



Titusville-Cocoa Airport Authority, Florida
FINANCIAL STATEMENTS
September 30, 2025



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**Titusville-Cocoa Airport Authority
Board of Directors and Authority Officials
As of September 30, 2025**

Chairman

John Craig

Vice Chairman

Donn Mount

Board Members

Michael P. Gindling

Mark Grainger

Kenneth Ward

Brad Whitmore

Albert Voss - Treasurer

Director of Airports

Kevin Daugherty, AAE

Attorney

Adam Bird



FINANCIAL SECTION



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Titusville-Cocoa Airport Authority

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Titusville-Cocoa Airport Authority (the "Authority"), a component unit of Brevard County, Florida, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Titusville-Cocoa Airport Authority, as of September 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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 Titusville-Cocoa Airport Authority'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 Titusville-Cocoa Airport Authority's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the defined benefit pension plan information and the other postemployment benefits information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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 an opinion on the financial statements that collectively comprise the Titusville-Cocoa Airport Authority's basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and Chapter 10.550, Rules of the Florida Auditor General is presented for purposes of additional analysis and are 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 and state financial assistance is fairly stated, in all material respects, in relation to the basic 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, the accompanying budgetary comparison information and the capital projects summary but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2026 on our consideration of the Titusville-Cocoa Airport Authority'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 Titusville-Cocoa Airport Authority'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 Titusville-Cocoa Airport Authority's internal control over financial reporting and compliance.

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

Melbourne, Florida

March 25, 2026

Titusville-Cocoa Airport Authority Management Discussion and Analysis

This section of the Titusville-Cocoa Airport Authority's (the "Authority") annual financial report presents our discussion and analysis of the Authority's financial performance during the year ended September 30, 2025. Please read it in conjunction with the Authority's financial statements, which follows this section.

FINANCIAL HIGHLIGHTS

- The Authority's net position increased \$8,196,031 or 12%. In comparison, last year's net position increased \$2,219,182 or 3%.
- Operating revenues decreased \$544,760 or -12%, and operating expenses decreased \$371,931 or -6%. Operating expenses exceeded revenues by \$1,927,476, compared to \$1,754,647 in the prior year.
- Total non-operating expenses increased by \$47,362. This change is primarily due to the gain on the disposal of assets and increase in interest income offset by an increase in interest expense.
- Capital contributions from federal, state, and other third parties totaled \$9,024,629, compared to \$2,922,313 in the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual financial report consists of three parts: management's discussion and analysis (this section); the financial statements and notes to the financial statements; and supplementary information. The notes to the financial statements explain some of the information in the financial statements and provide more detailed data. The financial statements are followed by required and other supplementary information that further explains and supports the information in the financial statements.

The financial statements include information about the Authority using accounting methods similar to those used by private sector companies. The statement of net position includes all the Authority's assets, deferred outflows, liabilities, and deferred inflows. All the current year's revenues and expenses are accounted for in the statement of revenues, expenses, and changes in net position, regardless of when cash is received or paid (accrual method of accounting). These two statements report the Authority's net position and how it has changed. Net position is the difference between the Authority's assets and deferred outflows, and liabilities and deferred inflows, and is one way to measure the Authority's financial health or position.

Over time, increases or decreases in the Authority's net position is an indicator of whether its financial position is improving or deteriorating, respectively. To assess the overall financial position of the Authority, one must consider additional nonfinancial factors, such as the condition of the Authority's significant assets such as runways and buildings.

FINANCIAL ANALYSIS

A. Net Position

The Authority's net position increased \$8,196,031 or 12%. In comparison, last year's net position increased \$2,219,182 or 3%. The following table summarizes these results.

Titusville-Cocoa Airport Authority

Management Discussion and Analysis

FINANCIAL ANALYSIS *(continued)*

Table A-1
Net Position

	2025	2024	Change
Assets			
Current and other assets	\$ 4,108,212	\$ 3,179,549	29%
Capital assets, net	75,407,336	67,214,407	12%
Other noncurrent assets	19,902,915	19,600,935	2%
Total assets	99,418,463	89,994,891	10%
 Deferred outflows of resources	 260,726	 348,307	 -25%
 Liabilities			
Current liabilities	4,614,696	2,408,170	92%
Noncurrent liabilities	980,385	1,521,830	-36%
Total liabilities	5,595,081	3,930,000	42%
 Deferred inflows of resources	 17,236,529	 17,761,650	 -3%
 Net position			
Net investment in capital assets	73,661,886	66,417,730	11%
Restricted for airport improvements	995,081	995,081	0%
Unrestricted net position	2,190,612	1,238,737	77%
Total net position	\$ 76,847,579	\$ 68,651,548	12%

B. Changes in Net Position

Operating revenues decreased \$544,760 or -12%, and operating expenses decreased \$371,931 or -6%. Operating expenses exceeded revenues by \$1,927,476, compared to \$1,754,647 in the prior year due to less bad debt expense.

Non-operating expenses increased \$47,362. This change is primarily due to the gain on the disposal of assets and increase in interest income offset by an increase in interest expense.

Capital contributions from federal, state, and other third parties totaled \$9,024,629, compared to \$2,922,313 in the prior year. The increase is a result of completing and starting grant-funded capital activity, as large projects were completed and started in the current year, to include TIX Runway 18/36, TIX Terminal Improvements, TIX Air Traffic Control Tower, TIX Challenger Avenue Extension, COI Runway 11/29 and X21 Apron Rehabilitation and FBO Renovation.

The following table summarizes these results.

Titusville-Cocoa Airport Authority
Management Discussion and Analysis

FINANCIAL ANALYSIS *(continued)*

Table A-2
Changes in Net Position

	2025	2024	Change
Operating revenues			
T-hangars	\$ 1,651,640	\$ 1,375,582	20%
Fixed base operations	276,599	432,515	-36%
Building, land, and other leases	2,106,278	2,710,673	-22%
Other revenues	60,720	121,227	-50%
Total operating revenues	4,095,237	4,639,997	-12%
Operating expenses			
Wages and benefits	1,425,503	1,483,679	-4%
Repairs, maintenance, and other services	1,620,688	1,396,451	16%
Materials and supplies	80,899	71,891	13%
Bad debt expense	246,441	845,554	-71%
Loss on lease termination	-	42,057	100%
Depreciation	2,649,182	2,555,012	4%
Total operating expenses	6,022,713	6,394,644	-6%
Operating loss	(1,927,476)	(1,754,647)	10%
Nonoperating revenues (expenses):			
Interest income	1,109,498	1,082,427	3%
Gain (loss) on disposal of assets	26,775	(20,598)	-230%
Interest	(37,395)	(10,313)	263%
Total nonoperating revenues (expenses)	1,098,878	1,051,516	5%
Loss before contributions	(828,598)	(703,131)	18%
Capital contributions			
Other governmental	9,024,629	2,922,313	209%
Change in net position	8,196,031	2,219,182	269%
Net position, beginning of year	68,651,548	66,432,366	3%
Total net position, end of year	\$ 76,847,579	\$ 68,651,548	12%

Titusville-Cocoa Airport Authority Management Discussion and Analysis

FINANCIAL ANALYSIS *(continued)*

C. Budgetary Highlights

The Authority prepares their budget on the cash basis. The budgetary comparison presented as required supplementary information removes accruals in order to present actual results on the same basis as the budgeted amounts. There were no amendments to the fiscal year 2025 budget from what was originally adopted.

T-Hangar revenues came in over budget by \$290,121 due to the purchase of additional t-hangars. Fixed base operations revenues came in over budget by \$94,031 primarily from an increase in air traffic resulting in increased fuel flowage fees. Overall revenues were more than budgeted by \$415,372 due to the acquisition of additional t-hangars, fuel flowage fees, as well as miscellaneous revenues. Other rental activity maintained expectation as vacancies were filled timely, including Mini Sales (Airport Storage) at Merritt Island.

The following expenditure categories were over (under) budget, but full results are available at "Operating Budget to Actual Comparison, Budgetary Basis" on page 55.

	Budget	Actual	Difference
Salaries	\$ 1,029,656	\$ 1,047,673	2%
Employee benefits	422,320	489,249	14%
Repairs and maintenance	456,204	548,503	17%
Insurance	441,551	476,001	7%

Employee salaries and benefits were over budget due to adding a position and pay adjustments that occurred during the fiscal year.

Professional services came over budget by \$115,020 as a result of an increase in temporary contract labor. Full results are available at "Operating Budget to Actual Comparison, Budgetary Basis" on page 55.

Titusville-Cocoa Airport Authority Management Discussion and Analysis

CAPITAL ASSETS AND DEBT ADMINISTRATION

A. Capital Assets

The following is a summary of large construction projects in progress as of September 30, 2025.

Major projects in progress:

Project Name:	Costs to Date
TIX Runway 18/36 Construction	\$ 1,642,402
TIX Challenger Ave Extension Design	615,239
TIX Terminal Improvements	252,910
COI Runway 11/29 Design	399,546
COI Security & Infrastructure	1,142,261
COI Corporate Hangar (Grainger)	1,090,372
COI North Safety Improvements	27,277
	<u>\$ 5,170,007</u>

The following is a summary of capital assets shown net of related accumulated depreciation/amortization.

**Table A-3
Summary of Changes in Capital Assets**

	2025	2024	Change
Land	\$ 13,621,899	\$ 13,621,899	0%
Buildings and improvements	19,698,896	17,325,759	14%
Runways and lighting	28,259,006	28,748,045	-2%
Furniture, fixtures, and equipment	1,149,120	1,250,968	-8%
Vehicles	41,153	83,598	-51%
Construction in process	12,637,262	6,184,138	104%
Total	<u>\$ 75,407,336</u>	<u>\$ 67,214,407</u>	<u>12%</u>

B. Long-term Debt

The Authority's final payment in the amount of \$240,000 for 1 Bristow Way will occur in FY 2025-2026. The Authority also has a line of credit with an outstanding balance of \$663,924. See Note 2 for more details.

