



**Downtown Cocoa Beach  
Community Redevelopment Agency  
FINANCIAL STATEMENTS  
Fiscal Year Ended  
September 30, 2021**

**Downtown Cocoa Beach Community Redevelopment Agency**  
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**Year Ended September 30, 2021**



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**Downtown Cocoa Beach Community Redevelopment Agency  
Agency Officials  
Year Ended September 30, 2021**

Agency Board Members

Ben Malik, Mayor  
Karalyn Woulas, Vice Mayor  
Ed Martinez, Commissioner  
Skip Williams, Commissioner  
Mike Miller, Commissioner

Administrator

Melissa Byron





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## **INDEPENDENT AUDITORS' REPORT**

The Honorable Chairman and Board Members  
Downtown Cocoa Beach Community Redevelopment Agency

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and the major fund of the Downtown Cocoa Beach Community Redevelopment Agency (the "Agency"), a component unit of the City of Cocoa Beach, Florida, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

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

#### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the CRA's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Emphasis of Matter***

As discussed in Note 2 to the financial statements, net position as of September 30, 2020 has been restated to adjust prior year-end balances related to accrued interest in Governmental Activities.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Downtown Cocoa Beach Community Redevelopment Agency as of September 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 7 – 12, and the budgetary comparison information on pages 39 – 40 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Reporting Required by Government Auditing Standards***

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

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

Melbourne, Florida  
June 28, 2022

## **Downtown Cocoa Beach Redevelopment Agency Management's Discussion and Analysis**

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

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

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

### **FINANCIAL HIGHLIGHTS**

- The assets of the CRA's exceeded its liabilities as of September 30, 2021, by \$1,480,723 (net position). Of this amount, \$726,207 (net position restricted for community redevelopment) may be used to meet the CRA's ongoing obligations to citizens and creditors.
- The CRA's total net position was increased by \$697,327, including a prior period adjustment of \$(83,375) which was attributable to an increase in the charges for services and general revenues of the governmental statement of activities.
- The CRA's tax increment revenues increased by \$110,442 or approximately 17%. This resulted from increased property values with the CRA district from Fiscal Year 2020 to Fiscal Year 2021.
- Total external debt decreased by \$240,000 (6.32%) in Fiscal Year 2021. The decrease is attributed to the principal payment on debt.

### **FINANCIAL STATEMENTS**

#### **Overview of the Financial Statements**

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



# Downtown Cocoa Beach Redevelopment Agency Management's Discussion and Analysis

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

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

## **General Fund**

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

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

## **Notes to the Financial Statements**

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

## **Other Information**

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

## Downtown Cocoa Beach Redevelopment Agency Management's Discussion and Analysis

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The CRA's net position was \$1,480,723 at the close of the Fiscal Year 2021. This is a \$613,952 increase in net position over the \$866,771 reported in the prior fiscal year.

The increase is attributed generally to revenues exceeding expenditures/expenses. Detailed information can be found in the Notes to the Financial Statements.

The following schedule is a summary of the Fiscal Year 2021 Statement of Net Position with comparative information for Fiscal Year 2020.

	<b>Schedule of Net Position</b>	
	2021	2020
Current and other assets	\$ 900,903	\$ 506,072
Capital assets	4,624,355	4,749,846
Total assets	5,525,258	5,255,918
Long-term liabilities outstanding	3,869,815	3,869,815
Other liabilities	174,720	519,332
Total liabilities	4,044,535	4,389,147
Net investment in capital assets	754,516	611,412
Restricted	726,207	255,359
Total net position	\$ 1,480,723	\$ 866,771

As stated above, the CRA's net position totaled \$1,480,723 at the end of Fiscal Year 2021. It should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The CRA uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

The change in net position balance from fiscal year 2021 to fiscal year 2020 is \$697,327 as shown in the Schedule of Changes in Net Position on the next page. This change includes increased tax revenue partially because of an increase in property values located within the CRA. Some revenues and other financing sources had comparatively modest increases over the prior fiscal year, while the expenditures associated with maintenance of the parking garage increased somewhat over the former fiscal period.

## Downtown Cocoa Beach Redevelopment Agency Management's Discussion and Analysis

The following schedule of Changes in Net Position shows activities for Fiscal Year 2021 with comparative information for Fiscal Year 2020.

