

City of Titusville

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Gateway to Nature & Space
www.titusville.com

March 27, 2024

Brevard County Board of County Commissioners
2725 Judge Fran Jamieson Way
Viera, Florida 32940

Re: City of Titusville Community Redevelopment Agency Annual Report

To Whom It May Concern:

The City of Titusville's Downtown Community Redevelopment Agency (CRA), in accordance with Chapter 163, *Florida Statutes*, has filed with the City of Titusville, and other entities, a report of its' activities for fiscal year 2022-2023. The annual report includes a complete financial statement setting forth its assets, liabilities, income, and operating expenses as of the end of fiscal year 2022-2023.

Please find a copy of the annual report enclosed. If you have any questions or comments you may contact me at (321) 567-3860.

Sincerely,

Sue Williams,
Redevelopment Planner

Cc: Wanda Wells, City Clerk
Richard Broome, City Attorney

RECEIVED

APR 11 2024

County Manager's
Office

City of Titusville

Community Redevelopment Agency



Annual Report FY 2022 - 2023

Prepared by
City of Titusville
Community Development
& Finance Departments

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APR 11 2024

CITY OF TITUSVILLE
COMMUNITY DEVELOPMENT & FINANCE DEPARTMENT

Downtown Community Redevelopment Agency

CRA Board Members:

Daniel Diesel, Chairperson
Joe Robinson, Vice Chairperson
Greg Aker
Jim Ball
Herman Cole
Jo Lynn Nelson
Sarah Stoeckel

CRA Staff:

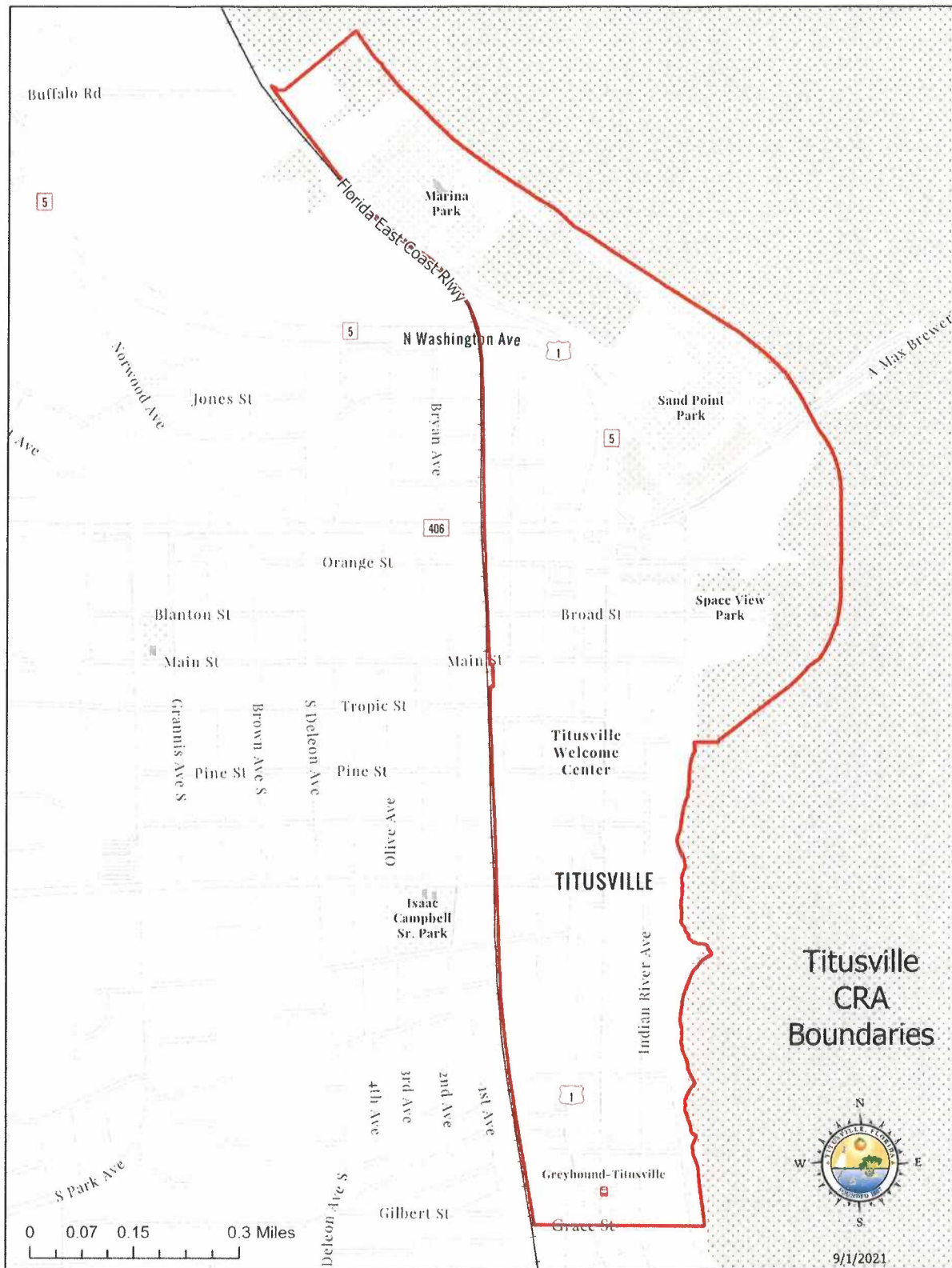
Scott Larese, Executive Director, Community Redevelopment Agency
Richard Broome, City Attorney
Kevin Cook, P.E., Public Works Director
Teri Butler, Finance Director
Jenna Ryan, Finance Manager
Wanda Wells, City Clerk
Brad Parrish, Community Development Department Director

Introduction

The City of Titusville's Community Redevelopment Agency (CRA) was created by the State of Florida in 1982, and the Community Redevelopment Plan was adopted in 1984. Since its creation, the Titusville Community Redevelopment Agency has played an integral role in the revitalization of the Downtown area and the surrounding community. The Downtown area has faced many challenges similar to those in other areas of Florida and the nation. The vision of Titusville's Downtown was established by residents who attended workshops in the 1980's, 1990's, 2000's, and as recently as FY 2022 and determined a set of goals and priorities that have evolved over the years. The original vision of the Redevelopment Plan still stands as a foundation for redevelopment in the Downtown and surrounding neighborhoods.

In an effort to provide residents and visitors with a memorable experience, the City envisions the addition of new mixed-use buildings on infill lots, renovated historic buildings, new open space amenities, enhanced streetscape conditions, new public facilities such as water and sewer infrastructure, and low impact development (LID) techniques for storm water. Development standards will be aimed at increasing the area's capacity to accommodate new growth while preserving the historic character of the community. By combining these features with a smarter approach to growth, the City will realize a downtown that will attract sustainable growth and create a unique sense of place in which all residents can be proud.

The Downtown CRA encompasses approximately 300 acres of land on the eastern edge of the City and is over a mile and half from its northernmost area at the municipal waterfront park and marina complex, to its southern terminus at Grace Street. The CRA includes the Historic Downtown, or core area and a number of small neighborhoods. The CRA is bounded by the Indian River waterfront on the east and north and by the Florida East Coast Railroad tracks on the west. The CRA parallels the Indian River and includes over 1.9 miles of waterfront as shown on the following map.



