

**CITY OF COCOA BEACH, FLORIDA**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**Fiscal Year Ended  
September 30, 2024**

**Prepared by:  
Hana Juman, Finance Director  
Devan Taly, Deputy Finance Director  
With the assistance of the Finance Department staff**



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## **INTRODUCTORY SECTION**

This section contains the following subsections:

- Letter of Transmittal
- Organizational Chart
- Principal City Officials
- GFOA Certificate of Excellence



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**City of Cocoa Beach**  
P.O. Box 322430, 2 South Orlando Avenue  
Cocoa Beach, Florida 32932-2430  
[www.cityofcocoa-beach.com](http://www.cityofcocoa-beach.com)



March 13, 2025

To the Honorable Mayor, City Commissioners  
and Citizens of the City of Cocoa Beach:

The Annual Comprehensive Financial Report (ACFR) of the City of Cocoa Beach, Florida for the fiscal year ended September 30, 2024 is submitted pursuant to Florida Statutes Chapters 11.45 and 218.39, and Section 3.03(4) of the City Charter.

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We consider the enclosed data to be accurate in all material respects and it is reported in a manner designed to present fairly the financial position and results of operations of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities are included.

The report complies in all material respects with the authoritative promulgations by the Governmental Accounting Standards Board (GASB). An explanation of the City's accounting policies is contained in the Notes to Financial Statements, which are an integral part of this Report. These Notes explain the basis of accounting, funds and accounts used, and other significant accounting information.

### **Internal Controls**

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with Generally Accepted Accounting Principles (GAAP).

The internal control structure is intended to provide reasonable, but not absolute, assurance that these objectives are met. The inherent limitations of internal control are that:

1. Cost considerations will prevent management from ever installing a "perfect" system. Management will properly and deliberately choose to run certain risks because the cost of preventing such risks cannot be justified, (i.e., costs should not exceed benefits);
2. Control related policies and procedures are subject to management override; and
3. Internal controls may be circumvented by collusion between employees.

### **Independent Audit**

Chapter 218.39, Florida Statutes requires that the financial statements of the City be audited by an independent Certified Public Accountant, licensed to practice in Florida. This audit has been completed by the City's independent Certified Public Accountants, Mauldin & Jenkins, LLC, and their opinion is included in their report.

## **Management Discussion and Analysis**

Generally Accepted Accounting Principles (GAAP) requires management to provide a narrative introduction, overview, and analysis to accompany the basic financial statements. This information is referred to as 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 City of Cocoa Beach's MD&A can be found immediately following the independent auditor's report.

## **Profile of the Government**

The City of Cocoa Beach has a Commission/Manager form of government. The five-member Commission consists of a Mayor and four Commissioners who are elected at large and serve for a period of four years. In the governance of the City, the Commission is charged with the responsibility of establishing policies and enacting ordinances and resolutions. The City Manager is appointed by the Commission and is charged with the responsibility of administering daily operations and implementing Commission directives. The City provides a range of services normally associated with a municipality, including police, fire, emergency medical services, parks and recreational activities, streets and parks maintenance, traffic engineering and metered parking, sanitation, wastewater treatment, stormwater improvements, community redevelopment, marketing, building inspections, code enforcement, planning and zoning, and general administration; including personnel, finance, and public records access through the City clerk. Wastewater treatment services are also provided to the adjacent unincorporated areas, including Port Canaveral and Patrick Air Force Base. The City also operates a twenty-seven-hole golf course. All monies required to support these services are reflected in this report.

## **Budgeting Process and Controls**

The City maintains budgetary control as part of its fiscal management techniques. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the governing body. Annual budgets are prepared for those funds that require them. Budgetary integration is established in the accounting records with a uniform chart of accounts as required by the state.

The government also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts lapse at year-end. As demonstrated by the statements and schedules included in the financial section of this report, the government continues to meet its responsibility for sound financial management. Note 1 of the financial statements contains a more complete discussion of the budget process.

## **Community Background**

The City of Cocoa Beach was incorporated in 1925, but really began growing residentially during the height of the Space Program in the 1960's. As a small oceanfront/riverfront community with six miles of highly accessible beaches and river access, lying in between the Banana River and the Atlantic Ocean, the City focuses on being a family-oriented tourist destination; however, the community has a solid residential component with 2,442 single family homes and 6,462 condominiums as of 2022. The diversity of the economy is driven by a mix of hotels/motels and businesses that are supportive of the tourism industry while also supporting the needs of the local residents. Cocoa Beach population (for State shared review purposes in Fiscal Year 2024) is 11,403, but seasonally the population more than doubles. Other factors are the normally estimated 2.4 million day-visitors to the city annually, reflecting the relative proximity to the Orlando Metro area.

Of the 2,700 acres that comprise Cocoa Beach, 900 acres are known as the Thousand Islands with a northern area jointly held by the City, County and State of Florida. The south area Thousand Islands are under the control of the Brevard County Environmentally Endangered Land Program.

The City has invested in the purchase of these islands and seeks to conserve and protect these valuable natural resources. For the most part, the City is built out with only a few exceptions. The primary focus moving forward will be redevelopment in specified areas. It should be noted that industrial uses are not permitted in the City limits.

### **Economic Condition and Outlook**

Cocoa Beach is following the initial impact of the global Coronavirus (COVID-19) pandemic on the City's Fiscal Year 2020 economic activity, i.e., tourism, hospitality, restaurants, etc., the City of Cocoa Beach has been slowly recovering. In April 2020, unemployment in Cocoa Beach reached 12.8%. At the end of Fiscal Year 2024, the unemployment rate had dropped to 3.7%. Several large re-development projects are currently in progress - The Drift Condominiums, Westin Resort, and Westgate Cocoa Beach Resort. These projects will bring more jobs, more tourism, and an increase in the tax base.

The financial condition and economic vitality of the Cocoa Beach area are influenced by the activities at the Kennedy Space Center and Port Canaveral to the north, and Patrick Air Force Base to the south. The Kennedy Space Center (KSC) is both a tourist attraction and a major employment center, with several space and defense contractors located there, supported by numerous local suppliers and support services. KSC was adversely impacted by the elimination of the space shuttle program. Facilities at KSC have since been reconfigured for private space endeavors. In 2024, 263 orbital missions (rockets) were launched from the Space Coast, including Space X's Falcon and ULA's Atlas V. In 2024, there were 17 orbital crewed flights. With rocket launches scheduled on an increasing basis, KSC has reclaimed its status as the most active rocket launch facility in the world.

Prior to the coronavirus pandemic, Port Canaveral sustained a favorable area impact with its growth in cruise ship services, port facilities, tonnage processed, and recreational activities. The Centers for Disease Control and Prevention (CDC) issued of a no-sail order in March 2020 for multiday cruise operations. Despite the cruise operations shutdown, cargo operations, helped by strong construction and road building activity in Florida, held their own. The Port has evolved into a major deep-water port of entry with berthing facilities, a marine commercial park and foreign trade zone. It is the world's first quadra-modal hub, interchanging freight among sea, land, air and space transportation modes. The Port continues to increase cargo ship activity, with the combined port costs for tugboats, piloting, line handling, dockage and water among the lowest in the Southeast. Annual cargo tonnage exceeds 6.5M tons with two liquid bulk facilities and nine dry cargo berths. Exploration Tower, a seven-story welcome center at the Port, is designed to serve as a focal point for the community. In Fiscal Year 2024, Port Canaveral reports nearly 31.7 million cruise passengers. In the Central Florida area, the Port brings in \$3.9 billion yearly, with nearly 23,000 jobs. With the increased activity at KSC, the cargo business at the Port continues to grow, and the Port is currently working on a plan to expand.

Patrick Space Force Base, home to the 45<sup>th</sup> Space Wing, is one of the area's major employers, as well as a provider of services to active military personnel, veterans and retirees.

State shared revenues (sales tax and fuel tax) in Fiscal Year 2020 sales tax revenue was 5.46% less than that of Fiscal Year 2019, the loss resulting from COVID-19 shutdowns. The City saw a notable increase in municipal revenue sharing (sales tax) in Fiscal Year 2022 and had kept a similar level in Fiscal Year 2023, indicating an increase in business activity/sales in the City. In Fiscal Year 2024, Florida's state shared revenues saw a combined increase of just over 2 billion across fiscal years. Fuel tax revenues have continued to remain relatively flat, but in the last four years have seen a small, but steady, increase (following the decline in Fiscal Year 2020).

The current session of the Legislature is considering changes in some tax measures. Florida is one of the lowest tax states<sup>1</sup> already, and previous recessionary times will make tax increases or revenue enhancements politically difficult. There are two half-cent sales taxes active at the county level:

- Voters first approved a referendum for a half-cent sales tax in 2016 for the Brevard County school system. In November 2020, voters renewed this surtax that funds critical school repairs and security upgrades.
- In 2017 a half-cent sales tax used to fund the Indian River Lagoon (IRL) restoration was approved by the voters. The City has successfully developed projects and submitted them for funding with proceeds from the IRL sales tax.

Adjusted current taxable property values increased 9.80% from Fiscal Year 2023 to Fiscal Year 2024. Property values are projected to continue to increase in Brevard County for 2025. Total ad valorem tax collections for Fiscal Year 2024 are \$16,344,715. Following the economic effects of COVID-19, the City has been experiencing increases in operating costs – the cost of services and supplies. The City is also seeing notable increases in the costs of capital projects and equipment purchases. The City strives to balance the budget using prioritization of capital needs and improving efficiency to keep the costs low, while looking for alternate revenue sources, such as grants and user fees. Page A–26 of the Fiscal Year 2024 Budget has a summary of ten years expenditures by use, and page A-27 of the Fiscal Year 2024 Budget has a summary of ten years revenue and expenditures (all funds). Page A-31 of the Fiscal Year 2024 Budget has a detailed explanation of ten years of tax collection history.

### **Long-Term Financial Planning**

With a stable population base, the City does not face the issue of adding significant infrastructure and related staffs to accommodate growth. Since the City is essentially fully developed, there is little potential for major additions to the tax roll. Such increases will come primarily from property redevelopment and re-evaluations. The stable (and slightly lower<sup>2</sup>) population base restricts growth in state shared revenue (allocated on a per capita basis).

The City Commission has an ambitious goal to redevelop Cocoa Beach by making the City a notable tourist destination as well as a desirable place to live. This development will require extensive planning as it must be accompanied by the revenues required to facilitate this development. The main focus, however, will be redevelopment of properties within the City as available underdeveloped and undeveloped land is minimal.

The financial position of the City has remained strong and sound with a stable economic base. It is influenced by the proximity of both the major tourist attractions such as the beaches and Port Canaveral, as well as the proximity to major employers such as the Kennedy Space Center and Patrick Space Force Base. The tourist business, affected by a declining economic environment, has been recovering the past few years. The extent of the increase in property values from the above activities will also be a factor.

Aging infrastructure has long been of a concern and is further brought to the forefront each summer as wind and rain associated with tropical storms and hurricanes continues to cause extensive damage to City infrastructure. With a total budget of \$9.3M, the new Police Station facility construction project began in fall of 2020 and was completed in Fiscal Year 2023. The main Fire Station was replaced ten years ago, an additional \$5M is estimated as the replacement cost for the north area fire station. The old City Hall was built in the 1960s and required demolition and replacement. Design of a new City Hall took place in

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<sup>1</sup> Tax Foundation: Background Paper, October 2013, No. 68.

<sup>2</sup> Population In Fiscal Year 2007 = 12,785; Population In Fiscal Year 2019 = 11,292; per state shared revenue allocations.

Fiscal Year 2023. In the same year the City Commission approved to proceed with construction contracting W&J Construction with a not to exceed amount of \$11.5M. Construction began in Fiscal Year 2024 and continues into Fiscal Year 2025. The new City Hall includes a green space area, stage, wash through area, and community center. See Note 2 of the financial statements for debt schedules associated with the infrastructure replacements discussed above.

Accumulating and setting aside funding sources for debt service in the face of rising operating costs while maintaining current service levels is challenging. The Commission has addressed this by adopting Resolution 2016-22 which commits \$1,000,000 in tax collections to help facilitate funding of construction of new municipal facilities. The police station construction project includes \$500,000 of the committed funds in its budget, thus reducing the committed remaining funds to \$500,000.

Over the last several years, the wastewater treatment plant required extensive capital upgrades to comply with increased regulatory requirements. These projects were funded with two state revolving fund (SRF) loans. Improvements to the collection systems to increase efficiency and manage peak flows (as experienced during and after Hurricanes Matthew and Irma) continue to be addressed and an additional SRF loan was approved in September 2019. The project was completed at the end of Fiscal Year 2020, and the debt schedule for the most recent SRF loan was finalized in Fiscal Year 2023. The projects are discussed in more detail in Note 6 of the financial statements.

Rate increases based on studies by outside consultants as well as in-house comparisons to surrounding communities have been adopted by the Commission. These include increases in golf rates, pool and other recreation fees, permit rates, stormwater fees, sewer fees, and fire inspection fees. In Fiscal Year 2023 the City Commission adopted Resolution 2023-06 establishing a Master Fee document. The document is amended by resolution for any rate changes.

### **Fiduciary Funds - Pension Trust Funds and OPEB Trust Fund**

The City provides three separate pension plans: general employees, police, and firefighters. Each plan is a contributory defined benefit plan administered by its own Board of Trustees. Each plan maintains separate investment pools, although the same investment manager is used by the police and firefighters. Specific details are addressed in Note 3 of the financial statements and Required Supplementary Information.

The City provides other non-pension benefits, collectively referred to as other post-employment benefits (OPEB). A fiduciary trust fund is used to aid in accounting for these benefits. The City recognizes the total OPEB liability and related deferred outflows of resources, deferred inflows of resources, and OPEB expense in the financial statements based on the actuarial present value of projected benefit payments as required by generally accepted accounting principles. Specific details are addressed in Note 4 of the financial statements.

### **Awards**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Cocoa Beach for its Annual Comprehensive Financial Report for the fiscal year ended September 30, 2023. This was the forty-second consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Annual Comprehensive Annual Financial Report (ACFR). This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

For the twenty-fourth year, the City also received the GFOA Distinguished Budget Presentation Award for the Fiscal Year 2024 annual budget. To receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communication medium. It is valid for a period of one year. We believe our current budget continues to conform to program requirements, and it has been submitted to GFOA to determine its eligibility for another award.

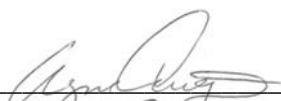
The City's debt policy adopted with Resolution 2014-09 was submitted to the Association of Public Treasurers of the United States and Canada (APT US&C) for their review and certification. The Certification is recognition that the governmental entity has developed and adopted policies that address the fundamental elements of debt issuance and management. The Certificate of Excellence for Debt Policy was presented in 2015. The APT US&C recommends updates at five-year intervals.

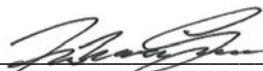
**Acknowledgments**

Preparation of this Annual Comprehensive Financial Report on a timely basis is made possible through the efficient, dedicated and professional efforts of the Finance Department staff. The significant amount of year-end closing procedures required prior to the audit would not have been accomplished without much hard work and personal sacrifice. We are grateful for the contributions they made in the preparation of this report and for their untiring efforts towards improving the Finance Department's operations.

Other City Departments, although not extensively involved in year-end audit activities, contributed significantly by ensuring the accuracy and integrity of accounting information compiled throughout the year. Without their diligence, the work of the Finance Department would have been considerably more difficult. Appreciation must also be expressed to the City's auditors whose suggestions and attention to detail enhanced the quality of this report. In closing, special thanks are expressed to you, Mayor and Commission for your unyielding support and steadfast commitment to maintaining the financial integrity of the City. We can all share in the success we have experienced.

Respectfully submitted,

  
\_\_\_\_\_  
Wayner Carragino,  
City Manager

  
\_\_\_\_\_  
Hana Juman,  
Finance Director

**CITY OF COCOA BEACH, FLORIDA**

**PRINCIPAL CITY OFFICIALS  
SEPTEMBER 30, 2024**

**MAYOR**

Keith Capizzi

**VICE MAYOR**

Skip Williams

**CITY COMMISSION**

Joshua Jackson  
Tim Tumulty  
Jeremy Hutcherson

**CITY MANAGER**

Wayne Carragino

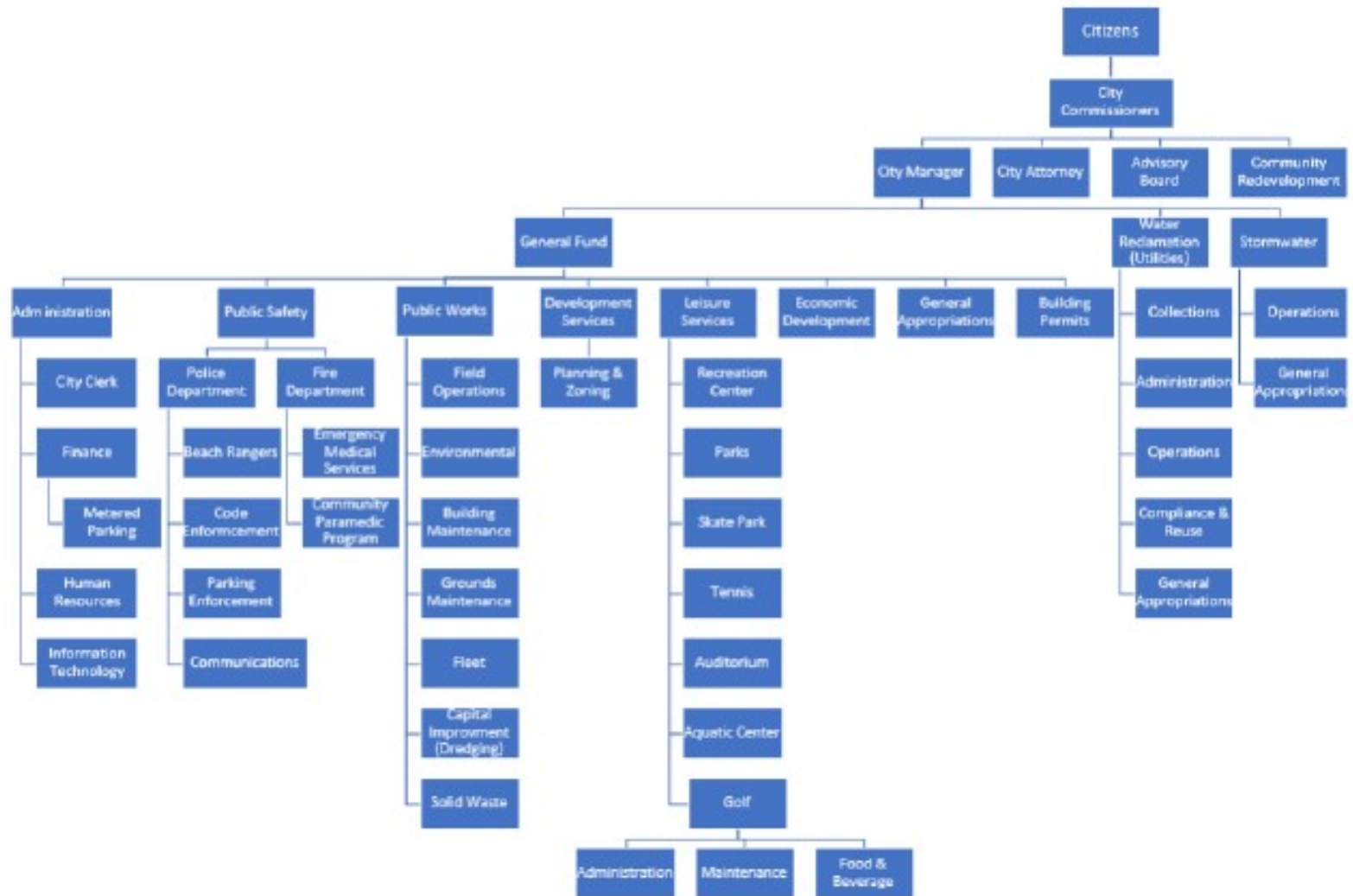
**CITY ATTORNEY**

Becky Vose

**CITY CLERK/PUBLIC RELATIONS**

Karin Grooms

**City of Cocoa Beach, Florida  
Organization Chart  
As of September 30, 2024**





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Cocoa Beach  
Florida**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

September 30, 2023

*Christopher P. Merrill*

Executive Director/CEO



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## **FINANCIAL SECTION**

This section contains the following subsections:

- Independent Auditor's Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Required Supplementary Information



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## Independent Auditor's Report

**To the Honorable Mayor,  
Members of the City Commission  
City of Cocoa Beach, Florida**

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

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Cocoa Beach, Florida (the "City"), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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 City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### **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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension and other post-employment benefit schedules on pages 4 through 13, and 67 through 81, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund statements and schedules are presented for additional purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.550, Rules of the Auditor General, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules and schedule of expenditures of federal awards and state financial assistance is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical 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 March 13, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 City'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 City's internal control over financial reporting and compliance.



Bradenton, Florida  
March 13, 2025



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## MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's discussion and analysis is designed to: (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the City's financial activity, (c) identify changes in the City's financial position, (d) identify any material deviations from the financial plan, and (e) identify individual fund issues or concerns. Readers are encouraged to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal in the Introductory Section of the report.

### FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City of Cocoa Beach exceeded its liabilities and deferred inflows of resources as of September 30, 2024, by \$100,143,055 (net position). Of this amount, \$18,844,511 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors. Governmental and business-type assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$54,286,902 and \$45,856,153, respectively.
- The City's total net position was increased by \$9,601,186 or 10.60%, in comparison to the prior year. The City's unrestricted net position, which may be used to meet the City's ongoing obligations to its citizens and creditors, increased by \$2,128,941, a 12.73% increase from the prior year. The increase in net position is partially due to increases in user charges, including utilities system rates and charges for services at the Golf Course. In addition, the City deferred capital projects and capital equipment purchases.
- At September 30, 2024, the City of Cocoa Beach's governmental fund balance sheet reported a combined ending fund balance of \$21,104,547, an increase of 3.05% from the Fiscal Year 2023 ending fund balance of \$20,479,300. Of this amount, \$7,361,698 remains in the General Fund of the City as unassigned fund balance.
- The General Fund reported a total fund balance of \$18,370,491 at year-end, an increase from the last fiscal year of \$1,446,736. The ending fund balance in Fiscal Year 2023 was \$16,923,755. The increase is due to an overall effort to hold expenditures below budgeted amounts where possible and increases in revenues primarily related to increases in user charges and some rate increases.
- Total external debt increased by \$1,370,597 (3.75%) in Fiscal Year 2024. This increase is due to a combination of the addition of Special Obligation Note, Series 2024 in the amount of \$3,953,000, offset by payments in debt obligations in the amount of \$(3,195,988) and proceeds of new subscription liabilities of \$613,585. See Note 2 to the financial statements for comprehensive debt schedules.

### MAJOR INITIATIVES

- On April 18, 2023, the City Commissioners voted to move forward with the design/architectural plans for the construction of a new City Hall complex. Construction started and continued through Fiscal Year 2024. The complex was funded with a blend of cash resources, utilization of ARPA funds, and debt issuance to finance the new City Hall construction. The complex includes an area for the Freedom 7 senior community center, a parking/wash through area, as well as Commission meeting room, and office space for the City's administrative staff. Currently completion is scheduled for the Spring of 2025.

- Indian River Lagoon dredging projects are 100% grant funded and continue to be a priority to meet the challenge to Improve water quality in the lagoon. The City has two such projects underway:
  - The City has an interlocal agreement with Brevard County/Florida Department of Environmental Protection (FDEP) for muck dredging/capping services. Additionally, grants for the dredging project have been awarded by St. Johns River Water Management District (SJRWMD) and the Save Our Indian River Lagoon Project (SOIRLP) (half cent sales tax revenues) in previous years. The 400 Channel Dredge project is currently in the construction phase and on-going for Fiscal Year 2024-2025.

Grant(s) summary for Muck Capping:

Save Our Indian River Lagoon (SOIRL)	\$29,103,198
Florida Department of Environmental Protection (FDEP)	<u>\$12,000,000</u>
	\$41,103,198

- Brevard County is partnering with the City via the SOIRLP to perform the Cocoa Beach Golf Capping Project. The SOIRLP has identified the waters around the Cocoa Beach Golf Course as a location of high concentrations of muck. The Project includes approximately 140 acres and 975,000 cubic yards of muck deposits adjacent to the Cocoa Beach Golf Course and Cocoa Beach High School. As part of this project an evaluation of capping as an alternative to muck dredging was conducted. It was decided by City Commission that capping would be a more cost-effective alternative and that this approach will be undertaken in lieu of muck dredging. The SOIRLP will provide 100% of the project funds. The City will perform all Project Management in conjunction with consultants. Additional grant funds came from Florida Department of Environmental Protection (FDEP) in Fiscal Year 2022. The multi-year project started in summer of Fiscal Year 2021. Total Project Cost and grant funding is estimated at \$41,103,198.
- The Water Reclamation Department completed a comprehensive project to improve the sewer treatment plant with major capital upgrades. These upgrades and improvements address items directly related to the National Pollutant Discharge Elimination System (NPDES) permitting requirements outlined in the Wastewater Facility Plan. The City secured a Clean Water State Revolving Fund (SRF) Loan for the project (see Note 3 in the financial statements for details).

**FINANCIAL STATEMENTS**

**Overview of the Financial Statements**

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

**Government-Wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the City’s finances in a manner like a private-sector business. The statement of net position presents information on all the City’s assets, deferred outflows of resources, liabilities, deferred inflows of resources with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the government’s net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cashflows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges to external users (business-type activities). The governmental activities of the City include general government, planning and zoning, public safety, transportation, sanitation, street and park maintenance, public improvements, and recreation. The business-type activities of the City include wastewater treatment/reuse and stormwater management.

The government-wide financial statements include only the City of Cocoa Beach itself (the primary government). The Cocoa Beach Public Library is funded through the Brevard County Free Public Library District, a separate taxing authority and is not included under the reporting entity definition in the City's financial statements.

### **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 City of Cocoa Beach, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the City of Cocoa Beach can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

### **Governmental Funds**

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, 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.

Five individual governmental funds are maintained; the General Fund, Community Redevelopment Agency (CRA) Fund, the Building Permit & Inspection Utilization Fund, the Confiscated Property Fund, and the Capital Improvements Project Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and CRA Fund, which are considered to be major funds. Since the Building Permit & Inspection Utilization Fund, the Confiscated Property Fund and the Capital Improvements Projects Fund are not considered to be major funds, data from the funds are combined into a single, aggregated presentation. The City of Cocoa Beach adopts an annual appropriated budget for its governmental funds. A budgetary comparison statement has been provided for the major governmental funds to demonstrate compliance with this budget.

### **Proprietary Funds**

This category of funds includes both enterprise and internal service funds. The City maintains two funds which are considered enterprise funds. The City uses enterprise funds to account for the waste collection/disposal/reuse water system, and stormwater management system. Proprietary funds provide the same type of information as the government-wide financial statements. The proprietary fund financial statements provide separate information for the Utilities System Fund, and Stormwater Management Fund, each of which are considered to be major funds of the City.

Internal service funds are used to account for any activity that provides goods or services to other funds, departments or agencies of the primary government on a cost-reimbursement basis. In Fiscal Year 2023, the City established a new internal service fund – the Health Care Fund – to internally track the City's costs of providing health care services to all current and separated employees.

**Fiduciary Funds**

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's programs. The City has three pension trust funds (General Employees', Police, & Firefighters), and an OPEB trust fund. Financial information for these funds is provided in the notes to the financial statements.

**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.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

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

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. For the City of Cocoa Beach, the net position was \$100,143,055 at the close of the most recent fiscal year. This is a \$9,601,186 increase in net position over the \$90,541,869 reported in Fiscal Year 2023.

The increase is attributed to the rise in total assets, in both governmental and business-type activities. Most of this increase is a result of the completion of capital projects and major improvements to the Water Reclamation Facility. Detailed information on capital asset activity can be found in Notes 2 in the Notes to the Financial Statements.

As stated above, the City's net position totaled \$100,143,055 at the end of Fiscal Year 2024. The largest portion of the City's net position reflects the investment in capital assets (e.g. land, buildings, machinery, and equipment). Although the City's investment in its capital assets (\$76,597,902, 76.49% of total net position) is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 28,600,920	\$ 28,072,209	\$ 14,635,675	\$ 12,795,750	\$ 43,236,595	\$ 40,867,959
Capital assets	62,840,928	55,034,968	51,881,892	50,296,927	114,722,820	105,331,895
Total assets	<u>91,441,848</u>	<u>83,107,177</u>	<u>66,517,567</u>	<u>63,092,677</u>	<u>157,959,415</u>	<u>146,199,854</u>
Deferred outflows	<u>5,975,466</u>	<u>9,126,917</u>	<u>317,736</u>	<u>624,882</u>	<u>6,293,202</u>	<u>9,751,799</u>
Long-term liabilities						
outstanding	34,475,516	31,341,895	20,091,355	20,311,149	54,566,871	51,653,044
Other liabilities	5,725,560	8,444,380	520,615	2,440,534	6,246,175	10,884,914
Total liabilities	<u>40,201,076</u>	<u>39,786,275</u>	<u>20,611,970</u>	<u>22,751,683</u>	<u>60,813,046</u>	<u>62,537,958</u>
Deferred inflows	<u>2,929,336</u>	<u>2,487,555</u>	<u>367,180</u>	<u>384,271</u>	<u>3,296,516</u>	<u>2,871,826</u>
Net investment in						
capital assets	43,941,644	39,200,127	32,656,258	28,910,117	76,597,902	68,110,244
Restricted	2,764,738	3,780,151	1,935,904	1,935,904	4,700,642	5,716,055
Unrestricted	7,580,520	6,979,986	11,263,991	9,735,584	18,844,511	16,715,570
Total net position	<u>\$ 54,286,902</u>	<u>\$ 49,960,264</u>	<u>\$ 45,856,153</u>	<u>\$ 40,581,605</u>	<u>\$ 100,143,055</u>	<u>\$ 90,541,869</u>

## Management's Discussion and Analysis

A portion of the City of Cocoa Beach's net position, \$4,700,642 (4.69% of total net position), represents resources that are subject to external restrictions on how they may be used. The balance of unrestricted net position, \$18,844,511 (18.82% of total net position) may be used to meet the government's ongoing obligations to citizens and creditors within the respective governmental and business-type activities. At the end of the current fiscal year, the City of Cocoa Beach is able to report positive balances in all three categories of net position as a whole.