	Changes in Net Position	
	2021	2020
Revenues:		
Taxes	\$ 765,304	\$ 654,862
Charges for Services	322,042	154,897
Investment income	9,424	2,219
Total Revenues	1,096,770	811,978
Expenses:		
Economic Environment	144,585	27,315
Depreciation	125,491	192,523
Interest and other	129,367	147,948
Total Expenses	399,443	367,786
Change in Net Position	697,327	444,192
Net Position - Beginning	866,771	422,579
Prior period adjustment (Note 2)	(83,375)	-
Net Position - Beginning, as restated	783,396	422,579
Net Position - Ending	\$ 1,480,723	\$ 866,771

### **General Fund Budgetary Highlights**

A budget to actual statement is provided for the General Fund. A budget column for both the original budget adopted for Fiscal Year 2021 as well as the final budget is presented. A comparison of the final budget to the actual amounts for current expenditures shows a final difference of \$285,837. This is because operating expenditure actuals were overall below budgeted amounts and transfers for repayments of advances are excluded.

### **CRA Tax Increment Financing (TIF)**

Monies from the incremental increase in property tax revenue (TIF) collected within the designated redevelopment area is recorded in the CRA. Consistent with State law, revenues are utilized and expended in accordance with the Community Redevelopment Plan. The TIF has continued to increase in subsequent years as taxable values have risen. The increase from 2020 to 2021 is \$110,441 or 17%.

## Downtown Cocoa Beach Redevelopment Agency Management's Discussion and Analysis

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

	2021	2020	Increase (Decrease)
Taxable value	\$ 203,686,580	\$ 190,527,340	\$ 13,159,240
Less: Base year value	(119,086,930)	(119,086,930)	-
Net taxable value	<u>\$ 84,599,650</u>	<u>\$ 71,440,410</u>	<u>\$ 13,159,240</u>
County tax rate per \$1,000 of value	3.6900	3.8200	(0.1300)
City tax rate per \$1,000 of value	5.8294	5.8294	0.0000
Tax increment payments:			
County	\$ 296,797	\$ 259,230	\$ 37,567
City	<u>468,507</u>	<u>395,632</u>	<u>72,875</u>
Total tax increment payments	<u>\$ 765,303</u>	<u>\$ 654,862</u>	<u>\$ 110,441</u>

### CAPITAL ASSET ADMINISTRATION

**Capital Assets.** The CRA's investment in capital assets as of September 30, 2021 is \$4,663,767 (net of accumulated depreciation). This investment in capital assets includes the parking garage facility and improvements to the facility. Governmental activities net investment in capital assets decreased by \$125,491 for depreciation. The schedule of changes in capital assets from the current fiscal year to the prior fiscal year is included in the following:

	Capital Assets (net of depreciation)	
	2021	2020
Buildings	\$ 4,584,943	\$ 4,707,012
Improvements	39,412	42,834
Total	<u>\$ 4,624,355</u>	<u>\$ 4,749,846</u>

## Downtown Cocoa Beach Redevelopment Agency Management's Discussion and Analysis

### DEBT ADMINISTRATION

#### Long-Term Debt

At the end of the current fiscal year, the CRA had total long-term debt in the amount of \$3,555,000.

In Fiscal Year 2017 debt was issued with Florida Municipal Loan Council (FMLC) Revenue Bond 2017B to fund the design and construction of the new parking garage in the Community Redevelopment Agency (CRA). The first payment on the principal of Revenue Bond 2017B was not made until FY 2019 and the outstanding balance is \$3,555,000. See Note H to the financial statements for additional information.

#### Schedule of Outstanding Debt:

	Governmental Activities	
	2021	2020
CRA Improvement Revenue Bonds, Series 2017B	3,555,000	3,795,000
Total	\$ 3,555,000	\$ 3,795,000

Total external debt decreased by \$240,000 (6.32%) in Fiscal Year 2021. The decrease is attributed to the principal payment on debt.

### ECONOMIC FACTORS AND CHALLENGES

Due to COVID-19 the main highlight of the FY 2021 CRA was to promote and encourage businesses within the boundaries of the CRA to apply for CARES Act grants, provide Personal Protective Equipment (PPE) sourcing information, assist businesses in applying for loans and to promote local CRA businesses to locals and visitors.

