Fiscal Year	Business-Type Activities		
	Principal Payments	Interest Payments	Total Payments
2023	\$ 329,729	\$ 103,951	\$ 433,680
2024	339,510	94,170	433,680
2025	349,582	84,098	433,680
2026	359,953	73,727	433,680
2027	370,631	63,049	433,680
2028 - 2032	1,952,385	143,735	2,096,120
Total	\$ 3,701,791	\$ 562,729	\$ 4,264,520

BUSINESS-TYPE ACTIVITIES:

	Beginning Balance	Additions	Reductions	Ending Balance
Lease Liability				
Equipment				
Duke Generator	\$ -	\$ 3,764,975	\$ (63,184)	\$ 3,701,791
Total Equipment Lease Liability	-	3,764,975	(63,184)	3,701,791
Total Lease Liability	\$ -	\$ 3,764,975	\$ (63,184)	\$ 3,701,791

CITY OF COCOA, FLORIDA

NOTES TO FINANCIAL STATEMENTS

NOTE 7 - LONG-TERM LIABILITIES *(Continued)*

4. Pledged Revenue

The following is a summary schedule of the City's long-term obligations, including their impact on those present and future pledged revenue sources:

	Debt Service Paid	Principal Outstanding	Interest Outstanding	Years Remaining
Business-Type Activities:				
Revenue Bonds:				
Water and Sewer System Refunding Revenue Bonds, Series 2003 original issuance amount of \$23,985,000, due \$1,700,000 to \$1,790,000 annually through 2023; interest at 2.0% to 5.5% (plus bond premium of \$49,114)	\$ 1,700,000	\$ 1,839,114	\$ 98,450	1
Water and Sewer System Revenue Bond, Series 2018B original issuance amount of \$37,540,000, due \$710,000 to \$2,270,000 annually in 2019 through 2048; interest at 3-5% (plus bond premium of \$3,907,755)	710,000	38,593,023	27,198,800	26
Water and Sewer System Revenue Bond, Series 2018C original issuance amount of \$20,835,000, due \$980,000 to \$2,050,000 annually in 2027 through 2040; interest at 4-5% (plus bond premium of \$2,200,874)	-	22,920,039	13,175,538	19
Direct Placement Bonds:				
Water and Sewer System Revenue Refunding Bonds, Series 2018A-2 original issuance amount of \$21,805,000, due \$1,175,000 to \$3,645,000 annually in 2022 through 2031; interest at 3.63% (issued at par value)	1,345,000	17,910,000	2,742,285	9
Water and Sewer System Revenue Refunding Bonds, Series 2020, original issuance amount of \$13,606,000, due \$868,000 to \$2,114,000 annually in 2022 through 2031; interest at 1.21%; (issued at par)	1,941,000	9,551,000	411,220	9
Total Business-Type Activities	<u>5,696,000</u>	<u>90,813,176</u>	<u>43,626,293</u>	
Less: Premium / Discount		<u>\$ 5,897,176</u>		
Total Principal Outstanding Less Premium / Discount		<u>\$ 84,916,000</u>		
Water & Sewer System Pledged Revenue Calculation				
Operating Revenues	\$ 75,786,258			
Add: Gain (Loss) on disposal of assets	(40,559)			
Add: Investment Income	(2,337,037)			
Less: Impact Fees	<u>(4,910,420)</u>			
Total Applicable Revenues	68,498,242			
Less: Operating Expenses	(51,457,859)			
Plus: Depreciation	11,374,042			
General Fund Admin Fee	<u>6,966,971</u>			
Net Revenue	35,381,396			
Pledged Impact Fees	<u>4,910,420</u>			
Net Revenue Plus Pledged Impact Fees	<u>\$ 40,291,816</u>			

CITY OF COCOA, FLORIDA

NOTES TO FINANCIAL STATEMENTS

NOTE 8 - RISK MANAGEMENT

The City adopted a self-insurance program for workers' compensation, effective January 1, 1990. The City is self-insured during each one-year liability period for the first \$600,000 of each workers' compensation claim and for any losses incurred exceeding \$25,000,000 per incident. For the year ended September 30, 2022, the City had an estimated \$1,118,330 in claims expense, including \$143,949 in incurred but not reported claims, and \$239,905 in administrative costs recorded in the self-insurance fund. At September 30, 2022, the actuarially determined net loss reserve for all fund years is \$3,360,000 (undiscounted). On a discounted basis (discounted at 3.0%), the actuarial net loss reserve is \$2,076,000. This liability is based on the requirements of GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*. To estimate this liability, the incurred but not reported factors are applied to trended claims history. Settled claims did not exceed coverage in FY 2021 or FY 2022.

Effective October 1, 2015, the City changed from a hybrid fully insured healthcare plan to a self-funded healthcare plan, engaging Cigna Health and Life Insurance Company ("Cigna") to act as third-party administrator in exchange for a medical administrative fee per covered employee. Funds are deposited into an imprest account from which Cigna, as third-party administrator, pays plan claims in accordance with plan benefits. The City went to a fully-insured health insurance plan as of October 1, 2022. Run-out claims were paid in FY2022, and when the run-out period ended, the fund was closed.

Changes in the estimated accrued claims payable for both insurance funds in fiscal years 2022 and 2021 were as follows:

	2022	2021
Balance at beginning of year	\$ 4,163,741	\$ 4,297,825
Current year claims and changes in estimate	1,006,827	5,962,245
Claims payments	<u>(3,094,568)</u>	<u>(6,096,329)</u>
Balance at end of fiscal year	2,076,000	4,163,741
Less: amount due within one year	<u>(992,000)</u>	<u>(2,641,741)</u>
Noncurrent portion	<u><u>\$ 1,084,000</u></u>	<u><u>\$ 1,522,000</u></u>

There have been no significant reductions in insurance coverage during fiscal year 2022.

NOTE 9 - MAJOR CUSTOMERS

The City provides water for the U.S. Government to the U.S. Air Force, NASA, and two locations at Patrick Space Force Base. As all of those utility accounts are all receivable from the U.S. Government, the City's Water and Sewer System Fund considers the U.S. Government as its one major customer. Sales to this customer aggregated \$3,266,000. At September 30, 2022, the amount due from this customer included in accounts receivable is \$446,072.

CITY OF COCOA, FLORIDA
NOTES TO FINANCIAL STATEMENTS

NOTE 10 - EMPLOYEE RETIREMENT SYSTEMS

A. Florida Retirement Systems

	FRS/HIS	Fire	General	Police	Total
Deferred Outflow	\$ 6,601,946	\$ 4,828,059	\$ 1,306,210	\$ 5,327,144	\$ 18,063,359
Deferred Inflow	910,030	838,542	-	569,360	2,317,932
Net Pension Liability	20,463,328	10,597,174	1,673,844	6,843,871	39,578,217
Pension Expense	\$ (1,041,987)	\$ 79,002	\$ 811,663	\$ 1,815,615	\$ 1,664,293

The Florida Retirement System and the Health Insurance Subsidy are benefits under the Florida Retirement System plan and so, the two are combined in the chart above. The City has one OPEB plan for all employees. OPEB liability and expense is reflected in the Government-wide financial statements for governmental and proprietary activities.

Defined Benefit Plans

The City participates in two defined benefit pension plans that are administered by the State of Florida, Department of Management Services, Division of Retirement. The plans provide retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121,

CITY OF COCOA, FLORIDA

NOTES TO FINANCIAL STATEMENTS

NOTE 10 - EMPLOYEE RETIREMENT SYSTEMS *(Continued)*

A. Florida Retirement Systems *(Continued)*

Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the plans. That report is available from the Florida Department of Management Services' website (www.dms.myflorida.com).

The Florida Retirement System ("FRS") Pension Plan is a cost-sharing, multiple- employer defined benefit pension plan with a Deferred Retirement Option Program ("DROP") available for eligible employees. The FRS was established and is administered in accordance with Chapter 121, Florida Statutes. Retirees receive a lifetime pension benefit with joint and survivor payment options. FRS membership is compulsory for employees filling regularly established positions in a state agency, county agency, state university, state college, or district school board, unless restricted from FRS membership under Sections 121.053 or 121.122, Florida Statutes, or allowed to participate in a defined contribution plan in lieu of FRS membership. Participation by cities, municipalities, special districts, charter schools and metropolitan planning organizations is optional.

The Retiree Health Insurance Subsidy ("HIS") Program is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with Section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. To be eligible to receive a HIS benefit, a retiree under a state-administered retirement system must provide proof of eligible health insurance coverage, which can include Medicare.

Benefits Provided

Benefits under the FRS Pension Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned.

CITY OF COCOA, FLORIDA

NOTES TO FINANCIAL STATEMENTS

NOTE 10 - EMPLOYEE RETIREMENT SYSTEMS *(Continued)*

A. Florida Retirement Systems *(Continued)*

Eligible retirees and beneficiaries receive a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to Section 112.363, Florida Statutes.

Contributions

The contribution requirements of plan members and the employer are established and may be amended by the Florida Legislature. Employees are required to contribute 3% of their salary to the FRS Pension Plan. The employer's contribution rates as of September 30, 2022, were as follows:

	<u>FRS</u>	<u>HIS</u>
Regular Class	11.91%	1.66%
Special Risk Class	27.83%	1.66%
Senior Management Service Class	31.57%	1.66%
Elected Officials	67.79%	1.66%
DROP from FRS	18.60%	1.66%

The employer's contributions for the year ended September 30, 2022, were \$1,247,810 to the FRS Defined Benefit Pension Plan and Defined Contribution Investment Plan and \$262,719 to the HIS Program.

Pension Liabilities and Pension Expense

In its financial statements for the year ended September 30, 2022, the City reported a liability for its proportionate share of the net pension liability of the FRS Pension Plan and its proportionate share of the net pension liability of the HIS Program. The net pension liabilities were measured as of June 30, 2022. The City's proportions of the net pension liabilities were based on its share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

	<u>FRS</u>	<u>HIS</u>
Net pension liability	\$ 15,131,997	\$ 5,331,331
Proportion at:		
Current measurement date	0.0407%	0.0503%
Prior measurement date	0.0376%	0.0452%
Pension expense	\$ (2,124,920)	\$ (275,810)

CITY OF COCOA, FLORIDA

NOTES TO FINANCIAL STATEMENTS

NOTE 10 - EMPLOYEE RETIREMENT SYSTEMS *(Continued)*

A. Florida Retirement Systems *(Continued)*

Deferred Outflows/Inflows of Resources Related to Pensions

At September 30, 2022, the City has reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	FRS		HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 718,682	\$ -	\$ 161,818	\$ (23,458)
Changes of assumptions	1,863,569	-	305,595	(824,753)
Net difference between projected and actual earnings on pension plan investments	999,164	-	7,719	-
Changes in proportion and differences between City pension plan contributions and proportionate share of contributions	1,279,117	-	681,111	(61,819)
Employer contributions subsequent to the measurement date	499,654	-	85,517	-
Totals	<u>\$ 5,360,186</u>	<u>\$ -</u>	<u>\$ 1,241,760</u>	<u>\$ (910,030)</u>

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2022. Other pension-related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year Ending September 30,	FRS	HIS
2023	\$ 1,247,286	\$ 92,475
2024	653,253	86,100
2025	(5,236)	77,925
2026	2,751,963	32,282
2027	213,265	(27,473)
Thereafter	-	(15,096)
Totals	<u>\$ 4,860,531</u>	<u>\$ 246,213</u>

CITY OF COCOA, FLORIDA

NOTES TO FINANCIAL STATEMENTS

NOTE 10 - EMPLOYEE RETIREMENT SYSTEMS *(Continued)*

A. Florida Retirement Systems *(Continued)*

Actuarial Assumptions

The total pension liability for each of the defined benefit plans was measured as of June 30, 2022. The total pension liability for the FRS Pension Plans was determined by an actuarial valuation dated July 1, 2022 and by a valuation dated July 1, 2021, updated to July 1, 2022 for HIS. The individual entry age normal actuarial cost method was used for each plan, along with the following significant actuarial assumptions:

	FRS	HIS
Inflation	2.40%	2.40%
Salary increases	3.25%	3.25%
Investment rate of return	6.70%	N/A
Discount rate	6.70%	3.54%

Mortality assumptions for both the FRS Pension Plan and the HIS Program were based off the PUB-2010 base table projected generationally with Scale MP-2018.

The most recent experience study for the FRS Pension Plan was completed in 2019 for the period July 1, 2013, through June 30, 2018. Because the HIS Program is funded on a pay-as-you-go basis, no experience study has been completed for that program. The actuarial assumptions that determined the total pension liability for the HIS Program were based on certain results of the most recent experience study for the FRS Pension Plan.

The following changes in key actuarial assumptions occurred in 2022:

FRS: The long-term expected rate of return was decreased from 6.8% to 6.7%.

HIS: The demographic assumptions for the Special Risk class were updated to reflect plan changes due to HB5007, HB689 and SB838.

The election assumption for vested terminated members was updated from 20% to 50% to reflect recent experience.

The municipal bond rate used to determine total pension liability was increased from 2.16% to 3.54%.

CITY OF COCOA, FLORIDA

NOTES TO FINANCIAL STATEMENTS

NOTE 10 - EMPLOYEE RETIREMENT SYSTEMS *(Continued)*

A. Florida Retirement Systems *(Continued)*

The long-term expected investment rate of return was not based on historical returns, but instead was based on a forward-looking capital market economic model. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. For the FRS Pension Plan, the table below summarizes the consulting actuary's assumptions based on the long-term target asset allocation:

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return
Cash	1.0%	2.6%	2.6%
Fixed income	19.8%	4.4%	4.4%
Global equity	54.0%	8.8%	7.3%
Real estate	10.3%	7.4%	6.3%
Private equity	11.1%	12.0%	8.9%
Strategic investments	3.8%	6.2%	5.9%
	<u>100%</u>		

Discount Rate

The discount rate used to measure the total pension liability for the FRS Pension Plan was 6.70%. The FRS Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Because the HIS Program is essentially funded on a pay-as-you-go basis, a municipal bond rate of 3.54% was used to determine the total pension liability for the program. The Bond Buyer General Obligation Bond 20-Bond Municipal Bond Index was used as the applicable municipal bond index.

CITY OF COCOA, FLORIDA

NOTES TO FINANCIAL STATEMENTS

NOTE 10 - EMPLOYEE RETIREMENT SYSTEMS *(Continued)*

A. Florida Retirement Systems *(Continued)*

Sensitivity Analysis

The following tables demonstrate the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the employer's proportionate share of the net pension liability if the discount rate was 1% higher or 1% lower than the current discount rate:

	FRS			HIS		
	1% Decrease	Current Discount Rate	1% Increase	1% Decrease	Current Discount Rate	1% Increase
	(5.70)%	(6.70)%	(7.70)%	(2.54)%	(3.54)%	(4.54)%
Employer's proportionate share of the net pension liability	\$ 26,169,748	\$ 15,131,997	\$ 5,903,123	\$ 6,099,479	\$ 5,331,330	\$ 4,695,702

Pension Plans' Fiduciary Net Position

Detailed information about the pension plans' fiduciary net position is available in the State's separately issued financial reports.

Defined Contribution Plan

Pursuant to Chapter 121, Florida Statutes, the Florida Legislature created the Florida Retirement Investment Plan ("FRS Investment Plan"), a defined contribution pension plan qualified under Section 401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative retirement plan available to members of the FRS in lieu of the defined benefit plan. There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class.

B. City-Provided – Defined Benefit Plans

The City maintains three separate single-employer defined benefit pension plans for firefighters, police officers and those full-time City employees who did not elect to be in the Florida Retirement System as of March 1, 2009. They are accounted for as pension trust funds and reported herein as part of the City's reporting entity. Each plan is administered through its own Board of Trustees.

Summary of Significant Accounting Policies – The financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Investments are reported at fair value.

CITY OF COCOA, FLORIDA
NOTES TO FINANCIAL STATEMENTS

NOTE 10 - EMPLOYEE RETIREMENT SYSTEMS *(Continued)*

B. City-Provided – Defined Benefit Plans *(Continued)*

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. Investments that do not have an established market are reported at estimated fair value.

The City recognized as revenues and expenditures-on-behalf-of payments relating to pension contributions for its public safety employees that the State of Florida paid to the Police Officers and Firefighters retirement plans in the amounts of \$207,445 and \$142,337, respectively. These contributions are funded by an excise tax upon certain casualty insurance companies on their gross receipts of premiums from policyholders.

Funding Policy – The City uses the Entry Age Normal Actuarial Cost Method (“EANACM”) for the General Employees Retirement Plan, the Firefighters Retirement Plan and the Police Officers Retirement Plan to determine required contributions under its retirement systems because it provides for the systematic funding of the normal cost and any unfunded actuarial accrued liabilities. This is an acceptable method to the State of Florida. These liabilities are being funded over a 20-year period for the General Employees Retirement Plan, Police Officers Retirement Plan and Firefighters Retirement Plan.

The State of Florida has established guidelines for state and local pension plan funding and requires submission to and approval of the local government’s actuarial reports by a State Bureau, at least every third year. The City’s pension plans, by policy, require the following:

1. Annual actuarial reports as of October 1 of each year to determine the next year’s required contributions.
2. Employee contributions at 6.5% of compensation for the Police Officers Retirement Plan and the Firefighters Retirement Plan. As of October 1, 2020, there are no required employee contributions for the General Pension plan as there are no active employees.
3. Employer contributions in accordance with the actuarially determined requirement using the EANACM for the General Employees Retirement Plan, the Firefighters Retirement Plan, and the Police Officers Retirement Plan.

CITY OF COCOA, FLORIDA

NOTES TO FINANCIAL STATEMENTS

NOTE 10 - EMPLOYEE RETIREMENT SYSTEMS *(Continued)*

B. City-Provided – Defined Benefit Plans *(Continued)*

Plan Description	Firefighters' Pension Plan	General Employees' Pension Plan	Police Officers' Pension Plan
<i>Plan Administration</i>	<i>Plan Administration</i>	<i>Plan Administration</i>	<i>Plan Administration</i>
The Plan is administered by a Board of Trustees comprised of: a) Two City Council appointees, b) Two Members of the System elected by a majority of the other covered Firefighters, and c) A fifth Member elected by the other 4 and appointed by Council.	The Plan is administered by a Board of Trustees comprised of: a) Two Council appointees (City residents), and b) Three Plan Members elected by the Membership.	The Plan is administered by a Board of Trustees comprised of: a) Two City Council appointees, b) Two Members of the System elected by a majority of the other covered Police Officers, and c) A fifth Member elected by the other 4 and appointed by Council.	
	Firefighters' Pension Plan	General Employees' Pension Plan	Police Officers' Pension Plan
Plan membership as of October 1, 2021	50	37	54
Inactive Plan Members or Beneficiaries Currently Receiving Benefits			
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	8	-	11
Active Plan Members	39	-	59
Total Plan Members	97	37	124

Benefits Provided

All three plans provide retirement, termination, disability and death benefits.

Firefighters' Pension Plan:

Normal Retirement:

Date: Employees hired after November 8, 2015: Earlier of age 55 with 10 years of service or the completion of 25 years of Credited Service. . Employees hired January 1, 1999 to November 8, 2015: Earlier of age 52 and 10 years of Credited Service or the completion of 25 years of Credited Service. Employees hired prior to January 1, 1999: Earlier of age 52 or the completion of 25 years of Credited Service.

Benefit: 3% of AME times Years of Credited Service.

Form of Benefit: Ten year certain and Life Annuity (options available)

Early Retirement:

Date: Age 50 and 10 years of Credited Service.

Benefit: Accrued benefit, reduced 3% per year.

CITY OF COCOA, FLORIDA
NOTES TO FINANCIAL STATEMENTS

NOTE 10 - EMPLOYEE RETIREMENT SYSTEMS *(Continued)*

B. City-Provided – Defined Benefit Plans *(Continued)*

Delayed Retirement:

Allowable beyond age 70, with consent of the Board. Benefit continues to accrue.

Cost of Living Adjustment for Retirees:

Up to 3% per year beginning at age 65.

Vesting (Termination of Employment):

Less than 10 years of Service: Refund of Member Contributions, with interest.

10 years or more: Accrued pension payable at Normal Retirement, or, on a reduced basis at Early Retirement, or refund of contributions with interest.

Disability:

Eligibility: Total and permanent; not able to perform any useful duties or service for Fire Department. Board can require periodic re-examination.

Waiting Period Service Connected: At expiration of sick pay and accrued vacation pay.

Waiting Period Non-Service Connected: 6 months from date of disability.

Exclusions: Disability resulting from use of drugs, illegal participation in riots, service in the military, etc.

Benefit Amount Service Connected: Accrued benefit (at the 3% benefit rate) with a minimum of 42% of AME. If the disability occurred during an active shooter event, the benefit shall equal the member's accrued benefit (at a 2% benefit rate) with a minimum of 60% of AME.

Benefit Amount Non-Service Connected: 25% of pay on date of disability.

Pre-Retirement Death Benefits:

Vested Line-of-Duty: Accrued Benefit (at the 3.0% benefit rate) with a minimum of 42% of AME, payable for the life of the spouse. If the death occurred during an active shooter event, the benefit shall equal the member's accrued benefit (at the 3% benefit rate) with a minimum of 60% of AME.

Not In-Line of Duty: Vested: Accrued benefit (using a 2% benefit multiplier rate) payable to the beneficiary for 120 months at the Normal Retirement Date (unreduced), Early Retirement Date (reduced as for Early Retirement), or immediately (actuarially reduced for commencement prior to the Early Retirement Date).

Non-Vested: Refund of contributions plus 4.5% interest.

General Employees' Pension Plan:

Normal Retirement:

Date: Age 50 and 25 years of Credited Service, or age 57 (age 57 and 10 years of service if hired after 3/31/94).

Benefit: 3% of Average Final Compensation times Credited Service.

CITY OF COCOA, FLORIDA
NOTES TO FINANCIAL STATEMENTS

NOTE 10 - EMPLOYEE RETIREMENT SYSTEMS *(Continued)*

B. City-Provided – Defined Benefit Plans *(Continued)*

Early Retirement:

Date: Age 55 and 10 years of Credited Service.

Benefit: Accrued benefit, reduced 1/15th for each of the first 5 years and 1/30th for each of the next 5 years prior to Normal Retirement.

Cost of Living Increases for Retirees:

3% per year beginning at age 65.

Vesting:

Less Than 10 Years: Refund of Member Contributions, with interest.

10 or More Years: Accrued pension payable at Normal Retirement, or refund of Member Contributions, with interest.

Disability:

Eligibility: Total and permanent; unable to perform any regular and continuous duties as a General Employee (as determined by the Board).

Benefit: Service Incurred 50% of average pay for the 12 months preceding disability. Non-Service Incurred: 25% of average pay for the 12 months preceding disability.

