

CITY OF CAPE CANAVERAL, FL

COMPREHENSIVE ANNUAL FINANCIAL REPORT



WITH
REPORT ON COMPLIANCE MATTERS

FISCAL YEAR ENDED SEPTEMBER 30, 2020

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

CITY OF CAPE CANAVERAL, FLORIDA

FISCAL YEAR ENDED SEPTEMBER 30, 2020

Prepared By:
City of Cape Canaveral Finance Department

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Introductory Section

City of Cape Canaveral, Florida

Comprehensive Annual Financial Report
Fiscal Year Ended September 30, 2020



City Council

Honorable Robert Hoog, Mayor
Michael Brown, Mayor Pro Tem
Mickie Kellum
Wes Morrison
Angela Raymond

City Manager

Todd Morley

City Attorney

Anthony Garganese

Administrative/Financial Services Director

John DeLeo

Letter of Transmittal



City of Cape Canaveral

February 5, 2021

Honorable Mayor and Members of City Council
City of Cape Canaveral
Cape Canaveral, Florida 32920

Dear Mayor and Members of City Council:

It is our pleasure to submit this Comprehensive Annual Financial Report (CAFR) for the City of Cape Canaveral, Florida, for the Fiscal Year ended September 30, 2020. It fulfills the requirements set forth pursuant to Florida Statutes Section 218.39 and Chapter 10.500 of the Rules of the Auditor General of the State of Florida.

Responsibility for accuracy of the data and completeness/fairness of the presentation, including all disclosures, rests with the City. The presentation of this data is fully supported by management's establishment of a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh its benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this Report is complete and reliable in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the City on a Government-wide and Fund basis. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

Florida Statutes and the City Charter require that an annual financial audit be performed by independent certified public accountants. The audit was performed by James Moore & Co., P.L., licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the Fiscal Year ended September 30, 2020 are free of material misstatement. The independent audit involved examining, on a test basis,

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evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the Fiscal Year ended September 30, 2020 are fairly presented in conformity with GAAP. The independent auditor's report is located at the front of the financial section of this Report.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE GOVERNMENT

The City of Cape Canaveral was incorporated as a municipal corporation in May 1963. The City is located on the Atlantic Ocean approximately midpoint between Miami and Jacksonville and is slightly over 50 miles east of Orlando. This 1.9 square-mile beach and coastal community serves a population of 10,342 and is bounded on the west by the Banana River, on the north by Port Canaveral, on the east by the Atlantic Ocean and on the south by the City of Cocoa Beach.

The City is governed by an elected mayor, mayor pro-tem and three council members. The Council is responsible, among other things, for passing ordinances, adopting the budget, approval of property tax levies, appointing committees and hiring of the City Manager. The City Manager is responsible for carrying out the policies and ordinances of the Council, overseeing the day-to-day operations of the City, drafting the annual budget and appointing Directors of the various City departments.

The City provides a full range of services which include police, contracted with the Brevard County Sheriff's Office, and fire/EMS protection contracted with the Cape Canaveral Volunteer Fire Department, Inc. The City provides recreational activities, cultural events, solid waste, wastewater, reclaimed water, stormwater, community development and maintenance of streets and infrastructure.

The annual budget, adopted prior to October 1st, serves as the foundation for the City's financial planning and control. The budget is approved by fund. Amendments to funds and transfers between departments require Council approval. Budget to actual comparisons are provided in this Report for each governmental fund for which an appropriated annual budget has been adopted.

ECONOMIC CONDITION AND OUTLOOK

All sectors of the economy are experiencing the impact of COVID-19 and as the threat of the virus diminishes aided by the development of much needed vaccines, the City will experience increased growth moving towards an optimistic outlook to recovery. Brevard County's unemployment rate has increased 4.4% for 2020 up from 3.4% the previous year. Job growth has stalled due to the pandemic; however, the job growth is expected to rebound up 1.2% from last year, according to University of Central Florida's Florida and Metro Forecast. The real estate market is showing significant improvements; single-family home sales are up 3.3% and median home prices jumped 14.7% from this time last year.

The City's economy is anchored by Port Canaveral, Canaveral Air Force Station, Patrick Air Force Base and Kennedy Space Center, along with ancillary defense and aerospace contractors. The City's proximity to Orlando, coupled with its riverfront parks and beaches, also help spur tourism activity. Income levels are average. Due to increased hiring, Cape Canaveral, as well as Brevard County, will continue to show improvement due to increased industry growth at the Kennedy Space Center and Canaveral Air Force Station; increased aerospace and high technological manufacturing companies such as Blue Origin, Space X, Embraer S.A. and Northrup Grumman's expansion at the Melbourne International Airport; expansion of Port Canaveral's Cruise and Cargo Industry; and numerous service-oriented companies countywide. Overall, foreclosure rates within the county are down and the City of Cape Canaveral with the aforementioned proximity to core businesses, military installations and the second busiest cruise ship port in the world continues to fare better than most municipalities. The above factors will likely lead to continued moderate increase in assessed property valuation with increased revenues projected for utility taxes, franchise fees, state shared revenues, building permits, impact fees and utility revenues.

MAJOR INITIATIVES

Capital Projects completed in 2020 were much needed improvements to the City's transportation, wastewater and stormwater systems. These Capital Projects were funded through a number of sources including the Enterprise Capital Fund (Stormwater and Wastewater) and State Revolving Fund (SRF) loans from Florida Department of Environmental Protection (FDEP).

Transportation

Public Works Services (PWS) Staff continue to improve City streetscapes including Ridgewood Avenue and North Atlantic Avenue. Upgrades to the Ridgewood Avenue area included the installation of additional vehicular/pedestrian signage and new ADA mats on the pedway. Upgrades to North Atlantic Avenue included installation of additional vehicular/pedestrian signage and construction of the "pocket park" cross from Southgate Mobile Home Park. New solar lighting will be installed in the near future. Additionally, the West Central Boulevard Streetscape was initiated from SR A1A to Thurm Boulevard.

Sidewalk and pedestrian improvements were also performed throughout the City including the installation of new sidewalks on both sides of Pierce Avenue, replacement of the beach crossover in Harbor Heights, placement of bike racks at beach-end streets and expansion of the parking lot at the Brevard County Sheriff's Office. New roadway striping continues to be placed throughout the City.

Wastewater System

The Force Main No. 7 Project was completed and included the replacement of over 850 feet of force main pipe adjacent to Manatee Sanctuary Park. Improvements at the Wastewater Reclamation Facility (WRF) included the installation of (1) a master pump at the Intermediate Lift Station to eliminate overflow during tropical storm events and (2) a carbon feed system to improve WRF effluent (reclaimed water). Other projects initiated in 2020 include replacement of the WRF headworks and sand filters, replacement of the SCADA system and construction of protective buildings over major pumping stations. These projects eliminate sewer leakage to groundwater and improve WRF effluent.

Many smaller-scope improvement projects were also completed at the WRF and lift stations in 2020 including replacement and/or upgrade of the following:

- Returned activated sludge (RAS) pumps and motors;
- Water activated sludge (WAS) pumps and motors;
- IRP pumps and motors;
- Reclaimed water pumps;
- Sludge holding blowers;
- Lift station pumps;
- Transfer basin pumps and motors;
- Piermount mixers; and
- Various valves.

Completion of a number of these projects will fulfill FDEP requirements as detailed in Consent Order No. 18-0916 which addresses exceedances of total nitrogen and total phosphorous in treated wastewater that occurred between June 2017 and February 2018. The City is also preparing to replace Lift Station No. 5 at Treasure Island Condominiums and Lift Station No. 8 along Thurm Boulevard as part of the SRF Loan Program.

Stormwater System

The stormwater lines in the vicinity of Polk and Orange Avenues were replaced with larger diameter pipes. Curbing and sidewalks were also replaced as part of the Project. This area was susceptible to extensive street and property flooding during and after large storms.

Vegetation was removed from the northern portion of the Central Ditch adjacent to Southgate Mobile Home Park. The vegetation was clogging area stormwater pipes and inhibiting surface water flow in the Ditch. An additional beemat was placed in the largest stormwater pond at the WRF. The City now maintains five beemats in City-owned retention ponds. The beemats consist of native vegetation placed into mats that are allowed to float on the surface water in the ponds. The beemats uptake nitrogen and phosphorous in stormwater thus reducing nutrient concentrations discharged to the Banana River.

The City maintained an active stormwater system maintenance program in 2020. Activities included the replacement of older style stormwater inlets (16) with new Type "C" inlets. These newer inlets require less maintenance, are not damaged as easily by vehicular traffic, prohibit larger debris from entering the stormwater system and provide improved stormwater flow. Street sweeping of all curbed streets also continues on a monthly basis.

Major 2021 Transportation Projects

The City will undertake two major transportation initiatives in 2021 including the construction of pedestrian-friendly streetscapes along West Central Boulevard (west of SR A1A) and Thurm Boulevard. These improvements along both corridors will include:

- Rebuild of the roadway base and pavement;
- Rehab of stormwater inlets and pipes;
- Rehab of wastewater manholes and pipes;
- Construction of stormwater treatment areas;
- Construction of new sidewalks, pedways, curbing, bike lanes and medians;
- Installation of solar lighting; and
- Installation of new potable water force mains.

These projects will greatly improve the stormwater and wastewater infrastructure in the northwestern portion of the City and provide better pedestrian access to Manatee Sanctuary and Banana River Parks. Funding will be from a variety of sources including County impact fees.

Major 2021 Wastewater Projects

Capital Projects to be completed in 2021 are numerous and will provide much needed improvements to the City's wastewater system. These Capital Projects will be funded through a number of sources including the Enterprise Capital Fund (Wastewater), SRF loans from FDEP and a grant from the State Legislature in the amount of \$250,000. The major projects include the following:

- Influent screen improvements will be performed to eliminate debris from entering the wastewater treatment process.

The Honorable Mayor, et al

- Disc-type filters will be installed in-place of the existing sand filters, which will drastically reduce maintenance costs and improve effluent water quality.
- Lift Station No. 3 located adjacent to the Central Ditch on West Central Boulevard will be replaced to improve efficiency and reduce leakage.
- Lift Station No. 5 located within the Treasure Island Condominium complex will be replaced/relocated.
- WRF supervisory control and data acquisition (SCADA) system will be updated to improve communication from lift stations to the WRF and improve efficiency of the wastewater treatment process.

Numerous smaller-scope wastewater projects will be completed or initiated in 2021 including replacement and/or upgrade of the following:

- RAS pumps and motors;
- WAS pumps and motors;
- IR pumps and motors;
- Reclaimed water pumps;
- Lift station pumps;
- Transfer basin pumps and motors;
- Sludge holding blowers;
- Piermount mixers;
- Various valves; and
- WRF lighting.

Other 2021 Stormwater Projects

A number of smaller-scale projects are being investigated for construction of stormwater improvements for properties located along the Banana River including:

- Carver's Cove;
- Cape Shores;
- Justamere Road; and
- Hitching Post Road.

PWS Staff is currently negotiating easements with property owners to construct these stormwater improvement projects. The Save Our Indian River Lagoon Program may provide funding assistance.

PWS Staff is currently investigating the possible purchase of land in the northeastern portion of the City for the construction of a wet detention pond. This pond would treat a significant portion of stormwater from the Central Drainage Basin prior to discharge to the Central Ditch. The property would also be used as a City park with sidewalks, pedestrian benches, etc.

Routine maintenance of the City's stormwater system will be continued in 2021. Activities will include the replacement of older style stormwater inlets with new Type "C" inlets and street sweeping of all curbed streets on a monthly basis. Nutrient-separating baffle boxes will also be upgraded with new stainless-steel screens and cleaned of floating debris and sediment after significant rainfall events.

PWS Staff will also continue to assist other departments in the completion of City infrastructure improvement projects.

Economic Opportunity Overlay District (EOOD). The EOOD is the City's primary attractor for new commercial interests. In fact, most of the new commercial development in the City occurs in the EOOD including the completion of a 150-room Springhill Suites by Marriott. Two additional 150-room hotels, a TownePlace Suites which is under construction, and a Hyatt Place which has received site plan approval are also taking advantage of the development incentives associated with the EOOD.

The EOOD addresses community goals raised in the 2008-2009_Visioning timeframe. The district leverages opportunities for economic development resulting from our proximity to Port Canaveral by attracting services desired by the citizens/visitors. It facilitates mixed-use & town center type development. The EOOD includes increased design standards for architecturally significant buildings, a mechanism for increased building heights, revised hotel requirements and increased landscaping requirements. The EOOD includes properties adjacent to Port Canaveral and certain residential properties adjacent to the Banana River. This makes waterfront destinations possible – another goal of the Visioning Initiative.

Multi-Generational Facility. Located at Canaveral City Park, the most centrally located park in the City, the coming Multigenerational Center will be a catalyst for community health and engagement. Amenities will include indoor basketball/volleyball, fitness area, youth/teen area, banquet/gathering area, and an indoor walking path. The facility will be utilized by all demographics and serve as the host site for the City's Youth Center, summer camp program, PAL program, youth basketball program and only public indoor fitness facility open to the public. The Cocoa-based architectural Firm Architects RZK, Inc. was awarded the contract to design the facility in mid-2018. The final construction documents were complete in early 2020. In March of 2020, the City issued RFQ #2020-01 to construction contractors to provide construction management services and construction of all site and building improvements for the new Multi-Generational Facility (MGF) and remodel of the former City Hall which will become the CAPE Center. In September of 2020, the selected contractor from the RFQ, W+J, presented a Construction Manager At Risk Agreement with a Guaranteed Maximum Price (GMP) for both projects of \$7,998,193, including a \$190,000 allowance for solar roof panels at both buildings, pump house and underground utilities for the future splash pad. A construction permit was issued in November of 2020 and the ground breaking took place in December 2020.



CAPE Center Project. The design phase for the Culture Arts Preservation and Enrichment (CAPE) Center is complete. While the original plan was to construct the CAPE Center and Multi-Generational facilities simultaneously, the decision was made to stagger the two projects between fiscal years as not interfere with other ongoing capital/stormwater projects. Due to the impacts of COVID-19, the Governor did not award any Cultural Facilities Grants for 2020, so this delay affords Staff the time to apply for the 2021 cycle of both State and County funding opportunities.

Community Development. To keep up with the changing needs of its customers, the Community Development Department has recently implemented a new online software program. The new software allows residents and business owners the ability to submit City applications (Business Tax Receipt, Building Permit, etc.) online, which will provide cost savings in time and money to end users. Additionally, applicants will be able to review the status of submitted applications and will have the ability to schedule inspections online.

In an effort to protect residents both now and in the future from increasing environmental challenges, set an example for other coastal municipalities in Florida and across the nation, and in keeping with the tenets of its guiding Vision Statement, the City of Cape Canaveral is continuing to implement numerous sustainability and resilience-based initiatives. The City is committed to delivering policies that are effective, efficient, and forward thinking; taking into consideration the latest in sustainable development, cost saving clean energy technologies, zero emissions transportation, and habitat remediation.