The change in net position balance from Fiscal Year 2023 to Fiscal Year 2024 is \$9,601,186 as shown in the Schedule of Changes in Net Position on the next page. Ad valorem tax revenues increased in the General Fund by 9.52% from Fiscal Year 2023 to Fiscal Year 2024.

The following display of Changes in Net Position shows the governmental and business-type activities during the fiscal year.

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
<b>Revenues</b>						
Program revenues						
Charges for services	\$ 12,953,097	\$ 11,215,136	\$ 10,864,493	\$ 8,854,850	\$ 23,817,590	\$ 20,069,986
Operating grants and contributions	515,615	569,686	-	-	515,615	569,686
Capital grants and contributions	2,962,902	-	4,350,528	1,326,734	7,313,430	1,326,734
General revenues						
Property taxes	17,735,374	16,148,215	-	-	17,735,374	16,148,215
Other taxes	4,923,392	4,428,498	-	-	4,923,392	4,428,498
Intergovernmental	611,572	1,822,361	-	-	611,572	1,822,361
Unrestricted investment earnings	1,390,654	1,089,756	492,264	435,298	1,882,918	1,525,054
Other	171,720	194,252	95,263	126,375	266,983	320,627
Total revenues	<u>41,264,326</u>	<u>35,467,904</u>	<u>15,802,548</u>	<u>10,743,257</u>	<u>57,066,874</u>	<u>46,211,161</u>
<b>Expenses</b>						
General government	7,251,156	6,497,673	-	-	7,251,156	6,497,673
Economic environment	538,650	257,415	-	-	538,650	257,415
Public safety	15,555,328	14,892,935	-	-	15,555,328	14,892,935
Physical environment	4,159,351	5,176,387	-	-	4,159,351	5,176,387
Transportation/public works	6,845,800	3,753,104	-	-	6,845,800	3,753,104
Recreation	3,941,597	3,899,067	-	-	3,941,597	3,899,067
Interest on long-term debt	462,300	436,943	-	-	462,300	436,943
Utility system	-	-	7,725,064	7,178,447	7,725,064	7,178,447
Stormwater management	-	-	986,442	813,419	986,442	813,419
Total expenses	<u>38,754,182</u>	<u>34,913,524</u>	<u>8,711,506</u>	<u>7,991,866</u>	<u>47,465,688</u>	<u>42,905,390</u>
Change in net position before transfers	2,510,144	554,380	7,091,042	2,751,391	9,601,186	3,305,771
Transfers	1,816,494	1,933,909	(1,816,494)	(1,933,909)	-	-
Change in net position	4,326,638	2,488,289	5,274,548	817,482	9,601,186	3,305,771
Net position, beginning	49,960,264	47,471,975	40,581,605	39,764,123	90,541,869	87,236,098
Net position, ending	<u>\$ 54,286,902</u>	<u>\$ 49,960,264</u>	<u>\$ 45,856,153</u>	<u>\$ 40,581,605</u>	<u>\$ 100,143,055</u>	<u>\$ 90,541,869</u>

## FINANCIAL ANALYSIS OF COCOA BEACH'S FUNDS

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

### Governmental Funds

The City uses three governmental fund types (General, Special Revenue, and Capital Projects). The purpose of governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. 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 September 30, 2024, the City of Cocoa Beach's governmental funds reported a combined fund balance of \$21,104,547. This is an increase of \$625,247 from the prior year balance of \$20,479,300.

The General Fund is the chief operating fund of the City. As of September 30, 2024, total fund balance in the General Fund was \$18,370,491 of which \$7,3691,698 was unassigned. As a measure of liquidity, a comparison of total and unassigned fund balances to total expenditures for Fiscal Year 2024 \$37,257,476 and Fiscal Year 2023 \$33,317,173, respectively for unassigned fund balance. As previously mentioned in the discussion of changes in net position, the primary change is due to a change in the reserve policy committing additional reserves to disaster recovery. The change in fund balance is also attributed to an overall increase in, tax revenues and grant reimbursements, while also holding expenditures at or below budgeted amounts.

**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 2024 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 \$8,181,643. A large portion of the difference is from the Muck Dredging project, which had State grants and capital expenditures budgeted, however additional costs were expended in Fiscal Year 2023, design is expected to be completed and construction will begin in Fiscal Year 2024 through Fiscal Year 2025. Another portion of the difference is attributed to the carrying over of budgeted funds to the Fiscal Year 2024 budget in the amount of \$4,908,956 pursuant to Resolution 2013-15 for capital projects that were not completed by the end of the fiscal year.

**Special Revenue Funds.** Special Revenue Funds account for specific revenues and expenditures. The City has two special revenue funds.

### Community Redevelopment Agency (CRA) Fund

The CRA is a major governmental fund used to account for monies from the incremental increase in property tax revenue collected within the designated redevelopment area. Consistent with State law, revenues are utilized and expended in accordance with the Community Redevelopment Plan. Fund balance at the end of Fiscal Year 2024 was \$1,367,398. Fund balance at the end of Fiscal Year 2023 was \$2,816,538. The \$1,449,140 net change is reflective of a large transfer out in Fiscal Year 2024 for capital projects. A project under consideration in the CRA is a Downtown Cultural Greenspace. This is a project to develop the area where City Hall formerly was located. The funds in investments will be used in Fiscal Year 2024/ Fiscal Year 2025 to pay for the greenspace and wash-through portion of the City Hall complex construction.

The TIF has continued to increase in subsequent years as taxable values have risen. The increase from 2023 to 2024 is \$160,720. With several large re-development projects that are currently underway, it is anticipated that the TIF will continue to increase in the next few years.

### Confiscated Property Fund

The entire fund balance of the Confiscated Property Fund is considered restricted fund balance because it can only be used for certain enumerated law enforcement expenditures as defined by state statute. The fund balance is \$153,329 for Fiscal Year 2024. This balance is unchanged from Fiscal Year 2023.

### **Building Permit and Inspection Utilization Fund**

At the end of Fiscal Year 2022, the City established a new Special Revenue fund to track balances and activities related to new construction building permits, pursuant to Florida Statutes Chapter 553. The fund balance is \$965,092 for Fiscal Year 2024.

### **Capital Projects Improvement Fund**

Major governmental facilities construction and improvements transactions are recorded in this fund. In Fiscal Year 2024 the City budgeted for the City Hall complex construction and for the Bicentennial Park construction in this fund. City Hall construction was well underway throughout the fiscal year. Pre-construction work was completed in Fiscal Year 2024 for the Bicentennial Park project. The fund balance is \$248,237 for Fiscal Year 2024.

### **Proprietary Funds**

Beginning in Fiscal Year 2023, the City began using both of the two types of proprietary funds (Enterprise and Internal Service) and provides the same type of information found in the government-wide financial statements, but in more detail.

### **Enterprise Funds**

At September 30, 2024, total net position amounted to \$45,125,419 for enterprise funds as compared to \$40,129,320 at September 30, 2023. Net position changes are a result of operations, capital grants, capital contributions and transfers in the Utilities System and Stormwater Management Funds.

The operating income in the Utilities System was \$1,456,611 more than in Fiscal Year 2023 primarily due to a reduction in the expenses for contractual services, materials, and supplies. The reduction in operational expenses was from deferring some operational needs until Fiscal Year 2025.

The Stormwater Management operating income decrease of \$81,016 from Fiscal Year 2023 is primarily a result of no rate increase and increased operating costs. The City completed a Stormwater System Rate Review in Fiscal Year 2024 and therefore on July 17, 2024 the Commission adopted the Resolution 2024-16 which provides for rate increases through Fiscal Year 2025.

### **Internal Service Funds**

In Fiscal Year 2023 the City created a new internal service fund, the Health Care fund, to track the City's costs of providing health care services to current and separated employees. At September 30, 2024, total net position amounted to \$1,772,712 for Internal Service funds. The charges for services and operating expenses during Fiscal Year 2023 were used for the new fund net position at the end of Fiscal Year 2024. This balance will be available to offset rising health care costs in future years.

## **CAPITAL ASSET ADMINISTRATION**

### **Capital Assets**

The City of Cocoa Beach's investment in capital assets as of September 30, 2024 is \$114,722,820 (net of accumulated depreciation/amortization). This investment in capital assets includes land, buildings, improvements, equipment, infrastructure, work in progress, right-to-use lease assets and right-to-use subscription assets. Governmental activities investment in capital assets increased by \$7,805,960 and business-type activities increased by \$1,584,965. The primary reason for the change in the Business-type Activities Schedule is the disposal and depreciation of aging infrastructure, buildings, improvements, and equipment.

Major changes in governmental activities included a new City Hall complex, new fire squad vehicle, fleet vehicle replacements, paving projects, Information Technology (IT) upgrades and equipment, and country club improvements. For the business-type activities, the sludge reuse ground storage tank repairs and various lift station repair projects are in the improvements category. Additionally, for the business -type activities, the major acquisitions are the gravity sewer slip-lining (work in progress category), and the sludge biosolids processing project. These acquisitions were offset by disposals and depreciation of aging infrastructure, buildings, improvements, and equipment.

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 7,950,653	\$ 7,950,653	\$ 1,691,599	\$ 1,691,599	\$ 9,642,252	\$ 9,642,252
Buildings	19,316,706	19,632,963	1,571,868	1,644,551	20,888,574	21,277,514
Infrastructure	553,783	541,457	25,986,253	26,727,087	26,540,036	27,268,544
Improvements	17,165,893	16,495,413	11,128,677	12,328,595	28,294,570	28,824,008
Equipment	4,710,375	4,572,579	1,995,187	987,246	6,705,562	5,559,825
Right-to-use lease/subscripton	545,393	69,634	-	-	545,393	69,634
Construction in progress	12,598,125	5,772,269	9,508,308	6,917,849	22,106,433	12,690,118
Total	<u>\$ 62,840,928</u>	<u>\$ 55,034,968</u>	<u>\$ 51,881,892</u>	<u>\$ 50,296,927</u>	<u>\$ 114,722,820</u>	<u>\$ 105,331,895</u>

The City annually updates a five-year Capital Improvements Program (CIP) and forecasts the funding requirements for necessary equipment and facilities. These requirements, as well as projected costs of operations and maintenance, are compared and adjusted based on forecasted sources of funding over that timeframe. Additional information on the City's capital assets can be found in Note 2 to the financial statements.

### DEBT ADMINISTRATION

#### Long-Term Debt

At the end of the current fiscal year, the City of Cocoa Beach had a total long-term debt in the amount of \$37,935,004, including bond premiums.

The City is participating in the State of Florida Revolving (SRF) Loan Program with twenty (20) year loans for utilities facility upgrades and sewer systems rehabilitation and stormwater improvements. The outstanding balance of the SRF loans is \$4,773,679; during the fiscal year 2021 SRF #050610 and #050620 were refinanced with revenue bonds, saving over \$1million in interest expense over the life of the debt. A bank loan was issued in Fiscal Year 2014 for the construction of the new fire station and has an outstanding balance of \$2,230,000. In Fiscal Year 2022, the City acquired golf carts through a lease/purchase agreement totaling \$467,197, the outstanding principal balance as of September 30, 2024 is \$241,734.

In Fiscal Year 2021 the City entered into a Master Equipment Lease (treated as a financed purchase arrangement) Agreement in the amount of \$1,200,000 for a new fire tower truck, and in Fiscal Year 2022 for \$440,737 for a new vac-con truck, the master equipment lease has an outstanding balance of \$1,059,000. 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 \$2,760,000. In Fiscal Year 2019 debt was issued with Special Obligation Revenue Note, Series 2019 for the construction of a new police station and municipal facilities improvements in the amount of \$9,751,000, and has an outstanding amount of \$7,825,000. In Fiscal Year 2024 debt was issued with Special Obligation Revenue Note, Series 2024 for the construction of the City Hall Complex in the amount of \$3,953,000. See Note 2 to the financial statements for additional information and for subsequent year-end debt information.

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Notes payable	\$ 14,008,000	\$ 10,696,000	\$ 4,773,679	\$ 5,059,099	\$ 18,781,679	\$ 15,755,099
Bonds payable	2,960,336	3,297,601	14,184,000	15,555,000	17,144,336	18,852,601
Financed purchases	1,300,734	1,517,182	267,955	354,921	1,568,689	1,872,103
Lease liability	-	57,786	-	-	-	57,786
SBITA liability	440,300	26,818	-	-	440,300	26,818
Total	<u>\$ 18,709,370</u>	<u>\$ 15,595,387</u>	<u>\$ 19,225,634</u>	<u>\$ 20,969,020</u>	<u>\$ 37,935,004</u>	<u>\$ 36,564,407</u>

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The City's elected and appointed officials considered many factors when setting the fiscal year 2025 budget, tax rates, and fees to be charged for the business-type activities. In the past few years, the City has obligated significant dollars on new facilities, street resurfacing and infrastructure upgrades. The City has also managed to accumulate an acceptable level of unassigned reserves. Resolution 2021-23 amends formalized reserve policies to be in line with GASB 54 definitions and criteria for classifying fund balances. Bordering the ocean, the City wishes to hold reserve balances sufficient for those immediate expenditures associated with hurricanes, as well as expenditures required to maintain normal operations. Although a substantial portion of hurricane expenditures are typically reimbursed, this practice is considered necessary to avoid disruptions in operations. In Fiscal Year 2023 the City Commission adopted Ordinance number 1681 setting committed reserve balances of 19% of the General Fund for purposes of disaster recovery and setting non committed reserves of not less than 1%, increasing by 1% per year for five years.

The City is effectively built-out, however, several redevelopment projects for new construction are progressing and could produce annual increases in property tax receipts in future years. It is important to the City's future that property tax revenues be maintained or increased from year-to-year because it is the largest component of the General Fund's annual revenues. Other revenues are not likely to increase significantly and since some of those sources (e.g. state shared revenues, grants) are beyond the City's control, property taxes are the most promising source of future funding. Developing new revenue sources and increasing existing ones are of increasing importance.

Although the City is challenged by increased costs for employee benefits (primarily health insurance, workers compensation), it does not face demands to add personnel to extend current levels of service into new areas. With staffing levels now equal to those of a decade ago, a review to determine appropriate handling of our workloads continues.

The five-year CIP always presumes that operations and capital replacements are expected to be sufficiently funded without having to increase the ad valorem tax rate. This is accomplished through prioritization of capital projects, budgeting for the most critical needs each year, and deferring projects that can potentially last longer.

The high salt content in the area is extremely damaging to the equipment used for maintenance and funding the maintenance expense and replacement costs is an ongoing burden. The City has constructed a garage for equipment storage to aid in mitigating the salt issue and selectively purchases used equipment to lower capital costs. The course has been re-greened with a salt-resistant grass and play is gradually recovering as the economy improves. During Fiscal Year 2023, and continuing into Fiscal Year 2024, the City has been renovating and improving the Country Club facility, including improvements to the restaurant, pro-shop, bathrooms, landscaping, and exterior structures around the Golf Course.

The twenty-seven-hole golf course is actively used, particularly in the busy winter season, so strategies to increase play are marginally helpful. The improvements and purchasing practices mentioned in the preceding paragraph are also helpful, but do not produce immediate, dramatic results.

The Golf Course Fund was incorporated into the General Fund with the adoption of Resolution 2013-21, beginning in Fiscal Year 2014. Golf course activity is presented in the category of Recreation in the General Fund. Play has still not returned to historical levels, but the number of rounds played continues to rise as the economic recovery continues. A comprehensive study by the National Golf Foundation proposed a series of rate increases and restructuring (i.e. sun-setting) of annual memberships to encourage revenue generation. The study was adopted by Resolution 2015-33 in November 2015. The current rates are set by Resolution 2023-06. During Fiscal Year 2023 the City began a renovation of the Country club, including new carpeting, painting, screening the outdoor patio, and furniture. These renovations have continued into Fiscal Year 2024 and include complete renovations to the bathrooms and some outbuildings.

The Utilities System enterprise fund is in a similar situation. Environmental standards for discharges into the Indian River Lagoon have become stricter. The City completed a Water Treatment Plant Sustainability Plan in Fiscal Year 2020, Resolution 2020-28, to address the long-term management of the assets associated with the plant, which includes a fiscal plan for the maintenance, repair, and replacement of the facility's assets over a 20-year planning period. In April 2023 the City completed a Utility Rate Assessment and in May 2023 the City Commission adopted Resolution 2023-06 increasing rates by 25% effective October 1, 2023. The rate study provided proposed rate increases over a five-year period beginning in Fiscal Year 2024. The proposed rate increases are necessary to fund debt service for capital items, as well as cover increased costs of operations and the new regulatory requirements.

Forecasts for the Stormwater Management enterprise fund show that large capital improvement projects will have to be funded using grants or loans. Revenues are not sufficient to fund both operations and capital projects of any size. In addition to the budgetary challenges facing the Stormwater Fund, federal Clean Water Act legislation concerning the TMDL and National Pollutant Discharge Elimination System programs are unfunded mandates upon local government and require extensive staff resource time and effort. The last increase in Stormwater rates occurred in Fiscal Year 2020, adopted by Resolution 2015-31.

The City's current residential dredging program and schedule was developed through an interlocal agreement with Brevard County, Save Our Indian River Lagoon Program (SOIRLP) and Saint Johns River Water Management District (SJRWMD) as a part of the funding made available to clean the Indian River Lagoon. Dredging for thirty-six residential canals under this agreement continues into FY 2024. Additionally, the five-year Golf Muck Dredging/Capping Project funded by the SOIRLP was added as an Indian River Lagoon clean-up initiative in Fiscal Year 2020, the design for this project will be completed in Fiscal Year 2024 through Fiscal Year 2025 and construction should begin in Fiscal Year 2026. This is a 100% grant funded project.

All these factors were considered in preparing the City's budget for Fiscal Year 2024. The Fiscal Year 2024 millage rate is 6.1644, the rollback rate is 5.6516. The rollback rate produces the same ad valorem tax revenue as the previous year and therefore is not a tax increase. See the economic outlook section of the letter of transmittal for additional details regarding economic conditions.

### REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Cocoa Beach's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Hana Juman, Finance Director, 1600 Minutemen Causeway, Cocoa Beach, Florida, 32931 or [Hana.Juman@cityofcocoabeach.com](mailto:Hana.Juman@cityofcocoabeach.com). The financial statements are included in the City's Annual Comprehensive Financial Report (ACFR) posted on the City's website at [www.cityofcocoabeach.com](http://www.cityofcocoabeach.com).



# City of Cocoa Beach, Florida

## STATEMENT OF NET POSITION SEPTEMBER 30, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 858,305	\$ -	\$ 858,305
Investments	28,717,685	5,946,507	34,664,192
Accounts receivable, net	1,133,071	1,701,767	2,834,838
Due from other governments	1,010,261	1,394,898	2,405,159
Internal balances	(3,645,545)	3,645,545	-
Inventory	90,202	-	90,202
Prepaid items	436,941	11,054	447,995
Restricted investments	-	1,935,904	1,935,904
Capital assets			
Non-depreciable assets	20,548,778	11,199,907	31,748,685
Depreciable assets, net of depreciation	42,292,150	40,681,985	82,974,135
<b>TOTAL ASSETS</b>	<b>91,441,848</b>	<b>66,517,567</b>	<b>157,959,415</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows - pensions	4,498,408	95,854	4,594,262
Deferred outflows - OPEB	1,477,058	221,882	1,698,940
Total deferred outflows of resources	5,975,466	317,736	6,293,202
<b>LIABILITIES</b>			
Accounts payable	1,263,143	320,766	1,583,909
Due to other governments	15,607	-	15,607
Accrued liabilities	1,956,267	105,946	2,062,213
Accrued interest	187,357	93,903	281,260
Deposits	-	-	-
Unearned revenues	2,303,186	-	2,303,186
Noncurrent liabilities			
Portion due within one year	2,941,600	1,801,725	4,743,325
Portion due after one year	31,533,916	18,289,630	49,823,546
<b>TOTAL LIABILITIES</b>	<b>40,201,076</b>	<b>20,611,970</b>	<b>60,813,046</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows - pensions	895,328	61,634	956,962
Deferred inflows - OPEB	2,034,008	305,546	2,339,554
Total deferred inflows of resources	2,929,336	367,180	3,296,516
<b>NET POSITION</b>			
Net investment in capital assets	43,941,644	32,656,258	76,597,902
Restricted for			
Law enforcement	1,271,750	-	1,271,750
Community redevelopment	983,573	-	983,573
Building code enforcement	-	-	-
Capital projects	248,237	-	248,237
Debt service	261,178	1,935,904	2,197,082
Unrestricted	7,580,520	11,263,991	18,844,511
<b>TOTAL NET POSITION</b>	<b>\$ 54,286,902</b>	<b>\$ 45,856,153</b>	<b>\$ 100,143,055</b>

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

City of Cocoa Beach, Florida

**STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>PRIMARY GOVERNMENT</b>							
<b>Governmental activities</b>							
General government	\$ 7,251,156	\$ 3,181,533	\$ -	\$ 2,050,899	\$ (2,018,724)	\$ -	\$ (2,018,724)
Economic environment	538,650	564,893	-	-	26,243	-	26,243
Public safety	15,555,328	2,993,447	340,615	553,075	(11,668,191)	-	(11,668,191)
Physical environment	4,159,351	-	-	-	(4,159,351)	-	(4,159,351)
Transportation/public works	6,845,800	3,022,972	-	-	(3,822,828)	-	(3,822,828)
Recreation	3,941,597	3,190,252	175,000	358,928	(217,417)	-	(217,417)
Interest on long-term debt	462,300	-	-	-	(462,300)	-	(462,300)
<b>Total governmental activities</b>	<b>38,754,182</b>	<b>12,953,097</b>	<b>515,615</b>	<b>2,962,902</b>	<b>(22,322,568)</b>	<b>-</b>	<b>(22,322,568)</b>
<b>Business-type activities</b>							
Utility system	7,725,064	9,971,475	-	3,119,809	-	5,366,220	5,366,220
Stormwater	986,442	893,018	-	1,230,719	-	1,137,295	1,137,295
<b>Total business-type activities</b>	<b>8,711,506</b>	<b>10,864,493</b>	<b>-</b>	<b>4,350,528</b>	<b>-</b>	<b>6,503,515</b>	<b>6,503,515</b>
<b>Total primary government</b>	<b>\$ 47,465,688</b>	<b>\$ 23,817,590</b>	<b>\$ 515,615</b>	<b>\$ 7,313,430</b>	<b>(22,322,568)</b>	<b>6,503,515</b>	<b>(15,819,053)</b>
<b>GENERAL REVENUES</b>							
Property taxes					17,735,374	-	17,735,374
Local option gas tax					1,184,579	-	1,184,579
Franchise taxes					2,076,640	-	2,076,640
Utility service tax					1,662,173	-	1,662,173
Unrestricted intergovernmental revenues					611,572	-	611,572
Unrestricted investment earnings					1,390,654	492,264	1,882,918
Miscellaneous revenues					70,279	95,263	165,542
Gain on disposal of capital assets					101,441	-	101,441
Transfers, net					1,816,494	(1,816,494)	-
<b>Total general revenues and transfers</b>					<b>26,649,206</b>	<b>(1,228,967)</b>	<b>25,420,239</b>
<b>Change in net position</b>					<b>4,326,638</b>	<b>5,274,548</b>	<b>9,601,186</b>
<b>Net position, beginning of year</b>					<b>49,960,264</b>	<b>40,581,605</b>	<b>90,541,869</b>
<b>Net position, end of year</b>					<b>\$ 54,286,902</b>	<b>\$ 45,856,153</b>	<b>\$ 100,143,055</b>

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

# City of Cocoa Beach, Florida

## BALANCE SHEET - GOVERNMENTAL FUNDS

SEPTEMBER 30, 2024

	General Fund	CRA Fund	Non major Governmental Funds	Total Governmental Funds
<b>Assets</b>				
Cash and cash equivalents	\$ 8,980	\$ 29,295	\$ 820,030	\$ 858,305
Investments	26,742,979	1,322,690	139,039	28,204,708
Accounts receivable, net	1,115,726	10,939	-	1,126,665
Due from other funds	-	-	1,258,252	1,258,252
Due from other governments	1,010,261	-	-	1,010,261
Inventory	90,202	-	-	90,202
Prepaid items	53,116	383,825	-	436,941
Total assets	<u>\$ 29,021,264</u>	<u>\$ 1,746,749</u>	<u>\$ 2,217,321</u>	<u>\$ 32,985,334</u>
<b>Liabilities</b>				
Accounts payable	\$ 949,568	\$ 121,861	\$ 191,714	\$ 1,263,143
Accrued liabilities	1,039,828	257,490	658,949	1,956,267
Due to other funds	5,880,889	-	-	5,880,889
Due to other governments	15,607	-	-	15,607
Unearned revenue	2,303,186	-	-	2,303,186
Total liabilities	<u>10,189,078</u>	<u>379,351</u>	<u>850,663</u>	<u>11,419,092</u>
<b>Deferred inflows of resources</b>				
Deferred inflow - unavailable revenue	461,695	-	-	461,695
Total deferred inflows of resources	<u>461,695</u>	<u>-</u>	<u>-</u>	<u>461,695</u>
<b>Fund balances</b>				
Nonspendable				
Inventory	90,202	-	-	90,202
Prepaid items	53,116	383,825	-	436,941
Restricted for				
Law enforcement	153,329	-	1,118,421	1,271,750
Community redevelopment	-	983,573	-	983,573
Capital projects	-	-	248,237	248,237
Debt service	261,178	-	-	261,178
Committed	3,990,393	-	-	3,990,393
Assigned for				
Capital projects	6,460,575	-	-	6,460,575
Unassigned	7,361,698	-	-	7,361,698
<b>Total fund balances</b>	<u>18,370,491</u>	<u>1,367,398</u>	<u>1,366,658</u>	<u>21,104,547</u>
<b>Total liabilities and fund balances</b>	<u>\$ 29,021,264</u>	<u>\$ 1,746,749</u>	<u>\$ 2,217,321</u>	<u>\$ 32,985,334</u>

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

# City of Cocoa Beach, Florida

## RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION SEPTEMBER 30, 2024

Total fund balances for governmental funds	\$	21,104,547
<p>Total net position reported for governmental activities in the statement of net position is different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of :</p>		
Governmental capital assets	\$	106,727,163
Less accumulated depreciation and amortization		<u>(43,886,235)</u>
<b>Total capital assets, net</b>		62,840,928
<p>The internal service fund is used by management to charge the costs of health insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position:</p>		
		1,041,978
<p>Long-term liabilities and related accrued interest applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities, except for portions payable early in the following year for which sufficient resources have been accumulated in the funds to liquidate the liabilities. These liabilities consist of:</p>		
Notes payable		(14,008,000)
Bonds payable		(2,960,336)
Financed purchases payable		(1,300,734)
SBITA liability		(440,300)
Accrued interest on long-term debt		(187,357)
Compensated absences		(1,443,299)
Net pension liability		(10,930,844)
Net OPEB liability		<u>(2,937,506)</u>
<b>Total long-term liabilities and accrued interest</b>		(34,208,376)
<p>Deferred outflows and deferred inflows related to the City's pension plans and OPEB plan are not expected to be liquidated with expendable available financial resources and are therefore, not reported in the funds.</p>		
Deferred outflows - pensions		4,498,408
Deferred outflows - OPEB		1,477,058
Deferred inflows - pensions		(895,328)
Deferred inflows - OPEB		<u>(2,034,008)</u>
<b>Total deferred outflows/inflows of resources</b>		3,046,130
<p>Some assets are not available to pay for current period expenditures and therefore are not reported in the funds.</p>		
		<u>461,695</u>
<b>Total net position of governmental activities</b>	<b>\$</b>	<b><u>54,286,902</u></b>

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

## City of Cocoa Beach, Florida

### STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	General Fund	CRA Fund	Non major Governmental Funds	Total Governmental Funds
<b>Revenues</b>				
Taxes	\$ 20,531,100	\$ 887,799	\$ -	\$ 21,418,899
Licenses and permits	319,821	-	-	319,821
Intergovernmental	3,532,470	439,061	1,040,875	5,012,406
Charges for services	10,167,237	564,893	1,811,032	12,543,162
Fines and forfeitures	77,845	-	12,269	90,114
Investment earnings	1,254,576	58,619	64,483	1,377,678
Miscellaneous revenues	70,239	40	-	70,279
<b>Total revenues</b>	<u>35,953,288</u>	<u>1,950,412</u>	<u>2,928,659</u>	<u>40,832,359</u>
<b>Expenditures</b>				
<b>Current</b>				
General government	6,114,003	-	53,000	6,167,003
Economic environment	13,693	399,843	-	413,536
Public safety	13,070,862	-	613,248	13,684,110
Physical environment	4,204,398	-	-	4,204,398
Transportation/public works	4,444,336	-	-	4,444,336
Recreation	3,820,818	-	-	3,820,818
Debt service				
Principal	1,115,337	280,000	-	1,395,337
Interest	313,186	122,000	-	435,186
Capital outlay	4,160,843	168,611	7,820,607	12,150,061
<b>Total expenditures</b>	<u>37,257,476</u>	<u>970,454</u>	<u>8,486,855</u>	<u>46,714,785</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(1,304,188)</u>	<u>979,958</u>	<u>(5,558,196)</u>	<u>(5,882,426)</u>
<b>Other financing sources (uses)</b>				
Sale of capital assets	124,594	-	-	124,594
Issuance of debt	613,585	-	3,953,000	4,566,585
Transfers in	2,032,745	-	3,019,896	5,052,641
Transfers out	(20,000)	(2,429,098)	(787,049)	(3,236,147)
<b>Total other financing sources (uses)</b>	<u>2,750,924</u>	<u>(2,429,098)</u>	<u>6,185,847</u>	<u>6,507,673</u>
<b>Net change in fund balances</b>	1,446,736	(1,449,140)	627,651	625,247
<b>Fund balances, beginning of year</b>	16,923,755	2,816,538	739,007	20,479,300
<b>Fund balances, end of year</b>	<u>\$ 18,370,491</u>	<u>\$ 1,367,398</u>	<u>\$ 1,366,658</u>	<u>\$ 21,104,547</u>

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

## City of Cocoa Beach, Florida

### RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

Total net change in fund balances for governmental funds	\$	625,247
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The change in net position reported for governmental activities in the statement of activities is 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 and reported as depreciation or amortization expense in the current period.