Duration: Benefit payable for life with 120 payments guaranteed or until recovery (as determined by the Board)

Benefit Offsets: If the Plan benefit plus Social Security and/or Workers' Compensation exceeds 100% of pay, Plan benefit is reduced so total is 100% of pay.

Pre-Retirement Death Benefits:

Vested or Eligible to Retire: Beneficiary receives accrued benefit for 10 years at the otherwise Normal (unreduced) or Early (reduced) Retirement Date, or refund of member contributions, with interest.

Not Vested or Eligible to Retire: Refund of member contributions, with interest.

Police Officers' Pension Plan:

Normal Retirement:

Date: Earlier of: 1) Age 50 and 10 years of Credited Service, or 2) 25 years of Credited Service, regardless of age.

Benefit: 3% of Average Monthly Earnings ("AME") times Years of Credited Service.

Vesting (Termination of Employment):

Less than 10 Years: Refund of member contributions, with interest.

10 Years or More: Accrued pension payable at age 50, or refund of member contributions with interest.

CITY OF COCOA, FLORIDA

NOTES TO FINANCIAL STATEMENTS

NOTE 10 - EMPLOYEE RETIREMENT SYSTEMS *(Continued)*

B. City-Provided – Defined Benefit Plans *(Continued)*

Cost of Living Adjustment:

Up to 3% per year beginning at age 65.

Disability:

Eligibility: Total and permanent; not able to perform useful and efficient service as a police officer. Board can require periodic re-examination. 10 years of service required for Non-Service Incurred benefits.

Benefit: Service Connected: Greater of 1) Accrued benefit, 2) 42% of Average Monthly Earnings, or 3) 50% of regular base pay on date of disability.

Non-Service Connected: Accrued benefit.

Benefit Offsets: If the 50% or 25% of pay benefit plus all Primary and Family Social Security benefits and/or all regular or periodic payments under Workers' Compensation exceeds 100% of regular base pay on the date of disability, the Plan benefit will be reduced so that the sum of all such payments equal 100% of pay. (In no event will offset reduce benefits below 42% of AME for service connected, or 25% of AME for Non-Service Connected disability.)

Pre-Retirement Death Benefits:

Vested or Eligible to Retire: Accrued benefits payable to beneficiary for 10 years, or in accordance with available options.

If Not Vested or Eligible for Early or Normal Retirement: Refund of contributions plus 4.5% interest.

Investment Policy:

The following was the Board's adopted asset allocation policy as of September 30, 2022:

Asset Class	Target Allocation		
	Firefighters' Pension Plan	General Employees' Pension Plan	Police Officers' Pension Plan
Domestic Equity	-	45%	40%
International Equity	10%	15%	12%
Broad Market Fixed Income	-	10%	-
Global Fixed Income	-	5%	-
Real Estate	15%	15%	-
Bonds	-	-	25%
Convertibles	-	-	10%
REITS	-	-	8%
MLPs	-	-	-
Large Cap Equity	40%	-	-
Smid Cap Equity	20%	-	-
Fixed Income	15%	-	-
Alternative	-	10%	-
Infrastructure	-	-	5%
Total	100%	100%	100%

CITY OF COCOA, FLORIDA

NOTES TO FINANCIAL STATEMENTS

NOTE 10 - EMPLOYEE RETIREMENT SYSTEMS *(Continued)*

B. City-Provided – Defined Benefit Plans *(Continued)*

Concentrations:

The Plan did not hold investments in any one organization that represents 5% or more of the Pension Plans' fiduciary net position.

Rate of Return:

For the year ended September 30, 2022, the annual money-weighted rate of return on Firefighters', General Employees', and Police Officers' Pension Plan investments, net of pension plan investment expense, was (17.24%), (14.82%), and (14.54%), respectively.

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Deferred Retirement Option Program:

	Firefighters' Pension Plan	General Employees' Pension Plan	Police Officers' Pension Plan
Eligibility	Satisfaction of Normal Retirement requirements.	Satisfaction of Normal Retirement requirements.	Satisfaction of Normal Retirement requirements.
Participation	Not to exceed 60 months.	Not to exceed 60 months.	Not to exceed 60 months.
Rate of Return	DROP Entry prior to April 1, 2012: At Participant's election (may change semi-annually), either: a) Actual net rate of investment return (total return net of brokerage commissions, management fees, and transaction costs), credited each fiscal year quarter, or b) 7.99% fixed. DROP Entry after March 31, 2012: At Participant's election (may change semi-annually), either: a) Actual net rate of investment return (total return net of brokerage commissions, management fees, and transaction costs), credited each fiscal year quarter, or b) Net rate of investment return, not less than 4%, not greater than 6.5%.	Actual net rate of investment return (total return net of brokerage commissions, transaction costs, and management fees) based on Actuarial Value of plan assets.	Actual net investment rate or fixed interest, at member's election.

Net Pension Liability of the City:

The components of the net pension liability (asset) of the City on September 30, 2022 were as follows:

	Firefighters' Pension Plan	General Employees' Pension Plan	Police Officers' Pension Plan
Total Pension Liability	\$ 33,410,725	\$ 14,557,568	\$ 39,522,586
Plan Fiduciary Net Position	(22,813,551)	(12,883,724)	(32,678,715)
City's Net Pension Liability	<u>\$ 10,597,174</u>	<u>\$ 1,673,844</u>	<u>\$ 6,843,871</u>

CITY OF COCOA, FLORIDA

NOTES TO FINANCIAL STATEMENTS

NOTE 10 - EMPLOYEE RETIREMENT SYSTEMS *(Continued)*

B. City-Provided – Defined Benefit Plans *(Continued)*

Actuarial Assumptions:

The total pension liability was determined by an actuarial valuation as of October 1, 2021 updated to September 30, 2022 using the following actuarial assumptions applied to all measurement periods.

	Firefighters' Pension Plan	General Employees' Pension Plan	Police Officers' Pension Plan
Inflation	3.00%	2.50%	2.70%
Salary Increases	service based	-	service based
Discount Rate	7.15%	6.70%	7.25%
Investment Rate of Return	7.15%	6.70%	7.25%
Firefighters' Pension Plan	General Employees' Pension Plan	Police Officers' Pension Plan	
Mortality Rate Healthy Lives: Female: PubS.H-2010 (Below Median) for Employees, set forward one year. Male: PubS.H-2010 (Below Median) for Employees, set forward one year. Mortality Rate Disabled Lives: 80% PubG.H-2010 for Disabled Retirees / 20% PubS.H-2010 for Disabled Retirees	Mortality Rate Healthy Lives: Female: PubG.H-2010 (Above Median) for Healthy Retirees. Male: PubG.H-2010 for Healthy Retirees, set back one year. Mortality Rate Disabled Lives: PubG.H-2010 for Disabled Retirees, set forward three years.	Mortality Rate Healthy Lives: Female: PubS.H-2010 (Below Median) for Employees, set forward one year. Male: PubS.H-2010 (Below Median) for Employees, set forward one year. Mortality Rate Disabled Lives: 80% PubG.H-2010 for Disabled Retirees / 20% PubS.H-2010 for Disabled Retirees	
The most recent actuarial experience study used to review the other significant assumptions was dated August 15, 2018.	The date of the most recent experience study for which significant assumptions are based upon is not available.	The most recent actuarial experience study used to review the other significant assumptions was dated August 17, 2018.	

Changes to the actuary assumptions used for the September 30, 2021 valuations for the Firefighters' Pension Plan were to lower the investment return assumption from 7.5% to 7.15% per year. Changes to assumptions used for the September 30, 2021 valuation for the Police Officers' Pension Plan were to lower the investment return assumption from 7.5% to 7.25% per year. 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.

CITY OF COCOA, FLORIDA

NOTES TO FINANCIAL STATEMENTS

NOTE 10 - EMPLOYEE RETIREMENT SYSTEMS *(Continued)*

B. City-Provided – Defined Benefit Plans *(Continued)*

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 geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2022 are summarized in the following table:

Asset Class	Long Term Expected Real Rate of Return		
	Firefighters' Pension Plan	General Employees' Pension Plan	Police Officers' Pension Plan
Domestic Equity	-	7.50%	7.10%
International Equity	5.18%	8.50%	3.10%
Broad Market Fixed Income	-	2.50%	-
Global Fixed Income	-	3.50%	-
Real Estate	6.96%	4.50%	-
Bonds	-	-	2.00%
Convertibles	-	-	6.40%
REITS	-	-	6.40%
Infrastructure	-	-	5.60%
Large Cap Equity	8.30%	-	-
Smid Cap Equity	8.89%	-	-
Fixed Income	0.40%	-	-
Alternative	-	6.39%	-

Discount Rate:

The discount rate used to measure the total pension liability for the Firefighters, General Employees, and Police Officers Pension Plan investments was 7.15%, 6.70%, and 7.25%, respectively.

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, the Pension Plans' 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 Total Pension Liability.

CITY OF COCOA, FLORIDA

NOTES TO FINANCIAL STATEMENTS

NOTE 10 - EMPLOYEE RETIREMENT SYSTEMS *(Continued)*

B. City-Provided – Defined Benefit Plans *(Continued)*

Change in Net Pension Liability

Firefighters' Pension Plan	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at September 30, 2021	\$ 31,808,367	\$ 27,548,038	4,260,329
Changes for a Year:			
Service Cost	654,506	-	654,506
Interest	2,256,795	-	2,256,795
Differences between Expected and Actual Experience	489,683	-	489,683
Changes of assumptions	-	-	-
Changes of benefit terms	-	-	-
Contributions - Employer	-	1,566,455	(1,566,455)
Contributions - State	-	142,337	(142,337)
Contributions - Employee	-	159,517	(159,517)
Net Investment Income	-	(4,721,923)	4,721,923
Benefit Payments, including Refunds of Employees Contributions	(1,798,626)	(1,798,626)	-
Administrative Expense	-	(82,247)	82,247
Net Changes	1,602,358	(4,734,487)	6,336,845
Balances at September 30, 2022	<u>\$ 33,410,725</u>	<u>\$ 22,813,551</u>	<u>10,597,174</u>

General Employees' Pension Plan	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/Asset (a) - (b)
Balances at September 30, 2021	\$ 15,455,639	\$ 16,232,820	\$ (777,181)
Changes for a Year:			
Service Cost	-	-	-
Interest	997,820	-	997,820
Differences between expected and actual experience	(770,285)	-	(770,285)
Changes of assumptions	-	-	-
Contributions - Employer	-	189,622	(189,622)
Contributions - Employee	-	-	-
Net Investment Income	-	(2,349,671)	2,349,671
Benefit payments, including refunds of employees contributions	(1,125,606)	(1,125,606)	-
Administrative expense	-	(63,441)	63,441
Net Changes	(898,071)	(3,349,096)	2,451,025
Balances at September 30, 2022	<u>\$ 14,557,568</u>	<u>\$ 12,883,724</u>	<u>\$ 1,673,844</u>

CITY OF COCOA, FLORIDA

NOTES TO FINANCIAL STATEMENTS

NOTE 10 - EMPLOYEE RETIREMENT SYSTEMS *(Continued)*

B. City-Provided – Defined Benefit Plans *(Continued)*

	Increase (Decrease)		
	Total Pension	Plan Fiduciary	Net Pension
	Liability (a)	Net Position (b)	Liability/Asset (a) - (b)
Police Officers' Pension Plan			
Balances at September 30, 2021	\$ 37,345,945	\$ 39,321,429	\$ (1,975,484)
Changes for a Year:			
Service Cost	718,347	-	718,347
Interest	2,692,421	-	2,692,421
Differences between expected and actual experience	620,771	-	620,771
Changes of assumptions	-	-	-
Changes of benefit terms	-	-	-
Contributions - Employer	-	543,654	(543,654)
Contributions - State	-	207,445	(207,445)
Contributions - Employee	-	248,755	(248,755)
Net Investment Income	-	(5,685,506)	5,685,506
Benefit payments, including refunds of employees contributions	(1,854,898)	(1,854,898)	-
Administrative expense	-	(102,164)	102,164
Net Changes	2,176,641	(6,642,714)	8,819,355
Balances at September 30, 2022	<u>\$ 39,522,586</u>	<u>\$ 32,678,715</u>	<u>\$ 6,843,871</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability (asset) of the City, calculated using the discount rate, as well as what the City's net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease 6.15%	Current Discount Rate 7.15%	1% Increase 8.15%
Sponsor's Net Pension Liability			
Firefighters' Pension Plan	\$ 14,732,711	\$ 10,597,174	\$ 7,196,163
	1% Decrease 5.70%	Current Discount Rate 6.70%	1% Increase 7.70%
Sponsor's Net Pension Liability (Asset)			
General Employees' Pension Plan	\$ 3,108,568	\$ 1,673,844	\$ 460,544
	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Sponsor's Net Pension Liability (Asset)			
Police Officers' Pension Plan	\$ 12,037,687	\$ 6,843,871	\$ 2,589,845

CITY OF COCOA, FLORIDA

NOTES TO FINANCIAL STATEMENTS

NOTE 10 - EMPLOYEE RETIREMENT SYSTEMS *(Continued)*

B. City-Provided – Defined Benefit Plans *(Continued)*

Pension Plan Fiduciary Net Position

Detailed information about pension plan Fiduciary Net Position is available in a separately issued financial report for each pension plan.

For the year ended September 30, 2022, the pension expense recognized on the Firefighters', General Employees', and Police Officers' Pension Plans, was \$1,787,794, (\$622,042), and \$1,815,615, respectively.

On September 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
<u>Firefighters' Pension Plan</u>		
Differences between expected and actual experience	\$ 692,944	\$ 749,368
Change of assumptions	1,152,324	89,174
Net difference between projected and actual earnings on pension plan investments	<u>2,982,791</u>	<u>-</u>
Total Firefighters' Pension Plan	<u>4,828,059</u>	<u>838,542</u>
<u>General Employees' Pension Plan</u>		
Net difference between projected and actual earnings on pension plan investments	<u>1,306,211</u>	<u>-</u>
Total General Employees' Pension Plan	<u>1,306,211</u>	<u>-</u>
<u>Police Officers' Pension Plan</u>		
Differences between expected and actual experience	747,963	419,274
Change of assumptions	542,622	150,086
Net difference between projected and actual earnings on pension plan investments	<u>4,036,559</u>	<u>-</u>
Total Police Officers' Pension Plan	<u>5,327,144</u>	<u>569,360</u>
Total deferred outflows and deferred inflows of resources related to pensions	<u>\$ 11,461,414</u>	<u>\$ 1,407,902</u>

CITY OF COCOA, FLORIDA

NOTES TO FINANCIAL STATEMENTS

NOTE 10 - EMPLOYEE RETIREMENT SYSTEMS *(Continued)*

B. City-Provided – Defined Benefit Plans *(Continued)*

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

Year Ending September 30,	Firefighters' Pension Plan	General Employees' Pension Plan	Police Officers' Pension Plan
2023	\$ 1,033,823	\$ 258,698	\$ 1,217,723
2024	738,686	134,301	909,882
2025	659,247	232,454	929,857
2026	1,476,147	680,758	1,700,322
2027	81,614	-	-
Total	<u>\$ 3,989,517</u>	<u>\$ 1,306,211</u>	<u>\$ 4,757,784</u>

C. Defined Contribution Plans

Defined Contribution 401(a) Retirement Plan

During July 1996, the City made available to all permanent, full-time personnel who were not certified firefighters or sworn police officers an opportunity to participate in a Defined Contribution 401(a) Retirement Plan. This Plan was established under the authority of, and governed by, the United States Internal Revenue Code, as amended; Part VII, Chapter 112, Florida Statutes; and ordinances as adopted by the City. The Plan is administered by the City through the Human Resources Department, with Mission Square serving as the trustee. The effective date of the City of Cocoa, Florida Defined Contribution Plan is July 1, 1996. Participation in the Plan was mandatory. Any individual who was a permanent, full-time employee of the City on or after July 1, 1996 but prior to March 1, 2009 (other than certified firefighters and sworn police officers) became a participant of the Plan on the date of their employment. Effective March 1, 2009, when the city began participation in FRS, the Plan was closed to new participants.

The Plan requires the employer to contribute an amount equal to 12% of each participant's compensation. Pursuant to the provisions of the Defined Contribution Plan, any amounts forfeited by employees as a result of termination prior to vesting shall be used to reduce contributions of the employer. During 2022, the Plan had no forfeitures. Employer contributions for 2022 totaled \$26,691. At September 30, 2022, the remaining forfeiture balance from previous years was \$-0-. The employee contributes 5% of their compensation. Employee contributions for 2022 totaled \$11,348. Employees may also make voluntary contributions to the Plan. Total voluntary contributions made by the employees in the amount of \$-0- are not matched by the employer. Contributions for highly compensated employees are in accordance with any employment agreements and are negotiated.

CITY OF COCOA, FLORIDA

NOTES TO FINANCIAL STATEMENTS

NOTE 10 - EMPLOYEE RETIREMENT SYSTEMS *(Continued)*

D. Net Activity by Pension Plan

The pension trust funds' fiduciary net position activity as of September 30, 2022 was as follows:

	Defined Contribution Plans	Firefighters' Pension Plan	General Employees' Pension Plan	Police Officers' Pension Plan	Total
ASSETS					
Cash and cash equivalents	\$ -	\$ 1,134,749	\$ 171,625	\$ 1,082,488	\$ 2,388,862
Investments at fair value:					
Equity funds		1,461,814		1,586,751	3,048,565
Blended mutual funds	1,994,976	3,947,760	2,752,125	24,052,231	32,747,092
Fixed income funds	125,172	-			125,172
Mortgage-backed securities	-			-	-
Corporate stock	-	8,799,748	6,082,922	270,050	15,152,720
Corporate bonds	-	1,404,171	495,134	1,602,537	3,501,842
Foreign equity funds	-	-	-	-	-
Government securities	-	1,186,507	738,998	-	1,925,505
US real estate investment fund		5,006,737	2,645,836	4,107,135	11,759,708
Accounts receivable	-	6	-	-	6
Interest receivable	-	23,320	10,671	19,350	53,341
Total assets	2,120,148	22,964,812	12,897,311	32,720,542	70,702,813
LIABILITIES					
Accounts payable	-	151,261	13,587	41,827	206,675
Total liabilities	-	151,261	13,587	41,827	206,675
NET POSITION					
Held in trust for pension benefits	<u>\$ 2,120,148</u>	<u>\$ 22,813,551</u>	<u>\$ 12,883,724</u>	<u>\$ 32,678,715</u>	<u>\$ 70,496,138</u>

CITY OF COCOA, FLORIDA

NOTES TO FINANCIAL STATEMENTS

NOTE 10 - EMPLOYEE RETIREMENT SYSTEMS *(Continued)*

E. Change in Fiduciary Net Position by Pension Plan

The pension trust funds' change in fiduciary net position activity as of September 30, 2022 was as follows:

	Defined Contribution Plans	Firefighters' Pension Plan	General Employees' Pension Plan	Police Officers' Pension Plan	Total
ADDITIONS					
Contributions:					
Employee contributions	11,348	159,517	-	248,755	419,620
Employer contributions	\$ 26,691	\$ 1,566,455	\$ 189,622	\$ 543,654	\$ 2,326,422
	-	-	-	-	-
State contributions	-	142,337	-	207,445	-
Total contributions	38,039	1,868,309	189,622	999,854	2,746,042
Investment earnings:					
Net increase (decrease) in the fair value of investments	(612,737)	(4,948,322)	(3,090,728)	(6,988,005)	(15,639,792)
Interest and dividends	100,086	377,087	774,799	1,455,007	2,706,979
Total investment earnings	(512,651)	(4,571,235)	(2,315,929)	(5,532,998)	(12,932,813)
Less investment expense	6,809	150,688	33,742	149,780	341,019
Net investment earnings	(519,460)	(4,721,923)	(2,349,671)	(5,682,778)	(13,273,832)
Total additions	(481,421)	(2,853,614)	(2,160,049)	(4,682,924)	(10,178,008)
DEDUCTIONS					
Benefit payments	30,211	1,798,626	1,125,606	1,857,626	4,812,069
Administrative expenses	-	82,247	63,441	102,164	247,852
Total deductions	30,211	1,880,873	1,189,047	1,959,790	5,059,921
Change in net position	(511,632)	(4,734,487)	(3,349,096)	(6,642,714)	(15,237,929)
Net position, beginning of year	2,631,780	27,548,038	16,232,820	39,321,429	85,734,067
Net position, end of year	\$ 2,120,148	\$ 22,813,551	\$ 12,883,724	\$ 32,678,715	\$ 70,496,138

CITY OF COCOA, FLORIDA

NOTES TO FINANCIAL STATEMENTS

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS

The City follows Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("OPEB"), for certain postemployment healthcare benefits provided by the City.

A. Plan Description and Benefits Provided

The City administers a single-employer defined benefit healthcare plan (the "Plan") that provides medical insurance to its employees and their eligible dependents. Pursuant to Section 112.0801, Florida Statutes, the City is required to provide eligible retirees (as defined in the City's pension plans) the opportunity to participate in this Plan at the same cost that is applicable to active employees.

Employees and their dependents may elect to remain in the Plan upon retirement up to age 65. After age 65, the City's insurance coverage becomes secondary to the retirees' Medicare insurance. The Plan has 160 retirees and spouses receiving benefits and has a total of 422 active participants and dependents.

Benefit provisions for the Plan were established by the City Council by Resolution on June 27, 1995 (amended as of July 22, 2008) and may only be amended by the City Council. The City has not established a trust or agency fund for the Plan. The City does not issue stand-alone financial statements for this Plan. All financial information related to the Plan is accounted for in the City's basic financial statements.

B. Funding Policy

The City is funding the Plan on a pay-as-you-go basis. The City pays insurance premiums for medical, dental and vision incurred by pre-Medicare retirees at rates of 100% for retirees hired prior to January 14, 1992 and 50% for retirees hired after January 14, 1992. Regardless of their date of hire, Department Directors and the Assistant City Manager receive 100% of the premium for life. These members are generally eligible for this benefit after ten years of employment with the City and having reached the age of 55. In all cases, retirees may purchase coverage for dependents at their expense. In addition to the explicit subsidies described above, there is an implied subsidy in the insurance premiums for all employees because the premium charged for retirees is the same as the premium charged for active employees, who are younger than retirees on average.

For the year ended September 30, 2022, the City's contribution was \$1,290,637, which included both an estimate of the implied subsidy described above, and the explicit subsidy paid on behalf of eligible retirees. Contributions by the City for Plan members not eligible for an explicit subsidy totaled \$-0- for retirees and approximately \$279,058 for spouses for the year ended September 30, 2022.

C. Total OPEB Liability

The City's total OPEB liability of \$33,556,580 was measured as of September 30, 2022 and was determined by an actuarial valuation as of September 30, 2020.