Titusville-Cocoa Airport Authority Management Discussion and Analysis

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

As of September 30, 2025, the Authority has several on-going projects which include the North Area Security and Infrastructure Project at Merritt Island, Runway 11-29 rehabilitation project at Merritt Island, South Apron Project at Merritt Island, North Safety Improvements at Merritt Island, Corporate Hangar project at Merritt Island, Runway 18-36 Rehab at Space Coast Regional, Air Traffic Control Tower Construction at Space Coast Regional, the Challenger Avenue extensions at Space Coast Regional, Terminal Improvements at Space Coast Regional and updates to the Master Plan near completion for all three (3) airports. These projects receive funding assistance from the Federal Aviation Administration (FAA), the Florida Department of Transportation (FDOT), FL Commerce and from private sources.

For fiscal year ending September 30, 2026, the Authority expects to complete the North Area Security, the Infrastructure project at Merritt Island and the Corporate Hangar at Merritt Island, the COI Runway 11/29 Design, the Runway 18/36 project at Space Coast Regional, and the Terminal Improvements Design at Space Coast Regional. These projects are essential to the backbone of our airports and provide much needed improvements to our facilities, which in turn benefits our tenants and traveling public.

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

This annual financial report is designed to provide citizens, taxpayers, customers, and creditors with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the money it receives. If you have questions about this report, or need additional financial information, contact the Authority's office at (321) 267-8780, or write them at 1 Bristow Way, Titusville, Florida 32780.



TITUSVILLE-COCOA AIRPORT AUTHORITY

Basic Financial Statements

Titusville-Cocoa Airport Authority
Statement of Net Position

<i>September 30,</i>	2025
ASSETS	
Current assets	
Cash and cash equivalents	\$ 775,885
Restricted cash and cash equivalents	331,198
Accounts receivable, net	355,042
Due from other governments	2,538,809
Prepaid expenses	107,278
Total current assets	4,108,212
Noncurrent assets	
Capital assets:	
Land	13,621,899
Buildings and improvements	37,529,957
Runways and lighting	46,044,490
Furniture, fixtures, and equipment	1,676,604
Vehicles	1,261,417
Construction in process	12,637,262
Accumulated depreciation	(37,364,293)
Leases receivable	19,902,915
Total noncurrent assets	95,310,251
Total assets	99,418,463
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	245,654
Deferred outflows related to other post-employment benefits	15,072
Total deferred outflows of resources	\$ 260,726

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

Titusville-Cocoa Airport Authority
Statement of Net Position (Continued)

<i>September 30,</i>	2025
LIABILITIES	
Current liabilities	
Accounts payable	\$ 1,655,717
Retainage payable	295,354
Accrued expenses and other liabilities	396,238
Refundable deposits	331,198
Unearned revenue	856,642
Compensated absences	175,623
Current portion of note payable and line of credit	903,924
Total current liabilities	4,614,696
Noncurrent liabilities	
Net pension liabilities	951,873
Other post-employment benefits liability	28,512
Total noncurrent liabilities	980,385
Total liabilities	5,595,081
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	305,740
Deferred inflows related to other post-employment benefits	5,488
Deferred inflows related to leases	16,925,301
Total deferred inflows of resources	17,236,529
NET POSITION	
Net investment in capital assets	73,661,886
Restricted for airport improvements	995,081
Unrestricted	2,190,612
Total net position	\$ 76,847,579

Titusville-Cocoa Airport Authority
Statement of Revenues, Expenses, and Changes in Net Position

<i>For the year ended September 30,</i>	2025
Operating revenues	
T-hangars	\$ 1,651,640
Fixed base operations	276,599
Building, land, and other leases	2,106,278
Miscellaneous revenue	60,720
Total operating revenues	4,095,237
Operating and maintenance expenses	
Wages and benefits	1,425,503
Repairs, maintenance, and other services	1,620,688
Materials and supplies	80,899
Depreciation	2,649,182
Bad debt expense	246,441
Total operating and maintenance expenses	6,022,713
Operating loss	(1,927,476)
Non-operating revenues (expenses)	
Interest income	1,109,498
Gain on disposal of assets	26,775
Interest expense	(37,395)
Total non-operating revenues (expenses)	1,098,878
Loss before contributions	(828,598)
Capital contributions	9,024,629
Change in net position	8,196,031
Net position, beginning of year	68,651,548
Net position, end of year	\$ 76,847,579

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

Titusville-Cocoa Airport Authority
Statement of Cash Flows

For the year ended September 30,

2025

Cash flows from operating activities

Cash received from tenants	\$ 3,060,507
Cash received from other sources	60,720
Cash paid to employees for services	(1,543,327)
Cash paid to suppliers for goods and services	(2,147,089)

Net cash used in operating activities	(569,189)
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Cash flows from capital and related financing activities

Cash received from capital grants and contributions	7,130,764
Cash paid for acquisition and construction of capital assets	(8,991,787)
Proceeds from the issuance of debt	5,815,171
Principal paid on long-term debt	(5,391,247)
Cash paid for interest on notes	(37,395)

Net cash used in capital and related financing activities	(1,474,494)
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Cash flows from investing activities

Cash received for interest income	1,109,498
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Net cash provided by investing activities	1,109,498
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Increase (decrease) in cash and cash equivalents	(934,185)
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Cash and cash equivalents, beginning of year	2,041,268
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Cash and cash equivalents, end of year	\$ 1,107,083
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Following is a reconciliation of the cash as of September 30,

2025

Cash and cash equivalents	\$ 775,885
Cash and cash equivalents, restricted	331,198
Total cash and cash equivalents, end of year	\$ 1,107,083

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

Titusville-Cocoa Airport Authority
Statement of Cash Flows (Continued)

For the year ended September 30,

2025

**RECONCILIATION OF OPERATING LOSS TO NET CASH
 USED IN OPERATING ACTIVITIES**

Operating loss	\$ (1,927,476)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:	
Depreciation	2,649,182
Bad debt expense	246,441
Change in assets, deferred outflows, liabilities and deferred inflows:	
(Increase) decrease in assets and deferred outflows:	
Accounts receivable	(318,903)
Leases receivable	(120,583)
Prepaid expenses	(77,918)
Deferred outflows related to pensions	88,179
Deferred outflows related to other postemployment benefits	(598)
Increase (decrease) in liabilities and deferred inflows:	
Accounts payable	(485,783)
Accrued expenses and other liabilities	364,640
Refundable deposits	66,436
Unearned revenue	(226,240)
Net pension liabilities	(307,755)
Other postemployment benefits liability	6,310
Deferred inflows related to pensions	96,957
Deferred inflows related to other postemployment benefits	(917)
Deferred inflows related to leases	(621,161)
Total adjustments	1,358,287
Net cash used in operating activities	\$ (569,189)

Note 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Titusville-Cocoa Airport Authority (the “Authority”), a component unit of Brevard County, Florida, operates and maintains three general aviation airports within the Titusville-Cocoa Airport District (the “District”) in Brevard County, Florida. The three airports served by the District are Space Coast Regional Airport, Arthur Dunn Airpark, and Merritt Island Airport. The District is bound on the north and west by the Brevard County line, the east by the Atlantic Ocean, and on the south by the Township 25 line, which is approximately three and three-quarter miles north of the Pineda Causeway. The Authority and the District were created under the Titusville-Cocoa Airport District Act of 1963, Chapter 63- 1143, Laws of Florida, Special Acts of 1963 (the Act).

Reporting Entity

The Authority is a dependent, special district of Brevard County, Florida under Chapter 189.403, Florida Statutes, and as such, Brevard County approves the Authority’s annual budget. The Authority is governed by a 7 member Board of Directors which consists of two members appointed by each of the respective County Commissioners of Districts 2 and 4, one member appointed by the District 1 County Commissioner, one member appointed by the City of Titusville, and one member-at-large appointed by the Brevard County Board of County Commissioners. The Authority does not exercise control over other government agencies or authorities.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The Authority uses the *economic resources measurement focus* and the *accrual basis of accounting* for its financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The following is a description of the sole proprietary fund of the Authority.

Enterprise Fund – The Authority operates as an enterprise fund that accounts for the construction, operation and maintenance of the Authority.

This fund is used to account for the acquisition, operation and maintenance of Authority facilities and services that are entirely or predominantly self-supported by user fees. The operations of enterprise funds are accounted for in such a manner as to show a profit or loss similar to comparable private enterprises.

Budgetary Information

The budgetary policy for the Board of Directors of the Authority involves establishing an annual operating expense budget. A tentative annual operating expense budget is to be adopted prior to July 1 of each year, and approved by the Brevard County Board of County Commissioners. Brevard County Board of Commissioners action is required for the approval of a supplemental or amended budget.

Budgetary control is maintained at the line item level. The budget is prepared on an accrual basis of accounting, which is consistent with generally accepted accounting principles. All appropriations that are not expensed or committed lapse at year end.

Note 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Information (continued)

Actual results of operations presented in accordance with generally accepted accounting principles (GAAP basis) and the Authority's accounting policies do not recognize encumbrances as expenditures until the period in which the actual goods or services are received and a liability is incurred.

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

Cash and Cash Equivalents

The Authority'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.

Receivables and Payables

Allowance for doubtful accounts – Accounts receivable have been reported net of the allowance for doubtful accounts. Accounts receivable in excess of 120 days are subject to being considered as uncollectible.

Leases receivable – The Authority's lease receivables are measured at the present value of lease payments expected to be received during the lease term. Under the lease agreement, the Authority may receive variable lease payments that are dependent upon the consumer price index (CPI) or a future market value assessment. The variable payments that differ from the estimates at lease inception are recorded as an inflow of resources in the period the payment is received.

Retainage payable – The Authority has recorded amounts due to construction contractors for construction in process under retainage provisions of construction contracts.

Prepaid Items

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

Restricted Assets

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

Customer Deposit Accounts – Customer deposits are deposited in non-interest bearing accounts and refunded upon termination of rental agreement with the Authority and satisfaction of all obligations due.

