



# Agenda Report

2725 Judge Fran Jamieson  
Way  
Viera, FL 32940

## Consent

---

F.17.

7/23/2024

---

### **Subject:**

Acknowledge receipt of FY 2022-2023 Redevelopment Agencies Annual Reports for the fiscal year ending September 30, 2023

### **Fiscal Impact:**

There is no fiscal impact associated with this action.

### **Dept/Office:**

County Manager's Office

### **Requested Action:**

It is requested that the Board acknowledge receipt of FY 2022-2023 Redevelopment Agencies Annual Reports for the fiscal year ending September 30, 2023.

### **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 2022-2023 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 Agencies  
City of Cocoa Beach Community Redevelopment Agency  
City of Melbourne Community Redevelopment Agencies  
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

July 24, 2024

**M E M O R A N D U M**

**TO:** Frank Abbate, County Manager

**RE:** Item F.17., Acknowledge Receipt of FY 2022-2023 Redevelopment Agencies Annual Reports for the Fiscal Year Ending September 30, 2023

The Board of County Commissioners, in regular session on July 23, 2024, acknowledged receipt of FY 2022-2023 Redevelopment Agencies Annual Reports for the Fiscal Year ending September 30, 2023.

Your continued cooperation is always appreciated.

Sincerely,

**BOARD OF COUNTY COMMISSIONERS  
RACHEL M. SADOFF, CLERK**

A handwritten signature in cursive script that reads "Kimberly Powell".

Kimberly Powell, Clerk to the Board

/ds





# CITY OF CAPE CANAVERAL

P.O. Box 326 • 100 Polk Avenue • Cape Canaveral, FL 32920-0326  
(321) 868-1220 • [www.cityofcapecanaveral.org](http://www.cityofcapecanaveral.org)

RECEIVED

APR 10 2024

County Manager's  
Office

March 20, 2024

Brevard County Board of County Commission  
c/o Frank Abbate, County Manager  
2725 Judge Fran Jamieson Way  
Viera, FL 32940

RE: CAPE CANAVERAL COMMUNITY REDEVELOPMENT AGENCY 2022/23 ANNUAL REPORT

Consistent with Section 163.356(3)(c), Florida Statutes, an annual Report for the Cape Canaveral Community Redevelopment Agency has been prepared. As a taxing authority, your agency is being forwarded a copy of the Report.

Please call me at (321) 868-1220, ext. 118, or email me at [d.dickey@cityofcapecanaveral.org](mailto:d.dickey@cityofcapecanaveral.org) should you have any questions or need additional information.

Sincerely,

David Dickey, Community Redevelopment Agency Director

Attachment(s): 2022/23 CRA Annual Report







# **City of Cape Canaveral Community Redevelopment Agency (CRA) FY 22/23 Annual Report**

---

**MARCH 2024**

---

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





---

## Table of Contents

City of Cape Canaveral Community Redevelopment Agency (CRA) Officials .....	3
Introduction, Mission & History .....	4
City of Cape Canaveral CRA Boundary Map (Figure 1) .....	5
City of Cape Canaveral CRA Assessed Valuation .....	6
Statement of Revenues, Expenditures & Changes in Fund Balances .....	7
Projects Overview & Accomplishments (Current Year/FY22/23) .....	8
Performance Information .....	11
Summary .....	12
Attachment 1 .....	Annual Audit Report (FY22/23)





---

## Community Redevelopment Agency Officials

### City Staff

Todd Morley  
City Manager/CRA Registered Agent/Primary  
Contact for the District  
(321) 868-1220  
**[t.morley@cityofcapecanaveral.org](mailto:t.morley@cityofcapecanaveral.org)**

Mia Goforth  
CRA Clerk/Recording Secretary  
(321) 868-1220  
**[m.goforth@cityofcapecanaveral.org](mailto:m.goforth@cityofcapecanaveral.org)**

Dave Dickey  
CRA Director  
(321) 868-1220  
**[d.dickey@cityofcapecanaveral.org](mailto:d.dickey@cityofcapecanaveral.org)**

---

### Governing Board Members

Wes Morrison, Chairperson  
**[w.morrison@cityofcapecanaveral.org](mailto:w.morrison@cityofcapecanaveral.org)**

Kim Davis  
**[council.davis@cityofcapecanaveral.org](mailto:council.davis@cityofcapecanaveral.org)**

Mickie Kellum  
**[m.kellum@cityofcapecanaveral.org](mailto:m.kellum@cityofcapecanaveral.org)**

Don Willis  
**[d.willis@cityofcapecanaveral.org](mailto:d.willis@cityofcapecanaveral.org)**

Angela Raymond  
**[a.raymond@cityofcapecanaveral.org](mailto:a.raymond@cityofcapecanaveral.org)**





---

## Introduction, Mission & History

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

This report has been prepared to fulfill these reporting obligations for fiscal year 22/23 ending September 30, 2023. The 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 (5) an overview of public and private construction projects completed and/or underway 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 the outcomes of the effort was the establishment of a City Vision Statement, which 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 (BCPAO), indicated an assessed value 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).

Each year since the creation of the CRA, the BCPAO has reported increases in the assessed value of all properties in the CRA area (see Assessed Valuation graph on page 6).





## City of Cape Canaveral CRA Boundary

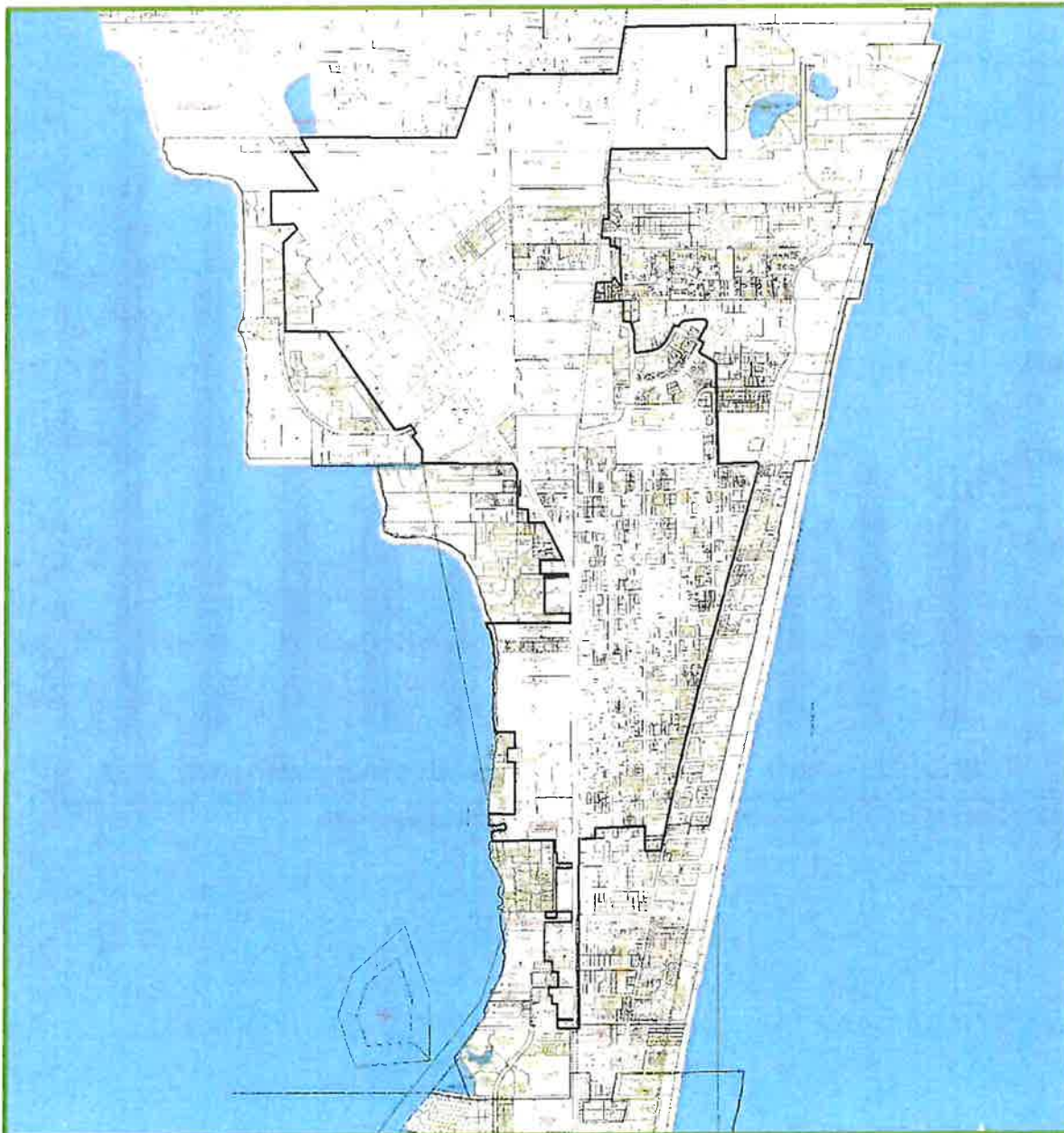


Figure 1. City of Cape Canaveral CRA Boundary (area outlined in black).





## Assessed Valuation

(\$Millions)

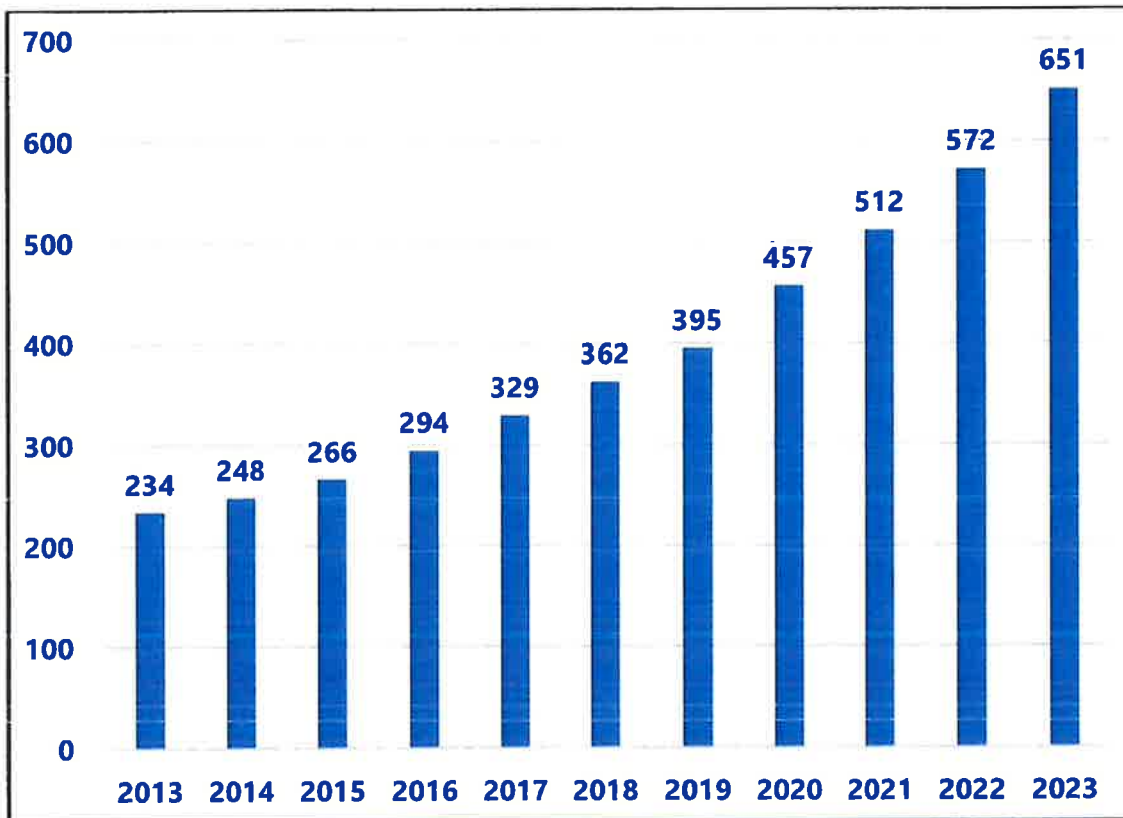


Figure 2. Assessed Valuation as determined by the Brevard County Property Appraiser's Office





## Statement of Revenues, Expenditures & Changes in Fund Balances

	Cape Canaveral CRA Fund	Adjustments	Government Activities
Revenues			
Intergovernmental	2,158,371	-	2,158,371
Total Revenues	2,162,288	-	2,162,288
Expenditures			
Current:			
Community Redevelopment	2,351	-	2,351
Capital Outlay	660,695	-	660,695
Total Expenditures	663,046	-	663,046
Excess (deficiency) of revenues over expenditures	1,499,242	-	1,499,242
Other financing sources (uses)			
Transfers in from primary government	141,958	-	141,958
Transfers out to primary government	(1,428,392)	-	(1,428,392)
Net change in fund balance/net position	212,808	-	212,808
Fund balance/net position, beginning of year	(416,585)	-	(416,585)
Fund balance/net position, end of year	\$(203,777)	-	\$(203,777)

**Source: City of Cape Canaveral Audited Annual Financial Report**

CAPE CANAVERAL COMMUNITY REDEVELOPMENT AGENCY FUND FOR THE YEAR ENDED SEPTEMBER 30, 2023.





---

## **Projects Overview & Accomplishments (FY22-23)**

The City of Cape Canaveral CRA is in its 12<sup>th</sup> year of operation and has increased in value approximately \$421 million since the first year of TIF distribution in 2012. The resulting Tax Increment Revenue allows for the continued expansion of public infrastructure and programs that positively impact 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 (FY22/23)

### CAPE Center • 105 Polk Avenue

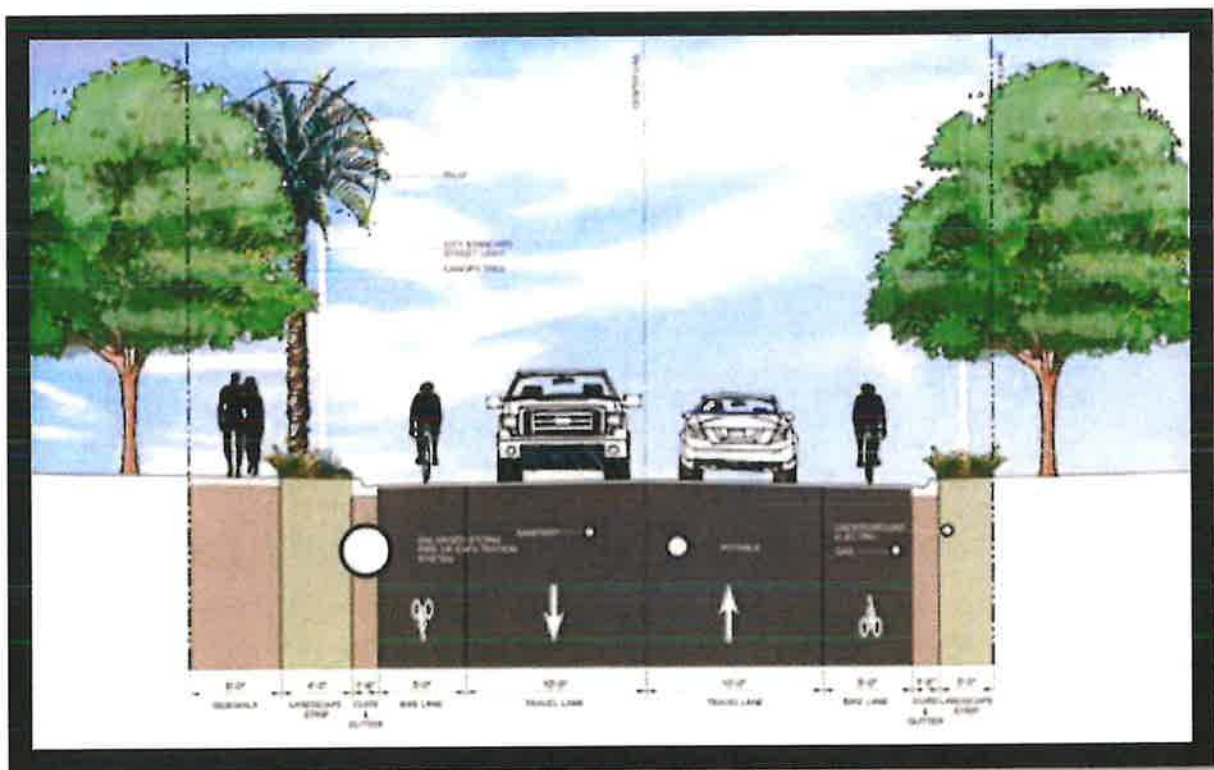
The CAPE Center Project included a complete renovation and re-purposing of the City's original 3,000 sq. ft. City Hall facility located at 105 Polk Avenue. Project components included a selective demolition process to reconstruct the exterior of the structure and remove the majority of interior walls, to include full asbestos abatement. The floor plan was 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.





## Presidential Streets Master Plan

During this reporting period, the City Council accepted the Presidential Streets Master Plan, a conceptual plan for a largely residential area located in the CRA, which provides high-level policy guidance for the systematic redevelopment of the City's Presidential Streets via a design process involving community input, updated environmental, demographic and traffic analysis and incorporating the latest in future-ready resilient infrastructure. It is intended to provide long range guidance for Staff and Council Members, with recommendations intended to be implemented over the life of the CRA.





## Civic Hub Master Plan

During the reporting period, the City developed conceptual plans for the Civic Hub Project, located on Taylor and Poinsetta Avenues. This multi-year, multi-faceted initiative, located within the CRA, will address stormwater issues and redevelop the southern portion of the City's municipal campus, to better serve the current and future Cape Canaveral community. Amenities such as tennis/pickle ball courts, a band shell, and community market facilities are proposed. The site will also be served by green infrastructure such as underground stormwater vaults, pervious pavement, and rainwater harvesting.





---

## Private Projects Overview & Accomplishments (FY22/23)

### **Holiday Inn Express and Suites • 995 Shorewood Drive**

This project started construction in 2022 and was substantially complete at the end of the reporting period. It 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 \$18M 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	2*
Completed	1

### Jobs Created

Sector	Construction	Hospitality	Total
Temporary	150	50	200
Full-time	0	25	25
Jobs Retained	n/a	n/a	

### Assessed Property Value

CRA Enactment (2011)	\$230M
Current	\$651M
Affordable Housing	0

\*Hilton Garden Inn (Astronaut Boulevard) and Hyatt Place (Imperial Boulevard)





---

## Summary

The CRA continues to build forward momentum through the 22/23 fiscal year as evidenced by an approximate 14 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](http://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](http://www.cityofcapecanaveral.org) for meeting dates. We encourage you to attend!







February 8, 2024

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

We have audited the financial statements of the City of Cape Canaveral Community Redevelopment Agency (the CRA) as of and for the year ended September 30, 2023, and have issued our report thereon dated February 8, 2024. 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 September 30, 2020, 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 has 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 significant accounting estimates in 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 any significant unusual transactions identified during our audit. We identified no significant unusual transactions as a result of our audit procedures.

### **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. 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 February 8, 2024.

#### **Management's Consultations with Other Accountants**

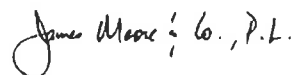
In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

#### **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, 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 Cape Canaveral, 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.



**CITY OF CAPE CANAVERAL COMMUNITY  
REDEVELOPMENT AGENCY**

**FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2023**



**CITY OF CAPE CANAVERAL COMMUNITY REDEVELOPMENT AGENCY  
TABLE OF CONTENTS  
SEPTEMBER 30, 2023**

	<u><b>Page Number(s)</b></u>
<b>Independent Auditors' Report</b>	1 – 3
<b>Management's Discussion and Analysis</b>	4 – 6
<b>Basic Financial Statements</b>	
Balance Sheet / Statement of Net Position	7
Statement of Revenues, Expenditures, and Changes in Fund Balance / Statement of Activities	8
Notes to Financial Statements	9 – 12
<b>Required Supplementary Information</b>	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	14
<b>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</b>	15 – 16
<b>Independent Auditors' Management Letter Required by Chapter 10.550, Rules of the State of Florida Office of the Auditor General</b>	17 – 19
<b>Independent Accountants' Examination Report</b>	20





## **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, 2023, 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, 2023 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***

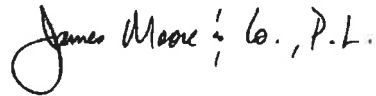
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of 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 8, 2024, 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 8, 2024

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, 2023, by \$(203,777) (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, 2023, the CRA's reported ending fund balances of \$(203,777). Fund balance saw a change of \$212,808 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:

	<b>Governmental Activities</b>	
	<b>2023</b>	<b>2022</b>
<b>ASSETS</b>		
Current and other assets	\$ 98,390	\$ 59,332
Total assets	<u>\$ 98,390</u>	<u>\$ 59,332</u>
<b>LIABILITIES</b>		
Current liabilities	\$ 302,167	\$ 475,917
Total liabilities	<u>\$ 302,167</u>	<u>\$ 475,917</u>
<b>NET POSITION</b>		
Restricted	\$ -	\$ -
Unrestricted	(203,777)	(416,585)
Total net position	<u>\$ (203,777)</u>	<u>\$ (416,585)</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:

	<b>Governmental Activities</b>	
	<b>2023</b>	<b>2022</b>
<b>REVENUES</b>		
Intergovernmental and grants	\$ 2,158,371	\$ 1,886,124
Other revenues	3,917	117
Total revenues	<u>2,162,288</u>	<u>1,886,241</u>
<b>EXPENSES</b>		
Community Redevelopment	2,351	1,418
Capital outlay	660,695	4,832,425
Total expenses	<u>663,046</u>	<u>4,833,843</u>
Net income before transfers	1,499,242	(2,947,602)
Transfers from primary government	141,958	3,206,595
Transfers to primary government	(1,428,392)	(820,032)
Change in net position	212,808	(561,039)
<b>Net position, beginning of year</b>	<u>(416,585)</u>	<u>144,454</u>
<b>Net position, end of year</b>	<u>\$ (203,777)</u>	<u>\$ (416,585)</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 \$(203,777), a change of \$212,808 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 \$165,250 less than final budget amounts. The main reason for this is due to the timing of capital projects 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, 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, 2023**

	<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>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 98,390	\$ -	\$ 98,390
Total assets	<u>\$ 98,390</u>	<u>\$ -</u>	<u>\$ 98,390</u>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	\$ 198,308	\$ -	\$ 198,308
Advances from primary government	94,361	-	94,361
Total liabilities	<u>302,167</u>	<u>-</u>	<u>302,167</u>
<b>FUND BALANCE / NET POSITION</b>			
Fund Balance:			
Restricted for:			
Community redevelopment	-	-	-
Unassigned	(203,777)	203,777	-
Net Position:			
Restricted for:			
Community redevelopment	-	-	-
Unrestricted	<u>-</u>	<u>(203,777)</u>	<u>(203,777)</u>
Total fund balance / net position	<u>(203,777)</u>	<u>-</u>	<u>(203,777)</u>
Total liabilities and fund balance / net position	<u>\$ 98,390</u>	<u>\$ -</u>	<u>\$ 98,390</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, 2023**

	<b>Statement of Revenues, Expenditures, and Changes in Fund Balance Cape Canaveral CRA Fund</b>	<b>Adjustments</b>	<b>Statement of Activities Governmental Activities</b>
<b>Revenues</b>			
Intergovernmental	\$ 2,158,371	\$ -	\$ 2,158,371
Investment income	3,917	-	3,917
Total revenues	<u>2,162,288</u>	<u>-</u>	<u>2,162,288</u>
<b>Expenditures / expenses</b>			
Current:			
Community redevelopment	2,351	-	2,351
Capital outlay	660,695	-	660,695
Total expenditures / expenses	<u>663,046</u>	<u>-</u>	<u>663,046</u>
<b>Excess (deficiency) of revenues over expenditures / operating income (loss)</b>	<u>1,499,242</u>	<u>-</u>	<u>1,499,242</u>
<b>Other financing sources (uses)</b>			
Transfers in from primary government	141,958	-	141,958
Transfers out to primary government	(1,428,392)	-	(1,428,392)
Total other financing sources (uses)	<u>(1,286,434)</u>	<u>-</u>	<u>(1,286,434)</u>
<b>Net change in fund balance / net position</b>	<u>212,808</u>	<u>-</u>	<u>212,808</u>
<b>Fund balance / net position, beginning of year</b>	(416,585)	-	(416,585)
<b>Fund balance / net position, end of year</b>	<u>\$ (203,777)</u>	<u>\$ -</u>	<u>\$ (203,777)</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, 2023**

(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, 2023**

(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, 2023, 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, 2023**

(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, 2023**

**(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, 2023, 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, 2023, 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, 2023. 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, 2023**

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Intergovernmental	\$ 2,199,618	\$ 2,158,371	\$ 2,158,371	\$ -
Investment income	288	3,917	3,917	-
Total revenues	<u>2,199,906</u>	<u>2,162,288</u>	<u>2,162,288</u>	<u>-</u>
<b>Expenditures</b>				
Current:				
Community redevelopment	350,324	161,034	2,351	158,683
Capital outlay	1,232,312	667,262	660,695	6,567
Total expenditures	<u>1,582,636</u>	<u>828,296</u>	<u>663,046</u>	<u>165,250</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>617,270</u>	<u>1,333,992</u>	<u>1,499,242</u>	<u>165,250</u>
<b>Other financing sources (uses)</b>				
Transfers in from primary government	250,000	141,958	141,958	-
Transfers out to primary government	(867,270)	(1,475,950)	(1,428,392)	47,558
Total other financing sources (uses)	<u>(617,270)</u>	<u>(1,333,992)</u>	<u>(1,286,434)</u>	<u>47,558</u>
<b>Net change in fund balances</b>	<u>-</u>	<u>-</u>	<u>212,808</u>	<u>212,808</u>
<b>Fund balances, beginning of year</b>	(416,585)	(416,585)	(416,585)	-
<b>Fund balances, end of year</b>	<u>\$ (416,585)</u>	<u>\$ (416,585)</u>	<u>\$ (203,777)</u>	<u>\$ 212,808</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, 2023, 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 8, 2024.

***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.

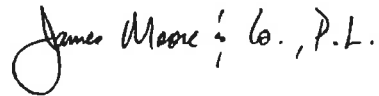


### ***Report on Compliance and Other Matters***

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.

James Moore & Co., P.L.

Daytona Beach, Florida  
February 8, 2024





**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, 2023, and have issued our report thereon dated February 8, 2024.

**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 8, 2024, 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 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. Mobility/sidewalks - \$116,071
  - b. Capital Initiatives at City Park - \$123,688
  - c. C5 Construction - \$69,027
  - d. Cape Center - \$251,019
- 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: a summary of the budget amendments for the CRA can be found on page 14.


#### **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 8, 2024

 James Moore & Co., P.L.





## INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT

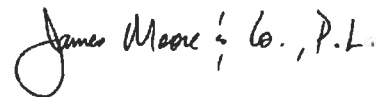
To the Governing Board,  
City of Cape Canaveral Community Redevelopment Agency:

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, 2023. 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, 2023, in all material respects.

James Moore & Co., P.L.

Daytona Beach, Florida  
February 8, 2024









# 2023

COMMUNITY REDEVELOPMENT AGENCIES

# ANNUAL REPORT



(321) 433-8577



65 Stone St., Cocoa



[www.cocoafl.gov](http://www.cocoafl.gov)



[rbrowne@cocoafl.gov](mailto:rbrowne@cocoafl.gov)

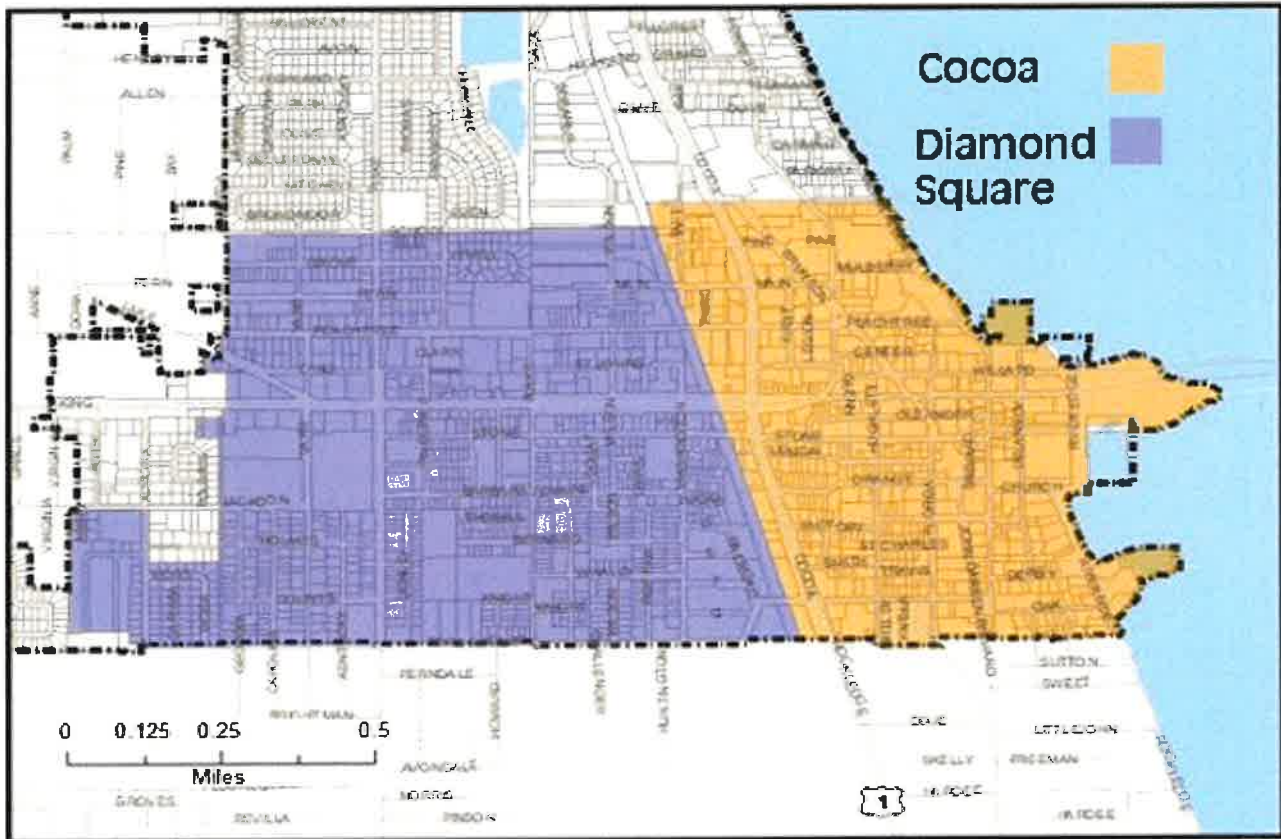


## TABLE OF CONTENTS

CITY OF COCOA CRA BOUNDARIES	3
OVERVIEW	4
COCOA CRA	5
COCOA CRA FINANCIALS	10
DIAMOND SQUARE CRA	13
DIAMOND SQUARE CRA FINANCIALS	20
KEY CONTACTS	23



# CRA BOUNDARIES





# 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, we have prepared this report 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).

Our Fiscal Year is October 1 through September 30 of each year. This report is for the period of October 1, 2022 through September 30, 2023 (Fiscal Year 2023).



# 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 the 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.

**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 FY23,  
Cocoa CRA  
accomplished:

The Waterfront Engineering Design and Permitting FIND Grant application was submitted to begin the rebuilding process after two hurricanes destroyed the brand-new day slips.





# COCOA CRA

## PROJECTS



### **LEE WENNER PARK NEW DOCKING SYSTEM AND BREAKWATER**

In March 2023, the Cocoa CRA applied to continue their work on the restoration of the waterfront that was devastated by two back-to-back hurricanes, Ian and Nicole. The Florida Inland Navigation District (FIND) Grant of \$84,000, which along with a 50% match from the CRA of \$84,000, will provide a total of \$168,000 in funding to complete Phase I: Engineering Design and Permitting. This phase should be completed by September 2025.

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.



## 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 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.

In FY 23 Police officers were assigned to a special shift detail to maximize the effectiveness of the Program. Police officers 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 19 new businesses to the area, creating a total of 41 full-time jobs and 22 part-time jobs.
	\$23,141 was awarded in Commercial Façade Improvement Program Grants, Leveraging \$50,048 in private sector capital investment. A ROI of \$2.16 for every \$1.00 of TIF invested.

Address	Total Award	Total Project Cost
101 Brevard Ave.	\$8,012.01	\$16,024.02
10, 12, 14 Oleander St.	\$5,128.50	\$12,112.00
26 Oleander St.	\$10,000.00	\$21,912.00
	<b>\$23,140.51</b>	<b>\$50,048.02</b>



## YEARLYEVENTS

Cocoa Village hosts many special events, some recurring favorites, and other new and exciting programs.

In FY 2023 60 events were held.

Visitors from all over attend these events and while the Pandemic's effects still reverberate throughout the world, Cocoa Village has been able to resume many outdoor activities, including:

1. Annual MLK Peace March and Service
2. City of Cocoa 4th of July Celebration
3. Central Florida Car Show
4. Annual Survive First, First Responder 5K.
5. Annual Cocoa Rotary Party in the Park Concert
6. Cocoa Police Department Tour De-Force Ride
7. Historic Cocoa Village Mainstreet Annual Art and Craft Fairs (four annually)
  - Spring Show
  - Summer Show
  - Fall Show
  - Holiday Show
8. Cocoa Village Mardi Gras Parade and Celebration
9. Central Brevard Humane Society Annual Mardi Paws in the Park
10. City of Cocoa Annual Memorial Day Remembrance Ceremony
11. Historic Cocoa Village Mainstreet Sip and Stroll (four annually)
  - Sweetheart Sip and Stroll
  - Christmas in July Sip and Stroll
  - Harvest Moon Sip and Stroll
  - Shop Small Sip and Stroll
12. City of Cocoa Annual Fall Festival
13. City of Cocoa Annual Touch a Truck (Municipal Government Week)
14. Cocoa/Rockledge and Brevard County Holiday Parade and Tree Lighting
15. City of Cocoa Movies in the Park (four annually)
16. Keep Brevard Beautiful Trash Bash
17. Running Zone Foundation Annual Space Coast Marathon and Half Marathon
18. Annual Space Coast Free Wheelers Century Ride
19. Annual Space Coast Triathlon
20. Annual Riverfront Triathlon
21. Annual Alzheimer's Association Memory Walk
22. American Cancer Society Relay for Life



23. US Army Band Concert
24. HCVMS Halloween Golf Cart Parade
25. Preclampsia Promise Walk
26. Deuterman Productions-Taking Back Sunday Concert
27. HCVMS Friday Night Frolic
28. HCVMS Holiday Boat Parade
29. HCVMS Holiday Bicycle Parade
30. HCVMS Moonlight and Music on the Promenade
31. HCVMS Writers Guild Book Signing and Fair
32. Annual Survive First Brewers Bash
33. HCVMS Sail to the Sun Rally
34. City of Cocoa Juneteenth Celebration
35. Village Idiot Spring Street Party
36. Village Idiot Fall Street Party
37. Cocoa Police Athletic League Summer Program
38. Brevard County Dog Training Club Responsible Dog Ownership Day in the Park
39. Hope Community Fellowship Worship Night
40. Deuterman Productions- Travis Tritt
41. Ask For Entertainment Pre-Cruise Party in the Park
42. Deuterman Productions- Dirty Heads Concert
43. Deuterman Productions- Trevor Hall Concert
44. AEG Live- Rebelution
45. Apex Events-Tribute Fest Concert
46. Deuterman Productions- Matisyahu Concert
47. Brevard County Firefighters Annual Chili Cook-Off
48. Cocoa High School Football Championship Celebration
49. Movie Night by Navy Federal Credit Union
50. "Hello Again Books" Book Fair
51. Rockledge Youth Football and Cheerleading League Easter in the Park
52. Historic Cocoa Walking Tours (Three Annually)
53. Historic Cocoa Village Main Street Sidewalk Sale
54. Hello Again Books "Be the Rainbow" Event



# 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.

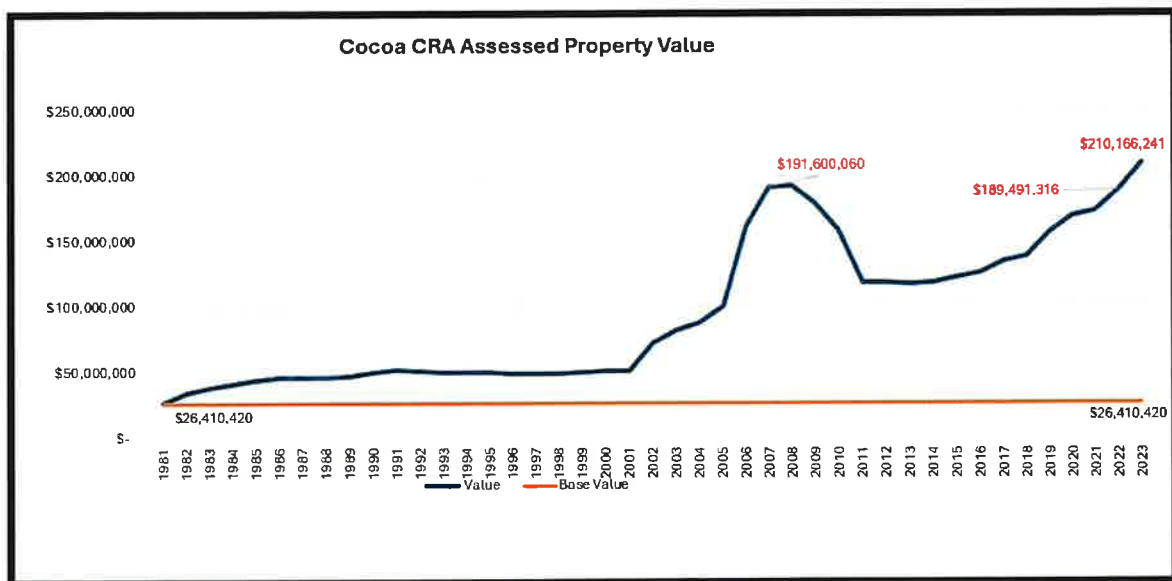
- Economic Development – Goal V (Page 72): Maintain the unique and positive character of the sub-districts while promoting economic vitality of each. In progress
- Economic Development – Goal VI (Page 73): Market the CRA as a major destination point in the Central Florida Region. In progress
- Future 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 with 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)	\$ 210,166,241.00
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)	\$ 183,755,821.00
Prior year Final taxable value in the tax increment area	DOR DR420 TIF Sect I (4)	\$ 189,491,316.00
Prior year tax increment value (Line 4 minus Line 2)	DOR DR420 TIF Sect I (5)	\$ 163,080,896.00
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)	\$ -
Prior year operating millage levy from Form DR-420, Line 10	DOR DR420 TIF Sect II(7b)	0%
Taxes levied on prior year tax increment value	DOR DR420 TIF Sect II(7c)	\$ -
Prior year payment as proportion of taxes levied on increment value	DOR DR420 TIF Sect II(7d)	- %
Dedicated increment value	DOR DR420 TIF Sect II(7e)	\$ -
Actual expended increment revenue	Audit (FUND BALANCES)	\$ -
Total Low and Moderate Housing Expended		\$ -



**An 11% Increase in tax increment value over prior fiscal year: \$20,674,925**



# COCOA COMMUNITY REDEVELOPMENT AGENCY

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

Year Ended September 30, 2023

	General Fund	Adjustments (Note 2)	Statement of Activities
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>REVENUES</b>			
Intergovernmental	\$ 1,594,600	\$ -	\$ 1,594,600
Investment Income	40,646	-	40,646
Miscellaneous Revenues	42,359	-	42,359
<b>TOTAL REVENUES</b>	<u>1,544,157</u>	<u>-</u>	<u>1,677,605</u>
<b>EXPENDITURES/EXPENSES</b>			
Economic Environment	353,018	-	353,018
Capital Outlay	21,513	(21,513)	-
Depreciation	-	253,144	253,144
Debt Service:			
Principal	120,069	(120,069)	-
Interest	2,699	-	2,699
<b>TOTAL EXPENDITURES/EXPENSES</b>	<u>497,299</u>	<u>111,562</u>	<u>608,861</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES/EXPENSES</b>	<u>1,180,306</u>	<u>(111,562)</u>	<u>1,068,744</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Lease Proceeds	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>CHANGE IN FUND BALANCE/NET POSITION</b>	1,180,306	(111,562)	1,068,744
<b>FUND BALANCES/NET POSITION</b>			
Beginning of the year	<u>1,699,168</u>	<u>3,974,982</u>	<u>5,674,150</u>
End of the year	<u>\$ 3,869,474</u>	<u>\$ 3,863,420</u>	<u>\$ 6,742,894</u>

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



# COCOA COMMUNITY REDEVELOPMENT AGENCY

## STATEMENT OF NET POSITION AND GOVERNMENTAL FUND BALANCE SHEET

September 30, 2023

	General Fund	Adjustments (Note 2)	Statement of Net Position
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 2,946,931	\$ -	\$ 2,946,931
Prepaid items	8,741	-	8,741
Deposits	4,350	-	4,350
Lease Receivable	88,421	-	88,421
Other Receivables	271,907	-	271,907
Capital Assets			
Nondepreciable	-	87,164	87,164
Depreciable, net	-	3,916,906	3,916,906
<b>TOTAL ASSETS</b>	<u>\$3,320,350</u>	<u>\$4,004,070</u>	<u>\$ 7,324,420</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 16,033	-	16,033
Accrued payroll and related liabilities	3,006	-	3,006
Lease Liability	-	536,493	536,493
<b>TOTAL LIABILITIES</b>	<u>19,039</u>	<u>536,493</u>	<u>555,532</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflow - Whitley Bay			
Settlement	271,891	(271,891)	-
Lease Receivable	88,248	-	88,248
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>360,139</u>	<u>(271,891)</u>	<u>88,248</u>
<b>FUND BALANCES/NET POSITION</b>			
Fund balances:			
Nonspendable	8,741	(8,741))	-
Restricted	2,932,431	(2,932,431)	-
<b>TOTAL FUND BALANCES</b>	<u>2,941,172</u>	<u>(2,941,172)</u>	<u>-</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$3,320,350</u>		
<b>Net position:</b>			
Net investment in capital assets		4,004,070	4,004,070
Restricted		2,676,570	2,676,570
<b>TOTAL NET POSITION</b>		<u>\$ 6,680,640</u>	<u>\$ 6,680,640</u>

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 Five 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 serve terms of 1, 2, and 3 years from their date of appointment. No Agency member may serve more than two consecutive terms.

### Diamond Square CRA Board Members

- Tracy Moore – Chairperson
- Crystal McQueen - Vice Chairperson
- Larry Brown – Agency Member
  - Appointed by Brevard County
- Amy Robinson – Agency Member
- Ed Jones - Agency Member
- Jackie Isom - Agency Member
- Marilyn Smith - Agency Member





# DIAMOND SQUARE CRA HIGHLIGHTS

In FY23,  
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 in June of 2021; the Diamond Square CRA Paint Grant Program and the Beautification Grant Program continued in 2023. 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 FY 2023, the CRA had approved 4 Beautification grants totaling \$2,000 and 11 Paint Grants totaling \$11,000, for a total impact of \$13,000.

## 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, exterior lighting, fencing, and signage.



# DIAMOND SQUARE CRA

## SUMMER CAMP SCHOLARSHIPS

The Diamond Square CRA approved \$4,011 in scholarship funds for 10 youth to attend the 2023 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%.



# DIAMOND SQUARE CRA

## PROJECTS & FUNDING INITIATIVES

### COPS & KIDS



Summer began with 36 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 10th 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 volunteers with various agencies.

12 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 2022-23 school year began with 22 youth registered for After-School, focusing on Career Readiness and Character Education. An average of 14 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.

## PAL Leadership Training

The curriculum includes leader's 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 22-23 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 charged a modest fee of \$25 and registered more than 56 youth throughout the year. However, a 25% drop in participation occurred versus when the fee was waived during the Pandemic.

## Youth Employment Training/Phase 1 and Phase 3

12 youth registered for the Youth Employment Training program, of which all 12 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 Diamond Square CRA welcomed 15 new businesses to the area, creating a total of 67 full-time jobs and 10 part-time jobs.

## YEARLY EVENTS

### 2023 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

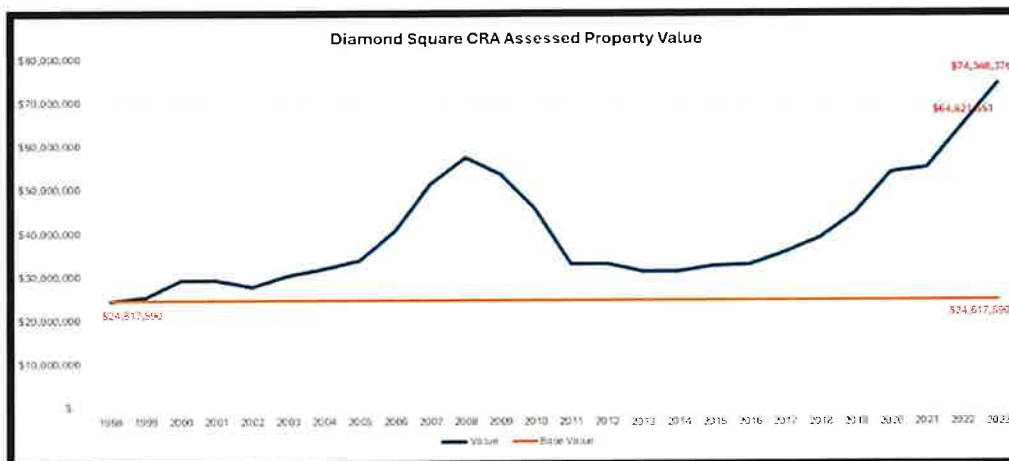


# DIAMOND SQUARE CRA

## FINANCIALS

TYPE	SOURCE	AMOUNT
Current Year Taxable Value in CRA	DOR DR420 TIF Sect I (1)	\$ 74,348,376.00
Base Year Taxable Value in CRA	DOR DR420 TIF Sect I (2)	\$ 24,617,590.00
Current Year Tax Increment Value	DOR DR420 TIF Sect I (3)	\$ 49,730,786.00
Prior year Final taxable value in the tax increment area	DOR DR420 TIF Sect I (4)	\$ 64,621,551.00
Prior year tax increment value (Line 4 minus Line 2)	DOR DR420 TIF Sect I (5)	\$
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)	\$ -
Prior year operating millage levy from Form DR-420, Line 10	DOR DR420 TIF Sect II(7b)	0%
Taxes levied on prior year tax increment value	DOR DR420 TIF Sect II(7c)	-
Prior year payment as proportion of taxes levied on increment value	DOR DR420 TIF Sect II(7d)	- %
Dedicated increment value	DOR DR420 TIF Sect II(7e)	\$ -
Actual expended increment revenue	Audit (FUND BALANCES)	\$ -
Total Low and Moderate Housing Expended		\$ -

## FINANCIALS & ASSESSED PROPERTY VALUE



A 15% Increase in taxable value over prior fiscal year: \$9,726,825



# DIAMOND SQUARE COMMUNITY REDEVELOPMENT AGENCY

## STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES Year Ended September 30, 2023

	General Fund	Adjustments (Note 2)	Statement of Activities
	<u>          </u>	<u>          </u>	<u>          </u>
<b>REVENUES</b>			
Intergovernmental	\$ 391,157	\$ -	\$ 391,157
Investment Income	15,458	-	15,458
Miscellaneous	2,500	-	2,500
	<u>          </u>	<u>          </u>	<u>          </u>
<b>TOTAL REVENUES</b>	409,115	-	409,115
	<u>          </u>	<u>          </u>	<u>          </u>
<b>EXPENDITURES/EXPENSES</b>			
Economic Environment	113,232	-	113,232
Depreciation	-	15,879	15,879
	<u>          </u>	<u>          </u>	<u>          </u>
<b>TOTAL EXPENDITURES/EXPENSES</b>	113,232	15,879	129,111
	<u>          </u>	<u>          </u>	<u>          </u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	295,883	(15,879)	280,004
	<u>          </u>	<u>          </u>	<u>          </u>
<b>CHANGE IN FUND BALANCE/NET POSITION</b>			
	295,883	(15,879)	280,004
	<u>          </u>	<u>          </u>	<u>          </u>
<b>FUND BALANCES/NET POSITION</b>			
Beginning of the year	790,552	492,813	1,315,765
	<u>          </u>	<u>          </u>	<u>          </u>
End of the year	\$1,086,435	\$ 476,934	\$1,595,769
	<u>          </u>	<u>          </u>	<u>          </u>



# DIAMOND SQUARE COMMUNITY REDEVELOPMENT AGENCY

## STATEMENT OF NET POSITION AND GOVERNMENTAL FUND BALANCE SHEET

September 30, 2023

	General Fund	Adjustments (Note 2)	Statement of Net Position
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,085,643	\$ -	\$ 1,085,643
Prepaid items	9,155		9,155
Other receivables	2,500	-	2,500
Capital assets			
Nondepreciable	-	181,192	181,192
Depreciable, net	-	328,142	328,142
<b>TOTAL ASSETS</b>	<b>\$ 1,097,298</b>	<b>\$ 509,334</b>	<b>\$ 1,606,632</b>
<b>LIABILITIES</b>			
Accounts payable	\$ 9,723	-	\$ 9,723
Accrued payroll and related liabilities	1,140	-	1,140
<b>TOTAL LIABILITIES</b>	<b>10,863</b>	<b>-</b>	<b>10,863</b>
<b>FUND BALANCES/NET POSITION</b>			
Fund balances:			
Nonspendable	9,155	(9,155)	-
Restricted	1,077,280	(1,077,280)	-
<b>TOTAL FUND BALANCES</b>	<b>1,086,435</b>	<b>(1,086,435)</b>	<b>-</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 1,097,298</b>		
<b>Net position:</b>			
Net investment in capital assets		509,334	509,334
Unrestricted		1,086,435	1,086,435
<b>TOTAL NET POSITION</b>		<b>\$ 1,595,769</b>	<b>\$ 1,595,769</b>



# KEY CONTACTS

	<p><b>Community Services Department</b> 65 Stone Street, Cocoa, FL 32922</p>
	<p><b>Stockton Whitten</b> City Manager (321) 433-8737 swhitten@cocoafl.gov</p>
	<p><b>Charlene Neuterman</b> Community Services Director (321) 433-8509 cneuterman@cocoafl.gov</p>
	<p><b>Ryan Browne</b> Redevelopment Coordinator (321) 433-8577 rbrowne@cocoafl.gov</p>



**DIAMOND SQUARE  
COMMUNITY REDEVELOPMENT AGENCY**

**FINANCIAL STATEMENTS**

**Year Ended September 30, 2023**

Cocoa, FL



## **C O N T E N T S**

---

	<u>Page Number</u>
<b>FINANCIAL SECTION</b>	
INDEPENDENT AUDITOR'S REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	4
BASIC FINANCIAL STATEMENTS	
Statement of Net Position and Governmental Fund Balance Sheet	8
Statement of Activities and Governmental Fund Revenues, Expenditures, and Changes in Fund Balances	9
Notes to Financial Statements	10
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	17
<b>COMPLIANCE SECTION</b>	
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	19
Independent Accountant's Report	21
Independent Auditor's Management Letter	22





## INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners  
Diamond Square Community Redevelopment Agency

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying governmental activities and General Fund of the Diamond Square Community Redevelopment Agency (the "CRA"), a component unit of the City of Cocoa, Florida (the "CRA") as of and for the fiscal year ended September 30, 2023, 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 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 CRA, as of September 30, 2023, and the respective changes in financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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***

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.



To the Board of Commissioners  
Diamond Square Community Redevelopment Agency

**INDEPENDENT AUDITOR'S REPORT**  
*(Continued)*

***Auditor's Responsibility for the Audit of the Financial Statements***

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

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

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



To the Board of Commissioners  
Diamond Square Community Redevelopment Agency

**INDEPENDENT AUDITOR'S REPORT**  
*(Concluded)*

***Required Supplementary Information***

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated May 17, 2024, 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.

***MSL, P.A.***

Certified Public Accountants

Orlando, Florida  
May 17, 2024



## Management's Discussion and Analysis

As management of the Diamond Square Community Redevelopment Agency (the "CRA"), we offer readers of the CRA's financial statements this narrative overview and analysis of the CRA's financial activities for the fiscal year ended September 30, 2023.

### Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the CRA's basic financial statements. The CRA's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other 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 CRA's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all 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 CRA'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. Also, capital assets are capitalized and depreciated on the statement of net position, whereas related purchases are expended on government fund financial statements.

**General Fund.** The General Fund is used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, 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 government's near-term financing decisions. Both the General Fund Balance Sheet and the General Fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between General Fund and governmental activities.