CITY OF COCOA, FLORIDA

NOTES TO FINANCIAL STATEMENTS

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS *(Continued)*

D. Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the Plan as understood by the employer and the Plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and Plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Actuarial valuations for an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Actuarially determined amounts are subject to continuous revision as actual results are compared to past expectations and new estimates about the future are formulated. Although the valuation results are based on values that the City's actuarial consultant believes are reasonable assumptions, the valuation results reflect a long-term perspective and, as such, are merely an estimate of what future costs may actually be. Deviations in any of several factors, such as future interest rates, medical cost inflation, Medicare coverage, and changes in marital status, could result in actual costs being less or greater than estimated.

In the September 30, 2020 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions used for the September 30, 2021 calculations included a 4.25% investment rate of return (including inflation of 2.25%) and an annual healthcare cost trend rate of 6% for FY22 and gradually decreasing to an ultimate trend of 3.99%. The discount rate utilized was 2.19%. The mortality for all groups was updated to the tables used by the Florida Retirement System for its July 1, 2020 Valuation. The actuarial methods and assumptions used are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

E. Changes in Total OPEB Liability

Service Cost	\$ 1,116,296
Interest on the Total OPEB Liability	785,136
Changes of benefit terms	-
Difference between expected and actual experience of the Total OPEB Liability	-
Changes of assumptions and other inputs	838,504
Benefit payments	<u>(1,290,637)</u>
Net change in Total OPEB Liability	1,449,299
Total OPEB Liability - Beginning	32,107,281
Total OPEB Liability - Ending	<u>\$ 33,556,580</u>

Changes in assumptions reflect a change in the discount rate from 2.41% as of the beginning of the measurement period to 2.19% for the fiscal year ended September 30, 2022.

CITY OF COCOA, FLORIDA
NOTES TO FINANCIAL STATEMENTS

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (Continued)

F. Sensitivity Analysis

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

	Discount Rate		
	1% Decrease	Current Discount Rate	1% Increase
	1.19%	2.19%	3.19%
Total OPEB liability	<u>\$ 37,817,550</u>	<u>\$ 33,556,580</u>	<u>\$ 29,991,596</u>

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

	Healthcare Cost Trend Rate		
	1% Decrease	Current Healthcare Cost Rate	1% Increase
	5.00%	6.00%	7.00%
Total OPEB liability	<u>\$ 29,377,326</u>	<u>\$ 33,556,580</u>	<u>\$ 38,623,352</u>

G. Deferred Inflows of Resources/Deferred Outflows of Resources

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

OPEB expense for the fiscal year ended September 30, 2022 was \$1,182,696. On September 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB to be recognized in future OPEB expenses from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resource
Changes in assumptions	\$ 3,717,682	\$ (6,087,786)
Differences between expected and actual experience	356,373	(1,354,697)
Transactions after measurement date	<u>1,409,881</u>	<u>-</u>
Totals	<u>\$ 5,483,936</u>	<u>\$ (7,442,483)</u>

CITY OF COCOA, FLORIDA

NOTES TO FINANCIAL STATEMENTS

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS *(Continued)*

G. Deferred Inflows of Resources/Deferred Outflows of Resources

Deferred Outflows/Inflows of Resources Schedule for Future Years

The amount of \$1,409,881 reported as deferred outflows of resources related to OPEB resulting from benefit payments made subsequent to the measurement date will be recognized as a decrease of the total OPEB liability in fiscal year 2023. Other amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending	Deferred
September 30,	Outflows/(Inflows)
2023	\$ (718,736)
2024	(718,736)
2025	(511,183)
2026	(311,004)
2027	(732,213)
Thereafter	(376,556)
Total	<u>\$ (3,368,428)</u>

NOTE 12 - LITIGATION

The City was involved in a lawsuit filed by the Petitioner against the Florida Department of Environmental Protection and the City of Cocoa to obtain a 25-year sovereign submerged land lease related to a boardwalk and promenade constructed jointly by the City and the Petitioner. On November 8, 2005, the parties reached a settlement agreement whereby the Petitioner agreed to reimburse the City for its portion of construction costs in the amount of \$607,837 to be paid in installments through 2009. In accordance with the settlement agreement, the City received \$135,946 and \$200,000 during 2007 and 2006, respectively. During 2008, the Petitioner suspended payments, as the note payable to the City is subordinate to other debt of the Petitioner. At such time as the priority debt is paid by the Petitioner, they will resume payments to the City. A receivable for the remaining amount due, \$271,891, is recorded as of September 30, 2022 in the Cocoa Redevelopment Agency fund as a settlement receivable. The related revenue has been deferred in the governmental fund statements, as it is not collectible soon enough to pay liabilities of the current period.

Various other lawsuits in the ordinary course of operations are pending against the City. While the ultimate effect of such litigation cannot be ascertained at this time, in the opinion of counsel for the City, the liabilities that may arise from such actions would not result in losses that would exceed the liability insurance limits in effect at the time the claim arose or otherwise materially affect the financial position of the City or results of operations.

CITY OF COCOA, FLORIDA

NOTES TO FINANCIAL STATEMENTS

NOTE 13 - COLLECTIVE BARGAINING UNIT

Substantially all of the City's non-management operations, maintenance and public safety employees are covered by collective bargaining agreements. The Agreements with the employees covered by the Laborers' International Union of North America ("LIUNA"), the International Association of Firefighters (IAFF) and the Coastal Florida Police Benevolent Association (PBA) extend through September 30, 2024. The Agreements covering police lieutenants (PBA) and fire district chiefs (Teamsters) expire September 30, 2023.

NOTE 14 - FUTURE PRONOUNCEMENTS

1. GASB Statement No. 101, *Compensated Absences*:

- Updates the recognition and measurement guidance for compensated absences by:
 - Aligning the recognition and measurement guidance under a unified model
 - Amending certain previously required disclosures
- Amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability

2. GASB Statement No. 100, *Accounting Changes and Error Corrections* – an amendment of GASB Statement No. 62

- Enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability
- Requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature
- Addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI)

3. GASB Statement No. 91, *Conduit Debt Obligations*

- Clarifies the existing definition of conduit debt obligation (CDO)
- Establishes that a CDO is not a liability of the issuer
- Establishes standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with CDOs
- Improves note disclosures related to CDOs

4. GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*

GASB 94:

- Defines and establishes criteria for public-private and public-public partnerships (PPPs)
- Defines and establishes certain criteria where service concession arrangements are considered PPPs
- Defines and establishes criteria for availability payment arrangements (APA)

CITY OF COCOA, FLORIDA
NOTES TO FINANCIAL STATEMENTS

NOTE 14 - FUTURE PRONOUNCEMENTS (*Continued*)

5. GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*,

GASB 96:

- Defines and establishes criteria for subscription-based information technology arrangements (SBITAs)
- Defines and establishes certain criteria where a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability
- Provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA
- Requires note disclosures regarding SBITAs

The City is currently evaluating the effects that these statements will have on its 2023 financial statements.

The guidance most likely to have the most significant impact on the City's financial statements is No. 96 "Subscription Based Information Technology Arrangements". The objective of this guidance is to improve financial reporting by establishing a definition for SBITAs and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs. Management will continue the process of determining what, if any, impact the implementation of the guidance will have on the City's financial statements.

The pronouncements that the City will be evaluating include: *GASB Statements 96, 100 and 101*.

REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN
MANAGEMENT'S DISCUSSION AND ANALYSIS

City of Cocoa, Florida
Required Pension Supplementary Information - Schedule of Proportionate
Share of Net Pension Liability - Florida Retirement System
Last Ten Fiscal Years*

	Florida Retirement System (FRS)				
	2022	2021	2020	2019	2018
City's proportion of the collective net pension liability	0.0407%	0.0376%	0.3620%	0.0351%	0.0339%
City's proportionate share of the collective net pension liability	\$ 15,131,997	\$ 2,838,374	\$ 15,690,345	\$ 12,093,584	\$ 10,208,790
City's covered payroll	18,513,300	16,136,917	16,151,468	15,476,496	14,746,847
City's proportionate share of the collective net pension liability as a percentage of its covered payroll	81.74%	17.59%	97.15%	78.14%	69.23%
Plan fiduciary net position as a percentage of the total pension liability	82.89%	96.40%	78.85%	82.61%	84.26%

	Health Insurance Subsidy (HIS)				
	2022	2021	2020	2019	2018
City's proportion of the collective net pension liability	0.0503%	0.4520%	0.0460%	0.0459%	0.0449%
City's proportionate share of the collective net pension liability	\$ 5,331,330	\$ 5,545,688	\$ 5,618,912	\$ 5,144,901	\$ 4,744,957
City's covered payroll	18,513,300	16,136,917	16,151,468	15,476,496	14,746,847
City's proportionate share of the collective net pension liability as a percentage of its covered payroll	28.80%	34.37%	34.79%	33.24%	32.18%
Plan fiduciary net position as a percentage of the total pension liability	4.81%	3.56%	3.00%	2.63%	2.15%

*GASB 67 requires information for 10 years. However, until a full 10-year trend is compiled, the City is presenting information only for the years for which information is available. The City implemented GASB 68 for the fiscal year ended September 30, 2015.

Note 1: The Plan's fiduciary net position as a percentage of the total pension liability is published in Note 4 of the Plan's Annual Comprehensive Financial Report.

Note 2: The amounts presented for each fiscal year were determined as of 6/30, the measurement date.

City of Cocoa, Florida
Required Pension Supplementary Information - Schedule of Proportionate
Share of Net Pension Liability - Florida Retirement System
Last Ten Fiscal Years*

<u>2017</u>	<u>2016</u>	<u>2015</u>
0.0329%	0.0290%	0.0309%
\$ 9,723,144	\$ 7,318,096	\$ 3,984,745
\$ 12,997,287	\$ 13,039,745	\$ 10,982,455
74.81%	56.12%	36.28%
83.89%	84.88%	92.00%

<u>2017</u>	<u>2016</u>	<u>2015</u>
0.0428%	0.0385%	0.0383%
\$ 4,579,133	\$ 4,490,228	\$ 3,908,990
\$ 12,997,287	\$ 13,039,745	\$ 10,982,455
35.23%	34.43%	35.59%
1.64%	0.97%	0.50%

City of Cocoa, Florida
Required Pension Supplementary Information - Schedule of Contributions
Florida Retirement System
Last Ten Fiscal Years*

	Florida Retirement System (FRS)				
	2022	2021	2020	2019	2018
Contractually required contribution	\$ 1,806,924	\$ 1,507,060	\$ 1,247,810	\$ 1,135,700	\$ 981,272
Contributions in relation to the contractually required contribution	<u>(1,806,924)</u>	<u>(1,507,060)</u>	<u>(1,247,810)</u>	<u>(1,135,700)</u>	<u>(981,272)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 19,361,571	\$ 16,569,111	\$ 15,990,658	\$ 15,868,536	\$ 14,757,014
Contributions as a percentage of covered payroll	9.33%	9.10%	7.80%	7.16%	6.65%

	Health Insurance Subsidy (HIS)				
	2022	2021	2020	2019	2018
Contractually required contribution	\$ 317,509	\$ 272,665	\$ 262,719	\$ 262,384	\$ 242,596
Contributions in relation to the contractually required contribution	<u>(317,509)</u>	<u>(272,665)</u>	<u>(262,719)</u>	<u>(262,384)</u>	<u>(242,596)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 19,361,571	\$ 16,569,111	\$ 15,990,658	\$ 15,868,356	\$ 14,757,014
Contributions as a percentage of covered payroll	1.64%	1.65%	1.64%	1.65%	1.64%

*GASB 67 requires information for 10 years. However, until a full 10-year trend is compiled, the City is presenting information only for the years for which information is available. The City implemented GASB 68 for the fiscal year ended September 30, 2015.

Note 1: Amounts are presented as of 9/30, the report date.

City of Cocoa, Florida
Required Pension Supplementary Information - Schedule of Contributions
Florida Retirement System
Last Ten Fiscal Years*

<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 883,954	\$ 823,709	\$ 824,677
<u>(883,954)</u>	<u>(823,709)</u>	<u>(824,677)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 13,532,920	\$ 12,170,167	\$ 10,982,455
6.53%	6.77%	7.51%

<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 235,608	\$ 216,473	\$ 10,524
<u>(235,608)</u>	<u>(216,473)</u>	<u>(10,524)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 13,532,920	\$ 12,170,167	\$ 10,982,455
1.74%	1.78%	0.10%

City of Cocoa, Florida
Required Other Pension Supplementary Information - Schedule of Changes in
Net Pension Liability and Related Ratios (Continued)
Last Ten Fiscal Years*

Firefighters' Pension Plan					
	2022	2021	2020	2019	2018
Total Pension Liability					
Service Cost	\$ 654,506	\$ 556,470	\$ 550,549	\$ 485,600	\$ 517,114
Interest	2,256,795	2,275,166	2,223,242	2,188,638	2,105,795
Change in Excess State Money		-	-	-	-
Changes of Benefit Terms	-	31,623	-	18,691	-
Differences between Expected and Actual Experience	489,683	(916,111)	384,149	(415,884)	556,795
Changes of Assumptions	-	1,253,913	(135,092)	949,138	(129,772)
Benefit Payments, Including Refund of Employee Contributions	(1,798,626)	(2,280,287)	(1,675,774)	(1,771,291)	(1,539,253)
Net Change in Total Pension Liability	1,602,358	920,774	1,347,074	1,454,892	1,510,679
Total Pension Liability - Beginning	31,808,367	30,887,593	29,540,519	28,085,627	26,574,948
Total Pension Liability - Ending (a)	33,410,725	31,808,367	30,887,593	29,540,519	28,085,627
Plan Fiduciary Net Position					
Contributions - Employer	1,566,455	1,587,758	1,517,830	1,351,865	1,279,709
Contributions - State	142,337	124,461	112,427	105,146	109,866
Contributions - Employee	159,517	143,812	140,965	143,125	142,644
Net Investment Income	(4,721,923)	5,932,181	1,605,655	472,802	2,019,990
Benefit Payments, Including Refunds of Employee Contributions	(1,798,626)	(2,280,287)	(1,675,774)	(1,771,291)	(1,539,253)
Administrative Expense	(82,247)	(80,803)	(77,293)	(100,198)	(88,571)
Net Change in Plan Fiduciary Net Position	(4,734,487)	5,427,122	1,623,810	201,449	1,924,385
Plan Fiduciary Net Position - Beginning	27,548,038	22,120,916	20,497,106	20,295,657	18,371,272
Plan Fiduciary Net Position - Ending (b)	22,813,551	27,548,038	22,120,916	20,497,106	20,295,657
Net Pension Liability - Ending (a) - (b)	<u>\$ 10,597,174</u>	<u>\$ 4,260,329</u>	<u>\$ 8,766,677</u>	<u>\$ 9,043,413</u>	<u>\$ 7,789,970</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.28%	86.61%	71.61%	69.39%	72.26%
Covered Payroll	<u>\$ 2,454,101</u>	<u>\$ 2,212,494</u>	<u>\$ 2,168,687</u>	<u>\$ 2,201,921</u>	<u>\$ 2,194,527</u>
Net Pension Liability as a Percentage of Covered Payroll	431.81%	192.56%	404.30%	410.71%	354.97%

* The amounts presented for each fiscal year were determined as of September 30. The City implemented GASB Statement No. 67 for the fiscal year ending September 30, 2014. As a result the City is presenting information only for the years for which the information is available.

Notes to the schedules:

(1) The Covered Payroll numbers shown are in compliance with GASB 82, except for the September 30, 2015 measurement period which includes DROP payroll.

City of Cocoa, Florida
Required Other Pension Supplementary Information - Schedule of Changes in
Net Pension Liability and Related Ratios (Continued)
Last Ten Fiscal Years*

2017	2016	2015	2014
\$ 497,902	\$ 437,785	\$ 428,719	\$ 433,714
1,964,536	1,793,566	1,712,414	1,731,706
-	-	-	34,809
-	-	(1,070,557)	-
786,130	494,099	7,133	-
-	1,122,630	-	-
<u>(1,464,836)</u>	<u>(2,077,311)</u>	<u>(1,309,918)</u>	<u>(1,352,119)</u>
1,783,732	1,770,769	(232,209)	848,110
24,791,216	23,020,447	23,252,656	22,404,546
<u>26,574,948</u>	<u>24,791,216</u>	<u>23,020,447</u>	<u>23,252,656</u>
1,306,976	1,391,074	1,442,906	1,720,919
130,749	115,233	128,299	129,468
146,845	152,199	140,228	134,687
1,977,411	1,340,094	(79,330)	1,370,989
<u>(1,464,836)</u>	<u>(2,077,311)</u>	<u>(1,309,918)</u>	<u>(1,352,119)</u>
<u>(63,579)</u>	<u>(84,495)</u>	<u>(95,930)</u>	<u>(56,334)</u>
2,033,566	836,794	226,255	1,947,610
16,337,706	15,500,912	15,274,657	13,327,047
<u>18,371,272</u>	<u>16,337,706</u>	<u>15,500,912</u>	<u>15,274,657</u>
<u>\$ 8,203,676</u>	<u>\$ 8,453,510</u>	<u>\$ 7,519,535</u>	<u>\$ 7,977,999</u>
69.13%	65.90%	67.34%	65.69%
<u>\$ 2,259,154</u>	<u>\$ 2,341,531</u>	<u>\$ 2,257,178</u>	<u>\$ 2,072,106</u>
363.13%	361.02%	333.14%	385.02%

City of Cocoa, Florida
Required Other Pension Supplementary Information - Schedule of Changes in
Net Pension Liability and Related Ratios (Continued)
Last Ten Fiscal Years*

	General Employees' Pension Plan				
	2022	2021	2020	2019	2018
Total Pension Liability					
Service Cost	\$ -	\$ -	\$ 10,118	\$ 8,673	\$ 16,218
Interest	997,820	1,026,769	1,090,679	1,146,191	1,180,886
Differences between Expected and Actual Experience	(770,285)	(137,270)	(649,539)	(449,972)	(353,443)
Changes of Assumptions	-	-	212,596	303,069	-
Benefit payments, including Refunds of Employee Contributions	(1,125,606)	(1,517,538)	(1,218,899)	(1,469,442)	(1,194,075)
Net Change in Total Pension Liability	(898,071)	(628,039)	(555,045)	(461,481)	(350,414)
Total Pension Liability - Beginning	15,455,639	16,083,678	16,638,723	17,100,204	17,450,618
Total Pension Liability - Ending (a)	14,557,568	15,455,639	16,083,678	16,638,723	17,100,204
Plan Fiduciary Net Position					
Contributions - Employer	189,622	218,100	342,201	540,614	585,825
Contributions - Employee	-	-	1,101	3,631	3,954
Net Investment Income	(2,349,671)	3,162,718	1,408,014	364,341	1,525,741
Benefit Payments, Including Refunds of Employee Contributions	(1,125,606)	(1,517,538)	(1,218,899)	(1,469,442)	(1,194,075)
Administrative Expense	(63,441)	(58,758)	(61,707)	(69,029)	(65,202)
Net Change in Plan Fiduciary Net Position	(3,349,096)	1,804,522	470,710	(629,885)	856,243
Plan Fiduciary Net Position - Beginning	16,232,820	14,428,298	13,957,588	14,587,473	13,731,230
Plan Fiduciary Net Position - Ending (b)	12,883,724	16,232,820	14,428,298	13,957,588	14,587,473
Net Pension Liability (Asset)- Ending (a) - (b)	<u>\$ 1,673,844</u>	<u>\$ (777,181)</u>	<u>\$ 1,655,380</u>	<u>\$ 2,681,135</u>	<u>\$ 2,512,731</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	88.50%	105.03%	89.71%	83.89%	85.31%
Covered Payroll	<u>N/A</u>	<u>N/A</u>	<u>\$ 22,014</u>	<u>\$ 79,071</u>	<u>\$ 79,071</u>
Net Pension Liability (Asset) as a Percentage of Covered Payroll		N/A	7519.67%	3390.79%	3177.82%

*GASB 67 requires information for 10 years. However, until a full 10-year trend is compiled, the City is presenting information only for the years for which information is available.

Notes to the schedules:

- (1) The Covered Payroll numbers shown are in compliance with GASB 82, except for the September 30, 2015 measurement period which includes DROP payroll.
- (2) As of 9/30/2021, there are no longer any active employees in the General Pension Plan.

City of Cocoa, Florida
Required Other Pension Supplementary Information - Schedule of Changes in
Net Pension Liability and Related Ratios (Continued)
Last Ten Fiscal Years*

2017	2016	2015	2014
\$ 14,181	\$ 29,795	\$ 42,355	\$ 47,142
1,249,866	1,188,448	1,212,220	1,212,422
(810,338)	90,981	(148,809)	-
320,883	1,307,508	280,514	-
(1,338,089)	(1,265,867)	(1,261,866)	(1,253,011)
(563,497)	1,350,865	124,414	6,553
18,014,115	16,663,250	16,538,836	16,532,283
17,450,618	18,014,115	16,663,250	16,538,836
622,133	651,442	711,229	789,489
4,993	8,293	11,199	14,167
1,621,502	1,014,663	88,087	1,269,824
(1,338,089)	(1,265,867)	(1,261,866)	(1,253,011)
(58,842)	(58,000)	(63,707)	(48,959)
851,697	350,531	(515,058)	771,510
12,879,533	12,529,002	13,044,060	12,272,550
13,731,230	12,879,533	12,529,002	13,044,060
<u>\$ 3,719,388</u>	<u>\$ 5,134,582</u>	<u>\$ 4,134,248</u>	<u>\$ 3,494,776</u>
78.69%	71.50%	75.19%	78.87%
<u>\$ 99,870</u>	<u>\$ 165,865</u>	<u>\$ 360,114</u>	<u>\$ 282,176</u>
3724.23%	3095.64%	1148.04%	1238.51%

City of Cocoa, Florida
Required Other Pension Supplementary Information - Schedule of Changes in
Net Pension Liability and Related Ratios (Continued)
Last Ten Fiscal Years*

Police Officers' Pension Plan

	2022	2021	2020	2019	2018
Total Pension Liability					
Service Cost	\$ 718,347	\$ 637,629	\$ 676,591	\$ 622,141	\$ 674,529
Interest	2,692,421	2,668,887	2,580,719	2,416,957	2,446,824
Changes of Benefit Terms		-	-	-	308,630
Differences between Expected and Actual Experience	620,771	(838,548)	321,621	768,679	(562,521)
Changes of Assumptions	-	1,085,244	(375,217)	-	854,009
Contributions - Buy Back	-	-	-	-	-
Benefit Payments, Including Refund of Employee Contributions	(1,854,898)	(2,309,607)	(1,668,734)	(1,688,734)	(1,750,601)
Net Change in Total Pension Liability	2,176,641	1,243,605	1,534,980	2,119,043	1,970,870
Total Pension Liability - Beginning	37,345,945	36,102,340	34,567,360	32,448,317	30,477,447
Total Pension Liability - Ending (a)	39,522,586	37,345,945	36,102,340	34,567,360	32,448,317
Plan Fiduciary Net Position					
Contributions - Employer	543,654	693,459	815,347	867,341	829,616
Contributions - State	207,445	188,475	185,915	182,386	171,608
Contributions - Employee	248,755	236,028	220,107	212,363	208,055
Contributions - Buy Back	-	-	-	-	-
Net Investment Income	(5,685,506)	7,093,195	2,685,732	1,488,348	1,849,653
Benefit Payments, Including Refunds of Employee Contributions	(1,854,898)	(2,309,607)	(1,668,734)	(1,688,734)	(1,750,601)
Administrative Expense	(102,164)	(82,625)	(81,326)	(95,675)	(80,644)
Net Change in Plan Fiduciary Net Position	(6,642,714)	5,818,925	2,157,041	966,029	1,227,687
Plan Fiduciary Net Position - Beginning	39,321,429	33,502,504	31,345,463	30,379,434	29,151,747
Plan Fiduciary Net Position - Ending (b)	32,678,715	39,321,429	33,502,504	31,345,463	30,379,434
Net Pension Liability (Asset) - Ending (a) - (b)	<u>\$ 6,843,871</u>	<u>\$ (1,975,484)</u>	<u>\$ 2,599,836</u>	<u>\$ 3,221,897</u>	<u>\$ 2,068,883</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	82.68%	105.29%	92.80%	90.68%	93.62%
Covered Payroll	<u>\$ 3,827,002</u>	<u>\$ 3,631,200</u>	<u>\$ 3,386,265</u>	<u>\$ 3,267,124</u>	<u>\$ 3,200,845</u>
Net Pension Liability (Asset) as a Percentage of Covered Payroll	178.83%	-54.40%	76.78%	98.62%	64.64%

* The amounts presented for each fiscal year were determined as of September 30. The City implemented GASB Statement No. 67 for the fiscal year ending September 30, 2014. As a result the City is presenting information only for the years for which the information is available.