Capital outlay	\$ 12,282,720	
Depreciation/amortization expense	<u>(4,453,607)</u>	7,829,113

The net effect of various miscellaneous transactions (i.e. sales and donations) is to increase net position.

Net book value of assets disposed		(23,153)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

		317,550
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Proceeds of certain long-term debt are reported as financing sources in governmental funds and thus contribute to the increase in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position. This is the amount by which payment of principal on this debt exceeds the proceeds from issuance of new debt.

Issuance of note payable	(3,953,000)	
SBITA liability issued	(613,585)	
Principal payments	1,395,337	
Bond premium amortization	<u>57,265</u>	(3,113,983)

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are used. The net change associated with these expenses/expenditures is as follows:

Accrued interest on long-term debt	(27,114)	
Pension expense	(1,716,598)	
Compensated absences	(180,101)	
Total OPEB liability	<u>210,596</u>	(1,713,217)

The internal service fund is used by management to charge the costs of the health insurance to individual funds. The net revenue of certain activities of the internal service fund is reported with governmental activities.

		<u>405,081</u>
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<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b>\$</b>	<b><u><u>4,326,638</u></u></b>
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**The notes to the financial statements are an integral part of this statement.**

City of Cocoa Beach, Florida

**STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
SEPTEMBER 30, 2024**

Assets	Business-Type Activities - Enterprise Funds			Internal Service Fund
	Utility System	Stormwater Management	Total	
<b>Current assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Investments	5,089,940	856,567	5,946,507	512,977
Accounts receivable, net of allowance	1,533,202	168,565	1,701,767	6,406
Due from other governments	748,808	646,090	1,394,898	-
Due from other funds	3,288,284	-	3,288,284	1,707,826
Prepays	10,556	498	11,054	-
<b>Total current assets</b>	<b>10,670,790</b>	<b>1,671,720</b>	<b>12,342,510</b>	<b>2,227,209</b>
<b>Noncurrent assets</b>				
Restricted investments	1,870,316	65,588	1,935,904	-
Capital assets				
Land	1,691,599	-	1,691,599	-
Building	3,491,671	490,920	3,982,591	-
Infrastructure	41,806,467	9,372,785	51,179,252	-
Improvements other than buildings	30,338,210	250,814	30,589,024	-
Machinery and equipment	6,958,351	99,821	7,058,172	-
Construction in progress	7,455,458	2,052,850	9,508,308	-
Less accumulated depreciation	(49,963,208)	(2,163,846)	(52,127,054)	-
Total capital assets (net of accumulated depreciation)	41,778,548	10,103,344	51,881,892	-
<b>Total noncurrent assets</b>	<b>43,648,864</b>	<b>10,168,932</b>	<b>53,817,796</b>	<b>-</b>
<b>Total assets</b>	<b>54,319,654</b>	<b>11,840,652</b>	<b>66,160,306</b>	<b>2,227,209</b>
<b>Deferred outflows of resources</b>				
Deferred outflows - pensions	77,214	18,640	95,854	-
Deferred outflows - OPEB	179,918	41,964	221,882	-
Total deferred outflows of resources	257,132	60,604	317,736	-

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

(Continued)

# City of Cocoa Beach, Florida

## STATEMENT OF NET POSITION PROPRIETARY FUNDS SEPTEMBER 30, 2024

	Business-Type Activities - Enterprise Funds			Internal Service Fund
	Utility System	Stormwater Management	Total	
<b>Liabilities</b>				
<b>Current liabilities</b>				
Accounts payable and contracts payable	\$ 186,685	\$ 134,081	\$ 320,766	\$ -
Claims payable	-	-	-	454,497
Accrued liabilities	90,385	15,561	105,946	-
Due to other funds	-	373,473	373,473	-
Current portion of compensated absences	26,713	5,485	32,198	-
Bonds, notes, and financed purchases, due in one year	1,709,551	59,976	1,769,527	-
Accrued interest payable	92,236	1,667	93,903	-
<b>Total current liabilities</b>	<u>2,105,570</u>	<u>590,243</u>	<u>2,695,813</u>	<u>454,497</u>
<b>Noncurrent liabilities</b>				
Compensated absences	244,392	36,713	281,105	-
Net pension liabilities	89,536	21,614	111,150	-
Net OPEB liability	357,812	83,456	441,268	-
Bonds, notes, and financed purchases	16,702,714	753,393	17,456,107	-
<b>Total noncurrent liabilities</b>	<u>17,394,454</u>	<u>895,176</u>	<u>18,289,630</u>	<u>-</u>
<b>Total liabilities</b>	<u>19,500,024</u>	<u>1,485,419</u>	<u>20,985,443</u>	<u>454,497</u>
<b>Deferred inflows of resources</b>				
Deferred inflows - pensions	49,649	11,985	61,634	-
Deferred inflows - OPEB	247,759	57,787	305,546	-
Total deferred inflows of resources	<u>297,408</u>	<u>69,772</u>	<u>367,180</u>	<u>-</u>
<b>Net position</b>				
Net investment in capital assets	23,366,283	9,289,975	32,656,258	-
Restricted for				
Debt service	1,870,316	65,588	1,935,904	-
Unrestricted	9,542,755	990,502	10,533,257	1,772,712
<b>Total net position</b>	<u>\$ 34,779,354</u>	<u>\$ 10,346,065</u>	<u>45,125,419</u>	<u>\$ 1,772,712</u>
Adjustment to reflect the cumulative internal balance for the net effect of the activity between the internal service fund and the enterprise funds over time			730,734	
Net position of business-type activities			<u>\$ 45,856,153</u>	

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

## City of Cocoa Beach, Florida

### STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION PROPRIETARY FUNDS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Business-Type Activities - Enterprise Funds			Internal Service Fund
	Utility System	Stormwater Management	Total	
Operating revenues				
Charges for services	\$ 9,971,475	\$ 893,018	\$ 10,864,493	\$ 4,280,049
Total operating revenues	9,971,475	893,018	10,864,493	4,280,049
Operating expenses				
Personnel services	2,156,537	490,681	2,647,218	-
Other services and charges	2,123,734	299,995	2,423,729	-
Insurance	118,135	20,213	138,348	3,609,495
Depreciation/amortization	3,300,501	205,267	3,505,768	-
Total operating expenses	7,698,907	1,016,156	8,715,063	3,609,495
Operating income (loss)	2,272,568	(123,138)	2,149,430	670,554
Nonoperating revenues (expenses)				
Investment earnings	409,491	82,773	492,264	12,976
Interest expense	(268,986)	(5,906)	(274,892)	-
Other nonoperating revenues	95,263	-	95,263	-
Total nonoperating revenues, net	235,768	76,867	312,635	12,976
Income before capital contributions and transfers	2,508,336	(46,271)	2,462,065	683,530
Capital contributions	69,948	-	69,948	-
Capital grants	3,049,861	1,230,719	4,280,580	-
Transfers in	-	60,000	60,000	-
Transfers out	(1,663,654)	(212,840)	(1,876,494)	-
Change in net position	3,964,491	1,031,608	4,996,099	683,530
Net position, beginning of year	30,814,863	9,314,457		1,089,182
Net position, end of year	\$ 34,779,354	\$ 10,346,065		\$ 1,772,712
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds:			278,449	
Change in net position of business-type activities:			\$ 5,274,548	

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

# City of Cocoa Beach, Florida

## STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Business-Type Activities - Enterprise Funds			Internal Service Fund
	Utility System	Stormwater Management	Total	
<b>Cash flows from operating activities</b>				
Cash received from customers	\$ 9,895,445	\$ 900,912	\$ 10,796,357	\$ -
Cash received from other funds	(3,288,284)	279,213	(3,009,071)	4,275,734
Cash payments to suppliers for goods and services	(2,475,261)	(189,037)	(2,664,298)	(3,752,335)
Cash payments to employees for services	(2,208,752)	(445,005)	(2,653,757)	-
Net cash provided by operating activities	1,923,148	546,083	2,469,231	523,399
<b>Cash flows from noncapital financing activities</b>				
Repayment of interfund loans	-	-	-	(167,619)
Transfers in	-	60,000	60,000	-
Transfers out	(1,663,654)	(212,840)	(1,876,494)	-
Net cash provided by (used in) noncapital financing activities	(1,663,654)	(152,840)	(1,816,494)	(167,619)
<b>Cash flows from capital and related financing activities</b>				
Intergovernmental grant	3,403,042	595,890	3,998,932	-
Acquisition and construction of capital assets	(3,893,140)	(1,197,593)	(5,090,733)	-
Capital contributions	69,948	-	69,948	-
Principal paid on notes payable	(1,683,825)	(59,561)	(1,743,386)	-
Interest paid on notes payable	(277,431)	(6,027)	(283,458)	-
Net cash used in capital and related financing activities	(2,381,406)	(667,291)	(3,048,697)	-
<b>Cash flows from investing activities</b>				
Purchases of pooled investments	-	-	-	(512,977)
Sales of pooled investments	1,444,056	191,275	1,635,331	-
Interest received	409,491	82,773	492,264	12,976
Net cash provided by investing activities	1,853,547	274,048	2,127,595	(500,001)
Net change in cash and cash equivalents	(268,365)	-	(268,365)	(144,221)
Cash and cash equivalents, beginning of year	268,365	-	268,365	144,221
Cash and cash equivalents, end of year	\$ -	\$ -	\$ -	\$ -

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

(Continued)

# City of Cocoa Beach, Florida

## STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Business-Type Activities - Enterprise Funds			Internal Service Fund
	Utility System	Stormwater Management	Total	
<b>Reconciliation of operating income (loss) to net cash provided by operating activities</b>				
Operating income (loss)	\$ 2,272,568	\$ (123,138)	\$ 2,149,430	\$ 670,554
Adjustments to reconcile operating income (loss) to net cash provided by operating activities				
Depreciation expense	3,300,501	205,267	3,505,768	-
Other revenues	95,263	-	95,263	-
Change in assets and liabilities				
(Increase) decrease in				
Accounts receivable	(171,293)	7,894	(163,399)	(4,315)
Due from other funds	(3,288,284)	-	(3,288,284)	-
Due from other governments	-	-	-	-
Inventory	-	-	-	-
Prepays	(10,556)	(498)	(11,054)	-
Deferred outflows - pensions	311,740	68,684	380,424	-
Deferred outflows - OPEB	(50,897)	(22,381)	(73,278)	-
Increase (decrease) in				
Accounts payable	(261,123)	129,988	(131,135)	-
Due to other funds	-	279,213	279,213	-
Accrued liabilities	38,287	1,681	39,968	(14,134)
Claims payable	-	-	-	(128,706)
Deferred inflows - pensions	208,372	3,142	211,514	-
Deferred inflows - OPEB	(242,109)	13,504	(228,605)	-
Net pension liability	(341,249)	(55,101)	(396,350)	-
Net OPEB liability	(28,075)	24,887	(3,188)	-
Compensated absences	90,003	12,941	102,944	-
Total adjustments	(349,420)	669,221	319,801	(147,155)
Net cash provided by operating activities	\$ 1,923,148	\$ 546,083	\$ 2,469,231	\$ 523,399
<b>Noncash investing, capital, and financing activities</b>				
Unrealized gain on investments	\$ -	\$ -	\$ -	\$ -

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

# City of Cocoa Beach, Florida

## STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS SEPTEMBER 30, 2024

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	<b>Pension Trust Funds</b>
<b>Assets</b>	
Investments, at fair value	\$ 74,764,304
Accrued interest receivable	92,910
Contributions receivable	-
	<hr/>
<b>Total assets</b>	<b>\$ 74,857,214</b>
	<hr/>
<b>Liabilities</b>	
Accounts payable	\$ 38,320
	<hr/>
<b>Total liabilities</b>	<b>38,320</b>
	<hr/>
<b>Net position</b>	
Restricted for OPEB benefits	3,325,571
Restricted for pension benefits	71,493,323
	<hr/>
Total net position	<b>\$ 74,818,894</b>
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The notes to the financial statements are an integral part of this statement.

# City of Cocoa Beach, Florida

## STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	<b>Pension Trust Funds</b>
<b>Additions</b>	
Contributions	
City	\$ 2,221,017
Employees	721,105
State of Florida	285,227
Miscellaneous	17,705
<b>Total contributions</b>	<u>3,245,054</u>
<b>Investment earnings</b>	
Interest and dividends	2,356,538
Net appreciation in fair value of investments	9,815,387
Less investment expense	(193,150)
<b>Net investment income</b>	<u>11,978,775</u>
<b>Total additions</b>	<u>15,223,829</u>
<b>Deductions</b>	
Pension benefits	4,610,204
Refunds of contributions	44,579
Administrative expenses	127,856
<b>Total deductions</b>	<u>4,782,639</u>
<b>Change in net position</b>	10,441,190
<b>Net position, restricted for pension benefits</b>	
<b>Beginning of year</b>	<u>64,377,704</u>
<b>End of year</b>	<u>\$ 74,818,894</u>

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



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# Notes To Financial Statements

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Cocoa Beach, Florida (the "City") is a political subdivision of the State of Florida and is located in Brevard County.

### **Reporting Entity**

The City was incorporated in 1925 and has a Commission/City Manager form of government. The City Commission consists of a Mayor and four Commissioners responsible for establishing policies and enacting ordinances and resolutions. They are elected at large. The City Commission appoints the City Manager who is responsible for the daily administration of the City's operations. The accompanying financial statements present the City and its component unit, an entity for which the City is considered to be financially accountable. A blended component unit is, in substance, part of the primary government's operations even though it is a legally separate entity. Thus, a blended component unit is appropriately presented as a fund of the primary government. The accounting policies of the City conform to generally accepted accounting principles (GAAP) as applied to governmental units. The more significant accounting policies used by the City are described below.

In evaluating the City as a reporting entity, management has considered all potential component units in accordance with Section 2100: *Defining the Financial Reporting Entity* of the Governmental Accounting Standards Board (GASB) Codification.

### **Blended Component Units**

The Community Redevelopment Agency (CRA) was established as an incremental tax district established with City Resolution number 2009-28 on November 19, 2009, pursuant to Florida Statutes Chapter 163. The CRA was organized to finance development within the geographic boundaries of the community redevelopment area. Although legally separate, the CRA is governed the City Commissioners, and the services provided by the CRA create a financial benefit relationship with the City. The CRA financial statements are included in the City's Annual Comprehensive Financial Report as a special revenue fund for the year ended September 30, 2024. Beginning in fiscal year 2020, the CRA also issues a standalone financial report as required by Florida Statutes.

### **Excluded from the Reporting Entity**

The Cocoa Beach Public Library is funded through the Brevard County Free Public Library District, a separate taxing authority. The City Commissioners appoint an advisory Library Board that has authority to propose budget recommendations to the County and provide input in the selection of a library director.

The Library's actual budget is approved and funded by Brevard County and all its personnel are governed by the policies and procedures of Brevard County. The Cocoa Beach Public Library is therefore not a component unit of the City.

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### **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 primary government and its component unit. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function 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*.

Separate financial statements are provided for governmental funds, proprietary fund and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

### **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. 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.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)**

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 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the City.

The proprietary and fiduciary funds are reported using the *economic resources measurement* focus and the *accrual basis of accounting*.

**Government-Wide Financial Statements**

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the City's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the City's utilities and stormwater services functions and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

**Fund Financial Statements**

The fund financial statements provide information about the City's funds, including its fiduciary funds and blended component unit. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

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

The *Community Redevelopment Agency (CRA) Fund* is a special revenue fund that accounts for the provisions of carrying out redevelopment activities that include reducing or eliminating blight, improving the tax base, and encouraging public and private investments in the redevelopment area. Tax Increment Financing (TIF) and parking fees and fines provide the revenue sources for the fund.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fund Financial Statements (Continued)**

The City reports the following major enterprise funds:

The *Utilities System Fund* accounts for the provision of sewer and water reuse services to City residents and some county areas.

The *Stormwater Management Fund* accounts for the provision of stormwater drainage services to the residents of the City.

Additionally, the City reports the following trust fund types:

The *Trust Funds* account for the three pension trust funds that account for the accumulation of resources to be used for pension payments to retired general employees, police officers, and firefighters of the City, as well as the Other Post-Employment Benefits (OPEB) Trust Fund, which accounts for the accumulation of resources that are used for payments of retirement benefits other than pensions.

The City's nonmajor governmental funds consist of a capital improvement fund, a confiscated property fund, and a building permits and inspection utilization fund.

During the course of operations, the City has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column.

Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements.

Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Budgetary Information**

*Budgetary basis of accounting*

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all funds except for the following:

The Confiscated Property Special Revenue Fund is not budgeted because its sole purpose is to account for property confiscated by law enforcement in accordance with State and Federal Law. The use of these funds is governed by Chapter 932, Florida Statutes. Accordingly, these funds are held in a separate, interest-bearing account.

The Pension and OPEB trust funds are not budgeted because the funds held in these accounts are in trust for others; however, the City contributions to those funds are budgeted within the respective departments. See Note 3 for additional information.

Annual operating budgets are prepared on a basis consistent with accounting principles generally accepted in the United States of America. Annual budget appropriations lapse at the end of each fiscal year. 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 outstanding at year-end for unfulfilled obligations are canceled and appropriated in the succeeding year's budget. Such amounts, if material, are disclosed in the notes to financial statements under "Commitments."

The City Commission, pursuant to Article V of the City Charter and state statutes, using the following procedures, adopts annual operating budgets:

Each department, office or agency of the City submits a work program and budget request to the Chief Financial Officer during March of each year.

The City Manager reviews the departmental requests, conducts workshop sessions, and presents the proposed budget to the City Commission in July of each year.

The City Commission holds a series of budget workshops and public hearings on the proposed budget and adopts the official annual budget of the City by resolution.

The budgets, as adopted, may be amended through formal approval by the City Commission. Budgetary integration is established in the accounting records for control purposes at the object of expenditure level; however, the City Charter establishes the level at which expenditures may not legally exceed budgeted amounts at the department level. The City's general governmental appropriations are budgeted within the General Fund as if it were a separate department. Items making up this legal level of budgetary control include current other general government expenditures; debt service expenditures and other financing uses. Resolution 2023-12 adopted September 21, 2023 contains budgets for the General Fund and CRA (governmental funds) as well as the Utilities System Fund, and the Stormwater Management Fund (enterprise funds). The City Manager may transfer budgeted amounts within a department, office, or agency of the City without formal approval by the City Commission. The final budget amounts shown in the financial statements include all amendments as approved during the year by the City Commission.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity**

*Cash and cash equivalents*

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

*Investments*

Investments for the City are reported at fair value (generally based on quoted market prices) except for external investments which comply with the criteria in Section 150: *Investments* to qualify to elect to measure their investments at amortized cost. Accordingly, the fair value of the City's position in the pool is equal to the value of the pooled shares.

*Receivables and payables*

Trade receivables consist of account balances less than thirty days overdue. Account balances exceeding 30 days overdue are written off and sent to a collection agency. Therefore, all trade receivables reported are deemed collectible.

*Interfund Activities and Transactions*

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" within the fund financial statements. Long-term borrowings between funds are classified as "advances to other funds" or "advances from other funds" in the fund financial statements. These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for any residual balance outstanding between the governmental and business-type activities at the end of the fiscal year, which are reported in the government-wide financial statements as internal balances.

Interfund transactions 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 one fund incurs a cost, charges the appropriate benefitting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or business-type funds are netted as part of the reconciliation to the government-wide presentation.

*Inventories and Prepaid Items*

Inventories are valued at cost using the first-in/first-out (FIFO) method and consist of expendable supplies. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

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

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

*Restricted Assets*

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

*Note and loan debt service accounts* – These assets include certain proceeds from issuance of revenue notes and state revolving loans, as well as certain resources set aside for the repayment of notes and state revolving loans. The restrictions are for the following:

- Capital Improvement Revenue Note, Series 2014A
- Capital Improvement Refunding Revenue Note, Series 2014B
- Wastewater Utility System Revenue Bonds, Series 2020
- SRF Loan Repayment Reserve (Clean Water State Revolving Loans 050621, and 050630)

*Capital Assets*

Capital assets, which include land, buildings, infrastructure, improvements, equipment right-to-use lease assets and right-to-use subscription assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year.

Land and construction in progress are not depreciated. The other property, plant, equipment, and infrastructure of the primary government are depreciated or amortized using the straight line method over the following estimated useful lives:

<b>Classification</b>	<b>Service Life</b>
Infrastructure	30 - 50 years
Buildings and building improvements	40 years
Improvements other than buildings	10 - 15 years
Machinery, furniture, and equipment	3 - 5 years
Right-to-use lease assets	3 - 5 years
Right-to-use subscription assets	2 - 5 years

Major outlays for capital assets and improvements are capitalized, as projects are commissioned. For individual proprietary funds, interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed. The amount of interest to be capitalized is calculated using the weighted average of construction expenditures multiplied by the interest rate on the debt.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

*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, *deferred outflows of resources*, represent a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense/ expenditure) until then.

The City has two items that qualify for reporting as deferred outflows of resources, the *deferred outflows related to OPEB* and the *deferred outflows related to pensions*, both reported in the government-wide and proprietary funds statements of net position. The deferred outflows related to pensions are an aggregate of items related to pensions as calculated in accordance with GASB Codification Section P20: *Pension Activities – Reporting for Benefits Provided through Trusts That Meet Specified Criteria*. The deferred outflows related to pensions will be recognized as either pension expense or a change in the net pension liability in future reporting years. The deferred outflows related to other postemployment benefits (OPEB) are an aggregate of items related to OPEB as calculated in accordance with GASB Codification Section P52: *Post-Employment Benefits Other Than Pensions – Reporting Benefits Not Provided through Trusts That Meet Specified Criteria*. The deferred outflows related to OPEB will be recognized as a reduction to OPEB health insurance expense or a change in the OPEB liability in future reporting years.

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*, represent an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The City has three items that qualify for reporting as deferred inflows of resources.

The *deferred inflows related to pensions* are an aggregate of items related to pensions as calculated in accordance with GASB Codification Section P20: *Pension Activities – Reporting for Benefits Provided through Trusts That Meet Specified Criteria*. The deferred inflows related to pensions will be recognized as a reduction to pension expense in future reporting years. The deferred inflows related to other post-employment benefits (OPEB) are an aggregate of items related to OPEB as calculated in accordance with GASB Codification Section P52: *Post-Employment Benefits Other Than Pensions – Reporting Benefits Not Provided through Trusts That Meet Specified Criteria*. The deferred inflows related to OPEB will be recognized as either OPEB health insurance expense or a change in the OPEB liability in future reporting years. The deferred inflows related to unavailable revenue relate to a non-exchange transaction where the City has received funds, however it does not meet the requirement for recognition of revenue in the current period, and will be recognized in a future period.

The deferred revenue – unavailable inflow of resources reported in the governmental fund balance sheet relate to receivables not collected within the period of availability.

*Unearned Revenue*

Unearned revenue recorded on the governmental fund balance sheet represents amounts received before eligibility requirements are met.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

*Compensated Absences*

The City permits employees to accumulate earned but unused "paid-time-off" (PTO). PTO is accrued when incurred in the government-wide and proprietary fund financial statements. In governmental funds, a liability for these amounts is reported only if the PTO has matured, for example, as a result of employee resignations and retirements.

Upon termination, PTO is paid in full, but limited to 480 hours. Bargaining unit members are paid in accordance with their respective contracts. This amount is charged to the fund in which the employee was budgeted.

*Long-Term Obligations*

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds and is 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 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. Issuance costs are reported as debt service expenditures. Losses incurred on refunding debt in proprietary funds is deferred and amortized over the shorter of the life of the new issue or the remaining life of the refunded issue. Only material amounts of accrued interest are recorded in the financial statements.

*Leases*

Lease contracts that provide the City with control of a non-financial asset, such as land, buildings or equipment, for a period of time in excess of twelve months are reported as a leased asset with a related lease liability. The lease liability is recorded at the present value of future lease payments, including fixed payments, variable payments based on an index or fixed rate and reasonably certain residual guarantees. The intangible leased asset is recorded for the same amount as the related lease liability plus any prepayments and initial direct costs to place the asset in service. Leased assets are amortized over the shorter of the useful life of the asset or the lease term. The lease liability is reduced for lease payments made, less the interest portion of the lease payment.

*Pensions*

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

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

*Other Post-Employment Benefits (OPEB) Liability*

For purposes of measuring the net OPEB liability, deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

*Categories and Classifications of Fund Equity*

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

*Fund balance flow assumptions* – Sometimes the City 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 City'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 City 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 City's highest level of decision-making authority. The governing council is the highest level of decision-making authority for the City 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.

**NOTE 1.****SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity (Continued)**

*Assigned fund balance* – Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. Decisions with regard to these purposes and amounts will be as determined by the City Commission by Resolution. The City Commission 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 the General Fund. The unassigned fund balance represents amounts that have not been assigned to other funds and have not been restricted, committed or assigned to specific purposes with the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

**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 are billed November 1st (discounts are available for early payment) for the calendar year beginning January 1st. Taxes are due March 1st and become delinquent on April 1st and tax certificates on all property on which taxes are delinquent are sold at the end of May of each year. Property taxes are considered fully collected (i.e. 95% of the levy) during and prior to the end of the fiscal year. Therefore, no material amounts of property taxes are receivable.

The City is permitted by State law to levy taxes up to 10 mills on assessed valuation. However, Chapter 74-430, Laws of Florida, a special act applicable only to governmental units in Brevard County, limits the annual increase to 10% of the prior year's millage. During a Special Session in June 2007, the Florida Legislature adopted HB1B, which limits municipal property tax rates effective with the 2007-2008 fiscal year. This legislation establishes reductions in the millage rate based on a calculated growth in per capita taxes between the 2002 and 2007 fiscal years. The Legislature did authorize local governments to use the rolled back millage rate if approved by a super majority vote of the governing body. The adopted millage for the year ended September 30, 2024 was 6.1644.

*Proprietary funds operating and nonoperating revenues and expenses* – Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Utility System Fund and the Stormwater Management Fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Encumbrances**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for expenditure of monies are recorded as reservations of budget, is employed as an extension of the statutory required budgetary process. At year-end, outstanding encumbrances represent material purchase commitments for goods and services which were ordered, budgeted, and appropriated, but had not been received or completed at date. Although encumbrances lapse at year-end, it is the intention to substantially honor these encumbrances under authority provided in the subsequent year's budget.

**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 13, 2025, and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

**Implemented Accounting Pronouncements**

The City has implemented the following new Statements issued by the Governmental Accounting Standards for the fiscal year ending September 30, 2024:

GASB Statement No. 100, *Accounting Changes and Error Corrections*-An Amendment of GASB Statement No. 62. This statement enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This statement is effective for the Authority's fiscal year ending September 30, 2024.

**Recent Accounting Pronouncements**

The Governmental Accounting Standards Board has issued GASB Statement No. 101, *Compensated Absences*, GASB Statement No. 102, *Certain Risk Disclosures*, GASB Statement No. 103, *Financial Reporting Model Improvements*, and GASB Statement No. 104, *Disclosure of Certain Capital Assets*, which will be effective in future years. Management has not completed its analysis of the effects, if any, of these GASB statements on the financial statements of the City.

**NOTE 2. DETAILED NOTES ON ALL FUNDS**

**Deposits and Investments**

As of September 30, 2024, \$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 City pursuant to Section 280.08, Florida Statutes. At September 30, 2024, the City held \$1,567,720 in excess of FDIC insurance limits in a financial institution.

**NOTE 2. DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**Deposits and Investments (Continued)**

The investment program is established in accordance with the City's investment policy, outlined in resolution 2017-20, pertinent bond resolutions and Section 218.45, Florida Statutes, which allows the City to invest 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 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 bond 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.

The City's OPEB trust fund participated in the Florida Municipal Investment Trust (FMIvT). The FMIvT is a Local Government Investment Pool (LGIP) and is considered an external investment pool for reporting purposes. The plans own shares in one or more FMIvT portfolios. The plans' investments are the FMIvT portfolios, not the individual securities held within each FMIvT portfolio. The Fund is sponsored by the Florida League of Cities and is directed by a board of trustees.

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.