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

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



As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the CRA, current and other assets exceeded liabilities by \$1,595,769 at the close of the most recent fiscal year. This compares with \$1,315,765 at the close of the previous fiscal year, an increase of \$280,004. Current and other assets increased \$294,915 due to delayed expenditures. Capital Assets decreased due to depreciation.

	<b>Net Position</b>	
	<b>2023</b>	<b>2022</b>
Current and other assets	\$ 1,097,298	\$ 802,383
Capital assets	509,334	525,213
Total assets	<u>1,606,632</u>	<u>1,327,596</u>
Short-term liabilities outstanding	<u>10,863</u>	<u>11,831</u>
Net position:		
Net investment in capital assets	509,334	525,213
Unrestricted	<u>1,086,435</u>	<u>790,552</u>
Total net position	<u>\$ 1,595,769</u>	<u>\$ 1,315,765</u>

**Governmental Activities.** The components are as follows: Governmental activities increased the CRA's net position by \$295,883 in fiscal year 2023. A 30.0% increase in revenue was caused by increases in the City of Cocoa's (the "City") and Brevard County's (the "County") contributions to the Trust Fund due to increased property values. There was also an increase of \$11,136 in investment income due to favorable interest rates. Economic Environment expenses increased \$5,851 due to an increase in contract services for the Alliance for Neighborhood Restoration.

	<b>Changes in Net Position</b>	
	<b>2023</b>	<b>2022</b>
General revenues:		
Intergovernmental	\$ 391,157	\$ 307,937
Investment income	15,458	4,322
Miscellaneous	2,500	2,456
Total general revenues	<u>409,115</u>	<u>314,715</u>
Expenditures/Expenses:		
Economic Environment	113,232	107,381
Depreciation	15,879	15,879
Total expenses	<u>129,111</u>	<u>123,260</u>
Change in net position	280,004	191,455
Net position – beginning	<u>1,315,765</u>	<u>1,124,310</u>
Net position – ending	<u>\$ 1,595,769</u>	<u>\$ 1,315,765</u>



## Financial Analysis of the General Fund

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

The purpose 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 measurement of a government's net resources available for spending at the end of the fiscal year.

The only difference between General Fund operations and governmental activities is the accounting presentation for capital outlay. Capital outlay is accounted for as an expenditure in the General Fund and, to the extent it relates to capital asset additions, is replaced by depreciation expense on the statement of activities.

## General Fund Budgetary Highlights

The variance between the final budget and actual operating expenditure categories was \$490,860. The reasons for this variance were as follows: spending in capital outlay was \$150,000 less than budget because there was no new home construction assistance/Diamond Square service provider additional money performed, grants and other aids were \$184,424 less than the budget due to no first time homebuyers' assistance occurring and contingency was \$122,953 under budget due to no spending and other budgetary differences for various reasons of \$33,483.

## Capital Asset Administration

The CRA's net investment in capital assets as of September 30, 2023, amounts to \$509,334, a decrease of \$15,879. Additional information on the CRA's capital assets can be found in Note 4 *Capital Assets* in the footnote section of this report.

	Capital Assets (net of depreciation)	
	2023	2022
Land	\$ 181,192	\$ 181,192
Improvements	328,142	344,021
Total	<u>\$ 509,334</u>	<u>\$ 525,213</u>

## Economic Factors and Conditions

The Diamond Square CRA is in the census tract 626 that is approximately 1 square mile with a population of 3,200 and an 80.81% low-moderate income level. Median household income is approximately \$19,103. The median home value is approximately \$200,000, which is 43% lower than the \$350,000 median home value for Brevard County, Florida. The City plans to develop vacant property in the heart of the Diamond Square CRA into the Michael C. Blake subdivision to provide affordable housing opportunities. The development of this property will help increase the home values in the CRA. In addition, the Diamond Square CRA has \$475,000 set aside to assist with the creation of this subdivision. The City of Cocoa is using existing fund balance from the City's general fund to make ball field, lighting and fencing improvements at Provost Park to stimulate recreational opportunities for the CRA residents. Planned capital improvements in the CRA include drainage improvements, sidewalks, and lighting improvements on the roadways. The City receives funding each year from Community Development Block Grants (CDBG), the



State Housing Assistance Program (SHIP) and HOME to assist the census tract 626 residents with housing, public service and community development needs.

**Requests for Information**

This financial report is designed to provide a general overview of the CRA's finances for all those with an interest in the government's finances. Questions concerning any of the information should be addressed to the Finance Director, 65 Stone Street, Cocoa, Florida 32922.



# DIAMOND SQUARE COMMUNITY REDEVELOPMENT AGENCY

## STATEMENT OF NET POSITION AND GOVERNMENTAL FUND BALANCE SHEET

September 30, 2023

	General Fund	Adjustments (Note 2)	Statement of Net Position
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,085,643	\$ -	\$ 1,085,643
Prepaid items	9,155		9,155
Other receivables	2,500	-	2,500
Capital assets			
Nondepreciable	-	181,192	181,192
Depreciable, net	-	328,142	328,142
<b>TOTAL ASSETS</b>	<b>\$ 1,097,298</b>	<b>\$ 509,334</b>	<b>\$ 1,606,632</b>
<b>LIABILITIES</b>			
Accounts payable	\$ 9,723	-	\$ 9,723
Accrued payroll and related liabilities	1,140	-	1,140
<b>TOTAL LIABILITIES</b>	<b>10,863</b>	<b>-</b>	<b>10,863</b>
<b>FUND BALANCES/NET POSITION</b>			
Fund balances:			
Nonspendable	9,155	(9,155)	-
Restricted	1,077,280	(1,077,280)	-
<b>TOTAL FUND BALANCES</b>	<b>1,086,435</b>	<b>(1,086,435)</b>	<b>-</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 1,097,298</b>		
<b>Net position:</b>			
Net investment in capital assets		509,334	509,334
Unrestricted		1,086,435	1,086,435
<b>TOTAL NET POSITION</b>		<b>\$ 1,595,769</b>	<b>\$ 1,595,769</b>

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, 2023

	General Fund	Adjustments (Note 2)	Statement of Activities
<b>REVENUES</b>			
Intergovernmental	\$ 391,157	\$ -	\$ 391,157
Investment Income	15,458	-	15,458
Miscellaneous	2,500	-	2,500
<b>TOTAL REVENUES</b>	<u>409,115</u>	<u>-</u>	<u>409,115</u>
<b>EXPENDITURES/EXPENSES</b>			
Economic Environment	113,232	-	113,232
Depreciation	-	15,879	15,879
<b>TOTAL EXPENDITURES/EXPENSES</b>	<u>113,232</u>	<u>15,879</u>	<u>129,111</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>295,883</u>	<u>(15,879)</u>	<u>280,004</u>
<b>CHANGE IN FUND BALANCE/NET POSITION</b>	295,883	(15,879)	280,004
<b>FUND BALANCES/NET POSITION</b>			
Beginning of the year	<u>790,552</u>	<u>492,813</u>	<u>1,315,765</u>
End of the year	<u>\$1,086,435</u>	<u>\$ 476,934</u>	<u>\$1,595,769</u>

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



# **DIAMOND SQUARE COMMUNITY REDEVELOPMENT AGENCY**

## **NOTES TO FINANCIAL STATEMENTS**

**Year Ended September 30, 2023**

### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **Financial Reporting Entity**

The Diamond Square Community Redevelopment Agency (the "CRA") is a discretely presented component unit of the City of Cocoa, Florida (the "City"). The CRA was organized under Section 163 of the Florida Statutes and formally came into existence in 1998. The Board is appointed by the City of Cocoa City Council and is comprised of seven members who reside in, or are engaged in business in, the area of the Diamond Square Redevelopment Agency's operation.

The CRA was created pursuant to Section 163.356, Florida Statutes, through ordinances passed by the City and the County. It was created as the Census Tract 626 Community Redevelopment Agency via City Resolution 98-019 on March 24, 1998 and later changed to the Diamond Square Community Redevelopment Agency via Resolution 05-99 on March 23, 1999. Its primary activities include the rehabilitation, conservation, or redevelopment of slum or blighted area within the City. The City provides accounting and administrative support to the CRA without charge; the CRA does not have any personnel or administrative facilities.

Pursuant to Florida Statute 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.

The accounting policies of the CRA conform to accounting principles generally accepted in the United States of America.

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 CRA has only governmental activities and only one function, and, as such, it is eligible for special-purpose financial statement presentation; accordingly, the government-wide financial statements are presented together with the governmental fund financial statements, described below, with an adjustment column presented to reconcile the two sets of statements.



# DIAMOND SQUARE COMMUNITY REDEVELOPMENT AGENCY

## NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2023

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

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

Governmental Fund Financial Statements - The CRA has one governmental fund type, which is the General Fund. The General Fund is the primary operating fund used to account for all resources and operations. Governmental funds are accounted for on a "spending" or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on the balance sheet. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current position.

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 when they are both measurable and available. Revenues are considered 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 revenues to be available if they are collected within 60 days of the end of the current period. Expenditures generally are recorded when a liability is incurred.

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



# DIAMOND SQUARE COMMUNITY REDEVELOPMENT AGENCY

## NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2023

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

#### **Budgets and the Budgetary Process**

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 by the Board, 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.

The CRA's management cannot amend or transfer appropriations.

For the year ended September 30, 2023, the CRA's budget was prepared on a modified accrual basis.

#### **Cash and Equivalents**

Cash and equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Cash and equivalents are stated at fair value.

#### **Capital Assets**

Capital Assets purchased in the General Fund are recorded as expenditures at the time of purchase. It is the policy of the CRA to capitalize property and equipment over \$5,000 or more for equipment or an individual cost of \$25,000 or more for buildings, improvements other than buildings, and infrastructure



# DIAMOND SQUARE COMMUNITY REDEVELOPMENT AGENCY

## NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2023

with an estimated useful life in excess of two years. Lesser amounts are expensed. The CRA does not have donated capital assets.

Depreciation has been recorded over the following estimated useful lives using the straight-line method.

<u>Assets</u>	<u>Years</u>
<b>Buildings</b>	50
<b>Infrastructure</b>	15 - 75
<b>Equipment</b>	5 - 20
<b>Vehicles</b>	5 - 20

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

#### **Prepays**

Prepays represent payments made to vendors for services that will benefit beyond September 30, 2023. These payments are recorded as expenditures or expenses when consumed rather than when purchased.

#### **Fund Balance**

The CRA has classified governmental fund balances as follows:

- Nonspendable Fund Balance – represents fund balance that is (a) not in a spendable form, such as prepaid items and inventory, or (b) legally or contractually required to be maintained intact, such as an endowment.
- Restricted Fund Balance – includes all spendable amounts not contained within the other classification of the General Fund. The unassigned fund balance for governmental funds represents the CRA's resources available for future operations.

#### **Estimates and Assumptions**

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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.



# DIAMOND SQUARE COMMUNITY REDEVELOPMENT AGENCY

## NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2023

### NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Adjustments were made to include capital assets (net of accumulated depreciation) on the statement of net position. This resulted in a net difference between the ending General Fund balances and the total net position of \$509,334.

Total fund balance	\$1,086,435
Capital assets, net	<u>509,334</u>
Total net position	<u>\$1,595,769</u>

Adjustments were made to include depreciation expense and eliminate capital outlay expenditures, if any, on the statement of activities. This resulted in a net difference between "excess revenues over expenditures" and "change in net position" of (\$15,879).

Excess of revenues over expenditures	\$ 295,883
Less: Depreciation expense	<u>(15,879)</u>
Change in net position	<u>\$ 280,004</u>

### NOTE 3 - POOLED CASH AND EQUIVALENTS

The CRA's cash and equivalents account is combined with the pooled cash of the City. The City's cash accounts consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition, all of which were entirely covered by federal depository insurance or by a multiple financial institution collateral pool pursuant to the Public Depository Security Act of the State of Florida. This Act requires that the City maintain deposits only in "qualified public depositories." All qualified public depositories must deposit with the State Treasurer eligible collateral in such amounts as required by the Act. In addition, qualified public depositories are required under the Act to assume mutual responsibility against loss caused by the default or insolvency of other qualified public depositories of the same type. Should a default or insolvency occur, the State Treasurer will implement procedures for payment of losses according to the validated claims of the City.

Earnings from the pooled funds are allocated to the CRA based on the CRA's proportionate share of the pool.



# DIAMOND SQUARE COMMUNITY REDEVELOPMENT AGENCY

## NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2023

### NOTE 4 - CAPITAL ASSETS

The following is a summary of changes in the CRA's capital assets during the fiscal year ended September 30, 2023:

	Balance October 1, 2022	Additions and Transfers	Deletions and Transfers	Balance September 30, 2023
<b>Governmental Activities</b>				
Land	\$ 181,192	\$ -	\$ -	\$ 181,192
Total capital assets, not being depreciated	181,192	-	-	181,192
Capital assets being depreciated:				
Improvements other than	477,850	-	-	477,850
Less: Accumulated depreciation	(133,829)	(15,879)	-	(149,708)
Total capital assets being depreciated	344,021	(15,879)	-	328,142
Total capital assets	\$525,213	\$ (15,879)	\$ -	\$ 509,334

Depreciation expense amounted to \$15,879 during fiscal year 2023, which is included on the statement of activities.



## **REQUIRED SUPPLEMENTARY INFORMATION**



# DIAMOND SQUARE COMMUNITY REDEVELOPMENT AGENCY

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
<b>GENERAL FUND</b>				
<b>Revenues:</b>				
Intergovernmental	\$ 400,849	\$ 391,157	\$ 391,157	\$ -
Investment Income	-	-	15,458	(15,458)
Miscellaneous	-	-	2,500	(2,500)
<b>TOTAL REVENUES</b>	<u>400,849</u>	<u>391,157</u>	<u>409,115</u>	<u>(17,958)</u>
<b>EXPENDITURES</b>				
<b>Current:</b>				
Economic environment	394,849	247,592	91,156	156,436
Grants and other aids	206,000	206,500	22,076	184,424
Capital outlay	-	150,000	-	150,000
<b>TOTAL EXPENDITURES</b>	<u>600,849</u>	<u>604,092</u>	<u>113,232</u>	<u>490,860</u>
<b>NET CHANGE IN FUND BALANCE</b>	(200,000)	(212,935)	295,883	508,818
<b>FUND BALANCE - BEGINNING</b>	-	-	790,552	379,864
<b>FUND BALANCE - ENDING</b>	<u>\$ (200,000)</u>	<u>\$ -</u>	<u>\$ 1,086,435</u>	<u>\$ 888,682</u>



## **COMPLIANCE SECTION**





Certified Public Accountants

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

To the Board of Commissioners  
Diamond Square 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 Diamond Square Community Redevelopment Agency (the "CRA") as of and for the fiscal year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the CRA's financial statements and have issued our report thereon dated May 17, 2024.

**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 opinions 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control 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.



To the Board of Commissioners  
Diamond Square Community Redevelopment Agency

### **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, grant agreements and contracts, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Pursuant to provisions of Chapter 10.550, *Rules of the Auditor General*, we reported certain matters to management of the CRA in a separate management letter and Independent Accountant's Report dated May 17, 2024.

### **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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**MSL, P.A.**

Certified Public Accountants

Orlando, Florida  
May 17, 2024





Certified Public Accountants

## INDEPENDENT ACCOUNTANT'S REPORT

To the Board of Commissioners  
Diamond Square Community Redevelopment Agency

We have examined the Diamond Square Community Redevelopment Agency's (the "CRA") compliance with the requirements of Sections 163.387(6) and (7) and 218.415, Florida Statutes, during the fiscal year ended September 30, 2023. 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 established by the AICPA. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the CRA complied with those requirements, in all material respects. An examination involves performing procedures to obtain evidence about the CRA's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the CRA's compliance with specified requirements.

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

In our opinion, the CRA complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2023.

**MSL, P.A.**

Certified Public Accountants

Orlando, Florida  
May 17, 2024





## INDEPENDENT AUDITOR'S MANAGEMENT LETTER

To the Board of Commissioners  
Diamond Square Community Redevelopment Agency

### Report on the Financial Statements

We have audited the basic financial statements of the Diamond Square Community Redevelopment Agency (the "CRA") as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated May 17, 2024.

### 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 Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated May 17, 2024, 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 recommendations made in the preceding audit report.

### Official Title and Legal Authority

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The legal authority is disclosed in the notes to the financial statements.



To the Board of Commissioners  
Diamond Square Community Redevelopment Agency

### **Financial Condition**

Sections 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 CRA has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the 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 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 218.38(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 of the CRA, a dependent district of the City of Cocoa, Florida, that is required by Section 218.39(3)(c), Florida Statutes, and Section 10.544(1)(i)6, *Rules of the Auditor General*, is reported in the City of Cocoa's management letter for the fiscal year ended September 30, 2023.

### **Additional Matters**

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

### **Purpose of this Letter**

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

**MSL, P.A.**

Certified Public Accountants

Orlando, Florida  
May 17, 2024



**COCOA COMMUNITY REDEVELOPMENT AGENCY**

**FINANCIAL STATEMENTS**

**Year Ended September 30, 2023**

**Cocoa, FL**



## **C O N T E N T S**

---

	<u>Page Number</u>
<b>FINANCIAL SECTION</b>	
INDEPENDENT AUDITOR'S REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	4
<i>BASIC FINANCIAL STATEMENTS</i>	
Statement of Net Position and Governmental Fund Balance Sheet	8
Statement of Activities and Governmental Fund Revenues, Expenditures, and Changes in Fund Balances	9
Notes to Financial Statements	10
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	20
<b>COMPLIANCE SECTION</b>	
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	22
INDEPENDENT ACCOUNTANT'S REPORT	24
INDEPENDENT AUDITOR'S MANAGEMENT LETTER	25





Certified Public Accountants

## INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners  
Cocoa Community Redevelopment Agency

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying governmental activities and General Fund of the Cocoa Community Redevelopment Agency (the "CRA"), a component unit of the City of Cocoa, Florida as of and for the fiscal year ended September 30, 2023, 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 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 CRA, as of September 30, 2023, and the respective changes in financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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*

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.



To the Board of Commissioners  
Cocoa Community Redevelopment Agency

**INDEPENDENT AUDITOR'S REPORT**  
*(Continued)*

***Auditor's Responsibility for the Audit of the Financial Statements***

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

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

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



To the Board of Commissioners  
Cocoa Community Redevelopment Agency

**INDEPENDENT AUDITOR'S REPORT**  
**(Concluded)**

***Required Supplementary Information***

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated May 17, 2024, 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.

***MSL, P.A.***

Certified Public Accountants

Orlando, Florida  
May 17, 2024



## Management's Discussion and Analysis

As management of the Cocoa Community Redevelopment Agency (the "CRA"), we offer readers of the CRA's financial statements this narrative overview and analysis of the CRA's financial activities for the fiscal year ended September 30, 2023.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the CRA's basic financial statements. The CRA's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other 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 CRA's finances, in a manner similar to a private-sector business.

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

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

**General Fund.** The General Fund is used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, 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 government's near-term financing decisions. Both the General Fund balance sheet and the General Fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between General Fund and governmental activities.

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

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



## 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 CRA, assets exceeded liabilities and deferred inflows by \$6,742,904 at the close of the most recent fiscal year. This compares with \$5,674,150 at the close of the previous fiscal year 2022, an increase of \$1,068,754. Cash and investments increased \$1,257,018 due decreased CRA activity. Other assets decreased by \$41,622 largely from a reduction in the lease receivable. Capital Assets decreased \$293,330 due to depreciation. Long-term liabilities decreased by \$120,070 due to scheduled debt payments.

	<b>Net Position</b>	
	<b>2023</b>	<b>2022</b>
Current and other assets	\$ 3,320,350	\$ 2,104,954
Capital assets	4,004,070	4,297,390
Total assets	<u>7,324,420</u>	<u>6,402,344</u>
Short-term liabilities outstanding	19,029	3,288
Long-term liabilities	474,239	594,309
Total liabilities	<u>493,268</u>	<u>597,597</u>
Deferred Inflow of Resources	88,248	130,607
Total deferred inflows of resources	<u>88,248</u>	<u>130,607</u>
Net position:		
Net invested in capital assets	3,529,831	4,297,400
Unrestricted	<u>3,213,073</u>	<u>1,376,750</u>
Total net position	<u>\$ 6,742,904</u>	<u>\$ 5,674,150</u>



**Governmental Activities.** The components of governmental activities net position are as follows: Economic Environment activities increased the CRA's net position by \$1,068,754 in fiscal year 2023. A 3.3% increase in revenue was caused by increases in the City of Cocoa (the "City") and Brevard County (the "County") contributions to the CRA because of increased property values. The decrease in expenses of \$1,137,918 is due to an interfund loan being paid off in FY22.

	<b>Changes in Net Position</b>	
	<b>2023</b>	<b>2022</b>
General revenues:		
Intergovernmental	\$ 1,594,600	\$ 1,481,997
Investment income	40,646	16,580
Miscellaneous revenues	83,418	45,580
Total General Revenues	<u>1,718,664</u>	<u>1,544,157</u>
Expenses:		
Economic Environment	332,378	1,533,141
Depreciation	314,833	251,982
Debt Service:		
Interest	2,699	2,715
Total Expenses	<u>649,910</u>	<u>1,787,838</u>
Change in Net Position	1,068,754	(243,681)
Net position – beginning	<u>5,674,150</u>	<u>5,917,831</u>
Net position – ending	<u>\$ 6,742,904</u>	<u>\$ 5,674,150</u>

### **Financial Analysis of the General Fund**

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

The purpose 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. Particularly, unassigned fund balance may serve as a useful measurement of a government's net resources available for spending at the end of the fiscal year.

The only difference between General Fund operations and governmental activities is the accounting presentation for capital outlay. Capital outlay is accounted for as an expenditure in the General Fund and, to the extent it relates to capital asset additions, is replaced by depreciation expense on the statement of activities.

### **General Fund Budgetary Highlights**

Primary variances between the final budget and actual operating expenditure categories were as follows: expenditures for capital outlay were \$2,348,029 less than budget due projects such as Lee Wenner Park parking (\$1.5M) and Cocoa Village Parking (\$750,000) not being started. Operating expenses were \$231,573 under budget because there was no spending in the CRA's contingency account (\$304,653) and other charges and obligations (\$62,275) were under budget due to an adjustment to the lease principal for common area maintenance. Additionally, IT-related



operating reflected being under budget (\$27,000) due to the cameras not being installed by year-end.

### Capital Asset Administration

The CRA's capital assets as of September 30, 2023 amount to \$4,004,070, a decrease of \$293,320. Additional information on the CRA's capital assets can be found in Note 4 *Capital Assets* in the footnote section of this report.

	<b>Capital Assets (net of depreciation and amortization)</b>	
	<b>2023</b>	<b>2022</b>
Land	\$ 4,980	\$ 4,980
CIP	82,184	78,361
Buildings	234,458	251,283
Improvements	3,142,619	3,306,424
Equipment	79,411	76,026
Right-to Use Leased Assets	460,018	580,316
Total	<u>\$ 4,004,070</u>	<u>\$ 4,297,390</u>

### Economic Factors and Conditions

Unemployment in Brevard County was 3.1% at the end of the fiscal year, as compared to 2.8% in the State and 3.8% nationally. The economy performed strongly in FY 2023. Actual revenues exceeded expectations due to healthy increases in property values and an increased millage rate. Inflation was 3.4% at the end of FY 2023, although operating costs have increased significantly. The Cocoa CRA's proximity to the Kennedy Space Center, Port Canaveral and Orlando make it an ideal place for visiting the Historic Cocoa Village and many cruise passengers visit the Village, enjoying the quaint shops. There are several projects that the Cocoa CRA is working on that will increase the taxable values in the CRA, such as attracting a buyer to purchase the old City Hall site to build a mixed-use building and conversion of an old Bank of America building into mixed-use property as well. In FY 2023, the City increased its millage rate to 6.9532 mills from 6.4532 mills, resulting in increased revenues to the CRA as well.

### Requests for Information

This financial report is designed to provide a general overview of the CRA's finances for all those with an interest in the government's finances. Questions concerning any of the information should be addressed to the Finance Director, 65 Stone St., Cocoa, FL 32922.



# COCOA COMMUNITY REDEVELOPMENT AGENCY

## STATEMENT OF NET POSITION AND GOVERNMENTAL FUND BALANCE SHEET

	September 30, 2023		
	General Fund	Adjustments (Note 2)	Statement of Net Position
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 2,946,931	\$ -	\$ 2,946,931
Prepaid items	8,741	-	8,741
Deposits	4,350	-	4,350
Lease Receivable	88,421	-	88,421
Other Receivables	271,907	-	271,907
Capital Assets			
Nondepreciable	-	87,164	87,164
Depreciable, net	-	3,916,906	3,916,906
<b>TOTAL ASSETS</b>	<u>\$3,320,350</u>	<u>\$4,004,070</u>	<u>\$ 7,324,420</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 16,023	-	16,023
Accrued payroll and related liabilities	3,006	-	3,006
Lease Liability	-	474,239	474,239
<b>TOTAL LIABILITIES</b>	<u>19,029</u>	<u>474,239</u>	<u>493,268</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflow - Whitley Bay			
Settlement	271,891	(271,891)	-
Lease Receivable	88,248	-	88,248
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>360,139</u>	<u>(271,891)</u>	<u>88,248</u>
<b>FUND BALANCES/NET POSITION</b>			
Fund balances:			
Nonspendable	8,741	(8,741))	-
Restricted	2,932,441	(2,932,441)	-
<b>TOTAL FUND BALANCES</b>	<u>2,941,182</u>	<u>(2,941,182)</u>	<u>-</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$3,320,350</u>		
<b>Net position:</b>			
Net investment in capital assets		3,529,831	3,529,831
Restricted		3,213,073	3,213,073
<b>TOTAL NET POSITION</b>		<u>\$ 6,742,904</u>	<u>\$ 6,742,904</u>

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



# COCOA COMMUNITY REDEVELOPMENT AGENCY

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

Year Ended September 30, 2023

	General Fund	Adjustments (Note 2)	Statement of Activities
<b>REVENUES</b>			
Intergovernmental	\$ 1,594,600	\$ -	\$ 1,594,600
Investment Income	40,646	-	40,646
Miscellaneous Revenues	83,418	-	83,418
<b>TOTAL REVENUES</b>	<u>1,718,664</u>	<u>-</u>	<u>1,718,664</u>
<b>EXPENDITURES/EXPENSES</b>			
Economic Environment	332,378	-	332,378
Capital Outlay	21,504	(21,504)	-
Depreciation	-	314,833	314,833
Debt Service:			
Principal	120,069	(120,069)	-
Interest	2,699	-	2,699
<b>TOTAL EXPENDITURES/EXPENSES</b>	<u>476,650</u>	<u>173,260</u>	<u>649,910</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES/EXPENSES</b>	<u>1,242,014</u>	<u>(173,260)</u>	<u>1,068,754</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Lease Proceeds	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>CHANGE IN FUND BALANCE/NET POSITION</b>	1,242,014	(173,260)	1,068,754
<b>FUND BALANCES/NET POSITION</b>			
Beginning of the year	<u>1,699,168</u>	<u>3,974,982</u>	<u>5,674,150</u>
End of the year	<u>\$ 2,941,182</u>	<u>\$ 3,801,722</u>	<u>\$ 6,742,904</u>

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



# **COCOA COMMUNITY REDEVELOPMENT AGENCY**

## **NOTES TO FINANCIAL STATEMENTS**

**Year Ended September 30, 2023**

### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **Financial Reporting Entity**

The Cocoa Community Redevelopment Agency (the "CRA") is a blended component unit of the City of Cocoa, Florida (the "City") comprised of a seven-member governing board of the CRA that consists of five City of Cocoa Council members and two additional members who reside or are engaged in business in the limits of the City.

The CRA was created pursuant to Section 163.356, Florida Statutes, through ordinances passed by the City and the County. It was created by City Resolution 10-81, dated April 14, 1981. Its primary activities include the rehabilitation, conservation, or redevelopment of slum or blighted areas within the City. The City provides accounting and administrative support to the CRA without charge; the CRA does not have personnel or administrative facilities.

Pursuant to Section 163.387, Florida Statutes, 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.

The accounting policies of the CRA conform to accounting principles generally accepted in the United States of America.

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 CRA has only governmental activities and only one function, and, as such, it is eligible for special-purpose financial statement presentation; accordingly, the government-wide financial statements are presented together with the governmental fund financial statements, described below, with an adjustment column presented to reconcile the two sets of statements.



# **COCOA COMMUNITY REDEVELOPMENT AGENCY**

## **NOTES TO FINANCIAL STATEMENTS**

**Year Ended September 30, 2023**

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

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

Governmental Fund Financial Statements - The CRA has one governmental fund type, which is the General Fund. The General Fund is the primary operating fund used to account for all resources and operations. Governmental funds are accounted for on a "spending" or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on the balance sheet. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current position.

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 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 revenues to be available if they are collected within 60 days of the end of the current period. Expenditures generally are recorded when a liability is incurred.

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



# COCOA COMMUNITY REDEVELOPMENT AGENCY

## NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2023

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

#### **Budgets and the Budgetary Process**

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 by the Board, 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.

The CRA's management cannot amend or transfer appropriations.

For the year ended September 30, 2023, the CRA's budget was prepared on a modified accrual basis.

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

Cash and equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Cash and equivalents are stated at fair value.

#### **Capital Assets**

Capital Assets purchased in the General Fund are recorded as expenditures at the time of purchase. It is the policy of the CRA to capitalize property and equipment over \$5,000 or more for equipment or an individual cost of \$25,000 or more for buildings, improvements other than buildings, and infrastructure with an estimated useful life in excess of one year. Lesser amounts are expensed. The CRA does not have donated capital assets.

Depreciation has been recorded over the following estimated useful lives using the straight-line method.

<u>Assets</u>	<u>Years</u>
Buildings	50
Infrastructure	15 - 75
Equipment	5 - 20
Vehicles	5 - 20



# COCOA COMMUNITY REDEVELOPMENT AGENCY

## NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2023

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

#### Prepays

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

#### Fund Balance

The CRA has classified governmental fund balances as follows:

- Nonspendable Fund Balance – Amounts that are inherently not spendable because of their form (such as inventory) and/or that cannot be readily convertible to cash (such as prepaid assets or the long-term portion of loans receivable).
- Restricted Fund Balance – Amounts that have externally enforceable limitations on their use. These amounts are constrained to the specific purposes by their providers (such as grantors, bondholders, or higher levels of government pursuant to enabling legislation, e.g., gas tax revenues that must be used for road repairs).

#### Estimates and Assumptions

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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### Receivables

All accounts receivable are shown net of allowance for uncollectible accounts. On 10/01/2021, the CRA entered into a 49-month lease as Lessor for the use of a USPS Post Office. An initial lease receivable was recorded in the amount of \$172,966. As of 9/30/23, the value of the lease receivable is \$88,421. The lessee is required to make monthly fixed payments of \$3,545. The lease has an interest rate of 0.2133%. The value of the deferred inflow of resources as of September 30, 2023 was \$88,248, and the City recognized lease revenue of \$42,359 during the fiscal year.



# COCOA COMMUNITY REDEVELOPMENT AGENCY

## NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2023

### NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Adjustments were made to include capital assets (net of accumulated depreciation), lease liability, and a deferred inflow related to the Whitley Bay Marina Legal Settlement on the statement of net position. This resulted in a net difference between the ending General Fund balances and the total net position of \$6,742,894.

Total fund balance	\$ 2,941,182
Capital assets, net	4,004,070
Lease liability	(474,239)
Deferred inflow – Whitley Bay Marina	<u>271,891</u>
Total net position	<u>\$ 6,742,904</u>

Adjustments were made to include depreciation expense and eliminate capital outlay expenditures, recognize unavailable revenue, and expense uncompleted project in CIP, on the statement of activities. This resulted in a net difference between “excess revenues over expenditures” and “change in net position” of (\$1,068,754).

Excess of revenues over expenditures	\$ 1,242,014
Capital outlay	21,504
Less: Principal payments	120,069
Less: Depreciation/amortization expense	<u>(314,833)</u>
Change in net position	<u>\$ 1,068,754</u>

### NOTE 3 - POOLED CASH AND EQUIVALENTS

The CRA's cash and equivalents account is combined with the pooled cash of the City. The City's cash accounts consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition, all of which were entirely covered by federal depository insurance or by a multiple financial institution collateral pool pursuant to the Public Depository Security Act of the State of Florida. This Act requires that the City maintain deposits only in “qualified public depositories.” All qualified public depositories must deposit with the State Treasurer eligible collateral in such amounts as required by the Act. In addition, qualified public depositories are required under the Act to assume mutual responsibility against loss caused by the default or insolvency of other qualified public depositories of the same type. Should a default or insolvency occur, the State Treasurer will implement procedures for payment of losses according to the validated claims of the City.



# COCOA COMMUNITY REDEVELOPMENT AGENCY

## NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2023

### NOTE 3 - POOLED CASH AND EQUIVALENTS (*Continued*)

Earnings from the pooled funds are allocated to the CRA based on the CRA's proportionate share of the pool.

### NOTE 4 - CAPITAL ASSETS

The following is a summary of changes in the CRA's capital assets during the fiscal year ended September 30, 2023:

	Balance October 1, 2022	Additions and Transfers	Deletions and Transfers	Balance September 30, 2023
<b>Governmental Activities</b>				
Land	\$ 4,980	\$ -	\$ -	\$ 4,980
CIP	78,361	51,286	(47,463)	82,184
Total capital assets, not being depreciated	83,341	51,286	(47,463)	87,164
Capital assets being depreciated:				
Buildings	521,897	-	-	521,897
Equipment	137,663	17,690	-	155,353
Intangibles Right-to-use				
Leased Building	652,108	-	-	590,419
Infrastructure	4,692,669	-	-	4,692,669
Less: Accumulated depreciation/amortization	(1,790,288)	(314,833)	-	(2,043,432)
Total capital assets being depreciated	4,214,049	(297,143)	-	3,916,906
Total capital assets	<u>\$4,297,390</u>	<u>\$ (245,857)</u>	<u>\$ (47,463)</u>	<u>\$ 4,004,070</u>

Depreciation and amortization expense amounted to \$314,833 during fiscal year 2023, which is included on the statement of activities.



# COCOA COMMUNITY REDEVELOPMENT AGENCY

## NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2023

### NOTE 5 - LONG-TERM LIABILITIES

#### LEASES

On October 1, 2021, the Cocoa CRA entered into a 109-month lease as Lessee for the use of the Cocoa Village Partners/Cocoa CRA Post office lease. An initial lease liability was recorded in the amount of \$590,419. As of September 30, 2023, the value of the lease liability is \$474,240. The Cocoa CRA is required to make monthly fixed payments of \$5,943. The lease has an interest rate of 0.4753%. The value of the right to use asset as of September 30, 2023, of \$460,419 with accumulated amortization of \$130,001 is included with Buildings on the Lease Class activities table found below. The Cocoa CRA has one extension option for 60 months.

#### COCOA CRA ACTIVITIES:

	Balance October 1, 2022	Additions	Reductions	Balance September 30, 2023
Lease Liability				
Buildings				
CVP/CRA Post Office Lease	\$ 594,308	\$ -	\$ (120,069)	\$ 474,239
Total Lease Liability	\$ -	\$ -	\$ (120,069)	\$ 474,239

#### Principal and Interest Requirements to Maturity

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2024	\$ 60,055	\$ 2,124	\$ 62,179
2025	62,210	1,834	64,044
2026	64,432	1,533	65,965
2027	66,722	1,222	67,944
2028	69,0832	900	69,9832
2029 - 2033	151,738	789	152,527
	\$ 474,239	\$ 8,402	\$ 482,641



# **COCOA COMMUNITY REDEVELOPMENT AGENCY**

## **NOTES TO FINANCIAL STATEMENTS**

**Year Ended September 30, 2023**

### **NOTE 6 - LITIGATION**

The City was involved in a lawsuit filed by the Petitioner against the Florida Department of Environmental Protection and the City to obtain a 25-year sovereign submerged land lease related to a boardwalk and promenade constructed jointly by the City and the Petitioner. On November 8, 2005, the parties reached a settlement agreement whereby the Petitioner agreed to reimburse the City for its portion of construction costs in the amount of \$607,837 to be paid in installments through 2009. In accordance with the settlement agreement, the City received \$135,946 and \$200,000 during 2007 and 2006, respectively.

During 2008, the Petitioner suspended payments, as the note payable to the City is subordinate to other debt of the Petitioner. At such time as the priority debt is paid by the Petitioner, they will resume payments to the City. A receivable for the remaining amount due, \$271,891, is recorded as of September 30, 2023 in the CRA fund as a settlement receivable. The related revenue has been deferred in the governmental fund financial statements, as it is not collectible soon enough to pay liabilities of the current period.



THIS PAGE IS INTENTIONALLY LEFT BLANK



## **REQUIRED SUPPLEMENTARY INFORMATION**



# COCOA COMMUNITY REDEVELOPMENT AGENCY

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Final Budget
GENERAL FUND				
Revenues:				
Intergovernmental	\$ 1,645,873	\$ 1,594,600	\$ 1,594,600	\$ (137,083)
Investment Income	-	-	40,646	16,580
Miscellaneous Revenues	42,248	42,248	42,359	3,332
TOTAL REVENUES	1,688,121	1,661,328	1,677,605	(117,171)
EXPENDITURES				
Current:				
Economic Environment	615,321	563,961	332,378	454,382
Capital Outlay	2,350,000	2,369,542	21,504	2,348,038
Debt Service:				
Principal	-	57,816	120,069	62,253
Interest	-	2,700	2,699	(1)
TOTAL EXPENDITURES	2,965,321	2,994,019	476,650	2,641,873
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES				
	(1,277,200)	(1,357,171)	1,242,014	2,599,185
OTHER FINANCING SOURCES (USES)				
Lease Proceeds	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
NET CHANGE IN FUND BALANCE				
	(1,277,200)	(1,357,171)	1,242,014	2,599,185
FUND BALANCE - BEGINNING				
	1,699,168	1,699,168	1,699,168	-
FUND BALANCE - ENDING				
	\$ 421,968	\$ 341,997	\$ 2,941,182	\$ 2,599,185



## **COMPLIANCE SECTION**





Certified Public Accountants

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

To the Board of Commissioners  
Cocoa 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 Cocoa Community Redevelopment Agency (the "CRA") as of and for the fiscal year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the CRA's financial statements and have issued our report thereon dated May 17, 2024.

**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 opinions 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control 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.



To the Board of Commissioners  
Cocoa Community Redevelopment Agency

### **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, grant agreements and contracts, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Pursuant to provisions of Chapter 10.550, *Rules of the Auditor General*, we reported certain matters to management of the CRA in a separate management letter and Independent Accountant's Report dated May 17, 2024.

### **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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**MSL, P.A.**

Certified Public Accountants

Orlando, Florida  
May 17, 2024





## INDEPENDENT ACCOUNTANT'S REPORT

To the Board of Commissioners  
Cocoa Community Redevelopment Agency

We have examined the Cocoa Community Redevelopment Agency's (the "CRA") compliance with the requirements of Sections 163.387(6) and (7) and 218.415, Florida Statutes, during the fiscal year ended September 30, 2023. 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 established by the AICPA. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the CRA complied with those requirements, in all material respects. An examination involves performing procedures to obtain evidence about the CRA's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the CRA's compliance with specified requirements.

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

In our opinion, the CRA complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2023.

**MSL, P.A.**

Certified Public Accountants

Orlando, Florida  
May 17, 2024





Certified Public Accountants

## INDEPENDENT AUDITOR'S MANAGEMENT LETTER

To the Board of Commissioners  
Cocoa Community Redevelopment Agency

### Report on the Financial Statements

We have audited the basic financial statements of the Cocoa Community Redevelopment Agency (the "CRA") as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated May 17, 2024.

### 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 Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated May 17, 2024, 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 recommendations made in the preceding audit report.

### Official Title and Legal Authority

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The legal authority is disclosed in the notes to the financial statements.



To the Board of Commissioners  
Cocoa Community Redevelopment Agency

### **Financial Condition**

Sections 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 CRA has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the 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 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 218.38(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 of the CRA, a dependent district of the City of Cocoa, Florida, that is required by Section 218.39(3)(c), Florida Statutes, and Section 10.544(1)(i)6, *Rules of the Auditor General*, is reported in the City of Cocoa's management letter for the fiscal year ended September 30, 2023.

### **Additional Matters**

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

### **Purpose of this Letter**

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

**MSL, P.A.**

Certified Public Accountants

Orlando, Florida  
May 17, 2024



# **Downtown Cocoa Beach Community Redevelopment Agency**



## **2023 Annual Report**



# **Downtown Cocoa Beach Community Redevelopment Agency Board Members**



**Jeremy Hutcherson**



**Skip Williams**



**Keith Capizzi**  
**CRA Chair**



**Karalyn Woulas**



**Joshua Jackson**

## **City of Cocoa Beach:**



**City Manager:**

**Wayne Carragino**

**CRA Administrator: Devan Taly**

**Development Services Director: Randy Stevenson**

**Finance Director: Patrisha Draycott**

**Registered Agent and City Clerk: Karin Grooms**

**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.



# Table of Contents

CRA Board .....	3
Governing Body of CRA .....	5
History .....	6
Agency Overview .....	7
Assessed Value .....	8
Geographical Boundary .....	9
2023 Budget .....	10
Source of Funds .....	12
Expense Report .....	13
Personnel Schedule .....	14
CRA Activity .....	15



# 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 (BCBoCC) 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 tenth 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

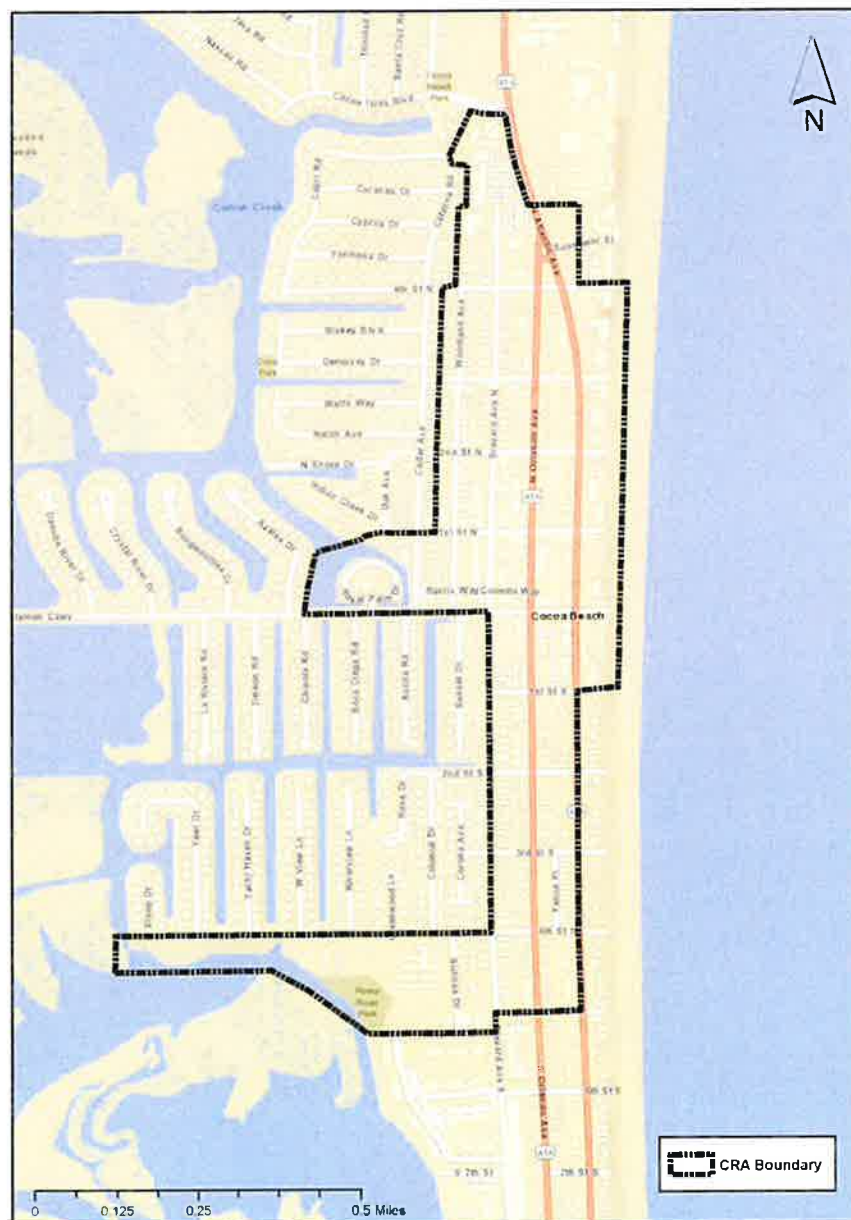
Year	Assessed Value
2008 - Base Year	\$118,031,690
2014	130,326,700
2015	144,861,700
2016	161,977,000
2017	176,352,730
2018	189,226,110
2019	197,339,050
2020	212,557,070
2021	228,158,640
2022	259,707,570
2023	276,282,850





# DCBCRA Geographical Area

CRA Map





# 2023 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 2022 through September 2023.

All data can be found on the City website at [www.cityofcocoa.beach.com](http://www.cityofcocoa.beach.com).





**Fund: Community Redevelopment (CRA)**  
**Account Codes: 125-9310 & 125-9320**

	USES OF FUNDS				
	2020 Actual	2021 Actual	2022 Amended Budget	2022 Estimated	2023 Approved Budget
<b>CRA DOWNTOWN GARAGE PERSONAL SERVICES</b>					
559 13-10 Part Time	—	—	—	12,223	27,840
559 21-00 FICA Taxes	—	—	—	935	2,129
559 24-00 Workers Compensation	—	—	—	1,120	2,664
<b>Subtotal CRA Downtown Garage Personal Services</b>	—	—	—	14,278	32,633
<b>CRA OPERATING</b>					
559 31-00 Professional Services	4,821	9,865	7,900	61,720	9,500
559 32-10 Auditor	—	3,000	5,000	—	5,100
559 45-05 General Liability	5,553	5,789	6,550	7,176	6,950
559 47-00 Printing and Binding	188	188	1,000	348	1,000
559 52-50 Other	—	1,722	—	39	—
559 54-10 Publications & memberships	420	—	250	804	250
<b>Subtotal CRA Operating</b>	10,982	20,564	20,700	70,087	22,800
<b>CRA DOWNTOWN GARAGE OPERATING</b>					
559 34-20 Bank Charges	5,163	10,367	8,500	14,630	9,634
559 34-40 Support Services	26,997	53,364	100,000	63,332	105,000
559 45-15 Property Insurance	9,617	11,363	12,272	16,004	13,254
559 43-10 Electric	8,204	9,207	9,200	12,924	9,752
559 43-20 Water & Sewer	3,587	6,457	9,700	6,533	9,955
559 49-15 Other Current Charges	1,660	1,698	2,000	3,061	2,000
559 52-50 Other Supplies	822	4,249	6,000	8,419	6,000
<b>Subtotal CRA Downtown Garage Operating</b>	56,050	96,705	147,672	124,903	155,595
<b>CAPITAL OUTLAY</b>					
559 64-20 Furniture & Equipment	—	—	80,000	—	1,600,000
<b>Subtotal Capital Outlay</b>	—	—	80,000	—	1,600,000
<b>GRANTS/AID</b>					
559 82-00 Aid/Private Organizations	—	—	—	—	—
<b>Subtotal Grants</b>	—	—	—	—	—
<b>TRANSFERS</b>					
559 91-10 Repayment of Advance to General Fund	87,315	87,315	1,252	1,377	1,290
559 91-40 Repayment to Stormwater (Minutemen Project)	20,000	20,000	40,000	48,000	40,000
559 9320.91-10 General Fund Maintenance Contrib.	—	—	—	—	—
<b>Subtotal Transfers</b>	107,315	107,315	41,252	49,377	41,290
<b>DEBT</b>					
559 71-00 Principal	230,000	323,316	335,423	300,000	265,000
559 72-00 Interest	176,673	164,018	149,661	178,200	135,625
559 73-00 Other Debt Costs	(106)	(32)	—	—	—
<b>Subtotal Debt</b>	406,567	487,302	485,084	478,200	400,625
<b>DEBT SERVICE RESERVE</b>					
590.90-10 Reserved Future Appropriations	175,359	560,243	919,675	1,067,773	402,910
<b>TOTAL USES</b>	<b>756,273</b>	<b>1,272,129</b>	<b>1,694,383</b>	<b>1,790,340</b>	<b>2,623,220</b>



# Source of Funds

**Fund: Community Redevelopment (CRA)**

**Account Codes: 125-0000**

SOURCES OF FUNDS					
	2020 Actual	2021 Actual	2022 Amended Budget	2022 Estimated	2023 Approved Budget
<b>INTERGOVERNMENTAL</b>					
330 10-00 Intergovernmental - City	395,632	468,507	555,429	555,429	762,606
330 20-00 Intergovernmental - County	259,230	296,797	333,011	332,647	433,974
<b>TOTAL TAXES</b>	654,862	765,304	888,440	888,076	1,196,580
<b>CHARGES FOR SERVICES</b>					
344. 40-00 Electric Charging Stations	171	611	200	845	1,000
344. 60-15 Taxable Meter Fees	131,706	268,916	210,000	317,281	350,000
344. 60-20 Parking Citations	23,020	52,515	35,000	38,384	40,000
<b>TOTAL CHARGES FOR SERVICES</b>	154,897	322,042	245,200	356,510	391,000
<b>MISCELLANEOUS REVENUES</b>					
361 20-00 Interest on Investment	2,219	236	500	273	500
369 40-00 Misc. Other	—	9,279	—	—	—
<b>TOTAL MISCELLANEOUS REVENUES</b>	2,219	9,424	500	(211)	500
<b>TOTAL REVENUES</b>	811,978	1,096,770	1,134,140	1,244,375	1,588,080
<b>FUNDS FORWARD</b>					
389 99-10 Appropriated Fund Balance	(55,705)	175,359	560,243	560,243	1,067,773
<b>TOTAL SOURCES</b>	<b>756,273</b>	<b>1,272,129</b>	<b>1,694,383</b>	<b>1,804,618</b>	<b>2,655,853</b>

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 2023

Account Number	Element Description	Sum of Net Expense
125-9310-559.31-00	Structural Assessment Study	\$ 4,292.54
125-9310-559.32-10	Accounting & Auditing	\$ 5,000.00
125-9310-559.45-05	Insurance/General Liability	\$ 6,268.00
125-9310-559.45-45	Insurance/Cyber/Computer	\$ 598.00
125-9310-559.47-00	Printing & Binding	\$ 90.17
125-9310-559.54-10	Books, Publication & Membership	\$ 1,170.00
125-9310-559.71-00	Principal	\$ 265,000.00
125-9310-559.72-00	Interest	\$ 135,625.00
125-9310-559.91-10	Transfers to General Fund	\$ —
125-9310-559.91-40	Transfers/Stormwater Repay	\$ 40,000.00
125-9320-559.12-12	Regular	\$ 2,943.43
125-9320-559.13-10	Part-Time	\$ —
125-9320-559.21-00	FICA Taxes	\$ 207.70
125-9320-559.23-10	Group Hospitalization	\$ 1,209.23
125-9320-559.23-20	Group Life	\$ 12.42
125-9320-559.23-30	Dental Plan	\$ 32.10
125-9320-559.24-00	Workers Compensation	\$ —
125-9320-559.31-99	Payroll Processing Fees	\$ 19.35
125-9320-559.34-20	Bank Charges	\$ 11,994.22
125-9320-559.34-40	Support Services	\$ 59,741.89
125-9320-559.43-10	Electric	\$ 9,609.49
125-9320-559.43-20	Water & Sewer	\$ 7,814.56
125-9320-559.45-15	Insurance/Property	\$ 14,453.00
125-9320-559.49-15	Other current charges	\$ 2,414.32
125-9320-559.52-50	Operating Supplies	\$ 3,849.07
<b>Grand Total</b>		<b>\$ 572,344.49</b>

The Expense Report as of 2/21/2024 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 2022	CHANGE	BUDGET 2023
FULL-TIME	—	—	—
TOTAL FULL-TIME	—	—	—
PART-TIME			
Garage Maintenance	—	1	1
TOTAL PART-TIME	—	1	1
TOTAL PERSONAL SERVICES	—	1	1

The DCBCRA had 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.



