



Agenda Report

2725 Judge Fran Jamieson
Way
Viera, FL 32940

Consent

F.13.

4/18/2023

Subject:

Acknowledge receipt of FY 2021-2022 Redevelopment Agencies Annual Reports for the fiscal year ending September 30, 2022

Fiscal Impact:

There is no fiscal impact.

Dept/Office:

County Manager's Office

Requested Action:

It is requested that the Board acknowledge receipt of FY 2021-2022 Redevelopment Agencies Annual Reports for the fiscal year ending September 30, 2022.

Summary Explanation and Background:

In accordance with Florida Statute 163.356(3)(d), the following Redevelopment Agencies are providing the Brevard County Board of County Commissioners a copy of their FY 2021-2022 Annual Financial Reports. As required, an agency authorized to transact business and exercise powers under the statute is required to file with the governing body, on or before March 31 of each year, a report of its activities for the preceding fiscal year, which report shall include a complete financial statement setting forth its assets, liabilities, income, and operating expenses as of the end of such fiscal year.

City of Cape Canaveral Community Redevelopment Agency

City of Cocoa Community Redevelopment Agency

City of Cocoa Beach Community Redevelopment Agency

City of Melbourne Community Redevelopment Agency

Merritt Island Community Redevelopment Agency (MIRA)

City of Palm Bay Bayfront Community Redevelopment Agency

City of Rockledge Community Redevelopment Agency

City of Satellite Beach Community Redevelopment Agency

City of Titusville Downtown Community Redevelopment Agency

City of West Melbourne/Brevard County Joint Community Redevelopment Agency

Clerk to the Board Instructions:

Maintain necessary documents for records retention.



Kimberly Powell, Clerk to the Board, 400 South Street • P.O. Box 999, Titusville, Florida 32781-0999

Telephone: (321) 637-2001
Fax: (321) 264-6972
Kimberly.Powell@brevardclerk.us

April 19, 2023

MEMORANDUM

TO: Frank Abbate, County Manager

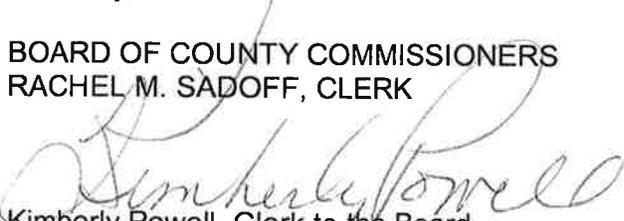
RE: Item F.13., Acknowledge Receipt of FY 2021-2022 Redevelopment Agencies Annual Reports for the Fiscal Year Ending September 30, 2022

The Board of County Commissioners, in regular session on April 18, 2023, acknowledged receipt of FY 2021-2022 Redevelopment Agencies Annual Reports for the Fiscal Year Ending September 30, 2022.

Your continued cooperation is always appreciated.

Sincerely,

BOARD OF COUNTY COMMISSIONERS
RACHEL M. SADOFF, CLERK


Kimberly Powell, Clerk to the Board

/tr

City of Cape Canaveral Community Redevelopment Agency (CRA) FY 21/22 Annual Report

MARCH 2023

City of Cape Canaveral
Community Redevelopment Agency
100 Polk Avenue
Cape Canaveral FL 32920
(321) 868-1220



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Attachment 1 Annual Audit Report (FY21/22)



Community Redevelopment Agency Officials

City Staff

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City Manager/CRA Registered Agent/Primary
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CRA Clerk/Recording Secretary
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Dave Dickey
CRA Director
(321) 868-1220
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Governing Board Members

Wes Morrison, Chairperson
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Kim Davis
council.davis@cityofcapecanaverall.org

Mickie Kellum
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Don Willis
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Angela Raymond
a.raymond@cityofcapecanaverall.org



Introduction, Mission & History

Chapter 163.387 (8), Florida Statute, requires that the City file an annual report of its financial activities with the taxing authorities each year for the preceding fiscal year. Furthermore, the City and Brevard County entered into an Interlocal Agreement, recorded in July of 2018, which establishes additional reporting obligations of the City.

This report has been prepared to meet these obligations and is filed for fiscal year 21/22 ending September 30, 2022. This report sets forth: (1) the organization and membership of the Community Redevelopment Agency, its Board members and administration, (2) an introduction to the CRA, its mission and history, (3) the CRA boundary, (4) financial reports, statement of liabilities, income/operating expenses and certain other performance information, and (5) an overview of public and private construction projects within the CRA.

In 2009, the City initiated the "Envision Cape Canaveral" effort, which set the stage for a series of redevelopment activities. One of these, the establishment of a City Vision Statement, ultimately led to the creation of the City's CRA.

Between the years of 2007 and 2011, property valuation data, collected by the Brevard County Property Appraiser's Office, indicated an average decline of 41 percent in commercial and industrial areas and 47 percent in residential areas within the Community Redevelopment Area.

Pursuant to Resolution No. 2012-10, the City CRA was established in 2012 with the signing of an Interlocal Agreement between the City and Brevard County. The CRA includes 766 acres or 56 percent of the City's land area (Figure 1).



City of Cape Canaveral CRA Boundary

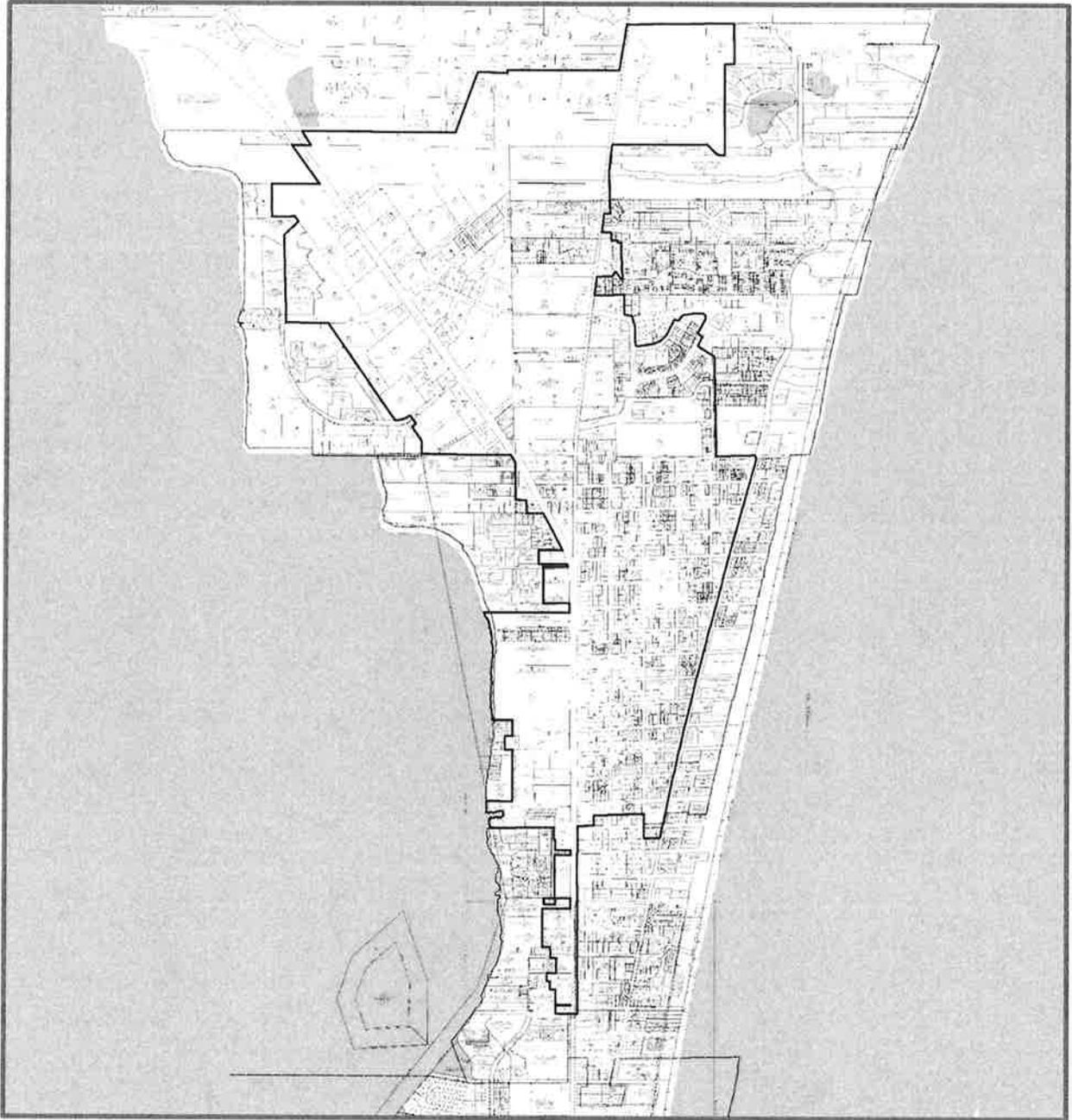


Figure 1. City of Cape Canaveral CRA Boundary (area outlined in black).



Financial Statements & Taxable Value

CRA Valuation (\$Millions)

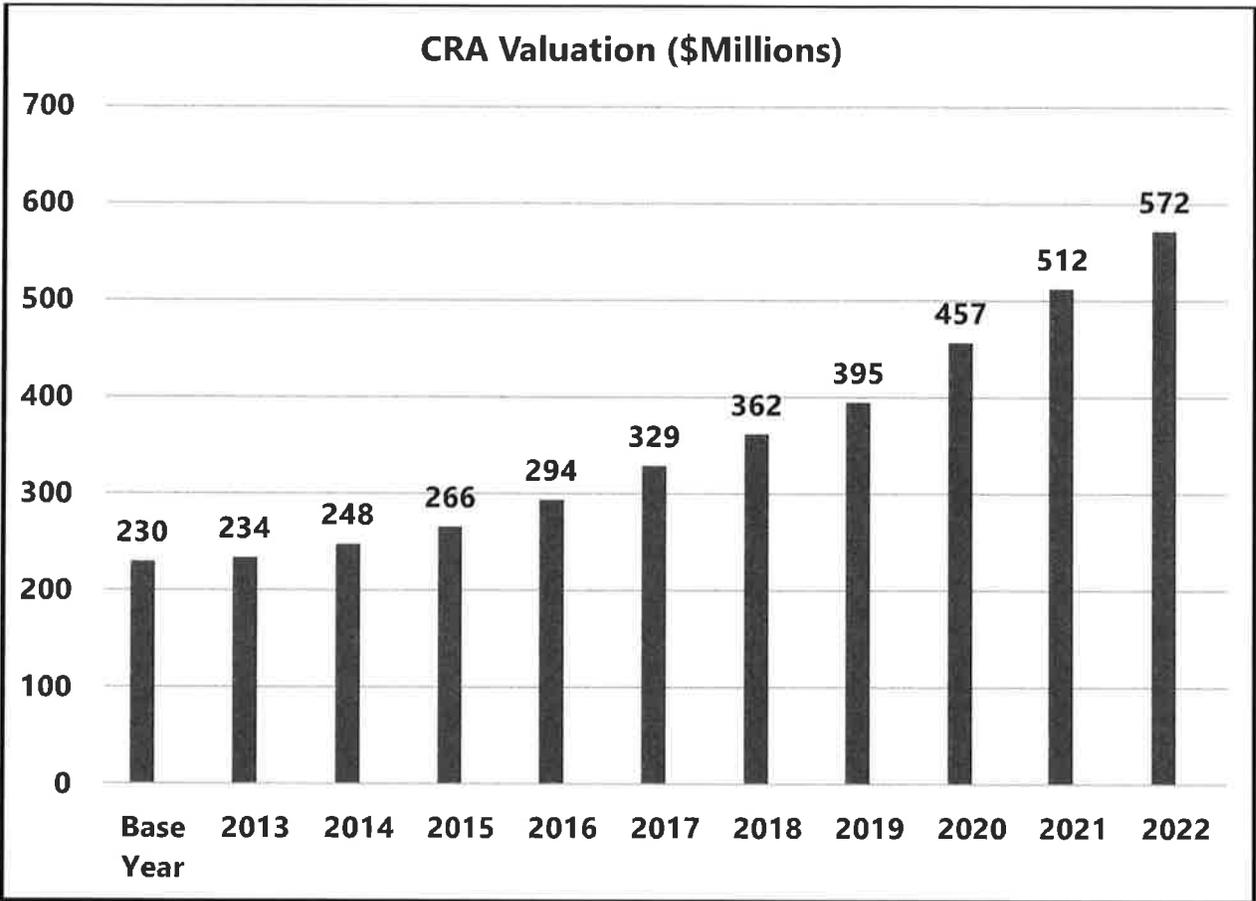


Figure 2. CRA Valuation (\$Millions)



Statement of Revenues, Expenditures & Changes in Fund Balances—Statement of Activities

	Statement of Revenues, Expenditures, and Changes in Fund Balance		
	Cape Canaveral CRA Fund	Adjustments	Government Activities
Revenues			
Intergovernmental	1,886,124	-	1,886,124
Total Revenues	1,886,241	-	1,886,241
Expenditures			
Current:			
Community Redevelopment	1,418	-	1,418
Capital Outlay	4,832,425	-	4,832,425
Total Expenditures	4,833,843	-	4,833,843
Excess (deficiency) of revenues over expenditures	(2,947,602)	-	(2,947,602)
Other financing sources (uses)			
Transfers in from primary government	3,206,595	-	3,206,595
Transfers out to primary government	(820,032)	-	(820,032)
Total other financing sources (uses)	2,386,563	-	2,386,563
Net change in fund balance/net position	(561,039)	-	(561,039)
Fund balance/net position, beginning of year	144,454	-	144,454
Fund balance/net position, end of year	\$(416,585)	-	\$(416,585)

Source: City of Cape Canaveral Audited Annual Financial Report

CAPE CANAVERAL COMMUNITY REDEVELOPMENT AGENCY FUND FOR THE YEAR ENDED SEPTEMBER 30, 2022.

Projects Overview & Accomplishments (FY21-22)

The City CRA is in its 11th year of operation and has increased in value approximately \$342 million since its creation in 2012. The resulting Tax Increment Revenue allows for the continued expansion of public infrastructure and other programs that directly affects the City. The City continues to fund public improvements through available dollars including the General and CRA funds. Some of the notable projects—both public and private—are indicated in the following pages.



Public Projects Overview & Accomplishments (FY21/22)

CAPE Center • 105 Polk Avenue

The CAPE Center Project entails a complete renovation and re-purposing of the City's original 3,000 sq. ft. City Hall facility located at 105 Polk Avenue. It includes a selective demolition process that will reconstruct the exterior of the structure and remove the majority of interior walls, to include full asbestos abatement. The floor plan will be completely reconfigured to accommodate a gallery, small storage and reception area, as well as indoor and outdoor programming space. A full upgrade to plumbing, electrical and HVAC systems was undertaken to meet sustainability needs, to include the installation of alternative energy features. It is anticipated that this project will be completed in 2023. Project costs during the reporting period were \$1,386,408.

Canaveral City Park Redevelopment • 7920 Orange Avenue

This City facility will be a catalyst for community health and engagement. Desired community amenities expressed include: indoor basketball/volleyball, indoor walking path, and specific areas for fitness, youth/teens, and banquet/gathering. The centerpiece of the project, the Cape Canaveral Community Center, will be utilized by all demographics and will serve as the host site for the City's Youth Center, summer camp, PAL and youth basketball programs. The facility is open to the general public. This project was publicly funded with monies from: the CRA, grants, General Fund and use of SPIA moneys. Project costs during the reporting period were \$3,116,779.

W. Central Boulevard Streetscape

This project includes rebuilding this City street, to include constructing improvements to the stormwater system and potable water lines. A pedway and additional sidewalks were also constructed and solar lighting installed. Project costs during the reporting period were \$565,330



Private Projects Overview & Accomplishments (FY21/22)

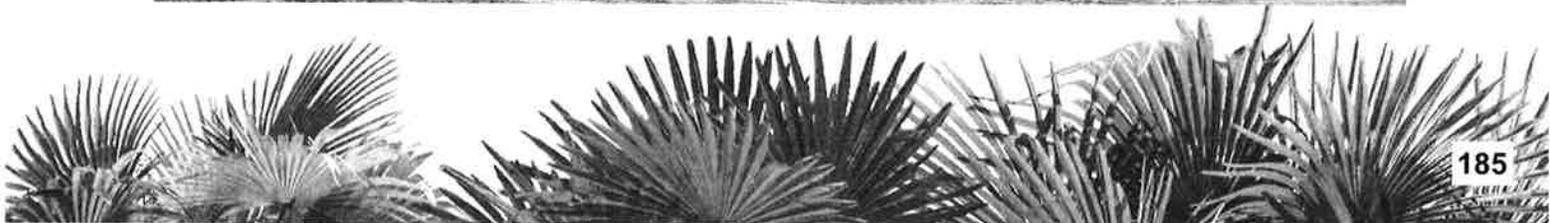
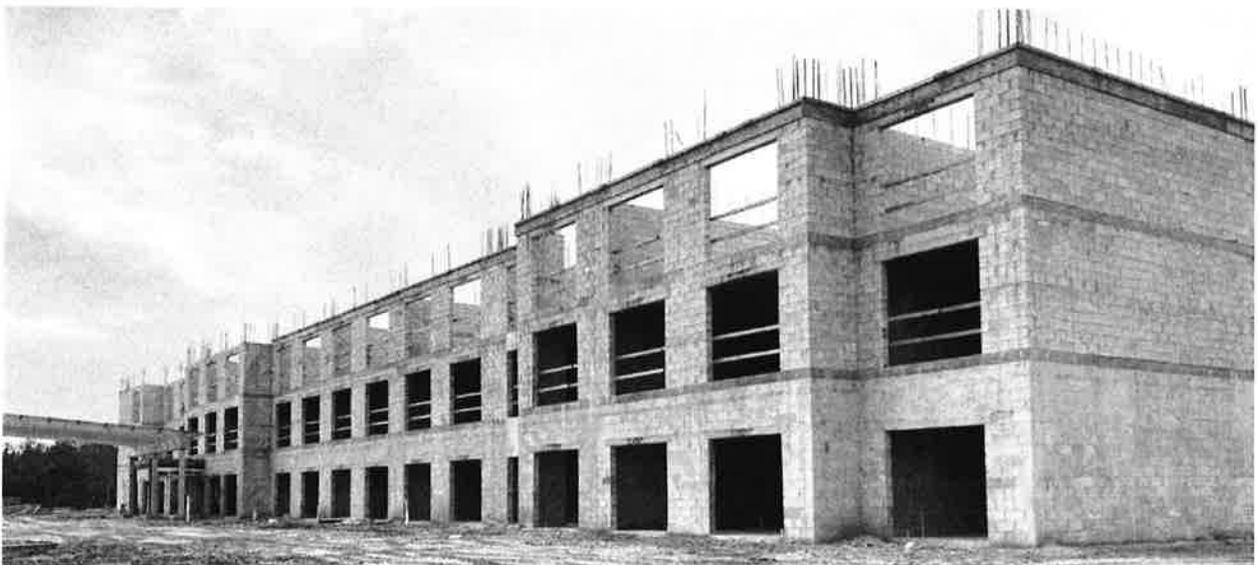
TownPlace Suites Hotel • 605 W. Central Avenue

This project started in 2020, and was complete in 2022. It includes the development of a 6-story, national chain located at 605 W. Central Avenue. The structure consists of 107,516 square feet and includes 153 rooms. This project is privately funded and is expected to add approximately \$11M to the tax rolls.



Holiday Inn Express and Suites • 995 Shorewood Drive

This project started construction in 2022 and consists of a 4-story hotel with 150 rooms. It is located on a 5-acre tract and consists of 81,643 square feet. This project is privately funded and is expected to add approximately \$9M to the tax rolls.



Performance Information

The following information is provided consistent with the Interlocal Agreement recorded in July 2018, between the City and Brevard County. In addition, Attachment 1 to this report includes the CRA audit report prepared by an independent auditor which certifies that TIF revenues have been lawfully expended consistent with Florida Statutes.

Total Projects

Started	1*
Completed	1

Jobs Created

Sector	Construction	Hospitality	Total
Temporary	75	50	125
Full-time	0	25	25
Jobs Retained	n/a	n/a	

Assessed Property Value

CRA Enactment	\$230M
Current	\$572M
Affordable Housing	0

*Holiday Inn Express and Suites Hotel



Summary

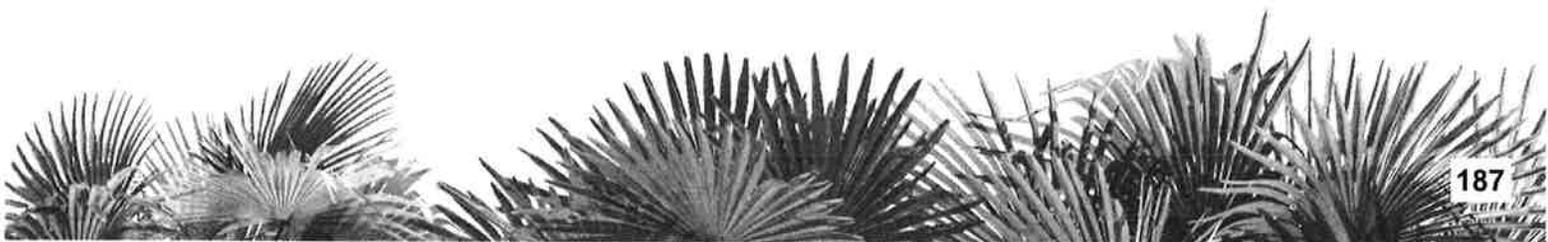
The CRA continues to build forward momentum through the 21/22 fiscal year as evidenced by an approximate 12 percent increase in its assessed value from the prior tax year.

The CRA is a tool for the City and property owners to help improve property values, business revenues and economic growth within the City of Cape Canaveral. The CRA strives to provide comprehensive support for the community, property owners and businesses. For more information, visit the CRA's webpage at www.cityofcapecanaveral.org.

You can learn about:

- Attending upcoming Board meetings;
- Minutes and agendas from prior meetings;
- Financial information for the CRA; and
- Contact information on how the CRA can help you.

All CRA Board meetings are open to the public and are held on a quarterly basis—unless cancelled due to no new business—in the Council Chambers at City Hall, 100 Polk Avenue. Please check the City Calendar at www.cityofcapecanaveral.org for meeting dates. We encourage you to attend!



**CITY OF CAPE CANAVERAL COMMUNITY
REDEVELOPMENT AGENCY**

FINANCIAL STATEMENTS

SEPTEMBER 30, 2022

**CITY OF CAPE CANAVERAL COMMUNITY REDEVELOPMENT AGENCY
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SEPTEMBER 30, 2022**

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INDEPENDENT AUDITORS' REPORT

To the Governing Board,
City of Cape Canaveral Community Redevelopment Agency:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the City of Cape Canaveral Community Redevelopment Agency (the CRA), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the CRA's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the CRA, as of September 30, 2022 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 of Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the CRA'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.

Auditors' Responsibility

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

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

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

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

Required Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 6, 2023, on our consideration of the CRA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the CRA's internal control over financial reporting and compliance.

Daytona Beach, Florida
February 6, 2023

James Moore & Co., P.L.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of Cape Canaveral Community Redevelopment Agency's (the CRA) management's discussion and analysis (MD&A) is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the CRA's financial activity, (c) identify changes in the CRA's financial position (its ability to address the next and subsequent year challenges), (d) identify any material deviations from the financial plan (the approved budget), and (e) identify individual fund issues or concerns.

Since the MD&A is designed to focus on current year activities, resulting changes, and currently known facts, it should be read in conjunction with the CRA's financial statements which follow this section.

Financial Highlights

- The liabilities of the CRA exceeded its assets at September 30, 2022, by \$(416,585) (net position). Of this amount, the entire balance (to the extent it is positive) was restricted for redevelopment purposes. Deficits are classified as unrestricted net position.
- As of September 30, 2022, the CRA's reported ending fund balances of \$(416,585). Fund balance saw a change of \$(561,039) when compared to the prior year.

The MD&A is intended to serve as an introduction to the CRA's basic financial statements, which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements.

Overview of the Financial Statements

This annual report consists of four components: 1) management's discussion and analysis (this section), 2) government-wide and fund financial statements, 3) notes to the financial statements, and 4) required supplementary information.

Government-wide Financial Statements

Government-wide financial statements provide readers with a broad overview of the CRA's finances in a manner similar to a private-sector business. The governmental activities of the CRA include reinvesting within the community redevelopment district.

The statement of net position presents information on all of the CRA's assets and liabilities, with the difference between the two reported as net position. This statement serves a purpose similar to that of the balance sheet of a private-sector business. Over time, increases or decreases in net position may serve as one indicator of whether the financial position of the CRA is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the fiscal year. All changes in net position are reported using the modified cash basis of accounting.

Notes to the Financial Statements

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

Government-wide Financial Analysis

Statement of Net Position

The following is a summary of the CRA's governmental activities net position for each of the past two years:

	Governmental Activities	
	2022	2021
ASSETS		
Current and other assets	\$ 59,332	\$ 1,089,778
Total assets	<u>\$ 59,332</u>	<u>\$ 1,089,778</u>
LIABILITIES		
Current liabilities	\$ 475,917	\$ 945,324
Total liabilities	<u>\$ 475,917</u>	<u>\$ 945,324</u>
NET POSITION		
Restricted	\$ -	\$ 144,454
Unrestricted	(416,585)	-
Total net position	<u>\$ (416,585)</u>	<u>\$ 144,454</u>

Statement of Activities

The following is a summary of the changes in the CRA's governmental activities net position for each of the past two years:

	Governmental Activities	
	2022	2021
REVENUES		
Intergovernmental and grants	\$ 1,886,124	\$ 1,566,301
Other revenues	117	-
Total revenues	<u>1,886,241</u>	<u>1,566,301</u>
EXPENSES		
Community Redevelopment	1,418	1,626
Capital outlay	4,832,425	5,479,267
Total expenses	<u>4,833,843</u>	<u>5,480,893</u>
Net income before transfers	(2,947,602)	(3,914,592)
Transfers from primary government	3,206,595	4,750,673
Transfers to primary government	(820,032)	(718,648)
Change in net position	(561,039)	117,433
Net position, beginning of year	144,454	27,021
Net position, end of year	<u>\$ (416,585)</u>	<u>\$ 144,454</u>

Financial Analysis of the General Fund

The focus of the CRA's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the CRA's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the CRA's general fund reported an ending fund balance of \$(416,585), a change of \$(561,039) in comparison with the prior year. This decrease was due to an aggressive capital spending plan and will be made up by future tax increment revenues in excess of expenditures.

At the end of the current fiscal year, the entire fund balance was unassigned (due to the fund balance deficit, as opposed to prior year restricted for community redevelopment classification). As the CRA is focused on reinvestment revenues into the CRA district and does not have significant annual operational costs, the CRA does not maintain specific reserve levels for operations.

General Fund Budgetary Highlights

Significant variations between original and final budget amounts were due to year-end budget true-up modification based on actual activity.

Actual expenditures in the general fund were \$27,655 less than final budget amounts. The main reason for this is due to the timing of capital project and other one-time expenditures.

Budgetary comparisons between the final budget and actual results can be found on page 14 of this report.

Economic Factors and Next Year's Budget

There are many challenges facing local governments today. Property values have continued to increase in recent years, contributing to related growth in the revenues of the CRA. While property values for the subsequent fiscal year have increased, the future outlook of property values during and after the COVID-19 pandemic, and any potential impact they will have on the CRA's finances, are unknown.

Requests for Information

This report is designed to provide an overview of the CRA's finances for those with an interest in this area. Questions concerning any of the information found in this report, or requests for additional information, should be directed to the City of Cape Canaveral.

**CITY OF CAPE CANAVERAL COMMUNITY REDEVELOPMENT AGENCY
BALANCE SHEET / STATEMENT OF NET POSITION
SEPTEMBER 30, 2022**

	<u>Balance Sheet</u> <u>Cape Canaveral</u> <u>CRA</u> <u>Fund</u>	<u>Adjustments</u>	<u>Statement of</u> <u>Net Position</u> <u>Governmental</u> <u>Activities</u>
ASSETS			
Cash and cash equivalents	\$ 59,332	\$ -	\$ 59,332
Total assets	<u>\$ 59,332</u>	<u>\$ -</u>	<u>\$ 59,332</u>
LIABILITIES			
Accounts payable and accrued liabilities	\$ 322,610	\$ -	\$ 322,610
Advances from primary government	143,809	-	143,809
Total liabilities	<u>475,917</u>	<u>-</u>	<u>475,917</u>
FUND BALANCE / NET POSITION			
Fund Balance:			
Restricted for:			
Community redevelopment	-	-	-
Unassigned	(416,585)	416,585	-
Net Position:			
Restricted for:			
Community redevelopment	-	-	-
Unrestricted	-	(416,585)	(416,585)
Total fund balance / net position	<u>(416,585)</u>	<u>-</u>	<u>(416,585)</u>
Total liabilities and fund balance / net position	<u>\$ 59,332</u>	<u>\$ -</u>	<u>\$ 59,332</u>

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

**CITY OF CAPE CANAVERAL COMMUNITY REDEVELOPMENT AGENCY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE /
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	Statement of Revenues, Expenditures, and Changes in Fund Balance Cape Canaveral CRA		Statement of Activities Governmental Activities
	Fund	Adjustments	
Revenues			
Intergovernmental	\$ 1,886,124	\$ -	\$ 1,886,124
Investment income	117	-	117
Total revenues	<u>1,886,241</u>	<u>-</u>	<u>1,886,241</u>
Expenditures / expenses			
Current:			
Community redevelopment	1,418	-	1,418
Capital outlay	4,832,425	-	4,832,425
Total expenditures / expenses	<u>4,833,843</u>	<u>-</u>	<u>4,833,843</u>
Excess (deficiency) of revenues over expenditures / operating income (loss)	<u>(2,947,602)</u>	<u>-</u>	<u>(2,947,602)</u>
Other financing sources (uses)			
Transfers in from primary government	3,206,595	-	3,206,595
Transfers out to primary government	(820,032)	-	(820,032)
Total other financing sources (uses)	<u>2,386,563</u>	<u>-</u>	<u>2,386,563</u>
Net change in fund balance / net position	<u>(561,039)</u>	<u>-</u>	<u>(561,039)</u>
Fund balance / net position, beginning of year	144,454	-	144,454
Fund balance / net position, end of year	<u>\$ (416,585)</u>	<u>\$ -</u>	<u>\$ (416,585)</u>

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

CITY OF CAPE CANAVERAL COMMUNITY REDEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

(1) **Summary of Significant Accounting Policies:**

The financial statements of the City of Cape Canaveral Community Redevelopment Agency (the CRA), have been prepared in conformance with accounting principles generally accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted body for promulgating governmental accounting and financial reporting principles and the CRA has adopted the GASB Codification. The following is a summary of the CRA's significant accounting policies:

(a) **Reporting entity**—The City of Cape Canaveral Community Redevelopment Agency was created in 2016, by City Ordinance 2015-O-04 of the City of Cape Canaveral, Florida (the City), pursuant to Florida Statute 163.387, to account for the receipt and expenditure of property tax revenues from the tax increment financing district to support redevelopment in the designated community redevelopment area. Since the City is financially accountable for the activities of the CRA, its governing board is the same, and its relationship to the CRA is significant, the CRA is considered to be a blended component unit in the City's financial statements, where it is also reported as a major special revenue fund. The CRA has determined there are no component units that meet criteria for inclusion in the CRA's financial statements.

(b) **Government-wide and fund financial statements**—The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the CRA. The CRA only has governmental activities and does not engage in any business-type activity. Direct expenses are those that are clearly identifiable with a specific function or segment. General revenues include ad valorem taxes and interest income. Fund financial statements are presented for the CRA's General Fund. The General Fund, which accounts for all financial operations of the CRA, is considered to be a major fund and is the only fund of the CRA.

(c) **Measurement focus, basis of accounting, and financial statement presentation**—The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue when all eligibility requirements imposed by the grantor have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the CRA considers property revenues to be available if they are collected within 60 days of the end of the current period. Grants, other intergovernmental revenues, charges for services, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditures generally are recorded when a liability is incurred. However, expenditures related to long-term agreements are recorded only when payment is due.

(d) **Budgets and budgetary accounting**—The governing board of the CRA adopts an annual operating budget, which is prepared on a modified accrual basis and can be amended by the board throughout the year. At the fund level, actual expenditures cannot exceed the budgeted amounts. The accompanying budgeted financial statements for the General Fund reflect the final budget authorization amounts, including all amendments.

CITY OF CAPE CANAVERAL COMMUNITY REDEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

(1) **Summary of Significant Accounting Policies:** (Continued)

(e) **Deposits and investments**—The CRA’s cash and cash equivalents include cash on hand, demand deposits and short-term investments that are readily convertible to known amounts of cash. Investments with original maturities of three months or less are considered to be cash equivalents.

(f) **Receivables and payables**—Activity between the CRA and the City has been classified as amount due to/from the primary government on the balance sheet and statement of net position. All trade and property tax receivables are reported net of an allowance for uncollectible accounts, which is based upon management's analysis of outstanding balances and historical trends. At September 30, 2022, all of the CRA’s receivables were considered fully collectible.

(g) **Prepaid items**—Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

(h) **Capital assets**—The CRA does not own any capital assets. Any capital outlay expenditures made by the CRA are deemed to be on behalf of the City who takes ownership of the assets along with the perpetual maintenance obligation for those assets.

(i) **Long-term obligations**—The CRA does not have any legal indebtedness. Any use of funds for debt service, which is included in transfers to the primary governments, represents payments toward long-term debt issued in the name of the City for which CRA revenues have been pledged.

The CRA does not have any employees. Any employees who provide services to the CRA are employees of the primary government and do so at either no charge to the CRA, or any allocations made to the CRA represent reimbursements by the CRA to the primary government for services rendered (any items recorded to personnel expense accounts are only for ease of tracking the reimbursement amounts). As a result, there is no compensated absences, other post-employment benefits (OPEB), or pension liabilities recorded on the CRA’s financial statements.

(j) **Fund equity**—In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the CRA is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Those classifications are as follows:

Nonspendable – amounts not available to be spent or not in spendable form, such as inventory and prepaid items.

Restricted – amounts constrained to specific purposes by their providers (such as grantors and higher levels of government), through constitutional provisions or by enabling legislation.

Committed – amounts constrained to specific purposes based on actions taken by the CRA governing board through ordinance.

Assigned – amounts the CRA intends to use for a specific purpose. Intent can be expressed by the CRA governing board or by an official or body which the Board delegates authority.

Unassigned – amounts that are available for any purpose.

CITY OF CAPE CANAVERAL COMMUNITY REDEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

(1) **Summary of Significant Accounting Policies:** (Continued)

When an expenditure is incurred for purposes for which both restricted and unrestricted resources are available; the CRA considers restricted funds to have been spent first. When expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the CRA considers amounts to have been spent first out of committed funds, then assigned funds and finally, unassigned funds, as needed.

(k) **Deferred outflows/inflows of resources**—In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The CRA has no items that meet this reporting criteria.

In addition to liabilities, the statement of financial position will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. The CRA has no items that meet this reporting criteria.

(l) **Net position flow assumption**—Sometimes the CRA will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to determine amounts reported as restricted and unrestricted net position, it is the CRA's policy to consider restricted net position to have been used before unrestricted net position is applied.

(m) **Use of estimates**—Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could vary from the estimates assumed in preparing the financial statements.

(2) **Reconciliation of Government-Wide and Fund Financial Statements:**

(a) **Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position**—Following the governmental fund balance sheet is a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. The CRA has no items reported differently between these two statements.

(b) **Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities**—Following the governmental fund statement of revenues, expenditures, and changes in fund balances, there is a reconciliation between net changes in fund balances - total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. The CRA has no items reported differently between these two statements.

CITY OF CAPE CANAVERAL COMMUNITY REDEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

(3) Deposits and Investments:

The CRA is subject to the investment policy of the primary government and has no cash or investment held outside of the CRA's interest in the City's pooled cash and investments. Additional accounts are held for various other purposes, or to segregate cash balances for amounts which are restricted or held on behalf of others. State statutes authorize the CRA to invest excess funds in time deposits, or obligations of the principal and interest of which are unconditionally guaranteed by, the United States Government, commercial paper, corporate bonds, repurchase agreements and/or the State Board of Administration (SBA) Local Government Surplus Trust Fund Investment Pool or other investment vehicles authorized by local ordinance.

As of September 30, 2022, all CRA deposits were covered by private bank acquired insurance, Securities Investor Protection Corporation (SIPC) insurance, private broker/dealer acquired insurance, Federal Depository Insurance Corporation (FDIC) insurance, and/or the State of Florida collateral pool established under the Florida Security for Public Deposits Act (the Act). The Act established guidelines for qualification and participation by banks and savings associations, procedures for administration of the collateral requirements and characteristics of eligible collateral. Under the Act, the qualified depository must pledge at least 50% of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance. Additional collateral, up to 125% may be required if deemed necessary.

All of the CRA's deposits are held with public depositories and as of September 30, 2022, the CRA's deposits and investments were not subject to any substantial interest rate, credit, or concentration risks.

(4) Commitments and Contingencies:

The CRA is engaged in various liability claims incidental to the conduct of its general government operations at September 30, 2022. The outcomes of established claims are included in these financial statements. In the opinion of the CRA and the primary government's legal counsel, no legal proceedings are pending or threatened against the CRA which are not covered by applicable insurance which would inhibit its ability to perform its operations or materially affect its financial condition.

The CRA 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, all of which is satisfactorily insured by limited risk, high deductible commercial general liability insurance. Commercial insurance policies are also obtained for other risks of loss, including employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

(5) Fund Deficit:

The CRA's general fund balance deficit at year-end is expected to be recovered through future revenues in excess of expenditures.

(6) Recent Accounting Pronouncements:

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that have effective dates that may impact future financial statements. Listed below are pronouncements with required implementation dates effective for subsequent fiscal years that have not yet been implemented. Management has not currently determined what, if any, impact implementation of the following will have on the CRA's financial statements:

- (a) GASB issued Statement No. 101, *Compensated Absences*, in June 2022. GASB Statement No. 101 amends various provisions regarding the calculation methodology and required disclosures related to the liability for compensated absences. The provisions for GASB 101 are effective for fiscal years beginning after December 15, 2023.

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF CAPE CANAVERAL COMMUNITY REDEVELOPMENT AGENCY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 1,886,124	\$ 1,886,124	\$ 1,886,124	\$ -
Investment income	288	288	117	(171)
Total revenues	<u>1,886,412</u>	<u>1,886,412</u>	<u>1,886,241</u>	<u>(171)</u>
Expenditures				
Current:				
Community redevelopment	22,495	22,495	1,418	21,077
Capital outlay	4,783,693	4,783,693	4,832,425	(48,732)
Total expenditures	<u>4,806,188</u>	<u>4,806,188</u>	<u>4,833,843</u>	<u>(27,655)</u>
Excess (deficiency) of revenues over expenditures	<u>(2,919,776)</u>	<u>(2,919,776)</u>	<u>(2,947,602)</u>	<u>(27,826)</u>
Other financing sources (uses)				
Transfers in from primary government	3,858,193	3,858,193	3,206,595	(651,598)
Transfers out to primary government	(938,417)	(938,417)	(820,032)	118,385
Total other financing sources (uses)	<u>2,919,776</u>	<u>2,919,776</u>	<u>2,386,563</u>	<u>(533,213)</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>(561,039)</u>	<u>(561,039)</u>
Fund balances, beginning of year	144,454	144,454	144,454	-
Fund balances, end of year	<u>\$ 144,454</u>	<u>\$ 144,454</u>	<u>\$ (416,585)</u>	<u>\$ (561,039)</u>



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

To the Governing Board,
City of Cape Canaveral Community Redevelopment Agency:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the City of Cape Canaveral Community Redevelopment Agency (the CRA), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the CRA's basic financial statements and have issued our report thereon dated February 6, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the CRA's internal control over financial reporting (internal control) as a basis for designing 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 the CRA's internal control. Accordingly, we do not express an opinion on the effectiveness of the CRA's internal control.

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

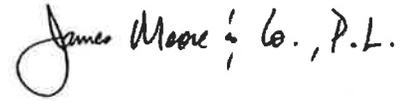
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given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

Report on Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive style with a large initial "J".

Daytona Beach, Florida
February 6, 2023



**INDEPENDENT AUDITORS' MANAGEMENT LETTER REQUIRED
BY CHAPTER 10.550, RULES OF THE STATE OF FLORIDA
OFFICE OF THE AUDITOR GENERAL**

To the Governing Board,
City of Cape Canaveral Community Redevelopment Agency:

Report on the Financial Statements

We have audited the basic financial statements of the City of Cape Canaveral Community Redevelopment Agency (the CRA), as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated February 6, 2023.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated February 6, 2023, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. No prior separate audit has been performed for the CRA, therefore there are no prior findings and recommendations.

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 for the CRA is disclosed in Note 1 of the basic financial statements.

Financial Condition and Management

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

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

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we had no such recommendations.

Special District Component Units

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units; therefore, we did not note any such component units that failed to provide the necessary information, nor is any specific special district information required to be reported.

Specific Special District Information

The required reporting items in accordance with Section 218.39(3)(c), Florida Statutes for the CRA have been reported in the separately-issued audited financial statements of the CRA.

The following items have been provided to us to comply with state reporting requirements and have not been audited by us. We did not audit the following information within this section, nor were we required to perform any procedures to verify the accuracy or the completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any form of assurance on this data.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the CRA reported the following unaudited data:

- a) The total number of district employees compensated in the last pay period of the district's fiscal year: -0-.
- b) The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year: -0-.
- c) All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency: \$-0-.
- d) All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency: \$-0-.

- e) Each construction project with a total cost of at least \$65,000 approved by the district that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as:
 - a. Canaveral City Park Redevelopment - \$3,116,779
 - b. W. Central Blvd. Streetscape - \$565,330
 - c. Cape Center - \$1,386,408
- f) A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes, as follows: there were no amendments between the original and final total district expenditure budget.

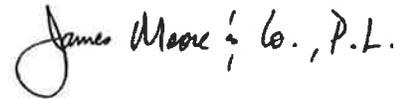
Additional Matters

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

Purpose of this Letter

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

Daytona Beach, Florida
February 6, 2023





INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT

To the Governing Board,
City of Cape Canaveral Community Redevelopment Agency;

We have examined the City of Cape Canaveral Community Redevelopment Agency's (the CRA) compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies*, and Sections 163.387(6) and (7), Florida Statutes, *Redevelopment Trust Fund* (collectively, the "Statutes"), for the year ended September 30, 2022. The City's management is responsible for the CRA's compliance with those requirements. Our responsibility is to express an opinion on the CRA's compliance based on our examination.

Our examination was conducted in accordance with attestation standards for a direct examination engagement established by the American Institute of Certified Public Accountants. Those standards require that we obtain reasonable assurance by measuring (or evaluating) the City's CRA against the Statutes, and performing other procedures to obtain sufficient appropriate evidence to express an opinion that conveys the results of our measurement or evaluation of the City's compliance. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks that the City's investment policies were not in accordance with the Statutes, in all material respects, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

In our opinion, the City of Cape Canaveral Community Redevelopment Agency was in accordance with aforementioned requirements for the year ended September 30, 2022, in all material respects.

A handwritten signature in black ink that reads 'James Moore & Co., P.L.' The signature is written in a cursive style with a large, looped initial 'J'.

Daytona Beach, Florida
February 6, 2023

Management's Responses to Findings

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2022

COMMUNITY REDEVELOPMENT AGENCIES

ANNUAL REPORT



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OVERVIEW

Under Florida’s Community Redevelopment Act (F.S. 163, Part III), the City of Cocoa established two Community Redevelopment Agencies (CRAs):



Cocoa CRA
City of Cocoa Ordinance No. 10-81,
Apr 14, 1981



Diamond Square CRA City of Cocoa Ordinance
No. 13-98, March 24, 1998 (delegated
authority by Brevard County BOCC)

Section 163.345, F.S., encourages the rehabilitation or redevelopment of the community redevelopment area by private enterprise and s. 163.287(6), F.S., governs the expenditures of redevelopment trust funds.

Additionally, section 163.370 (2)(c), F.S., governs the community redevelopment and related activities that a CRA may undertake with the community redevelopment area. Consistent with Cocoa CRA’s respective community redevelopment plans, agencies offer or have participated in the following general activities and programs:

- Infrastructure – engineering, design, and construction
- Stormwater improvements
- Streetscape design and construction
- Affordable and workforce housing development
- Land acquisition, development and redevelopment through public/private partnerships
- Community policing programs and partnerships
- Commercial façade grants

Each CRA is responsible for developing and implementing its own Community Redevelopment Plan that addresses the unique needs of the targeted area. The plans include specific examples of how the approved community redevelopment plan will benefit and has already benefitted, the purpose for which the special district was created, and the overall goals for the redevelopment area.

The overall goal of each CRA is to reduce and eliminate slum and blight conditions, promote private investment and economic development and enhance property values within the CRA’s area. The perception of “image” is a driving force that impacts the level of investment in a community. The projects within the CRA play a strong role in enhancing the image and build the sales tax business income tax and real estate tax base for Brevard County and the State of Florida.

Redevelopment activities in the Community Redevelopment Plan are funded primarily by tax increment financing (TIF), leveraged with public funds to promote private sector activity in the targeted area. CRA’s may also issue debt or revenue bonds to fund projects as well.

Since the City of Cocoa is financially accountable for the activities of the Cocoa CRA and the Diamond Square CRA, the report was prepared in accordance with F.S. 163.356(3)(C). All financial activities of the CRA’s are in accordance with the provisions of the Community Redevelopment Act and governed by the City of Cocoa Financial Operations Manual as well as reported in the City of Cocoa Annual Budget, Audited Statements and the City of Cocoa Comprehensive Annual Financial Report (CAFR).

The City of Cocoa’s Fiscal Year is October 1 through September 30 of each year. This report is for the period of October 1, 2021, through September 30, 2022 (Fiscal Year 2022).

COCOA CRA

The Cocoa CRA was established through City of Cocoa Ordinance No. 10-81 and is governed by a seven- member board. This CRA redevelopment area includes the waterfront located along the Indian River Lagoon with vibrant Historic Cocoa Village, the Heart of Cocoa, SR50, the Southern portion of the US1 Corridor and an uptown area north of Cocoa Village and SR520.

The Cocoa CRA is generally bounded on the northern boundary by Mitchell Street, with the western boundary at the Florida East Coast Railroad, eastern boundary along the western shoreline of the Indian River Lagoon and the southern boundary at Rosa L. Jones Dr.

In 2008, the Cocoa CRA approved the Cocoa Waterfront Master Plan and implementation strategy for the Cocoa CRA with particular focus on improving the activity and connectivity of the waterfront. With the devastation to the Cocoa Waterfront brought on by Hurricane Irma, the Cocoa CRA Board felt compelled to cast a new vision for the waterfront. The result was a 2018 Waterfront Master Plan Update and Cocoa CRA Update which will guide the CRA and the City of Cocoa in the rebuilding of existing waterfront infrastructure, the development of new amenities and addressing waterfront resiliency and sustainability. The implemented plans will result in an important social and economic center and serve as a catalyst for redevelopment activity and business growth. The plan's amendment will extend the timeframe of the CRA from 2027 to 2041.

Meetings take place on the first Monday of each Month at 6:00 pm in City Council Chambers.

Cocoa CRA Board

- Five members of City Council and two members appointed by the City Council
- Two members appointed for 4-year terms and Council members change due to election

Cocoa CRA Board Members

- Chairperson Michael C. Blake – Mayor
- Vice Chairperson Lavander Hearn - Deputy Mayor
- Agency Member Rip Dyal – Councilman
- Agency Member Alex Goins – Councilman
- Agency Member Lorraine Koss – Councilwoman
- Agency Member Janne Etz
- Agency Member Candace Rogers

COCOA CRA HIGHLIGHTS

During FY22,
Cocoa CRA
Completed the
final Phase of the
Gateway Entry
Project



The Waterfront
dredging project
and reconstruction
of the boat ramps
were completed.

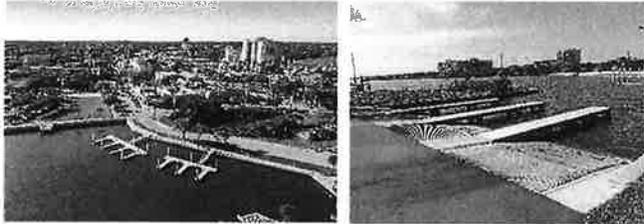


Cocoa CRA
created a Public
Art design contest
for the street art
in front of the
Cocoa Village
Playhouse



COCOA CRA

PROJECTS



LEE WENNER PARK BOAT RAMPS AND DREDGING

Coming to an end in 2022 of a multi-year project on the Waterfront of the Cocoa CRA, were the reconstruction boat of the ramps and a basin dredging project. Boat ramps that were in disrepair were demolished and reconstructed and the basin was dredged to allow for larger vessels.

Funding was secured using the FIND Grant which provided up to 50% funding assistance for the boat ramp reconstruction and the dredging project. Phase 1 (design) was completed FY21 and Phase 2 (construction) in FY22. The estimated costs associated with this project were

\$603,280.

The Strategic Plan identified for this purpose is Infrastructure and Redevelopment. By improving the waterfront infrastructure, the Cocoa Waterfront will see increased development, thus improving our economic base for the City.

FLORIDA AVENUE COCOA VILLAGE GATEWAY ENTRY FEATURE (PHASE 2)

The Cocoa CRA developed the property at 6 Forrest Avenue into a gateway entry feature to create an enhanced entryway into Historic Cocoa Village. In FY19, the Cocoa CRA Board approved the conceptual



design of the Gateway Entry Feature which was designed from entries submitted from the public. The design engineering phase of the of the project was completed in FY19 and RFP issued for construction in FY20. Phase 1 of the project which includes construction of the Sign and Paddle Wheel was completed in FY20. In FY21 Phase 2, includes design and construction of the figurines and was completed in FY22.



COCOA VILLAGE HISTORIC PLAYHOUSE



The Cocoa CRA, through a Community Art Project, designed and completed the selection of a thermoplastic material developed for extreme use and wear in high-traffic crosswalks. The design was created and selected by the Cocoa Village Community to emphasize the Historic nature of the playhouse. The product is skid/slip resistant for safety and it is ADA compliant, pedestrian and wheelchair friendly.

COCOA CRA- Plan Amendment

In Late 2022, The Cocoa CRA approved the 2022 Cocoa CRA Redevelopment Plan Update that is related only to incorporating a community policing program. Generally, the Update includes the following language related to Community Policing Initiatives:

The scope includes additional police presence in the Cocoa Downtown Community Redevelopment Area with the primary focus to ensure that residents, customers, visitors, and merchants and their employees consider Downtown Cocoa to be a safe and welcoming environment to patronize and conduct business and recreate. The intent and purpose of this Program is to proactively enhance the current level of police patrol and provide a more personal level of service through a direct liaison between the Agency Board/Downtown community and the Cocoa Police Department. It is expected that police officers will be assigned to permanent areas of responsibility and shift details to maximize the effectiveness of the Program. Police officers will work to proactively form partnerships with residents and businesses to jointly promote crime prevention, prevent disorder and improve public safety by addressing specific issues indigenous to the Downtown Area.

YEARLY HIGHLIGHTS

The Cocoa CRA welcomed 27 new businesses to the area, creating a total of 197 full-time jobs and 36 part-time jobs.



\$11,345 was awarded in Commercial Façade Improvement Grants leveraging \$24,946 in private sector capital investment. A ROI of \$2.4 for every \$2.2 of TIF invested.



Business Property Owner	Address	Total Award	Total Project Cost
Ossorios	316 Brevard Avenue	\$1,645.00	\$3,290.00
Cryderman's	405 Florida Ave.	\$10,000	\$21,656

COCOA CRA

YEARLY EVENTS

Cocoa Village hosts more than 52 events annually. Visitors from all over attend these events and with a slowdown of the Pandemic, most events resumed in 2022. Following are a sampling.

- **Annual MLK Peace March and Service**
- **HCVMS Holiday Boat Parade/ Bike Parade**
- **Cocoa 4th of July Celebration**
- **HCVMS Moonlight and Music on the Promenade**
- **Annual First Responder 5K**
- **Annual Cocoa Rotary Party in the Park Concert**
- **HCVMS Writers Guild Book Signing and Fair**
- **City's Annual Memorial Day Ceremony**
- **Historic CV Mainstreet Sip and Stroll (4 annually)**
- **Central Florida Car Show**
- **Central Brevard Humane Society Paws in the Park**
- **Historic CV Assoc Arts and Craft Fair (4 annually)**
- **Annual Alzheimer's Assoc Memory Walk**
- **American Cancer Society Relay for Life**
- **March of Dimes Walk for Babies**
- **Cocoa and Brevard County Holiday Parade**
- **Annual Brewers Bash**
- **Cocoa Juneteenth Celebration**
- **Village Idiot 5K fun run/ walk**
- **Village idiot Street Party benefiting the SPCA**
- **Brevard Firefighters Chili Cook-Off**
- **Keep Brevard Beautiful Trash Bash**
- **Cocoa HS Football Championship**
- **Running Zone Marathon/1**
- **Brevard Firefighters Chili Cook-Off**
- **Keep Brevard Beautiful Trash Bash**
- **Cocoa HS Football Championship**
- **Running Zone Marathon/1/2 Marathon**
- **FL East Coast Santa Train**
- **Brevard County Dog Training Club Responsible Dog Ownership Day in the Park event**
- **Deuterman Productions: Whiskey Meyers, Travis Tritt and Stick Figure**



COCOA CRA

COMMUNITY REDEVELOPMENT GOALS

The Cocoa CRA focused on many of its goals as set forth in the 2018 Cocoa CRA Redevelopment Plan Update.

- Economic Development – Goal V (Page 72): Maintain the unique and positive character of the sub-districts while promoting economic vitality of each. In progress
- Economic Development – Goal VI (Page 73): Market the CRA as a major destination point in the Central Florida Region. In progress
- Future Land Use – Goal IX (Page 74): Provide aesthetic improvements and way-finding measures to increase the sense of community identity. In progress
- Transportation – Goal XI (Page 75): Create a safe efficient traffic circulation system which provides sufficient access by all modes of transportation between activity centers within the CRA and the balance of the community. In progress
- Transportation – Goal XII (Page 76): The CRA shall support the development of parking strategies to support the transportation goals. In progress
Public Facilities and Services – Goal XIV (Page 76): Provide necessary public facilities as acceptable levels of service to accommodate existing needs as well as new demands as proposed development occurs with the CRA. In progress
- Coastal – Goal XV (Page 77): The natural resources of the City's CRA coastal planning area shall be preserved, protected or enhanced to provide the highest possible water quality, habitat for fish and wildlife and use for public recreation. In progress
- Recreation and Open Space – Goal XVI (Page 78): Establish parks, recreation, open space and beautification efforts to create an identifiable character for the redevelopment area which will reflect a pleasant appealing atmosphere for working, shopping, touring and residing in the district. In progress

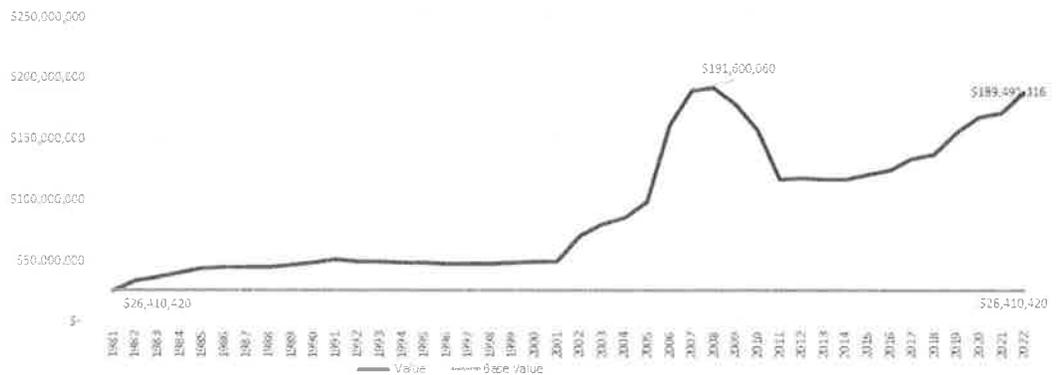
COCOA CRA

FINANCIALS & ASSESSED PROPERTY VALUE

FINANCIALS

TYPE	SOURCE	AMOUNT
Current Year Taxable Value In CRA	DOR DR420 TIF Sect I(1)	\$ 189,491,316.00
Base Year Taxable Value in CRA	DOR DR420 TIF Sect I(2)	\$ 26,410,420.00
Current Year Tax Increment Value	DOR DR420 TIF Sect I(3)	\$ 163,080,896.00
Prior year Final taxable value in the tax increment area	DOR DR420 TIF Sect I(4)	\$ 173,045,887.00
Prior year tax increment value (Line 4 minus Line 2)	DOR DR420 TIF Sect I(5)	\$ 146,635,467.00
If the amount to be paid to the redevelopment trust fund IS BASED on a specific proportion of the tax increment value:		
Enter the portion on which the payment is based.	DOR DR420 TIF Sect II(6a)	0%
Dedicated increment value	DOR DR420 TIF Sect II(6b)	\$ -
Amount of payment to redevelopment trust fund in prior year	Read note on cell	\$ -
If the amount to be paid to the redevelopment trust fund IS NOT BASED on a specific proportion of the tax increment value:		
Amount of payment to redevelopment trust fund in prior year	DOR DR420 TIF Sect II(7a)	\$ 898,955.00
Prior year operating millage levy from Form DR-420, Line 10	DOR DR420 TIF Sect II(7b)	6.4532%
Taxes levied on prior year tax increment value	DOR DR420 TIF Sect II(7c)	\$ 946,268.00
Prior year payment as proportion of taxes levied on increment value	DOR DR420 TIF Sect II(7d)	9500%
Dedicated increment value	DOR DR420 TIF Sect II(7e)	\$ 154,926,851.00
Actual expended increment revenue	Audit (FUND BALANCES)	\$ -
Total Low and Moderate Housing Expended		\$ -

Assessed Property Value



Increase in tax increment value over prior fiscal year: \$15,859,887

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

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

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

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

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

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

DIAMOND SQUARE CRA

The Diamond Square CRA was established in April 1998 through a Resolution by the City of Cocoa and Brevard County and a City of Cocoa Ordinance No. 13-98 and is governed by a seven-member board. A Redevelopment Plan was updated and approved in 2014. The Redevelopment Plan is based on 5 Strategic Frameworks for Change – Community Living; Community Places; Community Connections; Community Identity; and Community Opportunity.

The Diamond Square CRA is generally bounded by the southern border of the City and encompasses the area bounded by Pineda Street on the west, School Street on the north, the Florida East Coast Railroad on the east, and Rosa L. Jones Drive on the south.

Currently, the Diamond Square Community Redevelopment Agency is scheduled to sunset in 2032. Meetings take place on the third Monday of each month at 6:00 pm in City Council Chambers.

The Diamond Square CRA currently has no outstanding indebtedness.



Diamond Square CRA Board

The terms of the office of each Agency member will be for four years, except that three of the City appointed members shall be designated to service terms of 1, 2 and 3 years from their date of appointments. No Agency member may serve more than two consecutive terms.

Diamond Square CRA Board Members

- Tracy Moore – Chairperson
- Delores Martin - Vice Chairperson
- Larry Brown – Agency Member- Appointed by Brevard County
- Sylvia Thomas – Agency Member
- Ed Jones - Agency Member
- Jackie Isom - Agency Member
- Marilyn Smith - Agency Member

- New Members:
- Amy Robinson - Agency Member - April 2022
- Crystal McQueen - Agency Member - May 2022



DIAMOND SQUARE CRA HIGHLIGHTS

In FY22, Habitat for Humanity Female Veterans Village was completed and City Council voted to name it after Major Abbey Sweetwine.

Continuation of the Diamond Square CRA Paint Grant Program and Beautification Grant Program



Signs are placed in grantees yard after completion

DIAMOND SQUARE CRA

DIAMOND SQUARE CRA PAINT AND BEAUTIFICATION GRANT PROGRAMS



Two programs that began June 2021; the Diamond Square CRA Paint Grant Program and the Beautification Grant Program continued in 2022. Due to the community's interest and program success, the budget for each was increased. These are designed to improve the exterior of the residence and improve aesthetics of the community. Approved applications for the Paint program will have their home pressure washed, receive paint and painting supplies up to the amount of \$1,000 for the exterior of their home and the Beautification Grant Program will provide Florida friendly landscaping up to the amount of \$500 for the front of their home. In both cases, grant recipients provide their own labor.

These programs have benefited the community by improving the looks of the homes, created a renewed sense of homeowner pride and has a domino effect as more and more applications are submitted. During 2022, the CRA approved 8 Beautification grants paying more than \$3,500 and 11 Paint Grants for an amount of \$9,400.

HABITAT FOR HUMANITY FEMALE VETERAN'S HOME BUILD PROJECT



Through a partnership between the Diamond Square CRA, Brevard County (HFHBC), six lots were identified to be built for low-income, female Veterans for the opportunity to own their own home. All six were completed and filled with Female Veterans. Many of these women had children, had never owned a home and were homeless. Through the course of the project many volunteers participated in donating, time, services and various items for the homes. A naming ceremony will be held in early 2023 to name the Village after Major Abbey Sweetwine.

In addition, Habitat is building homes in the Diamond Square CRA not associated with this project but are part of the home ownership program in our community. This project is expected to be complete in early 23 with a community naming ceremony.

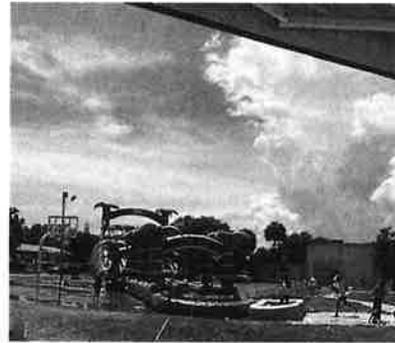
COMMERCIAL FACADE GRANT

The Diamond Square CRA sponsors a Commercial Facade Improvement Program to benefit property owners in the redevelopment area. Matching grants of up to \$10,000 are available to qualified business owners to fund exterior improvements such as awnings, landscaping, lighting, parking lot and signage.

DIAMOND SQUARE CRA

SUMMER CAMP SCHOLARSHIPS

The Diamond Square CRA approved \$5,400 for 14 youth to attend a summer camp provided by Brevard County Parks and Recreation and held at the Dr. Joe Lee Smith Center in Diamond Square.



DIAMOND SQUARE CRA UPSTART SMALL BUSINESS PROGRAM

At the February 8, 2021, Agency Members approved the formulation of Upstart Diamond Square. This program was created as an incentive to promote the growth of minority-owned businesses throughout the Diamond Square Community.

The program and forgivable loans are available to minority and/or women owned small businesses with the goal to empower entrepreneurs to succeed in the Diamond Square community, attract small minority businesses to the area, contribute to the economic vitality by promoting small business, and to cultivate a vibrant neighborhood through the encouragement of diverse businesses.