To this end, the City has implemented:

- The Adopt-A-Mangrove Program, which makes red mangroves freely available to lagoon-side resident “adopters” for shoreline protection, water quality enhancement, and habitat restoration.
- Three-foot-high semi-permanent metal flood barriers at the Water Reclamation Facility to take the place of time-consuming sandbagging operations.

- A mobile solar generator for the powering of events and disaster relief.
- New super-efficient 41 mpg hybrid SUVs for decreased fuel usage, costs, and emissions.
- The planting of 10,000 additional sea oats for increased dune stability and habitat enhancement.
- The discontinuation of glyphosate on City property.
- The construction of a model stormwater pocket park in the form of Wagner Park on North Atlantic Ave., which demonstrates the use all of native landscaping, stormwater filtration, bicycle infrastructure, and permeable pavement.
- A revamping of the City's emergency preparedness programs to now include pre-hazard preparation and post-hazard build back for not only tropical cyclones but also infectious disease outbreaks and launch anomalies.
- The installation of Ultraviolet Germicidal Irradiation (UVGI) technology in facility HVAC systems for improved indoor air quality and safety in the COVID-19 era.
- Continuing environmental education and awareness through social media, outreach sessions, and the City's website.
- The continuing installation of off-grid solar street lighting.

The City continues the process to address the approximately 700 parcels that are considered non-conforming. The primary reason behind these nonconformities is the parcels are zoned commercial, but are developed with a residential structure. The problem arose because the City Code prohibits a nonconforming structure to be rebuilt if it is destroyed (defined as damage by any means such that the cost to repair or reconstruct exceeds 50 percent of the fair market value). To address this situation, a comprehensive rezoning is being undertaken that will rezone these nonconforming parcels to residential.

Cultural and Community Affairs

With the onset of COVID-19, the City's communication systems became the lifeline for continuity of even the most basic City functions. The Cultural and Community Affairs Department worked closely with Administrative + Financial Services and the City Clerk's Office to implement both external and internal meeting technology, enabling remote operations for all areas of City business to prevent interruption of our residents' access to essential City services. Strides were also made in improving the City's overall ADA accessibility throughout its many communications platforms, to include the Weekly Update, website and social media activity.

Throughout the year, Staff attended regular meetings of the Brevard County Emergency Operations Center and Public Information Network, attaining accurate and up-to-date information to share with residents, relating to pandemic statistics, CDC recommendations, community/recovery resources and, of course, updates on the unusually active hurricane season.

Due to the cancellation of many of the City's major events, the cultural programs facet of the Cultural and Community Affairs Department was somewhat abbreviated this year, but not absent entirely. The 21st Annual Student Art Show was conducted virtually – an accommodation born of necessity that proved to be not only more efficient, but also more engaging and widely accessible than the small in-person event of previous years. As progress moves forward on the CAPE Center, cultural programs will continue to evolve and expand in preparation for the new facility.

LONG TERM FINANCIAL PLANNING

It is City policy to plan financially towards future Capital Projects. With this in mind, annually the City adopts a Five-Year Capital Improvement Plan to provide funding for acquisition of Capital Equipment, Vehicles and Public Facilities/Infrastructure.

The City's Wastewater/Stormwater enterprise fund has long term debt of \$8,392,092. The City has already secured two new State Revolving Fund Loans for Wastewater Treatment & Reuse Facilities/Stormwater Management Facilities at a low 1.68% interest rate. The FY 20-21 Budget encompasses \$3,735,000 in Wastewater/Stormwater Projects to be funded by SRF Loans with semi-annual payments of \$183,732 in June/December and \$85,954 in August/February.

AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Cape Canaveral for its Comprehensive Annual Financial Report for the Fiscal Year ended September 30, 2019. This was the 25th consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This Report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. We believe the current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program requirements. It will be submitted to the GFOA to determine eligibility for another Certificate.

The culmination of this document is attributable to numerous facets of this organization. Special recognition is credited to the Financial Services Staff for their dedication to accurate and thorough financial reporting and accountability. Our appreciation is extended to the City Council for its dedication to proactive fiscal policies. Thanks, are also extended to the City's independent auditing firm of James Moore & Co., P.L., for their assistance with compiling the City's Comprehensive Annual Financial Report.

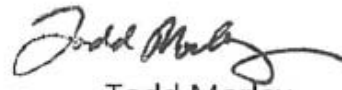
The Honorable Mayor, et al

Respectfully submitted,



John DeLeo

Administrative/Financial Services Director

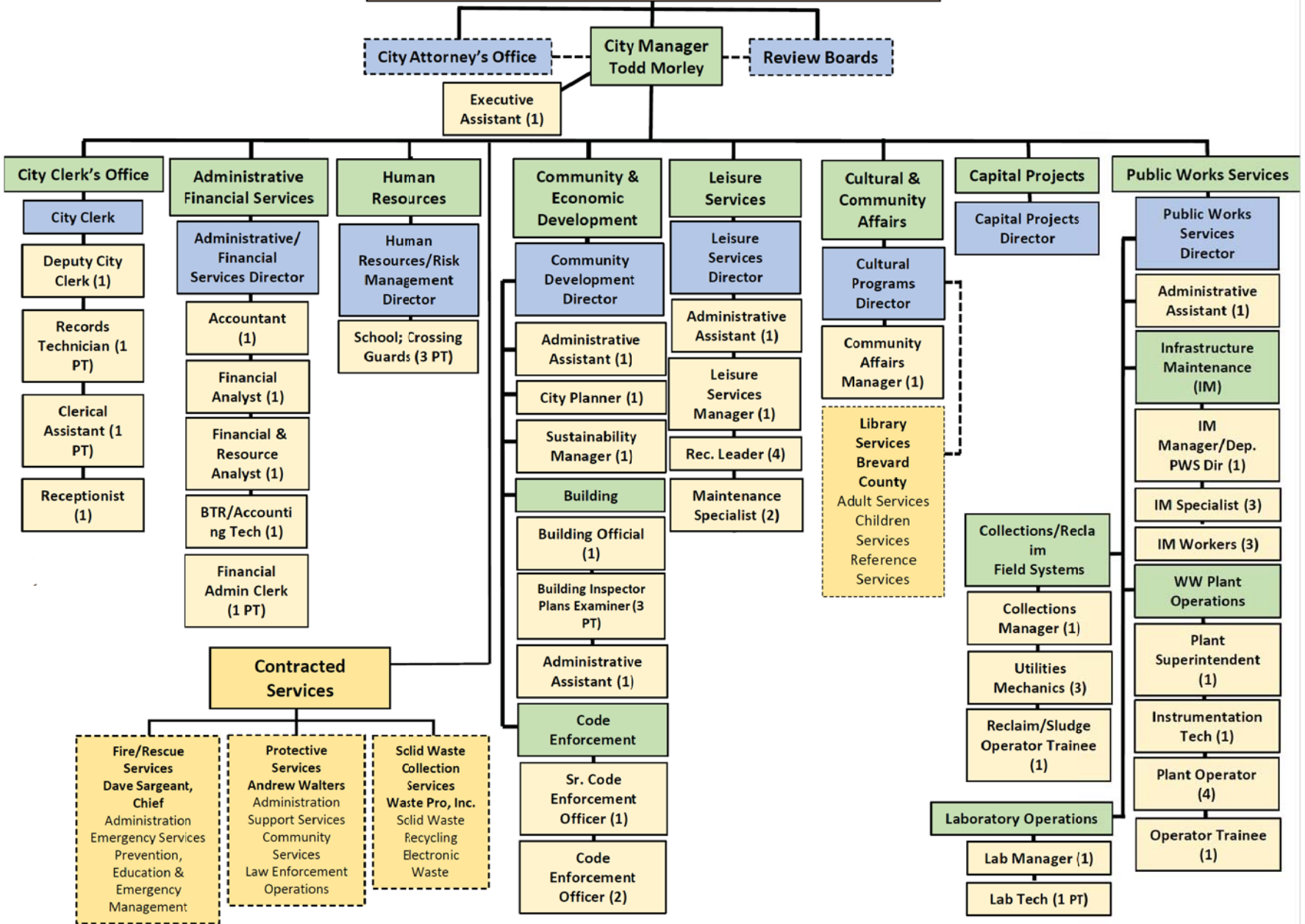


Todd Morley

City Manager

Organizational Chart

City of Cape Canaveral Personnel Organizational Chart FY 2019/20





Government Finance Officers Association

Certificate of
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in Financial
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Presented to

**City of Cape Canaveral
Florida**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

September 30, 2019

Christopher P. Morrill

Executive Director/CEO

Financial Section

Independent Auditors' Report

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor, City Council, and City Manager,
City of Cape Canaveral, Florida:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Cape Canaveral, Florida (the City), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2020, and the respective changes in financial position and where applicable, cash flows and the respective budgetary comparisons for the General and Cape Canaveral CRA funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

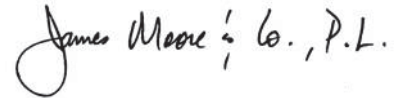
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 5, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 City's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "James Moore & Co., P.L." The signature is written in black ink and is positioned to the right of the typed text.

Daytona Beach, Florida
February 5, 2021

Management's Discussion and Analysis

City of Cape Canaveral, Florida

Management's Discussion and Analysis

As management of the City of Cape Canaveral, we provide readers of the City's financial statements this overview and analysis of the City's financial activities for the fiscal year ended September 30, 2020. Readers are encouraged to consider the information presented in conjunction with additional information furnished in the letter of transmittal, which can be found on pages 7-14 of this report.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of the most recent year by \$52.2 million (net position). Of this amount, \$6.9 million (unrestricted net position) may be used to meet the City's ongoing obligations.
- The City's total net position increased by \$1.79 million. This is the result of construction projects completed during the year and the addition of capital assets, funded primarily through capital contributions and grants.
- At the close of the fiscal year, the City's governmental funds reported combined ending fund balances of \$12.4 million, an increase of \$1 million in comparison with the prior year.
- At the close of the fiscal year, fund balance for the General Fund was \$12,735,344. Of this amount, \$1,782 relates to inventory and prepaids as well as long term advances and is therefore nonspendable. The remaining fund balance includes: restricted (\$343,022), committed (\$6,805,686), assigned (\$1,735,350) and unassigned (\$3,849,504) balances. Within the committed fund balance category, the largest piece is \$6,394,516 committed for the construction of a Multigenerational Facility and Cultural Arts Preservation and Enrichment (CAPE) Center. Unassigned funds are available to fund on-going activities of the City's various General Fund services and programs.
- The City's total long-term liabilities decreased \$1,163,007. This was due to receipt of additional State Revolving Fund money (\$261,643), offset by annual debt service payments on the Capital Improvement Revenue Notes (\$1,142,000) and State Revolving Loans (\$282,650).

Overview of the Financial Statements

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

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

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

Management's Discussion and Analysis

The *Statement of Activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. (e.g., uncollected taxes and earned but unused vacation leave). Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, infrastructure maintenance, sanitation, economic development, culture and recreation. The business-type activities of the City include Wastewater and Stormwater operations. The government-wide financial statements can be found on pages 39 – 40 of this report.

Fund financial statements. A *fund* is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

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

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

The City maintains eight individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Cape Canaveral Community Redevelopment Agency Fund, Capital Construction Fund, all of which are considered major funds. Financial data from the other five governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements presented in the supplementary information section of this report.

Management's Discussion and Analysis

The City adopts an annual appropriated budget for its *governmental funds*. Budgetary comparison statements for the major and non-major funds have been provided to demonstrate compliance with the budget in this report.

The basic governmental fund financial statements can be found on pages 41 – 46 of this report.

Proprietary funds. The City maintains two proprietary ("Enterprise") funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its Wastewater and Stormwater operations.

The statements for the proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Wastewater and Stormwater operations, which are considered major funds of the City. The basic proprietary fund financial statements can be found on pages 47 – 49 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements can be found on pages 74 – 78 of this report.

Government-wide Financial Analysis

As stated earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Cape Canaveral, assets exceeded liabilities by \$52.2 million at the close of the 2020 fiscal year.

By far the largest portion of the City's net position, \$44.1 million (84.5%) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Cape Canaveral, Florida

Management's Discussion and Analysis

**City of Cape Canaveral, Florida
Statement of Net Position**

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 12,708,915	\$ 11,990,038	\$ 3,055,138	\$ 3,471,819	\$ 15,764,053	\$ 15,461,857
Capital Assets (Net)	25,505,590	26,064,992	27,383,547	26,492,634	52,889,137	52,557,626
Total Assets	<u>38,214,505</u>	<u>38,055,030</u>	<u>30,438,685</u>	<u>29,964,453</u>	<u>68,653,190</u>	<u>68,019,483</u>
Current and other liabilities	1,694,078	1,999,674	1,086,703	602,441	2,780,781	2,602,115
Long-term Liabilities	5,690,221	6,861,496	7,987,664	8,147,756	13,677,885	15,009,252
Total Liabilities	<u>7,384,299</u>	<u>8,861,170</u>	<u>9,074,367</u>	<u>8,750,197</u>	<u>16,458,666</u>	<u>17,611,367</u>
Net Position:						
Net Investment in						
Capital Assets	25,098,106	24,420,158	18,991,455	18,079,535	44,089,561	42,499,693
Restricted	890,457	1,093,129	301,698	331,621	1,192,155	1,424,750
Unrestricted	<u>4,841,643</u>	<u>3,680,573</u>	<u>2,071,165</u>	<u>2,803,100</u>	<u>6,912,808</u>	<u>6,483,673</u>
Total Net Position	<u>\$ 30,830,206</u>	<u>\$ 29,193,860</u>	<u>\$ 21,364,318</u>	<u>\$ 21,214,256</u>	<u>\$ 52,194,524</u>	<u>\$ 50,408,116</u>

A portion of the City's net position, \$1,192,155 or 2.3% of total net position, represents resources that are subject to external restriction on how they may be used. The balance of unrestricted net position totaling \$6,912,808 may be used to meet the City's ongoing obligations to citizens and creditors and to provide funding for various projects.

At September 30, 2020, the City is able to report positive balances in all three categories of net assets, both for the City as a whole and for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

The City experienced an overall increase in net position for Governmental activities of \$1,636,346. The increase for business-type activities was \$150,062.