The CRA also consistently provided up to date COVID-19 information to assist businesses. Although property values in the CRA have continued to rise the affect the pandemic will have on sales and taxes will not be felt until 2021 or 2022. The uncertainty of the economy for the next few years and the knowledge that the parking garage will need specialized maintenance in the future (painting the parking space numbers, possible grouting of seams throughout, elevator repairs, and other unforeseen issues) the CRA Board is focusing on making bond payments and maintenance funding.

### REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the CRA's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Patrisha Draycott, CGFO, Chief Financial Officer, 2 South Orlando Avenue, Cocoa Beach, Florida, 32931 or [pdraycott@cityofcocoabeach.com](mailto:pdraycott@cityofcocoabeach.com). The financial statements are posted on the City's web site at [www.cityofcocoabeach.com](http://www.cityofcocoabeach.com).



**BASIC FINANCIAL STATEMENTS**



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**Downtown Cocoa Beach Community Redevelopment Agency**  
**Statement of Net Position**  
**September 30, 2021**

<i>September 30, 2021</i>	Governmental Activities
<hr/>	
<b>ASSETS</b>	
Cash and cash equivalents	\$ 531,314
Investments	34,310
Accounts receivable	4,878
Restricted cash	330,401
Capital assets, net of accumulated depreciation	
Buildings	4,584,943
Improvements other than buildings	39,412
Total assets	<hr/> 5,525,258 <hr/>
<b>LIABILITIES</b>	
Accounts and contracts payable	11,922
Due to other primary government	85,423
Accrued interest	77,375
Noncurrent liabilities:	
Due within one year	250,000
Due in more than one year	3,619,815
Total liabilities	<hr/> 4,044,535 <hr/>
<b>NET POSITION</b>	
Net investment in capital assets	754,516
Restricted for community redevelopment	726,207
Total net position	<hr/> \$ 1,480,723 <hr/>

*The accompanying notes are an integral part of this financial statement.*



## Downtown Cocoa Beach Community Redevelopment Agency Statement of Activities

*For the year ended September 30, 2021*

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Economic environment	\$ 270,076	\$ 322,042	\$ -	\$ -	\$ 51,966
Interest and related costs on long-term debt	129,367	-	-	-	(129,367)
<b>Total governmental activities</b>	<b>\$ 399,443</b>	<b>\$ 322,042</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(77,401)</b>

General revenues:

Intergovernmental revenue	765,304
Interest revenue	145
Miscellaneous revenue	9,279
<b>Total general revenues</b>	<b>774,728</b>
<b>Change in net position</b>	<b>697,327</b>
Net position, beginning of year as previously reported	866,771
Prior period adjustment (see Note 2)	(83,375)
Net position, beginning of year, as restated	783,396
<b>Net position, end of year</b>	<b>\$ 1,480,723</b>

*The accompanying notes are an integral part of this financial statement.*

**Downtown Cocoa Beach Community Redevelopment Agency  
Balance Sheet – Governmental Fund**

		Community Redevelopment Agency
<i>September 30, 2021</i>		
<hr/>		
<b>ASSETS</b>		
Cash and cash equivalents	\$	<b>531,314</b>
Restricted cash and cash equivalents		<b>330,401</b>
Investments		<b>34,310</b>
Accounts receivable		<b>4,878</b>
<hr/>		
Total assets	\$	<b>900,903</b>
<hr/>		
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable	\$	<b>10,768</b>
Accrued expenses		<b>1,154</b>
Due to primary government		<b>85,423</b>
<hr/>		
Total liabilities		<b>97,345</b>
<hr/>		
Fund balance:		
Restricted for:		
Community redevelopment		<b>803,558</b>
<hr/>		
Total fund balance		<b>803,558</b>
<hr/>		
Total liabilities and fund balance	\$	<b>900,903</b>
<hr/>		

*The accompanying notes are an integral part of this financial statement.*

**Downtown Cocoa Beach Community Redevelopment Agency  
Reconciliation of the Balance Sheet of the Governmental Fund  
to the Statement of Net Position**

*As of September 30, 2021*

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Total fund balance for the governmental fund	\$ 803,558
Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund.	4,624,355
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(3,869,815)
Interest on long-term debt is not accrued in governmental funds but rather is recognized as an expenditure when due.	(77,375)
<b>Net position of governmental activities</b>	<b>\$ 1,480,723</b>

*The accompanying notes are an integral part of this financial statement.*

**Downtown Cocoa Beach Community Redevelopment Agency  
Statement of Revenues, Expenditures and Changes in Fund Balance  
– Governmental Fund**