Awards made to businesses encourage a business to locate or relocate in Diamond Square and support minority entrepreneurs with business skill sets and start-up and marketing expenses. The DS Upstart Cocoa Loan program is designed as a three-year forgivable loan program with a community enrichment component to “pay back” 25% of the grant to the community within three years. After three years of maintaining the business in Diamond Square and successful completion of the “pay back” the loan will be forgiven at 100%.

The CRA Budgeted funds for one grant during FY22 and the first recipient selected by a Review Committee completed the initial stages of the program. However, she chose to terminate the agreement and did not complete the program.

DIAMOND SQUARE CRA

PROJECTS & FUNDING INITIATIVES

COPS & KIDS



Summer began with 48 youth and a partnership between LLC (Lifetime Counseling Centers) and Cocoa Police Department opportunities were provided for the children to take swimming and water safety lessons. Field trips included Orlando Science Center, Fishing at Sebastian Inlet, Wekiva Springs and a tour of the Cocoa Police Department. Children participate in a variety of activities to include team building, arts and more. With an emphasis on Mental Health, LCC provided counselors for the 6-week camp and Second Harvest Food Bank provided breakfast each day.

DIAMOND SQUARE PARTNERSHIP WITH ALLIANCE FOR NEIGHBORHOOD RESTORATION

The Diamond Square CRA continued its partnership with the Alliance for Neighborhood Restoration (ANR), currently in its 8th year of youth programs at the Harry T. Moore Center primarily serving about 80% of Cocoa youth and the Diamond Square Community. With 22.4% of children in Cocoa living below poverty level, the programs provided have become vital to the community it serves.

Additionally, the Diamond Square CRA sponsored the community policing initiative, the Cocoa Police Athletic League (Cocoa PAL), for \$4,500. ANR and Cocoa PAL quickly decided that service to society, specifically the Diamond Square Community, could be provided in different forms.

COCOA POLICE ATHLETIC LEAGUE (PAL)

The Police Athletic League is the oldest and largest law enforcement based youth crime prevention program in the United States. The program is designed to equip each youth with the skills needed to become future leaders of PAL and the country. Character building, dedicated, honest hard work are the building blocks of PAL. At the core program for delivering youth the Cocoa PAL is a juvenile delinquency prevention program that provides athletic and academic activities to youth through the community.

The Youth Leadership Council is designed to equip each youth with the skills needed to become future leaders of PAL and the country. Character building, dedication, and honest hard work are the building blocks of PAL. Participants held regular meetings to discuss and plan activities, attend local and regional training and volunteer with various agencies.

Six members were selected to attend a two-day State Leadership Training at Disney's Fort Wilderness. Cocoa PAL sponsored 3 Diamond Square youth to attend the State of Florida PAL Leadership Conference at Disney Coronado Springs Resort.



DIAMOND SQUARE CRA



Police Athletic League After School Program

The 2021-22 school year began with 18 youth registered for After-School, focusing on Career Readiness and Character Education. An average of 15 children received daily homework assistance, career readiness, leadership development, social-emotional development, arts and crafts, physical fitness, and nutrition. More than 70% of participants were DS Residents. Second Harvest Food Bank continued to support After-School and Summer Programs with fresh, prepared meals.

State of Florida PAL Regional Training Cocoa

PAL hosted the State of Florida PAL Regional Training at the Joe Lee Smith Center with about 100 youth from around the State of Florida with a theme of "Self-Care".

PAL Leadership Training

The curriculum includes leadership traits and skills, team building, planning and executing community projects, community needs assessments and civic responsibility.

Training also included team building exercises and discussions about Social Justice.

Tours and engagement included the Fire Department, Police Department and City Hall. The Youth planned and hosted a Political Forum for the City of Cocoa Candidates, Districts 1 and 2 and the Brevard County Commission, District 2 and was held at the Moore Justice Center.

Cocoa PAL Basketball

Cocoa PAL Basketball Season 21-22 held practices two days per week at the Joe Lee Smith Community Center. Games were scheduled for Saturdays during League competitions with Brevard County Parks and Recreation. Cocoa PAL did not charge fees and registered more than 100 youth throughout the year.

Youth Employment Training/Phase 1 and Phase 3

Ten youth registered for the Youth Employment Training program, of which 9 completed the four-week course.

Speakers from various occupations shared information about their careers, including Judge Samuel Bookhardt and Sgt Marlon Buggs during a special tour of the Moore Justice Center.

Course instruction included applications for employment, resumes, interviewing skills, dressing for success, financial literacy and customer Service.

Two Phase 3 Youth Employment Trainees completed job assignments with the City of Cocoa Leisure Services and Brevard County Parks and Recreation.

DIAMOND SQUARE CRA

YEARLY HIGHLIGHTS



The The Diamond Square CRA welcomed 5 new businesses to the area, creating a total of 8 full-time jobs and 2 part-time jobs.

YEARLY EVENTS

2022 Program Highlights

- Annual Winter Festival in Diamond Square
- Annual Fall Festival with the City of Cocoa
- Community Cleanup Project for After-School in Diamond Square
- Keep Brevard Beautiful Trash Bash with the City of Cocoa

COMMUNITY REDEVELOPMENT GOALS

The Diamond Square CRA achieved many of its goals as set forth in the 2014 Diamond Square CRA Redevelopment Plan Update.

Goal 1 – Enhance streetscapes and pedestrian connectivity (Pages 13-15)

- SR520 landscape enhancements - complete
- Peachtree Street Complete Street - complete
- Transportation terminus (SCAT) in DSCRA - complete
- South Fiske Blvd landscaping and mid-block crossing - expect completion 2023

Goal 2 - Increase partnerships with housing developments (Pages 15-17)

- Housing Authority of the City of Cocoa curb appeal - complete
- Finance and home ownership programs - in progress

Goal 3 - Create Neighborhood Gateways (Pages 18-20)

- Neighborhood entry signage and historical/cultural significance - in progress
- street tree planting - in progress
- Sidewalk system infill and improvements - in progress
- Stormwater and infrastructure - in progress

Goal 4 - Explore the feasibility of creating new community-based centers (Page 21-22)

- Joe Lee Smith Center upgrades and/or reconstruction - complete

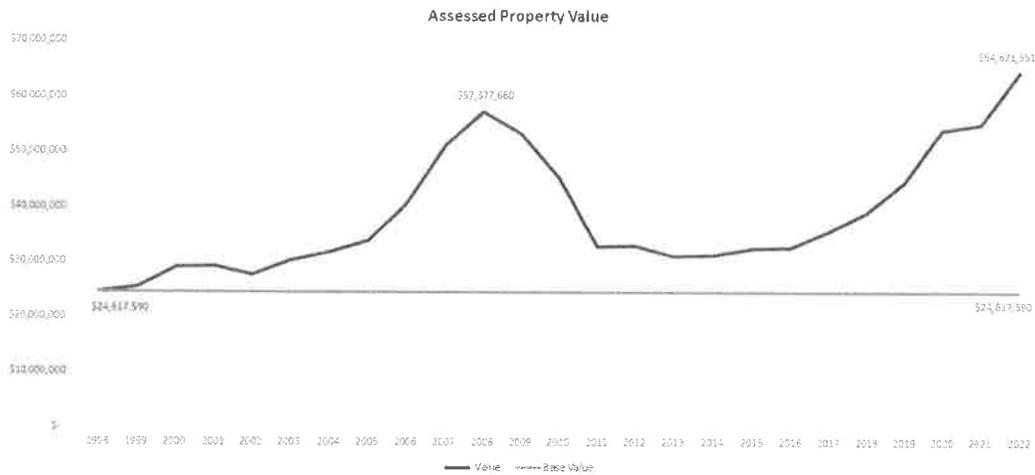
Goal 5 - Enhance support for community-based organizations and educational institutions (Pages 23-24)

- Safe routes to school / pedestrian network - in progress
- Role model and mentoring programs - in progress

DIAMOND SQUARE CRA

FINANCIALS & ASSESSED PROPERTY VALUE

FINANCIALS		
TYPE	SOURCE	AMOUNT
Current Year Taxable Value in CRA	DOR DR420 TIF Sect II(1)	\$ 64,621,551.00
Base Year Taxable Value in CRA	DOR DR420 TIF Sect II(2)	\$ 24,617,590.00
Current Year Tax Increment Value	DOR DR420 TIF Sect II(3)	\$ 40,003,961.00
Prior year Final taxable value in the tax increment area	DOR DR420 TIF Sect II(4)	\$ 55,086,258.00
Prior year tax increment value (Line 4 minus Line 2)	DOR DR420 TIF Sect II(5)	\$ 30,468,668.00
If the amount to be paid to the redevelopment trust fund IS BASED on a specific proportion of the tax increment value:		
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Dedicated increment value	DOR DR420 TIF Sect II(6b)	\$ -
Amount of payment to redevelopment trust fund in prior year	Read note on call	\$ -
If the amount to be paid to the redevelopment trust fund IS NOT BASED on a specific proportion of the tax increment value:		
Amount of payment to redevelopment trust fund in prior year	DOR DR420 TIF Sect II(7a)	\$ 186,785.00
Prior year operating millage levy from Form DR-420, Line 10	DOR DR420 TIF Sect II(7b)	6.4532%
Taxes levied on prior year tax increment value	DOR DR420 TIF Sect II(7c)	\$ 196,620.00
Prior year payment as proportion of taxes levied on increment value	DOR DR420 TIF Sect II(7d)	9500%
Dedicated increment value	DOR DR420 TIF Sect II(7e)	\$ 38,003,763.00
Actual expended increment revenue	Audit (FUND BALANCES)	\$ -
Total Low and Moderate Housing Expended		\$ -



A 15% increase in taxable value over prior fiscal year: \$8,665,863



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

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

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

**DIAMOND SQUARE
COMMUNITY REDEVELOPMENT AGENCY**

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

**Year Ended September 30, 2022
DRAFT - Unaudited version**

	General Fund	Adjustments (Note 2)	Statement of Activities
REVENUES			
Intergovernmental	\$ 307,937	\$ -	\$ 288,325
Investment Income	4,322	-	2,736
	291,061	-	291,061
TOTAL REVENUES			
EXPENDITURES/EXPENSES			
Economic Environment	107,381	-	87,707
Capital Outlay	-	-	-
Depreciation	-	15,879	15,879
	107,381	15,879	103,586
TOTAL EXPENDITURES/EXPENSES			
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	183,680	(15,879)	187,475
CHANGE IN NET POSITION	183,680	(15,879)	187,475
FUND BALANCES/NET POSITION			
Beginning of the year	379,864	524,571	936,835
End of the year	\$ 563,544	\$ 508,692	\$ 1,124,310

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

KEY CONTACTS



Community Services Department
65 Stone Street
Cocoa, FL 32922

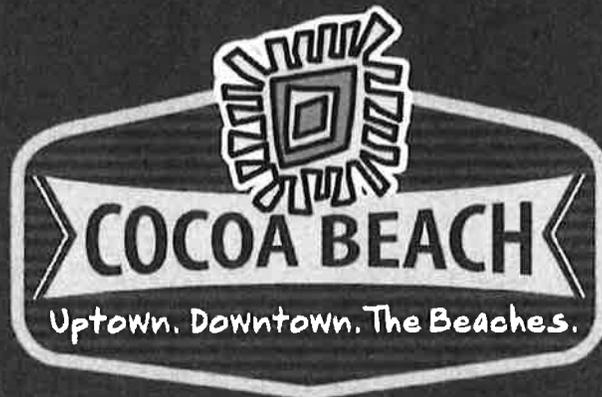


Stockton Whitten City
Manager
(321) 433-8737
swhitten@cocoafl.org



Charlene Neuterman Director,
Community Services (321) 433-8509
cneuterman@cocoafl.org

**Downtown
Cocoa Beach
Community
Redevelopment
Agency**



2022 Annual Report

Downtown Cocoa Beach Community Redevelopment Agency Board Members



Mike Miller



Skip Williams



Ben Malik
CRA Chair



Karalyn Woulas



Ed Martinez



Tim Tumulty
(Aug - Nov 2022)

City of Cocoa Beach:



City Manager:

James McKnight
(2017-2022)



Robin R. Hayes
(2022 - Present)

CRA Administrator Melissa Byron (Retired July 2022), Robin R. Hayes (July 2022 - Present)
Finance Director Patrisha Draycott
Registered Agent and City Clerk Loredana Kalaghchy

CPA's and Advisors Carr, Riggs, and Ingram, LLC



Downtown Cocoa Beach Community Redevelopment Agency (DCBCRA)

Redevelopment Plan Purpose

- Serve to eliminate and reduce blight
- Establish community policing to encourage compliance with established community standards
- Provide and encourage the expansion of stormwater systems and improvements to infrastructure
- Provide and support improvement of the roadway network and promote pedestrian and bicycle safe infrastructure
- Provide and encourage improvements to parking
- Provide and encourage improvements to landscaping and streetscape
- Encourage and provide incentives for appropriate economic development
- Encourage and foster the development of activities which impact our culture and the quality of life
- Any and all additional programs, projects, and activities which may be identified by the DCBCRA that is consistent with this comprehensive community redevelopment plan.

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What is a CRA?

Governing Body of CRA

1. A Community Redevelopment Agency (CRA) is a specific geographic area that has met the physical and/or economical conditions of a blighted area as defined in the Community Redevelopment Act of 1969. (Florida Statutes, Chapter 163, Part III).
2. The area has to be formally designated by the local government as appropriate for redevelopment.
3. It has to be determined that dedicated resources should be used to reduce or eliminate these blighted conditions and to stimulate community and economic revitalization.
4. Once the CRA is established, Tax Increment Financing (TIF) programs may be implemented.
5. TIF programs are generally long-term, 30-year commitments.
6. CRA's have been created in other states throughout the country with Florida having more than 140.
7. The Community Redevelopment Act specifies that the governing body of the CRA jurisdiction is from which the area is located.
8. A five to seven member Board, created by the local government, administers the activities and programs within the CRA. The City Commission can act as the Community Redevelopment Agency board, but must act as a separate and distinct agency.
9. Annual budgets, financial reporting, and activity reports are also required by the Community Redevelopment Act.

History

Redevelopment of the City's historic downtown area has been a focus of the City Commission beginning since the 1990's. Following the enabling of area plans in the City's Comprehensive Plan of 2005, the City began a deliberate planning effort for the City's Historic Downtown area. The result of the planning effort has led to the creation of the Downtown Cocoa Beach Community Redevelopment Agency. (DCBCRA)

Anticipating that 2012 would be the year that property values "bottom out" following the national recession of 2007-2009, the CRA completed the Downtown Cocoa Beach Community Redevelopment Plan with professional help of planning consultant, Lawandales Planning Affiliates. The Plan was developed with extensive and collaborative input from citizens and businesses of Cocoa Beach, and relied upon studies and plans developed by city staff and consulting firms Zyscovich Architects and Miller Legg and Associates.

Agency Overview

In accordance with City of Cocoa Beach Charter Section 6.06, on January 29, 2008, the electorate of the City voted to authorize establishment of a Downtown Cocoa Beach Community Redevelopment Agency (DCBCRA).

On April 2, 2008, the Cocoa Beach City Commission adopted Resolution No. 2008-13 requesting Brevard County to delegate to the City Commission the powers to create a Downtown Cocoa Beach Community Redevelopment Agency.

The Brevard County Board of County Commissioners (BCBofCC) authorized the City to create the DCBCRA, with their adoption of County Resolution 08-125 on May 29, 2008.

With this authority, on August 20, 2009, the City Commission adopted Resolution No. 2009-20, finding the need for a CRA given the City's July 2009 "Finding of Necessity" as required by Florida Statute 163.355, in the possible creation of a CRA. This resolution also identified the Redevelopment Area.

Based on the adopted "Finding of Necessity", the City Commission adopted Resolution No. 2009-28 on November 19, 2009, establishing the DCBCRA.

The City Commission adopted Resolution No. 2012-13 on May 17, 2012. Per Florida Statutes Chapter 163.360 the city was required to adopt a plan. The plan was adopted following a review and recommendation by the City's Planning Board (local planning agency) as to the plan's conformity with the City's comprehensive plan.

In Cocoa Beach, the CRA Board has been determined to be the City Commission. No other governance structure, such as an Advisory Board, has been created.

Brevard County Commission signed an interlocal Agreement with the DCBCRA to continue with the CRA and the building of the Parking Garage.

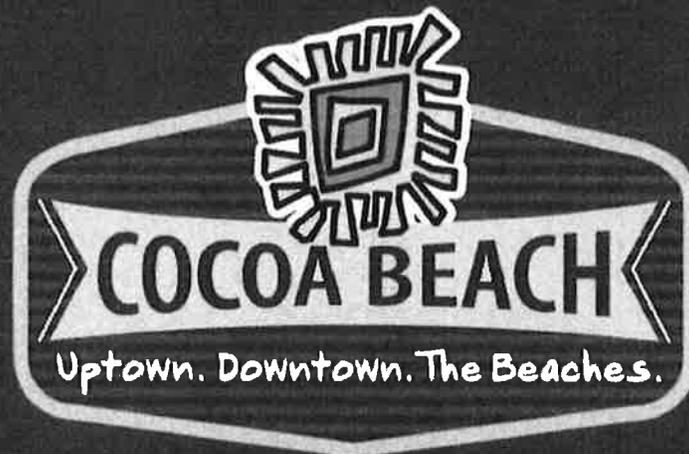
The DCBCRA is the City's only CRA district, and this is the ninth annual report for that agency. The DCBCRA signed an interlocal agreement with the Brevard County Board of Commissioners February 2018. Per the interlocal agreement the CRA shall expire on December 31, 2033.

The Downtown Cocoa Beach Community Redevelopment Agency consists of approximately 234 acres located in the downtown Cocoa Beach. This district is comprised of distinct land uses, physical characteristics and functions. The Land uses of the downtown include, residential, offices/professional, commercial/retail, light industrial, restaurants/bars and mixed use.

Geographical map can be found on page 9.

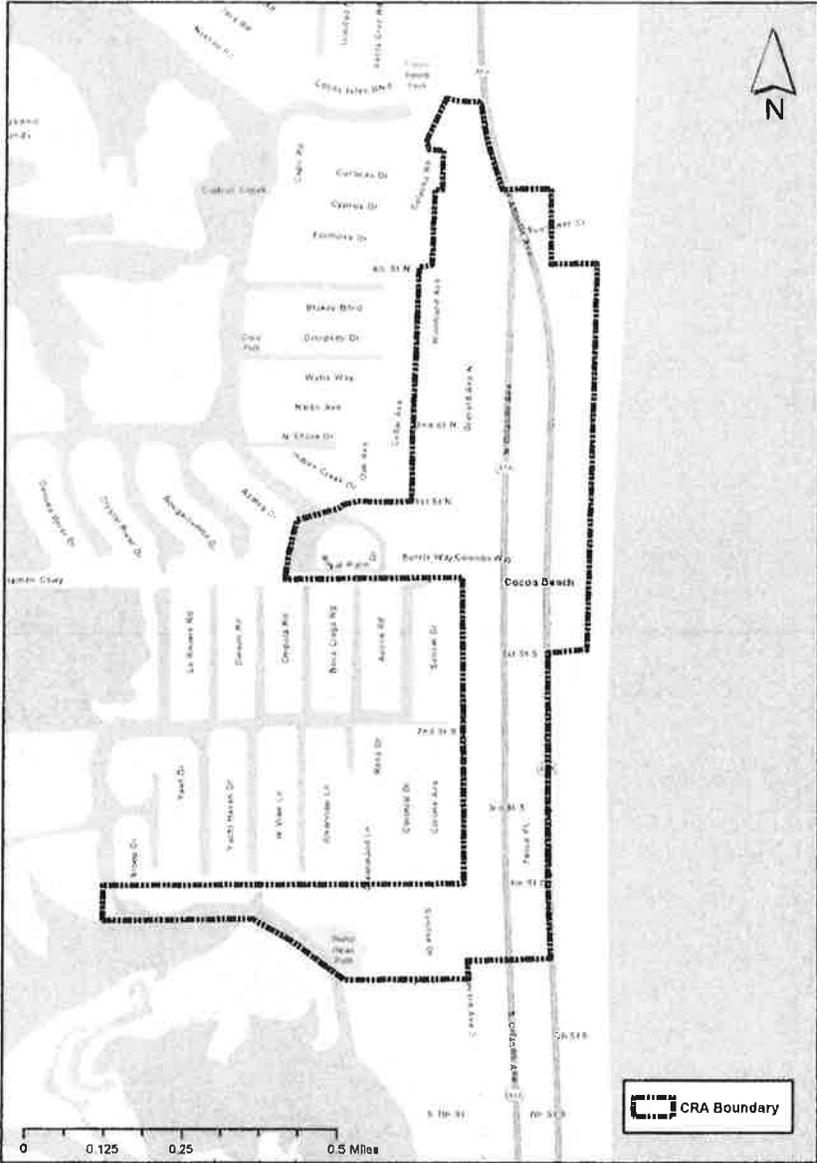
Assessed Values Over Last 10 Years

	Assessed Value
2008 - Base Year	\$118,031,690
2014	130,326,700
2015	144,861,700
2016	161,977,000
2017	176,352,730
2018	189,226,110
2019	197,339,050
2020	212,557,070
2021	228,158,640
2022	259,707,570



DCBCRA Geographical Area

CRA Map



2022 Budget

The Downtown Cocoa Beach Community Redevelopment Agency prepares the annual budget every year and is brought before the board for approval. Once approved, the board will send the final budget to the City Commission to be adopted along with the City's annual budget.

The annual budget has funds for the entire CRA as well as the Parking Garage located in the downtown area.

All funds are from October 2021 through September 2022.

All data can be found on the City website at www.cityofcocoa beach.com.



Fund: Community Redevelopment (CRA)

Account Codes: 125-9310 & 125-9320

	USES OF FUNDS				
	2019	2020	2021		2022
			Actual	Actual	Amended Budget
CRA OPERATING					
559 31-00 Professional Services	5,385	4,821	6,700	6,700	7,900
559 32-10 Auditor	1,656	—	3,000	2,000	5,000
559 45-05 General Liability	5,543	5,553	6,175	6,175	6,550
559 47-00 Printing and Binding	758	188	1,000	1,000	1,000
559 54-10 Publications & memberships	175	420	250	250	250
Subtotal CRA Operating	13,517	10,982	17,125	16,125	20,700
CRA DOWNTOWN GARAGE OPERATING					
559 34-20 Bank Charges	2,703	5,163	7,500	7,500	8,500
559 34-40 Support Services	7,367	26,997	37,132	35,827	100,000
559 45-15 Property Insurance	3,451	9,617	11,364	11,363	12,272
559 43-10 Electric	3,046	8,204	9,200	9,200	9,200
559 43-20 Water & Sewer	1,339	3,587	6,500	6,500	9,700
559 49-15 Other Current Charges	53	1,660	2,000	2,000	2,000
559 52-50 Other Supplies	6,051	822	7,400	5,000	6,000
Subtotal CRA Downtown Garage Operating	24,010	56,050	81,096	77,390	147,672
CAPITAL OUTLAY					
559 63-10 Improvements O/T Buildings - 15 Yrs	4,860,778	—	—	—	—
64-20 Furniture & Equipment	—	—	50,000	—	80,000
Subtotal Capital Outlay	4,860,778	—	50,000	—	80,000
GRANTS/AID					
559 82-00 Aid/Private Organizations	—	—	—	—	—
Subtotal Grants	—	—	—	—	—
TRANSFERS					
559 91-10 Repayment of Advance to General Fund	20,000	80,000	80,000	80,000	—
559 91-40 Repayment to Stormwater (Minutemen Project)	—	20,000	20,000	20,000	40,000
9320- 91-10 General Fund Maintenance Contrib.	—	7,315	7,315	7,315	1,252
Subtotal Transfers	20,000	107,315	107,315	107,315	41,252
DEBT					
559 71-00 Principal	220,000	230,000	323,316	323,316	335,423
559 72-00 Interest	180,350	176,673	164,018	164,018	149,661
559 73-00 Other Debt Costs	(18,740)	(106)	—	—	—
Subtotal Debt	381,610	406,567	487,334	487,334	485,084
DEBT SERVICE RESERVE					
590.90-10 Reserved Future Appropriations	(55,705)	255,359	598,661	593,199	952,631
TOTAL USES	5,244,210	756,273	1,208,312	1,281,363	1,727,339

Source of Funds

Fund: Community Redevelopment (CRA)

Account Codes: 125-0000

SOURCES OF FUNDS					
	2019	2020	2021	2021	2022
	Actual	Actual	Amended Budget	Estimated	Approved Budget
INTERGOVERNMENTAL					
330 10-00 Intergovernmental - City	329,850	395,632	468,507	468,507	555,429
330 20-00 Intergovernmental - County	227,138	259,230	296,546	296,797	333,011
TOTAL TAXES	556,988	654,862	765,053	765,304	888,440
CHARGES FOR SERVICES					
344. 60-15 Taxable Meter Fees	66,951	131,877	160,000	220,200	210,200
344. 60-20 Parking Citations	6,402	23,020	27,000	40,000	35,000
TOTAL CHARGES FOR SERVICES	73,353	154,897	187,000	260,200	245,200
MISCELLANEOUS REVENUES					
361 20-00 Interest on Investment	3,265	2,219	900	500	500
369 40-00 Misc. Other	90,139	—	—	—	—
TOTAL MISCELLANEOUS REVENUES	93,404	2,219	900	500	500
TOTAL REVENUES	633,606	811,978	952,953	1,026,004	1,134,140
FUNDS FORWARD					
389 99-10 Appropriated Fund Balance	4,610,604	(55,705)	255,359	255,359	593,199
TOTAL SOURCES	5,244,210	756,273	1,208,312	1,281,363	1,727,339

The Interlocal Agreement between the City and the County states that 75% of the TIF received from the County be used to retire the bond that was acquired to build the Parking Garage. All of the monies collected from the County through TIF were applied to the Parking Garage Bond.

Expense Report FY 2022

Account Number	Element Description	Sum of Net Expense
125-9000-519.79-99	Reclassification Account	\$(85,422.97)
125-9310-559.31-00	Structural Assmnt Study	43,245.96
125-9310-559.32-10	ACCOUNTING & AUDITING	2,031.50
125-9310-559.34-40	OTHER CONTRACTUAL SVCS	2,000.00
125-9310-559.45-05	INSURANCE	5,980.00
125-9310-559.47-00	Printing & binding	290.00
125-9310-559.52-50	OPERATING SUPPLIES	32.50
125-9310-559.54-10	BOOKS, PUBLICATN & MEMBER	670.00
125-9310-559.71-00	Principal	335,422.94
125-9310-559.72-00	Interest	149,661.18
125-9310-559.73-00	OTHER DEBT SERVICE COSTS	(1.12)
125-9310-559.91-10	TRANSFERS	1,252.00
125-9310-559.91-40	TRANSFERS	40,000.00
125-9320-559.13-10	OTHER SALARIES & WAGES	10,185.81
125-9320-559.21-00	FICA Taxes	779.22
125-9320-559.24-00	Workers Compensation	556.48
125-9320-559.34-20	OTHER CONTRACTUAL SVCS	13,158.91
125-9320-559.34-40	OTHER CONTRACTUAL SVCS	50,942.12
125-9320-559.43-10	UTILITY SERVICES	9,982.84
125-9320-559.43-20	UTILITY SERVICES	6,593.41
125-9320-559.45-15	INSURANCE	13,337.00
125-9320-559.49-15	Other current charges	2,556.64
125-9320-559.52-50	OPERATING SUPPLIES	7,103.08
Grand Total		\$610,357.50

The Expense Report as of 2/21/2022 is unaudited numbers and are subject to change per the Audit report.

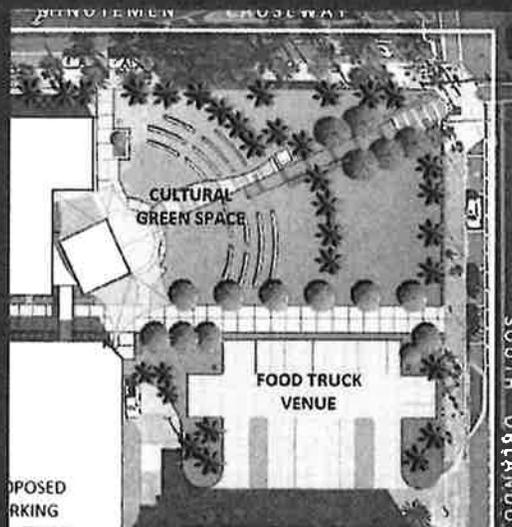
Personnel Schedule

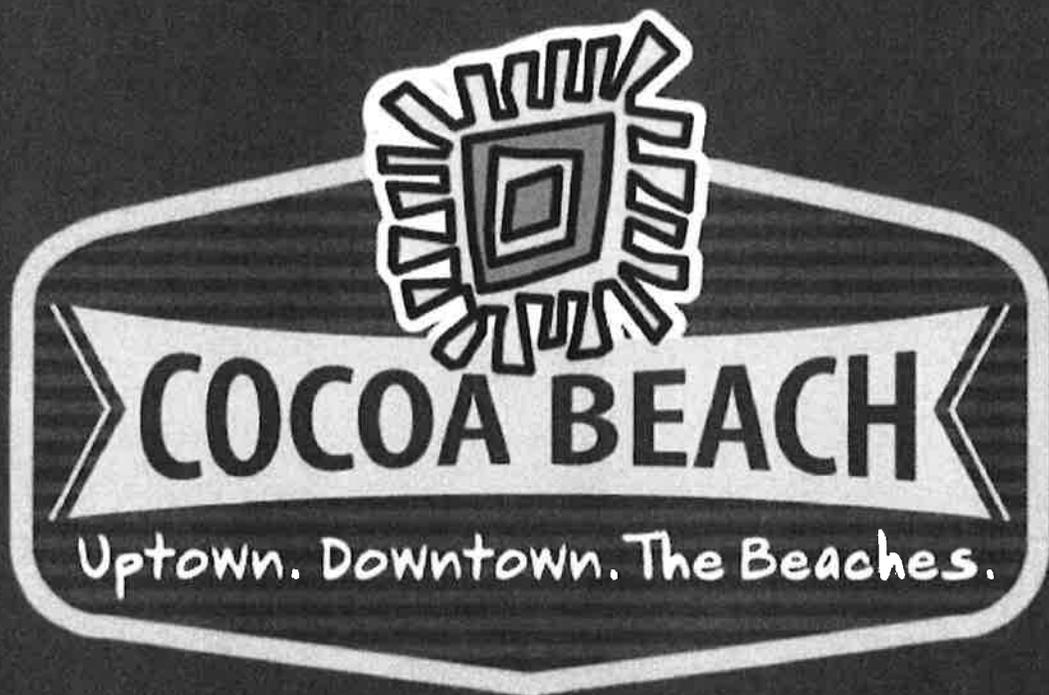
PERSONNEL SCHEDULE			
DEPARTMENT: Community Redevelopment (CRA)			
POSITION TITLE:	NUMBER OF POSITIONS		
	BUDGET 2021	CHANGE	BUDGET 2022
FULL-TIME	—	—	—
TOTAL FULL-TIME	—	—	—
Garage Maintenance PART-TIME	—	1	1
TOTAL PART-TIME	—	1	1
TOTAL PERSONAL SERVICES	—	—	—

The DCBCRA has acquired a part-time Garage Maintenance personnel. Daily tasks include the daily maintenance and cleaning of the Parking Garage. Also, make repairs as needed within the facility.

**2022
Downtown
Cocoa
Beach
Community
Redevelopment
Agency
Review**

1. For 2022 the CRA Board continued the focus of making the required bond payments and providing continual maintenance on the Downtown Parking Garage.
2. Redevelopment in the CRA is slowly increasing and allowing for increased taxable values. This includes both residential and commercial properties. Many of the homes within the CRA are being purchased and updated for vacation rentals. Therefore, the demand is high for property within the CRA boundaries and throughout Cocoa Beach.
3. As the economy for the future, the CRA board has committed to focusing on the repayment of the bond and the continual updating and repairs of the parking garage.
4. Property values in the CRA have consistently increased since 2008. This increase has allowed to have funds to be set aside for maintenance of the parking garage. The bond documents do not allow for early repayment for approximately 10 years.
5. To continue on the CRA Redevelopment plan, the city is working on the design of a cultural green space. This space will allow for residents and visitors to have a green space in the downtown location. This will always be a location for events to be held regularly.







CRA Adopted March 2, 2023
City Commission Adopted March 15, 2023

City of Cocoa Beach
1600 Minutemen Cswy
Cocoa Beach, FL 32931



**Downtown Cocoa Beach
Community Redevelopment Agency
FINANCIAL STATEMENTS
Fiscal Year Ended
September 30, 2022**

**Downtown Cocoa Beach Community Redevelopment Agency
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Year Ended September 30, 2022**



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**Downtown Cocoa Beach Community Redevelopment Agency
Agency Officials
Year Ended September 30, 2022**

Agency Board Members

Ben Malik, Mayor
Skip Williams, Vice Mayor
Karalyn Woulas, Commissioner
Tim Tumulty, Commissioner
Mike Miller, Commissioner

Administrator

Karin Grooms





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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund of the Downtown Cocoa Beach Community Redevelopment Agency (the Agency), a component unit of the City of Cocoa Beach, Florida, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Agency'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 respective financial position of the governmental activities, and the major fund of the Agency, as of September 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency'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.

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency'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 Agency'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 the budgetary comparison 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.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2023, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

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

Melbourne, Florida
March 31, 2023

Downtown Cocoa Beach Redevelopment Agency Management's Discussion and Analysis

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

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

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

FINANCIAL HIGHLIGHTS

- The assets of the CRA's exceeded its liabilities as of September 30, 2022, by \$2,353,555 (net position). Of this amount, \$1,445,911 (net position restricted for community redevelopment) may be used to meet the CRA's ongoing obligations to citizens and creditors.
- The CRA's total net position was increased by \$872,832.
- The CRA's tax increment revenues increased by \$122,772 or approximately 16%. This resulted from increased property values with the CRA district from Fiscal Year 2021 to Fiscal Year 2022.
- Total external debt decreased by \$250,000 (7.03%) in Fiscal Year 2022. The decrease is attributed to the principal payment on debt.

FINANCIAL STATEMENTS

Overview of the Financial Statements

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

Government-wide Financial Statements

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

Downtown Cocoa Beach Redevelopment Agency Management's Discussion and Analysis

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

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

CRA Special Revenue Fund

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

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

Notes to the Financial Statements

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

Other Information

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The CRA's net position was \$2,353,555 at the close of the Fiscal Year 2022. This is an \$872,832 increase in net position over the \$1,480,723 reported in the prior fiscal year.

Downtown Cocoa Beach Redevelopment Agency Management's Discussion and Analysis

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

The following schedule is a summary of the Fiscal Year 2022 Statement of Net Position with comparative information for Fiscal Year 2021.

	Schedule of Net Position	
	2022	2021
Current and other assets	\$ 1,525,627	\$ 900,903
Capital assets	4,498,864	4,624,355
Total Assets	6,024,491	5,525,258
Long-term liabilities outstanding	3,591,220	3,869,815
Other liabilities	79,716	174,720
Total Liabilities	3,670,936	4,044,535
Net investment in capital assets	907,644	754,516
Restricted	1,445,911	726,207
Total Net Position	\$ 2,353,555	\$ 1,480,723

As stated above, the CRA's net position totaled \$2,353,555 at the end of Fiscal Year 2022. It should be noted that the resources needed to repay the CRA Parking Garage debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The CRA uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

The change in net position balance from fiscal year 2022 to fiscal year 2021 is \$872,832 as shown in the Schedule of Changes in Net Position on the next page. This change includes increased tax revenue partially because of an increase in property values located within the CRA. In addition, the City Commission voted to increase the FY2022 millage by .3350 – from 5.8294 to 6.1644. Some revenues and other financing sources had comparatively modest increases over the prior fiscal year, while the expenditures associated with maintenance of the parking garage increased somewhat over the former fiscal period.

The following schedule of Changes in Net Position shows activities for Fiscal Year 2022 with comparative information for Fiscal Year 2021.

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

	Changes in Net Position	
	2022	2021
Revenues:		
Taxes	\$ 888,076	\$ 765,304
Charges for Services	432,725	322,042
Investment income	3,035	9,424
Total Revenues	1,323,836	1,096,770
Expenses:		
Economic Environment	169,446	111,270
Depreciation	125,491	125,491
Interest and other	114,815	129,367
Total Expenses	409,752	372,128
Interfund Transfers	(41,252)	(27,315)
Change in Net Position	872,832	697,327
Net Position - Beginning	1,480,723	866,771
Prior period adjustment	-	(83,375)
Net Position - Beginning, as restated	1,480,723	783,396
Net Position - Ending	\$ 2,353,555	\$ 1,480,723

CRA Special Revenue Fund Budgetary Highlights

A budget to actual statement is provided for the CRA Special Revenue Fund. A budget column for both the original budget adopted for Fiscal Year 2022 as well as the final budget is presented. A comparison of the final budget to the actual amounts for current expenditures shows a final difference of \$85,364. This is because operating expenditure actuals were overall below budgeted amounts and transfers for repayments of advances are excluded.

CRA Tax Increment Financing (TIF)

Monies from the incremental increase in property tax revenue (TIF) collected within the designated redevelopment area is recorded in the CRA. Consistent with State law, revenues are utilized and expended in accordance with the Community Redevelopment Plan. The TIF has continued to increase in subsequent years as taxable values have risen. The increase from 2021 to 2022 is \$122,772 or 16%.

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

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

	<u>2022</u>	<u>2021</u>	<u>Increase (Decrease)</u>
Taxable value	\$ 217,276,830	\$ 203,686,580	\$ 13,590,250
Less: Base year value	(119,086,930)	(119,086,930)	-
Net taxable value	<u>\$ 98,189,900</u>	<u>\$ 84,599,650</u>	<u>\$ 13,590,250</u>
County tax rate per \$1,000 of value	3.6900	3.6900	0.0000
City tax rate per \$1,000 of value	6.1644	5.8294	0.3350
Tax increment payments:			
County	\$ 332,647	\$ 296,797	\$ 35,850
City	<u>555,429</u>	<u>468,507</u>	<u>86,922</u>
Total tax increment payments	<u>\$ 888,076</u>	<u>\$ 765,304</u>	<u>\$ 122,771</u>

CAPITAL ASSET ADMINISTRATION

Capital Assets. The CRA's investment in capital assets as of September 30, 2022 is \$4,498,864 (net of accumulated depreciation). This investment in capital assets includes the parking garage facility and improvements to the facility. Governmental activities net investment in capital assets decreased by \$125,491 for depreciation. The schedule of changes in capital assets from the current fiscal year to the prior fiscal year is included in the following:

	<u>Capital Assets (net of depreciation)</u>	
	<u>2022</u>	<u>2021</u>
Buildings	\$ 4,462,874	\$ 4,584,943
Improvements	<u>35,990</u>	<u>39,412</u>
Total	<u>\$ 4,498,864</u>	<u>\$ 4,624,355</u>

DEBT ADMINISTRATION

Long-Term Debt

At the end of the current fiscal year, the CRA had total long-term debt in the amount of \$3,305,000.

In Fiscal Year 2017 debt was issued with Florida Municipal Loan Council (FMLC) Revenue Bond 2017B to fund the design and construction of the new parking garage in the Community Redevelopment Agency (CRA). The first payment on the principal of Revenue Bond 2017B was not made until FY 2019 and the outstanding balance is \$3,505,000. See Note 2 to the financial statements for additional information.

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

Schedule of Outstanding Debt:

	Governmental Activities	
	2022	2021
CRA Improvement Revenue Bonds, Series 2017B	3,305,000	3,555,000
Total	\$ 3,305,000	\$ 3,555,000

Total external debt decreased by \$250,000 (7.03%) in Fiscal Year 2022. The decrease is attributed to the principal payment on debt.

ECONOMIC FACTORS AND CHALLENGES

In FY2022, the City began the process of looking at developing the ¼-acre area where the old City Hall building was located. The cultural green space cost is estimated at \$1.6 million, which included the \$300,000 to demolish the aging City Hall building, as well as \$210,000 for a canopy structure, and \$100,000 for an entertainment platform, area for food vendor trucks, and a picnic area. Additional concepts are still under consideration for the final plan.

The City is also looking at developing an “incubator program” and continues to look at providing assistance for façade improvements, in an effort to help develop small businesses in the downtown area.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the CRA’s finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Patrisha Draycott, CGFO, Chief Financial Officer, 1600 Minutemen Causeway Avenue, Cocoa Beach, Florida, 32931 or pdraycott@cityofcocoabeach.com. The financial statements are posted on the City’s web site at www.cityofcocoabeach.com.



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BASIC FINANCIAL STATEMENTS



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**Downtown Cocoa Beach Community Redevelopment Agency
Statement of Net Position
September 30, 2022**

<i>September 30, 2022</i>	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 1,102,336
Investments	77,494
Accounts receivable	6,776
Restricted cash	339,021
Capital assets, net of accumulated depreciation	
Buildings	4,462,874
Improvements other than buildings	35,990
Total assets	6,024,491
LIABILITIES	
Accounts and contracts payable	8,591
Accrued interest	71,125
Noncurrent liabilities:	
Due within one year	265,000
Due in more than one year	3,326,220
Total liabilities	3,670,936
NET POSITION	
Net investment in capital assets	907,644
Restricted for community redevelopment	1,445,911
Total net position	\$ 2,353,555

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

**Downtown Cocoa Beach Community Redevelopment Agency
Statement of Activities**

For the year ended September 30, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Economic environment	\$ 294,937	\$ 432,725	\$ -	\$ -	\$ 137,788
Interest and related costs on long-term debt	114,815	-	-	-	(114,815)
Total governmental activities	\$ 409,752	\$ 432,725	\$ -	\$ -	22,973

General revenues:	
Taxes	888,076
Investment income	35
Miscellaneous revenue	3,000
Transfers to primary government	(41,252)
Total general revenues	849,859
Change in net position	872,832
Net position, beginning of year	1,480,723
Net position, end of year	\$ 2,353,555

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

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

<i>September 30, 2022</i>	Community Redevelopment Agency
ASSETS	
Cash and cash equivalents	\$ 1,102,336
Restricted cash and cash equivalents	339,021
Investments	77,494
Accounts receivable	6,776
Total assets	\$ 1,525,627
LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts payable	\$ 7,083
Accrued expenses	1,508
Total liabilities	8,591
Fund balance:	
Restricted for:	
Community redevelopment	1,517,036
Total fund balance	1,517,036
Total liabilities and fund balance	\$ 1,525,627

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

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

As of September 30, 2022

Total fund balance for the governmental fund	\$ 1,517,036
Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund.	4,498,864
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(3,591,220)
Interest on long-term debt is not accrued in governmental funds but rather is recognized as an expenditure when due.	(71,125)
<hr/> Net position of governmental activities	<hr/> \$ 2,353,555 <hr/>

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

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

For the year ended September 30, 2022

	Community Redevelopment Agency
Revenues	
Taxes	\$ 888,076
Charges for services	432,725
Investment and other income	3,035
Total revenues	1,323,836
Expenditures	
Current:	
Economic environment	169,446
Debt service:	
Principal retired	250,000
Interest and other	149,660
Total expenditures	569,106
Excess of revenues under expenditures	754,730
Other financing sources (uses)	
Transfers out	(41,252)
Net other financing sources	(41,252)
Net change in fund balance	713,478
Fund balance, beginning of year	803,558
Fund balance, end of year	\$ 1,517,036

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

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

For the year ended September 30, 2022

Net change in fund balance - governmental fund	\$ 713,478
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>	
<p>The governmental fund reports capital outlays as expenditures. However in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeds depreciation expense in the current period.</p>	(125,491)
<p>The issuance of long-term debt provides current financial resources to the governmental fund, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental fund. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt.</p>	250,000
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds</p>	
Accrued interest and amortization of bond premium	34,845
Change in net position of governmental activities	\$ 872,832

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

Cocoa Beach Community Redevelopment Agency Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

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

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

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

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

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

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

Government-Wide and Fund Financial Statements

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

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

Cocoa Beach Community Redevelopment Agency Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

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

Government-Wide Financial Statements

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

Fund Financial Statements

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

Cocoa Beach Community Redevelopment Agency Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements (Continued)

The Agency reports the following major governmental fund:

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

Budgetary Information

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

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

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

For the year ended September 30, 2022, the CRA's budget was prepared on a modified accrual basis.

Pooled Cash and Equivalents

Pooled cash and equivalents are stated at fair value.

Assets, Liabilities, and Net Position or Fund Balance

Cash and cash equivalents

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

Investments

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, and Net Position or Fund Balance (Continued)

Receivables and payables

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

Capital Assets

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

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

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

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

Interfund Transactions

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

Long-Term Obligations

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

Cocoa Beach Community Redevelopment Agency Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, and Net Position or Fund Balance (Continued)

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

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

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

Revenues and Expenditures/Expenses

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

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

Use of Estimates

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

Cocoa Beach Community Redevelopment Agency Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, and Net Position or Fund Balance (Continued)

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

Categories and Classification of Fund Equity

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

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

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

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

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

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

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

Cocoa Beach Community Redevelopment Agency Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, March 31, 2023, and determined there were no events that occurred that required disclosure.

Recently Issued and Implemented Accounting Pronouncements

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

GASB Statement No. 96, *Subscriptions-Based Information Technology Arrangements*, provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset an intangible asset-and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

GASB Statement No. 100, *Accounting Changes and Error Corrections*, This Statement establishes accounting and financial reporting requirements for (a) accounting changes and (b) the correction of an error in previously issued financial statements (error correction). This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

Cocoa Beach Community Redevelopment Agency Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (Continued)

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 are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

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

Note 2: DETAILED NOTES ON ALL FUNDS

Deposits and Investments

The Agency pools its deposits with the City. As of September 30, 2022, \$500,000 of the City's bank balances are covered by federal depository insurance (FDIC). Monies invested in amounts greater than the insurance coverage are secured by the qualified public depositories pledging securities with the State Treasurer in such amounts required by the Florida Security for Public Depositories Act. In the event of a default or insolvency of a qualified public depositor, the State Treasurer will implement procedures for payment of losses according to the validated claims of the Agency pursuant to Section 280.08, Florida Statutes. At September 30, 2022, the City did not hold funds in excess of FDIC insurance limits in a financial institution that is not a qualified public depository.

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

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

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

Cocoa Beach Community Redevelopment Agency Notes to Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Deposits and Investments (Continued)

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

Under GASB Codification 150: *Investments*, if a participant has an investment in a qualifying external investment pool that measures for financial reporting purposes all of its investments at amortized cost it should disclose the presence of any limitations or restrictions on withdrawals (such as redemption notice periods, maximum transaction amounts, and the qualifying external investment pool's authority to impose liquidity fees or redemption gates) in notes to the financial statements. As of September 30, 2022, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit the City's access to 100 percent of their account value in the external investment pools.

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

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

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

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

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

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

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

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Capital assets

The following is a summary of changes in the Agency's capital assets for fiscal year ending September 30, 2022:

	Beginning Balance	Increases	Decreases/ Transfers	Ending Balance
Governmental activities:				
Capital assets, being depreciated:				
Buildings	\$ 5,407,545	\$ -	\$ -	\$ 5,407,545
Improvements other than buildings	53,100	-	-	53,100
Total capital assets being depreciated	5,460,645	-	-	5,460,645
Less accumulated depreciation for:				
Buildings	(822,602)	(122,069)	-	(944,671)
Improvements other than buildings	(13,688)	(3,422)	-	(17,110)
Total accumulated depreciation	(836,290)	(125,491)	-	(961,781)
Total capital assets being depreciated, net	4,624,355	(125,491)	-	4,498,864
Governmental activities capital assets, net	\$ 4,624,355	\$ (125,491)	\$ -	\$ 4,498,864

Depreciation expense amounted to \$125,491 during fiscal year 2022, which is included on the statement of activities.

Intergovernmental Receivables, Payables, and Transfers

Transfers for the year ended September 30, 2022:

	Transfers in:	
	Primary Government	Total
Transfers out:		
Community Redevelopment Agency	41,252	41,252

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

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

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Deposits and Investments (Continued)

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

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

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

At September 30, 2022, the Agency had the following investments based on the Agency's investment balance allocated from the pooled investments of the City:

	S&P Rating	Level	Fair Value	Maturities (in years)		
				Less than 1	1 - 5	More than 5
Investments by fair value level						
Agency						
Debt securities - US						
government obligations	Aaa	L2	\$ 2,870	\$ 1,919	\$ 951	\$ -
FL PALM	AAAm	-	29,597	29,597	-	-
FL LGIT Short term bond fund	AAAf	-	4,227	4,227	-	-
FL LGIT Day to day bond fund	AAAm	-	29,598	29,598	-	-
FL SAFE NAV	AAAm	-	3,769	3,769	-	-
FL SAFE FIIP	N/A	-	7,433	7,433	-	-
Total Agency			77,494	76,543	951	-

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

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Long-Term Debt and Liabilities

Bonds Payable

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

Pledged revenues and principal and interest payments are as follows:

	Amount of issue	Future Principal and Interest	Current Pledged Revenue	Current Principal & Interest	Current Percentage of Revenue
Pledged Revenue					
Governmental Activities					
Florida Municipal Loan Council					
Refunding and Revenue					
Bonds, Series 2017B	\$ 6,790,000	\$ 3,997,125	\$ 432,725	\$ 399,660	92%

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

<i>September 30,</i>	Principal	Interest	Total
2023	\$ 265,000	\$ 135,625	\$ 400,625
2024	280,000	122,000	402,000
2025	290,000	107,750	397,750
2026	305,000	92,875	397,875
2027	320,000	77,250	397,250
Thereafter	1,845,000	156,625	2,001,625
Totals	\$ 3,305,000	\$ 692,125	\$ 3,997,125

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

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Long-Term Debt and Liabilities (Continued)

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Florida Municipal Loan Council					
Refunding and Revenue					
Bonds, Series 2017B	\$ 3,555,000	\$ -	\$ (250,000)	\$ 3,305,000	\$ 265,000
Plus bond premiums	314,839		(28,619)	286,220	-
Total notes from direct borrowings	3,869,839	-	(278,619)	3,591,220	265,000
Total long-term liabilities	\$ 3,869,839	\$ -	\$ (278,619)	\$ 3,591,220	\$ 265,000

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

Note 3: RISK MANAGEMENT

Insurance

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

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

The commercial insurance carried is a claims incurred policy for which the Agency is covered for claims originating against the Agency during the policy period. The amount of coverage is dependent on the date of the liability-imposing event. The Agency has maintained continuous coverage and does not believe it has any exposure to events which occurred prior to the year ended September 30, 2022.



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

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

<i>For the year ended September 30, 2022</i>	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Taxes	\$ 888,440	\$ 888,440	\$ 888,076	\$ (364)
Charges for services	245,200	245,200	432,725	187,525
Investment income	500	500	35	(465)
Miscellaneous revenues	-	-	3,000	3,000
Total revenues	1,134,140	1,134,140	1,323,836	189,696
Expenditures				
Current:				
Economic environment	168,372	169,386	169,446	(60)
Debt service:				
Principal retired	335,423	335,423	250,000	85,423
Interest and other	149,661	149,661	149,660	1
Total expenditures	653,456	654,470	569,106	85,364
Revenues over (under) expenditures	480,684	479,670	754,730	275,060
Other financing sources (uses)				
Transfers out	(41,252)	(41,252)	(41,252)	-
Net other financing sources	(41,252)	(41,252)	(41,252)	-
Net change in fund balances	439,432	438,418	713,478	275,060
Fund balances, beginning of year	803,558	803,558	803,558	-
Fund balances, end of year	\$ 1,242,990	\$ 1,241,976	\$ 1,517,036	\$ 275,060

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

Note 1. BUDGETARY INFORMATION

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

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

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



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Downtown Cocoa Beach Community Redevelopment Agency, (the "Agency") as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Downtown Cocoa Beach Redevelopment Agency's basic financial statements, and have issued our report thereon dated March 31, 2023.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Downtown Cocoa Beach Community Redevelopment Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However,



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INDEPENDENT AUDITORS' MANAGEMENT LETTER

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

Report on the Financial Statements

We have audited the financial statements of the Downtown Cocoa Beach Community Redevelopment Agency (the "Agency") as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated March 31, 2023.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 31, 2023, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The legal authority of the Downtown Cocoa Beach Community Redevelopment Agency is disclosed in the footnotes. The Downtown Cocoa Beach Community Redevelopment Agency has no component units.

providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

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

Melbourne, Florida

March 31, 2023

Financial Condition and Management

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

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

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

Specific Information (unaudited)

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

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

- a. The total number of Agency employees compensated in the last pay period of the Agency's fiscal year was **None**
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the Agency's fiscal year was **None**
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency. \$ -
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency. \$ -
- e. Each construction project with a total cost of at least \$65,000 approved by the Agency that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such projects as

Project name	Budget
None	\$ -

f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the Agency amends a final adopted budget under Section 189.016(6), Florida Statutes.

See page 37

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

a. The millage rate or rates imposed by the Agency. **5.9544**

b. The total amount of ad valorem taxes collected by or on behalf of the Agency. **\$ 888,076**

c. The total amount of outstanding bonds issued by the Agency and the terms of such bonds as

\$3,305,000 due over 10 years.

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

Additional Matters

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

Purpose of this Letter

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

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

Melbourne, Florida
March 31, 2023



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INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH LOCAL GOVERNMENT INVESTMENT POLICIES

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

We have examined the Downtown Cocoa Beach Community Redevelopment Agency's (the "Agency") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2022. Management is responsible for the Agency's compliance with the specified requirements. Our responsibility is to express an opinion on the Agency's compliance with the specified requirements based on our examination.

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

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 the Agency's compliance with specified requirements.

In our opinion, the Agency complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2022.

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

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

Melbourne, Florida
March 31, 2023



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

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

We have examined the Downtown Cocoa Beach Community Redevelopment Agency's (the "Agency") compliance with the requirements of Section 163.387(6) and (7), Florida Statutes, Redevelopment Trust Fund Policies, during the year ended September 30, 2022. Management of the Agency is responsible for the Agency's compliance with the specified requirements. Our responsibility is to express an opinion on the Agency's compliance with the specified requirements based on our examination.

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

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 the Agency's compliance with specified requirements.

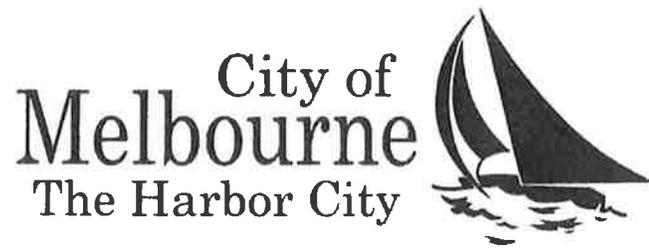
Our examination disclosed the following noncompliance with Section 163.387(6)(b), Florida Statutes, applicable to the Downtown Cocoa Beach Community Redevelopment Agency during the fiscal year ended September 30, 2022. The Agency did not submit its annual budget for fiscal year 2022 to the Brevard County Board of County Commissioners within 10 days after the adoption of such budget.

In our opinion, the CRA complied, in all material respects, with the requirements of Sections 163.387(6) and 163.387(7), Florida Statutes, *Redevelopment Trust Fund*, during the year ended September 30, 2022, except for as noted in the paragraph above.

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

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

Melbourne, Florida
March 31, 2023



2022

City of Melbourne

Community Redevelopment Agency (CRA) Annual Report

Babcock Street CRA

2022 Babcock Street CRA Annual Report

Three community redevelopment areas (CRAs) are located within the City of Melbourne: the Melbourne Downtown CRA, the Olde Eau Gallie Riverfront CRA, and the Babcock Street CRA. The following report is an overview of the Babcock Street CRA activities during the fiscal reporting period (FY 2022) from October 1, 2021 to September 30, 2022, including general information, current or completed projects, and financial information.

Specific financial information, such as assets, liabilities, income and operating expenses of the Babcock Street CRA trust fund, are part of this report. The 2022 CRA audit report is found in Appendix A. Balance sheets and statements of revenues and expenditures for the Babcock Street CRA are found in Appendix B.

A Babcock Street CRA map with district boundaries is included in Appendix C.

Information related to the three CRAs, including annual reports, redevelopment plans, budgets, program information, and reporting requirements are available on the City of Melbourne's web page at the following link:

<https://www.melbourneflorida.org/departments/community-development/community-redevelopment-areas>

Babcock Street CRA

The Babcock Street CRA was established in 1997 and was expanded in 2001 and 2003. The area contained within the CRA boundary is approximately 540 acres and is shown on the map in Appendix C.

Tax Increment Finance (TIF) revenues have increased modestly by 7% over the last budget cycle. Table 1 indicates valuations from the base year and January 1, 2022. The current 2022-2023 revenue from tax increment and interest income is \$1,253,980, which supports the current operating budget, CRA projects and CRA programs. The CRA is scheduled to spend its resources on large capital projects in fiscal year 2023.

TABLE 1 - BABCOCK STREET CRA ASSESSED VALUATIONS

Area	Base Year	Base Valuation	Valuation as of January 1, 2022
Area 1	1997	\$66,708,980	\$196,777,075
Area 2	2001	\$7,579,380	\$10,701,130
Area 3	2004	\$311,060	\$395,980
Totals		\$74,599,420	\$207,874,185

The Babcock Street CRA is located within census tracts 642.01, 648, 647.02 and 647.01. The Community Development Financial Institution (CDFI) of the U.S. Treasury classifies all four census tracts as targeted populations and low-income communities¹. By this classification, these census tracts lack private capital investment because of their deficient demographics which include 1 or more of the following categories: income, poverty, and unemployment as compared with metropolitan area and national averages. Table 2 provides a summary of these CDFI targeted census populations.

TABLE 2 - BABCOCK STREET CRA CENSUS INFORMATION

Census Tract	Median Income as % of Area Median	Poverty Rate	Unemployment Rate	Investment Area Qualified By CDFI
642.01	78.16%	12.40%	7.70%	Yes
648	59.71%	19.9%	2.00%	Yes
647.02	55.29%	15.30%	7.30%	Yes
647.01	66.33%	26.5%	9.70%	Yes

¹ Source: U.S. Department of the Treasury Community Development Financial Institutions Fund (CDFI), 2020 census data. *Targeted population* refers to individuals or an identifiable group of individuals meeting the requirements of 12 C.F.R. § 1805.201(b)(3). According to the regulations, *targeted population* shall mean individuals, or an identifiable group of individuals, who are Low-Income persons or lack adequate access to financial products or financial services in the service area.

Total expenditures from the redevelopment trust fund in FY 2022 were \$836,349 which includes operating expenditures, transfers/appropriations to capital projects, and capital project expenditures.

No funds were expended for affordable housing for low- income and middle-income residents.

Projects and Programs

The Babcock Street CRA continues to utilize its resources to achieve goals set forth in the redevelopment plan through capital improvement projects, programs, and initiatives. The extent to which the CRA has achieved its goals in FY 2021-2022 includes:

- The **Phase III B Medians Project** was substantially completed in FY 2021; however, additional roadway repair is necessary to correct defects in the original installation. Funding from the contract retainage will be used to correct substandard work in FY 2023. This project on Babcock Street extended from the FEC railroad, north to Brevard Avenue. The improvements include landscaped and hardscaped medians, a new continuous sidewalk on the east side, pedestrian and vehicular lighting, water line, sewer line, and storm water improvements. In FY 2022, the CRA spent \$11,858 on construction and engineering expenses. The project is funded from multiple sources including, CRA, General Fund, Water & Sewer Funds, and Impact Fees. Overall City and CRA investment were in excess of \$3.5 million. The CRA portion of the funding was \$2,206,735 to the project.
- The **MLK² Boulevard South Bound Right Turn Lane Project** is ready for bidding in FY 2023. The design and engineering was completed in FY 2022 and the FAA granted approval to use a portion of Airport land for right-of-way. The CRA spent \$4,910 in FY 2022 for engineering services. This project will add a new southbound right-hand turn lane from Dr. Martin Luther King Jr. Boulevard to NASA Boulevard, enhancing capacity of the roadway.
- The **Apollo Sidewalk Connections Project** commenced in FY 2022. The survey work was started and engineering is expected to be completed before the end of FY 2023. This project is installation of sidewalk connection on the west side of Apollo Boulevard from NASA Boulevard to Bulldog Boulevard, including a small portion of Bulldog west of Apollo.

During the reporting period there were a total number of four projects under development. One project was completed and three projects were started. Information related to expenditures and estimated costs can be found in Table 3.

² Airport Boulevard was renamed to Dr. Martin Luther King Jr. Boulevard (MLK) in 2019. The original name of this capital project was *Airport Boulevard Southbound Right Turn Lane*.

TABLE 3 - BABCOCK STREET CRA PROJECT LIST

Project	Name	FY 2022 Expenditure	Estimated Cost	Status
1	Phase III B Medians Project	\$11,858	\$2,206,735 ³	Completed ⁴
2	MLK Boulevard South Bound Right Turn Lane	\$4,910	\$1,300,000	Started
3	Apollo Sidewalk Connections	\$0	\$655,000	Started
4	NASA Boulevard Bus Turn-Out & Shelters	\$0	\$410,000	Started

Goals

The Babcock Street CRA is scheduled to sunset in 2024 and has prioritized projects and initiatives through sunset to include the following:

- Place the Southbound MLK Boulevard Right Turn Lane Project out to bid in FY 2023 and begin construction;
- Complete the design and engineering for the Apollo Boulevard Sidewalk Connections Project for bidding;
- Begin the design and engineering for the NASA Boulevard Bus Turn-Out and Shelters Project;
- Continue funding and promotion of the Façade Improvement Program;
- Support the Community Policing Program’s merchant outreach initiatives.

³ \$2,206,735 represents CRA funding contribution. The total cost of improvements for the Phase III B medians project is anticipated to be \$3.5 million funded from multiple sources (General Fund, Water & Sewer, Impact Fees)

⁴ This project was substantially completed in FY 2021 as previously reported; however, defects in the roadway construction are being completed in FY 2023 utilizing retainage from the former contract.

Appendix A – CRA Audited Trust Funds

**BABCOCK STREET COMMUNITY
REDEVELOPMENT AGENCY**

ANNUAL FINANCIAL REPORT



PICTURED ABOVE IS ONE OF THE MEDIANS ENHANCED BY THE NASA BOULEVARD LANDSCAPE MEDIANS PROJECT

2022

FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2022

**Babcock Street Community
Redevelopment Agency**

**Annual
Financial Report**

For The Fiscal Year Ended September 30, 2022

CRA BOARD

Paul S. Alfrey	Mayor
Mark LaRusso	District 1
Timothy R. Thomas	Vice Mayor, District 2
Yvonne Minus	District 3
Rachael Bassett	District 4
Mimi Hanley	District 5
Julie Sanders	District 6

ADVISORY COMMITTEE

Nancy Garmer	Chairman
Jennifer Cope	Vice Chairman
Kristin Diederich	Member
Karen Harshaw	Member
Leslie Crouch	Member
James Lee Turman, Jr.	Member

Prepared by: Financial Services Department

BABCOCK STREET COMMUNITY REDEVELOPMENT AGENCY

ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED SEPTEMBER 30, 2022

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INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members of the City Council
Babcock Street Community Redevelopment Agency

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and major fund of the Babcock Street Community Redevelopment Agency ("Agency"), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Babcock Street Community Redevelopment Agency'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 respective financial position of the governmental activities and major fund of the Babcock Street Community Redevelopment Agency, as of September 30, 2022, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 Babcock Street Community Redevelopment Agency'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.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 Babcock Street Community Redevelopment Agency'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 Babcock Street Community Redevelopment Agency'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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 5 – 8 and 22 – 24 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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises of the revenues and expenditure schedule but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Honorable Mayor and Members of the City Council
Babcock Street Community Redevelopment Agency
Page Four

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 17, 2023 on our consideration of the Babcock Street Community Redevelopment Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Babcock Street Community Redevelopment Agency's internal control over financial reporting and compliance.