City of Cape Canaveral, Florida

Management's Discussion and Analysis

City of Cape Canaveral, Florida

Changes in Net Position

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
REVENUES						
Program Revenues:						
Charges for Services	\$ 2,158,305	\$ 2,372,847	\$ 5,377,238	\$ 4,979,078	\$ 7,535,543	\$ 7,351,925
Operating Grants and Contribut	358,369	383,440	-	-	358,369	383,440
Capital Grants and Contribution:	617,279	120,275	-	-	617,279	120,275
General Revenues:						
Property Taxes	4,721,416	4,533,714	-	-	4,721,416	4,533,714
Utility and Franchise Taxes	2,503,275	2,505,196	-	-	2,503,275	2,505,196
Intergovernmental	1,471,997	1,408,921	-	-	1,471,997	1,408,921
Investment Income	204,746	271,544	14,293	17,255	219,039	288,799
Miscellaneous/Contributions	50,547	72,591	-	24,082	50,547	96,673
Total Revenues	<u>12,085,934</u>	<u>11,668,528</u>	<u>5,391,531</u>	<u>5,020,415</u>	<u>17,477,465</u>	<u>16,688,943</u>
EXPENSES						
General Government	1,194,393	1,283,420	-	-	1,194,393	1,283,420
Community Development	539,395	628,702	-	-	539,395	628,702
Public Safety	5,340,323	5,114,039	-	-	5,340,323	5,114,039
Infrastructure Maintenance	2,827,052	2,803,492	-	-	2,827,052	2,803,492
Culture/Recreation	822,896	758,247	-	-	822,896	758,247
Community Redevelopment	7,695	16,879	-	-	7,695	16,879
Interest on long-term debt	145,695	166,650	-	-	145,695	166,650
Wastewater			4,120,583	3,692,274	4,120,583	3,692,274
Stormwater	-	-	693,025	614,469	693,025	614,469
Total Expenses	<u>10,877,449</u>	<u>10,771,429</u>	<u>4,813,608</u>	<u>4,306,743</u>	<u>15,691,057</u>	<u>15,078,172</u>
Excess (Deficiency) Before Transfer	1,208,485	897,099	577,923	713,672	1,786,408	1,610,771
Transfers	427,861	711,096	(427,861)	(711,096)	-	-
Change in Net Position	1,636,346	1,608,195	150,062	2,576	1,786,408	1,610,771
Net Position - Beginning	<u>29,193,860</u>	<u>27,585,665</u>	<u>21,214,256</u>	<u>21,211,680</u>	<u>50,408,116</u>	<u>48,797,345</u>
Net Position - Ending	<u>\$ 30,830,206</u>	<u>\$ 29,193,860</u>	<u>\$ 21,364,318</u>	<u>\$ 21,214,256</u>	<u>\$ 52,194,524</u>	<u>\$ 50,408,116</u>

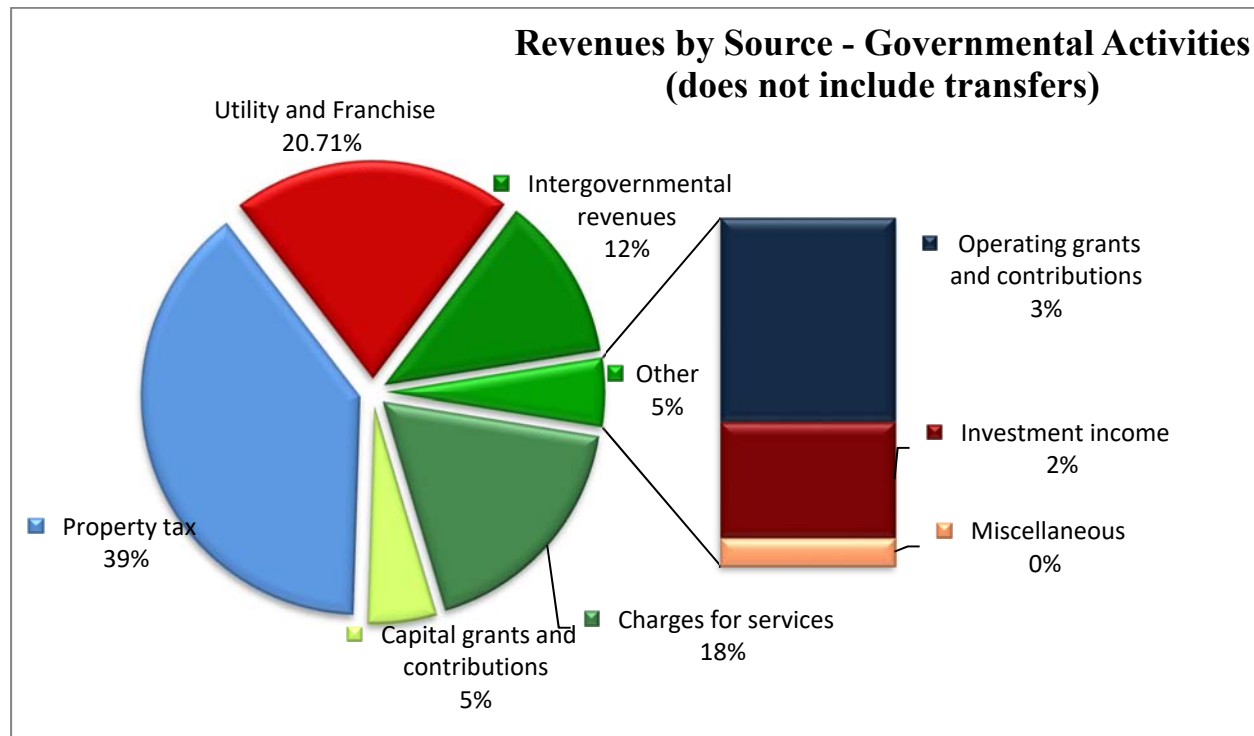
Statement of Activities

Governmental activities:

The Changes in Net Position Table on page 32 reflects a governmental revenue (excluding transfers) increase of \$417,406, an increase of 3.58% from the previous fiscal year. This increase reflects both program and general revenues. Governmental program revenues increased

Management’s Discussion and Analysis

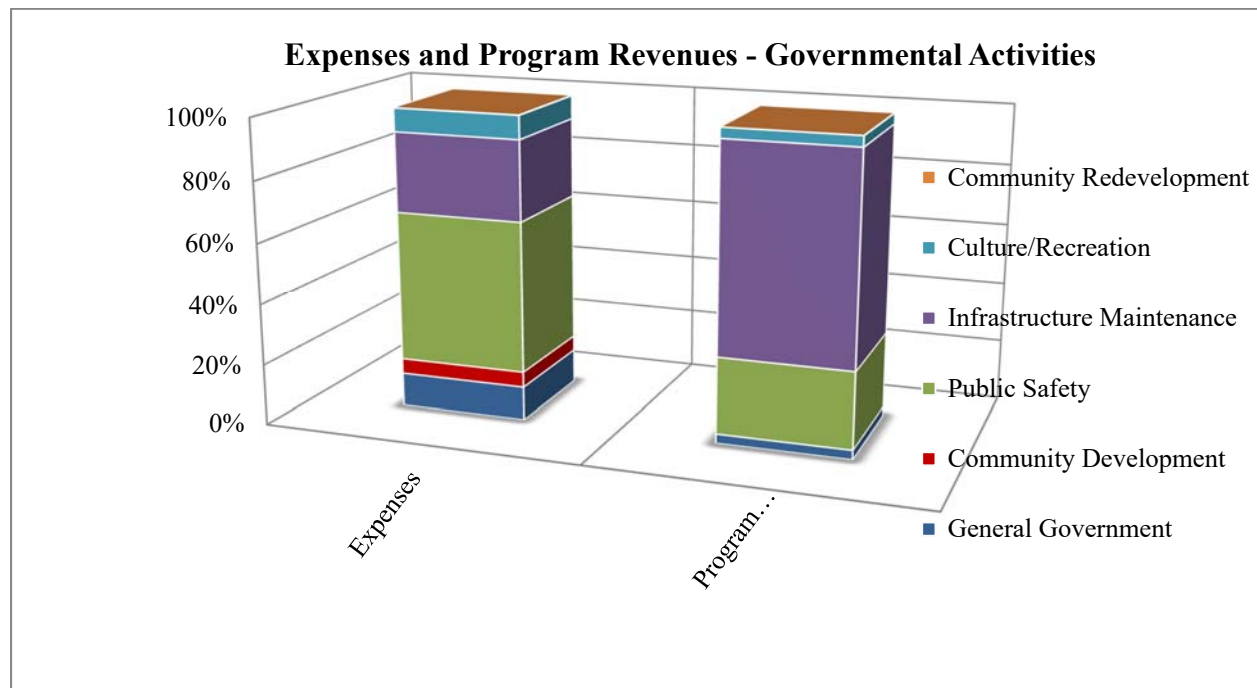
\$257,391, an 8.90% increase from 2019. This increase is primarily the result of an increase in Capital Grants and Contributions of \$497,004 resulting from an increase in Infrastructure Maintenance grants. This increase is offset by a decrease in Charges for Services of \$214,542 (primarily related to public safety).



The remaining change relates to general revenues and changes in governmental expenses. Significant factors include the following:

- Property taxes increased \$187,702 from 2019. Note that assessed property values increased 7.1% by the end of 2020 as compared to 2019.
- Intergovernmental income increased \$63,076 as compared to this revenue for 2019. This increase was related to shared revenues with the CRA.
- Transfers in decreased \$283,235 or 39.83%. The reason for this was due to a delay in the start of construction the Multi-Generational Facility.
- Expenses for governmental activities increased \$106,020 over the prior year, showing a .98% increase over 2019 amounts. The most significant increases were related to increases in Public Safety of \$226,284 additional staffing and equipment, an increase in Culture and Recreation of \$64,649 and a \$23,560 increase in Infrastructure Maintenance. These increases were offset by a decrease in General Government (\$89,027) and Community Development (\$89,307).

Management’s Discussion and Analysis

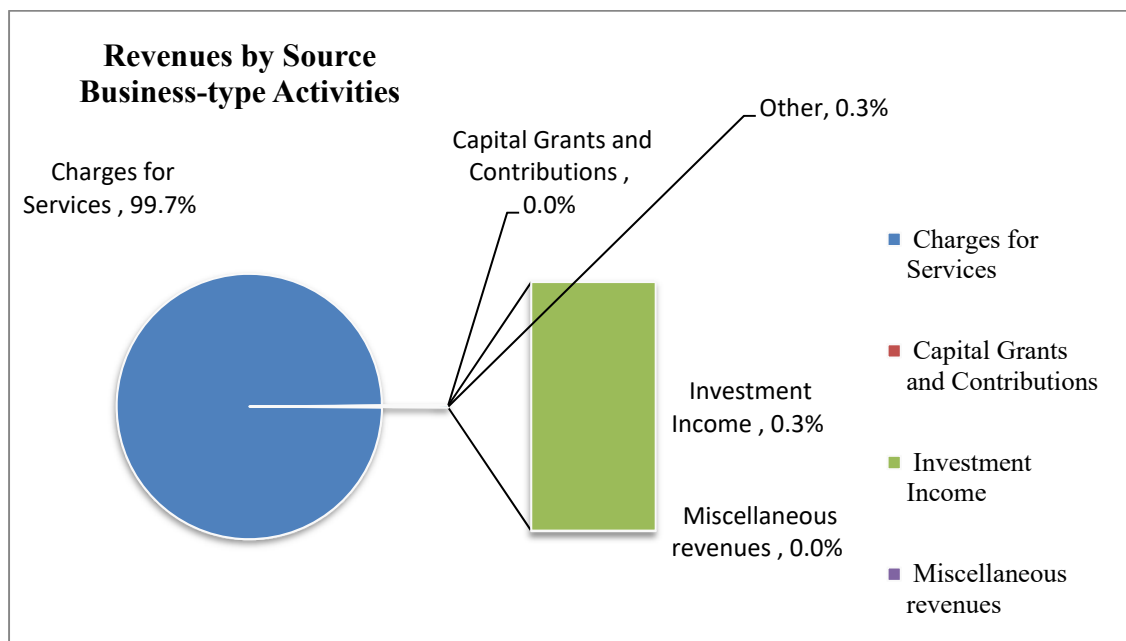
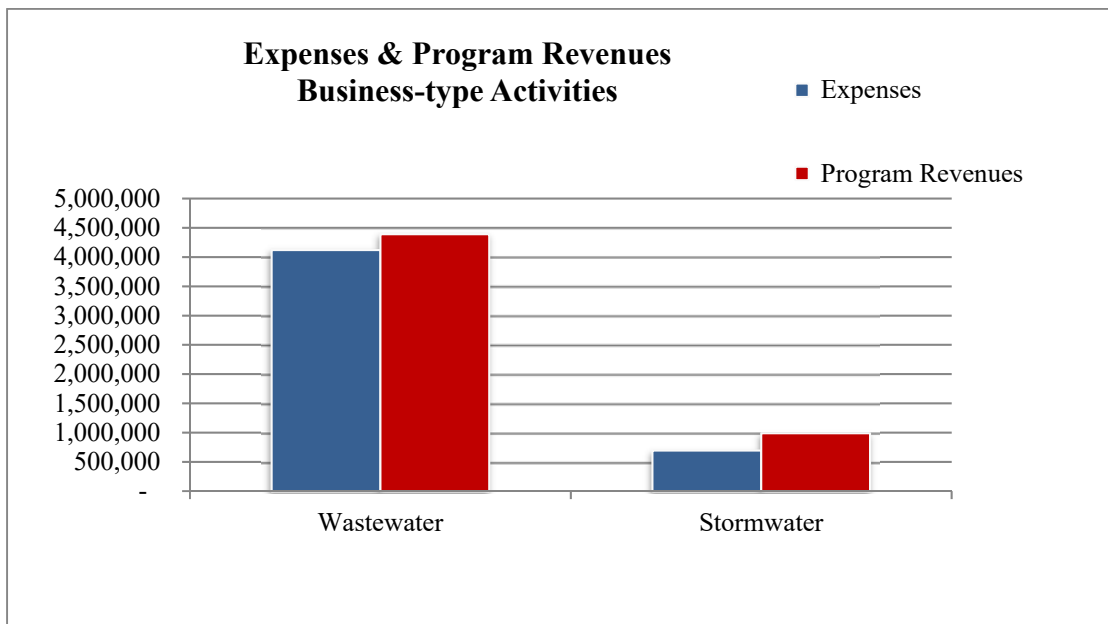


Business-type activities

Business-type activities experienced an increase in net position of \$150,062, or .71%.

- The major source of revenue for business-type activities is charges for services, which increased \$398,160 (8%). The City’s Stormwater rates increased in January 2020. Wastewater and reclaimed water rates increased in October 2019.
- Investment income and Miscellaneous Revenue remained fairly consistent with prior year amounts with investment income decreasing a mere \$2,962 and Miscellaneous Revenues reflecting a decrease over 2019 amounts of \$24,082.
- Business-type activities expenses increased \$506,865 or 11.77% over the prior year.
- Expenses for Wastewater increased \$428,309 over the prior year. This increase is the result of a decrease in contractual services costs of \$221,719 offset by increases in materials and supplies (\$223,561), personal services (\$320,813) and depreciation (\$142,632).
- Stormwater operations experienced an increase in expenses of \$78,556 during 2020 as compared to 2019.