**2023  
Downtown  
Cocoa  
Beach  
Community  
Redevelopment  
Agency  
Review**



1. For 2023, 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 (Name Change 2024 to "Cocoa Beach Centennial Square"). 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 7, 2024  
City Commission Adopted March 7, 2024

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





**Downtown Cocoa Beach  
Community Redevelopment Agency  
FINANCIAL STATEMENTS**  
Fiscal Year Ended  
September 30, 2023



**Downtown Cocoa Beach Community Redevelopment Agency**  
**Table of Contents**  
**Year Ended September 30, 2023**



**INTRODUCTORY SECTION**

Table of Contents.....	1
Agency Officials.....	3

**FINANCIAL SECTION**

Independent Auditor's Report .....	5
Management's Discussion and Analysis .....	9

**Basic Financial Statements:**

Government-wide Financial Statements:

Statement of Net Position .....	17
Statement of Activities .....	18

Fund Financial Statements:

Balance Sheet – Governmental Fund.....	19
Reconciliation of the Balance Sheet of the Governmental Fund to the Statement of Net Position .....	20
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Fund .....	21
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of the Governmental Fund to the Statement of Activities.....	22

Notes to Financial Statements .....	23
-------------------------------------	----

**Required Supplementary Information:**

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Community Redevelopment Agency Fund.....	39
Budgetary Notes to Required Supplementary Information.....	40

**COMPLIANCE SECTION**

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards .....	41
Independent Auditor's Management Letter .....	43
Independent Accountant's Report on Compliance with Local Government Investment Policies .....	47
Independent Accountant's Report on Compliance with Redevelopment Trust Fund.....	49





THIS PAGE IS INTENTIONALLY LEFT BLANK.



**Downtown Cocoa Beach Community Redevelopment Agency**  
**Agency Officials**  
**Year Ended September 30, 2023**

Agency Board Members

Keith Capizzi, Mayor  
Jeremy Hutcherson, Vice-Mayor  
Joshua Jackson, Commissioner  
Karalyn Woulas, Commissioner  
Skip Williams, Commissioner

Administrator

Devan Taly







THIS PAGE IS INTENTIONALLY LEFT BLANK.



## **INDEPENDENT AUDITOR'S 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, 2023, 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, 2023, 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.



### ***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 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 22, 2024, 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, Rigg & Ungar, L.L.C.*

Melbourne, Florida  
March 22, 2024





THIS PAGE IS INTENTIONALLY LEFT BLANK.



## **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 exceeded its liabilities as of September 30, 2023, by \$3,827,810 (net position). Of this amount, \$2,752,038 (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 \$1,474,255.
- The CRA's tax increment revenues increased by \$278,064 or approximately 31%. This resulted from increased property values with the CRA district from Fiscal Year 2022 to Fiscal Year 2023.
- Total external debt decreased by \$265,000 (8.02%) in Fiscal Year 2023. 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 CRA's basic financial statements. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. This supplementary information should be considered an integral part of the financial statements.



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

### **Government-wide Financial Statements**

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

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

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

### **General Fund**

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

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

### **Notes to the Financial Statements**

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

### **Other Information**

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

## **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.



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

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 \$3,827,810 at the close of the Fiscal Year 2023. This is a \$1,474,255 increase in net position over the \$872,832 reported in the prior fiscal year.

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

The following schedule is a summary of the Fiscal Year 2023 Statement of Net Position with comparative information for Fiscal Year 2022.

<b>Schedule of Net Position</b>		
	<b>2023</b>	<b>2022</b>
Current and other assets	\$ 2,823,643	\$ 1,525,627
Capital assets	4,373,373	4,498,864
<b>Total Assets</b>	<b>7,197,016</b>	<b>6,024,491</b>
Long-term liabilities outstanding	3,017,601	3,326,220
Other liabilities	351,605	344,716
<b>Total Liabilities</b>	<b>3,369,206</b>	<b>3,670,936</b>
Net investment in capital assets	1,075,772	907,644
Restricted	2,752,038	1,445,911
<b>Total Net Position</b>	<b>\$ 3,827,810</b>	<b>\$ 2,353,555</b>

As stated above, the CRA's net position totaled \$3,827,810 at the end of Fiscal Year 2023. 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 2023 to fiscal year 2022 is \$1,474,255 as shown in the Schedule of Changes in Net Position on the next page. This change includes increased tax revenue because of an increase in property values located within the CRA. Some revenues and other financing sources had comparatively modest increases over the prior fiscal year, while the expenditures associated with maintenance of the parking garage increased somewhat over the former fiscal period.



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

The following schedule of Changes in Net Position shows activities for Fiscal Year 2023 with comparative information for Fiscal Year 2022.

	<b>Changes in Net Position</b>	
	<u>2023</u>	<u>2022</u>
Revenues:		
Taxes	\$ 1,166,140	\$ 888,076
Charges for Services	648,148	432,725
Investment income	57,763	3,035
Total Revenues	<u>1,872,051</u>	<u>1,323,836</u>
Expenses:		
Economic Environment	131,924	169,446
Depreciation	125,491	125,491
Interest and other	100,381	114,815
Total Expenses	<u>357,796</u>	<u>409,752</u>
Interfund Transfers Out	<u>(40,000)</u>	<u>(41,252)</u>
Change in Net Position	1,474,255	872,832
Net Position - Beginning	<u>2,353,555</u>	<u>1,480,723</u>
Net Position - Ending	<u><u>\$ 3,827,810</u></u>	<u><u>\$ 2,353,555</u></u>

### **General Fund Budgetary Highlights**

A budget to actual statement is provided for the General Fund. A budget column for both the original budget adopted for Fiscal Year 2023 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 \$39,104. 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 2022 to 2023 is \$278,064 or 31%.



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

### Community Redevelopment Agency Fund (CRA)

#### Tax Increment Values and Payments

	<u>2023</u>	<u>2022</u>	<u>Increase (Decrease)</u>
Taxable value	\$ 249,309,420	\$ 217,276,830	\$ 32,032,590
Less: Base year value	(119,086,930)	(119,086,930)	-
Net taxable value	<u>\$ 130,222,490</u>	<u>\$ 98,189,900</u>	<u>\$ 32,032,590</u>
County tax rate per \$1,000 of value	3.2619	3.6900	(0.4281)
City tax rate per \$1,000 of value	6.1644	6.1644	0.0000
Tax increment payments:			
County	\$ 403,534	\$ 332,647	\$ 70,887
City	<u>\$ 762,606</u>	<u>555,429</u>	<u>207,177</u>
Total tax increment payments	<u>\$ 1,166,140</u>	<u>\$ 888,076</u>	<u>\$ 278,064</u>

### CAPITAL ASSET ADMINISTRATION

#### Capital Assets

The CRA's investment in capital assets as of September 30, 2023 is \$4,373,373 (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>2023</u>	<u>2022</u>
Buildings	\$ 4,340,805	\$ 4,462,874
Improvements	<u>32,568</u>	<u>35,990</u>
Total	<u>\$ 4,373,373</u>	<u>\$ 4,498,864</u>



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

### DEBT ADMINISTRATION

#### Long-Term Debt

At the end of the current fiscal year, the CRA had total long-term debt in the amount of \$3,040,000.

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 currently \$3,040,000. See Note 2 to the financial statements for additional information.

	<b>Schedule of Outstanding Debt</b>	
	<b>2023</b>	<b>2022</b>
CRA Improvement Revenue Bonds, Series 2017B	3,040,000	3,305,000
Total	<u>\$ 3,040,000</u>	<u>\$ 3,305,000</u>

Total external debt decreased by \$265,000 (8.02%) in Fiscal Year 2023. The decrease is attributed to the principal payment on debt.

### ECONOMIC FACTORS AND CHALLENGES

In Fiscal Year 2023, the City began the process of developing the ¾-acre area where the old City Hall building was located. The cost of the cultural green space is estimated at \$1.65 million, and the estimated cost to the CRA of the wash through is estimated at \$1.5 million.

### 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@cityofcocoa beach.com](mailto:pdraycott@cityofcocoa beach.com). The financial statements are posted on the City's web site at [www.cityofcocoa beach.com](http://www.cityofcocoa beach.com).





## **BASIC FINANCIAL STATEMENTS**





THIS PAGE IS INTENTIONALLY LEFT BLANK.



**Downtown Cocoa Beach Community Redevelopment Agency**  
**Statement of Net Position**

<i>September 30, 2023</i>	Governmental Activities
<b>ASSETS</b>	
Cash and cash equivalents	\$ 1,223,083
Investments	1,240,697
Accounts receivable	12,715
Restricted cash	347,148
Capital assets, net of accumulated depreciation:	
Buildings	4,340,805
Improvements other than buildings	32,568
<b>Total assets</b>	<b>7,197,016</b>
<b>LIABILITIES</b>	
Accounts and contracts payable	2,507
Accrued expenses	4,598
Accrued interest	64,500
Noncurrent liabilities:	
Due within one year	280,000
Due in more than one year	3,017,601
<b>Total liabilities</b>	<b>3,369,206</b>
<b>NET POSITION</b>	
Net investment in capital assets	1,075,772
Restricted for community redevelopment	2,752,038
<b>Total net position</b>	<b>\$ 3,827,810</b>

*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, 2023*

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	\$ 257,415	\$ 648,148	\$ -	\$ -	\$ 390,733
Interest and related costs on long-term debt	100,381	-	-	-	(100,381)
Total governmental activities	\$ 357,796	\$ 648,148	\$ -	\$ -	290,352
General revenues:					
Taxes					1,166,140
Investment income					56,763
Miscellaneous revenue					1,000
Transfers to primary government					(40,000)
Total general revenues					1,183,903
Change in net position					1,474,255
Net position, beginning of year					2,353,555
Net position, end of year					\$ 3,827,810

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



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

<i>September 30, 2023</i>	Community Redevelopment Agency
<b>ASSETS</b>	
Cash and cash equivalents	\$ 1,223,083
Restricted cash	347,148
Investments	1,240,697
Accounts receivable	12,715
<b>Total assets</b>	<b>\$ 2,823,643</b>
<b>LIABILITIES AND FUND BALANCE</b>	
Liabilities:	
Accounts payable	\$ 2,507
Accrued expenses	4,598
<b>Total liabilities</b>	<b>7,105</b>
Fund balance:	
Restricted for:	
Community redevelopment	2,816,538
<b>Total fund balance</b>	<b>2,816,538</b>
<b>Total liabilities and fund balance</b>	<b>\$ 2,823,643</b>

*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, 2023*

---

Total fund balance for the governmental fund	\$ 2,816,538
Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund.	4,373,373
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(3,297,601)
Interest on long-term debt is not accrued in governmental funds but rather is recognized as an expenditure when due.	(64,500)
Net position of governmental activities	<u>\$ 3,827,810</u>

---

*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, 2023*

	Community Redevelopment Agency
<b>Revenues</b>	
Taxes	\$ 1,166,140
Charges for services	648,148
Investment and other income	57,763
Total revenues	<b>1,872,051</b>
<b>Expenditures</b>	
Current:	
Economic environment	131,924
Debt service:	
Principal retired	265,000
Interest and other	135,625
Total expenditures	<b>532,549</b>
Excess of revenues under expenditures	<b>1,339,502</b>
<b>Other financing sources (uses)</b>	
Transfers out	(40,000)
Net other financing sources	(40,000)
Net change in fund balance	1,299,502
Fund balance, beginning of year	1,517,036
Fund balance, end of year	<b>\$ 2,816,538</b>

*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, 2023*

Net change in fund balance - governmental fund	\$ 1,299,502
--	--------------

Amounts reported for governmental activities in the statement of activities  
are 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 as depreciation expense. This is the amount by which depreciation expense exceeds capital outlay in the current period.	(125,491)
---	-----------

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.	265,000
--	---------

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.	
Accrued interest and amortization of bond premium	35,244

Change in net position of governmental activities	\$ 1,474,255
---	--------------

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



## **Downtown 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 City Commission adopted Resolution 2009-28 on November 19, 2009, creating the Downtown Community Redevelopment Agency. 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.



## **Downtown 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.



## **Downtown 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, 2023, the CRA's budget was prepared on a modified accrual basis.

#### ***Pooled Cash and Cash 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.

##### ***Restricted cash***

The Agency's restricted cash is comprised of cash held by the fiscal agent for debt service.

##### ***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), the Florida Public Assets for Liquidity Management (Florida PALM), the Florida Surplus Asset Fund Trust (Florida SAFE) and the Florida Cooperative Liquid Assets Securities System (Florida CLASS). Florida PRIME, PALM, SAFE and CLASS 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.



# Downtown 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*

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

##### *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:

Classification	Service Life Ranges
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.



## Downtown 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.



## **Downtown 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.



## **Downtown 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 22, 2024, 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. 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.

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.



## **Downtown Cocoa Beach Community Redevelopment Agency**

### **Notes to Financial Statements**

#### **Note 2: DETAILED NOTES ON ALL FUNDS**

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

The Agency pools its deposits with the City. As of September 30, 2023, \$250,000 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, 2023, 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.

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

The City participates in Florida Cooperative Liquid Assets Securities System, (Florida CLASS), external investment pool. The Florida CLASS is a common law trust established under the laws of the State of Florida and designed to meet short term cash management needs Florida governmental entities. The investment pool consists of obligations guaranteed by the full faith and credit of the United States, U.S. government agency obligations, repurchase agreements, collateralized bank deposits, money market funds and other funds 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.



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

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

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

Under GASB Codification 150: *Investments*, if a participant has an investment in a qualifying external investment pool that measures for financial reporting purposes all of its investments at amortized cost, it should disclose the presence of any limitations or restrictions on withdrawals (such as redemption notice periods, maximum transaction amounts, and the qualifying external investment pool's authority to impose liquidity fees or redemption gates) in notes to the financial statements. As of September 30, 2023, 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).



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

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

At September 30, 2023, 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	\$ 15,140	\$ 15,140	\$ -	\$ -
FL PALM	AAAm	-	590,790	590,790	-	-
FL CLASS	AAAm	-	197,781	197,781	-	-
FL LGIT Day to day bond fund	AAAm	-	236,542	236,542	-	-
FL SAFE NAV	AAAm	-	105,447	105,447	-	-
FL SAFE FIIP	Aaa	-	94,997	94,997	-	-
Total Agency			\$ 1,240,697	\$ 1,240,697	\$ -	\$ -



# Downtown 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, 2023:

	Beginning Balance	Increases	Decreases/ Transfers	Ending Balance
<b>Governmental activities:</b>				
Capital assets, being depreciated:				
Buildings	\$ 5,407,545	\$ -	\$ -	\$ 5,407,545
Improvements other than buildings	53,100	-	-	53,100
Total capital assets being depreciated	5,460,645	-	-	5,460,645
Less accumulated depreciation for:				
Buildings	(944,671)	(122,069)	-	(1,066,740)
Improvements other than buildings	(17,110)	(3,422)	-	(20,532)
Total accumulated depreciation	(961,781)	(125,491)	-	(1,087,272)
Total capital assets being depreciated, net	4,498,864	(125,491)	-	4,373,373
Governmental activities capital assets, net	\$ 4,498,864	\$ (125,491)	\$ -	\$ 4,373,373

Depreciation expense amounted to \$125,491 during fiscal year 2023, which is included on the statement of activities.

#### Intergovernmental Receivables, Payables, and Transfers

Transfers for the year ended September 30, 2023:

	Transfers in:	
	Primary Government	Total
Transfers out:		
Community Redevelopment Agency	\$ 40,000	\$ 40,000

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.



# Downtown 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
<b>Pledged Revenue</b>					
Governmental Activities					
Florida Municipal Loan Council					
Refunding and Revenue					
Bonds, Series 2017B	\$ 4,245,000	\$ 3,596,500	\$ 648,148	\$ 400,625	62%

\* The Agency's proportionate share

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

<i>September 30,</i>		Principal		Interest		Total
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
2028		340,000		60,750		400,750
Thereafter		1,505,000		95,875		1,600,875
<b>Totals</b>	<b>\$</b>	<b>3,040,000</b>	<b>\$</b>	<b>556,500</b>	<b>\$</b>	<b>3,596,500</b>



## Downtown 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 liabilities*

Long-term liability activity for the year ended September 30, 2023, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
Florida Municipal Loan Council					
Refunding and Revenue					
Bonds, Series 2017B	\$ 3,305,000	\$ -	\$ (265,000)	\$ 3,040,000	\$ 280,000
Plus bond premiums	286,220		(28,619)	257,601	-
Total notes from direct borrowings	3,591,220	-	(293,619)	3,297,601	280,000
Total long-term liabilities	\$ 3,591,220	\$ -	\$ (293,619)	\$ 3,297,601	\$ 280,000

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, 2023.





THIS PAGE IS INTENTIONALLY LEFT BLANK.





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





THIS PAGE IS INTENTIONALLY LEFT BLANK.



**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, 2023</i>	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Taxes	\$ 1,196,580	\$ 1,196,580	\$ 1,166,140	\$ (30,440)
Charges for services	391,000	391,000	648,148	257,148
Investment income	500	500	56,763	56,263
Miscellaneous revenues	-	-	1,000	1,000
<b>Total revenues</b>	<b>1,588,080</b>	<b>1,588,080</b>	<b>1,872,051</b>	<b>283,971</b>
<b>Expenditures</b>				
Current:				
Economic environment	211,028	171,028	131,924	39,104
Debt service:				
Principal retired	265,000	265,000	265,000	-
Interest and other	135,625	135,625	135,625	-
<b>Total expenditures</b>	<b>611,653</b>	<b>571,653</b>	<b>532,549</b>	<b>39,104</b>
<b>Revenues over (under) expenditures</b>	<b>976,427</b>	<b>1,016,427</b>	<b>1,339,502</b>	<b>323,075</b>
<b>Other financing sources (uses)</b>				
Transfers out	(41,290)	(81,290)	(40,000)	41,290
<b>Net other financing sources</b>	<b>(41,290)</b>	<b>(81,290)</b>	<b>(40,000)</b>	<b>41,290</b>
<b>Net change in fund balances</b>	<b>935,137</b>	<b>935,137</b>	<b>1,299,502</b>	<b>364,365</b>
<b>Fund balances, beginning of year</b>	<b>1,517,036</b>	<b>1,517,036</b>	<b>1,517,036</b>	<b>-</b>
<b>Fund balances, end of year</b>	<b>\$ 2,452,173</b>	<b>\$ 2,452,173</b>	<b>\$ 2,816,538</b>	<b>\$ 364,365</b>



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

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

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

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

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



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

The Honorable 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, 2023, 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 22, 2024.

**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. 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 Downtown Cocoa Beach Community Redevelopment Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements,



noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

#### **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 22, 2024





Carr, Riggs & Ingram, LLC  
215 Baytree Drive  
Melbourne, Florida 32940  
  
321.255.0088  
386.336.4189 (fax)  
CRlcpa.com

## **INDEPENDENT AUDITOR'S 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, 2023, and have issued our report thereon dated March 22, 2024.

### **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 Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* 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 22, 2024, should be considered in conjunction with this management letter.

### **Prior Audit Findings**

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

### **Official Title and Legal Authority**

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



## Financial Condition and Management

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

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the Downtown Cocoa Beach Community Redevelopment Agency. It is management's responsibility to monitor the Downtown Cocoa Beach Community Redevelopment Agency's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by the 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                                 | <b>1</b>        |
| b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the Agency's fiscal year was | <b>None</b>     |
| c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency.                                 | <b>\$ 2,943</b> |
| d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency.       | <b>\$ -</b>     |



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
Green space	\$ 1,650,000
Wash through	1,500,000

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 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. **6.1644**
- b. The total amount of ad valorem taxes collected by or on behalf of the Agency. **\$ 1,166,140**
- c. The total amount of outstanding bonds issued by the Agency and the terms of such bonds as **\$3,040,000 due over 9 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, Rigg & Ingram, L.L.C.*  
Melbourne, Florida  
March 22, 2024





THIS PAGE IS INTENTIONALLY LEFT BLANK.





Carr, Riggs & Ingram, LLC  
215 Baytree Drive  
Melbourne, Florida 32940  
  
321.255.0088  
386.336.4189 (fax)  
CRIcpa.com

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

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 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2023. 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, 2023.

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 22, 2024





THIS PAGE IS INTENTIONALLY LEFT BLANK.





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

321.255.0088  
386.336.4189 (fax)  
CRlcpa.com

## INDEPENDENT ACCOUNTANT'S 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, 2023. 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, 2023. The Agency did not submit its annual budget for fiscal year 2023 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, 2023, except 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 22, 2024



# City of Melbourne



Community Development

900 E. Strawbridge Avenue • Melbourne, FL 32901 • (321) 608-7500 • Fax (321) 608-7519

March 20, 2024

**Via Federal Express: 8149 5679 2808**

Mr. Frank Abbate, County Manager  
Brevard County Taxing Authority  
2725 Judge Fran Jamieson Way  
Building C  
Viera, FL 32940

RE: CRA Annual Reports:  
Melbourne Downtown Community Redevelopment Agency  
Babcock Street Community Redevelopment Agency  
Olde Eau Gallie Riverfront Community Redevelopment Agency

Dear Mr. Abbate:

Enclosed are the 2023 annual reports for all three of the City's community redevelopment agencies (CRAs) for the Brevard County taxing authority. As required by Chapter 163.371, Florida Statutes, the CRA agency must file an annual report to the county or municipality that created the agency by March 31<sup>st</sup> of each year. The reports provide, 2023 financials, narratives of the CRA activities in 2023, and future goals of each agency. Additionally, the three CRA annual reports contain the respective CRA agency audit, as required by Chapter 163.387, Florida Statutes.

These reports will also be published on the CRA web sites by March 31, 2023. If you should have any questions, you may contact me direct at (321) 608-7510.

Respectfully,

Doug Dombroski  
Economic Development Manager

Enclosures: 3 CRA Annual Reports

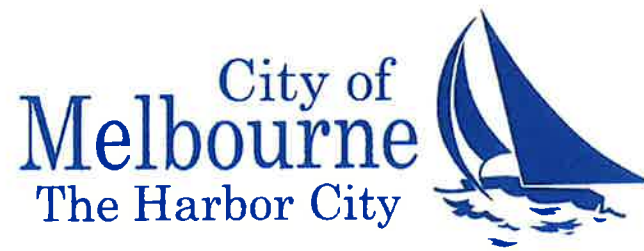
cc: Jenni Lamb, City Manager  
Ross McGinn, Finance Director  
Cindy Dittmer, Community Development Director

RECEIVED

MAR 21 2024

County Manager's  
Office





2023

City of Melbourne

Community Redevelopment Agency (CRA) Annual Report

Babcock Street CRA



## 2023 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 2023) from October 1, 2022 to September 30, 2023. The report includes general information, current or completed projects, and financial information, in compliance with Chapter 163.371, Florida Statutes.

A district map identifying the CRA is included in Appendix A. Specific financial information, such as assets, liabilities, income and operating expenses of the Babcock Street CRA trust fund, are part of this report. Balance sheets and statements of revenues and expenditures for the Babcock Street CRA are found in Appendix B. The 2023 Babcock Street CRA audit report, as required in Chapter 163.378(8), Florida Statutes, is found 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>



## 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 A.

Tax Increment Finance (TIF) revenues have increased modestly by 7.65% over the last budget cycle. Table 1 indicates valuations from the base year and January 1, 2024<sup>1</sup>. The current 2023-2024 revenue from tax increment and interest income is \$1,428,612, 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 2024.

**TABLE 1 - BABCOCK STREET CRA ASSESSED VALUATIONS**

Area	Base Year	Base Valuation	Valuation as of January 1, 2024
Area 1	1997	\$66,708,980	\$215,536,723
Area 2	2001	\$7,579,380	\$11,540,620
Area 3	2004	\$311,060	\$435,570
Totals		\$74,599,420	\$227,512,913

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 communities<sup>2</sup>. By this classification, these census tracts lack private capital investment because of their deficient demographics which include one 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

<sup>1</sup> Valuation of January 1<sup>st</sup> of the reporting year (2024) is based upon the most recent DR420TIF, certification of taxable value.

<sup>2</sup> 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 2023 were \$611,016, which includes operating expenditures, debt service principal<sup>3</sup>, interest, and capital project expenditures. Note that the principal payment is not recognized as an expenditure in the CRA statement of revenues and expenses; however, as a liability the funding was paid through a transfer of funding and is recognized in the balance sheet.

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 2022-2023 includes:

- The **MLK<sup>4</sup> Boulevard South Bound Right Turn Lane Project** is currently under construction as designed. In FY 2023 the engineering was completed, it was bid and the contract was awarded (Figures 1 & 2). The CRA spent \$5,795 in FY 2023 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 design and engineering for the **Apollo Sidewalk Connections Project** was substantially completed FY 2023 (Figure 3). The construction of this project is anticipated to be completed in FY 2024. 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. Additionally, this project will include an enhanced pedestrian mid-block crossing on Bulldog Boulevard. The CRA expended \$15,539 in FY 2013, for this project.
- Survey and engineering started on the **NASA Boulevard Bus Turn-Out & Shelter Project**. It is anticipated that the foundations and shelters will be installed prior to the end of FY 2024. The CRA expended \$27,117 in FY 2013, for this project.

During the reporting period there were a total number of three projects under development. Three projects were started and no projects were completed. Information related to expenditures and estimated costs can be found in Table 3.

---

<sup>3</sup> Debt service principal was an expense of the CRA under a loan agreement from the General Fund but it is accounted as a transfer of funds to satisfy a liability.

<sup>4</sup> 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 2023 Expenditure	Estimated Cost	Status
1	MLK Boulevard South Bound Right Turn Lane	\$5,796	\$600,000	Started
2	Apollo Sidewalk Connections	\$15,359	\$550,000	Started
3	NASA Boulevard Bus Turn- Out & Shelters	\$27,117	\$350,000	Started

## Goals

The Babcock Street CRA is scheduled to sunset on September 9, 2024 and has prioritized projects and initiatives through sunset to include the following:

- Complete the Southbound MLK Boulevard Right Turn Lane Project in FY 2024;
- Complete the design and engineering for the Apollo Boulevard Sidewalk Connections, bid the Project, and construct the improvements in FY 2024;
- Complete the design and engineering for the NASA Boulevard Bus Turn-Out and Shelters Project, and install the shelters;
- Complete one last project under the Façade Improvement Program;
- Support the Community Policing Program's merchant outreach initiatives.



### Figure 1 – Martin Luther King Boulevard South Bound Right Turn Lane Design







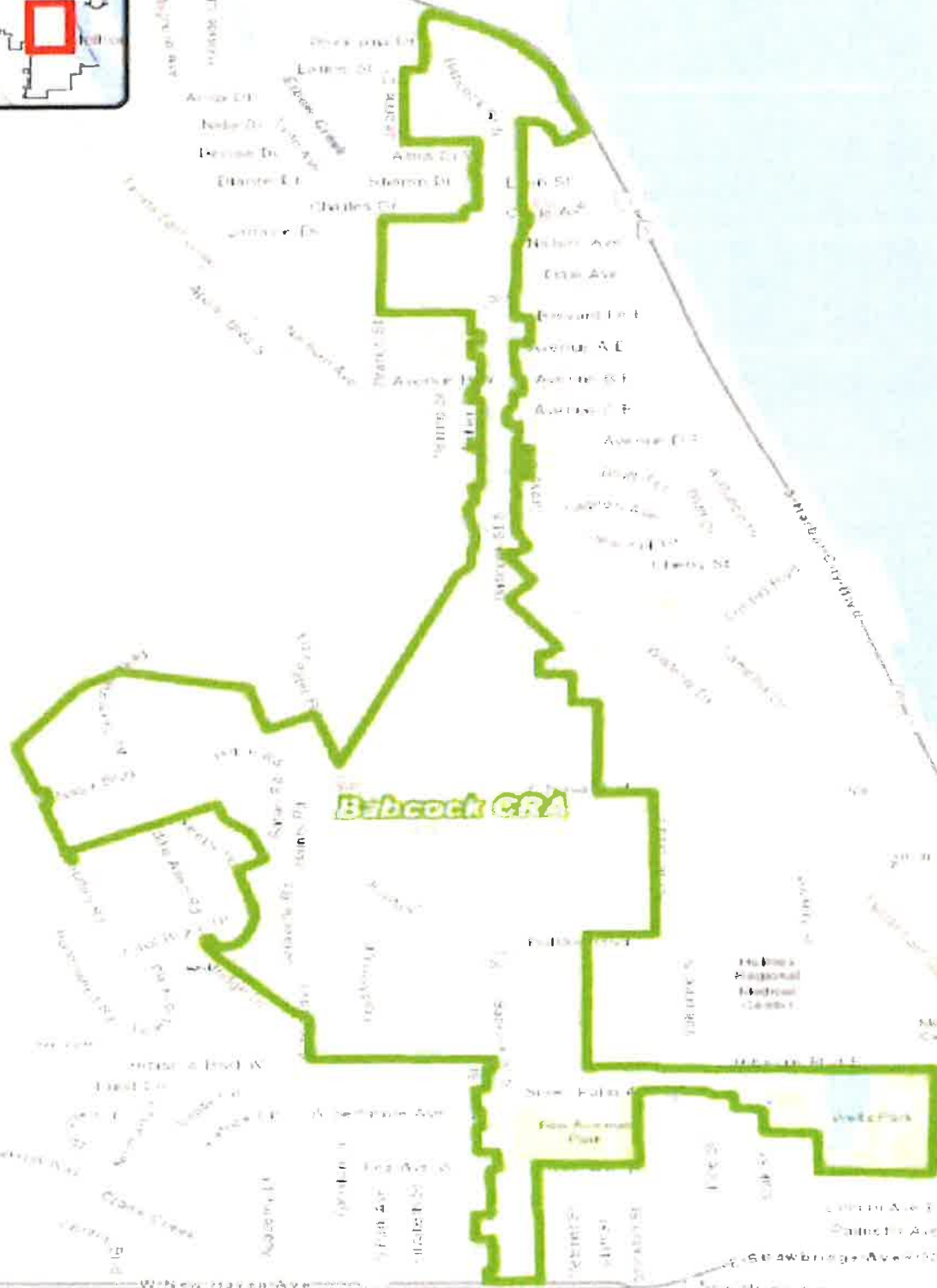
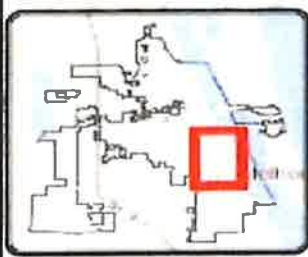
**FIGURE 3 – APOLLO SIDEWALK CONNECTIONS**



## Appendix A – CRA Map



# Babcock Street CRA





# Appendix B – CRA Financials

## Balance Sheets & Statements of Revenue and Expenditures



**CITY OF MELBOURNE, FLORIDA  
BALANCE SHEET  
BABCOCK REDEVELOPMENT  
SEPTEMBER 30, 2023**

**ASSETS**

Equity in pooled investments	\$	2,834,085
Interest receivable		<u>8,973</u>
Total assets	\$	<u><u>2,843,058</u></u>

**LIABILITIES AND FUND BALANCE**

Liabilities:		
Accounts payable	\$	4,013
Accrued payroll expenditures		6,648
Due to other funds		<u>303,714</u>
Total liabilities		<u>314,375</u>
Restricted fund balance		<u>2,528,683</u>
Total liabilities and fund balance	\$	<u><u>2,843,058</u></u>



**CITY OF MELBOURNE, FLORIDA  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
BABCOCK REDEVELOPMENT  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

**REVENUES**

Intergovernmental	\$ 1,267,492
Investment earnings	<u>36,135</u>
Total revenues	<u>1,303,627</u>

**EXPENDITURES**

Current:	
General government	250,125
Debt service:	
Interest	19,175
Capital outlay	<u>48,271</u>

Total expenditures	<u>317,571</u>
--------------------	----------------

Excess of revenues over expenditures	<u>986,056</u>
--------------------------------------	----------------

**OTHER FINANCING SOURCES**

Transfers in	<u>1,516,002</u>
--------------	------------------

Net change in fund balance	2,502,058
----------------------------	-----------

Fund balance, October 1	<u>26,625</u>
-------------------------	---------------

Fund balance, September 30	<u><u>\$ 2,528,683</u></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, 2023**

	Budget Amounts		Actual on (Budgetary Basis)	Variance with Final Budget- Positive/ (Negative)
	Original	Final	(See Note A)	
<b>REVENUES</b>				
Intergovernmental	\$ 1,241,980	\$ 1,241,980	\$ 1,267,492	\$ 25,512
Investment earnings	12,000	12,000	36,135	24,135
Total revenues	1,253,980	1,253,980	1,303,627	49,647
<b>EXPENDITURES</b>				
Current:				
General government	299,501	304,115	250,125	53,990
Debt service:				
Principal	293,444	293,444	-	293,444
Interest	20,901	20,901	19,175	1,726
Capital outlay	-	2,267,146	709,899	1,557,247
Total expenditures	613,846	2,885,606	979,199	1,906,407
Excess (deficiency) of revenues over (under) expenditures	640,134	(1,631,626)	324,428	1,956,054
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	1,605,000	1,516,002	(88,998)
Transfers out	(640,134)	-	-	-
Net change in fund balance	-	(26,626)	1,840,430	1,867,056
Fund balance, October 1	26,625	26,625	26,625	-
Fund balance (deficit), September 30	\$ 26,625	\$ (1)	\$ 1,867,055	\$ 1,867,056



## Appendix C – 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**

**2023**

**FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2023**







**BABCOCK STREET COMMUNITY REDEVELOPMENT AGENCY**

**ANNUAL FINANCIAL REPORT**

**FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**TABLE OF CONTENTS**

	<u>Page</u>
Title Page .....	i
Table of Contents .....	iii
<b>FINANCIAL SECTION</b>	
Independent Auditor's Report .....	1
Management's Discussion and Analysis .....	4
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position .....	8
Statement of Activities .....	9
Fund Financial Statements	
Balance Sheet – Governmental Fund .....	10
Reconciliation of the Balance Sheet of the Governmental Fund to the Statement of Net Position .....	11
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Fund .....	12
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of the Governmental Fund to the Statement of Activities .....	13
Notes to the Financial Statements .....	14
Required Supplementary Information	
Budgetary Comparison Schedule – Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual .....	21
Notes to Required Supplementary Information .....	22
Supplemental Audit Reports	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	24
Independent Auditor's Management Letter .....	26
Independent Accountant's Report on Compliance with Section 163.387(6) and Section 163.387(7), Florida Statutes .....	30
Independent Accountant's Report on Compliance with Section 218.415, Florida Statutes .....	31





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

321.255.0088  
386.336.4189 (fax)  
CRIcpa.com

## **INDEPENDENT AUDITOR'S 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, 2023, 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, 2023, 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.

***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 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.



Honorable Mayor and Members of the City Council  
Babcock Street 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.

***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 4 – 7 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 Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 14, 2024 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, Rigg & Ingram, L.L.C.*

Melbourne, Florida  
March 14, 2024



**BABCOCK STREET COMMUNITY REDEVELOPMENT AGENCY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

---

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, 2023. 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 8-9 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, 2023**

**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 10-13 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 14-20 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 21-23 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 \$2,852,747.

The net investment in capital assets represents \$324,064 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)
	2023	2022	Amount
<b>Assets</b>			
Current and other assets	\$ 2,843,058	\$ 631,820	\$ 2,211,238
Capital assets	324,064	275,793	48,271
Total assets	3,167,122	907,613	2,259,509
<b>Liabilities</b>			
Long-term liabilities outstanding	-	303,714	(303,714)
Other liabilities	314,175	301,481	12,694
Total liabilities	314,175	605,195	(291,020)
<b>Net position</b>			
Net investment in capital assets	324,064	275,793	48,271
Unrestricted	2,528,683	26,625	2,502,058
Total net position	\$ 2,852,747	\$ 302,418	\$ 2,550,329



**BABCOCK STREET COMMUNITY REDEVELOPMENT AGENCY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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

<b>Changes in Net Position</b>				
	<b>Governmental Activities</b>		<b>Increase (Decrease)</b>	
	<b>2023</b>	<b>2022</b>	<b>Amount</b>	<b>Percent</b>
<b>Revenue</b>				
Program revenue:				
Operating grants and contributions	\$ 1,267,492	\$ 1,153,722	\$ 113,770	10%
General revenue:				
Investment earnings	36,135	9,148	26,987	295%
Other	-	1,201	(1,201)	(100%)
Total revenues	<u>1,303,627</u>	<u>1,164,071</u>	<u>(30,798)</u>	<u>(3%)</u>
<b>Expenses:</b>				
General government	250,125	257,578	(7,453)	(3%)
Interest on long-term debt	19,175	17,003	2,172	13%
<b>Total expenses</b>	<u>269,300</u>	<u>274,581</u>	<u>(5,281)</u>	<u>(1%)</u>
Change in net position before transfers	1,034,327	889,490	144,837	16%
Transfer from primary government	1,516,002	-	1,516,002	100%
Transfers to primary government	-	(545,000)	545,000	(100%)
Change in net position	2,550,329	344,490	2,205,839	640%
Net position - October 1,	302,418	(42,072)	344,490	(819%)
Net position - September 30	<u>\$ 2,852,747</u>	<u>\$ 302,418</u>	<u>\$ 2,550,329</u>	<u>(843%)</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 \$2,528,683, an increase of \$2,502,058 in comparison with the prior year. The net change in fund balance was \$2,157,568 more than the prior year due to higher incremental tax revenues of approximately \$113,000 and \$1,516,000 more in transfers in due to primarily the Babcock MLK Blvd Southbound Right Turn Lane, Apollo Sidewalk Connections, and Nasa Blvd Bus Turn out & Shelters projects.

**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 21 of the RSI section.

The variance between the final budget and the actual results reflects total revenues of \$49,647 more than appropriated, total expenditures out of \$1,906,407 less than appropriated, and transfers in were \$88,998 less than appropriated. These factors caused the change in fund balance to be \$1,867,054 higher than budgeted.



**BABCOCK STREET COMMUNITY REDEVELOPMENT AGENCY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

---

**Capital Asset and Debt Administration**

**Capital assets.** The Agency's capital assets for governmental activities as of September 30, 2023 total \$324,064 (net of accumulated depreciation). The capital assets include land and construction in progress.

**Capital Assets**

	Governmental Activities	
	2023	2022
Land	\$ 275,793	\$ 275,793
Construction in progress	48,271	-
Total capital assets, net of depreciation/amortization	<u>\$ 324,064</u>	<u>\$ 275,793</u>

Additional information on the Agency's capital assets can be found in Note (3) B on pages 19 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](http://www.melbourneflorida.org/departments/community-development/community-redevelopment-areas).



**BABCOCK STREET COMMUNITY REDEVELOPMENT AGENCY**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2023**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Equity in pooled cash	\$ 2,834,085
Interest receivable	8,973
Capital assets:	
Nondepreciable:	
Land	275,793
Construction in progress	48,271
Total assets	<u>3,167,122</u>
<b>LIABILITIES</b>	
Accounts payable	4,013
Accrued payroll expenses	6,648
Due to primary government	303,714
Total liabilities	<u>314,375</u>
<b>NET POSITION</b>	
Net investment in capital assets	324,064
Restricted	2,528,683
Total net position	<u>\$ 2,852,747</u>

The accompanying notes are an integral part of this statement.



**BABCOCK STREET COMMUNITY REDEVELOPMENT AGENCY**  
**STATEMENT OF ACTIVITIES**  
**SEPTEMBER 30, 2023**

Functions/Programs	Expenses	Program Revenues Operating Grants and Contributions	Net Revenues and Changes in Net Position Governmental Activities
CRA government:			
Governmental activities:			
General government	\$ 250,125	\$ 1,267,492	\$ 1,017,367
Interest on long-term debt	19,175	-	(19,175)
Total governmental activities	<u>\$ 269,300</u>	<u>\$ 1,267,492</u>	<u>998,192</u>
General revenues:			
Interest earnings			36,135
Transfers from primary government			<u>1,516,002</u>
Total general revenues			<u>1,552,137</u>
Change in net position			2,550,329
Net position, beginning of year			<u>302,418</u>
Net position, end of year			<u>\$ 2,852,747</u>

The accompanying notes are an integral part of this statement.



**BABCOCK STREET COMMUNITY REDEVELOPMENT AGENCY  
BALANCE SHEET  
GOVERNMENTAL FUND  
SEPTEMBER 30, 2023**

**ASSETS**

Equity in pooled cash	\$ 2,834,085
Interest receivable	<u>8,973</u>
Total assets	<u><u>\$ 2,843,058</u></u>

**LIABILITIES AND FUND BALANCE**

Liabilities:

Accounts payable	\$ 4,013
Accrued payroll expenditures	6,648
Due to other funds	<u>303,714</u>

Total liabilities	<u>314,375</u>
-------------------	----------------

Restricted fund balance	<u>2,528,683</u>
-------------------------	------------------

Total liabilities and fund balance	<u><u>\$ 2,843,058</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, 2023**

Total fund balance for the governmental fund \$ 2,528,683

Total net position reported for government 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	\$ 275,793	\$ -	
Construction in progress	48,271	-	
Total capital assets	<u>\$ 324,064</u>	<u>\$ -</u>	324,064

Net position of governmental activities \$ 2,852,747

The accompanying notes are an integral part of this statement.



**BABCOCK STREET COMMUNITY REDEVELOPMENT AGENCY  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
GOVERNMENTAL FUND  
SEPTEMBER 30, 2023**

**Revenues**

Intergovernmental	\$ 1,267,492
Investment earnings	36,135
Total revenues	<u>1,303,627</u>

**Expenditures**

Current	
General government	250,125
Debt service	
Interest	19,175
Capital outlay	<u>48,271</u>
Total expenditures	<u>317,571</u>
Excess of revenues over expenditures	<u>986,056</u>

**Other financing sources (uses)**

Transfers in	<u>1,516,002</u>
Net other financing sources (uses)	<u>1,516,002</u>
Net change in fund balance	2,502,058
Fund balance, beginning of year	<u>26,625</u>
Fund balance, end of year	<u><u>\$ 2,528,683</u></u>

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, 2023**

Net change in fund balance - total governmental fund	\$ 2,502,058
--	--------------

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

Governmental funds report capital outlays as expenditures. However in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeds capital outlay in the current period.	48,271
---	--------

Change in net position of governmental activities	\$ 2,550,329
---	--------------

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, 2023**

---

**(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**

Babcock Community Redevelopment Agency was created under Resolution No. 1529 on December 2, 1997. 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, 2023**

---

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, 2023, 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



**BABCOCK STREET COMMUNITY DEVELOPMENT AGENCY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

---

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</u>
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, 2023**

---

**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, 2023, 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, 2023, the carrying amount of the City of Melbourne's deposits with banks was \$9,239,186 and the bank balance was \$9,852,470.

As of September 30, 2023, 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 depository, 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, 2023**

---

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, 2023**

**B. CAPITAL ASSETS**

Capital asset activity for the year ended September 30, 2023 was as follows:

	Balance October 1, 2022	Additions	Deletions	Balance September 30, 2023
Capital assets, not being depreciated/amortized:				
Land	\$ 275,793	\$ -	\$ -	\$ 275,793
Construction in progress	-	48,271	-	48,271
Total capital assets, not being depreciated/amortized	275,793	48,271	-	324,064
Capital assets, being depreciated/amortized:				
Machinery and equipment	-	-	-	-
Total capital assets, being depreciated/amortized	-	-	-	-
Less accumulated depreciation/amortization:				
Machinery and equipment	-	-	-	-
Total accumulated depreciation/amortization	-	-	-	-
Total capital assets, being depreciated/amortized, net	-	-	-	-
Governmental activities capital assets, net	\$ 275,793	\$ 48,271	\$ -	\$ 324,064

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

**C. ENCUMBRANCE COMMITMENTS**

At September 30, 2023, the Agency had encumbrance commitments, in the Governmental fund in the amount of \$661,628

**D. INTERFUND RECEIVABLES AND PAYABLES**

Interfund receivables and payables of the Agency at September 30, 2023, are summarized below.

	Due From	Due To
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, 2023 the remaining balance is \$303,714 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, 2023**

---

**E. INTERFUND TRANSACTIONS**

Interfund transfers at September 30, 2023 are as follows:

	Primary Government (General Construction fund)	Agency	Total
Primary Government (General Construction fund)	\$ 1,516,002	\$ -	\$ 1,516,002
Agency	-	(1,516,002)	\$ (1,516,002)
Total (Transfer in)	<u>\$ 1,516,002</u>	<u>\$ (1,516,002)</u>	<u>\$ -</u>

**(4) OTHER INFORMATION**

**A. RISK MANAGEMENT**

The Agency is exposed to various risks of loss related to torts; theft of or damage to and destruction of assets; errors and omissions; and natural disasters. The primary government purchases commercial insurance with various deductibles for different types of losses. The costs for this insurance program are accounted for in the insurance internal service fund of the primary government.

**B. SUBSEQUENT EVENTS**

On November 14, 2023, the Babcock Street Community Redevelopment Agency approved work order no.3 with Shenandoah General Construction, LLC for the storm drain cleaning, repairs and maintenance contract for the Babcock Street Phase 3B improvements.

On January 9, 2024, the Babcock Street Community Redevelopment Agency approved a reimbursement grant for façade improvements at 165 N Babcock Street for \$20,000.

On January 23, 2024, the Agency approved resolution No. 4236 adjusting the appropriation of the fund balance.



**REQUIRED SUPPLEMENTARY INFORMATION  
CITY OF MELBOURNE, FLORIDA  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
BABCOCK STREET COMMUNITY REDEVELOPMENT AGENCY  
SPECIAL REVENUE FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	Budget Amounts		Actual on (Budgetary Basis) (See Note A)	Variance with Final Budget- Positive/ (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ 1,241,980	\$ 1,241,980	\$ 1,267,492	\$ 25,512
Investment and other income	12,000	12,000	36,135	24,135
Total revenues	1,253,980	1,253,980	1,303,627	49,647
<b>Expenditures</b>				
Current:				
General government	299,501	304,115	250,125	53,990
Debt service:				
Principal	293,444	293,444	-	293,444
Interest	20,901	20,901	19,175	1,726
Capital outlay	-	2,267,146	709,899	1,557,247
Total expenditures	613,846	2,885,606	979,199	1,906,407
<b>Excess (deficiency) of revenues over (under) expenditures</b>	640,134	(1,631,626)	324,428	1,956,054
<b>Other financing sources</b>				
Transfers in	-	1,605,000	1,516,002	(88,998)
Transfers out	(640,134)	-	-	-
Net other financing sources	(640,134)	1,605,000	1,516,002	(88,998)
<b>Net change in fund balances</b>	-	(26,626)	1,840,430	1,867,056
<b>Fund balances, beginning of year</b>	26,625	26,625	26,625	-
<b>Fund balances, end of year</b>	\$ 26,625	\$ (1)	\$ 1,867,055	\$ 1,867,056



**BABCOCK STREET COMMUNITY REDEVELOPMENT AGENCY  
REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

---

**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, 2023**

---

**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

\$ 979,199

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.

(661,628)

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

\$ 317,571

**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, 2023 is presented in the following table:

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

\$ 1,840,430

Adjustments:

Encumbrances

661,628

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

\$ 2,502,058





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

321.255.0088  
386.336.4189 (fax)  
CRIcpa.com

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

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, 2023, 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 14, 2024.

**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, Rigg & Ingram, L.L.C.*

Melbourne, Florida  
March 14, 2024





Carr, Riggs & Ingram, LLC  
215 Baytree Drive  
Melbourne, Florida 32940  
  
321.255.0088  
386.336.4189 (fax)  
CRLcpa.com

## **INDEPENDENT AUDITOR'S 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, 2023, and have issued our report thereon dated March 14, 2024.

### **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 Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, and Independent Accountant's 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 14, 2024, 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.



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

- |   |             |
|---|-------------|
| a. The total number of Agency employees compensated in the last pay period of the Agency's fiscal year as | <b>None</b> |
|---|-------------|



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

- 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 after October 1 of the fiscal year being reported, together with the total expenditures for such projects.

Project	Project Budget	Expenditures
(#10122) Nasa Blvd Bus Turn Out and Shelters	\$ 352,146	\$ 15,359
(#14419) Babcock CRA MLK Blvd Turn Lane	1,260,000	94,794
(#14422) Apollo Blvd Sidewalk Connections	655,000	27,117
Total	\$ 2,267,146	\$ 137,270

- 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 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 City. **6.7490**  
 The millage rate or rates imposed by the County. **3.2619**
- b. The total amount of ad valorem taxes collected by or on behalf of the Agency. **\$ 854,499**  
 The total amount of ad valorem taxes collected by or on behalf of the County. **\$ 412,993**
- c. The total amount of outstanding bonds issued by the Agency 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 Agency as **None**



- |  |      |
|--|------|
| b. The total amount of special assessments collected by or on behalf of the Agency as        | None |
| c. The total amount of outstanding bonds issued by the Agency 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, Rigg & Ingram, L.L.C.*

Melbourne, Florida  
March 14, 2024





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

321.255.0088  
386.336.4189 (fax)  
CRLcpa.com

**INDEPENDENT ACCOUNTANT'S 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, 2023. 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, 2023, 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 14, 2024





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

321.255.0088  
386.336.4189 (fax)  
CRlcpa.com

## INDEPENDENT ACCOUNTANT'S 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, 2023. 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, 2023, 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 14, 2024



# City of Melbourne



Community Development

900 E. Strawbridge Avenue • Melbourne, FL 32901 • (321) 608-7500 • Fax (321) 608-7519

March 20, 2024

**Via Federal Express: 8149 5679 2808**

Mr. Frank Abbate, County Manager  
Brevard County Taxing Authority  
2725 Judge Fran Jamieson Way  
Building C  
Viera, FL 32940

RE: CRA Annual Reports:  
Melbourne Downtown Community Redevelopment Agency  
Babcock Street Community Redevelopment Agency  
Olde Eau Gallie Riverfront Community Redevelopment Agency

Dear Mr. Abbate:

Enclosed are the 2023 annual reports for all three of the City's community redevelopment agencies (CRAs) for the Brevard County taxing authority. As required by Chapter 163.371, Florida Statutes, the CRA agency must file an annual report to the county or municipality that created the agency by March 31<sup>st</sup> of each year. The reports provide, 2023 financials, narratives of the CRA activities in 2023, and future goals of each agency. Additionally, the three CRA annual reports contain the respective CRA agency audit, as required by Chapter 163.387, Florida Statutes.

These reports will also be published on the CRA web sites by March 31, 2023. If you should have any questions, you may contact me direct at (321) 608-7510.

Respectfully,

Doug Dombroski  
Economic Development Manager

Enclosures: 3 CRA Annual Reports

cc: Jenni Lamb, City Manager  
Ross McGinn, Finance Director  
Cindy Dittmer, Community Development Director

RECEIVED

MAR 21 2024

County Manager's  
Office





2023

City of Melbourne

Community Redevelopment Agency (CRA) Annual Report

Melbourne Downtown CRA



## 2023 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 2023) from October 1, 2022 to September 30, 2023. The report includes general information, current or completed projects, and financial information, in compliance with Chapter 163.371, Florida Statutes.

A district map identifying the CRA is included in Appendix A. Specific financial information, such as assets, liabilities, income and operating expenses of the Melbourne Downtown CRA trust fund, are part of this report. Balance sheets and statements of revenues and expenditures for the Melbourne Downtown CRA are found in Appendix B. The 2023 Melbourne Downtown CRA audit report, as required in Chapter 163.378(8), Florida Statutes, is found 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 A.

Tax Increment Finance (TIF) revenues have increased over the last budget cycle, with an increase of 9.18%. This increase is consistent with the overall city-wide percentage increase in ad valorem tax revenue. Table 1 indicates valuations from the base year and January 1, 2024<sup>1</sup>. The current 2023-2024 revenue from tax increment and interest income is \$2,156,517, 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, 2024
Area 1	1982	\$23,595,020	\$212,174,880
Area 2	2005	\$19,599,330	\$30,526,210
Totals		\$43,194,350	\$242,701,090

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 communities<sup>2</sup>. 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

---

<sup>1</sup> Valuation of January 1<sup>st</sup> of the reporting year (2024) is based upon the most recent DR420TIF, certification of taxable value.

<sup>2</sup> 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 2023 were \$1,629,767, which includes general operating expenditures, debt service principal, interest, 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 2022-2023 includes:

- One ***Façade Improvement Program*** project was completed and grant funding in the amount of \$20,000 was reimbursed (Figures 1-4). The project was located at 2412 South Harbor City Boulevard and leveraged \$192,000 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 new project limits extend from University Boulevard north to the Crane Creek Bridge. The CRA did not expend and funding in FY 2023. This project is now being spearheaded by the Florida Department of Transportation (FDOT), as part of a safety enhanced resurfacing project. FDOT will be taking a context sensitive approach in consideration of all modes of transportation. Community stakeholder meetings were 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 April 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 the following three separate funding sources, the FDOT, the Transportation Planning Organization and the Melbourne Downtown CRA.
- The ***805 Palmetto Property Acquisition and Demolition*** was approved by the CRA Board in May of 2023 for purchase of approximately 0.34+ acres, including a substandard residential structure. Closing was completed in August of 2023 and the CRA expended \$504,339 for the acquisition. The CRA intends on razing the blighted structure in 2024 and once the property is cleared the CRA will request redevelopment proposals for the site.
- ***The Riverview Park Non-Motorized Boat Launch & Powerline Burial Project*** was completed. The powerlines which interfered with boating masts have been relocated by Florida Power and Light (FPL). The CRA expended \$47,503 in payment to FPL in FY 2023 for this project. Based upon community input received in 2023, the CRA Board did not construct the engineered improvements to the boat launch.
- Flexi-Pave was installed at the sidewalk tree beds in the downtown right-of-way as part of the ***Downtown ROW & Infrastructure Improvements Project*** (Figures 5-6). Sidewalk improvements were realized through elimination of trip hazards resulting from tree root damage.