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

Melbourne, Florida
March 17, 2023

**BABCOCK STREET COMMUNITY REDEVELOPMENT AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

The Management's Discussion and Analysis section provides a narrative overview of the Babcock Street Community Redevelopment Agency (the "Agency") financial activities for fiscal year ending September 30, 2022. This discussion is broken down into three components:

- An overview of the Agency.
- A brief overview of the financial statements, including how they relate to each other and the significant differences in information they provide.
- A concise, condensed financial report that summarizes the results of operations and a narrative financial analysis of the Agency's overall financial condition and results of operations, supported by additional consolidated information about specific services provided by the Agency.

Overview

The purpose of the Babcock Street Community Redevelopment Agency is to eliminate slum and blighted conditions within the identified redevelopment area pursuant to the redevelopment plans of the Agency.

The Agency's primary source of revenue is tax increment funds. The revenue is computed by applying the operating tax rate for the City of Melbourne (the "City") and Brevard County (the "County"), multiplied by the increased value of the property located within the boundaries of the redevelopment areas of the Agency, over the base property value, minus 5% for early payment. The City and County are required to fund this amount annually without regard to tax collections or other obligations.

Further, the governing body of the Babcock Street Community Redevelopment Agency is the Melbourne City Council who make decisions on which programs and projects to fund, based on the adopted CRA plan. To review projects and programs and make recommendations, the Redevelopment Agency Board has appointed members to the Babcock Community Redevelopment Advisory Committee.

The Agency was established in 1998, by the City of Melbourne, Florida under the provisions of Section 163.333 Florida Statutes.

Overview of the Financial Statements

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

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

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

The *statement of activities* presents information showing how the Agency's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., bond principal and interest payments).

The government-wide financial statements can be found on pages 9-10 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Agency uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**BABCOCK STREET COMMUNITY REDEVELOPMENT AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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

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

The Agency adopts an annual appropriated budget. A budgetary comparison statement has been provided as part of Required Supplementary Information, to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 11-14 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 15-21 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the Agency's budget. Required supplementary information (RSI) can be found on pages 22-25 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Agency, assets exceeded liabilities by \$302,418.

The net investment in capital assets represents \$275,793 of the net position. These assets are not available for future spending. The unrestricted net position represents the amount the liabilities exceed existing current and other assets.

Statement of Net Position

	Governmental Activities		Increase (Decrease)
	2022	2021	Amount
Assets			
Current and other assets	\$ 631,820	\$ 571,491	\$ 60,329
Capital assets	275,793	275,793	-
Total assets	<u>907,613</u>	<u>847,284</u>	<u>60,329</u>
Liabilities			
Long-term liabilities outstanding	303,714	597,158	(293,444)
Other liabilities	301,481	292,198	9,283
Total liabilities	<u>605,195</u>	<u>889,356</u>	<u>(284,161)</u>
Net position			
Net investment in capital assets	275,793	275,793	-
Unrestricted	26,625	(317,865)	344,490
Total net position	<u>\$ 302,418</u>	<u>\$ (42,072)</u>	<u>\$ 344,490</u>

**BABCOCK STREET COMMUNITY REDEVELOPMENT AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

Key elements of the increase in net position are as follows:

	Changes in Net Position			
	Governmental Activities		Increase (Decrease)	
	2022	2021	Amount	Percent
Revenue				
Program revenue:				
Operating grants and contributions	\$ 1,153,722	\$ 1,170,773	\$ (17,051)	(1%)
General revenue:				
Investment earnings	9,148	22,895	(13,747)	(60%)
Other	1,201	-	1,201	100%
Total revenues	<u>1,164,071</u>	<u>1,193,668</u>	<u>(30,798)</u>	<u>(3%)</u>
Expenses:				
General government	257,578	252,009	5,569	2%
Interest on long-term debt	17,003	25,125	(8,122)	(32%)
Total expenses	<u>274,581</u>	<u>277,134</u>	<u>(2,553)</u>	<u>(1%)</u>
Change in net position				
before transfers	889,490	916,534	(27,044)	(3%)
Transfers to primary government	<u>(545,000)</u>	<u>(440,000)</u>	<u>(105,000)</u>	<u>24%</u>
Change in net position	344,490	476,534	(132,044)	(28%)
Net position - October 1,	(42,072)	(518,606)	476,534	(92%)
Net position - September 30	<u>\$ 302,418</u>	<u>\$ (42,072)</u>	<u>\$ 344,490</u>	<u>(819%)</u>

Financial Analysis of the Agency's Funds

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

Governmental fund. The focus of the Agency's *governmental fund* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Agency's financing requirements.

As of the end of the fiscal year, the Agency's governmental fund reported an ending fund balance of \$26,625, an increase of \$344,490 in comparison with the prior year. The net change in fund balance was \$132,044 less than the prior year due to lower incremental tax revenues of approximately \$17,000 and \$100,000 more in transfers out for work on Martin Luther King, Jr. Blvd and Apollo Blvd. sidewalks.

Budgetary Highlights

The following is a brief review of the budget changes from the original to the final amended budget, and a review of the final amended budget and actual amounts (presented on a budgetary basis). A detailed budgetary comparison schedule for the Agency is included on page 22 of the RSI section.

The variance between the final budget and the actual results reflects total revenues of \$17,485 less than appropriated, and total expenditures out of \$357,362 less than appropriated. These factors caused the change in fund balance to be \$339,877 higher than budgeted.

**BABCOCK STREET COMMUNITY REDEVELOPMENT AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

Capital Asset and Debt Administration

Capital assets. The Agency's capital assets for governmental activities as of September 30, 2022 total \$275,793 (net of accumulated depreciation). The capital assets include land.

Capital Assets

	Governmental Activities	
	2022	2021
Land	\$ 275,793	\$ 275,793
Total capital assets, net of depreciation/amortization	\$ 275,793	\$ 275,793

Additional information on the Agency's capital assets can be found in Note (3) B on pages 20 of this report. **Long-term debt.** At the end of the current fiscal year, the Agency had no debt outstanding.

Requests for Information

Questions about this report or requests for additional financial information should be addressed to:

City of Melbourne
Financial Services Department
900 E. Strawbridge Ave.
Melbourne, FL 32901
Telephone: (321) 608-7011

Or visit our website at: www.melbourneflorida.org/departments/community-development/community-redevelopment-areas.

BABCOCK STREET COMMUNITY REDEVELOPMENT AGENCY
STATEMENT OF NET POSITION
SEPTEMBER 30, 2022

ASSETS	<u>Governmental Activities</u>
Equity in pooled investments	\$ 629,071
Interest receivable	2,749
Capital assets:	
Nondepreciable:	
Land	275,793
Total assets	<u>907,613</u>
 LIABILITIES	
Accounts payable	184
Accrued payroll expenses	7,853
Due to primary government	293,444
Advances from primary government	303,714
Total liabilities	<u>605,195</u>
 NET POSITION	
Net investment in capital assets	275,793
Unrestricted	26,625
Total net position	<u>\$ 302,418</u>

The accompanying notes are an integral part of this statement.

**BABCOCK STREET COMMUNITY REDEVELOPMENT AGENCY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

Functions/Programs	Expenses	Program Revenues Operating Grants and Contributions	Net Revenues and Changes in Net Position Governmental Activities
CRA government:			
Governmental activities:			
General government	\$ 257,578	\$ 1,153,722	\$ 896,144
Interest on long-term debt	17,003	-	(17,003)
Total	274,581	1,153,722	879,141
General Revenues:			
Interest earnings			9,148
Gain on sale of capital assets			1,201
Transfers to primary government			(545,000)
Total general revenues and transfers			(534,651)
		Change in net position	344,490
		Net position, October 1	(42,072)
		Net position, September 30	\$ 302,418

The accompanying notes are an integral part of this statement.

**BABCOCK STREET COMMUNITY REDEVELOPMENT AGENCY
BALANCE SHEET
BABCOCK REDEVELOPMENT
GOVERNMENTAL FUND
SEPTEMBER 30, 2022**

ASSETS

Equity in pooled investments	\$	629,071
Interest receivable		<u>2,749</u>
Total assets	\$	<u><u>631,820</u></u>

LIABILITIES AND FUND BALANCE

Liabilities:

Accounts payable	\$	184
Accrued payroll expenditures		7,853
Due to other governments		293,444
Advances from other funds		<u>303,714</u>
Total liabilities		<u>605,195</u>
Restricted fund balance		<u>26,625</u>
Total liabilities and fund balance	\$	<u><u>631,820</u></u>

The accompanying notes are an integral part of this statement.

**BABCOCK STREET COMMUNITY REDEVELOPMENT AGENCY
RECONCILIATION OF THE BALANCE SHEET OF THE GOVERNMENTAL FUND
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2022**

Total *fund balance* for governmental fund \$ 26,625

Total *net position* reported for governmental activities in the statement of net position is different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund. Those assets consist of:

	Balance	
Land	\$ 275,793	
Total capital assets	\$ 275,793	275,793
Net position of governmental activities		\$ 302,418

The accompanying notes are an integral part of this statement.

**BABCOCK STREET COMMUNITY REDEVELOPMENT AGENCY
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
BABCOCK REDEVELOPMENT
GOVERNMENTAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

REVENUES

Intergovernmental	\$	1,153,722
Investment earnings		9,148
Other revenue		1,201
		1,164,071
Total revenues		1,164,071

EXPENDITURES

Current:		
General government		257,578
Debt service:		
Interest		17,003
		17,003
Total expenditures		274,581
Excess of revenues over expenditures		889,490

OTHER FINANCING USES

Transfers out		(545,000)
		(545,000)
Net change in fund balance		344,490
Fund deficit, October 1		(317,865)
		(317,865)
Fund balance, September 30	\$	26,625

The accompanying notes are an integral part of this statement.

**BABCOCK STREET COMMUNITY REDEVELOPMENT AGENCY
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

Net change in <i>fund balance</i> - governmental fund	<u>\$ 344,490</u>
Change in net position of governmental activities	<u>\$ 344,490</u>

The accompanying notes are an integral part of this statement.

**BABCOCK STREET COMMUNITY DEVELOPMENT AGENCY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Babcock Street Community Redevelopment Agency's (the "Agency") financial statements are prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units.

A. REPORTING ENTITY

The Babcock Street Community Redevelopment Agency was established in 1998 by the City of Melbourne, Florida (the "City" or "primary government") under the provisions of Section 163.333, Florida Statutes.

The governing body of the Babcock Street Community Redevelopment Agency is the Melbourne City Council who make decisions on which programs and projects to fund, based on the adopted CRA plan. To review projects and programs and make recommendations, the Redevelopment Agency Board has appointed members to the Babcock Street CRA Advisory Committee.

For financial reporting purposes, the Agency is a component unit of the City and is thus included in the City's annual comprehensive financial report as a blended component unit. This report is not a complete presentation of the City of Melbourne.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The Agency's basic financial statements are presented in two separate and distinct formats. These consist of government-wide financial statements and fund financial statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for services. The Agency does not have any business-type activities and has only governmental activities.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the Agency.

The statement of net position, reports the assets and liabilities, including capital assets and long-term debt. Within this statement, the net position of the Agency (assets minus liabilities) is reported in two separate components – net investment in capital assets and restricted net position.

The statement of activities demonstrates the degree to which the direct expenses, including depreciation, are offset by program revenues and operating and capital grants. The statement then reports the extent to which the resulting net costs (gross expenses less directly-related program revenues and grants) are financed by general revenues of the Agency (i.e. taxes, interest income, etc.).

Fund financial statements report information at a higher level of detail, focusing on separate reporting of individual major funds, rather than consolidating financial data into the broad category of governmental activities.

The financial transactions of the Agency are reported in an individual fund within the City's accounting system. The fund is accounted for by providing a separate, self-balancing set of accounts comprised of the assets, liabilities, reserves, fund equity, revenues and expenditures of the fund. For purposes of this report, the Agency's fund is classified as a major governmental fund.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

Basis of accounting refers to when revenues, expenditures or expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

**BABCOCK STREET COMMUNITY DEVELOPMENT AGENCY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Agency considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for grants, for which the period is 12 months. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

When both restricted and unrestricted resources are available for use, it is the Agency's policy to use restricted resources first, followed by committed, assigned, and unassigned amounts when expenditures have been incurred for which resources in more than one classification could be used.

Interest associated with the current fiscal period is considered to be susceptible to accrual and has been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

**D. ASSETS, DEFERRED OUTFLOWS, LIABILITIES, DEFERRED INFLOWS,
AND NET POSITION OR EQUITY**

1. Cash and Cash Equivalents/Investments

Cash and cash equivalents represent all investments which are short term, highly liquid, and readily convertible to a specified cash value. These investments generally have original maturities of three months or less. Cash equivalents consist of equity in pooled investments. Investments are stated at fair value, based on the quoted market price.

2. Pooled Cash

Equity in pooled cash consists primarily of investments in debt instruments of the federal government and corporate holdings. Investment earnings of the pool are allocated to the participating funds at the end of each month based on the ratio of each participant fund's investment to the total pooled investment. As of September 30, 2022, the Agency participated in pooled cash investments with the City of Melbourne.

3. Receivables and Payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Long-term advances between funds are offset by a nonspendable fund balance account in applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources. All trade receivables are shown net of an allowance for uncollectibles.

4. Capital Assets

Capital assets, which include property, plant, equipment, intangibles, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the governmental activities column in the government-wide financial statements. Capital assets, other than equipment, are defined by the government as assets with an initial, individual cost of more than \$25,000 (amount not rounded) and an estimated useful life in excess of two years. Equipment is defined as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost, if purchased or constructed, and at acquisition value of market transaction at date of gift, 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.

**BABCOCK STREET COMMUNITY DEVELOPMENT AGENCY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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

Classification	Range of
Buildings	20-40 years
Machinery, equipment and other	2-20 years

E. FUND BALANCE

In the governmental fund, fund balances are reported as nonspendable if they are not in spendable form or are legally or contractually required to be maintained intact. In addition, fund balance is reported as restricted to specific purposes based upon the extent to which the Agency is bound to honor constraints placed on those funds.

Encumbrance accounting, under which purchase orders and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is utilized in the governmental fund. Encumbered amounts for specific purposes are reported within the applicable restricted, committed or assigned fund balance classifications.

Net position of the government-wide fund is categorized as net investment in capital assets; restricted or unrestricted. Net investment in capital assets consists of capital assets reduced by the outstanding debt issued to acquire, construct or improve those assets, less any unspent debt proceeds. Restricted net position has regulatory or third party limitations on its use.

The Agency applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

F. REVENUES

Intergovernmental Revenue -The Agency's primary source of revenue is tax increment funds collected from the City and Brevard County deposited into the Community Redevelopment Trust Fund. These entities levy ad valorem property taxes within the legally defined redevelopment area of the Agency. The tax increment revenue is calculated by applying the adopted millage rate to the increase in current year taxable assessed valuations within the designated CRA districts using the year in which they were established as the "base year". For example, if an unimproved property was valued at \$10,000 in the base year and a new house is built on the property tomorrow, the new value of the property is \$25,000. The incremental difference in value (new assessed value – base year value) is \$15,000. Taxes collected on the property will be split amongst the City and County. The Agency receives all taxes assessed on the incremental increase of \$15,000. Revenues generated by improvements in the Agency district are to be reinvested in the district to continue to spur redevelopment.

Assessed values are established by the Brevard County Property Appraiser. The assessed property value recognized by the City and Brevard County includes the second homestead exemption. The City and Brevard County are required to pay 95% of these incremental property taxes to the Agency on or before January 1 of each year, otherwise the full amount of the incremental revenue will be due.

Program Revenue - In the Government-wide Statement of Activities, revenue that is derived directly from the program itself or from outside sources, if restricted to a specific program, is called program revenue. Program revenue is classified as either operating grants or capital grants. Operating grant revenues come from other government entities to support the operation costs of particular functions and also from the earnings of permanent funds that are legally restricted to a particular function. Capital grants come from other government entities for the purpose of constructing or purchasing capital assets.

**BABCOCK STREET COMMUNITY DEVELOPMENT AGENCY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

G. USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(2) STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

The Agency has elected to report budgetary comparisons as Required Supplementary Information (RSI). Please refer to the accompanying notes to the RSI for the Agency's budgetary information.

As of September 30, 2022, there were no material violations of budgetary requirements.

(3) DETAILED NOTES

A. DEPOSITS AND INVESTMENTS

Deposits –Banks and savings and loans must meet the criteria to be a qualified public depository as described in the Florida Security for Public Deposits Act in accordance with Chapter 280, Florida Statutes before any investment of public funds can be made with them. At September 30, 2022, the carrying amount of the City of Melbourne's deposits with banks was \$7,995,019 and the bank balance was \$7,655,719.

As of September 30, 2022, all of the City's interest-bearing bank balances are covered by the Federal Depository Insurance Corporation (FDIC). Monies invested in amounts greater than the insurance coverage are secured by the qualified public depositories pledging securities with the State Treasurer in such amounts required by the Florida Security for Public Depositories Act. In the event of a default or insolvency of a qualified public depositor, the State Treasurer will implement procedures for payment of losses according to the validated claims of the City pursuant to Section 280.08, Florida Statutes.

The City maintains a pool of cash and investments in which each fund, including the Agency, participates on a daily transaction basis. Investment earnings are distributed monthly based on average daily balances.

City daily deposits are deposited in Earnings Credit Rate (ECR) earning accounts. These accounts are fully collateralized in accordance with Florida state law.

City of Melbourne Investment Policy – Pursuant to the requirements of Section 218.415, Florida Statutes, the City of Melbourne adopted Resolution No. 3511 on September 8, 2016, establishing the City's present investment policy. Such investment policy applies to the investment of surplus funds, which include cash and investment balances of the following funds of the City: General, Capital Projects, Special Revenue, Enterprise, Internal Service, Trust and Agency, and Airport. The investment policy does not apply to the investment of principal, interest, reserve, construction, capitalized interest, and redemption or escrow accounts created by ordinance or resolution pursuant to the issuance of bonds where the investments are held by an authorized depository. This policy does not apply to funds not under control of the City; such as, the Police Officers' Retirement System, the Firefighters' Retirement System, and the General Employees' and Special Risk Class Employees' Pension Plan.

All investments are made based on reasonable research as to credit quality, liquidity and interest rate risk prior to the investment being acquired.

The investment policy authorizes the City to invest in U.S. Government securities, agencies, Federal instrumentalities and Supra-nationals, repurchase agreements, the Local Government Surplus Funds Trust Fund administered by the Florida State Board of Administration, interest bearing time deposits or savings accounts, commercial paper, corporate notes, bankers acceptances, and State or local government taxable or tax-exempt debt, and an intergovernmental investment pool. Overnight repurchase agreements restrict investments to obligations of U.S. Government Agencies and Federal instrumentalities.

**BABCOCK STREET COMMUNITY DEVELOPMENT AGENCY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

The investment policy provides maturity and liquidity requirements for investments. All investments other than investments in the Local Government Surplus Funds Trust Fund are required to be purchased pursuant to competitive bids. A maximum of 25% of available funds may be invested in the Local Government Surplus Funds Trust Fund. The policy also requires diversification of the investment portfolio to control the risk of loss from overconcentration of assets in a specific maturity, issuer, instrument, dealer, savings and loan, or bank through which investments are purchased. Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The City's investment policy restricts portfolio composition for federal instrumentalities to 100% total, 40% individually. Concentration percentages for the Federal instrumentalities are provided in the schedule. Currently, the investment of a significant portion of the City's and Airport's portfolios is being managed by the City's financial advisor, PFM Asset Management LLC.

Custodial credit risk for investments is the risk that, in the event of a failure of the counter party, the City will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. The City's investment policy states that all securities, with the exception of certificates of deposits, shall be held with a third party custodian; and all securities purchased by, and all collateral obtained by the City should be properly designated as an asset of the City. The third party custodian holds securities in an account separate and apart from the assets of the financial institution, and are either insured or registered in the City's name.

The fair values of the City's fixed-maturity investments fluctuate in response to changes in market interest rates. Increases in prevailing interest rates generally translate into decreases in fair values of those instruments. Fair values of interest rate-sensitive instruments may be affected by the credit worthiness of the issuer, prepayment options, relative values of alternative investments, the liquidity of the instrument, and other general market conditions. As a means to limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy limits its investment portfolio to maturities of less than 5.5 years for corporate notes, two years for time deposits, and 270 days for commercial paper.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. As a means to limiting its exposure to credit risk, the City limits investments with credit quality ratings from nationally recognized rating agencies of:

- State and/or local government taxable and/or tax-exempt debt, general obligation and/or revenue bonds, rated at least "MIG 1/A3" by Moody's Investors Services and "SP-1/A-" by Standard & Poor's for long-term debt.
- Corporates and/or commercial paper of any United States company that is rated, at the time of purchase, "P-1" by Moody's and "A-1" by Standard & Poor's.
- Money Market Mutual Funds that are rated "AAA" by Standard & Poor's, or the equivalent by another rating agency.
- Local Government Surplus Funds Trust Fund money market funds that are rated "AAA" by Standard & Poor's, or the equivalent by another rating agency.
- The Agency's equity in pooled investments is all held in the money market funds.

**BABCOCK STREET COMMUNITY DEVELOPMENT AGENCY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

B. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2022 was as follows:

	Balance October 1, 2021	Additions	Deletions	Balance September 30, 2022
Capital assets, not being depreciated/amortized:				
Land	\$ 275,793	\$ -	\$ -	\$ 275,793
Total capital assets, not being depreciated/amortized	275,793	-	-	275,793
Capital assets, being depreciated/amortized:				
Machinery and equipment	25,184	-	(25,184)	-
Total capital assets, being depreciated/amortized	25,184	-	(25,184)	-
Less accumulated depreciation/amortization:				
Machinery and equipment	25,184	-	(25,184)	-
Total accumulated depreciation/amortization	25,184	-	(25,184)	-
Total capital assets, being depreciated/amortized, net	-	-	-	-
Governmental activities capital assets, net	\$ 275,793	\$ -	\$ -	\$ 275,793

Depreciation/amortization expense charged to functions/programs of the Agency was \$0.

C. ENCUMBRANCE COMMITMENTS

At September 30, 2022, the Agency had encumbrance commitments, in the Governmental fund in the amount of \$4,613.

D. INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables and payables of the Agency at September 30, 2022, are summarized below.

	Due From	Due To
Primary Government (General fund)	\$ 293,444	\$ -
Agency	-	293,444
Totals	\$ 293,444	\$ 293,444
	Advance To	Advance From
Primary Government (General fund)	\$ 303,714	\$ -
Agency	-	303,714
Totals	\$ 303,714	\$ 303,714

All interfund receivables and payables with the primary government represent cash transfers for operating purposes and amounts expected to be repaid within one year. Advances represent the non-current portion of interfund loans. In FY 2018, City Council and the CRA Board approved an advance from the City's General Fund of \$1,675,000 to the Agency for the reconstruction of Babcock Street from Hibiscus Boulevard to just north of Apollo Boulevard including crosswalks and drainage improvements. As of September 30, 2022 the remaining balance is \$597,158 and is expected to be paid off on September 1, 2024.

**BABCOCK STREET COMMUNITY DEVELOPMENT AGENCY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

E. INTERFUND TRANSACTIONS

Interfund transfers at September 30, 2022 are as follows:

	Primary Government (General Construction fund)	Agency	Total
Primary Government (General Construction fund)	\$ 545,000	\$ -	\$ 545,000
Agency	-	(545,000)	(545,000)
Total (Transfer in)	<u>\$ 545,000</u>	<u>\$ (545,000)</u>	<u>\$ -</u>

Significant transfers included \$200,000 from the Agency to the General Construction fund of the City for a right turn lane at Dr. Martin Luther King, Jr. Blvd. and \$265,000 for Apollo Blvd. sidewalk connections.

(4) OTHER INFORMATION

A. SUBSEQUENT EVENTS

On January 24, 2023, the Agency approved Resolution No. 4146 adjusting the appropriation from fund balance of \$0 to \$20,012.

**REQUIRED SUPPLEMENTARY INFORMATION
CITY OF MELBOURNE, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
BABCOCK STREET REDEVELOPMENT
SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	Budget Amounts		Actual on (Budgetary Basis) (See Note A)	Variance with Final Budget- Positive/ (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 1,161,556	\$ 1,161,556	\$ 1,153,722	\$ (7,834)
Investment earnings	20,000	20,000	9,148	(10,852)
Other revenue	-	-	1,201	1,201
Total revenues	<u>1,181,556</u>	<u>1,181,556</u>	<u>1,164,071</u>	<u>(17,485)</u>
EXPENDITURES				
Current:				
General government	322,211	322,211	262,191	60,020
Debt service:				
Principal	283,521	283,521	-	283,521
Interest	30,824	30,824	17,003	13,821
Total expenditures	<u>636,556</u>	<u>636,556</u>	<u>279,194</u>	<u>357,362</u>
Excess of revenues over expenditures	545,000	545,000	884,877	339,877
OTHER FINANCING USES				
Transfers out	(545,000)	(545,000)	(545,000)	-
Net change in fund balance	-	-	339,877	339,877
Fund balance (deficit), October 1	<u>(317,865)</u>	<u>(317,865)</u>	<u>(317,865)</u>	<u>-</u>
Fund balance (deficit), September 30	<u>\$ (317,865)</u>	<u>\$ (317,865)</u>	<u>\$ 22,012</u>	<u>\$ 339,877</u>

**BABCOCK STREET COMMUNITY REDEVELOPMENT AGENCY
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

BUDGETARY NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

The City Council typically adopts an annual budget for the Agency. The budget is prepared on a modified accrual basis with encumbrance accounting. Budgetary control is legally maintained at the fund level. Budget transfer authority is provided to the City Manager within a fund as long as the total budget of the fund is not increased. City Council action is required for the approval of a supplemental budget.

Supplemental appropriations were made during the year and all budget amounts presented in the accompanying Schedule of Revenues, Expenditures and Changes in Fund Balance have been adjusted for legally authorized revisions of the annual budget. All appropriations which are not expended, encumbered, or committed lapse at year end. Encumbered appropriations are carried forward to the subsequent year's budget.

Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration. Encumbrances outstanding at year end are carried forward to the next year's budget and are reported as restricted or assigned fund balance in the governmental fund financial statements since they do not constitute actual expenditures or liabilities.

Actual results of operations are presented in accordance with generally accepted accounting principles (GAAP basis) and the City'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. It is necessary to include budgetary encumbrances to reflect actual revenues and expenditures on a basis consistent with the City's legally adopted budget.

**BABCOCK STREET COMMUNITY REDEVELOPMENT AGENCY
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

A – Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Revenues

Actual amounts (budgetary basis) of total revenues as reported on the statement of revenues, expenditures and changes in fund balances - budget and actual equal total revenues as reported on the statement of revenues, expenditures, and changes in fund balance.

Expenditures

Actual amounts (budgetary basis) "total expenditures" as reported on the statement of revenues, expenditures and changes in fund balance - budget and actual

\$ 279,194

Differences - budget to GAAP:

Encumbrances for professional services, supplies and equipment ordered but not received are reported in the year the order is placed for *budgetary* purposes, but in the year the supplies and services are received for *financial reporting* purposes.

(4,613)

Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance.

\$ 274,581

B – Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

The budgetary schedules present comparisons of the legally adopted budget with actual data on a budgetary basis. Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with generally accepted accounting principles, a reconciliation of the resultant timing differences in the excess (deficiency) of revenues over (under) expenditures and other financing sources (uses) (Budgetary Basis) as compared to the excess (deficiency) of revenues over (under) expenditures and other financing sources (uses) (GAAP Basis) for the year ended September 30, 2022 is presented in the following table:

Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses) (Budgetary Basis)

\$ 339,877

Adjustments:

Encumbrances

4,613

Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses) (GAAP Basis)

\$ 344,490

**SUPPLEMENTARY INFORMATION
BABCOCK STREET COMMUNITY REDEVELOPMENT AGENCY
PROJECT REVENUES AND EXPENDITURES
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

Project Number	Project name	Expenditures ⁽¹⁾	Committed ⁽²⁾	Total	Transfers in ⁽³⁾
10122	Nasa Blvd Bus Turn Out & Shelters	\$ -	\$ -	\$ -	\$ 80,000
10216	Babcock Street Median Enhancements from Apollo Blvd to Brevard Drive	(139,366) ⁽⁴⁾	11,593	(127,777)	-
14419	Babcock CRA Martin Luther King Blvd Southbound Right Turn	4,910	8,102	13,012	200,000
14422	Apollo Sidewalk Connections	-	44,400	44,400	265,000
14118	Babcock Street Reconstruction	-	22,095	22,095	-
		\$ (134,456)	\$ 86,190	\$ (48,270)	\$ 545,000

⁽¹⁾ Expenditures

These are the amounts of the CRA funds that were spent during the fiscal year in a capital projects fund.

⁽²⁾ Committed

These encumbrances are recorded in the capital projects funds.

⁽³⁾ Transfers in (out)

These are the amounts transferred into and out of the individual projects.

⁽⁴⁾ Retainage payable in prior fiscal year was forfeited by the contractor and the City will be doing the final work in the upcoming fiscal year.



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

Honorable Mayor and Members of the City Council
Babcock Street Community Redevelopment Agency

We have audited, 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, the financial statements of the Babcock Street Community Redevelopment Agency, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Babcock Street Community Redevelopment Agency's basic financial statements, and have issued our report thereon dated March 17, 2023.

Report on Internal Control over Financial Reporting

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

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

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

Honorable Mayor and Members of the City Council
Babcock Street Community Redevelopment Agency
Page Two

Report on Compliance and Other Matters

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

Purpose of this Report

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

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

Melbourne, Florida
March 17, 2023



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INDEPENDENT AUDITORS' MANAGEMENT LETTER

To the Honorable Mayor and Members of City Council
Babcock Street Community Redevelopment Agency

Report on the Financial Statements

We have audited the financial statements of the Babcock Street Community Redevelopment Agency, as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated March 17, 2023.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, and Independent Accountants' Reports on the examination conducted in accordance with *AICPA Professional Standards* and AT-C section 315 regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated March 17, 2023, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Financial Condition and Management

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

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the Babcock Street Community Redevelopment Agency. It is management's responsibility to monitor the Babcock Street Community Redevelopment Agency'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.

Special District Component Units

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

Specific Information (UNAUDITED)

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

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

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

- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the District's fiscal year as **None**
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency. **None**
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency. **None**
- e. Each construction project with a total cost of at least \$65,000 approved by the District that is scheduled to begin after October 1 of the fiscal year being reported, together with the total expenditures for such projects.

Project	Budget	Expenditures
(#10122) Nasa Blvd Bus Turn Out and Shelters	\$ 80,000	-
(#14422) Apollo Blvd Sidewalk Connections	265,000	-
Total	\$ 345,000	-

- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the District amends a final adopted budget under Section 189.016(6), Florida Statutes: **See Page 21**

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

- a. The millage rate or rates imposed by the District. **7.0519**
The millage rate or rates imposed by the County. **3.5661**
- b. The total amount of ad valorem taxes collected by or on behalf of the District. **\$ 766,240**
The total amount of ad valorem taxes collected by or on behalf of the County. **\$ 387,482**
- c. The total amount of outstanding bonds issued by the District and the terms of such bonds as **None**

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

- a. The rate or rates of non-ad valorem special assessments imposed by the District as **None**
- b. The total amount of special assessments collected by or on behalf of the District as **None**
- c. The total amount of outstanding bonds issued by the District and the terms of such bonds as **None**

To the Honorable Mayor and Members of City Council
Babcock Street Community Redevelopment Agency
Page Four

Additional Matters

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

Purpose of this Letter

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

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

Melbourne, Florida
March 17, 2023



Carr, Riggs & Ingram, LLC
215 Bayshore Drive
Melbourne, Florida 32940

(321) 255-0090
(321) 259-8648 (fax)

Member KSA/PA & SSM

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH SECTION 163.387 (6) AND SECTION 163.387(7), FLORIDA STATUTES

To the Honorable Mayor and Members of City Council
Babcock Street Community Redevelopment Agency

We have examined the Babcock Street Community Redevelopment Agency's (the "Agency") compliance with the requirements of Section 163.387(6) and Section 163.387(7), Florida Statutes, *Redevelopment Trust Fund*, during the year ended September 30, 2022. Management is responsible for the Agency's compliance with the specified requirements. Our responsibility is to express an opinion on the Agency's compliance with the specified requirements based on our examination.

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

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

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

In our opinion, the Agency complied with the requirements of Section 163.387(6) and Section 163.387(7), Florida Statutes, *Redevelopment Trust Fund*, for the year ended September 30, 2022, in all material respects.

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 17, 2023



Carr, Riggs & Ingram, LLC
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Melbourne, Florida 32940

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INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES

To the Honorable Mayor and Members of City Council
City of Melbourne, Florida

We have examined the Babcock Street Community Redevelopment Agency's (the "Agency") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2022. Management is responsible for the Agency's compliance with the specified requirements. Our responsibility is to express an opinion on the Agency's compliance with the specified requirements based on our examination.

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

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

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

In our opinion, the Agency complied with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2022, in all material respects.

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 17, 2023

Appendix B – CRA Financials
Balance Sheets & Statements of
Revenue and Expenditures

**CITY OF MELBOURNE, FLORIDA
BALANCE SHEET
BABCOCK REDEVELOPMENT
SEPTEMBER 30, 2022**

ASSETS

Equity in pooled investments	\$	629,071
Interest receivable		<u>2,749</u>
Total assets	\$	<u><u>631,820</u></u>

LIABILITIES AND FUND BALANCE

Liabilities:

Accounts payable	\$	184
Accrued payroll expenditures		7,853
Due to other funds		293,444
Advances from other funds		<u>303,714</u>
Total liabilities		<u>605,195</u>
Restricted fund balance		<u>26,625</u>
Total liabilities and fund balance	\$	<u><u>631,820</u></u>

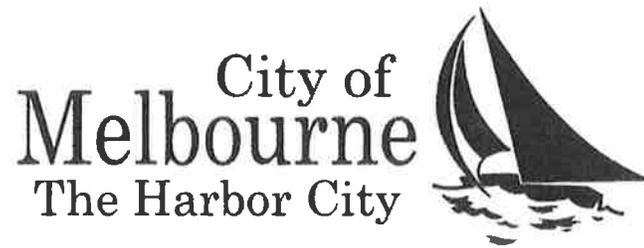
**CITY OF MELBOURNE, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
BABCOCK REDEVELOPMENT
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

REVENUES	
Intergovernmental	\$ 1,153,722
Investment earnings	9,148
Other revenue	<u>1,201</u>
Total revenues	<u>1,164,071</u>
EXPENDITURES	
Current:	
General government	257,578
Debt service:	
Interest	<u>17,003</u>
Total expenditures	<u>274,581</u>
Excess of revenues over expenditures	<u>889,490</u>
OTHER FINANCING USES	
Transfers out	<u>(545,000)</u>
Net change in fund balance	344,490
Fund deficit, October 1	<u>(317,865)</u>
Fund balance, September 30	<u>\$ 26,625</u>

**REQUIRED SUPPLEMENTARY INFORMATION
CITY OF MELBOURNE, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
BABCOCK STREET REDEVELOPMENT
SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	Budget Amounts		Actual on (Budgetary Basis) (See Note A)	Variance with Final Budget- Positive/ (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 1,161,556	\$ 1,161,556	\$ 1,153,722	\$ (7,834)
Investment earnings	20,000	20,000	9,148	(10,852)
Other revenue	-	-	1,201	1,201
Total revenues	1,181,556	1,181,556	1,164,071	(17,485)
EXPENDITURES				
Current:				
General government	322,211	322,211	262,191	60,020
Debt service:				
Principal	283,521	283,521	-	283,521
Interest	30,824	30,824	17,003	13,821
Total expenditures	636,556	636,556	279,194	357,362
Excess of revenues over expenditures	545,000	545,000	884,877	339,877
OTHER FINANCING USES				
Transfers out	(545,000)	(545,000)	(545,000)	-
Net change in fund balance	-	-	339,877	339,877
Fund deficit, October 1	(317,865)	(317,865)	(317,865)	-
Fund balance (deficit), September 30	\$ (317,865)	\$ (317,865)	\$ 22,012	\$ 339,877

Appendix C – CRA Map



2022

City of Melbourne

Community Redevelopment Agency (CRA) Annual Report

Melbourne Downtown CRA

2022 Melbourne Downtown CRA Annual Report

Three community redevelopment areas (CRAs) are located within the City of Melbourne: the Melbourne Downtown CRA, the Olde Eau Gallie Riverfront CRA, and the Babcock Street CRA. The following report is an overview of the Melbourne Downtown CRA activities during the fiscal reporting period (FY 2022) from October 1, 2021 to September 30, 2022, including general information, current or completed projects, and financial information.

Specific financial information, such as assets, liabilities, income and operating expenses of the Melbourne Downtown CRA trust fund, are part of this report. The 2022 CRA audit report for the Melbourne Downtown CRA is found in Appendix A. Balance sheets and statements of revenues and expenditures for the Melbourne Downtown CRA are found in Appendix B.

A district map with boundaries is included for the Melbourne Downtown CRA in Appendix C.

Information related to the three CRAs, including annual reports, redevelopment plans, budgets, program information, and reporting requirements are located on the City of Melbourne's web site with the following link on the City's home page:

<https://www.melbourneflorida.org/departments/community-development/community-redevelopment-areas>

Melbourne Downtown CRA

Originally established in 1982, the CRA was expanded in 2006 after the completion of a major redevelopment plan amendment. The area contained within the CRA boundary is approximately 322 acres and is shown on the map in Appendix C.

Tax Increment Finance (TIF) revenues have increased over the last budget cycle, with an increase of 22%. This increase in revenues is attributable to the Highline Residential Mixed-Use Project, and Hotel Melby with taxable assessments of \$26 million and \$25 million respectively. Table 1 indicates valuations from the base year and January 1, 2022. The current 2022-2023 revenue from tax increment and interest income is \$1,966,915, which supports the current operating budget, CRA projects, and CRA programs. The Downtown CRA is scheduled to spend its resources on large capital projects consistent with the adopted Five-Year Capital Plan.

TABLE 1 - MELBOURNE DOWNTOWN CRA ASSESSED VALUATIONS

Area	Base Year	Base Valuation	Valuation as of January 1, 2022
Area 1	1982	\$23,595,020	\$212,209,170
Area 2	2006	\$19,599,330	\$47,509,710
Totals		\$43,194,350	\$259,718,880

The Melbourne Downtown CRA is located within census tracts 648, 649.02 and 647.01. The Community Development Financial Institution (CDFI) of the U.S. Treasury classifies all three census tracts as targeted populations and low-income communities¹. By this classification, these census tracts lack private capital investment because of their deficient demographics, based upon one or more of the following categories: income, poverty, or unemployment as compared with metropolitan area and national averages. Table 2 provides a summary of these CDFI targeted census populations.

TABLE 2 - MELBOURNE DOWNTOWN CRA CENSUS INFORMATION

Census Tract	Median Income as % Share	Poverty Rate	Unemployment Rate	Investment Area Qualified By CDFI
648	59.71%	19.90%	2.00%	yes
649.02	33.91%	31.50%	10.10%	yes
647.01	66.33%	26.50%	9.70%	yes

¹ Source: U.S. Department of the Treasury Community Development Financial Institutions Fund (CDFI), 2020 census data. *Targeted population* refers to individuals or an identifiable group of individuals meeting the requirements of 12 C.F.R. § 1805.201(b)(3). According to the regulations, *targeted population* shall mean individuals, or an identifiable group of individuals, who are Low-Income persons or lack adequate access to financial products or financial services in the service area.

Total expenditures from the redevelopment trust fund in FY 2022 were \$1,735,913, which includes operating expenditures, transfers/appropriations to capital projects, and capital project expenditures.

No funds were directly expended for affordable housing for low-and middle-income residents.

Projects and Programs

The Melbourne Downtown CRA continues to utilize its resources to achieve goals set forth in the redevelopment plan through capital improvement projects, programs, and initiatives. The extent to which the CRA has achieved its goals in FY 2021-2022 includes:

- One ***Façade Improvement Program*** project was completed and grant funding in the amount of \$20,000 was reimbursed. The project was located at 2101 Waverly Street and leveraged \$112,000 of additional private investment.
- The ***South Expansion Streetscape Project (Phases I & II)*** of U.S. Highway 1 was originally intended to be completed in two phases. The Project limits extend from University Boulevard north to the Crane Creek Bridge. The CRA expended \$18,381 in design services in FY 2022. This project is now being spearheaded by the Florida Department of Transportation (FDOT), as part of a safety enhanced resurfacing project. As one project, FDOT will be taking a context sensitive approach in consideration of all modes of transportation. Community stakeholder meetings will be held in 2023 to receive public input for the design and improvement elements. It is anticipated that design and engineering will be completed by the fall of 2024 and construction will commence in the Spring of 2025. The project is currently estimated to be approximately \$4.5 million to be paid for from following three separate funding sources, FDOT, the Transportation Planning Organization and the Melbourne Downtown CRA.
- The ***West Crane Creek Pedestrian Bridge Project*** continues to be included in the CRA's capital improvement program. In FY 2022 the CRA expended \$6,278 to study the riparian rights, existing easements and options for potential landing points on the North and South banks of the Creek. With an estimated cost between \$1.5 million to \$2.0 million, additional sources of funding will need to be obtained. Staff will explore the possibility of applying for a grant from the Florida Inland Navigational District (FIND) to supplement the project. As engineering and design work will be necessary for FIND submittal, the CRA has appropriated a total of \$440,000 for this project. Engineering and design will continue in FY 2023.
- The ***Archway/Gateway Refurbish Project*** was completed in 2022 and the CRA expended \$130,000 in FY 2022. The total CRA investment in this project was \$133,000.
- Engineering and design of ***The Riverview Park Non-Motorized Boat Launch & Powerline Burial Project*** was completed for the boat launch; however, after Council received more community input, the boat launch will not be installed. The Community will continue using the launch area in its existing condition. The

powerlines which interfered with boating masts have been relocated. The CRA expended \$42,743 in FY 2022 for this project.

- The **Public-Private Development Program** was enacted to enable the CRA to enter into public-private partnerships and facilitate desired large-scale real estate development projects. The Program targets vertical mixed-use, residential, office, and hotel projects having an investment of \$5 million or more. Utilizing tax increment finance (TIF) or other CRA assets, the CRA can leverage private real estate investment opportunities and develop markets that are deficient or do not currently exist in Downtown Melbourne. This Program is due to expire on December 31, 2024. Highline Apartments and Hotel Melby have been completed under this program and the CRA committed an annual obligation of the TIF generated from these new investments. In FY 2022 the CRA made bond payments of \$158,720 for the Highline project; however, the project generated over \$230,000 in TIF revenue. The CRA revenue exceeded the obligation by over \$70,000 which can be used throughout the Downtown CRA district.

During the reporting period, there were a total number of nine projects under various levels of development. Five projects were started and four projects were completed. Information related to expenditures and estimated costs can be found in Table 3.

TABLE 3 - MELBOURNE DOWNTOWN CRA PROJECT LIST

Project	Name	FY 2022 Expenditure	Estimated Cost	Status
1	Façade Improvement Program Project	\$20,000	\$20,000	Completed
2	South Expansion Streetscape Phase 1	\$0	\$2,400,000	Started
3	West Crane Creek Pedestrian Bridge	\$6,278	\$1,500,000	Started
4	Archway/Gateway Refurbish	\$130,000	\$133,000	Completed
5	South Expansion Streetscape Phase 2	\$18,381	\$2,500,000	Started
6	Downtown ROW and Infrastructure	\$0	\$120,000	Started
7	Public Private Development Program – Highline Apartments, LLC	\$158,720 CRA Bond	\$158,720	Completed
8	Public Private Development Program – 801 Strawbridge Hotel, LLC	\$0 TIF Grant	\$180,000	Started
9	Riverview Park Non-Motorized Boat Launch & Power Line Burial	\$42,743	\$42,743	Completed

Goals

The Melbourne Downtown CRA is scheduled to sunset in 2042 and has prioritized a number of projects and initiatives for 2023 and beyond, which include the following:

- Continue the engineering and design of the South Expansion Streetscape Phases I & II, which will now be completed as one project spearheaded by FDOT;
- Continue the Façade Improvement Program, providing CRA funding on an annual basis;
- Continue engineering and permitting for the Crane Creek Pedestrian Bridge and prepare for grant funding applications;
- Provide recommendations to City Council to implement a parking management plan as an economic development tool for Downtown commerce, and to fiscally develop parking supply to meet future parking demand;
- Installation of Flexi-Pave around the trees on New Haven Avenue to improve sidewalk conditions, with funding through the Downtown Core Right-of-Way/Easement Access and Infrastructure Improvements project;
- Utilize the Public-Private Development Program to attract additional Downtown developments;
- Continue facilitating redevelopment of opportunity sites through property dispositions;
- Begin conceptual design and workshops related to the future redevelopment of the Downtown Core Streetscaping Project;
- Begin Design and engineering of the Riverview Park Entrance and Signage project.
- Continue the Community Policing Program to assist with crime prevention and business relations;
- Continue coordination of Public-Private Development Program, TIF bond and grant obligations for Highline and Hotel Melby; and
- There were several smaller capital projects programmed with appropriations for FY 2023, with the intention of being started or completed by September 30, 2023:
 - The Municipal and Vernon Lighting Project
 - The Electric Vehicle Charging Station Upgrades Project
 - The Public Parking Garage Signage Project
 - The Security Camera Install Project
 - The Downtown Welcome Sign Project (U.S. Highway 1 and University Boulevard)

Project and Program Images

BEFORE



AFTER



FIGURE 1 – 2101 WAVERLY PLACE FAÇADE BEFORE AND AFTER



FIGURE 2 – ARCHWAY-GATEWAY REFURBISHMENT

Appendix A – CRA Audited Trust Funds

**MELBOURNE DOWNTOWN COMMUNITY
REDEVELOPMENT AGENCY**

ANNUAL FINANCIAL REPORT



PICTURED ABOVE IS THE COMPLETED HIGHLINE APARTMENT PROJECT

2022

FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2022

**Melbourne Downtown Community
Redevelopment Agency**

**Annual
Financial Report**

For The Fiscal Year Ended September 30, 2022

CRA BOARD

Paul S. Alfrey.....	Mayor
Timothy R. Thomas	District 1
Mark LaRusso	Vice Mayor, District 2
Yvonne Minus	District 3
Rachael Bassett	District 4
Mimi Hanley	District 5
Julie Sanders	District 6

ADVISORY COMMITTEE

Lisa Herendeen.....	Chairman
John Lucas	Vice Chairman
JoAnn Davis	Member
Dan Porsi.....	Member
Gerry Smith.....	Member
LeAnn Smithson	Member

Prepared by: Financial Services Department

MELBOURNE DOWNTOWN STREET COMMUNITY
REDEVELOPMENT AGENCY ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED SEPTEMBER 30, 2022

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INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members of the City Council
Melbourne Downtown Community Redevelopment Agency

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and major fund of the Melbourne Downtown Community Redevelopment Agency, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Melbourne Downtown Community Redevelopment Agency'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 respective financial position of the governmental activities and major fund of the Melbourne Downtown Community Redevelopment Agency, as of September 30, 2022, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 Melbourne Downtown Community Redevelopment Agency'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.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 Melbourne Downtown Community Redevelopment Agency'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 Melbourne Downtown Community Redevelopment Agency's ability to continue as a going concern for a reasonable period of time.

Honorable Mayor and Members of the City Council
Melbourne Downtown Community Redevelopment Agency
Page Three

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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 5 – 8 and 23 – 25 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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the revenues and expenditures schedule but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Honorable Mayor and Members of the City Council
Melbourne Downtown Community Redevelopment Agency
Page Four

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 17, 2023 on our consideration of the Melbourne Downtown Community Redevelopment Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Melbourne Downtown Community Redevelopment Agency's internal control over financial reporting and compliance.

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

Melbourne, Florida
March 17, 2023

**MELBOURNE DOWNTOWN COMMUNITY REDEVELOPMENT AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

The Management's Discussion and Analysis section provides a narrative overview of the Melbourne Downtown Community Redevelopment Agency (the "Agency") financial activities for fiscal year ending September 30, 2022. This discussion is broken down into three components:

- An overview of the Agency.
- A brief overview of the financial statements, including how they relate to each other and the significant differences in information they provide.
- A concise, condensed financial report that summarizes the results of operations and a narrative financial analysis of the Agency's overall financial condition and results of operations, supported by additional consolidated information about specific services provided by the Agency.

Overview

The purpose of the Melbourne Downtown Community Redevelopment Agency is to eliminate slum and blighted conditions within the identified redevelopment area pursuant to the redevelopment plans of the Agency.

The Agency's primary source of revenue is tax increment funds. The revenue is computed by applying the operating tax rate for the City of Melbourne (the "City") and Brevard County (the "County"), multiplied by the increased value of the property located within the boundaries of the redevelopment areas of the Agency, over the base property value, minus 5% for early payment. The City and County are required to fund this amount annually without regard to tax collections or other obligations.

Further, the governing body of the Melbourne Downtown Community Redevelopment Agency is the Melbourne City Council who make decisions on which programs and projects to fund, based on the adopted CRA plan. To review projects and programs and make recommendations, the Redevelopment Agency Board has appointed members to the Melbourne Downtown Redevelopment Advisory Committee.

The Agency was established in 1982, by the City of Melbourne, Florida under the provisions of Section 163.333 Florida Statutes.

Overview of the Financial Statements

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

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

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

The *statement of activities* presents information showing how the Agency's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., bond principal and interest payments).

The government-wide financial statements can be found on pages 9-10 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Agency uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**MELBOURNE DOWNTOWN COMMUNITY REDEVELOPMENT AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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

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

The Agency adopts an annual appropriated budget. A budgetary comparison statement has been provided as part of Required Supplementary Information, to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 11-14 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 15-22 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the Agency's budget. Required supplementary information (RSI) can be found on pages 23-26 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Agency, liabilities exceeded assets by \$1,245,883.

The net investment in capital assets represents \$668,422 of the net position. These assets are not available for future spending. The restricted net position represent resources that are subject to restrictions on how the money can be spent. The unrestricted net position represents the amount the liabilities exceed existing current and other assets.

Statement of Net Position

	Governmental Activities		Increase (Decrease)
	2022	2021	Amount
Assets			
Current and other assets	\$ 436,706	\$ 249,209	\$ 187,497
Capital assets	668,422	696,941	(28,519)
Total assets	1,105,128	946,150	158,978
Liabilities			
Long-term liabilities outstanding	2,290,000	2,400,000	(105,000)
Other liabilities	61,011	36,056	29,955
Total liabilities	2,351,011	2,436,056	(75,045)
Net position			
Net investment in capital assets	668,422	696,941	(28,519)
Unrestricted	(1,914,305)	(2,186,847)	272,542
Total net position	\$ (1,245,883)	\$ (1,489,906)	\$ 244,023

**MELBOURNE DOWNTOWN COMMUNITY REDEVELOPMENT AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

Key elements of the increase in net position are as follows:

	Changes in Net Position			
	Governmental Activities		Increase (Decrease)	
	2022	2021	Amount	Percent
Revenue				
Program revenue:				
Charges for services	\$ -	\$ 7,000	\$ (7,000)	(100%)
Operating grants and contributions	1,693,166	1,426,589	266,577	19%
General revenue:				
Investment earnings	7,701	22,551	(14,850)	(66%)
Total revenues	<u>1,700,867</u>	<u>1,456,140</u>	<u>244,727</u>	<u>17%</u>
Expenses:				
General government	806,097	775,523	30,574	4%
Interest on long-term debt	48,534	48,720	(186)	(0%)
Total expenses	<u>854,631</u>	<u>824,243</u>	<u>30,388</u>	<u>4%</u>
Change in net position and transfers	846,236	631,897	214,339	34%
Transfers to primary government	(602,213)	(591,953)	(10,260)	2%
Change in net position	<u>244,023</u>	<u>39,944</u>	<u>204,079</u>	<u>511%</u>
Net position - October 1,	(1,489,906)	(1,529,850)	39,944	(3%)
Net position - September 30	<u>\$ (1,245,883)</u>	<u>\$ (1,489,906)</u>	<u>\$ 244,023</u>	<u>(16%)</u>

Financial Analysis of the Agency's Funds

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

Governmental fund. The focus of the Agency's *governmental fund* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Agency's financing requirements.

As of the end of the fiscal year, the Agency's governmental fund reported an ending fund balance of \$379,569, an increase of \$162,356 in comparison with the prior year. The change in fund balance increased \$95,262 compared to the prior year due to an increase of intergovernmental revenues of \$266,577, offset by the first payment of 2020 capital improvement note for \$110,000.

Budgetary Highlights

The following is a brief review of the final amended budget and actual amounts (presented on a budgetary basis). A detailed budgetary comparison schedule for the Agency is included on page 23 of the RSI section.

The variance between the final budget and the actual results reflects total revenues exceeding budget by \$82,664, and total expenditures of \$276,905 less than appropriated. These factors caused the change in fund balance to be \$359,569 higher than budgeted.

Capital Asset and Debt Administration

Capital assets. The Agency's capital assets for governmental activities as of September 30, 2022 total \$668,422 (net of accumulated depreciation). The capital assets include land and improvements other than buildings.

**MELBOURNE DOWNTOWN COMMUNITY REDEVELOPMENT AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

Capital Assets

	Governmental Activities	
	2022	2021
Land	\$ 518,724	\$ 518,724
Improvements other than buildings	149,698	178,217
Total capital assets, net of depreciation/amortization	\$ 668,422	\$ 696,941

Additional information on the Agency's capital assets can be found in Note (3) B on page 20 of this report.

Long-term debt. At the end of the current fiscal year, the Agency had total debt outstanding of \$2,290,000.

Outstanding Debt

	Governmental Activities	
	2022	2021
Capital Improvement Revenue Note	\$ 2,290,000	\$ 2,400,000
Total	\$ 2,290,000	\$ 2,400,000

Governmental activities debt decreased \$110,000 as a result of the normal bond payment during this fiscal year.

Additional information on the Agency's long-term debt can be found in Note (3) E on page 21 of this report.

Requests for Information

Questions about this report or requests for additional financial information should be addressed to:

City of Melbourne
Financial Services Department
900 E. Strawbridge Ave.
Melbourne, FL 32901
Telephone: (321) 608-7011

Or visit our website at: www.melbourneflorida.org/departments/community-development/community-redevelopment-areas.

MELBOURNE DOWNTOWN COMMUNITY REDEVELOPMENT AGENCY
STATEMENT OF NET POSITION
SEPTEMBER 30, 2022

ASSETS	<u>Governmental Activities</u>
Equity in pooled investments	\$ 434,672
Interest receivable	2,034
Capital assets:	
Nondepreciable:	
Land	518,724
Depreciable:	
Improvements other than buildings	736,393
Less accumulated depreciation/amortization	(586,695)
Total assets	<u>1,105,128</u>
 LIABILITIES	
Accounts payable	47,483
Accrued payroll expenses	9,654
Accrued interest payable	3,874
Noncurrent liabilities:	
Due within one year:	
Bonds payable, current portion	115,000
Due in more than one year:	
Bonds payable, net of unamortized premium and discount	<u>2,175,000</u>
Total liabilities	<u>2,351,011</u>
 NET POSITION	
Net investment in capital assets	668,422
Unrestricted	(1,914,305)
Total net position	<u>\$ (1,245,883)</u>

The accompanying notes are an integral part of this statement.

**MELBOURNE DOWNTOWN COMMUNITY REDEVELOPMENT AGENCY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

Functions/Programs	Expenses	Program Revenues		Net Revenues and Changes in Net Position
		Operating	Grants and Contributions	Governmental Activities
CRA government:				
Governmental activities:				
General government	\$ 806,097	\$ 1,693,166		\$ 887,069
Interest on long-term debt	48,534	-		(48,534)
Total	854,631	1,693,166		838,535
General Revenues:				
Interest earnings				7,701
Transfers to primary government				(602,213)
Total general revenues and transfers				(594,512)
			Change in net position	244,023
			Net position, October 1	(1,489,906)
			Net position, September 30	\$ (1,245,883)

The accompanying notes are an integral part of this statement.

**MELBOURNE DOWNTOWN COMMUNITY REDEVELOPMENT AGENCY
BALANCE SHEET
GOVERNMENTAL FUND
SEPTEMBER 30, 2022**

ASSETS

Equity in pooled investments	\$	434,672
Interest receivable		2,034
		<hr/>
Total assets	\$	<u><u>436,706</u></u>

LIABILITIES AND FUND BALANCE

Liabilities:

Accounts payable	\$	47,483
Accrued payroll expenditures		9,654
		<hr/>
Total liabilities		<u>57,137</u>
		<hr/>
Restricted fund balance		<u>379,569</u>
		<hr/>
Total liabilities and fund balance	\$	<u><u>436,706</u></u>

The accompanying notes are an integral part of this statement.

**MELBOURNE DOWNTOWN COMMUNITY REDEVELOPMENT AGENCY
RECONCILIATION OF THE BALANCE SHEET OF THE GOVERNMENTAL FUND
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2022**

Total *fund balance* for governmental fund \$ 379,569

Total *net position* reported for governmental activities in the statement of net position is different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund. Those assets consist of:

	Balance	Accumulated Depreciation/ Amortization	
Land	\$ 518,724	\$ -	
Improvements	736,393	(586,695)	
Total capital assets	\$ 1,255,117	\$ (586,695)	668,422

Long-term liabilities, including bonds payable, are not due and payable in the current period, and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.

All liabilities - both current and long-term - are reported in the statement of net position.

Accrued interest on note	\$ (3,874)	
Note payable	(2,290,000)	
Total long-term liabilities and associated accrued interest	(2,293,874)	(2,293,874)
Net position of governmental activities		\$ (1,245,883)

The accompanying notes are an integral part of this statement.

**MELBOURNE DOWNTOWN COMMUNITY REDEVELOPMENT AGENCY
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
GOVERNMENTAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

REVENUES	
Intergovernmental	\$ 1,693,166
Investment earnings	7,701
	<u>1,700,867</u>
Total revenues	<u>1,700,867</u>
 EXPENDITURES	
Current:	
General government	777,578
Debt service:	
Principal	110,000
Interest	48,720
	<u>936,298</u>
Total expenditures	<u>936,298</u>
Excess of revenues over expenditures	<u>764,569</u>
 OTHER FINANCING SOURCES (USES)	
Transfers out	<u>(602,213)</u>
Net change in fund balance	162,356
Fund balance, October 1	<u>217,213</u>
Fund balance, September 30	<u><u>\$ 379,569</u></u>

The accompanying notes are an integral part of this statement.

**MELBOURNE DOWNTOWN COMMUNITY REDEVELOPMENT AGENCY
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

Net change in *fund balance* - governmental fund \$ 162,356

The change in *net position* reported for governmental activities in the statement of activities is different because:

The governmental fund reports capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense. This is the amount by which capital outlay exceeded depreciation and amortization in the current period.

Cost of capital assets	\$	(1,270)	
Depreciation and amortization expense		<u>(27,249)</u>	(28,519)

The issuance of long-term debt provides current financial resources to governmental funds and contributes to the change in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, refunding and repayment of debt consume current financial resources of the governmental fund, but reduce the liability in the statement of net position and does not affect the statement of activities.

Principal repayment, bonds and notes	110,000
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Accrued interest on note	(3,874)
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Some expenditures reported in the governmental funds, and adjustments made to expenses reported in the statement of activities have been recognized as expenses in the prior fiscal year in the statement of activities.

Accrued interest on bonds and notes	<u>4,060</u>
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Change in net position of governmental activities	<u>\$ 244,023</u>
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The accompanying notes are an integral part of this statement.

**MELBOURNE DOWNTOWN COMMUNITY DEVELOPMENT AGENCY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Melbourne Downtown Community Redevelopment Agency's (the "Agency") financial statements are prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units.

A. REPORTING ENTITY

The Melbourne Downtown Community Redevelopment Agency was established in 1982 by the City of Melbourne, Florida (the "City" or "primary government") under the provisions of Section 163.333, Florida Statutes.

The governing body of the Melbourne Downtown Community Redevelopment Agency is the Melbourne City Council who make decisions on which programs and projects to fund, based on the adopted CRA plan. To review projects and programs and make recommendations, the Redevelopment Agency Board has appointed members to the Melbourne Downtown Redevelopment Advisory Committee.

For financial reporting purposes, the Agency is a component unit of the City and is thus included in the City's annual comprehensive financial report as a blended component unit. This report is not a complete presentation of the City of Melbourne.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The Agency's basic financial statements are presented in two separate and distinct formats. These consist of government-wide financial statements and fund financial statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for services. The Agency does not have any business-type activities and has only governmental activities.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the Agency.

The statement of net position, reports the assets and liabilities, including capital assets and long-term debt. Within this statement, the net position of the Agency (assets minus liabilities) is reported in two separate components – net investment in capital assets and restricted net position.

The statement of activities demonstrates the degree to which the direct expenses, including depreciation, are offset by program revenues and operating and capital grants. The statement then reports the extent to which the resulting net costs (gross expenses less directly-related program revenues and grants) are financed by general revenues of the Agency (i.e. taxes, interest income, etc.).

Fund financial statements report information at a higher level of detail, focusing on separate reporting of individual major funds, rather than consolidating financial data into the broad category of governmental activities.

The financial transactions of the Agency are reported in an individual fund within the City's accounting system. The fund is accounted for by providing a separate, self-balancing set of accounts comprised of the assets, liabilities, reserves, fund equity, revenues and expenditures of the fund. For purposes of this report, the Agency's fund is classified as a major governmental fund.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

Basis of accounting refers to when revenues, expenditures or expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

**MELBOURNE DOWNTOWN COMMUNITY DEVELOPMENT AGENCY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Agency considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for grants, for which the period is 12 months. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

When both restricted and unrestricted resources are available for use, it is the Agency's policy to use restricted resources first, followed by committed, assigned, and unassigned amounts when expenditures have been incurred for which resources in more than one classification could be used.

Interest associated with the current fiscal period is considered to be susceptible to accrual and has been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

**D. ASSETS, DEFERRED OUTFLOWS, LIABILITIES, DEFERRED INFLOWS,
AND NET POSITION OR EQUITY**

1. Cash and Cash Equivalents/Investments

Cash and cash equivalents represent all investments which are short term, highly liquid, and readily convertible to a specified cash value. These investments generally have original maturities of three months or less. Cash equivalents consist of equity in pooled investments. Investments are stated at fair value, based on the quoted market price.

2. Pooled Cash

Equity in pooled cash consists primarily of investments in debt instruments of the federal government and corporate holdings. Investment earnings of the pool are allocated to the participating funds at the end of each month based on the ratio of each participant fund's investment to the total pooled investment. As of September 30, 2022, the Agency participated in pooled cash investments with the City of Melbourne.