Management’s Discussion and Analysis



Financial Analysis of the Government’s Funds

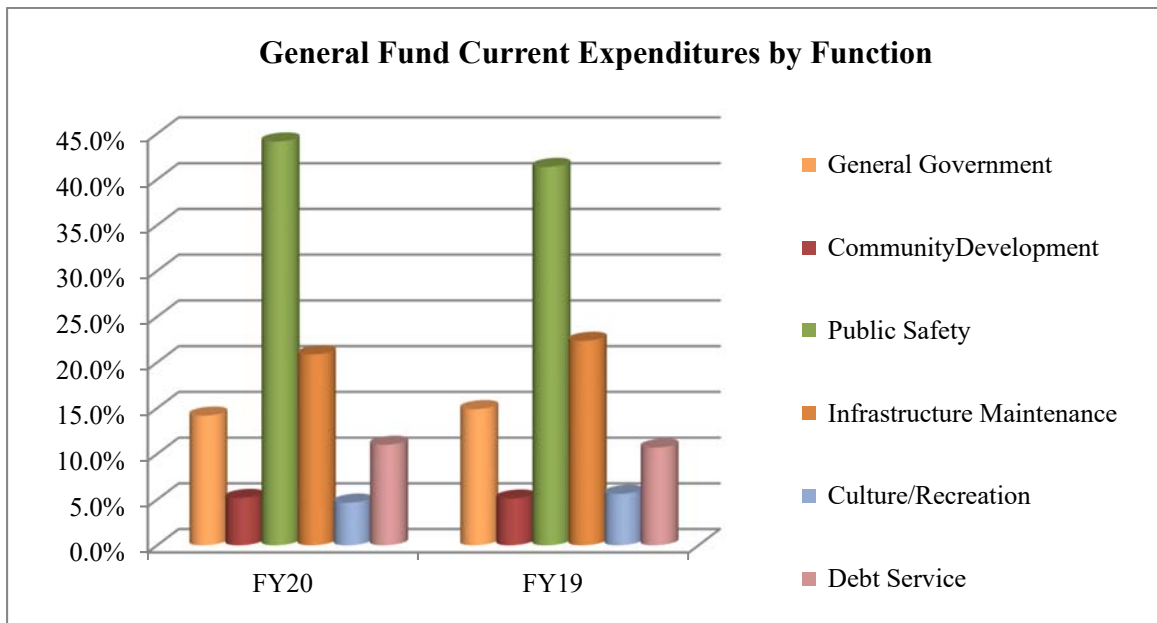
As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

City of Cape Canaveral, Florida

Management's Discussion and Analysis

The City is strategically using its resources more effectively through the recent Economic Development restructuring which increased focus and provided leverage for the success of the City's future. As of the end of the current fiscal year, the total fund balance of the City's governmental funds was \$12,413,676, an increase of \$1,018,482 or 8.9% from the prior fiscal year. The General Fund, the City's main governmental fund, experienced an overall increase in fund balance of \$961,056 or 8.2%. The most significant reason for this increase can be contributed to a reduction in capital outlay related to capital projects.



The General Fund is the City's chief operating fund. At the end of the current fiscal year, total fund balance was \$12,735,344. Of this amount, \$1,782 relates to inventory and prepaids as well as long term advances and is therefore nonspendable. The remaining fund balance includes restricted (\$343,022), committed (\$6,805,686), assigned (\$1,735,350) and unassigned (\$3,849,504). Within the committed fund balance category, the largest piece is \$6,394,516 for the construction of a Multigenerational Facility and Cultural Arts Preservation and Enrichment (CAPE) Center. The unassigned fund balance represents 32.76% of the total general fund expenditures. The total fund balance represents 108.39% of the total general fund expenditures. Unassigned funds are available to fund on-going activities of the City's various services and programs.

The City maintains two additional major governmental funds. The Cape Canaveral CRA Fund reflects fund balance of \$27,021 at September 30, 2020. This is a \$17,111 decrease from the \$44,132 balance at September 30, 2019 and is the result of normal operations. The Capital Construction Fund has negative fund balance of \$853,452 at September 30, 2020 as compared to a negative fund balance of \$853,452 in the prior year. This fund is used for the acquisition of land and construction of major capital facilities for governmental funds. In fiscal 2018, significant purchases directly related to the construction of the New City Hall, with no transfer of offsetting revenues from the general fund, were the primary reason that fund balance in the Capital Construction Fund became negative. There were no expenditures in this fund during FY20.

City of Cape Canaveral, Florida

Management's Discussion and Analysis

Nonmajor Special Revenue funds maintained fund balances at the end of the fiscal year of:

- Police Education Fund \$24,755
- Fire Protection Fund \$31,760
- School Crossing Guard (\$2,164)
- Library Fund \$463,899
- Special Law Enforcement Trust (\$13,487)

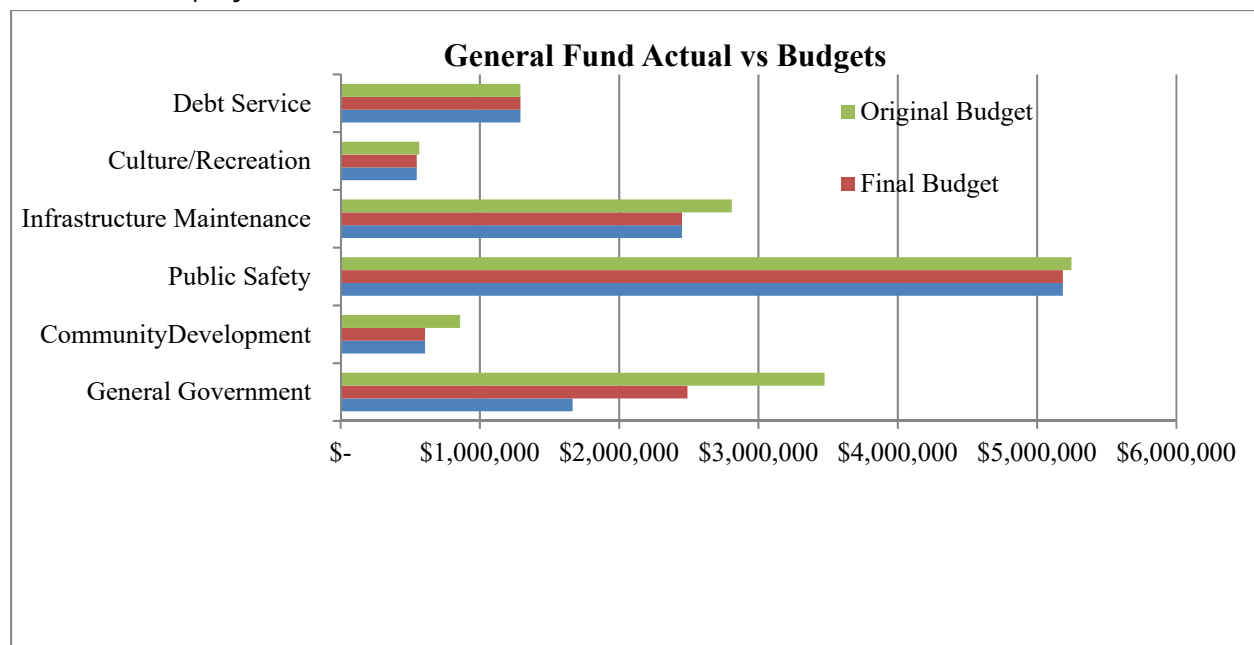
All positive fund balances of the Non-major governmental funds are restricted by an outside party as to use. At September 30, 2020, the School Crossing Guard Fund's and Special Law Enforcement Trust Fund's fund balances are reflected as unassigned due to the negative fund balance.

Proprietary funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Wastewater Utility Fund at the end of the year amounted to \$475,647, and the Stormwater Utility amounted to \$1,595,518. The total decrease in net position for the Wastewater Utility Fund was \$410,842, and the increase for the Stormwater Utility was \$560,904. Other factors concerning the finances of these two funds have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

At the end of FY20, as a result of amendments made during the year, the final amended budget decreased \$1,672,122 from the adopted budget. The most significant change was related to a decrease in general government of \$984,954, as well as a decrease in Infrastructure Maintenance of \$356,505 and a decrease of \$250,752 for community development. These changes were the result of organizational restructuring, decreased services due to COVID-19 and the delay in capital infrastructure projects.



Management's Discussion and Analysis

During the year, actual revenues on a budgetary basis were \$11,384,817. Actual revenues exceed the final budgetary estimate of \$10,810,869 in several categories. The most significant were utility and franchise taxes (\$220,709 over budget) and Intergovernmental revenue, which exceeded final budget by \$434,212. This was due to an increase in franchise fee receipts for 2020 and state shared revenues and CARES Act grant funding, respectively. The final budget for general government expenditures was \$824,583 more than actual. The final budget reflects an increase for anticipated projects which were not begun during the current year. Likewise, the final budget for Community Development was \$31,131 more than actual expenditures. All other final budgeted expenditures were substantially equal to budgeted amounts.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business-type activities as of September 30, 2020, amounts to \$52,889,137 net of accumulated depreciation. This investment in capital assets includes land, buildings and system improvements, machinery and equipment, park facilities, roads and construction work in progress. The City's investment in capital assets increased \$331,511. A decrease of \$559,402 (2.1%) in governmental activities and an increase of \$890,913 (3.4%) for business-type activities make up the total.

Significant capital asset events during the current fiscal year included the following:

- Public Works Services (PWS) Staff continue to improve City streetscapes including Ridgewood Avenue and North Atlantic Avenue. Upgrades to the Ridgewood Avenue area included the installation of additional vehicular/pedestrian signage and new ADA mats on the pedway. Upgrades to North Atlantic Avenue included installation of additional vehicular/pedestrian signage and construction of the "pocket park" across from Southgate Mobile Home Park. New solar lighting will be installed in the near future. Additionally, the West Central Boulevard Streetscape was initiated from SR A1A to Thurm Boulevard.
- Sidewalk and pedestrian improvements were also performed throughout the City including the installation of new sidewalks on both sides of Pierce Avenue, replacement of the beach crossover in Harbor Heights, placement of bike racks at beach-end streets and expansion of the parking lot at the Brevard County Sheriff's Office. New roadway striping continues to be placed throughout the City.
- The Force Main No. 7 Project was completed and included the replacement of over 850 feet of force main pipe adjacent to Manatee Sanctuary Park. Improvements at the Wastewater Reclamation Facility (WRF) included the installation of (1) a master pump at the Intermediate Lift Station to eliminate overflow during tropical storm events and (2) a carbon feed system to improve WRF effluent (reclaimed water). Other projects initiated in 2020 include replacement of the WRF headworks and sand filters, replacement of the SCADA system and construction of protective buildings over major pumping stations. These projects were many of the City projects that eliminated sewer leakage to groundwater and improved WRF effluent.

Many smaller-scope improvement projects were also completed at the WRF and lift stations in 2020 including replacement and/or upgrade of the following:

Management's Discussion and Analysis

- Returned activated sludge (RAS) pumps and motors;
- Water activated sludge (WAS) pumps and motors;
- IRP pumps and motors;
- Reclaimed water pumps;
- Sludge holding blowers;
- Lift station pumps;
- Transfer basin pumps and motors;
- Piermount mixers; and
- Various valves.
- Completion of a number of these projects will fulfill FDEP requirements as detailed in Consent Order No. 18-0916 which addresses exceedances of total nitrogen and total phosphorous in treated wastewater that occurred between June 2017 and February 2018. The City is also preparing to replace Lift Station No. 5 at Treasure Island Condominiums and Lift Station No. 8 along Thurm Boulevard as part of the SRF Loan Program.
- The stormwater lines in the vicinity of Polk and Orange Avenues were replaced with larger diameter pipes. Curbing and sidewalks were also replaced as part of the Project. This area was susceptible to extensive street and property flooding during and after large storms.
- Vegetation was removed from the northern portion of the Central Ditch adjacent to Southgate Mobile Home Park. The vegetation was clogging area stormwater pipes and inhibiting surface water flow in the Ditch. An additional beemat was placed in the largest stormwater pond at the WRF. The City now maintains five beemats in City-owned retention ponds. The beemats consist of native vegetation placed into mats that are allowed to float on the surface water in the ponds. The beemats uptake nitrogen and phosphorous in stormwater thus reducing nutrient concentrations discharged to the Banana River.
- The City maintained an active stormwater system maintenance program in 2020. Activities included the replacement of older style stormwater inlets (16) with new Type "C" inlets. These newer inlets require less maintenance, are not damaged as easily by vehicular traffic, prohibit larger debris from entering the stormwater system and provide improved stormwater flow. Street sweeping of all curbed streets also continues on a monthly basis.

City of Cape Canaveral, Florida

Management’s Discussion and Analysis

City of Cape Canaveral's Capital Assets (net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 7,248,237	\$ 7,248,237	\$ 351,084	\$ 351,084	\$ 7,599,321	\$ 7,599,321
Buildings and Improvement	9,979,465	4,667,365	5,251,743	5,239,253	15,231,208	9,906,618
Machinery and Equipment	3,642,518	3,776,827	8,516,721	7,992,459	12,159,239	11,769,286
Infrastructure	12,003,344	11,745,858	33,625,348	33,093,566	45,628,692	44,839,424
Construction in Progress	527,499	5,740,063	2,019,915	455,738	2,547,414	6,195,801
	33,401,063	33,178,350	49,764,811	47,132,100	83,165,874	80,310,450
Less: Accumulated Deprecia	(7,895,473)	(7,113,358)	(22,381,264)	(20,639,466)	(30,276,737)	(27,752,824)
Capital Assets, net	<u>\$ 25,505,590</u>	<u>\$ 26,064,992</u>	<u>\$ 27,383,547</u>	<u>\$ 26,492,634</u>	<u>\$ 52,889,137</u>	<u>\$ 52,557,626</u>

Additional information on the City’s capital assets can be found on pages 64 – 65 of this report.

Long-term debt. At the end of the current fiscal year, the City had a total long-term debt outstanding of \$15,194,092.

The business-type activities long-term debt is from a State Revolving Loan related to Wastewater System improvements. Note that compensated absences are also a long-term liability of the City. The governmental activities long-term debt includes a \$5.5 Capital Improvement Revenue Note issued to finance a City Hall project in progress, and both completed Fire Station and Main Wastewater Treatment Plant Building Refurbishment. It also includes a \$6.2 million Capital Improvement Revenue Note for the construction of a Multigenerational Center and various other capital projects throughout the City. Additional information on the City of Cape Canaveral’s long-term debt can be found on pages 66 – 68 of this report.

City of Cape Canaveral's Outstanding Debt

General Obligation

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenue Note	\$ 6,802,000	\$ 7,944,000	\$ -	\$ -	\$ 6,802,000	\$ 7,944,000
State revolving loan	-	-	8,392,092	8,413,099	8,392,092	8,413,099
	<u>\$ 6,802,000</u>	<u>\$ 7,944,000</u>	<u>\$ 8,392,092</u>	<u>\$ 8,413,099</u>	<u>\$ 15,194,092</u>	<u>\$ 16,357,099</u>

Management's Discussion and Analysis

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate averaged 4.4% during the year and is currently at 4.1%.
- The real estate market continues to trend upward. Property values for Calendar Year 2020 showed an increase of 14.7%. The median home sales price rose to \$268,500 up from \$234,000 at the end of 2019.
- Due to accelerated hiring, Cape Canaveral, as well as Brevard County, will continue to show improvement due to increased industry growth at the Kennedy Space Center and Canaveral Air Force Station; increased Aerospace and High Technological Manufacturing Companies such as Blue Origin, Space X, Embraer S.A. and Northrup Grumman's expansion at the Melbourne International Airport; and numerous service-oriented companies countywide.
- In an effort to take advantage of the opportunities provided by the City's proximity to Port Canaveral, Cape Canaveral Air Force Station, Kennedy Space Center, two International Airports, and Orlando, the City continues to pursue economic development/redevelopment through its Community Redevelopment Agency (CRA).
- The City has and will continue to increase its revenue stream. An increase to the wastewater and reclaimed water rates in October 2019 and an increase to stormwater rates in January 2020 enhanced revenue. The City's Ad valorem taxes for fiscal year 2021 decreased by .0860 mills compared to 2020 and still remained the fourth lowest in the County.