Assessed Real Property Values & Tax Increment Fund Revenue History

The original base year real property value for the Titusville Downtown CRA in 1982 was \$20,495,020. The Titusville Downtown CRA assessed property value in the reporting year of FY 2023 was \$127,240,155, which is an increase of \$10,821,218 in value from the FY 2022 assessed property value.

A history of the Titusville CRA Tax Increment Revenue per year from FY2005–2006 is found in Table-1 below. Prior to FY 2005–2006 the Downtown CRA had a steady but low tax increment since its inception in 1982. Since FY 2009, the CRA’s tax increment revenue has been more volatile due to the impacts of both new development and economic conditions.

Table 1: Tax Increment Revenues by Year (Audited)

FY 2005-2006	\$ 286,787
FY 2006-2007	\$ 589,533
FY 2007-2008	\$ 922,899
FY 2008-2009	\$ 876,391
FY 2009-2010	\$ 792,703
FY 2010-2011	\$ 724,997
FY 2011-2012	\$ 655,653
FY 2012-2013	\$ 631,488
FY 2013-2014	\$ 699,901
FY 2014-2015	\$ 712,212
FY 2015-2016	\$ 766,683
FY 2016-2017	\$ 793,838
FY 2017-2018	\$ 867,986
FY 2018-2019	\$ 919,020
FY 2019-2020	\$ 961,910
FY 2020-2021	\$ 979,345
FY 2021-2022	\$ 982,381
FY 2022-2023	\$ 1,038,731

The Tax Increment Financing (TIF) revenues for the Downtown CRA increased substantially in the fiscal year 2006 - 2007 due to the completion of the Harbor Pointe condominium complex. The first building was added to the tax rolls in fiscal year 2006-2007. This revenue allowed the CRA to complete projects that were not possible with revenues from the previous years.

The three remaining Harbor Pointe buildings were added to the tax rolls in fiscal year 2007 - 2008. Due to the economic downturn, increased foreclosures nationwide, and the end of the NASA Space Shuttle Program, the revenue in fiscal years 2008 - 2009 to 2012-2013 decreased. The reduction in revenues during those years resulted in a greater percentage of revenues being dedicated to debt service, thereby limiting redevelopment projects that were being undertaken by the CRA during those years. After bottoming out in FY2012-2013, tax increment revenues have increased each year since to where they have surpassed the FY2007-2008 high.

In 2011, the CRA authorized issuance of a Public Improvement Revenue Note in an amount not to exceed \$2,535,000 to finance roadway and landscaping improvements in conjunction with the FDOT U.S. 1 project. In February 2013, the CRA approved partial repayment of the loan for \$850,000. The repayment funds were the result of lower than anticipated projects costs. The CRA’s action produced a total savings of \$1.27 million. The CRA also paid off the Commons Project Bond at a cost of approximately \$95,000. The loan repayments reduced the annual debt service in FY2014-2015 from 34% to 19% of the Annual Revenues, thus providing more opportunities for capital projects in the

future. The percentage of annual debt service to annual tax increment values has continued to decline due to a combination of the increase in tax increment values and debt payments.



Harbor Pointe Condominiums on Indian River Avenue

Fiscal Year 2022-2023 Capital and Non-Capital Projects

The Downtown CRA has continued with existing projects during the 2022 - 2023 fiscal year as well as started new projects as shown below.

Completed Capital Projects and Their Estimated Cost:

- ❖ Commercial Interior Building Renovation, Commercial Beautification, and Permit & Fee Grant Programs (operational – see detailed grant payouts in the narrative below),
- ❖ Street Resurfacing (\$61,405)

Capital Projects Started but not Completed in the Fiscal Year and Their Estimated Cost:

- ❖ Approved the award of contract for the construction of the Spaceview Park Walkway Pier (\$998,656)
- ❖ Indian River Force Main Improvements upgrading and replacing 8,000 feet of sewer force main (\$97,000)
- ❖ Water Resources Utilities Infrastructure (\$47,000)
- ❖ Additional groundcover landscaping at US-1 intersections (\$33,405)
- ❖ Sidewalk Infill (\$58,000)
- ❖ Aluminum Streetlight Poles - Whiteway Lighting Project Study (\$60,00)
- ❖ Tree Box Filters (\$130,000)

More details about these projects follow.

Commercial Interior Building Renovation, Commercial Beautification, and Permit and Impact Fee Incentive Grant Programs

In FY 2016 – 2017 the CRA created a Commercial Interior Renovation Incentive Grant Program to assist property owners and commercial tenants of older buildings to bring their structures up to current Americans with Disabilities Act (ADA), the Florida Fire Protection Code, and the Florida Building Code standards. The Commercial Interior Building Renovation Incentive Grant Program helps to expand and improve under-used buildings to increase commercial and mixed-use intensity, bring buildings up to code, assist small businesses in the CRA to grow and prosper, and to promote job creation in the district. This grant program offers financial assistance in the form of a reimbursable, fifty percent (50%) matching grant up to a maximum of \$50,000 to the property owner or business owner for eligible expenses associated with the renovation and rehabilitation of the following interior elements of commercial and mixed-use building space:

- ❖ ADA requirements
- ❖ Florida Fire Protection Code requirements
- ❖ Florida Building Code requirements including:
 - Interior plumbing to meet code
 - Interior electrical system including lighting to meet code
 - HVAC system to meet code

During fiscal year 2017-2018 the CRA expanded its matching Building Grants Incentive Programs by drafting and approving a new Permit & Impact Fee Incentive Grant Program, revising the Commercial Interior Renovation Grant Program and reactivating and revising its Commercial Beautification Grant Program. The Permit & Impact Fee Program provides a maximum \$50,000 matching one-to-one grant to help offset the cost of permits and impact fees for new construction in the CRA. The Commercial Interior Renovation Grant Program was revised to provide an additional \$50,000 matching one-to-one grant for interior building renovations that provide residential and nonresidential mixed-use as an incentive for residential units to be added to the CRA and spur housing in the downtown. The Commercial Beautification Grant Program provides a \$40,000 matching one-to-one grant for façade and exterior improvements to buildings in the CRA to improve the appearance of the CRA/downtown and to eliminate blight. The Grant Programs were further revised to provide payment of seventy-five (75%) of the grant award at project completion and the remaining twenty-five (25%) of the grant award with occupancy of the building at one (1) year after completion of the improvements as an incentive for building owners to have their buildings occupied and not sit empty. The expanded grant program became operational in FY 2019. In FY 2023, grease traps were added as an eligible expense to the Commercial Interior Renovation Grant to meet Florida Building Code requirements.

A total of one (1) CRA Building Grant was awarded in the fiscal year. One (1) Commercial Interior Renovation Grant was awarded for \$18,811.50.

A total of eight (8) grant payouts were made during the fiscal year for a total of \$151,980.86. The grant payouts were for seven (7) Commercial Beautification Façade Grants for \$144,203.01, and one (1) Permit Impact Fee Grant for \$7,777.85.

Since these are fifty (50%) matching reimbursable grants with a maximum cap, the grant program leverages more than double the grant amount of investment in the CRA. A CRA Grant Return on Investment History Report completed in FY 2019 found that for completed grant projects and for grant projects under construction the return on investment was \$14.71 for every \$1 of CRA grant money awarded. Considering only completed grant projects since 2008, the ROI was \$3.14 for \$1 of CRA grant money. The reason for the large difference between completed project and both completed and under construction is that there are two (2) major construction projects presently taking place in the CRA, the Launch Now project with an estimated cost of \$5 million of construction and the Beachwave project with an estimated cost of \$3 million. The Beachwave project was completed in FY 2021. The Launch Now project is now slated to be completed in FY 2024.