**NOTE 2. DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**Deposits and Investments (Continued)**

Deposits available within various funds, except fiduciary trust funds, were consolidated for investment purposes. Interest earned was allocated to the various funds based on their average cash and investment balances.

The pension trust funds are authorized by their respective enabling ordinances to make various investments with the following items prohibited: futures; general obligations issued by a foreign government; hedge funds; bonds issued by a state or municipality; limited partnerships; private equities; options; private mortgages; margin accounts; insurance annuities; securities lending; and internally managed assets. Additionally, for each fund, no more than 5% of fund assets may be invested in the securities of any one issuing company (this excludes the U.S. Government and its agencies). No investment may exceed 5% of the outstanding capital stock of any one company. The aggregate investments in common and capital stock and convertible securities (at cost) may not exceed 65% of the assets of the Police and Fire funds, or 60% of the assets of the General Employees fund.

*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 City 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 City 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 City’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.

*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.

*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.

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

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

Level 1 (L1): Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the City has the ability to access.

**NOTE 2. DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**Deposits and Investments (Continued)**

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.

The following table sets forth by level, within the fair value hierarchy, the City's assets at fair value as of September 30, 2024:

	S&P Rating	Level	Fair Value	Maturities (in years)		
				Less than 1	1 - 5	More than 5
Investments by fair value level						
Primary government						
FL PALM	AAAm	-	\$ 16,305,572	\$ 16,305,572	\$ -	\$ -
FL LGIT Day to day bond fund	AAAm	-	7,071,455	7,071,455	-	-
FL SAFE	AAAm	-	6,136,629	6,136,629	-	-
FL CLASS	AAAm	-	7,086,440	7,086,440	-	-
Total Primary Government			<u>\$ 36,600,096</u>	<u>\$ 36,600,096</u>	<u>\$ -</u>	<u>\$ -</u>
Fiduciary funds						
Cash and cash equivalents	-	-	\$ 2,100,750	\$ 2,100,750	\$ -	\$ -
Mutual funds	-	L1	64,617,252	64,617,252	-	-
Real estate funds	-	L3	4,144,511	4,144,511	-	-
Alternative investments	-	L2	576,220	576,220	-	-
Florida Municipal Investment Trust	-	-	3,325,571	2,653,806	-	671,765
Total fiduciary fund			<u>74,764,304</u>	<u>74,092,539</u>	<u>-</u>	<u>671,765</u>
Total investments			<u>\$ 111,364,400</u>	<u>\$ 110,692,635</u>	<u>\$ -</u>	<u>\$ 671,765</u>

**NOTE 2. DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**Deposits and Investments (Continued)**

The following table summarizes the City's Level 3 financial instruments, the value technique used to measure the fair value of those financial instruments as of September 30, 2024, and the significant unobservable inputs and the ranges:

<u>Instrument</u>	<u>Fair Value</u>	<u>Principal Valuation Techniques</u>	<u>Significant Unobservable Inputs</u>	<u>Range (Weighted Average)</u>
Real estate funds	\$ 4,144,511	Discounted cash flow	Discount rate Terminal cap rate Market interest rate	5.5% - 8.00% 4.25% - 6.75% 0.18% - 8.12%

The following table summarizes investments measured at fair value based on NAV per share as of September 30, 2024:

<u>Instrument</u>	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
FL PALM	\$ 16,305,572	\$ -	Daily	None
FL LGIT	7,071,455	-	Daily	None
FL SAFE	6,136,629	-	Daily	None
FL CLASS	7,086,440	-	Daily	None
Real estate funds	4,144,511	-	Quarterly	30 days
Alternative investments	576,220	-	Daily	None

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at September 30, 2024.

*Debt and equity securities* – Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using quoted market prices for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique based on the price or yield of similar debt securities.

*Mutual funds* – Mutual funds classified in Level 1 of the fair value hierarchy are valued using quoted market prices for those investments. Mutual funds classified in Level 2 of the fair value hierarchy, while underlying securities have observable Level 1 pricing inputs or observable Level 2 significant other pricing inputs, are not publicly quoted and are based on market-corroborated data.

*Alternative Investments*– valued at net asset value.

*Real estate funds* – The real estate funds invest primarily in U.S. commercial and multi-family residential real estate. Distributions from each fund will be received as the underlying investments of the funds are liquidated. The funds were formed as open-ended investments and will have perpetual existence unless terminated by the ownership (partners). Because it is not probable that any individual investment will be sold, the fair value of each individual investment has been determined using the NAV per share (or its equivalent) of the City's ownership interest in partners' capital.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the City believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

**NOTE 2. DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**Accounts Receivable**

For the Wastewater Utility System and Stormwater Utility Funds, operating revenues are generally recognized on the basis of cycle billings rendered monthly. The amount of services delivered for the period from the last billing date to September 30, 2024 (unbilled receivable), is estimated and accrued at year end. The City deems all amounts collectable therefore an allowance for doubtful accounts is not necessary. If payments are not received from customers, services are shut off and deposits are applied against negative balances.

Property taxes are considered fully collected (95% of the levy) during and prior to the end of the fiscal year. Therefore, no material amounts of property taxes are receivable as of September 30, 2024. There are no other reserves for receivables recorded by the City as of September 30, 2024.

**Capital Assets**

The following is a summary of changes in capital assets during the year ended September 30, 2024:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Ending Balance</u>
Governmental activities:					
Capital assets not being depreciated					
Land	\$ 7,950,653	\$ -	\$ -	\$ -	\$ 7,950,653
Construction in progress	5,772,269	8,855,529	-	(2,029,673)	12,598,125
Total capital assets not being depreciated	<u>13,722,922</u>	<u>8,855,529</u>	<u>-</u>	<u>(2,029,673)</u>	<u>20,548,778</u>
Capital assets being depreciated/amortized					
Buildings	24,899,284	212,039	(17,937)	116,446	25,209,832
Improvements other than buildings	36,637,914	394,260	(12,841)	1,861,996	38,881,329
Equipment	19,887,427	2,132,252	(1,597,280)	21,165	20,443,564
Infrastructure	879,707	-	-	30,066	909,773
Right to use leased assets, equipment	111,824	-	(111,824)	-	-
Right to use subscription assets	45,247	688,640	-	-	733,887
Total capital assets being depreciated/amortized	<u>82,461,403</u>	<u>3,427,191</u>	<u>(1,739,882)</u>	<u>2,029,673</u>	<u>86,178,385</u>
Less accumulated depreciation/amortization for:					
Buildings	(5,266,321)	(631,613)	4,808	-	(5,893,126)
Improvements other than buildings	(20,142,501)	(1,582,781)	9,846	-	(21,715,436)
Equipment	(15,314,848)	(2,008,592)	1,590,251	-	(15,733,189)
Infrastructure	(338,250)	(17,740)	-	-	(355,990)
Right to use leased assets, equipment	(74,550)	(37,274)	111,824	-	-
Right to use subscription assets	(12,887)	(175,607)	-	-	(188,494)
Total accumulated depreciation/amortization	<u>(41,149,357)</u>	<u>(4,453,607)</u>	<u>1,716,729</u>	<u>-</u>	<u>(43,886,235)</u>
Capital assets being depreciated, net	<u>41,312,046</u>	<u>(1,026,416)</u>	<u>(23,153)</u>	<u>2,029,673</u>	<u>42,292,150</u>
Governmental activities capital assets, net	<u>\$ 55,034,968</u>	<u>\$ 7,829,113</u>	<u>\$ (23,153)</u>	<u>\$ -</u>	<u>\$ 62,840,928</u>

Depreciation and amortization expense was allocated to the governmental functions in the statement of activities as follows:

Governmental activities:	
General government	\$ 1,104,003
Public safety	125,492
Public works	977,082
Economic environment	2,135,542
Recreation	111,488
Total depreciation expense, governmental functions	<u>\$ 4,453,607</u>

**NOTE 2. DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**Capital Assets (Continued)**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Business-type activities:					
Capital assets not being depreciated					
Land	\$ 1,691,599	\$ -	\$ -	\$ -	\$ 1,691,599
Construction in progress	6,917,849	4,291,882	(1,527,236)	(174,187)	9,508,308
Total capital assets not being depreciated	<u>8,609,448</u>	<u>4,291,882</u>	<u>(1,527,236)</u>	<u>(174,187)</u>	<u>11,199,907</u>
Capital assets being depreciated/amortized					
Buildings	3,982,591	-	-	-	3,982,591
Infrastructure	50,937,869	67,196	-	174,187	51,179,252
Improvements other than buildings	29,885,864	711,035	(7,875)	-	30,589,024
Equipment	5,606,707	1,565,562	(114,097)	-	7,058,172
Total capital assets being depreciated/amortized	<u>90,413,031</u>	<u>2,343,793</u>	<u>(121,972)</u>	<u>174,187</u>	<u>92,809,039</u>
Less accumulated depreciation/amortization					
Buildings	(2,338,040)	(72,683)	-	-	(2,410,723)
Infrastructure	(24,210,782)	(982,217)	-	-	(25,192,999)
Improvements other than buildings	(17,557,269)	(1,906,839)	3,761	-	(19,460,347)
Equipment	(4,619,461)	(544,029)	100,505	-	(5,062,985)
Total accumulated depreciation/amortization	<u>(48,725,552)</u>	<u>(3,505,768)</u>	<u>104,266</u>	<u>-</u>	<u>(52,127,054)</u>
Capital assets being depreciated, net	<u>41,687,479</u>	<u>(1,161,975)</u>	<u>(17,706)</u>	<u>174,187</u>	<u>40,681,985</u>
Business-type activities capital assets, net	<u>\$ 50,296,927</u>	<u>\$ 3,129,907</u>	<u>\$ (1,544,942)</u>	<u>\$ -</u>	<u>\$ 51,881,892</u>

Depreciation expense was allocated to the enterprise functions in the statement of revenues, expenses, and changes in fund net position as follows:

Business-type activities:	
Utility system	\$ 3,300,501
Stormwater Management	205,267
Total depreciation and amortization expense, business-type functions	<u>\$ 3,505,768</u>

**Long-Term Debt and Liabilities**

*Community Redevelopment Agency Bonds*

**Florida Municipal Loan Council Refunding and Revenue Bonds, Series 2017B.** On September 1, 2017, the Downtown Cocoa Beach Community Redevelopment agency entered into a interlocal agreement with the Florida Municipal Loan Council for the issuance of bonds in an original amount of \$6,790,000 for which the CRA'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.

**NOTE 2. DETAILED NOTES ON ALL FUNDS (CONTINUED)**

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

*Notes payable*

**Capital Improvement Revenue Note, Series 2014A.** On April 23, 2014, the City entered into a loan agreement with a financial institution in an amount of \$3,790,000 and interest of 3.28% per annum for the purpose of a new fire station and other various capital improvements. The loan is secured by pledged revenues from utility franchise fees and contains a covenant whereby, no later than 1 month before the payment date, the City will fund a debt service account with the future payment amount. The loan is payable in semi-annual installments beginning November 1, 2014 through November 1, 2033 and contains prepayment penalties.

**Clean Water State Revolving Loan, #050621.** On July 6, 2015, the City entered into a loan agreement with the State of Florida in an original amount of \$1,193,215 and interest of 1.48% per annum plus a service charge for the purpose of sewer treatment and rehabilitation projects. The loan is secured by revenues derived from the operation of the City's Utility System fund and payable in semi-annual installments beginning December 2017 through June 2037.

**Clean Water State Revolving Loan, #050630.** On August 26, 2019, the City entered into a loan agreement with the state in an original amount of \$5,089,289 and interest of 0.345% per annum plus a service charge purpose of sewer treatment and improvement projects. The loan is secured by revenues derived from the operation of the City's Utility System fund and payable in semi-annual installments beginning April 2021 through October 2040.

**Special Obligation Revenue Note, Series 2019.** On August 22, 2019, the City entered into a loan agreement with a financial institution in an original amount of \$9,751,000 and interest of 2.45% for the purpose of construction of a new police station and the cost of municipal facilities energy and equipment improvement to include; control enhancements, HVAC armor, LED lighting, tightening of building envelopes and roofs. The loan is payable in semi-annual installments beginning January 15, 2020 through July 15, 2039.

**Utility Tax Revenue Refunding Note, Series 2020.** On October 13, 2020, the City entered into an agreement with a bank in an amount of \$18,892,000 with a fixed interest rate of 1.61% per annum for the purpose of refunding the Clean Water State Revolving Loan #050610 and #050620. The note requires biannual payments of interest and principal beginning on December 1, 2020 through the maturity date on December 1, 2036.

**Special Obligation Revenue Note, Series 2024.** On July 22, 2024, the City entered into a loan agreement with a financial institution in an original amount of \$3,593,000 and interest of 3.96% for the purpose of construction of a new Cocoa Beach City Hall building and Cultural Green Space. The loan is payable in semi-annual installments beginning January 15, 2025 through July 15, 2039.

**NOTE 2. DETAILED NOTES ON ALL FUNDS (CONTINUED)**

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

*Notes payable (Continued)*

The following is a summary of governmental activities notes payable for the year ended September 30, 2024:

Year ending September 30,	Governmental Activities									
	Capital Improvement Note Series 2014a		CRA Revenue Bonds Series 2017b		Special Obligation Revenue Note Series 2019		Special Obligation Revenue Note Series 2024		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 190,000	\$ 70,028	\$ 290,000	\$ 107,750	\$ 467,000	\$ 185,992	\$ 195,000	\$ 153,495	\$ 1,142,000	\$ 517,265
2026	200,000	63,632	305,000	92,875	478,000	174,416	206,000	148,817	1,189,000	479,740
2027	205,000	56,990	320,000	77,250	490,000	162,558	214,000	140,659	1,229,000	437,457
2028	210,000	50,184	340,000	60,750	502,000	150,405	223,000	132,185	1,275,000	393,524
2029	220,000	43,132	355,000	43,375	514,000	137,960	232,000	123,354	1,321,000	347,821
2030-2034	1,205,000	101,270	1,150,000	52,500	2,768,000	492,034	1,302,000	471,676	6,425,000	1,117,480
2035-2039	-	-	-	-	2,606,000	162,754	1,581,000	-	-	-
2040-2044	-	-	-	-	-	-	-	-	-	-
Total	2,230,000	385,236	2,760,000	434,500	7,825,000	1,466,119	3,953,000	1,362,840	16,768,000	3,648,695
Current Portion	(190,000)	(70,028)	(290,000)	(107,750)	(467,000)	(185,992)	(195,000)	(153,495)	(1,142,000)	(517,265)
Non-current	\$ 2,040,000	\$ 315,208	\$ 2,470,000	\$ 326,750	\$ 7,358,000	\$ 1,280,127	\$ 3,758,000	\$ 1,209,345	\$ 15,626,000	\$ 3,131,430

The following is a summary of business-type activities notes payable for the year ended September 30, 2024:

Year ending September 30,	Business-type Activities							
	SRF Loan #050621		SRF Loan #050630		Wastewater Utility System Revenue Bond, Series 2020		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 59,975	\$ 5,612	\$ 227,420	\$ 26,935	\$ 1,394,000	\$ 222,800	\$ 1,681,395	\$ 255,347
2026	60,394	5,194	228,992	25,363	1,415,000	200,268	1,704,386	230,825
2027	60,816	4,772	230,575	23,780	1,440,000	177,390	1,731,391	205,942
2028	61,242	4,346	232,168	22,186	1,462,000	154,117	1,755,410	180,649
2029	61,671	3,917	233,773	20,581	1,486,000	130,482	1,781,444	154,980
2030-2034	314,924	13,017	1,193,327	78,445	6,987,000	284,229	8,495,251	375,691
2035-2039	194,347	2,418	1,235,142	36,630	-	-	1,429,489	39,048
2040-2044	-	-	378,913	2,618	-	-	378,913	2,618
Total	813,369	39,276	3,960,310	236,538	14,184,000	1,169,286	18,957,679	1,445,100
Current Portion	(59,975)	(5,612)	(227,420)	(26,935)	(1,394,000)	(222,800)	(1,681,395)	(255,347)
Non-current	\$ 753,394	\$ 33,664	\$ 3,732,890	\$ 209,603	\$ 12,790,000	\$ 946,486	\$ 17,276,284	\$ 1,189,753

*Financed purchases*

In October 2020, through a Master Lease/Purchase Agreement with a Bank for the acquisition of a fire truck. The contract has a principal amount \$1,200,000 and accrues interest at 1.78% per annum. The purchase agreement requires regular payments beginning on October 15, 2021 through the end of the purchase on October 15, 2030.

In October, 2021, the City acquired golf carts through a Lease/Purchase agreement with a Bank. The contract has a principal amount of \$467,197 and accrues interest at 3.79% per annum. The purchase agreement requires regular quarterly payments beginning on January 15, 2022 through the end of the purchase on October 15, 2026.

In December, 2021, the City acquired a vehicle through a Lease/Purchase agreement with a Bank. The contract has a principal amount of \$440,737 and accrues interest at 1.34% per annum. The purchase agreement requires regular annual payments beginning on December 1, 2022 through the end of the purchase on December 1, 2026.

**NOTE 2. DETAILED NOTES ON ALL FUNDS (CONTINUED)**

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

*Financed Purchases (Continued)*

The following is a summary of minimum payments for financed purchases for the year ended September 30, 2024:

Year ending September 30,	Governmental Activities						Business-type Activities	
	Tower Truck		Golf Carts		Total		Financed Purchase	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 143,000	\$ 18,850	\$ 103,979	\$ 7,622	\$ 246,979	\$ 26,472	\$ 88,132	\$ 3,591
2026	146,000	16,305	107,981	3,621	253,981	19,926	89,313	2,410
2027	149,000	13,706	29,774	262	178,774	13,968	90,510	1,213
2028	151,000	11,054	-	-	151,000	11,054	-	-
2029	154,000	8,366	-	-	154,000	8,366	-	-
2030-2034	316,000	8,455	-	-	316,000	8,455	267,955	7,214
Total	1,059,000	76,736	241,734	11,505	1,300,734	88,241	(88,132)	(3,591)
Current Portion	(143,000)	(18,850)	(103,979)	(7,622)	(246,979)	(26,472)		
Non-current	\$ 916,000	\$ 57,886	\$ 137,755	\$ 3,883	\$ 1,053,755	\$ 61,769	\$ 179,823	\$ 3,623

*Leases*

The City has entered into lease agreements to obtain the right-to-use of office equipment. The total annual rental for the leases the City paid for the fiscal year ended September 30, 2024 was \$56,390. The lease has a 63-month initial term. The lease agreement has monthly payments of \$4,880, and expired in fiscal year 2024.

*Subscription-Based Information Technology Arrangements*

The City has 12 software arrangements that requires recognition under GASBC Section 5:80, *Subscription-Based Information Technology Arrangements* (SBITAs). The City now recognizes a subscription liability and an intangible right-to-use subscription asset for these arrangements.

The arrangements have maturity dates ranging from fiscal year 2025 to fiscal year 2027. Principal and interest payments are made using imputed interest rates varying from 2.85% to 4.35%. There are not residual value guarantees in the agreements.

The following is a schedule of minimum future payments from SBITAs as of September 30, 2024:

For the years ending September 30,	Governmental Activities		
	Principal	Interest	Total
2025	\$ 216,391	\$ 11,365	\$ 227,756
2026	205,472	6,323	211,795
2027	18,437	562	18,999
Total	\$ 440,300	\$ 18,250	\$ 458,550

**NOTE 2. DETAILED NOTES ON ALL FUNDS (CONTINUED)**

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

**Changes in Long-Term Liabilities**

Long-term liability activity for the year ended September 30, 2024, was as follows for governmental activities:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities					
Notes payable					
Capital Improvement					
Note, Series 2014A	\$ 2,415,000	\$ -	\$ (185,000)	\$ 2,230,000	\$ 190,000
Special Obligation Revenue					
Note, Series 2019	8,281,000	-	(456,000)	7,825,000	467,000
Special Obligation Revenue					
Note, Series 2024	-	3,953,000	-	3,953,000	195,000
Total notes from					
direct borrowings	<u>10,696,000</u>	<u>3,953,000</u>	<u>(641,000)</u>	<u>14,008,000</u>	<u>852,000</u>
Bonds payable					
Florida Municipal Loan					
Council Refund and					
Revenue Bonds,					
Series 2017B	3,040,000	-	(280,000)	2,760,000	290,000
Total bonds payable	<u>3,040,000</u>	<u>-</u>	<u>(280,000)</u>	<u>2,760,000</u>	<u>290,000</u>
Bond premiums	257,601	-	(57,265)	200,336	28,619
Financed purchases	1,517,182	-	(216,448)	1,300,734	246,979
Lease liability	57,786	-	(57,786)	-	-
Subscription liability	26,818	613,585	(200,103)	440,300	216,391
Net pension liability	13,460,429	11,411,897	(13,941,482)	10,930,844	-
Net opeb liability	2,606,031	1,383,454	(1,051,979)	2,937,506	-
Compensated absences	<u>1,395,204</u>	<u>1,042,687</u>	<u>(994,592)</u>	<u>1,443,299</u>	<u>528,000</u>
Governmental activity					
long-term liabilities	<u>\$ 33,057,051</u>	<u>\$ 18,404,623</u>	<u>\$ (17,440,655)</u>	<u>\$ 34,021,019</u>	<u>\$ 2,161,989</u>

**NOTE 2. DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**Changes in Long-Term Liabilities (Continued)**

The Capital improvement Note, Series 2014a, the Special Obligation Note Series 2019, and compensated absences will be liquidated in future periods primarily by the General Fund for governmental activities. The Florida Municipal Loan Council Refund and Revenue Bonds, Series 2017B will be liquidated by the Community Redevelopment Agency fund.

Long-term liability activity for the year ended September 30, 2024, was as follows for business-type activities:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Business-type activities					
Notes payable					
SRF Loan #050621	\$ 872,930	\$ -	\$ (59,561)	\$ 813,369	\$ 59,975
SRF Loan #050630	4,186,169	-	(225,859)	3,960,310	227,420
Wastewater Utility System					
Revenue Bond, Series 2020	15,555,000	-	(1,371,000)	14,184,000	1,394,000
Total notes from direct borrowings	<u>20,614,099</u>	<u>-</u>	<u>(1,656,420)</u>	<u>18,957,679</u>	<u>1,681,395</u>
Financed purchase	354,921	-	(86,966)	267,955	88,132
Net pension liability	507,500	160,927	(557,277)	111,150	-
Net opeb liability	444,456	235,947	(239,135)	441,268	-
Compensated absences	<u>210,359</u>	<u>135,142</u>	<u>(32,198)</u>	<u>313,303</u>	<u>32,198</u>
Business-type activity					
long-term liabilities	<u>\$ 22,131,335</u>	<u>\$ 532,016</u>	<u>\$ (2,571,996)</u>	<u>\$ 20,091,355</u>	<u>\$ 1,801,725</u>

Business-type activities notes payable and compensated absences will be liquidated by their respective proprietary fund.

*Pledged Revenues*

The City has revenue notes outstanding at September 30, 2024, for which revenues of the City have been pledged for repayment. Revenues pledged to repay these obligations are as follows:

	<u>Amount Issued</u>	<u>Future Principal and Interest</u>	<u>Current Pledged Revenue</u>	<u>Current Year Principal and Interest</u>	<u>Current Percentage of Revenue</u>
Governmental activities					
Revenue Notes					
Capital Improvement					
Note, Series 2014A	\$ 3,790,000	\$ 2,615,236	\$ 1,662,173	\$ 261,178	16%
Special Obligation Revenue					
Note, Series 2019	\$ 9,751,000	\$ 9,291,117	\$ 24,765,594	\$ 653,299	3%
Special Obligation Revenue					
Note, Series 2024	\$ 3,953,000	\$ 3,953,000	\$ 24,765,594	\$ -	0%
Business-type activities					
SRF Loan #050621	\$ 1,193,215	\$ 852,644	\$ 893,018	\$ 65,588	7%
SRF Loan #050630	\$ 5,089,289	\$ 4,196,848	\$ 10,041,423	\$ 254,354	3%
Wastewater Utility System					
Revenue Bond, Series 2020	\$ 18,892,000	\$ 15,323,287	\$ 10,041,423	\$ 1,615,963	16%

**NOTE 2. DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**Changes in Long-Term Liabilities (Continued)**

*Interfund Receivables, Payables And Transfers*

	Receivable	Payable
General Fund	\$ -	\$ 5,880,889
Nonmajor Fund	1,258,252	-
Utilities Fund	3,288,284	-
Stormwater Fund	-	373,473
Internal Service Fund	1,707,826	-
	<u>\$ 6,254,362</u>	<u>\$ 6,254,362</u>

	Transfers In	Transfers Out
General Fund	\$ 2,032,745	\$ 20,000
CRA Fund	-	2,429,098
Nonmajor Funds	3,019,896	787,049
Utilities Fund	-	1,663,654
Stormwater Fund	60,000	212,840
	<u>\$ 5,112,641</u>	<u>\$ 5,112,641</u>

The transfer from the General Fund to the Community Redevelopment Fund provides incremental ad-valorem tax revenue in accordance with the CRA agreement. The transfers from the CRA and the General Fund to the Capital Improvement Fund are for construction of a new building. Transfers from the Utility Fund and Stormwater Management Fund to the General Fund are at amounts authorized by the City Commission and intended to reimburse for services rendered.

**NOTE 3. RETIREMENT PLANS**

**Description of Plans**

The City maintains three contributory single employer defined benefit pension plans (Plans) that provide for retirement, disability, and death benefits as described below. These Plans are:

- City of Cocoa Beach General Employees' Pension Trust Fund (General Employees)
- City of Cocoa Beach Police Officers' Retirement Trust Fund (Police Officers')
- City of Cocoa Beach Firefighters' Retirement Trust Fund (Firefighters')

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

*Basis of accounting*

The Plans' financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to each plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits, refunds, and administrative costs are recognized when due and payable in accordance with the terms of each plan. On-behalf payments, made by the state totaling \$17,235 and \$267,992 for the Police Officers' and Firefighters' plans respectively, were recognized as revenues and expenditures in the General Fund during the year ended September 30, 2024.

**NOTE 3. RETIREMENT PLANS (CONTINUED)**

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

*Method used to value investments*

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

*Presentation of financial statements*

The Plans do not issue stand-alone financial reports and are not included in the reports of any other entity.

*Funding requirements*

The City uses the entry age normal actuarial cost method (EAN) to determine required contributions. This method provides a stable pattern of minimum required contributions at a level dollar amount (for each plan) and allows a more transparent analysis of the changes experienced from one year to the next.

City contributions are actuarially determined sufficient to pay current costs and amortize unfunded past service costs, if any, as provided in Chapter 112, Florida Statutes.

Florida Statutes, Chapters 175 and 185, require members to contribute not less than .5% of their annual salary. The City is required to contribute at an actuarially determined rate, which includes the state's premium tax proceeds. Employer contributions for police officers and firefighters include on-behalf payments from the state of Florida related to state excise taxes collected on homeowners' insurance policies. Municipalities that have established pension plans complying with the provisions of Chapters 175 and 185, Florida Statutes, and that have enacted appropriate taxing legislation are eligible to receive revenues generated from excise taxes on gross receipts of certain insurance premiums from policyholders covering property within the City limits.

These state premium tax proceeds are the Firefighters' Pension Fund Excise Tax, which is imposed on the gross receipts of property insurance policy premiums, and the Police Officers' Pension Fund Excise Tax, which is imposed on the gross receipts of casualty insurance policy premiums.

*Contributions*

Active members of each Plan are required to contribute 5% of base wages to the Plan. For all plans, the City pays the amount required in order to pay current costs and amortize unfunded past service cost, if any, as provided in Chapter 112, Florida Statutes.

**NOTE 3. RETIREMENT PLANS (CONTINUED)**

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

*Plan Administration*

The General Employees Pension Plan is administered by a Board of Trustees comprised of:

- a. Two Trustees who are Plan participants, either a current employee or a retiree receiving benefits, elected by the employees in secret ballot elections;
- b. One resident of the City to be appointed by the City Commission;
- c. One member of the City Commission chosen by the City Commission;
- d. The City Chief Financial Officer who serves as Chairman of the Board of Trustees.

The Police Officers' Retirement Trust Fund is administered by a Board of Trustees comprised of:

- a. Two City Commission appointees who are City residents;
- b. Two elected Members of the Plan;
- c. Fifth Member elected by other four and appointed by Commission.

The Firefighters' Retirement Trust is administered by a Board of Trustees comprised of:

- a. Two City Commission appointees who are City residents;
- b. Two elected Members of the Plan;
- c. Fifth Member elected by other four and appointed by Commission.

**Plan Membership and Benefits**

Plan membership as of the valuation date of October 1, 2023 is as follows:

<b>Plan Membership</b>	<b>General Employees</b>	<b>Police Officers'</b>	<b>Firefighters'</b>
Inactive plan members or beneficiaries currently receiving benefits	122	39	31
Inactive plan members entitled to, but not yet receiving benefits	45	7	3
Active plan members	<u>134</u>	<u>34</u>	<u>36</u>
Total plan membership	<u>301</u>	<u>80</u>	<u>70</u>

The three plans provide retirement, termination, disability, and death benefits. A summary of those benefits, by plan, is outlined below.