All of these factors were considered in preparing the City's budget for the 2021 fiscal year.

Requests for Information

This financial report is designed to provide a general overview of the City of Cape Canaveral's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Administrative/Financial Services Director, 100 Polk Avenue, Cape Canaveral, FL 32920.

Basic Financial Statements

CITY OF CAPE CANAVERAL, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2020

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in pooled cash and investments	\$ 11,148,419	\$ 1,693,972	\$ 12,842,391
Receivables, net	396,585	837,756	1,234,341
Due from other governments	456,277	-	456,277
Interfund balances	(196,787)	196,787	-
Inventories and prepaid items	1,782	6,574	8,356
Restricted assets:			
Equity in pooled cash and investments	902,639	320,049	1,222,688
Capital assets:			
Total capital assets, not being depreciated	7,775,736	2,370,999	10,146,735
Total capital assets, being depreciated, net	17,729,854	25,012,548	42,742,402
Total Assets	\$ 38,214,505	\$ 30,438,685	\$ 68,653,190
Liabilities			
Accounts payable and accrued liabilities	\$ 183,522	\$ 548,092	\$ 731,614
Unearned revenue and deposits	93,471	-	93,471
Payable from restricted assets:			
Accrued interest payable	20,957	18,351	39,308
Zoning escrow	18,246	-	18,246
Noncurrent liabilities:			
Due within one year:			
Long-term debt	1,165,000	427,594	1,592,594
Compensated absences payable	212,882	92,666	305,548
Due in more than one year:			
Long-term debt	5,637,000	7,964,498	13,601,498
Compensated absences payable	53,221	23,166	76,387
Total Liabilities	\$ 7,384,299	\$ 9,074,367	\$ 16,458,666
Net Position			
Net investment in capital assets	\$ 25,098,106	\$ 18,991,455	\$ 44,089,561
Restricted for:			
Community redevelopment	27,021	-	27,021
Debt service	343,022	250,049	593,071
Public safety	56,515	-	56,515
Culture/recreation	463,899	-	463,899
Capital expansion	-	51,649	51,649
Unrestricted	4,841,643	2,071,165	6,912,808
Total Net Position	\$ 30,830,206	\$ 21,364,318	\$ 52,194,524

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

CITY OF CAPE CANAVERAL, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Functions/Programs							
Governmental activities							
General government	\$ 1,194,393	\$ 97,732	\$ -	\$ -	\$ (1,096,661)	\$ -	\$ (1,096,661)
Community development	539,395	-	-	-	(539,395)	-	(539,395)
Public safety	5,340,323	779,155	5,070	-	(4,556,098)	-	(4,556,098)
Infrastructure maintenance	2,827,052	1,176,442	353,299	615,279	(682,032)	-	(682,032)
Culture/recreation	822,896	104,976	-	2,000	(715,920)	-	(715,920)
Community redevelopment	7,695	-	-	-	(7,695)	-	(7,695)
Interest on long-term debt	145,695	-	-	-	(145,695)	-	(145,695)
Total governmental activities	10,877,449	2,158,305	358,369	617,279	(7,743,496)	-	(7,743,496)
Business-type activities							
Wastewater	4,120,583	4,389,709	-	-	-	269,126	269,126
Stormwater	693,025	987,529	-	-	-	294,504	294,504
Total business-type activities	4,813,608	5,377,238	-	-	-	563,630	563,630
Total primary government	\$ 15,691,057	\$ 7,535,543	\$ 358,369	\$ 617,279	(7,743,496)	563,630	(7,179,866)
General revenues							
Property taxes					4,721,416	-	4,721,416
Utility and franchise taxes					2,503,275	-	2,503,275
Intergovernmental revenues, unrestricted					1,471,997	-	1,471,997
Investment income					204,746	14,293	219,039
Miscellaneous revenues					50,547	-	50,547
Transfers					427,861	(427,861)	-
Total general revenues and transfers					9,379,842	(413,568)	8,966,274
Change in net position					1,636,346	150,062	1,786,408
Net position, beginning of year					29,193,860	21,214,256	50,408,116
Net position, end of year					\$ 30,830,206	\$ 21,364,318	\$ 52,194,524

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

CITY OF CAPE CANAVERAL, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020

	<u>General Fund</u>	<u>Cape Canaveral CRA Fund</u>	<u>Capital Construction Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets					
Equity in pooled cash and investments	\$ 11,282,024	\$ 254,693	\$ -	\$ 514,341	\$ 12,051,058
Receivables	396,585	-	-	-	396,585
Due from other governments	450,204	-	-	6,073	456,277
Due from other funds	866,396	-	-	-	866,396
Inventories and prepaid items	1,782	-	-	-	1,782
Total assets	<u>\$ 12,996,991</u>	<u>\$ 254,693</u>	<u>\$ -</u>	<u>\$ 520,414</u>	<u>\$ 13,772,098</u>
Liabilities					
Accounts payable and accrued liabilities	\$ 149,930	\$ 6,685	\$ 11,256	\$ 15,651	\$ 183,522
Zoning escrow	18,246	-	-	-	18,246
Unearned revenue and deposits	93,471	-	-	-	93,471
Due to other funds	-	9,498	842,196	-	851,694
Advances from other funds	-	211,489	-	-	211,489
Total liabilities	<u>261,647</u>	<u>227,672</u>	<u>853,452</u>	<u>15,651</u>	<u>1,358,422</u>
Fund Balances					
Nonspendable:					
Inventories and prepaid items	1,782	-	-	-	1,782
Restricted for:					
Debt service	343,022	-	-	-	343,022
Community redevelopment	-	27,021	-	-	27,021
Public safety	-	-	-	56,515	56,515
Culture/recreation	-	-	-	463,899	463,899
Committed to:					
Capital equipment renewal and replacement	334,926	-	-	-	334,926
New facilities	6,394,516	-	-	-	6,394,516
Recreation expansion	43,392	-	-	-	43,392
Police expansion	32,852	-	-	-	32,852
Assigned to:					
Subsequent year's budget	1,735,350	-	-	-	1,735,350
Unassigned	3,849,504	-	(853,452)	(15,651)	2,980,401
Total fund balances	<u>12,735,344</u>	<u>27,021</u>	<u>(853,452)</u>	<u>504,763</u>	<u>12,413,676</u>
Total liabilities and fund balances	<u>\$ 12,996,991</u>	<u>\$ 254,693</u>	<u>\$ -</u>	<u>\$ 520,414</u>	<u>\$ 13,772,098</u>

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

**CITY OF CAPE CANAVERAL, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF THE
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2020**

Fund Balances - Total Governmental Funds \$ 12,413,676

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Governmental capital assets	33,401,063	
Accumulated depreciation	<u>(7,895,473)</u>	
		25,505,590

Long-term liabilities are not due and payable in the current period, and therefore, are not reported in the funds. All liabilities, both current and non-current, are reported in the statement of net position. Long term liabilities at year end consist of:

Long-term debt	(6,802,000)	
Compensated absences payable	(266,103)	
Accrued interest payable	<u>(20,957)</u>	
		(7,089,060)

Net Position of Governmental Activities \$ 30,830,206

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

CITY OF CAPE CANAVERAL, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>General Fund</u>	<u>Cape Canaveral CRA Fund</u>	<u>Capital Construction Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues					
Taxes:					
Property	\$ 4,650,930	\$ -	\$ -	\$ 70,486	\$ 4,721,416
Local option motor fuel	353,299	-	-	-	353,299
Utility and franchise	2,408,107	-	-	-	2,408,107
Intergovernmental	1,126,427	1,149,156	-	-	2,275,583
Licenses and permits	330,810	-	-	-	330,810
Charges for services	1,339,726	-	-	-	1,339,726
Fines and forfeitures	40,137	-	-	3,019	43,156
Impact fees	767,502	-	-	54,132	821,634
Investment earnings	195,016	257	-	9,473	204,746
Miscellaneous	172,863	-	-	-	172,863
Total revenues	<u>11,384,817</u>	<u>1,149,413</u>	<u>-</u>	<u>137,110</u>	<u>12,671,340</u>
Expenditures					
Current:					
General Government	1,547,803	-	-	-	1,547,803
Community Development	607,291	-	-	-	607,291
Public Safety	5,114,044	-	-	8,598	5,122,642
Infrastructure Maintenance	2,330,198	-	-	-	2,330,198
Culture and Recreation	542,093	-	-	23,121	565,214
Community Redevelopment	-	7,695	-	-	7,695
Capital Outlay	316,037	263,788	-	28,469	608,294
Debt Service:					
Principal	1,142,000	-	-	-	1,142,000
Interest	149,582	-	-	-	149,582
Total expenditures	<u>11,749,048</u>	<u>271,483</u>	<u>-</u>	<u>60,188</u>	<u>12,080,719</u>
Excess (deficiency) of revenues over expenditures	<u>(364,231)</u>	<u>877,930</u>	<u>-</u>	<u>76,922</u>	<u>590,621</u>
Other financing sources					
Transfers in	1,399,096	73,809	-	-	1,472,905
Transfers out	(73,809)	(968,850)	-	(2,385)	(1,045,044)
Total other financing sources (uses)	<u>1,325,287</u>	<u>(895,041)</u>	<u>-</u>	<u>(2,385)</u>	<u>427,861</u>
Net change in fund balances	<u>961,056</u>	<u>(17,111)</u>	<u>-</u>	<u>74,537</u>	<u>1,018,482</u>
Fund balances, beginning of year	11,774,288	44,132	(853,452)	430,226	11,395,194
Fund balances, end of year	<u>\$ 12,735,344</u>	<u>\$ 27,021</u>	<u>\$ (853,452)</u>	<u>\$ 504,763</u>	<u>\$ 12,413,676</u>

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

**CITY OF CAPE CANAVERAL, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Net Change in Fund Balances - Total Governmental Funds \$ 1,018,482

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

Governmental funds report capital outlays as expenditures.

However, in the statement of activities, the cost of these assets is depreciated over their estimated useful lives

Expenditures for capital assets	608,294	
Loss on disposal of capital assets	(10,828)	
Less: Current year depreciation	(1,156,868)	(559,402)

Note and loan proceeds are reported as financing sources in the governmental funds. However, the issuance of debt is reported as an other financing source in the fund statements, while the repayment of note and loan principal is an expenditure in the governmental funds, but the repayment of debt reduces the long-term liabilities in the statement of net position and consist of the following:

Principal repayment of general long-term debt	1,142,000
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Compensated absences payable	31,379	
Accrued interest on long-term debt	3,887	35,266

Change in Net Position of Governmental Activities \$ 1,636,346

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

CITY OF CAPE CANAVERAL, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>
Revenues				
Taxes:				
Property	\$ 4,561,588	\$ 4,650,930	\$ 4,650,930	\$ -
Local option motor fuel	340,810	363,666	353,299	(10,367)
Utility and franchise	2,462,482	2,187,398	2,408,107	220,709
Intergovernmental	910,914	692,215	1,126,427	434,212
Licenses and permits	425,528	425,528	330,810	(94,718)
Charges for services	1,392,605	1,338,128	1,339,726	1,598
Fines and forfeitures	19,900	19,900	40,137	20,237
Impact fees	998,500	767,502	767,502	-
Investment earnings	63,960	195,016	195,016	-
Miscellaneous	123,160	170,586	172,863	2,277
Total revenues	<u>11,299,447</u>	<u>10,810,869</u>	<u>11,384,817</u>	<u>573,948</u>
Expenditures				
Current:				
General Government:				
Legislative	34,679	37,481	37,481	-
Administrative	554,400	318,615	318,615	-
Legal	285,912	179,675	179,675	-
Non-departmental	2,600,064	1,954,330	1,129,747	824,583
Total General Government	<u>3,475,055</u>	<u>2,490,101</u>	<u>1,665,518</u>	<u>824,583</u>
Community Development:				
Planning and Zoning	488,713	270,424	270,424	-
Community Engagement Services	129,522	95,931	95,931	-
Cultural Programs	89,564	87,644	87,644	-
Economic Development	150,244	153,292	153,292	-
Total Community Development	<u>858,043</u>	<u>607,291</u>	<u>607,291</u>	<u>-</u>
Public Safety:				
Fire	2,189,892	2,135,783	2,135,783	-
Police	3,057,301	3,049,960	3,049,960	-
Total Public Safety	<u>5,247,193</u>	<u>5,185,743</u>	<u>5,185,743</u>	<u>-</u>
Infrastructure Maintenance:				
Building	323,666	410,523	410,523	-
Refuse	1,181,465	1,232,424	1,232,424	-
Transportation	1,303,154	808,833	808,833	-
Total Infrastructure Maintenance	<u>2,808,285</u>	<u>2,451,780</u>	<u>2,451,780</u>	<u>-</u>
Culture and Recreation:				
Parks and Recreation	565,595	547,134	547,134	-
Total Culture and Recreation	<u>565,595</u>	<u>547,134</u>	<u>547,134</u>	<u>-</u>
Debt service:				
Principal	1,142,000	1,142,000	1,142,000	-
Interest	149,582	149,582	149,582	-
Total expenditures	<u>14,245,753</u>	<u>12,573,631</u>	<u>11,749,048</u>	<u>824,583</u>
Excess (deficiency) of revenues over expenditures	<u>(2,946,306)</u>	<u>(1,762,762)</u>	<u>(364,231)</u>	<u>1,398,531</u>
Other financing sources				
Transfers in	1,399,096	1,399,096	1,399,096	-
Transfers out	(4,409,000)	-	(73,809)	(73,809)
Issuance of long term debt	4,409,000	-	-	-
Total other financing sources	<u>1,399,096</u>	<u>1,399,096</u>	<u>1,325,287</u>	<u>(73,809)</u>
Net change in fund balances	<u>(1,547,210)</u>	<u>(363,666)</u>	<u>961,056</u>	<u>1,324,722</u>
Fund balances, beginning of year	<u>11,774,288</u>	<u>11,774,288</u>	<u>11,774,288</u>	<u>-</u>
Fund balances, end of year	<u>\$ 10,227,078</u>	<u>\$ 11,410,622</u>	<u>\$ 12,735,344</u>	<u>\$ 1,324,722</u>