The return-on-investment study shows how the grant program is helping to prevent deterioration of older historic properties in the CRA; stimulate interest and investment in the District; encourage the development of business and job growth; and encourage the utilization of existing business stock and new construction in the CRA.

Photos of two (2) Beatification Grants in FY 2023:



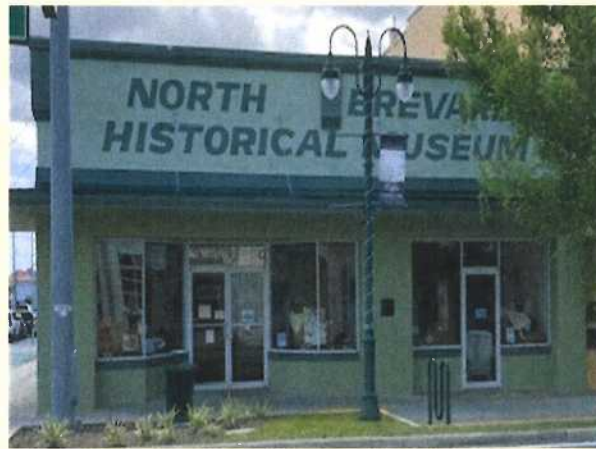
213 Broad Street Beautification Grant – Before



213 Broad Street Beautification Grant - After



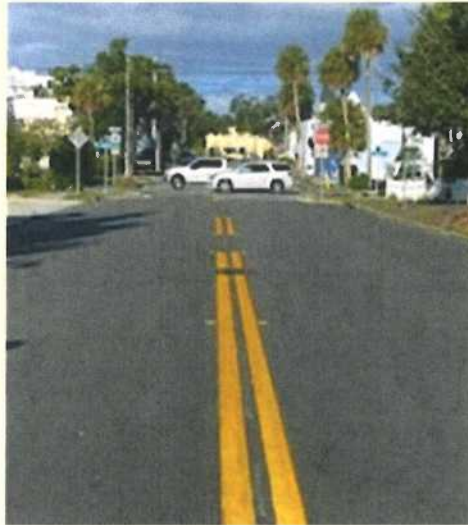
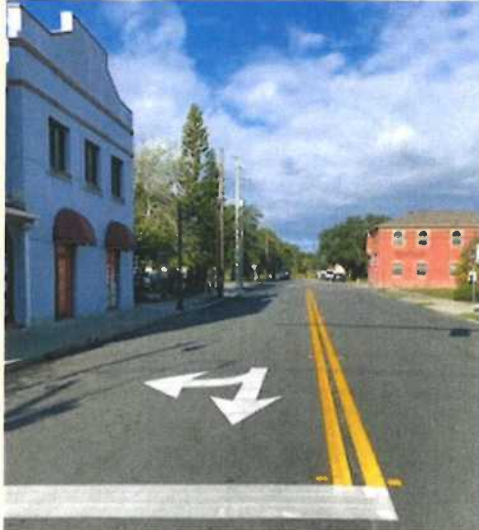
301 S Washington Beautification Grant – Before



301 S Washington Beautification Grant - After

Street Resurfacing

During the fiscal year the CRA resurfaced the following street segments located in the CRA: Julia Street between Hopkins Avenue and Palm Avenue; and Pine Street between Washington Avenue and S. Hopkins Avenue. The streets were resurfaced as part of the City's annual street paving program to leverage costs. The CRA's cost to resurface the streets was \$61,404.



Spaceview Park Connecting Pedestrian Pier

The CRA approved a budget amendment in September 2019, to fund a feasibility study for a pedestrian pier to connect Spaceview Mercury Park to Spaceview Gemini Park. The parks are separated by an inlet that requires visitors to back track to visit both parks. The pier meets the CRA's Plan goal of connecting the City's parks and providing a waterfront attraction for residents and visitors to view rocket launches. In January 2020, a Request for Qualifications (RFQ) was advertised to conduct a Feasibility and Conceptual Design Study. Taylor Engineering, Jacksonville, Florida, was selected in March 2020, to do the study. A contract with Taylor Engineering was signed in July 2020. In February of 2021, Taylor Engineering presented the Feasibility Study and Conceptual Design to the CRA. Based on the presentation, the CRA recommended moving forward with a contract for a final design. In May 2021, CRA meeting the CRA and City Council approved an award of contract for Taylor Engineering to provide a final design of the Spaceview Park Connecting Pedestrian Pier at a cost of \$92,833. Taylor Engineering worked on final design and bid plans during the Fiscal Year 2022. In August 2023, the contract for the Spaceview Park Connection Pedestrian Pier was awarded to Rush Marine at a cost of \$998,626. Construction will begin in FY 2024.

RAILING
 - TOP RAIL TO BE ANGLED
 - FILL RAIL TO BE VERTICAL
 - BOTTOM RAIL 2" FROM FINISH FLOOR

STAMPED CONCRETE
 RUNNING BONDBRICK PATTERN WITH SMOOTH JOINTS

CONCRETE
 LIGHT GREY SMOOTH FINISH

BENCH
 WOOD BENCH WITH TRIANGULAR METAL SUPPORT

TRASH RECEPTACLE
 ROUND WOODEN RECEPTACLE WITH BLACK ASHTRAY OPEN FROM ABOVE

POH
 PROJECT NO. 15-000000-0000
 SHEET NO. A1.0
 DATE 01/15/15
 SCALE 1/8" = 1'-0"

SPACE VIEW PARK
 CONCRETE RAILWAY
 FINISH AND MATERIALS

RAILWAY RAILING
 FINISH AND MATERIALS

A1.0

Artist computer rendition of the Connecting Pedestrian Pier

POH
 PROJECT NO. 15-000000-0000
 SHEET NO. A2.1
 DATE 01/15/15
 SCALE 1/8" = 1'-0"

SPACE VIEW PARK
 CONCRETE RAILWAY
 FINISH AND MATERIALS

RAILWAY RAILING
 FINISH AND MATERIALS

RENDERING

A2.1

Indian River Force Main Infrastructure Improvements

Construction for the Indian River Force Main Project started August 2023. The project includes replacing a 12-inch sewer line with a new 16-inch sewer line of approximately 8,000 feet of existing sewer force main from South Street to the Osprey Water Reclamation Facility on Buffalo Road in north Titusville. The force main replacement started at the intersection of South Street and Indian River Avenue and will continue north under the Max Brewer Causeway, U S Highway 1, and even a portion of the FEC railroad, ending at the Osprey Facility. A map of the project and road closures (as they are scheduled) can be found at [Indian River Ave Sewer Line Replacement \(arcgis.com\)](https://arcgis.com). Titusville's Public Works Department is working with the contractor to minimize the effect of the closures on residents, and closures will be limited to block segments at any one time. This project is still in progress.



Additional US-1 Landscape Infill at US-1 Intersections

Additional ground landscaping was added to intersections of US-1 (S. Washington Avenue and S. Hopkins Avenue) in the CRA district based on input from citizens. This project is ongoing into FY 2024.



Sidewalk Infill

The CRA provided for sidewalk infill based on an Americans with Disabilities Act (ADA) study. This project is ongoing.