Note 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position (continued)

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, runways, taxiways, buildings, and similar items), are reported in the financial statements. Capital assets are defined by the Authority as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost, if purchased or constructed, and at acquisition value at the date of donation, if donated. Major additions are capitalized while maintenance and repairs, which do not improve or materially extend the life of the respective assets are charged to expense. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets are depreciated or amortized using the straight-line method over the following average useful lives:

Buildings and improvements	5 – 39 years
Runways, lighting, and ramps	7 – 33 years
Furniture, fixtures, equipment, and vehicles	3 – 10 years

Deferred Outflows/Inflows of Resources

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

The deferred outflows reported by the Authority are an aggregate of items related to pensions as calculated in accordance with GASB Codification (GASBC) Section P20: *Pension Activities – Reporting for Benefits Provided through Trusts That Meet Specified Criteria* and GASB Codification P52: *Post-employment Benefits Other Than Pensions – Reporting Benefits Not Provided Through Trusts That Meet Certain Criteria*. The deferred outflows related to pensions and other post-employment benefits will be recognized as either pension expense or a reduction in the net pension liabilities or the other post-employment benefits liability in future reporting years.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The deferred inflows related to pensions are an aggregate of items related to pensions as calculated in accordance with GASB Codification Section P20: *Pension Activities – Reporting for Benefits Provided through Trusts That Meet Specified Criteria*. The deferred inflows related to pensions will be recognized as a reduction to pension expense in future reporting years.

Note 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The deferred inflows related to other post-employment benefits (OPEB) are an aggregate of items related to other post-employment benefits as calculated in accordance with GASB Codification P52: *Postemployment Benefits other Than Pensions – Reporting for Benefits not Provided through Trusts that Meet Specified Criteria*. The deferred inflows related to OPEB will be recognized as a reduction to employee benefit expense in future reporting years.

The deferred inflows of resources related to leases are associated with amounts owed to the Authority, as lessor, by entities leasing the Authority's capital assets as calculated in accordance with GASB Codification L20: *Leases*. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is recognized as revenue on a straight-line basis over the term of the lease.

Compensated Absences

The Authority's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment upon separation from government service. The liability for compensated absences includes salary-related benefits, where applicable. Thirty-three percent (33%) of any unused accumulated sick leave earned – not to exceed 240 hours – is payable when an employee properly resigns, is laid off, or otherwise separates from service in good standing.

Long-term obligations

Long-term debt and other long-term obligations are reported as liabilities in the statement of net position. In accordance with GASB Codification Section I30: *Interest Costs – Imputation*, debt issuance costs are expensed in the period incurred except for prepaid insurance costs.

Pensions

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

Other Post-Employment Benefits (OPEB) Liability

For purposes of measuring the net OPEB liability, deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. The Authority's proportionate share of OPEB amounts were further allocated to each participating employer based on the contributions paid by each employer. There are no investments as this is a pay-as you-go plan and all cash is held in a cash account.

Note 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Unearned revenue

Unearned revenue recorded on the statement of net position represents amounts received by the Authority, but for which the Authority has not yet completed the eligibility requirements to recognize the revenue.

Categories and Classification of Net Position

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

The provisions of GASB Codification P80: *Proprietary Fund Accounting and Financial Reporting*, specifies the following classifications:

Net Investment in Capital Assets – Consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also should be included in this component of net position.

Restricted Net Position – Restricted net position 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.

Unrestricted Net Position – Unrestricted net position is the residual classification.

Revenues and Expenses

The Authority distinguishes operating revenues and expenses from nonoperating items in accordance with GASB Codification P80: *Proprietary Fund Accounting and Financial Reporting*. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority are charges to customers for hangar rentals, building leases, rent and fuel flowage fees from fixed base operators, revenue from mini warehouses. Operating expenses for enterprise funds and 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.

Note 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Grants/Capital Contributions

Grants restricted for capital asset acquisition and construction are recorded as capital contributions. Grant revenue that can be used for operating purposes is classified as nonoperating revenue. They are considered earned when all applicable eligibility requirements have been met and it is earned by the Authority.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts and disclosures reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, March 25, 2026. See Note 10 for relevant disclosures. No subsequent events occurring after this date have been evaluated for inclusion in these consolidated financial statements.

Recently Issued and Implemented Accounting Pronouncements

The Authority implemented the following standard during the current year:

GASB Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement require retroactive application, however, the impact was de minimis so no prior period adjustment was recorded.

GASB Statement No. 102, *Certain Risk Disclosures*. This Statement was issued in December 2023 to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This statement defines a concentration as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. Concentrations and constraints may limit a government's ability to acquire resources or control spending. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.

Note 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (Continued)

If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact. Statement 102 had no significant impact on the financial statements.

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

GASB Statement 103, *Financial Reporting Model Improvements*. This Statement was issued April 2024 to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. This establishes new accounting and financial reporting requirements—or modifies existing requirements—related to Management's discussion and analysis (MD&A); unusual or infrequent items; presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position; information about major component units in basic financial statements; budgetary comparison information; and financial trends information in the statistical section. This Statement will supersede and amend portions of GASB Statements 34 and 37. This Statement further amends portions of GASB Statements 14, 41, 42, 44, 49, 56, 58, 61, 62 and 69. Related guidance will also be superseded or amended upon implementation. Statement 103 will be effective for the fiscal year ending September 30, 2026.

GASB Statement 104, *Disclosure of Certain Capital Assets*. This Statement was issued September 2024 to provide users of government financial statements with essential information about certain types of capital assets. This requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, Leases, and intangible right-to-use assets recognized in accordance with Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, Subscription-Based Information Technology Arrangements, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. This Statement also requires additional disclosures for capital assets held for sale. A capital asset is a capital asset held for sale if (a) the government has decided to pursue the sale of the capital asset and (b) it is probable that the sale will be finalized within one year of the financial statement date. Governments should consider relevant factors to evaluate the likelihood of the capital asset being sold within the established time frame. This Statement requires that capital assets held for sale be evaluated each reporting period.

Governments should disclose (1) the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset. Statement 104 will be effective for the fiscal year ending September 30, 2026.

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

Note 2 – DETAILED NOTES

Deposits

As of September 30, 2025, \$250,000 of the Authority's bank balances is 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 Authority pursuant to Section 280.08, Florida Statutes. At September 30, 2025 the Authority reported a carrying amount of deposits of \$1,107,083 and a bank balance of \$1,112,049.

Accounts Receivable and Due from Other Governments

Accounts Receivable – All account receivables are shown net of uncollectible accounts. The accounts receivable and allowance for uncollectible accounts at September 30, 2025 are as follows:

	Accounts Receivable	Allowance for Uncollectible	Net
Accounts receivable	\$ 1,200,596	\$ (845,554)	\$ 355,042
Total accounts receivable	\$ 1,200,596	\$ (845,554)	\$ 355,042

Due from other governments – The Authority has recorded amounts due from other governments, primarily related to capital contributions due to the Authority arising from grant agreements with the State of Florida and the Federal Aviation Administration. Due from other governments at September 30, 2025 was comprised of amounts which had been submitted for reimbursement (billed) as well as amounts which had been earned but not yet submitted for reimbursement (unbilled). Unbilled receivables related to grant funded projects included in due from other governments was \$2,311,345 at September 30, 2025.

Leases- Lessor

Leases receivable – The Authority accounts for leases in accordance with GASB Codification L20: *Leases*. The Authority's operations consist of agreements for use of land, buildings and other facilities. The agreements are made up of various noncancellable agreements which expire between the years 2025 and 2072. The Authority recognized \$562,380 of lease revenue and \$648,018 of lease interest for the year ended September 30, 2025. One lease as of year end does not currently have payments due until occupancy requirements are met and therefore continues to increase the receivable as indicated in the following schedule.

Titusville-Cocoa Airport Authority
Notes to Financial Statements

Note 2 – DETAILED NOTES (Continued)

Leases- Lessor (Continued)

The following is a schedule by years of minimum future revenues from noncancellable agreements:

<i>Year ending September 30,</i>	Principal	Interest	Total Future Minimum Lease Payments
2026	\$ (89,605)	\$ 648,426	\$ 558,821
2027	(26,144)	650,150	624,006
2028	(42,663)	651,298	608,635
2029	(24,835)	652,423	627,588
2030	(5,352)	652,944	647,592
2031 - 2035	318,784	3,247,879	3,566,663
2036 - 2040	1,059,394	3,140,223	4,199,617
2041 - 2045	1,261,110	2,922,916	4,184,026
2046 - 2050	1,363,051	2,739,325	4,102,376
2051 - 2055	1,820,599	2,464,283	4,284,882
2056 & Beyond	14,268,576	4,683,565	18,952,141
Total	\$ 19,902,915	\$ 22,453,432	\$ 42,356,347

Regulated leases – The Authority’s operations include certain lease agreements that are classified as regulated leases under paragraphs 137 – 140 of GASB Codification L20: *Leases*. These agreements consist of aeronautical lease agreements, as defined by the Federal Aviation Administration, which are made up of land or facility agreements that directly or substantially relate to aircraft storage, flight training and other aeronautical use. Regulated leases provide for the exclusive use of the premises for the term of the agreement.

Upon conclusion of the lease and options, or upon default, ownership of the premises reverts to the Authority. For these agreements, lease rates cannot exceed a reasonable amount and the Authority cannot deny potential lessees the right to enter into leases if facilities are available, provided that the potential lessee’s use of the facilities complies with use restrictions. The Authority recognized the revenues from these leases agreements as inflows each year based on the payment provisions of each lease contract. The Authority recognized \$1,272,765 of regulated lease revenue principal and \$459,823 of regulated lease interest for the year ended September 30, 2025.