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

CITY OF CAPE CANAVERAL, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
CAPE CANAVERAL COMMUNITY REDEVELOPMENT AGENCY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes:				
Intergovernmental	\$ 1,149,156	\$ 1,149,156	\$ 1,149,156	\$ -
Investment earnings	-	257	257	-
Total revenues	<u>1,149,156</u>	<u>1,149,413</u>	<u>1,149,413</u>	<u>-</u>
Expenditures				
Current:				
Community Redevelopment	4,706,198	302,614	271,483	31,131
Total expenditures	<u>4,706,198</u>	<u>302,614</u>	<u>271,483</u>	<u>31,131</u>
Excess (deficiency) of revenues over expenditures	<u>(3,557,042)</u>	<u>846,799</u>	<u>877,930</u>	<u>31,131</u>
Other financing sources				
Transfers in	4,409,000	73,809	73,809	-
Transfers out	(987,527)	(1,021,174)	(968,850)	52,324
Total other financing sources	<u>3,421,473</u>	<u>(947,365)</u>	<u>(895,041)</u>	<u>52,324</u>
Net change in fund balances	<u>(135,569)</u>	<u>(100,566)</u>	<u>(17,111)</u>	<u>83,455</u>
Fund balances, beginning of year	44,132	44,132	44,132	-
Fund balances, end of year	<u>\$ (91,437)</u>	<u>\$ (56,434)</u>	<u>\$ 27,021</u>	<u>\$ 83,455</u>

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

CITY OF CAPE CANAVERAL, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2020

	Business-type Activities - Enterprise Funds		
	Wastewater Fund	Stormwater Fund	Total
Assets			
Current assets:			
Equity in pooled cash and investments	\$ 232,407	\$ 1,461,565	\$ 1,693,972
Receivables, net	708,541	129,215	837,756
Due from other funds	-	40,616	40,616
Advance to other funds	211,489	-	211,489
Inventories and prepaid items	6,543	31	6,574
Restricted assets:			
Equity in pooled cash and investments	320,049	-	320,049
Total current assets	<u>1,479,029</u>	<u>1,631,427</u>	<u>3,110,456</u>
Capital assets:			
Total capital assets, not being depreciated	2,239,204	131,795	2,370,999
Total capital assets, being depreciated, net of accumulated depreciation	<u>20,821,777</u>	<u>4,190,771</u>	<u>25,012,548</u>
Capital assets, net	23,060,981	4,322,566	27,383,547
Total Assets	<u><u>\$ 24,540,010</u></u>	<u><u>\$ 5,953,993</u></u>	<u><u>\$ 30,494,003</u></u>
Liabilities			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 542,783	\$ 5,309	\$ 548,092
Due to other funds	55,318	-	55,318
Current portion of compensated absences	68,186	24,480	92,666
Current portion of long-term debt	381,048	46,546	427,594
Liabilities payable from current restricted assets:			
Accrued interest payable	18,351	-	18,351
Total current liabilities	<u>1,065,686</u>	<u>76,335</u>	<u>1,142,021</u>
Noncurrent liabilities:			
Long-term portion of compensated absences	17,046	6,120	23,166
Long-term debt payable after one year	<u>7,038,879</u>	<u>925,619</u>	<u>7,964,498</u>
Total noncurrent liabilities	7,055,925	931,739	7,987,664
Total Liabilities	<u><u>\$ 8,121,611</u></u>	<u><u>\$ 1,008,074</u></u>	<u><u>\$ 9,129,685</u></u>
Net Position			
Net investment in capital assets	\$ 15,641,054	\$ 3,350,401	\$ 18,991,455
Restricted for:			
Debt service	250,049	-	250,049
Capital expansion	51,649	-	51,649
Unrestricted	<u>475,647</u>	<u>1,595,518</u>	<u>2,071,165</u>
Total Net Position	<u><u>\$ 16,418,399</u></u>	<u><u>\$ 4,945,919</u></u>	<u><u>\$ 21,364,318</u></u>

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

CITY OF CAPE CANAVERAL, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Business-type Activities - Enterprise Funds		
	Wastewater Fund	Stormwater Fund	Total
Operating revenues			
Charges for sales and services:			
Wastewater charges	\$ 4,389,709	\$ -	\$ 4,389,709
Stormwater charges	-	987,529	987,529
Total operating revenues	<u>4,389,709</u>	<u>987,529</u>	<u>5,377,238</u>
Operating expenses			
Operating and maintenance:			
Personal services	1,567,077	270,610	1,837,687
Contractual services	87,899	35,366	123,265
Repairs and maintenance	547,812	61,557	609,369
Materials and supplies	309,176	4,474	313,650
Depreciation	1,536,188	279,813	1,816,001
Total operating expenses	<u>4,048,152</u>	<u>651,820</u>	<u>4,699,972</u>
Operating income	<u>341,557</u>	<u>335,709</u>	<u>677,266</u>
Nonoperating revenues (expenses)			
Investment earnings	11,474	2,819	14,293
Loss on sale or disposal of assets	(646)	(41,205)	(41,851)
Interest expense	(71,785)	-	(71,785)
Total nonoperating revenues (expenses)	<u>(60,957)</u>	<u>(38,386)</u>	<u>(99,343)</u>
Income before contributions and transfers	<u>280,600</u>	<u>297,323</u>	<u>577,923</u>
Transfers in	-	283,147	283,147
Transfers out	(691,442)	(19,566)	(711,008)
Change in net position	<u>(410,842)</u>	<u>560,904</u>	<u>150,062</u>
Total net position, beginning of year	16,829,241	4,385,015	21,214,256
Total net position, end of year	<u>\$ 16,418,399</u>	<u>\$ 4,945,919</u>	<u>\$ 21,364,318</u>

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

CITY OF CAPE CANAVERAL, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Business-type Activities - Enterprise Funds		
	Wastewater Fund	Stormwater Fund	Total
Cash flows from operating activities			
Cash received from customers	\$ 4,612,352	\$ 1,025,103	\$ 5,637,455
Cash paid to suppliers	(605,356)	(124,079)	(729,435)
Cash paid to employees	(1,536,109)	(273,250)	(1,809,359)
Net cash provided by operating activities	<u>2,470,887</u>	<u>627,774</u>	<u>3,098,661</u>
Cash flows from noncapital financing activities			
Interfund loans	(1,003)	53,327	52,324
Transfers in	-	283,147	283,147
Transfers out	(691,442)	(19,566)	(711,008)
Net cash provided by (used) in noncapital financing activities	<u>(692,445)</u>	<u>316,908</u>	<u>(375,537)</u>
Cash flows from capital and related financing activities			
Principal payments on capital debt	(233,305)	(53,327)	(286,632)
Proceeds from issuance of capital debt	265,625	-	265,625
Interest paid	(71,785)	-	(71,785)
Acquisition and construction of capital assets	(2,351,267)	(397,498)	(2,748,765)
Net cash provided by (used in) capital and related financing activities	<u>(2,390,732)</u>	<u>(450,825)</u>	<u>(2,841,557)</u>
Cash flows from investing activities			
Interest received	11,474	2,819	14,293
Net change in cash and cash equivalents	<u>(600,816)</u>	<u>496,676</u>	<u>(104,140)</u>
Cash and cash equivalents, beginning of year	1,153,272	964,889	2,118,161
Cash and cash equivalents, end of year	<u>\$ 552,456</u>	<u>\$ 1,461,565</u>	<u>\$ 2,014,021</u>
Reconciliation of operating income to net cash provided by operating activities			
Operating income	\$ 341,557	\$ 335,709	\$ 677,266
Adjustment to reconcile operating income to net cash provided by operating activities:			
Depreciation	1,536,188	279,813	1,816,001
Decrease (increase) in certain assets:			
Accounts receivable	195,081	37,574	232,655
Due from other governments	27,562	-	27,562
Increase (decrease) in certain liabilities:			
Compensated absences payable	30,968	(2,640)	28,328
Accounts payable and accrued liabilities	338,614	(22,682)	315,932
Accrued interest payable	917	-	917
Net cash provided by operating activities	<u>\$ 2,470,887</u>	<u>\$ 627,774</u>	<u>\$ 3,098,661</u>
Cash and cash equivalents classified as:			
Unrestricted	\$ 232,407	\$ 1,461,565	\$ 1,693,972
Restricted	320,049	-	320,049
Total cash and cash equivalents	<u>\$ 552,456</u>	<u>\$ 1,461,565</u>	<u>\$ 2,014,021</u>

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

Notes to Financial Statements

CITY OF CAPE CANAVERAL, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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

The City of Cape Canaveral, Florida, (the City) was created pursuant to Chapter 73-129, Laws of Florida, in 1963. The legislative branch of the City is composed of an elected Mayor and four Council Members. The City Council is governed by the City Charter and by state and local laws and regulations. The City Council is responsible for the establishment and adoption of policy. The execution of such policy is the responsibility of the Council-appointed City Manager.

The financial statements of the City of Cape Canaveral, Florida, 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. The following is a summary of the more significant policies.

(a) **Reporting entity**—The accompanying financial statements present the financial position, results of operations and cash flows of the applicable fund types controlled by or dependent on the City. In evaluating the City as a reporting entity, management has addressed all potential component units for which the entity may or may not be financially accountable and, as such, be included within the City's financial statements.

(b) **Blended component unit**—A blended component unit, although legally separate, is, in substance, part of the City's operations. The following entities are blended with the primary government and reported as indicated and do not issue separate financial statements:

The Cape Canaveral Free Public Library fund is responsible for exterior maintenance and risk management of the City-owned library. The members of the advisory board are appointed by the City Council and are tasked to act on the City's behalf. Funding for these specific purposes are derived by voter-approved ad valorem taxes and the legal liability remains with the City Council. Library operations are funded through the Brevard County Free Public Library District (the District), a separate taxing authority, and is therefore not included under the reporting entity definition of the City's financial statements.

The Cape Canaveral Community Redevelopment Agency (the Cape Canaveral CRA) was created by Ordinance No. 23-2013 to account for the receipt and expenditure of property tax revenues from the tax increment financing district to support City redevelopment in the designated community redevelopment area. Although legally separate, the City Council declared itself to be the Cape Canaveral CRA. Since the City is financially accountable for the activities of the Cape Canaveral CRA, its governing board is the same, and its relationship to the City is significant, its financial activities are reported on a blended basis as if it were part of the primary government as a major special revenue fund.

CITY OF CAPE CANAVERAL, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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

(c) **Government-wide and fund financial statements**—The government-wide financial statements, comprised of the statement of position and the statement of activities, report aggregated information for the overall government for all of the activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other non-exchange revenues are reported separately from *business-type activities*, which rely, to a significant extent, on fees charged to external parties for goods or services for support.

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

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported in separate columns in the fund financial statements.

(d) **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*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

CITY OF CAPE CANAVERAL, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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

Property taxes, franchise taxes, intergovernmental revenues, licenses and permits, charges for services, 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. All other revenue items are considered to be measurable and available only when the government receives cash.

The City reports the following major governmental funds:

General Fund—The General Fund is the principal fund of the City which accounts for all financial transactions not accounted for in other funds.

Cape Canaveral Community Redevelopment Agency Fund—The Cape Canaveral CRA Fund accounts for the receipt and expenditure of property tax revenues from the tax increment financing district to support City redevelopment in the Cape Canaveral community redevelopment area.

Capital Construction Fund—The Capital Construction Fund accounts for resources accumulated and payments made for the acquisition of land and construction of major capital facilities related to governmental funds.

The City reports the following major proprietary funds:

Wastewater Fund—The Wastewater Fund accounts for the activities of the City's wastewater system. The City operates the sewage treatment plant, sewage pumping stations, collection, and reclaimed water systems, which are financially similar to private business enterprises, where the costs, including depreciation, of providing services to the general public on an ongoing basis are financed through user charges.

Stormwater Fund—The Stormwater Fund is used to account for the activities of the City's stormwater management, conservation, protection, control, use and enhancement of stormwater, the costs of which are recovered by user charges.

Additionally, the City reports the following fund types:

Special Revenue Funds—These funds account for the proceeds of specific revenue sources (other than capital projects) which are legally restricted or committed to finance particular functions or activities of the City.

Capital Projects Funds—These funds account for resources accumulated and payments made for the acquisition of land and construction of major capital facilities related to governmental funds.

CITY OF CAPE CANAVERAL, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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

Amounts reported in the funds as interfund receivables and payables have been eliminated in the governmental and business-type activities columns, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances due to and due from these different types of activities within the primary government. Interfund transactions for services provided and used are not eliminated in the process of consolidation.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing activities. For the City, operating revenues come from fees for wastewater and stormwater services, which are the principal ongoing operations of the City's Wastewater and Stormwater Fund. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

(e) **Budgets and budgetary accounting**—Annual budgets for all governmental and proprietary funds were adopted in compliance with Florida law. The basis on which the budgets are prepared is consistent with generally accepted accounting principles. Budgetary integration is established in the accounting records for management control purposes at the object of expenditure level; however, the City Charter establishes the level at which expenditures may not legally exceed the total City-wide appropriations. The City follows these procedures in establishing the budgetary data reflected in the financial statements:

- (i) On or before June 30th, the City Manager submits a preliminary budget to the City Council for the ensuing fiscal year.
- (ii) Budget workshop sessions are scheduled by the City Manager as needed.
- (iii) Prior to October 1, the budgets are legally enacted through passage of an ordinance.
- (iv) The City Council reviews the monthly financial reports.
- (v) The City Manager has the authority to approve budget transfers between line items, expenditure classifications, and departments. The City Council must approve all inter-departmental budget amendments and/or transfers that increase the total appropriations. Budgetary control is exercised at the departmental level.
- (vi) Every appropriation lapses at the close of the fiscal year.

CITY OF CAPE CANAVERAL, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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

(f) **Cash and cash equivalents**—Cash and cash equivalents include amounts in demand deposits as well as 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. In addition, investments in money market funds are sufficiently liquid to permit withdrawal of cash at any time without prior notice or penalty, thus equity in these funds is also deemed to be a cash equivalent.

(g) **Receivables**—Accounts receivable balances are stated at the amount management expects to collect from outstanding balances. The City contracts with the City of Cocoa, Florida, for utility billing services. Therefore, included in the accounts receivables balances, are amounts which have been billed on behalf of the City, but not yet collected; amounts which have been collected by the City of Cocoa, but not yet remitted to the City; and amounts earned by the City, but have not been billed to the customers as of year-end.

(h) **Inventories and prepaid items**—The cost of inventory is accounted for on the consumption method wherein inventories are charged as expenditures when used rather than when purchased. All inventories are valued at cost, which approximates market, by using the first-in, first-out valuation method.

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. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

(i) **Restricted assets**—Certain amounts are classified as restricted assets because their use is limited by applicable debt covenants or laws/regulations imposed by other governmental agencies. The restricted assets are used to report resources set aside to 1) provide a reserve for debt service, 2) provide for capital expansion, and 3) acquire capital assets.