Whiteway Lighting Project

Whiteway Replacement – The CRA approved the consultant DRMP, Inc. to develop a design scope to replace aluminum highway light poles located on US-1 (Washington Avenue and Hopkins Avenue). Replacement work will begin in FY 2024.



Tree Box Filters

A tree filter project is proposed in the downtown Commons Area to treat stormwater. Tree box filters are widely deployed as stormwater treatment Best Management Practices (BMPs), normally in stand-alone applications; however, they can also be used as pretreatment for infiltration, rainwater harvesting, and detention. Tree box filters are highly adaptable for most developments due to a small footprint, shallow elevation, and no driving head requirements. Where infiltration is not feasible, tree box filters are an ideal solution. Following Low Impact Development (LID) principles of decentralized design, total pollutant load into the Indian River Lagoon is minimized, enabling a sustainable system that is not compromised by high loading rates. Plant selection allows tree box filters to be seamlessly integrated into the landscape and adds aesthetic value.



CRA Community Outreach Meeting

On September 1, 2023, a CRA Community Outreach meeting was held regarding the vision and future for the Downtown and CRA area at the St. Gabriels Episcopal Church. This meeting was a positive event with approximately 63 attendees sharing ideas and concepts for proposed updates to Goals, Objectives and Policies for the Downtown in the Titusville Comprehensive Plan.



Non-Capital Projects

The Non-Capital Projects that occurred over the fiscal year are as follows:

- ❖ Streetscape Landscaping and Facilities Maintenance
- ❖ Community Policing
- ❖ Historic Preservation Activities
- ❖ Land Use Development Review Activities
- ❖ Redevelopment Plan Update (\$68,232)

- ❖ Installation of continuous pedestrian and bicycle counter on Indian River Avenue
- ❖ CRA Community Outreach Meetings

Streetscape Landscaping and Facilities Maintenance

The CRA continued its funding of the general maintenance of the plantings, lighting and street furniture funded by the CRA along the US-1 corridor (Washington Avenue & Hopkins Avenue) and in the Titusville Downtown Commons area. The maintenance provided by the CRA along the US-1 corridor is at a higher level of maintenance than provided by the Florida Department of Transportation and helps to protect the CRA’s investment. Maintenance in FY 2022 – FY 2023 included the pressure washing of the following sidewalks in the CRA: S. Washington Avenue from Palmetto Street to Main Street, Stephen House Way, Mariners Way, and the Julia and Nevins Court Yards. The CRA also continues to fund the cost of irrigation and utilities along US 1 and a full-time maintenance worker.

Community Policing

In June 2014, the CRA initiated a Community Policing program. The program consists of law enforcement officers deployed on an overtime basis during varying days and times. Increased activities in the CRA District include business contacts, directed patrols, traffic details, community relations, neighborhood patrols and anti-burglary details. This is thought to be a more cost-effective method to provide coverage as needed, rather than one full-time officer who would have less flexibility to address issues as they arise.

Program accomplishments for the fiscal year are listed below. As the community policing initiative augments the Titusville Police Department’s regular presence in the CRA, only those activities conducted during the community policing details are provided.

CRA Police Details totaled 484 hours for the fiscal year 22/23.

Property Checks	4,869
Traffic Stops	1,205
Suspicious Persons/Vehicles/Incidents & Unwanted/Trespass	988

CRA Police Details totaled 750 hours for the fiscal year 21/22.

Property Checks	3,400
Traffic Stops	1,490
Suspicious Persons/Vehicles/Incidents & Unwanted/Trespass	818

Total incident statistics in the redevelopment district for the fiscal year not part of the CRA Police details were as follows:

	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019
Vehicle Burglaries	9	11	18	16	41
Residential Burglaries	2	4	0	2	2
Commercial Burglaries	8	4	0	10	11

	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019
Traffic Stops	1,205	1,157	1,269	1,140	748
Traffic Accidents without injury	120	137	138	122	165
Traffic Accidents with injury	38	43	52	54	29

Burglary Comparison between the CRA and Citywide:

	FY 2023	FY 2022	FY 2021	FY 2020
CRA District	19	18	28	28
City Wide	368	326	402	555

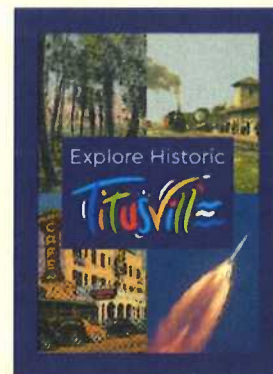
Calls for Service between the CRA and Citywide:

	FY 2023	FY 2022	FY 2021
CRA District	9,965	7,934	8,683
City Wide	109,402	95,623	114,392

The incident statistics show that the Community Policing details had a continued emphasis on reducing vehicle burglaries, residential burglaries and enforcing traffic laws during the fiscal year. The statistics show a positive trend in the reduction of crime in the CRA.

Historic Preservation Activities

The CRA District is home to many of the City’s historic resources. The preservation of these historic resources in the Community Redevelopment District adds to the City’s pride and creates pedestrian and visitor appeal, which provides economic development for the City. Historic Preservation activities that directly involved the CRA District included the award of a State of Florida Division of Historical Resources Small Matching Grant in July 2022 in the amount of \$40,000 to fund the creation of Architectural Style and Design Guidelines for use by the City Historic Preservation Board when doing design review of designated historic structures and for property owners of historic and potentially historic structures to use when making renovations to their properties.



The City’s Explore Historic Titusville booklet, mobile phone app and web site (<http://history.titusville.com>), which provides walking/driving tours/audio recordings of historic resources of the City from the area’s first indigenous inhabitants to the Space Program, was awarded a Florida Preservation 2022 award for Preservation Communication/Media. The majority of the historical and historic landmarks in the booklet, app and web site walking/driving tour are found in the Redevelopment District.

Land Use Development Review Activities

One of the duties of the CRA Agency is to provide input and recommendations to the City Council on land use decisions occurring in the redevelopment district. A summary of the land use activities that the CRA was involved in during FY 2022 – 2023 is as follows:

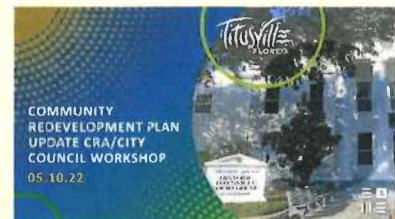
- ROW #1-2023 – A vacation of right of way was approved with conditions vacating a public right-of-way (ROW) that is located on Broad Street, west of S. Lemon Avenue and east of the FEC Railway.
- Approved the revised site plan, construction phases and parking garage structure for the Horizon at Sand Point development.



Rendering for the Proposed Horizon at Sand Point Development

Redevelopment Plan Update

A scope from the consultant S&ME, Inc. was approved by the CRA in December of 2021 to draft a Plan Update (\$34,060) and an Initiatives Plan (\$34,172) to update the 2015 Redevelopment Plan Update. The 2022 Redevelopment Plan Update was drafted during the fiscal year FY 2022 and adopted in the fiscal year FY 2023.



Downtown Connector Trail

Florida Department of Transportation installed a non-motorized vehicle And Pedestrian continuous counter on the Downtown Connector Trail on Indian River Avenue between Orange Avenue and Broad Street in September 2023. Trail counts will help the City and CRA to measure usage of the trail and help in planning efforts to maintain Titusville's Trail Town State designation. A Trail Town is a designation along a long-distance trail that trail users can venture off the trail to enjoy the scenery, services, and heritage of the nearby community and find services they need.