**NOTE 3. RETIREMENT PLANS (CONTINUED)**

**Plan Membership and Benefits (Continued)**

	<b>General Employees</b>	<b>Police Officers'</b>	<b>Firefighters'</b>
Normal Retirement:	<p>Age 62 and 5 years of service.</p> <p>Benefits if employed on or after 11/18/99, 2.50% of Average Final Compensation times Credited Service. If employed before 11/18/99, 3.00% of Average Final Compensation times Credited Service. For 25 or more years of Credited Service on 12/31/98, the maximum benefit payable is 90% of Average Final Compensation. Otherwise, the maximum benefit payable is 80% of Average Final Compensation.</p>	<p>Age 55 and 10 years of service, age 52 and 25 years of service, 30 years of service regardless of age.</p> <p>Retirement benefits are calculated as 4.00% of Average Final Compensation (AFC) times Credited Service before 11/19/98, plus 3.00% of AFC times Credited Service on or after 11/19/98.</p>	<p>Age 55 and 10 years of service, 25 years of service</p> <p>4% of Average Final Compensation (AFC) times Credited Service before 11/19/98, plus 3% of AFC times Credited Service on or after 11/19/98.</p>
Early Retirement:	<p>Age 52 and 5 years of Credited Service.</p>	<p>Age 50 and 10 Years of Credited Service. Deferred benefit payable at Normal Retirement or immediate benefit reduced 3% per year.</p>	<p>Age 45 and 10 years of Credited Service. Benefit Amount: Deferred benefit payable at Normal Retirement or immediate benefit reduced 3% per year.</p>
Termination of Employment:	<p>Vested employees receive full benefits upon retirement age. Nonvested are entitled to return of employee contributions</p>	<p>Vested employees receive full benefits upon retirement age. Nonvested are entitled to return of employee contributions</p>	<p>Vested employees receive full benefits upon retirement age. Nonvested are entitled to return of employee contributions</p>
Disability Benefits:	<p>Disability benefit accrued to date of disability, reduced as for Early Retirement from date of disability to Normal Retirement Date.</p>	<p>Benefit accrued to date of disability but not less than 42% of Average Monthly Earnings (Service Incurred).</p>	<p>Benefit accrued to date of disability but not less than 42% of Average Monthly Earnings (Service Incurred).</p>
Pre-retirement Death Benefits:	<p>Survivor benefit is 10 year certain amount adjusted for vesting status at time of death of plan member. Nonvested are entitled to return of employee contributions.</p>	<p>Survivor benefit is 10 year certain amount adjusted for vesting status at time of death of plan member. Nonvested are entitled to return of employee contributions</p>	<p>Survivor benefit is 10 year certain amount adjusted for vesting status at time of death of plan member. Nonvested are entitled to return of employee contributions.</p>
Option (DROP):	<p>Normal retirement date. Accrued benefit frozen but earns interest until DROP exit (no more than 5 years later)</p>	<p>Normal retirement date. Accrued benefit frozen but earns interest until DROP exit (no more than 5 years later)</p>	<p>Normal retirement date. Accrued benefit frozen but earns interest until DROP exit (no more than 5 years later)</p>

**NOTE 3. RETIREMENT PLANS (CONTINUED)**

**Pension Plan Investments**

Each plan's investment policy was adopted by the respective Pension Board of Trustees, which has the authority for establishing and amending investment policy decisions for each of the plans that they administer. The policy outlines suitable, authorized investments along with asset allocations.

For the year ended September 30, 2024, the money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

	<u>General Employees</u>	<u>Police Officers'</u>	<u>Firefighters'</u>
Annual money-weighted rate of return net of investment expenses	20.50%	16.33%	16.91%

**Net Pension Liability, Significant Assumptions, and Discount Rate**

The components of the net pension liability of the City as of September 30, 2024, were as follows:

	<u>General Employees</u>	<u>Police Officers'</u>	<u>Firefighters'</u>
Total pension liability	\$ 35,845,732	\$ 23,971,868	\$ 22,717,716
Plan fiduciary net position	<u>(34,178,785)</u>	<u>(18,529,971)</u>	<u>(18,784,567)</u>
City's net pension liability	<u>\$ 1,666,947</u>	<u>\$ 5,441,897</u>	<u>\$ 3,933,149</u>
Plan fiduciary net position as a percentage of the total pension liability	95.35%	77.30%	82.69%

The total pension liability was determined by an actuarial valuation, using the following actuarial assumptions applied to all measurement periods for each plan.

	<u>General Employees</u>	<u>Police Officers'</u>	<u>Firefighters'</u>
Valuation date	October 1, 2022	October 1, 2022	October 1, 2022
Inflation	2.50%	2.50%	2.50%
Salary increases (including inflation)	Service based	Service based	Service based
Investment rate of return (net of investment expense, including inflation)	7.25%	7.20%	7.20%
Discount rate	7.25%	7.20%	7.20%

**NOTE 3. RETIREMENT PLANS (CONTINUED)**

**Net Pension Liability, Significant Assumptions, and Discount Rate (Continued)**

Mortality rates were based on the July 1, 2021 FRS special risk actuarial valuation for the Police and Fire Employees plans and the July 1, 2021 FRS no special risk actuarial valuation for the General Employees plan. Disabled tables were used for disabled lives.

For the Firefighters and Police Officers' plans, actuarial assumptions used in the October 1, 2022 valuation were based on the results of an actuarial experience study issued July 29, 2021. The actuarial assumptions used for General Employees plan October 1, 2022 valuation were based upon an experience study dated November 16, 2021.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the plans' target asset allocation as of September 30, 2023, are summarized in the following table:

Asset Class	General Employees		Police Officers'		Firefighters'	
	Target Allocation	Long-term Expected Rate of Return	Target Allocation	Long-term Expected Rate of Return	Target Allocation	Long-term Expected Rate of Return
Domestic equity	35.00%	8.20%	50.00%	7.50%	50.00%	7.50%
International equity	15.00%	3.30%	15.00%	8.50%	15.00%	8.50%
Broad market fixed income	-	-	15.00%	2.50%	15.00%	2.50%
Global fixed income	-	-	5.00%	3.50%	5.00%	3.50%
Real estate	-	-	15.00%	4.50%	15.00%	4.50%
Bonds	30.00%	2.20%	-	-	-	-
Convertibles	10.00%	6.50%	-	-	-	-
Infrastructure	5.00%	5.50%	-	-	-	-
Private Real Estate	5.00%	6.50%	-	-	-	-
	100.00%		100.00%		100.00%	

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, each Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the net pension liability.

**NOTE 3. RETIREMENT PLANS (CONTINUED)**

**Pension Expense and Deferred Inflows/Outflows of Resources Related to Pensions**

For the year ended September 30, 2024, the City recognized a pension expense of \$1,776,499 for the General Employees plan; \$1,474,711 for the Police Officers' plan; and \$1,465,573 for the Firefighters' plan.

On September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>General Employees</b>		<b>Police Officers'</b>		<b>Firefighters'</b>	
	<b>Deferred Outflow of Resources</b>	<b>Deferred Inflow of Resources</b>	<b>Deferred Outflow of Resources</b>	<b>Deferred Inflow of Resources</b>	<b>Deferred Outflow of Resources</b>	<b>Deferred Inflow of Resources</b>
Difference between expected and actual experience	\$ 1,247,148	\$ 179,031	\$ 637,803	\$ -	\$ 1,072,579	\$ 32,622
Changes of assumptions	190,392	-	329,410	-	371,924	-
Net difference between projected and actual earnings	-	745,309	400,534	-	344,472	-
Contributions made subsequent to the measurement date	-	-	-	-	-	-
<b>Total</b>	<b>\$ 1,437,540</b>	<b>\$ 924,340</b>	<b>\$ 1,367,747</b>	<b>\$ -</b>	<b>\$ 1,788,975</b>	<b>\$ 32,622</b>

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

<b>Year ending September 30,</b>	<b>General Employees</b>	<b>Police Officers'</b>	<b>Firefighters'</b>
2025	\$ 560,176	\$ 752,247	\$ 670,313
2026	1,249,078	1,181,625	1,021,314
2027	(524,125)	(276,020)	35,405
2028	(771,929)	(290,105)	29,321
<b>Total</b>	<b>\$ 513,200</b>	<b>\$ 1,367,747</b>	<b>\$ 1,756,353</b>

**NOTE 3. RETIREMENT PLANS (CONTINUED)**

**Changes in Net Pension Liability and Sensitivity to Changes in Discount Rate**

*General Employees*

	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a-b)</b>
<b>Balances at September 30, 2023</b>	\$ 33,584,372	\$ 29,147,887	\$ 4,436,485
<b>Changes for the year:</b>			
Service cost	840,384	-	840,384
Interest	2,418,050	-	2,418,050
Differences between expected and actual experience	1,147,609	-	1,147,609
Change of assumptions	-	-	-
Contributions - employer	-	780,000	(780,000)
Contributions - employee	-	400,935	(400,935)
Net investment income (loss)	-	6,018,012	(6,018,012)
Benefit payments, including refunds of employee contributions	(2,144,683)	(2,144,683)	
Administrative expenses	-	(23,366)	23,366
<b>Net change</b>	<u>2,261,360</u>	<u>5,030,898</u>	<u>(2,769,538)</u>
<b>Balances at September 30, 2024</b>	<u>\$ 35,845,732</u>	<u>\$ 34,178,785</u>	<u>\$ 1,666,947</u>

The sensitivity of the net pension liability to changes in the discount rate is shown below:

	<b>1% Decrease 6.25%</b>	<b>Current Discount Rate 7.25%</b>	<b>1% Increase 8.25%</b>
City's Net Pension Liability (Asset)			
General Employees'	\$ 5,567,487	\$ 1,666,947	\$ (1,487,601)

**NOTE 3. RETIREMENT PLANS (CONTINUED)**

**Changes in Net Pension Liability and Sensitivity to Changes in Discount Rate (Continued)**

*Police Officers'*

	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a-b)</b>
<b>Balances at September 30, 2023</b>	\$ 21,889,397	\$ 16,278,960	\$ 5,610,437
<b>Changes for the year:</b>			
Service cost	383,305	-	383,305
Interest	1,598,800	-	1,598,800
Differences between expected and actual experience	940,849	-	940,849
Change of assumptions	494,114	-	494,114
Contributions - employer	-	719,763	(719,763)
Contributions - state	-	153,252	(153,252)
Contributions - employee	-	138,564	(138,564)
Net investment income (loss)	-	2,608,167	(2,608,167)
Benefit payments, including refunds of employee contributions	(1,334,597)	(1,334,597)	-
Administrative expenses	-	(34,138)	34,138
<b>Net change</b>	<u>2,082,471</u>	<u>2,251,011</u>	<u>(168,540)</u>
<b>Balances at September 30, 2024</b>	<u>\$ 23,971,868</u>	<u>\$ 18,529,971</u>	<u>\$ 5,441,897</u>

The sensitivity of the net pension liability to changes in the discount rate is shown below:

	<b>1% Decrease 6.20%</b>	<b>Current Discount Rate 7.20%</b>	<b>1% Increase 8.20%</b>
City's Net Pension Liability			
Police Officers'	\$ 8,171,113	\$ 5,441,897	\$ 3,104,037

**NOTE 3. RETIREMENT PLANS (CONTINUED)**

**Changes in Net Pension Liability and Sensitivity to Changes in Discount Rate (Continued)**

*Firefighters'*

	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net Pension Liability (a-b)</u>
<b>Balances at September 30, 2023</b>	\$ 20,240,660	\$ 16,319,653	\$ 3,921,007
<b>Changes for the year:</b>			
Service cost	468,515	-	468,515
Interest	1,488,951	-	1,488,951
Differences between expected and actual experience	1,231,117	-	1,231,117
Change of assumptions	464,903		464,903
Contributions - employer	-	638,210	(638,210)
Contributions - state	-	291,258	(291,258)
Contributions - employee	-	130,029	(130,029)
Net investment income (loss)	-	2,620,769	(2,620,769)
Benefit payments, including refunds of employee contributions	(1,176,429)	(1,176,429)	-
Administrative expenses	-	(38,923)	38,923
<b>Net change</b>	<u>2,477,057</u>	<u>2,464,914</u>	<u>12,143</u>
<b>Balances at September 30, 2024</b>	<u>\$ 22,717,717</u>	<u>\$ 18,784,567</u>	<u>\$ 3,933,150</u>

The sensitivity of the net pension liability to changes in the discount rate is shown below:

	<b>1% Decrease 6.20%</b>	<b>Current Discount Rate 7.20%</b>	<b>1% Increase 8.20%</b>
City's Net Pension Liability			
Firefighters'	\$ 6,402,306	\$ 3,933,150	\$ 1,634,513

**NOTE 3. RETIREMENT PLANS (CONTINUED)**

**Pension Plan Financial Statements**

The City does not issue separate financial statements for the General Employees, Police Officers' or the Firefighters pension plans. The basic financial statements of the City include a statement of net position and a statement of changes in fiduciary net position that presents a single column for each fund type for all pension trust funds.

*Combining fiduciary fund information*

The following tables present the combined fiduciary funds net position activity as of September 30, 2024:

	OPEB	Employee Benefit Fund		
	Trust Fund	General Employees'	Police Officers'	Firefighters'
<b>ASSETS</b>				
Contributions receivable	\$ -	\$ -	\$ -	\$ -
Accrued interest receivable	-	92,910	-	-
Investments, at fair value	3,325,571	34,118,570	18,529,971	18,790,192
Total assets	<u>\$ 3,325,571</u>	<u>\$ 34,211,480</u>	<u>\$ 18,529,971</u>	<u>\$ 18,790,192</u>
<b>LIABILITIES</b>				
Accounts payable	-	32,695	-	5,625
Total liabilities	-	32,695	-	5,625
<b>NET POSITION</b>				
Restricted for OPEB benefits	3,325,571	-	-	-
Restricted for pension benefits	-	34,178,785	18,529,971	18,784,567
Total net position	<u>\$ 3,325,571</u>	<u>\$ 34,178,785</u>	<u>\$ 18,529,971</u>	<u>\$ 18,784,567</u>

The net OPEB liability is generally liquidated by the General Fund. The net pension liabilities of the Police Officers' and Firefighters' pension plans will be liquidated by the General Fund. The net pension liability of the General Employees' pension plan will be liquidated by the General Fund and the respective proprietary funds.

**NOTE 3. RETIREMENT PLANS (CONTINUED)**

**Pension Plan Financial Statements (Continued)**

*Combining fiduciary fund information (Continued)*

The fiduciary funds change in fiduciary net position activity for the year ended September 30, 2024 was as follows:

	OPEB Trust Fund	Employee Benefit Fund		
		General Employees'	Police Officers'	Firefighters'
<b>ADDITIONS</b>				
Contributions				
City	\$ 100,000	\$ 780,000	\$ 806,017	\$ 535,000
Employees	-	445,156	138,800	137,149
State of Florida	-	-	17,235	267,992
Miscellaneous	-	-	-	17,705
Total contributions	<u>100,000</u>	<u>1,225,156</u>	<u>962,052</u>	<u>957,846</u>
Investment income				
Interest and dividends	-	1,052,218	644,927	659,393
Net appreciation in the fair value of investments	587,964	5,053,723	2,049,192	2,124,508
Investment expense	(3,472)	(112,131)	(38,795)	(38,752)
Net investment income	<u>584,492</u>	<u>5,993,810</u>	<u>2,655,324</u>	<u>2,745,149</u>
Total additions	<u>684,492</u>	<u>7,218,966</u>	<u>3,617,376</u>	<u>3,702,995</u>
<b>DEDUCTIONS</b>				
Pension benefits	-	2,105,748	1,328,027	1,176,429
Refunds of contributions	-	44,579	-	-
Administrative expenses	-	30,250	48,463	49,143
Total deductions	<u>-</u>	<u>2,180,577</u>	<u>1,376,490</u>	<u>1,225,572</u>
Net change in plan net position	684,492	5,038,389	2,240,886	2,477,423
Net position:				
Beginning of year	2,641,079	29,140,396	16,289,085	16,307,144
End of year	<u>\$ 3,325,571</u>	<u>\$ 34,178,785</u>	<u>\$ 18,529,971</u>	<u>\$ 18,784,567</u>

Applicable totals for all of the City's defined benefit pension plans for the fiscal year ended September 30, 2024 are as follows:

	General Employees'	Police Officers'	Firefighters'	Total
Net Pension Liability	\$ 1,666,947	\$ 5,441,897	\$ 3,933,150	\$ 11,041,994
Deferred Outflows	1,437,540	1,367,747	1,788,975	4,594,262
Deferred Inflows	924,340	-	32,622	956,962
Pension Expense	1,178,263	1,597,853	1,437,046	4,213,162

**NOTE 4. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**

***Plan Description***

The City of Cocoa Beach's Retiree Health Care Plan (Plan) is a single employer defined benefit post-employment health care plan that covers eligible retired employees. The Plan, which is administered by the City, allows employees who retire and meet retirement eligibility requirements under one of the City's retirement plans to continue medical and life insurance coverage as a participant in the City's plan.

***Benefits Provided***

Pre-Medicare retirees who retired prior to January 1, 2009 and retired from active service before January 1, 2014 (with a minimum of 10 years of service) and participate in the group insurance plan offered by the City of Cocoa Beach are required to contribute 50% of the active premium. Once these retirees are Medicare eligible, the City converts the health insurance to a Medicare supplement policy and pays 50% of the premium.

Retirees who retire after January 1, 2014, but were hired prior to January 1, 2009, must meet certain age and service requirements to be eligible for any City-paid premiums.

For retirees hired after January 1, 2009, at least 25 years of service is required before the City will contribute 33% of Pre-Medicare premiums. In addition, General employees must be at least age 62 and Police Officers and Firefighters must be at least age 55. Retirees are eligible for coverage in the Medicare supplement policy but pay 100% of the premium.

For employees who retired prior to October 1, 2006, life Insurance is offered in the amount of \$5,000 to retirees up to age 70, and then coverage drops to \$2,500. The retiree contributes 100% of the premium for this benefit.

***Funding Policy***

The contributions made to the program are no less than the benefits paid to retirees (both on an explicit and implicit basis) and administrative expenses. Additional funding is determined during the annual budget process and approved by the Commission.

***Plan Membership***

OPEB membership consisted of the following:

<u>Septemner 30, 2024</u>	
Inactive plan members or beneficiaries currently receiving benefits	49
Active plan members	<u>217</u>
Total Plan memberships	<u><u>266</u></u>

**NOTE 4. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)**

***Actuarial Assumptions and Other Inputs***

In the September 30, 2024 measurement data, the actuarial assumptions and other inputs, applied include the following:

Inflation rate	2.50%
Salary Increase rate(s)	Varies by service
Discount rate	5.56%
Health care cost trend rates	Initially 7% trending to 4% over 51 years
Investment rate of return	6.50%

The Long-Term Expected Rate of Return on OPEB Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the Long-Term Expected Rate of Return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Core bonds	10.00%	1.40%
Core plus	10.00%	1.70%
US large cap equity	30.00%	5.10%
US small cap equity	16.00%	5.60%
Non-US equity	24.00%	5.60%
Core real estate	10.00%	4.50%

All mortality rates were based on the Pub-2010 mortality tables. All mortality rates are those outlined in Milliman’s July 1, 2023 Florida Retirement System (FRS) valuation report. All tables include fully generational adjustments for mortality improvements using gender-specific improvement scale MP-2018.

**NOTE 4. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)**

**Changes in OPEB Liability and Sensitivity to Changes in Discount Rate**

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Total OPEB Liability
	(a)	(b)	(a) - (b)
Balances at September 30, 2023	\$ 5,691,567	\$ 2,641,080	\$ 3,050,487
Changes for the year:			
Service cost	157,539	-	157,539
Interest	307,709	-	307,709
Differences between expected and actual experience	(283,705)	-	(283,705)
Changes of assumptions	1,150,680	-	1,150,680
Explicit contributions - employer	-	100,000	(100,000)
Implicit contributions - employer	-	319,445	(319,445)
Net Investment Income (loss)	-	587,964	(587,964)
Explicit benefit payments	(303,397)	(303,397)	
Implicit benefit payments	(16,248)	(16,248)	
Administrative Expense	-	(3,473)	3,473
Net Changes	<u>1,012,578</u>	<u>684,291</u>	<u>328,287</u>
Balance as of September 30, 2024	<u>\$ 6,704,145</u>	<u>\$ 3,325,371</u>	<u>\$ 3,378,774</u>

Changes of assumptions reflect a change in the discount rate from 5.77% for the year ended September 30, 2022, to 5.69% for the year ended September 30, 2023. Also reflected are updated health care costs and premiums, updated health care cost trend rates, and updated retirement, termination and salary increase rates.

**Sensitivity of the Net OPEB Liability**

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

	Current		
	1% Decrease	Discount Rate	1% Increase
	4.56%	5.56%	6.56%
Total OPEB liability	\$ 4,134,121	\$ 3,378,774	\$ 2,746,147

**Changes in OPEB Liability and Sensitivity to Changes in Discount Rate**

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

	Current		
	1% Decrease	Healthcare Cost	1% Increase
	Trend Rate	Trend Rate	Trend Rate
Total OPEB liability	\$ 2,438,864	\$ 3,378,774	\$ 3,186,945

**NOTE 4. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)**

***OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB***

For the fiscal year ended September 30, 2023, the City of Cocoa Beach recognized an OPEB expense (benefit) of \$(188,893). In addition the City reported deferred inflows of resources related to the OPEB plan from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ 128,273	\$ 981,953
Changes of assumptions	1,570,667	1,099,947
Net difference between Projected and Actual Earnings on OPEB Plan investments	-	257,654
Total	<u>\$ 1,698,940</u>	<u>\$ 2,339,554</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the OPEB plan will be recognized in the expense as follows:

Year ended September 30,	
2025	\$ (189,605)
2026	(107,540)
2027	(355,392)
2028	(337,177)
2029	120,363
Thereafter	228,737
Total	<u>\$ (640,614)</u>

**NOTE 5. RISK MANAGEMENT**

The City 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 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 City 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 City is covered for claims originating against the City during the policy period. The amount of coverage is dependent on the date of the liability-imposing event. The City has maintained continuous coverage and does not believe it has any exposure to events which occurred prior to the year ended September 30, 2024.

The employee medical insurance is a shared cost policy for which the City pays a recurring administrative fee and claims as asserted. The City's health insurance expenditure is based upon a carryforward experience level, whereby each month the City pays the benefit payments net of the specific stop loss, plus the in-month change in experience deficit, plus adjustments. All departments of the City participate in the program and make payments based on estimates of amounts needed to pay prior and current year claims, claims reserves, and administrative costs. A liability for claims is reported if it is probable that a liability has occurred and the amount is estimable. As of September 30, 2024, the City has an estimated \$343,595 in outstanding claims incurred but not reported, and \$110,902 in claims payable. Consequently, the City does not believe it has any future exposure for medical claims by its employees beyond this estimate.

**NOTE 5. RISK MANAGEMENT (CONTINUED)**

Changes in the estimated accrued claims payable in fiscal years 2024 and 2023 were as follows:

	<b>Beginning Liability</b>	<b>Current Year Claims/Change in Estimate</b>	<b>Claim Payments</b>	<b>Ending Liability</b>
2021-2022	\$ 467,196	\$ 3,336,984	\$ (3,124,746)	\$ 679,434
2022-2023	679,434	2,714,625	(2,796,722)	597,337
2023-2024	597,337	3,446,233	(3,589,073)	454,497

**NOTE 6. COMMITMENTS AND CONTINGENCIES**

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

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

The City has active construction projects as of September 30, 2024. At year-end, the City's commitments with contractors are as follows:

General Fund	\$ 6,242,508
Utilites Fund	<u>2,979,279</u>
Total outstanding commitments	<u><u>\$ 9,221,787</u></u>

General Fund Improvements are mainly funded by general tax revenue. Utilities projects are funded by charges for services and grants from the US Department of Housing and Urban Development.

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



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# City of Cocoa Beach, Florida

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES- BUDGET AND ACTUAL-GENERAL FUND (GAAP BASIS) FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 20,221,628	\$ 20,221,628	\$ 20,531,100	\$ 309,472
Licenses and permits	490,500	533,000	319,821	(213,179)
Intergovernmental	5,671,912	5,921,912	3,532,470	(2,389,442)
Charges for services	11,570,483	11,527,983	10,167,237	(1,360,746)
Fines and forfeitures	48,050	48,050	77,845	29,795
Investment earnings	241,800	262,245	1,254,576	992,331
Miscellaneous revenues	86,450	102,450	70,239	(32,211)
Total revenues	38,330,823	38,617,268	35,953,288	(2,663,980)
<b>Expenditures</b>				
Current				
General government:				
Mayor and City Commission	141,164	150,314	149,398	916
City Attorney - legal services	252,000	207,500	248,496	(40,996)
City Manager	682,490	560,160	544,922	15,238
Personnel	433,854	426,084	412,212	13,872
City Clerk	267,318	285,016	264,813	20,203
Finance	1,041,712	1,036,862	1,032,882	3,980
Metered parking program	375,722	451,617	380,424	71,193
Information technology	1,726,306	1,793,216	1,468,080	325,136
Other general government	1,906,737	1,381,493	1,612,776	(231,283)
Total general government	6,827,303	6,292,262	6,114,003	178,259
Public safety:				
Police department	6,173,433	6,010,673	5,978,971	31,702
Communications	962,041	986,854	968,780	18,074
Fire department	4,794,814	5,463,102	5,422,487	40,615
Code enforcement	-	-	137,335	(137,335)
Parking enforcement	209,893	179,095	164,641	14,454
Building department:				
Planning, zoning and inspections and permits	314,168	405,843	398,648	7,195
Total public safety	12,454,349	13,045,567	13,070,862	(25,295)
Economic environment	20,300	20,300	13,693	6,607
Physical environment	3,868,779	4,226,109	4,204,398	21,711
Transportation/public works:				
Field operations	1,449,787	1,543,833	1,495,308	48,525
Building maintenance	930,832	1,157,615	1,137,874	19,741
Grounds maintenance	927,681	908,344	897,771	10,573
Fleet management	1,014,318	939,668	913,383	26,285
Total transportation/public works	4,322,618	4,549,460	4,444,336	105,124

## City of Cocoa Beach, Florida

### REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES- BUDGET AND ACTUAL-GENERAL FUND (GAAP BASIS) FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
Recreation:				
Administration and community	\$ 572,125	\$ 530,710	\$ 517,874	\$ 12,836
Golf	2,652,330	2,707,630	2,666,182	41,448
Parks	172,801	172,392	169,081	3,311
Swimming pool	506,930	483,530	466,881	16,649
Beach rangers	-	-	-	-
Tennis courts	900	900	800	100
Total recreation	3,905,086	3,895,162	3,820,818	74,344
Capital Outlay	8,481,747	12,342,486	4,160,843	8,181,643
Debt Service:				
Principal	884,126	857,526	1,115,337	(257,811)
Interest	303,801	303,801	313,186	(9,385)
Total expenditures	41,068,109	45,532,673	37,257,476	8,275,197
Deficiency of revenues under expenditures	(2,737,286)	(6,915,405)	(1,304,188)	5,611,217
<b>Other financing sources (uses)</b>				
Proceeds from sale of capital assets	15,000	15,000	124,594	109,594
Issuance of SBITAs	713,575	713,575	613,585	(99,990)
Transfers in	2,028,722	2,028,722	2,032,745	4,023
Transfers out	(20,000)	(20,000)	(20,000)	-
<b>Total other financing sources, net</b>	2,737,297	2,737,297	2,750,924	13,627
Net change in fund balance	11	(4,178,108)	1,446,736	5,624,844
<b>Fund balance, beginning of year</b>	16,923,755	16,923,755	16,923,755	-
<b>Fund balance, end of year</b>	\$ 16,923,766	\$ 12,745,647	\$ 18,370,491	\$ 5,624,844

## City of Cocoa Beach, Florida

### REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES- BUDGET AND ACTUAL-CRA FUND (GAAP BASIS) FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
<b>Revenues</b>				
Property taxes	\$ 887,799	\$ 887,799	\$ 887,799	\$ -
Intergovernmental	464,352	464,352	439,061	(25,291)
Charges for services	426,000	426,000	564,893	138,893
Interest revenue	11,400	11,400	58,619	47,219
Miscellaneous revenue	-	-	40	40
Total revenues	<u>1,789,551</u>	<u>1,789,551</u>	<u>1,950,412</u>	<u>160,861</u>
<b>Expenditures</b>				
Current				
Economic development	601,078	594,468	399,843	194,625
Debt Service	280,000	280,000	280,000	-
Interest Expense	122,000	122,000	122,000	-
Capital outlay	625,000	625,000	168,611	456,389
Total expenditures	<u>1,628,078</u>	<u>1,621,468</u>	<u>970,454</u>	<u>651,014</u>
Excess of revenues under expenditures	<u>161,473</u>	<u>168,083</u>	<u>979,958</u>	<u>811,875</u>
<b>Other financing sources uses</b>				
Transfers out	<u>(3,190,000)</u>	<u>(3,190,000)</u>	<u>(2,429,098)</u>	<u>760,902</u>
Total other financing uses	<u>(3,190,000)</u>	<u>(3,190,000)</u>	<u>(2,429,098)</u>	<u>760,902</u>
Net change in fund balance	(3,028,527)	(3,021,917)	(1,449,140)	1,572,777
Fund balance, beginning of year	<u>2,816,538</u>	<u>2,816,538</u>	<u>2,816,538</u>	<u>-</u>
Fund balance, end of year	<u>\$ (211,989)</u>	<u>\$ (205,379)</u>	<u>\$ 1,367,398</u>	<u>\$ 1,572,777</u>