3. Capital Assets

Capital assets, which include property, plant, equipment, intangibles, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the governmental activities column in the government-wide financial statements. Capital assets, other than equipment, are defined by the government as assets with an initial, individual cost of more than \$25,000 (amount not rounded) and an estimated useful life in excess of two years. Equipment is defined as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost, if purchased or constructed, and at acquisition value of market transaction at date of gift, 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:

<u>Classification</u>	<u>Range of Lives</u>
Buildings	20-40 years
Improvements other than buildings	10-25 years
Machinery, equipment and other	2-20 years

**MELBOURNE DOWNTOWN COMMUNITY DEVELOPMENT AGENCY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

4. Long-Term Liabilities

Long-term liabilities expected to be financed from the Governmental fund are not accounted for in the Governmental fund. Expenditure recognition for Governmental fund types is limited to exclude amounts paid from non-current assets. Such long-term amounts are not recognized as Governmental fund type expenditures or fund liabilities but are incorporated into the governmental column in the Government-wide Statement of Net Position.

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. Bond premiums and discounts are amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

E. FUND BALANCE

In the governmental fund, fund balances are reported as nonspendable if they are not in spendable form or are legally or contractually required to be maintained intact. In addition, fund balance is reported as restricted to specific purposes based upon the extent to which the Agency is bound to honor constraints placed on those funds.

Encumbrance accounting, under which purchase orders and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is utilized in the governmental fund. Encumbered amounts for specific purposes are reported within the applicable restricted, committed or assigned fund balance classifications.

Net position of the government-wide fund is categorized as net investment in capital assets; restricted or unrestricted. Net investment in capital assets consists of capital assets reduced by the outstanding debt issued to acquire, construct or improve those assets, less any unspent debt proceeds. Restricted net position has regulatory or third party limitations on its use.

The Agency applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

F. REVENUES

Intergovernmental Revenue -The Agency's primary source of revenue is tax increment funds collected from the City and Brevard County deposited into the Community Redevelopment Trust Fund. These entities levy ad valorem property taxes within the legally defined redevelopment area of the Agency. The tax increment revenue is calculated by applying the adopted millage rate to the increase in current year taxable assessed valuations within the designated CRA districts using the year in which they were established as the "base year". For example, if an unimproved property was valued at \$10,000 in the base year and a new house is built on the property tomorrow, the new value of the property is \$25,000. The incremental difference in value (new assessed value – base year value) is \$15,000. Taxes collected on the property will be split amongst the City and County. The Agency receives all taxes assessed on the incremental increase of \$15,000. Revenues generated by improvements in the Agency district are to be reinvested in the district to continue to spur redevelopment.

Assessed values are established by the Brevard County Property Appraiser. The assessed property value recognized by the City and Brevard County includes the second homestead exemption. The City and Brevard County are required to pay 95% of these incremental property taxes to the Agency on or before January 1 of each year, otherwise the full amount of the incremental revenue will be due.

Program Revenue - In the Government-wide Statement of Activities, revenue that is derived directly from the program itself or from outside sources, if restricted to a specific program, is called program revenue. Program revenue is classified as either operating grants or capital grants. Operating grant revenues come from other government entities to support the operation costs of particular functions and also from the earnings of

**MELBOURNE DOWNTOWN COMMUNITY DEVELOPMENT AGENCY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

permanent funds that are legally restricted to a particular function. Capital grants come from other government entities for the purpose of constructing or purchasing capital assets.

G. USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(2) STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

The Agency has elected to report budgetary comparisons as Required Supplementary Information (RSI). Please refer to the accompanying notes to the RSI for the Agency's budgetary information.

As of September 30, 2022, there were no material violations of budgetary requirements.

(3) DETAILED NOTES

A. DEPOSITS AND INVESTMENTS

Deposits –Banks and savings and loans must meet the criteria to be a qualified public depository as described in the Florida Security for Public Deposits Act in accordance with Chapter 280, Florida Statutes before any investment of public funds can be made with them. At September 30, 2022, the carrying amount of the City of Melbourne's deposits with banks was \$7,995,019 and the bank balance was \$7,655,719.

As of September 30, 2022, all of the City's interest bearing bank balances are covered by the Federal Depository Insurance Corporation (FDIC). Monies invested in amounts greater than the insurance coverage are secured by the qualified public depositories pledging securities with the State Treasurer in such amounts required by the Florida Security for Public Depositories Act. In the event of a default or insolvency of a qualified public depositor, the State Treasurer will implement procedures for payment of losses according to the validated claims of the City pursuant to Section 280.08, Florida Statutes.

The City maintains a pool of cash and investments in which each fund, including the Agency, participates on a daily transaction basis. Investment earnings are distributed monthly based on average daily balances.

City daily deposits are deposited in Earnings Credit Rate (ECR) earning accounts. These accounts are fully collateralized in accordance with Florida state law

City of Melbourne Investment Policy – Pursuant to the requirements of Section 218.415, Florida Statutes, the City of Melbourne adopted Resolution No. 3511 on September 8, 2016, establishing the City's present investment policy. Such investment policy applies to the investment of surplus funds, which include cash and investment balances of the following funds of the City: General, Capital Projects, Special Revenue, Enterprise, Internal Service, Trust and Agency. The investment policy does not apply to the investment of principal, interest, reserve, construction, capitalized interest, and redemption or escrow accounts created by ordinance or resolution pursuant to the issuance of bonds where the investments are held by an authorized depository. This policy does not apply to funds not under control of the City; such as, the Police Officers' Retirement System, the Firefighters' Retirement System, and the General Employees' and Special Risk Class Employees' Pension Plan.

All investments are made based on reasonable research as to credit quality, liquidity and interest rate risk prior to the investment being acquired.

The investment policy authorizes the City to invest in U.S. Government securities, agencies, Federal instrumentalities and Supra-nationals, repurchase agreements, the Local Government Surplus Funds Trust Fund administered by the Florida State Board of Administration, interest bearing time deposits or savings accounts, commercial paper, corporate notes, bankers acceptances, and State or local government taxable or

MELBOURNE DOWNTOWN COMMUNITY DEVELOPMENT AGENCY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

tax-exempt debt, and an intergovernmental investment pool. Overnight repurchase agreements restrict investments to obligations of U.S. Government Agencies and Federal instrumentalities.

The investment policy provides maturity and liquidity requirements for investments. All investments other than investments in the Local Government Surplus Funds Trust Fund are required to be purchased pursuant to competitive bids. A maximum of 25% of available funds may be invested in the Local Government Surplus Funds Trust Fund. The policy also requires diversification of the investment portfolio to control the risk of loss from overconcentration of assets in a specific maturity, issuer, instrument, dealer, savings and loan, or bank through which investments are purchased. Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The City's investment policy restricts portfolio composition for federal instrumentalities to 100% total, 40% individually. Concentration percentages for the Federal instrumentalities are provided in the schedule. Currently, the investment of a significant portion of the City's portfolios is being managed by the City's financial advisor, PFM Asset Management LLC.

Custodial credit risk for investments is the risk that, in the event of a failure of the counter party, the City will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. The City's investment policy states that all securities, with the exception of certificates of deposits, shall be held with a third party custodian; and all securities purchased by, and all collateral obtained by the City should be properly designated as an asset of the City. The third party custodian holds securities in an account separate and apart from the assets of the financial institution, and are either insured or registered in the City's name.

The fair values of the City's fixed-maturity investments fluctuate in response to changes in market interest rates. Increases in prevailing interest rates generally translate into decreases in fair values of those instruments. Fair values of interest rate-sensitive instruments may be affected by the credit worthiness of the issuer, prepayment options, relative values of alternative investments, the liquidity of the instrument, and other general market conditions. As a means to limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy limits its investment portfolio to maturities of less than 5.5 years for corporate notes, two years for time deposits, and 270 days for commercial paper.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. As a means to limiting its exposure to credit risk, the City limits investments with credit quality ratings from nationally recognized rating agencies of:

- State and/or local government taxable and/or tax-exempt debt, general obligation and/or revenue bonds, rated at least "MIG 1/A3" by Moody's Investors Services and "SP-1/A-" by Standard & Poor's for long-term debt.
- Corporates and/or commercial paper of any United States company that is rated, at the time of purchase, "P-1" by Moody's and "A-1" by Standard & Poor's.
- Money Market Mutual Funds that are rated "AAA" by Standard & Poor's, or the equivalent by another rating agency.
- Local Government Surplus Funds Trust Fund money market funds that are rated "AAA" by Standard & Poor's, or the equivalent by another rating agency.
- The Agency's equity in pooled investments is all held in money market funds.

**MELBOURNE DOWNTOWN COMMUNITY DEVELOPMENT AGENCY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

B. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2022 was as follows:

	Balance October 1, 2021	Additions	Deletions	Balance September 30, 2022
Capital assets, not being depreciated/amortized:				
Land	\$ 518,724	\$ -	\$ -	\$ 518,724
Total capital assets, not being depreciated/amortized	518,724	-	-	518,724
Capital assets, being depreciated/amortized:				
Improvements other than buildings	737,663	-	1,270	736,393
Total capital assets, being depreciated/amortized	737,663	-	1,270	736,393
Less accumulated depreciation/amortization:				
Improvements other than buildings	559,446	27,249	-	586,695
Total accumulated depreciation/amortization	559,446	27,249	-	586,695
Total capital assets, being depreciated/amortized, net	178,217	(27,249)	1,270	149,698
Governmental activities capital assets, net	<u>\$ 696,941</u>	<u>\$ (27,249)</u>	<u>\$ 1,270</u>	<u>\$ 668,422</u>

Depreciation/amortization expense was charged to functions/programs of the Agency as follows:

General government	<u>\$ 27,249</u>
--------------------	------------------

C. ENCUMBRANCE COMMITMENTS

At September 30, 2022, the Agency had encumbrance commitments in the Governmental fund in the amount of \$20,000.

D. INTERFUND TRANSACTIONS

Interfund transfers at September 30, 2022 are as follows:

	Primary Government (General Construction fund)	Agency	Total
Primary Government (General Construction fund)	\$ 602,213	\$ -	\$ 602,213
Agency	-	(602,213)	(602,213)
Total Transfers out	<u>\$ 602,213</u>	<u>\$ (602,213)</u>	<u>\$ -</u>

Significant transfers included: \$400,000 for the West Crane Creek Pedestrian Bridge, \$177,213 for Downtown CRA South Expansion Streetscape, and \$25,000 for the Riverview Park Boat Launch.

**MELBOURNE DOWNTOWN COMMUNITY DEVELOPMENT AGENCY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

E. LONG-TERM LIABILITIES

1. Debt Service Requirements to Maturity

The annual requirements to amortize all bonded debt outstanding as of September 30, 2022 including interest requirements are described below.

Year Ending September 30,	Governmental Activities	
	Principal	Interest
2023	115,000	46,487
2024	115,000	44,152
2025	120,000	41,818
2026	120,000	39,382
2027	125,000	36,946
2028-2032	655,000	145,957
2033-2037	725,000	76,734
2038-2039	315,000	9,643
	\$ 2,290,000	\$ 441,119

2. Pledged Revenues

Information on pledged revenues and principal and interest payments are as follows:

Pledged Revenue	Term	Future Principal and Interest	Current Pledged Revenue	Current Principal and Interest	Current Percentage of Revenue
Downtown CRA	2039	\$ 2,731,119	\$ 1,700,867	\$ 158,720	9.33%
Total governmental activities		\$ 2,731,119	\$ 1,700,867	\$ 158,720	

3. Changes in Long-Term Liabilities

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

	Balance October 1, 2022	Additions	Reductions	Balance September 30, 2021	Amounts Due Within One Year
Notes from direct borrowings	\$ 2,400,000	\$ -	\$ 110,000	\$ 2,290,000	\$ 115,000
Total governmental activities	\$ 2,400,000	\$ -	\$ 110,000	\$ 2,290,000	\$ 115,000

The Agency's outstanding notes from direct borrowings related to governmental activities of \$2,290,000 are from the 2020 Downtown CRA Revenue Note at an interest rate of 2.03%. The 2020 Downtown CRA Note contains a provision that in the event of default, the bank is entitled to sue for payment and increase the interest rate by 3%.

(4) OTHER INFORMATION

A. SUBSEQUENT EVENTS

On November 22, 2022, the Melbourne Downtown Community Redevelopment Agency approved a reimbursement grant for façade improvements at 1231 E. New Haven Avenue for \$20,000 and at 2543 S. Harbor City Boulevard for \$20,000.

**MELBOURNE DOWNTOWN COMMUNITY DEVELOPMENT AGENCY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

On December 13, 2022, the Melbourne Downtown Community Redevelopment Agency approved a grant funding agreement for the FY 2022-2023 with Melbourne Main Street for \$87,500.

On December 13, 2022, the Melbourne Downtown Community Redevelopment Agency approved the sale of 0.95 acres of real estate property located north of Strawbridge Avenue, West of U.S. Highway 1, east of FEC Railroad and south of Palmetto Avenue to Hedrick Kirco Properties, LLC.

On January 24, 2023, the Agency approved resolution No. 4145 adjusting the appropriation of the fund balance from \$262,010 to \$359,569.

**REQUIRED SUPPLEMENTARY INFORMATION
MELBOURNE DOWNTOWN COMMUNITY REDEVELOPMENT AGENCY
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	Budget Amounts		Actual on (Budgetary Basis)	Variance with Final Budget- Positive/ (Negative)
	Original	Final	(See Note A)	
REVENUES				
Intergovernmental	\$ 1,606,203	\$ 1,606,203	\$ 1,693,166	\$ 86,963
Investment earnings	12,000	12,000	7,701	(4,299)
Total revenues	<u>1,618,203</u>	<u>1,618,203</u>	<u>1,700,867</u>	<u>82,664</u>
EXPENDITURES				
Current:				
General government	1,034,483	1,074,483	797,578	276,905
Debt service:				
Principal	110,000	110,000	110,000	-
Interest	48,720	48,720	48,720	-
Total expenditures	<u>1,193,203</u>	<u>1,233,203</u>	<u>956,298</u>	<u>276,905</u>
Excess (deficiency) of revenues over (under) expenditures	425,000	385,000	744,569	359,569
OTHER FINANCING SOURCES (USES)				
Transfers out	(636,962)	(602,213)	(602,213)	-
Net change in fund balance	(211,962)	(217,213)	142,356	359,569
Fund balance, October 1	<u>217,213</u>	<u>217,213</u>	<u>217,213</u>	<u>-</u>
Fund balance, September 30	<u>\$ 5,251</u>	<u>\$ -</u>	<u>\$ 359,569</u>	<u>\$ 359,569</u>

**MELBOURNE DOWNTOWN COMMUNITY REDEVELOPMENT AGENCY
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

BUDGETARY NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

The City Council typically adopts an annual budget for the Agency. The budget is prepared on a modified accrual basis with encumbrance accounting. Budgetary control is legally maintained at the fund level. Budget transfer authority is provided to the City Manager within a fund as long as the total budget of the fund is not increased. City Council action is required for the approval of a supplemental budget.

Supplemental appropriations were made during the year and all budget amounts presented in the accompanying Schedule of Revenues, Expenditures and Changes in Fund Balance have been adjusted for legally authorized revisions of the annual budget. All appropriations which are not expended, encumbered, or committed lapse at year end. Encumbered appropriations are carried forward to the subsequent year's budget.

Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration. Encumbrances outstanding at year end are carried forward to the next year's budget and are reported as restricted or assigned fund balance in the governmental fund financial statements since they do not constitute actual expenditures or liabilities.

Actual results of operations are presented in accordance with generally accepted accounting principles (GAAP basis) and the City'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. It is necessary to include budgetary encumbrances to reflect actual revenues and expenditures on a basis consistent with the City's legally adopted budget.

**MELBOURNE DOWNTOWN COMMUNITY REDEVELOPMENT AGENCY
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

A – Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Revenues

Actual amounts (budgetary basis) of total revenues as reported on the statement of revenues, expenditures and changes in fund balances - budget and actual equal total revenues as reported on the statement of revenues, expenditures, and changes in fund balance.

Expenditures

Actual amounts (budgetary basis) "total expenditures" as reported on the statement of revenues, expenditures and changes in fund balance - budget and actual

\$ 956,298

Differences - budget to GAAP:

Encumbrances for professional services, supplies and equipment ordered but not received are reported in the year the order is placed for *budgetary* purposes, but in the year the supplies and services are received for *financial reporting* purposes.

(20,000)

Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance.

\$ 936,298

B – Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

The budgetary schedules present comparisons of the legally adopted budget with actual data on a budgetary basis. Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with generally accepted accounting principles, a reconciliation of the resultant timing differences in the excess (deficiency) of revenues over (under) expenditures and other financing sources (uses) (Budgetary Basis) as compared to the excess (deficiency) of revenues over (under) expenditures and other financing sources (uses) (GAAP Basis) for the year ended September 30, 2022 is presented in the following table:

Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses) (Budgetary Basis)

\$ 142,356

Adjustments:

Encumbrances

20,000

Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses) (GAAP Basis)

\$ 162,356

SUPPLEMENTARY INFORMATION
MELBOURNE DOWNTOWN COMMUNITY REDEVELOPMENT AGENCY
PROJECT REVENUES AND EXPENDITURES
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Project Number	Project name	Expenditures ⁽¹⁾	Committed ⁽²⁾	Total	Transfers in ⁽³⁾
10421	Riverview Park Boat Launch	\$ 42,744	\$ 78,593	\$ 121,337	\$ 25,000
10512	West Crane Creek Pedestrian Bridge	6,278	-	6,278	400,000
14011	Downtown CRA South Expansion Streetscape	-	695	695	206,818
14121	South Expansion Streetscape Phase 2	18,381	23,578	41,959	-
18318	Archway/Gateway Painting	130,000	-	130,000	-
19099	Downtown CRA Misc Projects	-	-	-	(29,605)
		\$ 197,403	\$ 102,866	\$ 300,269	\$ 602,213

⁽¹⁾ Expenditures

These are the amounts of the CRA funds that were spent during the fiscal year in a capital projects fund.

⁽²⁾ Committed

These encumbrances are recorded in the capital projects funds.

⁽³⁾ Transfers in (out)

These are the amounts transferred into and out of the individual projects.



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

Honorable Mayor and Members of the City Council
Melbourne Downtown Community Redevelopment Agency

We have audited, 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, the financial statements of the Melbourne Downtown Community Redevelopment Agency, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Melbourne Downtown Community Redevelopment Agency's basic financial statements, and have issued our report thereon dated March 17, 2023.

Report on Internal Control over Financial Reporting

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

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

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

Honorable Mayor and Members of the City Council
Melbourne Downtown Community Redevelopment Agency
Page Two

Report on Compliance and Other Matters

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

Purpose of this Report

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

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

Melbourne, Florida
March 17, 2023



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MEMBER OF THE RIGGS GROUP

INDEPENDENT AUDITORS' MANAGEMENT LETTER

To the Honorable Mayor and Members of City Council
Melbourne Downtown Community Redevelopment Agency

Report on the Financial Statements

We have audited the financial statements of the Melbourne Downtown Community Redevelopment Agency, as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated March 17, 2023.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 17, 2023, should be considered in conjunction with this management letter.

Prior Audit Findings

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

To the Honorable Mayor and Members of City Council
Melbourne Downtown Community Redevelopment Agency
Page Two

Financial Condition and Management

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

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the Melbourne Downtown Community Redevelopment Agency. It is management's responsibility to monitor the Melbourne Downtown Community Redevelopment Agency'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.

Special District Component Units

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

Specific Information (UNAUDITED)

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

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

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

- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the District's fiscal year as **None**
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency. **None**
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency. **None**
- e. Each construction project with a total cost of at least \$65,000 approved by the District that is scheduled to begin after October 1 of the fiscal year being reported, together with the total expenditures for such projects.

Project	Project Budget	Expenditures
(#14320) Downtown Right of Way & Infrastructure	\$ 120,000	\$ -
(#14011) Downtown CRA South Expansion Street Scape	1,754,949	145,933
(#10512) West Crane Creek Pedestrian Bridge	499,000	58,120
Total	\$ 2,373,949	\$ 204,053

- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the District amends a final adopted budget under Section 189.016(6), Florida Statutes: **See Page 22**

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

- a. The millage rate or rates imposed by the District. **7.0519**
The millage rate or rates imposed by the County. **3.5661**
- b. The total amount of ad valorem taxes collected by or on behalf of the District. **\$ 1,124,509**
The total amount of ad valorem taxes collected by or on behalf of the County. **\$ 568,657**
- c. The total amount of outstanding bonds issued by the District and the terms of such bonds as:
Melbourne Downtown Community Redevelopment Agency Capital Improvement Revenue Note, Series 2020, dated July 23, 2020, interest at a fixed rate of 2.03% and maturing on September 1, 2039. **None**

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

- a. The rate or rates of non-ad valorem special assessments imposed by the District as **None**

b. The total amount of special assessments collected by or on behalf of the District as **None**

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

Additional Matters

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

Purpose of this Letter

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

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

Melbourne, Florida
March 17, 2023



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INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH SECTION 163.387(6) AND SECTION 163.387(7), FLORIDA STATUTES

To the Honorable Mayor and Members of City Council
Melbourne Downtown Community Redevelopment Agency

We have examined the Melbourne Downtown Community Redevelopment Agency's (the "Agency") compliance with the requirements of Section 163.387(6) and Section 163.387(7), Florida Statutes, *Redevelopment Trust Fund*, during the year ended September 30, 2022. Management is responsible for the Agency's compliance with the specified requirements. Our responsibility is to express an opinion on the Agency's compliance with the specified requirements based on our examination.

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

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

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

In our opinion, the Agency complied with the requirements of Section 163.387(6) and Section 163.387(7), Florida Statutes, *Redevelopment Trust Fund*, for the year ended September 30, 2022, in all material respects.

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 17, 2023



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INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES

To the Honorable Mayor and Members of City Council
City of Melbourne, Florida

We have examined the Melbourne Downtown Community Redevelopment Agency's (the "Agency") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2022. Management is responsible for the Agency's compliance with the specified requirements. Our responsibility is to express an opinion on the Agency's compliance with the specified requirements based on our examination.

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

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

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

In our opinion, the Agency complied with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2022, in all material respects.

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 17, 2023

Appendix B – CRA Financials

Balance Sheets & Statements of Revenue and Expenditures

**CITY OF MELBOURNE, FLORIDA
BALANCE SHEET
DOWNTOWN REDEVELOPMENT
SEPTEMBER 30, 2022**

ASSETS

Equity in pooled investments	\$	434,672
Interest receivable		<u>2,034</u>
Total assets	\$	<u><u>436,706</u></u>

LIABILITIES AND FUND BALANCE

Liabilities:		
Accounts payable	\$	47,483
Accrued payroll expenditures		<u>9,654</u>
Total liabilities		<u>57,137</u>
Restricted fund balance		<u>379,569</u>
Total liabilities and fund balance	\$	<u><u>436,706</u></u>

**CITY OF MELBOURNE, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
DOWNTOWN REDEVELOPMENT
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

REVENUES

Intergovernmental	\$ 1,693,166
Investment earnings	<u>7,701</u>
Total revenues	<u>1,700,867</u>

EXPENDITURES

Current:	
General government	777,578
Debt service:	
Principal	110,000
Interest	<u>48,720</u>
Total expenditures	<u>936,298</u>
Excess of revenues over expenditures	<u>764,569</u>

OTHER FINANCING USES

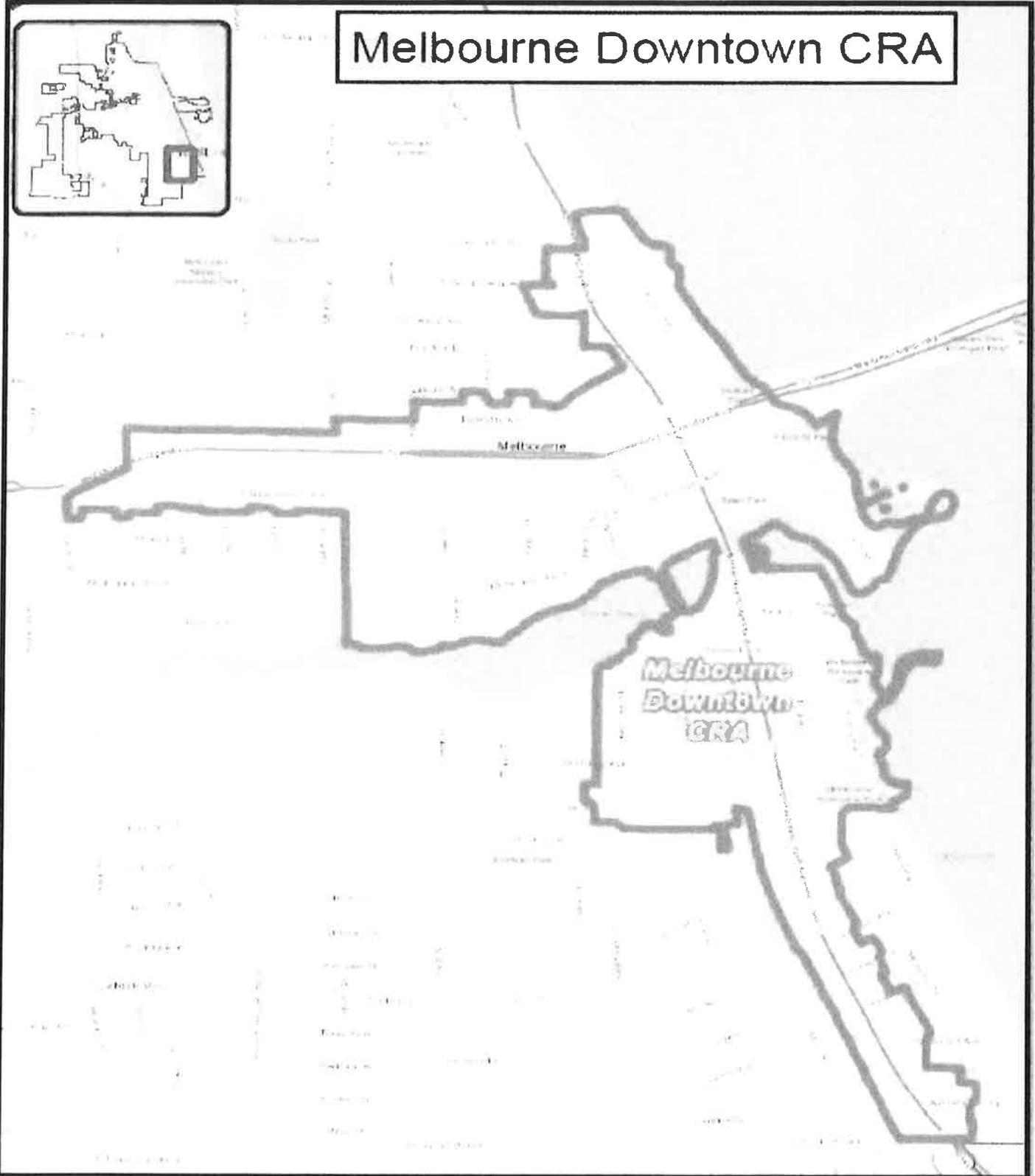
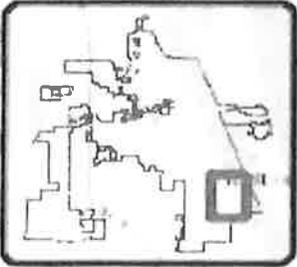
Transfers out	<u>(602,213)</u>
Net change in fund balance	162,356
Fund balance, October 1	<u>217,213</u>
Fund balance, September 30	<u>\$ 379,569</u>

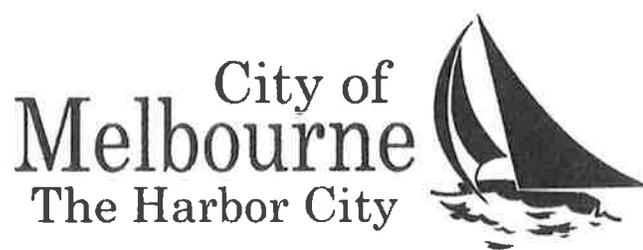
**REQUIRED SUPPLEMENTARY INFORMATION
CITY OF MELBOURNE, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DOWNTOWN REDEVELOPMENT
SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	Budget Amounts		Actual on (Budgetary Basis) (See Note A)	Variance with Final Budget- Positive/ (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 1,606,203	\$ 1,606,203	\$ 1,693,166	\$ 86,963
Investment earnings	12,000	12,000	7,701	(4,299)
Total revenues	<u>1,618,203</u>	<u>1,618,203</u>	<u>1,700,867</u>	<u>82,664</u>
EXPENDITURES				
Current:				
General government	1,034,483	1,074,483	797,578	276,905
Debt service:				
Principal	110,000	110,000	110,000	-
Interest	48,720	48,720	48,720	-
Total expenditures	<u>1,193,203</u>	<u>1,233,203</u>	<u>956,298</u>	<u>276,905</u>
Excess of revenues over expenditures	425,000	385,000	744,569	359,569
OTHER FINANCING USES				
Transfers out	(636,962)	(602,213)	(602,213)	-
Net change in fund balance	(211,962)	(217,213)	142,356	359,569
Fund balance, October 1	<u>217,213</u>	<u>217,213</u>	<u>217,213</u>	<u>-</u>
Fund balance, September 30	<u>\$ 5,251</u>	<u>\$ -</u>	<u>\$ 359,569</u>	<u>\$ 359,569</u>

Appendix C – Maps

Melbourne Downtown CRA





2022

City of Melbourne
Community Redevelopment Agency (CRA)
Annual Report
Olde Eau Gallie Riverfront CRA

2022 Olde Eau Gallie Riverfront CRA Annual Report

Three community redevelopment areas (CRAs) are located within the City of Melbourne: the Melbourne Downtown CRA, the Olde Eau Gallie Riverfront CRA, and the Babcock Street CRA. The following report is an overview of the Olde Eau Gallie Riverfront CRA activities during the fiscal reporting period (FY 2022) from October 1, 2021 to September 30, 2022, including general information, current or completed projects, and financial information.

Specific financial information, such as assets, liabilities, income and operating expenses of the Olde Eau Gallie Riverfront CRA trust fund, is part of this report. The 2022 CRA audit report is found in Appendix A. The Balance sheet and statement of revenues and expenditures for the Olde Eau Gallie Riverfront CRA are found in Appendix B.

The Olde Eau Gallie Riverfront CRA agency was formed under Chapter 163, Part III, Florida Statutes, for the elimination and prevention of slum and blight within the Eau Gallie CRA district. A district map with boundaries is included for the Olde Eau Gallie Riverfront CRA in Appendix C.

Information related to the three CRAs, including annual reports, redevelopment plans, budgets, program information, and reporting requirements are located on the City of Melbourne's web site at the following link:

<https://www.melbourneflorida.org/departments/community-development/community-redevelopment-areas/olde-eau-gallie-riverfront-cra>

Olde Eau Gallie Riverfront CRA

The Olde Eau Gallie Riverfront CRA was established in 2000 and was expanded in 2005 and 2015 through redevelopment plan amendments. In 2022, Brevard County revised their delegation of authority, and subsequently the City of Melbourne amended the redevelopment plan. The area contained within the CRA boundary is approximately 297 acres and is shown on the map in Appendix C.

Applicable resolutions and ordinances related to the CRA creation, the redevelopment plan, and plan amendments include the following:

- Brevard County Resolution No. 2000-249
- City of Melbourne Resolution No. 1657
- City of Melbourne Ordinance No. 2001-23
- City of Melbourne Resolution No. 1939
- City of Melbourne Ordinance No. 2005-77
- City of Melbourne Ordinance No. 2014-15
- City of Melbourne Ordinance No. 2015-31
- Brevard County Resolution No. 2022-083
- City of Melbourne Ordinance No. 2022-37

The Olde Eau Gallie Riverfront CRA Board is comprised of the seven members of the Melbourne City Council¹. The CRA is staffed by the Community Development Department of the City of Melbourne.

Tax Increment Finance (TIF) revenues have increased at a rate of 17.9% mainly due to higher property valuations and increased investment. Table 1 indicates valuations from the base year and January 1, 2022. The current 2022-2023 revenue from tax increment, interest income, and reserves is \$763,445 which supports the current operating budget, CRA projects and CRA programs.

TABLE 1 - OLDE EAU GALLIE RIVERFRONT CRA ASSESSED VALUATIONS

Area	Base Year	Base Valuation	Valuation as of January 1, 2022
Area 1	2000	\$16,958,230	\$61,675,540
Area 2	2005	\$44,041,890	\$83,052,841
Area 3	2015	\$771,910	\$1,051,170
Totals		\$61,772,030	\$145,779,551

¹ CRA Board members periodically change upon City Council election cycles. The current Melbourne City Council members may be found at the following link: <https://www.melbourneflorida.org/about/city-council/>

The Eau Gallie CRA district is located within census tracts 642.01 and 642.02. The Community Development Financial Institution (CDFI) of the U.S. Treasury classifies both census tracts as targeted populations and low-income communities.² By this classification, these census tracts lack private capital investment because of their deficient demographics including income, poverty, and unemployment as compared with the metropolitan statistical area and national averages. Table 2 provides a summary of these CDFI targeted census populations.

TABLE 2 - OLDE EAU GALLIE RIVERFRONT CRA CENSUS INFORMATION

Census Tract	Median Income as % of Area Median	Poverty Rate	Unemployment Rate	Investment Area (IA) Qualified By CDFI
642.01	78.16%	12.40%	7.7%	yes
642.02	44.68%	25.4%	1.9%	yes

Total expenditures from the redevelopment trust fund in FY 2022 were \$700,187, which includes operating expenditures, capital project expenditures, and transfers in escrow for future debt service.

No funds were expended for affordable housing for low- and middle-income residents.

Projects and Programs

An **Interlocal Agreement, Delegation of Authority and CRA Plan Amendment** were approved in 2022. The Brevard County Commission revised their original delegation of authority to Melbourne City Council under Resolution No. 2022-083. The County and City agreed to allow for the extension of the CRA agency to 2038, specifically to construct and fund a public parking facility within Downtown Eau Gallie. Additionally, the interlocal agreement allows for CRA bond finance for the project. A CRA redevelopment plan amendment was approved under Ordinance No. 2022-37, formalizing the terms of the interlocal agreement. The amendment extends the sunset date, establishes a public parking facilities capital project, and eliminates all existing programs, projects and initiatives outlined the 2001 “Olde Eau Gallie Riverfront Urban Infill and Community Redevelopment Plan” document. The CRA redevelopment plan also provides for the consideration of a public-private partnership to construct the garage.

The Olde Eau Gallie Riverfront CRA continues to utilize its resources to achieve goals set forth in the redevelopment plan through capital improvement projects, programs, and initiatives. The extent to which the CRA has achieved its goals in FY 2021-2022 includes:

- The **EGAD Main Street Program** the CRA discontinued funding the main street program after FY 2021, because of the interlocal agreement between the City of Melbourne and

² Source: U.S. Department of the Treasury Community Development Financial Institutions Fund (CDFI), 2020 census data. *Targeted population* refers to individuals or an identifiable group of individuals meeting the requirements of 12 C.F.R. § 1805.201(b)(3). According to the regulations, *targeted population* shall mean individuals, or an identifiable group of individuals, who are Low-Income persons or lack adequate access to financial products or financial services in the service area.

Brevard County. The CRA Redevelopment Plan amendment essentially eliminated all CRA projects, programs with the exception of the Eau Gallie Public Parking Facilities Project. In lieu of CRA funding, City Council made the decision to fund EGAD Main Street through with the City’s General Fund, executing an annual grant agreement effective in April of 2022. While not funded with CRA resources, EGAD Main Street is fulfilling the intent of the original CRA redevelopment plan, which encouraged a main street program in the district to assist with redevelopment efforts.

- Predevelopment work was performed for the ***Eau Gallie Parking Facilities Project***. The CRA expended \$23,800 in engineering services for geotechnical, and environmental studies. The CRA continues to transfer funding in escrow for future debt service associated with the construction of the garage.
- Upon City Council’s direction, City Staff continued to finalize changes to increase the density and intensity allowances within the commercial mixed-use district (C-3 Zoning) area of the CRA. These changes to the City’s Comprehensive Plan and the Land Development Code now allow residential density of 100 units/acre and commercial intensity of 6 FAR, floor to area ratio. The goal is to encourage catalytic development within the CRA.

During the reporting period there was only one project under development. No projects were completed. Information related to expenditures and estimated costs can be found in Table 3.

TABLE 3 - OLDE EAU GALLIE RIVERFRONT CRA PROJECT LIST

Project	Name	FY 2022 Expenditure	Estimated Cost	Status
1	Eau Gallie Parking Facilities	\$23,800	\$8,600,000	Started

Goals

Consistent with the interlocal agreement between Brevard County and the City of Melbourne, the CRA has the following goals for 2022 and Beyond:

- Continue predevelopment for a public parking garage in Downtown Eau Gallie, with consideration of a shared structured parking facility under a public-private partnership.

Project and Program Images



FIGURE 1 RECENT DEVELOPMENT OF PINEAPPLES RESTAURANT ATTRACTS PATRONS INTO THE EAU GALLIE DISTRICT



FIGURE 2 – EGAD MAIN STREET PROMOTIONAL HOLIDAY EVENT IN 2022

Appendix A – CRA Audited Trust Funds

**OLDE EAU GALLIE RIVERFRONT
COMMUNITY REDEVELOPMENT AGENCY**

ANNUAL FINANCIAL REPORT



PICTURED ABOVE IS PINEAPPLES, A RESTAURANT NEW TO THE EAU GALLIE ARTS DISTRICT

2022

FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2022

**Olde Eau Gallie Riverfront Community
Redevelopment Agency**

**Annual
Financial Report**

For The Fiscal Year Ended September 30, 2022

CRA BOARD

Paul S. Alfrey.....	Mayor
Timothy R. Thomas	District 1
Mark LaRusso	Vice Mayor, District 2
Yvonne Minus	District 3
Rachael Bassett	District 4
Mimi Hanley	District 5
Julie Sanders	District 6

ADVISORY COMMITTEE

George Alexander.....	Chairman
Kyle Smyth	Vice Chairman
Cameron Mitchell	Member
Thomas Richards.....	Member
H.J. Underill	Member
David Wickham.....	Member
Jessica Cassone.....	Member

Prepared by: Financial Services Department

OLDE EAU GALLIE RIVERFRONT COMMUNITY REDEVELOPMENT AGENCY

ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED SEPTEMBER 30, 2022

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INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members of the City Council
Olde Eau Gallie Community Redevelopment Agency

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and major fund of the Olde Eau Gallie Community Redevelopment Agency, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Olde Eau Gallie Community Redevelopment Agency'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 respective financial position of the governmental activities and major fund of the Olde Eau Gallie Community Redevelopment Agency, as of September 30, 2022, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 Olde Eau Gallie Community Redevelopment Agency'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.

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Olde Eau Gallie Community Redevelopment Agency'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 Olde Eau Gallie Community Redevelopment Agency'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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 5 – 8 and 21 – 23 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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the revenues and expenditures schedule but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Honorable Mayor and Members of the City Council
Olde Eau Gallie Community Redevelopment Agency
Page Four

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 17, 2023 on our consideration of the Olde Eau Gallie Community Redevelopment Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Olde Eau Gallie Community Redevelopment Agency's internal control over financial reporting and compliance.

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

Melbourne, Florida
March 17, 2023

**OLDE EAU GALLIE RIVERFRONT COMMUNITY REDEVELOPMENT AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

The Management's Discussion and Analysis section provides a narrative overview of the Olde Eau Gallie Riverfront Community Redevelopment Agency (the "Agency") financial activities for fiscal year ending September 30, 2022. This discussion is broken down into three components:

- An overview of the Agency.
- A brief overview of the financial statements, including how they relate to each other and the significant differences in information they provide.
- A concise, condensed financial report that summarizes the results of operations and a narrative financial analysis of the Agency's overall financial condition and results of operations, supported by additional consolidated information about specific services provided by the Agency.

Overview

The purpose of the Olde Eau Gallie Riverfront Community Redevelopment Agency is to eliminate slum and blighted conditions within the identified redevelopment area pursuant to the redevelopment plans of the Agency.

The Agency's primary source of revenue is tax increment funds. The revenue is computed by applying the operating tax rate for the City of Melbourne (the "City") and Brevard County (the "County"), multiplied by the increased value of the property located within the boundaries of the redevelopment areas of the Agency, over the base property value, minus 5% for early payment. The City and County are required to fund this amount annually without regard to tax collections or other obligations.

Further, the governing body of the Olde Eau Gallie Riverfront Community Redevelopment Agency is the Melbourne City Council who make decisions on which programs and projects to fund, based on the adopted CRA plan. To review projects and programs and make recommendations, the Redevelopment Agency Board has appointed members to the Olde Eau Gallie Riverfront Redevelopment Advisory Committee.

The Agency was established in 2001, by the City of Melbourne, Florida under the provisions of Section 163.333 Florida Statutes.

Overview of the Financial Statements

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

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

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

The *statement of activities* presents information showing how the Agency's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., bond principal and interest payments).

The government-wide financial statements can be found on pages 9-10 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Agency uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**OLDE EAU GALLIE RIVERFRONT COMMUNITY REDEVELOPMENT AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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

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

The Agency adopts an annual appropriated budget. A budgetary comparison statement has been provided as part of Required Supplementary Information, to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 11-14 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 15-21 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the Agency's budget. Required supplementary information (RSI) can be found on pages 22-25 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Agency, assets exceeded liabilities by \$3,056,705.

The net investment in capital assets represents \$499,650 of the net position. These assets are not available for future spending. The restricted net position represent resources that are subject to restrictions on how the money can be spent.

Statement of Net Position

	Governmental Activities		Increase (Decrease)
	2022	2021	Amount
Assets			
Current and other assets	\$ 2,557,055	\$ 283,511	\$ 2,273,544
Capital assets	499,650	496,589	3,061
Total assets	<u>3,056,705</u>	<u>780,100</u>	<u>2,276,605</u>
Liabilities			
Other liabilities	-	31,261	(31,261)
Total liabilities	<u>-</u>	<u>31,261</u>	<u>(31,261)</u>
Net position			
Net investment in capital assets	499,650	496,589	3,061
Restricted	2,557,055	252,250	2,304,805
Total net position	<u>\$ 3,056,705</u>	<u>\$ 748,839</u>	<u>\$ 2,307,866</u>

**OLDE EAU GALLIE RIVERFRONT COMMUNITY REDEVELOPMENT AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

Key elements of the increase in net position are as follows:

	Changes in Net Position			
	Governmental Activities		Increase (Decrease)	
	2022	2021	Amount	Percent
Revenue				
Program revenue:				
Operating grants and contributions	\$ 669,414	\$ 599,581	\$ 69,833	11.65%
General revenue:				
Investment earnings	6,973	15,702	(8,729)	(55.59%)
Total revenues	676,387	615,283	61,104	9.93%
Expenses:				
General government	16,539	181,184	(164,645)	(90.87%)
Total expenses	16,539	181,184	(164,645)	(90.87%)
Change in net position				
fund and transfers	659,848	434,099	225,749	52.00%
Transfers to primary government	1,648,018	(789,528)	2,437,546	(308.73%)
Change in net position	2,307,866	(355,429)	2,663,295	(749.32%)
Net position - October 1	748,839	1,104,268	(355,429)	(32.19%)
Net position - September 30	\$ 3,056,705	\$ 748,839	\$ 2,307,866	308.19%

Financial Analysis of the Agency's Funds

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

Governmental fund. The focus of the Agency's *governmental fund* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Agency's financing requirements.

As of the end of the fiscal year, the Agency's governmental fund reported an ending restricted fund balance of \$2,557,055, an increase of \$2,304,805 in comparison with the prior year. The increase resulted from an inter local agreement between Brevard County, City of Melbourne and Olde Eau Gallie CRA, which extends the Eau Gallie CRA for the sole purpose of building a parking structure.

Budgetary Highlights

The following is a brief review of the budget changes from the original to the final amended budget, and a review of the final amended budget and actual amounts (presented on a budgetary basis). A detailed budgetary comparison schedule for the Agency is included on page 22 of the RSI section.

The variance between the final budget and the actual results reflects total revenues of \$6,838,027, total expenditures of \$9,393,982 less than appropriated. These factors caused the change in fund balance to be \$2,555,955 higher than budgeted.

Capital Asset and Debt Administration

Capital assets. The Agency's capital assets for governmental activities as of September 30, 2022 total \$499,650 (net of accumulated depreciation). The capital assets include land and improvements other than buildings.

**OLDE EAU GALLIE RIVERFRONT COMMUNITY REDEVELOPMENT AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

Capital Assets

	Governmental Activities	
	2022	2021
Land	\$ 480,050	\$ 480,050
Construction in progress	19,600	-
Improvements other than buildings	-	16,539
Total capital assets, net of depreciation/amortization	\$ 499,650	\$ 496,589

Additional information on the Agency's capital assets can be found in Note (3) B on pages 20 of this report.

Long-term debt. At the end of the current fiscal year, the Agency had no debt outstanding.

Requests for Information

Questions about this report or requests for additional financial information should be addressed to:

City of Melbourne
Financial Services Department
900 E. Strawbridge Ave.
Melbourne, FL 32901
Telephone: (321) 608-7011

Or visit our website at: www.melbourneflorida.org/departments/community-development/community-redevelopment-areas.

OLDE EAU GALLIE RIVERFRONT COMMUNITY REDEVELOPMENT AGENCY
STATEMENT OF NET POSITION
SEPTEMBER 30, 2022

ASSETS	<u>Governmental Activities</u>
Cash and cash equivalents	\$ 673,778
Equity in pooled investments	1,879,624
Interest receivable	3,653
Capital assets:	
Nondepreciable:	
Land	480,050
Construction in progress	19,600
Depreciable:	
Improvements other than buildings	327,353
Less accumulated depreciation/amortization	(327,353)
Total assets	<u>3,056,705</u>
 NET POSITION	
Net investment in capital assets	499,650
Restricted	2,557,055
Total net position	<u><u>\$ 3,056,705</u></u>

The accompanying notes are an integral part of this statement.

**OLDE EAU GALLIE RIVERFRONT COMMUNITY REDEVELOPMENT AGENCY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

Functions/Programs	Expenses	Program Revenues Operating Grants and Contributions	Net Revenues and Changes in Net Position Governmental Activities
CRA government:			
Governmental activities:			
General government	\$ 16,539	\$ 669,414	\$ 652,875
Total	\$ 16,539	\$ 669,414	652,875
General Revenues:			
			6,973
			1,648,018
			1,654,991
		Change in net position	2,307,866
		Net position, October 1	748,839
		Net position, September 30	\$ 3,056,705

The accompanying notes are an integral part of this statement.

**OLDE EAU GALLIE RIVERFRONT COMMUNITY REDEVELOPMENT AGENCY
BALANCE SHEET
GOVERNMENTAL FUND
SEPTEMBER 30, 2022**

ASSETS

Cash and cash equivalents	\$ 673,778
Equity in pooled investments	1,879,624
Interest receivable	<u>3,653</u>
Total assets	<u>\$ 2,557,055</u>

LIABILITIES AND FUND BALANCE

Restricted fund balance	<u>2,557,055</u>
Total liabilities and fund balance	<u>\$ 2,557,055</u>

The accompanying notes are an integral part of this statement.

**OLDE EAU GALLIE RIVERFRONT COMMUNITY REDEVELOPMENT AGENCY
RECONCILIATION OF THE BALANCE SHEET OF THE GOVERNMENTAL FUND
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2022**

Total *fund balance* for governmental fund \$ 2,557,055

Total *net position* reported for governmental activities in the statement of net position
is different because:

Capital assets used in governmental activities are not financial resources and, therefore,
are not reported in the fund. Those assets consist of:

	Balance	Accumulated Depreciation/ Amortization	
Land	\$ 480,050	\$ -	
Construction in progress	19,600	-	
Improvements	327,353	(327,353)	
Total capital assets	\$ 827,003	\$ (327,353)	499,650

Net position of governmental activities \$ 3,056,705

The accompanying notes are an integral part of this statement.

**OLDE EAU GALLIE RIVERFRONT COMMUNITY REDEVELOPMENT AGENCY
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

REVENUES	
Intergovernmental	\$ 669,414
Investment earnings	6,973
	676,387
Total revenues	676,387
 EXPENDITURES	
Capital Outlay	19,600
	19,600
Excess of revenues over expenditures	656,787
 OTHER FINANCING SOURCES (USES)	
Transfers in	1,648,018
	1,648,018
Net change in fund balance	2,304,805
Fund balance, October 1	252,250
	252,250
Fund balance, September 30	\$ 2,557,055

The accompanying notes are an integral part of this statement.

**OLDE EAU GALLIE RIVERFRONT COMMUNITY REDEVELOPMENT AGENCY
 RECONCILIATION OF THE STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND
 TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED SEPTEMBER 30, 2022**

Net change in *fund balance* - governmental fund \$ 2,304,805

The change in *net position* reported for governmental activities in the statement of activities is different because:

The governmental fund report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense. This is the amount by which capital outlay exceeded depreciation and amortization in the current period.

Cost of capital assets	19,600
Depreciation and amortization expense	<u>(16,539)</u>

Change in net position of governmental activities \$ 2,307,866

The accompanying notes are an integral part of this statement.

**OLDE EAU GALLIE RIVERFRONT COMMUNITY DEVELOPMENT AGENCY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Olde Eau Gallie Riverfront Community Redevelopment Agency's (the "Agency") financial statements are prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units.

A. REPORTING ENTITY

The Olde Eau Gallie Riverfront Community Redevelopment Agency was established in 2001 by the City of Melbourne, Florida (the "City") under the provisions of Section 163.333, Florida Statutes.

The governing body of the Olde Eau Gallie Riverfront Community Redevelopment Agency is the Melbourne City Council who make decisions on which programs and projects to fund, based on the adopted CRA plan. To review projects and programs and make recommendations, the Redevelopment Agency Board has appointed members to the Olde Eau Gallie Riverfront Redevelopment Advisory Committee.

For financial reporting purposes, the Agency is a component unit of the City of Melbourne (the "primary government") and is thus included in the City's annual comprehensive financial report as a blended component unit. This report is not a complete presentation of the City of Melbourne.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The Agency's basic financial statements are presented in two separate and distinct formats. These consist of government-wide financial statements and fund financial statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for services. The Agency does not have any business-type activities and has only governmental activities.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the Agency.

The statement of net position, reports the assets and liabilities, including capital assets and long-term debt. Within this statement, the net position of the Agency (assets minus liabilities) is reported in two separate components – net investment in capital assets and restricted net position.

The statement of activities demonstrates the degree to which the direct expenses, including depreciation, are offset by program revenues and operating and capital grants. The statement then reports the extent to which the resulting net costs (gross expenses less directly-related program revenues and grants) are financed by general revenues of the Agency (i.e. taxes, interest income, etc.).

Fund financial statements report information at a higher level of detail, focusing on separate reporting of individual major funds, rather than consolidating financial data into the broad category of governmental activities.

The financial transactions of the Agency are reported in an individual fund within the City's accounting system. The fund is accounted for by providing a separate, self-balancing set of accounts comprised of the assets, liabilities, reserves, fund equity, revenues and expenditures of the fund. For purposes of this report, the Agency's fund is classified as a major governmental fund.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

Basis of accounting refers to when revenues, expenditures or expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

**OLDE EAU GALLIE RIVERFRONT COMMUNITY DEVELOPMENT AGENCY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Agency considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for grants, for which the period is 12 months. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

When both restricted and unrestricted resources are available for use, it is the Agency's policy to use restricted resources first, followed by committed, assigned, and unassigned amounts when expenditures have been incurred for which resources in more than one classification could be used.

Interest associated with the current fiscal period is considered to be susceptible to accrual and has been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

**D. ASSETS, DEFERRED OUTFLOWS, LIABILITIES, DEFERRED INFLOWS,
AND NET POSITION OR EQUITY**

1. Cash and Cash Equivalents/Investments

Cash and cash equivalents represent all investments which are short term, highly liquid, and readily convertible to a specified cash value. These investments generally have original maturities of three months or less. Cash equivalents consist of equity in pooled investments. Investments are stated at fair value, based on the quoted market price.

2. Pooled Cash

Equity in pooled cash consists primarily of investments in debt instruments of the federal government and corporate holdings. Investment earnings of the pool are allocated to the participating funds at the end of each month based on the ratio of each participant fund's investment to the total pooled investment. As of September 30, 2022, the Agency participated in pooled cash investments with the City of Melbourne.

3. Capital Assets

Capital assets, which include property, plant, equipment, intangibles, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the governmental activities column in the government-wide financial statements. Capital assets, other than equipment, are defined by the government as assets with an initial, individual cost of more than \$25,000 (amount not rounded) and an estimated useful life in excess of two years. Equipment is defined as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost, if purchased or constructed, and at acquisition value of market transaction at date of gift, 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:

Classification	Range of Lives
Buildings	20-40 years
Improvements other than buildings	10-25 years

**OLDE EAU GALLIE RIVERFRONT COMMUNITY DEVELOPMENT AGENCY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

E. FUND BALANCE

In the governmental fund, fund balances are reported as nonspendable if they are not in spendable form or are legally or contractually required to be maintained intact. In addition, fund balance is reported as restricted to specific purposes based upon the extent to which the Agency is bound to honor constraints placed on those funds.

Encumbrance accounting, under which purchase orders and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is utilized in the governmental fund. Encumbered amounts for specific purposes are reported within the applicable restricted, committed or assigned fund balance classifications.

Net position of the government-wide fund is categorized as net investment in capital assets; restricted or unrestricted. Net investment in capital assets consists of capital assets reduced by the outstanding debt issued to acquire, construct or improve those assets, less any unspent debt proceeds. Restricted net position has regulatory or third party limitations on its use.

The Agency applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

F. REVENUES

Intergovernmental Revenue -The Agency's primary source of revenue is tax increment funds collected from the City and Brevard County deposited into the Community Redevelopment Trust Fund. These entities levy ad valorem property taxes within the legally defined redevelopment area of the Agency. The tax increment revenue is calculated by applying the adopted millage rate to the increase in current year taxable assessed valuations within the designated CRA districts using the year in which they were established as the "base year". For example, if an unimproved property was valued at \$10,000 in the base year and a new house is built on the property tomorrow, the new value of the property is \$25,000. The incremental difference in value (new assessed value – base year value) is \$15,000. Taxes collected on the property will be split amongst the City and County. The Agency receives all taxes assessed on the incremental increase of \$15,000. Revenues generated by improvements in the Agency district are to be reinvested in the district to continue to spur redevelopment.

Assessed values are established by the Brevard County Property Appraiser. The assessed property value recognized by the City and Brevard County includes the second homestead exemption. The City and Brevard County are required to pay 95% of these incremental property taxes to the Agency on or before January 1 of each year, otherwise the full amount of the incremental revenue will be due.

Program Revenue - In the Government-wide Statement of Activities, revenue that is derived directly from the program itself or from outside sources, if restricted to a specific program, is called program revenue. Program revenue is classified as either operating grants or capital grants. Operating grant revenues come from other government entities to support the operation costs of particular functions and also from the earnings of permanent funds that are legally restricted to a particular function. Capital grants come from other government entities for the purpose of constructing or purchasing capital assets.

G. USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**OLDE EAU GALLIE RIVERFRONT COMMUNITY DEVELOPMENT AGENCY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

(2) STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

The Agency has elected to report budgetary comparisons as Required Supplementary Information (RSI). Please refer to the accompanying notes to the RSI for the Agency's budgetary information.

As of September 30, 2022, there were no material violations of budgetary requirements.

(3) DETAILED NOTES

A. DEPOSITS AND INVESTMENTS

Deposits –Banks and savings and loans must meet the criteria to be a qualified public depository as described in the Florida Security for Public Deposits Act in accordance with Chapter 280, Florida Statutes before any investment of public funds can be made with them. At September 30, 2022, the carrying amount of the City of Melbourne's deposits with banks was \$7,995,019 and the bank balance was \$7,655,719.

As of September 30, 2022, all of the City's interest bearing bank balances are covered by the Federal Depository Insurance Corporation (FDIC). Monies invested in amounts greater than the insurance coverage are secured by the qualified public depositories pledging securities with the State Treasurer in such amounts required by the Florida Security for Public Depositories Act. In the event of a default or insolvency of a qualified public depositor, the State Treasurer will implement procedures for payment of losses according to the validated claims of the City pursuant to Section 280.08, Florida Statutes.

The City maintains a pool of cash and investments in which each fund, including the Agency, participates on a daily transaction basis. Investment earnings are distributed monthly based on average daily balances.

City daily deposits are deposited in Earnings Credit Rate (ECR) earning accounts. These accounts are fully collateralized in accordance with Florida state law.

City of Melbourne Investment Policy – Pursuant to the requirements of Section 218.415, Florida Statutes, the City of Melbourne adopted Resolution No. 3511 on September 8, 2016, establishing the City's present investment policy. Such investment policy applies to the investment of surplus funds, which include cash and investment balances of the following funds of the City: General, Capital Projects, Special Revenue, Enterprise, Internal Service, Trust and Agency, and Airport. The investment policy does not apply to the investment of principal, interest, reserve, construction, capitalized interest, and redemption or escrow accounts created by ordinance or resolution pursuant to the issuance of bonds where the investments are held by an authorized depository. This policy does not apply to funds not under control of the City; such as, the Police Officers' Retirement System, the Firefighters' Retirement System, and the General Employees' and Special Risk Class Employees' Pension Plan.

All investments are made based on reasonable research as to credit quality, liquidity and interest rate risk prior to the investment being acquired.

The investment policy authorizes the City to invest in U.S. Government securities, agencies, Federal instrumentalities and Supra-nationals, repurchase agreements, the Local Government Surplus Funds Trust Fund administered by the Florida State Board of Administration, interest bearing time deposits or savings accounts, commercial paper, corporate notes, bankers acceptances, and State or local government taxable or tax-exempt debt, and an intergovernmental investment pool. Overnight repurchase agreements restrict investments to obligations of U.S. Government Agencies and Federal instrumentalities.

The investment policy provides maturity and liquidity requirements for investments. All investments other than investments in the Local Government Surplus Funds Trust Fund are required to be purchased pursuant to competitive bids. A maximum of 25% of available funds may be invested in the Local Government Surplus Funds Trust Fund. The policy also requires diversification of the investment portfolio to control the risk of loss from overconcentration of assets in a specific maturity, issuer, instrument, dealer, savings and loan, or bank through which investments are purchased. Concentration of credit risk is the risk of loss attributed to the

**OLDE EAU GALLIE RIVERFRONT COMMUNITY DEVELOPMENT AGENCY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

magnitude of a government's investment in a single issuer. The City's investment policy restricts portfolio composition for federal instrumentalities to 100% total, 40% individually. Concentration percentages for the Federal instrumentalities are provided in the schedule. Currently, the investment of a significant portion of the City's and Airport's portfolios is being managed by the City's financial advisor, PFM Asset Management LLC.

Custodial credit risk for investments is the risk that, in the event of a failure of the counter party, the City will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. The City's investment policy states that all securities, with the exception of certificates of deposits, shall be held with a third party custodian; and all securities purchased by, and all collateral obtained by the City should be properly designated as an asset of the City. The third party custodian holds securities in an account separate and apart from the assets of the financial institution, and are either insured or registered in the City's name.

The fair values of the City's fixed-maturity investments fluctuate in response to changes in market interest rates. Increases in prevailing interest rates generally translate into decreases in fair values of those instruments. Fair values of interest rate-sensitive instruments may be affected by the credit worthiness of the issuer, prepayment options, relative values of alternative investments, the liquidity of the instrument, and other general market conditions. As a means to limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy limits its investment portfolio to maturities of less than 5.5 years for corporate notes, two years for time deposits, and 270 days for commercial paper.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. As a means to limiting its exposure to credit risk, the City limits investments with credit quality ratings from nationally recognized rating agencies of:

- State and/or local government taxable and/or tax-exempt debt, general obligation and/or revenue bonds, rated at least "MIG 1/A3" by Moody's Investors Services and "SP-1/A-" by Standard & Poor's for long-term debt.
- Corporates and/or commercial paper of any United States company that is rated, at the time of purchase, "P-1" by Moody's and "A-1" by Standard & Poor's.
- Money Market Mutual Funds that are rated "AAA" by Standard & Poor's, or the equivalent by another rating agency.
- Local Government Surplus Funds Trust Fund money market funds that are rated "AAA" by Standard & Poor's, or the equivalent by another rating agency.
- The Agency's equity in pooled investments is all in the money market funds.

**OLDE EAU GALLIE RIVERFRONT COMMUNITY DEVELOPMENT AGENCY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

B. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2022 was as follows:

	October 1, 2021	Additions	Deletions	September 30, 2022
Capital assets, not being depreciated/amortized:				
Land	\$ 480,050	\$ -	\$ -	\$ 480,050
Construction in progress	-	19,600	-	19,600
Total capital assets, not being depreciated/amortized	480,050	19,600	-	499,650
Capital assets, being depreciated/amortized:				
Improvements other than buildings	327,353	-	-	327,353
Total capital assets, being depreciated/amortized	327,353	-	-	327,353
Less accumulated depreciation/amortization:				
Improvements other than buildings	310,814	16,539	-	327,353
Total accumulated depreciation/amortization	310,814	16,539	-	327,353
Total capital assets, being depreciated/amortized, net	16,539	(16,539)	-	-
Governmental activities capital assets, net	<u>\$ 496,589</u>	<u>\$ 3,061</u>	<u>\$ -</u>	<u>\$ 499,650</u>

Depreciation/amortization expense was charged to functions/programs of the Agency as follows:

General government	<u>\$ 16,539</u>
--------------------	------------------

C. ENCUMBRANCE COMMITMENTS

At September 30, 2022, the Agency had encumbrance commitments in the Governmental fund in the amount of \$1,100.

D. INTERFUND TRANSACTIONS

Interfund transfers at September 30, 2022 are as follows:

	Primary Government (General Construction fund)	Agency	Total
Primary Government (General Construction fund)	\$ (1,648,018)	\$ -	\$ (1,648,018)
Agency	-	1,648,018	1,648,018
Total Transfers in (transfers out)	<u>\$ (1,648,018)</u>	<u>\$ 1,648,018</u>	<u>\$ -</u>

Significant transfers included \$1,648,018 from the General Construction fund of the City (primary government) to the Agency for the Eau Gallie parking facilities project.

**OLDE EAU GALLIE RIVERFRONT COMMUNITY DEVELOPMENT AGENCY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

(4) OTHER INFORMATION

A. SUBSEQUENT EVENTS

Subsequent events were evaluated through the date which the financial statements were available, March 13, 2023. Management determined there were no events that occurred that require disclosure.