- The ***Downtown Security Cam Installation Project*** installation commenced with the first location within Campbell Park. The \$9,908 first phase was intended to be a pilot project in evaluation of the camera performance, pole integrity and cellular wi-fi infrastructure for future installations (Figures 6-7). A second phase in 2024 involves four locations that are more complex and costly related to electrical infrastructure requirements.
- Preliminary planning and design commenced for the ***Downtown Core Streetscape Project***. The CRA invested \$63,687 for stakeholder workshops and conceptual design services. This project moved to the highest priority because Melbourne Main Street advocated to the CRA Board for CRA investment within the original Downtown CRA area rather than the CRA's South Expansion Area. The Board's previous focus for investment was prioritized within the South Expansion Area of the CRA.
- The ***West Crane Creek Pedestrian Bridge Project*** continues to be included in the CRA's capital improvement program; however, due to the shift in CRA priorities advocated by Melbourne Main Street, this project has fallen to a lower priority status. CRA investment to connect the Downtown core with the South Expansion area of the CRA was viewed as less desirable than investment within the Downtown commercial and retail core.
- 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 2023 the CRA made bond payments of \$161,487 for the Highline project and a TIF grant reimbursement of 175,878 for the Hotel Melby Project.
- The following are projects that have been identified by the CRA, which have been funded or partially funded which are in the preliminary stages of development:
  - ***Municipal and Vernon Lighting Project***
  - ***City Hall EV charging Station***
  - ***Public Parking Garage Signage***
  - ***Riverview Park Playground (2 years to 5 years)***
  - ***Riverview Park Entrance and Signage***

During the reporting period, there were a total number of 15 projects under various levels of development. Thirteen projects were started and two 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 2023 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	South Expansion Streetscape Phase 2	\$0	\$2,000,000	Started
4	805 Palmetto Acquisition & Demo	\$504,339	\$540,000	Started
5	Downtown Core Streetscape Project	\$63,687	10,000,000	Started
6	Downtown ROW and Infrastructure	\$58,532	\$120,000	Started
7a	<b>Public Private Development Program</b> – Highline Apartments, LLC	\$161,487 CRA Bond	\$161,487	Completed
7b	<b>Public Private Development Program</b> – 801 Strawbridge Hotel, LLC	\$175,878 TIF Grant	\$175,878	Completed
8	Riverview Park Non-Motorized Boat Launch & Power Line Burial	\$42,743	\$42,743	Completed
9	Security Cam Install Project	\$9,908	\$80,000	Started
10	Municipal & Vernon Lighting	\$0	\$60,000	Started
11	City Hall EV Charging Station Upgrade	\$0	\$44,000	Started
12	Public Parking Garage Signage	\$0	\$60,000	Started
13	Riverview Park Playground (2–5-Year-Old)	\$0	\$110,000	Started
14	Riverview Park Entrance and Signage	\$0	\$800,000	Started
15	West Crane Creek Pedestrian Bridge	\$0	\$3,000,000	Started

## 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:



- FDOT completion of the engineering and design of the South Expansion Streetscape Phases I & II for construction in 2025, which will now be completed as one project spearheaded by FDOT;
- Continue the Façade Improvement Program, providing CRA funding on an annual basis;
- Begin working on a parking management plan for Downtown, to improve commerce through safe clean and available parking opportunities, and to fiscally plan for additional parking supply to meet future parking demand;
- Demolition of the blighted residential structure at 805 Palmetto Avenue;
- Finalize Development Agreements with North American Properties for the development of 246 units of residential apartments in Downtown Melbourne;
- Utilize the Public-Private Development Program to attract additional Downtown developments;
- Begin engineering for Downtown Core Streetscaping Project based upon the conceptual design completed in 2023;
- 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 2024, with the intention of being started or completed by September 30, 2024:
  - The Municipal and Vernon Lighting Project
  - The Electric Vehicle Charging Station Upgrades Project
  - The Public Parking Garage Signage Project
  - The Security Camera Install Project



## Project and Program Images

**FIGURES 1-4 –2412 S. HARBOR CITY BOULEVARD FAÇADE BEFORE AND AFTER  
BEFORE Figures 1 & 2**





AFTER FIGURES 3 & 4





**FIGURES 5-6 – FLEXI-PAVE INSTALLATION**



**FIGURES 6-7 – DOWNTOWN SECURITY CAMERAS IN CAMPBELL PARK**





## Appendix A – Maps



**Melbourne Downtown CRA**

321.95 Acres

Melbourne

Melbourne Downtown CRA

**Melbourne Downtown CRA**

321.95 Acres

Melbourne

Melbourne Downtown CRA

**Melbourne Downtown CRA**

321.95 Acres

Melbourne

Melbourne Downtown CRA



## Appendix B – CRA Financials

### Balance Sheets & Statements of Revenue and Expenditures



**CITY OF MELBOURNE, FLORIDA  
BALANCE SHEET  
DOWNTOWN REDEVELOPMENT  
SEPTEMBER 30, 2023**

**ASSETS**

Equity in pooled investments	\$ 3,487,177
Interest receivable	<u>9,607</u>
Total assets	<u>\$ 3,496,784</u>

**LIABILITIES AND FUND BALANCE**

Liabilities:	
Accounts payable	\$ 105,211
Accrued payroll expenditures	<u>9,101</u>
Total liabilities	<u>114,312</u>
Restricted fund balance	<u>3,382,472</u>
Total liabilities and fund balance	<u>\$ 3,496,784</u>



**CITY OF MELBOURNE, FLORIDA  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
DOWNTOWN REDEVELOPMENT  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

**REVENUES**

Intergovernmental	\$ 2,059,225
Investment earnings	37,254
	<hr/>
Total revenues	2,096,479

**EXPENDITURES**

Current:	
General government	784,310
Debt service:	
Principal	115,000
Interest	46,487
Capital outlay	683,970
	<hr/>
Total expenditures	1,629,767
	<hr/>
Excess of revenues over expenditures	466,712

**OTHER FINANCING SOURCES (USES)**

Transfers in	2,537,305
Transfers out	(1,114)
	<hr/>
Total other financing sources (uses)	2,536,191
	<hr/>
Net change in fund balance	3,002,903
Fund balance, October 1	379,569
	<hr/>
Fund balance, September 30	\$ 3,382,472



**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, 2023**

	Budget Amounts		Actual on (Budgetary Basis)	Variance with Final Budget- Positive/ (Negative)
	Original	Final	(See Note A)	
<b>REVENUES</b>				
Intergovernmental	\$ 1,956,915	\$ 2,106,915	\$ 2,059,225	\$ (47,690)
Investment earnings	10,000	10,000	37,254	27,254
Total revenues	1,966,915	2,116,915	2,096,479	(20,436)
<b>EXPENDITURES</b>				
Current:				
General government	1,301,428	1,321,428	878,840	442,588
Debt service:				
Principal	115,000	115,000	115,000	-
Interest	46,487	46,487	46,487	-
Capital outlay	-	3,845,632	850,324	2,995,308
Total expenditures	1,462,915	5,328,547	1,890,651	3,437,896
Excess (deficiency) of revenues over (under) expenditures	504,000	(3,211,632)	205,828	3,417,460
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	2,832,063	2,537,305	(294,758)
Transfers out	(766,010)	-	(1,114)	(1,114)
Total other financing sources (uses)	(766,010)	2,832,063	2,536,191	(295,872)
Net change in fund balance	(262,010)	(379,569)	2,742,019	3,121,588
Fund balance, October 1	379,569	379,569	379,569	-
Fund balance, September 30	\$ 117,559	\$ -	\$ 3,121,588	\$ 3,121,588



## Appendix C – CRA Audited Trust Funds



**MELBOURNE DOWNTOWN COMMUNITY  
REDEVELOPMENT AGENCY**

**ANNUAL FINANCIAL REPORT**



PICTURED ABOVE IS THE COMPLETED HIGHLINE APARTMENT PROJECT

**2023**

**FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2023**







# MELBOURNE DOWNTOWN COMMUNITY REDEVELOPMENT AGENCY

## ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED SEPTEMBER 30, 2023

### TABLE OF CONTENTS

	<u>Page</u>
Title Page .....	i
Table of Contents .....	iii
<b>FINANCIAL SECTION</b>	
Independent Auditor's Report .....	1
Management's Discussion and Analysis .....	4
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position .....	8
Statement of Activities .....	9
Fund Financial Statements	
Balance Sheet – Governmental Fund .....	10
Reconciliation of the Balance Sheet of the Governmental Fund to the Statement of Net Position ....	11
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Fund .....	12
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of the Governmental Fund to the Statement of Activities .....	13
Notes to the Financial Statements .....	14
Required Supplementary Information	
Budgetary Comparison Schedule – Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual .....	22
Notes to Required Supplementary Information .....	23
Supplemental Audit Reports	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	25
Independent Auditor's Management Letter .....	27
Independent Accountant's Report on Compliance with Section 163.387(6) and Section 163.387(7), Florida Statutes .....	32
Independent Accountant's Report on Compliance with Section 218.415, Florida Statutes .....	33





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

321.255.0088  
386.336.4189 (fax)  
CRicpa.com

## **INDEPENDENT AUDITOR'S 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, 2023, 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, 2023, 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 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.

***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 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.

***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 4 – 7 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 Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 14, 2024 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 14, 2024



**MELBOURNE DOWNTOWN COMMUNITY REDEVELOPMENT AGENCY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

---

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, 2023. 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 8-9 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, 2023**

**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 10-13 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 14-21 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 22-24 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 \$2,534,602.

The net investment in capital assets represents \$1,330,809 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)
	2023	2022	Amount
<b>Assets</b>			
Current and other assets	\$ 3,496,784	\$ 436,706	\$ 3,060,078
Capital assets	1,330,809	668,422	662,387
Total assets	4,827,593	1,105,128	3,722,465
<b>Liabilities</b>			
Long-term liabilities outstanding	2,175,000	2,290,000	(115,000)
Other liabilities	117,991	61,011	56,980
Total liabilities	2,292,991	2,351,011	(58,020)
<b>Net position</b>			
Net investment in capital assets	1,330,809	668,422	662,387
Restricted	1,203,793	(1,914,305)	3,118,098
<b>Total net position</b>	<u>\$ 2,534,602</u>	<u>\$ (1,245,883)</u>	<u>\$ 3,780,485</u>



**MELBOURNE DOWNTOWN COMMUNITY REDEVELOPMENT AGENCY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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

	<b>Changes in Net Position</b>			
	<b>Governmental Activities</b>		<b>Increase (Decrease)</b>	
	<b>2023</b>	<b>2022</b>	<b>Amount</b>	<b>Percent</b>
<b>Revenue</b>				
Program revenue:				
Operating grants and contributions	2,059,225	1,693,166	366,059	22%
General revenue:				
Investment earnings	37,254	7,701	29,553	384%
<b>Total revenues</b>	<b>2,096,479</b>	<b>1,700,867</b>	<b>395,612</b>	<b>23%</b>
<b>Expenses:</b>				
General government	805,893	806,097	(204)	(0%)
Interest on long-term debt	46,292	48,534	(2,242)	(5%)
<b>Total expenses</b>	<b>852,185</b>	<b>854,631</b>	<b>(2,446)</b>	<b>(0%)</b>
Change in net position and transfers	1,244,294	846,236	398,058	47%
Transfers from primary government	2,537,305	-	2,537,305	100%
Transfers to primary government	(1,114)	(602,213)	601,099	(100%)
<b>Change in net position</b>	<b>3,780,485</b>	<b>244,023</b>	<b>3,536,462</b>	<b>1449%</b>
Net position - October 1,	(1,245,883)	(1,489,906)	244,023	(16%)
Net position - September 30	<b>\$ 2,534,602</b>	<b>\$ (1,245,883)</b>	<b>\$ 3,780,485</b>	<b>(303%)</b>

#### **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 \$3,382,472, an increase of \$3,002,903 in comparison with the prior year. The change in fund balance increased \$2,840,547 compared to the prior year due to an increase of intergovernmental revenues of \$366,059, and an increase in transfers in of capital outlay from general construction fund of the primary government amounting to \$2,537,305. The project is now going to be accounted for in the Agency's fund instead of the capital project fund.

#### **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 22 of the RSI section.

The variance between the final budget and the actual results reflects total revenues of \$20,436 less than appropriated, total expenditures of \$3,437,896 less than appropriated, and transfers in \$294,758 less than appropriated. These factors caused the change in fund balance to be \$3,121,588 higher than budgeted.

#### **Capital Asset and Debt Administration**



**MELBOURNE DOWNTOWN COMMUNITY REDEVELOPMENT AGENCY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**Capital assets.** The Agency's capital assets for governmental activities as of September 30, 2023 total \$1,330,809 (net of accumulated depreciation). The capital assets include land and improvements other than buildings.

**Capital Assets**

	Governmental Activities	
	2023	2022
Land	\$ 518,724	\$ 518,724
Construction in progress	683,970	-
Improvements other than buildings	128,115	149,698
Total capital assets, net of depreciation/amortization	<u>\$ 1,330,809</u>	<u>\$ 668,422</u>

Additional information on the Agency's capital assets can be found in Note (3) B on page 19 of this report.

**Long-term debt.** At the end of the current fiscal year, the Agency had total debt outstanding of \$2,175,000.

**Outstanding Debt**

	Governmental Activities	
	2023	2022
Capital Improvement Revenue Note	\$ 2,175,000	\$ 2,290,000
Total	<u>\$ 2,175,000</u>	<u>\$ 2,290,000</u>

Governmental activities debt decreased \$115,000 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 20 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](http://www.melbourneflorida.org/departments/community-development/community-redevelopment-areas).



**MELBOURNE DOWNTOWN COMMUNITY REDEVELOPMENT AGENCY**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2023**

**ASSETS**

Equity in pooled investments	\$ 3,487,177
Interest receivable	9,607
Capital assets:	
Nondepreciable:	
Land	518,724
Construction in progress	683,970
Depreciable:	
Improvements other than buildings	736,393
Less accumulated depreciation/amortization	(608,278)
Total assets	<u>4,827,593</u>

**LIABILITIES**

Accounts payable	105,211
Accrued payroll expenditures	9,101
Accrued interest payable	3,679
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>2,060,000</u>
Total liabilities	<u>2,292,991</u>

**NET POSITION**

Net investment in capital assets	1,330,809
Restricted	<u>1,203,793</u>
Total net position	<u>\$ 2,534,602</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, 2023**

Functions/Programs	Expenses	Program Revenues Operating Grants and Contributions	Net Revenues and Changes in Net Position Governmental Activities
CRA government:			
Governmental activities:			
General government	\$ 805,893	\$ 2,059,225	\$ 1,253,332
Interest on long-term debt	46,292	-	(46,292)
Total governmental activities	<u>852,185</u>	<u>2,059,225</u>	<u>1,207,040</u>
General revenues:			
Interest earnings			37,254
Transfers from primary government			2,536,191
Total general revenues			<u>2,573,445</u>
Change in net position			3,780,485
Net position, beginning of year			<u>(1,245,883)</u>
Net position, end of year			<u>\$ 2,534,602</u>

The accompanying notes are an integral part of this statement.



**MELBOURNE DOWNTOWN COMMUNITY REDEVELOPMENT AGENCY  
BALANCE SHEET  
SEPTEMBER 30, 2023  
GOVERNMENTAL FUND**

**ASSETS**

Equity in pooled investments	\$ 3,487,177
Interest receivable	<u>9,607</u>
Total assets	<u><u>\$ 3,496,784</u></u>

**LIABILITIES AND FUND BALANCE**

**Liabilities:**

Accounts payable	\$ 105,211
Accrued payroll expenditures	<u>9,101</u>
Total liabilities	<u>114,312</u>

**Fund balance:**

Restricted fund balance	<u>3,382,472</u>
Total fund balance	<u>3,382,472</u>
Total liabilities and fund balance	<u><u>\$ 3,496,784</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, 2023**

Total fund balance for the governmental fund \$ 3,382,472

Total net position reported for government 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	\$ -	
Construction in progress	683,970	-	
Improvements	736,393	(608,278)	
Total capital assets	<u>\$ 1,939,087</u>	<u>\$ (608,278)</u>	1,330,809

Long-term liabilities, including bonds payable, are not due and payable in the current period, and accordingly are not report 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	\$ (3,679)	
Bonds payable	<u>(2,175,000)</u>	
Total long-term liabilities and associated accrued interest		<u>(2,178,679)</u>

Net position of governmental activities \$ 2,534,602

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, 2023**

<b>Revenues</b>	
Intergovernmental	\$ 2,059,225
Investment earnings	37,254
Total revenues	<u>2,096,479</u>
<b>Expenditures</b>	
Current:	
General Government	784,310
Debt service	
Principal	115,000
Interest	46,487
Capital outlay	683,970
Total expenditures	<u>1,629,767</u>
Excess of revenues over expenditures	<u>466,712</u>
<b>Other financing sources (uses)</b>	
Transfers in	2,537,305
Transfers out	<u>(1,114)</u>
Net other financing sources (uses)	<u>2,536,191</u>
Net change in fund balance	3,002,903
Fund balance, beginning of year	379,569
Fund balance, end of year	<u><u>\$ 3,382,472</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, 2023**

Net change in fund balance - total governmental fund \$ 3,002,903

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

Governmental funds report capital outlays as expenditures. However in the  
statement of activities, the cost of those assets is allocated over their  
estimated useful lives as depreciation expense. This is the amount by which  
depreciation expense exceeds capital outlay in the current period. 662,387

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. 115,195

Change in net position of governmental activities \$ 3,780,485

The accompanying notes are an integral part of this statement



**MELBOURNE DOWNTOWN COMMUNITY REDEVELOPMENT AGENCY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

---

**(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**

Melbourne Downtown Community Redevelopment Agency was created under Ordinance No. 1982-38 on August 24, 1982. 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.



**MELBOURNE DOWNTOWN COMMUNITY REDEVELOPMENT AGENCY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

---

**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.

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.



**MELBOURNE DOWNTOWN COMMUNITY REDEVELOPMENT AGENCY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

---

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

#### **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.



**MELBOURNE DOWNTOWN COMMUNITY REDEVELOPMENT AGENCY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

---

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.

**(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, 2023, 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, 2023, the carrying amount of the City of Melbourne's deposits with banks was \$9,239,186 and the bank balance was \$9,852,470.

As of September 30, 2023, 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



**MELBOURNE DOWNTOWN COMMUNITY REDEVELOPMENT AGENCY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

---

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 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 REDEVELOPMENT AGENCY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**B. CAPITAL ASSETS**

Capital asset activity for the year ended September 30, 2023 was as follows:

	Beginning Balance	Increases/ Transfers	Decreases/ Transfers	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 518,724	\$ -	\$ -	\$ 518,724
Construction in progress	-	683,970	-	683,970
Total capital assets, not being depreciated	518,724	683,970	-	1,202,694
Capital assets, being depreciated:				
Improvements other than buildings	736,393	-	-	736,393
Total capital assets being depreciated	736,393	-	-	736,393
Less accumulated depreciation for:				
Improvements other than buildings	586,695	21,583	-	608,278
Total accumulated depreciation	586,695	21,583	-	608,278
Total capital assets being depreciated, net	149,698	21,583	-	128,115
Governmental activities capital assets, net	\$ 668,422	\$ 662,387	\$ -	\$ 1,330,809

Depreciation/amortization expense was charged to functions/programs of the Agency as follows:

General government	<u>\$ 21,583</u>
--------------------	------------------

**C. ENCUMBRANCE COMMITMENTS**

At September 30, 2023, the Agency had encumbrance commitments in the Governmental fund in the amount of \$260,884.

**D. INTERFUND TRANSACTIONS**

Interfund transfers at September 30, 2023 are as follows:

	Primary Government (General Construction fund)	Agency	Total
Primary Government (General Construction fund)	\$ 2,537,305	\$ 1,114	\$ 2,538,419
Agency	(1,114)	(2,537,305)	(2,538,419)
Total Transfers out	<u>\$ 2,536,191</u>	<u>\$ (2,536,191)</u>	<u>\$ -</u>



**MELBOURNE DOWNTOWN COMMUNITY REDEVELOPMENT AGENCY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**E. LONG-TERM LIABILITIES**

**1. Debt Service Requirements to Maturity**

The annual requirements to amortize all bonded debt outstanding as of September 30, 2023 including interest requirements are described below.

Year Ending September 30,	Governmental Activities	
	Principal	Interest
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
	<u>\$ 2,175,000</u>	<u>\$ 394,632</u>

**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	\$ 2,569,632	\$ 2,096,479	\$ 159,152	7.59%
Total governmental activities		<u>\$ 2,569,632</u>	<u>\$ 2,096,479</u>	<u>\$ 159,152</u>	

**3. Changes in Long-Term Liabilities**

Long-term liability activity for the year ended September 30, 2023 was as follows:

	Balance October 1, 2022	Additions	Reductions	Balance September 30, 2023	Amounts Due Within One Year
Notes from direct borrowings	\$ 2,290,000	\$ -	\$ 115,000	\$ 2,175,000	\$ 115,000
Total governmental activities	<u>\$ 2,290,000</u>	<u>\$ -</u>	<u>\$ 115,000</u>	<u>\$ 2,175,000</u>	<u>\$ 115,000</u>

The Agency's outstanding notes from direct borrowings related to governmental activities of \$2,175,000 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%.



**MELBOURNE DOWNTOWN COMMUNITY REDEVELOPMENT AGENCY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

---

**(4) OTHER INFORMATION**

**A. RISK MANAGEMENT**

The Agency is exposed to various risks of loss related to torts; theft of or damage to and destruction of assets; errors and omissions; and natural disasters. The primary government purchases commercial insurance with various deductibles for different types of losses. The costs for this insurance program are accounted for in the insurance internal service fund of the primary government.

**B. SUBSEQUENT EVENTS**

On October 24, 2023, the Melbourne Downtown Community Redevelopment Agency approved a reimbursement grant for façade improvements at 802 E New Haven Avenue for \$18,409.

On November 14, 2023, the Melbourne Downtown Community Redevelopment Agency approved the application from DTM Apartments Joint Venture, LLC for the redevelopment of 2100 Melbourne Court.

On November 28, 2023, the Melbourne Downtown Community Redevelopment Agency approved a grant funding agreement for FY 2023-2024 with Melbourne Main Street for \$156,550.

On January 23, 2024, the Agency approved resolution No. 4235 adjusting the appropriation of the fund balance.



**REQUIRED SUPPLEMENTARY INFORMATION  
CITY OF MELBOURNE, FLORIDA  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUN BALANCE – BUDGET AND ACTUAL  
MELBOURNE DOWNTOWN COMMUNITY REDEVELOPMENT AGENCY  
SPECIAL REVENUE FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<u>Budget Amounts</u>		Actual on (Budgetary Basis) (See Note A)	Variance with Final Budget- Positive/ (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	1,956,915	2,106,915	2,059,225	(47,690)
Investment and other income	10,000	10,000	37,254	27,254
Total revenues	<u>1,966,915</u>	<u>2,116,915</u>	<u>2,096,479</u>	<u>(20,436)</u>
<b>Expenditures</b>				
Current:				
General government	1,301,428	1,321,428	878,840	442,588
Debt service:				
Principal	115,000	115,000	115,000	-
Interest	46,487	46,487	46,487	-
Capital outlay	-	3,845,632	850,324	2,995,308
Total expenditures	<u>1,462,915</u>	<u>5,328,547</u>	<u>1,890,651</u>	<u>3,437,896</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>504,000</u>	<u>(3,211,632)</u>	<u>205,828</u>	<u>3,417,460</u>
<b>Other financing sources</b>				
Transfers in	-	2,832,063	2,537,305	(294,758)
Transfers out	(766,010)	-	(1,114)	(1,114)
Net other financing sources	<u>(766,010)</u>	<u>2,832,063</u>	<u>2,536,191</u>	<u>(295,872)</u>
<b>Net change in fund balances</b>	<u>(262,010)</u>	<u>(379,569)</u>	<u>2,742,019</u>	<u>3,121,588</u>
<b>Fund balances, beginning of year</b>	<u>379,569</u>	<u>379,569</u>	<u>379,569</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 117,559</u>	<u>\$ -</u>	<u>\$ 3,121,588</u>	<u>\$ 3,121,588</u>



**MELBOURNE DOWNTOWN COMMUNITY REDEVELOPMENT AGENCY  
REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

---

**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, 2023**

---

**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.

Actual amounts (budgetary basis) "total expenditures" as reported on the statement of revenues, expenditures and changes in fund balance - budget and actual	\$ 1,890,651
--	--------------

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 <i>budgetary</i> purposes, but in the year the supplies and services are received for <i>financial reporting</i> purposes.	(260,884)
---	-----------

Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance.	\$ 1,629,767
---	--------------

**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, 2023 is presented in the following table:

Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses) (Budgetary Basis)	\$ 2,742,019
--	--------------

Adjustments:

Encumbrances	260,884
--------------	---------

Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses) (GAAP Basis)	\$ 3,002,903
---	--------------





Carr, Riggs & Ingram, LLC  
215 Baytree Drive  
Melbourne, Florida 32940  
  
321.255.0088  
386.336.4189 (fax)  
CRLcpa.com

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

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, 2023, 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 14, 2024.

**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, Rigg & Ingram, L.L.C.*

Melbourne, Florida  
March 14, 2024





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

321.255.0088  
386.336.4189 (fax)  
CRlcpa.com

## **INDEPENDENT AUDITOR'S 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, 2023, and have issued our report thereon dated March 14, 2024.

### **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 Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 14, 2024, 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 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 Agency employees compensated in the last pay period of the Agency's fiscal year as

**None**



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

- 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 after October 1 of the fiscal year being reported, together with the total expenditures for such projects.

Project	Project Budget	Expenditures
(#10421) Riverview Park Boat Launch	\$ 165,562	\$ 100,313
(#10512) West Crane Creek Pedestrian Bridge	499,000	58,120
(#10623) Riverview Park Playground (age 2-5)	110,184	-
(#13123) Install Security Camera's in DTR ROW	80,000	9,908
(#13323) Riverview Park Entrance & Signage	120,000	-
(#13523) 805 Palmetto Acquisition & Demo	530,000	504,339
(#14011) Downtown CRA South Expansion Street Scape	1,324,949	145,933
(#14121) South Street Expansion Streetscape Phase 2	482,722	37,895
(#14320) Downtown Right of Way & Infrastructure	120,000	58,532
(#17023) Municipal & Vernon Lighting	70,000	-
(#17123) Downtown Core Streetscape	189,215	-
(#10512) West Crane Creek Pedestrian Bridge	499,000	58,120
Total	\$ 4,190,632	\$ 973,160

- 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 22**



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

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 City.	6.7490
	The millage rate or rates imposed by the County.	3.2619
b.	The total amount of ad valorem taxes collected by or on behalf of the Agency.	\$ 1,388,258
	The total amount of ad valorem taxes collected by or on behalf of the County.	\$ 670,967
c.	The total amount of outstanding bonds issued by the Agency 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.	\$2,175,000

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 Agency as	None
b.	The total amount of special assessments collected by or on behalf of the Agency as	None
c.	The total amount of outstanding bonds issued by the Agency 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.



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

**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, Rigg & Ingram, L.L.C.*

Melbourne, Florida  
March 14, 2024





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

321.255.0088  
386.336.4189 (fax)  
CRlcpa.com

**INDEPENDENT ACCOUNTANT'S 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, 2023. 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, 2023, 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 14, 2024





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

321.255.0088  
386.336.4189 (fax)  
CRlcpa.com

## INDEPENDENT ACCOUNTANT'S 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, 2023. 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, 2023, 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 14, 2024



# City of Melbourne



Community Development

900 E. Strawbridge Avenue • Melbourne, FL 32901 • (321) 608-7500 • Fax (321) 608-7519

March 20, 2024

**Via Federal Express: 8149 5679 2808**

Mr. Frank Abbate, County Manager  
Brevard County Taxing Authority  
2725 Judge Fran Jamieson Way  
Building C  
Viera, FL 32940

RE: CRA Annual Reports:  
Melbourne Downtown Community Redevelopment Agency  
Babcock Street Community Redevelopment Agency  
Olde Eau Gallie Riverfront Community Redevelopment Agency

Dear Mr. Abbate:

Enclosed are the 2023 annual reports for all three of the City's community redevelopment agencies (CRAs) for the Brevard County taxing authority. As required by Chapter 163.371, Florida Statutes, the CRA agency must file an annual report to the county or municipality that created the agency by March 31<sup>st</sup> of each year. The reports provide, 2023 financials, narratives of the CRA activities in 2023, and future goals of each agency. Additionally, the three CRA annual reports contain the respective CRA agency audit, as required by Chapter 163.387, Florida Statutes.

These reports will also be published on the CRA web sites by March 31, 2023. If you should have any questions, you may contact me direct at (321) 608-7510.

Respectfully,

Doug Dombroski  
Economic Development Manager

Enclosures: 3 CRA Annual Reports

cc: Jenni Lamb, City Manager  
Ross McGinn, Finance Director  
Cindy Dittmer, Community Development Director

RECEIVED

MAR 21 2024

County Manager's  
Office





2023

City of Melbourne

Community Redevelopment Agency (CRA) Annual  
Report

Olde Eau Gallie Riverfront CRA



## 2023 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 Olde Eau Gallie Riverfront CRA activities during the fiscal reporting period (FY 2023) from October 1, 2022 to September 30, 2023. The report includes general information, current or completed projects, and financial information, in compliance with Chapter 163.371, Florida Statutes.

A district map identifying the CRA is included in Appendix A. Specific financial information, such as assets, liabilities, income and operating expenses of the Olde Eau Gallie Riverfront CRA trust fund, are part of this report. Balance sheets and statements of revenues and expenditures for the Eau Gallie CRA are found in Appendix B. The 2023 Eau Gallie CRA audit report, as required in Chapter 163.378(8), Florida Statutes, is found in Appendix C.

Information related to the Olde Eau Gallie Riverfront CRA, 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/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 2021, 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 A.

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. 2021-083
- City of Melbourne Ordinance No. 2021-37

The Olde Eau Gallie Riverfront CRA Board is comprised of the seven members of the Melbourne City Council<sup>1</sup>. The CRA is staffed by the Community Development Department of the City of Melbourne.

Tax Increment Finance (TIF) revenues have increased at a robust rate of 15.5% mainly due to higher property valuations resulting from increased private investment. Table 1 indicates valuations from the base year and January 1, 2024<sup>2</sup>. The current 2023-2024 revenue from tax increment and interest income is \$882,142 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, 2024
Area 1	2000	\$16,958,230	\$67,582,210
Area 2	2005	\$44,041,890	\$93,784,580
Area 3	2015	\$771,910	\$3,125,060
<b>Totals</b>		<b>\$61,772,030</b>	<b>\$164,491,850</b>

<sup>1</sup> 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>

<sup>2</sup> Valuation of the reporting year (January 2024) is based upon the most recent DR420 TIF Form, certification of taxable value.



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.<sup>3</sup> 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 2023 were \$1,100, which includes operating expenditures, capital project expenditures. The remaining tax increment was transferred into 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 2021. The Brevard County Commission revised their original delegation of authority to Melbourne City Council under Resolution No. 2021-083. 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 provides allowance for CRA bond financing for the project. A CRA redevelopment plan amendment was approved under Ordinance No. 2021-37, 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 by setting aside funding to construct the parking facility. The extent to which the CRA has achieved its goals in FY 2022-2023 includes:

---

<sup>3</sup> 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.



- The **EGAD Main Street Program** the CRA discontinued funding the main street program after FY 2022, because of the interlocal agreement between the City of Melbourne and 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 in 2022 to fund EGAD Main Street through with the City's General Fund. City Council approved the renewal of the annual agreement for FY 2023. 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.
- The CRA expended \$1,100 in engineering services for the **Eau Gallie Parking Facilities Project**, completing geotechnical and environmental studies. The CRA continues to transfer funding in escrow for future debt service associated with the construction of the garage.

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 2023 Expenditure	Estimated Cost	Status
1	Eau Gallie Parking Facilities	\$1,100	\$8,600,000	Started

## Goals

Consistent with the current interlocal agreement between Brevard County and the City of Melbourne, the CRA has the following goals for 2023 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.
- Update the terms of the interlocal agreement with Brevard County to reflect current costs and efficiencies that are not reflected within the existing agreement.



## Project and Program Images

FIGURE 1 RECENT EAU GALLIE DISTRICT NEW BUSINESS OUI BAKE AT 1431 HIGHLAND AVE.





**FIGURE 2 – EGAD MAIN STREET PROMOTIONAL EVENT IN 2023**





## Appendix A – Map



# Olde Eau Gallie Riverfront CRA





Appendix B – CRA Financials

Balance Sheets & Statements of  
Revenue and Expenditures



**CITY OF MELBOURNE, FLORIDA  
BALANCE SHEET  
EAU GALLIE REDEVELOPMENT  
SEPTEMBER 30, 2023**

**ASSETS**

Cash and cash equivalents	\$	1,532,154
Equity in pooled investments		1,869,469
Interest receivable		<u>10,775</u>
Total assets	\$	<u><u>3,412,398</u></u>

**LIABILITIES AND FUND BALANCE**

Restricted fund balance		<u>3,412,398</u>
Total liabilities and fund balance	\$	<u><u>3,412,398</u></u>



**CITY OF MELBOURNE, FLORIDA  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
EAU GALLIE REDEVELOPMENT  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

**REVENUES**

Intergovernmental	\$ 798,941
Investment earnings	<u>52,950</u>
Total revenue	<u>851,891</u>

**EXPENDITURES**

Capital Outlay	<u>-</u>
Excess of revenues over expenditures	<u>851,891</u>

**OTHER FINANCING SOURCES**

Transfers in	<u>3,452</u>
--------------	--------------

Net change in fund balances	855,343
Fund balance, October 1	<u>2,557,055</u>
Fund balance, September 30	<u><u>\$ 3,412,398</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, 2023**

	Budget Amounts		Actual on (Budgetary Basis) (See Note A)	Variance with Final Budget- Positive/ (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 763,445	\$ 763,445	\$ 798,941	\$ 35,496
Investment earnings	-	-	52,950	52,950
Total revenues	763,445	763,445	851,891	88,446
<b>EXPENDITURES</b>				
Current:				
General government	763,445	763,445	-	763,445
Capital outlay	8,715,668	8,715,668	1,100	8,714,568
Total expenditures	9,479,113	9,479,113	1,100	9,478,013
Excess (deficiency) of revenues over (under) expenditures	(8,715,668)	(8,715,668)	850,791	9,566,459
<b>OTHER FINANCING SOURCES (USES)</b>				
Bond proceeds	6,835,000	6,835,000	-	(6,835,000)
Transfers in	-	-	3,452	3,452
Total other financing sources (uses)	6,835,000	6,835,000	3,452	(6,831,548)
Net change in fund balance	(1,880,668)	(1,880,668)	854,243	2,734,911
Fund balance, October 1	2,557,055	2,557,055	2,557,055	-
Fund balance, September 30	\$ 676,387	\$ 676,387	\$ 3,411,298	\$ 2,734,911



## Appendix C – 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

**2023**

**FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2023**







OLDE EAU GALLIE RIVERFRONT COMMUNITY REDEVELOPMENT AGENCY

ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED SEPTEMBER 30, 2023

TABLE OF CONTENTS

	<u>Page</u>
Title Page .....	i
Table of Contents .....	iii
<b>FINANCIAL SECTION</b>	
Independent Auditor's Report .....	1
Management's Discussion and Analysis .....	4
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position .....	8
Statement of Activities .....	9
Fund Financial Statements	
Balance Sheet – Governmental Fund .....	10
Reconciliation of the Balance Sheet of the Governmental Fund to the Statement of Net Position ..	11
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Fund .....	12
Notes to the Financial Statements .....	13
Required Supplementary Information	
Budgetary Comparison Schedule – Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual .....	20
Notes to Required Supplementary Information .....	21
Audit Reports	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government     Auditing Standards</i> .....	23
Independent Auditor's Management Letter .....	25
Independent Accountant's Report on Compliance with Section 163.387(6) and Section 163.387(7), Florida Statutes .....	29
Independent Accountant's Report on Compliance with Section 218.415, Florida Statutes .....	30





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

321.255.0088  
386.336.4189 (fax)  
CRlcpa.com

## **INDEPENDENT AUDITOR'S REPORT**

Honorable Mayor and Members of the City Council  
Olde Eau Gallie Community Redevelopment Agency

### **Report on 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, 2023, 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, 2023, 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 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.

***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 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.



Honorable Mayor and Members of the City Council  
Olde Eau Gallie 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.

***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 4 – 7 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 Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 14, 2024 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 14, 2024



**OLDE EAU GALLIE RIVERFRONT COMMUNITY REDEVELOPMENT AGENCY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

---

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, 2023. 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 8-9 of this report.



**OLDE EAU GALLIE RIVERFRONT COMMUNITY REDEVELOPMENT AGENCY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

---

**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.

**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 10-12 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 14-20 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 21-23 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 \$3,912,048.

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.



**OLDE EAU GALLIE RIVERFRONT COMMUNITY REDEVELOPMENT AGENCY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**Statement of Net Position**

	Governmental Activities		Increase (Decrease)
	2023	2022	Amount
<b>Assets</b>			
Current and other assets	\$ 3,412,398	\$ 2,557,055	\$ 855,343
Capital assets	499,650	499,650	-
Total assets	3,912,048	3,056,705	855,343
<b>Liabilities</b>			
Other liabilities	-	-	-
Total liabilities	-	-	-
<b>Net position</b>			
Net investment in capital assets	499,650	499,650	-
Restricted	3,412,398	2,557,055	855,343
Total net position	\$ 3,912,048	\$ 3,056,705	\$ 855,343

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

**Changes in Net Position**

	Governmental Activities		Increase (Decrease)	
	2023	2022	Amount	Percent
<b>Revenue</b>				
Program revenue:				
Operating grants and contributions	\$ 798,941	\$ 669,414	\$ 129,527	19.35%
General revenue:				
Investment earnings	52,950	6,973	45,977	659.36%
Total revenues	851,891	676,387	175,504	25.95%
<b>Expenses:</b>				
General government	-	16,539	(16,539)	(100.00%)
Total expenses	-	16,539	(16,539)	(100.00%)
Change in net position				
fund and transfers	851,891	659,848	192,043	29.10%
Transfers from (to) primary government	3,452	1,648,018	(1,644,566)	(99.79%)
Change in net position	855,343	2,307,866	(1,452,523)	(62.94%)
Net position - October 1	3,056,705	748,839	2,307,866	308.19%
Net position - September 30	\$ 3,912,048	\$ 3,056,705	\$ 855,343	27.98%

**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.



**OLDE EAU GALLIE RIVERFRONT COMMUNITY REDEVELOPMENT AGENCY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

---

As of the end of the fiscal year, the Agency's governmental fund reported an ending restricted fund balance of \$3,412,398, an increase of \$855,343 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 21 of the RSI section.

The variance between the final budget and the actual results reflects total revenues of \$88,446 more than appropriated, total expenditures of \$9,478,013 less than appropriated, and bond proceeds \$6,835,000 less than appropriated. These factors caused the change in fund balance to be \$2,734,911 higher than budgeted.

**Capital Asset and Debt Administration**

**Capital assets.** The Agency's capital assets for governmental activities as of September 30, 2023 total \$499,650 (net of accumulated depreciation). The capital assets include land and improvements other than buildings.

**Capital Assets**

	Governmental Activities	
	2023	2022
Land	\$ 480,050	\$ 480,050
Construction in progress	19,600	19,600
Total capital assets, net of depreciation/amortization	<u>\$ 499,650</u>	<u>\$ 499,650</u>

Additional information on the Agency's capital assets can be found in Note (3) B on pages 19 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](http://www.melbourneflorida.org/departments/community-development/community-redevelopment-areas)



**OLDE EAU GALLIE RIVERFRONT COMMUNITY REDEVELOPMENT AGENCY**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2023**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 1,532,154
Investments	1,869,469
Interest receivable	10,775
Capital assets:	
Nondepreciable:	
Land	480,050
Construction in progress	19,600
Depreciable:	
Improvements other than buildings	327,353
Less accumulated depreciation/amortization	<u>(327,353)</u>
Total assets	<u><u>\$ 3,912,048</u></u>
 <b>NET POSITION</b>	
Net investment in capital assets	\$ 499,650
Restricted	<u>3,412,398</u>
Total net position	<u><u>\$ 3,912,048</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, 2023**

Functions/Programs	Expenses	Program Revenues Operating Grants and Contributions	Net Revenues and Changes in Net Position Governmental Activities
CRA government:			
Governmental activities:			
General government	\$ -	\$ 798,941	\$ 798,941
Total governmental activities	-	798,941	798,941
General revenues:			
Interest earnings			52,950
Transfers from primary government			3,452
Total general revenues			56,402
Change in net position			855,343
Net position, beginning of year			3,056,705
Net position, end of year			\$ 3,912,048

The accompanying notes are an integral part of this statement.



**OLDE EAU GALLIE RIVERFRONT COMMUNITY REDEVELOPMENT AGENCY  
BALANCE SHEET  
GOVERNMENTAL FUND  
SEPTEMBER 30, 2023**

**ASSETS**

Cash and cash equivalents	\$ 1,532,154
Equity in pooled investments	1,869,469
Interest receivable	<u>10,775</u>
Total assets	<u><u>\$ 3,412,398</u></u>

**LIABILITIES AND FUND BALANCE**

Liabilities	-
Restricted fund balance	<u>\$ 3,412,398</u>
Total liabilities and fund balance	<u><u>\$ 3,412,398</u></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, 2023**

Total fund balance for the governmental fund \$ 3,412,398

Total net position reported for government 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	<u>827,003</u>	<u>(327,353)</u>	499,650
Net position of governmental activities			<u>\$ 3,912,048</u>

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, 2023**

<b>Revenues</b>	
Intergovernmental	\$ 798,941
Investment earnings	52,950
Total revenues	<u>851,891</u>
<b>Expenditures</b>	
Total expenditures	<u>-</u>
Excess of revenues over expenditures	<u>851,891</u>
<b>Other financing sources (uses)</b>	
Transfers in	<u>3,452</u>
Net other financing sources (uses)	<u>3,452</u>
Net change in fund balance	855,343
Fund balance, beginning of year	<u>2,557,055</u>
Fund balance, end of year	<u>\$ 3,412,398</u>

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, 2023**

---

**(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**

Eau Gallie Community Redevelopment Agency was created under Resolution No. 1627 on September 12, 2000. 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, 2023**

---

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, 2023, 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



**OLDE EAU GALLIE RIVERFRONT COMMUNITY DEVELOPMENT AGENCY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

---

**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, 2023**

---

**(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, 2023, 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, 2023, the carrying amount of the City of Melbourne's deposits with banks was \$9,239,186 and the bank balance was \$9,852,470.

As of September 30, 2023, 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



**OLDE EAU GALLIE RIVERFRONT COMMUNITY DEVELOPMENT AGENCY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

---

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 in the money market funds.



**OLDE EAU GALLIE RIVERFRONT COMMUNITY DEVELOPMENT AGENCY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**B. CAPITAL ASSETS**

Capital asset activity for the year ended September 30, 2023 was as follows:

	October 1, 2022	Additions	Deletions	September 30, 2023
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	499,650	-	-	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	327,353	-	-	327,353
Total accumulated depreciation/amortization	327,353	-	-	327,353
Total capital assets, being depreciated/amortized, net	-	-	-	-
Governmental activities capital assets, net	\$ 499,650	\$ -	\$ -	\$ 499,650

Depreciation/amortization expense was charged to functions/programs of the Agency as follows:

General government \$ -

**C. ENCUMBRANCE COMMITMENTS**

At September 30, 2023, the Agency had encumbrance commitments in the Governmental fund in the amount of \$1,100.

**D. INTERFUND TRANSACTIONS**

Interfund transfers at September 30, 2023 are as follows:

	Primary Government (General Construction fund)	Agency	Total
Primary Government (General Construction fund)	\$ (3,452)	\$ -	\$ (3,452)
Agency	-	3,452	\$ 3,452
Total Transfers in (transfers out)	\$ (3,452)	\$ 3,452	\$ -

Significant transfers included \$3,452 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, 2023**

---

**(4) OTHER INFORMATION**

**A. RISK MANAGEMENT**

The Agency is exposed to various risks of loss related to torts; theft of or damage to and destruction of assets; errors and omissions; and natural disasters. The primary government purchases commercial insurance with various deductibles for different types of losses. The costs for this insurance program are accounted for in the insurance internal service fund of the primary government.



**REQUIRED SUPPLEMENTARY INFORMATION  
CITY OF MELBOURNE, FLORIDA  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUN BALANCE – BUDGET AND ACTUAL  
OLDE EAU GALLIE REDEVELOPMENT  
SPECIAL REVENUE FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	Budget Amounts		Actual on (Budgetary Basis) (See Note A)	Variance with Final Budget- Positive/ (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	763,445	763,445	798,941	35,496
Investment and other income	-	-	52,950	52,950
Total revenues	<u>763,445</u>	<u>763,445</u>	<u>851,891</u>	<u>88,446</u>
<b>Expenditures</b>				
Current:				
General government	763,445	763,445	-	763,445
Capital outlay	8,715,668	8,715,668	1,100	8,714,568
Total expenditures	<u>9,479,113</u>	<u>9,479,113</u>	<u>1,100</u>	<u>9,478,013</u>
<b>Excess (deficiency) of revenues over (under)</b>				
expenditures	<u>(8,715,668)</u>	<u>(8,715,668)</u>	<u>850,791</u>	<u>9,566,459</u>
<b>Other financing sources</b>				
Bond proceeds	6,835,000	6,835,000	-	(6,835,000)
Transfers in	-	-	3,452	3,452
Net other financing sources	<u>6,835,000</u>	<u>6,835,000</u>	<u>3,452</u>	<u>(6,831,548)</u>
Net change in fund balances	<u>(1,880,668)</u>	<u>(1,880,668)</u>	<u>854,243</u>	<u>2,734,911</u>
Fund balances, beginning of year	<u>2,557,055</u>	<u>2,557,055</u>	<u>2,557,055</u>	<u>-</u>
Fund balances, end of year	<u>\$ 676,387</u>	<u>\$ 676,387</u>	<u>\$ 3,411,298</u>	<u>\$ 2,734,911</u>



**OLDE EAU GALLIE RIVERFRONT COMMUNITY REDEVELOPMENT AGENCY  
REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

---

**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, 2023**

---

**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

\$ 1,100

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.

\$ -

**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, 2023 is presented in the following table:

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

\$ 854,243

Adjustments:

Encumbrances

1,100

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

\$ 855,343





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

321.255.0088  
386.336.4189 (fax)  
CRLcpa.com

**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, 2023, 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 14, 2024.

**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, Rigg & Ingram, L.L.C.*

Melbourne, Florida  
March 14, 2024





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

321.255.0088  
386.336.4189 (fax)  
CRIcpa.com

## **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, 2023, and have issued our report thereon dated March 14, 2024.

### **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 Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 14, 2024, 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.



### **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 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 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 Olde Eau Gallie Redevelopment Agency reported:

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



To the Honorable Mayor and Members of City Council  
 Olde Eau Gallie Community Redevelopment Agency  
 Page Three

- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the Agency' 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 after October 1 of the fiscal year being reported, together with the total expenditures for such projects.

Project	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 Agency 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 City. **6.7490**  
 The millage rate or rates imposed by the County. **3.2619**
- b. The total amount of ad valorem taxes collected by or on behalf of the Agency. **\$ 538,619**  
 The total amount of ad valorem taxes collected by or on behalf of the County. **\$ 260,323**
- c. The total amount of outstanding bonds issued by the Agency 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

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 Agency as          | <b>None</b> |
| b. The total amount of special assessments collected by or on behalf of the Agency as        | <b>None</b> |
| c. The total amount of outstanding bonds issued by the Agency and the terms of such bonds as | <b>None</b> |

**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, Rigg & Ingram, L.L.C.*

Melbourne, Florida  
March 14, 2024





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

321.255.0088  
386.336.4189 (fax)  
CRlcpa.com

**INDEPENDENT ACCOUNTANT'S 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, 2023. 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, 2023, in all material respects.

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

Melbourne, Florida  
March 14, 2024





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

321.255.0088  
386.336.4189 (fax)  
CRLcpa.com

## INDEPENDENT ACCOUNTANT'S 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, 2023. 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, 2023, in all material respects.

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

Melbourne, Florida  
March 14, 2024



# ANNUAL REPORT

20  
23

Prepared for the Brevard County Board of County  
Commissioners



**MERRITT ISLAND**  
— REDEVELOPMENT AGENCY —



## Reporting Requirements

Per State Statute 163.371 “(2) *Beginning March 31, 2020, and not later than March 31 of each year thereafter, a community redevelopment agency shall file an annual report with the county or municipality that created the agency and publish the report on the agency's website. The report must include the following information:*

*(a) The most recent complete audit report of the redevelopment trust fund as required in s. [163.387\(8\)](#).”*

Please refer to *Exhibit A* to review MIRA’s annual audit report for fiscal year 2022-23.

*“(b) The performance data for each plan authorized, administered, or overseen by the community redevelopment agency as of December 31 of the reporting year, including the:*

*1. Total number of projects started and completed and the estimated cost for each project.”*

Three major capital improvement projects were underway during FY23: the Veterans Memorial Park improvements (including the amphitheatre); the S. Courtenay Parkway widening project; and planning for the revitalization and expansion of Griffis Landing. Six small-scale projects under the brownfields program were also completed. The estimated cost for the construction and groundwork at Veterans Memorial Park is \$7.9M. The estimated price for the construction of the S. Courtenay Parkway widening project is \$3.5M. The estimated project costs for the Blue Crab Cove site work are \$1.3M, but this project is in its earliest stages. Eight hundred and ninety thousand dollars have been appropriated by the Florida Department of Commerce to fund this project.

To see the cost of the brownfields projects, please refer to Table 7 on page 9.

*“2. Total expenditures from the redevelopment trust fund.”*

The total expenditures from the redevelopment trust fund were \$1,094,721.79. Of this, \$181,269.39 were reimbursed with USEPA Brownfields Grant funds and \$119,077.42 were reimbursed with Brevard County TDC Capital Facilities Grant funds.



MERRITT ISLAND REDEVELOPMENT AGENCY – ANNUAL REPORT – FISCAL  
YEAR 22-23

*“3. Original assessed real property values within the community redevelopment agency’s area of authority as of the day the agency was created.”*

The original assessed property values within the community redevelopment agency’s area of authority as of the date the agency was created was \$277,935,820.

*“4. Total assessed real property values of property within the boundaries of the community redevelopment agency as of January 1 of the reporting year.”*

As of January 1, 2023, the total assessed real property values of property within the boundaries of the Merritt Island Redevelopment agency were \$717,528,082. This amounts to a total increased taxable value of \$439,592,262 since the CRA’s base years.

See a breakdown of subarea values and taxes collected in the following tables.