(j) **Capital assets**—Capital assets, which include property, plant, equipment and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Property, plant, and equipment with initial, individual costs that equal or exceed \$1,000 and estimated useful lives of over one year are recorded as capital assets. Capital assets are recorded at historical cost or estimated historical cost, if purchased or constructed. Contributed assets are recorded at acquisition value as of the date received.

Depreciation is reported for the primary government using the straight-line method calculated on a service-life basis to amortize the cost of the asset over their estimated economic useful lives, which are as follows:

CITY OF CAPE CANAVERAL, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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

Assets	Years
Buildings and improvements	30 - 50
Improvements other than buildings	3 - 20
Machinery and equipment	3 - 20
Infrastructure	30 - 50

(k) **Zoning escrow**—This liability is comprised of amounts received from private business to be used on their behalf for special projects. If the funds are not used, they are to be returned to the private business. Amounts used are not reported as revenues or expenditures in the accompanying financial statements.

(l) **Compensated absences**—The City records the earned portion of accumulated, unused compensated absences at year-end based on each employee’s unused hours and rate of pay, including the City’s share of payroll taxes. All compensated absences are accrued when incurred in the government-wide and proprietary fund financial statements as accrued liabilities. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations or retirements.

(m) **Unearned revenue and deposits**—Tax receipts are recognized as revenue in the period to which they relate. Monies for the streetscape project are recognized as revenue as the City incurs allowable costs associated with this project.

(n) **Long-term obligations**—In the government-wide financial statements, and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

(o) **Fund balance**—Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The following classifications describe the relative strength of the spending constraints:

Nonspendable fund balance - amounts that are not in spendable form (such as prepaid expenses and advances due from other funds) or are required to be maintained intact.

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

Committed fund balance - amounts constrained to specific purposes by the City itself, via a City Council ordinance. To be reported as committed, amounts cannot be used for any other purpose unless the City changes the constraint via ordinance.

CITY OF CAPE CANAVERAL, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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

Assigned fund balance - amounts the City intends to use for a specific purpose, but do not meet the criteria to be classified as committed. The City Council has by resolution, authorized the City Manager to assign fund balance.

Unassigned fund balance - amounts that are available for any purpose. Positive amounts are reported only in the general fund.

Disbursements of fund balance reserves will first be made from restricted amounts when both restricted and unrestricted fund balance is available. Additionally, the City will first use committed fund balance, followed by assigned fund balance, and then unassigned fund balance when expenditures are incurred for purposes which amounts in any of the unrestricted fund balance classifications could be used.

The City has adopted an ordinance whereby the minimum unassigned fund balance in the General Fund must be at least 20% of the current fiscal year original budgeted expenditures. The City was in compliance with this policy at September 30, 2020.

(p) **Net position flow assumption**—In order to determine amounts reported as restricted and unrestricted net position, it is the City's policy to consider restricted net position to have been used before unrestricted net position is applied.

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

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

(a) **Reconciliation of the balance sheet of the governmental funds to the 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 provided in the above referenced financial statement.

(b) **Reconciliation of the statement of revenues, expenditures, and changes in fund balances of governmental funds to the 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 provided in the above referenced financial statement.

**CITY OF CAPE CANAVERAL, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

(3) Property Tax Calendar:

Under Florida law, the assessment of all properties and the collection of all county, municipal and school district property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. The laws of the state regulating tax assessment are also designed to assure a consistent property valuation method statewide. State Statutes permit municipalities to levy property taxes at a rate of up to 10 mills.

The millage rate assessed by the City on the tax roll certified on November 1, 2019 was 3.6396 mills (3.5878 for general government and 0.0518 for the library fund).

The property tax calendar is as follows:

Valuation Date	January 1												
Property Appraiser prepares the assessment roll with values as of January 1, submits this preliminary roll for approval by the State and notifies each taxing authority of their respective valuations.	July 1												
City Council adopts a budget and ad valorem tax millage rate for the coming fiscal year.	September												
Property Appraiser certifies the assessment roll and all real and tangible personal property taxes are due and payable (Levy date).	November 1												
A Notice of Taxes is mailed to each property owner on the assessment roll. Taxes may be paid November through March, with the following applicable discounts:	November 1												
<table border="0"> <thead> <tr> <th style="text-align: left;"><u>Month Paid</u></th> <th style="text-align: left;"><u>Discount Percent</u></th> </tr> </thead> <tbody> <tr> <td>November</td> <td style="text-align: center;">4</td> </tr> <tr> <td>December</td> <td style="text-align: center;">3</td> </tr> <tr> <td>January</td> <td style="text-align: center;">2</td> </tr> <tr> <td>February</td> <td style="text-align: center;">1</td> </tr> <tr> <td>March</td> <td style="text-align: center;">0</td> </tr> </tbody> </table>	<u>Month Paid</u>	<u>Discount Percent</u>	November	4	December	3	January	2	February	1	March	0	November 1, 2019 through March 31, 2020
<u>Month Paid</u>	<u>Discount Percent</u>												
November	4												
December	3												
January	2												
February	1												
March	0												
All unpaid taxes on real and tangible personal property become delinquent.	April 1												
A list of unpaid tangible personal property taxes and a list of unpaid real property taxes are advertised.	April and May												
Tax certificates are sold on all real estate parcels with unpaid real property taxes (Lien date).	May 31												
A court order is obtained authorizing the seizure and sale of personal property if the taxpayer fails to pay the delinquent personal property taxes.	August 29												

CITY OF CAPE CANAVERAL, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(4) **Deposits and Investments:**

Deposits: All bank balance deposit amounts are covered by federal depository insurance or collateral with the State of Florida under the Florida Security for Public Deposits Act.

The Florida Security for Public Deposits Act establishes guidelines for qualification and participation by banks and savings associations, procedures for the administration of the collateral requirements, and characteristics of eligible collateral. Under the Act, City deposits in qualified public depositories are fully insured. The qualified public depository must pledge 50% of the average daily balance for each month of all public deposits in excess of any applicable depository insurance. Additional collateral, up to a maximum of 125% may be required if deemed necessary under the conditions set forth in the Act. Obligations pledged to secure deposits must be delivered to the State Treasurer, or with the approval of the State Treasurer, to a bank, savings association, or trust company provided a power of attorney is delivered to the Treasurer.

Investments: The City's investment policies are governed by state statutes and City Ordinances. The City follows guidelines of authorized investments under Section 218.415(17), Florida Statutes. Investments authorized under this provision of the state statutes are limited to: the Florida Local Government Surplus Funds Trust Fund (SBA), or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act; Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency; interest bearing time deposits or savings accounts in state-certified qualified public depositories; direct obligations of the U.S. Treasury, and securities of, or other interests in, any open-end or closed-end management-type investment company or investment trust registered under the Investment Company Act of 1940.

The City measures and records its investments, assets whose use is limited, and restricted assets using fair value measurement guidelines established by GASB Statement No. 72. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- *Level 1:* Quoted prices for identical investments in active markets;
- *Level 2:* Observable inputs other than quoted market prices; and,
- *Level 3:* Unobservable inputs.

CITY OF CAPE CANAVERAL, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(4) **Deposits and Investments:** (Continued)

At September 30, 2020, the City had the following deposits and investments included in equity in pooled cash and investments:

Investment Type	Carrying Value at September 30, 2020	Maturity	Credit Rating
Cash in banks	\$ 3,053,790	N/A	N/A
Florida Division of Treasury – Special Purpose Investment Account	11,011,289	2.45 years	AA-f
Total Government-wide deposits and investments	<u>\$ 14,065,079</u>		

The Florida Division of Treasury – Special Purpose Investment Account was measured at fair value using significant unobservable inputs (Level 3 on the fair value hierarchy) and valued by the Florida Treasury Investment Pool whereby the City owns a share of the pool, not the underlying securities.

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of investments. In accordance with the provisions of the state statutes governing allowable investments, the City manages its exposure to declines in fair values by limiting the maturity of specific investments to provide sufficient liquidity to pay obligations as they come due.

Credit Risk: Credit rate risk is the risk of losses due to the failure of the security issue or backer. This is mitigated by investing in the assets allowed under City Ordinance and by diversifying the portfolio so that potential losses on individual securities will be minimized.

Custodial Credit Risk: For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The City has investments in the State of Florida Division of Treasury’s Special Purpose Investment Account (SPIA), of which the City owns a share of the Pool, not the underlying securities. At June 30, 2020, the fair value factor for the SPIA was 1.0269. Additional valuation information is available in the State of Florida’s Comprehensive Annual Financial Report, which can be obtained through their website, www.myfloridacfo.com.

Concentrations of Credit Risk: The City’s policy does not limit the amount that can be invested in any one issuer. As of September 30, 2020, all investments of the City are held in the pooled investment accounts administered by the State of Florida.

CITY OF CAPE CANAVERAL, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(5) **Receivables:**

Receivables in the wastewater and stormwater funds represent customer receivables but have been included in Due from Other Governments in the statement of net position as another municipality is responsible for the billing and collection of the receivables and ultimate payments to the City. At September 30, 2020, the City's receivables consist of the following:

	Receivables, gross	Allowance for Doubtful Accounts	Receivables, net
	<u> </u>	<u> </u>	<u> </u>
Governmental Activities:			
General Fund	\$ 398,902	\$ (2,317)	\$ 396,585
Total Governmental	<u>398,902</u>	<u>(2,317)</u>	<u>396,585</u>
Activities			
Business-Type Activities:			
Wastewater	715,710	(7,169)	708,541
Stormwater	130,275	(1,060)	129,215
Total Business-Type	<u>845,985</u>	<u>(8,229)</u>	<u>837,756</u>
Activities			
Totals	<u>\$ 1,244,887</u>	<u>\$ (10,546)</u>	<u>\$ 1,234,341</u>

In addition to accounts receivable, the City also recorded \$456,277 in due from other governments at September 30, 2020.

CITY OF CAPE CANAVERAL, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(6) **Interfund Loans and Transfers:**

The outstanding balances between funds result mainly from the time lag between the dates reimbursable expenditures occur, when transactions are recorded in the accounting system, and when payments between funds are made. At September 30, 2020, individual fund interfund receivables and payables for the primary government arising from short-term borrowings for cash flow purposes are comprised of the following:

	Due From Other Funds	Due To Other Funds
General Fund:		
Cape Canaveral CRA Fund	\$ 9,498	\$ -
Capital Construction Fund	842,196	-
Wastewater Fund	14,702	-
Cape Canaveral CRA Fund:		
General Fund	-	9,498
Capital Construction Fund:		
General Fund	-	842,196
Wastewater Fund:		
General Fund	-	14,702
Stormwater Fund	-	40,616
Stormwater Fund:		
Wastewater Fund	40,616	-
Total—All Funds	\$ 907,012	\$ 907,012

At September 30, 2020, long-term individual fund advances to and from other funds for the primary government were for the purposes of providing advance funding for projects in the Cape Canaveral CRA Fund and comprised of the following:

	Advance To	Advance From
Cape Canaveral CRA Fund:		
Wastewater Fund	\$ -	\$ 211,489
Wastewater Fund:		
Cape Canaveral CRA Fund	211,489	-
Total—All Funds	\$ 211,489	\$ 211,489

CITY OF CAPE CANAVERAL, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(6) **Interfund Loans and Transfers:** (Continued)

For the year ended September 30, 2020, the composition of interfund transfers is as follows:

	Transfer From	Transfer To
Governmental Activities:		
General Fund:		
School Crossing Guard Fund	\$ 2,385	\$ -
Cape Canaveral CRA Fund	685,703	73,809
Wastewater Fund	691,442	-
Stormwater Fund	19,566	-
Cape Canaveral CRA Fund:		
General Fund	73,809	685,703
Nonmajor Governmental Funds:		
School Crossing Guard Fund:		
General Fund	-	2,385
Total Governmental Activities	1,472,905	1,045,044
Business-Type Activities:		
Wastewater Fund:		
General Fund	-	691,442
Stormwater Fund:		
General Fund	-	19,566
Total Business-Type Activities	283,147	711,008
Total—All Funds	\$ 1,756,052	\$ 1,756,052

Transfers are used to (1) move revenues from the fund with collection authorization to the debt service fund as debt service principal and interest payments become due, (2) move restricted amounts from borrowings to the debt service funds to establish and maintain mandatory reserve and sinking fund accounts, (3) move revenues from proprietary fund operations to the general fund for payments in lieu of taxes, and (4) move unrestricted revenues to finance various programs that the City must account for in other funds in accordance with budgetary authorizations, including amounts provided as matching funds for various grant programs.

CITY OF CAPE CANAVERAL, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(7) **Capital Assets:**

For the fiscal year ended September 30, 2020, capital asset activity was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 7,248,237	\$ -	\$ -	\$ 7,248,237
Construction in progress	5,740,063	193,807	(5,406,371)	527,499
Total capital assets, not being depreciated	<u>12,988,300</u>	<u>193,807</u>	<u>(5,406,371)</u>	<u>7,775,736</u>
Capital assets, being depreciated:				
Buildings and improvements	4,667,365	5,320,964	(8,864)	9,979,465
Machinery and equipment	3,776,827	242,408	(376,717)	3,642,518
Infrastructure	11,745,858	257,486	-	12,003,344
Total capital assets, being depreciated	<u>20,190,050</u>	<u>5,820,858</u>	<u>(385,581)</u>	<u>25,625,327</u>
Accumulated depreciation for:				
Buildings and improvements	(1,476,923)	(292,069)	3,662	(1,765,330)
Machinery and equipment	(2,061,525)	(301,182)	371,091	(1,991,616)
Infrastructure	(3,574,910)	(563,617)	-	(4,138,527)
Total accumulated depreciation	<u>(7,113,358)</u>	<u>(1,156,868)</u>	<u>374,753</u>	<u>(7,895,473)</u>
Total capital assets being depreciated, net of accumulated depreciation	<u>13,076,692</u>	<u>4,663,990</u>	<u>(10,828)</u>	<u>17,729,854</u>
Governmental activities capital assets, net	<u>\$ 26,064,992</u>	<u>\$ 4,857,797</u>	<u>\$ (5,417,199)</u>	<u>\$ 25,505,590</u>

CITY OF CAPE CANAVERAL, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(7) **Capital Assets:** (Continued)

Business-type activities:

Capital assets, not being depreciated:				
Land	\$ 351,084	\$ -	\$ -	\$ 351,084
Construction in progress	455,738	2,195,888	(631,711)	2,019,915
Total capital assets, not being depreciated	<u>806,822</u>	<u>2,195,888</u>	<u>(631,711)</u>	<u>2,370,999</u>
Capital assets, being depreciated:				
Buildings and improvements	5,239,253	12,490	-	5,251,743
Machinery and equipment	7,992,459	547,855	(23,593)	8,516,721
Infrastructure	33,093,566	652,648	(120,866)	33,625,348
Total capital assets, being depreciated	<u>46,325,278</u>	<u>1,212,993</u>	<u>(144,459)</u>	<u>47,393,812</u>
Accumulated depreciation for –				
Buildings and improvements	(2,604,210)	(133,828)	-	(2,738,038)
Machinery and equipment	(1,838,573)	(514,209)	15,125	(2,337,657)
Infrastructure	<u>(16,196,683)</u>	<u>(1,167,964)</u>	<u>59,078</u>	<u>(17,305,569)</u>
Total accumulated depreciation	<u>(20,639,466)</u>	<u>(1,816,001)</u>	<u>74,203</u>	<u>(22,381,264)</u>
Total capital assets being depreciated, net of accumulated depreciation	<u>25,685,812</u>	<u>(603,008)</u>	<u>(70,256)</u>	<u>25,012,548</u>
Business-type activities capital assets, net	<u>\$ 26,492,634</u>	<u>\$ 1,592,880</u>	<u>\$ (701,967)</u>	<u>\$ 27,383,547</u>