**REQUIRED SUPPLEMENTARY INFORMATION
CITY OF MELBOURNE, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
OLDE EAU GALLIE REDEVELOPMENT
SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	Budget Amounts		Actual on (Budgetary Basis) (See Note A)	Variance with Final Budget- Positive/ (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 647,039	\$ 669,414	\$ 669,414	\$ -
Investment earnings	10,000	10,000	6,973	(3,027)
Total revenues	<u>657,039</u>	<u>679,414</u>	<u>676,387</u>	<u>(3,027)</u>
EXPENDITURES				
Current:				
General government	-	679,414	-	679,414
Capital outlay	-	8,735,268	20,700	8,714,568
Total expenditures	<u>-</u>	<u>9,414,682</u>	<u>20,700</u>	<u>9,393,982</u>
Excess (deficiency) of revenues over (under) expenditures	657,039	(8,735,268)	655,687	9,390,955
OTHER FINANCING SOURCES (USES)				
Bond proceeds	-	6,835,000	-	(6,835,000)
Transfers in	-	1,648,018	1,648,018	-
Transfers out	(912,257)	-	-	-
Total other financing sources (uses)	<u>(912,257)</u>	<u>8,483,018</u>	<u>1,648,018</u>	<u>(6,835,000)</u>
Net change in fund balance	(255,218)	(252,250)	2,303,705	2,555,955
Fund balance, October 1	<u>252,250</u>	<u>252,250</u>	<u>252,250</u>	<u>-</u>
Fund balance (deficit), September 30	<u>\$ (2,968)</u>	<u>\$ -</u>	<u>\$ 2,555,955</u>	<u>\$ 2,555,955</u>

**OLDE EAU GALLIE RIVERFRONT COMMUNITY REDEVELOPMENT AGENCY
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

BUDGETARY NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

The City Council typically adopts an annual budget for the Agency. The budget is prepared on a modified accrual basis with encumbrance accounting. Budgetary control is legally maintained at the fund level. Budget transfer authority is provided to the City Manager within a fund as long as the total budget of the fund is not increased. City Council action is required for the approval of a supplemental budget.

Supplemental appropriations were made during the year and all budget amounts presented in the accompanying Schedule of Revenues, Expenditures and Changes in Fund Balance have been adjusted for legally authorized revisions of the annual budget. All appropriations which are not expended, encumbered, or committed lapse at year end. Encumbered appropriations are carried forward to the subsequent year's budget.

Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration. Encumbrances outstanding at year end are carried forward to the next year's budget and are reported as restricted or assigned fund balance in the governmental fund financial statements since they do not constitute actual expenditures or liabilities.

Actual results of operations are presented in accordance with generally accepted accounting principles (GAAP basis) and the City'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. It is necessary to include budgetary encumbrances to reflect actual revenues and expenditures on a basis consistent with the City's legally adopted budget.

**OLDE EAU GALLIE RIVERFRONT COMMUNITY REDEVELOPMENT AGENCY
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

A – Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Revenues

Actual amounts (budgetary basis) of total revenues as reported on the statement of revenues, expenditures and changes in fund balances - budget and actual equal total revenues as reported on the statement of revenues, expenditures, and changes in fund balance.

Expenditures

Actual amounts (budgetary basis) "total expenditures" as reported on the statement of revenues, expenditures and changes in fund balance - budget and actual

\$ 20,700

Differences - budget to GAAP:

Encumbrances for professional services, supplies and equipment ordered but not received are reported in the year the order is placed for *budgetary* purposes, but in the year the supplies and services are received for *financial reporting* purposes.

(1,100)

Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance.

\$ 19,600

B – Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

The budgetary schedules present comparisons of the legally adopted budget with actual data on a budgetary basis. Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with generally accepted accounting principles, a reconciliation of the resultant timing differences in the excess (deficiency) of revenues over (under) expenditures and other financing sources (uses) (Budgetary Basis) as compared to the excess (deficiency) of revenues over (under) expenditures and other financing sources (uses) (GAAP Basis) for the year ended September 30, 2022 is presented in the following table:

Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses) (Budgetary Basis)

\$ 2,303,705

Adjustments:

Encumbrances

1,100

Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses) (GAAP Basis)

\$ 2,304,805

SUPPLEMENTARY INFORMATION
OLDE EAU GALLIE RIVERFRONT COMMUNITY REDEVELOPMENT AGENCY
PROJECT REVENUES AND EXPENDITURES
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Project Number	Project name	Expenditures ⁽¹⁾	Committed	Total	Transfers in (out) ⁽²⁾
FUND 158					
10521	Eau Gallie Parking Facilities	\$ 23,800	\$ 1,100	\$ 24,900	\$ 1,648,018
FUND 311					
10521	Eau Gallie Parking Facilities	-	-	-	(838,218) ⁽³⁾
14217	Eau Gallie Lighting	-	-	-	(789,000) ⁽³⁾
18021	Eau Gallie Site Furnishings	-	-	-	(25,000) ⁽³⁾
		\$ 23,800	\$ 1,100	\$ 24,900	\$ -

⁽¹⁾ Expenditures

These are the amounts of the CRA funds that were spent during the fiscal year in a capital projects fund.

⁽²⁾ Transfers in (out)

These are the amounts transferred into and out of the individual projects.

⁽³⁾ Funds transferred to the Parking Facilities Project (10521) fund 158.



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

Honorable Mayor and Members of the City Council
Olde Eau Gallie Community Redevelopment Agency

We have audited, 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, the financial statements of the Olde Eau Gallie Community Redevelopment Agency, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Olde Eau Gallie Community Redevelopment Agency's basic financial statements, and have issued our report thereon dated March 17, 2023.

Report on Internal Control over Financial Reporting

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

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

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

Honorable Mayor and Members of the City Council
Olde Eau Gallie Community Redevelopment Agency
Page Two

Report on Compliance and Other Matters

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

Purpose of this Report

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

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

Melbourne, Florida
March 17, 2023



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INDEPENDENT AUDITORS' MANAGEMENT LETTER

To the Honorable Mayor and Members of City Council
Olde Eau Gallie Community Redevelopment Agency

Report on the Financial Statements

We have audited the financial statements of the Olde Eau Gallie Community Redevelopment Agency, as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated March 17, 2023.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 17, 2023, should be considered in conjunction with this management letter.

Prior Audit Findings

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

To the Honorable Mayor and Members of City Council
Olde Eau Gallie Community Redevelopment Agency
Page Two

Financial Condition and Management

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

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the Olde Eau Gallie Community Redevelopment Agency. It is management's responsibility to monitor the Olde Eau Gallie Community Redevelopment Agency'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.

Special District Component Units

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

Specific Information (UNAUDITED)

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

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the Olde Eau Gallie Redevelopment Agency reported:

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

- b. The total number of independent contractors to whom nonemployee

- compensation was paid in the last month of the District's fiscal year as **None**
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency. **None**
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency. **None**
- e. Each construction project with a total cost of at least \$65,000 approved by the District that is scheduled to begin after October 1 of the fiscal year being reported, together with the total expenditures for such projects.

Project	Budget	Expenditures
(#10521) Eau Gallie Parking Facilities	\$ 8,739,468	\$ 23,800
Total	\$ 8,739,468	\$ 23,800

- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the District amends a final adopted budget under Section 189.016(6), Florida Statutes.: **See Page 21**

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

- a. The millage rate or rates imposed by the District. **7.0519**
 The millage rate or rates imposed by the County. **3.5661**
- b. The total amount of ad valorem taxes collected by or on behalf of the District. **\$ 444,588**
 The total amount of ad valorem taxes collected by or on behalf of the County. **\$ 224,826**
- c. The total amount of outstanding bonds issued by the District and the terms of such bonds as. **None**

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

- a. The rate or rates of non-ad valorem special assessments imposed by the District as **None**
- b. The total amount of special assessments collected by or on behalf of the District as **None**
- c. The total amount of outstanding bonds issued by the District and the terms of such bonds as **None**

To the Honorable Mayor and Members of City Council
Olde Eau Gallie Community Redevelopment Agency
Page Four

Additional Matters

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

Purpose of this Letter

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

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

Melbourne, Florida
March 17, 2023



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INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH SECTION 163.387(6) AND SECTION 163.387(7), FLORIDA STATUTES

To the Honorable Mayor and Members of City Council
Olde Eau Gallie Community Redevelopment Agency

We have examined the Olde Eau Gallie Community Redevelopment Agency's (the "Agency") compliance with the requirements of Section 163.387(6) and Section 163.387(7), Florida Statutes, *Redevelopment Trust Fund*, during the year ended September 30, 2022. Management is responsible for the Agency's compliance with the specified requirements. Our responsibility is to express an opinion on the Agency's compliance with the specified requirements based on our examination.

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

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

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

In our opinion, the Agency complied with the requirements of Section 163.387(6) and Section 163.387(7), Florida Statutes, *Redevelopment Trust Fund*, for the year ended September 30, 2022, in all material respects.

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

Melbourne, Florida
March 17, 2023



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INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES

To the Honorable Mayor and Members of City Council
City of Melbourne, Florida

We have examined the Olde Eau Gallie Community Redevelopment Agency's (the "Agency") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2022. Management is responsible for the Agency's compliance with the specified requirements. Our responsibility is to express an opinion on the Agency's compliance with the specified requirements based on our examination.

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

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

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

In our opinion, the Agency complied with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2022, in all material respects.

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

Melbourne, Florida
March 17, 2023

Appendix B – CRA Financials
Balance Sheets & Statements of
Revenue and Expenditures

**CITY OF MELBOURNE, FLORIDA
BALANCE SHEET
EAU GALLIE REDEVELOPMENT
SEPTEMBER 30, 2022**

ASSETS

Cash and cash equivalents	\$ 673,778
Equity in pooled investments	1,879,624
Interest receivable	<u>3,653</u>
 Total assets	 <u>\$ 2,557,055</u>

LIABILITIES AND FUND BALANCE

Restricted fund balance	<u>2,557,055</u>
 Total liabilities and fund balance	 <u>\$ 2,557,055</u>

**CITY OF MELBOURNE, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
EAU GALLIE REDEVELOPMENT
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

REVENUES

Intergovernmental	\$	669,414
Investment earnings		<u>6,973</u>
Total revenue		<u>676,387</u>

EXPENDITURES

Capital Outlay		<u>19,600</u>
Excess of revenues over expenditures		<u>656,787</u>

OTHER FINANCING USES

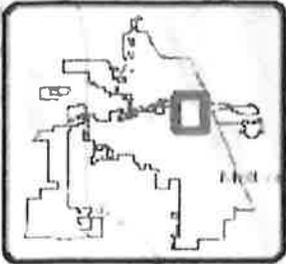
Transfers in		<u>1,648,018</u>
Net change in fund balances		2,304,805
Fund balance, October 1		<u>252,250</u>
Fund balance, September 30	\$	<u><u>2,557,055</u></u>

**REQUIRED SUPPLEMENTARY INFORMATION
CITY OF MELBOURNE, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
OLDE EAU GALLIE REDEVELOPMENT
SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	Budget Amounts		Actual on (Budgetary Basis) (See Note A)	Variance with Final Budget- Positive/ (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 647,039	\$ 669,414	\$ 669,414	\$ -
Investment earnings	10,000	10,000	6,973	(3,027)
Total revenues	<u>657,039</u>	<u>679,414</u>	<u>676,387</u>	<u>(3,027)</u>
EXPENDITURES				
Current:				
General government	-	679,414	-	679,414
Capital outlay	-	8,735,268	20,700	8,714,568
Total expenditures	<u>-</u>	<u>9,414,682</u>	<u>20,700</u>	<u>9,393,982</u>
Excess (deficiency) of revenues over (under) expenditures	657,039	(8,735,268)	655,687	9,390,955
OTHER FINANCING SOURCES (USES)				
Bond proceeds	-	6,835,000	-	(6,835,000)
Transfers in	-	1,648,018	1,648,018	-
Transfers out	(912,257)	-	-	-
Total other financing sources (uses)	<u>(912,257)</u>	<u>8,483,018</u>	<u>1,648,018</u>	<u>(6,835,000)</u>
Net change in fund balance	(255,218)	(252,250)	2,303,705	2,555,955
Fund balance, October 1	<u>252,250</u>	<u>252,250</u>	<u>252,250</u>	<u>-</u>
Fund balance (deficit), September 30	<u>\$ (2,968)</u>	<u>\$ -</u>	<u>\$ 2,555,955</u>	<u>\$ 2,555,955</u>

Appendix C – Map

Olde Eau Gallie Riverfront CRA





**MERRITT ISLAND
REDEVELOPMENT AGENCY**

Discover

An island of opportunities.

ANNUAL REPORT 2022





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Letter from the Executive Director

During 2022, a multitude of redevelopment projects were brought to completion, some larger projects nearing the engineering and permitting phases. The Brevard Board of County Commissioners requested an update of our 2013 Community Redevelopment Plan. The timing is right, as this plan serves as the basis for funding our projects and programs. Several currently slated capital improvement projects will carry over into the new Redevelopment Plan while others either must adjust to new trends, or are just not feasible to move forward at this time. Updating the Plan should be completed in 2023 and should bring fresh projects and program opportunities to our work list.

We are making great strides with the Veterans Memorial Park Amphitheatre project with plans nearing completion. This year, we are pleased to share completion of a new, attractive and informative web site (www.mymerrittislandfl.com), the installation of a legacy "Welcome to Merritt Island" "Where Dreams are Launched" sign on N. Courtenay Parkway, and completion of the Griffis Landing Dredging and Tom Vani Fuel Dock Projects.

We received a wonderful gesture in the form of a \$63,000 anonymous private donation for trees and plants at Veterans Memorial Park from a long-time Merritt Island family. Visits to Veterans Memorial Park have soared after completing construction of the sidewalks, board walks, west parking area landscaping and playground canopies. In 2023, we closed out our Cone Road Septic to Sewer program, assisting approximately 60 businesses with abandoning their septic tanks and connecting to sanitary sewer. This was funded through a \$400,000 grant to MIRA from the Florida Department of Environmental Protection, and a \$912,000 grant from the Saint Johns River Water Management District. We are experiencing a surge of interest in a quality mixed-use and multifamily residential redevelopment project in the SR 520 Commercial Core area. We are very enthusiastic for the future of Merritt Island.

Larry Lallo
Executive
Director



What is a Community Redevelopment Agency (CRA)?

A CRA is created when there is a presence of blight, and substandard or inadequate structures, lots, affordable housing, stormwater infrastructure, insufficient roadways, open space/parks, or parking in an area. The CRA mission is broad, involving beautification, environmental conservation, and facilitating redevelopment in accordance with its community redevelopment plan.

Why is this important?

Highly urbanized areas in decline can become a burden to local government and the declining area affects multiple aspects of the community, while often requiring more services from the county. Management of a community redevelopment plan can dramatically improve the quality of life and the tax base, leveraging a substantial return on investment.

TRADITIONAL CRA PROJECTS	
Stormwater Treatment and Control Systems	Building Renovations
Park and Waterfront Improvements	Public Parking Lots
Streetscapes	Trails and Trailheads
Bike Paths	Commercial Façade Grants
Water Lines	Brownfield Assessments
Sanitary Lines	Signage and Structural Improvements
Sidewalks	Transportation System Improvements
Community Facilities	Multimodal Improvements



MERRITT ISLAND REDEVELOPMENT AGENCY

MISSION

MIRA's mission is to create and implement community-based redevelopment strategies that promote the quality of life for Merritt Island residents, business people, and visitors through the promotion of quality growth, economic development, redevelopment, beautification, and the preservation of Merritt Island's history, culture, and environment.



MIRA Community Redevelopment Plan

It's required by the state of Florida to have a community redevelopment plan, which sets forth the programs and projects for improvement of the redevelopment area and how tax funds may be used.

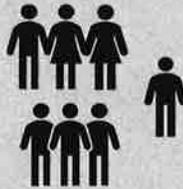
MIRA was established as a Community Redevelopment Agency (CRA) in 1989

It was created by the Brevard County Board of County Commissioners

MIRA currently has four target redevelopment areas

MIRA is 1 of more than 200 CRAs in Florida

Board of Directors



- 7 *Volunteer* Board Members appointed by the Brevard County Board of County Commissioners
- Must be Merritt Island business people or residents

Staff



3 Staff Members

- Executive Director
- Community Redevelopment Manager
- Executive Assistant



Redevelopment Focus Areas

- E. Merritt Island Causeway (SR 520)
- Merritt Square Mall
- Cone Road
- Barge Canal
- Courtenay Parkway (SR 3)

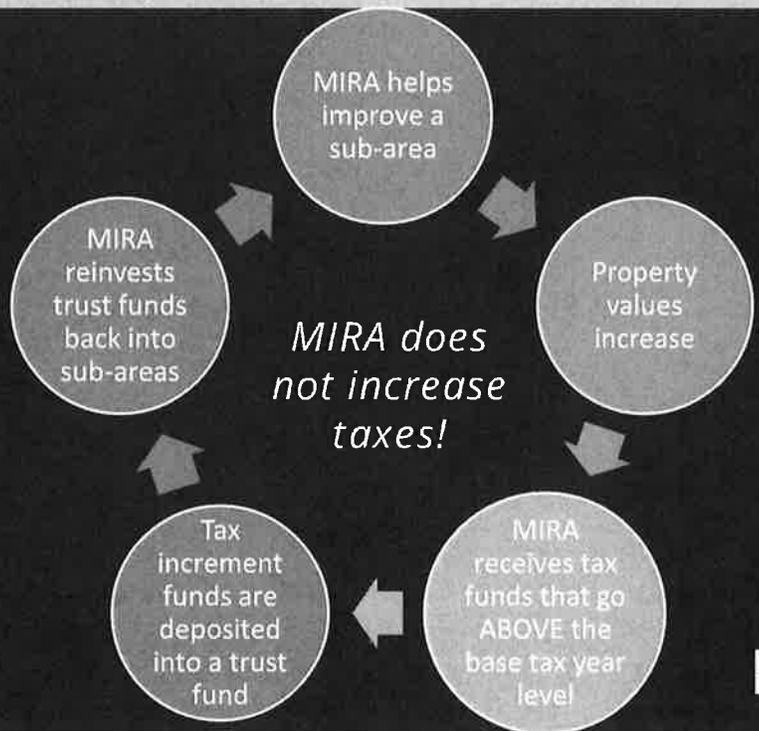
How is MIRA Funded?

MIRA leverages tax increment financing (TIF)—existing taxes—received from the redevelopment sub-area properties to improve the same redevelopment areas.

Funds are collected as property values increase in the redevelopment sub-areas *above a base level established at the creation date of the MIRA sub-area.*

TIF funds are collected on a proportionate basis up to 95%.

No new taxes were created to fund MIRA.



Barge Canal
Focus Area

Courtenay
Parkway (SR 3)
Focus Area

Merritt Square
Mall Focus Area

E Merritt Island
Causeway (SR
520) Focus Area

Cone Road
Focus Area



Legend

 MIRA



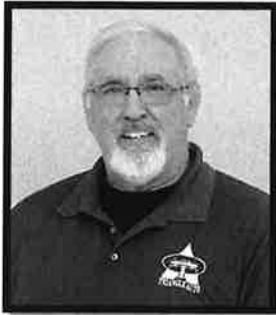
Merritt Island
Redevelopment Agency

2020 Aerial





MIRA Board of Directors



Chairman
Marcus Herman



Vice-Chairman
Eddie Lebron



Member
Wendy Ellis



Member
Jack Ratterman



Member
Andy Barber



Member
Nicole Morgan



Member
Jack Smink



MIRA Staff



*Executive Director
Larry Lallo*



*Community Redevelopment Manager
Stefani Maduskuie*



*Executive Assistant
Cheryl Hurren*



Veteran's Memorial Park

- In 2021, a historical \$63,000 charitable gift from a donor was applied to landscape the park with several trees. The landscaping was completed in 2022
- A new playground with shade canopies was installed



Veterans Memorial Park Amphitheatre

- The original projected costs of the amphitheater rose from \$2.3MM to \$4.8MM in 2022. The Brevard Veterans Council, along with MIRA, applied for a \$1MM FL State appropriation to supplement the cost increase.
- The amphitheater facility designs were completed
- The site plan engineering is nearing completion
- A Notice to Proceed (NTP) was issued on 10/31/2022
- A Topographic Survey and geotechnical investigation were completed on 12/5/2022

"The Brevard Veterans Council (BVC) has greatly appreciated the partnership, support and trust the county, particularly MIRA, has shared with us. MIRA has been the catalyst, with BVC on their team, to leverage MIRA, County, Tourist Development and other funds to create and improve the best center and Veterans Memorial Park in Florida." – Donn Weaver, Chairman, Brevard Veterans Council



Merritt Island Brownfields Grant Program

- MIRA was awarded a \$500,000 EPA Grant for Brownfields Environmental Assessments for the project period 7/01/2022-9/30/2026
- MIRA contracted Stantec for professional environmental services for the Merritt Island Brownfields Program from 10/27/2022-10/26/2025



Launched New Comprehensive Website

- The new website is an accessible resource for multiple audiences to learn about MIRA's past, present, and future work, and to connect with staff and the Board of Directors. www.mymerrittislandfl.com



Griffis Landing

Ms. Apples Crab Shack – Design concepts were drafted by Eleven 18 Architecture using comments from the 2021 charrette

Tom Vani Fuel Dock – A 1,000 gallon fuel tank was installed and opened to the public in November 2022. Channel Improvements – Channel dredging was completed

Restore Our Shores – MIRA partnered with the Brevard Zoo to begin visioning and funding efforts to expand Griffis Landing to include a Restore Our Shores facility



New Transit Shelters

- In 2021, MIRA funded four modern multimodal transit shelters on SR 520, and SR 3 in partnership with Space Coast Area Transit. The shelters included solar-powered, self-compacting “big belly” trash bins, bike racks, interior and exterior solar-powered safety lighting, and bike repair stations for quick bike fixes
- The MIRA Board of Directors voted to install four additional shelters on SR 520 to replace the deteriorating 20/20 media shelters. Design engineering was completed in 2022, and the project will go out for bid in 2023



Merritt Island Redevelopment Plan Update

- MIRA is anticipating a Redevelopment Plan Update in 2023, and began much of the preparation in 2022
- MIRA staff proposed the possibility of adding incentives for affordable housing projects, and adding the ability for MIRA to acquire property and manage a demolition program



S. Courtenay Parkway – Cone Road Improvements

- The S. Courtenay widening CIP project is nearing 60% of design and engineering completion
- The probable cost increased from roughly \$2.2MM to \$4MM. MIRA and Brevard County are evaluating the funding structure to continue the project



Sea Ray Drive Bridge

- The Brevard County Public Works Department is moving forward with the \$5.5MM Sea Ray Drive Bridge replacement project
- MIRA, via a 10 year TIF deferral agreement, is contributing \$2.75MM
- Total project costs initially estimated at \$5.5MM
- This project will catalyze job retention for existing Sea Ray Drive businesses, stimulate future economic development projects, and improve safety by providing an alternative traffic route
- This project is currently in the design-engineering phase



Welcome Sign

- MIRA installed a Welcome to Merritt Island Sign on N. Courtenay Parkway, just south of the SR 528 off ramp exit



2022 Development Plan Reviews

The MIRA Board of Directors reviews site plans for new development and rezoning requests in the MIRA redevelopment area. During these reviews, the Board considers the economic, environmental and cultural impact. They approve plans or make recommendations that promote strategic, high-quality changes that are in the best interest of the public. In 2021, The MIRA Board of Directors provided input for nine new development projects.

- 1) Health First Wellness Village – Merritt Island
- 2) Avlara Boats Expansion (Preview of expansion project)
- 3) Tidal Wave Car Wash
- 4) Twins Car Wash
- 5) Zenith Fortenberry Apartments
- 6) Sign variance for River Fly-In Condos
- 7) 7-Brew
- 8) Island Bluff – Upcoming site plan for two residences
- 9) Hampton Manor Assisted Living



2022 MIRA TAX INCREMENT FINANCING (TIF) COLLECTION

TYPE	SOURCE	AMOUNT
CURRENT YEAR TAXABLE VALUE IN CRA REDEVELOPMENT AREA 1988 – B1 –E. Merritt Island Causeway	DOR DR420 TIF Sec. 1 (1)	\$385,321,980
BASE YEAR TAXABLE VALUE IN CRA	DOR DR420 TIF Sec. 1 (2)	\$124,138,790
CURRENT YEAR TAX INCREMENT VALUE	DOR DR420 TIF Sec. 1 (3)	\$261,183,190
PRIOR YEAR FINAL TAXABLE VALUE IN THE TAX INCREMENT AREA	DOR DR420 TIF Sec. 1 (4)	\$363,014,434
PRIOR YEAR TAX INCREMENT VALUE (LINE 4 MINUS LINE 2)	DOR DR420 TIF Sec. 1 (5)	\$238,875,644
PORTION ON WHICH THE PAYMENT IS BASED	DOR DR420 TIFSEC. 2 (6A)	95%
DEDICATED INCREMENT VALUE	DOR DR420 TIFSEC. 2 (6B)	\$248,124,031
AMOUNT PAID TO MIRA TRUST FUND IN PRIOR YEAR	DOR DR420 TIFSEC. 2 (6C)	\$782,911

TYPE	SOURCE	AMOUNT
CURRENT YEAR TAXABLE VALUE IN CRA REDEVELOPMENT AREA 1990 – B2 – Newfound Harbor & 520	DOR DR420 TIF Sec. 1 (1)	\$60,621,020
BASE YEAR TAXABLE VALUE IN CRA	DOR DR420 TIF Sec. 1 (2)	\$17,082,580
CURRENT YEAR TAX INCREMENT VALUE	DOR DR420 TIF Sec. 1 (3)	\$43,538,440
PRIOR YEAR FINAL TAXABLE VALUE IN THE TAX INCREMENT AREA	DOR DR420 TIF Sec. 1 (4)	\$55,409,400
PRIOR YEAR TAX INCREMENT VALUE (LINE 4 MINUS LINE 2)	DOR DR420 TIF Sec. 1 (5)	\$38,326,820
PORTION ON WHICH THE PAYMENT IS BASED	DOR DR420 TIFSEC. 2 (6A)	95%
DEDICATED INCREMENT VALUE	DOR DR420 TIFSEC. 2 (6B)	\$41,361,518
AMOUNT PAID TO MIRA TRUST FUND IN PRIOR YEAR	DOR DR420 TIFSEC. 2 (6C)	\$130,509



2022 MIRA TAX INCREMENT FINANCING (TIF) COLLECTION

TYPE	SOURCE	AMOUNT
CURRENT YEAR TAXABLE VALUE IN CRA REDEVELOPMENT AREA 2005 – B3 – N. Courtenay Parkway	DOR DR420 TIF Sec. 1 (1)	\$74,600,162
BASE YEAR TAXABLE VALUE IN CRA	DOR DR420 TIF Sec. 1 (2)	\$50,549,420
CURRENT YEAR TAX INCREMENT VALUE	DOR DR420 TIF Sec. 1 (3)	\$24,050,742
PRIOR YEAR FINAL TAXABLE VALUE IN THE TAX INCREMENT AREA	DOR DR420 TIF Sec. 1 (4)	\$67,233,508
PRIOR YEAR TAX INCREMENT VALUE (LINE 4 MINUS LINE 2)	DOR DR420 TIF Sec. 1 (5)	\$16,684,088
PORTION ON WHICH THE PAYMENT IS BASED	DOR DR420 TIFSEC. 2 (6A)	95%
DEDICATED INCREMENT VALUE	DOR DR420 TIFSEC. 2 (6B)	\$22,848,205
AMOUNT PAID TO MIRA TRUST FUND IN PRIOR YEAR	DOR DR420 TIFSEC. 2 (6C)	\$72,094

TYPE	SOURCE	AMOUNT
CURRENT YEAR TAXABLE VALUE IN CRA REDEVELOPMENT AREA 2014 – B4 – Barge Canal & Cone Road	DOR DR420 TIF Sec. 1 (1)	\$196,984,920
BASE YEAR TAXABLE VALUE IN CRA	DOR DR420 TIF Sec. 1 (2)	\$86,165,030
CURRENT YEAR TAX INCREMENT VALUE	DOR DR420 TIF Sec. 1 (3)	\$110,819,890
PRIOR YEAR FINAL TAXABLE VALUE IN THE TAX INCREMENT AREA	DOR DR420 TIF Sec. 1 (4)	\$170,714,710
PRIOR YEAR TAX INCREMENT VALUE (LINE 4 MINUS LINE 2)	DOR DR420 TIF Sec. 1 (5)	\$84,549,680
PORTION ON WHICH THE PAYMENT IS BASED	DOR DR420 TIFSEC. 2 (6A)	95%
DEDICATED INCREMENT VALUE	DOR DR420 TIFSEC. 2 (6B)	\$105,278,896
AMOUNT PAID TO MIRA TRUST FUND IN PRIOR YEAR	DOR DR420 TIFSEC. 2 (6C)	\$332,188

Total \$1,317,702



2022-23 ANNUAL OPERATING AND CAPITAL BUDGET

MIRA's budget for FY 2021-22 was \$6,251,983.

\$5,772,456 is budgeted for MIRA's Capital Improvements Program (CIP) in 2022-23 to cover the following projects:

- Bandshell amphitheater
- Bus shelters
- Veteran's park improvements
- Merritt Square Mall area redevelopment
- North 520 stormwater
- Plumosa stormwater
- Courtenay parkway corridor barrier wall improvements
- S. Courtenay to Cone Road widening
- Barge canal boardwalk plan
- Borman Drive complete street

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Year Ending September 30, 2022

**MERRITT ISLAND REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF
BREVARD COUNTY, FLORIDA)**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

As of and for the Year Ended September 30, 2022

And Reports of Independent Auditor

MERRITT ISLAND REDEVELOPMENT AGENCY
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Report of Independent Auditor

To the Honorable Board of Directors
Merritt Island Redevelopment Agency
Merritt Island, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the General Fund of Merritt Island Redevelopment Agency (the "Agency"), a component unit of Brevard County, Florida, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Agency'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 respective financial position of the governmental activities and the General Fund of the Agency, as of September 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with 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 Agency'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 Agency's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2023, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

Cherry Bekaert LLP

Orlando, Florida
March 29, 2023

MERRITT ISLAND REDEVELOPMENT AGENCY MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2022

As management of the Merritt Island Redevelopment Agency (the "Agency"), we offer readers of the Agency's financial statements this narrative overview and analysis of the Agency's financial activities for the fiscal year ended September 30, 2022. We encourage readers to consider the information presented here in conjunction with additional information that has been furnished in the financial statements and notes to the financial statements.

The Agency is a discretely presented component unit of Brevard County, Florida (the "County"), and the financial information detailed in this report is also contained in the Brevard County, Florida Annual Comprehensive Financial Report.

Financial Highlights

- The Agency's assets exceeded its liabilities at September 30, 2022 by \$4,058,846 (net position). All of this amount is restricted as the funds are to be used solely for revitalization projects located within the boundaries of the Agency.
- The Agency's net position increased by \$721,355 compared to the previous year's amount.

Overview of the Financial Statements

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

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

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

The statement of activities presents information showing how the Agency's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, expenses are reported in this statement for some items where the related cash outflow will occur in future fiscal periods.

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

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

**MERRITT ISLAND REDEVELOPMENT AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS**

SEPTEMBER 30, 2022

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

Required supplementary information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information.

The Agency adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Agency, assets exceeded liabilities by \$4,058,846 at the close of the most recent fiscal year. This compares with \$3,337,491 at the close of the previous fiscal year, an increase of \$721,355.

The change in net position can primarily be attributed to the following factors:

- Cash equivalents increased \$352,904 during fiscal year 2022 as a result of limited construction projects during 2022 compared to 2021 and changes in other balance sheet items.
- Total liabilities decreased \$12,937 primarily as a result of timing of vouchers and contracts payable.

	Net Position	
	2022	2021
Assets		
Current assets	\$ 4,397,945	\$ 3,689,527
Total assets	<u>\$ 4,397,945</u>	<u>\$ 3,689,527</u>
Liabilities		
Current liabilities	\$ 96,710	\$ 189,879
Noncurrent liabilities	242,389	162,157
Total liabilities	<u>\$ 339,099</u>	<u>\$ 352,036</u>
Net Position		
Restricted:		
Merritt Island	\$ 4,058,846	\$ 3,337,491
Total net position	<u>\$ 4,058,846</u>	<u>\$ 3,337,491</u>

**MERRITT ISLAND REDEVELOPMENT AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS**

SEPTEMBER 30, 2022

Governmental Activities

Governmental activities increased the Agency's net position by \$721,355 in fiscal year 2022, compared to a decrease of \$719,279 in the prior fiscal year. Total revenues increased by \$149,385 from last year primarily as a result of \$400,000 in state grant funding and a \$155,931 decrease in investment return.

Total expenses decreased by \$1,291,249, primarily as a result of many more redevelopment initiatives underway in the prior fiscal year, including grants to individual and private organization property owners to convert to the County's sewer system, construction on the Veterans' Memorial Park, and various other projects.

	Changes in Net Position	
	2022	2021
Revenues		
General revenues:		
Taxes	\$ 1,239,275	\$ 1,217,484
Other general revenues	292,626	165,032
Total general revenues	<u>1,531,901</u>	<u>1,382,516</u>
Expenses		
Program expenses	<u>810,546</u>	<u>2,101,795</u>
Change in net position	721,355	(719,279)
Net position beginning	<u>3,337,491</u>	<u>4,056,770</u>
Net position ending	<u>\$ 4,058,846</u>	<u>\$ 3,337,491</u>

Economic Factors and Conditions

The Agency's major source of revenue, taxes, are based on Brevard County's property tax collections, which are affected by property values and millage rates set by the County.

Requests for Information

This financial report is designed to provide a general overview of the Agency's finances for all those with an interest in such. Questions concerning any of the information should be addressed to the Executive Director, 2575 N. Courtenay Parkway, Suite 207, Merritt Island, Florida 32953.

BASIC FINANCIAL STATEMENTS

MERRITT ISLAND REDEVELOPMENT AGENCY
STATEMENT OF NET POSITION

SEPTEMBER 30, 2022

ASSETS	
Cash equivalents	\$ 3,996,306
Due from other governmental units	<u>401,639</u>
Total Assets	<u><u>\$ 4,397,945</u></u>
LIABILITIES	
Vouchers and contracts payable	<u>\$ 96,710</u>
Noncurrent Liabilities:	
Due Within One Year:	
Accrued compensated absences	1,189
Due in More than One Year:	
Accrued compensated absences	8,744
Accrued personnel costs	<u>232,456</u>
Total Noncurrent Liabilities	<u>242,389</u>
Total Liabilities	<u><u>\$ 339,099</u></u>
NET POSITION	
Restricted for:	
Merritt Island	<u>\$ 4,058,846</u>
Total Net Position	<u><u>\$ 4,058,846</u></u>

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

MERRITT ISLAND REDEVELOPMENT AGENCY
STATEMENT OF ACTIVITIES

YEAR ENDED SEPTEMBER 30, 2022

General Revenues:	
Taxes - other	\$ 1,239,275
Contributions	13,000
Intergovernmental	401,639
Investment loss	<u>(122,013)</u>
Total General Revenues	<u>1,531,901</u>
Program expenses	<u>810,546</u>
Change in net position	721,355
Net position, beginning of the year	<u>3,337,491</u>
Net position, end of the year	<u><u>\$ 4,058,846</u></u>

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

MERRITT ISLAND REDEVELOPMENT AGENCY
BALANCE SHEET –
GENERAL FUND

SEPTEMBER 30, 2022

ASSETS	
Cash equivalents	\$ 3,996,306
Due from other governmental units	<u>401,639</u>
Total Assets	<u>\$ 4,397,945</u>
 LIABILITIES	
Vouchers and contracts payable	<u>\$ 96,710</u>
 DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue	<u>1,639</u>
 FUND BALANCE	
Restricted	<u>4,299,596</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 4,397,945</u>
 Reconciliation of the Balance Sheet to the Statement of Net Position:	
Amounts reported in the statement of net position differ from amounts reported above as follows:	
Fund Balance - General Fund	\$ 4,299,596
Assets are not available to pay for current period expenditures and, therefore, are deferred in the funds	1,639
Long-term liabilities are not due and payable in the current period and, therefore, are not reported above.	<u>(242,389)</u>
Net Position of Governmental Activities	<u>\$ 4,058,846</u>

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

MERRITT ISLAND REDEVELOPMENT AGENCY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
GENERAL FUND

YEAR ENDED SEPTEMBER 30, 2022

Revenues:	
Taxes - other	\$ 1,239,275
Contributions	13,000
Intergovernmental	400,000
Investment loss	<u>(122,013)</u>
Total Revenues	<u>1,530,262</u>
Expenditures:	
Economic environment	<u>730,314</u>
Total Expenditures	<u>730,314</u>
Net change in fund balance	799,948
Fund balance, beginning	<u>3,499,648</u>
Fund balance, ending	<u>\$ 4,299,596</u>

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of the General Fund to the Statement of Activities:

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

Net change in fund balance-general fund	\$ 799,948
Some revenues reported in the Statement of Activities do not provide current resources due to being unavailable and, therefore, are not reported as revenues in governmental funds.	1,639
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>(80,232)</u>
Change in Net Position of Governmental Activities	<u>\$ 721,355</u>

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

MERRITT ISLAND REDEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2022

Note 1—Summary of significant accounting policies

Merritt Island Redevelopment Agency (the "Agency") was established pursuant to Section 163.387, Florida Statutes, and Ordinance 89-28, as amended by 90-188. The Agency's primary activity is the redevelopment in the Merritt Island area through the collection of incremental taxes.

The Agency is funded primarily by tax increment revenues collected and remitted by the Brevard County, Florida, Tax Collector. 95% of the tax revenues generated as a result of increases on property values ("tax increment") within the redevelopment area boundaries are placed in the Agency's Trust Fund.

The accounting policies of the Agency conform to accounting principles generally accepted in the United States of America. The following is a summary of the more significant policies:

Reporting Entity – The Agency is a legally separate entity with no component units. A seven-member volunteer Board of Directors (the "Board") is responsible for providing the oversight to the Agency. All Board members are recommended for appointment by the District 2 County Commissioner of the Brevard County Board of County Commissioners and are approved for appointment by the Brevard County Board of County Commissioners. A major portion of the Agency's funding is derived from tax increment revenues. Therefore, the Agency, for financial reporting purposes, is considered a discretely presented component unit of Brevard County, Florida (the "County"). The financial statements of the Agency are included in Brevard County, Florida's Annual Comprehensive Financial Report under a discrete presentation format.

Basis of Accounting – Government fund financial statements are organized for reporting purposes on the basis of a general fund, the Agency's major fund, which accounts for all activities of the Agency and is accounted for using the modified accrual basis of accounting. Revenues are recognized when they become measurable and available as net current assets. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Agency considers all revenues available if collected within 60 days after year-end. Expenditures are recognized when the related fund liability is incurred.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Fund Balance / Net Position – Fund balance for the Agency is reported in classifications that comprise a hierarchy based primarily on the extent to which the Agency is bound to honor constraints on the specific purposes for which amounts of the fund can be spent. Fund balances are classified either as nonspendable or as spendable. Spendable fund balances are further classified in a hierarchy based on the extent to which there are external and internal constraints on the spending of these fund balances. These classifications are described as follows:

Nonspendable fund balances include amounts that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact. As of September 30, 2022, the Agency did not have any fund balance that was classified as nonspendable.

Spendable fund balances are classified based on a hierarchy of the Agency's ability to control the spending of these fund balances.

Restricted fund balances are fund balance amounts that are constrained for specific purposes by external parties, such as creditors, grantors, or contributors; constitutional provisions; or enabling legislation.

MERRITT ISLAND REDEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2022

Note 1—Summary of significant accounting policies (continued)

Committed fund balances are fund balances constrained for specific purposes by formal action of the District's highest level of decision making authority. Committed fund balances are reported pursuant to resolutions approved by the Governing Board and can only be modified or rescinded through resolutions approved by the Governing Board.

Assigned fund balances are fund balances intended to be used for specific purposes, but which are neither restricted nor committed.

Unassigned fund balances represent the residual positive fund balance within the general fund, which has not been assigned to other funds and has not been restricted, committed, or assigned.

For purposes of fund balance classification, the Agency considers restricted funds to have been spent first when both restricted and unrestricted fund balance is available, followed in order by committed, assigned, and unassigned amounts, as applicable.

The government-wide financial statements utilize a net position presentation. Net position can be categorized as net investment in capital assets, restricted or unrestricted. The Agency does not have any net position categorized as net investment in capital assets or unrestricted as of September 30, 2022. Restricted net position represents amounts that are restricted by requirement of enabling legislation. When both restricted and unrestricted resources are available for use, it is the Agency's policy to use restricted resources first, and then unrestricted resources as they are needed.

Accrued Compensated Absences – It is the Agency's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation and a portion of sick pay is accrued when earned and a liability is reported in the government-wide financial statements. A liability is reported in the governmental funds only if a liability results from employee resignations/retirements and they are to be paid with current operating funds. Estimates have been utilized to determine the amount to report as the current portion.

Accrued Personnel Costs – The statement of net position includes a noncurrent liability related to accrued personnel costs. This represents the Agency's liability for pension and other postemployment fringe benefit costs related to the Agency's contracted use of County employees.

Deferred Inflows of Resources – In addition to liabilities, the Balance Sheet includes a separate section for deferred inflows of resources. This represents an acquisition of fund balance and net assets that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time.

Budget – On or before September 30 of each year, the Agency's Board adopts an annual budget sufficient to support the anticipated work program for the year. The budget includes revenues from all sources legitimately available to the Agency. The Agency's Board can legally amend the budget to the extent deemed necessary, provided the budget remains in balance at the fund level. Agency management, other than the Board, cannot amend or transfer appropriations. For the year ended September 30, 2022, no excess of expenditures over appropriations at the legal level of budgetary control occurred.

The budget is adopted on a basis consistent with accounting principles generally accepted in the United States.

Use of Estimates – The preparation of the financial statements requires management to make use of estimates that affect reported amounts. Actual results could differ from those estimates.

MERRITT ISLAND REDEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2022

Note 2—Cash equivalents

All funds of the Agency are invested with the County's cash and investment pool, which consists of the County's cash and investments and that of the component units. There are no restrictions on the Agency's ability to withdraw funds from the County's pool, so all amounts are considered cash equivalents. All cash equivalents are stated at fair value, based on the Agency's investment portion of the fair value of the County's pooled investments. The County's investment pool is not rated.

The Agency's investment policy is established in accordance with the Sections 125.01 and 218.415, Florida Statutes. The policy permits investing directly in or through the County's investment pool, which is authorized to invest in the following: State Board of Administration, state of Florida, direct obligations of the United States Government, obligations of the different agencies of the federal government, Corporate Notes, Commercial Paper, Municipal Bonds, Intergovernmental Investment Pools, Supranationals, Asset-Backed Securities, Multi-Asset Class Portfolio Investments (including both Domestic and International Equities, Emerging Market Debt, Real Estate Investment Trusts-REITS, and Treasury Inflation Protected Securities – TIPS), Registered Investment Companies (Mutual Funds) and time deposits or savings accounts of financial institutions under federal and state regulation.

Note 3—Summary of long-term liabilities

The following is a summary of changes in long-term liabilities during the year ended September 30, 2022:

	<u>October 1,</u> <u>2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>September 30,</u> <u>2022</u>	<u>Due within</u> <u>one year</u>
Governmental activities:					
Accrued compensated absences	\$ 19,163	\$ -	\$ 9,230	\$ 9,933	\$ 1,189
Accrued personnel costs	142,994	89,462	-	232,456	-
Total governmental activities					
long-term liabilities	<u>\$ 162,157</u>	<u>\$ 89,462</u>	<u>\$ 9,230</u>	<u>\$ 242,389</u>	<u>\$ 1,189</u>

Accrued compensated absences and accrued personnel costs are liquidated with resources of the Agency's only fund, the General Fund, through which the related employees' regular salaries and fringe benefits were paid.

Note 4—Related party transactions

The Agency is a discretely presented component unit of Brevard County, Florida. For the year ended September 30, 2022, the Agency's tax increment revenues include \$1,239,275 received from the County.

MERRITT ISLAND REDEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2022

Note 5—Community redevelopment agency

As explained in Note 1, Merritt Island Redevelopment Agency is a discretely presented component unit in the County's Annual Comprehensive Financial Report. As required by Florida Statute, additional information regarding Agency's financial activity during the year ended September 30, 2022 is as follows:

Sources of deposits:	
County tax increment	\$ 1,239,275
Contributions	13,000
Intergovernmental	46,125
Miscellaneous	<u>(122,013)</u>
Total deposits	<u>\$ 1,176,387</u>
Purpose of withdrawals:	
Economic environment	<u>\$ 823,483</u>

The Agency does not have pledged incremental revenues or has not incurred any debt to carry out its activities.

REQUIRED SUPPLEMENTARY INFORMATION

MERRITT ISLAND REDEVELOPMENT AGENCY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL - GENERAL FUND

YEAR ENDED SEPTEMBER 30, 2022

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes - other	\$ 1,574,407	\$ 1,574,407	\$ 1,239,275	\$ (335,132)
Contributions	-	-	13,000	13,000
Intergovernmental	1,337,719	1,337,719	400,000	(937,719)
Miscellaneous	19,206	19,206	(122,013)	(141,219)
Total Revenues	2,931,332	2,931,332	1,530,262	(1,401,070)
Expenditures:				
Economic environment	6,772,610	6,398,550	730,314	5,668,236
Total Expenditures	6,772,610	6,398,550	730,314	5,668,236
Net change in fund balance	(3,841,278)	(3,467,218)	799,948	(7,069,306)
Fund balance, beginning	3,841,278	3,467,218	3,499,648	32,430
Fund balance, ending	\$ -	\$ -	\$ 4,299,596	\$ 4,299,596

SUPPLEMENTARY REPORTS

Report of Independent Auditor 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 Honorable Board of Directors
Merritt Island Redevelopment Agency
Merritt Island, Florida

We have audited, 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, the financial statements of the governmental activities and the General Fund of Merritt Island Redevelopment Agency (the "Agency"), a component unit of Brevard County, Florida, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated March 29, 2023.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Cherry Bekaert LLP

Orlando, Florida
March 29, 2023

Independent Auditor's Management Letter

To the Honorable Board of Directors
Merritt Island Redevelopment Agency
Merritt Island, Florida

Report of the Financial Statements

We have audited the financial statements of the governmental activities and the General Fund of Merritt Island Redevelopment Agency (the "Agency"), a component unit of Brevard County, Florida, as of and for the year ended September 30, 2022, and have issued our report thereon dated March 29, 2023.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Report of Independent Auditor on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, and Report of Independent Accountant on Compliance with Local Government Investment Policies and Community Redevelopment Agency Requirements. Disclosures in those reports, which are dated March 29, 2023, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. Such disclosure is included in the notes to the financial statements. There were no component units related to the Agency.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the Agency 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, the results of our tests did not indicate the Agency met 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 Agency. It is management's responsibility to monitor the Agency's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

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

Specific Information

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the Agency provided the following information (unaudited):

- a. The total number of Agency employees compensated in the last pay period of the fiscal year as 3.
- b. There are no independent contractors to whom nonemployee compensation was paid in the last month of the Agency's fiscal year.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$158,755.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$7,059.
- e. Each construction project with a total cost of at least \$65,000 approved by the Agency that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as listed below:

Project Name	Budget	Inception Date	Expenditures to Date
South Courtenay Widening	\$ 925,940	10/1/2021	\$ -

- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the Agency amends a final adopted budget under Section 189.016(6), Florida Statutes, as \$374,060.

Additional Matters

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

Purpose of this Letter

The purpose of this management letter is to communicate certain matters prescribed by Chapter 10.550, Rules of the Auditor General. Accordingly, this management letter is not suitable for any other purpose.

Cherry Bekaert LLP

Orlando, Florida
March 29, 2023

**Report of Independent Accountant on Compliance with
Local Government Investment Policies and Community
Redevelopment Agency Requirements**

To the Honorable Board of Directors
Merritt Island Redevelopment Agency
Merritt Island, Florida

We have examined Merritt Island Redevelopment Agency's (the "Agency") compliance with the local government investment policy requirements of Section 218.415, Florida Statutes, and the community redevelopment agency requirements of Section 163.387, Florida Statutes, during the year ended September 30, 2022. Management of the Agency is responsible for the Agency's compliance with the specified requirements. Our responsibility is to express an opinion on the Agency's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Agency complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Agency complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe 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 other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

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

The purpose of this report is to comply with the audit requirements of Sections 218.415 and 163.387, Florida Statutes, and Rules of the Auditor General.

In our opinion, the Agency complied, in all material respects, with the local investment policy requirements of Section 218.415, Florida Statutes, and the community redevelopment agency requirements of Section 163.387, Florida Statutes, during the year ended September 30, 2022.

Cherry Bekaert LLP

Orlando, Florida
March 29, 2023

City of Palm Bay Bayfront Community Redevelopment Agency 2022 Annual Report

I. Introduction, Mission and Overview

The City established the Bayfront Community Redevelopment District as a Community Redevelopment Agency (CRA) in 1999. The Bayfront Community Redevelopment Agency (Bayfront CRA) is due to sunset in 2024. A CRA is defined as a separate public entity created by the local municipality in order to implement redevelopment activities outlined in Chapter 163 of the Florida Statutes. The mission of the Bayfront CRA is to remove and reduce blight in the District, facilitate economic renewal and attract new capital investment.

The goal of the Agency, as stated in the adopted redevelopment plan, is to develop, redevelop, and revitalize the area over a 30-year period. The adopted vision of the Bayfront Redevelopment Plan is to have the District be redeveloped as an attractive, inviting, and economically successful community with residential, commercial, retail, and mixed-use development. This planned regional destination includes an active waterfront village for the enjoyment of all Palm Bay residents.

Fiscal Year 2022 Overview

An annual report of the Bayfront Community Redevelopment Agency (Bayfront CRA) for the fiscal year ending on September 30, 2022 is submitted herewith pursuant to Chapters 163.365(3)(c) and 163.371 of the Florida Statutes.

This report consists of the activities of the Agency and an unaudited financial statement of the Agency as reported by the City of Palm Bay's Comprehensive Annual Financial Report, Fiscal Year 2022.

A copy of the audited financial statement will be included herein following the completion of the City of Palm Bay's Comprehensive Annual Financial Report, Fiscal Year 2022, expected at the end of May 2023.

District Year in Review

In June 2022, the CRA sold property located at 1582 Water Drive NE to Palm Bay Landing, LLC. The site sits along Palm Bay's waterfront and was purchased as part of a land assemblage for a large-scale mixed-use future development project to include multi-family and commercial.

On May 4, 2022, the BCRA executed a purchase contract for 1626 Orange Blossom Trail NE, the sale is anticipated to be completed in March 2023. The CRA has two other properties located at 1608 Orange Blossom Trail NE (Tax ID: 2832603) and the parcel just north of 1608 Orange Blossom Trail NE (Tax ID: 2866312) for sale.

The Bayfront CRA sold the following properties in FY2022: 1582 Water Drive NE.

Total Assessed Taxable Value

The Fiscal Year (FY) 2022 Bayfront Community Redevelopment Agency witnessed another year of increased revenue due to steadily increasing property values within the redevelopment district.

As reported by the Brevard County Property Appraisers Office, the 2021 certified taxable property values within the Bayfront redevelopment district was \$254,737,028, and the 2020 certified taxable value totaled \$233,837,970. The 2021 certified taxable property value represents a net increase of nine (9) percent or \$20,899,058 in taxable property value for over the Fiscal Year. In 2020 certified taxable property value represented a four (4) percent increase.

Tax Revenues

Redevelopment activity within District provided the Bayfront CRA increased tax revenues to \$1,651,448, a 12.4 percent increase over 2021 (\$1,469,578).

The City portion of the increment equaled \$1,122,984.64 (68%) while the Brevard County portion totaled \$528,463.36 (32%) for FY 2022.

Expenditures

Expenditures for the Fiscal Year 2022 totaled \$987,829 with \$342,000 allocated to debt service.

Though the FY 2022 approved budget provided \$1,145,095 in total operational expenses, to include \$631,462 reimbursed to Brevard County for unexpended funds from Fiscal Year 2021 per the Interlocal Agreement (ILA) between Brevard County, City of Palm Bay and Bayfront CRA executed on October 8, 2019. The CRA also initiated a transfer of \$1,340,011 to reimburse the City's General Fund for similar unexpended funds from the previous Fiscal Year 2021.

II. Board Members and Staff

In Fiscal Year 2017, Palm Bay City Council revised the composition of the Agency's governing body. Changes included the establishment of each City Councilman as a

Bayfront CRA Commissioner to serve congruently with their term of office with the Mayor and Deputy Mayor serving as Chairman and Vice-Chairman respectively. The Board also includes two at-large citizen commissioners that are appointed by City Council. As of September 30, 2022, the Board Commissioners were as follows:

Members

Rob Medina, Chairperson

Kenny Johnson, Vice-Chairperson

Donny Felix, Commissioner

Randy Foster, Commissioner

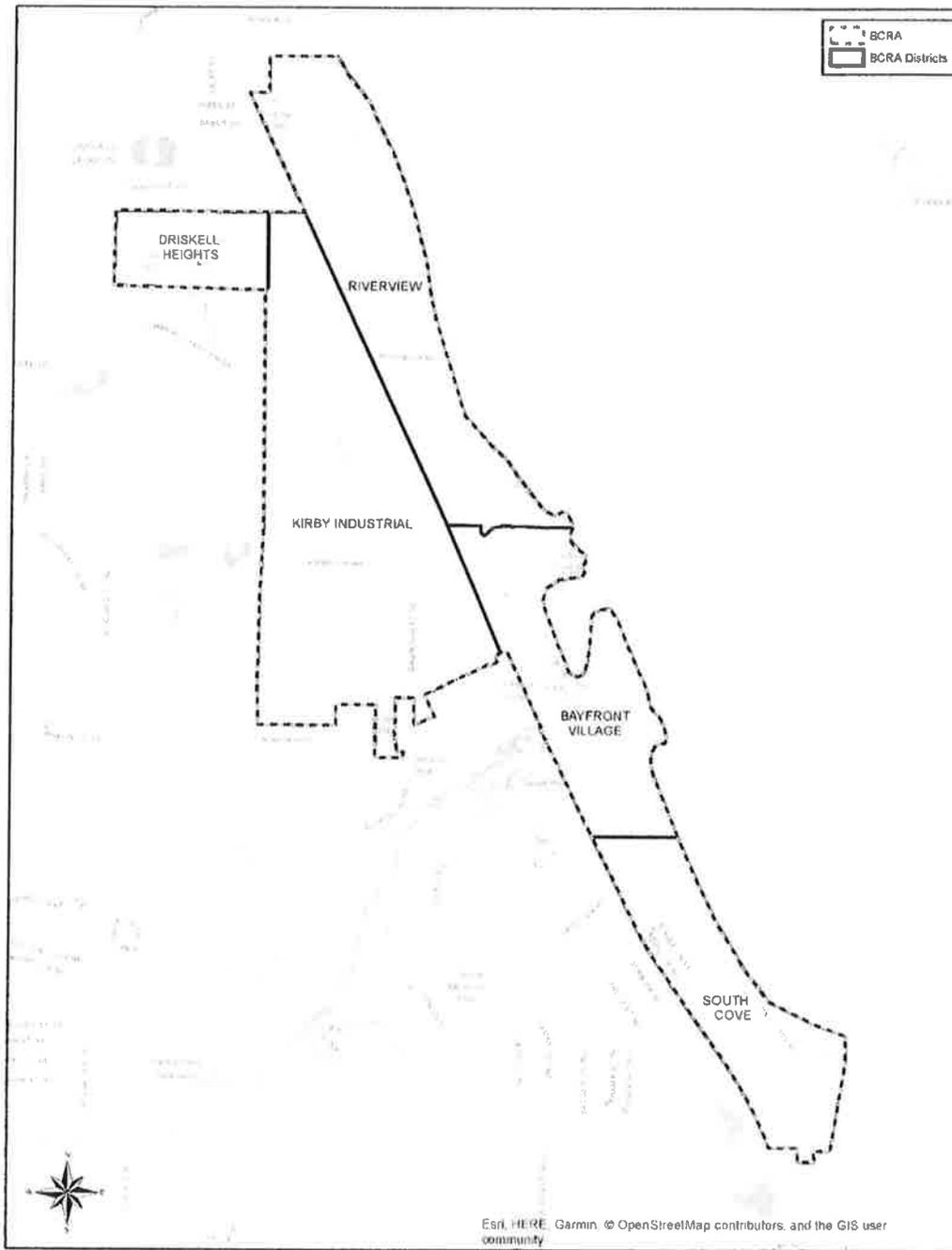
Peter Filiberto, Commissioner

Phillip Weinberg, Commissioner At-Large

Vicki Northrup, Commissioner At-Large

III. Boundary Lines

The Bayfront Community Redevelopment District is a four-mile section of US Highway 1, bound by the city limits of the City of Melbourne on the north and the Town of Malabar on the south. The Indian River Lagoon makes up the eastern boundary and the western boundary runs south from the US Highway 1 and University Boulevard intersection for approximately 500 feet, then west to the Florida East Coast (FEC) Railroad; south along the railroad about 2,200 feet; west along the city limits at Florida Avenue to Lipscomb St.; south on Lipscomb St. to Doreatha Fields Ave. (also known as Pacific Ave.); east on Doreatha Fields Ave. to Northview St.; south on Northview St. to R. J. Conlan Blvd.; south on R. J. Conlan Blvd. to Palm Bay Road; east on Palm Bay Road including those parcels abutting the south side of Palm Bay Road to the FEC Railroad; and south on the FEC Railroad to the Malabar town limits.



IV. History

a. Creation Date

In 1994, the Bayfront Community Redevelopment District was determined to be an area of slum and blight, and in 1999 the Bayfront Community Redevelopment District 2024 Plan was adopted by the City of Palm Bay. The Bayfront Community Redevelopment Agency will sunset 25 years from the date of establishment on May 4, 2024.

b. Plan Amendment Dates

The Bayfront CRA did not conduct a Plan Amendment; however, in October 2009, the CRA commissioned MSCW, Inc. to observe and document the conditions of slum and blight. These findings have been reported in the Plan under Appendix A Field Inventory and Analysis.

c. Applicable Resolution(s) and Ordinances

The City created the Agency pursuant to City Resolution 99-20 and approved its Community Redevelopment Plan after the County delegated its authority under Chapter 163, Part III, Florida Statutes, as set forth in County Resolution 99-11. The City created a tax increment redevelopment trust fund (Agency tax increment fund) pursuant to section 163.387, Florida Statutes under City Ordinance 99-19.

On October 8, 2019, the Brevard County Board of County Commissioners adopted Resolution 2019-198 modifying the delegation of the powers of the City of Palm Bay, revoking the City's authorization to issue bonds, pledge funds, incur debt, obtain loans, and limiting all other financial activities of the Bayfront CRA.

V. District Area Projects Overview

Castaway Point Park: The City of Palm Bay received a Coastal Partnership Initiatives grant from the Florida Department of Environmental Protection (FDEP) Agency in the amount of \$60,000 for the Castaway Point Park Restoration and Enhancement Project, which includes repairs to the north and south pier boardwalks, upgrades to the lighting and restroom facilities, and educational signage. This grant opportunity will fund the first phase of a two-phase park enhancement project.

This 2.5 acre park, built in 1998, is located in the Bayfront District and serves as a local recreational facility and a regional eco-tourism destination which is perfectly placed on the Indian River Lagoon. As part of the National Estuary Program (NEP), the Lagoon is an estuary of national significance and is included in the Indian River Lagoon (IRL)

National Scenic Byway as offering one of the few natural, white-sand beaches along this federally designated waterway.

The second phase will include the relocation of existing parking to City-owned parcels northeast of US 1 and Bay Boulevard. Phase two will increase green space at the park and implement low impact development design standards by incorporating permeable parking pavers to reduce the pollution of the Indian River Lagoon from stormwater runoff. Also proposed in phase two is the installation of new park signage and a nutrient-separating baffle box at the outfall located at the corner of US 1 and Bay Boulevard. There is no cost estimate or start date for the second phase, although the City will seek out grant and other funding opportunities in the 2023 fiscal year.

Commercial Property Enhancement Program: Through the City's Commercial Property Enhancement Program (CPEP), three (3) businesses located in the Bayfront District were awarded grant funds for façade improvements to their commercial buildings.

CPEP is a performance-based reimbursement grant awarded to applicants to encourage private investment and improvements to the exterior frontage of commercial properties located on major transportation corridors in Palm Bay. The CPEP is intended to enhance and improve the street view of the built environment from the public perspective. The businesses and their respective improvements included:

- Kilmer Properties – 2901 Palm Bay Rd. NE: Stucco repair and paint to the entire exterior of the building (including window frames), the addition of an ADA-accessible ramp (including aluminum & concrete) on the east side of the plaza, and a new set of stairs. *Estimated project completion is 2023.*
- Sea Tech & Fun USA, LLC (dba AquaTech Marine) – 2723 Palm Bay Rd. NE: Removal of old pole sign and installation of a new internally illuminated double-sided freestanding pole sign. *Project completed February 2023.*
- Rooney's, Inc. – 2641 Palm Bay Rd. NE: Landscaping enhancements, installation of drip irrigation system and rehab of an existing well, installation of decorative lighting, including electrical, and restriping of the parking lot. *Estimated project completion is 2023.*

All applicants were given priority to funding due to being located in the Bayfront CRA.

Other Projects:

- Big Johnson Concrete Placement – 2726 Kirby Circle, NE
 - Building Size: 3,600 square feet
- Conlan Bay Storage - Robert J. Conlan Blvd. & Lemon Tree Lane NE
 - Building Size: 96,174 square feet
 - Estimated Completion Date: 2023
- Equipment Share – 2571 Transom Circle NE
 - Building Size: 9,821 square feet
 - Estimated Completion Date: 2023

- Lanta Warehouse – 2724 Kirby Circle NE
 - Building Size: 3 Buildings; Total 19,400 square feet
 - Estimated Completion Date: 2023

VI. Financial Reports

a. Balance Sheet

See Attachment A – Financial Section (Unaudited)

b. Statement of Revenues, Expenditures & Changes in Fund Balances

See Attachment A – Financial Section (Unaudited)

c. Summary of Projects, Grants & Debt

See Attachment A – Financial Section (Unaudited)

VII. Performance Information

a. Total Projects started, completed, and estimated cost for each project:

Brevard County Resolution 2019-198 prohibits the Bayfront CRA from undertaking any new projects that would commit Agency funds. There were no new CRA-funded projects in FY 2022.

b. Number of jobs created and sector of the economy from which these jobs were created within the CRA

There were no jobs created as a direct result of the projects and activities of the Bayfront CRA.

c. Number of jobs retained within the CRA

There were no jobs retained as a direct result of the projects and activities of the Bayfront CRA.

d. Assessed Property Values

When the CRA was enacted in 1998, the base property assessed value was \$100,372,760. The 2022 assessed property value was \$254,737,028 with a current year increment value of \$154,364,268.

e. Affordable Housing

No CRA funds have been expended for affordable housing projects in FY 2022.