TABLE 1: WEST SR520 COMMERCIAL CORE SUB-  
AREA

1988 Taxable Value	\$124,138,790.00
2022 Taxable Value	\$385,321,980.00
Increase in Taxable Value	\$261,183,190.00
<b>Net Increment Taxes Collected</b>	<b>\$782,911.00</b>

TABLE 2: EAST SR520 COMMERCIAL CORE SUB-  
AREA

1990 Taxable Value	\$17,082,580.00
2022 Taxable Value	\$60,621,020.00
Increase in Taxable Value	\$43,538,440.00
<b>Net Increment Taxes Collected</b>	<b>\$130,509.00</b>



MERRITT ISLAND REDEVELOPMENT AGENCY – ANNUAL REPORT – FISCAL  
YEAR 22-23

TABLE 3: N. COURTENAY PARKWAY (MERRITT AVE  
TO LUCAS /MUSTANG WAY) SUB-AREA

2005 Taxable Value	\$50,549,420.00
2022 Taxable Value	\$74,600,162.00
Increase in Taxable Value	\$24,050,742.00
<b>Net Increment Taxes Collected</b>	<b>\$72,094.00</b>

TABLE 4: BARGE CANAL AND CONE ROAD SUB AREAS

2014 Taxable Value	\$86,165,030.00
2022 Taxable Value	\$196,984,920.00
Increase in Taxable Value	\$110,819,890.00
<b>Net Increment Taxes Collected</b>	<b>\$332,188.00</b>

TABLE 5: TOTALS

Base Tax Value	\$277,935,820.00
2022 Taxable Value	\$717,528,082.00
Increase in Taxable Value	\$439,592,262.00
<b>Net Increment Taxes Collected</b>	<b>\$1,317,702.00</b>



**MERRITT ISLAND REDEVELOPMENT AGENCY – ANNUAL REPORT – FISCAL  
YEAR 22-23**

**TABLE 6: INCREASED INCOME FOR ALL TAXING AUTHORITIES**

	<b>MILLAGE RATE</b>	<b>TAXABLE VALUE</b>	<b>NET INCREASE</b>
<b>COUNTY GENERAL FUND</b>	3.0486	\$439,592,262.00	\$1,340,141
<b>BREVARD LIBRARY DISTRICT</b>	0.3467	\$439,592,263.00	\$152,407
<b>BREVARD MOSQUITO CONTROL</b>	0.1427	\$439,592,264.00	\$62,730
<b>TI-CO AIRPORT AUTHORITY</b>	0.0000	\$439,592,265.00	\$-
<b>SCHOOL - BY STATE LAW</b>	3.1350	\$439,592,266.00	\$1,378,122
<b>SCHOOL - BY LOCAL BOARD</b>	0.7480	\$439,592,267.00	\$328,815
<b>BPS VOTED TEACHER PAY</b>	1.0000	\$439,592,268.00	\$439,592
<b>SCHOOL - CAPITAL OUTLAY</b>	1.5000	\$439,592,269.00	\$659,388
<b>FIRE CONTROL MSTU</b>	0.5115	\$439,592,270.00	\$224,851
<b>LAW ENFORCEMENT MSTU</b>	0.9031	\$439,592,271.00	\$396,996
<b>ROAD &amp; BRIDGE DIST 2 MSTU</b>	0.1745	\$439,592,272.00	\$76,709
<b>M I REC DIST 2 MSTU</b>	0.2395	\$439,592,273.00	\$105,282
<b>ST JOHNS RIVER WATER MGMT DST</b>	0.1793	\$439,592,274.00	\$78,819
<b>FLA INLAND NAVIGATION DIST</b>	0.0288	\$439,592,275.00	\$12,660
<b>MERRITT ISLAND LIBRARY - MAINT</b>	0.1074	\$439,592,276.00	\$47,212
<b>ENV END LD/WTR LTD</b>	0.0488	\$439,592,277.00	\$21,452
<b>ENV END LD/WTR LTD(DBTP)</b>	0.0163	\$439,592,278.00	\$7,165
<b>M I REC D 2 MSTU (DBTP)</b>	0.0914	\$439,592,279.00	\$40,179
<b>TOTAL LESS MIRA's TIF</b>			<b>\$ 3,807,528</b>



The total increase in taxes collected by other entities since the base year of each sub-area is \$3,807,528 for the fiscal year. This is the total minus MIRA's tax increment finance collection.

*“5. Total amount expended for affordable housing for low-income and middle-income residents.”*

Zero dollars were expended for affordable housing for low-income and middle-income residents. Staff added a proposed affordable housing chapter for the updated redevelopment plan so expenditures may be used on related projects in the future.

*“(c) A summary indicating to what extent, if any, the community redevelopment agency has achieved the goals set out in its community redevelopment plan.”*

Statute 163.350 states the community redevelopment agency's workable program may use “appropriate private and public resources to eliminate and prevent the development or spread of slums and urban blight, to encourage needed community rehabilitation, to provide for the redevelopment of slum and blighted areas, to provide housing affordable to residents of low or moderate income, including the elderly, or to undertake such of the aforesaid activities or other feasible county or municipal activities as may be suitably employed to achieve the objectives of such workable program. Such workable program may include provision for the prevention of the spread of blight into areas of the county or municipality which are free from blight through diligent enforcement of housing, zoning, and occupancy controls and standards; the rehabilitation or conservation of slum and blighted areas or portions thereof by replanning, removing congestion, providing parks, playgrounds, and other public improvements, encouraging voluntary rehabilitation, and compelling the repair and rehabilitation of deteriorated or deteriorating structures; the development of affordable housing; the implementation of community policing innovations; and the clearance and redevelopment of slum and blighted areas or portions thereof.” With the mission outlined in the state statute, MIRA's redevelopment plan was created.

The MIRA Redevelopment Plan serves as a comprehensive resource for community leaders, as well as the MIRA Board and staff, who are engaged in implementing projects,



programs and policies in the interest of improving physical, personal, social and economic conditions on Merritt Island. Projects undertaken by the agency will be directed by the plan and supported through continued discussions with the residents, community members, and other agencies having a role in redevelopment activities.

Following is a list of projects completed or in progress during FY23 and their relation to the MIRA plan.

## VETERANS PARK

The *2013 Merritt Island Redevelopment Plan Update* states that “the Veterans Memorial Park has been an important waterfront memorial and tribute to America's war veterans.

Featuring informative exhibits, this facility has the potential to expand as part of the new Fortenberry regional stormwater public park. This needs to be encouraged and a master plan for this expansion needs to be developed.” – p. 6-10



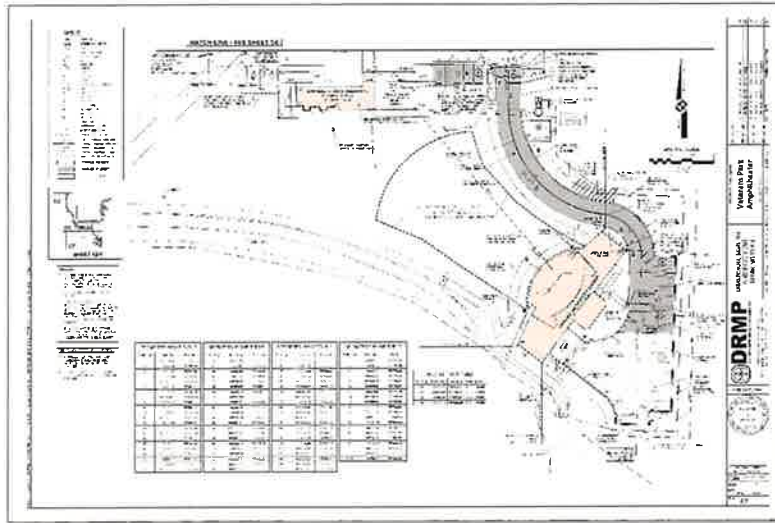
It further states (about parks in general) that

“the plan will result in enhanced community services and facilities in the CRA. Such enhancements include, but are not limited to: increased public safety; added streetscaping for beautification and environmental enhancement; modifications to several intersections to make them safer; street, sidewalk, and drainage improvements; traffic calming enhancements; monumentation and new signage for identification; upgraded utility systems; Museums, Veteran’s Centers, public buildings and community centers; enhanced recreation programs and facilities. Public/private cost share programs to encourage public facility and service improvements will also be pursued.” – p. 9-3



## MERRITT ISLAND REDEVELOPMENT AGENCY – ANNUAL REPORT – FISCAL YEAR 22-23

The design and engineering for the project was completed in FY23. This included the groundwork, the band stand, and the bathroom facility.



The Request for Qualifications (RFQ) for the General Contractor of the amphitheater construction project was posted. Seven bids were received, and the applicants were ranked from most qualified to least qualified. To-date, the most qualified applicant submitted a guaranteed maximum price for completing two phases of the project which includes construction of the band stand, the open green viewing area, the added roadway and parking, and the site preparation work for the bathroom, concession, covered seating area, and Medal of Honor facility. In coordination with the Veterans Memorial Council, the MIRA submitted—and was granted—a \$1 million appropriation from the state of Florida for this project. This project is still in progress.



## GRIFFIS LANDING AT BLUE CRAB COVE

The *2013 Merritt Island Redevelopment Plan Update* identified Griffis Landing as “one of the key waterfront properties located within this (commercial core) sub-area with redevelopment potential.” – p. 6-1 and “a working waterfront providing much needed public access to the lagoon.” p. 6-6

MIRA worked closely with Brevard County through FY23 identifying opportunities to enhance public access to the waterfront, as well as marine-focused educational opportunities identified in the plan. Concept plans to reconstruct Ms. Apples Crabshack as well as new site plans to enhance the site’s usability and environmental impact are underway.



## S. COURTENAY PARKWAY WIDENING

The *2013 Merritt Island Redevelopment Plan Update* states that MIRA shall “provide and support improvement of the roadway network for enhanced circulation, mobility and parking; and promote multi-modal, pedestrian and bicycle-safe infrastructure.” – p. i

The widening of a stretch of S. Courtenay Parkway (SR 3) from Cone Road to just north of Carib Drive will improve traffic capacity, eliminate several safety issues at the corner of South Courtenay Parkway and Cone Road in conjunction with a private development,





# MERRITT ISLAND REDEVELOPMENT AGENCY – ANNUAL REPORT – FISCAL YEAR 22-23

improve storm water retention/treatment and beautify the South Courtenay corridor. The design and engineering for this project is 90% complete and progress is ongoing.



## BROWNFIELDS PROGRAM

The *2013 Merritt Island Redevelopment Plan Update* states that “the plan calls for development of vacant parcels plus improvements and redevelopment of existing commercial, industrial and residential lands.” – p. 9-3

The EPA Brownfields Program “encourages and strengthens local efforts to expand stakeholder engagement, convene partners, build capacity and plan for the safe reuse and redevelopment of brownfields to meet economic development and public health goals.” -<https://www.epa.gov/brownfields/about>

Please refer the table below to review the environmental assessments that were completed in FY23. The brownfields program is ongoing.

TABLE 7: Merritt Island Brownfields Program

Project	Budgeted	Actuals	Status
Three Phase I Environmental Assessments	\$10,496.25	\$10,496.25	Complete
Supplemental Site Assessment	\$35,280.00	\$33,516.00	Started
Limited Phase II ESA - Hydraulic Lift Removal & Soil Excavation	\$72,672.00	\$68,491.85	Started
UST Removal and Soil Assessment	\$24,883.00	\$22,394.70	Started
Initial Site-Specific Quality Assurance Project Plan & Health & Safety Plans	\$10,265.00	\$10,265.00	Complete
Asbestos Survey	\$8,601.25	\$8,601.25	Complete



## REDEVELOPMENT PLAN UPDATE

The redevelopment plan underwent considerable edits during FY23. The MIRA held editing workshops with County staff, engaged the public at Merritt Island meetings/events, collected feedback, and produced many iterations to the plan. Final plan components are in process, including a master corridor concept.

The *2013 Merritt Island Redevelopment Plan Update* states that “In order to focus the marketing and redevelopment efforts within the Focus Area, MIRA will engage a market analyst to determine the existing and projected demand for retail space. A special emphasis will be placed on determining what retail commercial, or mix of uses, can be supported by the market area now and in the future. The analysis will look at national trends, local conditions, and competitive market areas.” – p. 7-12

With the eligible EPA Brownfields Program funds, the MIRA Board elected to commission a consultant to create a master corridor concept plan for the SR520 corridor, also referred to as the “Commercial Core Sub-Area” in the *2013 Merritt Island Redevelopment Plan Update*. The corridor concept will be informed by a thorough market study that will uncover trends and indicators to identify market-demand opportunities for this region and will serve as an infrastructure analysis to align existing environmental, utilities, and traffic-flow capacities with planned activities. A derivative report, called a “funding roadmap,” will be generated to identify numerous external funding sources (regional, state, federal, public and private) to reduce the cost burden of implementation on Brevard County and MIRA.

## TRANSIT SHELTERS

The *2013 Merritt Island Redevelopment Plan Update* states a goal to “pursue FDOT Corridor Study designation with Brevard County to secure funding for aesthetic and functional improvements, including intersections and bus stops.” – p. 4-8



Four locations for additional transit shelters were identified in FY23, and the permitting, design and engineering for these shelters were completed. The shelters were installed and made



operational in FY24.

## SAFE ROADS AND STREETS FOR ALL

The *2013 Merritt Island Redevelopment Plan Update* states that MIRA shall “provide and support improvements of the roadway network for enhanced circulation, mobility and parking; and

promote a multi-modal, pedestrian and bicycle-safe infrastructure.” Furthermore, the MIRA was created to eliminate the existence and spread of slum and blight. A “blighted area,” as defined in FL Statute 163.340, includes the “predominance of defective or inadequate street layout, parking facilities, roadways, bridges, or public transportation facilities” and “unsanitary or unsafe conditions”.

MIRA applied for a federal Safe Streets for All grant, which is funded under the Federal Bi-Partisan Infrastructure Bill. The application was submitted in FY23. MIRA was awarded \$280,000 (with \$70,000 in matching funds required) in FY24. The total investment is \$350,000. The grant activities include creating a custom comprehensive Safe Streets for All Action Plan with proposed “safe system” solutions to make the most dangerous intersections and stretches of corridor safer. These proposed solutions will include technology enhancements, infrastructure upgrades, added procedural efficiencies to emergency responses, and low-cost, high-impact upgrades to improve visibility.

## COMMUNITY ENGAGEMENT

The MIRA held ten public Board of Director meetings and three public workshops.

Staff and the Chairman spoke at several events/meetings, including the North Merritt Island HOA, East Merritt Island HOA, the Merritt Island Bus Tour, and the D2 Commissioner



Candidates panel. Projects, statutory documents, and detailed information about MIRA were regularly updated and maintained for accuracy and transparency on the MIRA website.

## SITE PLAN REVIEWS

*Sec. 62-2114. - Merritt Island redevelopment agency review* of the Brevard County zoning code states: "When an application is made to the planning and zoning board for a change in zoning or approval of a conditional use permit, or to the board of adjustment for a variance, for property located in the Merritt Island redevelopment area, the application shall be forwarded to the Merritt Island redevelopment agency prior to the applicable public hearing before the planning and zoning board or the board of adjustment. (Code 1979, § 14-20.35)"

*Sec. 62-3202. - General (f).* of the Brevard County zoning code states: "(f) Site development plans located within the Merritt Island Redevelopment Area (MIRA) as described in the Merritt Island Redevelopment Plan, shall be coordinated with the Merritt Island Redevelopment Agency for a determination of consistency with the Merritt Island Redevelopment Plan."

The MIRA Board of Directors reviewed and provided comments for the following zoning and/or site plan applications within the MIRA jurisdiction:

1. Aviara Boats
2. Kentucky Fried Chicken
3. Walmart Fuel Services Site Plan
4. Vitamin Shoppe Sign Variance
5. 250 Imperial Street RV Park Review
6. Cone/Court Executive Storage Tax ID 2501390
7. Woodfield Development
8. Clover Townhomes Development
9. 275 Magnolia Avenue Commercial Façade Grant



## Exhibit A – FY 22-23 Annual Audit Report



**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, 2023*

*And Reports of Independent Auditor*



**MERRITT ISLAND REDEVELOPMENT AGENCY**  
**TABLE OF CONTENTS**

---

<b>REPORT OF INDEPENDENT AUDITOR.....</b>	<b>1-2</b>
<b>MANAGEMENT’S DISCUSSION AND ANALYSIS.....</b>	<b>3-5</b>
<b>BASIC FINANCIAL STATEMENTS</b>	
Government Activities Financial Statements:	
Statement of Net Position .....	6
Statement of Activities.....	7
General Fund:	
Balance Sheet – General Fund.....	8
Statement of Revenues, Expenditures, and Changes in Fund Balance – General Fund .....	9
Notes to the Basic Financial Statements .....	10-13
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund .....	14
<b>SUPPLEMENTARY REPORTS</b>	
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 <i>Government Auditing Standards</i> .....	15-16
Independent Auditor’s Management Letter .....	17-18
Report of Independent Accountant on Compliance with Local Government Investment Policies and Community Redevelopment Agency Requirements.....	19



## 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, 2023, 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, 2023, 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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

#### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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, 2024, 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, 2024



# MERRITT ISLAND REDEVELOPMENT AGENCY MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2023

---

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, 2023. 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, 2023 by \$4,758,873 (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 \$700,027 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, 2023

**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 \$4,758,873 at the close of the most recent fiscal year. This compares with \$4,058,846 at the close of the previous fiscal year, an increase of \$700,027.

The change in net position can primarily be attributed to the following factors:

- Cash equivalents increased \$876,872 during fiscal year 2023 as a result of increased general revenues during 2023 compared to 2022, primarily due to increased investment earnings.
- Total liabilities decreased \$52,749 primarily as a result of timing of payment of vouchers and contracts payable.

	Net Position	
	2023	2022
<b>Assets</b>		
Current assets	\$ 5,045,223	\$ 4,397,945
Total assets	<u>\$ 5,045,223</u>	<u>\$ 4,397,945</u>
<b>Liabilities</b>		
Current liabilities	\$ 16,798	\$ 96,710
Noncurrent liabilities	269,552	242,389
Total liabilities	<u>\$ 286,350</u>	<u>\$ 339,099</u>
<b>Net Position</b>		
Restricted:		
Merritt Island	\$ 4,758,873	\$ 4,058,846
Total net position	<u>\$ 4,758,873</u>	<u>\$ 4,058,846</u>



# MERRITT ISLAND REDEVELOPMENT AGENCY MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2023

## Governmental Activities

Governmental activities increased the Agency's net position by \$700,027 in fiscal year 2023, compared to an increase of \$721,355 in the prior fiscal year. Total revenues increased by \$290,011 from last year primarily as a result of a \$201,849 increase in investment return compared with the \$122,013 decrease in investment in fiscal year 2022.

Total expenses increased by \$311,339, primarily as a result of more redevelopment initiatives underway in the current fiscal year, including completed construction of Griffis Landing Fuel Dock, construction on the Veterans' Memorial Park amphitheater, and various other projects.

	Changes in Net Position	
	2023	2022
<b>Revenues</b>		
General revenues:		
Taxes	\$ 1,317,702	\$ 1,239,275
Other general revenues	504,210	292,626
Total general revenues	1,821,912	1,531,901
<b>Expenses</b>		
Program expenses	1,121,885	810,546
Change in net position	700,027	721,355
Net position beginning	4,058,846	3,337,491
Net position ending	\$ 4,758,873	\$ 4,058,846

## 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 214, Merritt Island, Florida 32953.



## **BASIC FINANCIAL STATEMENTS**



**MERRITT ISLAND REDEVELOPMENT AGENCY**  
**STATEMENT OF NET POSITION**

SEPTEMBER 30, 2023

**ASSETS**

Cash equivalents	\$ 4,873,178
Due from other governmental units	172,045
<b>Total Assets</b>	<b>\$ 5,045,223</b>

**LIABILITIES**

Vouchers and contracts payable	\$ 16,798
Noncurrent Liabilities:	
Due Within One Year:	
Accrued compensated absences	1,388
Due in More than One Year:	
Accrued compensated absences	9,791
Accrued personnel costs	258,373
Total Noncurrent Liabilities	269,552
<b>Total Liabilities</b>	<b>\$ 286,350</b>

**NET POSITION**

Restricted for:	
Merritt Island	\$ 4,758,873
<b>Total Net Position</b>	<b>\$ 4,758,873</b>

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, 2023*

---

General Revenues:	
Taxes - other	\$ 1,317,702
Intergovernmental	302,361
Investment gain	<u>201,849</u>
Total General Revenues	<u>1,821,912</u>
 Program expenses	 <u>1,121,885</u>
 Change in net position	 700,027
Net position, beginning of the year	<u>4,058,846</u>
Net position, end of the year	<u><u>\$ 4,758,873</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, 2023

**ASSETS**

Cash equivalents	\$ 4,873,178
Due from other governmental units	172,045
<b>Total Assets</b>	<b>\$ 5,045,223</b>

**LIABILITIES**

Vouchers and contracts payable	\$ 16,798
--------------------------------	-----------

**DEFERRED INFLOWS OF RESOURCES**

Unavailable revenue	3,654
---------------------	-------

**FUND BALANCE**

Restricted	5,024,771
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<b>\$ 5,045,223</b>

**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:

<b>Fund Balance - General Fund</b>	<b>\$ 5,024,771</b>
------------------------------------	---------------------

Assets are not available to pay for current period expenditures and, therefore, are deferred in the funds	3,654
---	-------

Long-term liabilities are not due and payable in the current period and, therefore, are not reported above.	(269,552)
---	-----------

<b>Net Position of Governmental Activities</b>	<b>\$ 4,758,873</b>
--	---------------------

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, 2023*

Revenues:	
Taxes - other	\$ 1,317,702
Intergovernmental	300,346
Investment gain	201,849
Total Revenues	<u>1,819,897</u>
Expenditures:	
Economic environment	<u>1,094,722</u>
Total Expenditures	<u>1,094,722</u>
Net change in fund balance	725,175
Fund balance, beginning	<u>4,299,596</u>
Fund balance, ending	<u>\$ 5,024,771</u>
<b>Reconciliation of the Statement of Revenues, Expenditures, and</b>	
<b>Changes in Fund Balances of the General Fund to the Statement of Activities:</b>	
Amounts reported for governmental activities in the Statement of Activities are different because:	
Net change in fund balance-general fund	\$ 725,175
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.	2,015
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.	(27,163)
<b>Change in Net Position of Governmental Activities</b>	<u><u>\$ 700,027</u></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, 2023

---

### 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 ("U.S. GAAP"). 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, 2023, 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, 2023

---

### 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, 2023. 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, 2023, no excess of expenditures over appropriations at the legal level of budgetary control occurred.

The budget is adopted on a basis consistent with U.S. GAAP.

*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, 2023

### 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, 2023:

	October 1, 2022	Additions	Deletions	September 30, 2023	Due within one year
Governmental activities:					
Accrued compensated absences	\$ 9,933	\$ 2,435	\$ 1,189	\$ 11,179	\$ 1,388
Accrued personnel costs	232,456	25,917	-	258,373	-
Total governmental activities long-term liabilities	<u>\$ 242,389</u>	<u>\$ 28,352</u>	<u>\$ 1,189</u>	<u>\$ 269,552</u>	<u>\$ 1,388</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, 2023, the Agency's tax increment revenues include \$1,317,702 received from the County.



**MERRITT ISLAND REDEVELOPMENT AGENCY**  
**NOTES TO FINANCIAL STATEMENTS**

*SEPTEMBER 30, 2023*

---

**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, 2023 is as follows:

Sources of deposits:	
County tax increment	\$ 1,317,702
Intergovernmental	531,955
Miscellaneous	<u>201,849</u>
Total deposits	<u>\$ 2,051,506</u>
Purpose of withdrawals:	
Economic environment	<u>\$ 1,174,634</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, 2023*

	<b>Budget</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Revenues:				
Taxes - other	\$ 1,317,702	\$ 1,317,702	\$ 1,317,702	\$ -
Intergovernmental	500,000	500,000	300,346	(199,654)
Miscellaneous	26,000	26,000	201,849	175,849
Total Revenues	1,843,702	1,843,702	1,819,897	(23,805)
Expenditures:				
Economic environment	5,864,642	5,864,642	1,094,722	4,769,920
Total Expenditures	5,864,642	5,864,642	1,094,722	4,769,920
Net change in fund balance	(4,020,940)	(4,020,940)	725,175	(4,793,725)
Fund balance, beginning	4,020,940	4,020,940	4,299,596	278,656
Fund balance, ending	\$ -	\$ -	\$ 5,024,771	\$ 5,024,771



## **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, 2023, 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, 2024.

**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, 2024



## **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, 2023, and have issued our report thereon dated March 29, 2024

### **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, 2024, 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 is one independent contractor 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 \$189,525.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$18,157.
- 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
Transit Bus Shelters	\$300,000	10/1/2022	\$2,753

- 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 zero.

**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, 2024



**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, 2023. 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, 2023.

*Cherry Bekaert LLP*

Orlando, Florida  
March 29, 2024



# **City of Palm Bay**

## **Bayfront Community Redevelopment Agency**

### **2023 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 May 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 25-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 2023 Overview**

An annual report of the Bayfront Community Redevelopment Agency (Bayfront CRA) for the fiscal year ending on September 30, 2023, 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 2023.

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 2023, expected to be completed at the end of May 2024.

#### **District Year in Review**

On May 4, 2023, the CRA sold property located at 1626 Orange Blossom Trail NE. 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, hotel and commercial space.

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 closing on both properties is anticipated to be in April 2024.

The Bayfront CRA sold the following properties in FY2023: 1626 Orange Blossom Trail NE.

### **Total Assessed Taxable Value**

The Fiscal Year (FY) 2023 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 2022 certified taxable property values within the Bayfront redevelopment district was \$332,438,420, and the 2021 certified taxable value totaled \$254,737,028. The 2022 certified taxable property value represents a net increase of approximately thirty (30) percent, or \$77,701,392, in taxable property value for over the Fiscal Year. In 2021 certified taxable property value represented a nine (9) percent increase.

### **Tax Revenues**

Redevelopment activity within District provided the Bayfront CRA increased tax revenues to \$2,532,753, a 53.3 percent increase over 2022 (\$1,651,448).

The City portion of the increment equaled \$1,722,272.04 (68%) while the Brevard County portion totaled \$810,480.96 (32%) for FY 2022.

### **Expenditures**

Expenditures for the Fiscal Year 2023 totaled \$479,133.

Though the FY 2023 approved budget provided \$959,550 in total operational expenses, to include \$470,376 reimbursed to Brevard County for unexpended funds from Fiscal Year 2022 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 \$1,002,311 to reimburse the City's General Fund for similar unexpended funds from the previous Fiscal Year 2022.



## **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, 2023, the Board Commissioners were as follows:

### **Members**

Rob Medina, Chairperson

Donny Felix, Vice-Chairperson

Kenny Johnson, Commissioner

Randy Foster, Commissioner

Vacant, Commissioner

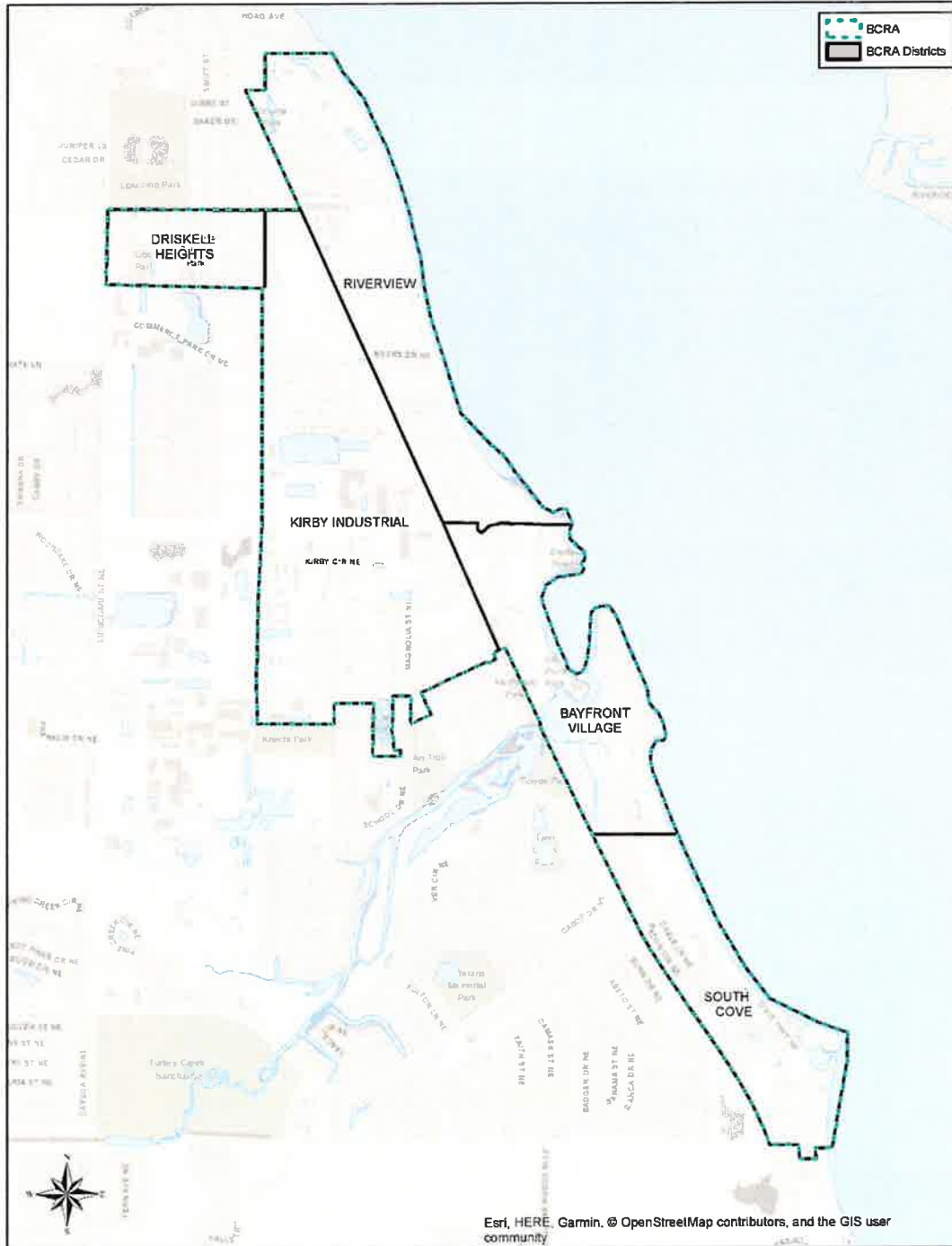
Phillip Weinberg, Commissioner At-Large

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 towards the Castaway Point Park Restoration and Enhancement Project, which included repairs to the north pier boardwalk, upgrades to the lighting and restroom facilities, and educational signage. The City of Palm Bay also received a Florida Inland Navigation District (FIND) Waterway Assistance Program matching grant to help fund additional improvements to the south pier. These grant opportunities have helped to 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 in FY2025 the City will seek options for Phase 2 engineering and design services only.

**Commercial Property Enhancement Program (CPEP):** 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.

Through the City's Commercial Property Enhancement Program, five (5) businesses located in the Bayfront District were awarded grant funds for façade improvements to their commercial buildings:

- Audio Images – 3300 Dixie Hwy. NE: Paint entire exterior of the building, installation of LED lighting, replace existing signage at the street and above the door. *Estimated project completion is 2024.*
- Morel's Bar and Grill – 1921 Robert J Conlan Blvd. NE: Removal of old pole sign and installation of a new illuminated double-sided freestanding pole sign. *Estimated project completion is 2024.*
- Kilmer Properties – 2901 Palm Bay Rd. NE: Stucco repair and paint to the entire exterior of the building (including window frames). *Project was completed in May 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. *Project was completed in August 2023.*

All applicants were given priority to funding due to being located in the Bayfront CRA.

#### **Other District Area Projects:**

- East Shore Apartments – 2361 Commerce Park Drive NE



- Building Size: 656 Units
  - Estimated Completion Date: 2024
- Aqua Retail – 2105, 2115, 2125, 2135, 2145 Robert J Conlan Blvd. NE
  - Building Size: 46,008 square feet (5 units)
  - Estimated Completion Date: 2024
- Conlan Bay Storage - Robert J. Conlan Blvd. & Lemon Tree Lane NE
  - Building Size: 96,174 square feet
  - Estimated Completion Date: 2024
- Equipment Share – 2571 Transom Circle NE
  - Building Size: 9,821 square feet
  - Estimated Completion Date: 2024

## 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 2023.

### 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 2023 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 2023.



**ATTACHMENT “A”**  
**Fiscal Year 2023 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, 2023 (unaudited)

<b>REVENUES</b>	<b>Budget</b>	<b>Actual Amounts</b>	<b>Variance with Budget - Positive (Negative)</b>
Taxes	\$ 2,394,530	\$ 2,394,530	\$ -
Investment Income	2,500	138,223	(135,723)
<b>Total Revenues</b>	<b>2,397,030</b>	<b>2,532,753</b>	<b>(135,723)</b>

<b>EXPENDITURES</b>	<b>Budget</b>	<b>Actual Amounts</b>	<b>Variance with Budget - Positive (Negative)</b>
Current:			
Economic Environment	959,550	479,133	480,417
Capital Outlay	-	-	-
Debt Service: Principal Retirement	-	-	-
Interest and Fiscal Charges	-	-	-
<b>Total Expenditures</b>	<b>959,550</b>	<b>479,133</b>	<b>480,417</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>1,437,480</b>	<b>2,053,620</b>	<b>344,694</b>

<b>OTHER FINANCING SOURCES</b>	<b>Budget</b>	<b>Actual Amounts</b>	<b>Variance with Budget - Positive (Negative)</b>
Transfers Out	(1,002,311)	(1,002,311)	-
Proceeds from Sale of Capital Assets	139,769	139,769	-
			<b>1166</b>



OTHER FINANCING SOURCES			
	Budget	Actual Amounts	Variance with Budget - Positive (Negative)
Total Other Financing Sources	(862,542)	(862,542)	-
Net Change in Fund Balance	\$ (574,938)	\$ 1,191,078	\$ 344,694
Fund Balance - Beginning	No amount in cell -	1,472,687	No amount in cell -
Fund Balance - Ending	No amount in cell -	\$ 2,663,765	No amount in cell -



**BALANCE SHEET – BAYFRONT COMMUNITY REDEVELOPMENT AGENCY**  
**September 30, 2023 (unaudited)**

<b>ASSETS</b>	<b>Bayfront Community Redevelopment Agency Fund</b>	
Cash and Cash Equivalents		\$ 326,130
Investments		2,337,636
<b>Total Assets</b>		<b>\$ 2,663,766</b>

<b>LIABILITIES AND FUND BALANCES</b>	<b>Bayfront Community Redevelopment Agency Fund</b>	
<b>Liabilities:</b>		
Accounts Payable		-
<b>Total Liabilities</b>		<b>-</b>

<b>LIABILITIES AND FUND BALANCES</b>	<b>Bayfront Community Redevelopment Agency Fund</b>	
<b>Fund Balances:</b>		
Restricted		2,663,766
<b>Total Fund Balances</b>		<b>2,663,766</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>		<b>\$ 2,663,766</b>

*The notes to the financial statements are an integral part of the financial statements.*



**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**Bayfront Community Redevelopment Agency**  
**For Fiscal Year Ended September 30, 2023 (unaudited)**

<b>REVENUES</b>	<b>Bayfront Community Redevelopment Agency Fund</b>
Taxes	\$ 2,394,530
Investment Income	138,223
<b>Total Revenues</b>	<b>2,532,753</b>

<b>EXPENDITURES</b>	<b>Bayfront Community Redevelopment Agency Fund</b>
<b>Current:</b>	
Economic Environment	479,133
Debt Service: Principal Retirement	-
Interest and Fiscal Charges	-
<b>Total Expenditures</b>	<b>479,133</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>2,053,620</b>

<b>OTHER FINANCING SOURCES (USES)</b>	<b>Bayfront Community Redevelopment Agency Fund</b>
Transfers Out	(1,002,311)



OTHER FINANCING SOURCES (USES)	Bayfront Community Redevelopment Agency Fund	
Proceeds from Sale of Capital Assets		139,769
<b>Total Other Financing Sources and Uses</b>		<b>(862,542)</b>
<b>Net Change in Fund Balances</b>		<b>1,191,078</b>
<b>Fund Balances - Beginning</b>		<b>1,472,687</b>
<b>Fund Balances - Ending</b>		<b>\$ 2,663,765</b>

*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 2023 Annual Report**

1600 Huntington Lane  
Rockledge, FL 32955  
Phone: 321-221-7540

Fiscal Year 2022-2023  
Published March 2024



## 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 and 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.



## Table of Contents

I.	Annual Report Requirements .....	4
II.	Mission, Overview and History .....	5
III.	Board Members and Staff .....	6
IV.	Community Redevelopment Agency Boundary Lines .....	7
V.	Projects Overview .....	12
VI.	Financial Reports .....	16
VII.	Performance Information.....	18
VIII.	Additional Annual Reporting Requirements .....	19



## 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 31<sup>st</sup> 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](mailto:cra@cityofrockledge.org)



March 24, 2024

CERTIFIED MAIL#

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 2022-2023. The Community Redevelopment Agency Annual Report was filed with the City of Rockledge on March 23, 2024. If you have any questions in regards to this submittal, please feel free to contact me.

Sincerely,

A handwritten signature in blue ink, appearing to read "John W. Cooper".

John W. Cooper  
Planning Director  
[jcooper@cityofrockledge.org](mailto: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 2022-2023 fiscal year (September 30, 2023) 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
David Bucher	Vice Chair
Frederick Sanders	Commissioner
Steve Lum	Commissioner
April Fearon	Commissioner
Al Siefert	Commissioner
Martha Rich	Commissioner

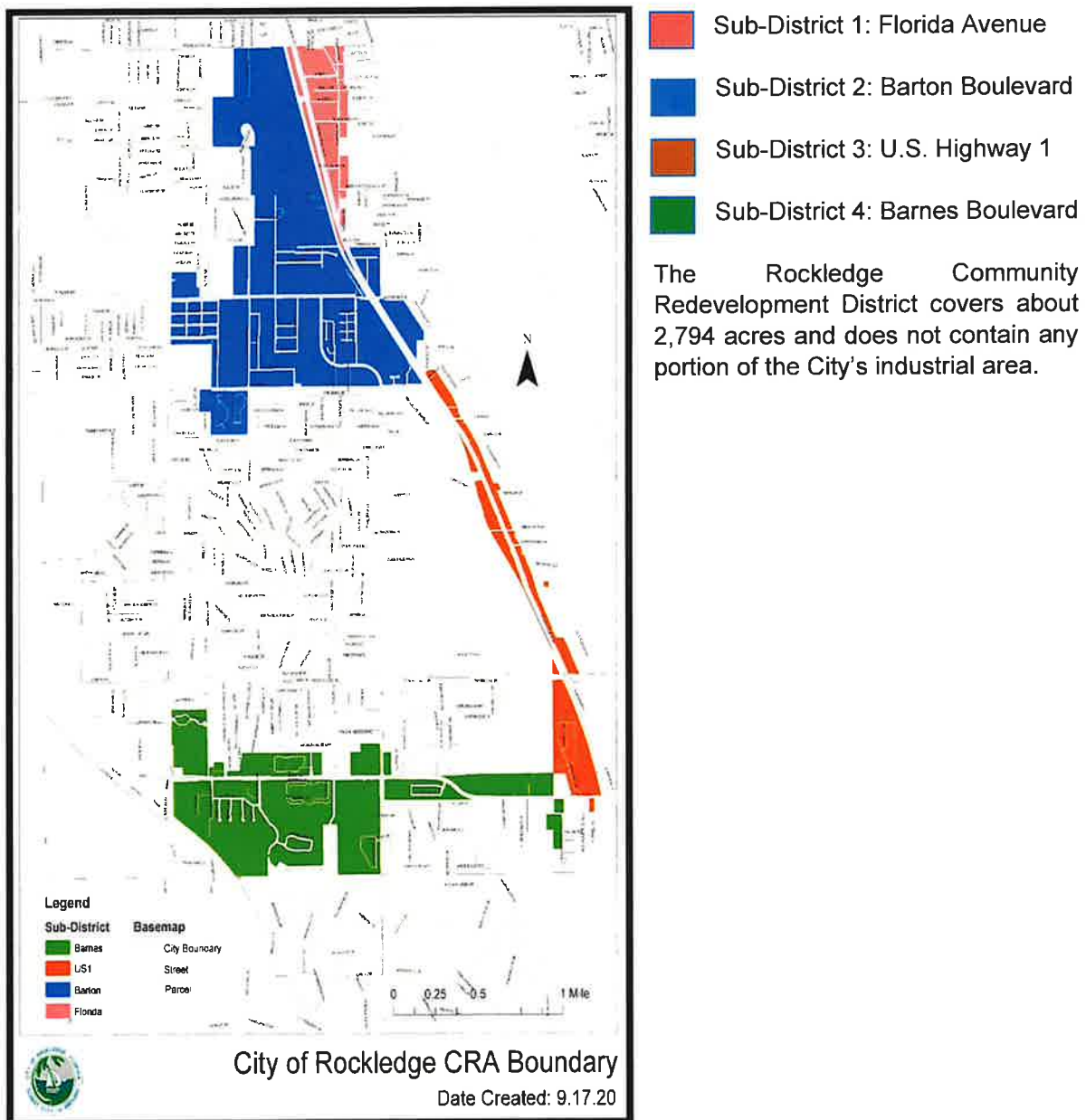
City Staff	
Dr. Brenda Fettrow	City Manager (Registered Agent)
Joseph Miniclier	Agency Attorney
Matthew Trine	Finance Director/Asst City Manager
John W. Cooper	Planning Director
Jennifer LeVasseur	Recording Secretary



## 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:



The Rockledge Community Redevelopment District covers about 2,794 acres and does not contain any portion of the City's industrial area.

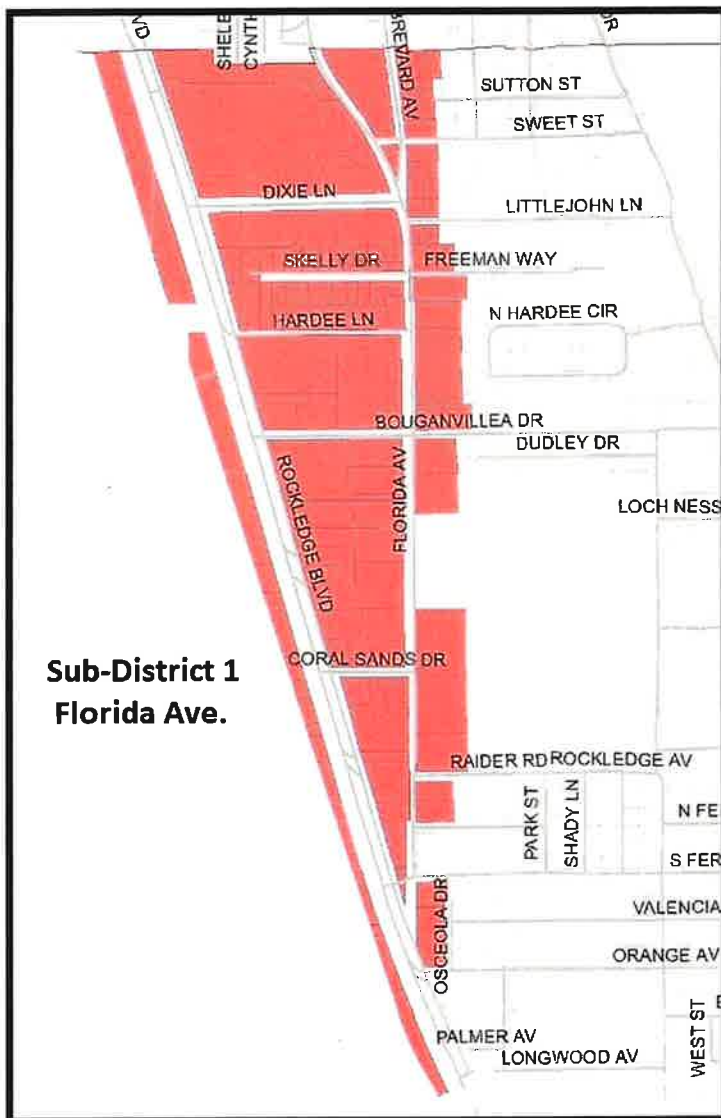


## IV. Community Redevelopment Agency Boundary Lines

### 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.





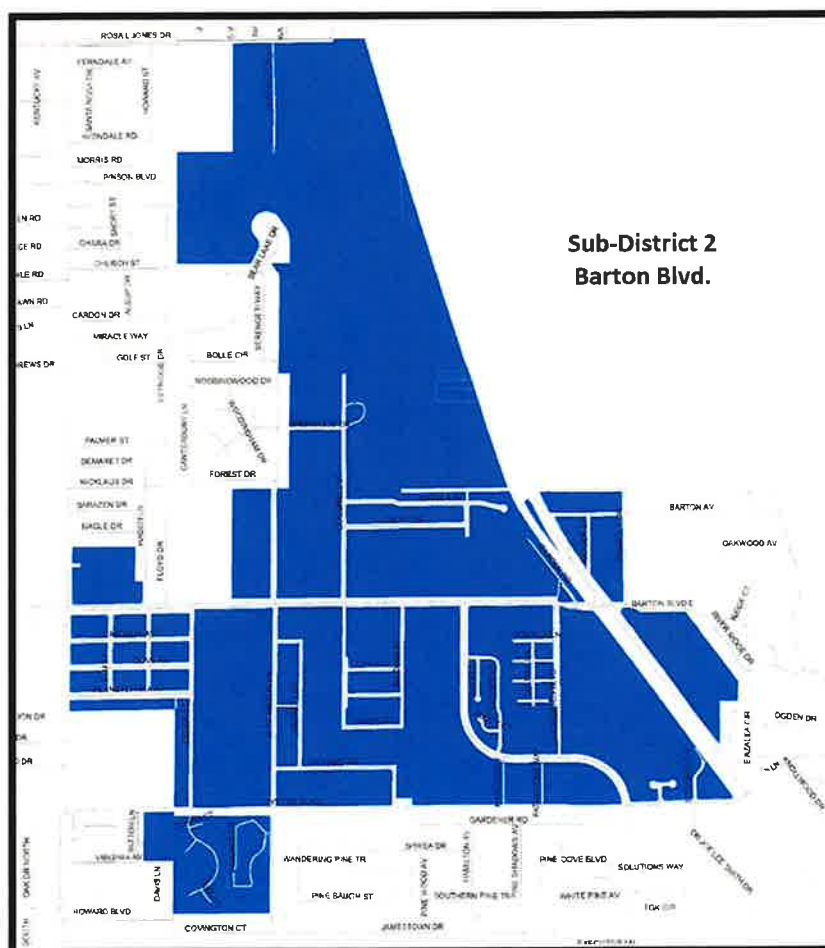
## IV. Community Redevelopment Agency Boundary Lines

### 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.





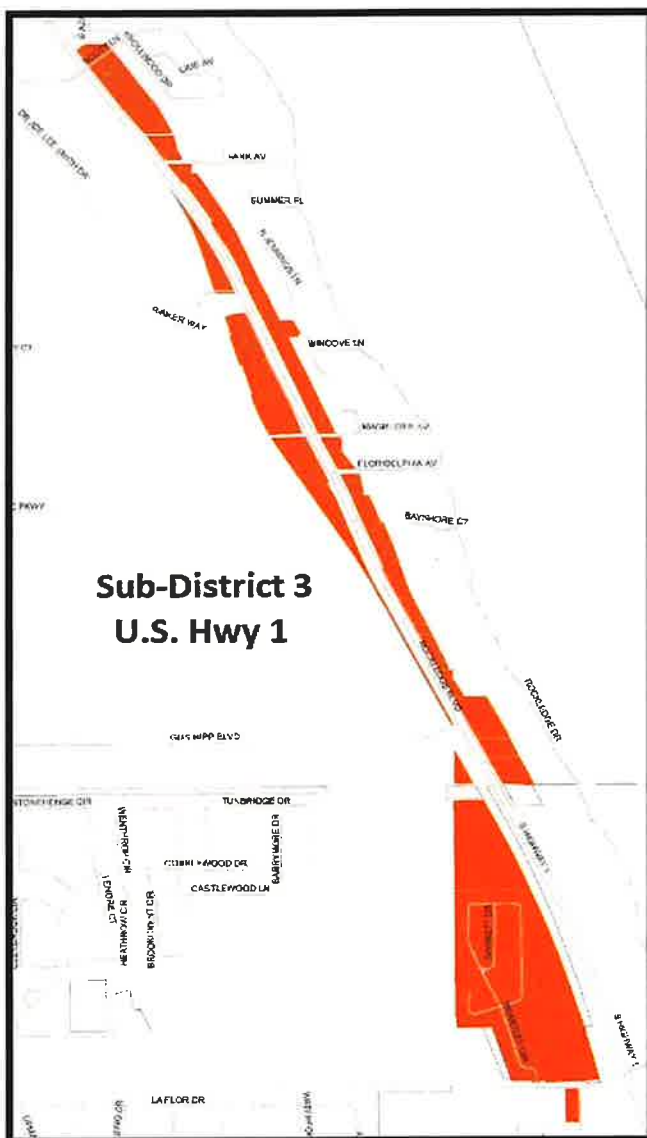
#### IV. Community Redevelopment Agency Boundary Lines

##### 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.

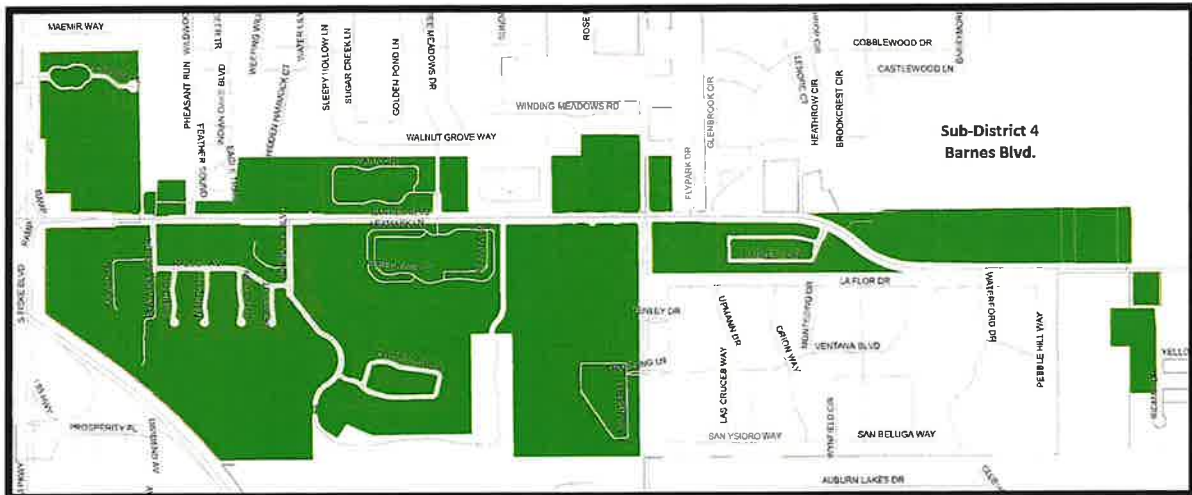




#### IV. Community Redevelopment Agency Boundary Lines

##### 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.

<b>Total Projects in FY 2022-2023</b>	<b>Total</b>	<b>Total costs</b>
<b>Façade Improvement Grants</b>		
New Projects started in FY 2022-2023	6	\$86,910.44
<b>Neighborhood Improvements</b>		
Multipurpose Facility	Started	\$1,257,706.90



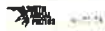
## V. Projects Overview

### Community Redevelopment Agency Multipurpose Center

The City has started the development of a Multipurpose center that will be located on the west side of Cogswell within the McKnight Sports Complex. The center will contain sports courts for basketball, volleyball, pickleball and rooms for activities.



Rockledge Sports Complex



Rockledge Sports Complex



Rockledge Sports Complex



Rockledge Sports Complex



Rockledge Sports Complex



Rockledge Sports Complex





## 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 134 grants and paid out over \$962,000 in grant award money, which represents approximately 3.7 million dollars invested by business owners located throughout the Community Redevelopment Agency. In FY 2023, 6 façade improvement grants were awarded, which represents \$86,910.44 invested by businesses owners located throughout the Community Redevelopment Agency.

<b>Façade Improvement Grants Approved/Completed in FY 2022-2023</b>			
<b>Business Name</b>	<b>Address</b>	<b>Grant amount</b>	<b>Cost of Project</b>
Baywash of Rockledge	1998 Rockledge Boulevard	\$7,275.00	\$14,550.00
Fur Shore Dog Grooming	1191 Rockledge Boulevard	\$5,224.00	\$10,448.00
Brevard Achievement Center	1845 Cogswell Street	\$6,392.50	\$12,785.00
Pizza Vola Express	910 Barton Boulevard	\$7,275.00	\$14,550.00
My Island Pancake House	165 Barton Boulevard	\$10,000.00	\$21,500.00
BeachFly Brewing Company	513 Barton Boulevard	\$6,538.72	\$13,077.44



## VI. Financial Reports

### A. Balance Sheet (Full Accrual)

#### FY 2022-2023 Assets:

Cash	\$1,890,063
Redevelopment Escrow	\$5,252,354
Prepaid Items	<u>\$6,050</u>
Total Assets	\$7,148,440

#### FY 2022-2023 Liabilities:

Accounts Payable	<u>\$398,414</u>
Total Liabilities	\$398,414

### B. Statement of Revenues, Expenditures & Changes in Fund Balances (Modified Accrual)

#### FY 2022-2023 Revenues:

Increment Financing (County)	\$1,257,576
Misc. income	\$1,226
ARPA Grant Fund	\$5,950
Increment Financing (City)	\$1,906,312
Interest	<u>\$74,348</u>
Total Revenue	\$3,245,412

#### FY 2022-2023 Expenditures:

Personnel costs	\$ 0
Debt Service	\$ 0
Operating Expenditures	\$16,324
Capital Projects & Grants	\$2,045,706
Legal	<u>\$17,100</u>
Total Expenditures	\$2,079,130

#### FY 2022-2023 Changes in Fund Balance

Fund Balance – Beginning of the Year	\$5,583,744
Net Activity FY 2022-2023	<u>\$1,166,282</u>
Fund Balance	\$6,750,026
Less long-term debt	<u>\$ 0</u>
Net Position	\$6,750,026



## 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, and 1 which carried over from the previous fiscal year and nine which were started and completed in the 2020-2021 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. And when the Community Redevelopment Agency sunsets in September of 2026 there will be zero debt.