Titusville-Cocoa Airport Authority
Notes to Financial Statements

Note 2 – DETAILED NOTES (Continued)

Leases- Lessor (Continued)

The following is a schedule by years of minimum future revenues from regulated leases:

<i>Year ending September 30,</i>	Principal	Interest	Total Future Minimum Lease Payments
2026	\$ 1,179,182	\$ 311,255	\$ 1,490,437
2027	1,192,927	272,445	1,465,372
2028	1,101,983	232,718	1,334,701
2029	828,410	199,718	1,028,128
2030	606,868	176,069	782,937
2031 - 2035	1,807,829	664,730	2,472,559
2036 - 2040	1,791,748	304,282	2,096,030
2041 - 2045	412,106	72,125	484,231
2046 - 2050	191,486	35,406	226,892
2051 - 2055	114,613	5,096	119,709
Total	\$ 9,227,152	\$ 2,273,844	\$ 11,500,996

Titusville-Cocoa Airport Authority
Notes to Financial Statements

Note 2 – DETAILED NOTES (Continued)

Capital Assets

The following is a summary of changes in capital assets during the year ended September 30, 2025.

	Beginning Balance	Increases and transfers	Decreases and transfers	Ending Balance
Capital assets not being depreciated:				
Land	\$ 13,621,899	\$ -	\$ -	\$ 13,621,899
Construction in process	6,184,138	8,417,143	(1,964,019)	12,637,262
Total capital assets not being depreciated	19,806,037	8,417,143	(1,964,019)	26,259,161
Capital assets, being depreciated:				
Runways and lighting	45,069,245	975,245	-	46,044,490
Buildings and improvements	34,274,472	3,360,060	(104,575)	37,529,957
Furniture, fixtures, and equipment	1,650,298	26,906	(600)	1,676,604
Vehicles	1,261,417	-	-	1,261,417
Total capital assets being depreciated	82,255,432	4,362,211	(105,175)	86,512,468
Less accumulated depreciation for:				
Runways and lighting	16,321,200	1,464,284	-	17,785,484
Buildings and improvements	16,948,713	1,013,699	(131,351)	17,831,061
Furniture, fixtures, and equipment	399,330	128,754	(600)	527,484
Vehicles	1,177,819	42,445	-	1,220,264
Total accumulated depreciation	34,847,062	2,649,182	(131,951)	37,364,293
Total capital assets, being depreciated, net	47,408,370	1,713,029	26,776	49,148,175
Total capital assets, net	\$ 67,214,407	\$ 10,130,172	\$ (1,937,243)	\$ 75,407,336

Depreciation expense was \$2,649,182 for the year ended September 30, 2025.

Long-Term Debt and Liabilities

In April 2023, the Authority entered into a loan agreement for the purchase of a building for \$720,000. The agreement states that the balance is to be repaid in three equal payments over the next 3 years in the amount of \$240,000 annually.

As of September 30, 2025 the Authority has an available revolving line of credit of \$4,000,000, an increase from \$1,500,000 due to amendment to the credit line effective April 15, 2025. The interest rate of SOFR plus 1.75% per annum; provided, however, that if the rate would be less than 2.35%, the rate shall be 2.35%. At September 30, 2025, there was \$663,924 outstanding on the line of credit. The original maturity date for all principal and unpaid accrued interest for the line of credit was November 29, 2022 and was extended until November 28, 2023 and then subsequently to November 26, 2024. As of November 26, 2024 the bank extended and renewed the maturity date of the line of credit to November 25, 2025. The amendment in April 2025 extended the maturity date to April 14, 2026.

Titusville-Cocoa Airport Authority
Notes to Financial Statements

Note 2 – DETAILED NOTES (Continued)

Changes in Long-Term Liabilities

The following is a summary of notes payable for the year ended September 30, 2025:

<i>September 30,</i>	Principal	Interest	Total
2026	\$ 240,000	\$ -	\$ 240,000
Total	\$ 240,000	\$ -	\$ 240,000

The loan states a 0% interest rate and the Authority has determined imputed interest to be immaterial.

Long-term liability activity for the year ended September 30, 2025, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Note payable	\$ 480,000	\$ -	\$ (240,000)	\$ 240,000	\$ 240,000
Line of credit	-	5,815,171	(5,151,247)	663,924	663,924
Compensated absences*	103,255	72,368	-	175,623	175,623
Total long-term liabilities	\$ 583,255	\$ 5,887,539	\$ (5,391,247)	\$ 1,079,547	\$ 1,079,547

*This change is shown net.

Net Investment In Capital Assets

The details of the Authority's investment in capital assets, net of related debt, accounts payable, and retainage payable is as follows:

<i>September 30,</i>	2025
Capital assets, net	\$ 75,407,336
Accounts payable related to capital assets	(1,210,096)
Retainage payable	(295,354)
Outstanding debt related to capital assets	(240,000)
Net investment in capital assets	\$ 73,661,886

Note 3 – RETIREMENT PLANS

Description of Plans

The Authority 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, 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. The Florida Legislature establishes and amends the contribution requirements and benefit terms of the FRS Pension Plan. 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 Florida Legislature establishes and amends the contribution requirements and benefit terms of the HIS Program. 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 one of the state-administered retirement systems must provide proof of eligible health insurance coverage, which may include Medicare.

Summary of Significant Accounting Policies (All Plans)

Basis of Accounting

The Plans' financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to each plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits, refunds, and administrative costs are recognized when due and payable in accordance with the terms of each plan.

Method Used to Value Investments

Investments are reported at fair value. Short-term investments are reported at amortized cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value.

Note 3 – RETIREMENT PLANS (Continued)

Summary of Significant Accounting Policies (All Plans) (Continued)

Funding Requirements

The contribution requirements of plan members and the employer are established and may be amended by the Florida Legislature. Employees are required to contribute 3.00% of their salary to the FRS Pension Plan.

The Authority's contribution rates as of September 30, 2025, were as follows:

<i>September 30,</i>	2025	
	FRS	HIS
Regular class	11.97%	2.00%
Special risk class	33.13%	2.00%
Senior management service class	31.18%	2.00%
Elected officials	52.51%	2.00%
DROP from FRS	20.02%	2.00%

The Authority's contributions for the year ended September 30, 2025 were \$130,136 to the FRS Pension Plan and \$19,206 to the HIS Program.

Plan Membership and Benefits

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.

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.

Pension Liabilities and Pension Expense

In its financial statements for the year ended September 30, 2025, the Authority reported liabilities 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, 2025. The Authority'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.

Titusville-Cocoa Airport Authority
Notes to Financial Statements

Note 3 – RETIREMENT PLANS (Continued)

Pension Liabilities and Pension Expense (Continued)

<i>September 30,</i>	2025			
	FRS		HIS	
Net Pension Liability	\$	676,433	\$	275,440
Proportion at:				
Measurement date, respectively		0.0022%		0.0021%
Pension expense (benefit)	\$	28,157	\$	354

Deferred Outflows/Inflows of Resources Related to Pensions

At September 30, 2025, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	FRS		HIS	
	Deferred Outflow of Resources	Deferred Inflow of Resources	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 72,250	\$ -	\$ 1,644	\$ (437)
Change of assumptions	78,551	-	2,438	(66,622)
Net difference between projected and actual earnings on pension plan investments	-	(112,937)	-	(229)
Employer specific amounts due to changes in Authority's proportionate share	20,364	(83,323)	32,697	(42,192)
Authority pension plan contribution subsequent to the measurement date	32,890	-	4,820	-
Total	\$ 204,055	\$ (196,260)	\$ 41,599	\$ (109,480)

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 liabilities in the reporting period ending September 30, 2026.

Titusville-Cocoa Airport Authority
Notes to Financial Statements

Note 3 – RETIREMENT PLANS (Continued)

Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

Other pension-related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

<i>Year Ending September 30:</i>		FRS	HIS
2026	\$	84,434	\$ (17,582)
2027		(30,490)	(14,880)
2028		(45,747)	(12,055)
2029		(33,292)	(15,857)
2030		-	(12,327)
Total	\$	(25,095)	\$ (72,701)

Actuarial Assumptions

The total pension liability for each of the defined benefit plans was measured as of June 30, 2025. The total pension liability for the FRS Pension Plan was determined by an actuarial valuation dated July 1, 2025. For the HIS Program, the total pension liability was determined by an actuarial valuation dated July 1, 2024.

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, including inflation	3.50%	3.50%
Investment rate of return	6.70%	N/A
Discount rate	6.70%	5.20%

	2025
Mortality assumptions	
FRS	PUB-2010 with projected generations with scale MP-2021
HIS	PUB-2010 with projected generations with scale MP-2021
Actuarial experience study	Period July 1, 2018 through June 30, 2023
FRS and HIS	

Note 3 – RETIREMENT PLANS (Continued)

Actuarial Assumptions (Continued)

The following key changes in actuarial assumptions occurred in:

	2025
HIS	All demographic assumptions and methods were reviewed as part of the 2024 Experience Study. Changes were adopted by the 2025 FRS Actuarial Assumption Conference during its meeting in The municipal bond index rate and the discount rate used to determine the total pension liability was adjusted from 3.93% to 5.20%.

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 of 3.50%.

For the FRS Pension Plan, the table below summarizes the consulting actuary's assumptions based on the long-term target asset allocation at July 1, 2025:

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return
Cash	1.0%	3.20%	3.20%
Fixed income	29.0%	5.50%	5.40%
Global equity	45.0%	8.50%	6.90%
Real estate	12.0%	8.40%	7.10%
Private equity	11.0%	12.40%	8.80%
Strategic investments	2.0%	6.50%	6.10%
Total	100%		

Discount Rate

The discount rate used to measure the total pension liability for the FRS Pension Plan was 6.70% for the year ended June 30, 2025. FRS' 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 for both years.

Note 3 – RETIREMENT PLANS (Continued)

Discount Rate (Continued)

Because the HIS Program is essentially funded on a pay-as-you-go basis, a municipal bond rate of 5.20% at June 30, 2025, 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.

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 1.00% higher or 1.00% lower than the current discount rate.