ATTACHMENT “A”

Fiscal Year 2022 Financial Reports (*unaudited*)

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET
AND ACTUAL – BAYFRONT COMMUNITY REDEVELOPMENT AGENCY
For Fiscal Year Ended September 30, 2022 (unaudited)**

REVENUES	Budget	Actual Amounts	Variance with Budget - Positive (Negative)
Taxes	\$ 1,637,391	\$ 1,637,391	\$ -
Investment Income	6,400	14,057	(7,657)
Total Revenues	1,643,791	1,651,448	(7,657)
EXPENDITURES	Budget	Actual Amounts	Variance with Budget - Positive (Negative)
Current:			
Economic Environment	1,145,095	638,662	506,433
Capital Outlay	-	-	-
Debt Service: Principal Retirement	342,000	342,000	-
Interest and Fiscal Charges	7,167	7,167	-
Total Expenditures	1,494,262	987,829	506,443
Excess (Deficiency) of Revenues Over (Under) Expenditures	149,529	663,619	498,776
OTHER FINANCING SOURCES	Budget	Actual Amounts	Variance with Budget - Positive (Negative)
Transfers Out	(1,340,011)	(1,340,011)	-
Proceeds from Sale of Capital Assets	214,830	177,606	37,224

OTHER FINANCING SOURCES	Budget	Actual Amounts	Variance with Budget - Positive (Negative)
Total Other Financing Sources	(1,125,011)	(1,162,405)	37,224
Net Change in Fund Balance	\$ (975,652)	\$ (498,786)	\$ 536,000
Fund Balance - Beginning	No amount in cell -	1,971,473	No amount in cell -
Fund Balance - Ending	No amount in cell -	\$ 1,472,687	No amount in cell -

BALANCE SHEET – BAYFRONT COMMUNITY REDEVELOPMENT AGENCY
September 30, 2022 (unaudited)

	Bayfront Community Redevelopment Agency Fund	
ASSETS		
Cash and Cash Equivalents		\$ 3
Investments		1,472,735
Total Assets		\$ 1,472,738
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts Payable		\$ 51
Total Liabilities		51
LIABILITIES AND FUND BALANCES		
Fund Balances:		
Restricted		1,472,687
Total Fund Balances		1,472,687
Total Liabilities, Deferred Inflows of Resources and Fund Balances		\$ 1,472,738

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

City of Palm Bay, Florida

Financial Section

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
Bayfront Community Redevelopment Agency
For Fiscal Year Ended September 30, 2022 (unaudited)

REVENUES	Bayfront Community Redevelopment Agency Fund	
Taxes		\$ 1,637,391
Investment Income		14,057
Total Revenues		1,651,448
EXPENDITURES	Bayfront Community Redevelopment Agency Fund	
Current:		
Economic Environment		638,662
Debt Service: Principal Retirement		342,000
Interest and Fiscal Charges		7,167
Total Expenditures		987,829
Excess (Deficiency) of Revenues Over Expenditures		663,619
OTHER FINANCING SOURCES (USES)	Bayfront Community Redevelopment Agency Fund	
Transfers Out		(1,340,011)

OTHER FINANCING SOURCES (USES)

**Bayfront
Community
Redevelopment
Agency Fund**

Proceeds from Sale of Capital Assets	177,606
Total Other Financing Sources and Uses	1,162,405
Net Change In Fund Balances	(498,786)
Fund Balances - Beginning	1,971,473
Fund Balances - Ending	\$ 1,472,687

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



ROCKLEDGE *Florida*
Preserving the past....planning the future

Community Redevelopment Agency 2022 Annual Report

Community Redevelopment Agency
City Hall – 1600 Huntington Lane
Rockledge, FL 32955
Phone: 321-221-7540

Fiscal Year 2021-2022
Published March 2023

About the City of Rockledge

The City of Rockledge was founded on August 7, 1887, making it the first incorporated municipality in Brevard County. The name "Rockledge" is attributed to Gardner S. Hardee, an early settler, and comes from his observation of the many ledges of coquina rock that line the Indian River in an area Hardee originally referred to as "Rock Ledge".

Operating under a Council-Manager form of government, the City of Rockledge is well known for its political stability. The City Council reflects an enduring legislative legacy of public service and longevity and had itself been served by only two city managers from 1963 to 2016, when the third Rockledge City Manager began her tenure.

As a full-service community, the City of Rockledge provides Law Enforcement, Fire and advanced medical life support, Solid Waste and Recycling collection, Building services, Wastewater and Water reclamation, Stormwater management, and a Public Works Department.

The City of Rockledge, strategically located in the geographic center of Brevard County on Florida's east coast, is a hub to a number of major thoroughfares, including U.S. Highway 1 and Interstate 95 giving direct passage to all continental U.S. points north and south. State Roads 520 and 528 provide easy access to Orlando, the Orlando International Airport and the west coast of Florida. The Florida East Coast Railway also runs parallel to U.S. Highway 1.

The City of Rockledge is approximately 13 square miles and as of the 2020 Census, approximately 27,678 residents call Rockledge home. Although the City of Rockledge is primarily a residential community, it does have a stable base of clean, light industry and a growing variety of commercial and retail businesses to meet the needs of its residents. Anchored by Steward Health Care Rockledge Regional Medical Center, the city is home to six public schools, three private schools and churches of various denominations. Along with considerable assets more often found in larger urban centers, the City of Rockledge greatly benefits from a high level of community engagement bringing the charm of a "hometown" feel to those who reside in and visit the city.

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I. Annual Report Requirements

Chapter 163.371 (2) of the Florida Statutes, requires that Community Redevelopment Agencies file an annual report of their financial activities with the taxing authorities by March 31st of each year for the preceding fiscal year. The details in this report comply with Brevard County and the State of Florida requirements for annual reporting on the Community Redevelopment Agency.

City of Rockledge
Community Redevelopment Agency
1600 Huntington Ln, Rockledge, FL 32955
321-221-7540 x 112 / Fax 321-204-6356
cra@cityofrockledge.org



March 23, 2023

CERTIFIED MAIL# 7022 0410 0001 7291 3645

Sherrill F. Norman, CPA
Florida Auditor General
111 West Madison St
Claude Pepper Building, Suite G74
Tallahassee, FL 32399-1450

RE: Rockledge Community Redevelopment Agency Annual Report

Ms. Norman:

In accordance with Florida Law (Chapter 163, Part III) you will find attached the submittal of the Rockledge Community Redevelopment Agency's Annual Report for fiscal year 2021-2022. The Community Redevelopment Agency Annual Report was filed with the City of Rockledge on March 23, 2023. If you have any questions in regards to this submittal, please feel free to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "John W. Cooper".

John W. Cooper
Planning Director
jcooper@cityofrockledge.org

CC: Florida Department of Financial Services
Florida Department of Economic Opportunity
Brevard County Property Appraiser
Rockledge Community Redevelopment Agency
Rockledge City Council
Brevard County Board of Commissioners
Brevard County Manager

II. Mission, Overview and History

Mission:

The mission of the Rockledge Community Redevelopment Agency is to:

- Foster revitalization of the specifically identified sub-districts through public investments in order to improve infrastructure and aesthetics, resulting in an inviting area in which the private sector will want to more actively invest;
- Create a wide variety of opportunities to generate interest in and return people to the City of Rockledge to live, shop and work;
- Pursue economic development opportunities, while also serving as a liaison and advocate for the existing business community.

The vision of the Agency is to:

- Stimulate economic growth;
- Promote private-sector development opportunities;
- And maintain a safe and prosperous community.

...all while enhancing the quality of life for the City's families and citizens.

Overview:

The Rockledge Community Redevelopment Agency was originally established on January 23, 2002. The Community Redevelopment Agency is divided into four sub-districts. Sub-District 1 is the Florida Avenue sub-district that encompasses the commercial areas along Florida Avenue from the northern city limits south to Orange Avenue. Sub-District 2 is the Barton Boulevard sub-district which serves as an important connector route, linking the residential areas surrounding Fiske Boulevard with the residential communities along the riverfront and offering passage through the commercial core of Barton Boulevard. Sub-District 3 is the Rockledge Boulevard (U.S. Highway 1) sub-district that starts just south of Eyster Boulevard and goes south on U.S. Highway 1 to Barnes Boulevard. Sub-District 4 is the Barnes Boulevard sub-district which starts just east of Fiske Boulevard and goes all the way to Riomar Drive.

Per the 2018 inter-local agreement between the City of Rockledge and Brevard County, the Community Redevelopment Agency will sunset on September 30, 2026.

History:

- A. The Community Redevelopment Agency was created on January 23, 2002
- B. The plan was amended on December 5, 2012
- C. Applicable Resolution(s) and Ordinances:
 - i. Resolution 2002 - 481
 - ii. Resolution 2012 - 721

III. Board Members and Staff

The Rockledge Community Redevelopment Agency Board of Commissioners is comprised of several members in the community. As of the end of the 2021-2022 fiscal year (September 30, 2022) below is the team who believes in the future vision of the Community Redevelopment Agency and moving it closer to that goal.

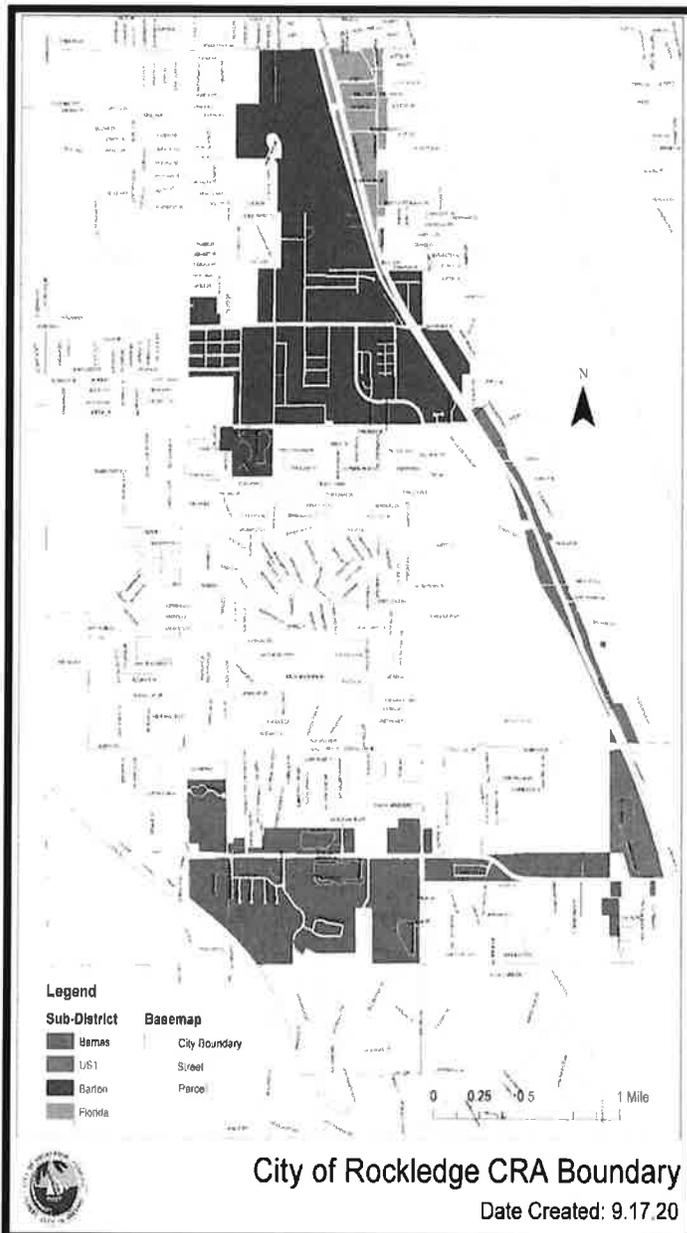
Board of Commissioners	
Edward Inman	Chairman
Janet Monaco	Vice Chair
Frederick Sanders	Commissioner
Steve Lum	Commissioner
David Bucher	Commissioner
Al Siefert	Commissioner
April Fearon	Commissioner

City Staff	
Dr. Brenda Fettrow	City Manager (Registered Agent)
Joseph Miniclier	Agency Attorney
Matthew Trine	Finance Director/Asst City Manager
John W. Cooper	Planning Director
Jennifer LeVasseur	Recording Secretary

IV. Community Redevelopment Agency Boundary Lines

After determining it was necessary to tackle the blighted conditions that were threatening the City's commercial core, the City of Rockledge created four contiguous sub-districts, which together comprise the entire Rockledge Community Redevelopment District.

Focused around the City's major arteries and collector roadways these four sub-districts include:



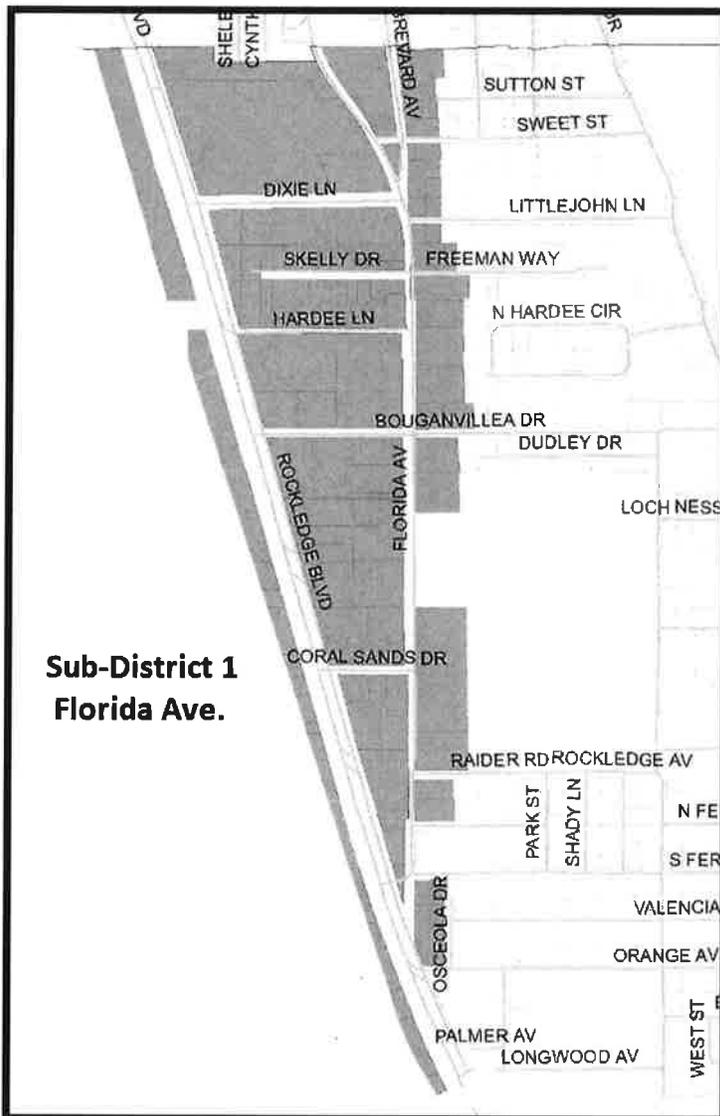
- Sub-District 1: Florida Avenue
- Sub-District 2: Barton Boulevard
- Sub-District 3: U.S. Highway 1
- Sub-District 4: Barnes Boulevard

The Rockledge Community Redevelopment District covers about 2,794 acres and does not contain any portion of the City's industrial area.

IV. Community Redevelopment Agency Boundary Lines Sub-District 1: Florida Avenue

The Florida Avenue Sub-District encompasses the commercial areas along Florida Avenue in the northern portion of Rockledge. This sub-district also includes U.S. Highway 1 (Rockledge Boulevard) from the northern City limits, south to Orange Avenue.

Currently, a number of medical offices that serve to support Rockledge Regional Medical Center maintain a strong presence in this sub-district, and, in adhering to the principles of the Agency's Community Redevelopment Plan, this area will continue to be promoted as a medical hub for the central Brevard area.

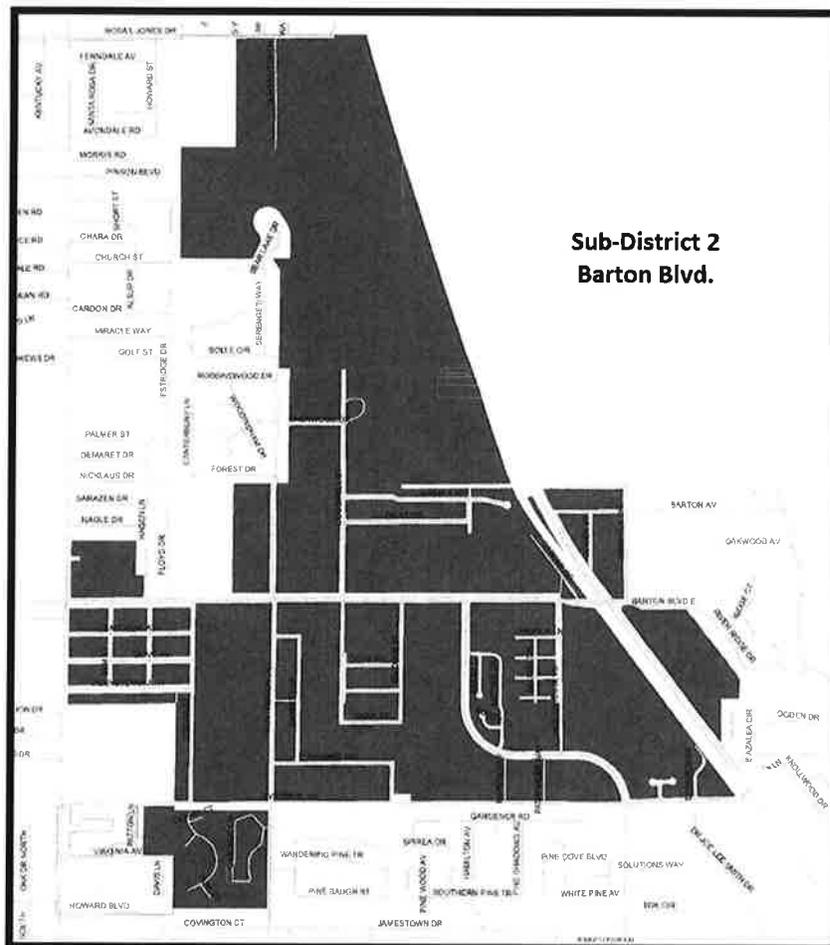


IV. Community Redevelopment Agency Boundary Lines Sub-District 2: Barton Boulevard

Barton Boulevard serves as one of the most important connector roadways in the City of Rockledge, as it links the residential areas surrounding Fiske Boulevard and the residential communities along the riverfront to the diverse commercial core of Barton Boulevard.

In 2008, this strategically located thoroughfare saw substantial enhancements, including the installation of decorative lighting, extensive landscaping, and sidewalk improvements. The wide-scale project garnered the 2009 Florida Redevelopment Association's Best Capital Project / Beautification Award.

The strategic locale of both Rockledge City Hall and Rockledge Civic Hub at Barton Boulevard and Huntington Lane in the Barton Boulevard Sub-district, serves as a focal point for events and community gatherings. These events have a dual purpose in that they engage the community, but they also bring exposure and publicity to the businesses along this corridor.

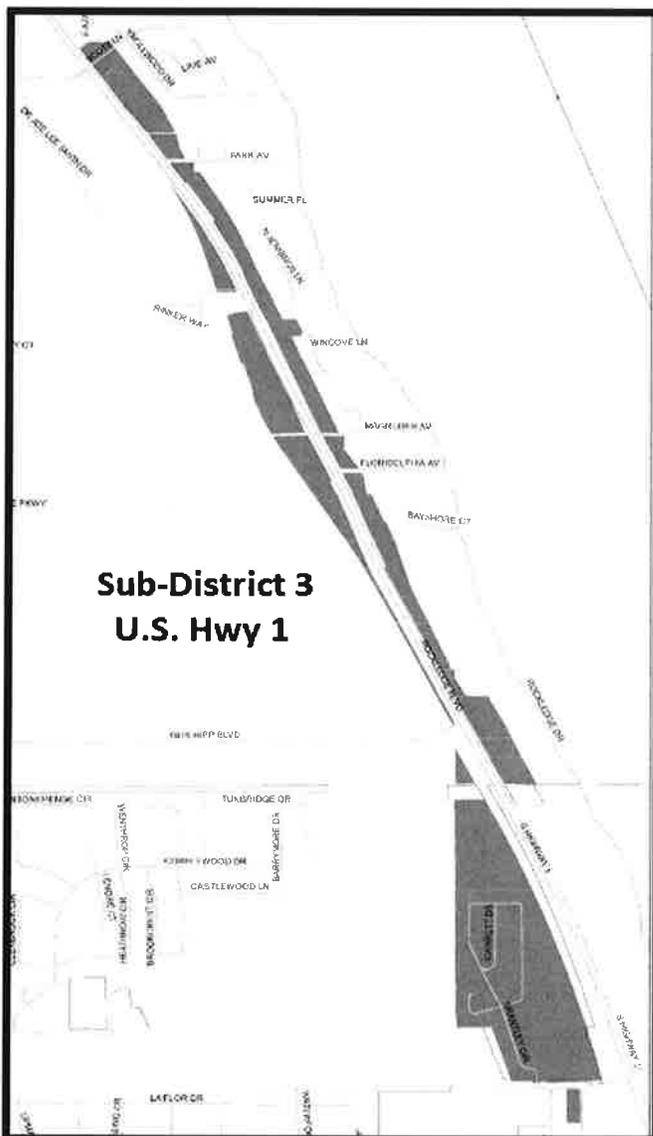


IV. Community Redevelopment Agency Boundary Lines Sub-District 3: U.S. Highway 1

The widening of U.S. Highway 1 was completed in 2010, and a grand re-opening celebration was held in December of that year to commemorate this landmark achievement.

Stylish lighting, picturesque landscaping, aesthetic signage, and new, meandering sidewalk designs were incorporated into the project.

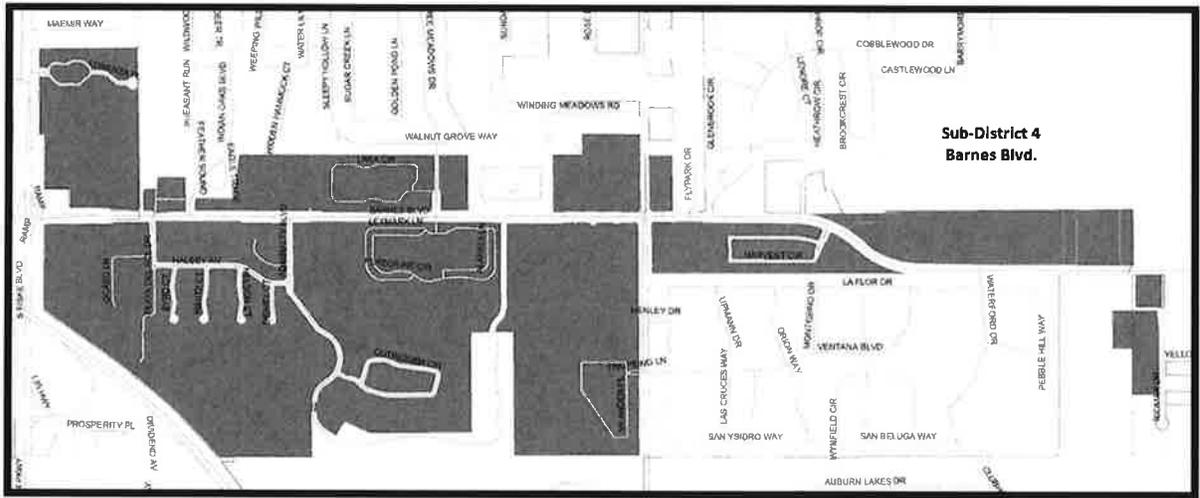
Through the Façade Improvement Grant Program, a significant number of businesses have entered into façade grant renovations and additions which greatly lift the visual appeal of the entire area. The Community Redevelopment Agency looks forward to continuing these vital business community endeavors.



IV. Community Redevelopment Agency Boundary Lines

Sub-District 4: Barnes Boulevard

Throughout the past several years, the Barnes Boulevard Redevelopment Sub-District has attracted the majority of new development. This development is highly desirable for the City of Rockledge and the Redevelopment District, but led to an increased strain on the existing infrastructure. As a result, in 2014, the City of Rockledge invested approximately \$2 million into the Brevard County Road Widening Project, which widened Barnes Boulevard from two lanes to four lanes from Fiske Boulevard to just east of Murrell Road. This project was completed in 2018. And as of June 2021, by resolution, Brevard County conveyed that section of Barnes Boulevard to the City of Rockledge.



V. Projects Overview

Since the inception of the Rockledge Community Redevelopment Agency in 2002, there have been many significant projects that have made an impact and exemplified the objective of redevelopment.

Critical roadway improvements, infrastructure, transformative and reuse endeavors have been of significant importance and have served as a channel for growth as well as renewed interest from the private-sector in retail and commercial investment in the City of Rockledge and the Community Redevelopment District.

- Signage: U.S. Highway 1 Gateway and Barton Boulevard Business District
- Public-Private Partnerships such as the creation of outparcels at Three Meadows Plaza
- Barton Boulevard Streetscape Project – recognized in 2009 with Florida Redevelopment Association’s “Best Capital Project Beautification” Award
- Phases I through V drainage improvements with the Cocoa-Rockledge Land Company
- Acquisition of Barton Boulevard properties for future mixed-use development
- Adaptive reuse project transforming the former police station into an office complex and reading room and book repository
- Barnes Boulevard widening and future roadway enhancements
- Florida Avenue Improvement Project – Phase 1 – Roadway milling, resurfacing, striping, and reflective pavement markers
- Civic Hub completion
- Completion of a Market Study of the Barton Boulevard and Florida Avenue sub-districts
- Acquisition of a mixed-use parcels located to the east side of Huntington Lane, north of City Hall
- Completion of the Lake Betsi/Don Griffin Trail resurfacing project which included the installation of an 8-foot sidewalk from Rockledge Flats Apartments to the new trail entrance along Angela Avenue

V. Projects Overview

The State of Florida, in its 2019 legislation, required that Community Redevelopment Agencies report on the total number of projects started and completed and the estimated cost for each project.

Total Projects in FY 2021-2022	Total	Total costs
Façade Improvement Grants		
Carryover projects from FY 2020-2021	4	\$39,672.53
New Projects started in FY 2021-2022	6	\$11,699.62
Projects Completed in FY 2021-2022	7	\$48,372.15
Projects still in progress at end of FY	3	\$30,000.00
Neighborhood Improvements		
Don Griffin Trail – resurface (Completed)	Complete	\$555,145
EV Charging Stations	Complete	\$5,950
Community Art Project		
Traffic Signal Control Box Art Wraps	Completed	\$6,600.00
Engineering / Design		
Business Flare Consultant	Completed	\$39,577.36
Barton Road Diet	In-progress	\$13,627.20
Barnes Beautification	Started	\$118,560.66
Multipurpose Community Center	Started	\$19,200.00

V. Projects Overview

Community Redevelopment Agency Completed Project Don Griffin Trail

Lake Betsi/Don Griffin Trail resurfacing project which included the installation of an 8-foot sidewalk that connected the apartments at Rockledge Flats to the Don Griffin Trail; and repaving the existing trail to make it more accessible to all. This project was completed in August 2022 in preparation for the City's Inaugural 5K Walk/Run which was scheduled for October 2022.



Before



After



Before



After



Before



After

V. Projects Overview

Community Redevelopment Agency Completed Project Traffic Signal Control Box Art

While maintaining a positive sense of community for Rockledge, a local resident and artist requested that the City of Rockledge consider bringing some type of artwork to our city. In particular, the concept has been proposed to affix art wraps to several traffic control boxes located in Rockledge to add some fun and colorful scenes around the city. This project was completed in March 2022.

In conjunction with FDOT, five locations were chosen in CRA Sub-District 3 (U.S. Highway 1) and 1 location in CRA Sub-District 4 (Barnes Blvd).



Rockledge Boulevard / Florida Avenue



Rockledge Boulevard / Barton Boulevard



Rockledge Boulevard / Longwood Avenue



Barnes Boulevard / Murrell Road



Rockledge Boulevard / Eyster Boulevard



Rockledge Boulevard / Rockledge Square

V. Projects Overview

Façade Improvement Grant Program

Outside of projects principally funded and managed by the Rockledge Community Redevelopment Agency, the Community Redevelopment Agency also administers a Façade Improvement Grant Program, which has been extremely successful in improving the aesthetics of properties located within the Community Redevelopment Agency. Since it was started in 2004, the Façade Improvement Grant Program has issued 128 grants and paid out over \$919,000 in grant award money, which represents approximately 3.7 million dollars invested by business owners located throughout the Community Redevelopment Agency. In FY 2022, seven façade improvement grants were awarded, which includes four projects that carried over from FY 2021 and three projects that were approved and completed in FY 2021.

Façade Improvement Grants carried over from FY 2020-2021			
Business Name	Address	Grant amount	Cost of Project
BeachFly Brewing Company	513 Barton Boulevard	\$9,672.53	\$24,402.00
JPA Properties II, LLC (exterior repair/paint)	920 Barton Boulevard	\$10,000.00	\$75,000.00
Thrifty Specialty Produce & Meats Rockledge LLC (wall signs)	920 Barton Boulevard	\$10,000.00	\$48,020.00
Hutton Rockledge MF, LLC	256 Barton Boulevard	\$10,000.00	\$26,105.00
Façade Improvement Grants Approved/In progress at end of FY 2021-2022			
Business Name	Address	Grant amount	Cost of Project
JPA Properties II, LLC (parking lot)	920 Barton Boulevard	\$10,000.00	\$48,020.00
Thrifty Specialty Produce & Meat Rockledge, LLC (landscape)	920 Barton Boulevard	\$10,000.00	\$75,000.00
Pockets & Putters, LLC	575 Barton Boulevard	\$10,000.00	\$23,192.45
Façade Improvement Grants Approved/Completed in FY 2021-2022			
Business Name	Address	Grant amount	Cost of Project
BeachFly Brewing Company	513 Barton Boulevard	\$9,672.53	\$24,402.00
JPA Properties II, LLC (exterior repair/paint)	920 Barton Boulevard	\$10,000.00	\$75,000.00
Thrifty Specialty Produce & Meats Rockledge LLC (wall signs)	920 Barton Boulevard	\$10,000.00	\$48,020.00
Hutton Rockledge MF, LLC	256 Barton Boulevard	\$10,000.00	\$26,105.00
Goin Property	1670 Fiske Blvd	\$2,700.00	\$5,400.00
The Heath Bar Rockledge, LLC	1854 Rockledge Blvd	\$1,630.10	\$4,811.95
Pizza Vola Rockledge, LLC	910 Barton Blvd #1	\$4,369.52	\$9,780.36

V. Projects Overview

Façade Improvement Grants

In FY 2022, the Façade Improvement Grant Projects included new signage, new entranceways, exterior painting, and landscape improvements. The changes made by local business owners and property owners, both large and small, made an impact to the appearance of their business by adding curb appeal to the area.

In March 2021, the property at 920 Barton Blvd was purchased by JPA Properties II, LLC. Renovations of the older, mostly vacant shopping plaza began in July 2021 with repair of the exterior of the property and a new coat of paint. JPA Properties invested approximately \$75,000.00 to update the façade of this plaza.



Thrifty Specialty Produce & Meats Rockledge, LLC, the anchor tenant for 920 Barton Blvd added new signage which gave this plaza the first step in the desperately needed makeover. Thrifty Specialty Produce & Meats invested approximately \$48,000 for signage.



V. Projects Overview

Façade Improvement Grants

Pizza Vola Rockledge, LLC, 910 Barton Blvd #1 was one of the first tenants who submitted paperwork for their restaurant at the secondary building in the same plaza as above. New signage and wayfinding for the drive thru for this restaurant.



BeachFly Brewing Company, 513 Barton Boulevard. This tenant had a custom mural created along with additional landscape in the front while they were doing renovations for the new brewery.



V. Projects Overview

Façade Improvement Grants

Hutton Rockledge MF, LLC, 256 Barton Blvd. New signage for Rockledge Flats Apartment Homes.



The Health Bar, FL, LLC, 1854 Rockledge Blvd. A small business that took advantage of the Façade Improvement Grant Program for wall signage, vinyl decals on the windows and landscape.



Goin Property, 1670 Fiske Blvd. The grant was to repaint the multi-tenant commercial building as the neighboring properties were under renovations.



VI. Financial Reports

A. Balance Sheet (Full Accrual)

FY 2021-2022 Assets:	
Cash	\$1,495,138
Redevelopment Escrow	\$4,200,236
Prepaid Items	<u>\$6,052</u>
Total Assets	\$5,701,426

FY 2021-2022 Liabilities:	
Accounts Payable	\$117,382
Other Current Liabilities	\$300
City Loan Debt Service – Long Term	\$0
City Loan Debt Service – Current	<u>\$0</u>
Total Liabilities	\$117,682

B. Statement of Revenues, Expenditures & Changes in Fund Balances (Modified Accrual)

FY 2021-2022 Revenues:	
Increment Financing (County)	\$1,054,081
Misc. income	\$1,635
ARPA Grant Fund	\$191
Increment Financing (City)	\$1,508,564
Interest	<u>\$3,687</u>
Total Revenue	\$2,568,158

FY 2021-2022 Expenditures:	
Personnel costs	\$48,542
Debt Service	\$254,056
Operating Expenditures	\$19,810
Capital Projects & Grants	\$827,212
Legal	<u>\$16,800</u>
Total Expenditures	\$1,166,420

FY 2021-2022 Changes in Fund Balance	
Fund Balance – Beginning of the Year	\$4,182,006
Net Activity FY 2021-2022	<u>\$1,401,738</u>
Fund Balance	\$5,583,744
Less long-term debt	<u>(\$0)</u>
Net Position	\$5,583,744

VI. Financial Reports

C. Summary of Projects, Grants and Debt

The Community Redevelopment Agency engages in a variety of different activities to improve the district. The outbreak of COVID-19 and the variants in this past fiscal year has limited the ability to hold public events and fully engage in any large-scale redevelopment projects. Furthermore, despite the COVID-19 outbreak, numerous businesses still took advantage of the façade improvement program with 6 grants awarded during the fiscal year. One façade improvement grant which carried over from the previous fiscal year and nine others were started and completed in the 2021-2022 fiscal year. During this fiscal year, the Community Redevelopment Agency has honored its debts and is utilizing its working budget for improvements to the districts to create and maintain the property values for the residents and businesses within its boundaries. When the Community Redevelopment Agency sunsets in September of 2026 there will be no debt.

VII. Performance Information

A. Total projects started, completed and estimate cost for each project:

Façade Improvement Grants		
Carryover or New Projects	Total	Amount
Carryover projects from FY 2020-2021	4	\$39,672.53
New projects in FY 2020-2021	6	\$11,699.62
Completed or Ongoing Projects	Total	Amount
Projects completed in FY 2021-2022	7	\$48,372.15
Projects still ongoing at end of FY 2021-2022	3	\$30,000.00

Community Art Projects FY 2020-2021		
Completed	Traffic Signal Control Box Art Wraps	\$6,600.00
Engineering/Design FY 2020-2021		
New Project Started	Barnes Beautification	\$27,280.00
New Project Started	Multipurpose Community Center	\$19,200.00
Neighborhood Improvements FY 2020-2021		
Project Completed	Don Griffin Trail	\$418,543.40

B. Number of Jobs created and sector of the economy from which these jobs were created within the Community Redevelopment Agency: *Although the Agency had two projects, this was completed through contractors who hired a variety of subcontractors to complete the projects. The number of direct jobs created is not known at this time and they were temporary through the time of the project.*

C. Number of Jobs retained within the Community Redevelopment Agency: *Although the Agency had two projects through a contractor, those jobs were temporary through the time of the project. The City of Rockledge has a list of properties developed or redeveloped in the district since the inception of the Agency.*

D. Assessed property values when the Community Redevelopment Agency was enacted vs. current assessed property values:

Taxable Year 2001, Fiscal Year 2002

County \$145,259,660

City \$145,259,660

Taxable Year 2021, Fiscal Year 2022

County \$490,043,819

City \$490,043,819

E. Total amount expended for affordable housing: *This is not a category eligible for Community Redevelopment Tax Increment Financing.*

VIII. Additional Annual Reporting Requirements

- A. Provide the Board of County Commissioner's the Community Redevelopment Agency's proposed budget for the upcoming fiscal year, 60 days prior to the beginning of the fiscal year: *The Community Redevelopment Agency prepares its budget in the spring and thus is compliant with the County's 60-day requirement prior to September 30, 2023.*

- B. Provide the Board of County Commissioner's any budget amendments to its operating budget within 10 days after the adoption by the Community Redevelopment Agency: *The Community Redevelopment Agency has had one budget amendment in FY 2022-2023 and complied with submitting this to the County Manager's office.*

As the Rockledge Community Redevelopment Agency positions itself to begin to consider priorities and projects to accomplish prior to its sunset, it is also a time to reflect upon the many achievements and success stories and to look forward to continued fulfillment of The Rockledge Community Redevelopment Plan.

The Agency administrators, coupled with the unfailing support and guidance of the Agency commissioners of the Rockledge Community Redevelopment Agency, will continue to bring tangible and meaningful value for the funds entrusted to the Agency and the City of Rockledge while being mindful of the goals and objectives of the Community Redevelopment Plan and adhering to its governing statutes.

City of Satellite Beach Community Redevelopment Agency

Annual Report

FY 2021/2022



Pelican Beach Park

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 - c. Number of jobs retained within the CRA
 - d. Assessed property values when CRA was enacted vs. current assessed property values
 - e. Total amount expended for affordable housing
- VIII. ADDITIONAL ANNUAL REPORTING REQUIREMENTS**
 - a. Provide the Board of County Commissioners with the CRA's proposed budget for the upcoming fiscal year, 60 days prior to the beginning of the fiscal year
 - b. Provide the Board of County Commissioners any budget amendments to its operating budget within 10 days after the adoption by the CRA.

I. COMMUNITY REDEVELOPMENT AGENCY INTRODUCTION

In partnership with Brevard County, the City of Satellite Beach created the CRA in 2002 to address aging conditions and outdated lot and access patterns along the City's commercial corridors. Since then, the CRA has completed the following in the Redevelopment District: beach access, park, and roadway projects; façade grant improvements; community policing initiatives; and land acquisition. The Community Redevelopment Plan was most recently amended September 20, 2017 by Ordinance No. 1142 to complete all remaining CRA projects by FY 2018/2019.

II. BOARD MEMBERS AND STAFF

CRA Members

Steve Osmer, Chairman

Dominick Montanaro, Vice Chair

Mindy Gibson

Jodi Rozycki

David Vigliotti

CRA Staff

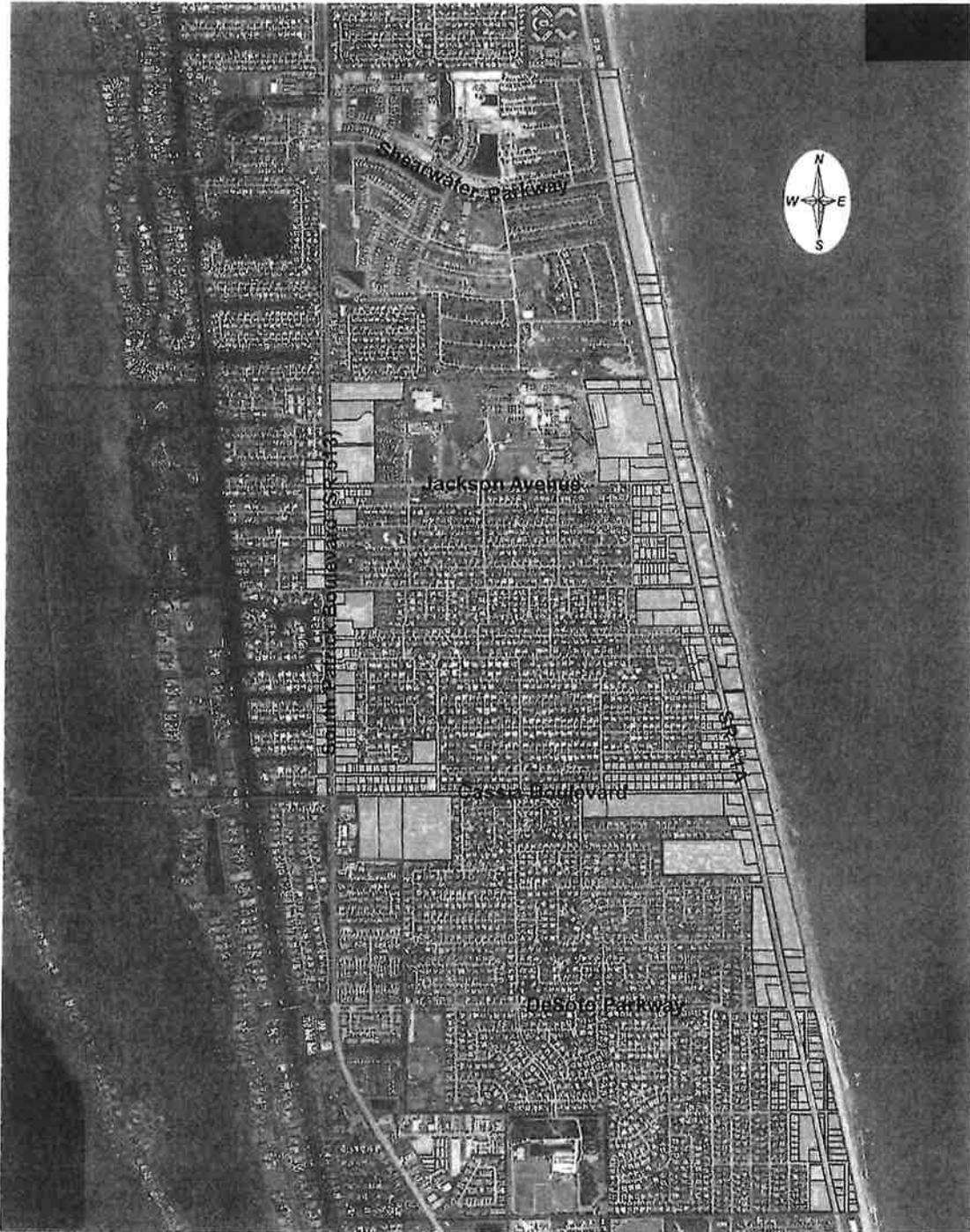
Courtney H. Barker, AICP, Executive Director

Clifford Shepard, P.A, General Counsel

Brittany Retherford, Assistant City Manager

Gwendolyn Peirce, City Clerk

III. CRA BOUNDARY LINES (yellow)



Satellite Beach Community Redevelopment District

IV. HISTORY

- a. Creation Date: June 26, 2002 Ordinance No. 836

The Brevard County Commission adopted Resolution 02-136 on May 21, 2002 delegating to the City of Satellite Beach the authority to create and operate a Community Redevelopment Agency (CRA) pursuant to Florida Statute 163.410

- b. Plan Amendments Dates: 9/17/14 Ord 1097, 2/17/16 Ord 1115, 9/20/17 Ord 1142

- c. Applicable Resolution(s) and Ordinances

1. Brevard County Resolution 02-137 – Conveying Authority
2. SB Resolution 755 – Recognizing Blight Condition Area
3. SB Ord. No. 836 – Sat Bch CRA established
4. SB Ord. No. 837 – Creating CRA Trust Fund, TIF revenue provisions
5. SB Ord. No. 849 – Creating CRA Advisory Board

V. PROJECTS OVERVIEW FY 2021/2022

The following projects were undertaken in FY 2016/2017 and were completed in FY 2020/2021.

- **Civic Center Renovations:** The Civic Center is a meeting place for numerous local community-based groups and functions to include the 55+ Club, renovations will include ADA accessible bathrooms and interior finishes to update the 1960 area meeting spaces. Preliminary engineering and concepts began in FY 2016/2017 with substantial completion of phase 1 in FY2017/2018. Phase II bid was awarded in FY 2019/2020 and was completed by the end of FY 2020/2021.

VI. FINANCIAL REPORTS:

Financial Statements and Balance Sheet (unaudited)

FY 2021/2022 CRA Financial Statement
City of Satellite Beach Community Redevelopment Agency

Balance Sheet

Assets	
Cash and Equivalents	\$ 622,584
Investments	\$ 121,684
Prepaid Expenses	\$ -
Total Assets	\$ 744,268
Liabilities	
Accounts Payable	\$ 744,268
Due to Other Funds	\$ -
Due to Other Governments	\$ -
Total Liabilities	\$ 744,268
Reserves/Balances	
Fund Balance - Reserves	\$ -
Change in Fund Balance	\$ 0
Total Reserves/Balance	\$ 0
Total Liabilities & Reserves	\$ 744,268

[continued next page]

Income Statement

	Original Budget	Final Budget	Actual
Revenues			
Taxes (County Portion)	\$ 876,279	\$ 876,279	\$ 876,279
Interest	\$ 1,500	\$ 3,228	\$ 3,228
Other Miscellaneous Revenues			
Designated Fund Balance	\$ -	\$ -	\$ -
Transfer From General Fund (TIF)	\$ 2,156,238	\$ 2,156,238	\$ 2,156,238
Total Revenues	<u>\$ 3,034,017</u>	<u>\$ 3,035,745</u>	<u>\$ 3,035,745</u>
Expenditures			
Operating Expenses:			
Banking Fees	\$ 100	\$ 13	\$ 13
Operating Expenses	\$ 3,000	\$ 5,500	\$ 5,500
Tuition, Membership, & Publication	\$ 175	\$ 175	\$ 175
Total:	<u>\$ 3,275</u>	<u>\$ 5,688</u>	<u>\$ 5,688</u>
Non-Operating Expenses:			
Brevard Co. Excess TIF Refund	\$ 760,397	\$ 744,268	\$ 744,268
Transfer to General Fund - Excess	\$ 1,774,259	\$ 1,822,173	\$ 1,822,173
Total:	<u>\$ 2,534,656</u>	<u>\$ 2,566,441</u>	<u>\$ 2,566,441</u>
Debt Services:			
CRA Line of Credit - Principal	\$ 386,800	\$ 382,800	\$ 382,800
CRA Line of Credit - Interest	\$ 109,286	\$ 82,219	\$ 82,219
Total:	<u>\$ 496,086</u>	<u>\$ 465,019</u>	<u>\$ 465,019</u>
Capital Outlay:			
Masters A1A Streetscape	\$ -	\$ -	\$ -
Civic Center Renovations	\$ -	\$ -	\$ -
Total:	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Expenditures:	<u>\$ 3,034,017</u>	<u>\$ 3,037,148</u>	<u>\$ 3,037,148</u>
Net Effect for Fund Type Special Revenue	<u>\$ -</u>	<u>\$ (1,403)</u>	<u>\$ (1,403)</u>

VI. FINANCIAL REPORTS CON'T

c. Summary of Projects, Grants and Debt

Summary of Projects

Civic Center Renovations

Grants

None

Debt

CRA Line of Credit with Bank of America

VII. PERFORMANCE INFORMATION

- a. Total projects started, completed, and estimate cost for each project.
 - The Civic Center Project Phase 1 was started in Fiscal Year 2017 and was 95% completed in Fiscal Year 2018 with one payment made in Fiscal Year 2019 to complete Phase 1. Phase 1 was completed; Phase 2 began in Fiscal Year 2020, most of the work has been completed, and was 100% completed by June 30, 2021.
- b. Number of jobs created and sector of the economy from which these jobs were created within the CRA.
 - No created jobs were reported to the CRA.
- c. Number of jobs retained within the CRA.
 - No retained jobs were reported to the CRA.
- d. Assessed property values when CRA was enacted vs. current assessed property values.
 - Based on the Certified Tax Taxable Value DR-420TIF, the base year taxable value for 2001 was \$124,686,190. The taxable value for 2021 was \$383,343,890.
- e. Total amount expended for affordable housing.
 - No funds were expended for affordable housing.



Satellite Beach
Community Redevelopment Agency
FINANCIAL STATEMENTS
For the Fiscal Year
Ended September 30, 2022

Satellite Beach Community Redevelopment Agency
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Year Ended September 30, 2022



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**Satellite Beach Community Redevelopment Agency
Agency Officials
Year Ended September 30, 2022**

CRA Members

**Steven L. Osmer, Chairman
Dominick Montanaro, Vice Chair
Mindy Gibson
Jodi Rozycki
David Vigliotto**

CRA Staff

**Courtney H. Barker, AICP, Executive Director
Clifford Shepard, P.A., General Counsel
Brittany Retherford, Support Services Director
Gwendolyn Peirce, City Clerk (Secretary)**



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INDEPENDENT AUDITORS' REPORT

To the Honorable Chairman and Board Members
Satellite Beach Community Redevelopment Agency

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund of the Satellite Beach Community Redevelopment Agency (the "Agency"), a component unit of the City of Satellite Beach, Florida, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Agency'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 respective financial position of the governmental activities and the major fund of the Satellite Beach Community Redevelopment Agency, as of September 30, 2022, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Satellite Beach Community Redevelopment Agency, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Satellite Beach Community Redevelopment Agency'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.

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Satellite Beach Community Redevelopment Agency'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 Satellite Beach Community Redevelopment Agency's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison 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.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 3, 2023 on our consideration of the Satellite Beach Community Redevelopment Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Satellite Beach Community Redevelopment Agency's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Satellite Beach Community Redevelopment Agency's internal control over financial reporting and compliance.

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

Melbourne, Florida
March 3, 2023



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Satellite Beach Community Redevelopment Agency Management's Discussion and Analysis

As management of the Satellite Beach Community Redevelopment Agency, Florida (the "Agency"), we offer readers of the financial statements this narrative overview and analysis of the financial activities of the Satellite Beach Community Redevelopment Agency, Florida, for the fiscal year ended September 30, 2022.

Financial Highlights

- The assets and deferred outflows of resources of the Satellite Beach Community Redevelopment Agency, Florida, exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$5,203,803 (net position). Of this amount, (\$12,863) represents the unrestricted net deficit due to recording accrued interest for the Community Redevelopment Agency Variable Rate Tax Increment Revenue Note on September 30, 2022.
- The Satellite Beach Community Redevelopment Agency, Florida's total net position increased \$273,608 over the course of this year's operations.
- The Satellite Beach Community Redevelopment Agency, Florida's operating fund reported an ending fund balance of \$0, a reduction of \$(1,404) from the prior year.

Overview of the Financial Statements

The financial section of this annual report consists of three parts – management's discussion and analysis (this section), the basic financial statements, and required supplementary information.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the Satellite Beach Community Redevelopment Agency, Florida's finances, in a manner similar to a private-sector business. All the Satellite Beach Community Redevelopment Agency, Florida's activities are reported as governmental activities in the government-wide financial statements.

The statement of net position presents information on all of the Satellite Beach Community Redevelopment Agency, Florida's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between the elements reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Satellite Beach Community Redevelopment Agency, Florida is improving or deteriorating.

The statement of activities presents information showing how the Satellite Beach Community Redevelopment Agency, Florida's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements can be found on pages 17 – 18 of this report.

Satellite Beach Community Redevelopment Agency Management's Discussion and Analysis

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Satellite Beach Community Redevelopment Agency, Florida like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

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

The Satellite Beach Community Redevelopment Agency, Florida has only one governmental fund. Information is presented in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the Satellite Beach Community Redevelopment Agency, Florida.

In general, these financial statements have a short-term emphasis and, for the most part, measure and account for cash and other assets that can easily be converted to cash. For example, amounts reported on the balance sheet include items such as cash and receivables but do not include capital assets such as land and buildings. The operating statement for governmental funds reports only those revenues that were collected during the current period or very shortly after the end of the year. Expenditures are generally recorded when incurred.

The basic governmental fund financial statements can be found on pages 19 – 22 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 23 – 37 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information (RSI) which is a comparison between the Satellite Beach Community Redevelopment Agency, Florida's adopted and final budget and actual financial results for its general fund. The Satellite Beach Community Redevelopment Agency, Florida adopts an annual budget for its general fund, and a budgetary comparison schedule has been provided to demonstrate compliance with this budget.

Required supplementary information can be found on pages 41 – 42 of this report.

Satellite Beach Community Redevelopment Agency Management's Discussion and Analysis

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of an Agency's financial position. In the case of the Satellite Beach Community Redevelopment Agency, assets exceeded liabilities by \$5,203,803 at the close of the most recent fiscal year.

The following table reflects the condensed statement of net position:

Satellite Beach Community Redevelopment Agency, Florida's Net Position

	2022	2021
Current and other assets	\$ 781,915	\$ 857,732
Capital assets	6,819,066	6,936,206
Total assets	7,600,981	7,793,938
Deferred outflows of resources	-	-
Long-term liabilities outstanding	1,602,400	1,989,200
Other liabilities	757,131	700,173
Total liabilities	2,359,531	2,689,373
Deferred inflows of resources	37,647	174,370
Net Position:		
Net investment in		
capital assets	5,216,666	4,947,006
Restricted	-	-
Unrestricted (deficit)	(12,863)	(16,811)
Total net position	\$ 5,203,803	\$ 4,930,195

By far the largest portion of the Satellite Beach Community Redevelopment Agency's net position reflects its investment in capital assets (e.g., land, buildings, improvements, equipment, and infrastructure); net of accumulated depreciation and any related debt used to acquire those assets still outstanding.

The Satellite Beach Community Redevelopment Agency uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Satellite Beach Community Redevelopment Agency, reports net investment in capital assets, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

At the end of the current fiscal year, the Satellite Beach Community Redevelopment Agency, is only able to report a positive balance in its net investment in capital assets. The Satellite Beach Community Redevelopment Agency reported an unrestricted net deficit of (\$12,863) primarily due to recording accrued interest for the Community Redevelopment Agency Variable Rate Tax Increment Revenue Note.

Satellite Beach Community Redevelopment Agency Management's Discussion and Analysis

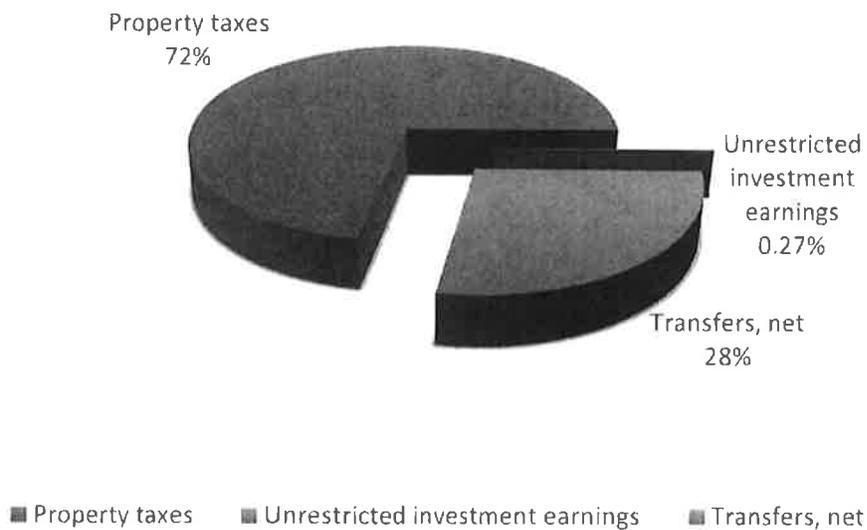
The following table shows condensed revenue and expense data:

Satellite Beach Community Redevelopment Agency, Florida's Changes in Net Position

	2022	2021
General revenues:		
Property taxes	\$ 876,279	\$ 841,822
Unrestricted investment earnings	3,228	1,079
Transfers, net	334,065	489,508
Total revenues	1,213,572	1,332,409
Program expenses:		
General government	749,957	683,233
Community development	117,140	119,251
Interest and related costs on long-term debt	72,867	99,777
Total expenses	939,964	902,261
Change in net position	273,608	430,148
Net position- beginning	4,930,195	4,500,047
Net position- ending	\$ 5,203,803	\$ 4,930,195

The Satellite Beach Community Redevelopment Agency, net position increased by \$273,608 during the current fiscal year.

Statement of Activities – Government-wide Revenues by Source



Satellite Beach Community Redevelopment Agency Management's Discussion and Analysis

Financial Analysis of the Satellite Beach Community Redevelopment Agency, Florida

As noted earlier, the Satellite Beach Community Redevelopment Agency, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the Satellite Beach Community Redevelopment Agency, governmental fund is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Satellite Beach Community Redevelopment Agency, financing requirements. In particular, fund balance may serve as a useful measure of an Agency's net resources available at the end of the fiscal year.

At the end of the current fiscal year, the Satellite Beach Community Redevelopment Agency, governmental fund reported ending fund balance of \$0, a decrease of \$1,404. Pursuant to Florida State Statute 163.387 section (7), on the last date of the fiscal year of the community redevelopment agency, any money which remains in the trust fund after the payment of expenses pursuant to subsection (6) for such year must be returned to the taxing authorities in the case of the Satellite Beach Community Redevelopment Agency, that is the City of Satellite Beach, Florida and Brevard County, Florida.

Capital Asset and Debt Administration

Capital assets. The Satellite Beach Community Redevelopment Agency, investment in capital assets as of September 30, 2022, amounts to \$6,819,066 (net of accumulated depreciation). This investment in capital assets includes land, improvements, equipment, infrastructure, and construction in progress.

Satellite Beach Community Redevelopment Agency, Florida's Capital Assets (net of depreciation)

	2022	2021
Land	\$ 2,279,018	\$ 2,279,018
Buildings	888,969	904,036
Improvements other than buildings	1,288,560	894,290
Equipment	-	1,470
Infrastructure	2,362,519	2,187,754
Construction in progress	-	669,638
Total	\$ 6,819,066	\$ 6,936,206

Additional information on the Satellite Beach Community Redevelopment Agency, Florida's capital assets can be found in Note 2 on pages 33 of this report.

Notes payable. At the end of the current fiscal year, the Satellite Beach Community Redevelopment Agency, Florida, had notes payable outstanding of \$1,602,400.

The Satellite Beach Community Redevelopment Agency, Florida's notes payable balances decreased by \$386,800 during the current fiscal year.

Satellite Beach Community Redevelopment Agency Management's Discussion and Analysis

Additional information on the City of Satellite Beach, Florida's long-term debt can be found in Note 4.D. on pages 34 – 36 of this report.

Requests for Information

This financial report is designed to provide a general overview of the Satellite Beach Community Redevelopment Agency, Florida's finances for all those with an interest in the Satellite Beach Community Redevelopment Agency, Florida's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Support Services Department, City of Satellite Beach, 565 Cassia Blvd., Satellite Beach, Florida, 32937.

BASIC FINANCIAL STATEMENTS



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**Satellite Beach Community Redevelopment Agency
Statement of Net Position - Government-wide**

<i>September 30, 2022</i>	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 622,584
Investments	121,684
Derivative instrument - interest rate swap	37,647
Capital assets not being depreciated	
Land	2,279,018
Capital assets, net of accumulated depreciation	
Buildings	888,969
Improvements other than buildings	1,288,560
Infrastructure	2,362,519
Total assets	7,600,981
LIABILITIES	
Due to other governments	744,268
Accrued interest payable	12,863
Noncurrent liabilities:	
Due within one year	403,300
Due in more than one year	1,199,100
Total liabilities	2,359,531
DEFERRED INFLOWS OF RESOURCES	
Accumulated increase in fair value of derivative instrument - interest rate swap	37,647
Total deferred inflows of resources	37,647
NET POSITION	
Net investment in capital assets	5,216,666
Unrestricted (deficit)	(12,863)
Total net position	\$ 5,203,803

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

**Satellite Beach Community Redevelopment Agency
Statement of Activities - Government-wide**

For the year ended September 30, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
General government	\$ 749,957	\$ -	\$ -	\$ -	\$ (749,957)
Community development	117,140	-	-	-	(117,140)
Interest and related costs on long-term debt	72,867	-	-	-	(72,867)
Total governmental activities	\$ 939,964	\$ -	\$ -	\$ -	(939,964)

General revenues:	
Property taxes	876,279
Unrestricted investment earnings	3,228
Transfers, net	334,065
Total general revenues	1,213,572
Change in net position	273,608
Net position, beginning of year	4,930,195
Net position, end of year	\$ 5,203,803

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

**Satellite Beach Community Redevelopment Agency
Balance Sheet – Governmental Fund**

<i>September 30, 2022</i>	Community Redevelopment Agency
ASSETS	
Cash and cash equivalents	\$ 622,584
Investments	121,684
Total assets	\$ 744,268
LIABILITIES AND FUND BALANCE	
Liabilities:	
Due to other governments	\$ 744,268
Total liabilities	744,268
Fund balance:	
Restricted	-
Total fund balance	-
Total liabilities and fund balance	\$ 744,268

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

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

As of September 30, 2022

Total fund balance for the governmental fund	\$ -
Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund.	6,819,066
Long-term liabilities are not due and payable in the current period and therefore are not reported in the fund.	(1,602,400)
Interest on long-term debt is not accrued in governmental fund but rather is recognized as an expenditure when due.	(12,863)
Net position of governmental activities	\$ 5,203,803

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

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

For the year ended September 30, 2022

	Community Redevelopment Agency
Revenues	
Taxes	\$ 876,279
Investment and other income	3,228
Total revenues	879,507
Expenditures	
Current:	
General government	749,957
Debt service:	
Principal retired	386,800
Interest and other	78,219
Total expenditures	1,214,976
Deficiency of revenues under expenditures	(335,469)
Other financing sources (uses)	
Transfers in	2,156,238
Transfers out	(1,822,173)
Net other financing sources (uses)	334,065
Net change in fund balance	(1,404)
Fund balance, beginning of year	1,404
Fund balance, end of year	\$ -

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

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

For the year ended September 30, 2022

Net change in fund balance - total governmental fund	\$ (1,404)
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>	
<p>Governmental funds report capital outlays as expenditures. However in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeds depreciation expense in the current period.</p>	(117,140)
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items, such as accrued interest.</p>	392,152
Change in net position of governmental activities	\$ 273,608

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

Satellite Beach Community Redevelopment Agency Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Satellite Beach Community Redevelopment Agency (the "Agency"), a component unit of the City of Satellite Beach, Florida (the "City" and "Primary Government"), was created to promote the rehabilitation, conservation and/or redevelopment of the Community Redevelopment Area (the "Area"). The Agency was established by the City of Satellite Beach, Florida City Council ("City Council") via Ordinance No. 755 in June 2002. The Agency is a legal entity, separate, distinct, and independent of the City. The Agency is governed by a board comprised of five commissioners who also serve as members of the City Council. The Agency does not exercise control over other governmental agencies or authorities.

Revenue sources for the Agency consist primarily of property taxes. Any bond issue authorizations are approved by the City Council and the legal liability for the general obligation portion of the Agency's debt remains with the government.

The accompanying financial statements present only the operations of the Agency and are not intended to present the financial position and results of the City of Satellite Beach, Florida. Complete financial statements for the City of Satellite Beach, Florida may be obtained at the City's administrative offices located at:

565 Cassia Blvd
Satellite Beach, Florida 32937

Government-Wide and Fund Financial Statements

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

Government-Wide Financial Statements

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

Fund Financial Statements

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements (Continued)

The Agency reports the following major governmental fund:

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

Budgetary Information

The Agency has elected, as permitted by Section 2400: *Budgetary Reporting* of the GASB Codification, to disclose all budgetary information in the notes to the required supplementary information.

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

Cash and cash equivalents

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

Investments

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

Receivables and payables

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

Capital Assets

Capital assets, which include property, improvements, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the government-wide financial statements. Capital assets are defined by the Agency as assets with an initial, individual cost of \$2,000 or more and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, improvements, and equipment are depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Building improvements	12-20
Infrastructure	60
Equipment	3-18

Deferred inflows of resources and derivative instrument

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

The Agency has engaged in an effective interest rate swap agreement and has recorded the swap agreement at fair value in accordance with Section 150: *Investments* of the GASB Codification.

Interfund Transactions

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

Long-Term Obligations

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Categories and Classification of Fund Equity

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

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

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

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

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

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

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

Satellite Beach Community Redevelopment Agency Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

Revenues and Expenditures/Expenses

Program revenues – Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues. The Agency has no program revenues in the fiscal year ended September 30, 2022.

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

Use of Estimates

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, March 3, 2023, and determined there were no events that occurred that required disclosure.