Notes to the schedules:

- (1) The Covered Payroll numbers shown are in compliance with GASB 82, except for the September 30, 2015 measurement period which includes DROP payroll.
- (2) For measurement date 9/30/21, the investment rate of return was lowered from 7.5% to 7.25% per year, net of investment related expense.

City of Cocoa, Florida
Required Other Pension Supplementary Information - Schedule of Changes in
Net Pension Liability and Related Ratios (Continued)
Last Ten Fiscal Years*

2017	2016	2015	2014
\$ 635,256	\$ 618,297	\$ 618,844	\$ 674,987
2,321,762	2,201,265	2,131,633	2,089,717
-	-	(997,832)	-
153,793	(374,962)	(513,866)	-
-	1,036,841	-	-
-	10,045	6,362	-
(2,040,254)	(1,964,221)	(1,414,928)	(958,641)
1,070,557	1,527,265	(169,787)	1,806,063
29,406,890	27,879,625	28,049,412	26,243,349
30,477,447	29,406,890	27,879,625	28,049,412
586,260	943,008	1,052,280	1,247,515
154,134	146,531	135,036	137,207
195,078	206,653	197,582	188,931
-	10,045	6,362	-
2,676,958	2,337,754	(751,053)	2,455,052
(2,040,254)	(1,964,221)	(1,414,928)	(958,641)
(65,640)	(68,661)	(70,689)	(64,627)
1,506,536	1,611,109	(845,410)	3,005,437
27,645,211	26,034,102	26,879,512	23,874,075
29,151,747	27,645,211	26,034,102	26,879,512
<u>\$ 1,325,700</u>	<u>\$ 1,761,679</u>	<u>\$ 1,845,523</u>	<u>\$ 1,169,900</u>
95.65%	94.01%	93.38%	95.83%
<u>\$ 3,001,194</u>	<u>\$ 3,179,278</u>	<u>\$ 3,657,284</u>	<u>\$ 2,906,638</u>
44.17%	55.41%	50.46%	40.25%

City of Cocoa, Florida
Required Other Supplementary Information - Schedule of Contributions
Last Ten Fiscal Years*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Firefighters' Pension Plan					
Actuarially Determined Contribution	\$ 1,699,711	\$ 1,696,098	\$ 1,628,901	\$ 1,457,011	\$ 1,389,575
Contributions in Relation to the Actuarially Determined Contributions	<u>(1,708,792)</u>	<u>(1,712,219)</u>	<u>(1,628,901)</u>	<u>(1,457,011)</u>	<u>(1,389,575)</u>
Contribution Deficiency (Excess)	<u>\$ (9,081)</u>	<u>\$ (16,121)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 2,454,101	\$ 2,212,494	\$ 2,168,687	\$ 2,201,921	\$ 2,194,527
Contributions as a Percentage of Covered Payroll	69.63%	77.39%	75.11%	66.17%	63.32%
General Employees' Pension Plan					
Actuarially Determined Contribution	\$ 189,622	\$ 236,082	\$ 342,201	\$ 522,632	\$ 585,687
Contributions in Relation to the Actuarially Determined Contributions	<u>(189,622)</u>	<u>(218,100)</u>	<u>(342,201)</u>	<u>(540,614)</u>	<u>(585,825)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ 17,982</u>	<u>\$ -</u>	<u>\$ (17,982)</u>	<u>\$ (138)</u>
Covered Payroll	N/A	N/A	\$ 22,014	\$ 79,071	\$ 79,071
Contributions as a Percentage of Covered Payroll	N/A	N/A	1554.47%	660.97%	740.71%
Police Officers' Pension Plan					
Actuarially Determined Contribution	\$ 765,400	\$ 868,583	\$ 958,990	\$ 1,049,727	\$ 1,001,224
Contributions in Relation to the Actuarially Determined Contributions	<u>(751,099)</u>	<u>(881,934)</u>	<u>(1,001,262)</u>	<u>(1,049,727)</u>	<u>(1,001,224)</u>
Contribution Deficiency (Excess)	<u>\$ 14,301</u>	<u>\$ (13,351)</u>	<u>\$ (42,272)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Employee Payroll	\$ 3,827,002	\$ 3,631,200	\$ 3,386,265	\$ 3,267,124	\$ 3,200,845
Contributions as a Percentage of Covered Payroll	19.63%	24.29%	29.57%	32.13%	31.28%

* GASB 67 requires information for 10 years. However, until a full 10-year trend is compiled, the City is presenting information only for the years for which information is available. The City implemented GASB 67 for the fiscal year ended September 30, 2014.

Notes to the schedules:

- (2) The Covered Payroll numbers shown are in compliance with GASB 82, except for the September 30, 2015 measurement period which includes DROP payroll. As of 9/30/21, there are no longer any active employees in the General Pension Plan.

City of Cocoa, Florida
Required Other Supplementary Information - Schedule of Contributions
Last Ten Fiscal Years*

2017	2016	2015	2014
\$ 1,437,725	\$ 1,506,307	\$ 1,571,205	\$ 1,815,579
<u>(1,437,725)</u>	<u>(1,506,307)</u>	<u>(1,571,205)</u>	<u>(1,815,579)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 2,259,157	\$ 2,341,531	\$ 2,257,178	\$ 2,072,106
63.64%	64.33%	69.61%	87.62%
\$ 622,133	\$ 651,442	\$ 711,229	\$ 789,489
<u>(622,133)</u>	<u>(651,442)</u>	<u>(711,229)</u>	<u>(789,489)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 99,870	\$ 165,865	\$ 360,114	\$ 282,176
622.94%	392.75%	197.50%	279.79%
\$ 740,394	\$ 1,089,539	\$ 1,187,316	\$ 1,384,722
<u>(740,394)</u>	<u>(1,089,539)</u>	<u>(1,187,316)</u>	<u>(1,384,722)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 3,001,194	\$ 3,179,278	\$ 3,657,284	\$ 2,906,638
24.67%	34.27%	32.46%	47.64%

City of Cocoa, Florida
Required Other Pension Supplementary Information - Notes to Schedule

Notes to Schedule

Valuation Date: 10/01/2021

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

Methods and assumptions used to determine contribution rates:

FIREFIGHTERS' PENSION PLAN

Valuation Date:	10/01/2021
Mortality	<p><i>Healthy Lives:</i> Female: PubS.H-2010 (Below Median) for Employees, set forward one year. Male: PubS.H-2010 (Below Median) for Employees, set forward one year. <i>Beneficiary Lives:</i> Female: PubG.H-2010 for Healthy Retirees. Male: PubG.H-2010 for Healthy Retirees set back one year. <i>Disabled Lives:</i> Female: 80% PubG.H-2010 for Disabled Retirees / 20% PubS.H-2010 for Disabled Retirees. Male: 80% PubG.H-2010 for Disabled Retirees / 20% PubS.H-2010 for Disabled Retirees.</p>
Interest Rate	7.15% per year compounded annually, net of investment related expenses.
Retirement Age	<p>Earlier of age 52 or the completion of 25 years of Credited Service if hired prior to 01/01/1999. Earlier of age 52 with 10 years of service or the completion of 25 years of Credited Service if hired between 01/01/1999 and 11/08/2015. Earlier of age 55 with 10 years of service or the completion of 25 years of Credited Service if hired after 11/08/2015.</p>
Salary Increases	10.0% for 0 years of service, 5.0% for 1-9 years of service, 4.5% for 10-14 years of service, 4.0% for 15 or more years of service.
Payroll Growth	None.
Cost of Living Increase	3.0% per year beginning at age 65.
Funding Method	Entry Age Normal Actuarial Cost Method.
Asset Smoothing Methodology	The Actuarial Value of Assets is brought forward using the historical 4-year geometric average of Market Value Returns, net of fees. Over time, this may result in a de minimis bias that is above or below the Market Value of Assets.

Termination and Disability Rate Table Years of Service / Age	% Terminating During the Year	% Becoming Disabled During the Year
0-2 / 20	7.0%	0.18%
3+ / 30	0.0%	0.23%
N/A / 40	N/A	0.38%
N/A / 50	N/A	1.25%
N/A / 60+	N/A	2.61%

City of Cocoa, Florida
Required Other Pension Supplementary Information - Notes to Schedule (Continued)

GENERAL EMPLOYEES' PENSION PLAN

Valuation Date:	10/01/2021
Mortality	<p><i>Healthy Lives:</i> Female: PubG.H-2010 (Above Median) for Healthy Retirees. Male: PubG.H-2010 for Healthy Retirees, set back one year.</p> <p><i>Beneficiary Lives:</i> Female: PubG.H-2010 for Healthy Retirees. Male: PubG.H-2010 (Above Median) for Healthy Retirees, set back one year.</p> <p><i>Disabled Lives:</i> Female: PubG.H-2010 for Disabled Retirees, set forward three years. Male: PubG.H-2010 for Disabled Retirees, set forward three years.</p>
Interest Rate	6.70% per year compounded annually, net of investment related expenses.
Retirement Age	Age 50 and 25 years of Credited Service, or age 57 (age 57 and 10 years of service if hired after 3/31/94).
Early Retirement	Age 55 and 10 years of credited service.
Payroll Growth	None.
Cost of Living Increase	3.0% per year beginning at age 65.
Funding Method	Entry Age Normal Actuarial Cost Method. An interest load equal to 1 year has been applied for determination of required sponsor contributions.
Asset Valuation Method	Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric 4-year average Market Value Returns, net of fees. It is possible that over time this technique will produce an insignificant bias above or below Market Value.
Termination and Disability Rate Table	The Plan has no active members therefore termination and disability rates do not apply.

City of Cocoa, Florida
Required Other Pension Supplementary Information - Notes to Schedule (Continued)

POLICE OFFICERS' PENSION PLAN

Valuation Date:	10/01/2021	
Mortality	<i>Healthy Lives:</i> Female: PubS.H-2010 (Below Median) for Employees, set forward one year. Male: PubS.H-2010 (Below Median) for Employees, set forward one year. <i>Beneficiary Lives:</i> Female: PubG.H-2010 for Healthy Retirees. Male: PubG.H-2010 for Healthy Retirees. <i>Disabled Lives:</i> Female: 80% PubG.H-2010 for Disabled Retirees / 20% Pub S.H-2010 for Disabled Retirees. Male: 80% PubG.H-2010 for Disabled Retirees / 20% Pub S.H-2010 for Disabled Retirees.	
Interest Rate	7.25% per year compounded annually, net of investment related expenses.	
Retirement Age	Earlier of: 1) Age 50 with 10 years of Credited Service, or 2) 25 years of Credited Service, regardless of age.	
Salary Increases	6.5% for 0 years of service, 4.5% for 1 to 5 years of service, 4.0% for 6 or more years of service.	
Payroll Growth	None.	
Cost of Living Increase	3.0% per year beginning at age 65.	
Funding Method	Entry Age Normal Actuarial Cost Method.	
Asset Smoothing Methodology	The Actuarial Value of Assets is brought forward using the historical 4-year geometric average of Market Value Returns, net of fees. Over time, this may result in a de minimis bias that is above or below the Market Value of Assets.	
Termination and Disability		
Rate Table	% Terminating	% Becoming Disabled
<u>Years of Service / Age</u>	<u>During the Year</u>	<u>During the Year</u>
0-1 / 20	17.0%	0.14%
2 / 30	10.0%	0.18%
3-19 / 40	4.0%	0.30%
20+ / 50	0.0%	1.00%
N/A / 60+	N/A	2.09%

City of Cocoa, Florida
Required Other Pension Supplementary Information - Schedule of Investment Returns
Last Ten Fiscal Years*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual Money-Weighted Rate of Return									
Net of Investment Expense									
Firefighters' Pension Plan	-17.24%	27.25%	7.89%	2.36%	11.12%	12.23%	9.03%	-0.19%	10.29%
General Employees' Pension Plan	-14.82%	22.57%	10.26%	2.59%	11.42%	13.04%	8.39%	0.69%	10.60%
Police Officers' Pension Plan	-14.54%	21.38%	8.55%	4.93%	6.41%	9.83%	9.11%	-2.80%	10.27%

* The amounts presented for each fiscal year were determined as of September 30. GASB 67 requires information for 10 years. However, until a full 10-year trend is compiled, the City is presenting information only for the years for which information is available.

City of Cocoa, Florida
Schedule of Changes in the City's Total OPEB Liability and Related Ratios
Last Ten Fiscal Years*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability					
Service Cost	\$ 1,116,296	\$ 1,156,667	\$ 858,707	\$ 950,505	\$ 1,007,663
Interest on the Total OPEB Liability	785,136	1,089,009	1,279,470	1,197,534	1,092,025
Changes in benefit terms	-	-	56,557	(12,150)	-
Difference between expected and actual experience of the Total OPEB Liability	-	(1,838,517)	-	788,341	-
Changes of assumptions and other inputs	838,504	(6,054,967)	5,055,380	(2,334,802)	(1,867,983)
Benefit payments	<u>(1,290,637)</u>	<u>(1,377,173)</u>	<u>(1,331,321)</u>	<u>(1,281,410)</u>	<u>(1,090,399)</u>
Net Change in Total OPEB Liability	<u>1,449,299</u>	<u>(7,024,981)</u>	<u>5,918,793</u>	<u>(691,982)</u>	<u>(858,694)</u>
 Total OPEB Liability (Beginning)	 <u>32,107,281</u>	 <u>39,132,262</u>	 <u>33,213,469</u>	 <u>33,905,451</u>	 <u>34,764,145</u>
 Total OPEB Liability (Ending)	 <u>\$ 33,556,580</u>	 <u>\$ 32,107,281</u>	 <u>\$ 39,132,262</u>	 <u>\$ 33,213,469</u>	 <u>\$ 33,905,451</u>
 Covered Employee Payroll at Measurement Period	 \$ 22,224,560	 \$ 19,179,731	 \$ 22,758,924	 \$ 21,560,496	 \$ 21,096,736
 Total OPEB Liability as a Percentage of Covered Employee Payroll	 150.99%	 167.40%	 171.94%	 154.05%	 160.71%

* GASB Statement No. 75 was implemented during the Fiscal Year 2018. GASB 75 requires information for 10 years. However, until a full 10-year trend is compiled, the City is only presenting information for the years for which information is available.

The discount rate was changed from 2.41% as of the beginning of the measurement period to 2.19% as of September 30, 2022 to reflect the changes in yields on the 20-year general obligation bonds between September 30, 2020 and September 30, 2021.

There are no assets accumulated in a trust for Other Post-Employment Benefits. The City utilizes a pay-as-you-go method of funding.

City of Cocoa, Florida
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual - General Fund
Year Ended September 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Taxes	\$ 11,054,437	\$ 11,054,437	\$ 11,361,377	\$ 306,940
Special assessments	3,055,407	3,055,407	3,119,213	63,806
Licenses and permits	1,604,402	1,604,402	2,055,611	451,209
Intergovernmental	2,611,263	3,019,811	3,484,349	464,538
Charges for services	13,797,845	6,759,269	7,456,969	697,700
Fines and forfeitures	14,000	14,000	40,941	26,941
Interest earnings/(loss)	203,300	203,300	(264,848)	(468,148)
Miscellaneous	426,858	388,567	642,856	254,289
Total revenues	32,767,512	26,099,193	27,896,468	1,797,275
Expenditures:				
Category:				
City council:				
Personal services	114,689	61,132	38,337	22,795
Operating expenditures	80,216	42,757	16,843	25,914
	194,905	103,889	55,180	48,709
City manager:				
Personal services	772,312	402,169	188,327	213,842
Operating expenditures	89,320	57,336	10,829	46,507
	861,632	459,505	199,156	260,349
Information technology:				
Personal services	879,511	501,603	301,097	200,506
Operating expenditures	1,269,084	676,012	363,809	312,203
Capital outlay	-	44,179	253,667	(209,488)
	2,148,595	1,221,794	918,573	303,221
General accounting:				
Personal services	1,080,348	717,742	354,264	363,478
Operating expenditures	25,885	28,296	8,832	19,464
	1,106,233	746,038	363,096	382,942
Purchasing:				
Personal services	285,367	153,893	94,784	59,109
Operating expenditures	10,190	5,431	1,866	3,565
	295,557	159,324	96,650	62,674
Utility accounting:				
Personal services	1,365,330	784,427	450,578	333,849
Operating expenditures	761,400	409,076	221,333	187,743
Capital outlay	-	38,088	35,719	2,369
	2,126,730	1,231,591	707,630	523,961
General operations:				
Personal services	1,872,826	792,976	722,647	70,329
Operating expenditures	2,225,843	2,868,346	820,040	2,048,306
Grants and Other Aids	1,174,996	1,174,996	1,105,744	69,252
	5,273,665	4,836,318	2,648,431	2,187,887
Emergency disaster:				
Personal services	-	82,402	82,397	5
Operating expenditures	58,900	16,301	280	16,021
	58,900	98,703	82,677	16,026
Human resources:				
Personal services	657,532	371,938	234,773	137,165
Operating expenditures	22,350	13,352	7,160	6,192
	679,882	385,290	241,933	143,357
City clerk:				
Personal services	232,247	133,185	82,142	51,043
Operating expenditures	20,969	11,177	4,769	6,408
	253,216	144,362	86,911	57,451

City of Cocoa, Florida
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual - General Fund (Continued)
Year Ended September 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
Expenditures:				
Category:				
Community services administration:				
Personal services	692,916	758,469	435,342	323,127
Operating expenditures	43,180	175,025	96,157	78,868
Grants and Other Aids	2,500	2,500	-	2,500
Capital outlay	-	1,208,621	458,621	750,000
	<u>738,596</u>	<u>2,144,615</u>	<u>990,120</u>	<u>1,154,495</u>
Fleet maintenance:				
Personal services	573,132	338,381	204,181	134,200
Operating expenditures	208,294	111,026	61,860	49,166
Capital outlay	103,000	353,986	341,815	12,171
	<u>884,426</u>	<u>803,393</u>	<u>607,856</u>	<u>195,537</u>
Facility management:				
Personal services	690,425	390,363	240,634	149,729
Operating expenditures	813,830	399,169	205,647	193,522
Capital outlay	99,060	521,056	319,650	201,406
	<u>1,603,315</u>	<u>1,310,588</u>	<u>765,931</u>	<u>544,657</u>
Total General Government	<u>16,225,652</u>	<u>13,645,410</u>	<u>7,764,144</u>	<u>5,881,266</u>
Police administration:				
Personal services	7,606,659	7,673,353	7,356,892	316,461
Operating expenditures	1,055,663	1,145,308	989,375	155,933
Capital outlay	443,048	457,595	457,595	-
	<u>9,105,370</u>	<u>9,276,256</u>	<u>8,803,862</u>	<u>472,394</u>
Police communications:				
Personal services	1,337,813	1,349,312	1,196,711	152,601
Operating expenditures	136,586	235,136	210,849	24,287
Capital outlay	106,757	-	-	-
	<u>1,581,156</u>	<u>1,584,448</u>	<u>1,407,560</u>	<u>176,888</u>
Police code enforcement:				
Personal services	329,414	404,850	343,140	61,710
Operating expenditures	58,505	49,840	41,674	8,166
	<u>387,919</u>	<u>454,690</u>	<u>384,814</u>	<u>69,876</u>
Fire department administration:				
Personal services	646,228	687,608	687,610	(2)
Operating expenditures	51,287	31,383	30,156	1,227
Capital outlay	38,725	45,340	43,158	2,182
	<u>736,240</u>	<u>764,331</u>	<u>760,924</u>	<u>3,407</u>
Fire department operations:				
Personal services	5,109,082	5,282,902	5,282,901	1
Operating expenditures	923,779	937,195	812,018	125,177
Capital outlay	88,000	93,464	92,464	1,000
	<u>6,120,861</u>	<u>6,313,561</u>	<u>6,187,383</u>	<u>126,178</u>
Total Public Safety	<u>17,931,546</u>	<u>18,393,286</u>	<u>17,544,543</u>	<u>848,743</u>

City of Cocoa, Florida
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual - General Fund (Continued)
Year Ended September 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
Expenditures:				
Category:				
Leisure services:				
Personal services	363,950	380,295	344,977	35,318
Operating expenditures	54,220	56,072	40,299	15,773
	418,170	436,367	385,276	51,091
Parks and beautification:				
Personal services	885,262	947,996	869,608	78,388
Operating expenditures	741,102	710,962	605,331	105,631
Capital outlay	90,288	632,792	473,778	159,014
	1,716,652	2,291,750	1,948,717	343,033
Total Recreation	2,134,822	2,728,117	2,333,993	394,124
Economic development:				
Personal services	189,016	156,235	156,234	1
Operating expenditures	27,592	42,545	31,970	10,575
	216,608	198,780	188,204	10,576
Total Economic Development	216,608	198,780	188,204	10,576
Public works administration:				
Personal services	225,983	247,011	239,292	7,719
Operating expenditures	18,084	20,684	17,309	3,375
Capital outlay	-	25,000	-	25,000
	244,067	292,695	256,601	36,094
Sanitation:				
Operating expenditures	2,829,638	2,942,014	2,942,013	1
	2,829,638	2,942,014	2,942,013	1
Capital projects management:				
Personal services	180,247	184,631	171,121	13,510
Operating expenditures	60,752	195,112	66,004	129,108
Capital outlay	45,000	2,479,504	170,657	2,308,847
	285,999	2,859,247	407,782	2,451,465
Total Physical Environment	3,359,704	6,093,956	3,606,396	2,487,560
Transportation:				
Personal services	359,641	337,265	286,032	51,233
Operating expenditures	758,198	770,756	583,397	187,359
Capital outlay	398,568	867,308	735,769	131,539
	1,516,407	1,975,329	1,605,198	370,131
Total Transportation	1,516,407	1,975,329	1,605,198	370,131
Debt Service:				
Debt Service Principal	-	-	50,876	(50,876)
Debt Service Interest	-	-	820	(820)
	-	-	51,696	(51,696)
Total Debt Service	-	-	51,696	(51,696)
Total expenditures	41,384,739	43,034,878	33,094,174	9,940,704
Excess (deficiency) of revenues over (under) expenditures	(8,617,227)	(16,935,685)	(5,197,706)	11,737,979
Other Financing Sources (Uses):				
Transfers in	10,202,649	11,431,579	12,695,338	1,263,759
Transfers out	(1,749,088)	(1,935,775)	(1,935,776)	(1)
Proceeds from sales of capital assets	-	-	42,206	42,206
Lease proceeds	-	-	213,323	213,323
Net other financing sources (uses)	8,453,561	9,495,804	11,015,091	1,519,287
Net change in fund balance	(163,666)	(7,439,881)	5,817,385	13,257,266
Fund balances, beginning of year	163,666	7,439,881	32,223,609	24,783,728
Fund balances, end of year	\$ -	\$ -	\$ 38,040,994	\$ 38,040,994

City of Cocoa, Florida
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual - Cocoa Redevelopment Agency
Year Ended September 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 1,619,080	\$ 1,619,080	\$ 1,481,997	\$ (137,083)
Interest earnings/(loss)	-	-	16,580	16,580
Miscellaneous	42,248	42,248	42,359	111
Total revenues	1,661,328	1,661,328	1,540,936	(120,392)
Expenditures:				
Economic development	1,486,980	784,149	130,761	653,388
Capital outlay	-	743,289	1,354,864	(611,575)
Principal	-	-	57,799	(57,799)
Interest	-	-	2,715	(2,715)
Total expenditures	1,486,980	1,527,438	1,546,139	(18,701)
Excess (deficiency) of revenues over (under) expenditures	174,348	133,890	(5,203)	(139,093)
Transfers in	-	-	3,221	3,221
Transfers out	(2,074,348)	(2,074,348)	(1,402,380)	671,968
Lease proceeds	-	-	652,108	652,108
Other financing sources	(2,074,348)	(2,074,348)	(747,051)	1,327,297
Net change in fund balance	(1,900,000)	(1,940,458)	(752,254)	1,188,204
Fund balances, beginning of year	1,900,000	1,940,458	2,451,422	510,964
Fund balances, end of year	\$ -	\$ -	\$ 1,699,168	\$ 1,699,168

The accompanying note to required supplementary information is an integral part of this schedule.