	FRS				HIS	
	1%	Current	1%	1%	Current	1%
	Decrease	Discount Rate	Increase	Decrease	Discount Rate	Increase
	5.70%	6.70%	7.70%	4.20%	5.20%	6.20%
Authority's proportionate share of the net pension liability (asset)	\$ 1,327,489	\$ 676,433	\$ 130,597	\$ 310,603	\$ 275,440	\$ 245,949

Pension Plans' Fiduciary Net Position

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

Note 4 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Plan Description

The District follows Section P52: *Postemployment Benefits Other Than Pensions* (OPEB) of the GASB Codification, for certain postemployment health care benefits provided by the District.

The Authority participates in the Brevard County, Florida (the "County") healthcare plan. The Brevard County Board of County Commissioners (the "Board") 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 Authority is required to provide eligible retirees (as defined in the County's pension plans) the opportunity to participate in this Plan at the same cost that is applicable to active employees. Eligible retirees must be drawing an immediate benefit from their respective pension plan and be enrolled in medical coverage prior to retirement. Surviving spouses of participants are allowed access to the Plan but must pay the full premium. Benefit provisions for the Plan were established by the Board on May 12, 1987 and may only be amended by the Board. The Authority does not issue stand-alone financial statements for this Plan. All financial information related to the Plan is accounted for in the Authority's basic financial statements.

Note 4 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Plan Description (Continued)

Pursuant to Section 112.0801 Florida Statutes, the Authority is required to provide eligible retirees (as defined in the County's pension plan) the opportunity to participate in this Plan at the same cost that is applicable to active employees. Employees who are active participants in the Plan at the time of retirement and are either age 62 with completion of six years of service or have 30 years of service are eligible to receive benefits.

Benefit provisions can only be amended by the Board. On at least an annual basis, and prior to the enrollment process, the Board approves the rates for the coming year for the retiree, employee and County contributions. The Board or Authority does not issue stand-alone financial statements for this Plan. All financial information related to the Plan is accounted for in the Authority's basic financial statements.

Funding Policy

For the year ended September 30, 2025, the maximum employer contribution target is 56% of the annual premium cost of the Plan. The annual premium costs are between \$1,424 and \$2,005 for retirees and spouses under age 65 and between \$180 and \$619 for retirees and spouses over age 65. Employees hired prior to January 1, 2006 are eligible to receive 100% of the earned percentage of benefits for their lifetime upon attainment of age 62 and completion of six years of service or upon completing 30 years of service, if earlier. Employees hired on or after January 1, 2006 are eligible to receive a graduated earned percentage of benefits upon retirement based on years of service.

For the year ended September 30, 2025, the portion of contribution attributed to the Authority is \$4,461, which includes both an estimate of the implied subsidy described above and the explicit subsidy paid on behalf of eligible retirees.

Plan Membership

Plan membership was as follows:

<i>Year ended September 30,</i>	2025
Active participants	12
Inactive retirees	2

Titusville-Cocoa Airport Authority
Notes to Financial Statements

Note 4 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Actuarial Assumptions and Other Inputs

These calculations are based on the Entry Age Normal cost method required by GASB Codification P52: *Other Postemployment Benefits*. The total OPEB liability in the September 30, 2025, actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

	2025
Salary increases	2.00%
Discount Rate	4.90%
Healthcare cost trend rates 8.00%/6.50%	
Decreasing by 0.25% for age pre-65 and post-65, respectively annually to an ultimate rate of 4.50%	8.00%/6.5%
Retirees' share of benefit-related costs	44%

The discount rate was based on the December average of the Municipal Bond Index Rate using the Bond Buyer GO 20-year Municipal Bond Index published by The Bond Buyer.

	2025
Mortality rates	SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2021
Valuation date	October 1, 2024
Measurement date	September 30, 2025
Disability rates	None assumed.
Participation	75% of active participants are assumed to participate at retirement, and will remain in the same plan as they currently are enrolled.
Claims cost	13,900 - 15,500
Retirement marriage assumptions	70% are assumed to be married with husbands three years older than wives. Actual spouse data used for retirees not missing spouse date of birth and the assumptions that husbands are three years older than wives used for retirees missing spouse date of birth.

Titusville-Cocoa Airport Authority
Notes to Financial Statements

Note 4 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Actuarial Assumptions and Other Inputs (Continued)

2025	
Changes since last valuation	• Health care trend rates have been updated to an initial rate of 8.00%/6.50% decreasing by 0.25% annually to an ultimate rate of 4.50%. The impact of this change was an increase in liabilities. • The discount rate has been updated from 4.06% as of September 30, 2024 to 4.90% as of September 30, 2025 based on a yield for 20-year tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale).

The Authority reported an OPEB liability of \$28,512 at September 30, 2025.

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance as of October 1, 2024 for FYE 2024	\$ 22,202	\$ -	\$ 22,202
Changes for the year:			
Service cost	4,461	-	4,461
Interest	889	-	889
Changes of assumptions	-	-	-
Difference between expected and actual experience	706	-	706
Benefit payments	254	-	254
Net changes in total OPEB liability	6,310	-	6,310
Balance as of October 1, 2025 for FYE 2025	\$ 28,512	\$ -	\$ 28,512

Sensitivity of the OPEB liability

The following table represents the Authority's total OPEB liability calculated using the current discount rate as well as what the Authority's total OPEB liability would be at September 30, 2025 if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease 3.90%	Discount Rate 4.90%	1% Increase 5.90%
<i>September 30, 2025</i>			
Total OPEB Liability	\$ 31,206	\$ 28,512	\$ 26,162

Titusville-Cocoa Airport Authority
Notes to Financial Statements

Note 4 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Sensitivity of the OPEB liability (Continued)

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

<i>September 30, 2025</i>	Healthcare Cost		
	1% Decrease	Trend Rate	1% Increase
Total OPEB Liability	\$ 25,877	\$ 28,512	\$ 31,539

OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB

For the fiscal year ended September 30, 2025, the Authority recognized an OPEB benefit of \$748. In addition, the Authority reported deferred outflows of resources and deferred inflows of resources related to the OPEB plan from the following sources:

<i>September 30, 2025</i>	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,866	\$ (3,252)
Change of assumptions	10,206	(2,236)
Total	\$ 15,072	\$ (5,488)

Other amounts reported as deferred inflows of resources related to the OPEB plan will be recognized in expenses as follows:

<i>Year ending September 30,</i>	
2026	\$ 1,420
2027	1,835
2028	2,588
2029	1,405
2030	1,263
Thereafter	1,073
Total	\$ 9,584

Note 5 – RISK MANAGEMENT

The Authority 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 Authority 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 Authority 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 Authority is covered for claims originating against the Authority during the policy period. The amount of coverage is dependent on the date of the liability-imposing event. The Authority has maintained continuous coverage and does not believe it has any exposure to events which occurred prior to the year ended September 30, 2025.

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

Note 6 – COMMITMENTS AND CONTINGENCIES

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

The Authority has active construction projects as of September 30, 2025. At year-end, the Authority's commitments with contractors are as follows:

<i>September 30,</i>	2025
Space Coast Regional Airport Authority	\$ 21,049,763
Merritt Island Airport	5,565,646
Arthur Dunn Airpark	1,000,000
Total outstanding commitments	\$ 27,615,409

Note 7 – DEFERRED COMPENSATION PLAN

The Authority offers its employees a deferred compensation plan, created in accordance with Internal Revenue Code Section 457, which is administered by the International City Managers Association. The plan is available to all Authority employees and permits them to defer a portion of their salary until future years. Participation in the plan is optional. Deferred compensation balances are not available to employees until termination, retirement, death, or an unforeseeable emergency. All assets and income of the plan are held in trust for the exclusive benefit of the participants in the plan; therefore, assets of the plan are not reported in the accompanying financial statements.

Note 8 – AD-VALOREM TAXES

The Authority has statutory authority to levy ad valorem taxes up to 1 mil annually on all taxable property within the Authority's district boundaries. The Authority has not levied a property tax since 2005.

Note 9 – RELATED PARTY TRANSACTIONS

The Authority has entered into a construction and leasing agreement with a company (the "Related Party") whose primary shareholder is also a Board member of the Authority. The terms of the agreement require the Related Party to match 50% of a grant from the Florida Department of Transportation. The Authority commenced construction in fiscal year 2021 and was completed during 2025. The Authority has recorded a liability of \$378,848 for prepaid rent at September 30, 2025.

Additionally, the Related Party had an existing lease with the Authority which commenced June 1 2021 and terminated 20 years from that date with two five-year extension options. This lease was incorporated into the newly constructed hangar at an annual rate of \$85,102 as of September 30, 2025. Annual base rent increases annually based on the CPI with fair market value readjustments every five years.

In addition, three other Board members rent hangar space under standard lease agreements.

NOTE 10 – SUBSEQUENT EVENTS

In December 2025, the Authority's Board awarded a construction contract for \$8.3 million to a contract for the Challenger Avenue Extension project at Space Coast Regional Airport.



REQUIRED SUPPLEMENTARY INFORMATION

Titusville-Cocoa Airport Authority
Schedule of Proportionate Share of Net Pension Liability
Last Ten Fiscal Years

Florida Retirement System (FRS)				
	2025	2024	2023	2022
Authority's proportion of the net pension liability	0.0022%	0.0023%	0.0025%	0.0023%
Authority's proportionate share of the net pension liability	\$ 676,433	\$ 905,318	\$ 987,570	\$ 860,693
Authority's covered payroll	940,534	959,271	918,456	738,147
Authority's proportionate share of the net pension liability as a percentage of its covered payroll	71.92%	94.38%	107.53%	116.60%
Plan fiduciary net position as a percentage of the total pension liability	87.26%	83.70%	82.38%	82.89%
Health Insurance Subsidy (HIS)				
	2025	2024	2023	2022
Authority's proportion of the net pension liability	0.0021%	0.0024%	0.0024%	0.0020%
Authority's proportionate share of the net pension liability	\$ 275,440	\$ 354,310	\$ 380,279	\$ 208,694
Authority's covered payroll	940,534	959,271	918,456	738,147
Authority's proportionate share of the net pension liability as a percentage of its covered payroll	29.29%	36.94%	41.40%	28.27%
Plan fiduciary net position as a percentage of the total pension liability	6.36%	4.80%	4.12%	4.81%

Note 1: The Plan's fiduciary net position as a percentage of the total pension liability is published in Note 2 of the Plan's Comprehensive Annual Financial Report.