New Construction & Businesses

A goal of the City's CRA Plan is to encourage private sector investment in the CRA. New building construction and major renovation work to existing buildings helps the City in combating blight. It also encourages others to invest in the CRA. A total of approximately forty-seven (47) new Business Tax Receipts (BTR) were approved in the CRA District during the fiscal year. The following are examples of new businesses and major renovation and construction activity that has occurred in FY 2022 – 2023 in the CRA District:



Café Paradiso



Downtown Art Gallery



Suzanne's Pottery Studio



Burger Robs



Launch Now Mixed-Use Development – almost complete

Summary of Redevelopment Plan Goals Achievement

State legislation requires a summary indicating to what extent, if any, the community redevelopment agency has achieved the goals set out in its redevelopment plan. As noted above an update to the 2015 Redevelopment Plan Update was prepared in FY 2022 and adopted in Fiscal Year 2023. A summary of the plans, goals, and achievements is as follows.

Administration of the CRA

Administration of the CRA includes effectively utilizing Tax Increment Financing (TIF) for the administration and operation of the Community Redevelopment Agency. During FY 2023, this goal has been met through the many Capital and Non-Capital Improvement Projects completed and still in progress in addition to CRA Grants awarded for qualified commercial projects. The CRA continues collaboration with other agencies such as the North Brevard Economic Development Zone, Space Coast Transit, Titusville Area Chamber of Commerce, Florida Department of Transportation, etc. to foster redevelopment in the downtown. In FY 2023, the CRA maintained the level of staffing with the replacement of the retired CRA Planner. Training has been provided and is ongoing for the new CRA Planner by utilizing the Florida Redevelopment Association Academy and mentoring from the retired CRA Planner on a part time basis. Administration of the CRA goal includes keeping compliant with CRA legal requirements by posting the budget, advertising requirements, hosting Community Redevelopment Agency documents online for public access, internal auditing, adhering, and executing the updated adopted CRA Plan, etc. The CRA has increased the transparency of Community Redevelopment Agency operations by hosting Community Outreach workshops and visiting businesses within the CRA District.

Housing

The housing goal involves promoting, encouraging, and incentivizing residential development and occupancy within the CRA. The CRA is working to attain this goal with the Launch Now development under construction with the assistance of the CRA Grant Program. Launch Now will provide twenty (20) new boutique apartment units in a mixed-use building in the heart of the Historic Downtown. The Launch Now project with the assistance of CRA Building Program grants is slated to be completed in fiscal year 2024. A second residential development with 384 total multifamily units known as Horizon at Sand Point is in the Building Permit stage and is taking advantage of the increase in residential density and building height in the Uptown Subdistrict of the CRA. The CRA provided design approval of the Horizon development in Fiscal Year 2021. The Horizon at Sand Point developer has acquired additional adjacent property in FY 2022 and revised their site plan during Fiscal Year 2023. Construction is estimated to begin in the Fiscal Year 2024. More residential including workforce, and low & moderate housing is needed as pointed out in the City's Strategic Economic Development Plan to make the CRA more vibrant.

Community and Culture

The Community Redevelopment Agency coordinated with the Historic Preservation Board in FY 2023 to create an Architectural Design Guidelines manual to assist in maintaining historic structures downtown. The CRA continues to encourage and support the rehabilitation and adaptive reuse of historic buildings within the Community Redevelopment Area. The CRA held on-going meetings with the Titusville Playhouse Inc regarding the theater's expansion plans. The Titusville Playhouse has purchased property in the Julia Street – Palm Avenue area and has plans to create an entertainment Arts District in that area with plans to add a new 500 seat theater, a 150-seat black box theater, an outdoor concert and stage venue which is almost completed, and other ancillary uses including eating and drinking establishments which will add to the vibrancy of the downtown.

The CRA will need to consider additional public infrastructure to help make this area an entertainment district. The CRA has supported the arts by encouraging murals on buildings in the CRA. In addition, there has been increased tourist activity in the CRA with an increase of rocket launches at the Kennedy Space Center. Based on the increase in launches, improvements were made in Scobie Park including benches and public binoculars for viewing of nature and rocket launches by visitors and residents. The

Space View Pier connecting two (2) existing parks separated by water will become a waterfront destination for residents and visitors wanting to view rocket launches and take in the scenic view of the Indian River Lagoon. The Community Redevelopment Agency held a well-attended community outreach workshop to engage the community and business owners to discuss the future of the downtown area and proposed projects, as well as visiting the downtown businesses.

Economic Development

The CRA has worked in coordination with the City of Titusville's Economic Development Department, the Titusville Area Chamber of Commerce, and the North Brevard Economic Development Zone, to recruit and retain businesses and encourage private-sector investment in the CRA. The CRA has supported efforts of adaptive reuse and repurposing of underused commercial, historic, and public-owned structures into more intense uses. The goal of the CRA's Commercial Beautification & Structural Rehabilitation Grant Program is to provide incentives to existing and new property owners to upgrade the exteriors for aesthetics, interiors to meet code requirements, and to incentivize new construction that will ultimately lead to higher occupancy rates, increased property values and is an economic development tool that has proven to be successful. The Community Redevelopment Agency has continued to educate the public about the Community Redevelopment Agency's business support offerings to build awareness of the business environment and programming available within the CRA by hosting community outreach meetings.

The CRA District is home to many of the City's historic resources. The preservation of these historic resources in the Community Redevelopment District adds to the City's pride and created pedestrian and visitor appeal, which provided economic development for the City. The City's Explore Historic Titusville booklet, mobile phone app and web site (<http://history.titusville.com>) provides walking/driving tours/audio recordings of historic resources of the City from the area's first indigenous inhabitants to the Space Program. The booklet and walking/driving tours help to identify the City's historic resources and will help to provide economic development with visitors touring the city's historic landmarks and visiting city businesses while touring the City. The majority of the historical and historic landmarks in the booklet, app and web site walking/driving tour are found in the Redevelopment District.

Florida visitors spend billions visiting historic sites (Economic Impacts of Historic Preservation in Florida update 2010, Center for Governmental Responsibility, University of Florida Levin College of Law, page 7). The CRA has continued updating the City of Titusville Welcome Center graphics for visitors and updating the downtown business directory kiosks. Street banners attached to pedestrian light poles in the CRA have included downtown activities such as music, dining, history, culture, and the environment. The installation of banners on a seasonal and on a replacement basis due to weathering and age will be a continuing activity that adds to the vibrancy of the City.

Public Spaces

The Community Redevelopment Agency continues to create safe and accessible public spaces within the CRA. With the completion of Scobie Park improvements with benches and public binoculars for viewing of nature and rocket launches, residents and visitors have places to enjoy being in the gateway to nature and space. The Space View Pier connecting two (2) existing parks separated by water will become a waterfront destination for residents and visitors wanting to view rocket launches and take in the scenic view of the Indian River Lagoon. A 960 square foot Native Vegetation Buffer Zone has been created and Sand Point Park is located in the CRA District. Other Park improvements have included a splash pad, BMX bicycle track, skateboard facility, etc. over the years. In Fiscal Year 2022 in partnership with the North Brevard County Parks and Recreation staff, the CRA installed twelve (12) park benches in Sand Park and two (2) shade structures at the dog park in Marina Park. Long range plans call for a waterfront trail to connect recreational sites to the downtown and to areas to the south. The CRA worked with the Florida Department of Transportation to install a non-motorized vehicle and Pedestrian continuous

counter on the Downtown Connector Trail on Indian River Avenue between Orange Avenue and Broad Street located in the CRA in September 2023.