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY  
AND RELATED RATIOS-GENERAL EMPLOYEES' PENSION**

Reporting period ending	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Total pension liability</b>										
Service cost	\$ 840,384	\$ 756,787	\$ 686,541	\$ 639,073	\$ 622,293	\$ 619,034	\$ 625,201	\$ 584,519	\$ 545,829	\$ 533,313
Interest on total pension liability	2,418,050	2,289,570	2,219,660	2,244,412	2,145,833	2,077,332	1,988,818	1,853,234	1,732,753	1,651,759
Changes of benefit terms	-	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	1,147,609	644,069	(189,801)	(515,553)	491,865	(340,064)	(107,227)	469,323	(316,930)	(113,781)
Changes of assumptions	-	-	-	951,960	(427,634)	-	-	40,962	688,895	-
Contributions - buy back	-	-	-	-	-	-	-	6,585	-	-
Benefit payments, including refunds of employee contributions	(2,144,683)	(1,859,092)	(1,785,645)	(1,637,369)	(1,516,932)	(1,434,443)	(1,282,573)	(1,209,098)	(1,060,176)	(1,017,261)
<b>Net change in total pension liability</b>	<b>2,261,360</b>	<b>1,831,334</b>	<b>930,755</b>	<b>1,682,523</b>	<b>1,315,425</b>	<b>921,859</b>	<b>1,224,219</b>	<b>1,745,525</b>	<b>1,590,371</b>	<b>1,054,030</b>
<b>Total pension liability - beginning</b>	<b>33,584,372</b>	<b>31,753,038</b>	<b>30,822,283</b>	<b>29,139,760</b>	<b>27,824,335</b>	<b>26,902,476</b>	<b>25,678,257</b>	<b>23,932,732</b>	<b>22,342,361</b>	<b>21,288,331</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 35,845,732</b>	<b>\$ 33,584,372</b>	<b>\$ 31,753,038</b>	<b>\$ 30,822,283</b>	<b>\$ 29,139,760</b>	<b>\$ 27,824,335</b>	<b>\$ 26,902,476</b>	<b>\$ 25,678,257</b>	<b>\$ 23,932,732</b>	<b>\$ 22,342,361</b>
<b>Plan fiduciary net position</b>										
Contributions - employer	\$ 780,000	\$ 573,398	\$ 415,004	\$ 605,000	\$ 560,000	\$ 525,000	\$ 510,000	\$ 425,001	\$ 559,031	\$ 786,715
Contributions - employee	400,935	370,510	321,424	294,853	293,346	283,369	279,093	284,664	279,795	248,332
Contributions - buy back	-	-	-	-	-	-	-	6,585	-	-
Net investment income	6,018,012	2,785,668	(6,559,342)	6,146,104	3,075,647	1,015,118	1,981,691	2,639,271	2,007,647	(669,085)
Benefit payments, including refunds of member contributions	(2,144,683)	(1,859,092)	(1,785,645)	(1,637,369)	(1,516,932)	(1,434,443)	(1,282,573)	(1,209,098)	(1,060,176)	(1,017,261)
Administrative expenses	(23,366)	(46,135)	(53,233)	(40,466)	(52,696)	(23,527)	(27,732)	(22,069)	(23,056)	(20,811)
<b>Net change in plan fiduciary net position</b>	<b>5,030,898</b>	<b>1,824,349</b>	<b>(7,661,792)</b>	<b>5,368,122</b>	<b>2,359,365</b>	<b>365,517</b>	<b>1,460,479</b>	<b>2,124,354</b>	<b>1,763,241</b>	<b>(672,110)</b>
<b>Plan fiduciary net position - beginning</b>	<b>29,147,887</b>	<b>27,323,538</b>	<b>34,985,330</b>	<b>29,617,208</b>	<b>27,257,843</b>	<b>26,892,326</b>	<b>25,431,847</b>	<b>23,307,493</b>	<b>21,544,252</b>	<b>22,216,362</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 34,178,785</b>	<b>\$ 29,147,887</b>	<b>\$ 27,323,538</b>	<b>\$ 34,985,330</b>	<b>\$ 29,617,208</b>	<b>\$ 27,257,843</b>	<b>\$ 26,892,326</b>	<b>\$ 25,431,847</b>	<b>\$ 23,307,493</b>	<b>\$ 21,544,252</b>
<b>City's net pension liability - ending (a) - (b)</b>	<b>\$ 1,666,947</b>	<b>\$ 4,436,485</b>	<b>\$ 4,429,500</b>	<b>\$ (4,163,047)</b>	<b>\$ (477,448)</b>	<b>\$ 566,492</b>	<b>\$ 10,150</b>	<b>\$ 246,410</b>	<b>\$ 625,239</b>	<b>\$ 798,109</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	95.35%	86.79%	86.05%	113.51%	101.64%	97.96%	99.96%	99.04%	97.39%	96.43%
<b>Covered payroll</b>	\$ 8,019,318	\$ 7,409,587	\$ 6,428,490	\$ 5,897,070	\$ 5,866,914	\$ 5,667,922	\$ 5,581,312	\$ 5,693,277	\$ 5,595,907	\$ 4,966,634
<b>City's net pension liability as a percentage of covered payroll</b>	20.79%	59.87%	68.90%	-70.60%	-8.14%	9.99%	0.18%	4.33%	11.17%	16.07%

**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CONTRIBUTIONS**  
**GENERAL EMPLOYEES' PENSION**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 736,975	\$ 475,695	\$ 472,494	\$ 548,427	\$ 502,795	\$ 520,882	\$ 588,923	\$ 409,916	\$ 559,031	\$ 786,715
Contributions in relation to the actuarially determined contribution	780,000	573,398	415,004	605,000	560,000	525,000	510,000	425,001	559,031	786,715
Contribution deficiency (excess)	\$ (43,025)	\$ (97,703)	\$ 57,490	\$ (56,573)	\$ (57,205)	\$ (4,118)	\$ 78,923	\$ (15,085)	\$ -	\$ -
Covered payroll	\$ 8,019,318	\$ 7,409,587	\$ 6,428,490	\$ 5,897,070	\$ 5,866,914	\$ 5,667,922	\$ 5,581,312	\$ 5,693,277	\$ 5,595,907	\$ 4,966,634
Contributions as a percentage of covered payroll	9.73%	7.74%	6.46%	10.26%	9.55%	9.26%	9.14%	7.46%	9.99%	15.84%
<b>Notes to the Schedule:</b>										
Valuation date:	October 1, 2022									
Interest Rate:	7.25%									

City of Cocoa Beach, Florida

**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF PENSION INVESTMENT RETURNS**  
**GENERAL EMPLOYEES' PENSION**

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	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General Employees: Annual money-weighted rate of return, net of investment expenses	20.50%	10.28%	-18.96%	20.86%	11.35%	3.79%	7.82%	11.38%	9.31%	-2.98%

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY  
AND RELATED RATIOS—POLICE OFFICERS' PENSION**

Reporting period ending	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Total pension liability</b>										
Service cost	\$ 383,305	\$ 340,319	\$ 322,204	\$ 329,623	\$ 297,678	\$ 280,676	\$ 312,449	\$ 266,442	\$ 264,410	\$ 268,905
Interest on total pension liability	1,598,800	1,551,604	1,485,780	1,464,679	1,443,169	1,447,501	1,365,029	1,282,422	1,248,592	1,215,095
Change in excess state money	-	-	-	-	-	-	-	-	(25,826)	-
Change in benefit terms	-	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	940,849	31,712	358,226	85,833	78,378	(496,372)	460,321	386,258	(205,356)	(159,029)
Changes of assumptions	494,114	-	-	606,886	(196,549)	-	-	36,994	636,451	-
Contributions - buy back	-	-	-	-	47,992	-	-	22,500	-	52,320
Benefit payments, including refunds of employee contributions	(1,334,597)	(1,323,090)	(1,266,514)	(1,334,647)	(1,515,490)	(1,093,911)	(989,830)	(959,625)	(1,052,685)	(855,473)
<b>Net change in total pension liability</b>	<b>2,082,471</b>	<b>600,545</b>	<b>899,696</b>	<b>1,152,374</b>	<b>155,178</b>	<b>137,894</b>	<b>1,147,969</b>	<b>1,034,991</b>	<b>865,586</b>	<b>521,818</b>
<b>Total pension liability - beginning</b>	<b>21,889,397</b>	<b>21,288,852</b>	<b>20,389,156</b>	<b>19,236,782</b>	<b>19,081,604</b>	<b>18,943,710</b>	<b>17,795,741</b>	<b>16,760,750</b>	<b>15,895,164</b>	<b>15,373,346</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 23,971,868</b>	<b>\$ 21,889,397</b>	<b>\$ 21,288,852</b>	<b>\$ 20,389,156</b>	<b>\$ 19,236,782</b>	<b>\$ 19,081,604</b>	<b>\$ 18,943,710</b>	<b>\$ 17,795,741</b>	<b>\$ 16,760,750</b>	<b>\$ 15,895,164</b>
<b>Plan fiduciary net position</b>										
Contributions - employer	\$ 806,017	\$ 656,306	\$ 555,000	\$ 650,000	\$ 865,000	\$ 865,000	\$ 860,000	\$ 782,512	\$ 822,359	\$ 625,885
Contributions - state	17,235	136,017	115,133	108,304	110,273	109,736	107,105	101,389	104,215	97,977
Contributions - employee	138,800	132,057	117,421	117,425	105,737	100,003	89,780	95,018	91,834	80,429
Contributions - buy back	-	-	-	-	47,992	-	-	22,500	-	52,320
Net investment income	2,655,324	1,071,658	(3,462,389)	3,472,317	1,833,038	593,406	1,562,850	1,529,239	1,085,149	(150,618)
Benefit payments, including refunds of member contributions	(1,328,027)	(1,323,090)	(1,266,514)	(1,334,647)	(1,515,490)	(1,093,911)	(989,830)	(959,625)	(1,052,685)	(855,473)
Administrative expenses	(48,463)	(43,663)	(39,627)	(44,795)	(48,249)	(36,318)	(36,507)	(41,061)	(41,054)	(37,661)
<b>Net change in plan fiduciary net position</b>	<b>2,240,886</b>	<b>629,285</b>	<b>(3,980,976)</b>	<b>2,968,604</b>	<b>1,398,301</b>	<b>537,916</b>	<b>1,593,398</b>	<b>1,529,972</b>	<b>1,009,818</b>	<b>(187,141)</b>
<b>Plan fiduciary net position - beginning</b>	<b>16,289,085</b>	<b>15,659,800</b>	<b>19,640,776</b>	<b>16,672,172</b>	<b>15,273,871</b>	<b>14,735,955</b>	<b>13,142,557</b>	<b>11,612,585</b>	<b>10,602,767</b>	<b>10,789,908</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 18,529,971</b>	<b>\$ 16,289,085</b>	<b>\$ 15,659,800</b>	<b>\$ 19,640,776</b>	<b>\$ 16,672,172</b>	<b>\$ 15,273,871</b>	<b>\$ 14,735,955</b>	<b>\$ 13,142,557</b>	<b>\$ 11,612,585</b>	<b>\$ 10,602,767</b>
<b>City's net pension liability - ending (a) - (b)</b>	<b>\$ 5,441,897</b>	<b>\$ 5,600,312</b>	<b>\$ 5,629,052</b>	<b>\$ 748,380</b>	<b>\$ 2,564,610</b>	<b>\$ 3,807,733</b>	<b>\$ 4,207,755</b>	<b>\$ 4,653,184</b>	<b>\$ 5,148,165</b>	<b>\$ 5,292,397</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>77.30%</b>	<b>74.42%</b>	<b>73.56%</b>	<b>96.33%</b>	<b>86.67%</b>	<b>80.05%</b>	<b>77.79%</b>	<b>73.85%</b>	<b>69.28%</b>	<b>66.70%</b>
<b>Covered payroll</b>	<b>\$ 2,771,278</b>	<b>\$ 2,641,146</b>	<b>\$ 2,348,425</b>	<b>\$ 2,348,495</b>	<b>\$ 2,114,730</b>	<b>\$ 2,000,053</b>	<b>\$ 1,795,611</b>	<b>\$ 1,900,351</b>	<b>\$ 1,836,685</b>	<b>\$ 1,697,629</b>
<b>City's net pension liability as a percentage of covered payroll</b>	<b>196.37%</b>	<b>212.04%</b>	<b>239.69%</b>	<b>31.87%</b>	<b>121.27%</b>	<b>190.38%</b>	<b>234.34%</b>	<b>244.86%</b>	<b>280.30%</b>	<b>311.75%</b>

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CONTRIBUTIONS  
POLICE OFFICERS' PENSION**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 863,530	\$ 775,441	\$ 659,438	\$ 783,458	\$ 966,431	\$ 987,426	\$ 932,461	\$ 933,642	\$ 876,833	\$ 723,862
Contributions in relation to the actuarially determined contribution	843,046	779,588	670,133	758,304	975,273	974,736	967,105	883,901	926,574	723,862
Contribution deficiency (excess)	\$ 20,484	\$ (4,147)	\$ (10,695)	\$ 25,154	\$ (8,842)	\$ 12,690	\$ (34,644)	\$ 49,741	\$ (49,741)	\$ -
Covered payroll	\$ 2,771,278	\$ 2,641,146	\$ 2,348,425	\$ 2,348,495	\$ 2,114,730	\$ 2,000,053	\$ 1,795,611	\$ 1,900,351	\$ 1,836,685	\$ 1,697,629
Contributions as a percentage of covered payroll	30.42%	29.52%	28.54%	32.29%	46.12%	48.74%	53.86%	46.51%	50.45%	42.64%
<b>Notes to the Schedule:</b>										
Valuation date:	October 1, 2022									
Interest Rate:	7.40%									

City of Cocoa Beach, Florida

**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF PENSION INVESTMENT RETURNS**  
**POLICE OFFICERS' PENSION**

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	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Police Officers: Annual money-weighted rate of return, net of investment expenses	16.33%	6.88%	-17.77%	20.92%	12.05%	3.98%	11.71%	13.01%	10.02%	-1.37%

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY  
AND RELATED RATIOS-FIREFIGHTERS' PENSION**

Reporting period ending	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Total pension liability</b>										
Service cost	\$ 468,515	\$ 395,446	\$ 353,306	\$ 289,719	\$ 275,256	\$ 263,330	\$ 252,306	\$ 223,453	\$ 238,463	\$ 226,817
Interest on total pension liability	1,488,951	1,446,150	1,389,162	1,343,271	1,288,768	1,252,370	1,193,937	1,106,270	1,084,188	1,054,408
Change in excess state money	-	-	-	-	-	-	-	-	(654,119)	77,735
Change in benefit terms	-	-	-	-	-	(1,726)	-	-	-	-
Differences between expected and actual experience	1,231,117	(65,244)	350,749	304,361	154,929	(24,340)	281,198	483,038	(88,821)	(17,490)
Changes of assumptions	464,903	-	-	581,004	(140,761)	-	-	26,411	229,105	-
Contributions - buy back	-	-	-	-	-	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(1,176,429)	(1,365,640)	(1,364,834)	(919,194)	(859,597)	(1,207,655)	(757,898)	(715,766)	(735,874)	(1,070,390)
<b>Net change in total pension liability</b>	<b>2,477,057</b>	<b>410,712</b>	<b>728,383</b>	<b>1,599,161</b>	<b>718,595</b>	<b>281,979</b>	<b>969,543</b>	<b>1,123,406</b>	<b>72,942</b>	<b>271,080</b>
<b>Total pension liability - beginning</b>	<b>20,240,660</b>	<b>19,829,948</b>	<b>19,101,565</b>	<b>17,502,404</b>	<b>16,783,809</b>	<b>16,501,830</b>	<b>15,532,287</b>	<b>14,408,881</b>	<b>14,335,939</b>	<b>14,064,859</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 22,717,717</b>	<b>\$ 20,240,660</b>	<b>\$ 19,829,948</b>	<b>\$ 19,101,565</b>	<b>\$ 17,502,404</b>	<b>\$ 16,783,809</b>	<b>\$ 16,501,830</b>	<b>\$ 15,532,287</b>	<b>\$ 14,408,881</b>	<b>\$ 14,335,939</b>
<b>Plan fiduciary net position</b>										
Contributions - employer	\$ 552,705	\$ 611,832	\$ 425,000	\$ 420,006	\$ 570,000	\$ 675,000	\$ 609,433	\$ 475,026	\$ 655,200	\$ 561,835
Contributions - state	267,992	241,700	177,433	119,284	133,250	108,999	111,216	132,166	144,452	162,542
Contributions - employee	137,149	127,478	96,706	89,175	84,052	78,566	77,874	80,832	80,412	68,646
Net investment income	2,745,149	1,110,717	(3,564,535)	3,479,143	1,763,334	607,901	1,596,550	1,540,888	1,104,852	(147,286)
Benefit payments, including refunds of member contributions	(1,176,429)	(1,365,639)	(1,364,834)	(919,194)	(859,597)	(1,207,655)	(757,898)	(715,766)	(735,874)	(1,070,390)
Administrative expenses	(49,143)	(71,615)	(36,240)	(48,691)	(55,981)	(36,084)	(38,992)	(29,789)	(32,055)	(29,141)
<b>Net change in plan fiduciary net position</b>	<b>2,477,423</b>	<b>654,473</b>	<b>(4,266,470)</b>	<b>3,139,723</b>	<b>1,635,058</b>	<b>226,727</b>	<b>1,598,183</b>	<b>1,483,357</b>	<b>1,216,987</b>	<b>(453,794)</b>
<b>Plan fiduciary net position - beginning</b>	<b>16,307,144</b>	<b>15,652,671</b>	<b>19,919,141</b>	<b>16,779,418</b>	<b>15,144,360</b>	<b>14,917,633</b>	<b>13,319,450</b>	<b>11,836,093</b>	<b>10,619,106</b>	<b>11,072,900</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 18,784,567</b>	<b>\$ 16,307,144</b>	<b>\$ 15,652,671</b>	<b>\$ 19,919,141</b>	<b>\$ 16,779,418</b>	<b>\$ 15,144,360</b>	<b>\$ 14,917,633</b>	<b>\$ 13,319,450</b>	<b>\$ 11,836,093</b>	<b>\$ 10,619,106</b>
<b>City's net pension liability - ending (a) - (b)</b>	<b>\$ 3,933,150</b>	<b>\$ 3,933,516</b>	<b>\$ 4,177,277</b>	<b>\$ (817,576)</b>	<b>\$ 722,986</b>	<b>\$ 1,639,449</b>	<b>\$ 1,584,197</b>	<b>\$ 2,212,837</b>	<b>\$ 2,572,788</b>	<b>\$ 3,716,833</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	82.69%	80.57%	78.93%	104.28%	95.87%	90.23%	90.40%	85.75%	82.14%	74.07%
<b>Covered payroll</b>	\$ 2,600,581	\$ 2,549,567	\$ 1,934,123	\$ 1,783,500	\$ 1,681,035	\$ 1,571,321	\$ 1,557,486	\$ 1,616,637	\$ 1,608,236	\$ 1,441,819
<b>City's net pension liability as a percentage of covered payroll</b>	151.24%	154.28%	215.98%	-45.84%	43.01%	104.34%	101.72%	136.88%	159.98%	257.79%

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CONTRIBUTIONS  
FIREFIGHTERS' PENSION**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 852,210	\$ 799,799	\$ 566,698	\$ 479,284	\$ 650,393	\$ 694,681	\$ 720,649	\$ 673,167	\$ 733,677	\$ 646,642
Contributions in relation to the actuarially determined contribution	791,383	765,005	602,433	539,290	683,250	783,999	720,649	607,192	799,652	646,642
Contribution deficiency (excess)	\$ 60,827	\$ 34,794	\$ (35,735)	\$ (60,006)	\$ (32,857)	\$ (89,318)	\$ -	\$ 65,975	\$ (65,975)	\$ -
Covered payroll	\$ 2,600,581	\$ 2,549,567	\$ 1,934,123	\$ 1,668,674	\$ 1,681,035	\$ 1,571,321	\$ 1,557,486	\$ 1,616,637	\$ 1,608,236	\$ 1,441,819
Contributions as a percentage of covered payroll	30.43%	30.01%	31.15%	32.32%	40.64%	49.89%	46.27%	37.56%	49.72%	44.85%
<b>Notes to the Schedule:</b>										
Valuation date:	October 1, 2022									
Interest Rate:	7.40%									

City of Cocoa Beach, Florida

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF PENSION INVESTMENT RETURNS  
FIREFIGHTERS' PENSION**

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	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Firefighters: Annual money-weighted rate of return, net of investment expenses	16.91%	7.12%	-18.09%	20.86%	11.60%	4.00%	11.90%	13.00%	10.20%	-1.30%

City of Cocoa Beach, Florida

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY  
AND RELATED RATIOS-OPEB**

Reporting period ending Measurement date	9/30/2024 9/30/2024	9/30/2023 9/30/2023	9/30/2022 9/30/2022	9/30/2021 9/30/2021	9/30/2020 9/30/2020	9/30/2019 9/30/2019	9/30/2018 9/30/2018	9/30/2017 9/30/2017
<b>Total pension liability</b>								
Service cost	\$ 157,539	\$ 129,946	\$ 147,667	\$ 234,008	\$ 189,883	\$ 157,858	\$ 212,520	\$ 227,237
Interest	307,709	290,941	301,209	258,371	276,127	263,064	288,588	254,072
Differences between expected and actual experience	(283,705)	(377,916)	(135,364)	(644,697)	448,963	(354,014)	95,393	-
Changes of assumptions	1,150,680	473,847	(707,531)	(1,391,292)	496,376	466,294	(1,566,653)	(678,077)
Explicit benefit payments	(303,197)	(258,769)	(271,653)	(171,328)	(264,865)	(252,087)	(150,000)	(130,101)
Implicit benefit payments	(16,248)	30,901	33,804	(48,064)	46,732	46,686	(89,140)	(78,541)
<b>Net change in total pension liability</b>	<b>1,012,778</b>	<b>288,950</b>	<b>(631,868)</b>	<b>(1,763,002)</b>	<b>1,193,216</b>	<b>327,801</b>	<b>(1,209,292)</b>	<b>(405,410)</b>
<b>Total pension liability - beginning</b>	<b>5,691,567</b>	<b>5,402,617</b>	<b>6,034,485</b>	<b>7,797,487</b>	<b>6,604,271</b>	<b>6,276,470</b>	<b>7,485,762</b>	<b>7,891,172</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 6,704,345</b>	<b>\$ 5,691,567</b>	<b>\$ 5,402,617</b>	<b>\$ 6,034,485</b>	<b>\$ 7,797,487</b>	<b>\$ 6,604,271</b>	<b>\$ 6,276,470</b>	<b>\$ 7,485,762</b>
<b>Plan fiduciary net position</b>								
Explicit contributions - employer	\$ 100,000	\$ 100,000	\$ 100,000	\$ 108,105	\$ 100,000	\$ 352,087	\$ 250,000	\$ 230,101
Implicit contributions - employee	319,445	227,869	237,849	219,392	218,133	(46,686)	89,140	78,541
Net investment income	587,964	243,735	(392,179)	621,128	133,073	94,389	126,209	178,426
Explicit benefit payments	(303,197)	(258,769)	(271,653)	(171,328)	(264,865)	(252,087)	(150,000)	(130,101)
Implicit benefit payments	(16,248)	30,901	33,804	(48,064)	46,732	46,686	(89,140)	(78,541)
Administrative expenses	(3,473)	(3,053)	(3,128)	(176,591)	(2,354)	(2,177)	(2,015)	(1,753)
<b>Net change in plan fiduciary net position</b>	<b>684,491</b>	<b>340,683</b>	<b>(295,307)</b>	<b>552,642</b>	<b>230,719</b>	<b>192,212</b>	<b>224,194</b>	<b>276,673</b>
<b>Plan fiduciary net position - beginning</b>	<b>2,641,080</b>	<b>2,300,397</b>	<b>2,595,704</b>	<b>2,043,062</b>	<b>1,812,343</b>	<b>1,620,131</b>	<b>1,395,937</b>	<b>1,119,264</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 3,325,571</b>	<b>\$ 2,641,080</b>	<b>\$ 2,300,397</b>	<b>\$ 2,595,704</b>	<b>\$ 2,043,062</b>	<b>\$ 1,812,343</b>	<b>\$ 1,620,131</b>	<b>\$ 1,395,937</b>
<b>City's net pension liability - ending (a) - (b)</b>	<b>\$ 3,378,774</b>	<b>\$ 3,050,487</b>	<b>\$ 3,102,220</b>	<b>\$ 3,438,781</b>	<b>\$ 5,754,425</b>	<b>\$ 4,791,928</b>	<b>\$ 4,656,339</b>	<b>\$ 6,089,825</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	49.60%	46.40%	42.58%	43.01%	26.20%	27.44%	25.81%	18.65%
<b>Covered payroll</b>	\$ 14,179,433	\$ 12,918,905	\$ 10,381,583	\$ 9,639,094	\$ 9,866,485	\$ 9,940,598	\$ 9,889,192	\$ 8,816,274
<b>City's net pension liability as a percentage of covered payroll</b>	23.83%	23.61%	29.88%	35.68%	58.32%	48.21%	47.09%	69.07%

\* GASB Codification P52 requires an employer to disclose a 10-year history. However, until a full 10-year trend is compiled, information will be presented only for those years which information is available.

City of Cocoa Beach, Florida

**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CONTRIBUTIONS**  
**OPEB**

	<u>9/20/2024</u>	<u>9/20/2023</u>	<u>9/20/2022</u>	<u>9/20/2021</u>	<u>9/20/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>
Actuarially determined contribution	\$ 343,191	\$ 274,037	\$ 249,214	\$ 303,521	\$ 480,901	\$ 450,296	\$ 453,999	\$ 576,881
Contributions in relation to the actuarially determined contribution	100,000	100,000	100,000	108,105	100,000	352,087	250,000	230,101
Contribution deficiency (excess)	<u>\$ 243,191</u>	<u>\$ 174,037</u>	<u>\$ 149,214</u>	<u>\$ 195,416</u>	<u>\$ 380,901</u>	<u>\$ 98,209</u>	<u>\$ 203,999</u>	<u>\$ 346,780</u>
Covered payroll	\$ 14,179,433	\$ 12,918,905	\$ 10,381,583	\$ 9,639,094	\$ 9,866,485	\$ 9,940,598	\$ 9,889,192	\$ 8,816,274
Contributions as a percentage of covered payroll	0.71%	0.77%	0.96%	1.12%	1.01%	3.54%	2.53%	2.61%

**Notes to the Schedule:**

Valuation date: October 1, 2023

**Note 1:** Actuarially determined contribution rates are calculated as of September 30 for the fiscal year in which contributions are reported.

**Note 2:** GASB Codification P20 requires information for 10 years. However, until a full 10-year trend is compiled, the City is presenting information for only the years for which information is available.