Note 2: Amounts presented for each fiscal year were determined as of 6/30.

Note 3: GASB Statement No. 82, was implemented during fiscal year 2017. Covered payroll shown includes the payroll for defined benefit actives, members in DROP, and investment plan members.

Titusville-Cocoa Airport Authority
Schedule of Proportionate Share of Net Pension Liability
Last Ten Fiscal Years (Continued)

	2021	2020	2019	2018	2017	2016
	0.0023%	0.0027%	0.0029%	0.0031%	0.0033%	0.0033%
\$ 176,586	\$ 1,166,299	\$ 1,010,082	\$ 923,794	\$ 958,751	\$ 823,542	
662,926	664,225	824,093	790,921	776,263	797,929	
26.64%	175.59%	122.57%	116.80%	123.51%	103.21%	
96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	
	2021	2020	2019	2018	2017	2016
	0.0018%	0.0020%	0.0023%	0.0023%	0.0025%	0.0025%
\$ 220,100	\$ 240,785	\$ 252,041	\$ 246,459	\$ 263,220	\$ 296,470	
662,926	664,225	824,093	790,821	776,263	797,929	
33.20%	36.25%	30.58%	31.16%	33.91%	37.15%	
3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	

Titusville-Cocoa Airport Authority
Schedule of Contributions
Last Ten Fiscal Years

Florida Retirement System (FRS)				
	2025	2024	2023	2022
Contractually required contribution	\$ 130,136	\$ 132,520	\$ 149,691	\$ 120,561
Contributions in relation to the contractually required contribution	(130,136)	(132,520)	(149,691)	(120,561)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Authority's covered payroll	941,488	976,271	903,482	807,506
Contributions as a percentage of covered payroll	13.82%	13.57%	16.57%	14.93%
Health Insurance Subsidy (HIS)				
	2025	2024	2023	2022
Contractually required contribution	\$ 19,206	\$ 19,997	\$ 16,386	\$ 13,386
Contributions in relation to the contractually required contribution	(19,206)	(19,997)	(16,386)	(13,386)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Authority's covered payroll	941,488	976,271	903,482	807,506
Contributions as a percentage of covered payroll	2.04%	2.05%	1.81%	1.66%

Note 1: Amounts presented for each fiscal year were determined as of 6/30.

Titusville-Cocoa Airport Authority
Schedule of Contributions
Last Ten Fiscal Years (Continued)

2021		2020		2019		2018		2017		2016	
\$	85,252	\$	89,409	\$	90,944	\$	87,407	\$	84,379	\$	79,538
	(85,252)		(89,409)		(90,944)		(87,407)		(84,379)		(79,538)
\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
620,189		679,566		739,555		790,971		776,273		797,929	
13.75%		13.16%		12.30%		11.05%		10.87%		9.97%	
2021		2020		2019		2018		2017		2016	
\$	9,653	\$	11,364	\$	12,508	\$	12,730	\$	13,028	\$	13,039
	(9,653)		(11,364)		(12,508)		(12,730)		(13,028)		(13,039)
\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
620,189		620,189		739,555		790,971		776,263		797,929	
1.56%		1.83%		1.69%		1.61%		1.68%		1.63%	

Titusville-Cocoa Airport Authority
Schedule of Changes in Other Post-Employment Benefits
Liability and Related Ratios - Last Eight Fiscal Years

<i>Fiscal year ending September 30,</i>	2025	2024	2023	2022	2021
Total OPEB liability					
Service cost	\$ 4,461	\$ 4,181	\$ 4,295	\$ 1,532	\$ 2,152
Interest	889	(6,921)	1,068	501	763
Differences between expected and actual experience	706	(5,726)		(2,518)	(15,985)
Changes of assumptions	254	2,513	8,267	(2,775)	(934)
Benefit payments	-	(770)	(1,659)	(822)	(1,209)
Net changes in total OPEB liability	6,310	(6,723)	11,971	(4,082)	(15,213)
Total OPEB liability - beginning	22,202	28,925	16,954	21,036	36,249
Total OPEB liability - ending	\$ 28,512	\$ 22,202	\$ 28,925	\$ 16,954	\$ 21,036
Covered-employee payroll for the measurement period	\$ 992,290	\$ 972,833	\$ 938,958	\$ 753,613	\$ 579,167
Total OPEB liability as a percentage of covered-employee payroll	2.87%	2.28%	3.08%	2.25%	3.63%

Notes to the schedule:

The District implemented GASB 75 for the fiscal year ended September 30, 2018. As a result, this information is only available for the years following 2018.

The amounts presented for each fiscal year were determined as of 9/30.

Titusville-Cocoa Airport Authority
Schedule of Changes in Other Post-Employment Benefits
Liability and Related Ratios - Last Eight Fiscal Years (Continued)

2020	2019	2018
\$ 1,177	\$ 1,102	\$ 725
1,736	2,102	3,939
(21,453)	56	(55,812)
12,436	2,333	(2,362)
(10,683)	(4,247)	(6,633)
(16,787)	1,346	(60,143)
53,036	51,690	111,833
\$ 36,249	\$ 53,036	\$ 51,690

\$ 679,565 \$ 824,093 \$ 790,921

5.33% 6.44% 6.54%



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ADDITIONAL SUPPLEMENTARY INFORMATION

Titusville-Cocoa Airport Authority
Operating Budget to Actual Comparison
Budgetary Basis

<i>For the year ended September 30, 2025</i>	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
Operating revenues			
T-hangars	\$ 1,361,519	\$ 1,651,640	\$ 290,121
Fixed base operations	182,568	276,599	94,031
Building, land and other leases	2,133,278	2,106,278	(27,000)
Miscellaneous	2,500	60,720	58,220
Total operating revenues	3,679,865	4,095,237	415,372
Operating expenses			
Wages and benefits			
Salaries	1,029,656	1,047,673	(18,017)
Workers compensation insurance	14,015	-	14,015
Employee benefits	422,320	489,249	(66,929)
Total wages and benefits	1,465,991	1,536,922	(70,931)
Repairs, maintenance, and other services			
Repairs and maintenance	456,204	548,503	(92,299)
Insurance	441,551	476,001	(34,450)
Communications and utilities	214,800	232,623	(17,823)
Professional services	180,300	295,320	(115,020)
Advertising and marketing	22,600	24,731	(2,131)
Taxes and other obligations	-	14,997	(14,997)
Travel and training	24,000	6,396	17,604
Dues and subscriptions	10,000	22,117	(12,117)
Total repairs, maintenance, and other services	1,349,455	1,620,688	(271,233)
Materials and supplies	85,600	80,899	4,701
Contingencies	115,611	-	115,611
Total operating expenses	3,016,657	3,238,509	(221,852)
Operating income (loss)	663,208	856,728	193,520
Non-operating revenues (expenses)			
Property, plant, equipment and fees	(583,209)	(1,080,746)	(497,537)
Total non-operating revenues (expenses)	(583,209)	(1,080,746)	(497,537)
Income (loss) before contributions	\$ 79,999	\$ (224,018)	\$ (304,017)

Titusville-Cocoa Airport Authority
Budgetary Notes to Supplementary Information

Note 1 – BUDGETARY INFORMATION

The Authority prepares an annual budget on the cash basis of accounting. Reconciliations to amounts reported on the Statement of Revenues, Expenses and Changes in Net Position are as follows:

Operating expenses

As reported in the financial statements	\$ 6,022,713
Accruals related to:	
Other post-employment benefits	(11,200)
Pension benefits	122,619
Depreciation	(2,649,182)
Bad debt expense	(246,441)
Operating expenses - budgetary basis	\$ 3,238,509

Non-operating revenues (expenses)

As reported in the financial statements	\$ 1,098,878
Accruals related to:	
Interest income	(1,109,498)
Interest expense	37,395
Loss on disposal of assets	(26,775)
Property, plant, equipment and fees*	(1,080,746)
Non-operating revenues (expenses) - budgetary basis	\$ (1,080,746)

*For budgetary purposes the Authority nets the contributions from grantors and the related budgetary basis capital outlay.

Titusville-Cocoa Airport Authority Schedule of Capital Projects Summary

Project	Funding Source	Item Number	Funding				Expenditures			
			Balance 9/30/2024	Additions and Adjustments	Transfers and Adjustments	Balance 9/30/2025	Balance 9/30/2024	Additions and Adjustments	Transfers and Adjustments	Balance 9/30/2025
COI North Area Security & Infrastructure Status: OPEN	FDOT	435310-1-94-01	\$ 418,515	\$ -	\$ -	\$ 418,515	\$ 1,142,261	\$ -	\$ -	\$ 1,142,261
	FDOT	435310-2-94-01	495,167	-	-	495,167				
	TCAA		228,579	-	-	228,579				
COI COI Master Plan Status: OPEN	FAA	3-12-0013-26-2022	406,120	181,405	-	587,525	450,134	201,562	-	651,696
	FDOT	438464-1-94-01	35,731	16,125	-	51,856				
	TCAA		8,283	4,032	-	12,315				
COI Grainger Corporate Hangar Status: OPEN	FDOT									
	TCAA	438461-1-94-01	572,003	4,481	-	576,484	1,048,177	42,195	-	1,090,372
			476,174	37,714	-	513,888				
COI EA T-Hangar Status: OPEN	FAA	3-12-0013-023-021	193,714	96,141	(289,855)	-	193,714	96,141	(289,855)	-
COI Runway 11/29 Design Status: OPEN	FAA	3-12-0013-027-2024	88,123	271,469	(359,592)	-	97,914	301,632	-	399,546
	FDOT	454109-1-94-01	7,833	24,131	(31,964)	-				
	TCAA		1,958	6,032	(7,990)	-				
COI Runway 11/29 Contruction Status: OPEN	FAA	3-12-0013-028-2025	-	3,325	-	3,325	-	3,500	-	3,500
	FDOT	454109-1-94-02	-	-	-	-				
	TCAA		-	175	-	175				
COI North Safety Improvement Project Status: OPEN	FDOT	4541409-1-94-03	-	-	-	-	-	27,277	-	27,277
	TCAA		-	27,277	-	27,277				
X21 T-Hanger Purchase Status: CLOSED	FDOT	456310-1-94-01	-	640,000	(640,000)	-	-	1,280,000	(1,280,000)	-
	TCAA		-	640,000	(640,000)	-				
X21 Master Plan Status: OPEN	FAA	3-12-0101-018-2022	393,284	130,939		524,223	436,981	145,488	-	582,469
	FDOT	438401-1-94-01	34,759	11,639		46,398				
	TCAA		8,938	2,910		11,848				
TIX Challenger Avenue Extension Status: OPEN	NBEDZ	NBEDZ	333,877	63,286	-	397,163	333,877	63,286	-	397,163
TIX Runway 18/36 Design Status: CLOSED	FAA	3-12-0080-036-2023	717,359	8,675	(726,034)	-	797,066	10,978	(808,044)	-
	FDOT	453054-1-94-01	61,622	1,642	(63,264)	-				
	TCAA		18,085	661	(18,746)	-				