Infrastructure

During the fiscal year the CRA resurfaced the following street segments located in the CRA: Julia Street between Hopkins Avenue and Palm Avenue; and Pine Street between Washington Avenue and S. Hopkins Avenue. The streets were resurfaced as part of the City's annual street paving program to leverage costs. Construction for the Indian River Force Main Project started August 2023. The project includes replacing a 12-inch sewer line with a new 16-inch sewer line of approximately 8,000 feet of existing sewer force main from South Street to the Osprey Water Reclamation Facility on Buffalo Road in north Titusville. The force main replacement started at the intersection of South Street and Indian River Avenue and will continue north under the Max Brewer Causeway, U S Highway 1, and even a portion of the FEC railroad, ending at the Osprey Facility. The CRA approved the engineering firm for Project Manager and approved the award of contract for the construction of the Space View Park Pier in Fiscal Year 2023. The Space View Pier will connect two (2) existing parks separated by water and will become a waterfront destination for residents and visitors wanting to view rocket launches and take in the scenic view of the Indian River Lagoon. The Community Redevelopment Agency continued in 2023 to partner with the City of Titusville Public Works and Water Resources to upgrade critical areas to protect the Indian River Lagoon utilizing proposed tree box filters, baffle boxes, slip lining sewer and stormwater lines, and native vegetation. Streetscaping of side streets will become a major goal of the new Plan that was adopted in FY 2023.

Public Health & Safety

Community Policing is an ongoing endeavor in the CRA. Special details to combat homeless and panhandling issues, traffic issues like speeding on S. Washington Avenue and S. Hopkins Avenue, burglaries, prostitution solicitation issues, etc. will be needed to continue to make the CRA a safe place to live, work, visit, invest, and play. Cameras were installed in FY 2022 in three (3) strategic areas of the CRA as a pilot project will help the Police Department in solving traffic incidents and crimes, and thus help in reducing criminal activities. Future expansion of the cameras in the CRA is being studied. The Police Department has also used mail-outs and banner signs to promote various crime prevention campaigns such as "Lock It or Lose It", "Click It or Ticket", and variable message board signs to promote traffic safety in the redevelopment district. In Fiscal Year 2023 the Police Department implemented the Business Trespass Program which authorizes Titusville police officers to advise any person to leave the business premises if the business has registered for this voluntary program. In FY 2023, it has been determined that calls for service in reference to unwanted persons on registered properties decreased by 30%.

Regulatory Environment

In Fiscal Year 2023 the Community Redevelopment Agency has worked on a Comprehensive Plan update to help with redevelopment in the CRA by counting density by redevelopment district area and not per property, known as the Downtown Density Pool. The proposed Downtown Density Pool is an incentive for increased housing and development in the CRA. The Community Redevelopment Agency continues to encourage and incentive Low Impact Development (LID). LID is a comprehensive land planning and engineering design approach that reduces runoff and utilizes infiltration techniques before the runoff reaches the stormwater facility and protecting the Indian River Lagoon.

Financial Audit Information

The financial information for the Titusville CRA on the following pages is as reported by the independent auditing firm of James Moore & Company, 121 Executive Circle, Daytona Beach, Florida, 32114. The data was taken from the City of Titusville's Comprehensive Annual Financial Report, Fiscal Year ended September 30, 2023. The financial statement provides information on the Agency's assets, liabilities, income, and operating expenses as of the end of fiscal year 2022 – 2023 in accordance with Chapter 163, Part III, Florida Statutes. Total expenditures from the Redevelopment Trust Fund in the fiscal year were \$804,621.

An audit report of the CRA's FY2022 - 2023 expenditures by the James Moore & Company is also included in this financial section of the Annual Report.

The total amount of funds expended for affordable housing for low income and middle-income persons and families was zero (0) in the CRA. It should be noted that the CRA adopted a new Redevelopment Plan in October 2022 which provides for new CRA Housing Policies regarding providing for low and moderate and workforce housing in the CRA district. The CRA currently has a grant incentive for interior improvements such as ADA, Plumbing, Electrical, and HVAC to existing buildings to be brought up to code for mixed use buildings and or the conversion of commercial buildings to mixed use that can be used to help provide for low and moderate and workforce housing units. The Building Permit and Impact Fee Grant program can also be utilized to assist in the development of new low- and moderate-income housing in the redevelopment district. The CRA can also provide incentives such as tax increment reimbursement to potential low and moderate housing projects in the CRA district on a case-by-case basis. The City is also proposing change to its Comprehensive Plan and zoning in the CRA to regulate density on an area wide basis instead of a per parcel basis. This change will help to incentivize the development of multiple family dwellings in the CRA District.

TITUSVILE COMMUNITY REDEVELOPMENT AGENCY

FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

**TITUSVILLE COMMUNITY REDEVELOPMENT AGENCY
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INDEPENDENT AUDITORS' REPORT

To the Governing Board,
Titusville Community Redevelopment Agency:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Titusville Community Redevelopment Agency (the CRA), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the CRA's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the CRA, as of September 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 19, 2024, on our consideration of the CRA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the CRA's internal control over financial reporting and compliance.

Daytona Beach, Florida
March 19, 2024

James Moore & Co., P.L.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

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

Financial Highlights

- The assets of the CRA exceeded its liabilities at September 30, 2023, by \$2,068,342 (net position). Of this amount, \$497,973 represents the net investment in capital assets, and \$1,570,369 was restricted for redevelopment purposes.
- As of September 30, 2023, the CRA's reported ending fund balances of \$1,570,369. Fund balance saw a change of \$388,018 when compared to the prior year.

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

Overview of the Financial Statements

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

Government-wide Financial Statements

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

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

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

Notes to the Financial Statements

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

Government-wide Financial Analysis

Statement of Net Position

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

	Governmental Activities	
	2023	2022
ASSETS		
Current and other assets	\$ 1,595,577	\$ 1,217,917
Capital assets	497,973	510,495
Total assets	<u>\$ 2,093,550</u>	<u>\$ 1,728,412</u>
LIABILITIES		
Current liabilities	\$ 25,208	\$ 35,566
Total liabilities	<u>\$ 25,208</u>	<u>\$ 35,566</u>
NET POSITION		
Net investment in capital assets	\$ 497,973	\$ 510,495
Restricted	1,570,369	1,182,351
Total net position	<u>\$ 2,068,342</u>	<u>\$ 1,692,846</u>

Statement of Activities

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

	Governmental Activities	
	2023	2022
REVENUES		
Property taxes	\$ 1,038,731	\$ 982,381
Other revenues	46,134	(43,133)
Total revenues	<u>1,084,865</u>	<u>939,248</u>
EXPENSES		
Community development	560,764	770,480
Capital outlay	243,857	578,124
Total expenses	<u>804,621</u>	<u>1,348,604</u>
Net income before transfers	280,244	(409,356)
Transfers to primary government	(120,950)	(135,462)
Change in net position	375,496	(193,309)
Net position, beginning of year	1,692,846	1,886,155
Net position, end of year	<u>\$ 2,068,342</u>	<u>\$ 1,692,846</u>

Financial Analysis of the General Fund

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

As of the end of the current fiscal year, the CRA's general fund reported an ending fund balance of \$1,570,369, a change of \$388,018, in comparison with the prior year.