City of Cocoa, Florida
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual - American Rescue Plan
Year Ended September 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ -	\$ 3,316,892	\$ 761,141	\$ (2,555,751)
Interest earnings/(loss)	-	-	10,217	10,217
	-	-	-	-
Total revenues	-	3,316,892	771,358	(2,545,534)
Expenditures:				
General government	-	191,435	61,434	130,001
Economic development	-	80,603	30,603	50,000
Physical environment	-	731,636	-	731,636
Capital outlay	-	2,313,218	669,105	1,644,113
	-	-	-	-
Total expenditures	-	3,316,892	761,142	2,555,750
Net change in fund balance	-	-	10,216	10,216
Fund balances, beginning of year	-	-	3,266	3,266
Fund balances, end of year	\$ -	\$ -	\$ 13,482	\$ 13,482

The accompanying note to required supplementary information is an integral part of this schedule.

CITY OF COCOA, FLORIDA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

September 30, 2022

NOTE A - BUDGETARY INFORMATION

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

- Prior to September 1, the City Manager submits to the City Council a proposed budget for the fiscal year commencing the following October 1. The proposed budget includes proposed expenditures and the means of financing them. Complete copies of the proposed budget are open for public inspection until the budget is finally adopted.
- The required number of public hearings pursuant to Florida Statute are held by the City Council in September.
- Prior to October 1, the budget is legally enacted through passage of a resolution, which indicates amounts appropriated. The appropriated budget is prepared by fund, function and department.
- The budgets for governmental funds are adopted on a basis that is consistent with generally accepted accounting principles (GAAP). Budgeted amounts reflected in the accompanying budget and actual comparisons are as adopted, and subsequently amended, by the City Council.
- All appropriations which are not expended or accrued lapse at year end.
- The City's Charter establishes the level at which expenditures may not exceed appropriations at the general classification level. Resolution 2006-142, which amended the Office of Management and Budget (OMB) Policies and Procedures now known as the Financial Operations Manual (Policy), defines "general classification" as the object level as defined by the State of Florida Uniform Accounting System Manual. Expenditures are monitored and adjusted by management in accordance with the City's policies and procedures. In addition, management may not amend the original budget without approval of the City Council. The City Council, by majority vote, may amend the budget at any time during the fiscal year during its regular meetings.

Final adopted budgeted expenditures exceeded budgeted revenues in the General Fund, , Brevard County Home Program Fund, Building Permits Fund, Loan Guarantee Fund, Police Confiscated Fund Capital Projects Fund, and Debt Service Fund pursuant to the legally adopted budgets.



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CITY OF COCOA, FLORIDA

Nonmajor Governmental Funds

Special Revenue and Debt Service Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Debt service funds are used to account for financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Community Development Block Grant – This fund is used to account for revenues received from the Department of Housing and Urban Development (HUD). These monies are restricted specific projects approved by HUD under the terms of the agreement.

Brevard County Home Program – This fund is used to account for revenues received from the Department of Housing and Urban Development (HUD). through an interlocal agreement with Brevard County to act as the Participating Jurisdiction (lead agency) in the Brevard Consortium agreement with HUD. These monies are restricted by statute to specific projects approved by HUD under the terms of the interlocal agreement with Brevard County.

Cocoa Housing Assistance Trust Fund – This fund is used to account for funds received for the State Housing Initiatives Partnership (SHIP). The purpose of the program is to provide funds to local governments as an incentive for creating partnerships to produce and preserve affordable housing.

Loan Guarantee Fund – This is a special revenue fund that recorded the debt proceeds (Section 108 Loan Guarantee Program) of \$894,000 from HUD/U.S. Department of Housing & Urban Development to partially fund the Dr. Joe Lee Smith Community Center capital project. Debt service payments on the loan are also recorded in this fund.

Building Permits Fund - This special revenue fund is to account for building permit related revenue to assist with eaase in ensuring compliance with Florida Building Code.

Arbor Mitigation Fund - This special revenue fund was created to collect contributions to fund replacement trees on public property to enhance the City's tree preservvation and replacement requirements.

Police Confiscated Fund – This fund is used to account for police confiscated funds.

Police Special Education Fund– This fund is used to account for portions of revenues received from traffic fines. The purpose of the

fund is to administer police special education programs.

Federal Forfeiture Fund - This fund is used to account for funds received from the federal government through settled federal police cases.

Debt Service Fund – This fund is used to account for the servicing of general long-term debt not being financed by proprietary funds.

Capital Projects Fund - This fund was created to assist with reconciliation of large capital projects.

City of Cocoa, Florida
Combining Balance Sheet - Nonmajor Governmental Funds
September 30, 2022

	Special Revenue			
	Community Development Block Grant	Brevard County Home Program	Cocoa Housing Assistance Trust Fund	Loan Guarantee
Assets:				
Cash and cash equivalents	\$ 119,201	\$ 71,083	\$ 185,434	\$ 227
Investments	-	-	-	-
Accounts receivable, net	-	4,529	-	-
Due from other governments	159,041	124,085	-	-
Total assets	<u>\$ 278,242</u>	<u>\$ 199,697</u>	<u>\$ 185,434</u>	<u>\$ 227</u>
Liabilities:				
Accounts payable	12,842	40,037	18,937	-
Accrued payroll and related liabilities	1,032	-	-	-
Unearned revenue	-	-	117,816	-
Due to other governments	-	8,989	-	-
Escrow deposits	-	-	-	-
Total liabilities	<u>13,874</u>	<u>49,026</u>	<u>136,753</u>	<u>-</u>
Fund Balances:				
Restricted	264,368	150,671	48,681	227
Committed	-	-	-	-
Total fund balances (deficits)	<u>264,368</u>	<u>150,671</u>	<u>48,681</u>	<u>227</u>
Total liabilities and fund balances (deficits)	<u>\$ 278,242</u>	<u>\$ 199,697</u>	<u>\$ 185,434</u>	<u>\$ 227</u>

Special Revenue					Debt Service	Capital Projects
Police Confiscated Funds	Police Special Education	Federal Forfeiture	Arbor Mitigation	Building Permits Fund	Debt Service	Capital Projects Fund
\$ 41,852	\$ 35,189	\$ 8,102	\$ 41,366	\$ 1,148,823	\$ 180,993	\$ 2,422,028
-	-	-	-	-	547,023	-
-	-	-	-	-	-	-
-	127	24,656	-	-	-	-
<u>\$ 41,852</u>	<u>\$ 35,316</u>	<u>\$ 32,758</u>	<u>\$ 41,366</u>	<u>\$ 1,148,823</u>	<u>\$ 728,016</u>	<u>\$ 2,422,028</u>
-	569	-	-	17,852	136,274	-
-	-	-	-	5,764	-	-
-	-	-	-	-	-	-
-	-	-	-	2,056	-	-
<u>25,878</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>25,878</u>	<u>569</u>	<u>-</u>	<u>-</u>	<u>25,672</u>	<u>136,274</u>	<u>-</u>
15,974	34,747	32,758	-	1,123,151	591,742	-
-	-	-	41,366	-	-	2,422,028
<u>15,974</u>	<u>34,747</u>	<u>32,758</u>	<u>41,366</u>	<u>1,123,151</u>	<u>591,742</u>	<u>2,422,028</u>
<u>\$ 41,852</u>	<u>\$ 35,316</u>	<u>\$ 32,758</u>	<u>\$ 41,366</u>	<u>\$ 1,148,823</u>	<u>\$ 728,016</u>	<u>\$ 2,422,028</u>

Continued

City of Cocoa, Florida
Combining Balance Sheet - Nonmajor Governmental Funds
September 30, 2022

	Total Nonmajor Governmental Funds
Assets:	
Cash and cash equivalents	\$ 4,254,298
Investments	547,023
Accounts receivable, net	4,529
Due from other governments	<u>307,909</u>
Total assets	<u><u>\$ 5,113,759</u></u>
Liabilities:	
Accounts payable	226,511
Accrued payroll and related liabilities	6,796
Unearned revenue	117,816
Due to other governments	11,045
Escrow deposits	<u>25,878</u>
Total liabilities	<u>388,046</u>
Fund Balances:	
Restricted	2,262,319
Committed	<u>2,463,394</u>
Total fund balances (deficits)	<u>4,725,713</u>
Total liabilities and fund balances (deficits)	<u><u>\$ 5,113,759</u></u>

City of Cocoa, Florida
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended September 30, 2022

	Special Revenue			
	Community Development Block Grant	Brevard County Home Program	Cocoa Housing Assistance Trust Fund	Loan Guarantee
Revenues				
Licenses, permits, and fees	\$ -	\$ -	\$ -	\$ -
Intergovernmental	240,057	130,454	132,191	-
Fines and forfeitures	-	-	-	-
Interest earnings/(loss)	809	678	955	226
Miscellaneous	15,748	7,354	-	-
Total revenues	256,614	138,486	133,146	226
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Economic development	142,713	132,349	132,602	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	110,000
Interest	-	-	-	5,252
Total expenditures	142,713	132,349	132,602	115,252
Excess (deficiency) of revenues over (under) expenditures	113,901	6,137	544	(115,026)
Other Financing Sources				
Transfers in	147	1,494	-	115,252
Transfers out	(115,252)	-	-	-
Total other financing sources	(115,105)	1,494	-	115,252
Net change in fund balances	(1,204)	7,631	544	226
Fund balances, beginning of year	265,572	143,040	48,137	1
Fund balances (deficit), end of year	\$ 264,368	\$ 150,671	\$ 48,681	\$ 227

Special Revenue					Debt Service	Capital Projects
Police Confiscated Funds	Police Special Education	Federal Forfeiture	Arbor Mitigation	Building Permits Fund	Debt Service	Capital Projects Fund
\$ -	\$ -	\$ -	\$ -	\$ 766,991	\$ -	\$ -
-	-	-	-	-	-	-
12,547	2,988	24,656	-	-	-	-
229	189	45	185	6,217	(33,214)	15,951
-	-	-	41,181	3,829	-	-
12,776	3,177	24,701	41,366	777,037	(33,214)	15,951
-	-	-	-	-	45	-
-	1,507	-	-	495,216	(93)	-
-	-	-	-	-	-	-
12,548	-	-	-	30,459	-	-
-	-	-	-	-	1,298,000	-
-	-	-	-	-	588,644	-
12,548	1,507	-	-	525,675	1,886,596	-
228	1,670	24,701	41,366	251,362	(1,919,810)	15,951
-	-	-	-	11,979	1,897,001	-
-	-	-	-	-	(18,991)	(778,819)
-	-	-	-	11,979	1,878,010	(778,819)
228	1,670	24,701	41,366	263,341	(41,800)	(762,868)
15,746	33,077	8,057	-	859,810	633,542	3,184,896
\$ 15,974	\$ 34,747	\$ 32,758	\$ 41,366	\$ 1,123,151	\$ 591,742	\$ 2,422,028

Continued

City of Cocoa, Florida
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended September 30, 2022

	Total Nonmajor Governmental Funds
Revenues	
Licenses, permits, and fees	\$ 766,991
Intergovernmental	502,702
Fines and forfeitures	40,191
Interest earnings/(loss)	(7,730)
Miscellaneous	<u>68,112</u>
Total revenues	<u>1,370,266</u>
Expenditures	
Current:	
General government	45
Public safety	496,630
Economic development	407,664
Capital outlay	43,007
Debt service:	
Principal	1,408,000
Interest	<u>593,896</u>
Total expenditures	<u>2,949,242</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,578,976)</u>
Other Financing Sources	
Transfers in	2,025,873
Transfers out	<u>(913,062)</u>
Total other financing sources	<u>1,112,811</u>
Net change in fund balances	(466,165)
Fund balances, beginning of year	<u>5,191,878</u>
Fund balances (deficit), end of year	<u><u>\$ 4,725,713</u></u>

City of Cocoa, Florida
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual - Community Development Block Grant Program
Year Ended September 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 351,455	\$ 357,085	\$ 240,057	\$ (117,028)
Interest earnings/(loss)	-	-	809	809
Miscellaneous	-	7,636	15,748	8,112
Total revenues	351,455	364,721	256,614	(108,107)
Expenditures:				
Economic development	264,908	256,511	142,713	113,798
Total expenditures	264,908	256,511	142,713	113,798
Excess (deficiency) of revenues over (under) expenditures	86,547	108,210	113,901	5,691
Other Financing Sources:				
Transfers in	-	-	147	147
Transfers out	(112,258)	(115,252)	(115,252)	-
Net other financing sources	(112,258)	(115,252)	(115,105)	147
Net change in fund balance	(25,711)	(7,042)	(1,204)	5,838
Fund balances, beginning of year	25,711	7,042	265,572	258,530
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 264,368</u>	<u>\$ 264,368</u>

City of Cocoa, Florida
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual - Brevard County Home Program Fund
Year Ended September 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 230,501	\$ 79,466	\$ 130,454	\$ 50,988
Interest earnings/(loss)	-	-	678	678
Miscellaneous	-	-	7,354	7,354
Total revenues	230,501	79,466	138,486	59,020
Expenditures:				
Economic development	476,284	443,626	132,349	311,277
Total expenditures	476,284	443,626	132,349	311,277
Excess (deficiency) of revenues over (under) expenditures	(245,783)	(364,160)	6,137	370,297
Other Financing Sources:				
Transfers in	-	-	1,494	1,494
Net other financing sources	-	-	1,494	1,494
Net change in fund balance	(245,783)	(364,160)	7,631	371,791
Fund balances, beginning of year	245,783	364,160	143,040	(221,120)
Fund balances, end of year	\$ -	\$ -	\$ 150,671	\$ 150,671

City of Cocoa, Florida
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual - Cocoa Housing Assistance Trust Fund
Year Ended September 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 139,978	\$ 132,191	\$ 132,191	\$ -
Interest earnings/(loss)	-	295	955	660
Total revenues	139,978	132,486	133,146	660
Expenditures:				
Economic development	139,978	146,367	132,602	13,765
Total expenditures	139,978	146,367	132,602	13,765
Excess (deficiency) of revenues over (under) expenditures	-	(13,881)	544	14,425
Net change in fund balance	-	(13,881)	544	14,425
Fund balances, beginning of year	-	13,881	48,137	34,256
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 48,681</u>	<u>\$ 48,681</u>

City of Cocoa, Florida
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual - Loan Guarantee Fund
Year Ended September 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Interest earnings/(loss)	\$ -	\$ -	\$ 226	\$ 226
Total revenues	-	-	226	226
Expenditures:				
Principal	108,536	110,000	110,000	-
Interest	3,722	5,252	5,252	-
Total expenditures	112,258	115,252	115,252	-
Excess (deficiency) of revenues over (under) expenditures	(112,258)	(115,252)	(115,026)	226
Other Financing Sources:				
Transfers in	112,258	115,252	115,252	-
Net other financing sources	112,258	115,252	115,252	-
Net change in fund balance	-	-	226	226
Fund balances, beginning of year	-	-	1	1
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 227</u>	<u>\$ 227</u>

City of Cocoa, Florida
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual - Police Confiscated Funds
Year Ended September 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Fines and forfeitures	\$ -	\$ 12,547	\$ 12,547	\$ -
Interest earnings/(loss)	-	-	229	229
Total revenues	-	12,547	12,776	229
Expenditures:				
Public safety	6,104	6,104	-	6,104
Capital outlay	-	12,547	12,548	(1)
Total expenditures	6,104	18,651	12,548	6,103
Excess (deficiency) of revenues over (under) expenditures	(6,104)	(6,104)	228	6,332
Net change in fund balance	(6,104)	(6,104)	228	6,332
Fund balances, beginning of year	6,104	6,104	15,746	9,642
Fund balances, end of year	\$ -	\$ -	\$ 15,974	\$ 15,974

City of Cocoa, Florida
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual - Police Special Education Fund
Year Ended September 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Fines and forfeitures	\$ 4,500	\$ 4,500	\$ 2,988	\$ (1,512)
Interest earnings/(loss)	-	-	189	189
Total revenues	4,500	4,500	3,177	(1,323)
Expenditures:				
Public safety	4,500	4,500	1,507	2,993
Total expenditures	4,500	4,500	1,507	2,993
Excess (deficiency) of revenues over (under) expenditures	-	-	1,670	1,670
Net change in fund balance	-	-	1,670	1,670
Fund balances, beginning of year	-	-	33,077	33,077
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,747</u>	<u>\$ 34,747</u>

City of Cocoa, Florida
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual - Federal Forfeiture
Year Ended September 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Fines and forfeitures	\$ -	\$ -	\$ 24,656	\$ 24,656
Interest earnings/(loss)	-	-	45	45
	<u>-</u>	<u>-</u>	<u>24,701</u>	<u>24,701</u>
Total revenues	-	-	24,701	24,701
Net change in fund balance	-	-	24,701	24,701
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>8,057</u>	<u>8,057</u>
Fund balances, end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 32,758</u></u>	<u><u>\$ 32,758</u></u>

City of Cocoa, Florida
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual - Arbor Mitigation
Year Ended September 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Interest earnings/(loss)	\$ -	\$ -	\$ 185	\$ 185
Miscellaneous	-	-	41,181	41,181
	<u>-</u>	<u>-</u>	<u>41,366</u>	<u>41,366</u>
Total revenues	-	-	41,366	41,366
	<u>-</u>	<u>-</u>	<u>41,366</u>	<u>41,366</u>
Net change in fund balance	-	-	41,366	41,366
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, beginning of year	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,366</u>	<u>\$ 41,366</u>

City of Cocoa, Florida
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual - Building Permits Fund
Year Ended September 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Licenses, permits, and fees	\$ 303,000	\$ 303,000	\$ 766,991	\$ 463,991
Interest earnings/(loss)	-	-	6,217	6,217
Miscellaneous	-	-	3,829	3,829
Total revenues	303,000	303,000	777,037	474,037
Expenditures:				
Public safety	620,060	696,521	495,216	201,305
Capital outlay	-	30,459	30,459	-
Total expenditures	620,060	726,980	525,675	201,305
Excess (deficiency) of revenues over (under) expenditures	(317,060)	(423,980)	251,362	675,342
Other Financing Sources:				
Transfers in	-	(2,141)	11,979	14,120
Net other financing sources	-	(2,141)	11,979	14,120
Net change in fund balance	(317,060)	(426,121)	263,341	689,462
Fund balances, beginning of year	317,060	426,121	859,810	433,689
Fund balances, end of year	\$ -	\$ -	\$ 1,123,151	\$ 1,123,151

City of Cocoa, Florida
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual - Debt Service Fund
Year Ended September 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Interest earnings/(loss)	\$ -	\$ 2,605	\$ (33,214)	\$ (35,819)
Total revenues	-	2,605	(33,214)	(35,819)
Expenditures:				
General government	-	48	45	3
Public safety	-	-	(93)	93
Principal	1,163,000	1,298,000	1,298,000	-
Interest	586,088	589,927	588,644	1,283
Total expenditures	1,749,088	1,887,975	1,886,596	1,379
Excess (deficiency) of revenues over (under) expenditures	(1,749,088)	(1,885,370)	(1,919,810)	(34,440)
Other Financing Sources:				
Transfers in	1,749,088	1,897,001	1,897,001	-
Transfers out	-	(18,993)	(18,991)	2
Net other financing sources	1,749,088	1,878,008	1,878,010	2
Net change in fund balance	-	(7,362)	(41,800)	(34,438)
Fund balances, beginning of year	-	7,362	633,542	626,180
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 591,742</u>	<u>\$ 591,742</u>

City of Cocoa, Florida
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual - Capital Projects Fund
Year Ended September 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ -	\$ 2,319,585	\$ -	\$ (2,319,585)
Interest earnings/(loss)	-	-	15,951	15,951
Total revenues	-	2,319,585	15,951	(2,303,634)
Expenditures:				
Physical environment	671,968	671,968	-	671,968
Capital outlay	-	3,819,585	-	3,819,585
Total expenditures	671,968	4,491,553	-	4,491,553
Excess (deficiency) of revenues over (under) expenditures	(671,968)	(2,171,968)	15,951	2,187,919
Other Financing Sources:				
Transfers in	671,968	671,968	-	(671,968)
Transfers out	-	(778,819)	(778,819)	-
Net other financing sources	671,968	(106,851)	(778,819)	(671,968)
Net change in fund balance	-	(2,278,819)	(762,868)	1,515,951
Fund balances, beginning of year	-	2,278,819	3,184,896	906,077
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,422,028</u>	<u>\$ 2,422,028</u>

CITY OF COCOA, FLORIDA

Internal Service Funds

Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its workers compensation insurance and health care insurance.