Recently Issued and Implemented Accounting Pronouncements

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

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

The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after June 30, 2023. However, if the sunset date for LIBOR as a reference rate is extended beyond this date or LIBOR continues to be published using new methodology, implementation will take place when LIBOR ceases to be published using the methodology in place as of December 31, 2021.

GASB Statement No. 96, *Subscriptions-Based Information Technology Arrangements*, provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset an intangible asset-and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

GASB Statement No. 100, *Accounting Changes and Error Corrections*, establishes accounting and financial reporting requirements for (a) accounting changes and (b) the correction of an error in previously issued financial statements (error correction). This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes.

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (continued)

This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

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

Note 2: DETAILED NOTES ON ALL FUNDS

Deposits and Investments

Deposits

The Agency pools its deposits with the Primary Government. At September 30, 2022, the Agency's carrying amount of deposits was \$622,584. \$250,000 of the Agency's deposits is covered by the Federal Depository Insurance Corporation (FDIC). Monies invested in excess of FDIC insurance coverage are secured by the qualified public depositories pledging securities with the State Treasurer in such amounts required by the Florida Security for Public Depositories Act. In the event of a default or insolvency of a qualified public depositor, the State Treasurer will implement procedures for payment of losses according to the validated claims of the Agency pursuant to Section 280.08, Florida Statutes.

Investments

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

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

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

At the close of the fiscal year, the Agency held a portion of its investments in the Local Government Surplus Funds Trust Fund ("Florida PRIME") external investment pool. The Florida PRIME is administered by the Florida State Board of Administration (SBA), who provides regulatory oversight.

Deposits and Investments (Continued)

During the year ended September 30, 2022, the Agency also participated in the Florida Public Assets for Liquidity Management (Florida PALM) external investment pool. The Florida PALM is a common law trust established under the laws of the State of Florida and is designed to meet the cash management and short term needs of its participants.

The Florida PALM fund is sponsored by the Florida School Boards Association and the Florida Association of District School Superintendents and is directed by the board of trustees.

Florida PRIME and Florida PALM currently meet all of the necessary criteria set forth in GASB Codification Section In5: *Investment Pools (External)* to measure its investments at amortized cost; therefore, the Agency's account balance in the Florida PRIME and the Florida PALM are reported at amortized cost.

Under GASB Codification Section I50: *Investments*, if a participant has an investment in a qualifying external investment pool that measures for financial reporting purposes all of its investments at amortized cost, it should disclose the presence of any limitations or restrictions on withdrawals (such as redemption notice periods, maximum transaction amounts, and the qualifying external investment pool's authority to impose liquidity fees or redemption gates) in the notes to the financial statements.

As of September 30, 2022, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit the Agency's access to 100 percent of their account value in the Florida PRIME or the Florida PALM external investment pools.

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

Interest rate risk – The Agency's investment policy does not address interest rate risk.

Credit risk – GASB Codification Section I50: *Investments* requires that governments provide information about credit risk associated with their investments by disclosing the credit rating of investments in debt securities as described by nationally recognized statistical rating organizations.

Foreign currency risk – The Agency's investments are not exposed to foreign currency risk. The Agency's investment policy does not address foreign currency risk.

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

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Deposits and Investments (Continued)

Concentration of credit risk – GASB Codification Section 150: *Investments* requires disclosures of investments in any one issuer that represents five percent or more of total investments, excluding investments issued or explicitly guaranteed by the U.S government, investments in mutual funds, external investments pools and other pooled investments. The Agency’s investment policy does not address concentration risk.

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

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

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

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

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

Investment type	Fair Value	Weighted Average to Maturity (WAM)	Rating	Agency
SBA (Florida PRIME)	\$ 88,476	50 days	AAAm	S&P
Florida PALM	33,208	26 Days	AAAm	S&P
Total	\$ 121,684			

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

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Deposits and Investments (Continued)

Interest Rate Swap

The Agency's investment in the interest rate swap derivative investment of \$37,647 is valued using a market approach that considers benchmark interest rates (Level 2 inputs).

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

Capital Assets

Capital asset activity for the year ended September 30, 2022 was as follows:

	Beginning Balance	Increases/ Transfers	Decreases/ Transfers	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 2,279,018	\$ -	\$ -	\$ 2,279,018
Construction in progress	669,638	-	(669,638)	-
Total capital assets, not being depreciated	2,948,656	-	(669,638)	2,279,018
Capital assets, being depreciated:				
Buildings	904,036	-	-	904,036
Improvements other than buildings	1,172,015	-	646,047	1,818,062
Equipment	67,577	-	(44,377)	23,200
Infrastructure	2,782,076	669,638	(601,670)	2,850,044
Total capital assets being depreciated	4,925,704	669,638	-	5,595,342
Less accumulated depreciation for:				
Buildings	-	(15,067)	-	(15,067)
Improvements other than buildings	(277,725)	(39,181)	(212,596)	(529,502)
Equipment	(66,107)	(1,470)	44,377	(23,200)
Infrastructure	(594,322)	(61,422)	168,219	(487,525)
Total accumulated depreciation	(938,154)	(117,140)	-	(1,055,294)
Total capital assets being depreciated, net	3,987,550	552,498	-	4,540,048
Governmental activities capital assets, net	\$ 6,936,206	\$ 552,498	\$ (669,638)	\$ 6,819,066

Depreciation expense of \$117,140 was charged to the Community Development function.

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

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Intergovernmental Receivables, Payables, and Transfers

Transfers for the year ended September 30, 2022:

	Transfers in:		Total
	Primary Government	Community Redevelopment Agency	
Transfers out:			
Primary Government	\$ -	\$ 2,156,238	\$ 2,156,238
Community Redevelopment Agency	(1,822,173)	-	(1,822,173)
Total	\$ (1,822,173)	\$ 2,156,238	\$ 334,065

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

Long-Term Debt and Liabilities

Notes payable

Community Redevelopment Agency Variable Rate Tax Increment Revenue Note: On May 4, 2006, the Community Redevelopment Agency entered into a loan agreement with a bank in an amount not to exceed \$8,000,000 to purchase real property and various capital improvements. The initial amount drawn on the note was \$6,250,000. Quarterly payments ranging from \$114,291 to \$117,988, including principal and interest, are due through the maturity date of May 1, 2026.

The note is secured by revenues of the Community Redevelopment Agency fund. Principal and interest paid for the current fiscal year was \$465,019. As of September 30, 2022, principal and interest to maturity in 2026 to be paid from pledged future revenues totaled \$1,719,355. At September 30, 2022, accrued interest for the Community Redevelopment Agency Variable Rate Tax Increment Revenue Note is \$12,863.

As a means of lowering its borrowing costs, when compared against fixed rate borrowings at the time of issuance in May 2006, the Agency entered into an interest rate swap agreement with the bank issuing it a \$6,250,000 variable rate note. The intention of the swap was to effectively change the Agency's variable rate note to a synthetic fixed rate of 4.23%. Under the swap agreement, the Agency pays the counterparty interest calculated at a fixed rate of 4.23%. In return, the counterparty owes the Agency interest based on 63.7% of the London Interbank Offering Rate (LIBOR) plus a spread of 0.50%. Only the net difference in the interest payments is actually exchanged with the counterparty. The \$6,250,000 in note principal is not exchanged; it is only the basis on which the interest payments are calculated. The swap agreement has a term of 20 years and a notional amount of \$1,602,400 as of September 30, 2022.

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

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Long-Term Debt and Liabilities (Continued)

The associated variable-rate note has a \$1,602,400 principal amount as of the same date and has a like term. There are no embedded options on the swap agreements and no cash was paid or received when the swap agreements were entered into.

The debt service requirements of the variable-rate debt and net swap payments are shown below assuming current interest rates remain the same. The current variable rate on the \$6,250,000 note is 1.72% as of September 30, 2022. Therefore, the interest rate related to the \$6,250,000 swap is 2.51% as of the same date, calculated as the difference between the synthetic fixed rate of 4.23% and the 1.72% variable rate.

The interest rate swap agreement has a negative fair value of \$37,647 as of September 30, 2022. The negative fair value of the swap may be countered by reductions in total interest payments required under the variable-rate note payable, creating lower synthetic rates. Because the payments on the Agency's variable-rate notes payable adjust to changing interest rates, the note payable does not have corresponding fair value increases. The fair value of the swap was obtained from the counterparty and is based on the quoted market price using the mark-to-market method. The change in fair value for the year ended September 30, 2022 is a positive of approximately \$136,723.

As of September 30, 2022, the Agency was not exposed to credit risk because the swap had a negative fair value. However, should interest rates change and the fair value of the swap becomes positive, the Agency would be exposed to credit risk in the amount of the derivatives' fair value. As of September 30, 2022, the swap's counterparty was rated AA- by Fitch. The calculation of variable interest payments is an estimate. It is calculated based upon the total interest to be paid less the calculated amount of swap interest to be paid.

The derivative (interest rate swap) contract uses the International Swap Dealers Association Master Agreement, which includes standard termination events, such as failure to pay and bankruptcy. The Agency or the counterparty may terminate the swap if the other party fails to perform under the terms of the contracts. If the swap was terminated, the variable-rate notes and bonds would no longer carry synthetic interest rates. Also, if at the time of termination a swap has a negative fair value, the Agency would be liable to the counterparty for a payment equal to the swap's fair value as of that date. As of September 30, 2022, the Agency has no intention of terminating its swap agreement.

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

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Long-Term Debt and Liabilities (Continued)

Pledged revenues and principal and interest payments are as follows:

Pledged Revenue	Amount of issue	Future Principal and Interest	Current Pledged Revenue	Current Principal & Interest	Current Percentage of Revenue
Community Redevelopment Agency Variable Rate Tax Increment Revenue Note	\$ 6,250,000	\$ 1,719,355	\$ 3,032,517	\$ 455,822	15%

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

<i>September 30,</i>	Principal	Interest	Interest (swap)	Total
2023	\$ 403,300	52,522	\$ 8,931	\$ 464,753
2024	420,700	37,438	6,683	464,821
2025	438,800	21,703	4,338	464,841
2026	339,600	5,292	1,893	346,785
Totals	\$ 1,602,400	\$ 116,955	\$ 21,845	\$ 1,741,200

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Notes from direct borrowings:					
Note payable – CRA	\$ 1,989,200	\$ -	\$ (386,800)	\$ 1,602,400	\$ 403,300
Total notes from direct borrowings	1,989,200	-	(386,800)	1,602,400	403,300
Total long-term liabilities	\$ 1,989,200	\$ -	\$ (386,800)	\$ 1,602,400	\$ 403,300

The note payable – CRA is liquidated by tax revenues received by the Community Redevelopment Agency fund.

Governmental Fund Balance

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Agency is bound to observe constraints imposed upon the use of the resources in the governmental funds.

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

Note 3: RISK MANAGEMENT

Insurance

The Agency is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the primary government carries insurance through Preferred Government Insurance Trust (PGIT). Coverage provided by PGIT includes general liability, auto liability, property and workers' compensation.

Litigation

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



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



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**Satellite Beach Community Redevelopment Agency
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual – Community Redevelopment Agency Fund**

<i>For the year ended September 30, 2022</i>	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Taxes	\$ 876,279	\$ 876,279	\$ 876,279	\$ -
Investment and other income	1,500	3,228	3,228	-
Total revenues	877,779	879,507	879,507	-
Expenditures				
Department:				
General government	763,672	749,957	749,957	-
Debt service:				
Principal retired	386,800	382,800	386,800	(4,000)
Interest	109,286	82,219	78,219	4,000
Total expenditures	1,259,758	1,214,976	1,214,976	-
Deficiency of revenues under expenditures	(381,979)	(335,469)	(335,469)	-
Other financing sources				
Transfers in	2,156,238	2,156,238	2,156,238	-
Transfers out	(1,774,259)	(1,822,173)	(1,822,173)	-
Net other financing sources	381,979	334,065	334,065	-
Net change in fund balances	-	(1,404)	(1,404)	-
Fund balances, beginning of year	1,404	1,404	1,404	-
Fund balances, end of year	\$ 1,404	\$ -	\$ -	\$ -

Satellite Beach Community Redevelopment Agency Budgetary Notes to Required Supplementary Information

Note 1. BUDGETARY INFORMATION

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

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

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



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

Honorable Chairman and Board Members
Satellite Beach Community Redevelopment Agency

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Satellite Beach Community Redevelopment Agency, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Satellite Beach Redevelopment Agency's basic financial statements, and have issued our report thereon dated March 3, 2023.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

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

Melbourne, Florida
March 3, 2023



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INDEPENDENT AUDITORS' MANAGEMENT LETTER

The Honorable Chairman and Board Members
Satellite Beach Community Redevelopment Agency

Report on the Financial Statements

We have audited the financial statements of the Satellite Beach Community Redevelopment Agency (the "Agency") as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated March 3, 2023.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 3, 2023 should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The legal authority of the Satellite Beach Community Redevelopment Agency is disclosed in the footnotes. The Satellite Beach Community Redevelopment Agency has no component units.

Financial Condition and Management

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

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

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

Specific Information (unaudited)

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

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

- | | |
|--|------------------|
| a. The total number of Agency employees compensated in the last pay period of the Agency's fiscal year as | None |
| b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the Agency's fiscal year as | None |
| c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency. | None |
| d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency. | None |
| e. Each construction project with a total cost of at least \$65,000 approved by the Agency that is scheduled to begin on or after October 1 of the following fiscal year being reported, together with the total expenditures for such projects as | None, \$0 |

- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the Agency amends a final adopted budget under Section 189.016(6), Florida Statutes.

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

- a. The millage rate or rates imposed by the Agency. **8.6312**
- b. The total amount of ad valorem taxes collected by or on behalf of the Agency. **\$ 3,032,517**
- c. The total amount of outstanding bonds issued by the Agency and the terms of such bonds as **None**

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

Additional Matters

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

Purpose of this Letter

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

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

Melbourne, Florida
March 3, 2023



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Carr, Riggs & Ingram, LLC
215 Baytree Drive
Melbourne, FL 32940

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INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH LOCAL GOVERNMENT INVESTMENT POLICIES

The Honorable Chairman and Board Members
Satellite Beach Community Redevelopment Agency

We have examined the Satellite Beach Community Redevelopment Agency's (the "Agency") compliance with the requirements of Section 218.415, Florida Statutes, Local Government Investment Policies, during the year ended September 30, 2022. Management of the Agency is responsible for the Agency's compliance with the specified requirements. Our responsibility is to express an opinion on the Agency's compliance with the specified requirements based on our examination.

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

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

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

In our opinion, the Agency complied with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2022, in all material respects.

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

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

Melbourne, Florida
March 3, 2023



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INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REDEVELOPMENT TRUST FUND

The Honorable Chairman and Board Members
Satellite Beach Community Redevelopment Agency

We have examined the Satellite Beach Community Redevelopment Agency's (the "Agency") compliance with the requirements of Section 163.387(6) and (7), Florida Statutes, Redevelopment Trust Fund Policies, during the year ended September 30, 2022. Management of the Agency is responsible for the Agency's compliance with the specified requirements. Our responsibility is to express an opinion on the Agency's compliance with the specified requirements based on our examination.

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

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

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

In our opinion, the Agency complied with the requirements of Section 163.387(6) and Section 163.387(7), Florida Statutes, Redevelopment Trust Fund, for the year ended September 30, 2022, in all material respects.

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

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

Melbourne, Florida
March 3, 2023

City of Titusville

Community Redevelopment Agency



Annual Report FY 2021 - 2022

Prepared by
City of Titusville
Community Development
& Finance Departments

Downtown Community Redevelopment Agency

CRA Board Members:

Daniel Diesel, Chairperson
Joe Robinson, Vice Chairperson
Greg Aker
Jim Ball
Herman Cole
Jo Lynn Nelson
Sarah Stoeckel

CRA Staff:

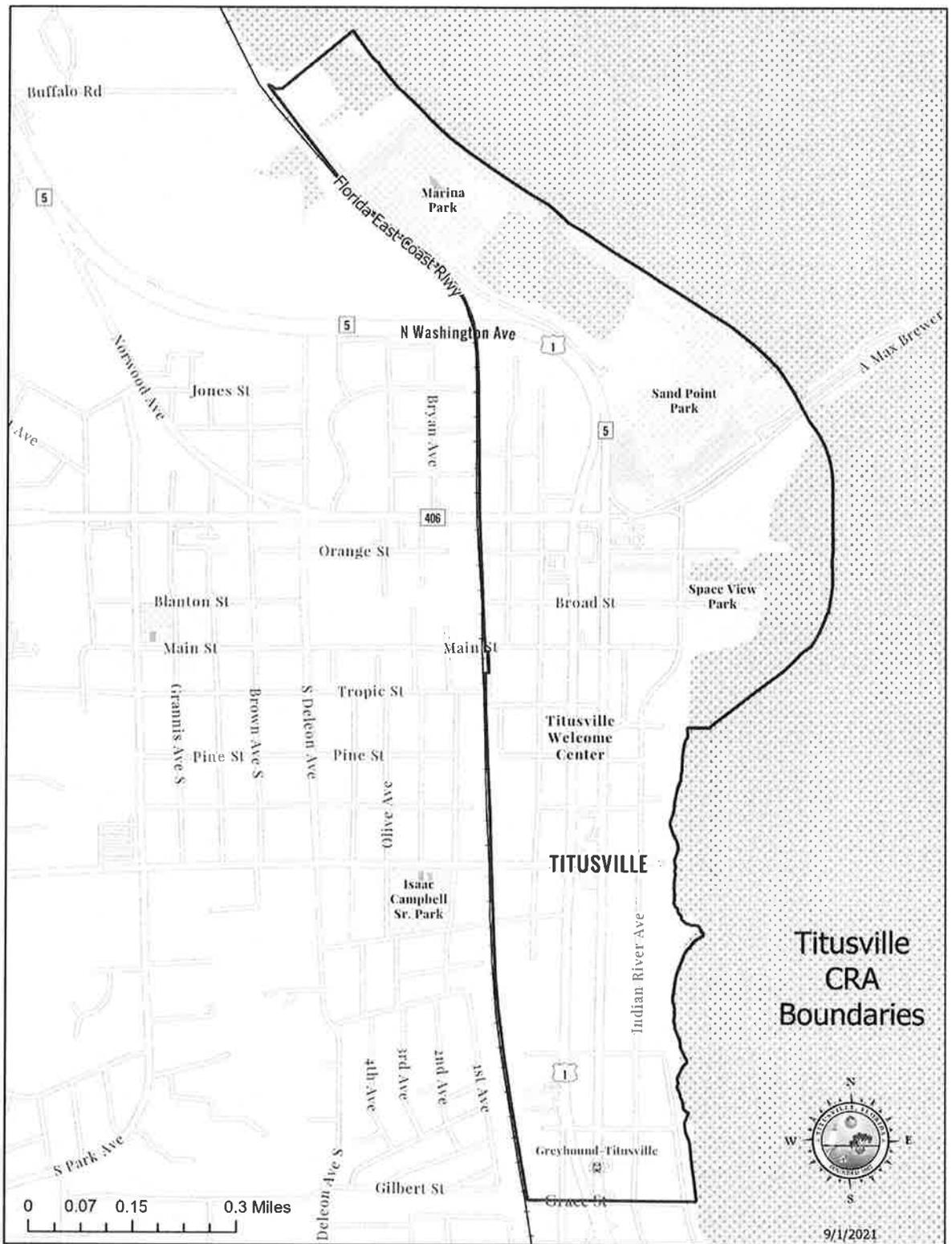
Scott Larese, Executive Director, Community Redevelopment Agency
Richard Broome, City Attorney
Kevin Cook, P.E., Public Works Director
Teri Butler, Finance Director
Jenna Ryan, Finance Manager
Wanda Wells, City Clerk
Brad Parrish, Community Development Department Director

Introduction

The City of Titusville's Community Redevelopment Agency (CRA) was created by the State of Florida in 1982, and the Community Redevelopment Plan was adopted in 1984. Since its creation, the Titusville Community Redevelopment Agency has played an integral role in the revitalization of the Downtown area and the surrounding community. The Downtown area has faced many challenges similar to those in other areas of Florida and the nation. The vision of Titusville's Downtown was established by residents who attended workshops in the 1980's, 1990's, 2000's, and as recently as FY 2022 and determined a set of goals and priorities that have evolved over the years. The original vision of the Redevelopment Plan still stands as a foundation for redevelopment in the Downtown and surrounding neighborhoods.

In an effort to provide residents and visitors with a memorable experience, the City envisions the addition of new mixed-use buildings on infill lots, renovated historic buildings, new open space amenities, enhanced streetscape conditions, new public facilities such as water and sewer infrastructure, and low impact development (LID) techniques for storm water. Development standards will be aimed at increasing the area's capacity to accommodate new growth while preserving the historic character of the community. By combining these features with a smarter approach to growth, the City will realize a downtown that will attract sustainable growth and create a unique sense of place in which all residents can be proud.

The Downtown CRA encompasses approximately 300 (299.42) acres of land on the eastern edge of the City and is over a mile and half from its northernmost area at the municipal waterfront park and marina complex, to its southern terminus at Grace Street. The CRA includes the Historic Downtown, or core area and a number of small neighborhoods. The CRA is bounded by the Indian River waterfront on the east and north and by the Florida East Coast Railroad tracks on the west. The CRA parallels the Indian River and includes over 1.9 miles of waterfront as shown on the following map.



Assessed Real Property Values & Tax Increment Fund Revenue History

The original base year real property value for the Titusville Downtown CRA in 1982 was \$20,495,020. The Titusville Downtown CRA assessed property value in the reporting year of FY 2022 was \$116,418,937, which is an increase of \$10,821,218 in value from the FY 2021 assessed property value.

A history of the Titusville CRA Tax Increment Revenue per year since FY2005–2006 is found in Table-1 below. Prior to FY 2005–2006 the Downtown CRA had a steady but low tax increment since its inception in 1982. Since FY 2009, the CRA’s tax increment revenue has been more volatile due to the impacts of both new development and economic conditions.

Table 1: Tax Increment Revenues by Year (Audited)

FY 2005-2006	\$ 286,787
FY 2006-2007	\$ 589,533
FY 2007-2008	\$ 922,899
FY 2008-2009	\$ 876,391
FY 2009-2010	\$ 792,703
FY 2010-2011	\$ 724,997
FY 2011-2012	\$ 655,653
FY 2012-2013	\$ 631,488
FY 2013-2014	\$ 699,901
FY 2014-2015	\$ 712,212
FY 2015-2016	\$ 766,683
FY 2016-2017	\$ 793,838
FY 2017-2018	\$ 867,986
FY 2018-2019	\$ 919,020
FY 2019-2020	\$ 961,910
FY 2020-2021	\$ 979,345
FY 2021-2022	\$ 982,381

The Tax Increment Financing (TIF) revenues for the Downtown CRA increased substantially in fiscal year 2006 - 2007 due to the completion of the Harbor Pointe condominium complex. The first building was added to the tax rolls in fiscal year 2006-2007. This revenue allowed the CRA to complete projects that were not possible with revenues from the previous years.

The three remaining Harbor Pointe buildings were added to the tax rolls in fiscal year 2007 - 2008. Due to the economic downturn, increased foreclosures nationwide, and the end of the NASA Space Shuttle Program, the revenue in fiscal years 2008 - 2009 to 2012-2013 decreased. The reduction in revenues during those years resulted in a greater percentage of revenues being dedicated to debt service, thereby limiting redevelopment projects that were being undertaken by the CRA during those years. After bottoming out in FY2012-2013, tax increment revenues have increased each year since to where they have surpassed the FY2007-2008 high.

In 2011, the CRA authorized issuance of a Public Improvement Revenue Note in an amount not to exceed \$2,535,000 to finance roadway and landscaping improvements in conjunction with the FDOT U.S. 1 project. In February 2013, the CRA approved partial repayment of the loan for \$850,000. The repayment funds were the result of lower than anticipated projects costs. The CRA’s action produced a total savings of \$1.27 million. The CRA also paid off the Commons Project Bond at a cost of approximately \$95,000. The loan repayments reduced the annual debt service in FY2014-2015 from

34% to 19% of the Annual Revenues, thus providing more opportunities for capital projects in the future. The percentage of annual debt service to annual tax increment values has continued to decline due to a combination of the increase in tax increment values and debt payments.



Harbor Pointe Condominiums on Indian River Avenue

Fiscal Year 2021-2022 Capital and Non-Capital Projects

The Downtown CRA has continued with existing projects during the 2021 - 2022 fiscal year as well as started new projects as shown below.

Completed Capital Projects and Their Estimated Cost:

- ❖ Commercial Interior Building Renovation, Commercial Beautification, and Permit & Fee Grant Programs (operational – see detailed grant payouts in the narrative below),
- ❖ Stormwater Cured In-place Pipe Lining (\$130,000)
- ❖ Sidewalk Infill (\$58,000)
- ❖ Julia Street Light Improvements (\$60,253)
- ❖ Street Resurfacing (\$181,385)
- ❖ Bicycle Repair Station at Sand Point Park (\$1,638.35)
- ❖ Twelve (12) six (6) foot aluminum park benches at Sand Point Park (\$4,750)
- ❖ Two (2) thirty (30) feet by twenty (20) feet cantilevered shade structures at Marina Park (\$65,111)
- ❖ Three (3) Gridsmart Detection Cameras for Main Street – US-1 intersections (\$43,425)
- ❖ Light Pole Banners Replaced (\$4,004.96)

Capital Projects Started but not Completed in the Fiscal Year and Their Estimated Cost:

- ❖ Water Resources Utilities Infrastructure (\$47,000)
- ❖ Additional groundcover landscaping at US-1 intersections (\$33,405)
- ❖ Julia Street Resurfacing (between Palm Avenue and S. Hopkins Avenue) (\$38,000)

More detail about these projects follows.

Commercial Interior Building Renovation, Commercial Beautification, and Permit and Impact Fee Incentive Grant Programs

In FY 2016 – 2017 the CRA created a Commercial Interior Renovation Incentive Grant Program to assist property owners and commercial tenants of older buildings to bring their structures up to current Americans with Disabilities Act (ADA), the Florida Fire Protection Code, and the Florida Building Code standards. The Commercial Interior Building Renovation Incentive Grant Program helps to expand and improve under-used buildings to increase commercial and mixed use intensity, bring buildings up to code, assist small businesses in the CRA to grow and prosper, and to promote job creation in the district. This grant program offers financial assistance in the form of a reimbursable, fifty percent (50%) matching grant up to a maximum of \$50,000 to the property owner or business owner for eligible expenses associated with the renovation and rehabilitation of the following interior elements of commercial and mixed use building space:

- ❖ ADA requirements
- ❖ Florida Fire Protection Code requirements
- ❖ Florida Building Code requirements including:
 - Interior plumbing to meet code
 - Interior electrical system including lighting to meet code
 - HVAC system to meet code

During fiscal year 2017-2018 the CRA expanded its matching Building Grants Incentive Programs by drafting and approving a new Permit & Impact Fee Incentive Grant Program, revising the Commercial Interior Renovation Grant Program and reactivating and revising its Commercial Beautification Grant Program. The Permit & Impact Fee Program provides a maximum \$50,000 matching one-to-one grant to help offset the cost of permits and impact fees for new construction in the CRA. The Commercial Interior Renovation Grant Program was revised to provide an additional \$50,000 matching one-to-one grant for interior building renovations that provide residential and nonresidential mixed-use as an incentive for residential units to be added to the CRA and spur housing in the downtown. The Commercial Beautification Grant Program provides a \$40,000 matching one-to-one grant for façade and exterior improvements to buildings in the CRA to improve the appearance of the CRA/downtown and to eliminate blight. The Grant Programs were further revised to provide payment of seventy-five (75%) of the grant award at project completion and the remaining twenty-five (25%) of the grant award with occupancy of the building at one (1) year after completion of the improvements as an incentive for building owners to have their buildings occupied and not sit empty. The expanded grant program became operational in FY 2019.

A total of ten (10) CRA Building Grants were awarded in the fiscal year. Eight (8) of the grants awarded were Commercial Beautification (Façade) Grants and two (2) were Commercial Interior Renovation Grants. The total amount of grant funds awarded was \$200,914 with Beautification Grants accounting for \$186,637.50 and Interior Renovation Grants accounting for \$14,276.50 of the total amount.

Five (5) grant payouts were made during the fiscal year. The grant payouts were for four (4) Commercial Beautification (Façade) grants and one (1) Commercial Interior Renovation grant. The total payout for the grants during the fiscal year was \$39,863.32. The breakdown of the payouts was \$32,439.07 for the Commercial Beautification (Façade) grants and \$7,424.25 for the Commercial Interior Renovation grants.

Since these are fifty (50%) matching reimbursable grants with a maximum cap, the grant program leverages more than double the grant amount of investment in the CRA. A CRA Grant Return on Investment History Report completed in FY 2019 found that for completed grant projects and for grant projects under construction the return on investment was \$14.71 for every \$1 of CRA grant money awarded. Considering only completed grant projects since 2008, the ROI was \$3.14 for \$1 of CRA grant money. The reason for the large difference between completed project and both completed and under

construction is that there are two (2) major construction projects presently taking place in the CRA, the Launch Now project with an estimated cost of \$5 million of construction and the Beachwave project with an estimated cost of \$3 million. The Beachwave project was completed in FY2021. The Launch Now project is now slated to be completed in FY2023.

The return on investment study shows how the grant program is helping to prevent deterioration of older historic properties in the CRA; stimulate interest and investment in the District; encourage the development of business and job growth; and encourage the utilization of existing business stock and new construction in the CRA.

Stormwater Cured In-place Pipe Lining

In July of 2021 the CRA and City Council approved a Budget Amendment in the amount of \$130,000 to install stormwater cured in-place pipe liner at two (2) locations in the CRA. The locations were Grace Street between US-1 and S. Hopkins Avenue and Palm Avenue between Main Street and Julia Street. Both locations were in critical need of repair. The cured in-place method is more cost effective and allows the roadways to remain open and usable during the process. The slip lining also allowed for Grace Street to be resurfaced in FY2022 and prevents the excavation of recently paved Palm Avenue in order to repair the pipes. The project was started in FY2021 and was completed in November, 2022.

Sidewalk Infill

The CRA provided for sidewalk infill and Americans with Disabilities Act (ADA) improvements on the east side of S. Lemon Avenue and the north side Broad Street between S. Palm Avenue and S. Lemon Ave. The sidewalk work was designed and completed in-house by the Public Works Department due to issues with soliciting bid proposals. The sidewalks were installed in December of FY 2021 – 2022.



Julia Street Light Improvements



The CRA replaced the three (3) existing purple gothic pedestrian lamp posts on the south side of Julia Street between S. Hopkins Avenue and S. Palm Avenue with two (2) pedestrian lamp posts consistent with those pedestrian lamp posts on S. Washington Avenue and S. Hopkins Avenue. The project included not only lamp posts but also trenching, running conduit, wiring, and power drops. An award of contract was issued to Rush Facilities in the amount of \$60,253 to construct the pedestrian lights. The installation of the lights was completed in July. The total resurfacing of Julia Street between S. Palm Avenue and S. Hopkins Avenue was moved to Fiscal Year 2023 due to contractor scheduling.

Street Resurfacing

During the fiscal year the CRA resurfaced the following street segments located in the CRA: Grace Street between US-1 & S. Hopkins Avenue; Brevard Street east of S. Washington Avenue; Julia Street west of Palm Avenue; Broad Street east of Indian River Avenue and west of Palm Avenue; Palmetto Street; S. Hopkins Avenue from US-1 to Grace Street; Stephen House Way; and Mariners Way. The streets were resurfaced as part of the City’s annual street paving program to leverage costs. The CRA’s cost to resurface the streets was \$181,385.



Bicycle Repair Station at Sand Point Park



With the closing of the bicycle shop at the Downtown Welcome Center in FY 2020 due to the Covid pandemic and supply and manufacturing shortages, there was a need for self-repair bicycle stations in the downtown and along the Downtown Connector bicycle trail. In FY 2021 the CRA purchase two (2) bicycle repair stations. One of the repair stations was installed at the Downtown Welcome Center and the other was installed at the trail adjacent to Indian River Avenue near the intersection of Broad Street and Indian River Avenue by Space View Park. Due to the popularity of the repair stations and the need

for a repair station at Sand Point Park as informed by North Brevard County Parks & Recreation staff, a third bike repair station was ordered and installed at Sand Point Park in February, 2022.

Aluminum Park Benches at Sand Point Park

Based on intergovernmental coordination with North Brevard County Parks staff, it was determined that there was a need for park benches in Sand Point Park. The CRA purchased a total of twelve (12) six (6) foot aluminum park benches with back supports for the park. County Parks staff installed the park benches in June of 2022.



Cantilevered Shade Structures at Marina Park

Also based on coordination with Brevard County Parks management staff, it was determined that one of the number one request from Marina Park users was the need for a shade structure at the Dog Park area of Marina Park. The CRA paid for the purchase and installation of two (2) thirty (30) foot by twenty (20) foot cantilevered shade structures to provide shade for both dogs and their owners as recommended from input from dog park users. The shade structures were completed in August.



Gridsmart Intersection Detection Cameras

Due to the signal detection system at Main Street and S. Washington Avenue and at Main Street and S. Hopkins Avenue not detecting pedestrians and cyclists using the Downtown Connector Trail on Main Street, three (3) Gridsmart intersection detection cameras were purchased and installed in-house at the intersections mentioned so that trail users and vehicles can be detected and trip the traffic signals at the noted intersections to allow the trail users to cross the busy intersections.



Additional US-1 Landscape Infill at US-1 Intersections

Additional ground landscaping was added to intersections of US-1 (S. Washington Avenue and S. Hopkins Avenue) in the CRA district based on input from citizens who did not favor adding new hanging pedestrian light pole vegetation baskets with faux vegetation. The funds that would have paid for the baskets and faux vegetation was then used to plant additional ground vegetation along the US-1 corridor. This project was completed in FY2023.

Light Pole Banner Replacement

The light pole banners on S. Washington Avenue and S. Hopkins Avenue between South Street and Garden Street were replaced due to the existing banners becoming faded after almost four (4) years of service. One hundred and thirty eight (138) new replacement banners were purchased with six (6) graphics promoting the beaches, bicycle trails, kayaking/water recreation, the historic downtown, rocket launches, and space history. The total cost of the banners was \$4,004.96.



Non-Capital Projects

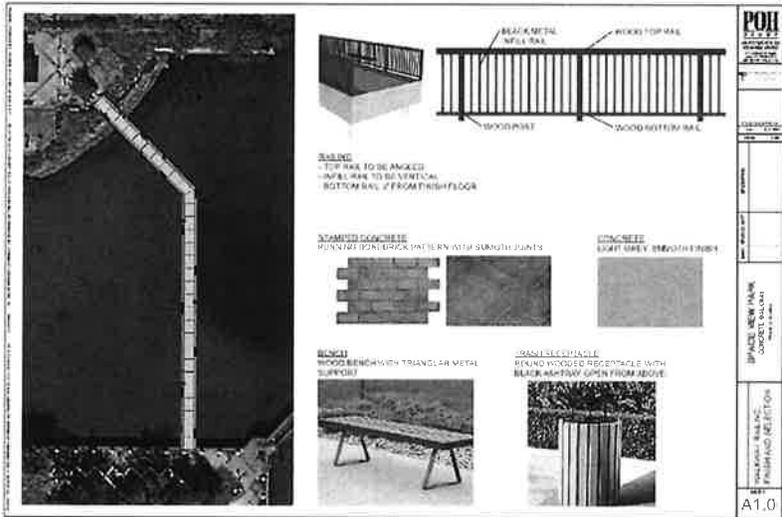
The Non-Capital Projects that occurred over the fiscal year are as follows:

- ❖ Spaceview Park Connecting Pedestrian Pier Feasibility Study/Final Design
- ❖ Streetscape Landscaping and Facilities Maintenance
- ❖ Community Policing
- ❖ Historic Preservation Activities
- ❖ Land Use Development Review Activities
- ❖ Redevelopment Plan Update

Spaceview Park Connecting Pedestrian Pier Feasibility Study

The CRA approved advisability in July 2019 and a budget amendment in September 2019 to fund a feasibility study for a pedestrian pier to connect Spaceview Mercury Park to Spaceview Gemini Park. The parks are separated by an inlet that requires visitors to back track to visit both parks. If found feasible to construct, the pier will meet the CRA's Plan goal of connecting the City's parks and providing a water front attraction for residents and visitors to view rocket launches. In January 2020 a Request for Qualifications (RFQ) was advertised to conduct a Feasibility and Conceptual Design Study. Taylor Engineering, Jacksonville, Florida, was selected in March 2020 to do the study. A contract with Taylor

Engineering was signed in July 2020. In February of 2021 Taylor Engineering presented the Feasibility Study and Conceptual Design to the CRA. Based on the presentation, the CRA recommended moving forward to have a contract for a final design of the presented Concept #1. At the May 2021 CRA meeting the CRA and City Council approved an award of contract for Taylor Engineering to provide a final design of the Spaceview Park Connecting Pedestrian Pier at a cost of \$92,833. Taylor Engineering worked on final design and bid plans during the fiscal year. The CRA continued to budget for this project so that if approved, the walkway pier will be paid for on a pay as you go basis.



Artist computer rendition of the Connecting Pedestrian Pier

Streetscape Landscaping and Facilities Maintenance

The CRA continued its funding of the general maintenance of the plantings, lighting and street furniture funded by the CRA along the US-1 corridor (Washington Avenue & Hopkins Avenue) and in the Titusville Downtown Commons area. The maintenance provided by the CRA along the US-1 corridor is at a higher level of maintenance than provided by the Florida Department of Transportation and helps to protect the CRA's investment. Maintenance in FY 2022 included the pressure washing of the following sidewalks in the CRA: S. Washington Avenue from Palmetto Street to Main Street, Stephen House Way, Mariners

Way, and the Julia and Nevins Court Yards. The CRA also continues to fund the cost of irrigation and utilities along US 1 and a full time maintenance worker.

Community Policing

In June 2014, the CRA initiated a Community Policing program. The program consists of law enforcement officers deployed on an overtime basis during varying days and times. Increased activities in the CRA District include business contacts, directed patrols, traffic details, community relations, neighborhood patrols and anti-burglary details. This is thought to be a more cost-effective method to provide coverage as needed, rather than one full-time officer who would have less flexibility to address issues as they arise.

Program accomplishments for the fiscal year are listed below. As the community policing initiative augments the Titusville Police Department's regular presence in the CRA, only those activities conducted during the community policing details are provided. CRA Police Details totaled 750.5 hours for the fiscal year and the details involved 3,189 Property Checks; 1,557 Traffic Stops; and 912 Suspicious Persons/Vehicles/Incidents.

Total incident statistics in the redevelopment district for the fiscal year not part of the CRA Police details were as follows:

Vehicle Burglaries – 11 (FY2021 – 18) (FY 2020 - 16) (FY2019 - 41)
Residential Burglaries – 4 (FY2021 – 0) (FY2020 - 2) (FY2019 – 2)
Commercial Burglaries – 3 (FY2021 – 4) (FY2020 - 10) (FY2019 – 11)

Traffic Stops – 1,157 (FY2021 - 1,269) (FY2020 - 1,140) (FY2019 – 748)
Traffic Accidents without injuries – 137 (FY2021 – 138) (FY2020 – 122) (FY2019 -165)
Traffic Accidents with injuries – 43 (FY2021 – 52) (FY2020 -54) (FY2019 – 29)

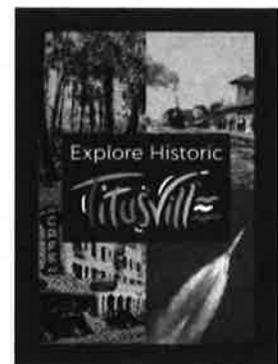
Burglary Comparison between the CRA and Citywide:
CRA District – 18 (FY2021- 28) (FY2020 – 28)
City Wide – 326 (FY2021 – 402) (FY2020 – 555)

Calls for Service between the CRA and Citywide:
CRA – 7,934 (FY2021 - 8,683)
Citywide – 95,623 (FY2021 - 114,392)

The incident statistics show that the Community Policing details had a continued emphasis on reducing vehicle burglaries and enforcing traffic laws during the fiscal year. The statistics show a positive trend in the reduction of crime in the CRA.

Historic Preservation Activities

The CRA District is home to many of the City's historic resources. The preservation of these historic resources in the Community Redevelopment District adds to the City's pride and creates pedestrian and visitor appeal, which provides economic development for the City. Historic Preservation activities that directly involved the CRA District included the award of a State of Florida Division of Historical Resources Small Matching Grant in July 2022 in the amount of \$40,000 to fund the creation of Architectural Style and Design Guidelines for use by the City Historic Preservation Board when doing design review of designated historic structures and for property owners of historic and potentially historic structures to use when making renovations to their properties.



The City's Explore Historic Titusville booklet, mobile phone app and web site (<http://history.titusville.com>), which provides walking/driving tours/audio recordings of historic resources of the City from the area's first indigenous inhabitants to the Space Program, was awarded a Florida Preservation 2022 award for Preservation Communication/Media. The majority of the history and historic landmarks in the booklet, app and web site walking/driving tour are found in the Redevelopment District.

Land Use Development Review Activities

One of the duties of the CRA Agency is to provide input and recommendations to the City Council on land use decisions occurring in the redevelopment district. A summary of the land use activities that the CRA was involved in during FY 2021 – 2022 is as follows:

- CUP #9-2021 – In December of 2021 the CRA recommended approval to the City Council for a conditional use request to locate a child care facility at 213 S. Palm Avenue;
- Ordinance #13-2022 - In April of 2022 the CRA recommended approval to the City Council regarding a text amendment to include marinas as a permissible land use on the east side of US-1 in the Uptown Subdistrict in the Downtown Mixed Use (DMU) zoning district;
- Ordinance #14-2022 – In April of 2022 the CRA recommended approval of a text amendment to permit car rental agencies with limitations to locate in the Midtown Subdistrict in the DMU zoning district instead of by conditional use approval.
- The CRA recommended approval of a Memorandum of Understanding (MOU) for the Titusville Chamber of Commerce to continue to operate a Fall 2022 Farmers Market Token Program to be funded with American Rescue Plan funds at a location in the CRA district. The program restarted in September, 2022.

Redevelopment Plan Update

A scope from the consultant S&ME, Inc. was approved by the CRA in December of 2021 to draft a Plan Update (\$34,060) and an Initiatives Plan (\$34,172) to update the 2015 Redevelopment Plan Update. The 2022 Redevelopment Plan Update was drafted during the fiscal year and adopted in October of 2022, in Fiscal Year 2023.



Scobie Park Improvements

The award of a \$40,728.58 Tourist Development Council grant funded the planting of mangroves, the installation of park benches, upland landscaping, a bioswale, a pervious walkway, viewing binoculars, and environmental interpretive signage at Scobie Park. Scobie Park is located near the intersection of Indian River Avenue and Main Street. The project was completed in July, 2022.





New Construction & Businesses

A goal of the City's CRA Plan is to encourage private sector investment in the CRA. New building construction and major renovation work to existing buildings helps the City in combating blight. It also encourages others to invest in the CRA. A total of forty five (45) new Business Tax Receipts (BTR) were approved in the CRA District during the fiscal year. Here are some examples of some of the new businesses and major renovation and construction that occurred in FY 2021 – 2022 in the CRA District:



Launch Now Mixed Use Development almost complete



Moefit Fitness & Blue Marlin Realty



Emmylynn Salon



Daley Trade Food & Restaurant



Mutter Realty Building almost complete



Brevard Financial Academy

Summary of Redevelopment Plan Goals Achievement

State legislation requires a summary indicating to what extent, if any, the community redevelopment agency has achieved the goals set out in its redevelopment plan. As noted above an update to the 2015 Redevelopment Plan Update was prepared in FY 2022 but not adopted until October of 2022 in Fiscal Year 2023. Since the 2022 Redevelopment Plan Update was not adopted until FY 2023, a summary of the 2015 Redevelopment Plan Update goals achievement will be performed. The summary of the goal achievement is as follows.

Becoming a Trail Town

The CRA is well into achieving the goal of making downtown Titusville a "Trail Town" with the completion of the Downtown Connector Trail in FY2019; the installation of primary wayfinding signs and other amenities such as downtown directory signage, a downtown welcome center, bike racks, the purchase and installation of two (2) bicycle repair stations in past fiscal years, etc.; and by being designated the second Trail Town in the State of Florida by the Florida Department of Environmental Protection, Greenway & Trails Division in FY2019. Work was completed on the construction of the missing link of trail between Indian River Avenue and the A. Max Brewer Bridge in the CRA. The trail link from Parrish Park east of the A. Max Brewer Bridge to the Merritt Island Wildlife Refuge property line was completed in FY 2021. In FY 2022 an additional bicycle repair station was installed at Sand Point Park; side streets were paved; pedestrian lights were replaced on Julia Street and sidewalks were installed along Lemon Avenue and Broad Street. Work still needs to be done to construct the trail link from the west Merritt Island National Wildlife Refuge property line to the Canaveral National Seashore; providing better wayfinding signage for trail users in the CRA; and continuing to improve streets, parks, sidewalks, lighting, and parking in the downtown, including possible trail heads in the District.

Vibrant Community Initiative

The vibrant community initiative goal involves increasing residential development in the downtown, the support of arts and entertainment facilities, and integrating existing recreational facilities in the downtown to make downtown a live, work and play destination. The CRA is working to attain this goal with the Launch Now development under construction with the assistance of the CRA Grant Program. Launch Now will provide twenty (20) new boutique apartment units in a mixed use building in the heart of the Historic Downtown. The Launch Now project with the assistance of CRA Building Program grants is slated to be completed in fiscal year 2023. A second residential development with 384 total multifamily units known as Horizon at Sand Point is in the Building Permit stage and is taking advantage of the increase in residential density and building height in the Uptown Subdistrict of the CRA. The CRA provided design approval of the Horizon development in Fiscal Year 2021. The Horizon at Sand Point developer has acquired additional adjacent property in FY 2022 and revised their site plan during the fiscal year. Construction is estimated to begin in Fiscal Year 2023. More residential including workforce, and low & moderate housing is needed as pointed out in the City's Strategic Economic Development

Plan to make the CRA more vibrant. In addition, the Titusville Playhouse has purchased property in the Julia Street – Palm Avenue area and has plans to create an entertainment district in that area with plans to add a new 500 seat theater, a 150 seat black box theater, an outdoor concert and stage venue, and other ancillary uses including eating and drinking establishments which will add to the vibrancy of the CRA/downtown. The CRA will need to consider additional public infrastructure in this area to help make this area an entertainment district.

The City has used Federal American Recovery Act and American Rescue Plan funding to bring back the successful well attended Farmers Market to the Downtown CRA district in the fall of 2021, and the spring and fall of 2022 to provide food for low and moderate income people suffering from the economic issues caused by the lingering pandemic.

The CRA has supported the arts by wrapping traffic signal boxes designed by local artists along US Route 1 and by encouraging murals on buildings in the CRA. More and different kinds of art can be incorporated into the CRA to truly make the downtown a destination for visitors and residents.

The CRA is continuing to integrate existing recreational sites with the completion of the Downtown Connector Trail and by approving a feasibility study and then a final design and bid documents for a pedestrian observation pier to link two (2) existing parks separated by water. The pedestrian-observation pier will become a waterfront destination for residents and visitors wanting to view rocket launches and take in the scenic view of the Indian River Lagoon. Other park improvements have included a splash pad, BMX bicycle track, skateboard facility, etc. over the years. This past fiscal year in partnership with the North Brevard County Parks and Recreation staff, the CRA installed twelve (12) park benches in Sand Park and two (2) shade structures at the dog park in Marina Park. Long range plans call for a waterfront trail to connect recreational sites to the downtown and to areas to the south.

Community Policing

Community Policing is an ongoing endeavor in the CRA. Special details to combat homeless and panhandling issues, traffic issues like speeding on S. Washington Avenue and S. Hopkins Avenue, burglaries, prostitution solicitation issues, etc. will be needed to continue to make the CRA a safe place to live, work, visit, invest, and play. The use of cameras being installed in three (3) strategic areas of the CRA as a pilot project will help the Police Department in solving traffic incidents and crimes, and thus help in reducing criminal activities. The Police Department has also used mail-outs and banner signs to promote various crime prevention campaigns such as "Lock It or Lose It", "Click It or Ticket", and variable message board signs to promote traffic safety in the redevelopment district.

Historic Preservation

Historic Preservation is a tool for the revitalization and adaptive reuse of historic buildings in the City. The majority of historic structures in Titusville are located in the CRA. These historic buildings are an asset to the City and create the City's character. This goal has been furthered with the creation of a Historic Preservation Board, a Historic Preservation Ordinance, the designation as a Certified Local Government; the designation of eleven (11) historic resources to the Local Historic Register as one (1) was demolished in FY 2022; the creation of a local Ad Valorem Property Tax Exemption Ordinance and the CRA Building Grant Program which can be used as an incentive to renovate historic resources; and the printing of a Titusville Historic Landmarks brochure. As stated earlier, the City obtained a State of Florida Division of Historic Resources Small Matching Grant in July 2020 in the amount of \$30,000 to fund the creation of a Explore Historic Titusville booklet, mobile app, and website which provide walking/driving tours/audio recordings of historic landmarks in the City. The booklet and walking/driving tours help to identify the City's historic resources and will help to provide economic development with visitors touring the city's historic landmarks and visiting city businesses while touring the City. The "Explore Historic Titusville" program received a 2022 Florida Trust for Historic Preservation Communication/Media award. There are many more historic resources in the CRA that need to be designated to prevent their razing and/or inappropriate façade renovation in order to maintain the City's

downtown heritage and culture. A \$40,000 Florida Department of Historical Resources FY 2023 Small Matching was awarded to the City in July, 2022 to develop architectural guidelines to help owners of historic buildings when making renovations to preserve the historic architectural characteristics of their buildings. The guidelines will be completed by June, 2023.

Commercial Beautification Grant & Structural Rehabilitation

The goal of the CRA's Commercial Beautification & Structural Rehabilitation Grant Program is to provide incentives to existing and new property owners to upgrade the exteriors for aesthetics, interiors to meet code requirements, and to incentivize new construction that will ultimately lead to higher occupancy rates, increased property values, and to increase the visual appearance of the CRA. The creation of the CRA's Commercial Interior Renovation Grant in previous years, the reinstating of the Commercial Beautification Grant and the creation of the Building Permit and Impact Fee Grant that went into effect in FY 2019 helped to further this goal. As previously stated the return on investment of the grant program shows that the program is worthwhile in priming the pump of investment in the CRA. There are many properties in the CRA that can take advantage of this incentive and are as shown above in this report.

Side Street Streetscape

Side street streetscape refers to the streets that intersect with US Route 1 (Washington Avenue and Hopkins Avenue). The streets include Orange Street, Broad Street, Main Street, Julia Street, Pine Street, Palmetto Street, South Street, and St. Johns Street. In previous years the CRA has funded the resurfacing of Orange Street east of S. Washington Avenue, Main Street, Orange and Pine Streets west of Hopkins Avenue and Lemon Avenue. As was noted above in the report, the following side street segments located in the CRA: Grace Street between US-1 & S. Hopkins Avenue; Brevard Street east of S. Washington Avenue; Julia Street west of Palm Avenue; Broad Street east of Indian River Avenue and west of Palm Avenue; Palmetto Street; S. Hopkins Avenue from US-1 to Grace Street; Stephen House Way; and Mariners Way were resurfaced in FY 2022. Pedestrian street lights along Julia Street, between Palm Avenue and Hopkins Avenue, were replaced with new poles with LED lights during this past fiscal year. While working on the 2022 Redevelopment Plan streetscaping of side streets will become a major goal of the new Plan that was adopted in FY 2023.

Underground Utilities

Converting the overhead power lines on US Route 1 and on Broad Street to underground has been found to be cost prohibitive at this time. A study in 2007 found that the cost to convert the lines to underground as part of the US 1 Streetscaping project in 2010 would be \$1.4 million. The cost would be even higher today. This goal of the Redevelopment Plan has been put on the back burner until it becomes financially feasible. The developers of the Launch Now development project near the corner of S. Washington Avenue and Main Street has buried the overhead electric wires along a stretch of S. Washington Avenue to accommodate their development. Future public – private partnerships may provide a way to bury power lines in the downtown at specific areas of the downtown.

Targeted Property Acquisition

Targeted property acquisition is a strategic measure that can be used to attract development or provide public improvements such as parks, storm water ponds and conveyance, roads, etc. Without obtaining a loan or bond, it is financially unfeasible for the CRA to purchase any properties at this time. It may be possible for the CRA to form a public-private partnership to acquire strategic property for a desired development, such as affordable housing developments, in the CRA with the use of tax increment reimbursement with potential developers.

Wayfinding Signage Program

The CRA has implemented the initial wayfinding signage to include seven (7) directional signs along the Downtown Connector Trail, two (2) downtown directory signs, and two (2) pole signs at the Welcome Center property directing visitors to the Welcome Center and Julia Street parking lot. Additional detailed wayfinding/directional signs are needed for the connector trail and for landmarks in the downtown such as the historic district, the Veterans Memorial, the Space Monuments, the fishing/shrimping pier, the various parks, and the municipal marina. The CRA will continue to look at implementing additional wayfinding signage in the district.

Event Sponsorship and Marketing

The CRA stopped funding Special Events in FY 2017. The CRA determined that it wanted to concentrate funding on brick and mortar projects and not on special events. Marketing of the CRA has been transferred to the City's Economic Development Division. This goal continues to be no longer in effect.

Banner Signs

Street banners attached to pedestrian light poles in the CRA have included downtown activities such as music, dining, history, culture and the environment. Banners have also been installed to commemorate significant events in the city such as was done for the City's celebration of the City's 150th anniversary of its founding in 2017. Sixty six (66) holiday themed banners were purchased in FY 2019-2020 to provide for a more festive holiday season in the CRA. The installation of banners on a seasonal and on a replacement basis due to weathering and age will be a continuing activity that adds to the vibrancy of the City. In FY2022 banners were purchased to replace the weathered banners purchased in 2018 that promote the city's culture, environment, space industry, and tourism.

Downtown Stormwater Plan

It has been determined that a regional stormwater master plan would be cost prohibitive to implement due to the number of drainage basins that traverse the CRA and due to the ruling that the City's Stormwater Utility could not pay for the plan. In FY 2019 the CRA advocated the use of Low Impact Development (LID) techniques and public – private partnerships to create stormwater facilities to handle stormwater runoff in the CRA. The implementation of this goal will be a continuing process. Previously a baffle box was installed at the intersection of Indian River Avenue and Main Street to catch pollutants prior to entering the Indian River Lagoon. In FY2022 stormwater pipe linings funded by the CRA and improvements to Scobie Park including vegetated bioswales, mangrove plantings and upland vegetation funded by a grant were completed to help in treating stormwater entering the Indian River Lagoon. A future project to improve stormwater drainage in the CRA will involve tree infiltration box filters.

Financial Audit Information

The financial information for the Titusville CRA on the following pages is as reported by the independent auditing firm of James Moore & Company, 121 Executive Circle, Daytona Beach, Florida, 32114. The data was taken from the City of Titusville's Comprehensive Annual Financial Report, Fiscal Year ended September 30, 2022. The financial statement provides information on the Agency's assets, liabilities, income, and operating expenses as of the end of fiscal year 2021 – 2022 in accordance with Chapter 163, Part III, Florida Statutes. Total expenditures from the Redevelopment Trust Fund in the fiscal year were \$1,336,082.

An audit report of the CRA's FY2021 - 2022 expenditures by the James Moore & Company is also included in this financial section of the Annual Report.

The total amount of funds expended for affordable housing for low income and middle income persons and families was zero (0) in the CRA. It should be noted that the CRA adopted a new Redevelopment Plan in October, 2022 which provides for new CRA Housing Policies regarding providing for low and moderate and workforce housing in the CRA district. The CRA currently has a grant incentive for interior improvements such as ADA, Plumbing, Electrical, and HVAC to existing buildings to be brought up to code for mixed use buildings and or the conversion of commercial buildings to mixed use that can be used to help provide for low and moderate and workforce housing units. The Building Permit and Impact Fee Grant program can also be utilized to assist in the development of new low and moderate income housing in the redevelopment district. The CRA can also provide incentives such as tax increment reimbursement to potential low and moderate housing projects in the CRA district on a case by case basis.

TITUSVILE COMMUNITY REDEVELOPMENT AGENCY
FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

**TITUSVILLE COMMUNITY REDEVELOPMENT AGENCY
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SEPTEMBER 30, 2022**

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INDEPENDENT AUDITORS' REPORT

To the Governing Board,
Titusville Community Redevelopment Agency:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Titusville Community Redevelopment Agency (the CRA), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the CRA's basic financial statements as listed in the table of contents.

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audit 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 CRA, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 20, 2023, on our consideration of the CRA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the CRA's internal control over financial reporting and compliance.

Daytona Beach, Florida
March 20, 2023

James Moore & Co., P.L.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Titusville Community Redevelopment Agency's (the CRA) management's discussion and analysis (MD&A) is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the CRA's financial activity, (c) identify changes in the CRA's financial position (its ability to address the next and subsequent year challenges), (d) identify any material deviations from the financial plan (the approved budget), and (e) identify individual fund issues or concerns.

Since the MD&A is designed to focus on current year activities, resulting changes, and currently known facts, it should be read in conjunction with the CRA's financial statements which follow this section.

Financial Highlights

- The assets of the CRA exceeded its liabilities at September 30, 2022, by \$1,692,847 (net position). Of this amount, \$510,495 represents the net investment in capital assets, and \$1,182,351 was restricted for redevelopment purposes.
- As of September 30, 2022, the CRA's reported ending fund balances of \$1,182,351. Fund balance saw a change of \$(180,787) when compared to the prior year.

The MD&A is intended to serve as an introduction to the CRA's basic financial statements, which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements.

Overview of the Financial Statements

This annual report consists of four components: 1) management's discussion and analysis (this section), 2) government-wide and fund financial statements, 3) notes to the financial statements, and 4) required supplementary information.

Government-wide Financial Statements

Government-wide financial statements provide readers with a broad overview of the CRA's finances in a manner similar to a private-sector business. The governmental activities of the CRA include reinvesting into the community redevelopment district.

The statement of net position presents information on all of the CRA's assets and liabilities, with the difference between the two reported as net position. This statement serves a purpose similar to that of the balance sheet of a private-sector business. Over time, increases or decreases in net position may serve as one indicator of whether the financial position of the CRA is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the fiscal year. All changes in net position are reported using the modified cash basis of accounting.

Notes to the Financial Statements

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

Government-wide Financial Analysis

Statement of Net Position

The following is a summary of the CRA's governmental activities net position for each of the past two years:

	Governmental Activities	
	2022	2021
ASSETS		
Current and other assets	\$ 1,217,917	\$ 1,672,117
Capital assets	510,495	523,017
Total assets	<u>\$ 1,728,412</u>	<u>\$ 2,195,134</u>
LIABILITIES		
Current liabilities	\$ 35,566	\$ 292,225
Advances from other funds	-	16,754
Total liabilities	<u>\$ 35,566</u>	<u>\$ 308,979</u>
NET POSITION		
Net investment in capital assets	\$ 510,495	\$ 523,017
Restricted	1,182,351	1,363,138
Total net position	<u>\$ 1,692,846</u>	<u>\$ 1,886,155</u>

Statement of Activities

The following is a summary of the changes in the CRA's governmental activities net position for each of the past two years:

	Governmental Activities	
	2022	2021
REVENUES		
Property taxes	\$ 982,381	\$ 979,345
Other revenues	(43,133)	2,703
Total revenues	<u>939,248</u>	<u>982,048</u>
EXPENSES		
Community development	770,480	351,054
Capital outlay	578,124	387,824
Total expenses	<u>1,348,604</u>	<u>738,878</u>
Net income before transfers	(409,356)	243,170
Transfers to primary government	(135,462)	(137,043)
Change in net position	(193,309)	106,127
Net position , beginning of year	1,886,155	1,780,028
Net position , end of year	<u>\$ 1,692,846</u>	<u>\$ 1,886,155</u>

Financial Analysis of the General Fund

The focus of the CRA's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the CRA's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the CRA's general fund reported an ending fund balance of \$1,182,351, a change of \$(180,787), in comparison with the prior year.

At the end of the current fiscal year, the entire fund balance was restricted for community development. As the CRA is focused on reinvestment revenues into the CRA district and does not have significant annual operational costs, the CRA does not maintain specific reserve levels for operations.

General Fund Budgetary Highlights

There were significant amendments between the original and the final CRA budget, which were to provide for spending authority of an additional \$1,679,624 in capital expenditures.

Actual expenditures in the general fund were \$1,226,493 less than final budget amounts. The main reason for this is due to the timing of capital project and other one-time expenditures.

Budgetary comparisons between the final budget and actual results can be found on page 15 of this report.

Economic Factors and Next Year's Budget

There are many challenges facing local governments today. Property values have continued to increase in recent years, contributing to related growth in the revenues of the CRA. While property values have increased, the future outlook of property values and any potential impact they will have on the CRA's finances are unknown.

Requests for Information

This report is designed to provide an overview of the CRA's finances for those with an interest in this area. Questions concerning any of the information found in this report, or requests for additional information, should be directed to the City of Titusville.

**TITUSVILLE COMMUNITY REDEVELOPMENT AGENCY
BALANCE SHEET / STATEMENT OF NET POSITION
SEPTEMBER 30, 2022**

	<u>Balance Sheet</u>		<u>Statement of</u>
	<u>General</u>		<u>Net Position</u>
	<u>Fund</u>	<u>Adjustments</u>	<u>Governmental</u>
			<u>Activities</u>
ASSETS			
Cash and cash equivalents	\$ 4,240	\$ -	\$ 4,240
Investments	1,213,677	-	1,213,677
Capital assets:			
Non-depreciable	-	200,000	200,000
Depreciable, net	-	310,495	310,495
Total assets	<u>\$ 1,217,917</u>	<u>\$ 510,495</u>	<u>\$ 1,728,412</u>
LIABILITIES			
Accounts payable and accrued liabilities	\$ 35,566	\$ -	\$ 35,566
Total liabilities	<u>35,566</u>	<u>-</u>	<u>35,566</u>
FUND BALANCE / NET POSITION			
Fund Balance:			
Restricted for:			
Community redevelopment	1,182,351	(1,182,351)	-
Net Position:			
Net investment in capital assets	-	510,495	510,495
Restricted for:			
Community redevelopment	-	1,182,351	1,182,351
Total fund balance / net position	<u>1,182,351</u>	<u>510,495</u>	<u>1,692,846</u>
Total liabilities and fund balance / net position	<u>\$ 1,217,917</u>	<u>\$ 510,495</u>	<u>\$ 1,728,412</u>

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

**TITUSVILLE COMMUNITY REDEVELOPMENT AGENCY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE /
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	Statement of Revenues, Expenditures, and Changes in Fund Balance		Statement of Activities
	General Fund	Adjustments	Governmental Activities
Revenues			
Taxes	\$ 982,381	\$ -	\$ 982,381
Investment income (loss)	(43,133)	-	(43,133)
Total revenues	<u>939,248</u>	<u>-</u>	<u>939,248</u>
Expenditures / expenses			
Current:			
Community development	757,958		757,958
Capital outlay	578,124	-	578,124
Depreciation	-	12,522	12,522
Total expenditures / expenses	<u>1,336,082</u>	<u>12,522</u>	<u>1,348,604</u>
Excess (deficiency) of revenues over expenditures / operating income (loss)	<u>(396,834)</u>	<u>(12,522)</u>	<u>(409,356)</u>
Other financing sources (uses)			
Transfers in from primary government	351,509	-	351,509
Transfers out to primary government	(135,462)	-	(135,462)
Total other financing sources (uses)	<u>216,047</u>	<u>-</u>	<u>216,047</u>
Net change in fund balance / net position	<u>(180,787)</u>	<u>(12,522)</u>	<u>(193,309)</u>
Fund balance / net position, beginning of year	1,363,138	523,017	1,886,155
Fund balance / net position, end of year	<u>\$ 1,182,351</u>	<u>\$ 510,495</u>	<u>\$ 1,692,846</u>

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

TITUSVILLE COMMUNITY REDEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

(1) **Summary of Significant Accounting Policies:**

The financial statements of the Titusville Community Redevelopment Agency (the CRA), have been prepared in conformance with accounting principles generally accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted body for promulgating governmental accounting and financial reporting principles and the CRA has adopted the GASB Codification. The following is a summary of the CRA's significant accounting policies:

(a) **Reporting entity**—The Titusville Community Redevelopment Agency was created by Ordinance 66-1982 of the City of Titusville, Florida (City) per Chapter 163 Part III of the Florida Statutes. Pursuant to Florida Statute 163.387, the Community Redevelopment Agency has to account for the receipt and expenditure of property tax revenues from the tax increment financing district to support redevelopment in the designated community redevelopment area. Since the City is financially accountable for the activities of the CRA, its governing board is substantially the same (the City Council plus two additional appointed members), and its relationship to the CRA is significant, the CRA is considered to be a blended component unit in the City's financial statements, where it is also reported as a major special revenue fund.