*For the year ended September 30, 2021*

	Community Redevelopment Agency
<hr/>	
<b>Revenues</b>	
Taxes	\$ 765,304
Charges for services	322,042
Investment and other income	9,424
<hr/> Total revenues	<hr/> 1,096,770
<hr/>	
<b>Expenditures</b>	
Current:	
Economic environment	117,270
Debt service:	
Principal retired	240,000
Interest and other	163,986
<hr/> Total expenditures	<hr/> 521,256
Excess of revenues under expenditures	575,514
<hr/>	
<b>Other financing sources (uses)</b>	
Transfers out	(27,315)
<hr/> Net other financing sources	<hr/> (27,315)
Net change in fund balance	548,199
Fund balance, beginning of year	255,359
<hr/> Fund balance, end of year	<hr/> \$ 803,558

*The accompanying notes are an integral part of this financial statement.*

**Downtown Cocoa Beach Community Redevelopment Agency  
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund  
Balance of the Governmental Fund to the Statement of Activities**

*For the year ended September 30, 2021*

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Net change in fund balance - governmental fund	\$	<b>548,199</b>
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>The governmental fund reports capital outlays as expenditures. However in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeds depreciation expense in the current period.</p>		
		<b>(125,491)</b>
<p>The issuance of long-term debt provides current financial resources to the governmental fund, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental fund. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt.</p>		
		<b>240,000</b>
<p>Interest on long-term debt is not accrued in the governmental fund but rather is recognized as an expenditure when due.</p>		
		<b>34,619</b>
Change in net position of governmental activities	\$	<b>697,327</b>

*The accompanying notes are an integral part of this financial statement.*

# Cocoa Beach Community Redevelopment Agency

## Notes to Financial Statements

### **Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### ***Reporting Entity***

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

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

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

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

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

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

#### ***Government-Wide and Fund Financial Statements***

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

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

# Cocoa Beach Community Redevelopment Agency

## Notes to Financial Statements

### **Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### ***Measurement Focus, Basis of Accounting, and Financial Statement Presentation***

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

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

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

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

#### ***Government-Wide Financial Statements***

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

#### ***Fund Financial Statements***

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

# Cocoa Beach Community Redevelopment Agency

## Notes to Financial Statements

### Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### ***Fund Financial Statements (Continued)***

The Agency reports the following major governmental fund:

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

#### ***Budgetary Information***

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

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

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

For the year ended September 30, 2021, the CRA's budget was prepared on a modified accrual basis.

#### ***Pooled Cash and Equivalents***

Pooled cash and equivalents are stated at fair value.

#### ***Assets, liabilities, and Net Position or Equity***

##### *Cash and cash equivalents*

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

Restricted cash of \$330,401 represents cash transferred to the fiscal agent to service outstanding bonds.

##### *Investments*

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



**Cocoa Beach Community Redevelopment Agency  
Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Assets, liabilities, and Net Position or Equity (Continued)***

*Receivables and payables*

All trade and property tax receivables are considered to be fully collectible.

*Capital Assets*

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

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

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

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

*Interfund Transactions*

Interfund transactions (transactions between the Agency and the City) are reflected as services provided, reimbursements, or transfers. Services provided, deemed to be at or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when a fund incurs at cost, charged the appropriate benefitting fund, and reduces its related costs as reimbursements. All other interfund transactions are treated as transfers.

*Long-Term Obligations*

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

# Cocoa Beach Community Redevelopment Agency

## Notes to Financial Statements

### Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### *Assets, liabilities, and Net Position or Equity (Continued)*

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as an “other financing” source. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs are reported as debt service expenditures.

#### *Categories and Classification of Fund Equity*

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

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

Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

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

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

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

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

## Cocoa Beach Community Redevelopment Agency Notes to Financial Statements

### Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### ***Assets, liabilities, and Net Position or Equity (Continued)***

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

*Assigned fund balance* – Amounts in the assigned fund balance classification are intended to be used by the Agency for specific purposes but do not meet the criteria to be classified as committed. The governing council (council) has by resolution authorized the finance director to assign fund balance. The council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

*Unassigned fund balance* – Unassigned fund balance is the residual classification for fund balance not meeting criteria to be reported as nonspendable, restricted, committed, or assigned.

#### ***Revenues and Expenditures/Expenses***

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

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

#### ***Use of Estimates***

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

# Cocoa Beach Community Redevelopment Agency

## Notes to Financial Statements

### **Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### ***Subsequent Events***

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 28, 2022, and determined there were no events that occurred that required disclosure.