City of Cocoa Beach, Florida

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULES OF OPEB INVESTMENT RETURNS**

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	<u>9/30/2024</u>	<u>9/30/2023</u>	<u>9/30/2022</u>	<u>9/30/2021</u>	<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>
Annual money-weighted rate of return, net of investment expenses	-16.10%	10.27%	-14.69%	37.72%	6.47%	4.90%	7.83%	8.72%



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# City of Cocoa Beach, Florida

## COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS SEPTEMBER 30, 2024

	Special Revenue Funds			Total Nonmajor Governmental Funds
	Confiscated Property	Building Permit & Inspection Utilization	Capital Projects Improvement Fund	
<b>Assets</b>				
Cash and cash equivalents	\$ 153,329	\$ 666,701	\$ -	\$ 820,030
Investments	-	139,039	-	139,039
Due from other funds	-	217,377	1,040,875	1,258,252
Total assets	<u>\$ 153,329</u>	<u>\$ 1,023,117</u>	<u>\$ 1,040,875</u>	<u>\$ 2,217,321</u>
<b>Liabilities and fund balances</b>				
Liabilities				
Accounts payable	\$ -	\$ 1,800	\$ 189,914	\$ 191,714
Accrued expenses	-	56,225	602,724	658,949
Total liabilities	<u>-</u>	<u>58,025</u>	<u>792,638</u>	<u>850,663</u>
Fund balances				
Restricted for:				
Public safety	153,329	965,092	-	1,118,421
Capital improvements	-	-	248,237	248,237
Total fund balances	<u>153,329</u>	<u>965,092</u>	<u>248,237</u>	<u>1,366,658</u>
<b>Total liabilities and fund balances</b>	<u>\$ 153,329</u>	<u>\$ 1,023,117</u>	<u>\$ 1,040,875</u>	<u>\$ 2,217,321</u>

# City of Cocoa Beach, Florida

## COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Special Revenue Funds		Capital Projects Funds	Total Nonmajor Governmental Funds
	Confiscated Property	Building Permit & Inspection Utilization	Capital Projects Improvement Fund	
<b>Revenues</b>				
Charges for services	\$ -	\$ 1,811,032	\$ -	\$ 1,811,032
Fines and forfeitures	-	12,269	-	12,269
Intergovernmental revenues	-	-	1,040,875	1,040,875
Investment earnings	-	37,724	26,759	64,483
Miscellaneous revenues	-	0	-	-
Total revenues	-	1,861,025	1,067,634	2,928,659
<b>Expenditures</b>				
Current				
General government	-	-	53,000	53,000
Public safety	-	613,248	-	613,248
Capital outlay	-	-	7,820,607	7,820,607
Total expenditures	-	613,248	7,873,607	8,486,855
Excess (deficiency) of revenues over (under) expenditures	-	1,247,777	(6,805,973)	(5,558,196)
<b>Other Financing Sources (Uses)</b>				
Proceeds from issuance of debt	-	-	3,953,000	3,953,000
Transfers from other funds	-	-	3,019,896	3,019,896
Transfers to other funds	-	(787,049)	-	(787,049)
Total other financing sources (uses)	-	(787,049)	6,972,896	6,185,847
<b>Net change in fund balance</b>	-	460,728	166,923	627,651
Fund balances, beginning	153,329	504,364	81,314	739,007
Fund balances, ending	\$ 153,329	\$ 965,092	\$ 248,237	\$ 1,366,658

## City of Cocoa Beach, Florida

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

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Intergovernmental revenues	\$ 4,300,000	\$ 5,600,000	\$ 1,040,875	\$ (4,559,125)
Investment earnings	500	500	26,759	26,259
Total revenues	<u>4,300,500</u>	<u>5,600,500</u>	<u>1,067,634</u>	<u>(4,532,866)</u>
<b>Expenditures</b>				
Current				
General government	140,000	140,000	53,000	87,000
Public safety	-	-	-	-
Capital outlay	11,367,750	12,861,885	7,820,607	5,041,278
Total expenditures	<u>11,507,750</u>	<u>13,001,885</u>	<u>7,873,607</u>	<u>5,128,278</u>
<b>(Deficiency) of revenues under expenditures</b>	<u>(7,207,250)</u>	<u>(7,401,385)</u>	<u>(6,805,973)</u>	<u>595,412</u>
<b>Other financing sources</b>				
Proceeds from issuance of debt	6,500,000	6,500,000	3,953,000	2,547,000
Transfers from other funds	3,900,000	3,900,000	3,019,896	880,104
Total other financing sources	<u>10,400,000</u>	<u>10,400,000</u>	<u>6,972,896</u>	<u>3,427,104</u>
<b>Change in fund balance</b>	3,192,750	2,998,615	166,923	4,022,516
<b>Fund balance, beginning of year</b>	<u>81,314</u>	<u>81,314</u>	<u>81,314</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 3,274,064</u>	<u>\$ 3,079,929</u>	<u>\$ 248,237</u>	<u>\$ 4,022,516</u>

## City of Cocoa Beach, Florida

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL - BUILDING PERMIT AND INSPECTION UTILIZATION FUND

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Charges for services	2,362,790	2,362,790	\$ 1,811,032	\$ (551,758)
Fines and forfeitures	15,000	15,000	12,269	(2,731)
Investment earnings	9,700	9,700	37,724	28,024
Total revenues	<u>2,387,490</u>	<u>2,387,490</u>	<u>1,861,025</u>	<u>(526,465)</u>
<b>Expenditures</b>				
Current				
Public safety	896,413	896,413	613,248	283,165
Total expenditures	<u>896,413</u>	<u>896,413</u>	<u>613,248</u>	<u>283,165</u>
<b>Excess of revenues over expenditures</b>	<u>1,491,077</u>	<u>1,491,077</u>	<u>1,247,777</u>	<u>(243,300)</u>
<b>Other financing uses</b>				
Transfers to other funds	(2,756,251)	(2,756,251)	(787,049)	1,969,202
Total other financing uses	<u>(2,756,251)</u>	<u>(2,756,251)</u>	<u>(787,049)</u>	<u>1,969,202</u>
<b>Change in fund balance</b>	<u>(1,265,174)</u>	<u>(1,265,174)</u>	<u>460,728</u>	<u>1,725,902</u>
<b>Fund balance, beginning of year</b>	<u>504,364</u>	<u>504,364</u>	<u>504,364</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ (760,810)</u>	<u>\$ (760,810)</u>	<u>\$ 965,092</u>	<u>\$ 1,725,902</u>

## City of Cocoa Beach, Florida

### COMBINING STATEMENT OF FIDUCIARY NET POSITION PENSION TRUST FUNDS SEPTEMBER 30, 2024

	OPEB Trust Fund	Employee Benefit Fund			Total
		General Employees'	Police Officers'	Firefighters'	
<b>ASSETS</b>					
Contributions receivable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued interest receivable	-	92,910	-	-	92,910
Investments, at fair value	3,325,571	34,118,570	18,529,971	18,790,192	74,764,304
Total assets	<u>\$ 3,325,571</u>	<u>\$ 34,211,480</u>	<u>\$ 18,529,971</u>	<u>\$ 18,790,192</u>	<u>\$ 74,857,214</u>
<b>LIABILITIES</b>					
Accounts payable	-	32,695	-	5,625	38,320
Total liabilities	<u>-</u>	<u>32,695</u>	<u>-</u>	<u>5,625</u>	<u>38,320</u>
<b>NET POSITION</b>					
Restricted for OPEB benefits	3,325,571	-	-	-	3,325,571
Restricted for pension benefits	-	34,178,785	18,529,971	18,784,567	71,493,323
Total net position	<u>\$ 3,325,571</u>	<u>\$ 34,178,785</u>	<u>\$ 18,529,971</u>	<u>\$ 18,784,567</u>	<u>\$ 74,818,894</u>

## City of Cocoa Beach, Florida

### COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION PENSION TRUST FUNDS FOR THE YEAR ENDED SEPTEMBER 30, 2024

	OPEB Trust Fund	Employee Benefit Fund			Total
		General Employees'	Police Officers'	Firefighters'	
<b>ADDITIONS</b>					
Contributions					
City	\$ 100,000	\$ 780,000	\$ 806,017	\$ 535,000	\$ 2,221,017
Employees	-	445,156	138,800	137,149	721,105
State of Florida	-	-	17,235	267,992	285,227
Miscellaneous	-	-	-	17,705	17,705
Total contributions	100,000	1,225,156	962,052	957,846	3,245,054
Investment income					
Interest and dividends	-	1,052,218	644,927	659,393	2,356,538
Net appreciation in the fair value of investments	587,964	5,053,723	2,049,192	2,124,508	9,815,387
Investment expense	(3,472)	(112,131)	(38,795)	(38,752)	(193,150)
Net investment income	584,492	5,993,810	2,655,324	2,745,149	11,978,775
Total additions	684,492	7,218,966	3,617,376	3,702,995	15,223,829
<b>DEDUCTIONS</b>					
Pension benefits	-	2,105,748	1,328,027	1,176,429	4,610,204
Refunds of contributions	-	44,579	-	-	44,579
Administrative expenses	-	30,250	48,463	49,143	127,856
Total deductions	-	2,180,577	1,376,490	1,225,572	4,782,639
Net change in plan net position	684,492	5,038,389	2,240,886	2,477,423	10,441,190
Net position:					
Beginning of year	2,641,079	29,140,396	16,289,085	16,307,144	64,377,704
End of year	\$ 3,325,571	\$ 34,178,785	\$ 18,529,971	\$ 18,784,567	\$ 74,818,894

## Statistical Section

This part of the City of Cocoa Beach, Florida's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

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These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

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#### B. Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local own-source revenues -ad valorem property taxes, occupational license taxes, and building permits revenues.

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#### C. Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of debt outstanding and the City's ability to issue additional debt in the future, as necessary.

<b>Schedule C1</b> Ratio of Outstanding Debt by Type	97-98
<b>Schedule C2</b> Direct and Overlapping Governmental Activities Debt	99
<b>Schedule C3</b> Pledged Revenue Coverage	100

## **D. Demographic and Economic Information Financial Trends**

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

**Schedule D1** Demographic and Economic Statistics 101

**Schedule D2** Principal Employers 102

## **E. Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

**Schedule E1** Employees by Function/Program 103

**Schedule E2** Capital Asset Statistics by Function/Program 104

### **Additional Notes**

Unless otherwise noted, the information in these schedules is derived from the City's Annual Comprehensive Financial Report (ACFR) (or financial statements) for the relevant year.

## City of Cocoa Beach, Florida

**Table A-1**  
**NET POSITION BY COMPONENT**  
**(accrual basis of accounting)**  
**Last Ten Fiscal Years**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Governmental activities</b>										
Net investment in capital assets	\$ 22,249,281	\$ 24,182,508	\$ 26,290,568	\$ 27,578,331	\$ 29,172,420	\$ 33,219,144	\$ 33,431,778	\$ 37,829,977	\$ 39,200,127	\$ 43,941,644
Restricted	864,117	456,923	445,157	180,521	196,391	196,391	2,825,714	3,223,772	3,780,151	2,764,738
Unrestricted	(3,923,940)	(3,432,120)	(3,184,461)	(5,055,455)	(2,902,763)	(400,467)	5,298,494	6,418,226	6,979,986	7,580,520
Total governmental activities net position	<u>\$ 19,189,458</u>	<u>\$ 21,207,311</u>	<u>\$ 23,551,264</u>	<u>\$ 22,703,397</u>	<u>\$ 26,466,048</u>	<u>\$ 33,015,068</u>	<u>\$ 41,555,986</u>	<u>\$ 47,471,975</u>	<u>\$ 49,960,264</u>	<u>\$ 54,286,902</u>
<b>Business-type activities</b>										
Net investment in capital assets	\$ 24,343,465	\$ 25,427,503	\$ 27,971,940	\$ 26,666,412	\$ 26,320,292	\$ 28,662,592	\$ 28,518,871	\$ 27,663,474	\$ 28,910,117	\$ 32,656,258
Restricted	1,029,297	1,029,297	637,235	-	-	-	2,009,772	2,261,727	1,935,904	1,935,904
Unrestricted	8,857,119	7,625,604	8,315,120	9,471,689	10,137,033	10,697,941	10,931,966	9,838,922	9,735,584	11,263,991
Total business-type activities net position	<u>\$ 34,229,881</u>	<u>\$ 34,082,404</u>	<u>\$ 36,924,295</u>	<u>\$ 36,138,101</u>	<u>\$ 36,457,325</u>	<u>\$ 39,360,533</u>	<u>\$ 41,460,609</u>	<u>\$ 39,764,123</u>	<u>\$ 40,581,605</u>	<u>\$ 45,856,153</u>
<b>Primary government</b>										
Net investment in capital assets	\$ 46,592,746	\$ 49,610,011	\$ 54,262,508	\$ 54,244,743	\$ 55,492,712	\$ 61,881,736	\$ 61,950,649	\$ 65,493,451	\$ 68,110,244	\$ 76,597,902
Restricted	1,893,414	1,486,220	1,082,392	180,521	196,391	196,391	4,835,486	5,485,499	5,716,055	4,700,642
Unrestricted	4,933,179	4,193,484	5,130,659	4,416,234	7,234,270	10,297,474	16,230,460	16,257,148	16,715,570	18,844,511
Total primary government net position	<u>\$ 53,419,339</u>	<u>\$ 55,289,715</u>	<u>\$ 60,475,559</u>	<u>\$ 58,841,498</u>	<u>\$ 62,923,373</u>	<u>\$ 72,375,601</u>	<u>\$ 83,016,595</u>	<u>\$ 87,236,098</u>	<u>\$ 90,541,869</u>	<u>\$ 100,143,055</u>

Sources: Information derived from the Annual Comprehensive Financial Report or annual financial reports for the relevant year.

City of Cocoa Beach, Florida

**Table A-2**  
**CHANGES IN NET POSITION**  
**(accrual basis of accounting)**  
**Last Ten Fiscal Years**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Program expenses</b>										
Governmental activities										
General government	\$ 3,487,514	\$ 4,819,444	\$ 4,935,118	\$ 4,968,022	\$ 5,721,658	\$ 5,110,091	\$ 4,985,659	\$ 5,448,092	\$ 6,497,673	\$ 7,251,156
Economic environment	-	-	-	-	-	-	242,761	294,937	257,415	538,650
Public safety	8,632,350	7,726,733	8,782,659	8,730,028	9,260,591	8,920,204	8,272,119	11,539,079	14,892,935	15,555,328
Physical environment	1,441,963	1,468,270	1,510,816	1,670,732	1,725,572	1,758,727	3,119,546	4,802,494	5,176,387	4,159,351
Transportation/public works	3,744,760	3,368,439	3,526,815	4,300,002	4,311,053	4,488,918	3,343,321	3,752,843	3,753,104	6,845,800
Recreation	3,346,596	3,539,718	3,432,942	3,486,931	3,556,167	3,305,469	3,449,028	3,744,787	3,899,067	3,941,597
Interest on long-term debt	125,844	124,169	307,420	328,326	242,703	511,713	453,724	444,719	436,943	462,300
Total governmental activities expenses	20,779,027	21,046,773	22,495,770	23,484,041	24,817,744	24,095,122	23,866,158	30,026,951	34,913,524	38,754,182
Business-type activities										
Utilities System	6,180,828	6,491,931	6,828,930	7,122,007	6,791,714	7,162,431	6,517,273	8,486,181	7,178,447	7,725,064
Stormwater	472,371	471,907	500,555	726,342	809,824	618,028	721,473	821,166	813,419	986,442
Total business-type activities expenses	6,653,199	6,963,838	7,329,485	7,848,349	7,601,538	7,780,459	7,238,746	9,307,347	7,991,866	8,711,506
Total primary government net position	27,432,226	28,010,611	29,825,255	31,332,390	32,419,282	31,875,581	31,104,904	39,334,298	42,905,390	47,465,688
<b>Program revenues</b>										
Governmental activities										
Charges for services										
General government	2,044,829	1,161,342	1,134,935	2,946,376	3,266,840	3,173,940	3,575,438	4,247,113	3,098,833	3,181,533
Economic environment	-	-	-	-	-	-	-	-	-	564,893
Public safety	626,835	981,899	1,105,118	1,188,367	1,231,927	1,325,274	1,380,193	1,462,193	1,439,286	2,993,447
Physical environment	1,663,153	1,763,280	1,801,744	1,854,899	1,949,517	1,922,149	1,997,134	2,416,668	2,682,225	-
Transportation/Public Works	1,267,992	1,874,144	2,652,362	165,065	180,710	179,109	178,697	130,597	133,918	3,022,972
Recreation	2,436,776	2,340,083	2,161,586	2,161,540	2,103,825	1,898,983	3,033,626	3,524,362	3,860,874	3,190,252
Operating grants and contributions	-	283,861	746,727	499,643	1,102,563	772,574	3,249,064	3,012,320	569,686	515,615
Capital grants and contributions	660,802	1,844,670	1,015,000	1,021,221	1,756,900	3,732,094	-	-	-	2,962,902
Total governmental activities program revenues	8,700,387	10,249,279	10,617,472	9,837,111	11,592,282	13,004,123	13,414,152	14,793,253	11,784,822	16,431,614
Business-type activities										
Charges for services										
Utilities System	5,799,532	6,268,290	6,628,578	7,005,833	7,330,994	7,599,442	7,907,539	8,113,786	7,956,036	10,864,493
Stormwater	595,644	800,882	815,368	841,390	864,848	885,950	890,501	888,651	898,814	-
Operating grants and contributions	-	-	-	-	9,317	-	158,560	-	-	-
Capital grants and contributions	558,212	208,794	3,221,488	400,350	297,200	2,813,348	473,030	223,212	1,326,734	4,350,528
Total business-type activities program revenues	6,953,388	7,277,966	10,665,434	8,247,573	8,502,359	11,298,740	9,429,630	9,225,649	10,181,584	15,215,021
Total primary government program revenues	15,653,775	17,527,245	21,282,906	18,084,684	20,094,641	24,302,863	22,843,782	24,018,902	21,966,406	31,646,635
<b>Net (expenses)/revenue</b>										
Governmental activities	(12,078,640)	(10,797,494)	(11,878,298)	(13,646,930)	(13,225,462)	(11,090,999)	(10,452,006)	(15,233,698)	(23,128,702)	(22,322,568)
Business-type activities	300,189	314,128	3,335,949	399,224	900,821	3,518,281	2,190,884	(81,698)	2,189,718	6,503,515
Total primary government expenses	(11,778,451)	(10,483,366)	(8,542,349)	(13,247,706)	(12,324,641)	(7,572,718)	(8,261,122)	(15,315,396)	(20,938,984)	(15,819,053)

Sources: Information derived from the annual financial reports for the relevant year.

(Continued)

City of Cocoa Beach, Florida

**Table A-2**  
**CHANGES IN NET POSITION**  
**(accrual basis of accounting)**  
**Last Ten Fiscal Years**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>General revenues and other changes in net position</b>										
Governmental activities										
Property taxes	\$ 7,102,087	\$ 7,657,945	\$ 9,126,174	\$ 10,375,705	\$ 11,215,262	\$ 12,110,760	\$ 12,681,566	\$ 13,709,399	\$ 16,148,215	\$ 17,735,374
Local option gas tax	417,978	461,652	333,671	327,312	354,872	330,750	343,779	362,644	378,890	1,184,579
Franchise taxes	1,294,985	1,272,155	1,247,130	1,274,531	1,294,054	1,257,463	1,305,915	1,552,105	1,782,374	2,076,640
Utility service tax	1,976,393	1,989,682	1,901,602	2,006,144	1,981,511	1,933,915	1,917,945	2,043,236	2,267,234	1,662,173
Intergovernmental	722,933	737,261	779,801	822,000	826,724	786,077	1,845,660	2,082,298	1,822,361	611,572
Unrestricted investment earnings	79,118	42,569	10,575	76,363	229,480	263,740	21,323	8,233	1,089,756	1,390,654
Miscellaneous revenues	156,703	145,083	264,298	469,223	227,210	135,914	131,369	925,313	194,252	171,720
Transfers in (out)	509,000	509,000	559,000	859,000	859,000	821,400	821,400	801,400	1,933,909	1,816,494
Total governmental activities	12,259,197	12,815,347	14,222,251	16,210,278	16,988,113	17,640,019	19,068,957	21,484,628	25,616,991	26,649,206
Business-type activities										
Unrestricted investment earnings	73,088	47,395	64,942	92,510	277,403	206,327	19,631	5,049	435,298	492,264
Miscellaneous	-	-	-	-	-	-	126,268	58,647	126,375	95,263
Transfers in (out)	(509,000)	(509,000)	(559,000)	(859,000)	(859,000)	(821,400)	(821,400)	(801,400)	(1,933,909)	(1,816,494)
Total business-type activities	(435,912)	(461,605)	(494,058)	(766,490)	(581,597)	(615,073)	(675,501)	(737,704)	(1,372,236)	(1,228,967)
Total primary government	11,823,285	12,353,742	13,728,193	15,443,788	16,406,516	17,024,946	18,393,456	20,746,924	24,244,755	25,420,239
<b>Change in net position</b>										
Governmental activities	180,557	2,017,853	2,343,953	2,563,348	3,762,651	6,549,020	8,616,951	6,250,930	2,488,289	4,326,638
Business-type activities	(135,723)	(147,477)	2,841,891	(367,266)	319,224	2,903,208	1,515,383	(819,402)	817,482	5,274,548
Total primary government	\$ 44,834	\$ 1,870,376	\$ 5,185,844	\$ 2,196,082	\$ 4,081,875	\$ 9,452,228	\$ 10,132,334	\$ 5,431,528	\$ 3,305,771	\$ 9,601,186

Sources: Information derived from the Annual Comprehensive Financial Report or annual financial reports for the relevant year.

City of Cocoa Beach, Florida

**Table A-3**  
**FUND BALANCES, GOVERNMENTAL FUNDS**  
**(modified accrual basis of accounting)**  
**Last Ten Fiscal Years**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>General Fund</b>										
Nonspendable	\$ 222,504	\$ 246,919	\$ 239,286	\$ 280,372	\$ 264,291	\$ 271,343	\$ 84,703	\$ 117,380	\$ 119,421	\$ 143,318
Restricted	672,125	264,636	264,636	264,636	264,636	264,636	434,032	228,558	224,606	414,507
Committed	422,975	1,018,716	1,435,818	1,629,521	1,476,337	2,161,632	2,161,632	1,212,735	8,702,507	3,990,393
Assigned	-	-	-	-	-	-	-	-	-	6,460,575
Unassigned	4,530,258	3,714,213	2,976,927	5,039,536	7,424,653	7,852,255	10,641,585	13,748,176	7,877,221	7,361,698
Total General Fund	<u>\$ 5,847,862</u>	<u>\$ 5,244,484</u>	<u>\$ 4,916,667</u>	<u>\$ 7,214,065</u>	<u>\$ 9,429,917</u>	<u>\$ 10,549,866</u>	<u>\$ 13,321,952</u>	<u>\$ 15,306,849</u>	<u>\$ 16,923,755</u>	<u>\$ 18,370,491</u>
<b>All other governmental funds</b>										
Nonspendable	\$ 4,983	\$ 5,082	\$ 5,346	\$ 5,543	\$ 15,170	\$ 16,297	\$ -	\$ -	\$ -	\$ 383,825
Restricted	191,992	192,287	4,680,521	4,675,443	9,922,252	8,452,923	2,391,682	2,995,214	3,555,545	2,350,231
Committed (Metered Parking)	1,115,763	1,126,273	1,928,182	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	(191,818)	(77,030)	151,595	-	(70,875)	-	-	-	-	-
Total all other governmental funds	<u>\$ 1,120,920</u>	<u>\$ 1,246,612</u>	<u>\$ 6,765,644</u>	<u>\$ 4,680,986</u>	<u>\$ 9,866,547</u>	<u>\$ 8,469,220</u>	<u>\$ 2,391,682</u>	<u>\$ 2,995,214</u>	<u>\$ 3,555,545</u>	<u>\$ 2,734,056</u>

Sources: Information derived from the Annual Comprehensive Financial Report or annual financial reports for the relevant year.

**Table A-4**  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS**  
**(modified accrual basis of accounting)**  
**Last Ten Fiscal Years**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Revenues</b>										
Taxes	\$ 10,791,445	\$ 11,381,434	\$ 12,608,577	\$ 13,983,692	\$ 14,845,699	\$ 15,632,888	\$ 16,249,235	\$ 17,667,384	\$ 20,520,277	\$ 21,418,899
Licenses and permits	441,606	482,642	586,788	736,536	645,339	741,709	867,932	141,056	182,404	319,821
Intergovernmental revenues	1,383,735	2,865,792	2,541,528	2,342,864	3,686,187	5,290,745	5,094,724	5,209,751	2,383,919	5,012,406
Charges for services	6,585,380	7,331,896	7,818,769	7,523,826	8,019,542	7,692,153	9,206,681	11,311,156	11,011,508	12,543,162
Fines and forfeitures	1,067,909	306,210	450,188	55,885	67,938	65,593	90,475	108,001	59,771	90,114
Impact fees	79,118	42,569	10,575	76,363	229,480	263,740	21,323	8,233	1,087,791	1,377,678
Miscellaneous revenues	101,393	145,083	264,298	290,457	201,897	110,387	108,799	80,173	162,344	70,279
Total revenues	20,450,586	22,555,626	24,280,723	25,009,623	27,696,082	29,797,215	31,639,169	34,525,754	35,408,014	40,832,359
<b>Expenditures</b>										
General government	4,399,772	4,733,699	5,038,902	6,102,703	4,919,563	4,820,807	4,948,627	5,080,977	6,003,773	6,167,003
Economic environment	-	-	-	-	-	-	117,270	169,446	168,692	413,536
Public safety	9,252,083	8,593,542	8,845,792	9,017,098	9,816,003	10,357,771	9,819,754	10,588,746	12,792,910	13,684,110
Physical environment	1,441,963	1,468,270	1,510,816	1,670,732	1,725,572	1,758,727	1,708,847	3,108,263	3,158,756	4,204,398
Transportation/Public Works	5,244,532	5,954,177	4,886,276	4,866,390	5,291,411	7,892,109	3,343,321	3,729,133	3,839,809	4,444,336
Recreation	3,249,398	3,320,906	3,265,936	3,798,436	3,327,465	3,044,346	3,102,319	3,443,196	3,464,829	3,820,818
Capital outlay	-	-	-	-	-	-	13,256,479	6,453,431	4,210,601	12,150,061
Debt service										
Principal retirement	75,000	226,252	467,657	454,566	663,948	733,294	984,846	981,639	1,083,806	1,395,337
Interest and fiscal charges	125,844	124,169	307,420	219,948	280,164	496,014	490,462	479,564	463,447	435,186
Total expenditures	23,788,592	24,421,015	24,322,799	26,129,873	26,024,126	29,103,068	37,771,925	34,034,395	35,186,623	46,714,785
Excess of revenues over (under) expenditures	(3,338,006)	(1,865,389)	(42,076)	(1,120,250)	1,671,956	694,147	(6,132,756)	491,359	221,391	(5,882,426)
<b>Other financing sources (uses)</b>										
Transfers in	1,218,930	1,265,170	1,277,099	3,032,557	1,188,850	1,264,347	1,368,715	2,047,865	2,152,545	5,052,641
Transfers out	(709,930)	(756,170)	(718,099)	(2,173,557)	(329,850)	(442,947)	(547,315)	(1,246,465)	(218,636)	(3,236,147)
Proceeds from sale of capital assets	-	-	-	178,766	25,313	25,527	22,570	828,473	18,397	124,594
Issuance of capital lease	-	878,703	-	295,224	-	-	-	-	-	-
Issuance of debt	-	-	4,245,000	-	9,751,000	-	1,200,000	467,197	3,540	4,566,585
Premium on debt	-	-	429,291	-	-	-	-	-	-	-
Total other financing sources (uses)	509,000	1,387,703	5,233,291	1,332,990	10,635,313	846,927	2,043,970	2,097,070	1,955,846	6,507,673
Net change in fund balances	\$ (2,829,006)	\$ (477,686)	\$ 5,191,215	\$ 212,740	\$ 12,307,269	\$ 1,541,074	\$ (4,088,786)	\$ 2,588,429	\$ 2,177,237	\$ 625,247
Debt service as a percentage of non-capital expenditures	1.42%	1.75%	2.95%	3.07%	5.27%	5.74%	5.85%	5.30%	5.00%	5.32%

Sources: Information derived from the Annual Comprehensive Financial Report or annual financial reports for the relevant year.

## City of Cocoa Beach, Florida

**Table B-1**  
**Value of Taxable Property**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Taxable Value Real Property for Operating Purposes</b>	<b>Personal Property for Operating Purposes</b>	<b>Gross Taxable Value</b>	<b>New Construction Taxable Value</b>	<b>Adjusted Taxable Value</b>	<b>Final Taxable Value*</b>	<b>Millage Rate **</b>
2015	\$ 1,528,428,150	\$ 44,389,202	\$ 1,572,817,352	\$ 3,875,580	\$ 1,568,941,772	\$ 1,462,050,879	4.9798
2016	1,651,383,595	44,356,979	1,695,740,574	7,726,440	1,688,014,134	1,570,025,655	4.9798
2017	1,790,137,425	45,689,227	1,835,826,652	3,666,242	1,832,160,410	1,689,173,910	5.4798
2018	1,926,013,887	47,699,982	1,973,713,869	2,355,548	1,971,358,321	1,834,321,456	5.7298
2019	2,046,878,881	50,724,415	2,097,603,296	11,191,720	2,086,411,576	2,018,543,186	5.7298
2020	2,141,432,855	55,389,524	2,196,822,379	8,596,439	2,188,225,940	2,107,856,272	5.8294
2021	2,268,681,405	56,692,892	2,325,374,297	3,521,533	2,321,852,764	2,199,480,742	5.9544
2022	2,578,000,669	64,058,126	2,642,058,795	15,102,070	2,626,956,725	2,327,019,290	6.1644
2023	2,829,124,650	71,789,114	2,900,913,764	10,107,337	2,890,806,427	2,641,996,242	6.1644
2024	3,087,249,981	75,810,403	3,163,060,384	10,463,504	3,152,596,880	2,900,316,082	6.1644

Source: Brevard County Property Appraiser (Form DR-420)

Notes:

1. Final taxable value determined after Valuation Board rulings.
2. The rate used in the calculation for property taxes. One mil equals \$1 per \$1,000 of taxable value. A millage of 6.1644, which is the current (Fiscal Year 2022) rate in effect for the City of Cocoa Beach is equal to \$5.81 for each \$1,000 of taxable value on real property.
3. Property is assessed at actual value and therefore a separate table for assessed and actual data is not presented.

## City of Cocoa Beach, Florida

**Table B-2**  
**Direct and Overlapping Property Tax Rates**  
**Last Ten Fiscal Years**

City Direct Rates		Overlapping Rates				Total Millage
Fiscal Year	Basic Rate *	Brevard County	Brevard County Schools		Other **	
			Operating	Capital Outlay		
2015	4.9798	5.3047	5.7750	1.5000	0.4988	18.0583
2016	4.9798	5.3590	5.7750	1.5000	0.4445	18.0583
2017	5.4798	5.1512	5.4160	1.5000	0.4241	17.9711
2018	5.9544	4.9117	5.0680	1.5000	0.3952	17.8293
2019	5.7298	4.6700	4.8000	1.5000	0.3700	17.0698
2020	5.8294	4.5100	4.5900	1.5000	0.3500	16.7794
2021	5.9544	4.3500	4.4400	1.5000	0.3100	16.5544
2022	6.1644	4.2100	5.8500	1.5000	0.3000	18.0244
2023	6.1644	3.8500	4.0000	1.5000	0.2800	15.7944
2024	6.1644	3.5868	3.8830	1.5000	0.2244	15.3586

Source: Brevard County Property Appraiser website.

Notes: \* The rate used in the calculation for property taxes. One mil equals \$1 per \$1,000 of taxable value.  
The tax rate on real property is based on \$1 per \$1,000 of assessed property value.

\*\* "Other" includes Florida Inland Navigation District and St. John's River Water Management District.  
Overlapping rates are those of local and county governments that apply to property owners within the City of Cocoa Beach.

The total millage column applies to all property owners within the City limits.