(continued)

Titusville-Cocoa Airport Authority

Schedule of Capital Projects Summary (Continued)

Project	Funding Source	Item Number	Balance Additions and Transfers and			Balance	Balance Additions and			Balance
			9/30/2024	Adjustments	Adjustments	9/30/2025	9/30/2024	Adjustments	Adjustments	9/30/2025
TIX Runway 18/36 Construction Status: OPEN	FAA	3-12-0080-036-2023	2,250	4,569,790		4,572,040	2,500	5,077,545	-	5,080,045
	FDOT	453054-1-94-01	200	403,821		404,021				
	TCAA		50	103,934		103,984				
TIX ATCT Site Study Status: CLOSED	FDOT	438494-1-94-01	778,589	-	(778,589)	-	973,238	-	(973,238)	-
	TCAA		194,649	-	(194,649)	-				
TIX ATCT Construction Status: OPEN	FAA	3-12-0080-038-2024	-	1,478,162	-	1,478,162	-	1,642,402	-	1,642,402
	FDOT	438494-3-94-01	-	131,392	-	131,392				
	TCAA		-	32,848	-	32,848				
TIX Airfield Markings Status: OPEN	FAA	3-12-0080-039-2024	-	152,926	(152,926)	-	-	169,540	(169,540)	-
	FDOT	455944-1-94-01	-	10,128	(10,128)	-				
	TCAA		-	6,486	(6,486)	-				
TIX Fuel Farm Status: OPEN	FDOT	446673-1-94-01	67,287	800	-	68,087	84,108	1,000	-	85,108
	TCAA		16,821	200	-	17,021				
TIX Terminal Improvements Status: OPEN	FDOT	456523-1-94-01	-	202,328	-	202,328	-	252,910	-	252,910
	TCAA		-	50,582	-	50,582				
TIX NE Hanger Complex Design Status: OPEN	FDOT	454287-1-94-01	-	229,631	-	229,631	-	287,038	-	287,038
	TCAA		-	57,407	-	57,407				
TIX Rehabilitate Taxiway Status: OPEN	FAA	3-12-0080-042-2025	-	3,325	-	3,325	-	3,500	-	3,500
	TCAA		-	175	-	175				
TIX Update Master Plan Status: OPEN	FAA	3-12-0080-035-2022	561,751	134,491	-	696,242	624,169	149,434	-	773,603
	FDOT	451369-1-94-01	49,653	11,955	-	61,608				
	TCAA		12,765	2,988	-	15,753				
TIX CAE Master Drainage System (Design) Status: OPEN	FL Commerce	G0134	-	218,076	-	218,076	-	218,076	-	218,076
TIX Challenger Ave Extension Construction Status: OPEN	Space Florida		-	148	-	148	-	296	-	296
	FL Commerce	G0134	-	148	-	148				
TIX ARFF Foam Cart	FAA	452683-1-94-01	-	24,250	(24,250)	-	-	24,250	(24,250)	-
			\$ 6,184,139	\$ 9,998,050	\$(3,944,473)	\$ 12,237,716	\$ 6,184,139	\$ 9,998,050	\$(3,544,927)	\$ 12,637,262

(concluded)



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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***

To the Board of Directors
Titusville-Cocoa Airport Authority

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 Titusville-Cocoa Airport Authority as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Titusville-Cocoa Airport Authority's basic financial statements, and have issued our report thereon dated March 25, 2026.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item SD 2025-001 to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Titusville-Cocoa Airport Authority'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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Titusville-Cocoa Airport Authority's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Titusville-Cocoa Airport Authority's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Titusville Cocoa Airport Authority's response was not subject to the other auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on the response.

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

Carr, Rigg & Ingram, L.L.C.

Melbourne, Florida

March 25, 2026



CARR, RIGGS & INGRAM, L.L.C.

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.550, RULES OF THE FLORIDA AUDITOR GENERAL

To the Board of Directors
Titusville-Cocoa Airport Authority

Report on Compliance for Each Major Federal Program and State Project

Opinion on Each Major Federal Program and State Project

We have audited the Titusville-Cocoa Airport Authority's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the Titusville-Cocoa Airport Authority's major federal program and state project for the year ended September 30, 2025. The Titusville-Cocoa Airport Authority's major federal program and state project are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Titusville-Cocoa Airport Authority 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 program and state project for the year ended September 30, 2025.

Basis for Opinion on Each Major Federal Program and State Project

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); and Chapter 10.550, Rules of the Florida Auditor General. 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 Titusville-Cocoa Airport Authority 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 and state project. Our audit does not provide a legal determination of Titusville-Cocoa Airport Authority's compliance with the compliance requirements referred to above.

Responsibilities 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 Titusville-Cocoa Airport Authority's federal programs and state projects.

Auditor's Responsibilities for the Audit 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 Titusville-Cocoa Airport Authority'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*, the Uniform Guidance, and Chapter 10.550 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 Titusville-Cocoa Airport Authority'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, and Chapter 10.550 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 Titusville-Cocoa Airport Authority'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 Titusville-Cocoa Airport Authority'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 and Chapter 10.550, but not for the purpose of expressing an opinion on the effectiveness of Titusville-Cocoa Airport Authority'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 a 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.

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 or significant deficiencies in internal control over compliance may exist that were not 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 and Chapter 10.550. Accordingly, this report is not suitable for any other purpose.

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

Melbourne, Florida
March 25, 2026

Titusville-Cocoa Airport Authority
Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Year Ended September 30, 2025

Federal Agency, Pass-through Entity, Federal Program	Assistance Listing Number	Grant/Contract No.	Federal Expenditures	Transfers to Subrecipients
U.S. Department of Transportation				
Federal Aviation Administration				
Airport Improvement Program	20.106	3-12-0080-038-2024	\$ 1,425,447	-
Airport Improvement Program	20.106	3-12-0101-018-2022	130,939	-
Airport Improvement Program	20.106	3-12-0080-035-2022	134,491	-
Airport Improvement Program	20.106	3-12-0013-023-2021	96,141	-
Airport Improvement Program	20.106	3-12-0013-027-2024	271,469	-
Airport Improvement Program	20.106	3-12-0080-039-2024	152,926	-
Airport Improvement Program	20.106	3-12-0013-026-2022	181,405	-
Airport Improvement Program	20.106	3-12-0013-028-2025	3,325	-
Airport Improvement Program	20.106	3-12-0080-042-2025	3,325	-
Airport Improvement Program	20.106	3-12-0080-041-2025	24,250	-
Airport Improvement Program	20.106	3-12-0080-036-2023	8,675	-
Airport Improvement Program	20.106	3-12-0080-040-2024	4,356,687	-
Total US Department of Transportation			6,789,080	-
Total Expenditures of Federal Awards			\$ 6,789,080	\$ -
State Agency, Pass-through Entity, State Project	CSFA No.	Grant/ Contract No.	State Expenditures	Transfers to Subrecipients
Florida Department of Transportation				
Joint Participation Agreements				
Aviation Grant Programs	55.004	456523-1-94-01	\$ 202,328	\$ -
Aviation Grant Programs	55.004	454287-1-94-01	229,631	-
Aviation Grant Programs	55.004	438461-1-94-01	4,481	-
Aviation Grant Programs	55.004	456310-1-94-01	640,000	-
Aviation Grant Programs	55.004	446673-1-94-01	800	-
Total Aviation Grant Programs			1,077,240	
<i>Passed through Space Florida</i>				
Spaceport Improvement Program	55.037	C21927	148	-
Total Florida Department of Transportation			1,077,388	-
Florida Department of Commerce				
Economic Development Tax Refund				
Tax Credit, and Grant Program	40.043	G0134	218,225	-
Total Florida Department of Commerce			218,225	-
Total Expenditures of State Financial Assistance			\$ 1,295,613	\$ -

Titusville-Cocoa Airport Authority
Notes to the Schedule of Expenditures of Federal Awards
and State Financial Assistance
For the Year Ended September 30, 2025

Note 1: Basis of Accounting

The Schedule of Expenditures of Federal Awards and State Financial Assistance is a summary of the activity of the Titusville-Cocoa Airport Authority Federal Awards and State Financial Assistance presented on the accrual basis of accounting in accordance with generally accepted accounting principles.

Note 2: Indirect Cost rate

The Uniform Guidance allows the Titusville-Cocoa Airport Authority to elect a 15% de minimis indirect cost rate. For the year ended September 30, 2025, the Titusville-Cocoa Airport Authority has elected to use the 15% de minimis cost rate, if applicable.

Note 3: Non Cash Assistance

The Titusville-Cocoa Airport Authority did not receive any noncash assistance during the year ended September 30, 2025.