#### ***Recently Issued and Implemented Accounting Pronouncements***

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

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

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

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

In May 2020, the GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The objectives of this Statement are to address financial reporting issues that result from the replacement of an Interbank Offered Rate (IBOR) by providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment and clarification of the hedge accounting termination provisions when a hedged item is amended to replace the reference rate; replacing LIBOR as an appropriate benchmark interest rate for the evaluation of the effectiveness of an interest rate swap with a Secured Overnight Financing Rate or the Effective Federal Funds Rate; and providing exceptions to the lease modifications guidance in Statement 87 for lease contracts that are amended solely to replace an IBOR used to determine variable payments.

## Cocoa Beach Community Redevelopment Agency Notes to Financial Statements

### Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### *Recently Issued and Implemented Accounting Pronouncements (Continued)*

The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2022. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

In May 2020, the GASB issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Assets and liabilities resulting from SBITAs should be recognized and measured using the facts and circumstances that existed at the beginning of the fiscal year in which this Statement is implemented. Governments are permitted, but are not required, to include in the measurement of the subscription asset capitalizable outlays associated with the initial implementation stage and the operation and additional implementation stage incurred prior to the implementation of this Statement.

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

### Note 2 – PRIOR PERIOD RESTATEMENT

In fiscal year 2021, the CRA restated opening net position to correct an error in prior years financial statements.

Adjustments to opening net position in the government-wide statements are enumerated below:

	Governmental Activities
Net position, September 30, 2020, as previously reported	\$ 866,771
Cumulative effect in applying the accrual recognition of interest on long-term debt <sup>(1)</sup>	(83,375)
Beginning net position, as restated	\$ 783,396

(1) In the Statement of Net Position for the year ended September 30, 2020, the Agency did not report accrued interest.

## Cocoa Beach Community Redevelopment Agency Notes to Financial Statements

### Note 3– DETAILED NOTES ON ALL FUNDS

#### ***Deposits and Investments***

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

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

The City participates in Florida Public Assets for Liquidity Management, (Florida PALM), external investment pool. The Florida PALM is a common law trust established under the laws of the State of Florida and is designed to meet the cash management and short term needs of its participants. The Fund is sponsored by the Florida School Boards Association and the Florida Association of District School Superintendents and is directed by a board of trustees. The fair value of the City's position in the pool is equal to the value of the pooled shares or net asset value.

The City participates in Florida Local Government Investment Trust fund, (Florida LGIT), external investment pool. The Florida LGIT is a common law trust established under the laws of the State of Florida and is designed to meet both short and medium term cash management needs of its participants. The Fund is sponsored by the Florida Court Clerks and Comptrollers and the Florida Association of Counties and is directed by a board of trustees. The fair value of the City's position in the pool is equal to the value of the pooled shares or net asset value.

The Florida Surplus Asset Fund Trust (Florida SAFE) is a common law trust organized under the laws of the State of Florida as an intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act, as provided in Section 163.01 of the Florida Statutes. The investment pool consists of obligations guaranteed by the full faith and credit of the United States, U.S. government agency obligations, commercial paper, bank obligations and other obligations permitted by applicable Florida Statutes. The fair value of the City's position in the pool is equal to the value of the pooled shares or net asset value.

Under GASB Codification I50: *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, 2021, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit the City's access to 100 percent of their account value in the external investment pools.

## Cocoa Beach Community Redevelopment Agency Notes to Financial Statements

### Note 3– DETAILED NOTES ON ALL FUNDS (Continued)

#### *Deposits and Investments (Continued)*

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

*Interest rate risk* – The City’s investment policy does not address interest rate risk.