## City of Cocoa Beach, Florida

**Table B-3  
Principal Property Taxpayers  
Last Ten Fiscal Years**

Taxpayer	2024			2015		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Hilton (1550 North Atlantic)	\$ 40,367,790	1	1.39%	\$ 12,000,000	2	0.82%
Doubletree Hotel (2080 N. Atlantic)	36,501,510	2	1.26%	5,130,000	10	
Ocean Partners Hospitality LLC 5500 North Group (Days Inn/Best Western)	34,462,840	3	1.19%	7,217,420	7	0.49%
Cocoa Beach Development Inc.	20,452,070	4	0.71%	20,644,620	1	1.41%
Westgate Resorts Ltd & Pier (Walkula)	16,163,700	5	0.56%	-	-	0.00%
Cocoa Beach Hospitality LLC (Quality Inn)	14,848,690	6	0.51%	-	-	
Ron Jon Surf Shop of Florida Inc.	11,345,690	7	0.39%	6,730,620	8	0.89%
Northport Inc Et Al (Ocean Landings)	10,771,540	8	0.37%	11,498,870	3	0.79%
Cocoa Beach Surf Company	10,433,260	9	0.36%	-	-	
Discovery Resort Inc.	9,709,200	10	0.33%	10,858,920	4	0.74%
Branch Cornerstone Plaza Assoc. LP	8,693,860	11	0.30%	7,250,000	6	0.50%
DAD Inc. 1300 N Atlantic ave.	6,573,500	12	0.23%	8,424,000	5	0.58%
<b>TOTALS</b>	<b>\$ 220,323,650</b>		<b>7.60%</b>	<b>\$ 89,754,450</b>		<b>6.80%</b>
Total City final taxable value	\$ 2,900,316,082			\$ 1,462,050,879		

Source: Brevard County Property Appraiser  
Multiple properties may be included in some taxable assessed values

## City of Cocoa Beach, Florida

**Table B-4**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**

Fiscal Year	Gross Tax Levy (1)	Collected Within the Fiscal Year of the Levy		Current Year Collections for Prior Years	Total Collections	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2015	\$ 7,281,531.00	\$ 6,974,913.00	95.79%	\$ 13,075.00	\$ 6,987,988	95.97%
2016	\$ 7,832,316.00	\$ 7,445,189.69	95.06%	\$ 12,069.51	\$ 7,457,259	95.21%
2017	\$ 9,256,330.21	\$ 8,773,566.00	94.78%	\$ 10,390.00	\$ 8,783,956	94.90%
2018	\$ 10,510,295.08	\$ 9,743,132.12	92.70%	\$ 175,935.00	\$ 9,919,067	94.37%
2019	\$ 11,326,775.36	\$ 10,390,174.82	91.73%	\$ 216,956.84	\$ 10,607,132	93.65%
2020	\$ 12,242,466.37	\$ 11,204,779.96	91.52%	\$ 223,187.00	\$ 11,427,967	93.35%
2021	\$ 12,821,653.00	\$ 11,737,095.33	91.54%	\$ 161,896.82	\$ 11,898,992	92.80%
2022	\$ 13,856,004.00	\$ 12,623,147.00	91.10%	\$ 183,390.00	\$ 12,806,537	92.36%
2023	\$ 16,286,322.00	\$ 14,690,145.00	90.20%	\$ 248,870.00	\$ 14,939,015	91.71%
2024	\$ 17,878,708.00	\$ 16,069,246.00	89.87%	\$ 275,469.00	\$ 16,344,715	91.42%

Source: Form 420 Final Taxable Value Line 7, multiplied by millage rate, less allowance for adjustments and discounts.

Notes: Reference the Financial Statements, Note A, Paragraph 14.

Current Year Collections includes prior year taxes and penalties collected.

City of Cocoa Beach, Florida

**Table C-1**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

Fiscal Year	Governmental Activities							
	Public Improvement Revenue Bonds	Capital Improvement Revenue Note, 2014 A	Special Obligation Revenue Note Series, 2019	CRA Improvement Revenue Bond Series 2017B	City Hall	Capital Lease(s)	Lease Agreements Equipment	Subscription Based Info Tech Arrangements
2015	\$ -	\$ 3,715,000	\$ -	\$ -	\$ -	\$ 169,625	\$ -	\$ -
2016	-	3,570,000	-	-	-	967,076	-	-
2017	-	3,420,000	-	4,245,000	-	649,419	-	-
2018	-	3,265,000	-	4,645,672	-	645,077	-	-
2019	-	3,105,000	9,751,000	4,397,053	-	361,129	-	-
2020	-	2,940,000	9,584,000	4,138,434	-	189,835	-	-
2021	-	2,770,000	9,160,000	3,869,814	-	1,238,965	-	-
2022	-	2,595,000	8,726,000	3,591,194	-	1,638,895	114,176	38,981
2023	-	2,415,000	8,281,000	3,297,575	-	1,517,182	57,786	26,818
2024	-	2,230,000	7,825,000	2,760,000	3,953,000	1,300,734	-	440,300

(Continued)

**Notes:**

Percentage of personal income and per capita amounts calculated from information in Table D-1.

Revenue Note 2014 A for fire station construction issued in Fiscal Year 2014 (Governmental Activities).

See Note 3 for a detailed discussion of the Capital Equipment Lease (Governmental Activities).

See Note H, Paragraphs Nos. 1 & 2 and 4b - 5 for a detailed discussion of the Clean Water State Revolving Loans (SRF).

See Note 3 for a detailed discussion of the Clean Water State Revolving Loans (SRF)

The 2004 SRF loan was refunded by a bank loan in Fiscal Year 2014 - Capital Improvement Revenue Refunding Note, Series 2014B (Business-type Activities).

CRA Improvements Revenue Bonds, series 2017B were issued in September of 2017. Note 3 details the payment schedule

Special Obligation Revenue Note, series 2019 were issued in August of 2019. Note 3 details the payment schedule

Details regarding all of the City's outstanding debt can be found in Note 3 Long Term debt to the Financial Statements.

City of Cocoa Beach, Florida

**Table C-1 (Continued)**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

Business-Type Activities											
Capital Lease(s)	Utility System Improvement Revenue Note 2014B	Utility System Improvement Revenue Note 2020	Public Improvement Revenue Bonds	Clean Water State Revolving Loan 050610	Clean Water State Revolving Loan 050620	Clean Water State Revolving Loan 050621	Clean Water State Revolving Loan 050621	Clean Water State Revolving Loan 050630	Total Debt of Primary Government	Debt as of Personal Income	Debt Per Capital
\$ -	\$ 2,420,000	\$ -	\$ -	\$ 19,607,982	\$ 1,714,186	\$ -	\$ -	\$ -	\$ 27,626,793	6.91%	\$ 2,482
-	2,135,000	-	-	18,759,001	4,170,162	-	-	-	29,601,239	5.33%	2,647
-	1,845,000	-	-	17,885,846	4,180,624	-	-	-	32,225,889	9.51%	2,858
-	1,550,000	-	-	16,987,829	4,010,056	-	1,141,177	-	32,244,811	6.43%	2,856
-	1,250,000	-	-	16,064,240	3,835,387	-	1,107,094	508,580	40,379,483	7.48%	3,565
-	945,000	-	-	15,114,351	3,656,519	-	1,049,158	4,647,775	42,265,072	7.72%	3,715
-	635,000	18,233,000	-	-	-	-	990,821	4,633,245	41,530,845	7.47%	3,646
440,737	320,000	16,904,000	-	-	-	-	932,080	4,410,477	39,711,540	6.69%	3,488
354,921	-	15,555,000	-	-	-	-	872,930	4,186,169	36,564,381	5.82%	3,247
267,955	-	14,184,000	-	-	-	-	813,369	3,960,310	37,311,364	5.27%	3,272

# City of Cocoa Beach, Florida

**Table C-2**  
**Direct and Overlapping Governmental Activities Debt**  
**As of September 30, 2024**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Share of Overlapping Debt</u>
<b>City Direct Debt</b> (Governmental Activities) (a)	\$ 37,311,364	100.00%	\$ 37,311,364
<b>Overlapping Debt</b>			
Brevard County:			
Governmental Activities Debt (b)	<u>\$ 8,819,301</u>	4.79%	<u>\$ 422,445</u>
<b>Total Direct and Overlapping Debt</b>	<u><u>\$ 46,130,665</u></u>		<u><u>\$ 37,733,809</u></u>

Source: (a) City of Cocoa Beach ACFR FY24 Statistical table C-1  
 (b) Brevard County Finance ACFR FY24. Table 7 and 11

## City of Cocoa Beach, Florida

**Table C-3**  
**Pledged Revenue Coverage**  
**Last Five Fiscal Years**

Fiscal Year	Tax Increment Revenue	Debt Service			Coverage
		Principal	Interest	Total	
2019	\$ 556,988	\$ 220,000	\$ 161,610	\$ 381,610	1.46
2020	\$ 654,862	\$ 230,000	\$ 171,350	\$ 401,350	1.63
2021	\$ 765,304	\$240,000	\$ 160,750	\$ 400,750	1.91
2022	\$ 888,076	\$250,000	\$ 148,500	\$ 398,500	2.23
2023	\$ 1,166,140	\$265,000	\$ 135,625	\$ 400,625	2.91
2024	\$ 1,352,151	\$280,000	\$ 122,000	\$ 402,000	3.36

Notes: Fiscal Year 2019 was the first full year of the CRA Improvement Revenue Bonds.

Tax Increment Revenue Bonds are backed by the property tax revenue produced by the property tax rate of the City of Cocoa Beach and Brevard County applied to the increase in taxable assessed values above the base year taxable assessed values multiplied by 95%.

# City of Cocoa Beach, Florida

**Table D-1  
Demographic and Economic Statistics  
Last Ten Fiscal Years**

<b>Year</b>	<b>Population <sup>(1)</sup></b>	<b>Personal Income <sup>(2)</sup></b>	<b>Per Capita Personal Income <sup>(3)</sup></b>	<b>Median Age <sup>(4)</sup></b>	<b>Unemployment Rate <sup>(5)</sup></b>	<b>School Enrollment <sup>(6)</sup></b>
2015	11,131	\$ 399,814,389	\$ 35,919	58.3	6.1%	1,876
2016	11,182	555,633,580	49,690	47.1	5.2%	1,811
2017	11,276	338,821,248	30,048	59.4	4.6%	1,785
2018	11,292	501,184,128	44,384	59.4	3.7%	1,782
2019	11,328	539,597,952	47,634	57.0	3.5%	N/A
2020	11,378	547,293,178	48,101	56.5	8.5%	1,755
2021	11,391	556,028,883	48,813	59.2	4.3%	1,810
2022	11,385	593,283,735	52,111	56.9	2.7%	1,622
2023	11,262	627,901,548	55,754	57.9	4.8%	1,890
2024	11,403	708,320,151	62,117	58.6	3.7%	1,673

Sources:

- (1) Economic Development Commission (EDC) of Florida's Space Coast
- (2) Estimate (1) x (3)
- (3) Economic Development Commission of Florida's Space Coast
- (4) Economic Development Commission of Florida's Space Coast
- (5) U.S. Department of Labor
- (6) Brevard County Public Schools Include: Cocoa Beach Junior/Senior High School,  
Roosevelt Elementary School  
Freedom 7 Elementary School

For 2019, enrollment numbers were not available.

## City of Cocoa Beach, Florida

**Table D-2  
Principal Employers  
Last Ten Fiscal Years**

Employer	2024			2015		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
School Board of Brevard County	10,000- 10,999	1	4.01% - 4.46%	10,215	1	4.31%
Health First Medical Group	9,000 - 9,999	2	3.57% - 4.01%	7,800	2	3.14%
L3Harris Technologies Inc.	7,000 - 7,999	3	2.68% - 3.12%	5,750	3	3.14%
Northrop Grumman Corporation	5,000 - 5,999	4	1.34% - 1.78%	1,615	8	0.00%
Wal-Mart Associates Inc.	4,000 - 4,999	5	.89% - 1.34%	-	-	0.00%
Publix Super Market Inc.	4,000 - 4,999	6	.89% - 1.34%	-	-	3.14%
Department of Defense	2,000 - 2,999	7	.89% - 1.34%	2,070	5	3.14%
Blue Orgin Florida LLC.	2,000 - 2,999	8	.89% - 1.34%	-	-	3.14%
Brevard County Board Of County Commissioners	2,000 - 2,999	9	.45% - .89%	2,350	4	0.00%
National Aeronautics Space Administration	2,000 - 2,999	10	.45% - .89%	1,975	6	0.00%
Florida Institute of Technology Inc.	2,000 - 2,999	11	.45% - .89%	1,415	11	3.14%
New Rockwell Collins	1,000 - 1,999	12	.45% - .89%	1,605	9	3.14%
Lockheed Martin Corporation	1,000 -1,999	13	.45%- .89%	1,060	13	0.00%
SpaceX	1,000 - 1,999	14	.45%- .89%	-	-	0.00%
Jacobs Technology Inc.	1,000 - 1,999	15	.45%- .89%	-	-	0.00%
Lockheed Martin Corporation	1,000 - 1,999	13	.45% - .89%			
SpaceX	1,000 - 1,999	14	.45% - .89%			
Florida Institute of Technology Inc.	1,000 - 1,999	15	.45% - .89%	1,250	9	3.14%
<b>TOTALS</b>	<b>N/A</b>		<b>18.31%-24.96%</b>	<b>35,855</b>		<b>26.29%</b>

Source: Economic Development Commission of Florida's Space Coast  
Bureau of Labor Statistics

- Notes:
1. Employers include retail operations.
  2. Employment figures are for Brevard County.
  3. Exact employment numbers are no longer available as of 2016 for security reasons per the EDC.
  4. Total average employment for Brevard County in fiscal year 2013 was 237,228
  5. Total average employment for Brevard County in fiscal year 2022 was 290,243

City of Cocoa Beach, Florida

**Table E-1**  
**Employees by Function/Program**  
**Last Ten Fiscal Years**

<b>Full-Time Equivalent Employees as of September 30</b>										
<b>Function/Program</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
General Government	31.90	37.20	36.20	36.20	36.20	36.20	37.20	37.7	47.00	47.00
Police	55.45	55.50	55.45	56.45	58.45	59.05	59.05	64.55	88.00	75.00
Fire	28.00	28.00	28.00	28.00	28.00	28.20	29.80	30.8	42.00	40.00
Public Works	31.00	32.80	34.80	34.80	35.20	36.70	38.90	39.4	37.00	36.00
Parks and Recreation	23.29	29.35	29.35	30.35	30.35	30.35	30.35	30.35	24.00	31.00
Utilities	25.00	25.00	25.00	25.00	25.40	25.40	25.40	25.4	26.00	26.00
Stormwater	4.00	4.00	4.00	4.00	4.20	4.20	5.20	5.2	6.00	6.00
Golf Course	40.70	40.70	39.70	39.70	39.70	40.20	40.20	40.2	37.00	37.00
Metered Parking	5.90	5.90	5.90	5.90	5.90	5.90	5.90	5.5	2.00	2.00
<b>Totals</b>	<b>245.24</b>	<b>258.45</b>	<b>258.40</b>	<b>260.40</b>	<b>263.40</b>	<b>266.20</b>	<b>272.00</b>	<b>279.10</b>	<b>309.00</b>	<b>300.00</b>

Notes: FY 24 Full Time equivalent is rounded up

## City of Cocoa Beach, Florida

**Table E-2**  
**Capital Asset Statistics by Function/Program**  
**Last Ten Fiscal Years**

Function/Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Police</b>										
Physical arrests	685	581	785	675	589	508	630	624	989	1,128
Parking violations	5,841	7,770	10,831	13,983	14,993	11,504	13,976	10,937	15,842	11,931
Traffic violations	1,984	2,941	2,904	2,668	2,641	3,779	4,637	3,871	3,828	4,617
<b>Fire</b>										
Emergency responses (incidents)	2,565	2,646	2,803	2,745	2,749	2,690	3,226	3,676	3,609	3,796
Fires extinguished	46	48	55	57	33	30	12	40	29	31
Inspections	178	196	214	228	453	515	561	449	804	985
<b>Public Works***</b>										
Street resurfacing (miles)	-	0.1	0.32	-	0.54	1	0.22	1.54	-	0.174
Pothole repair/patching (square yards)	2,311	184	226	458	201	136	279	121	257.18	200
Asphalt rejuvenation (square yards)	283,558	263,112	-	-	-	-	-	-	-	-
<b>Parks and Recreation</b>										
Attendees at gymnasium	2,192	2,026	3,265	3,836	4,377	3,547	3,575	3,963	5,393	9,741
Pool attendees	25,083	23,021	21,154	19,839	19,858	12,314	22,044	9,034	15,633	13,526
<b>Water</b>										
Total metered connections*	4,368	4,570	4,589	4,603	4,615	4,636	4,626	4,634	4,633	4,629
Average daily consumption (thousands of gallons)	1,652	1,784	1,768	1,709	1,735	1,633	1,670	1,699	1,640	1,606
<b>Wastewater</b>										
Average daily sewage treatment ** (thousands of gallons)	4,260	3,857	3,852	4,094	3,688	3,599	3,329	3,156	3,662	3,489

**Notes:** Refuse collection - Contracted out.  
Library - County provided.  
Transit - County provided.  
\* Excludes Patrick AFB.  
\*\* Includes Patrick AFB.

**Sources:** Data provided by City of Cocoa Water Sewer Distribution Report.  
Water data provided by City of Cocoa.  
Wastewater data provided by City of Cocoa Beach.



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## COMPLIANCE SECTION

This section contains the following subsections:

- 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*
- Schedule of Findings and Responses
- Independent Auditor's Management Letter
- Independent Accountant's Report on Investment Compliance



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## Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

**To the Honorable Mayor,  
Members of the City Commission  
City of Cocoa Beach, Florida**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Cocoa Beach, Florida (the "City"), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated March 13, 2025.

### **Report on Internal Control Over Financial Reporting**

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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 City'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 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.



Bradenton, Florida  
March 13, 2025



## Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and on Internal Control Over Compliance Required By The Uniform Guidance and Chapter 10.550, Rules Of The Auditor General

To the Honorable Mayor,  
Members of the City Commission  
City of Cocoa Beach, Florida

### Report on Compliance For Each Major Federal Program and State Project

#### ***Opinion on Each Major Federal Program and State Project***

We have audited the City of Cocoa Beach, Florida's (the "City") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the requirements described in the *Department of Financial Services' State Projects Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs and state projects for the year ended September 30, 2024. The City's major federal programs and state financial assistance projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2024.

#### ***Basis for Opinion on Each Major Federal Program and State Project***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of City's compliance with the compliance requirements referred to above.

#### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to City's federal and state programs.

**Auditor's Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program and state project as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

**Report on Internal Control Over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.550, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.



Bradenton, Florida  
March 13, 2025



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**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

Federal Grantors/Pass Through Grantor/Program Title	AL Number	Pass Through Grantor's/Lender's Number	Expenditures
<b>U.S. Department of Housing and Urban Development</b>			
Passed through the State of Florida			
Community Development Block Grant (CDBG)	14.228	IR052	\$ 2,123,605
<b>Total U.S. Department of Housing and Urban Development</b>			<u>2,123,605</u>
<b>U.S. Department of Justice</b>			
Bulletproof Vest Partnership Program	16.607	N/A	17,603
<b>Total U.S. Department of Justice</b>			<u>17,603</u>
<b>U.S. Department of Treasury</b>			
Coronavirus Local Fiscal Recovery Funds	21.027	N/A	2,093,427
Passed through the State of Florida Department of Environmental Protection			
Coronavirus Local Fiscal Recovery Funds	21.027	MN042	215,063
Coronavirus Local Fiscal Recovery Funds	21.027	MN042	87,992
<b>Total U.S. Department of the Treasury</b>			<u>2,396,482</u>
<b>U.S. Department of Homeland Security</b>			
Staffing for Adequate Fire and Emergency Response (SAFER) Grant Program	97.083	EMW-2021-FF-00913	503,580
Passed through the State of Florida			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	R0747	241,033
<b>Total U.S. Department of Homeland Security</b>			<u>744,613</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 5,282,303</u>

State Agency/Pass Through Entity/State Program	CSFA Number	Grantors Number	Expenditures
<b>Department of Environmental Protection</b>			
Statewide Surface Water Restoration and Wastewater Projects	37.039	LPA0417	\$ 85,762
Statewide Surface Water Restoration and Wastewater Projects	37.039	LPA0493	914,679
Statewide Surface Water Restoration and Wastewater Projects	37.039	NS086	124,768
Florida Inland Navigation District-Clean Vessel Act	37.084	BV-CB-23-161	19,952
Florida Inland Navigation District-Clean Vessel Act	37.084	BV-CB-22-154	18,707
Florida Inland Navigation District-Clean Vessel Act	37.084	BV-CB-22-155	40,875
Florida Inland Navigation District-Clean Vessel Act	37.084	BV-CB-23-160	47,339
Total Department of Environmental Protection			<u>1,252,082</u>
<b>Department of Health</b>			
Emergency Medical Services Matching Awards	64.003	M2420	18,323
Total Department of Health			<u>18,323</u>
<b>Total Expenditures of State Financial Assistance</b>			<u>\$ 1,270,405</u>

# Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance

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

### *Basis of Presentation*

The accompanying schedule of expenditures of federal awards includes the federal spending of the City of Cocoa Beach, Florida (the "City") and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in preparation of, the basic financial statements. Because the schedule presents only a selected portion of the operations of the City, it is not intended to and does not represent the financial position of the City.

## **NOTE 2. INDIRECT COST RATE**

The Uniform Guidance allows an organization to elect a 10% de minimis indirect cost rate. For the year ended September 30, 2024, the City did not elect to use this rate.

## **NOTE 3. LOAN / LOAN GUARANTEE OUTSTANDING BALANCES**

The City did not have any federal loans or loan guarantees outstanding during the year ended September 30, 2024.

## **NOTE 4. SUB-RECIPIENTS**

During the year ended September 30, 2024 the City had no sub-recipients.

## **NOTE 5. NONCASH ASSISTANCE AND OTHER**

The City did not receive any noncash assistance or federally funded insurance during the year ended September 30, 2024.

## **NOTE 6. CONTINGENCIES**

Grant monies received and disbursed by the City are for specific purposes and are subject to review by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon experience, the City does not believe that such disallowance, if any, would have a material effect on the financial position of the City.

## **NOTE 7. FEDERAL PASS-THROUGH FUNDS**

The City is also the sub-recipient of federal funds that have been subjected to testing and are reported as expenditures and listed as federal pass-through funds. Federal awards other than those indicated as pass-through are considered to be direct.

# City of Cocoa Beach, Florida

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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### SECTION I SUMMARY OF AUDIT RESULTS

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

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:  
Material weaknesses identified?  yes  no

Significant deficiencies identified not considered to be material weaknesses?  yes  none reported

Noncompliance material to financial statements noted?  yes  no

#### ***Federal Awards and State Financial Assistance Projects***

Internal control over major federal programs and state projects:  
Material weaknesses identified?  yes  no

Significant deficiencies identified not considered to be material weaknesses?  yes  none reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) or Chapter 10.550 Rules of the Auditor General?  yes  no

Identification of major federal programs:

<u>AL Number</u>	<u>Name of Federal Program or Cluster</u>
21.027	U.S. Department of the Treasury – Coronavirus State and Local Fiscal Recovery Funds

Identification of major state financial assistance:

<u>CSFA Number</u>	<u>Name of State Program</u>
37.039	Statewide Surface Water Restoration and Wastewater Projects

Dollar threshold used to distinguish between Type A and Type B federal programs: \$750,000  
Type A and Type B state awards: \$381,122

Auditee qualified as low-risk auditee?  yes  no

**SECTION II  
FINANCIAL STATEMENT FINDINGS AND RESPONSES**

None reported.

**SECTION III  
FEDERAL AWARD AND STATE PROJECT FINDINGS AND QUESTIONED COSTS**

None reported.

**SECTION IV  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**2023-001      PREPARATION OF THE SEFA**

**Criteria:** The Schedule of Expenditures of Federal Awards (SEFA) should be prepared in accordance with Uniform Guidance in 2 CFR 200.

**Condition:** The 2023 Grants Summary provided by the City did not include all grants and/or correctly identify reportable expenditures. Further, review of the Grants Summary report identified amounts due from grantors that had not been accrued in the City's general ledger.

**Context/Cause:** The City did not have effective controls in place to ensure the Grants Summary schedule was complete and that expenditures for projects supported by multiple funding sources were accurately identified to the appropriate funding source. Further, the City initially only reported grant expenditures for which reimbursement had been requested from the grantor on the SEFA and grant-related receivables as noted on the Grants Summary schedule were not reconciled to amounts in the City's general ledger.

**Status:** Resolved.

**2023-002      GRANT REPORTING**

**Criteria:** Section (8) of the agreement with the Florida Department of Commerce (DOC), formerly referred to as the Florida Department of Economic Opportunity (DEO), specifies requirements for the submission of monthly, quarterly and administrative reports and other required information. These reports are detailed in Attachment G to the agreement. Section (18) of the agreement with the DOC requires the City to comply with procurement standards in 2 CFR Section 200.318 – 200.327 and Section 200.330. The agreement further requires the City to provide the DOC copies of all proposed procurement documents for their review and approval prior to the obligation or disbursement of any funds (except for administrative expenses). 2 CFR 200.303(a) requires non-Federal entities to establish and maintain effective internal controls over compliance with laws and regulations applicable to Federal funding.

**Condition:** The Audit Certification Memo for fiscal year 2022 (due June 30, 2023) and the Section 3 Summary Report (due July 31, 2023) were not filed with the DOC. Further, the Contract and Subcontract Activity report (due on April 15, 2023) was not filed timely (filed September 7, 2023). With regards to the reimbursement request, the initial reporting was rejected due to noncompliance with procurement provisions in the grant agreement. As a result, the DOC denied \$74,813 of the City's request as ineligible expenditures .

**Context/Cause:** The City did not have effective controls in place to ensure that all required reports were submitted on a timely basis to the DOC; nor were effective controls in place to ensure that only vendors that had been procured in accordance with the provisions of the grant agreement were included in the reimbursement request.

**Status:** Resolved.

**SECTION IV  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
(CONTINUED)**

**2023-003           SELECTION OF BASIS FOR ALLOCATIONS**

**Criteria:** GASB Codification Section P20, Pension Activities – Reporting for Benefits Provided Through Trusts That Meet Specified Criteria, sets forth the concept that pension costs should be allocated to benefiting fund through the use of an allocation methodology that is a consistent and reasonable method for allocation of those costs between functions, activities and funds.

Chapter 9 of the Governmental GAAP Guide provides guidance on accounting for pooled investments, stating “for pooled cash and investments, adequate records must be maintained to provide a basis for identifying each fund’s share of the pooled assets, including interest earned and receivable at the end of the period.” City policy, as established in Resolution 2017-20, states that “investment earnings and changes in the value of securities shall be allocated based on the amounts contributed by each fund.”

**Condition:** The City used an allocation basis for their pension expenses (expenditures), liability and deferred inflows/outflows which was not consistent with prior years and was not reasonable to the functions and funds that incurred the expenses (expenditures).

The City used an allocation basis for investment balances and investment returns that was not derived from amounts contributed by each participating fund

**Context/Cause:** The City used an allocation basis that allocated the total pension costs (of all three pensions) to all funds and did not allocate pensions directly associated with a function or fund to that function or fund and is not consistent with the allocation methodology used in prior years.

The City allocated pooled investments and investment earnings based on budgetary amounts that were not derived from amounts contributed by each participating fund.

**Status:** Resolved.

**2023-004           REVENUE RECOGNITION**

**Criteria:** GASB Codification (GASBC) 1600, Basis of Accounting requires governmental funds use the modified accrual basis of accounting when recognizing revenue and enterprise funds to use the full accrual basis of accounting. This finding was previously reported in the 2021 audit and has been updated/revised in the current year.

**Condition:** The City did not report revenue and receivables consistent with GAAP and the City’s revenue recognition criteria resulting in an understatement of revenues and related receivables (including amounts due from other governments).

**Context/Cause:** The City did not have proper cutoff between periods regarding receivables and revenue recognition pursuant to GASBC 1600.

**Status:** Resolved.

**SECTION IV  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
(CONTINUED)**

**2023-005          ACCRUALS**

**Criteria:** GASB Codification (GASBC) 1600, Basis of Accounting, requires governmental funds use the modified accrual basis of accounting when recognizing expenses and enterprise funds to use the full accrual basis of accounting.

**Condition:** In fiscal year 2023, the City did not provide for the accrual of construction-related payables and related retainage totaling \$449,408. Further, the City accrued an incorrect amount for health insurance claims as of year-end.

**Context/Cause:** The City did properly record all payables at year end for expenses/expenditures that occurred during the period. The City did not accrue for construction invoices related to the fiscal year that were received after year-end, which included not recording the retainage payable associated with outstanding construction contracts. Further, the City incorrectly accrued health insurance claims that were related to the subsequent fiscal year.

**Status:** Resolved.



## Independent Auditor's Management Letter

**The Honorable Mayor,  
Members of the City Commission  
City of Cocoa Beach, Florida**

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

We have audited the financial statements of the City of Cocoa Beach, Florida (the "City"), as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated March 13, 2025.

### **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*; Schedule of Findings and Questioned Costs; Independent Auditor's Report on Compliance for each Major Federal Program and State Project and on Internal Control over Compliance required by the Uniform Guidance and Chapter 10.550, Rules of the Auditor General; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated March 13, 2025, 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. Corrective actions have been taken to address findings and 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 of the City of Cocoa Beach, Florida and its component units are disclosed in the footnotes.

### **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 City 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 City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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

### **Additional Matters**

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

### **Purpose of this Letter**

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



Bradenton, Florida  
March 13, 2025



## Independent Accountant's Report

**The Honorable Mayor,  
Members of the City Commission  
City of Cocoa Beach, Florida**

We have examined the City of Cocoa Beach, Florida's (the "City") compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2024. Management of the City is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City 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 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 ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

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

In our opinion, the City complied, in all material respects, with the aforementioned requirements during the year ended September 30, 2024.

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

*Mauldin & Jenkins, LLC*

Bradenton, Florida  
March 13, 2025



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