Titusville-Cocoa Airport Authority
Schedule of Findings and Questioned Costs
Fiscal Year Ended September 30, 2025

Section I—Summary of Auditor’s Results

Financial Statements

- | | |
|--|------------|
| 1. Type of auditor’s report issued: | Unmodified |
| 2. Internal control over major financial reporting: | |
| a. Material weakness identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | Yes |
| c. Noncompliance material to the financial statements noted? | No |

Federal Awards

- | 1. Type of auditor’s report issued on compliance for major federal awards | Unmodified | | | | |
|---|----------------------------------|------------------------|--------|-----------------------------|--|
| 2. Internal control over major programs: | | | | | |
| a. Material weakness identified? | No | | | | |
| b. Significant deficiency identified? | None reported | | | | |
| 3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? | No | | | | |
| 4. Identification of major federal programs: | | | | | |
| <table style="width: 100%; border-collapse: collapse;"> <tr> <th style="text-align: left; width: 40%;"><u>Assistance Listing Number</u></th> <th style="text-align: left;"><u>Federal Program</u></th> </tr> <tr> <td>20.106</td> <td>Airport Improvement Program</td> </tr> </table> | <u>Assistance Listing Number</u> | <u>Federal Program</u> | 20.106 | Airport Improvement Program | |
| <u>Assistance Listing Number</u> | <u>Federal Program</u> | | | | |
| 20.106 | Airport Improvement Program | | | | |
| 5. Dollar threshold used to distinguish between type A and B programs: | \$1,000,000 | | | | |
| 6. Auditee qualified as a low-risk auditee for federal purpose? | No | | | | |

Titusville-Cocoa Airport Authority
Schedule of Findings and Questioned Costs (Continued)
Fiscal Year Ended September 30, 2025

State Financial Assistance

- | | | | | | |
|---|--------------------------|----------------------|--------|-------------------------|--|
| 1. Type of auditor's report issued on compliance for major state project | Unmodified | | | | |
| 2. Internal control over major programs: | | | | | |
| a. Material weakness identified? | No | | | | |
| b. Significant deficiency identified? | None reported | | | | |
| 3. Any audit findings disclosed that are required to be reported in accordance with Chapter 10.557, <i>Rules of the Auditor General</i> ? | No | | | | |
| 4. Identification of major state projects: | | | | | |
| <table border="0" style="width: 100%;"> <tr> <td style="width: 45%;"><u>State CSFA Number</u></td> <td style="width: 55%;"><u>State Project</u></td> </tr> <tr> <td>55.004</td> <td>Aviation Grant Programs</td> </tr> </table> | <u>State CSFA Number</u> | <u>State Project</u> | 55.004 | Aviation Grant Programs | |
| <u>State CSFA Number</u> | <u>State Project</u> | | | | |
| 55.004 | Aviation Grant Programs | | | | |
| 5. Dollar threshold used to distinguish between type A and B programs: | \$387,340 | | | | |

Titusville-Cocoa Airport Authority
Schedule of Findings and Questioned Costs (Continued)
Fiscal Year Ended September 30, 2025

Section II—Financial Statement Findings

SD 2025-001 QUARTERLY REPORTS

Criteria: 2 CFR 200.303 requires non-federal entities to establish and maintain effective internal controls. The award agreement requires quarterly progress report submissions.

Condition: Reports did not include accurate project expenditure data. Project expenditures were reported as \$0 for the Economic Development Tax Refund, Tax Credit and Grant Program (CSFA #40.403).

Cause of condition: The omission of expenditure data was an unintended error.

Perspective (context): All quarterly progress reports required for fiscal year 2025 had \$0 project expenditures.

Potential effect of condition: Reports were inaccurate.

Questioned Costs: None noted. Reported finding is a deficiency in internal control.

Recommendation: Management should develop a process to validate all reporting elements for completeness and accuracy prior to submission.

Management's Response: The Authority acknowledges the audit finding as a result of submission of the quarterly reports without prior finance review, representing a deviation from internal control policies. The submission occurred due to a miscommunication regarding the necessary review procedures, compounded by the time-sensitive nature of the submission. Corrective action has been taken by conducting a comprehensive retroactive review on March 3, 2026, of the submitted quarterly reports for State of Florida Department of Commerce. Respectively, amended quarterly reports for the fiscal year have been submitted to the State of Florida Department of Commerce to reflect accurate figures and ensure alignment with the general ledger. The required review process has been reviewed and amended, highlighting the required review process for any report containing financial data. The Authority will implement a financial sign-off requirement prior to quarterly reporting being submitted.

Section III—Federal Award Findings and Questioned Costs

No matters were reported.

Section IV—Prior Findings and Questioned Costs

None noted.

Titusville-Cocoa Airport Authority Corrective Action Plan



MEMO TO: Titusville-Cocoa Airport Authority Board of Directors
The State Auditor General

FROM: Kevin Daugherty, Director of Airports

DATE: March 19, 2026

SUBJECT: Corrective Action Plan

The Titusville-Cocoa Airport Authority respectfully submits the following corrective action plan for the year ended September 30, 2025.

Name and address of independent public accounting firm:

Carr, Riggs & Ingram, LLC
7506 Lynx Way
Suite 201
Melbourne, FL 32940

Audit Period:

Fiscal Year October 1, 2024 – September 30, 2025

The Findings from the Schedule of Findings and Questioned Costs is discussed below. The finding number corresponds to the number assigned in the schedule.

SD 2025-001 QUARTERLY REPORTS

Condition: Reports did not include accurate project expenditure data. Project expenditures were reported as \$0 for the Economic Development Tax Refund, Tax Credit and Grant Program (CSFA #40-403).

Recommendation: Management should develop a process to validate all reporting elements for completeness and accuracy prior to submission.

Management's Response: The Authority acknowledges the audit finding as a result of submission of the quarterly reports without prior finance review, representing a deviation from internal control policies. The submission occurred due to a miscommunication

Titusville-Cocoa Airport Authority Corrective Action Plan (Continued)



regarding the necessary review procedures, compounded by the time-sensitive nature of the submission. Corrective action has been taken by conducting a comprehensive retroactive review on March 3, 2026, of the submitted quarterly reports for State of Florida Department of Commerce. Respectively, amended quarterly reports for the fiscal year have been submitted to the State of Florida Department of Commerce to reflect accurate figures and ensure alignment with the general ledger. The required review process has been reviewed and amended, highlighting the required review process for any report containing financial data. The Authority will implement a financial sign-off requirement prior to quarterly reporting being submitted.

Implementation Timeline: March 2026

Responsible Parties: Kevin Daugherty, Director of Airports and Christina Kinard, Deputy Director of Finance & Administration



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INDEPENDENT AUDITOR'S MANAGEMENT LETTER

To the Board of Directors
Titusville-Cocoa Airport Authority

Report on the Financial Statements

We have audited the financial statements of the Titusville-Cocoa Airport Authority, as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated March 25, 2026.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal and State Program and Report on Internal Control over Compliance; 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, which are dated March 25, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. There were no 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 Titusville-Cocoa Airport Authority is disclosed in the footnotes. Titusville-Cocoa Airport Authority 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 Titusville-Cocoa Airport Authority has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the Titusville-Cocoa Airport Authority 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 Titusville-Cocoa Airport Authority. It is management's responsibility to monitor the Titusville-Cocoa Airport Authority's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same.

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

Property Assessed Clean Energy (PACE) Programs (Unaudited)

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

Specific Information (Unaudited)

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7, Rules of the Auditor General, the Titusville-Cocoa Airport Authority 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)7, Rules of the Auditor General, the Titusville-Cocoa Airport Authority reported:

a. The total number of Authority employees compensated in the last pay period of the Authority's fiscal year as

13

b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the Authority's fiscal year as

2

c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency. **\$ 984,340**

d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency. **\$ 268,848**

e. Each construction project with a total cost of at least \$65,000 approved by the Authority 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

X21 Reconstruct FBO Apron Design	\$ 145,229
X21 Rehab Fuel Farm	170,000
TIX ATCT Construction	8,950,000
TIX Challenger Ave Design	460,000
TIX Challenger Ave Construction	12,325,444
TIX Rehab & Extend Taxiway	1,819,000
TIX NE Hangar Improvements	775,000
TIX 18/36 Runway Construction	10,332,122
TIX Taxiway A Rehab & Extend	1,094,163
TIX Terminal Building Improvements	500,000
COI North Safety Improvement Project	1,473,239
COI 11/29 Runway Construction	4,014,226

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

See page 55

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)8, Rules of the Auditor General, the Titusville-Cocoa Airport Authority reported:

a. The millage rate or rates imposed by the Authority. **None**

b. The total amount of ad valorem taxes collected by or on behalf of the Authority. **None**

c. The total amount of outstanding bonds issued by the Authority and the terms of such bonds as **None**

Information required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)9, Rules of the Auditor General: The Titusville-Cocoa Airport Authority has not imposed any special assessments and therefore no reporting is required by Section 218.39(3)(c), Florida Statutes.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not 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 Board of Directors, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Carr, Rigg & Ingram, L.L.C.

Melbourne, Florida

March 25, 2026



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INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH LOCAL GOVERNMENT INVESTMENT POLICIES

To the Board of Directors
Titusville-Cocoa Airport Authority

We have examined Titusville-Cocoa Airport Authority's compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2025. Management of Titusville-Cocoa Airport Authority is responsible for Titusville-Cocoa Airport Authority's compliance with the specified requirements. Our responsibility is to express an opinion on Titusville-Cocoa Airport Authority's compliance with the specified requirements 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 Titusville-Cocoa Airport Authority complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether Titusville-Cocoa Airport Authority complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including as assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

Our examination does not provide a legal determination on Titusville-Cocoa Airport Authority's compliance with specified requirements.

In our opinion, Titusville-Cocoa Airport Authority complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2025.

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

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

Melbourne, Florida
March 25, 2026