## VII. Performance Information

A. Total projects started, completed and estimate cost for each project:

Façade Improvement Grants		
Completed or Ongoing Projects	Total	Amount
Projects completed in FY 2022-2023	6	\$76,821.14

Community Art Projects FY 2022-2023		
Project Completed	Don Griffin Trail Park Benches	\$6,090
Engineering/Design FY 2022-2023		
Project Started	McKnight Sports Complex	\$1,437,508.70
Neighborhood Improvements FY 2022-2023		
Project Completed	Barnes Boulevard Beautification	\$549,615.28

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 2022, Fiscal Year 2023

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.



**Rockledge Community  
Redevelopment Agency  
City of Rockledge, Florida**

**FINANCIAL STATEMENTS**

**Year Ended September 30, 2023**

**Prepared by: Matthew Trine**



THIS PAGE IS INTENTIONALLY LEFT BLANK.



**Rockledge Community Redevelopment Agency**  
**City of Rockledge, Florida**  
**Table of Contents**  
**As of September 30, 2023**

**INTRODUCTORY SECTION**

Table of Contents .....	i
City Officials .....	ii
Agency Officials .....	iii
Transmittal Letter .....	v

**FINANCIAL SECTION**

Independent Auditor's Report .....	1
Management's Discussion and Analysis .....	5

**Basic Financial Statements:**

Entity-wide Financial Statements:	
Statement of Net Position .....	15
Statement of Activities .....	16
Fund Financial Statements:	
Balance Sheet .....	17
Statement of Revenues, Expenditures and Changes in Fund Balance .....	18
Notes to Financial Statements .....	19

**Required Supplementary Information:**

Budgetary Comparison Schedule .....	30
Budgetary Notes to Required Supplementary Information .....	31

**REPORTS ON INTERNAL CONTROL AND COMPLIANCE MATTERS**

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	33
Independent Auditor's Management Letter .....	35
Independent Accountant's Report on Compliance with Local Government Investment Policies .....	38
Independent Accountant's Report on Compliance with Redevelopment Trust Fund, Florida Statute Sections 163.387(6) and 163.387(7) .....	39



**Rockledge Community Redevelopment Agency  
City of Rockledge, Florida  
City Officials  
As of September 30, 2023**

**MAYOR**

Thomas J. Price

**CITY COUNCIL**

Dr. Michael A. Cadore

Dr. R. Shaun Ferguson

Sammie Brown Martin

Frank T. Forester

Duane A. Daski

Ted J. Hartselle

**CITY MANAGER**

Dr. Brenda Fettrow

**ASSISTANT CITY MANAGER**

Matthew D. Trine

**CITY ATTORNEY**

Joseph E. Miniclier

**CITY CLERK/PUBLIC RELATIONS**

Jennifer M. LeVasseur

**DIRECTOR, PLANNING & ZONING**

John W. Cooper



**Rockledge Community Redevelopment Agency  
City of Rockledge, Florida  
Agency Officials  
As of September 30, 2023**

**COMMUNITY REDEVELOPMENT  
AGENCY BOARD OF COMMISSIONERS**

Edward Inman

Steve Lum

Al Siefert

David Bucher

Martha "Marti" Rich

Gabrielle Busseni

Frederick "Rick" Sanders

**CITY MANAGER**

Dr. Brenda Fettrow

**ASSISTANT CITY MANAGER**

Matthew D. Trine

**CRA ATTORNEY**

Joseph E. Miniclier

**CITY CLERK/PUBLIC RELATIONS**

Jennifer M. LeVasseur

**DIRECTOR, PLANNING & ZONING**

John W. Cooper



THIS PAGE IS INTENTIONALLY LEFT BLANK.





#### CITY HALL

1600 HUNTINGTON LANE  
ROCKLEDGE, FL 32955  
TELEPHONE: 321-221-7540  
FAX: 321-204-6356

#### BUILDING DIVISION

1600 HUNTINGTON LANE  
ROCKLEDGE, FL 32955  
TELEPHONE: 321-221-7540  
FAX: 321-204-6356

#### PUBLIC SAFETY DEPT.

##### FIRE DIVISION

1776 JACK OATES BLVD.  
ROCKLEDGE, FL 32955  
TELEPHONE: 321-221-7540  
FAX: 321-204-6386

##### POLICE DIVISION

1776 JACK OATES BLVD.  
ROCKLEDGE, FL 32955  
TELEPHONE: 321-690-3213  
FAX: 321-690-3996

#### PUBLIC WORKS DEPT.

1400 N. GARDEN ROAD  
ROCKLEDGE, FL 32955  
TELEPHONE: 321-221-7540  
FAX: 321-204-6353

#### WASTEWATER TREATMENT & WATER RECLAMATION DEPT.

1700 JACK OATES BLVD.  
ROCKLEDGE, FL 32955  
TELEPHONE: 321-221-7540  
FAX: 321-204-6377

#### REDEVELOPMENT

1600 HUNTINGTON LANE  
ROCKLEDGE, FL 32955  
TELEPHONE: 321-221-7540  
FAX: 321-204-6356

[www.cityofrockledge.org](http://www.cityofrockledge.org)

May 10, 2024

The Honorable Chairman and Board of Commissioners,  
The Honorable Mayor and Members of the City Council,  
And Citizens of the City of Rockledge:

The Annual Financial Report of the Rockledge Community Redevelopment Agency, City of Rockledge, Florida, for the fiscal year ended September 30, 2023, is hereby submitted. The report includes Management's Discussion and Analysis and is reflective of management's position on the financial status of the Agency. Management is responsible for the contents of the annual financial report. As such, management, with the support of the elected officials, has established a comprehensive framework of internal controls to protect the Agency from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Agency's financial statements in conformity with generally accepted accounting principles (GAAP). This framework of internal controls, despite inherent limitations, is established to provide a reasonable basis for asserting that these financial statements are fairly presented. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The firm of Carr, Riggs & Ingram, LLC, has audited the Agency's financial statements. The goal of the independent audit is to provide reasonable assurance that the financial statements of the Agency for the fiscal year ended September 30, 2023, are free of material misstatement. The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Agency's financial statements for the fiscal year ended September 30, 2023, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, an overview, and an analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This Letter of Transmittal is designed to complement the MD&A and should be read in conjunction with it. The report reflects work compliant with Governmental Accounting Standards Board (GASB) Statement No. 34 and was performed independently of the audit provisions. This report also includes accounting for capital assets and long-term liabilities. This information will have an impact on the financial structure of the report and there will be additional statements within the document depicting those requirements.

#### **PROFILE OF THE AGENCY**

Under its enabling legislation, and pursuant to Chapter 163, Part III, Florida Statutes, the Rockledge City Council (Council) established the City of Rockledge Community Redevelopment Agency (Agency) on January 23, 2002, as a dependent special district to guide the City of Rockledge (City) in its redevelopment efforts. The Agency is governed by a seven-member volunteer Board of Commissioners (Board) appointed by the Council.



Operationally, the City Manager is responsible for carrying out the policies and initiatives of the Agency, overseeing daily operations, and hiring all employees of the City who facilitate the operations of the Agency. All activities of the Agency are conducted by employees of the City.

The Agency, in compliance with its Redevelopment Plan (Plan), as updated in 2012, has designated 4 sub-districts where it strives to foster revitalization through public investments to improve infrastructure and aesthetics. This results in an inviting area in which the private sector is incentivized to actively invest. The Agency pursues economic development opportunities, while also serving as a liaison and advocate for the existing business community, and endeavors to preserve and enhance the tax base.

The annual budget is a foundation for the financial planning and control of the Agency and is meant to further the Plan's vision and intent. The budget process begins at the staff level in May of each year and is worked through the Council Finance and Budget Committee in June, July, and August. A public workshop is held in August and public hearings in September for the budget's adoption, which becomes effective October 1 of each year. The annual tax millage rate is also established at the same time as the budget adoption.

The City Manager can make appropriate transfers within the budget without Council or Board approval. Changes to overall budgets require approval by the Council. The Council and Board receive monthly reports of the financial conditions of the Agency, including detailed comparisons between budgeted and actual revenues and expenditures.

## **FACTORS AFFECTING FINANCIAL CONDITIONS**

As a part of the Central Florida Regional economy, Rockledge has steadily rebounded financially since the recession years of 2009-2012. During Fiscal Year 2023, unemployment slightly increased, and ranged between 2.3 and 3.2 percent. While a single-year increase, the rate is below recent historical averages and continues the downward trend from what started as double digits during the initial pandemic response period of 2020-2021. The expansion of business in the City and sub-districts continues to be positive. Economic development on a comprehensive basis has been aided by redevelopment projects. The Agency marketing efforts continue in order to attract new business, support existing business, and revitalize vacant and underutilized properties.

Economic conditions for fiscal year 2023 remained strong in the context of the COVID-19 pandemic, as is evidenced in the overall redevelopment activity and property values. Total incremental property values increased by \$79.7 million over the prior fiscal year, an increase of 19.4%. The total number of façade grants closed during the fiscal year dipped slightly to 7 in 2023, compared to 9 in 2022.

The Agency is scheduled to sunset on September 30, 2026, providing three more fiscal years to achieve the remaining objectives of the Plan. Therefore, in Fiscal Year 2023, a continued focus on the Strategic Implementation Plan was maintained, which included the projection of future revenues of the Agency and execution of best-use projects with targeted completions before the sunset date.

As a top priority, the Agency continues to fund Façade Grants and educate and inform potential private investors about the unique attractive aspects and geographical resources within the City. Additionally, the Agency has closed out all active debt obligations. The CRA, through the City, has access to a \$500,000 credit line bearing interest at 8.5% with Community Bank of the South. During the fiscal year, and as of September 30, 2023, this debt instrument remained unutilized.



The Agency's defined purpose of utilizing restricted funds to attain the objectives of the Plan within its lifetime is necessarily different than that of an entity that seeks to be a going concern in perpetuity. Therefore, its financial position and the results of operations are best viewed from this perspective.

## **ECONOMIC FACTORS, AND NEXT YEAR'S BUDGET AND RATES**

When establishing priorities for the Fiscal Year 2023 Budget, the Agency is reliant on the City and Brevard County's budget processes and levied millage rates. Therefore, the Agency emphasizes strategic utilization of its current revenue sources and reserves through intelligent expenditures, low administrative costs, and cost-effective grants and capital projects. Investing these limited resources wisely is key to the ultimate success of the Agency.

The Agency has concentrated on attracting new businesses to the sub-districts, property improvements, and removal of dilapidated structures. Since 2004, the Agency has funded 130 property improvement projects with matching grants totaling \$1,015,007 (\$10,000 limit on any one grant). The result has been to leverage over \$3.8 million in private investment to enhance the tax base and incentivize future private investment. The State of Florida continues to make additional administrative burdens on Community Redevelopment Agencies, which increases administrative costs without direct benefit to redevelopment. The City Manager and Staff evaluate the budget on a monthly basis. These reports and accompanying recommendations are provided to the Board and Council periodically to ensure financial transparency and compliance.

## **CONCLUSION**

The preparation of this report would not have been possible without the excellent work of the City of Rockledge Finance Division. An extensive amount of detailed effort occurs during the year, as well as during the audit, to ensure accuracy and appropriate evaluation of procedures. The Agency Board and the City's Planning Division contribute extensively to sound financial practices, ensuring accountability and the carrying out of the Agency's mission. Appreciation is also expressed to the independent audit team led by Christine Noll-Rhan for its tireless efforts on this yearly project. Final thanks are expressed to the Rockledge Community Redevelopment Agency Board, the City Manager, and to City Council, for your direction and your trust in staff to effectively carry out policies throughout the year. It is truly a team effort.

The 2023 Fiscal Year was very successful, with much accomplished. The main emphasis has been placed on the fulfillment of the Agency's plan in a way that will positively impact the local economy in the decades to come. We are honored to have the opportunity to move Rockledge forward and enjoy continued success.

Sincerely,

CITY OF ROCKLEDGE, FLORIDA



Dr. Brenda Fettrow, City Manager



Matthew D. Trine, Assistant City Manager



THIS PAGE IS INTENTIONALLY LEFT BLANK.





Carr, Riggs & Ingram, LLC  
215 Baytree Drive  
Melbourne, Florida 32940  
  
321.255.0088  
386.336.4189 (fax)  
CRlcpa.com

## **INDEPENDENT AUDITOR'S REPORT**

The Honorable Chairman and Board of Commissioners  
City of Rockledge Community Redevelopment Agency  
The Honorable Mayor and Members of the City Council  
City of Rockledge, Florida

### **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 City of Rockledge Community Redevelopment Agency (the "Agency"), a component unit of the City of Rockledge, Florida, as of and for the year ended September 30, 2023, 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, 2023, and the respective changes 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.

### ***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 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 May 10, 2024, 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 Agency's internal control over financial reporting and compliance.

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

Melbourne, Florida  
May 10, 2024



THIS PAGE IS INTENTIONALLY LEFT BLANK.



**Rockledge Community Redevelopment Agency  
City of Rockledge, Florida  
Management's Discussion and Analysis**

As management of the City of Rockledge (City) Community Redevelopment Agency (Agency), we offer readers of the Agency's financial statements this narrative overview of the financial activities of the Agency for the fiscal year ended September 30, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages v to vii of this report.

**FINANCIAL HIGHLIGHTS**

- Total assets and liabilities of the Agency as of September 30, 2023, were \$7,148,440 and \$398,414, respectively.
- Entity-wide total revenues and transfers in (\$3,245,412) consisted of \$1,257,576 of property taxes assessed, collected, and remitted directly by Brevard County, \$1,906,312 in transferred tax incremental funding collected by the City, \$5,950 transferred in from the City's American Rescue Plan Special Revenue Fund and \$75,574 in miscellaneous revenues. Total expenses were \$2,079,130.
- The assets of the Agency exceeded its liabilities at the close of the most recent fiscal year by \$6,750,026 (net position). As required by Florida Statutes, this entire amount is restricted for the purpose of fulfilling the Agency's Community Redevelopment Plan.
- The Agency's total net position increased by \$1,166,282 or 20.9 percent due to current year operations. This is the result of the Agency's strategic goal to utilize the current and expected future resources of the Agency in the most effective strategic manner to fulfill its mission with a focus on grants and capital investments.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis section is intended to serve as an introduction to the Agency's basic financial statements, which comprise three components: (1) entity-wide financial statements; (2) fund financial statements; and (3) notes to the financial statements. This report also contains other required supplementary information in addition to the basic financial statements.

**Entity-wide financial statements.** The entity-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 the Agency's assets, deferred outflows, liabilities, and deferred inflows, with the difference between these four financial statement 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 Agency is improving or deteriorating. However, this should be interpreted from the perspective that the Agency's duration is set to expire on September 30, 2026.



**Rockledge Community Redevelopment Agency**  
**City of Rockledge, Florida**  
**Management's Discussion and Analysis**

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 the related cash flows. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned, but unused, vacation leave).

Both of the entity-wide financial statements present functions of the Agency from a programmatic perspective. All assets, liabilities, and activities are governmental in nature. The activities of the Agency include general government and planning and development.

The entity-wide financial statements can be found on pages 15 through 16 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 isolated for specific activities or objectives. The Agency, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Agency is classified as a governmental fund, in that it is almost entirely supported by taxpayer revenues.

**Governmental fund.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the entity-wide financial statements. However, unlike the entity-wide financial statements, governmental 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 near-term financing requirements.

Because the focus of a governmental fund is narrower than that of the entity-wide financial statements, it is useful to compare the information presented for the governmental fund with similar information presented for governmental activities in the entity-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 City adopts an annual appropriated budget for the CRA. A budgetary comparison schedule has been provided for the Agency to demonstrate compliance with the budget and is presented as required supplementary information. The governmental fund financial statements can be found on pages 17 to 18 of this report.

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

The notes to the financial statements can be found on pages 19 through 27 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information such as budgetary comparison information.



**Rockledge Community Redevelopment Agency**  
**City of Rockledge, Florida**  
**Management's Discussion and Analysis**

The required supplementary information can be found on pages 30 and 31 of this report.

**ENTITY-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of an entity's financial position. In the case of the Agency, assets exceeded liabilities by \$6,750,026 as of September 30, 2023.

	<b>Governmental Activities</b>	
	<b>2023</b>	<b>2022</b>
Current and other assets	<b>\$ 7,148,440</b>	<b>\$ 5,701,426</b>
Total assets	<b>7,148,440</b>	<b>5,701,426</b>
Current and other liabilities	<b>398,414</b>	<b>117,682</b>
Total liabilities	<b>398,414</b>	<b>117,682</b>
Net investment in capital assets	-	-
Restricted	<b>6,750,026</b>	<b>5,583,744</b>
Total net position	<b>\$ 6,750,026</b>	<b>\$ 5,583,744</b>

All of the Agency's net position reflects cash and prepaid expenses restricted for the purposes of fulfilling the Agency's Plan. This fact held true in the prior year. This restriction is internal and external, as it is a requirement of Florida State Statutes, as well as enacted by a specific resolution of the Board. The increase in restricted net position totaled \$1,166,282 for the Agency in Fiscal Year 2023.

**Governmental activities.** Governmental activities increased the Agency's net position by \$1,166,282, compared to a balance of \$5,583,744 in the prior year. Revenues and transfers increased by 26.4 percent or \$677,254 with the largest increases related to property taxes (\$203,495), and transfers in (\$403,507), which are comprised mainly of tax incremental revenues.

Expenditures increased compared to 2022 by \$1,162,710, with the largest increases related to planning and development (\$1,162,410) mainly due to the Barnes Boulevard Beautification and Multiuse Community Center projects. General Government costs, which reflect attorney expenditures, increased \$300.



**Rockledge Community Redevelopment Agency  
City of Rockledge, Florida  
Management's Discussion and Analysis**

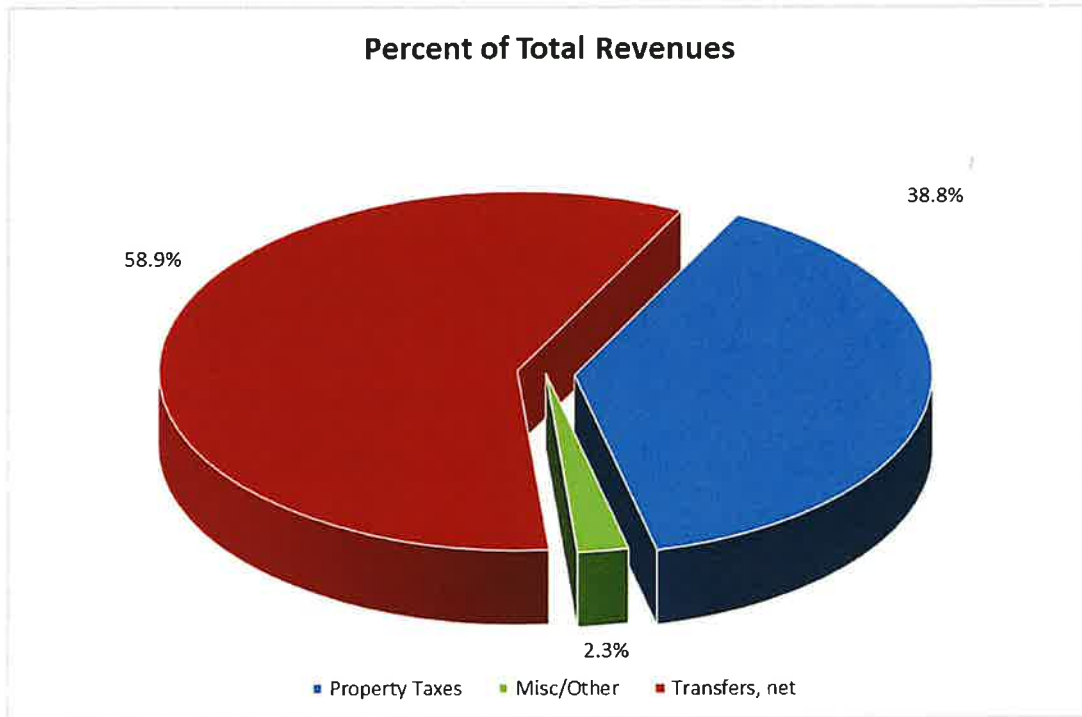
**Schedule of Changes in Net Position**

	<b>Governmental Activities</b>	
	<b>2023</b>	<b>2022</b>
<b>Revenues:</b>		
General Revenues:		
Property taxes	\$ 1,257,576	\$ 1,054,081
Other	75,574	5,322
Total revenue	<u>1,333,150</u>	<u>1,059,403</u>
<b>Expenses:</b>		
General government	17,100	16,800
Planning and development	<u>2,062,030</u>	<u>899,620</u>
Total expenses	<u>2,079,130</u>	<u>916,420</u>
Excess (deficiency) of revenues over expenses	(745,980)	142,983
Transfers, net	<u>1,912,262</u>	<u>1,508,755</u>
Increase in net position	1,166,282	1,651,738
Net position, beginning	<u>5,583,744</u>	<u>3,932,006</u>
Net position, ending	<u>\$ 6,750,026</u>	<u>\$ 5,583,744</u>



**Rockledge Community Redevelopment Agency  
City of Rockledge, Florida  
Management's Discussion and Analysis**

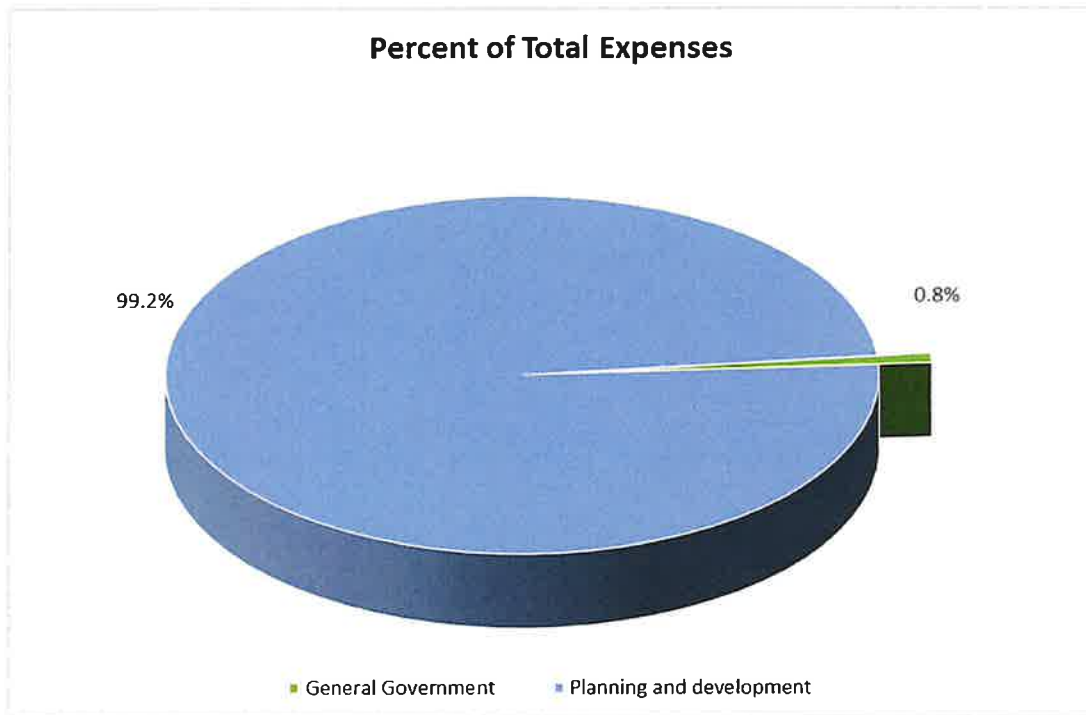
**Revenue by Source - Governmental Activities  
as a Percentage of Total Revenues**





**Rockledge Community Redevelopment Agency  
City of Rockledge, Florida  
Management's Discussion and Analysis**

**Expenses by Program - Governmental Activities  
as a Percentage of Total Expenses**





**Rockledge Community Redevelopment Agency  
City of Rockledge, Florida  
Management's Discussion and Analysis**

**FINANCIAL ANALYSIS OF THE FUND**

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. In particular, the fund balance may serve as a useful measure of an entity's net resources available for spending at the end of the fiscal year.

In its 21<sup>st</sup> year of existence, the Agency's fund balance increased by \$1,166,282 after increasing \$1,401,738 in the prior year. The revenues for this fund are derived from the additional tax revenue generated by new construction and improvements in taxable assessed values, as the Agency is continuing to implement plans and improvements to the area, funds were expended primarily on the capital projects, professional services, and façade grants. A transfer of \$1,906,312, consisting of taxes generated by the "incremental" growth between the current value and the base year value, was made from the City of Rockledge General Fund to the Agency pursuant to an interlocal agreement with Brevard County. An additional transfer of \$5,950 was made from the City's American Rescue Plan Act Special Revenue Fund for qualified capital expenditures.

Expenditures for capital projects and façade improvement grants were \$1,993,964 and \$51,741, respectively, for a total of \$2,045,705 in the current year. The Agency completed the Barnes Boulevard Beautification project and continued the Multipurpose Community Center project, expending \$549,615 and \$1,422,708, respectively. These in-process and completed projects were immediately transferred to the City at time of purchase, according to enabling legislation and the Agency's Plan. Increased operating cash inflows were offset by an increase in expenditures for the year, resulting in an increase in the Agency's fund balance to \$6,750,026 as of September 30, 2023. This represents an increase from the fund balance of \$5,583,744 in the prior year.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital assets.** The Agency's investments in capital assets are transferred to the City of Rockledge, as the Agency's enabling legislation and Plan do not facilitate the care, maintenance, and ownership of capital assets. This investment in capital assets includes land, buildings, improvements, and infrastructure in designated areas of the City of Rockledge which have been specifically identified for redevelopment initiatives.

**Long-term debt.** The Agency, through the City, obtained an unsecured line of credit during 2014 to provide working capital for the Agency. No balance was outstanding as of September 30, 2023.

See Note 3 for more information on the Agency's debt obligations.



**Rockledge Community Redevelopment Agency  
City of Rockledge, Florida  
Management's Discussion and Analysis**

**REQUESTS FOR INFORMATION**

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

City of Rockledge  
Finance Department  
1600 Huntington Lane  
Rockledge, FL 32955  
321-221-7540



**ROCKLEDGE COMMUNITY REDEVELOPMENT AGENCY**  
**CITY OF ROCKLEDGE, FLORIDA**  
Basic Financial Statements



THIS PAGE IS INTENTIONALLY LEFT BLANK.



**Rockledge Community Redevelopment Agency  
City of Rockledge, Florida  
Statement of Net Position**

<i>September 30, 2023</i>	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 7,142,390
Prepaid items	6,050
Total assets	<b>7,148,440</b>
<b>LIABILITIES</b>	
Accounts payable	398,414
Total liabilities	<b>398,414</b>
<b>NET POSITION</b>	
Restricted for:	
Redevelopment	6,750,026
Total net position	<b>\$ 6,750,026</b>

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



**Rockledge Community Redevelopment Agency**  
**City of Rockledge, Florida**  
**Statement of Activities**

*Year ended September 30, 2023*

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services and Fines	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government					
Governmental activities:					
General government	\$ 17,100	\$ -	\$ -	\$ -	\$ (17,100)
Planning and development	2,062,030	-	-	-	(2,062,030)
Total governmental activities	\$ 2,079,130	\$ -	\$ -	\$ -	(2,079,130)
General revenues:					
Taxes:					
Property taxes					1,257,576
Miscellaneous					75,574
Transfers, net					1,912,262
Total general revenues					3,245,412
Change in net position					1,166,282
Net position, beginning of year					5,583,744
Net position, end of year					\$ 6,750,026

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



**Rockledge Community Redevelopment Agency**  
**City of Rockledge, Florida**  
**Balance Sheet**

<i>September 30, 2023</i>	<b>CRA</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 7,142,390
Prepaid items	6,050
Total assets	<b>\$ 7,148,440</b>
<b>LIABILITIES AND FUND BALANCES</b>	
Liabilities:	
Accounts payable	\$ 398,414
Total liabilities	<b>398,414</b>
Fund balances:	
Nonspendable:	
Prepays	6,050
Restricted for:	
Redevelopment	6,743,976
Total fund balances	<b>6,750,026</b>
Total liabilities and fund balances	<b>\$ 7,148,440</b>

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



**Rockledge Community Redevelopment Agency**  
**City of Rockledge, Florida**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**

<i>Year ended September 30, 2023</i>		<b>CRA</b>
<b>Revenues</b>		
Property taxes	\$	1,257,576
Interest and other		74,348
Miscellaneous revenue		1,226
Total revenues		<b>1,333,150</b>
<b>Expenditures</b>		
Current:		
City attorney		17,100
Planning and development		2,062,030
Total expenditures		<b>2,079,130</b>
Excess (deficiency) of revenues over (under) expenditures		<b>(745,980)</b>
<b>Other financing sources</b>		
Transfers in		1,912,262
Net change in fund balances		<b>1,166,282</b>
Fund balances, beginning of year		<b>5,583,744</b>
Fund balances, end of year	\$	<b>6,750,026</b>

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



**Rockledge Community Redevelopment Agency  
City of Rockledge, Florida  
Notes to Financial Statements**

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Pursuant to Chapter 163, Part III, Florida Statutes, the Rockledge City (City) Council (Council) established the City of Rockledge Community Redevelopment Agency (Agency) on January 23, 2002, by Resolution 2002-481, as a dependent special district to guide the City in its redevelopment efforts.

The accounting policies of the Agency conform to generally accepted accounting principles (GAAP) as applied to government units. The more significant accounting policies used by the Agency are described below.

**A. REPORTING ENTITY**

The Agency fosters 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; pursues economic development opportunities, while also serving as a liaison and advocate for the existing business community; and endeavors to preserve and enhance the tax base.

The Agency is governed by a seven-member volunteer Board of Commissioners appointed by the City Council.

**B. ENTITY-WIDE AND FUND FINANCIAL STATEMENTS**

The entity-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all activities of the Agency. Agency activities are considered governmental activities, as they are normally supported by taxes and intergovernmental revenues, as opposed to business-type activities which rely, to a significant extent, on fees and charges for services.

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

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

The entity-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 the related cash flows. Property taxes are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.



**Rockledge Community Redevelopment Agency  
City of Rockledge, Florida  
Notes to Financial Statements**

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION  
(continued)**

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 available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due or made.

Property taxes and investment earnings associated with the current fiscal period are considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when received by the Agency.

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

**D. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

***Budgetary Information***

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

The Agency has no material violation of finance-related legal and contractual provisions.

**E. USE OF ESTIMATES**

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

**F. DEPOSITS**

***Cash and Cash Equivalents***

Except as noted below, 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.



**Rockledge Community Redevelopment Agency  
City of Rockledge, Florida  
Notes to Financial Statements**

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**F. DEPOSITS (continued)**

The Agency maintains deposits in a pooled cash account of the City of Rockledge, with a local bank. A portion of the resulting investment income is allocated to the Agency based on the respective cash balance in each of the City of Rockledge funds.

The Agency's pooled cash deposits, with a carrying amount of \$1,890,036, and its deposits in the separate Agency escrow account of \$5,252,354, are covered by federal depository insurance and by deposits held in banks that are members of the State of Florida's collateral pool. The Florida collateral pool is a multiple-institution pool with the authority to assess member institutions in the event of any collateral shortfall. For this reason, the City considers these deposits insured. The cash and cash equivalents listed above are exempt from the fair market value hierarchy requirements of GASB 72.

**G. RECEIVABLES**

All account receivables are shown net of allowances for uncollectable accounts. See Note 2.

**H. PROPERTY TAXES**

Under Florida law, the assessment of all properties and the collection of all property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. The laws of the State of Florida regulating tax assessment are also designed to ensure a consistent property valuation method statewide. State statutes permit the City to levy property taxes at a rate of up to ten mills. The operating millage rate in effect for the fiscal year ended September 30, 2023, was 5.82 mills.

All property is assessed according to its fair market value on January 1 of each year and, at that time, a lien is placed on the property for the taxes. The tax levy of the Agency is established by the Council prior to October 1 of each year and the Brevard County Property Appraiser incorporates the City's millage into the total tax levy, which also includes Brevard County, the Brevard County School Board, the Florida Inland Navigation District and the St. Johns Water Management District's tax requirements.

The following procedures were completed on or about the dates listed during the property tax levy process.

July - The Brevard County Property Tax Appraiser (the County Property Appraiser) forwarded to the City a certification of value of all real property within the City's boundaries which included the current year's taxable values, new construction, annexations, deletions, prior year taxable value, prior year millage rates, prior year ad valorem tax proceeds, and roll-back rates.

July - The Council sets the current year tentative millage rate at not more than 110% of the rolled-back millage rate.



**Rockledge Community Redevelopment Agency**  
**City of Rockledge, Florida**  
**Notes to Financial Statements**

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**H. PROPERTY TAXES (continued)**

August - Notices of the proposed ad valorem tax assessments were mailed to each property owner by the County Property Appraiser.

September - As required by the State of Florida, a public meeting is held within 80 days of receipt of the certification of value to consider the budget and ad valorem tax millage rate.

September - Within 15 days of the meeting at which the Council adopted a tentative budget, the City advertised its intent to adopt a final budget and millage rate.

September - A final budget and millage rate hearing was held during which the Council set the current year's millage rate.

November - Tax notices were mailed to each property owner by the County Property Appraiser's office.

All taxes are billed on November 1 of each year or as soon thereafter as the assessment roll is certified and delivered to the County Tax Collector. All unpaid taxes become delinquent on April 1 following the year in which they are assessed. Discounts are allowed for early payment at the rate of 4% in the month of November, 3% in the month of December, 2% in the month of January, and 1% in the month of February. The taxes paid in March are without discount.

On or prior to June 1 following the tax year, certificates are sold for all delinquent taxes on real property. Application for a tax deed on any unredeemed tax certificates may be made by the certificate holder after a period of two years. Unsold certificates are held by the County.

**I. CAPITAL ASSETS**

The purpose of the Agency includes revitalization of sub-districts through public investments to encourage private sector investment and increase economic development opportunities. The acquisition and improvement of property for revitalization serves a vital role for the Agency. However, the Agency does not maintain or operate any capital assets. Therefore, Agency purchased assets, along with the burden of operating and maintenance costs are transferred to the City.

**J. PREPAID ITEMS**

Prepaid items represent payments to vendors for services that will benefit the Agency beyond September 30, 2023. These payments are recorded as expenditures or expenses when utilized rather than when cash is paid to the respective vendor.



**Rockledge Community Redevelopment Agency  
City of Rockledge, Florida  
Notes to Financial Statements**

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**K. LONG-TERM DEBT**

In the entity-wide financial statements, long-term debt is reported as a liability in the statement of net position.

**L. NET POSITION**

Net position is made up of three components. Net investment in capital assets represents net capital assets less related long-term liabilities, where unspent debt proceeds increase this amount. Restricted net position represents assets that are legally restricted for specific purposes. They include reserve funds, special revenues restricted by statute and ordinance, and other sources restricted for capital projects or improvements. The balance of net position is considered unrestricted net position. At September 30, 2023, the Agency has no unrestricted funds.

**M. FUND EQUITY**

In the fund financial statements, fund balance is reported in classifications that are based on the relative strength of the constraints that control how amounts in the fund can be spent.

Fund balance is reported in the following five components:

Nonspendable - includes fund balance amounts that cannot be spent either because they are not in spendable form or because of legal or contractual requirements. This would include inventories, advances, and prepaid items.

Restricted - includes fund balance amounts that are constrained for specific purposes which are externally imposed by third-party (creditors, grantors, contributors) agreements, constitutional provisions, or enabling legislation.

Committed - includes fund balance amounts that can be used only for the specific purposes that are internally imposed by a formal action of the government's highest level of decision making authority, which includes ordinances and resolutions. Commitments may be changed by the government only by taking the same action that imposed the constraint initially. Contractual obligations are included to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual obligations.

Assigned - includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. The authority for assigning fund balance is expressed by the City Council, Agency Commission, City Manager, or their designee.



**Rockledge Community Redevelopment Agency  
City of Rockledge, Florida  
Notes to Financial Statements**

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**M. FUND EQUITY (continued)**

Unassigned - includes residual positive fund balance which has not been classified within the other above-mentioned categories. When both restricted and unrestricted (committed, assigned, and unassigned) fund resources are available for use, it is the Agency's policy to generally use restricted resources first, and then unrestricted resources. When unrestricted resources are available for use, it is the Agency's policy to use committed resources first, then assigned, and then unassigned as they are needed.

**N. NET POSITION RESTRICTED BY ENABLING LEGISLATION**

In the entity-wide financial statements, governmental activities reported a total net position of \$6,750,026 that was restricted by enabling legislation.

**Note 2 – ACCOUNTS RECEIVABLE**

Property taxes are considered fully collected during and prior to the end of the fiscal year. Therefore, no material amounts of property taxes are receivable as of September 30, 2023. There are no other reserves for receivables recorded by the Agency as of September 30, 2023.

**Note 3 – NOTES AND LINES OF CREDIT PAYABLE**

On October 7, 2013, the Agency, through the City, opened a \$750,000 line of credit through a local bank in order to facilitate short-term financing needs. In 2013 and 2015, the City drew \$500,000 and \$350,000 from the line of credit, which was used with other funds to purchase parcels of land and buildings. On September 30, 2016, the line of credit was increased to \$1,000,000 and \$200,000 was drawn to purchase land. On October 4, 2017, the Agency, through the City, increased the line of credit to \$2,000,000 and drew \$396,996 to purchase land and a commercial building. On December 7, 2017, the Agency, through the City, decreased the line of credit to \$1,000,000. On July 29, 2021, the Agency, through the City, decreased the line of credit to \$500,000. As of September 30, 2023, no amount of principal remains outstanding. The line of credit has a maturity date of July 16, 2025, and bears interest at the Wall Street Journal Prime Rate, which was 8.5% on September 30, 2023.



**Rockledge Community Redevelopment Agency  
City of Rockledge, Florida  
Notes to Financial Statements**

**Note 4 - TRANSFERS TO / FROM OTHER FUNDS**

The Agency received a transfer from the City in the amount of \$1,906,312, which represents the tax incremental financing (TIF) payment required by enabling legislation. This amount is determined by the millage rate passed by City Council, and the change in the applicable taxable value of the tax increment area. Additionally, the Agency received \$1,257,576 from Brevard County, which similarly represents the amount determined by the millage rate enacted by the County Commissioners and the applicable taxable value of the tax increment area. Further, the Agency received an interfund transfer of \$5,950 from the American Rescue Plan Act of 2021, representing lost revenues utilized to install vehicle charging stations within the CRA district. The Agency is economically reliant upon these revenues to carry out its mission. As disclosed in Note 1.I., the Agency's purpose is to revitalize the targeted areas according to its mission and plan. Therefore, it is not charged with the care and maintenance of acquired assets. Assets acquired by the Agency are transferred to the City, along with the related responsibility for their maintenance and disposition.

**Note 5 - RISK MANAGEMENT**

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

The Agency purchases separate commercial liability insurance coverage to protect against these risks. Coverage for general liability claims is a maximum of \$1,000,000 combined single limit.

The commercial insurance carried is a claim 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 that occurred prior to the year ended September 30, 2023.

**Note 6 - COMMITMENTS AND CONTINGENCIES**

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



**Rockledge Community Redevelopment Agency  
City of Rockledge, Florida  
Notes to Financial Statements**

**Note 7 - COMMUNITY REDEVELOPMENT AGENCY BUDGET**

The purpose of the Rockledge CRA is to stimulate economic growth, promote private development opportunities, and maintain a safe, prosperous community while focusing on improving the quality of life of the citizens of Rockledge.

According to Chapter 163.387 (8) of the Florida Statutes, the following information is provided regarding the receipts and expenditures of the CRA.

	Actual Budgetary Basis
Resources (inflows):	
Property taxes	\$ 1,257,576
Income on investments	74,348
Other	1,226
Transfer in	1,911,962
<b>Amounts available for appropriation</b>	<b>3,245,112</b>
Capital Projects	1,693,185
Facade improvement grants	71,741
Legal services	17,100
Insurances	6,050
Accounting and audit	5,326
Professional services	1,590
Memberships and dues	1,170
Promotional materials / recruitment	1,039
Special events	500
Office supplies	395
<b>Total charges to appropriations</b>	<b>1,798,096</b>
Excess of resources over charges to appropriations	1,447,016
<b>Fund balance allocation</b>	<b>(1,447,016)</b>
Excess (deficiency) of resources and fund balance allocation over charges to appropriations	\$ -



**Rockledge Community Redevelopment Agency**  
**City of Rockledge, Florida**  
**Notes to Financial Statements**

**Note 7 - COMMUNITY REDEVELOPMENT AGENCY BUDGET (Continued)**

The accompanying schedule of revenues, expenditures and change in the Agency fund balance-budget and actual, presents comparisons of the legally adopted budget with actual data on a budgetary basis. Because 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 resultant basis, timing, perspective, and entry differences in the net changes in fund balance for the year ended September 30, 2023, is presented below:

Net change in fund balance - budgetary basis	\$ 1,447,016
2022 differences in budget vs GAAP	111,630
2023 differences in budget vs GAAP	(392,364)
Allocation over charges to appropriations	\$ 1,166,282

Property taxes consisted of the incremental tax receipts provided by increased assessed values over 2001 levels.

**Note 8 - SUBSEQUENT EVENTS**

The Agency, through the City, entered into an up to \$70,000 agreement for architectural and engineering design services for improved use of The McKnight Family Sports Complex. Additionally, The Agency, through the City, entered into an up to \$1,840,000 agreement to remove old buildings and construct a single softball concession and press box building at The McKnight Family Sports Complex. Tertiarily, the Agency, through the City, entered into an up to \$575,000 contract to renovate the football building at the McKnight Family Sports Complex.

The Agency, through the City, approved a total of \$73,472 in façade improvement grants to five applicants, ranging in individual value from \$1,573 to \$58,518, and representing a cumulative investment of \$155,461. The value of a single grant reimbursement has also been increased by the Commission to a maximum of 50 percent of the first \$50,000 of qualified costs. Furthermore, the scope of qualified grant costs has been expanded to include certain interior renovations.

The City has considered subsequent events through May 10, 2024.



THIS PAGE IS INTENTIONALLY LEFT BLANK.



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



**Rockledge Community Redevelopment Agency  
City of Rockledge, Florida  
Budgetary Comparison Schedule**

	Original	Final	Actual	Variance with
<i>Year ended September 30, 2023</i>	Budget	Budget	Budgetary	Final Budget
			Basis	Positive
				(Negative)
<b>Revenues</b>				
Property taxes	\$ 1,054,081	\$ 1,054,081	\$ 1,257,576	\$ 203,495
Investment and Miscellaneous revenue	5,300	5,300	75,574	70,274
<b>Total revenues</b>	<b>1,059,381</b>	<b>1,059,381</b>	<b>1,333,150</b>	<b>273,769</b>
<b>Expenditures</b>				
Planning and development:				
Capital projects and acquisitions	6,735,212	6,735,212	1,693,185	5,042,027
Professional services	175,000	175,000	1,590	173,410
Facade improvement grants	200,000	200,000	71,741	128,259
Special events	20,000	20,000	500	19,500
Legal services	17,100	17,100	17,100	-
Promotional materials / recruitment	1,575	1,575	1,039	536
Insurances	5,807	5,807	6,050	(243)
Accounting and audit	6,600	6,600	5,326	1,274
Office supplies	2,000	2,000	395	1,605
Memberships and dues	2,000	2,000	1,170	830
<b>Total expenditures</b>	<b>7,165,294</b>	<b>7,165,294</b>	<b>1,798,096</b>	<b>5,367,198</b>
<b>Excess (deficiency) of revenues</b>				
<b>over (under) expenditures</b>	<b>(6,105,913)</b>	<b>(6,105,913)</b>	<b>(464,946)</b>	<b>5,640,967</b>
Other financing sources				
Proceeds from issuance of debt	-	-	-	-
Transfers in	1,906,312	1,906,312	1,911,962	5,650
Other financing sources	1,906,312	1,906,312	1,911,962	(1,228)
<b>Net change in fund balance</b>	<b>(4,199,601)</b>	<b>(4,199,601)</b>	<b>1,447,016</b>	<b>5,646,617</b>
<b>Fund balances, beginning of year</b>	<b>5,583,744</b>	<b>5,583,744</b>	<b>5,583,744</b>	<b>-</b>
<b>Fund balances, end of year</b>	<b>\$ 1,384,143</b>	<b>\$ 1,384,143</b>	<b>\$ 7,030,760</b>	<b>\$ 5,646,617</b>

The accompanying schedule of revenues, expenditures and change in the CRA fund balance- budget and actual, presents comparisons of the legally adopted budget with actual data on a budgetary basis. Because 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 resultant basis, timing, perspective, and entry differences in the net changes in fund balance for the year ended September 30, 2023, is presented below:

Net change in fund balance- budgetary basis	\$ 1,447,016
2022 differences in budget vs GAAP	111,630
2023 differences in budget vs GAAP	(392,364)
<b>Net change in fund balance- GAAP basis</b>	<b>\$ 1,166,282</b>

*The accompanying notes to required supplementary information are an integral part of this schedule.*



**Rockledge Community Redevelopment Agency  
City of Rockledge, Florida  
Budgetary Notes**

**Note A – BUDGETARY INFORMATION**

The Agency adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

- a) Prior to the first day of August of each year, the City Manager prepares a proposed budget for the next succeeding fiscal year and submits it to the Agency. The recommended budget includes proposed expenditures and the sources of receipts to finance them.
- b) Complete copies of the proposed budget are made available for public inspection. Public hearings are conducted to obtain taxpayers' comments.
- c) The budget is enacted through passage of an ordinance and becomes the basis for the millage levied by City Council.
- d) The City Manager is authorized to transfer budgeted amounts between line items within a department; however, any revisions that alter the total expenditures of any department must be approved by City Council. Administrative and general government are considered one department. Expenditures may not exceed legal appropriations at the department level. All appropriations lapse at year end.
- e) Formal budgetary integration is employed as a management control device during the year for the Agency.
- f) The budgetary basis for the CRA fund is cash basis.
- g) The budgetary comparison schedule shown in the accompanying required supplementary information presents comparisons of the legally adopted budget, as amended, with actual results. The originally adopted budget is presented for purposes of comparison to the final, amended budget.

*The accompanying notes to required supplementary information are an integral part of this schedule.*



THIS PAGE IS INTENTIONALLY LEFT BLANK.



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

The Honorable Chairman and Board of Commissioners  
City of Rockledge Community Redevelopment Agency  
The Honorable Mayor and Members of the City Council  
City of Rockledge, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the City of Rockledge Community Redevelopment Agency, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City of Rockledge Community Redevelopment Agency's basic financial statements, and have issued our report thereon dated May 10, 2024.

**Report on Internal Control over Financial Reporting**

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



## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Rockledge Community Redevelopment Agency's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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, Rigg & Ingram, L.L.C.*

Melbourne, Florida

May 10, 2024



## **INDEPENDENT AUDITOR'S MANAGEMENT LETTER**

The Honorable Chairman and Board of Commissioners  
City of Rockledge Community Redevelopment Agency  
The Honorable Mayor and Members of the City Council  
City of Rockledge, Florida

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

We have audited the financial statements of the City of Rockledge Community Redevelopment Agency (the "Agency") as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated May 10, 2024.

### **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 Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* 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 May 10, 2024, 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 such recommendations were identified 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 City of Rockledge Community Redevelopment Agency is disclosed in the footnotes. The City of Rockledge 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, requires us to apply appropriate procedures and communicate the results of our determination as to whether or not the City of Rockledge 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 City of Rockledge 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 City of Rockledge Community Redevelopment Agency. It is management's responsibility to monitor the City of Rockledge 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 address in the management letter any recommendations to improve financial management. In connection with our audit, we did not note any such findings.

### 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 City of Rockledge 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 City of Rockledge Community Redevelopment Agency reported:

- |   |                  |
|---|------------------|
| a. The total number of Agency employees compensated in the last pay period of the Agency's fiscal year as                                 | <b>None</b>      |
| b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the Agency's fiscal year as | <b>5</b>         |
| c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency.                                | <b>\$0</b>       |
| d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency.      | <b>\$204,568</b> |



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

**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 30**

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

- a. The millage rate or rates imposed by the Agency. **5.82**
- b. The total amount of ad valorem taxes collected by or on behalf of the Agency. **\$1,257,576**
- c. The total amount of outstanding bonds issued by the District 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, does not apply as City of Rockledge Community Redevelopment Agency does not impose any special assessments.

#### **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 the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the members of the Agency's board 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  
May 10, 2024





Carr, Riggs & Ingram, LLC  
215 Baytree Drive  
Melbourne, Florida 32940  
  
321.255.0088  
386.336.4189 (fax)  
CRIcpa.com

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

The Honorable Chairman and Board of Commissioners  
City of Rockledge Community Redevelopment Agency  
The Honorable Mayor and Members of the City Council  
City of Rockledge, Florida

We have examined the City of Rockledge Community Redevelopment Agency's compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2023. Management is responsible for the City of Rockledge Community Redevelopment Agency's compliance with the specified requirements. Our responsibility is to express an opinion on the City of Rockledge Community Redevelopment 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 City of Rockledge Community Redevelopment Agency complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City of Rockledge Community Redevelopment 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 other ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement. Our examination does not provide a legal determination on the City of Rockledge Community Redevelopment Agency's compliance with specified requirements.

In our opinion, the City of Rockledge Community Redevelopment 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, 2023.

This report is intended solely for the information and use of the Agency's board members, 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  
May 10, 2024





Carr, Riggs & Ingram, LLC  
215 Baytree Drive  
Melbourne, Florida 32940  
  
321.255.0088  
386.336.4189 (fax)  
CRlcpa.com

**INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH REDEVELOPMENT  
TRUST FUND, FLORIDA STATUTE SECTIONS 163.387(6) AND 163.387(7)**

The Honorable Chairman and Board of Commissioners  
City of Rockledge Community Redevelopment Agency  
The Honorable Mayor and Members of the City Council  
City of Rockledge, Florida

We have examined the City of Rockledge Community Redevelopment Agency's (the "Agency"), compliance with the requirements of Sections 163.387(6) and 163.387(7), Florida Statutes, *Redevelopment Trust Fund*, during the year ended September 30, 2023. Management of the Agency is responsible for the Agency's compliance with those 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 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 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 Sections 163.387(6) and 163.387(7), Florida Statutes, *Redevelopment Trust Fund*, during the year ended September 30, 2023.

This report is intended solely for the information and use of Agency's board members, 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  
May 10, 2024



# City of Satellite Beach

## Community Redevelopment Agency

### Annual Report

### FY 2022/2023



*Pelican Beach Park*



## **TABLE OF CONTENTS**

- I. INTRODUCTION, MISSION AND OVERVIEW:**
- II. BOARD MEMBERS AND STAFF**
- III. BOUNDARY LINES:**
- IV. HISTORY**
  - a. Creation Date
  - b. Plan Amendments
  - c. Applicable Resolutions(s) and Ordinances
- V. PROJECTS OVERVIEW**
- VI. FINANCIAL REPORTS**
  - a. Balance Sheet
  - b. Statement of Revenues, Expenditures & Changes in Fund Balances
  - c. Summary of Projects, Grants and Debt
- VII. PERFORMANCE INFORMATION**
  - a. Total projects started, completed and estimated cost for each project
  - b. Number of jobs created and sector of the economy from which these jobs were created within the CRA
  - 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

David Vigliotti, Vice Chair

Mindy Gibson

Jodi Rozycki

Mark Boyd

### **CRA Staff**

Courtney H. Barker, AICP, Executive Director

Clifford Shepard, P.A, General Counsel

Brittany Jumper-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
6. SB Ord. No. 1234 – Repealed SB Ord. No. 755, as amended, No. 836 and No. 837 and dissolved the Agency effective September 30, 2023.