At the end of the current fiscal year, the entire fund balance was restricted for community development. As the CRA is focused on reinvestment revenues into the CRA district and does not have significant annual operational costs, the CRA does not maintain specific reserve levels for operations.

General Fund Budgetary Highlights

There were significant amendments between the original and the final CRA budget, which were to provide for spending authority of an additional \$1,471,890 in capital expenditures.

Actual expenditures in the general fund were \$1,605,023 less than final budget amounts. The main reason for this is due to the timing of capital project and other one-time expenditures.

Budgetary comparisons between the final budget and actual results can be found on page 15 of this report.

Economic Factors and Next Year's Budget

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

Requests for Information

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

**TITUSVILLE COMMUNITY REDEVELOPMENT AGENCY
BALANCE SHEET / STATEMENT OF NET POSITION
SEPTEMBER 30, 2023**

	<u>Balance Sheet</u>		<u>Statement of</u>
	<u>General</u>		<u>Net Position</u>
	<u>Fund</u>	<u>Adjustments</u>	<u>Governmental</u>
			<u>Activities</u>
ASSETS			
Cash and cash equivalents	\$ 755,364	\$ -	\$ 755,364
Investments	838,635	-	838,635
Receivables, net	1,578	-	1,578
Capital assets:			
Non-depreciable	-	200,000	200,000
Depreciable, net	-	297,973	297,973
Total assets	<u>\$ 1,595,577</u>	<u>\$ 497,973</u>	<u>\$ 2,093,550</u>
LIABILITIES			
Accounts payable and accrued liabilities	\$ 25,208	\$ -	\$ 25,208
Total liabilities	<u>25,208</u>	<u>-</u>	<u>25,208</u>
FUND BALANCE / NET POSITION			
Fund Balance:			
Restricted for:			
Community redevelopment	1,570,369	(1,570,369)	-
Net Position:			
Net investment in capital assets	-	497,973	497,973
Restricted for:			
Community redevelopment	-	1,570,369	1,570,369
Total fund balance / net position	<u>1,570,369</u>	<u>497,973</u>	<u>2,068,342</u>
Total liabilities and fund balance / net position	<u>\$ 1,595,577</u>	<u>\$ 497,973</u>	<u>\$ 2,093,550</u>

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

**TITUSVILLE COMMUNITY REDEVELOPMENT AGENCY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE /
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	Statement of Revenues, Expenditures, and Changes in Fund Balance		Statement of Activities
	General Fund	Adjustments	Governmental Activities
Revenues			
Taxes	\$ 1,038,731	\$ -	\$ 1,038,731
Investment income (loss)	46,134	-	46,134
Total revenues	<u>1,084,865</u>	<u>-</u>	<u>1,084,865</u>
Expenditures / expenses			
Current:			
Community development	548,242		548,242
Capital outlay	243,857	-	243,857
Depreciation	-	12,522	12,522
Total expenditures / expenses	<u>792,099</u>	<u>12,522</u>	<u>804,621</u>
Excess (deficiency) of revenues over expenditures / operating income (loss)	<u>292,766</u>	<u>(12,522)</u>	<u>280,244</u>
Other financing sources (uses)			
Transfers in from primary government	216,202	-	216,202
Transfers out to primary government	(120,950)	-	(120,950)
Total other financing sources (uses)	<u>95,252</u>	<u>-</u>	<u>95,252</u>
Net change in fund balance / net position	<u>388,018</u>	<u>(12,522)</u>	<u>375,496</u>
Fund balance / net position, beginning of year	1,182,351	510,495	1,692,846
Fund balance / net position, end of year	<u>\$ 1,570,369</u>	<u>\$ 497,973</u>	<u>\$ 2,068,342</u>

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

TITUSVILLE COMMUNITY REDEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

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

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

(a) **Reporting entity**—The Titusville Community Redevelopment Agency was created by Ordinance 66-1982 of the City of Titusville, Florida (City) per Chapter 163 Part III of the Florida Statutes. Pursuant to Florida Statute 163.387, the Community Redevelopment Agency has to account for the receipt and expenditure of property tax revenues from the tax increment financing district to support redevelopment in the designated community redevelopment area. Since the City is financially accountable for the activities of the CRA, its governing board is substantially the same (the City Council plus two additional appointed members), and its relationship to the CRA is significant, the CRA is considered to be a blended component unit in the City's financial statements, where it is also reported as a major special revenue fund.

The CRA has determined there are no component units that meet criteria for inclusion in the CRA's financial statements.

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

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

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

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

**TITUSVILLE COMMUNITY REDEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

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

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

(f) **Receivables and payables**—Activity between the CRA and the City has been classified as amount due to/from the primary government on the balance sheet and statement of net position. All trade and property tax receivables are reported net of an allowance for uncollectible accounts, which is based upon management's analysis of outstanding balances and historical trends. At September 30, 2023, all of the CRA’s receivables were considered fully collectible.

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

(h) **Capital assets**— The CRA owns limited capital assets. The majority of capital outlay expenditures made by the CRA are deemed to be on behalf of the City who takes ownership of the assets along with the perpetual maintenance obligation for those assets. Capital assets owned by the CRA, which land and buildings, are reported in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of more than \$5,000 and an estimated useful life of greater than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized, but charged to operating expense as incurred. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	30 years

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

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

TITUSVILLE COMMUNITY REDEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

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

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

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

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

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

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

Unassigned – amounts that are available for any purpose.

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

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

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

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

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

TITUSVILLE COMMUNITY REDEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

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

(a) **Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position**—Following the governmental fund balance sheet is a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. A detailed explanation of these differences is as follows: capital assets used in governmental activities are not financial resources and, therefore, not reported in the governmental funds.

(b) **Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities**—Following the governmental fund statement of revenues, expenditures, and changes in fund balances, there is a reconciliation between net changes in fund balances - total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. A detailed explanation of these differences is as follows: governmental funds report capital outlays as expenditures, however, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.

(3) **Deposits and Investments:**

The CRA is subject to the investment policy of the primary government and maintains interest-bearing banking accounts for substantially all CRA funds. Additional accounts are held for various other purposes, or to segregate cash balances for amounts which are restricted or held on behalf of others. State statutes authorize the CRA to invest excess funds in time deposits, or obligations of the principal and interest of which are unconditionally guaranteed by, the United States Government, commercial paper, corporate bonds, repurchase agreements and/or the State Board of Administration (SBA) Local Government Surplus Trust Fund Investment Pool or other investment vehicles authorized by local ordinance.

As of September 30, 2023, all CRA deposits were covered by private bank acquired insurance, Securities Investor Protection Corporation (SIPC) insurance, private broker/dealer acquired insurance, Federal Depository Insurance Corporation (FDIC) insurance, and/or the State of Florida collateral pool established under the Florida Security for Public Deposits Act (the Act). The Act established guidelines for qualification and participation by banks and savings associations, procedures for administration of the collateral requirements and characteristics of eligible collateral. Under the Act, the qualified depository must pledge at least 50% of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance. Additional collateral, up to 125% may be required if deemed necessary.

All of the CRA's deposits are held with public depositories and as of September 30, 2023, the CRA's deposits and investments were not subject to any substantial interest rate, credit, or concentration risks.