The City maintains the following Internal Service Funds:

Workers Compensation Internal Service Fund – This fund is used to account for workers compensation services provided to other funds and the component units of the City on a cost reimbursement basis.

Health Insurance Internal Service Fund – This fund is used to account for health care insurance services provided to employees and eligible retirees of the City on a cost reimbursement basis. The Health Insurance Fund was closed as of September 30, 2022 due to the City being fully insured for health insurance.



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City of Cocoa, Florida
Combining Statement of Net Position - Internal Service Funds
September 30, 2022

	Internal Service Fund		
	Workers' Compensation	Health Care Insurance	Total
Assets:			
Current assets:			
Cash and cash equivalents	\$ 1,213,273	\$ -	\$ 1,213,273
Investments	2,740,437	-	2,740,437
Prepaid items	228,755	-	228,755
Total assets	4,182,465	-	4,182,465
Liabilities:			
Current liabilities (payable from current assets):			
Accounts and claims payable	63,975	-	63,975
Accrued claims payable	992,000	-	992,000
Due to other governments	3,107	-	3,107
Total current liabilities	1,059,082	-	1,059,082
Noncurrent liabilities:			
Accrued claims payable	1,084,000	-	1,084,000
Total noncurrent liabilities	1,084,000	-	1,084,000
Total liabilities	2,143,082	-	2,143,082
Net Position			
Unrestricted (deficit)	2,039,383	-	2,039,383
Total net position	\$ 2,039,383	\$ -	\$ 2,039,383

City of Cocoa, Florida
Combining Statement of Revenue, Expenses, and Changes in Fund Net Position -
Internal Service Funds
Year Ended September 30, 2022

	Internal Service Fund		
	Workers' Compensation	Health Care Insurance	Total
Operating revenues:			
Charges for services	\$ 1,230,523	\$ 210,145	\$ 1,440,668
Other charges and fees	43,171	-	43,171
Total operating revenues	1,273,694	210,145	1,483,839
Operating expenses:			
Insurance claims and expenses	280,454	(922,899)	(642,445)
Total operating expenses	280,454	(922,899)	(642,445)
Operating income (loss)	993,240	1,133,044	2,126,284
Nonoperating revenues (expenses):			
Interest Income/(loss)	(180,637)	11,674	(168,963)
Total nonoperating revenues (expenses)	(180,637)	11,674	(168,963)
Income (loss) before transfers	812,603	1,144,718	1,957,321
Transfers in	39,539	-	39,539
Transfers out	(315,356)	(2,235,202)	(2,550,558)
Change in net position	536,786	(1,090,484)	(553,698)
Net position (deficit), beginning	1,502,597	1,090,484	2,593,081
Net position (deficit), end of year	<u>\$ 2,039,383</u>	<u>\$ -</u>	<u>\$ 2,039,383</u>

City of Cocoa, Florida
Combining Statement of Cash Flows - Internal Service Funds
Year Ended September 30, 2022

	Internal Service Fund		
	Workers' Compensation	Health Care Insurance	Total
Cash flows from operating activities			
Cash received from customers for sales and services	\$ 1,308,097	\$ 240,708	\$ 1,548,805
Cash paid to suppliers for goods and services	3,107	-	3,107
Cash payments for insurance and claims expenses	(1,456,450)	(305,842)	(1,762,292)
Net cash provided by (used in) operating activities	(145,246)	(65,134)	(210,380)
Cash flows from noncapital financing			
Cash transfers in from other funds	39,539	-	39,539
Cash transfers out to other funds	(315,356)	(2,235,202)	(2,550,558)
Net cash provided by (used in) noncapital financing	(275,817)	(2,235,202)	(2,511,019)
Cash flows from investing activities:			
Investment income/(loss)	(180,637)	11,674	(168,963)
Purchase of investments	483,253	-	483,253
Net cash provided by (used in) investing activities	302,616	11,674	314,290
Net increase (decrease) in cash and cash equivalents	(118,447)	(2,288,662)	(2,407,109)
Cash and cash equivalents, beginning of year	1,331,720	2,288,662	3,620,382
Cash and cash equivalents, end of year	\$ 1,213,273	\$ -	\$ 1,213,273
Reconciliation of operating income (loss) to net cash used in operating activities			
Operating income (loss)	\$ 993,240	\$ 1,133,044	\$ 2,126,284
Adjustments to reconcile operating income (loss) to net cash used in operating activities:			
Change in assets and liabilities:			
(Increase) decrease in assets:			
Accounts receivable	34,403	30,563	64,966
Prepaid items	(40,127)	-	(40,127)
Increase (decrease) in liabilities:			
Accounts and claims payable	(276,869)	-	(276,869)
Due to Other Governments	3,107	-	3,107
Accrued claims payable	(859,000)	(1,228,741)	(2,087,741)
Total adjustments	(1,138,486)	(1,198,178)	(2,336,664)
Net cash used in operating activities	\$ (145,246)	\$ (65,134)	\$ (210,380)
Noncash capital and related financing activities:			
There were no significant non-cash transactions			



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STATISTICAL SECTION

STATISTICAL SECTION

This part of the City of Cocoa, 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.

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B. Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local own-source revenues such as ad valorem property taxes, local business taxes, and building permit revenues.

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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.

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

- Schedule 18** Demographic and Economic Statistics
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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.

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Additional Notes

Unless otherwise noted, the information in these schedules is derived from the City's Annual Comprehensive Financial Report (ACFR), financial records, and other departmental sources for the relevant year.

City of Cocoa, Florida**Net Position by Component****Last Ten Fiscal Years - (accrual basis of accounting)**

	2022	2021	2020	2019	2018
Governmental activities					
Net investment in capital assets	\$ 38,679,745	\$ 35,752,513	\$ 35,811,644	\$ 29,498,816	\$ 28,913,932
Restricted	4,041,969	1,453,324	852,844	941,298	695,990
Unrestricted	3,335,395	2,992,511	(6,113,171)	(2,679,661)	186,695
Total governmental activities net position	46,057,109	40,198,348	30,551,317	27,760,453	29,796,617
Business-type activities					
Net investment in capital assets	147,634,466	144,119,852	144,746,450	142,364,912	138,261,322
Restricted	37,630,039	33,156,536	27,826,376	11,381,896	11,227,943
Unrestricted	25,942,805	2,089,919	8,350,313	12,438,861	6,749,377
Total business-type activities net position	211,207,310	179,366,307	180,923,139	166,185,669	156,238,642
Primary government					
Net investment in capital assets	186,314,211	179,872,365	180,558,094	171,863,728	167,175,254
Restricted	41,672,008	34,609,860	28,679,220	12,323,194	11,923,933
Unrestricted	29,278,200	5,082,430	2,237,142	9,759,200	6,936,072
Total primary government net position	\$ 257,264,419	\$ 219,564,655	\$ 211,474,456	\$ 193,946,122	\$ 186,035,259

Note: Accounting standards require that net position be reported in three components in the financial statements. Net investment in capital assets; restricted; and unrestricted. Net position is considered restricted only when an external part, such as the state or federal government, places a restriction on how the resources may be used, or through enabling legislation enacted by the City.

The City began identifying the Working Capital Reserve component of net position on the financial statements in FY2020. The Working Capital Reserve is equal to 6 months of the Utility and the Stormwater Fund's operating expenses.

City of Cocoa, Florida

Net Position by Component

Last Ten Fiscal Years - (accrual basis of accounting)

2017	2016	2015	2014	2013
\$ 19,280,723	\$ 25,293,324	\$ 20,134,496	\$ 19,145,644	\$ 18,770,655
260,393	281,203	252,338	87,030	80,456
17,399,902	11,063,634	10,786,642	23,184,495	18,771,455
36,941,018	36,638,161	31,173,476	42,417,169	37,622,566
132,683,806	115,435,116	103,777,006	93,350,606	81,193,813
12,395,504	11,818,615	11,822,514	11,824,666	12,658,876
7,335,232	12,143,637	16,743,125	29,178,323	36,216,604
152,414,542	139,397,368	132,342,645	134,353,595	130,069,293
151,964,529	140,728,440	123,911,502	112,496,250	99,964,468
12,655,897	12,099,818	12,074,852	11,911,696	12,739,332
24,735,134	23,207,271	27,529,767	52,362,818	54,988,059
\$ 189,355,560	\$ 176,035,529	\$ 163,516,121	\$ 176,770,764	\$ 167,691,859

City of Cocoa, Florida**Changes in Net Position****Last Ten Fiscal Years - (accrual basis of accounting)**

	2022	2021	2020	2019
Expenses				
Governmental activities:				
General government	\$ 8,369,986	\$ 15,177,191	\$ 14,796,779	\$ 14,712,121
Public safety	19,124,110	14,482,282	17,278,095	18,071,667
Recreation	1,982,854	1,496,465	1,535,106	1,607,032
Economic development	1,062,590	1,453,161	834,415	3,008,059
Physical environment	3,444,418	2,496,002	2,621,199	2,376,579
Transportation	1,103,133	1,075,246	1,445,676	1,221,639
Interest on long-term debt	573,249	5,959,900	621,498	649,182
Unallocated depreciation	-	-	-	-
Total governmental activities expenses	35,660,340	42,140,247	39,132,768	41,646,279
Business-type activities:				
Water and sewer	55,222,159	50,809,040	54,022,806	52,538,165
Stormwater utility	1,330,825	1,347,820	1,635,171	1,522,778
Total business-type activities	56,552,984	52,156,860	55,657,977	54,060,943
Total primary government activities	\$ 92,213,324	\$ 94,297,107	\$ 94,790,745	\$ 95,707,222
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 419,433	\$ 7,137,848	\$ 7,301,994	\$ 6,599,101
Public safety	4,492,653	4,288,892	3,160,398	3,013,695
Recreation	109,397	103,524	97,240	140,797
Economic development	-	-	-	-
Physical environment	6,622,088	5,718,099	5,168,075	5,330,167
Operating grants and contributions	2,771,593	3,055,169	1,956,391	2,439,991
Capital grants and contributions	755,253	1,600,242	1,803,247	600,292
Total governmental activities program revenues	15,170,417	21,903,774	19,487,345	18,124,043
Business-type activities:				
Charges for services:				
Water and sewer	75,562,582	70,592,100	71,399,930	65,298,095
Stormwater utility	1,984,061	1,869,683	1,680,054	1,654,080
Operating grants and contributions	26,954	-	-	-
Capital grants and contributions	2,685,358	5,338,039	4,280,474	3,324,099
Total business-type activities program revenues	80,258,955	77,799,822	77,360,458	70,276,274
Total primary government program revenues	\$ 95,429,372	\$ 99,703,596	\$ 96,847,803	\$ 88,400,317

Schedule 2

2018	2017	2016	2015	2014	2013
\$ 14,324,743	\$ 13,131,276	\$ 12,001,545	\$ 12,192,945	\$ 11,008,561	\$ 10,744,769
16,768,238	16,180,830	12,593,567	15,887,751	15,569,379	15,157,432
1,476,661	1,404,532	1,221,987	1,236,510	1,248,559	1,153,649
1,192,366	1,534,682	817,422	1,075,995	849,547	943,819
2,304,779	3,144,201	3,055,646	3,061,232	2,774,929	2,875,482
774,532					
676,437	1,180,788	565,742	592,542	608,239	624,801
-	129,012	128,124	1,303,323	1,720,039	1,703,523
37,517,756	36,705,321	30,384,033	35,350,298	33,779,253	33,203,475
47,733,339	46,549,681	44,710,558	43,873,364	41,911,372	41,298,779
1,218,376	1,152,168	1,167,900	1,023,881	1,014,924	950,220
48,951,715	47,701,849	45,878,458	44,897,245	42,926,296	42,248,999
\$ 86,469,471	\$ 84,407,170	\$ 76,262,491	\$ 80,247,543	\$ 76,705,549	\$ 75,452,474
\$ 6,254,900	\$ 7,095,604	\$ 6,040,226	\$ 5,975,125	\$ 5,969,111	\$ 5,988,279
2,560,844	2,292,471	2,219,789	2,000,615	1,669,761	1,294,010
123,745	132,735	197,801	182,574	253,249	269,316
-	195,121	78,120	166,553	232,543	374,430
5,312,519	5,346,364	5,367,608	5,374,671	5,275,079	5,161,816
1,953,430	2,862,670	2,070,571	2,082,850	2,528,861	2,128,951
72,781	946,130	1,650,174	683,729	628,308	562,776
16,278,219	18,871,095	17,624,289	16,466,117	16,556,912	15,779,578
62,391,805	59,695,998	56,433,043	54,719,795	55,488,254	53,740,469
1,704,541	1,481,312	1,376,341	1,312,233	1,212,723	1,154,911
-	762,202	608,791	605,525	606,178	624,792
3,783,027	5,098,296	1,283,545	2,797,467	2,123,484	862,205
67,879,373	67,037,808	59,701,720	59,435,020	59,430,639	56,382,377
\$ 84,157,592	\$ 85,908,903	\$ 77,326,009	\$ 75,901,137	\$ 75,987,551	\$ 72,161,955

Schedule 2 (continued)

Net (Expense)/Revenue	2022	2021	2020	2019
Governmental activities	\$ (20,489,923)	\$ (14,872,563)	\$ (19,665,359)	\$ (23,522,236)
Business-type activities	23,705,971	25,642,962	21,702,481	16,215,331
Total primary government net revenue (expense)	\$ 3,216,048	\$ 10,770,399	\$ 2,037,122	\$ (7,306,905)
General Revenues and Other Changes in Net Position				
Governmental activities:				
Property taxes	\$ 7,675,100	\$ 6,769,653	\$ 6,387,378	\$ 5,635,515
Public utility and telecommunication taxes	3,067,937	2,905,770	2,696,257	2,611,295
Franchise taxes	1,987,873	1,644,489	1,501,869	1,556,102
Shared revenues not restricted to specific programs	3,369,050	3,014,567	2,790,053	2,435,036
Gain on sale of capital assets	42,206	41,655	36,113	-
Unrestricted investment earnings	(414,746)	150,447	358,105	668,857
Miscellaneous	2,659,069	828,665	477,476	195,168
Transfers, net	7,962,195	9,164,348	8,208,972	8,384,099
Special item	-	-	-	-
Total governmental activities	26,348,684	24,519,594	22,456,223	21,486,072
Business-type activities:				
Unrestricted investment earnings	(2,338,768)	101,372	1,046,181	2,041,815
Miscellaneous	227,026	49,245	124,444	-
Gain on sale of capital assets	8,969	13,937	73,336	73,980
Transfers, net	(7,962,195)	(9,164,348)	(8,208,972)	(8,384,099)
Special item	-	-	-	-
Total business-type activities	(10,064,968)	(8,999,794)	(6,965,011)	(6,268,304)
Total primary government	\$ 16,283,716	\$ 15,519,800	\$ 15,491,212	\$ 15,217,768
Change in Net Position				
Governmental activities	\$ 5,858,761	\$ 9,647,031	\$ 2,790,864	\$ (2,036,164)
Business-type activities	13,641,003	16,643,168	14,737,470	9,947,027
Total primary government	\$ 19,499,764	\$ 26,290,199	\$ 17,528,334	\$ 7,910,863

City of Cocoa, Florida
Changes in Net Position (Continued)
Last Ten Fiscal Years - (accrual basis of accounting)

2018	2017	2016	2015	2014	2013
\$ (21,239,537)	\$ (17,834,226)	\$ (12,759,744)	\$ (18,884,181)	\$ (17,222,341)	\$ (17,423,897)
18,927,658	19,335,959	13,823,262	14,537,775	16,504,343	14,133,378
\$ (2,311,879)	\$ 1,501,733	\$ 1,063,518	\$ (4,346,406)	\$ (717,998)	\$ (3,290,519)
\$ 5,168,838	\$ 5,000,611	\$ 4,699,241	\$ 4,528,807	\$ 4,520,106	\$ 4,435,865
2,628,618	2,169,692	2,179,176	2,142,546	2,011,573	2,152,855
1,454,938	1,438,506	1,418,014	1,427,925	1,392,338	1,332,827
3,706,378	2,340,469	2,088,744	2,012,550	1,983,054	1,917,889
9,271					
142,396	56,406	100,577	154,667	90,445	182,955
395,608	550,203	503,570	829,289	529,855	739,177
7,280,466	6,590,172	7,226,129	11,102,408	11,706,620	9,516,047
-	-	-	-	-	-
20,786,513	18,146,059	18,215,451	22,198,192	22,233,991	20,277,615
217,198	175,279	235,491	283,248	232,887	(90,540)
-	42,959	69,094	75,422	127,933	44,805
97,002	53,149	153,005	-	-	-
(7,280,466)	(6,590,172)	(7,226,129)	(11,102,408)	(11,706,620)	(9,516,047)
-	-	-	-	-	-
(6,966,266)	(6,318,785)	(6,768,539)	(10,743,738)	(11,345,800)	(9,561,782)
\$ 13,820,247	\$ 11,827,274	\$ 11,446,912	\$ 11,454,454	\$ 10,888,191	\$ 10,715,833
\$ (453,024)	\$ 311,833	\$ 5,455,707	\$ 3,314,011	\$ 5,011,650	\$ 2,853,718
11,961,392	13,017,174	7,054,723	3,794,037	5,158,543	4,571,596
\$ 11,508,368	\$ 13,329,007	\$ 12,510,430	\$ 7,108,048	\$ 10,170,193	\$ 7,425,314

City of Cocoa, Florida**Fund Balances, Governmental Funds****Last Ten Fiscal Years - (modified accrual basis of accounting)**

	2022	2021	2020	2019
General Fund				
Nonspendable	\$ 338,544	\$ 1,619,914	\$ 1,470,589	\$ 1,666,589
Restricted	67,000	67,000	69,234	-
Committed	11,844,641	11,844,641	12,271,647	12,288,375
Assigned	12,260,884	8,640,013	8,779,000	6,250,000
Unassigned	13,529,925	10,052,041	4,894,070	5,396,667
Total general fund	\$ 38,040,994	\$ 32,223,609	\$ 27,484,540	\$ 25,601,631
All other Governmental Funds				
Nonspendable	\$ -	\$ 6,878	\$ 5,435	\$ 6,603
Restricted	3,974,969	4,451,526	3,366,108	3,314,866
Committed	2,463,394	3,184,896	3,568,732	7,981,809
Assigned	-	-	-	-
Unassigned (deficit)	-	-	-	(66,298)
Total all other government funds	\$ 6,438,363	\$ 7,643,300	\$ 6,940,275	\$ 11,236,980

Schedule 3

2018	2017	2016	2015	2014	2013
\$ 1,768,057	\$ 297,130	\$ 172,051	\$ 438,024	\$ 232,583	\$ 245,679
-	-	-	-	-	-
11,400,743	10,403,251	10,000,000	10,000,000	10,200,000	10,200,000
14,494,250	11,600,000	10,855,020	10,855,020	1,520,181	1,370,443
5,148,440	9,877,964	11,976,517	14,297,920	18,192,939	11,823,962
<u>\$ 32,811,490</u>	<u>\$ 32,178,345</u>	<u>\$ 33,003,588</u>	<u>\$ 35,590,964</u>	<u>\$ 30,145,703</u>	<u>\$ 23,640,084</u>
\$ 4,915	\$ 848,268	\$ 898,415	\$ 968,115	\$ 996,435	\$ 1,041,106
2,551,525	1,236,715	281,203	252,338	87,030	80,456
1,716,632	-	-	-	-	-
-	5,860,345	1,915,995	2,358,327	2,674,300	3,020,454
-	(123,735)	237,552	(63,357)	(271,886)	(426,370)
<u>\$ 4,273,072</u>	<u>\$ 7,821,593</u>	<u>\$ 3,333,165</u>	<u>\$ 3,515,423</u>	<u>\$ 3,485,879</u>	<u>\$ 3,715,646</u>

City of Cocoa, Florida

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years - (modified accrual basis of accounting)

	2022	2021	2020	2019
Revenues				
Taxes*	\$ 11,361,377	\$ 10,275,024	\$ 9,677,404	\$ 8,829,764
Special Assessments	3,119,213	2,820,550	2,721,693	-
Licenses and permits*	2,822,602	2,731,283	1,963,338	4,485,335
Intergovernmental*	6,230,189	6,421,491	5,446,234	4,559,650
Charges for services*	7,456,969	12,923,865	12,117,136	11,637,669
Fines and forfeitures	81,132	22,350	21,024	28,802
Investment earnings	(245,781)	135,609	299,109	492,683
Miscellaneous	753,327	781,243	1,285,582	1,286,535
Total revenues	31,579,028	36,111,415	33,531,520	31,320,438
Expenditures				
General government	6,416,151	13,489,944	13,823,252	12,770,519
Public safety	17,447,956	16,365,131	15,367,802	15,082,113
Economic development	757,232	1,419,925	680,050	2,252,073
Recreation	1,860,215	1,399,392	1,326,355	1,391,840
Physical environment	3,435,739	2,566,011	2,500,070	2,266,188
Transportation	869,429	880,011	1,262,206	1,070,922
Capital outlay	5,449,869	1,747,473	8,354,051	2,494,869
Principal	1,516,675	1,384,000	1,105,000	1,302,873
Interest	597,431	620,171	645,679	726,183
Other Debt Service	-	-	19,936	-
Bond issuance costs	-	-	-	-
Total expenditures	38,350,697	39,872,058	45,084,401	39,357,580
Deficiency of revenues under expenditures	(6,771,669)	(3,760,643)	(11,552,881)	(8,037,142)
Other financing sources (uses)				
Transfers in	14,724,432	12,480,592	11,217,983	16,298,453
Transfers out	(4,251,218)	(3,316,244)	(3,009,011)	(7,914,354)
Proceeds from sale of capital assets	42,206	41,655	36,113	18,069
Lease proceeds	865,431	-	-	-
Payment to refunded debt escrow agent	-	-	-	-
Bond discount	-	-	-	-
Bond premium	-	-	-	-
Debt issuance	-	-	894,000	-
Total other financing sources (uses)	11,380,851	9,206,003	9,139,085	8,402,168
Net change in fund balances	\$ 4,609,182	\$ 5,445,360	\$ (2,413,796)	\$ 365,026
Debt service as a percentage of noncapital expenditures	6.4%	5.3%	0.0%	5.5%

*2012 and 2011 amounts have been restated to be consistent with the 2013 presentation.