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

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

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

*Fair Value* – GASB Codification Section 3100: *Fair Value Measurements* establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under the codification are described as follows:

- Level 1 (L1): Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Agency has the ability to access.
- Level 2 (L2): Inputs to the valuation methodology include:
  - quoted prices for similar assets or liabilities in active markets;
  - quoted prices for identical or similar assets or liabilities in inactive markets;
  - inputs other than quoted prices that are observable for the asset or liability;
  - inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3 (L3): Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

**Cocoa Beach Community Redevelopment Agency  
Notes to Financial Statements**

**Note 3– DETAILED NOTES ON ALL FUNDS (Continued)**

***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.

At September 30, 2021, the Agency had the following investments based on the Agency’s investment balance allocated from the pooled investments of the City:

	S&P Rating	Level	Fair Value	Maturities (in years)		
				Less than 1	1 - 5	More than 5
Investments by fair value level						
Agency						
Debt securities - US						
government obligations	Aaa	L2	\$ 3,499	\$ 1,986	\$ 1,513	\$ -
FL PALM	AAAm	-	13,055	13,055	-	-
FL LGIT Short term bond fund	AAAf	-	3,362	-	3,362	-
FL LGIT Day to day bond fund	AAAm	-	11,535	11,535	-	-
FL SAFE	AAAm	-	2,859	2,859	-	-
<b>Total Agency</b>			<b>34,310</b>	<b>29,435</b>	<b>4,875</b>	<b>-</b>



**Cocoa Beach Community Redevelopment Agency  
Notes to Financial Statements**

**Note 3– DETAILED NOTES ON ALL FUNDS (Continued)**

**Capital assets**

The following is a summary of changes in the Agency’s capital assets for fiscal year ending September 30, 2021:

	Beginning Balance	Increases	Decreases/ Transfers	Ending Balance
<b>Governmental activities:</b>				
Capital assets, being depreciated:				
Buildings	\$ 5,407,545	\$ -	\$ -	\$ 5,407,545
Improvements other than buildings	53,100	-	-	53,100
Total capital assets being depreciated	5,460,645	-	-	5,460,645
Less accumulated depreciation for:				
Buildings	(700,533)	(122,069)	-	(822,602)
Improvements other than buildings	(10,266)	(3,422)	-	(13,688)
Total accumulated depreciation	(710,799)	(125,491)	-	(836,290)
Total capital assets being depreciated, net	4,749,846	(125,491)	-	4,624,355
Governmental activities capital assets, net	\$ 4,749,846	\$ (125,491)	\$ -	\$ 4,624,355

Depreciation expense amounted to \$125,491 during fiscal year 2021, which is included on the statement of activities.

**Intergovernmental Receivables, Payables, and Transfers**

Transfers for the year ended September 30, 2021:

	Transfers in:		Total
	Primary Government	Community Redevelopment Agency	
Transfers out:			
Community Redevelopment Agency	27,315	-	27,315

Transfers are used to (1) move revenues from the fund that is required (per statute or budget) to collect them to the fund that is required (per statute or budget) to expend them and (2) return excess revenues not expended during the year back to the general fund at year-end in accordance with state statutes.

## Cocoa Beach Community Redevelopment Agency Notes to Financial Statements

### Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

#### *Long-Term Debt and Liabilities*

##### *Bonds Payable*

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

Pledged revenues and principal and interest payments are as follows:

Pledged Revenue	Amount of issue	Future Principal and Interest	Current Pledged Revenue	Current Principal & Interest	Current Percentage of Revenue
<b>Governmental Activities</b>					
Florida Municipal Loan Council					
Refunding and Revenue					
Bonds, Series 2017B	\$ 6,790,000	\$ 4,395,625	\$ 765,304	\$ 398,500	52%

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

<i>September 30,</i>	Principal	Interest	Total
2022	\$ 250,000	\$ 148,500	\$ 398,500
2023	265,000	135,625	400,625
2024	280,000	122,000	402,000
2025	290,000	107,750	397,750
2026	305,000	92,875	397,875
Thereafter	2,165,000	233,875	2,398,875
<b>Totals</b>	<b>\$ 3,555,000</b>	<b>\$ 840,625</b>	<b>\$ 4,395,625</b>

**Cocoa Beach Community Redevelopment Agency  
Notes to Financial Statements**

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

***Long-Term Debt and Liabilities (Continued)***

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
Florida Municipal Loan Council					
Refunding and Revenue					
Bonds, Series 2017B	\$ 3,795,000	\$ -	\$ (240,000)	\$ 3,555,000	\$ 250,000
Plus bond premiums	343,434		(28,619)	314,815	-
Total notes from direct borrowings	4,138,434	-	(268,619)	3,869,815	250,000
Total long-term liabilities	\$ 4,138,434	\$ -	\$ (268,619)	\$ 3,869,815	\$ 250,000

The bond payable is liquidated by tax revenues received by the Community Redevelopment Agency fund.