**TITUSVILLE COMMUNITY REDEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

(4) Capital Assets:

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated –				
Land	\$ 200,000	\$ -	\$ -	\$ 200,000
Total capital assets, not being depreciated	<u>200,000</u>	<u>-</u>	<u>-</u>	<u>200,000</u>
Capital assets, being depreciated –				
Buildings and improvements	376,710	-	-	376,710
Less accumulated depreciation for–				
Buildings and improvements	<u>(66,215)</u>	<u>(12,522)</u>	<u>-</u>	<u>(78,737)</u>
Total capital assets, being depreciated, net	<u>310,495</u>	<u>(12,522)</u>	<u>-</u>	<u>297,973</u>
Governmental activities capital assets, net	<u>\$ 510,495</u>	<u>\$ (12,522)</u>	<u>\$ -</u>	<u>\$ 497,973</u>

Depreciation expense of \$12,522 was charged to the community development function.

(5) Commitments and Contingencies:

The CRA is engaged in various liability claims incidental to the conduct of its general government operations at September 30, 2023. The outcomes of established claims are included in these financial statements. In the opinion of the CRA and the primary government’s legal counsel, no legal proceedings are pending or threatened against the CRA which are not covered by applicable insurance which would inhibit its ability to perform its operations or materially affect its financial condition.

The CRA is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters, all of which is satisfactorily insured by limited risk, high deductible commercial general liability insurance. Commercial insurance policies are also obtained for other risks of loss, including employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

REQUIRED SUPPLEMENTARY INFORMATION

**TITUSVILLE COMMUNITY REDEVELOPMENT AGENCY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 1,046,182	\$ 1,046,182	\$ 1,038,731	\$ (7,451)
Investment income (loss)	-	-	46,134	46,134
Total revenues	<u>1,046,182</u>	<u>1,046,182</u>	<u>1,084,865</u>	<u>38,683</u>
Expenditures				
Current:				
Community Development	403,256	698,105	548,242	149,863
Capital outlay	521,976	1,699,017	243,857	1,455,160
Total expenditures	<u>925,232</u>	<u>2,397,122</u>	<u>792,099</u>	<u>1,605,023</u>
Excess (deficiency) of revenues over expenditures	<u>120,950</u>	<u>(1,350,940)</u>	<u>292,766</u>	<u>1,643,706</u>
Other financing sources (uses)				
Transfers in from primary government	-	244,429	216,202	(28,227)
Transfers out to primary government	(120,950)	(120,950)	(120,950)	-
Total other financing sources (uses)	<u>(120,950)</u>	<u>123,479</u>	<u>95,252</u>	<u>(28,227)</u>
Net change in fund balances	<u>-</u>	<u>(1,227,461)</u>	<u>388,018</u>	<u>1,615,479</u>
Fund balances, beginning of year	1,182,351	1,182,351	1,182,351	-
Fund balances, end of year	<u>\$ 1,182,351</u>	<u>\$ (45,110)</u>	<u>\$ 1,570,369</u>	<u>\$ 1,615,479</u>



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

To the Governing Board,
Titusville Community Redevelopment Agency:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Titusville Community Redevelopment Agency (the CRA), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the CRA's basic financial statements and have issued our report thereon dated March 19, 2024.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

James Moore & Co., P.L.

Daytona Beach, Florida
March 19, 2024



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

To the Governing Board,
Titusville Community Redevelopment Agency:

Report on the Financial Statements

We have audited the basic financial statements of the Titusville Community Redevelopment Agency (the CRA), as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated March 19, 2024.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 19, 2024, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

Financial Condition and Management

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

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

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

Special District Component Units

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

Specific Special District Information – Titusville Community Redevelopment Agency

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

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

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

- a) The total number of district employees compensated in the last pay period of the district's fiscal year: 3 (City employees dedicated to CRA functions).
- b) The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year: -0-.
- c) All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency: \$122,819 paid to City to reimburse for City employee services provided.
- d) All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency: \$-0-.
- e) Each construction project with a total cost of at least \$65,000 approved by the district that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as:
 - a. Indian River Avenue Force Main (slip lining) \$91,000
 - b. Spaceview Park Pier \$286,616

- f) A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes, as follows: the district's original budget totaled \$1,046,182 and was amended by the total amount of \$1,471,890 for final budgeted expenditures of \$2,518,072.

Additional Matters

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

Purpose of this Letter

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

Daytona Beach, Florida
March 19, 2024

James Moore & Co., P.L.



INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT

To the Governing Board,
Titusville Community Redevelopment Agency:

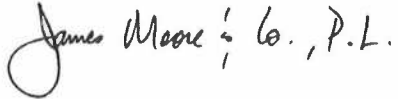
We have examined the Titusville Community Redevelopment Agency's (the CRA) compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies*, and Sections 163.387(6) and (7), Florida Statutes, *Redevelopment Trust Fund* (collectively, the "Statutes"), for the year ended September 30, 2023. Management is responsible for the CRA's compliance with those requirements. Our responsibility is to obtain reasonable assurance by evaluation the CRA's policies against the statutes, to determine the CRA's compliance and performing other procedures to obtain sufficient appropriate audit evidence to express an opinion that conveys the results of our evaluation based on our examination.

Our examination was conducted in accordance with attestation standards for a direct examination established by the American Institute of Certified Public Accountants. Those standards require that we obtain reasonable assurance by evaluating the CRA's policies against the Statutes, and performing procedures to obtain sufficient appropriate evidence to express an opinion that conveys the result of our measurement or evaluation of the CRA's compliance for the year ended September 30, 2023. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of risks of material noncompliance with those requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

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

Daytona Beach, Florida
March 19, 2024


James Moore & Co., P.L.



March 19, 2024

To the Governing Board,
Titusville Community Redevelopment Agency:

We have audited the financial statements of the Titusville Community Redevelopment Agency (the CRA) as of and for the year ended September 30, 2023, and have issued our report thereon dated March 19, 2024. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated February 7, 2023, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the CRA solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network of firms have complied with all relevant ethical requirements regarding independence.

We have applied safeguards related to our preparation of the CRA's financial statements, including, but not limited to, an assessment of management's skill, knowledge, and experience, and by obtaining a completed financial statement disclosure checklist from management.

Significant Risks Identified

Professional standards require that we, as auditors, identify significant risks that impact the audit based upon the nature of the organization and design our audit procedures to adequately address those risks. As part of the audit process, we have identified the following significant risks, which are being communicated solely to comply with auditing standards and do not represent any specific finding and/or concerns related to the audit:

- Override of internal controls by management
- Improper revenue recognition due to fraud
- Improper use of restricted resources

Our audit was designed to adequately address the above risks and no issues were noted that impacted our ability to render an opinion on the financial statements.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the CRA is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during the year. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. There were no such sensitive accounting estimates affecting the financial statements.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the CRA's financial statements relate to:

Note 3 to the financial statements summarizes the CRA's deposits and investments.

Significant Unusual Transactions

For purposes of this communication, professional standards require us to communicate to you significant unusual transactions identified during our audit. We noted no such transactions.

Significant Difficulties Encountered During the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit. A summary of the uncorrected misstatements of the financial statements follows:

- None noted.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The following list summarizes the corrected misstatements that have been recorded by management:

- None noted.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the CRA's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the management representation letter dated March 19, 2024.

Management's Consultations with Other Accountants

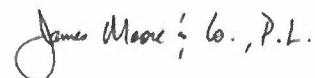
In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the CRA, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the CRA's auditors.

This report is intended solely for the information and use of the governing board and management of the CRA and of the City of Titusville, Florida, and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully,



JAMES MOORE & CO., P.L.