Schedule 4

2018	2017	2016	2015	2014	2013
\$ 7,797,456	\$ 7,170,303	\$ 8,296,431	\$ 8,099,278	\$ 7,924,017	\$ 7,921,547
-	-	-	-	-	-
4,122,684	5,005,518	313,935	181,103	167,418	203,595
5,342,696	6,091,329	5,495,267	5,238,875	4,512,528	4,361,263
11,376,107	11,247,118	13,404,589	13,292,807	12,917,593	12,458,121
43,643	42,184	93,881	42,560	62,464	35,669
73,525	89,494	131,533	192,048	70,053	173,736
1,269,512	732,555	705,100	858,069	885,609	1,576,734
30,025,623	30,378,501	28,440,736	27,904,740	26,539,682	26,730,665
11,940,914	11,519,260	10,342,933	9,987,287	9,199,043	9,186,111
14,249,945	13,586,273	14,348,468	13,521,776	13,588,277	13,124,375
1,003,355	1,563,100	959,938	1,155,565	950,343	1,048,240
1,231,144	1,203,552	1,106,032	1,142,761	1,194,672	1,061,993
2,198,447	3,188,741	2,826,143	3,161,046	2,498,692	2,685,860
621,326	-	-	-	-	-
7,210,525	7,759,900	6,431,769	5,028,077	3,022,931	2,808,239
1,084,910	1,031,000	1,143,729	1,070,500	934,036	1,198,393
700,618	628,762	557,042	583,843	599,540	616,102
-	-	-	-	-	-
-	283,542	-	-	-	-
40,241,184	40,764,130	37,716,054	35,650,855	31,987,534	31,729,313
(10,215,561)	(10,385,629)	(9,275,318)	(7,746,115)	(5,447,852)	(4,998,648)
7,990,703	7,014,528	7,873,404	11,159,572	11,877,562	9,564,909
(816,158)	(424,356)	(1,457,807)	(57,164)	(170,942)	(48,862)
23,773	52,486	90,087	108,512	17,084	2,023
101,472	-	-	-	-	-
-	(9,928,053)	-	-	-	-
-	(42,045)	-	-	-	-
-	511,647	-	-	-	-
-	16,865,000	-	2,010,000	-	1,250,000
7,299,790	14,049,207	6,505,684	13,220,920	11,723,704	10,768,070
\$ (2,915,771)	\$ 3,663,578	\$ (2,769,634)	\$ 5,474,805	\$ 6,275,852	\$ 5,769,422
5.4%	5.0%	5.4%	5.4%	5.3%	6.3%

City of Cocoa, Florida**General Governmental Revenues by Sources****Last Ten Fiscal Years - (accrual basis of accounting)****Schedule 5**

Fiscal Year	Property Taxes	Utility Taxes and Franchise Fees	Inter- governmental (1)*	Other*	Totals
2022	\$ 7,675,100	\$ 5,055,810	\$ 6,230,189	\$ 12,617,929	\$ 31,579,028
2021	6,769,653	5,149,860	6,421,491	17,770,411	36,111,415
2020	6,387,378	4,198,126	5,446,234	17,499,782	33,531,520
2019	5,635,515	4,167,397	4,559,650	16,957,876	31,320,438
2018	5,168,838	4,083,555	5,342,696	15,430,534	30,025,623
2017	5,000,611	3,608,198	6,091,329	15,678,363	30,378,501
2016	4,699,241	3,597,190	5,495,267	14,570,284	28,361,982
2015	4,528,807	3,570,471	5,238,875	14,501,130	27,839,283
2014	4,520,106	3,403,911	4,512,528	14,041,442	26,477,987
2013	4,435,865	3,485,682	4,361,263	14,018,816	26,301,626

(1) Includes local option gas tax.

Note: Includes General, Special Revenue, Capital Projects and Debt Service Funds, as applicable.



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

Fiscal Year	Real Property	Personal Property	Centrally Assessed Property	Less: Tax-Exempt Property
2022	\$ 1,443,390,470	\$ 253,655,264	\$ 6,374,418	\$ 475,009,058
2021	1,356,570,120	261,328,133	4,092,279	449,968,814
2020	1,259,462,890	270,050,324	4,163,609	433,914,576
2019	1,090,255,400	271,171,634	4,097,166	393,758,161
2018	1,002,254,870	261,193,143	4,067,057	376,627,031
2017	940,958,240	270,529,563	3,869,600	355,293,089
2016	874,284,810	277,265,631	3,514,003	337,493,706
2015	838,137,370	268,432,534	2,656,441	328,336,969
2014	820,754,020	277,223,578	2,335,457	325,183,520
2013	846,372,850	284,164,503	2,089,111	334,960,096

Source: Brevard County Property Appraiser.

	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
\$	1,228,411,094	6.453%	\$ 1,222,019,304	100.523%
	1,172,021,718	5.979%	1,166,698,204	100.456%
	1,099,762,247	5.979%	1,093,766,539	100.548%
	971,766,039	5.979%	967,726,786	100.417%
	890,888,039	5.979%	888,479,522	100.271%
	860,064,314	5.979%	857,337,863	100.318%
	817,570,738	5.979%	818,427,691	99.895%
	780,889,376	5.979%	782,374,729	99.810%
	775,129,535	5.979%	775,765,766	99.918%
	797,666,368	5.981%	798,015,398	99.956%

City of Cocoa, Florida**Direct and Overlapping Property Tax Rates (1)
Last Ten Fiscal Years****Schedule 7**

Fiscal Year	City Direct Rate	Overlapping Rates			Total Direct and Overlapping Rates
	Basic Rate	Brevard County	Brevard County Public School	Independent Special Districts	
2022	6.4532	4.8700	5.8500	0.2509	17.4241
2021	5.9790	5.0381	5.9420	0.2607	17.2198
2020	5.9790	5.2553	6.0860	0.2734	17.5937
2019	5.9790	5.4432	6.2990	0.2882	18.0094
2018	5.9790	5.8130	6.9160	0.4823	19.1903
2017	5.9790	5.4692	7.2750	0.3343	19.0575
2016	5.9790	5.6310	7.3390	0.3509	19.2999
2015	5.9811	5.7979	7.6060	0.3628	19.7478
2014	5.9811	5.9199	8.0960	0.3658	20.3628
2013	5.5813	5.9199	8.1120	0.3658	19.9790

(1) Per \$1,000 of assessed value.
Source: Brevard County Tax Collector.



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City of Cocoa, Florida
Principal Taxpayers
Current and Nine Years Ago

<u>2022</u>				Percentage of Total City Levy
Rank	Tax Payer	Amount Levied		
1	Wal-Mart Stores East LP	\$	449,178	5.67%
2	CF Dolphin COI LLC		202,773	2.56%
3	East Florida Motor Sales, Inc		75,887	0.96%
4	Sam's East, Inc.		57,087	0.72%
5	Cocoa Commons Stations LLC		54,296	0.68%
6	Mike Erdman Motors, Inc.		47,030	0.59%
7	Sunrise Mobile Home Park LLC		40,778	0.51%
8	12550 LC		40,181	0.51%
9	ILPT 4S COCOA LLC		37,906	0.48%
10	Oaks Meadows LTD Partnership		34,321	0.43%
Total		\$	1,039,437	13.11%
Total Amount Levied		\$	<u>7,927,087</u>	

Source: Brevard County Tax Collector.

<u>2013</u>				
Rank	Taxpayer	Amount Levied		Percentage of Total City Levy
1	Wal-Mart Stores East LP	\$	50,865	1.14%
2	RLV Cocoa Commons		37,382	0.84%
3	Sam's East, Inc		35,221	0.79%
4	12550 LC		28,709	0.64%
5	Home Depot USA, Inc.		28,709	0.64%
6	Oaks Meadows LTD Partnership		21,442	0.48%
7	Monmouth Real Estate		19,140	0.43%
8	Cocoa Commercial Properties		18,541	0.42%
9	Sunrise Mobile Home Park LLC		18,123	0.41%
10	Beyel Brothers		17,206	0.39%
Total		\$	275,338	6.18%
Total Amount Levied		\$	<u>4,452,014</u>	

Source: Brevard County Tax Collector.

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

Schedule 9

Fiscal Year	Current Year Collections				Total Collections to Date		
	Amount Levied	Amount Collected	Percentage of Levy	Delinquent Tax Collections (1)	Total Amount Collected	Percentage of Levy	
2022	\$ 7,927,087	\$ 7,378,533	93.08%	\$ 296,567	\$ 7,675,100	96.82%	
2021	7,007,446	6,468,872	92.31%	300,781	6,769,653	96.61%	
2020	6,575,409	6,023,708	91.61%	363,670	6,387,378	97.14%	
2019	5,810,115	5,399,899	92.94%	235,616	5,635,515	96.99%	
2018	5,324,625	4,947,189	92.91%	224,292	5,171,481	97.12%	
2017	5,142,260	4,768,944	92.74%	231,667	5,000,611	97.25%	
2016	4,888,261	4,454,794	91.13%	244,447	4,699,241	96.13%	
2015	4,668,943	4,275,053	91.56%	253,754	4,528,807	97.00%	
2014	4,636,129	4,235,126	91.35%	284,980	4,520,107	97.50%	
2013	4,452,014	4,173,107	93.74%	262,758	4,435,865	99.64%	

Source: Tax Certificate, Brevard County Property Appraiser.
Financial records of the City of Cocoa, Florida.

(1) Includes delinquent taxes, penalties and tax certificates.

City of Cocoa, Florida

Water Rates

Last Ten Fiscal Years

Schedule 10

Tier rate structure as adopted via 2020 Utility Rate Study.

TIER RATE STRUCTURE BY METER SIZE EFFECTIVE 04/01/2021

Meter Size	1st Tier	2nd Tier	3rd Tier	4th Tier
3/4"	0-5	6-10	11-20	over 20
1"	0-13	14-25	26-50	over 50
1.5"	0-43	44-85	86-170	over 170
2"	0-100	101-200	201-400	over 400
3"	0-300	301-600	601-1,200	over 1,200
4"	0-425	426-850	851-1,700	over 1,700
6"	0-3,250	3,251-6,500	6,501-13,000	over 13,000
8"	0-10,000	10,001-20,000	20,001-40,000	over 40,000
10"	0-21,000	21,001-42,000	42,001-84,000	over 84,000

TIER RATE STRUCTURE BY METER SIZE THROUGH 03/31/2021

Meter Size	1st Tier	2nd Tier	3rd Tier	4th Tier
3/4"	0-6	7-12	13-24	over 24
1"	0-15	16-30	31-60	over 60
1.5"	0-42	43-84	85-168	over 168
2"	0-102	103-204	205-408	over 408
3"	0-420	421-840	841-1,680	over 1,680
4"	0-690	691-1,380	1,381-2,760	over 2,760
6"	0-3,300	3,301-6,600	6,601-13,200	over 13,200
8"	0-12,000	12,001-24,000	24,001-48,000	over 48,000
10"	0-21,000	21,001-42,000	42,001-84,000	over 84,000

INSIDE COCOA CITY LIMITS

BASE RATES

	2022	2021		2020	2019	2018	2017	2016	2015	2014	2013
		EFFECTIVE 4/01/21	10/01/21- 3/30/21								
3/4"	\$ 15.39	\$ 14.80	\$ 16.44	\$ 16.44	\$ 15.66	\$ 14.91	\$ 14.34	\$ 13.66	\$ 13.26	\$ 13.26	\$ 12.63
1"	35.64	34.27	39.82	39.82	37.92	36.11	34.72	33.07	32.11	32.11	30.58
1.5"	82.89	79.70	72.22	72.22	68.78	65.50	62.98	59.98	58.23	58.23	55.46
2"	130.14	125.13	180.63	180.63	172.03	163.84	157.54	150.04	145.67	145.67	138.73
3"	295.50	284.13	433.62	433.62	412.97	393.30	378.17	360.16	349.67	349.67	333.02
4"	508.10	488.56	650.42	650.42	619.45	589.95	567.26	540.25	524.51	524.51	499.53
6"	1,081.80	1,040.19	1,228.63	1,228.63	1,170.12	1,114.40	1,071.54	1,020.51	990.79	990.79	943.61
8"	1,891.72	1,818.96	1,707.49	1,707.49	1,626.18	1,548.74	1,489.17	1,418.26	1,376.95	1,376.95	1,311.38
10"	2,836.63	2,727.53	2,189.30	2,189.30	2,082.05	1,982.90	1,906.63	1,815.84	1,762.95	1,762.95	1,679.00

VOLUME RATES PER THOUSAND GALLONS

1st Tier	\$ 3.56	\$ 3.42	\$ 3.42	\$ 3.42	\$ 3.26	\$ 3.10	\$ 2.98	\$ 2.84	\$ 2.76	\$ 2.76	\$ 2.63
2nd Tier	\$ 7.01	\$ 6.74	\$ 6.55	\$ 6.55	\$ 6.24	\$ 5.94	\$ 5.71	\$ 5.44	\$ 5.28	\$ 5.28	\$ 5.03
3rd Tier	\$ 9.96	\$ 9.58	\$ 8.54	\$ 8.54	\$ 8.13	\$ 7.74	\$ 7.44	\$ 7.09	\$ 6.88	\$ 6.88	\$ 6.55
4th Tier	\$ 12.99	\$ 12.49	\$ 11.50	\$ 11.50	\$ 10.95	\$ 10.43	\$ 10.03	\$ 9.55	\$ 9.27	\$ 9.27	\$ 8.83

OUTSIDE COCOA CITY LIMITS

BASE RATES

	2022	2021		2020	2019	2018	2017	2016	2015	2014	2013
		EFFECTIVE 4/01/21	10/01/21- 3/30/21								
3/4"	\$ 16.93	\$ 16.28	\$ 18.08	\$ 18.08	\$ 17.23	\$ 16.40	\$ 15.77	\$ 15.03	\$ 14.59	\$ 14.59	\$ 13.89
1"	39.20	37.70	43.80	43.80	41.71	39.72	38.19	36.38	35.32	35.32	33.64
1.5"	91.18	87.67	79.44	79.44	75.66	72.05	69.28	65.98	64.06	64.06	61.01
2"	143.15	137.64	198.69	198.69	189.23	180.22	173.29	165.04	160.23	160.23	152.60
3"	325.05	312.54	476.98	476.98	454.27	432.63	415.99	396.18	384.64	384.64	366.32
4"	558.91	537.41	715.46	715.46	681.40	648.95	623.99	594.28	576.96	576.96	549.48
6"	1,189.98	1,144.21	1,351.49	1,351.49	1,287.13	1,225.84	1,178.69	1,122.56	1,089.87	1,089.87	1,037.97
8"	2,080.89	2,000.86	1,878.24	1,878.24	1,788.80	1,703.61	1,638.09	1,560.09	1,514.65	1,514.65	1,442.52
10"	3,120.29	3,000.28	2,408.23	2,408.23	2,290.26	2,181.19	2,097.29	1,997.42	1,939.25	1,939.25	1,846.90

VOLUME RATES PER THOUSAND GALLONS

1st Tier	\$ 3.92	\$ 3.76	\$ 3.76	\$ 3.76	\$ 3.59	\$ 3.41	\$ 3.28	\$ 3.12	\$ 3.04	\$ 3.04	\$ 2.89
2nd Tier	\$ 7.71	\$ 7.41	\$ 7.21	\$ 7.21	\$ 6.86	\$ 6.53	\$ 6.28	\$ 5.98	\$ 5.81	\$ 5.81	\$ 5.53
3rd Tier	\$ 10.96	\$ 10.54	\$ 9.39	\$ 9.39	\$ 8.94	\$ 8.51	\$ 8.18	\$ 7.80	\$ 7.57	\$ 7.57	\$ 7.21
4th Tier	\$ 14.29	\$ 13.74	\$ 12.65	\$ 12.65	\$ 12.05	\$ 11.47	\$ 11.03	\$ 10.51	\$ 10.20	\$ 10.20	\$ 9.71

City of Cocoa, Florida
Waste Water Rates
Last Ten Fiscal Years

Schedule 11

INSIDE COCOA CITY LIMITS
BASE RATES

Meter Size	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
3/4"	\$ 18.46	\$ 17.75	\$ 15.89	\$ 15.13	\$ 14.41	\$ 13.86	\$ 13.20	\$ 12.82	\$ 12.82	\$ 12.21
1"	43.16	41.50	29.73	28.31	26.96	25.92	24.69	23.97	23.97	22.83
1.5"	100.78	96.90	59.62	56.78	54.08	52.00	49.52	48.08	48.08	45.79
2"	158.40	152.31	148.96	141.87	135.11	129.91	123.72	120.12	120.12	114.40
3"	360.08	346.23	596.15	567.76	540.72	519.92	495.16	480.74	480.74	457.85
4"	619.38	595.56	894.22	851.64	811.09	779.89	742.75	721.12	721.12	686.78
6"	1,319.07	1,268.34	1,609.61	1,532.96	1,459.96	1,403.81	1,336.96	1,298.02	1,298.02	1,236.21
8"	2,306.89	2,218.16	2,575.49	2,452.85	2,336.05	2,246.20	2,139.24	2,076.93	2,076.93	1,978.03
10"	3,459.33	3,326.28	3,702.29	3,525.99	3,358.09	3,228.93	3,075.17	2,985.60	2,985.60	2,843.43

Volume Rate

Per 1,000 Gal.	\$ 7.48	\$ 7.19	\$ 7.53	\$ 7.17	\$ 6.83	\$ 6.57	\$ 6.26	\$ 6.08	\$ 6.08	\$ 5.79
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OUTSIDE COCOA CITY LIMITS
BASE RATES

Meter Size	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
3/4"	\$ 23.08	\$ 22.19	\$ 19.87	\$ 18.92	\$ 18.02	\$ 17.33	\$ 16.50	\$ 16.03	\$ 16.03	\$ 15.26
1"	53.94	51.87	37.16	35.39	33.70	32.40	30.86	29.96	29.96	28.54
1.5"	125.98	121.13	74.53	70.98	67.60	65.00	61.90	60.10	60.10	57.24
2"	198.00	190.38	186.19	177.32	168.88	162.38	154.65	150.15	150.15	143.00
3"	450.10	432.79	745.19	709.70	675.90	649.90	618.95	600.93	600.93	572.31
4"	774.22	744.44	1,117.77	1,064.54	1,013.85	974.86	928.44	901.40	901.40	858.48
6"	1,648.85	1,585.43	2,012.01	1,916.20	1,824.95	1,754.76	1,671.20	1,622.53	1,622.53	1,545.26
8"	2,883.61	2,772.70	3,219.36	3,066.06	2,920.06	2,807.75	2,674.05	2,596.16	2,596.16	2,472.54
10"	4,324.16	4,157.85	4,627.86	4,407.49	4,197.61	4,036.16	3,843.96	3,732.00	3,732.00	3,554.29

Volume Rate

Per 1,000 Gal.	\$ 9.35	\$ 8.99	\$ 9.43	\$ 8.98	\$ 8.55	\$ 8.22	\$ 7.83	\$ 7.60	\$ 7.60	\$ 7.24
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Source: Financial records of the City of Cocoa, Florida.

City of Cocoa, Florida
Water and Waste Water System Growth
Last Ten Fiscal Years

Schedule 12

Water System						
Year	Number of Customers	Increase in Customers	Annual Revenue*	Increase in Revenue	Avg. Daily Flow (mgd**)	Change in Avg. Daily Flow
2022	87,413	1.91%	\$ 58,961,835	6.61%	18.409	-9.87%
2021	85,778	1.64%	55,304,853	0.30%	20.424	-0.82%
2020	84,393	0.89%	55,139,169	5.60%	20.592	2.11%
2019	83,649	1.71%	52,215,889	6.02%	20.166	-0.65%
2018	82,246	2.06%	49,249,171	0.75%	20.298	-7.44%
2017	80,582	0.47%	48,880,866	6.78%	21.929	3.21%
2016	80,206	0.78%	45,776,069	3.15%	21.247	-3.22%
2015	79,589	1.52%	44,378,086	-2.15%	21.954	3.44%
2014	78,398	-2.24%	45,354,935	3.20%	21.223	-5.13%
2013	80,198	0.69%	43,949,338	5.08%	22.370	-0.27%

Waste Water System						
Year	Number of Customers	Increase in Customers	Annual Revenue*	Increase in Revenue	Avg. Daily Flow (mgd**)	Change in Avg. Daily Flow
2022	7,840	2.18%	\$ 6,720,122	6.23%	1.766	-12.57%
2021	7,673	4.65%	6,325,718	6.79%	2.020	-7.97%
2020	7,332	-0.05%	5,923,625	6.34%	2.195	7.60%
2019	7,336	4.00%	5,570,678	7.72%	2.040	-11.61%
2018	7,054	0.96%	5,171,562	-1.85%	2.308	6.07%
2017	6,987	-0.77%	5,269,276	5.25%	2.176	4.77%
2016	7,041	1.53%	5,006,306	2.99%	2.077	-2.90%
2015	6,935	0.52%	4,860,790	2.52%	2.139	19.10%
2014	6,899	12.16%	4,741,096	2.40%	1.796	-10.65%
2013	6,151	-8.63%	4,629,901	3.62%	2.010	3.61%

* Revenues exclude miscellaneous charges for services not directly related to consumption.

** mgd = million gallons per day.

Source: Financial records of the City of Cocoa, Florida.

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

	Governmental Activities						
Fiscal Year	Capital Improvement Revenue Bonds	Fire Protection Assessment Revenue Bond	Cocoa Redevelopment Agency Revenue Bonds	Leases (2)	Note Payable	Net Issuance Discounts & Premiums	
2022	\$ 6,960,000	\$ 7,050,000	\$ -	\$ 756,755	\$ 974,000	\$ 348,697	
2021	7,295,000	7,225,000	-	-	1,233,000	372,878	
2020	7,620,000	7,395,000	-	-	2,761,000	397,059	
2019	7,935,000	7,560,000	-	35,652	2,492,000	421,240	
2018	8,731,065	7,679,356	-	68,562	3,103,000	445,421	
2017	9,051,647	7,837,955	-	-	3,700,000	469,602	
2016	9,376,026	-	-	-	4,286,000	(173,974)	
2015	9,642,327	-	297,729	-	4,857,000	(182,673)	
2014	9,898,628	-	573,229	-	3,377,000	(191,372)	
2013	10,144,929	-	838,729	64,536	3,726,000	(200,701)	

(1) See Schedule 18 - Demographic and Economic Statistics.

(2) Prior to 10/1/21, the City had Capital Lease agreements. As of 10/1/21, the City had Lease obligations as defined under GASB Statement No. 87.