**Note 3: RISK MANAGEMENT**

***Insurance***

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

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

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

## **Cocoa Beach Community Redevelopment Agency Notes to Financial Statements**

### **Note 4: UNCERTAINTIES**

In March 2020, the World Health Organization made the assessment that the outbreak of the novel coronavirus (COVID-19) can be characterized as a pandemic. As a result, uncertainties have arisen that may have a significant negative impact on the ongoing operating activities and the future results of the Agency. The occurrence and extent of such an impact will depend on future developments, including (i) the and spread of the virus, (ii) government quarantine measures, (iii) voluntary and precautionary restrictions on travel or meetings, (iv) the effects on the financial markets, and (v) the effects on the economy overall, all of which are uncertain as of March 1, 2022.



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



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**Downtown Cocoa Beach Community Redevelopment Agency  
Schedule of Revenues, Expenditures, and Changes In Fund Balances –  
Budget and Actual – Community Redevelopment Fund**

<i>For the year ended September 30, 2021</i>	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Taxes	\$ 765,053	\$ 765,053	\$ 765,304	\$ 251
Charges for services	175,000	203,000	322,042	119,042
Investment and other income	900	10,179	9,424	(755)
<b>Total revenues</b>	<b>940,953</b>	<b>978,232</b>	<b>1,096,770</b>	<b>118,538</b>
<b>Expenditures</b>				
Current:				
Economic environment	76,942	121,221	117,270	3,951
Debt service:				
Principal retired	323,316	323,316	240,000	83,316
Interest and other	164,018	164,018	163,986	32
<b>Total expenditures</b>	<b>564,276</b>	<b>608,555</b>	<b>521,256</b>	<b>87,299</b>
<b>Revenues over (under) expenditures</b>	<b>376,677</b>	<b>369,677</b>	<b>575,514</b>	<b>205,837</b>
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers out	(107,315)	(107,315)	(27,315)	80,000
<b>Net other financing sources</b>	<b>(107,315)</b>	<b>(107,315)</b>	<b>(27,315)</b>	<b>80,000</b>
<b>Net change in fund balances</b>	<b>269,362</b>	<b>262,362</b>	<b>548,199</b>	<b>285,837</b>
<b>Fund balances, beginning of year</b>	<b>255,359</b>	<b>255,359</b>	<b>255,359</b>	<b>-</b>
<b>Fund balances, end of year</b>	<b>\$ 524,721</b>	<b>\$ 517,721</b>	<b>\$ 803,558</b>	<b>\$ 285,837</b>



## **Downtown Cocoa Beach Community Redevelopment Agency Budgetary Notes to Required Supplementary Information**

### **Note 1. BUDGETARY INFORMATION**

An annual budget is adopted by the Agency's Board on a basis consistent with U.S. generally accepted accounting principles. All annual appropriations lapse at fiscal year-end.

The Agency's Administrator or their designee may make transfers of appropriations within a department as long as the total budget of the department is not increased. Transfers of appropriations between departments require the approval of the Agency's Board. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level. The Agency's Board made several supplemental budgetary appropriations during the year.

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



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

The Honorable Chairman and Board Members  
Downtown Cocoa Beach Community Redevelopment Agency

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Downtown Cocoa Beach Community Redevelopment Agency, (the "Agency") as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Downtown Cocoa Beach Redevelopment Agency's basic financial statements, and have issued our report thereon dated June 28, 2022.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Downtown Cocoa Beach Community Redevelopment Agency'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 Downtown Cocoa Beach Community Redevelopment Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of Downtown Cocoa Beach Community Redevelopment Agency's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described below as item MW 2021-012 that we consider to be a material weakness.

## MW 2021-012 ACCRUED INTEREST

**Criteria:** GASB Codification (GASBC) 2200, *Annual Comprehensive Financial Report* establishes the economic resources focus and accrual accounting for government-wide financial statements.

**Condition:** In the Statement of Net Position for the year ended September 30, 2020, the Agency did not report accrued interest.

**Cause of condition:** The Agency's system of controls around the review of accrual journal entries for government-wide financial statements did not detect or correct the material omission.

**Potential effect of condition:** At September 30, 2020, the liabilities of governmental activities were understated by \$83,375.

**Recommendation:** The City should evaluate the design and operation of the reconciliation between the government-wide financial statements and the fund level financial statements so as to detect and correct a material error, including error from omission.