#### **V. PROJECTS OVERVIEW FY 2022/2023**

- None



## VI. FINANCIAL REPORTS:

### Financial Statements and Balance Sheet (audited)

FY 2022/2023 CRA Financial Statement			
City of Satellite Beach Community Redevelopment Agency			
Balance Sheet			
<b>Assets</b>			
	Cash and Equivalents	\$	-
	Investments	\$	-
	Prepaid Expenses	\$	-
	<b>Total Assets</b>	<b>\$</b>	<b>-</b>
<b>Liabilities</b>			
	Accounts Payable	\$	-
	Due to Other Funds	\$	-
	Due to Other Governments	\$	-
	<b>Total Liabilities</b>	<b>\$</b>	<b>-</b>
<b>Reserves/Balances</b>			
	Fund Balance - Reserves	\$	-
	Change in Fund Balance	\$	-
	<b>Total Reserves/Balance</b>	<b>\$</b>	<b>-</b>
	<b>Total Liabilities &amp; Reserves</b>	<b>\$</b>	<b>-</b>

[continued next page]



Income Statement			
	Original Budget	Final Budget	Actual
<b>Revenues</b>			
Taxes (County Portion)	\$ 1,013,816	\$ 963,125	\$ 963,125
Interest	\$ 1,500	\$ 9,802	\$ 9,802
Other Miscellaneous Revenues			
Designated Fund Balance	\$ -	\$ -	\$ -
Transfer From General Fund (TIF)	\$ 2,465,723	\$ 2,642,413	\$ 2,642,413
<b>Total Revenues</b>	<b>\$ 3,481,039</b>	<b>\$ 3,615,340</b>	<b>\$ 3,615,340</b>
<b>Expenditures</b>			
Operating Expenses:			
Banking Fees	\$ -	\$ 19,006	\$ 19,006
Operating Expenses	\$ -	\$ 5,000	\$ 5,000
Tuition, Membership, & Publication	\$ -	\$ 175	\$ 175
Total:	\$ -	\$ 24,181	\$ 24,181
Non-Operating Expenses:			
Brevard Co. Excess TIF Refund	\$ 849,017	\$ 535,103	\$ 535,103
Transfer to General Fund - Excess	\$ 2,167,269	\$ 1,375,980	\$ 1,375,980
Total:	\$ 3,016,286	\$ 1,911,083	\$ 1,911,083
Debt Services:			
CRA Line of Credit - Principal	\$ 403,300	\$ 1,606,400	\$ 1,606,400
CRA Line of Credit - Interest	\$ 61,453	\$ 73,676	\$ 73,676
Total:	\$ 464,753	\$ 1,680,076	\$ 1,680,076
Capital Outlay:			
Masters A1A Streetscape	\$ -	\$ -	\$ -
Civic Center Renovations	\$ -	\$ -	\$ -
Total:	\$ -	\$ -	\$ -
<b>Total Expenditures:</b>	<b>\$ 3,481,039</b>	<b>\$ 3,615,340</b>	<b>\$ 3,615,340</b>
<b>Net Effect for Fund Type Special Revenue</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 0</b>

## VI. FINANCIAL REPORTS CON'T

### c. Summary of Projects, Grants and Debt

#### Summary of Projects

None

#### Grants



None

Debt

None

## VII. PERFORMANCE INFORMATION

- a. Total projects started, completed, and estimate cost for each project.
  - No projects started or completed.
- 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 2023 was \$435,491,453.
- 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, 2023**







**Satellite Beach Community Redevelopment Agency**  
**Table of Contents**  
**Year Ended September 30, 2023**



**INTRODUCTORY SECTION**

Table of Contents .....	1
Agency Officials .....	3

**FINANCIAL SECTION**

Independent Auditor's Report .....	5
Management's Discussion and Analysis .....	9

**Basic Financial Statements:**

Government-wide Financial Statements:

Statement of Net Position .....	17
Statement of Activities.....	18

Fund Financial Statements:

Balance Sheet – Governmental Fund .....	19
Reconciliation of the Balance Sheet of the Governmental Fund to the Statement of Net Position .....	20
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Fund .....	21
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of the Governmental Fund to the Statement of Activities.....	22
Notes to Financial Statements .....	23

**Required Supplementary Information:**

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Community Redevelopment Agency Fund .....	35
Budgetary Notes to Required Supplementary Information .....	36

**COMPLIANCE SECTION**

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	37
Independent Auditor's Management Letter .....	39
Independent Accountant's Report on Compliance with Local Government Investment Policies .....	43
Independent Accountant's Report on Compliance with Redevelopment Trust Fund .....	45





THIS PAGE IS INTENTIONALLY LEFT BLANK.



**Satellite Beach Community Redevelopment Agency  
Agency Officials  
Year Ended September 30, 2023**

CRA Members

Steven L. Osmer, Chairman  
David Vigliotti, Vice Chair  
Mindy Gibson  
Jodi Rozycki  
Mark Boyd

CRA Staff

Courtney H. Barker, AICP, Executive Director  
Clifford Shepard, P.A., General Counsel  
Brittany Retherford, Support Services Director  
Gwendolyn Peirce, City Clerk (Secretary)





THIS PAGE IS INTENTIONALLY LEFT BLANK.



## **INDEPENDENT AUDITOR'S 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, 2023, 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, 2023, 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 Auditor's 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.

#### ***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 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 20, 2024 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, Rigg & Ingram, L.L.C.*

Melbourne, Florida  
March 20, 2024





THIS PAGE IS INTENTIONALLY LEFT BLANK.



## 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, 2023.

### Financial Highlights

- The City of Satellite Beach, Florida (the "Primary Government") adopted Ordinance No. 1234 during the June 7, 2023, City Council meeting, which repealed Ordinance No. 755, as amended, No. 836 and No. 837 and dissolved the Agency effective as of September 30, 2023. This dissolution of the Agency releases control of all Agency assets to the Primary Government. The release of control of the remaining assets of the Agency, with a net book value of \$6,707,670, are reported on the statement of activities as "dissolution of Agency."
- The assets and deferred inflows of resources of the Satellite Beach Community Redevelopment Agency, Florida, and its liabilities and deferred inflows of resources at the close of the most recent fiscal year were zero (net position) due to the dissolution of Agency, see Note 4.
- The Satellite Beach Community Redevelopment Agency, Florida's total net position decreased \$5,203,803 in this year's operations due to the closing of the Agency.
- The Satellite Beach Community Redevelopment Agency, Florida's operating fund reported an ending fund balance of zero.

### 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



## Satellite Beach Community Redevelopment Agency Management's Discussion and Analysis

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.

**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 23-31 of this report.



## Satellite Beach Community Redevelopment Agency Management's Discussion and Analysis

**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 35-36 of this report.

### 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 and liabilities were zero 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

	2023	2022
Current and other assets	\$ -	\$ 781,915
Capital assets	-	6,819,066
Total assets	-	7,600,981
Long-term liabilities outstanding	-	1,602,400
Other liabilities	-	757,131
Total liabilities	-	2,359,531
Deferred inflows of resources	-	37,647
Net Position:		
Net investment in		
capital assets	-	5,216,666
Restricted	-	-
Unrestricted (deficit)	-	(12,863)
Total net position	\$ -	\$ 5,203,803

The net position reflects the dissolution of the Agency, see Note 4.

The following table shows condensed revenue and expense data:



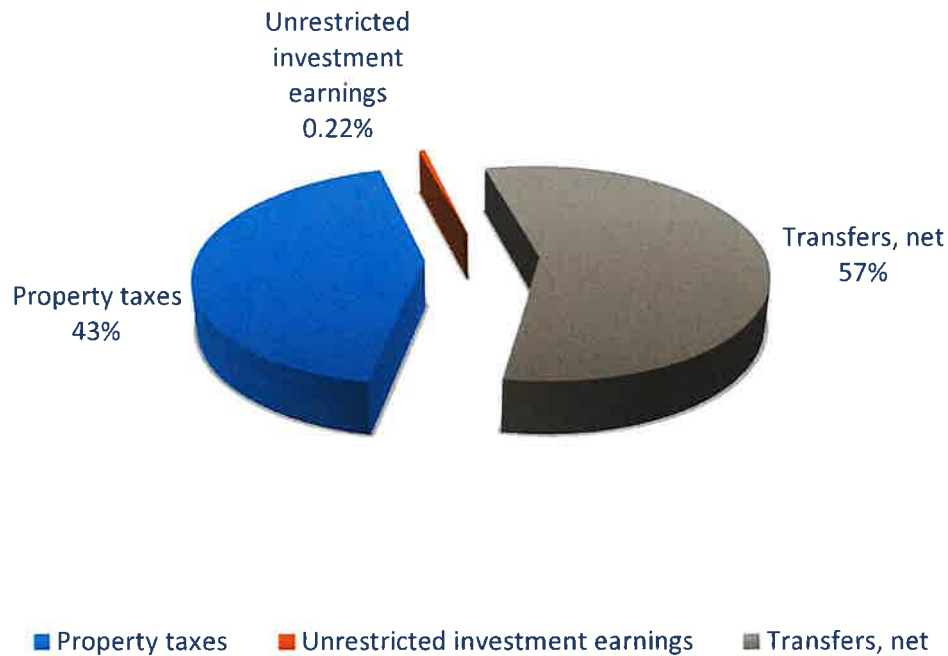
## Satellite Beach Community Redevelopment Agency Management's Discussion and Analysis

### Satellite Beach Community Redevelopment Agency, Florida's Changes in Net Position

	2023	2022
General revenues:		
Property taxes	\$ 963,125	\$ 876,279
Unrestricted investment earnings	9,802	3,228
Transfers, net	1,266,433	334,065
Dissolution of Agency, see Note 4	(6,707,670)	-
Total revenues	<u>(4,468,310)</u>	<u>1,213,572</u>
Program expenses:		
General government	559,284	749,957
Community development	111,396	117,140
Interest and related costs on long-term debt	64,813	72,867
Total expenses	<u>735,493</u>	<u>939,964</u>
Change in net position	<u>(5,203,803)</u>	<u>273,608</u>
Net position- beginning	5,203,803	4,930,195
Net position- ending	<u>\$ -</u>	<u>\$ 5,203,803</u>

The Satellite Beach Community Redevelopment Agency, net position decreased by \$(5,203,803) during the current fiscal year. This is due to the dissolution of the Agency, see Note 4.

### 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 as a result of the dissolution of the Agency.

### Capital Asset and Debt Administration

**Capital assets.** The Satellite Beach Community Redevelopment Agency, investment in capital assets as of September 30, 2023, amounts to \$0 (net of accumulated depreciation). This is due to the dissolution of the Agency, see Note 4.

#### **Satellite Beach Community Redevelopment Agency, Florida's Capital Assets** (net of depreciation)

	<b>2023</b>	<b>2022</b>
Land	\$ -	\$ 2,279,018
Buildings	-	888,969
Improvements other than buildings	-	1,288,560
Infrastructure	-	2,362,519
Total	<u>\$ -</u>	<u>\$ 6,819,066</u>

Additional information on the Satellite Beach Community Redevelopment Agency, Florida's capital assets can be found in Note 2 on pages 29 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 \$0.

The Satellite Beach Community Redevelopment Agency, Florida's notes payable balances decreased by \$1,602,400 during the current fiscal year, as the Agency paid off debt balances prior to dissolution.

Additional information on the City of Satellite Beach, Florida's long-term debt can be found in Note 4.D. on pages 30-31 of this report.



## **Satellite Beach Community Redevelopment Agency Management's Discussion and Analysis**

### **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'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**





THIS PAGE IS INTENTIONALLY LEFT BLANK.



**Satellite Beach Community Redevelopment Agency  
Statement of Net Position - Government-wide**

<i>September 30, 2023</i>	Governmental Activities
<b>ASSETS</b>	<b>\$ -</b>
<b>LIABILITIES</b>	<b>-</b>
<b>NET POSITION</b>	<b>-</b>
Total net position	<b>\$ -</b>

*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, 2023*

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for	Operating	Capital	Revenue and
		Services	Grants and	Grants and	Change in
			Contributions	Contributions	Net Position
Governmental activities:					
General government	\$ 559,284	\$ -	\$ -	\$ -	\$ (559,284)
Community development	111,396	-	-	-	(111,396)
Interest and related costs					
on long-term debt	64,813	-	-	-	(64,813)
Total governmental activities	\$ 735,493	\$ -	\$ -	\$ -	(735,493)

**General revenues:**

Property taxes	963,125
Unrestricted investment earnings	9,802
Transfers, net	1,266,433
Dissolution of Agency, see Note 4	(6,707,670)
<b>Total general revenues</b>	<b>(4,468,310)</b>
Change in net position	(5,203,803)
Net position, beginning of year	5,203,803
<b>Net position, end of year</b>	<b>\$ -</b>

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



**Satellite Beach Community Redevelopment Agency  
Balance Sheet – Governmental Fund**

<i>September 30, 2023</i>	Community Redevelopment Agency
<b>ASSETS</b>	<b>\$ -</b>
<b>LIABILITIES AND FUND BALANCE</b>	
Liabilities	\$ -
Fund balance	-
<b>Total liabilities and fund balance</b>	<b>\$ -</b>

*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, 2023*

Total fund balance for the governmental fund	\$ -
Net position of governmental activities	\$ -

*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, 2023*

	Community Redevelopment Agency
<b>Revenues</b>	
Taxes	\$ 963,125
Investment and other income	9,802
Total revenues	972,927
<b>Expenditures</b>	
Current:	
General government	559,284
Debt service:	
Principal retired	1,602,400
Interest and other	77,676
Total expenditures	2,239,360
Deficiency of revenues under expenditures	(1,266,433)
<b>Other financing sources (uses)</b>	
Transfers in	2,642,413
Transfers out	(1,375,980)
Net other financing sources (uses)	1,266,433
Net change in fund balance	-
Fund balance, beginning of year	-
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, 2023*

Net change in fund balance - total governmental fund	\$ -
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeds capital outlay in the current period.	(111,396)
In the statement of activities, the dissolution of the Community Redevelopment Agency, is reported as a transfer to the Primary Government. See Note 4	(6,707,670)
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.	1,615,263
Change in net position of governmental activities	<b>\$ (5,203,803)</b>

*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 operations 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 and timing 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 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.

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.



## Satellite Beach Community Redevelopment Agency

### Notes to Financial Statements

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

##### ***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.

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



## 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)***

###### *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.

In the governmental 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 Net Position and Fund Balance*

*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.



## 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)*

*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.

*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.



## 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)***

*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, 2023.

*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.

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

Management has evaluated subsequent events through the date that the financial statements were available to be issued, March 20, 2024, and determined there were no events that occurred that required disclosure.



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

**Note 2: DETAILED NOTES ON ALL FUNDS**

***Capital Assets***

Capital asset activity for the year ended September 30, 2023 was as follows:

	Beginning Balance	Increases/ Transfers	Decreases/ Transfers	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 2,279,018	\$ -	\$(2,279,018)	\$ -
Total capital assets, not being depreciated	2,279,018	-	(2,279,018)	-
Capital assets, being depreciated:				
Buildings	904,036	-	(904,036)	-
Improvements other than buildings	1,818,062	-	(1,818,062)	-
Equipment	23,200	-	(23,200)	-
Infrastructure	2,850,044	-	(2,850,044)	-
Total capital assets being depreciated	5,595,342	-	(5,595,342)	-
Less accumulated depreciation for:				
Buildings	(15,067)	(15,067)	30,134	-
Improvements other than buildings	(529,502)	(34,157)	563,659	-
Equipment	(23,200)	-	23,200	-
Infrastructure	(487,525)	(62,172)	549,697	-
Total accumulated depreciation	(1,055,294)	(111,396)	1,166,690	-
Total capital assets being depreciated, net	4,540,048	(111,396)	(4,428,652)	-
Governmental activities capital assets, net	\$ 6,819,066	\$ (111,396)	\$(6,707,670)	\$ -

Depreciation expense of \$111,396 was charged to the Community Development function.

Due to dissolution of the Agency, the Agency relinquished control of all assets to the Primary Government as of September 30, 2023. See Note 4.



# 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, 2023:

	Transfers in:			
	Primary Government	Community Redevelopment Agency		Total
Transfers out:				
Primary Government	\$ -	\$ 2,642,413	\$	2,642,413
Agency	(1,375,980)	-		(1,375,980)
Total	\$ (1,375,980)	\$ 2,642,413	\$	1,266,433

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 Primary Government 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 was secured by revenues of the Community Redevelopment Agency fund; however, the balance of the note was paid in full during fiscal year 2023.

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.

Principal and interest paid for the current fiscal year was \$1,680,076, which paid all outstanding principal and interest on the note and terminated the related swap.



# Satellite 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, 2023, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
Notes from direct borrowings:					
Note payable – CRA	\$ 1,602,400	\$ -	\$(1,602,400)	\$ -	\$ -
Total notes from direct borrowings	1,602,400	-	(1,602,400)	-	-
Total long-term liabilities	\$ 1,602,400	\$ -	\$(1,602,400)	\$ -	\$ -

The note payable – CRA was liquidated by tax revenues received by the Community Redevelopment Agency fund and funds provided by the Primary Government.

### 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.

The commercial insurance carried is a claims incurred policy for which the Agency through the Primary Government 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 through the Primary Government has maintained continuous coverage and does not believe it has any exposure to events which occurred prior to the year ended September 30, 2023.

### Note 4: DISSOLUTION

The Primary Government adopted Ordinance No. 1234 during the June 7, 2023 City Council meeting, which repealed Ordinances No. 755, as amended, No. 836 and No. 837 and dissolved the Agency effective as of September 30, 2023. The dissolution of the Agency releases control of all Agency assets to the Primary Government. The release of control of the remaining assets of the Agency, with a net book value of \$6,707,670, are reported on the statement of activities as "dissolution of Agency."





THIS PAGE IS INTENTIONALLY LEFT BLANK.



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





THIS PAGE IS INTENTIONALLY LEFT BLANK.



**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, 2023</i>	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Taxes	\$ 1,013,816	\$ 963,125	\$ 963,125	\$ -
Investment and other income	1,500	9,802	9,802	-
Total revenues	1,015,316	972,927	972,927	-
<b>Expenditures</b>				
Department:				
General government	849,017	559,284	559,284	-
Debt service:				
Principal retired	403,300	1,606,400	1,602,400	4,000
Interest	61,453	73,676	77,676	(4,000)
Total expenditures	1,313,770	2,239,360	2,239,360	-
<b>Deficiency of revenues under expenditures</b>	(298,454)	(1,266,433)	(1,266,433)	-
<b>Other financing sources</b>				
Transfers in	2,465,723	2,642,413	2,642,413	-
Transfers out	(2,167,269)	(1,375,980)	(1,375,980)	-
Net other financing sources	298,454	1,266,433	1,266,433	-
<b>Net change in fund balances</b>	-	-	-	-
<b>Fund balances, beginning of year</b>	-	-	-	-
<b>Fund balances, end of year</b>	\$ -	\$ -	\$ -	\$ -



## **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.



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

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 governmental activities and the major fund of the Satellite Beach Community Redevelopment Agency, as of and for the year ended September 30, 2023, 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 20, 2024.

**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 or significant deficiencies 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, Rigg & Ingram, L.L.C.*

Melbourne, Florida

March 20, 2024





Carr, Riggs & Ingram, LLC  
215 Baytree Drive  
Melbourne, FL 32940  
  
321.255.0088  
386.336.4189 (fax)  
CRlcpa.com

## **INDEPENDENT AUDITOR'S 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, 2023, and have issued our report thereon dated March 20, 2024.

### **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 Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Reports 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, 2024 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 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, 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  | <b>None</b>      |
| b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the Agency's fiscal year as  | <b>None</b>      |
| c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as   | <b>None</b>      |
| d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as   | <b>None</b>      |
| 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 | <b>None, \$0</b> |



- 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

See Page 35

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 as **8.2312**
- b. The total amount of ad valorem taxes collected by or on behalf of the Agency as \$ **3,605,538**
- 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, and Section 10.554(1)(i)8, Rules of the Auditor General.

#### **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, Rigg & Ingram, L.L.C.*

Melbourne, Florida  
March 20, 2024





THIS PAGE IS INTENTIONALLY LEFT BLANK.





Carr, Riggs & Ingram, LLC  
215 Baytree Drive  
Melbourne, FL 32940

321.255.0088  
386.336.4189 (fax)  
CRLcpa.com

## **INDEPENDENT ACCOUNTANT'S 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, 2023. 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 in all material respects with the specified requirement 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 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 examination 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*, during the year ended September 30, 2023, 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 20, 2024





THIS PAGE IS INTENTIONALLY LEFT BLANK.





Carr, Riggs & Ingram, LLC  
215 Baytree Drive  
Melbourne, FL 32940  
  
321.255.0088  
386.336.4189 (fax)  
CRICpa.com

## INDEPENDENT ACCOUNTANT'S 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, 2023. 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, 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 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 examination 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*, during the year ended September 30, 2023, 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 20, 2024



# City of Titusville

555 SOUTH WASHINGTON AVENUE  
TITUSVILLE, FLORIDA 32796-3584  
POST OFFICE BOX 2806 (32781-2806)



PLANNING DEPARTMENT  
(321) 567-3778  
Fax (321) 383-5700

*Gateway to Nature & Space™*  
[www.titusville.com](http://www.titusville.com)

March 27, 2024

Brevard County Board of County Commissioners  
2725 Judge Fran Jamieson Way  
Viera, Florida 32940

Re: City of Titusville Community Redevelopment Agency Annual Report

To Whom It May Concern:

The City of Titusville's Downtown Community Redevelopment Agency (CRA), in accordance with Chapter 163, *Florida Statutes*, has filed with the City of Titusville, and other entities, a report of its' activities for fiscal year 2022-2023. The annual report includes a complete financial statement setting forth its assets, liabilities, income, and operating expenses as of the end of fiscal year 2022-2023.

Please find a copy of the annual report enclosed. If you have any questions or comments you may contact me at (321) 567-3860.

Sincerely,

Sue Williams,  
Redevelopment Planner

Cc: Wanda Wells, City Clerk  
Richard Broome, City Attorney

RECEIVED

APR 11 2024

County Manager's  
Office



# City of Titusville

## Community Redevelopment Agency



### Annual Report FY 2022 - 2023

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

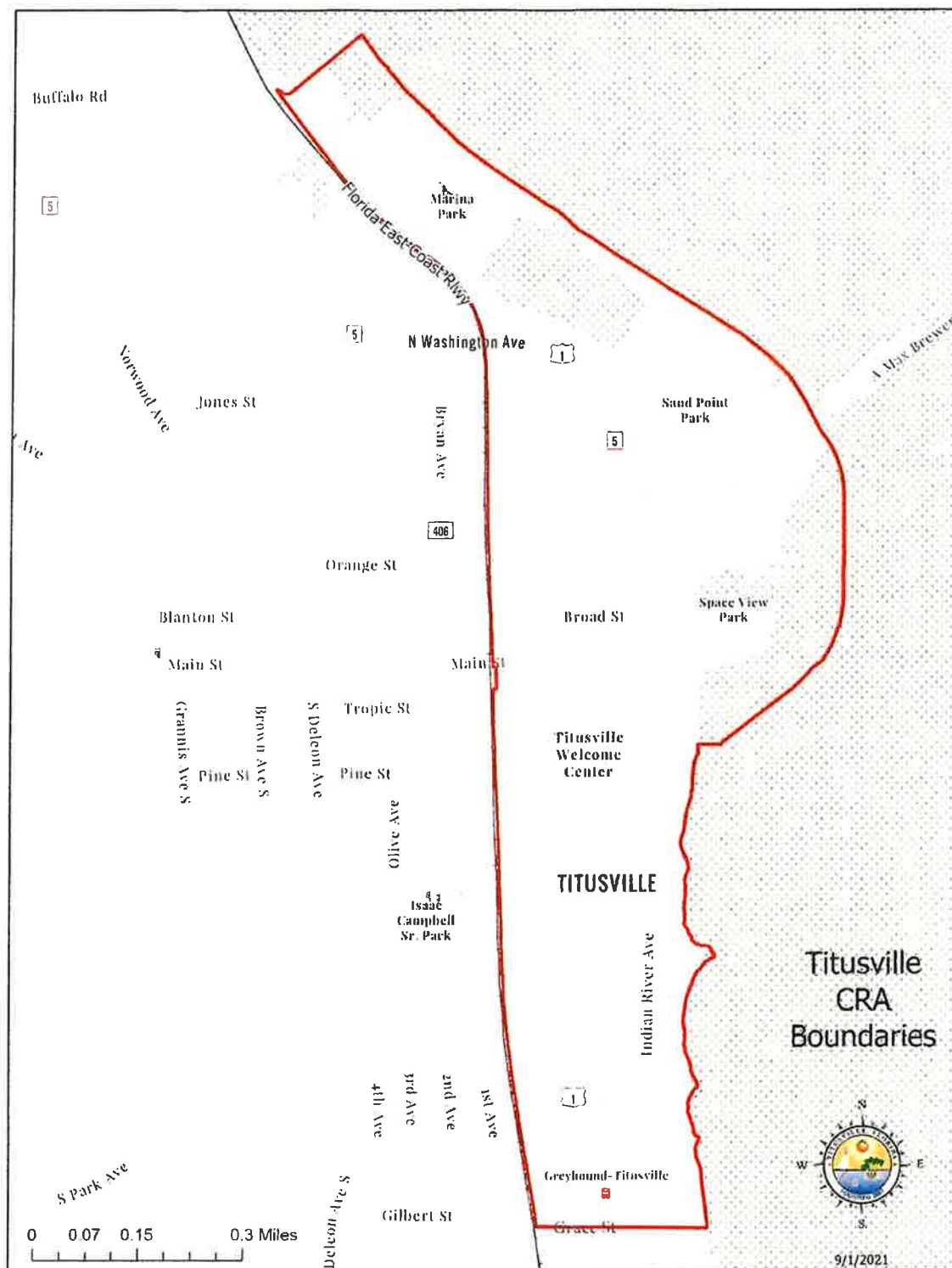
## **Introduction**

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 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 2023 was \$127,240,155, which is an increase of \$10,821,218 in value from the FY 2022 assessed property value.

A history of the Titusville CRA Tax Increment Revenue per year from 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
FY 2022-2023 \$	1,038,731

The Tax Increment Financing (TIF) revenues for the Downtown CRA increased substantially in the 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 2022-2023 Capital and Non-Capital Projects**

The Downtown CRA has continued with existing projects during the 2022 - 2023 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),
- ❖ Street Resurfacing (\$61,405)

### **Capital Projects Started but not Completed in the Fiscal Year and Their Estimated Cost:**

- ❖ Approved the award of contract for the construction of the Spaceview Park Walkway Pier (\$998,656)
- ❖ Indian River Force Main Improvements upgrading and replacing 8,000 feet of sewer force main (\$97,000)
- ❖ Water Resources Utilities Infrastructure (\$47,000)
- ❖ Additional groundcover landscaping at US-1 intersections (\$33,405)
- ❖ Sidewalk Infill (\$58,000)
- ❖ Aluminum Streetlight Poles - Whiteway Lighting Project Study (\$60,00)
- ❖ Tree Box Filters (\$130,000)

More details about these projects follow.

### **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. In FY 2023, grease traps were added as an eligible expense to the Commercial Interior Renovation Grant to meet Florida Building Code requirements.

A total of one (1) CRA Building Grant was awarded in the fiscal year. One (1) Commercial Interior Renovation Grant was awarded for \$18,811.50.

A total of eight (8) grant payouts were made during the fiscal year for a total of \$151,980.86. The grant payouts were for seven (7) Commercial Beautification Façade Grants for \$144,203.01, and one (1) Permit Impact Fee Grant for \$7,777.85.

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 FY 2021. The Launch Now project is now slated to be completed in FY 2024.



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.

Photos of two (2) Beatification Grants in FY 2023:



213 Broad Street Beautification Grant – Before



213 Broad Street Beautification Grant - After



301 S Washington Beautification Grant – Before



301 S Washington Beautification Grant - After



### **Street Resurfacing**

During the fiscal year the CRA resurfaced the following street segments located in the CRA: Julia Street between Hopkins Avenue and Palm Avenue; and Pine Street between Washington Avenue and S. Hopkins Avenue. 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 \$61,404.



### **Spaceview Park Connecting Pedestrian Pier**

The CRA approved 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. The pier meets the CRA's Plan goal of connecting the City's parks and providing a waterfront 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 with a contract for a final design. In 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 2022. In August 2023, the contract for the Spaceview Park Connection Pedestrian Pier was awarded to Rush Marine at a cost of \$998,626. Construction will begin in FY 2024.





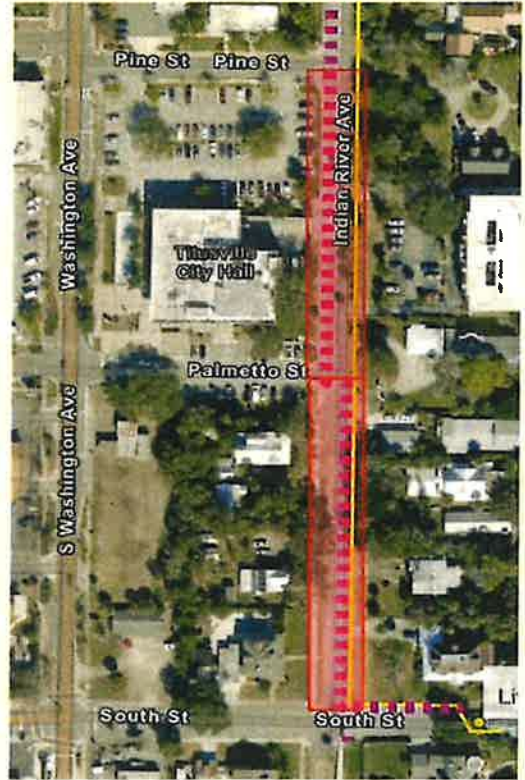
Artist computer rendition of the Connecting Pedestrian Pier





### **Indian River Force Main Infrastructure Improvements**

Construction for the Indian River Force Main Project started August 2023. The project includes replacing a 12-inch sewer line with a new 16-inch sewer line of approximately 8,000 feet of existing sewer force main from South Street to the Osprey Water Reclamation Facility on Buffalo Road in north Titusville. The force main replacement started at the intersection of South Street and Indian River Avenue and will continue north under the Max Brewer Causeway, U S Highway 1, and even a portion of the FEC railroad, ending at the Osprey Facility. A map of the project and road closures (as they are scheduled) can be found at [Indian River Ave Sewer Line Replacement \(arcgis.com\)](https://arcgis.com). Titusville's Public Works Department is working with the contractor to minimize the effect of the closures on residents, and closures will be limited to block segments at any one time. This project is still in progress.



### **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. This project is ongoing into FY 2024.





### **Sidewalk Infill**

The CRA provided for sidewalk infill based on an Americans with Disabilities Act (ADA) study. This project is ongoing.



### **Whiteway Lighting Project**

Whiteway Replacement – The CRA approved the consultant DRMP, Inc. to develop a design scope to replace aluminum highway light poles located on US-1 (Washington Avenue and Hopkins Avenue). Replacement work will begin in FY 2024.





## **Tree Box Filters**

A tree filter project is proposed in the downtown Commons Area to treat stormwater. Tree box filters are widely deployed as stormwater treatment Best Management Practices (BMPs), normally in stand-alone applications; however, they can also be used as pretreatment for infiltration, rainwater harvesting, and detention. Tree box filters are highly adaptable for most developments due to a small footprint, shallow elevation, and no driving head requirements. Where infiltration is not feasible, tree box filters are an ideal solution. Following Low Impact Development (LID) principles of decentralized design, total pollutant load into the Indian River Lagoon is minimized, enabling a sustainable system that is not compromised by high loading rates. Plant selection allows tree box filters to be seamlessly integrated into the landscape and adds aesthetic value.



## **CRA Community Outreach Meeting**

On September 1, 2023, a CRA Community Outreach meeting was held regarding the vision and future for the Downtown and CRA area at the St. Gabriels Episcopal Church. This meeting was a positive event with approximately 63 attendees sharing ideas and concepts for proposed updates to Goals, Objectives and Policies for the Downtown in the Titusville Comprehensive Plan.



## **Non-Capital Projects**

The Non-Capital Projects that occurred over the fiscal year are as follows:

- ❖ Streetscape Landscaping and Facilities Maintenance
- ❖ Community Policing
- ❖ Historic Preservation Activities
- ❖ Land Use Development Review Activities
- ❖ Redevelopment Plan Update (\$68,232)



- ❖ Installation of continuous pedestrian and bicycle counter on Indian River Avenue
- ❖ CRA Community Outreach Meetings

### **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 – FY 2023 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 484 hours for the fiscal year 22/23.

<b>Property Checks</b>	4,869
<b>Traffic Stops</b>	1,205
<b>Suspicious Persons/Vehicles/Incidents &amp; Unwanted/Trespass</b>	988

CRA Police Details totaled 750 hours for the fiscal year 21/22.

<b>Property Checks</b>	3,400
<b>Traffic Stops</b>	1,490
<b>Suspicious Persons/Vehicles/Incidents &amp; Unwanted/Trespass</b>	818

Total incident statistics in the redevelopment district for the fiscal year not part of the CRA Police details were as follows:

	<b>FY 2023</b>	<b>FY 2022</b>	<b>FY 2021</b>	<b>FY 2020</b>	<b>FY 2019</b>
<b>Vehicle Burglaries</b>	9	11	18	16	41
<b>Residential Burglaries</b>	2	4	0	2	2
<b>Commercial Burglaries</b>	8	4	0	10	11



	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019
<b>Traffic Stops</b>	1,205	1,157	1,269	1,140	748
<b>Traffic Accidents without injury</b>	120	137	138	122	165
<b>Traffic Accidents with injury</b>	38	43	52	54	29

**Burglary Comparison between the CRA and Citywide:**

	FY 2023	FY 2022	FY 2021	FY 2020
<b>CRA District</b>	19	18	28	28
<b>City Wide</b>	368	326	402	555

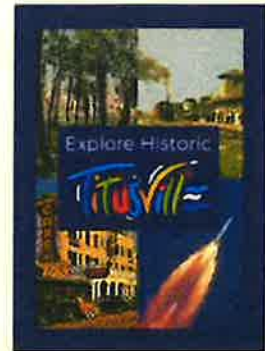
**Calls for Service between the CRA and Citywide:**

	FY 2023	FY 2022	FY 2021
<b>CRA District</b>	9,965	7,934	8,683
<b>City Wide</b>	109,402	95,623	114,392

The incident statistics show that the Community Policing details had a continued emphasis on reducing vehicle burglaries, residential 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 historical 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 2022 – 2023 is as follows:



- ROW #1-2023 – A vacation of right of way was approved with conditions vacating a public right-of-way (ROW) that is located on Broad Street, west of S. Lemon Avenue and east of the FEC Railway.
- Approved the revised site plan, construction phases and parking garage structure for the Horizon at Sand Point development.



Rendering for the Proposed Horizon at Sand Point Development

### **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 FY 2022 and adopted in the fiscal year FY 2023.



### **Downtown Connector Trail**

Florida Department of Transportation installed a non-motorized vehicle And Pedestrian continuous counter on the Downtown Connector Trail on Indian River Avenue between Orange Avenue and Broad Street in September 2023. Trail counts will help the City and CRA to measure useage of the trail and help in planning efforts to maintown Titusville's Trail Town State designation. A Trail Town is a designation along a long-distance trail that trail users can venture off the trail to enjoy the scenery, services, and heritage of the newarby community and find services they need.





## **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 approximately forty-seven (47) new Business Tax Receipts (BTR) were approved in the CRA District during the fiscal year. The following are examples of new businesses and major renovation and construction activity that has occurred in FY 2022 – 2023 in the CRA District:



Café Paradiso



Downtown Art Gallery



Suzanne's Pottery Studio



Burger Robs



Launch Now Mixed-Use Development – almost complete



## **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 and adopted in Fiscal Year 2023. A summary of the plans, goals, and achievements is as follows.

### **Administration of the CRA**

Administration of the CRA includes effectively utilizing Tax Increment Financing (TIF) for the administration and operation of the Community Redevelopment Agency. During FY 2023, this goal has been met through the many Capital and Non-Capital Improvement Projects completed and still in progress in addition to CRA Grants awarded for qualified commercial projects. The CRA continues collaboration with other agencies such as the North Brevard Economic Development Zone, Space Coast Transit, Titusville Area Chamber of Commerce, Florida Department of Transportation, etc. to foster redevelopment in the downtown. In FY 2023, the CRA maintained the level of staffing with the replacement of the retired CRA Planner. Training has been provided and is ongoing for the new CRA Planner by utilizing the Florida Redevelopment Association Academy and mentoring from the retired CRA Planner on a part time basis. Administration of the CRA goal includes keeping compliant with CRA legal requirements by posting the budget, advertising requirements, hosting Community Redevelopment Agency documents online for public access, internal auditing, adhering, and executing the updated adopted CRA Plan, etc. The CRA has increased the transparency of Community Redevelopment Agency operations by hosting Community Outreach workshops and visiting businesses within the CRA District.

### **Housing**

The housing goal involves promoting, encouraging, and incentivizing residential development and occupancy within the CRA. 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 2024. 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 Fiscal Year 2023. Construction is estimated to begin in the Fiscal Year 2024. 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.

### **Community and Culture**

The Community Redevelopment Agency coordinated with the Historic Preservation Board in FY 2023 to create an Architectural Design Guidelines manual to assist in maintaining historic structures downtown. The CRA continues to encourage and support the rehabilitation and adaptive reuse of historic buildings within the Community Redevelopment Area. The CRA held on-going meetings with the Titusville Playhouse Inc regarding the theater's expansion plans. The Titusville Playhouse has purchased property in the Julia Street – Palm Avenue area and has plans to create an entertainment Arts 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 which is almost completed, and other ancillary uses including eating and drinking establishments which will add to the vibrancy of the downtown.

The CRA will need to consider additional public infrastructure to help make this area an entertainment district. The CRA has supported the arts by encouraging murals on buildings in the CRA. In addition, there has been increased tourist activity in the CRA with an increase of rocket launches at the Kennedy Space Center. Based on the increase in launches, improvements were made in Scobie Park including benches and public binoculars for viewing of nature and rocket launches by visitors and residents. The



Space View Pier connecting two (2) existing parks separated by water 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. The Community Redevelopment Agency held a well-attended community outreach workshop to engage the community and business owners to discuss the future of the downtown area and proposed projects, as well as visiting the downtown businesses.

### **Economic Development**

The CRA has worked in coordination with the City of Titusville's Economic Development Department, the Titusville Area Chamber of Commerce, and the North Brevard Economic Development Zone, to recruit and retain businesses and encourage private-sector investment in the CRA. The CRA has supported efforts of adaptive reuse and repurposing of underused commercial, historic, and public-owned structures into more intense uses. 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 is an economic development tool that has proven to be successful. The Community Redevelopment Agency has continued to educate the public about the Community Redevelopment Agency's business support offerings to build awareness of the business environment and programming available within the CRA by hosting community outreach meetings.

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 created pedestrian and visitor appeal, which provided economic development for the City. The City's Explore Historic Titusville booklet, mobile phone app and web site (<http://history.titusville.com>) provides walking/driving tours/audio recordings of historic resources of the City from the area's first indigenous inhabitants to the Space Program. 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 majority of the historical and historic landmarks in the booklet, app and web site walking/driving tour are found in the Redevelopment District.

Florida visitors spend billions visiting historic sites (Economic Impacts of Historic Preservation in Florida update 2010, Center for Governmental Responsibility, University of Florida Levin College of Law, page 7). The CRA has continued updating the City of Titusville Welcome Center graphics for visitors and updating the downtown business directory kiosks. Street banners attached to pedestrian light poles in the CRA have included downtown activities such as music, dining, history, culture, and the environment. 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.

### **Public Spaces**

The Community Redevelopment Agency continues to create safe and accessible public spaces within the CRA. With the completion of Scobie Park improvements with benches and public binoculars for viewing of nature and rocket launches, residents and visitors have places to enjoy being in the gateway to nature and space. The Space View Pier connecting two (2) existing parks separated by water 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. A 960 square foot Native Vegetation Buffer Zone has been created and Sand Point Park is located in the CRA District. Other Park improvements have included a splash pad, BMX bicycle track, skateboard facility, etc. over the years. In Fiscal Year 2022 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. The CRA worked with the Florida Department of Transportation to install a non-motorized vehicle and Pedestrian continuous



counter on the Downtown Connector Trail on Indian River Avenue between Orange Avenue and Broad Street located in the CRA in September 2023.

### **Infrastructure**

During the fiscal year the CRA resurfaced the following street segments located in the CRA: Julia Street between Hopkins Avenue and Palm Avenue; and Pine Street between Washington Avenue and S. Hopkins Avenue. The streets were resurfaced as part of the City's annual street paving program to leverage costs. Construction for the Indian River Force Main Project started August 2023. The project includes replacing a 12-inch sewer line with a new 16-inch sewer line of approximately 8,000 feet of existing sewer force main from South Street to the Osprey Water Reclamation Facility on Buffalo Road in north Titusville. The force main replacement started at the intersection of South Street and Indian River Avenue and will continue north under the Max Brewer Causeway, U S Highway 1, and even a portion of the FEC railroad, ending at the Osprey Facility. The CRA approved the engineering firm for Project Manager and approved the award of contract for the construction of the Space View Park Pier in Fiscal Year 2023. The Space View Pier will connect two (2) existing parks separated by water and 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. The Community Redevelopment Agency continued in 2023 to partner with the City of Titusville Public Works and Water Resources to upgrade critical areas to protect the Indian River Lagoon utilizing proposed tree box filters, baffle boxes, slip lining sewer and stormwater lines, and native vegetation. Streetscaping of side streets will become a major goal of the new Plan that was adopted in FY 2023.

### **Public Health & Safety**

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. Cameras were installed in FY 2022 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. Future expansion of the cameras in the CRA is being studied. 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. In Fiscal Year 2023 the Police Department implemented the Business Trespass Program which authorizes Titusville police officers to advise any person to leave the business premises if the business has registered for this voluntary program. In FY 2023, it has been determined that calls for service in reference to unwanted persons on registered properties decreased by 30%.

### **Regulatory Environment**

In Fiscal Year 2023 the Community Redevelopment Agency has worked on a Comprehensive Plan update to help with redevelopment in the CRA by counting density by redevelopment district area and not per property, known as the Downtown Density Pool. The proposed Downtown Density Pool is an incentive for increased housing and development in the CRA. The Community Redevelopment Agency continues to encourage and incentive Low Impact Development (LID). LID is a comprehensive land planning and engineering design approach that reduces runoff and utilizes infiltration techniques before the runoff reaches the stormwater facility and protecting the Indian River Lagoon.



## 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, 2023. The financial statement provides information on the Agency's assets, liabilities, income, and operating expenses as of the end of fiscal year 2022 – 2023 in accordance with Chapter 163, Part III, Florida Statutes. Total expenditures from the Redevelopment Trust Fund in the fiscal year were \$804,621.

An audit report of the CRA's FY2022 - 2023 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. The City is also proposing change to its Comprehensive Plan and zoning in the CRA to regulate density on an area wide basis instead of a per parcel basis. This change will help to incentivize the development of multiple family dwellings in the CRA District.



**TITUSVILE COMMUNITY REDEVELOPMENT AGENCY**  
**FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**



**TITUSVILLE COMMUNITY REDEVELOPMENT AGENCY  
TABLE OF CONTENTS  
SEPTEMBER 30, 2023**

	<b><u>Page Number(s)</u></b>
<b>Independent Auditors' Report</b>	1 – 3
<b>Management's Discussion and Analysis</b>	4 – 6
<b>Basic Financial Statements</b>	
Balance Sheet / Statement of Net Position	7
Statement of Revenues, Expenditures, and Changes in Fund Balance / Statement of Activities	8
Notes to Financial Statements	9 – 13
<b>Required Supplementary Information</b>	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	15
<b>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</b>	16 – 17
<b>Independent Auditors' Management Letter Required by Chapter 10.550, Rules of the State of Florida Office of the Auditor General</b>	18 – 20
<b>Independent Accountants' Examination Report</b>	21





## 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, 2023, 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 major fund of the CRA, as of September 30, 2023, 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 (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 Auditors' 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 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 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***

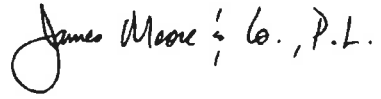
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility 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 19, 2024, 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 19, 2024

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, 2023, by \$2,068,342 (net position). Of this amount, \$497,973 represents the net investment in capital assets, and \$1,570,369 was restricted for redevelopment purposes.
- As of September 30, 2023, the CRA's reported ending fund balances of \$1,570,369. Fund balance saw a change of \$388,018 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:

	<b>Governmental Activities</b>	
	<b>2023</b>	<b>2022</b>
<b>ASSETS</b>		
Current and other assets	\$ 1,595,577	\$ 1,217,917
Capital assets	497,973	510,495
Total assets	<u>\$ 2,093,550</u>	<u>\$ 1,728,412</u>
<b>LIABILITIES</b>		
Current liabilities	\$ 25,208	\$ 35,566
Total liabilities	<u>\$ 25,208</u>	<u>\$ 35,566</u>
<b>NET POSITION</b>		
Net investment in capital assets	\$ 497,973	\$ 510,495
Restricted	1,570,369	1,182,351
Total net position	<u>\$ 2,068,342</u>	<u>\$ 1,692,846</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:

	<b>Governmental Activities</b>	
	<b>2023</b>	<b>2022</b>
<b>REVENUES</b>		
Property taxes	\$ 1,038,731	\$ 982,381
Other revenues	46,134	(43,133)
Total revenues	<u>1,084,865</u>	<u>939,248</u>
<b>EXPENSES</b>		
Community development	560,764	770,480
Capital outlay	243,857	578,124
Total expenses	<u>804,621</u>	<u>1,348,604</u>
Net income before transfers	280,244	(409,356)
Transfers to primary government	(120,950)	(135,462)
Change in net position	375,496	(193,309)
Net position, beginning of year	1,692,846	1,886,155
Net position, end of year	<u>\$ 2,068,342</u>	<u>\$ 1,692,846</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 \$1,570,369, a change of \$388,018, 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 \$1,471,890 in capital expenditures.

Actual expenditures in the general fund were \$1,605,023 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, 2023**

	<u>Balance Sheet</u> <u>General</u> <u>Fund</u>	<u>Adjustments</u>	<u>Statement of</u> <u>Net Position</u> <u>Governmental</u> <u>Activities</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 755,364	\$ -	\$ 755,364
Investments	838,635	-	838,635
Receivables, net	1,578	-	1,578
Capital assets:			
Non-depreciable	-	200,000	200,000
Depreciable, net	-	297,973	297,973
Total assets	<u>\$ 1,595,577</u>	<u>\$ 497,973</u>	<u>\$ 2,093,550</u>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	\$ 25,208	\$ -	\$ 25,208
Total liabilities	<u>25,208</u>	<u>-</u>	<u>25,208</u>
<b>FUND BALANCE / NET POSITION</b>			
Fund Balance:			
Restricted for:			
Community redevelopment	1,570,369	(1,570,369)	-
Net Position:			
Net investment in capital assets	-	497,973	497,973
Restricted for:			
Community redevelopment	-	1,570,369	1,570,369
Total fund balance / net position	<u>1,570,369</u>	<u>497,973</u>	<u>2,068,342</u>
Total liabilities and fund balance / net position	<u>\$ 1,595,577</u>	<u>\$ 497,973</u>	<u>\$ 2,093,550</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, 2023**

	<b>Statement of Revenues, Expenditures, and Changes in Fund Balance</b>		<b>Statement of Activities</b>
	<b>General Fund</b>	<b>Adjustments</b>	<b>Governmental Activities</b>
<b>Revenues</b>			
Taxes	\$ 1,038,731	\$ -	\$ 1,038,731
Investment income (loss)	46,134	-	46,134
Total revenues	<u>1,084,865</u>	<u>-</u>	<u>1,084,865</u>
<b>Expenditures / expenses</b>			
Current:			
Community development	548,242		548,242
Capital outlay	243,857	-	243,857
Depreciation	-	12,522	12,522
Total expenditures / expenses	<u>792,099</u>	<u>12,522</u>	<u>804,621</u>
<b>Excess (deficiency) of revenues over     expenditures / operating income (loss)</b>	<u>292,766</u>	<u>(12,522)</u>	<u>280,244</u>
<b>Other financing sources (uses)</b>			
Transfers in from primary government	216,202	-	216,202
Transfers out to primary government	(120,950)	-	(120,950)
Total other financing sources (uses)	<u>95,252</u>	<u>-</u>	<u>95,252</u>
<b>Net change in fund balance / net position</b>	<u>388,018</u>	<u>(12,522)</u>	<u>375,496</u>
<b>Fund balance / net position, beginning of year</b>	1,182,351	510,495	1,692,846
<b>Fund balance / net position, end of year</b>	<u>\$ 1,570,369</u>	<u>\$ 497,973</u>	<u>\$ 2,068,342</u>

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



**TITUSVILLE COMMUNITY REDEVELOPMENT AGENCY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

**(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, 2023**

(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, 2023, 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:

<u>Assets</u>	<u>Years</u>
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, 2023**

(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, 2023**

**(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, 2023, 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, 2023, 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, 2023**

**(4) Capital Assets:**

Capital asset activity for the fiscal year ended September 30, 2023, is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated –				
Land	\$ 200,000	\$ -	\$ -	\$ 200,000
Total capital assets, not being depreciated	200,000	-	-	200,000
Capital assets, being depreciated –				
Buildings and improvements	376,710	-	-	376,710
Less accumulated depreciation for–				
Buildings and improvements	(66,215)	(12,522)	-	(78,737)
Total capital assets, being depreciated, net	310,495	(12,522)	-	297,973
Governmental activities capital assets, net	<u>\$ 510,495</u>	<u>\$ (12,522)</u>	<u>\$ -</u>	<u>\$ 497,973</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, 2023. 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, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 1,046,182	\$ 1,046,182	\$ 1,038,731	\$ (7,451)
Investment income (loss)	-	-	46,134	46,134
Total revenues	<u>1,046,182</u>	<u>1,046,182</u>	<u>1,084,865</u>	<u>38,683</u>
<b>Expenditures</b>				
Current:				
Community Development	403,256	698,105	548,242	149,863
Capital outlay	521,976	1,699,017	243,857	1,455,160
Total expenditures	<u>925,232</u>	<u>2,397,122</u>	<u>792,099</u>	<u>1,605,023</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>120,950</u>	<u>(1,350,940)</u>	<u>292,766</u>	<u>1,643,706</u>
<b>Other financing sources (uses)</b>				
Transfers in from primary government	-	244,429	216,202	(28,227)
Transfers out to primary government	(120,950)	(120,950)	(120,950)	-
Total other financing sources (uses)	<u>(120,950)</u>	<u>123,479</u>	<u>95,252</u>	<u>(28,227)</u>
<b>Net change in fund balances</b>	<u>-</u>	<u>(1,227,461)</u>	<u>388,018</u>	<u>1,615,479</u>
<b>Fund balances, beginning of year</b>	1,182,351	1,182,351	1,182,351	-
<b>Fund balances, end of year</b>	<u>\$ 1,182,351</u>	<u>\$ (45,110)</u>	<u>\$ 1,570,369</u>	<u>\$ 1,615,479</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, 2023, 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 19, 2024.

***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 or significant deficiencies may exist that have not been identified.

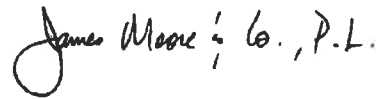
***Report on Compliance and Other Matters***

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, flowing style.

Daytona Beach, Florida  
March 19, 2024





**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, 2023, and have issued our report thereon dated March 19, 2024.

**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 19, 2024, 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: 3 (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: \$122,819 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. Indian River Avenue Force Main (slip lining) \$91,000
  - b. Spaceview Park Pier \$286,616



- 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 \$1,046,182 and was amended by the total amount of \$1,471,890 for final budgeted expenditures of \$2,518,072.

**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 19, 2024

*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, 2023. 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, 2023. 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, 2023, in all material respects.

Daytona Beach, Florida  
March 19, 2024

*James Moore & Co., P.L.*





March 19, 2024

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, 2023, and have issued our report thereon dated March 19, 2024. 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, and by obtaining a completed financial statement disclosure checklist from management.



### **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 19, 2024.

### **Management's Consultations with Other Accountants**

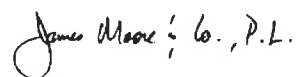
In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

### **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.



MAYOR  
Pat Bentley

DEPUTY MAYOR  
Diana Adams

COUNCIL MEMBERS  
John Dittmore  
Daniel McDow  
Stephen Phrampus  
Helen Voltz  
Andrea Young



City Council/Clerk Department  
Meighan Alexander, City Clerk  
City Hall  
2240 Minton Road  
West Melbourne, FL 32904  
Phone: (321) 837-7774  
Fax: (321) 768-2390  
[www.westmelbourne.gov](http://www.westmelbourne.gov)

March 14, 2024

Frank Abbate, County Manager  
Brevard County Manager's Office  
2725 Judge Fran Jamieson Way  
Building C, Suite 301  
Viera, FL 32940

RE: West Melbourne/Brevard County Joint Community Redevelopment Agency  
Annual Report for Fiscal Year 2022-2023

Dear Mr. Abate:

Enclosed is a copy of the West Melbourne/Brevard County Joint Community Redevelopment Agency Annual Report for Fiscal Year 2022-2023.