Schedule 13

Business-type Activities

Water and Sewer Bonds	Leases	Note and Loans Payable	Net Issuance Discounts & Premiums	Total Primary Government	Percentage of Personal Income (1)	Per capita (1)
\$ 84,916,000	\$ 3,701,791	\$ -	\$ 5,897,176	\$ 110,604,419	9.6%	\$ 5,336
90,785,002	-	-	6,206,855	113,117,735	11.4%	5,853
82,715,000	-	13,850,555	6,516,536	121,255,150	13.0%	6,228
86,160,000	-	15,930,125	6,826,218	127,360,235	14.5%	6,589
56,135,000	-	17,952,442	(350,026)	93,764,820	11.2%	4,862
57,739,956	-	19,919,095	(380,044)	98,338,211	12.9%	5,181
60,295,739	-	22,026,569	(369,261)	95,441,099	12.5%	5,068
62,726,522	-	24,059,149	(358,478)	101,041,576	14.1%	5,517
65,037,304	-	26,161,299	(347,696)	104,508,392	15.6%	5,931
65,224,990	-	28,332,602	(336,913)	107,794,172	16.3%	6,180

City of Cocoa, Florida**Ratio of General Bonded Debt Outstanding
Last Ten Fiscal Years****Schedule 14****General Bonded Debt Outstanding**

Fiscal Year	Capital Improvement Revenue Bonds	Fire Protection Assessment Revenue Bond	Net Issuance Discounts & Premiums	Total	Percentage of Actual Taxable Value of Property (in thousands)	Per Capita	Population (1)	Net Assessed Value (in thousands)
2022	\$ 6,960,000	\$ 7,050,000	\$ 348,697	\$ 14,358,697	0.012	\$ 721.83	19,892	\$ 1,222,019
2021	7,295,000	7,225,000	372,878	14,892,878	0.013	770.57	19,327	1,166,698
2020	7,620,000	7,395,000	397,059	15,412,059	0.014	797.40	19,328	1,093,767
2019	7,935,000	7,560,000	421,240	15,916,240	0.016	801.69	19,328	967,727
2018	8,731,065	7,679,356	445,421	16,855,842	0.019	850.90	19,286	888,480
2017	9,051,647	7,837,955	469,602	17,359,204	0.020	914.51	18,982	857,338
2016	9,376,026	-	(173,974)	9,202,052	0.011	488.61	18,833	818,428
2015	9,642,327	-	(182,673)	9,459,654	0.012	516.55	18,313	782,375
2014	9,898,628	-	(191,372)	9,707,256	0.013	549.12	17,678	775,766
2013	10,144,929	-	(200,701)	9,944,228	0.012	570.10	17,443	798,015

(1) Source: Bureau of Economic and Business Research, University of Florida.

State Statutes impose no limitation on the amount of bonded debt the City can issue and the City has not adopted a legal debt limit.

City of Cocoa, Florida

Direct and Overlapping Governmental Activities Debt

September 30, 2022

Schedule 16

Governmental Unit	Debt Outstanding (1)	Applicable Percentage (2)	City's Estimated Share of Direct and Overlapping Debt
Brevard County	\$ 23,174,475	2.80%	\$ 649,819
City of Cocoa Direct Debt (Governmental Activities)			
Revenue Bonds net of related premiums and discounts			14,358,697
Revenue Notes			974,000
			<u>15,332,697</u>
Total Direct and Overlapping Debt			<u>\$ 15,982,516</u>

(1) Source: Brevard County Annual Comprehensive Financial Report. Table 12

(2) Source: Brevard County Annual Comprehensive Financial Report. Table 7

City of Cocoa, Florida**Pledged Revenue Coverage****Last Ten Fiscal Years - (in thousands of dollars)****Schedule 17**

Water and Sewer System Revenue Bonds							
Fiscal Year				Debt Service			Coverage (4)
	Pledged Revenues (1)	Less: Operating Expenses (2)	Net Available Revenue	Principal (3)	Interest	Total	
2022	\$ 68,498	\$ 33,117	\$ 35,381	\$ 3,755	\$ 3,532	\$ 7,287	4.86
2021	66,833	29,621	37,212	3,595	3,688	7,283	5.11
2020	67,067	32,010	35,057	3,445	3,837	7,282	4.81
2019	64,937	30,992	33,945	3,580	4,121	7,701	4.41
2018	59,569	32,889	26,680	2,670	3,071	5,741	4.65
2017	58,263	31,557	26,706	2,545	2,994	5,539	4.82
2016	55,856	30,195	25,661	2,420	3,124	5,544	4.63
2015	53,736	29,455	24,281	2,300	3,248	5,548	4.38
2014	54,392	27,793	26,599	2,180	3,362	5,542	4.80
2013	53,301	27,603	25,698	2,095	3,434	5,529	4.65

(1) Pledged revenues include operating and non-operating revenues of Water and Sewer System, excluding impact fees, capital contributions, and intergovernmental. Beginning in 2019, interfund administrative charges are excluded.

(2) Operating expenses excludes interest and depreciation.

(3) Bond proceeds from revenue refunding bonds are excluded since payments are made with proceeds and not pledged revenues. Accordingly, they are not included in the above calculations.

(4) Required coverage is 1.25.

Fiscal Year	Population (1)	Personal Income	Per Capita Personal Income (2)	Unemployment Rate (3)
2022	19,892	\$ 1,103,548,484	\$ 55,477	4.0%
2021	19,327	995,475,789	51,507	3.8%
2020	19,328	925,975,897	47,911	7.2%
2019	19,328	877,974,400	45,425	3.3%
2018	19,286	840,715,312	43,592	3.7%
2017	18,982	791,264,670	41,685	4.6%
2016	18,833	762,943,663	40,511	5.2%
2015	18,313	717,832,974	39,198	6.1%
2014	17,678	672,382,730	38,035	6.9%
2013	17,443	664,264,326	38,082	7.9%

(1) Source :Bureau of Economic and Business Research, University of Florida Annual 2021.

(2) Source: bea.gov/data/income-saving/personal-income-county - metro and other areas.

(3) Source: U.S. Department of Labor, Bureau of Labor Statistics, Palm Bay-Melbourne-Titusville, FL (Metropolitan Areas).



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City of Cocoa, Florida
Principal Employers
Current and Nine Years Ago

2022			
Rank	Employer (1)	Employees (1)	% of Total Employment (2)
1	Walmart Distribution	654	5.39%
2	Pubix	614	5.06%
3	City of Cocoa	464	3.82%
4	Beyel Brothers, Inc.	452	3.72%
5	Eastern Florida State College - Cocoa Campus	411	3.39%
6	Wal-Mart Associates, Inc.	333	2.74%
7	IRBY Construction Company, Inc.	230	1.89%
8	Brevard Robotics, Inc.	179	1.47%
9	Bob Steel Chevrolet, Inc.	140	1.15%
10	Sam's Club	140	1.15%
		3,617	29.79%

(1) Source: The companies listed above.

(2) Source: Space Coast Economic Development Council.

Schedule 19

2013			
Rank	Employer	Employees	% of Total Employment
1	Eastern Florida State College	657	8.06%
2	City of Cocoa	393	4.82%
3	Wal-Mart Supercenter	380	4.66%
4	Dept of Health & Rehab Services	200	2.45%
5	University of Central Florida	190	2.33%
6	Beyel Brothers, Inc.	180	2.21%
7	Sam's Club	160	1.96%
8	Met-Con, Inc.	130	1.59%
9	Brevard Robotics, Inc.	120	1.47%
10	Sun & Skin Care Research LLC	120	1.47%
Total Employees		2,530	31.02%

Source: Bureau of Economic and Business Research.

City of Cocoa, Florida**Full-Time Equivalent City Government Employees by Function/Program****Last Ten Fiscal Years**

Function/Program	2022	2021	2020	2019
General government				
City Manager/OMB	4.00	4.00	4.00	5.00
City Clerk	3.00	3.00	3.00	3.00
Finance	10.00	11.00	12.50	11.50
Customer Service	22.00	23.00	22.00	22.00
Human Resources	7.00	7.00	6.50	6.50
Purchasing	5.00	4.00	3.00	3.00
Information Technology	10.00	9.00	9.00	10.50
Fleet Services	7.00	6.00	7.00	6.50
Growth & Economic Development	2.00			
Community Services	8.80	12.00	14.00	13.00
Other	0.00	0.00	0.00	0.00
Public Safety				
Police Department	93.00	94.00	97.00	97.00
Fire Department	44.00	45.00	41.00	47.00
Public Works	29.00	27.00	28.80	27.80
Water	151.00	148.00	153.50	150.50
Wastewater	46.00	40.00	39.00	37.00
Stormwater	6.00	7.00	6.60	7.60
Recreation	9.20	6.00	9.00	8.50
Total	457.00	446.00	455.90	456.40

Source: City of Cocoa Finance Department.

Note 1: Beginning in Fiscal Year 2017, the City of Cocoa moved Code Enforcement from Community Services to Public Safety - Police Department.

Note 2: Beginning in fiscal year 2013 OMB moved to the Finance Department.

Note 3: Beginning in Fiscal Year 2021, the Warehouse Department began reporting to Purchasing.

Note 4: Beginning in Fiscal Year 2022, the City of Cocoa moved Growth and Economic Development into its own Department.

Schedule 20

2018	2017	2016	2015	2014	2013
4.00	4.00	3.00	3.00	3.00	1.00
3.00	3.00	3.00	3.00	3.00	3.00
11.50	11.50	12.00	11.00	12.00	10.50
29.00	28.00	26.00	25.00	25.00	18.00
5.50	6.50	7.00	6.00	4.00	4.00
3.00	3.00	3.00	3.00	2.00	2.00
9.50	9.50	8.50	7.50	8.00	7.00
6.00	7.00	7.00	7.00	7.00	7.00
9.80	11.80	16.00	18.00	17.00	15.00
0.00	0.00	0.00	0.00	0.00	0.00
95.00	92.50	89.50	95.25	92.00	90.00
48.00	45.00	44.00	44.00	43.00	39.00
24.80	26.80	28.00	27.00	27.00	26.00
150.00	149.00	128.00	127.00	129.00	135.50
36.00	36.00	33.00	33.00	28.00	30.00
5.40	7.40	6.00	5.00	7.00	3.00
4.50	5.00	5.00	5.00	3.00	2.00
445.00	446.00	419.00	419.75	410.00	393.00

City of Cocoa, Florida**Operating Indicators by Function/Program****Last Ten Fiscal Years**

	2022	2021	2020	2019
Function/Program				
General government				
Building permits issued	1,821	1,632	1,818	2,012
Building inspections conducted	7,671	5,108	5,741	4,695
Police				
Physical arrests	1,065	993	1,124	1,450
Parking violations	3	11	20	34
Traffic violations	1,415	1,493	1,522	2,380
Fire				
Emergency responses	5,956	5,821	4,770	5,323
Fire responses	151	135	114	95
Inspections	1,800	2,200	707	1,226
Public Works				
Streets resurfacing (miles)	5	2	2	2
Water				
New connections	1,424	1,036	1,223	1,078
Water main breaks	101	83	59	84
Average daily consumption (thousands of gallons)	18,409	20,424	20,592	20,166
Peak daily consumption (thousands of gallons)	22,842	24,991	26,175	25,292
Wastewater				
Average daily sewage treatment (thousands of gallons)	1,766	2,020	2,195	2,040

Source: Various City of Cocoa departments.

(1) In Fiscal Year 2017, the Fire Department began performing new business and annual fire inspections. The Building Division performs initial fire inspections during the building permit process (not included herein).

(2) In Fiscal Year 2013, the City discontinued annual fire inspections. The Building Division conducts inspections for state-licensed facilities upon request.

Schedule 21

2018	2017 (1)	2016	2015	2014	2013 (2)
1,503	1,084	1,063	996	917	815
2,738	3,294	3,618	3,669	2,890	2,118
1,451	1,274	1,054	1,543	1,636	1,510
31	49	48	24	12	19
2,455	2,568	1,630	2,096	3,161	2,455
5,425	5,413	5,139	4,835	4,481	4,085
107	144	107	96	108	90
252	199	83	73	102	349
-	6	4	2	4	-
916	803	707	719	522	612
75	135	83	107	118	105
20,298	21,929	21,247	21,954	21,223	22,370
26,444	27,695	28,271	27,550	26,867	29,028
2,308	2,176	2,077	2,139	1,796	1,930

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

	2022	2021	2020	2019	2018
Function/Program					
Police Stations	1	1	1	1	1
Fire Stations	3	3	3	3	3
Other Public Works					
Streets (miles)	79	79	79	79	79
Street Lights	2,212	2,182	2,182	2,182	2,182
Traffic Signals	146	146	146	146	146
Water					
Water mains (miles)	1,388	1,375	1,376	1,369	1,360
Fire Hydrants in Cocoa	730	710	706	701	699
Fire Hydrants - Total System	7,039	6,956	6,814	6,773	6,718
Storage capacity (thousands of gallons)	22,500	22,500	22,500	22,500	22,500
Wastewater					
Sanitary sewers (miles) (1)	135	135	135	130	130
Treatment capacity (thousands of gallons)	4,500	4,500	4,500	4,500	4,500

Sources: Various City of Cocoa departments.

(1) City of Cocoa, Sanitary Sewers (miles) for fiscal years 2017, 2016 and 2015 have been restated to exclude Private Sewer miles.

Schedule 22

2017	2016	2015	2014	2013
1	1	1	1	1
3	3	3	3	3
79	79	79	93	93
2,182	2,182	2,004	2,004	2,004
146	146	146	146	146
1,353	1,341	1,339	1,331	1,325
689	687	685	687	684
6,658	6,590	6,499	6,515	6,467
22,500	22,500	22,500	22,500	22,500
119	118	118	117	117
4,500	4,500	4,500	4,500	4,500



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

The Honorable Mayor and
Members of the City Council
City of Cocoa, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Cocoa, Florida, (the "City") as of and for the fiscal year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated April 7, 2023.

Internal Control over Financial Reporting

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

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

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

The Honorable Mayor and
Members of the City Council
City of Cocoa, Florida

Compliance and Other Matters

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

Pursuant to provisions of Chapter 10.550, *Rules of the Auditor General*, we reported certain matters to management of the City in a separate management letter and Independent Accountant's Report dated April 7, 2023.

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.

MSL, P.A.

Certified Public Accountants

Orlando, Florida
April 7, 2023



INDEPENDENT AUDITOR'S MANAGEMENT LETTER

The Honorable Mayor and
Members of the City Council
City of Cocoa, Florida

Report on the Financial Statements

We have audited the basic financial statements of the City of Cocoa, Florida (the "City") as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated April 7, 2023.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* ("Uniform Guidance"); and Chapter 10.550, *Rules of the Auditor General*.

Other Reporting Requirements

We have also issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance, Schedule of Findings and Questioned Costs, and Independent Accountant's Report on an examination conducted in accordance with AICPA *Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated April 7, 2023, 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 report. There were no findings and recommendations made in the preceding financial audit report.

Official Title and Legal Authority

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

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), *Rules of the Auditor General*, require us to apply appropriate procedures and report the results of our determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific conditions met. In connection with our audit, we determined that the City 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. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based, in part, on representations made by management and the review of financial information provided by same. The assessment was done as of the fiscal year end.

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

Special District Component Units

Section 10.554(1)(i)5.c., *Rules of the Auditor General*, requires, if appropriate, that we communicated the failure of a special district that is a component unit of a county, municipality, or special district, provided the financial information necessary for proper reporting of the component unit, within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we determined that all special district component units provided the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.544(1)(i)6, *Rules of the Auditor General*, the Cocoa Community Redevelopment Agency reported:

- a. The total number of district employees compensated in the last pay period of the district's fiscal year as zero (0).
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year as seven (7).
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as zero (0).
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$733,718.
- e. Each construction project with a total cost of at least \$65,000 approved by the district that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as:
 1. Lee Wenner Park Dredging - \$193,255
 2. Lee Wenner Parking Improvements - \$481,934
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes, as zero (0).

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.544(1)(i)6, *Rules of the Auditor General*, the Diamond Square Community Redevelopment Agency reported:

- a. The total number of district employees compensated in the last pay period of the district's fiscal year as zero (0).

The Honorable Mayor and
Members of the City Council
City of Cocoa, Florida

- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year as two (2).
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as zero (0).
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$26,957.50.
- e. Each construction project with a total cost of at least \$65,000 approved by the district that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as zero (0).
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes, as zero (0).

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.544(1)(i)6, *Rules of the Auditor General*, the Housing Authority of the City of Cocoa reported:

- a. The total number of district employees compensated in the last pay period of the district's fiscal year as eleven (11)
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year as six (6).
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$592,192.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$235,621.
- e. Each construction project with a total cost of at least \$65,000 approved by the district that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as zero (0).
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes, as zero (0).

Additional Matters

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

Purpose of this Letter

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

MSL, P.A.

Certified Public Accountants

Orlando, Florida
April 7, 2023



INDEPENDENT ACCOUNTANT'S REPORT

The Honorable Mayor and
Members of the City Council
City of Cocoa, Florida

We have examined the City of Cocoa, Florida's (the "City") compliance with the requirements of Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2022. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

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

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

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2022.

MSL, P.A.

Certified Public Accountants

Orlando, Florida
April 7, 2023



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE AND REPORT ON SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

The Honorable Mayor and
Members of the City Council
City of Cocoa, Florida

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the compliance of the City of Cocoa, Florida (the "City") with the types of compliance requirements described in the U.S. Office of Management and Budget ("OMB") *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the fiscal year ended September 30, 2022. The City's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the fiscal year ended September 30, 2022.

Basis for Opinion for Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibility of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

The Honorable Mayor and
Members of the City Council
City of Cocoa, Florida

Report on Internal Control over Compliance (*Continued*)

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses as defined above. However, material weaknesses may exist that have not been identified.

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of and for the fiscal year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated April 7, 2023, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for the purposes of additional analysis, as required by the Uniform Guidance, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

MSL, P.A.

Certified Public Accountants

Orlando, Florida
April 7, 2023

City of Cocoa, Florida
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended September 30, 2022

<i>Federal Agency/Pass-through Grantor/Program Title</i>	<i>Contract / Grant No.</i>	<i>Assistance Listing No.</i>	<i>Expenditures</i>	<i>Transfers to Subrecipient</i>
U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT				
Direct Program				
Community Development Block Grants/Entitlement Grants	B-21-MC-12-0003	14.218	\$ 190,762	\$ 26,287
Community Development Block Grants/Entitlement Grants (CARES CV)	COVID-19-B-20-MW-12-0003	14.218	52,258	23,987
Subtotal - Direct Programs			\$ 243,020	\$ 50,274
Indirect Program, Pass through Brevard County:				
Home Investment Partnerships Program	M-20-DC-12-00200	14.239	\$ 132,348	\$ 114,485
Subtotal - Indirect Programs			\$ 132,348	\$ 114,485
Total U.S. Department of Housing & Urban Development			\$ 375,368	\$ 164,759
U.S. DEPARTMENT OF JUSTICE				
Direct Program				
Bulletproof Vest Partnership Program				
Public Safety Partnership and Community Policing Grant	2019-BU-BX-19096472	16.607	\$ 7,653	\$ -
Public Safety Partnership and Community Policing Grant	2021-BU-BX-2202	16.607	588	-
	2021-15BJA-21-GG-01363-JA GX0	16.738	4,942	-
Edward Byrne Memorial Justice Assistance Grant Program - 2021			\$ 13,183	\$ -
Subtotal - Direct Programs				
Indirect Program, pass through Florida Attorney District General's Office				
Crime Victim Assistance	VOCA-2019-City of Cocoa Police Depa-00038	16.575	\$ 107,694	\$ -
Subtotal - Indirect Programs			107,694	-
Total U.S. Department of Justice			\$ 120,877	\$ -
U.S. DEPARTMENT OF THE TREASURY				
Direct Programs				
Coronavirus State and Local Fiscal Recovery Funds (American Rescue Plan)	COVID-19-1505-0271	21.027	\$ 761,141	\$ 20,000
Subtotal Direct Programs			\$ 761,141	\$ 20,000
Indirect Program, Pass through Florida Housing Finance Corporation				
FEMA/Hazard Mitigation Grant Program (HMGP)	Lift Station 1 4337-232 R	97.039	\$ 30,713	\$ -
Total Indirect Programs			\$ 30,713	\$ -
Total U. S. Department of the Treasury			\$ 791,854	\$ 20,000
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 1,288,099	\$ 184,759

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE 1 - REPORTING ENTITY

For reporting entity purposes, the Schedule of Expenditures of Federal Awards includes only the activities of the primary government of the City of Cocoa, Florida.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Schedule of Expenditures of Federal Awards is prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as applicable to governmental organizations.

NOTE 3 - INDIRECT COST RATE

The City has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

CITY OF COCOA, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2022

SECTION I - SUMMARY OF INDEPENDENT AUDITOR'S RESULTS

Financial Statements

Type of Auditor's Report Issued:

Unmodified Opinion

Internal control over financial reporting:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified? ☐ Yes ☒ None reported

Noncompliance material to financial statements noted?

☐ Yes ☒ No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified? ☐ Yes ☒ None reported

Type of report issued on compliance for major federal programs:

Unmodified Opinion

Any audit findings disclosed that are required to be reported in accordance with Section 200.516(a) of the Uniform Guidance?

☐ Yes ☒ No

Identification of Major Federal Program(s):

AL Number(s)

Name of Federal Program(s)

21.027

Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between Type A and Type B programs: Federal

\$750,000

Auditee qualified as low-risk auditee?

☒ Yes ☐ No

CITY OF COCOA, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS *(Continued)*

For the Year Ended September 30, 2022

Section II - Findings Related to the Financial Statement Audit, as required to be reported in accordance with *Government Auditing Standards*

No matters are reported.

Section III - Federal Award Findings and Questioned Costs Section reported in accordance with the Uniform Guidance

No matters are reported.

Section IV - Status of Prior Year Findings

No matters were reported in the prior year affecting federal financial assistance programs.



Finance Department
65 Stone Street I Cocoa, FL 32922
Phone: (321) 433-8600 I Fax: (321) 433-8608

AFFIDAVIT OF IMPACT FEE COMPLIANCE

The City of Cocoa has complied with Section 163.31801 of Florida Statutes regarding accounting and reporting impact fee collections and expenditures for Fiscal Year 2022.

Rebecca J. Bowman, MBA, CGFO, CGFM
Finance Director

STATE OF FLORIDA
COUNTY OF BREVARD:

SWORN TO AND SUBSCRIBED before me this 10th day of April, 2023, by
Rebecca J. Bowman who is personally known to me.

SIGNATURE OF NOTARY PUBLIC-STATE OF FLORIDA

CARIE E. SHEALY
Notary Public
State of Florida
Comm# HH144585
Expires 8/30/2025