**Management's Response:** The City will establish a new process to reconcile the general ledger and CRA fund, including a reconciliation between the government-wide financial statements and the fund level statements.

### Compliance and Other Matters

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

### The Downtown Cocoa Beach Community Redevelopment Agency's Response to Finding

The Downtown Cocoa Beach Community Redevelopment Agency's response to the finding identified in our audit is described above. Downtown Cocoa Beach Community Redevelopment Agency's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### Purpose of this Report

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

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

Melbourne, Florida  
June 28, 2022



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## **INDEPENDENT AUDITORS' MANAGEMENT LETTER**

The Honorable Chairman and Board Members  
Downtown Cocoa Beach Community Redevelopment Agency

### **Report on the Financial Statements**

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

### **Auditors' Responsibility**

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

### **Other Reporting Requirements**

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 28, 2022, should be considered in conjunction with this management letter.

### **Prior Audit Findings**

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit 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 of the Downtown Cocoa Beach Community Redevelopment Agency is disclosed in the footnotes. The Downtown Cocoa Beach Community Redevelopment Agency has no component units.

## Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the Downtown Cocoa Beach Community Redevelopment Agency met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the Downtown Cocoa Beach Community Redevelopment Agency 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 Downtown Cocoa Beach Community Redevelopment Agency. It is management's responsibility to monitor the Downtown Cocoa Beach Community Redevelopment Agency's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

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

### Specific Information (unaudited)

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6-8, Rules of the Auditor General, the Downtown Cocoa Beach Community Redevelopment Agency reported the information below. This information has not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the Downtown Cocoa Beach Community Redevelopment Agency reported:

a. The total number of Agency employees compensated in the last pay period of the Agency's fiscal year as **None**

b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the Agency's fiscal year as **None**

c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency. \$ -

d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency. \$ -

e. Each construction project with a total cost of at least \$65,000 approved by the Agency that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such projects as

<b>Project name</b>	<b>Budget</b>
None	\$ -

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 Agency amends a final adopted budget under Section 189.016(6), Florida Statutes.

**See page 39**

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

a. The millage rate or rates imposed by the Agency. **5.8294**

b. The total amount of ad valorem taxes collected by or on behalf of the Agency. **\$ 765,304**

c. The total amount of outstanding bonds issued by the Agency and the terms of such bonds as **\$3,555,000 due over 13 years.**

Information required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)8, Rules of the Auditor General: The Downtown Cocoa Beach Community Redevelopment Agency has not imposed any special assessments and therefore no reporting is required by Section 218.39(3)(c), Florida Statutes.

**Additional Matters**

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

**Purpose of this Letter**

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

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

Melbourne, Florida  
June 28, 2022



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## **INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH LOCAL GOVERNMENT INVESTMENT POLICIES**

The Honorable Chairman and Board Members  
Downtown Cocoa Beach Community Redevelopment Agency's

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

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

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

In our opinion, the Agency complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2021.

This report is intended solely for the information and use of the City Commission as the Agency's Board, management and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

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

Melbourne, Florida  
June 28, 2022





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## INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REDEVELOPMENT TRUST FUND

The Honorable Chairman and Board Members  
Downtown Cocoa Beach Community Redevelopment Agency

We have examined the Downtown Cocoa Beach Community Redevelopment Agency's (the "Agency") compliance with the requirements of Section 163.387(6) and (7), Florida Statutes, Redevelopment Trust Fund Policies, during the year ended September 30, 2021. Management of the Agency is responsible for the Agency's compliance with the specified requirements. Our responsibility is to express an opinion on the Agency's compliance with the specified requirements based on our examination.

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

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

Our examination disclosed the following noncompliance with Section 163.387(6)(b), Florida Statutes, applicable to the Downtown Cocoa Beach Community Redevelopment Agency during the fiscal year ended September 30, 2021. The Agency did not submit its annual budget for fiscal year 2021 nor the subsequent amendments to the budget to the Brevard County Board of County Commissioners within 10 days after the adoption of such budget or within 10 days after the adoption of the amendment to the fiscal year 2021 budget.

In our opinion, the CRA complied, in all material respects, with the requirements of Sections 163.387(6) and 163.387(7), Florida Statutes, *Redevelopment Trust Fund*, during the year ended September 30, 2021, except for as noted in the paragraph above.

This report is intended solely for the information and use of the City Commission as the Agency's Board, management and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

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

Melbourne, Florida  
June 28, 2022