The CRA has determined there are no component units that meet criteria for inclusion in the CRA's financial statements.

(b) **Government-wide and fund financial statements**—The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the CRA. The CRA only has governmental activities and does not engage in any business-type activity. Direct expenses are those that are clearly identifiable with a specific function or segment. General revenues include ad valorem taxes and interest income. Fund financial statements are presented for the CRA's General Fund. The General Fund, which accounts for all financial operations of the CRA, is considered to be a major fund and is the only fund of the CRA.

(c) **Measurement focus, basis of accounting, and financial statement presentation**—The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue when all eligibility requirements imposed by the grantor have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the CRA considers property revenues to be available if they are collected within 60 days of the end of the current period. Grants, other intergovernmental revenues, charges for services, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditures generally are recorded when a liability is incurred. However, expenditures related to long-term agreements are recorded only when payment is due.

(d) **Budgets and budgetary accounting**—The governing board of the CRA adopts an annual operating budget, which is prepared on a modified accrual basis and can be amended by the board throughout the year. At the fund level, actual expenditures cannot exceed the budgeted amounts. The accompanying budgeted financial statements for the General Fund reflect the final budget authorization amounts, including all amendments.

**TITUSVILLE COMMUNITY REDEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

(1) **Summary of Significant Accounting Policies:** (Continued)

(e) **Deposits and investments**—The CRA’s cash and cash equivalents include cash on hand, demand deposits and short-term investments that are readily convertible to known amounts of cash. Investments with original maturities of three months or less are considered to be cash equivalents.

(f) **Receivables and payables**—Activity between the CRA and the City has been classified as amount due to/from the primary government on the balance sheet and statement of net position. All trade and property tax receivables are reported net of an allowance for uncollectible accounts, which is based upon management's analysis of outstanding balances and historical trends. At September 30, 2022, all of the CRA’s receivables were considered fully collectible.

(g) **Prepaid items**—Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

(h) **Capital assets**— The CRA owns limited capital assets. The majority of capital outlay expenditures made by the CRA are deemed to be on behalf of the City who takes ownership of the assets along with the perpetual maintenance obligation for those assets. Capital assets owned by the CRA, which land and buildings, are reported in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of more than \$5,000 and an estimated useful life of greater than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized, but charged to operating expense as incurred. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	30 years

(i) **Long-term obligations**—The CRA does not have any legal indebtedness. Any use of funds for debt service represents payments toward long-term debt issued in the name of the City for which CRA revenues have been pledged.

The CRA does not have any employees. Any employees who provide services to the CRA are employees of the primary government and do so at either no charge to the CRA, or any allocations made to the CRA represent reimbursements by the CRA to the primary government for services rendered (any items recorded to personnel expense accounts are only for ease of tracking the reimbursement amounts). As a result, there is no compensated absences, other post-employment benefits (OPEB), or pension liabilities recorded on the CRA’s financial statements.

TITUSVILLE COMMUNITY REDEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

(1) **Summary of Significant Accounting Policies:** (Continued)

(j) **Fund equity**—In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the CRA is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Those classifications are as follows:

Nonspendable – amounts not available to be spent or not in spendable form, such as inventory and prepaid items.

Restricted – amounts constrained to specific purposes by their providers (such as grantors and higher levels of government), through constitutional provisions or by enabling legislation.

Committed – amounts constrained to specific purposes based on actions taken by the CRA governing board through ordinance.

Assigned – amounts the CRA intends to use for a specific purpose. Intent can be expressed by the CRA governing board or by an official or body which the Board delegates authority.

Unassigned – amounts that are available for any purpose.

When an expenditure is incurred for purposes for which both restricted and unrestricted resources are available; the CRA considers restricted funds to have been spent first. When expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the CRA considers amounts to have been spent first out of committed funds, then assigned funds and finally, unassigned funds, as needed.

(k) **Deferred outflows/inflows of resources**—In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The CRA has no items that meet this reporting criteria.

(l) In addition to liabilities, the statement of financial position will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. The CRA has no items that meet this reporting criteria.

(m) **Net position flow assumption**—Sometimes the CRA will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to determine amounts reported as restricted and unrestricted net position, it is the CRA's policy to consider restricted net position to have been used before unrestricted net position is applied.

(n) **Use of estimates**—Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could vary from the estimates assumed in preparing the financial statements.

TITUSVILLE COMMUNITY REDEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

(2) **Reconciliation of Government-Wide and Fund Financial Statements:**

(a) **Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position**—Following the governmental fund balance sheet is a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. A detailed explanation of these differences is as follows: capital assets used in governmental activities are not financial resources and, therefore, not reported in the governmental funds.

(b) **Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities**—Following the governmental fund statement of revenues, expenditures, and changes in fund balances, there is a reconciliation between net changes in fund balances - total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. A detailed explanation of these differences is as follows: governmental funds report capital outlays as expenditures, however, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.

(3) **Deposits and Investments:**

The CRA is subject to the investment policy of the primary government and maintains interest-bearing banking accounts for substantially all CRA funds. Additional accounts are held for various other purposes, or to segregate cash balances for amounts which are restricted or held on behalf of others. State statutes authorize the CRA to invest excess funds in time deposits, or obligations of the principal and interest of which are unconditionally guaranteed by, the United States Government, commercial paper, corporate bonds, repurchase agreements and/or the State Board of Administration (SBA) Local Government Surplus Trust Fund Investment Pool or other investment vehicles authorized by local ordinance.

As of September 30, 2022, all CRA deposits were covered by private bank acquired insurance, Securities Investor Protection Corporation (SIPC) insurance, private broker/dealer acquired insurance, Federal Depository Insurance Corporation (FDIC) insurance, and/or the State of Florida collateral pool established under the Florida Security for Public Deposits Act (the Act). The Act established guidelines for qualification and participation by banks and savings associations, procedures for administration of the collateral requirements and characteristics of eligible collateral. Under the Act, the qualified depository must pledge at least 50% of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance. Additional collateral, up to 125% may be required if deemed necessary.

All of the CRA's deposits are held with public depositories and as of September 30, 2022, the CRA's deposits and investments were not subject to any substantial interest rate, credit, or concentration risks.

**TITUSVILLE COMMUNITY REDEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

(4) **Capital Assets:**

Capital asset activity for the fiscal year ended September 30, 2022, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated –				
Land	\$ 200,000	\$ -	\$ -	\$ 200,000
Total capital assets, not being depreciated	<u>200,000</u>	<u>-</u>	<u>-</u>	<u>200,000</u>
Capital assets, being depreciated –				
Buildings and improvements	376,710	-	-	376,710
Less accumulated depreciation for–				
Buildings and improvements	<u>(53,693)</u>	<u>(12,522)</u>	<u>-</u>	<u>(66,215)</u>
Total capital assets, being depreciated, net	<u>323,017</u>	<u>(12,522)</u>	<u>-</u>	<u>310,495</u>
Governmental activities capital assets, net	<u>\$ 523,017</u>	<u>\$ (12,522)</u>	<u>\$ -</u>	<u>\$ 510,495</u>

Depreciation expense of \$12,522 was charged to the community development function.

(5) **Commitments and Contingencies:**

The CRA is engaged in various liability claims incidental to the conduct of its general government operations at September 30, 2022. The outcomes of established claims are included in these financial statements. In the opinion of the CRA and the primary government's legal counsel, no legal proceedings are pending or threatened against the CRA which are not covered by applicable insurance which would inhibit its ability to perform its operations or materially affect its financial condition.

The CRA 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, all of which is satisfactorily insured by limited risk, high deductible commercial general liability insurance. Commercial insurance policies are also obtained for other risks of loss, including employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

REQUIRED SUPPLEMENTARY INFORMATION

**TITUSVILLE COMMUNITY REDEVELOPMENT AGENCY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Taxes	\$ 982,412	\$ 982,412	\$ 982,381	\$ (31)
Investment income (loss)	-	-	(43,133)	(43,133)
Total revenues	<u>982,412</u>	<u>982,412</u>	<u>939,248</u>	<u>(43,164)</u>
Expenditures				
Current:				
Community Development	407,076	796,076	757,958	38,118
Capital outlay	475,874	1,766,498	578,124	1,188,374
Total expenditures	<u>882,950</u>	<u>2,562,574</u>	<u>1,336,082</u>	<u>1,226,492</u>
Excess (deficiency) of revenues over expenditures	<u>99,462</u>	<u>(1,580,162)</u>	<u>(396,834)</u>	<u>1,183,328</u>
Other financing sources (uses)				
Transfers in from primary government	-	340,000	351,509	11,509
Transfers out to primary government	(135,462)	(135,462)	(135,462)	-
Total other financing sources (uses)	<u>(135,462)</u>	<u>204,538</u>	<u>216,047</u>	<u>11,509</u>
Net change in fund balances	<u>(36,000)</u>	<u>(1,375,624)</u>	<u>(180,787)</u>	<u>1,194,837</u>
Fund balances, beginning of year	1,363,138	1,363,138	1,363,138	-
Fund balances, end of year	<u>\$ 1,327,138</u>	<u>\$ (12,486)</u>	<u>\$ 1,182,351</u>	<u>\$ 1,194,837</u>



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

To the Governing Board,
Titusville Community Redevelopment Agency;

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Titusville Community Redevelopment Agency (the CRA), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the CRA's basic financial statements and have issued our report thereon dated March 20, 2023.

Report on Internal Control over Financial Reporting

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

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

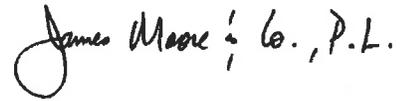
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given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

Report on Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in black ink that reads "James Moore & Co., P.L.". The signature is written in a cursive style with a large initial "J".

Daytona Beach, Florida
March 20, 2023



**INDEPENDENT AUDITORS' MANAGEMENT LETTER REQUIRED
BY CHAPTER 10.550, RULES OF THE STATE OF FLORIDA
OFFICE OF THE AUDITOR GENERAL**

To the Governing Board,
Titusville Community Redevelopment Agency:

Report on the Financial Statements

We have audited the basic financial statements of the Titusville Community Redevelopment Agency (the CRA), as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated March 20, 2023.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 20, 2023, should be considered in conjunction with this management letter.

Prior Audit Findings

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

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 for the CRA is disclosed in Note 1 of the basic financial statements.

Financial Condition and Management

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

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

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

Special District Component Units

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units; therefore, we did not note any such component units that failed to provide the necessary information, nor is any specific special district information required to be reported.

Specific Special District Information – Titusville Community Redevelopment Agency

The required reporting items in accordance with Section 218.39(3)(c), Florida Statutes for the CRA have been reported in the separately-issued audited financial statements of the CRA.

The following items have been provided to us to comply with state reporting requirements and have not been audited by us. We did not audit the following information within this section, nor were we required to perform any procedures to verify the accuracy or the completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any form of assurance on this data.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the CRA reported the following unaudited data:

- a) The total number of district employees compensated in the last pay period of the district's fiscal year: 2 (City employees dedicated to CRA functions).
- b) The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year: -0-.
- c) All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency: \$111,003 paid to City to reimburse for City employee services provided.
- d) All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency: \$-0-.
- e) Each construction project with a total cost of at least \$65,000 approved by the district that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as:
 - a. Stormwater Cured In-place Pipe Lining \$130,000
 - b. Street Resurfacing \$185,385
 - c. Two Cantilevered Shade Structures at Marina Park (\$65,111)

- f) A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes, as follows: the district's original budget totaled \$1,018,412 and was amended by the total amount of \$1,679,624, for final budgeted expenditures of \$2,698,036.

Additional Matters

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

Purpose of this Letter

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

Daytona Beach, Florida
March 20, 2023

James Moore & Co., P.L.



INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT

To the Governing Board,
Titusville Community Redevelopment Agency:

We have examined the Titusville Community Redevelopment Agency's (the CRA) compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies*, and Sections 163.387(6) and (7), Florida Statutes, *Redevelopment Trust Fund* (collectively, the "Statutes"), for the year ended September 30, 2022. Management is responsible for the CRA's compliance with those requirements. Our responsibility is to obtain reasonable assurance by evaluation the CRA's policies against the statutes, to determine the CRA's compliance and performing other procedures to obtain sufficient appropriate audit evidence to express an opinion that conveys the results of our evaluation based on our examination.

Our examination was conducted in accordance with attestation standards for a direct examination established by the American Institute of Certified Public Accountants. Those standards require that we obtain reasonable assurance by evaluating the CRA's policies against the Statutes, and performing procedures to obtain sufficient appropriate evidence to express an opinion that conveys the result of our measurement or evaluation of the CRA's compliance for the year ended September 30, 2022. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of risks of material noncompliance with those requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

In our opinion, the CRA complied with the aforementioned requirements for the year ended September 30, 2022, in all material respects.

Daytona Beach, Florida
March 20, 2023

James Moore & Co., P.L.



March 20, 2023

To the Governing Board,
Titusville Community Redevelopment Agency:

We have audited the financial statements of the Titusville Community Redevelopment Agency (the CRA) as of and for the year ended September 30, 2022, and have issued our report thereon dated March 20, 2023. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated February 7, 2023, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the CRA solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network of firms have complied with all relevant ethical requirements regarding independence.

We have applied safeguards related to our preparation of the CRA's financial statements, including, but not limited to, an assessment of management's skill, knowledge, and experience.

Significant Risks Identified

Professional standards require that we, as auditors, identify significant risks that impact the audit based upon the nature of the organization and design our audit procedures to adequately address those risks. As part of the audit process, we have identified the following significant risks, which are being communicated solely to comply with auditing standards and do not represent any specific finding and/or concerns related to the audit:

- Override of internal controls by management
- Improper revenue recognition due to fraud
- Improper use of restricted resources

Our audit was designed to adequately address the above risks and no issues were noted that impacted our ability to render an opinion on the financial statements.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the CRA is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during the year. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. There were no such sensitive accounting estimates affecting the financial statements.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the CRA's financial statements relate to:

Note 3 to the financial statements summarizes the CRA's deposits and investments.

Significant Unusual Transactions

For purposes of this communication, professional standards require us to communicate to you significant unusual transactions identified during our audit. We noted no such transactions.

Significant Difficulties Encountered During the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit. A summary of the uncorrected misstatements of the financial statements follows:

- None noted.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The following list summarizes the corrected misstatements that have been recorded by management:

- None noted.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the CRA's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the management representation letter dated March 20, 2023.

Management's Consultations with Other Accountants

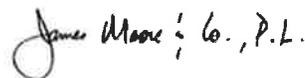
In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the CRA, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the CRA's auditors.

This report is intended solely for the information and use of the governing board and management of the CRA and of the City of Titusville, Florida, and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully,



JAMES MOORE & CO., P.L.



March 20, 2023

To the Governing Board,
Titusville Community Redevelopment Agency:

We have audited the financial statements of the Titusville Community Redevelopment Agency (the CRA) as of and for the year ended September 30, 2022, and have issued our report thereon dated March 20, 2023. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated February 7, 2023, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the CRA solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network of firms have complied with all relevant ethical requirements regarding independence.

We have applied safeguards related to our preparation of the CRA's financial statements, including, but not limited to, an assessment of management's skill, knowledge, and experience.

Significant Risks Identified

Professional standards require that we, as auditors, identify significant risks that impact the audit based upon the nature of the organization and design our audit procedures to adequately address those risks. As part of the audit process, we have identified the following significant risks, which are being communicated solely to comply with auditing standards and do not represent any specific finding and/or concerns related to the audit:

- Override of internal controls by management
- Improper revenue recognition due to fraud
- Improper use of restricted resources

Our audit was designed to adequately address the above risks and no issues were noted that impacted our ability to render an opinion on the financial statements.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the CRA is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during the year. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. There were no such sensitive accounting estimates affecting the financial statements.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the CRA's financial statements relate to:

Note 3 to the financial statements summarizes the CRA's deposits and investments.

Significant Unusual Transactions

For purposes of this communication, professional standards require us to communicate to you significant unusual transactions identified during our audit. We noted no such transactions.

Significant Difficulties Encountered During the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit. A summary of the uncorrected misstatements of the financial statements follows:

- None noted.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The following list summarizes the corrected misstatements that have been recorded by management:

- None noted.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the CRA's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the management representation letter dated March 20, 2023.

Management's Consultations with Other Accountants

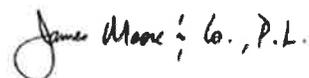
In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the CRA, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the CRA's auditors.

This report is intended solely for the information and use of the governing board and management of the CRA and of the City of Titusville, Florida, and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully,



JAMES MOORE & CO., P.L.



Banner from the Redevelopment Master Plan

West Melbourne/Brevard County Joint
Community Redevelopment Agency
Annual Report to Brevard County



Fiscal Year 2021-2022

Published March 7, 2023

Community Redevelopment Agency

City Hall – 2240 Minton Road, West Melbourne, FL 32904

Phone: 321-837-7771 Fax: 321-768-2390

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Appendix – Joint West Melbourne-Brevard County Community Redevelopment Area map

Note for this report: CRA = Community Redevelopment Area

CRA ≠ Community Redevelopment Agency

The phrase Community Redevelopment Agency is spelled out in this report to distinguish the two terms.

SECTION I – INTRODUCTION

a. MISSION AND OVERVIEW

REQUIRED ANNUAL REPORT -

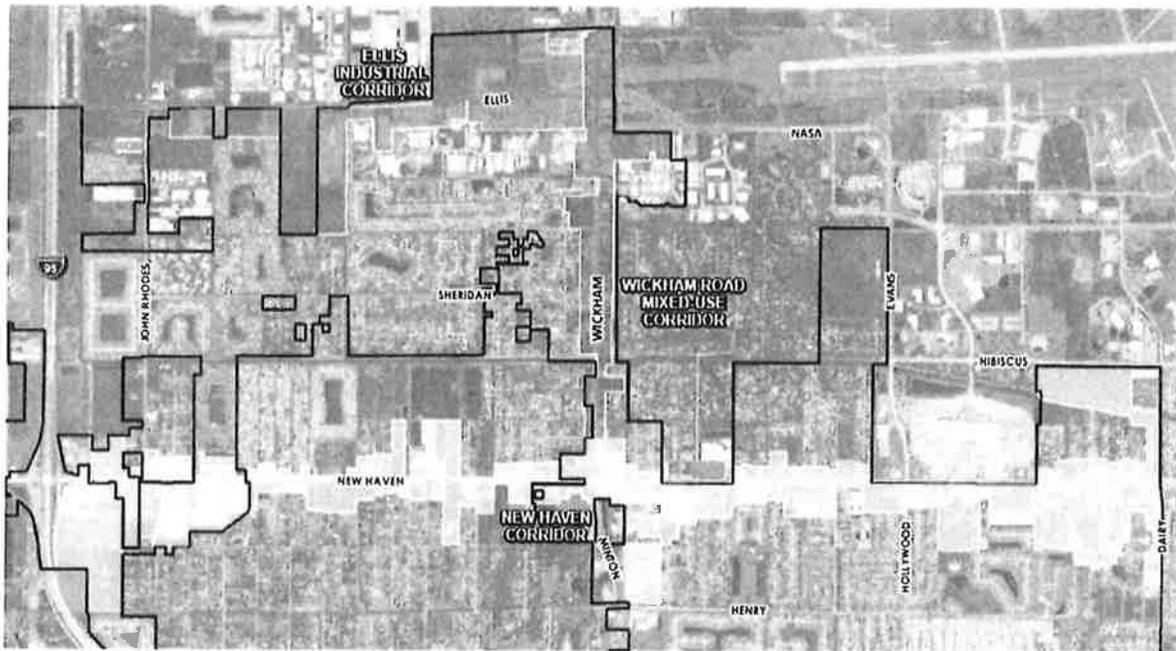
Chapter 163.356(3) (c), Florida Statutes, requires that community redevelopment agencies file an annual report of their financial activities with the taxing authorities by March 31st of each year for the preceding fiscal year. The details in this report comply with Brevard County and State of Florida requirements for annual reporting on this joint community redevelopment area. This annual report has been prepared and is filed for fiscal year 2020-2021.

This report is a retrospective review of the Community Redevelopment Agency's efforts, the financial status of the trust fund, the beautification efforts near the interchange of I-95 and New Haven Avenue, and capital improvement programs as of the close of the 2020-2021 fiscal year on September 30, 2021.

WHEN WAS IT FORMED?

The unique West Melbourne/Brevard County Joint Community Redevelopment Agency was created in 2011. This redevelopment area encompasses two unincorporated areas and three areas in the West Melbourne city limits along three main corridors: the New Haven Corridor that stretches from the Intersection of I-95 to Dairy Road, the Wickham Road Mixed-Use Corridor that extends north from New Haven Ave to Emerald Drive, and the Ellis Industrial Corridor that extends west from Wickham Road to John Rodes Blvd (the following map shows the CRA boundaries).

Per the 2018 interlocal agreement between the City and County, the CRA will sunset on September 30, 2038 (five years earlier than the statutorily allowed 30 year horizon).



2013 REDEVELOPMENT MASTER PLAN

The adopted Redevelopment Master Plan guides the redevelopment focus of the CRA. The three primary categories addressed in the Plan are:

- 1) Identification of primary redevelopment opportunity areas and corresponding infrastructure including sidewalks, bike paths, stormwater and utilities.
- 2) Identification of private investment opportunities as well as recommended programs for improvements including gateways, streetscape, wayfinding and branding.
- 3) Identification of governmental actions that can implement some of the 55 strategies listed in the Master Plan including updates to comprehensive plans, land development codes, proactive code enforcement, business development programs and incentives for business retention.

b. TRANSMITTAL LETTER

West Melbourne/Brevard County Joint
Community Redevelopment Agency

Hal J. Rose, Chairman
John Dittmore, Vice-Chairman
Diana Adams
Pat Bentley
Adam Gaffney
Stephen Phrampus
Andrea Young
Kristine Isnardi

CITY HALL
2240 Minton Road
West Melbourne, FL 32904
Phone: (321) 727-7700
Fax: (321) 768-2390
www.westmelbourne.org



Date: March __, 2023

VIA CERTIFIED AND REGISTERED MAIL

Florida Auditor General;
Florida Department of Financial Services;
Florida Department of Economic Opportunity;
Brevard County Property Appraiser;
Joint West Melbourne-Brevard County Community Redevelopment Agency;
City Council; and
Brevard County Board of Commissioners (all); and County Manager

RE: West Melbourne/Brevard County Joint Community Redevelopment Agency Annual
Financial Report

Ladies and Gentlemen,

City staff is pleased to submit the West Melbourne/Brevard County Joint Community Redevelopment Agency Annual Report for fiscal year 2020-2021. The Joint Community Redevelopment Agency Annual Report was filed with the City of West Melbourne and Brevard County on March 7, 2023. Under Florida law (Chapter 163, Part III), local governments are required to file a report of the activities of the previous fiscal year by March 31st of each year. This transparency supports the efficient utilization of resources when they are applied to the redevelopment of our business corridors.

Attachment

SECTION II – BOARD MEMBERS AND STAFF

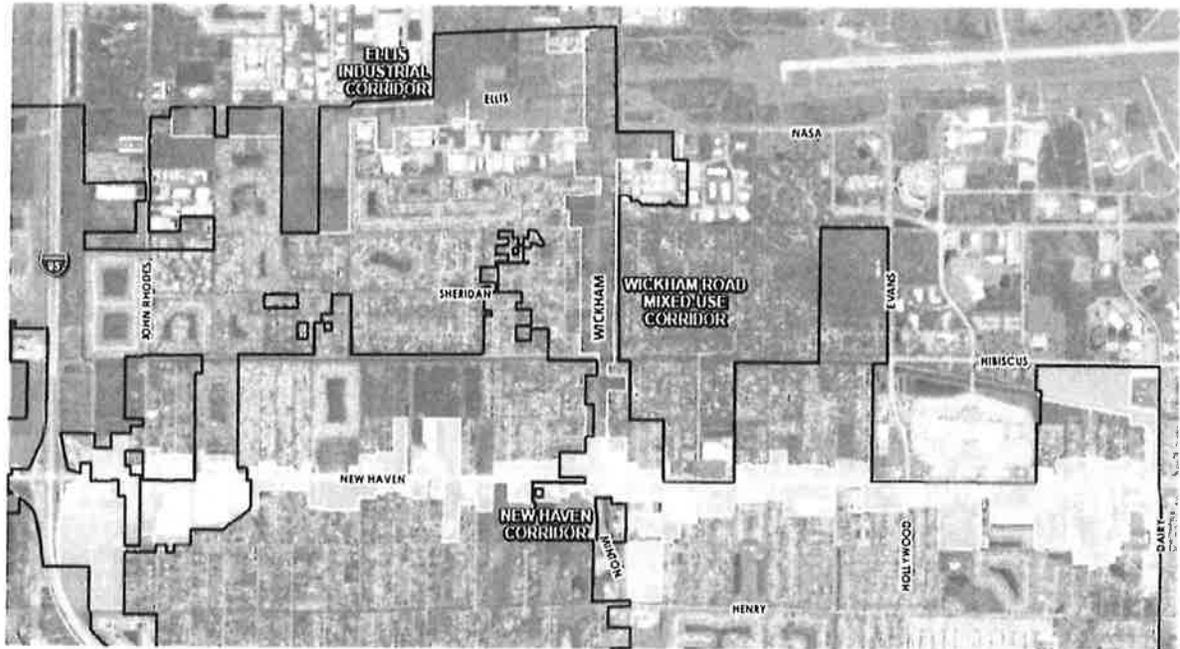
Who are the members of the Community Redevelopment Agency?

The activities and programs offered within a CRA are administered by the Community Redevelopment Agency. An eight-member Community Redevelopment Agency Board created by the City of West Melbourne and Brevard County in 2011. The Community Redevelopment Agency Board is served by the City of West Melbourne staff at no cost to the Agency. Community Redevelopment Agency members and staff at the close of the fiscal year on September 30, 2022, are listed in the table below.

WEST MELBOURNE/BREVARD COUNTY JOINT COMMUNITY REDEVELOPMENT AGENCY (As of October 1, 2022)

Chairman	Hal Rose (West Melbourne Mayor)
Vice Chairman	John Dittmore (West Melbourne Deputy Mayor)
CRA Official	Diana Adams (West Melbourne Council)
CRA Official	Pat Bentley (West Melbourne Council)
CRA Official	Daniel McDow (West Melbourne Council)
CRA Official	Stephen Phrampus (West Melbourne Council)
CRA Official	Andrea Young (West Melbourne Council)
CRA Official	Kristine Zonka (District 5 County Commissioner)
Registered Agent	Tim Rhode (West Melbourne City Manager)
CRA Attorney	Cliff Repperger (West Melbourne City Attorney)
Executive Director	Christy Fischer (West Melbourne Planning Director)
CRA Clerk	Cynthia Hanscom (West Melbourne City Clerk)
Financial Officer	Margi Starkey (West Melbourne Finance Director)

SECTION III – BOUNDARY LINES (see Appendix map for larger size)



SECTION IV – HISTORY

- a. Creation Date: *July 12, 2012*
- b. Plan Amendment Dates: *None*
- c. Applicable Resolution(s) and Ordinances:
 - i. *City Resolution No. 2011-22*
 - ii. *County Ordinance No. 2011-28*
 - iii. *City Ordinance No. 2012-19*
 - iv. *2018 Interlocal Agreement between the joint CRA, Brevard County and West Melbourne – limits County contribution and use of CRA funds*

SECTION V – PROJECTS OVERVIEW

The Community Redevelopment Agency, in partnership with the community is spearheading redevelopment efforts to create an attractive business climate and promote commercial property improvements. This section lists some of the milestones and accomplishments.

CRA Milestones:

2011 Collaboration - West Melbourne and Brevard County began discussing embarking on a joint community redevelopment area since some of New Haven Avenue and Wickham Road are in unincorporated county areas. The two government entities collaborated for months about creating a community redevelopment area based on the following findings of blight:

- Business corridors with high vacancy rates
- Outdated building density/intensity patterns
- Inadequate transportation and parking facilities
- Faulty lot layouts and inadequate street layouts related to older subdivisions and road widenings

2013 Master Plan Adopted – All CRA's must have a redevelopment plan and can only carry out tasks identified in the master plan. The adoption of a Community Redevelopment Plan for the West Melbourne/Brevard County Joint CRA occurred in March 2013 and the 55 identified strategies outline the main programs and results that the joint CRA is endeavoring to achieve during its 30-year tenure through the year 2043, which has been amended to sunset in 2038. The strategies were partially drawn from a series of workshops conducted with business owners along New Haven Avenue, Wickham Road and Ellis Road.

2013 Revenue Fund Initiated - The tax increment trust fund (revenue) was initiated in May of 2013, and the coding of the specific properties by the Brevard County Property Appraiser that were included in the CRA area occurred in the summer of 2013. The City and County trust fund is limited per Florida Statutes to 95% of the incremental increase of City and County general ad valorem taxes generated in the CRA boundaries over the 2011-2012 base year.

2013 First Budget and First Working Capital – The City of West Melbourne approved an interlocal agreement in September 2013 to extend administrative services to the Community Redevelopment Agency at no cost and to lend the working capital for the Agency for ten years. This working capital loan is a no-interest loan providing the capital required for the Agency start up.

2014 Activities – The 2014 CRA work plan consisted of the initiation of the commercial façade loans, and providing funding for the lighting on New Haven Avenue near I-95. However, coordination with FDOT for its share of the road lighting took longer than initially expected and has continued into 2015 and 2016. The first façade redevelopment loan was approved and work on the façade of the business located along Wickham Road, Space Coast Massage, was completed in 2014.

In 2014-2015, as a separate activity since the interchange of I-95 and New Haven Avenue is not part of the CRA but is next to it, the City of West Melbourne with a grant from FDOT, planted hundreds of trees and a new fountain along the interchange and the State's retention pond. The beautification of this interchange complements the public right of way improvement endeavors of the CRA, since the CRA boundaries end on New Haven Avenue before the interchange and the CRA embarked on a street lighting beautification program on New Haven Avenue, also known as US 192/State Road 500. The FDOT landscape grant was part of FDOT's set aside when highway improvements are completed such as the bridge enhancements and 6-laning of the interstate.

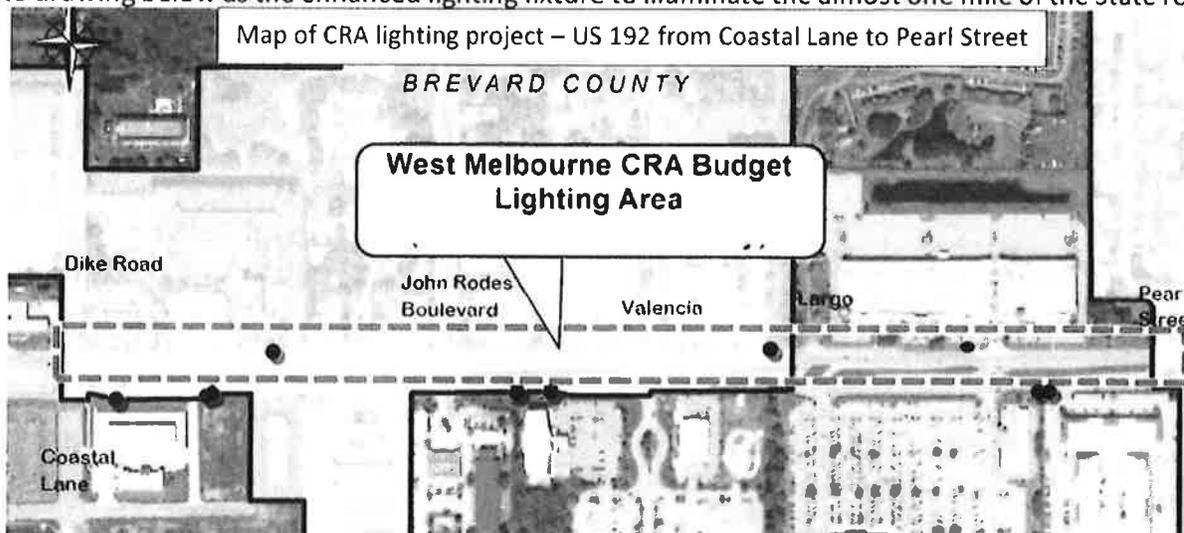


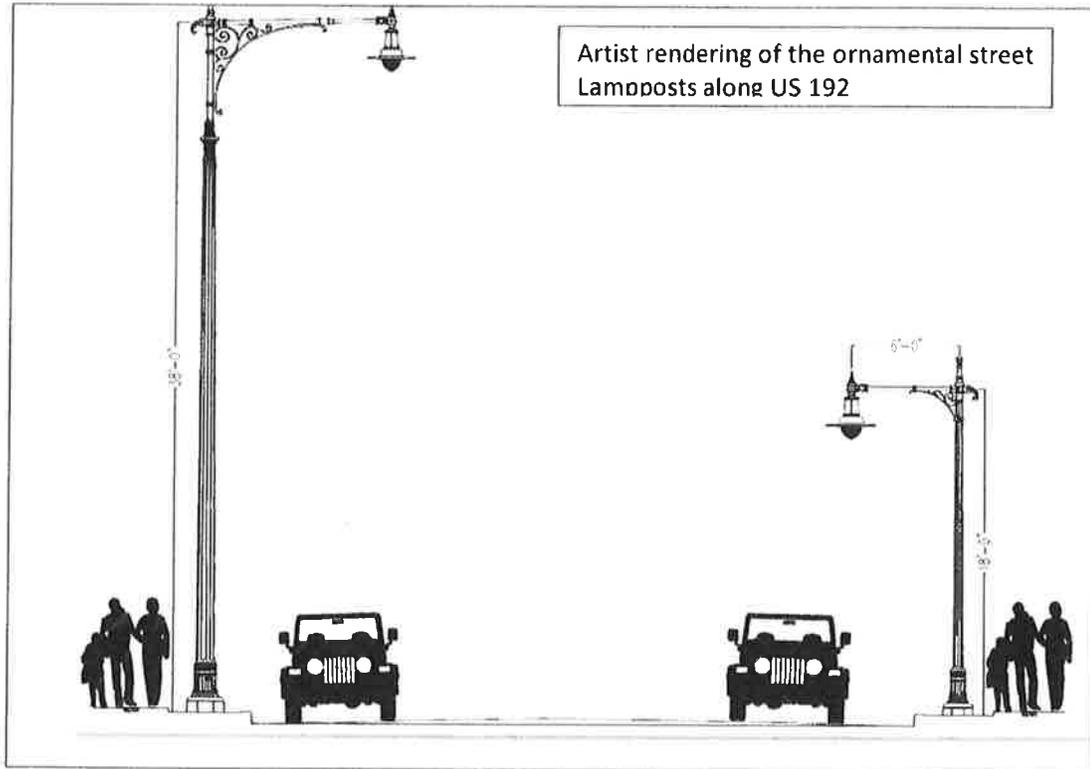
Before -Corner of New Haven Avenue and Interchange prior to landscaping



After - I-95 Landscape Improvements (FDOT grant and City of West Melbourne)

2015 Activities – For the past several years, FDOT identified New Haven Avenue as too dark for motorists and FDOT's typical illumination consists of installing wooden poles and cobra head style street lights. The City of West Melbourne and the Community Redevelopment Agency have joined forces to leverage funds from FDOT and to install decorative lighting on New Haven Avenue from west of I-95 near Columbia Lane to Pearl Street (next to Safelite Auto Glass). The CRA funded section of improvements starts at Dike Road and ends at Pearl Street (see map below). In the spring of 2015, the Community Redevelopment Agency chose the "Parkwood" style of street pole and lamp shown in the black and white drawing below as the enhanced lighting fixture to illuminate the almost one mile of the State road.





2016 Street lighting Activities – The predominant activity in 2016 was the lighting proposal for US 192 from the interstate to Pearl Street. One of the obstacles has been issues related to the design of the lighting plan in FDOT’s right of way. The City obtained on behalf of FDOT title to the turn lane in front of Sam’s Club by conducting new surveys and ensuring the street light design reflected the updates. The City sent the lighting construction drawings out to bid in 2017 and received the results of the contractor bids on March 21st, 2017 and the project was completed in 2017.

The Community Redevelopment Agency no longer engages in the façade loan program for commercial properties along New Haven Avenue, Ellis Road and Wickham Road. If businesses approach City of West Melbourne staff about using the loan program, this is no longer an option under the 2018 County and City interlocal agreement which only allows funding of water, sewer, streets, drainage infrastructure projects. City staff continues to encourage redevelopment of existing commercial businesses in our three corridors of emphasis as evidenced by the City’s passage of collapsed zoning districts along US 192 and Wickham Road that allows property owners greater flexibility and a wider array of possible uses instead of the previous segregation into 4-5 zoning districts of commercial districts with specific differences between neighboring properties. Meaning that future redevelopment along these two roads will be more cohesive and less confusing to potential developers.

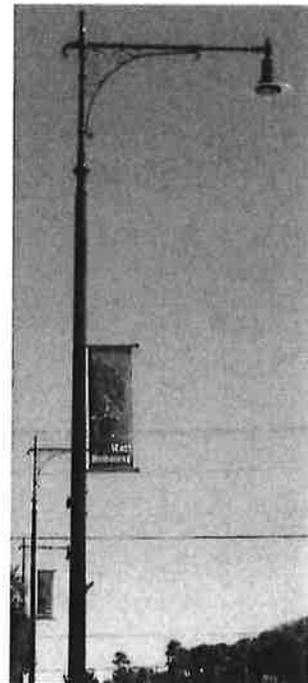
The State of Florida in its 2019 legislation required that Community Redevelopment Agencies report on the total number of projects started and completed and the estimated cost for each project in that fiscal year.

Total Projects started in FY 21-22*	Total amount of affordable housing for low-income and middle-income*
0	0

*The Joint County-City interlocal agreement in 2018 prohibits use of the tax increments funds for anything other than infrastructure – so housing is not an option.

2017-2018 Street lighting Activities –

In 2017, City Council awarded the bid for the US 192 (New Haven Avenue) street lighting project to the company named PowerCore in the amount of \$764,044.58. This amount excluded the poles and fixtures, which have been purchased directly by the City. The Notice to Proceed was issued with a start date of January 22, 2018. The contractor for the project finished the project in 2018 and not only were there lights illuminating both the sidewalk and US 192 during the holidays, but the City of West Melbourne hangs decorative banners for the holidays.

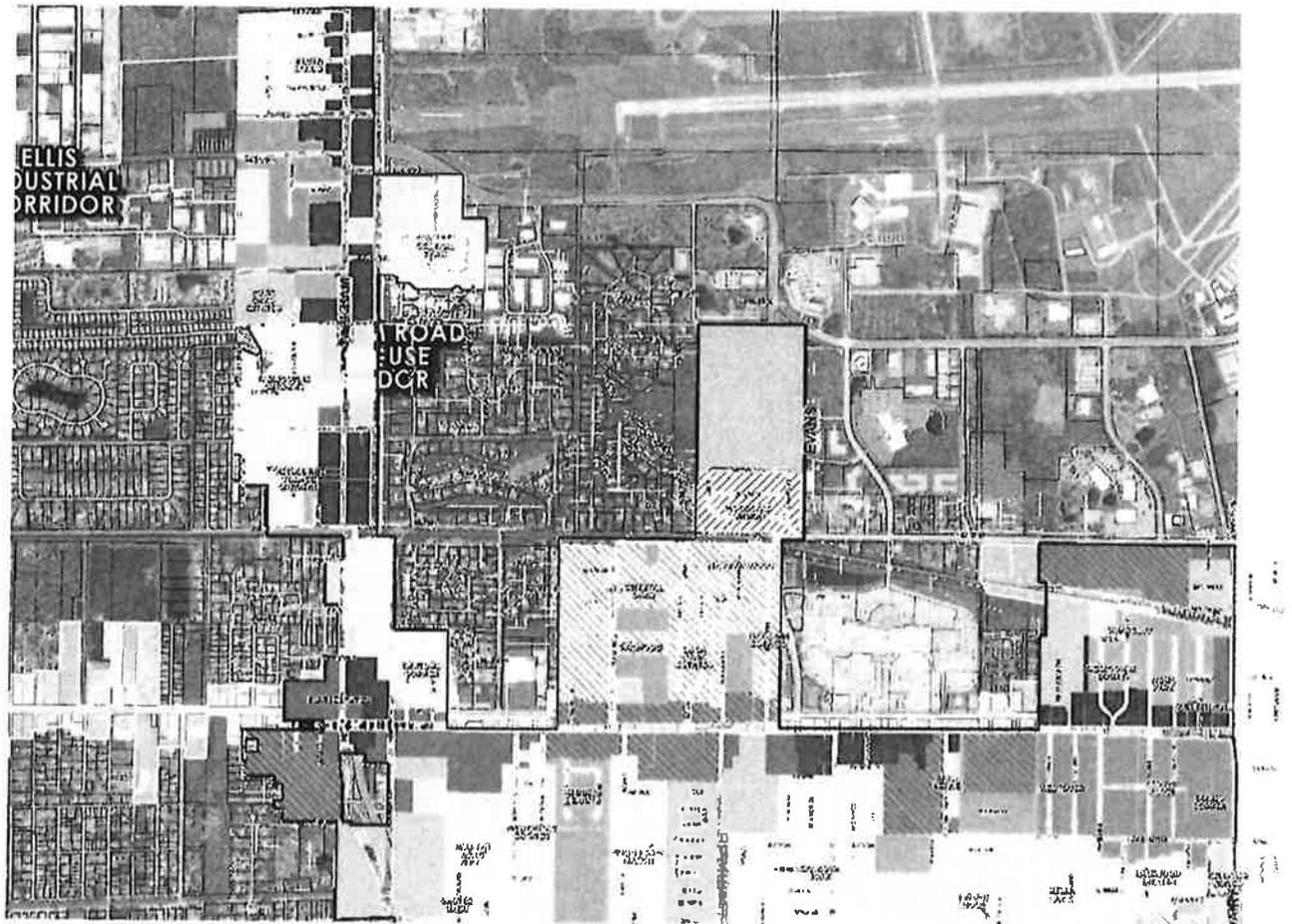


(Street lights installed in 2018 along US 192)

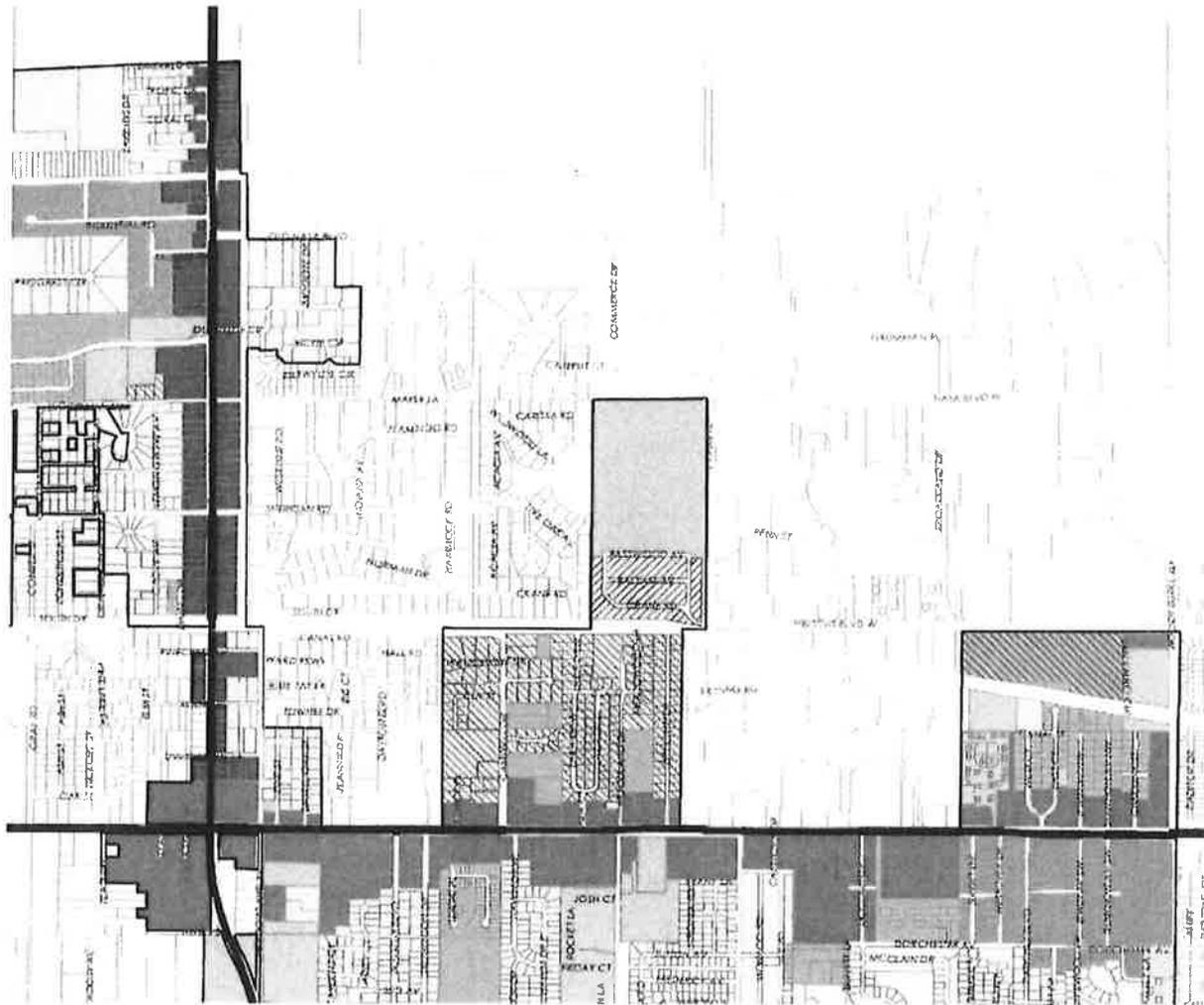
2017-2018 New Zoning Districts – Commercial Wickham and Commercial New Haven Avenue

The City enacted new zoning districts in 2017 along two of our major arterials to consolidate various zoning districts, provide more urban types of standards and to promote redevelopment in our city limits. No changes were made to any of the properties that are in unincorporated County. Since enactment of the new zoning districts and its application on the Zoning map, city staff has eliminated some non-conforming uses that conflicted with the City Future Land Use map, and made it simpler for developers to aggregate properties of the same zoning district instead of having to rezone adjacent properties. The result was a zoning district for each corridor, Commercial – Wickham and Commercial – New Haven, modeled after the types of uses that existed along Wickham Road and New Haven Avenue with an eye for future enhancements in these corridors. These images below show the before 2017 changes and after the changes:

Zoning Before 2017



Zoning After 2017:



-  C-P: Commercial Parkway
-  C-1A: Professional Offices and Services
-  C-1: Low Density Commercial
-  C-2: General Commercial
-  M-1: Light Industrial and Warehousing
-  M-2: General Industrial
-  P-1: Institutional
-  IB: Integrated Business

2 New Districts

-  C-NH: Commercial New Haven Avenue
-  C-WR: Commercial Wickham Road

2018 Interlocal Agreement Concerning Brevard County Tax Increment Funding

In 2018, the joint Community Redevelopment Agency (comprised of Brevard and West Melbourne) and Brevard County entered in a voluntary agreement to reduce the funding the County contributed as an increase to the tax increment trust fund. That is, the County no longer contributed 95% of its increment, but rather a reduced amount of 50% (can only be spent on infrastructure projects as defined in the 2018 agreement). The agreement stated that the 45% difference was to be spent solely on the maintenance, construction, reconstruction, lighting of, and/or capacity improvements to, County roads, located within West Melbourne City limits (page 6 of the 2018 interlocal agreement). The interlocal agreement also sunsets the CRA by the year 2038, at least five years before the authorizing County ordinance expired the agency and area in 2043. This newer sunset date was also bolstered by State legislative activities which also sought to shorten the life cycle of CRA's throughout Florida.

WEBSITE

Home Page • Ordinances • Planning • Governance/Board/Committees/CRA • Special District

SPECIAL DISTRICT

Each special district must post the following information at a minimum on its official website

GENERAL INFORMATION

- Full legal name - Joint West Melbourne-Brevard County Community Redevelopment Area
- Public purpose - Encourage redevelopment along three (3) business corridors: Ellis Road, Wickham Road and New Haven Avenue
- Boundaries/service area (click on link to "Maps")
- Services provided - Redevelop and encourage redevelopment of areas in unincorporated and municipal areas along Ellis Road, Wickham Road and New Haven Avenue
- Delegation of Authority Issued by Brevard County per County Ordinance Number 2011-28 which provides the following powers:
 - Name the redevelopment agency
 - Conduct boundary surveys
 - Organize and operate the redevelopment agency
 - Give public notice per the Florida Statutes
 - Make a finding of necessity per the Florida Statutes
 - Determine area appropriate for redevelopment area
 - Approve a redevelopment plan
 - Issue redevelopment bonds
 - Acquire and dispose of real estate property
 - Create and maintain redevelopment trust fund and appropriate funds and expenses
 - Distribute redevelopment information
 - Arrange and request federal financial assistance
 - Obtain property insurance
 - Solicit requests for proposals for property redevelopment
 - Develop test and report results for redevelopment of slums
 - Assist with relocations of displaced families, persons, companies as a result of redevelopment activities
 - Vacate streets, sidewalks and other public infrastructure and re-route if needed

Special District website requirements – (Screen shot of City's "Special District" web page)

The “West Melbourne/Brevard County Joint Community Redevelopment Agency” was one of the first in Brevard County to update its web site to include an organized outline of the features of the special district new statutory requirements. The purpose of the new requirements by the State of Florida was to add transparency to a complex maze of special districts by having Community Redevelopment Agencies identify themselves as special districts, with listed purposes, establishment dates, and contact information. The State of Florida had conducted an exhaustive review of existing special districts in 2013, which included identification of all such taxing authorities like ports, inlet districts, airports and community redevelopment agencies and had determined that every special district should include basic information linking their taxing authority or tax source of revenue with a stated purpose.

SECTION VI – FINANCIAL REPORTS

a. Balance Sheet:

FY 2021-2022 Assets:

Cash and Investments		\$1,799,624
	Total Assets	\$1,799,624

FY 2021-2022 Liabilities:

City Loan Debt Service – Current		\$100,000
City Loan Debt Service – Long-term		\$200,000
	Total Liabilities	\$300,000

b. Statement of Revenues, Expenditures & Changes in Fund Balances:

FY 2021-2022 Revenues:

Increment Financing (County)		\$265,432
Increment Financing (City)		\$265,432
Investment Earnings		\$ 7,552
	Total Revenue	\$538,416

FY 2021-2022 Expenditures:

Personnel costs	\$ 0
Operating Expenditures (includes newly required audit)	\$4,295
Total Expenditures	\$4,295
FY 2021-2022 Changes in Fund Balance	
Fund Balance – Beginning of Year	\$965,503
Net Activity FY 2021-2022	\$534,121
Fund Balance	\$1,499,624

c. Summary of Projects, Grants & Debt

The Community Redevelopment Agency no longer engages in the façade loan program for commercial properties along New Haven Avenue, Ellis Road and Wickham Road. If businesses approach City of West Melbourne staff about using the loan program, the City explains that per an Interlocal Agreement with Brevard County in 2018 CRA money spending is limited to these categories:

- Property acquisition
- Road improvements
- Stormwater improvements
- Stormwater facilities related to the widening of Ellis Road from John Rodes Boulevard to Wickham Road
- Sewer projects that serve commercial properties in the unincorporated portions of the CRA

City staff continues to encourage redevelopment of existing commercial businesses in our three corridors of emphasis as evidenced by the City's passage of collapsed zoning districts along US 192 and Wickham Road that allows property owners greater flexibility and a wider array of possible uses instead of the previous segregation into 4-5 zoning districts of commercial districts with specific differences between neighboring properties. Meaning that future redevelopment along these two roads will be more cohesive and less confusing to potential redevelopers. Staff anticipates that when Brevard County and the Florida Department of Transportation have completed design plans for four-laning Ellis Road, that CRA funds can be used to supplement the drainage requirements of the project.

SECTION VII – PERFORMANCE INFORMATION

- a. Total projects started, completed and estimate cost for each project: *The Community Redevelopment Area (CRA) and its governing agency had no active projects for Fiscal year 2020-2021, although the governing agency still has debt to pay off the original Community Redevelopment Report which established its mission.*
- b. Number of jobs created and sector of the economy from which these jobs were created within the CRA: *There were no active CRA projects from which direct jobs would have been created and this is not one of the agreed upon uses of funds from the 2018 County-City interlocal agreement. However, the City has a list of properties developed or redeveloped in the CRA since the inception of the district, thus fulfilling its mission of redevelopment in the area.*
- c. Number of jobs retained within the CRA: *There were no active CRA projects from which jobs would have directly been retained and this is not one of the agreed upon uses of funds from the 2018 County-City interlocal agreement. However, the City has created a list of properties developed or redeveloped in the CRA since the inception of the district.*
- d. Assessed property values when CRA was enacted vs. current assessed property values:

Base Year 2012	
County	\$219,775,470
City	\$184,197,920

Taxable Year 2022	
County	\$386,422,488
City	\$326,406,308

- e. Total amount expended for affordable housing: *Pursuant to the 2018 County-City interlocal agreement this is not a category eligible for Community Redevelopment Tax Increment Financing.*

Revitalized properties and their annual property value increases

Business Name/Address	Year Built or Renovated	2019 Property Appraiser Value	2020 Property Appraiser Value	2021 Property Appraiser Value	2022 Property Appraiser Value
Cheddar's/2130 W. New Haven Ave.	2013 built	\$2,000,000	\$2,000,000	\$1,700,000	\$1,982,280
Autozone/1340 W. New Haven Ave.	2014 renovated	\$1,750,230	\$1,898,430	\$1,908,500	\$1,910,600
Arby's/2300 W. New Haven Ave.	2015 renovated	\$947,240	\$1,076,810	\$1,081,700	\$765,920
McDonald's/445 S. Wickham Road	2011 renovated	\$749,500	\$883,040	\$883,990	\$923,620
McDonald's/ 2450 W. New Haven Avenue	2016 renovated	\$936,020	\$1,102,780	\$1,109,060	\$1,170,210
Advance Auto/ 450 S. Wickham Road	2013 demo and built	\$877,840	\$904,590	\$909,350	\$909,810
Cumberland Farms/440 S. Wickham Road	2015 demo and built	\$1,291,470	\$1,614,340	\$1,147,180	\$1,266,430
Cumberland Farms/ 4440 W. New Haven	2015 demo and built	\$1,333,560	\$1,666,950	\$1,171,900	\$1,281,480
Cumberland Farms/ 1000 W. New Haven Ave.	2015 built	\$1,413,550	\$1,766,940	\$1,245,090	\$1,358,190
Wawa/combination of 3 parcels – 3175 W. New Haven Avenue	2015-2016	\$1,817,890	\$2,272,360	\$2,000,000	\$2,000,000
Health First (used to be Office Depot/Wild Oats plaza) – 1131 W. New Haven Avenue	2016 renovated	\$3,704,640	\$4,238,690	\$4,260,320	\$4,510,350
Dunkin Donuts (in Coastal Commerce) – 4525 W. New Haven Avenue	2017 new build	\$917,560	\$1,018,410	\$951,970	\$1,018,410
Starbucks -1425 W. New Haven Avenue	1993 – original building; 2020 demo and rebuild	\$417,610	\$523,190	\$929,680	\$924,640

SECTION VIII – ADDITIONAL ANNUAL REPORTING REQUIREMENTS

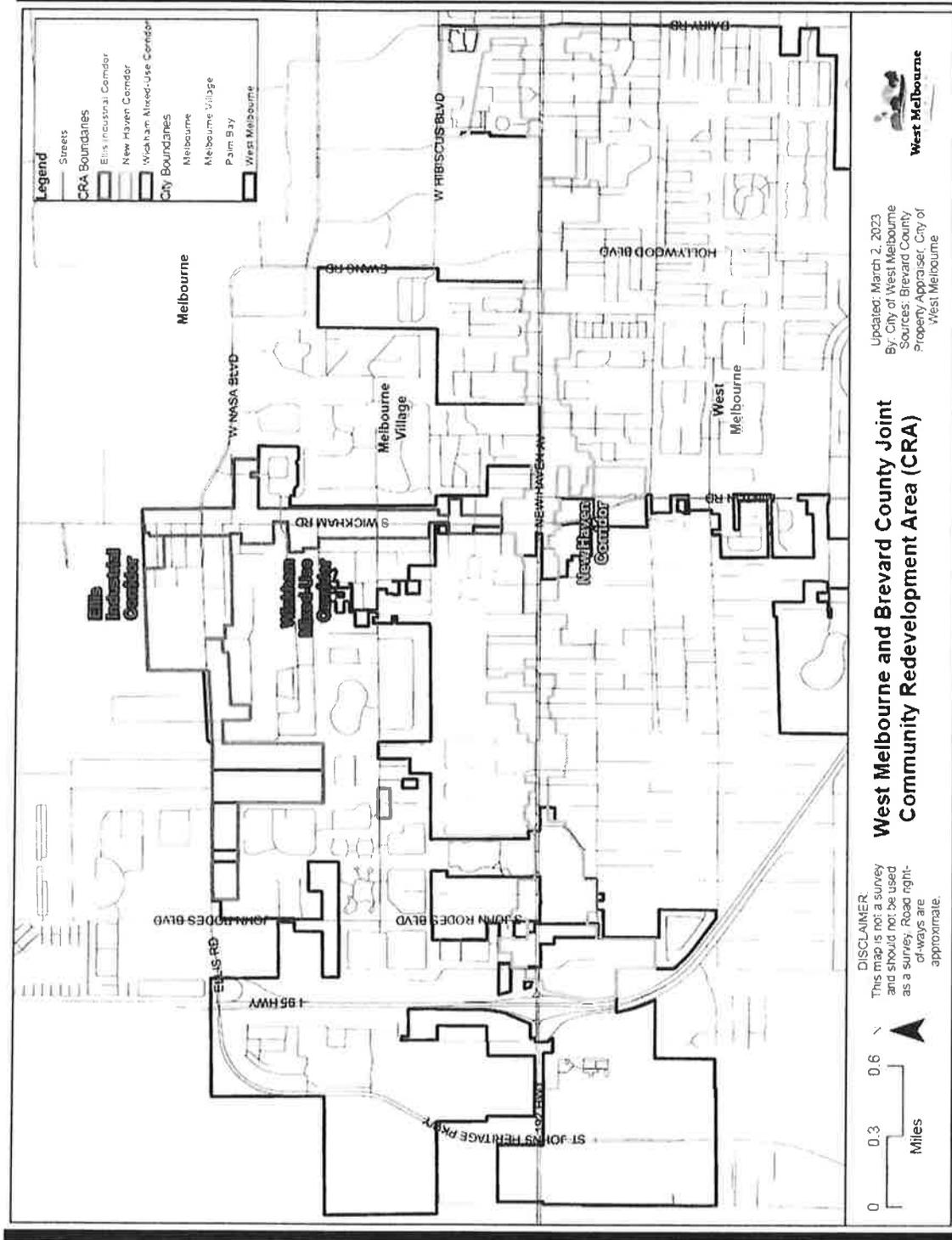
- a. Provide the Board of County Commissioners the Community Redevelopment Agency's proposed budget for the upcoming fiscal year, 60 days prior to the beginning of the fiscal year: *The Community Redevelopment Agency prepares its budget in the spring and thus is compliant with the County's 60 day requirement prior to September 30, 2022.*

- b. Provide the Board of County Commissioners any budget amendments to its operating budget within 10 days after the adoption by the Community Redevelopment Agency: *The Community Redevelopment Agency has not had any budget amendments in FY 2021-2022 but will comply with the 10-day submittal requirement to the County's.*

SECTION IX – SUMMARY

The primary purpose of a community redevelopment area is to encourage property revitalization and redevelopment. It has been shown that public improvements, such as extension of sewer lines, continuation of sidewalks, street lighting, and other enhancements near undeveloped properties spur private investment in the area and ultimately add value to property values, franchise fees, sales taxes, local retail and housing investments. The West Melbourne/Brevard County Joint Community Redevelopment Agency is in its ninth year of operation. The public improvements of street lighting, development code changes and gradual implementation of other strategies identified in the 2013 Redevelopment Master Plan yields the increased property values from redevelopment and new development and other benefits to an area that might otherwise continue further into blight conditions.

APPENDIX – COMMUNITY REDEVELOPMENT AGENCY MAP





Mindy Gibson • Satellite North

Joseph Grutta really?! I would challenge you to show me a single city manager in Brevard county or the surrounding counties with similar city sizes that makes \$70,000. A city manager is essentially the CEO of a city. Satellite beach has around 140 employees and a budget of 14 million.. in the private sector that job would pull upward to 3-400k a year. Our city manager has a masters degree in urban planning, decades of experience in city government. Implying that \$70K is a reasonable salary for that position is absurd.

I am not sure how long you have lived here. But when Courtney was hired the city had around 80k in the reserves. We are supposed to have around 1 million. The state was involved and we were facing insolvency. This was due to the decisions made by the council at the time by cutting taxes but not expenses. I would suggest all of you take a look at who was on council at that time and who is out there trying to influence this election.

Courtney was the sole person that created a plan using her knowledge of CRA's to rebuild our reserves and essentially save the city. She has earned that salary and it is competitive in the marketplace.

26 Oct Like Reply Share



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Mindy Gibson • Satellite North

jim dahl the tax rate has decreased the last several years. By design. It took almost 10 years to fully build our reserves back up from when the previous council lowered taxes to the point where they had to pay their "bills" with their savings. The city almost went into insolvency because of it.

6 days ago Like Reply Share



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