If you have any questions, please feel free to contact me at 321-837-7774 or via email to [malexander@westmelbourne.gov](mailto:malexander@westmelbourne.gov).

Thank you.

Sincerely,

A handwritten signature in blue ink, appearing to read "Meighan Alexander". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Meighan Alexander  
City Clerk

Enclosure

RECEIVED

MAR 27 2024

County Manager's  
Office





Banner from the Redevelopment Master Plan

West Melbourne/Brevard County Joint  
Community Redevelopment Agency  
Annual Report to Brevard County



Fiscal Year 2022-2023  
Published March 5, 2024

Community Redevelopment Agency  
City Hall – 2240 Minton Road, West Melbourne, FL 32904  
Phone: 321-837-7771 Fax: 321-768-2390



**TABLE OF CONTENTS**  
**ANNUAL COMMUNITY REDEVELOPMENT AGENCY REPORT**

	Page #:
I. INTRODUCTION	4
a. Mission and Overview	
b. Transmittal Letter for Taxing Agencies	6
II. BOARD MEMBERS AND STAFF	7
III. BOUNDARY LINES – MAP IS ATTACHED AS AN APPENDIX	8
IV. HISTORY	9
a. Creation Date	
b. Plan Amendment Dates	
c. Applicable Resolution(s) and Ordinances	
V. PROJECTS OVERVIEW	10
VI. WEBSITE	16
VII. FINANCIAL REPORTS	17
a. Balance Sheet	
b. Statement of Revenues, Expenditures & Changes in Fund Balances	
c. Summary of Projects, Grants & Debt	
VIII. PERFORMANCE INFORMATION	19
a. Total projects started, completed and estimate cost for each project	
b. Number of jobs create and sector of the economy from which these jobs were created within the CRA	
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

IX.	ADDITIONAL ANNUAL REPORTING REQUIREMENTS	21
a.	Provide the Board of County Commissioners 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	
X.	SUMMARY	22

#### 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 31<sup>st</sup> 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 2022-2023.

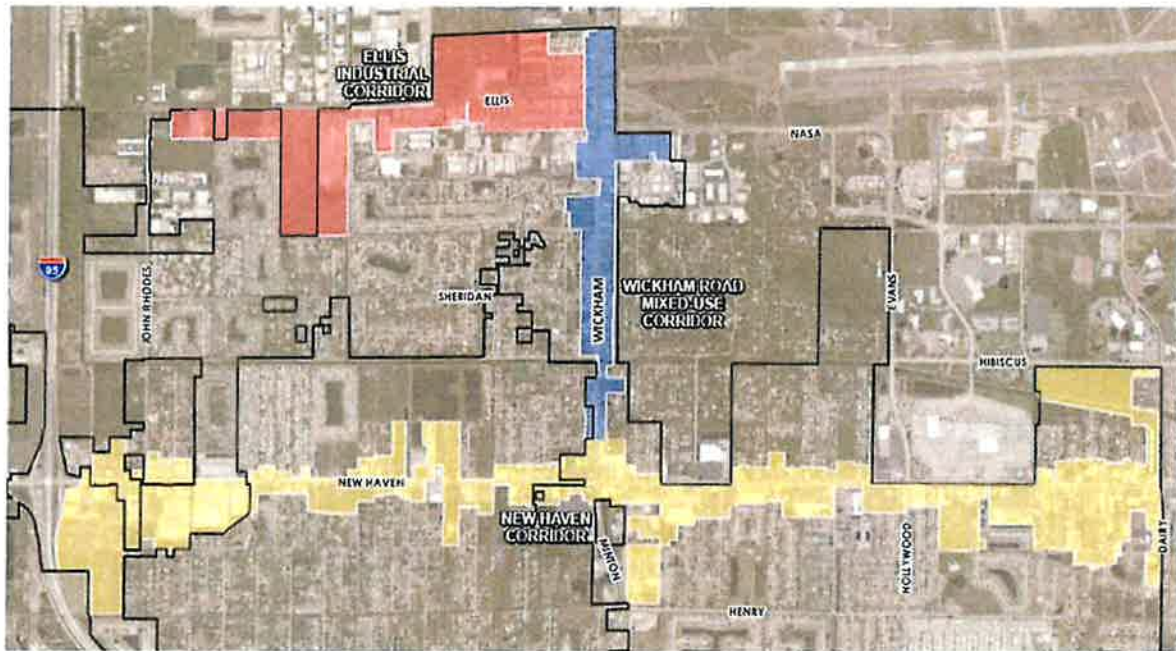
This report is a retrospective review of the Community Redevelopment Agency's efforts, the financial status of the trust fund, the beautification efforts near the interchange of I-95 and New Haven Avenue, and capital improvement programs as of the close of the 2022-2023 fiscal year on September 30, 2023.

#### 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

Pat Bentley, Chairman  
John Dittmore, Vice-Chairman  
Diana Adams  
Daniel McDow  
Stephen Phrampus  
Helen Voltz  
Andrea Young  
Jason Steele



CITY HALL  
2240 Minton Road  
West Melbourne, FL 32904  
Phone: (321) 727-7700  
Fax: (321) 768-2390  
[www.westmelbourne.org](http://www.westmelbourne.org)

Date: March \_\_, 2024

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 2022-2023. The Joint Community Redevelopment Agency Annual Report was filed with the City of West Melbourne and Brevard County on March 5, 2024. 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 31<sup>st</sup> 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?

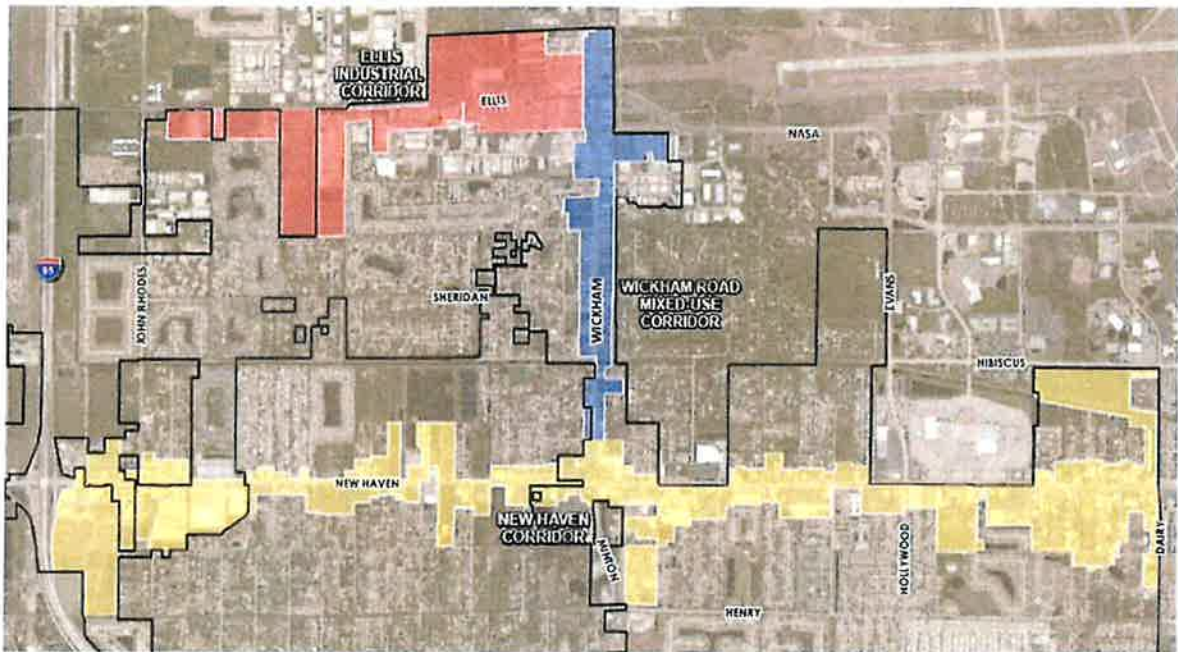
The activities and programs offered within a CRA are administered by the Community Redevelopment Agency. An eight-member Community Redevelopment Agency Board created by the City of West Melbourne and Brevard County in 2011. The Community Redevelopment Agency Board is served by the City of West Melbourne staff at no cost to the Agency. Community Redevelopment Agency members and staff as of January 1, 2024, are listed in the table below.

### WEST MELBOURNE/BREVARD COUNTY JOINT COMMUNITY REDEVELOPMENT AGENCY (As of January 1, 2024)

Chairman	Pat Bentley (West Melbourne Mayor)
Vice Chairman	John Dittmore (West Melbourne Deputy Mayor)
CRA Official	Diana Adams (West Melbourne Council)
CRA Official	Helen Voltz (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	Jason Steele (District 5 County Commissioner)
Registered Agent	Tim Rhode (West Melbourne City Manager)
CRA Attorney	John Cary (West Melbourne City Attorney)
Executive Director	Christy Fischer (West Melbourne Planning Director)
CRA Clerk	Meighan Alexander (West Melbourne City Clerk)
Financial Officer	Candice Blake (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.

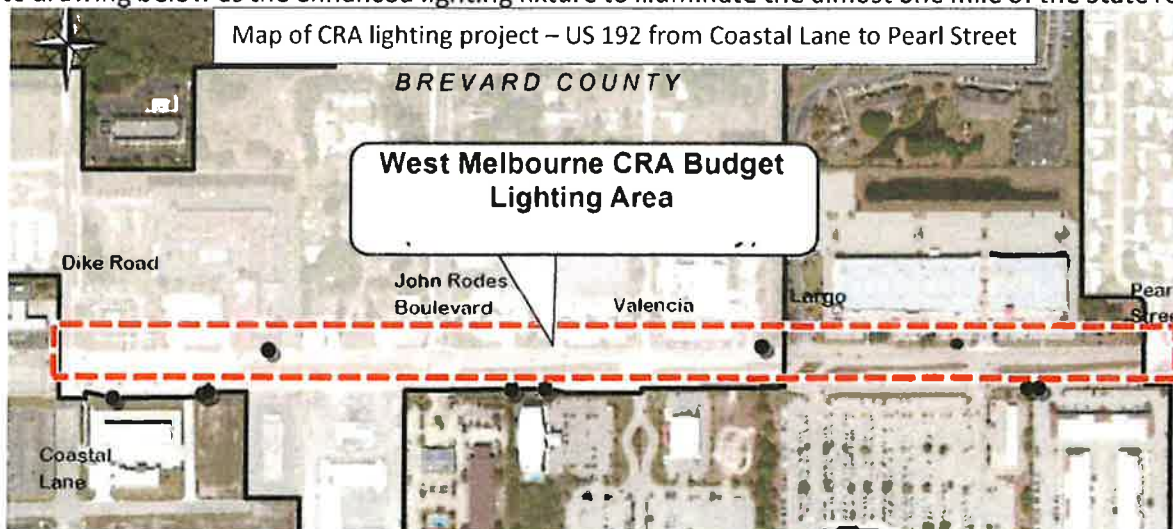


Before -Corner of New Haven Avenue and Interchange prior to landscaping

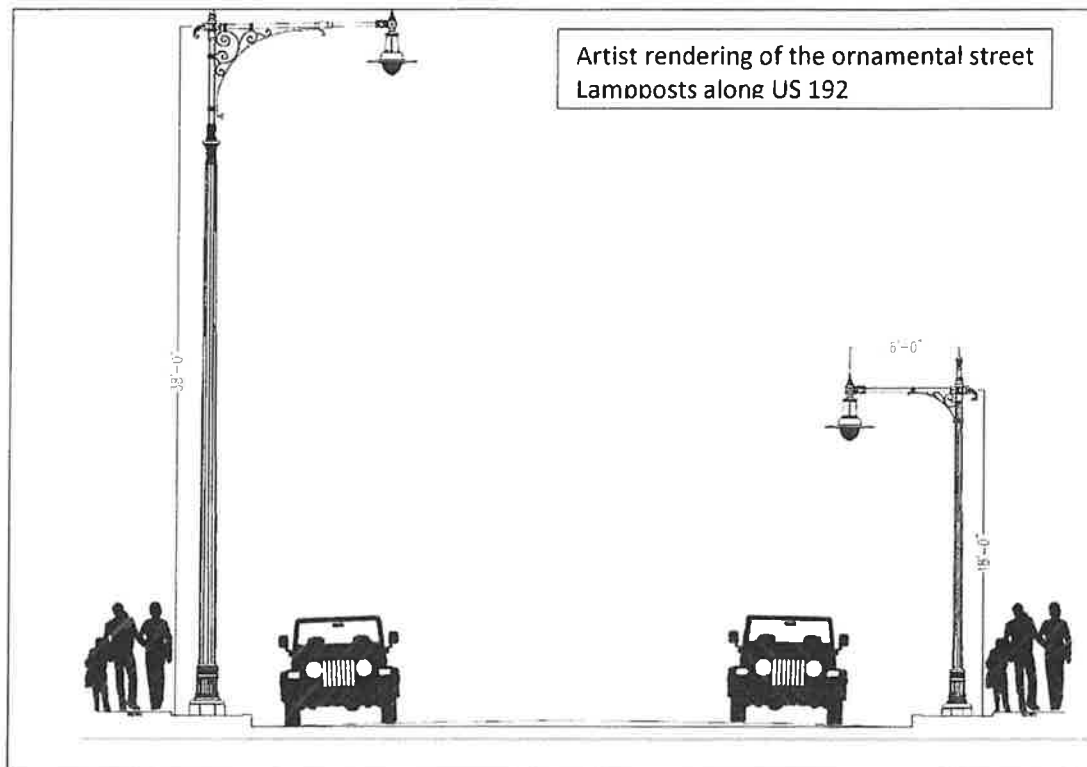


After - I-95 Landscape Improvements (FDOT grant and City of West Melbourne)

*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 21<sup>st</sup>, 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 redevelopers.



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

Total Projects started in FY 22-23*	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.

Current CRA Zoning:









### **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.

### **2023 Budget Appropriations**

The Joint Community Redevelopment Agency appropriated \$648,925 for future land acquisition along Ellis Road and \$476,425 for future stormwater projects in the CRA. Although the four-lane widening of the road has been a transportation priority for multiple governmental agencies, Brevard County has not been able to get federal grants for this multi-million dollar project. The Community Redevelopment Agency remains committed to supporting this enhancement as this widening will probably positively enhance the development pattern along Ellis Road.

## **WEBSITE**

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 statutory requirements. The purpose of the 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. The next page contains the view of the City's "Special District" link on the CRA web site.



## Special District website requirements – (Screen shot of City's "Special District" web page)

### 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
  - Allow the City to serve as redevelopment agency administrator
- Enabling legislation - Florida Statutes Chapters 163 and 169
- Date Established - August 9, 2011
- Establishing Entity - Brevard County (Charter County)

#### CONTACT INFORMATION

- Mailing address:  
2240 Minton Road  
West Melbourne, FL 32904
- Email address - [Email Tim Rhode](mailto:Email Tim Rhode)
- Telephone number - 321-837-7771
- Website address - [West Melbourne Website](#)
- Registered agent - Tim Rhode - City Manager of West Melbourne at 2240 Minton Road



## SECTION VI – FINANCIAL REPORTS

### a. Balance Sheet:

#### FY 2022-2023 Assets:

Cash and Investments	\$2,316,611
Total Assets	\$2,316,611

#### FY 2022-2023 Liabilities:

City Loan Debt Service – Current	\$100,000
City Loan Debt Service – Long-term	\$100,000
Total Liabilities	\$200,000

### b. Statement of Revenues, Expenditures & Changes in Fund Balances:

#### FY 2022-2023 Revenues:

Increment Financing (County)	\$286,219
Increment Financing (City)	\$286,219
Investment Earnings	\$ 47,344
Total Revenue	\$619,782

#### FY 2022-2023 Expenditures:

Personnel costs	\$ 0
Operating Expenditures (includes newly required audit)	\$2,795
Total Expenditures	\$2,795

#### FY 2022-2023 Changes in Fund Balance

Fund Balance – Beginning of Year	\$1,499,624
Net Activity FY 2021-2022	\$616,987
Fund Balance	\$2,116,611



### 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.

#### **2023 Ellis Road**



## 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	2023 Property Appraiser Value
Cheddar's/2130 W. New Haven Ave.	2013 built	\$2,000,000	\$2,000,000	\$1,700,000	\$1,982,280	\$1,989,620
Autozone/1340 W. New Haven Ave.	2014 renovated	\$1,750,230	\$1,898,430	\$1,908,500	\$1,910,600	\$1,938,530
Arby's/2300 W. New Haven Ave.	2015 renovated	\$947,240	\$1,076,810	\$1,081,700	\$765,920	\$774,360
McDonald's/445 S. Wickham Road	2011 renovated	\$749,500	\$883,040	\$883,990	\$923,620	\$938,080
McDonald's/ 2450 W. New Haven Avenue	2016 renovated	\$936,020	\$1,102,780	\$1,109,060	\$1,170,210	\$1,188,850
Advance Auto/ 450 S. Wickham Road	2013 demo and built	\$877,840	\$904,590	\$909,350	\$909,810	\$922,790
Cumberland Farms/440 S. Wickham Road	2015 demo and built	\$1,291,470	\$1,614,340	\$1,147,180	\$1,266,430	\$1,435,080
Cumberland Farms/ 4440 W. New Haven	2015 demo and built	\$1,333,560	\$1,666,950	\$1,171,900	\$1,281,480	\$1,438,370
Cumberland Farms/ 1000 W. New Haven Ave.	2015 built	\$1,413,550	\$1,766,940	\$1,245,090	\$1,358,190	\$1,528,780
Wawa/combination of 3 parcels – 3175 W. New Haven Avenue	2015-2016	\$1,817,890	\$2,272,360	\$2,000,000	\$2,000,000	\$1,931,960
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	\$4,975,980
Dunkin Donuts (in Coastal Commerce) – 4525 W. New Haven Avenue	2017 new build	\$917,560	\$1,018,410	\$951,970	\$1,018,410	\$1,074,450
Starbucks -1425 W. New Haven Avenue	1993 – original building; 2020 demo and rebuild	\$417,610	\$523,190	\$929,680	\$924,640	\$957,610



## 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 we will send the proposed budget following the first budget hearing and then the final budget within 10 days after adoption.*
- 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 had no budget amendments in FY 2022-2023 but will comply with the 10-day submittal requirement to the County's.*

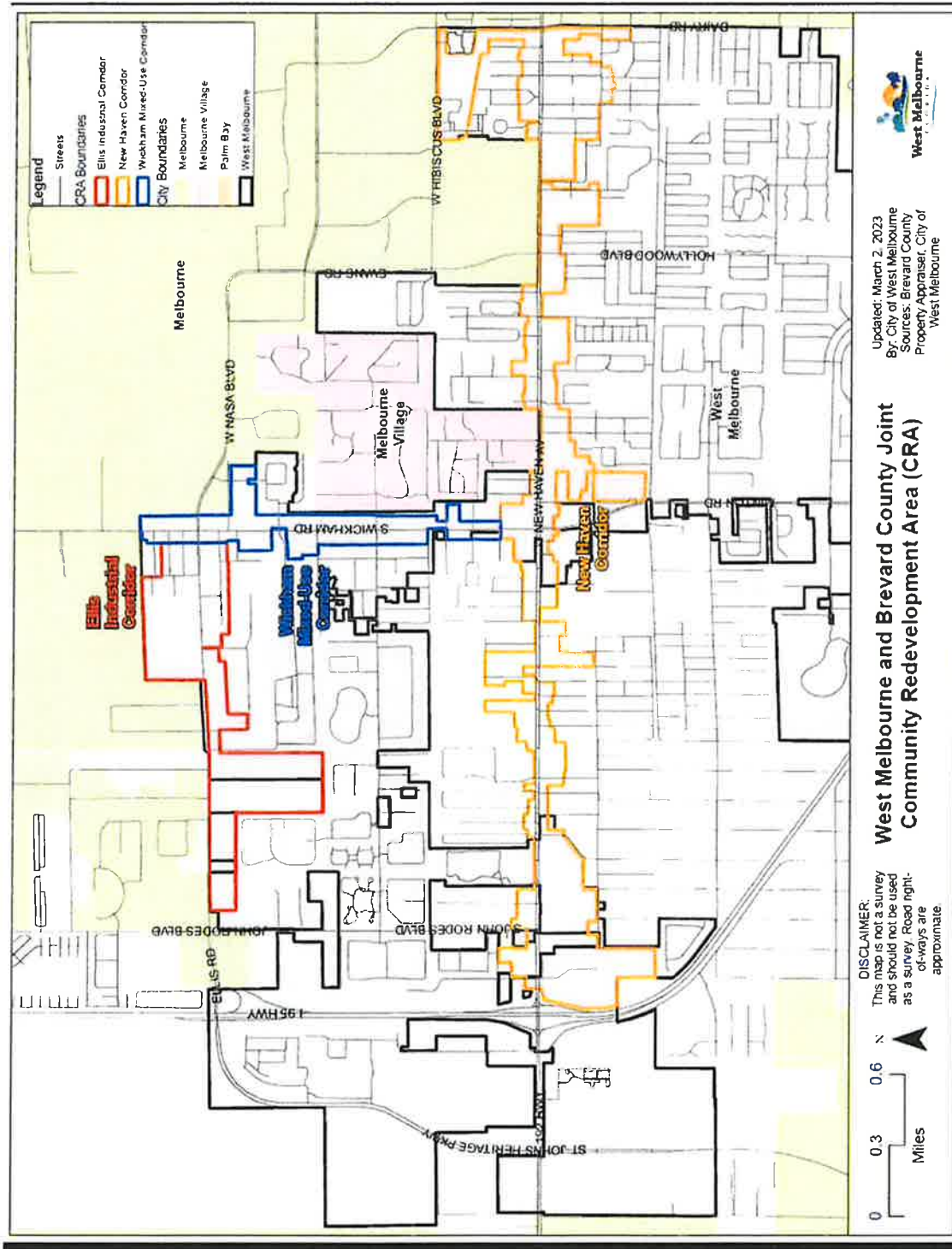


## SECTION IX – SUMMARY

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







**West Melbourne**  
FLORIDA

**West Melbourne – Brevard County  
Joint Community Redevelopment Agency  
FINANCIAL STATEMENTS  
For the Fiscal Year Ended September 30, 2023**



**West Melbourne – Brevard County  
Joint Community Redevelopment Agency  
Table of Contents  
September 30, 2023**

**INTRODUCTORY SECTION**

Table of Contents .....	1
Agency Officials .....	3

**FINANCIAL SECTION**

Independent Auditor’s Report .....	5
Management’s Discussion and Analysis .....	9

**Basic Financial Statements:**

Government-wide Financial Statements:

Statement of Net Position .....	17
Statement of Activities .....	18

Fund Financial Statements:

Balance Sheet – Governmental Fund .....	19
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Fund .....	20
Notes to Financial Statements .....	21

**Required Supplementary Information:**

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual .....	35
Budgetary Notes to Required Supplementary Information .....	36

**COMPLIANCE SECTION**

Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	39
Independent Auditor’s Management Letter .....	41
Independent Accountant’s Report on Compliance with Local Government Investment Policies .....	45
Independent Accountant’s Report on Compliance with Redevelopment Trust Fund .....	47





THIS PAGE IS INTENTIONALLY LEFT BLANK.



**West Melbourne – Brevard County  
Joint Community Redevelopment Agency  
Agency Officials  
Year Ended September 30, 2023**



**CRA Board Members**

Hal Rose, Chairman  
John Dittmore, Vice Chair  
Jason Steele  
Diana Adams  
Pat Bentley  
Daniel McDow  
Stephen Phrampus  
Andrea Young





THIS PAGE IS INTENTIONALLY LEFT BLANK.



## **INDEPENDENT AUDITOR'S REPORT**

To the Honorable Chairman and Board members  
West Melbourne – Brevard County Joint 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 West Melbourne – Brevard County Joint Community Redevelopment Agency (the "Agency"), a component unit of the City of West Melbourne, Florida, as of and for the year ended September 30, 2023, 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 West Melbourne – Brevard County Joint Community Redevelopment Agency as of September 30, 2023, 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.



### ***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 on pages 9-13, and the budgetary comparison information on pages 35-37 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 sections 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 February 23, 2024, 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 Agency's internal control over financial reporting and compliance.

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

Melbourne, Florida  
February 23, 2024





THIS PAGE IS INTENTIONALLY LEFT BLANK.



## **West Melbourne – Brevard County Joint Community Redevelopment Agency Management's Discussion and Analysis**

The Management's Discussion and Analysis (MD&A) of the West Melbourne-Brevard Joint Community Redevelopment Agency (the "CRA") is designed to provide an objective and easy to read analysis of the financial activities for the fiscal year ended September 30, 2023 based on currently known facts, decisions, and conditions. The MD&A provides a broad overview, short-term and long-term analysis of the CRA's activities based on information presented in the financial statements. Specifically, this information is designed to assist the reader in focusing on significant financial issues, provide an overview of the CRA's financial activity and identify changes in the CRA's financial position and its ability to address the next year's challenges. Finally, the MD&A will identify any material deviations from the approved budget.

The West Melbourne-Brevard County Joint Community Redevelopment Agency was created in 2012 by the City of West Melbourne and Brevard County under Chapter 163, Part III, of the Florida Statutes. The CRA is a dependent special district and a component unit of the City of West Melbourne, Florida (the "City"). The City's Planning & Economic Development Director serves as the Executive Director of the CRA, and the CRA has entered into an Interlocal Agreement for the City to provide services to the CRA.

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 Management's Discussion and Analysis for State and Local Governments*.

The information contained in this MD&A is only a component of the entire financial statement report. Readers should take time to read and evaluate all sections of the report, including the footnotes and required supplementary information provided.

### **Financial Highlights**

- The assets of the CRA exceeded its liabilities at the close of the most recent fiscal year by \$2,116,611 (*net position*).
- The CRA's total net position increased by \$616,987 from fiscal year 2023 activities.
- The CRA's intergovernmental revenues increased slightly in fiscal year 2022-2023 compared to fiscal year 2021-2022 due to an increase in TIF funding.

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

The CRA's financial statements are comprised of the 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements themselves.

#### **Government-wide financial statements.**

The CRA's government-wide financial statements provide readers with a broad overview of the CRA's finances in a manner similar to private-sector business. In addition, the government-wide statements are prepared using the accrual basis of accounting. The Statement of Net Position presents information on the CRA's assets and liabilities, with the difference between them reported as net position.



## **West Melbourne – Brevard County Joint Community Redevelopment Agency Management's Discussion and Analysis**

The *Statement of Activities* (operating statement) presents information showing how the CRA's net position changed during the most recent fiscal year. All changes in revenues are reported as soon as underlying events giving rise to the change occur regardless of the timing of related cash flows. The expenses are reported as incurred. Therefore, revenue and expenses for some items will only result in cash inflows/outflows in future fiscal periods

The CRA's government-wide financial statements present functions of the CRA that are principally supported by tax increment financing (governmental activities). The governmental activities of the CRA include general government activities and community development. The CRA has no business-type activities.

The CRA's government-wide financial statements are found beginning on page 17 of this report.

### **Fund Financial Statements**

The governmental fund financial statements provide readers with an overview of each fund and its related function in a traditional format. A fund is a grouping of related accounts that maintain control over resources that are segregated for specific activities or objectives. The CRA, like other state and local governments, uses fund accounting to ensure and demonstrate legal 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.

The focus of governmental funds is narrower than that of the government-wide financial statements, and it is therefore 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 CRA adopts an annual appropriated budget. Budgetary comparison schedules provided demonstrate compliance with the budget and provides an analysis of significant budgetary variances (both original budget versus the final amended budget, if applicable).

The CRA's governmental fund financial statements can be found on pages 19-20 of this report.



**West Melbourne – Brevard County  
Joint Community Redevelopment Agency  
Management's Discussion and Analysis**

**Notes to the financial statements**

The notes provide additional information that is essential to a full understanding of the information provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 21-32 of this report.

**Other information**

In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the CRA's budgetary compliance. The required supplementary information can be found on pages 35-37 of this report.

**Government-wide Financial Analysis**

As noted earlier, net position over time, may serve as a useful indicator of an Agency's financial position. In the case of the CRA, assets exceeded liabilities by \$2,116,611 at the close of the most recent fiscal year.

The following table reflects the condensed statement of net position:

**Summary of Net Position**

	<b>Governmental Activities</b>	
	<b>2023</b>	<b>2022</b>
Cash and cash equivalents	\$ 1,261,303	\$ 791,660
Investments	1,055,308	1,007,964
Total assets	<u>2,316,611</u>	<u>1,799,624</u>
Due to Primary Government	100,000	100,000
Advances from Primary Government-long-term	100,000	200,000
Total liabilities	<u>200,000</u>	<u>300,000</u>
Net position		
Restricted for Community Development	2,116,611	1,499,624
Total net position	<u>\$ 2,116,611</u>	<u>\$ 1,499,624</u>

The CRA's total net position increased by \$616,987.



**West Melbourne – Brevard County  
Joint Community Redevelopment Agency  
Management's Discussion and Analysis**

**Statement of Activities**

The following table reflects the Statement of Activities for the current and prior year:

	<b>Governmental Activities</b>	
	<b>2023</b>	<b>2022</b>
<b>Revenues</b>		
Taxes	\$ 286,219	\$ 265,432
Intergovernmental	286,219	265,432
Investment earnings	47,344	7,552
Total revenues	<u>619,782</u>	<u>538,416</u>
<b>Expenses</b>		
Economic environment	<u>2,795</u>	<u>4,295</u>
Total expenses	<u>2,795</u>	<u>4,295</u>
Change in net position	616,987	534,121
Net position, beginning of year	1,499,624	965,503
Total net position	<u>\$ 2,116,611</u>	<u>\$ 1,499,624</u>

**Financial Analysis of Governmental Funds**

As noted earlier, the CRA uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The CRA's intergovernmental revenues increased slightly in fiscal year 2022-2023 compared to fiscal year 2021-2022 due to an increase in TIF funding.

**Governmental funds.** 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 an agency's net resources available for spending at the end of the fiscal year.

**Economic Factors and Next Year's Budgets and Rates**

The following economic factors currently affect the CRA and were considered in developing the 2023-2024 fiscal year budget.

- The West Melbourne-Brevard County Joint Community Redevelopment Agency land area consists of 836 acres along three arterial roadway corridors - New Haven Avenue, Wickham Road and Ellis Road. More than eighty percent of the land area is within the city limits of the City of West Melbourne with less than twenty percent in unincorporated Brevard County.
- During fiscal year 2023, taxable values in the project area increased by 8.78%.



**West Melbourne – Brevard County  
Joint Community Redevelopment Agency  
Management's Discussion and Analysis**

- As of September 2023, the unemployment rate in the United States was 3.8%. For the State of Florida, unemployment was 2.8%, a decrease of 0.1% from a year earlier. For Brevard County, the unemployment rate was 3.2% as reported by the Florida Department of Economic Opportunity. It is expected that the unemployment rate for Brevard County will continue with a slight decline in 2024.
- The millage rate for the City of West Melbourne used in the calculation of the tax increment payment to the CRA was 2.1186 for fiscal year 2022–2023, a reduction from the fiscal year 2021–2022 millage rate of 2.4228. The millage rate for Brevard County used in the calculation of the tax increment payment to the CRA was 3.2619, a decrease from the fiscal year 2021–2022 millage rate of 3.5661. It is anticipated that under the terms of the April 10, 2018 Interlocal Agreement concerning Brevard County's tax increment funding of the CRA, the fiscal year 2023-2024 County payment to the Agency will equal the City's payment.

All of these factors were considered in preparing the City's budget for the fiscal year ending September 30, 2024.

**Requests for Information**

This financial report is designed to provide a general overview of the CRA's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of West Melbourne, Attention: Planning & Economic Development Director, 2240 Minton Road, West Melbourne, Florida, 32904.





THIS PAGE IS INTENTIONALLY LEFT BLANK.



## **BASIC FINANCIAL STATEMENTS**





THIS PAGE IS INTENTIONALLY LEFT BLANK.



**West Melbourne – Brevard County  
Joint Community Redevelopment Agency  
Statement of Net Position – Government-wide**

<i>September 30, 2023</i>	Governmental Activities
<b>ASSETS</b>	
Cash and cash equivalents	\$ 1,261,303
Investments	1,055,308
Total assets	<b>2,316,611</b>
<b>LIABILITIES</b>	
Due to Primary Government	100,000
Advances from Primary Government - long-term	100,000
Total liabilities	<b>200,000</b>
<b>NET POSITION</b>	
Restricted for:	
Community development	2,116,611
Total net position	<b>\$ 2,116,611</b>

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



**West Melbourne – Brevard County  
Joint Community Redevelopment Agency  
Statement of Activities – Government-wide**

*For the year ended September 30, 2023*

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government					
Governmental activities:					
Economic environment	\$ 2,795	\$ -	\$ -	\$ -	\$ (2,795)
Total governmental activities	\$ 2,795	\$ -	\$ -	\$ -	\$ (2,795)

General revenues:	
Taxes	286,219
Intergovernmental	286,219
Investment earnings	47,344
Total general revenues	619,782
Change in net position	616,987
Net position, beginning of year	1,499,624
Net position, end of year	\$ 2,116,611

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



**West Melbourne – Brevard County  
Joint Community Redevelopment Agency  
Balance Sheet – Governmental Fund**

	Community Redevelopment Agency
<i>September 30, 2023</i>	
<b>ASSETS</b>	
Cash and cash equivalents	\$ 1,261,303
Investments	1,055,308
<b>Total assets</b>	<b>\$ 2,316,611</b>
<b>LIABILITIES AND FUND BALANCE</b>	
Liabilities	
Due to Primary Government	\$ 100,000
Advances from Primary Government - long term	100,000
<b>Total liabilities</b>	<b>200,000</b>
Fund balance:	
Restricted for:	
Community development	2,116,611
<b>Total fund balance</b>	<b>2,116,611</b>
<b>Total liabilities and fund balance</b>	<b>\$ 2,316,611</b>

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



**West Melbourne – Brevard County  
Joint Community Redevelopment Agency**

**Statement of Revenues, Expenditures and Changes in Fund Balance –  
Governmental Fund**

	Community Redevelopment Agency
<i>For the year ended September 30, 2023</i>	
<b>Revenues</b>	
Taxes	\$ 286,219
Intergovernmental	286,219
Investment earnings	47,344
Total revenues	<b>619,782</b>
<b>Expenditures</b>	
Current:	
Economic environment	2,795
Total expenditures	<b>2,795</b>
Excess of revenues over expenditures	<b>616,987</b>
Net change in fund balance	<b>616,987</b>
Fund balance, beginning	1,499,624
Fund balance, ending	<b>\$ 2,116,611</b>



**West Melbourne – Brevard County  
Joint Community Redevelopment Agency  
Notes to Financial Statements**

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

***Reporting Entity***

The West Melbourne – Brevard County Joint Community Redevelopment Agency (the “Agency”), a component unit of the City of West Melbourne, 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 West Melbourne, Florida City Council (“City Council”) via Ordinance 2012-19 in July 2012. The Agency is a legal entity, separate, distinct, and independent of the City. The Agency is governed by a board comprised of eight commissioners, seven of whom also serve as members of the City Council and one Brevard County Commissioner. The Agency does not exercise control over other governmental agencies or authorities.

Revenue sources for the Agency consist primarily of City and County increment financing from property taxes and grants. 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 primary 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 West Melbourne, Florida. Complete financial statements for the City of West Melbourne, Florida may be obtained at the City’s administrative offices located at:

2240 Minton Road  
West Melbourne, Florida 32904

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

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



**West Melbourne – Brevard County  
Joint 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.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for federal, state, local or private grants or awards, for which the period is 4 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 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 financed purchases 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 in 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 4 months 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 4 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.



**West Melbourne – Brevard County  
Joint Community Redevelopment Agency  
Notes to Financial Statements**

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

***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.

The Agency reports the following major governmental fund:

- The *West Melbourne-Brevard County Joint Community Redevelopment Agency Fund ("Community Redevelopment")* is used to account for tax increment revenues derived from taxable real property within the geographic boundaries of the community redevelopment area to finance development within that area.

***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***

Deposits available within various funds of the Primary Government were consolidated for investment purposes. Substantially all deposits of the Primary Government at September 30, 2023, were invested using the pooled investment concept. Interest earned was allocated monthly to the Agency based on its month ending cash and investment balances in proportion to the Primary Government.

Investments for the Agency are reported at fair value for the position in the Florida Local Government Investment Trust (FTIP) Day to Day Fund external investment pool. The FTIP Day to Day Fund external investment pool meets all of the specified criteria in Section 150: *Investments* of the GASB Codification to qualify to elect to measure its investments at amortized cost. Accordingly, the fair value of the Agency's position in the pool is equal to the value of pooled shares.



**West Melbourne – Brevard County  
Joint 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)***

***Investments (Continued)***

The Agency is empowered by statute to invest in the following instruments and may divest itself of such investments, at prevailing market prices or rates subject to the limitations of Section 218.415 – a) the Local Government Surplus Funds Trust Fund, administered by the Florida State Board of Administration or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1969, as provided in s. 163.01, Florida Statutes; b) Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency; c) savings accounts in state-certified qualified public depositories, as defined in Florida Statute 280.02; d) certificates of deposits and Repurchased Agreements in state-certified qualified public depositories, as defined in Florida Statute 280.02; e) direct obligation of the U.S. Treasury; and f) Federal agencies and instrumentalities.

Banks and savings and loans in which Agency funds are deposited must be classified as a qualified public depository as defined in the *Florida Security for Public Deposits Act*, Chapter 280, Florida Statutes, before any deposits are made with those institutions.

***Receivables***

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

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

***Interfund Activities and Transactions***

During the course of operations, numerous transactions occur between the Agency and the Primary Government for goods provided or services rendered. These receivables and payables are classified as “due from Primary Government” or “due to Primary Government” within the fund financial statements. Long-term borrowings between funds are classified as “advances to Primary Government” or “advances from Primary Government” in the fund financial statements.



**West Melbourne – Brevard County  
Joint 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)***

***Interfund Activities and Transactions (Continued)***

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 a cost, charges the appropriate benefitting fund, and reduces its related costs as a reimbursement. All other interfund transactions are treated as transfers.

***Categories and Classification of Net Position and Fund Balance***

***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 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 – 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. "Not in spendable form" includes items that are not expected to be converted to cash (inventories, prepaid expenditures) and items such as the long-term amount of interfund advances to the Primary Government, property acquired for resale, as well as unrealized gains.



**West Melbourne – Brevard County  
Joint 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)***

***Categories and Classification of Net Position and Fund Balance (Continued)***

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

***Committed Fund Balance*** – The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Agency's highest level of decision-making authority. The Agency Board 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 (e.g., 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 authority to assign fund balance lies with the Agency Board and may occur through the budget process or formal action. 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 a fund balance not meeting criteria to be reported as nonspendable, restricted, committed, or assigned.

Restricted amounts shall be spent first unless there are legal documents/contracts prohibiting this, such as grant agreements. Further, the order of priority shall be Committed Fund Balance, followed by Assigned Fund Balance, and then Unassigned Fund Balance when expenditures are incurred for purposes for which amounts in any of the classifications could be used.

***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 program revenues.



**West Melbourne – Brevard County  
Joint Community Redevelopment Agency  
Notes to Financial Statements**

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

***Revenues and Expenditures/Expenses (Continued)***

*Property tax increment* – The Agency receives, from the City of West Melbourne and Brevard County, a portion of the property taxes collected by each within the 860-acre CRA project area. These tax increment financing (TIF) payments are established under Section 163.357, Florida Statutes and City Ordinance No. 2013-28. The County's TIF payments are limited under that Interlocal Agreement concerning Brevard County tax increment funding for the West Melbourne-Brevard County Joint Community Redevelopment Agency dated April 10, 2018.

***Use of Estimates***

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

***Subsequent Events***

Management has evaluated subsequent events through the date the financial statements were available to be issued, February 23, 2024, and determined there were no events that occurred that required disclosure.

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

The City implemented the following standards during the current year.

GASB Statement No. 96, *Subscriptions-Based Information Technology Arrangements*, provides guidance on the accounting and financial reporting of 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 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, and all reporting periods thereafter. Assets and liabilities resulting from SBITAs should be recognized and measured using the facts and circumstances that existed at the beginning of the fiscal year in which this Statement is implemented. Governments are permitted, but are not required, to include in the measurement of the subscription asset capitalizable outlays associated with the initial implementation stage and the operation and additional implementation stage incurred prior to the implementation of this Statement. There were no significant impacts of implementing this statement.



**West Melbourne – Brevard County  
Joint Community Redevelopment Agency  
Notes to Financial Statements**

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

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

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

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 the 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 the accounting principle or error corrections should be presented in the 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.

GASB Statement No. 101, *Compensated Absences*, The objective of this Statement is to better meet the information needs of the 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.



**West Melbourne – Brevard County  
Joint Community Redevelopment Agency  
Notes to Financial Statements**

**Note 2: DETAILED NOTES ON ALL FUNDS**

***Deposits and Investments***

The Agency pools its deposits with the Primary Government. At September 30, 2023, the Agency's carrying amount of cash deposits was \$1,261,303. As of September 30, 2023, \$250,000 of the Agency's bank balance was covered by 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 Agency pursuant to Section 280.08, Florida Statutes.

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

The Florida Local Government Investment Trust (FTIP) Day to Day Fund 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. At September 30, 2023, the Agency's share of FTIP Day to Day Fund was \$1,055,308. The fair value of the Agency'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, 2023, 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 external investment pool.

Deposits available within various funds were consolidated for investment purposes. Interest earned was allocated monthly to the Agency's fund based on its average cash and investment balances.



**West Melbourne – Brevard County  
Joint Community Redevelopment Agency  
Notes to Financial Statements**

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

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

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

*Interest rate risk* – Interest rate risk is the possibility that interest rates will rise and reduce the fair value of an investment. The Agency’s investment policy limits interest rate risk by requiring that an attempt be made to match investment maturities with known cash needs and anticipated cash flow requirements. In addition, investments of current operating funds are required to have maturities of no longer than twelve months.

The dollar weighted average days to maturity (WAM) for FTIP Day to Day Fund is 29 days at September 30, 2023.

*Credit risk* – Section 150: *Investments* of the GASB Codification requires that governments provide information about credit risk associated with their investments by disclosing the credit rating of investments in debt securities as described by nationally recognized statistical rating organizations. The Agency’s investment policy and the investment policy for the City, limit investments to securities with specific ranking criteria.

*Foreign currency risk* – The Agency’s investments are not exposed to foreign currency risk and the Agency’s investment policy does not address foreign currency risk.

*Concentration risk* – Section 150: *Investments* of the GASB Codification requires disclosures of investments in any one issuer that represents five percent or more of total investments, excluding investments issued or explicitly guaranteed by the U.S government, investments in mutual funds, external investments pools and other pooled investments. The Agency’s investment policy does not address concentration risk.

At September 30, 2023, the Agency had the following investments:

Investment type	Fair Value	Investment Maturities (in years)				Rating	Agency
		Less than 1	1-5	6-10	More than 10		
FTIP Day to Day Fund Investment							
Pool	\$ 1,055,308	\$ 1,055,308	-	-	-	AAAm	S&P
Total investments	\$ 1,055,308	\$ 1,055,308	\$ -	\$ -	\$ -		



**West Melbourne – Brevard County  
Joint Community Redevelopment Agency  
Notes to Financial Statements**

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

***Receivables***

There are no receivables as of September 30, 2023, therefore, no allowances for doubtful accounts are maintained.

Property taxes (from which TIF payments are derived) are considered fully collected (96% of levy) during and prior to the end of the fiscal year. Therefore, no material amounts of property taxes are receivable as of September 30, 2023. There are no other reserves for receivables recorded by the Agency as of September 30, 2023.

***Interfund Receivables, Payables and Transfers***

*Interfund balances* – The composition of interfund balances as of September 30, 2023, is as follows:

	Primary Government		Total
Due to	\$	100,000	\$ 100,000
Advances		100,000	100,000
Total	\$	200,000	\$ 200,000

Between the Primary Government and the CRA, the advances are interfund loans used for working capital for the CRA to begin operations. The amount is being repaid to the Primary Government over 10 years without interest, administration, or service charges.

***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. The Agency has \$2,116,611 in restricted fund balance at September 30, 2023.



**West Melbourne – Brevard County  
Joint 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; worker's compensation, and natural disasters.

In fiscal year 2022-2023, the Agency was covered as part of the City's membership in the Florida Municipal Insurance Trust (the "Trust"). The Trust is a self-insurance program established to provide worker's compensation, property, and casualty coverage to participating units of local government in Florida pursuant to various provisions of Florida Statutes. The Trust's underwriting and vote-setting policies are established after consultation with an independent actuary. The Trust is non-assessable and therefore, the Agency has no liability for future deficits of the Trust, if any. For the City, only workers compensation is subject to audit, thus avoiding additional premium charges beyond policy expirations. The Agency has no employees.

There have been no significant reductions in insurance coverage during the fiscal year 2023. Also, there have been no settlements that exceeded insurance coverage for each of the past three fiscal years.

***Litigation***

Various other 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 actions would not result in losses that would exceed the liability insurance limits in effect at the time the claim arose or otherwise materially affect the financial position of the Agency or results of operations.



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





THIS PAGE IS INTENTIONALLY LEFT BLANK.



**West Melbourne – Brevard County  
Joint Community Redevelopment Agency  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual**

<i>For the year ended September 30, 2023</i>	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>				
Taxes	\$ 281,600	\$ 281,600	\$ 286,219	\$ 4,619
Intergovernmental	281,600	281,600	286,219	4,619
Miscellaneous	1,800	1,800	47,344	45,544
Total revenues	565,000	565,000	619,782	54,782
<b>Expenditures</b>				
Current:				
Economic environment	4,300	4,300	2,795	1,505
Debt service:				
Principal	100,000	100,000	-	100,000
Total expenditures	104,300	104,300	2,795	101,505
<b>Excess of revenues over expenditures</b>	<b>460,700</b>	<b>460,700</b>	<b>616,987</b>	<b>156,287</b>
<b>Fund balance, beginning of year</b>	<b>1,499,624</b>	<b>1,499,624</b>	<b>1,499,624</b>	<b>-</b>
<b>Fund balance, end of year</b>	<b>\$ 1,960,324</b>	<b>\$ 1,960,324</b>	<b>\$ 2,116,611</b>	<b>\$ 156,287</b>



**West Melbourne – Brevard County  
Joint Community Redevelopment Agency  
Budgetary Notes to Required Supplementary Information**

**Note 1: BUDGETARY INFORMATION**

An annual operating budget is adopted by the Agency's Board on a cash basis consistent with U.S. generally accepted accounting principles.

Budgets are adopted by the Agency's Board pursuant to state law using the following procedures:

- Budget preparation begins with the formulation of a budget calendar by the City Manager, which is distributed generally during April of each year.
- Workshops with the Agency's Board are then held regarding budget priorities.
- Budget instructions containing Agency's priorities are then distributed to department heads along with forms and worksheets.
- The Agency submits an initial expenditure budget proposal to the Finance Director during May of each year. The Finance Director prepares a proposed budget showing each program activity, purpose or object of expenditure for the past three years, the current year's budget, and the next year's proposed budget.
- The City Manager reviews request, and then meets with Agency's Board, where proposed departmental budgets are amended.
- The City Manager and Finance Director prepare their final revenue estimates, which contain comparative and estimated data for each fund and revenue source, during June.
- The proposed budget is presented to the Agency's Board during June each year.
- The Agency Board considers a resolution adopting the official annual budget of the Agency during August of each year.
- The Agency Board considers the Agency budget after two public hearings held in September each year. After the budget is formally approved, budget documents are distributed to the County Commission within 10 days of adoption for budget implementation on October 1. During the fiscal year, the Finance Director monitors and reviews budgetary activities and prepares projections to be used to determine year-end cash balance and to prepare for the upcoming fiscal year budget.

Budgetary integration is established in the accounting records for management control purposes at the object of expenditure level, however, the City Charter establishes the level at which expenditures may not legally exceed the total Agency's appropriations. Therefore, the City Manager may, at any time, transfer appropriation amounts between line items, expenditure classifications, departments and funds without formal approval by the Agency Board.

However, any revisions that increase the total appropriations at the fund level of the Agency must be approved through amendment by the Agency Board.



**West Melbourne – Brevard County  
Joint Community Redevelopment Agency  
Budgetary Notes to Required Supplementary Information**

**Note 2: ENCUMBRANCES**

Open purchase orders and other commitments are recognized as expenditures in the period in which the actual goods or services are received and a liability is incurred. Encumbrances (e.g., purchase order, 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.





THIS PAGE IS INTENTIONALLY LEFT BLANK.



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

Honorable Chairman and Board Members  
West Melbourne – Brevard County Joint 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 governmental activities, and the major fund of the West Melbourne – Brevard County Joint Community Redevelopment Agency (the "Agency") as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated February 23, 2024.

**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 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 Agency'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

February 23, 2024





Carr, Riggs & Ingram, LLC  
215 Baytree Drive  
Melbourne, FL 32940

321.255.0088  
386.336.4189 (fax)  
CRlcpa.com

## **INDEPENDENT AUDITOR'S MANAGEMENT LETTER**

Honorable Chairman and Board Members  
West Melbourne – Brevard County Joint Community Redevelopment Agency

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

We have audited the financial statements of the West Melbourne – Brevard County Joint Community Redevelopment Agency (the "Agency") as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated February 23, 2024.

### **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 Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated February 23, 2024, 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 or 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 Agency is disclosed in the notes to the financial statements. There are no component units of the Agency.



## 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 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, we determined that the West Melbourne – Brevard County Joint 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 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 (Unaudited)

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the Agency reported the information below. This information has not been subject 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.

- |   |                    |
|---|--------------------|
| a. The total number of Agency employees compensated in the last pay period of the Community Redevelopment Agency's fiscal year.   | <b>None</b>        |
| b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the Agency's fiscal year.   | <b>None</b>        |
| c. All compensation earned by or awarded to employees, whether paid or accrued.   | <b>None</b>        |
| d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued.   | <b>None</b>        |
| 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, 2022, together with the total expenditures for such project.                                   | <b>None, \$0</b>   |
| 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. | <b>See page 35</b> |



As required by Section 218.39(3)(c), Florida Statutes, Section 10.554(1)(i)8, Rules of the Auditor General, the West Melbourne - Brevard County Joint Community Redevelopment Agency reported:

- |  |                |
|--|----------------|
| a. The millage rate or rates imposed by the Agency.  | <b>2.1186</b>  |
| b. The total amount of ad valorem taxes collected by or on behalf of the Agency.           | <b>286,219</b> |
| c. The total amount of outstanding bonds issued by the Agency and the terms of such bonds. | <b>None</b>    |

\* Does not include delinquency interest

The Agency does not impose non-ad valorem special assessments; therefore, reporting required by Section 218.39(3)(c), Florida Statutes and Section 10.554(1)(i)8 does not apply.

#### **Additional Matters**

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

#### **Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal, State and other granting agencies, the Agency 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  
February 23, 2024





THIS PAGE IS INTENTIONALLY LEFT BLANK.





Carr, Riggs & Ingram, LLC  
215 Baytree Drive  
Melbourne, FL 32940  
  
321.255.0088  
386.336.4189 (fax)  
CRLcpa.com

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

Honorable Chairman and Board Members  
West Melbourne – Brevard County Joint Community Redevelopment Agency

We have examined the West Melbourne – Brevard County Joint 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, 2023. Management of the Agency is responsible for the Agency's compliance with those 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 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 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*, during the year ended September 30, 2023.

This report is intended solely for the information and use of 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  
February 23, 2024





THIS PAGE IS INTENTIONALLY LEFT BLANK.





Carr, Riggs & Ingram, LLC  
215 Baytree Drive  
Melbourne, FL 32940  
  
321.255.0088  
386.336.4189 (fax)  
CRLcpa.com

## INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH REDEVELOPMENT TRUST FUND

The Honorable Chairman and Board Members  
West Melbourne – Brevard County Joint Community Redevelopment Agency

We have examined the West Melbourne – Brevard County Joint Community Redevelopment Agency's (the "Agency") compliance with the requirements of Section 163.387(6) and (7), Florida Statutes, *Redevelopment Trust Fund*, during the year ended September 30, 2023. 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 other ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement. Our examination does not provide a legal determination on the Agency's compliance with specified requirements.

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, 2023.

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  
February 23, 2024