Depreciation expense was charged to functions/programs as follows:

Governmental activities:

General government	\$ 252,547
Community development	19,748
Public safety	217,681
Transportation	496,854
Culture and recreation	<u>170,038</u>
Total depreciation expense-governmental activities	<u>\$ 1,156,868</u>

Business-type activities:

Wastewater	\$ 1,536,188
Stormwater	<u>279,813</u>
Total depreciation expense-business-type activities	<u>\$ 1,816,001</u>

CITY OF CAPE CANAVERAL, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(8) **Long-term Debt:**

A. Revenue Bonds and Notes

Governmental Activities:

Capital Improvement Revenue Note, Series 2014

The \$5,500,000 Capital Improvement Revenue Note, Series 2014 was issued in February 2014 to finance various general government capital improvements and acquisitions including but not limited to a City Hall project, Fire Station, Main Wastewater Treatment Plant Building Refurbishment, and other capital improvements and to pay the cost of issuance related to the financing. The Series 2014 Note is secured by an irrevocable first lien pledge and dedication of the pledged revenues which would consist of (1) public service tax, (2) the City's local government half-cent sales tax, (3) the guaranteed entitlement portion of the state revenue sharing funds, and (4) franchise fees; such revenues totaled \$2,408,107 for the year ended September 30, 2020. These annually pledged revenues collectively support the annual debt repayment of \$605,795 which comprises of \$543,000 in principal and \$62,795 in interest. The pledge of the pledged revenues would be continuing and cumulative until all amounts under the Series 2014 Note shall have been paid. The City directly collects the public service taxes, whereas the sales tax, state revenue sharing funds, and franchise fees are collected through third parties and subsequently remitted to the City. The note, which bears interest at 1.99%, is payable semi-annually on February 1 and August 1 of each year until final maturity on February 1, 2024. Total principal remaining to be paid on the note is \$2,330,000.

Capital Improvement Revenue Note, Series 2017

The \$6,200,000 Capital Improvement Revenue Note, Series 2017 was issued in July 2017 to finance various general government capital improvements and acquisitions including but not limited to the multi-generational center and other capital improvements and to pay the cost of issuance related to the financing. The Series 2017 Note is secured by an irrevocable first lien pledge and dedication of the pledged revenues which would consist of (1) the communications services tax, (2) the public service tax, (3) the guaranteed entitlement portion of the state revenue sharing funds, (4) the local government half-cent sales tax, (5) franchise fees, and (6) amounts on deposit in the Debt Service Fund, totaled \$2,408,107 for the year ended September 30, 2020. These annually pledged revenues collectively support the annual debt repayment of \$685,634 which comprises of \$576,000 in principal and \$109,634 in interest. The pledge of the pledged revenues would be continuing and cumulative until all amounts under the Series 2017 Note shall have been paid. The City directly collects the public service taxes, whereas the sales tax, state revenue sharing funds, and franchise fees are collected through third parties and subsequently remitted to the City. The note, which bears interest at 2.05%, is payable semi-annually on February 1 and August 1 of each year until final maturity on February 1, 2027. Total principal remaining to be paid on the note is \$4,472,000.

CITY OF CAPE CANAVERAL, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(8) **Long-term Debt:** (Continued)

Business-Type Activities:

State Revolving Loan

The City has applied for and received various loans under Florida's State Revolving Fund (SRF) loan program. These loans, granted by the State, fund various wastewater and stormwater projects.

The City's SRF loans outstanding at September 30, 2020 is summarized as follows:

1.46% State Revolving Fund promissory note payable in the amount of \$5,632,526; with semiannual loan payments of \$182,496 through fiscal year 2038; secured by the net wastewater and stormwater utility revenue of the City.	\$ 5,325,804
0.83% State Revolving Fund promissory note payable in the amount of \$3,032,463; with semiannual loan payments of \$85,954 through fiscal year 2038; secured by the net wastewater utility revenue of the City.	2,744,816
1.32% State Revolving Fund promissory note payable in the amount of \$520,000; with semiannual loan payments of \$15,222 beginning February 2021 through 2022; secured by the net wastewater utility revenue of the City.	321,472
	8,392,092
Less: current maturities	427,594
Total business-type activities long-term debt	\$ 7,964,498

Annual debt service requirements to maturity for the City's revenue bonds and notes are as follows:

Year Ending September 30,	Governmental Activities		Business-Type Activities		Total
	Principal	Interest	Principal	Interest	
2021	\$ 1,165,000	\$ 126,271	\$ 427,594	\$ 70,804	\$ 1,789,669
2022	1,190,000	102,475	434,367	67,433	1,794,275
2023	1,213,000	78,195	441,490	63,777	1,796,462
2024	1,238,000	53,428	448,749	60,053	1,800,230
2025	652,000	34,235	456,177	56,258	1,198,670
2026-2030	1,344,000	27,696	2,396,739	221,830	3,990,265
2031-2035	-	-	2,479,620	117,078	2,596,698
2036-2039	-	-	1,307,356	32,135	1,339,491
Totals	\$ 6,802,000	\$ 422,300	\$ 8,392,092	\$ 689,368	\$ 16,305,760

**CITY OF CAPE CANAVERAL, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

(8) **Long-term Debt:** (Continued)

B. Change in Long-term Liabilities

Long-term liability activity for the year ended September 30, 2020, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities					
Capital improvement notes	\$ 7,944,000	\$ -	\$(1,142,000)	\$ 6,802,000	\$ 1,165,000
Compensated absences payable	297,482	96,351	(127,730)	266,103	212,882
Total Governmental Activities	<u>\$ 8,241,482</u>	<u>\$ 96,351</u>	<u>\$(1,269,730)</u>	<u>\$ 7,068,103</u>	<u>\$ 1,377,882</u>
Business-Type Activities					
State revolving loans	\$ 8,413,099	\$ 261,643	\$ (282,650)	\$ 8,392,092	\$ 427,594
Compensated absences payable	87,504	48,910	(20,582)	115,832	92,666
Total Business-Type Activities	<u>\$ 8,500,603</u>	<u>\$ 310,553</u>	<u>\$ (303,232)</u>	<u>\$ 8,507,924</u>	<u>\$ 520,260</u>

Compensated absences are typically paid from the General Fund, Wastewater Fund, and Stormwater Fund. With respect to governmental activities, compensated absences are primarily liquidated from the General Fund. The liability for compensated absences in the business-type activities is liquidated in the fund in which the liability was incurred.

There are no debt issues outstanding which have or will have any arbitrage rebate payable as of the report date.

(9) **Legal Matters:**

The City is engaged in routine litigation incidental to the conduct of its business and municipal affairs. In the opinion of its Counsel, no other legal proceedings are pending against them, not covered by insurance, which would inhibit the City's ability to perform its operations or materially affect its financial condition.

CITY OF CAPE CANAVERAL, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(10) **Employees' Retirement Plan:**

Established with Resolution No. 2006-13 of the City Council, which is responsible for amending the plan provisions and contribution requirements, the City contributes to a defined contribution plan which is administered by the Florida League of Cities, P. O. Box 1757, Tallahassee, FL 32302, and features participant-directed investments. The City established the plan for all regular full time and regular part time employees with one year of employment and 1,000 hours of service each year. All qualifying employees at least 18 years of age participate in the plan on the date of employment. Retirement benefits are available after 5 years of service. Established with Resolution No. 2006-51 of the City Council, employer contributions to the plan are 7% of the employee gross wages and the City allows for a matching contribution of up to 3% of employee's basic compensation. No forfeitures were used to reduce the City's current period contribution requirement.

For the year ended September 30, 2020, employer and matching contributions to the defined contribution plan were \$144,259 and \$55,166, respectively. As of September 30, 2020, the Plan had 44 participating employees.

(11) **Other Post-Employment Benefits (OPEB):**

Retirees and their dependents are permitted to remain covered under the City's respective health care plans as long as they pay a full premium applicable to the coverage elected. This conforms to the minimum required of Florida governmental employers per Chapter 112.08 of Florida Statutes.

In 2018, the City engaged an actuary to calculate the outstanding liability for certain post-employment healthcare benefits provided by the City. Based on the City's policies whereby the retirement age is equal to age 65 at which point employees become eligible for Medicare, the OPEB liability was actuarially determined to be zero. There have been no changes to the City's policies or state statutes since that time which management believes would impact this determination as of September 30, 2020. As such, no OPEB liability has been recorded.

(12) **Commitments and Contingencies:**

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

During and through the end of the fiscal year ended September 30, 2020, local, U.S., and world governments have encouraged self-isolation to curtail the spread of the global pandemic, coronavirus disease (COVID-19), by mandating temporary work stoppage in many sectors and imposing limitations on travel and size and duration of group meetings. Most industries are experiencing disruption to business operations and the impact of reduced consumer spending. There is unprecedented uncertainty surrounding the duration of the pandemic, its potential economic ramifications, and any government actions to mitigate them. Accordingly, while management cannot quantify the financial and other future impact to the Board as of February 5, 2021, management believes that a material impact on the Board's financial position and results of future operations is reasonably possible.

CITY OF CAPE CANAVERAL, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(13) **Risk Management:**

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

(14) **Fund Deficits:**

The School Crossing Guard Fund deficit of \$2,164 represents the cumulative costs associated with capital improvements and excess of expenditures over revenues. This deficit is to be funded by future fines and forfeitures. The Special Law Enforcement Trust Fund deficit of \$13,487 represents the cumulative costs associated with capital improvements and excess of expenditures over revenues. This deficit is to be funded by future fines and forfeitures. The Capital Construction Fund deficit of \$853,452 represents the cumulative costs associated with capital improvements and excess of expenditures over revenues. This deficit is to be funded by future general fund transfers.

(15) **Tax Abatements:**

The City entered into an agreement with a local corporation to abate certain ad valorem taxes in exchange for economic incentives. Article VII, Section 3 of the Florida Constitution and Section 16.1995, Florida Statutes, and the electorate of the City, have granted City Council the authority to grant property tax exemptions for new business and expansions of existing businesses. The City Council approved Ordinance 05-2016, granting the corporation an ad valorem tax exemption for a term of ten years. During the year ended September 30, 2020, no taxes were abated.

CITY OF CAPE CANAVERAL, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(16) **Recent Accounting Pronouncements:**

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

- (a) GASB issued Statement No. 84, *Fiduciary Activities*, in January 2017. GASB 84 improves guidance regarding the identification and reporting of fiduciary activities. The provisions in GASB 84 are effective for periods beginning after December 15, 2019.
- (b) GASB issued Statement No. 87, *Leases*, in June 2017. GASB 87 increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The provisions in GASB 87 are effective for periods beginning after June 15, 2021.
- (c) GASB issued Statement No. 90, *Majority Equity Interests-an amendment of GASB Statements No. 14 and No. 61*, in August 2018. GASB 90 improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and improves the relevance of financial statement information for certain component units. The provisions in GASB 90 are effective for periods beginning after December 15, 2019.

**Combining and Individual
Fund Statements and Schedules**

Special Revenue Funds

Special Revenue Funds are used to account for specific taxes or other earmarked revenue sources that are legally restricted to expenditure for particular purposes.

Police Education

This Fund accounts for training costs for police. Revenues are provided from court fees collected from Cape Canaveral proceedings.

Fire Protection

This Fund accounts for fire protection costs. Revenues are provided from impact fees assessed on new residential and commercial construction over two stories high.

School Crossing Guard

This Fund accounts for the cost of a school crossing guard. Revenues are derived from a \$10 surcharge on parking citations issued within the City.

Library

This Fund accounts for revenues levied within the property tax millage for maintenance of the public library.

Special Law Enforcement

This Fund accounts for the receipt and disbursement of confiscated contraband property proceeds from certain criminal cases pursuant to Florida Statutes.

**CITY OF CAPE CANAVERAL, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020**

	Special Revenue Funds					Total
	Police Education	Fire Protection	School Crossing Guard	Library	Special Law Enforcement Trust	
Assets						
Equity in pooled cash and investments	\$ 24,755	\$ 31,760	\$ -	\$ 457,826	\$ -	\$ 514,341
Due from other governments	-	-	-	6,073	-	6,073
Total assets	<u>\$ 24,755</u>	<u>\$ 31,760</u>	<u>\$ -</u>	<u>\$ 463,899</u>	<u>\$ -</u>	<u>\$ 520,414</u>
Liabilities						
Accounts payable and accrued liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,164</u>	<u>\$ -</u>	<u>\$ 13,487</u>	<u>\$ 15,651</u>
Fund Balances						
Restricted for:						
Public safety	24,755	31,760	-	-	-	56,515
Culture/recreation	-	-	-	463,899	-	463,899
Unassigned	-	-	(2,164)	-	(13,487)	(15,651)
Total fund balances	<u>24,755</u>	<u>31,760</u>	<u>(2,164)</u>	<u>463,899</u>	<u>(13,487)</u>	<u>504,763</u>
Total liabilities and fund balances	<u>\$ 24,755</u>	<u>\$ 31,760</u>	<u>\$ -</u>	<u>\$ 463,899</u>	<u>\$ -</u>	<u>\$ 520,414</u>

**CITY OF CAPE CANAVERAL, FLORIDA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	Special Revenue Funds					
	Police Education	Fire Protection	School Crossing Guard	Library	Special Law Enforcement	Total
Revenues						
Property taxes	\$ -	\$ -	\$ -	\$ 70,486	\$ -	\$ 70,486
Fines and forfeitures	1,351	-	1,668	-	-	3,019
Impact fees	-	23,801	-	30,331	-	54,132
Investment earnings (losses)	335	257	-	8,833	48	9,473
Total revenues	1,686	24,058	1,668	109,650	48	137,110
Expenditures						
Current:						
Public Safety	-	-	-	-	8,598	8,598
Culture and Recreation	-	-	-	23,121	-	23,121
Capital outlay	-	-	-	28,469	-	28,469
Total expenditures	-	-	-	51,590	8,598	60,188
Excess (deficiency) of revenues over expenditures	1,686	24,058	1,668	58,060	(8,550)	76,922
Other financing sources (uses)						
Transfers out	-	-	(2,385)	-	-	(2,385)
Net change in fund balances	1,686	24,058	(717)	58,060	(8,550)	74,537
Fund balances, beginning of year	23,069	7,702	(1,447)	405,839	(4,937)	430,226
Fund balances, end of year	\$ 24,755	\$ 31,760	\$ (2,164)	\$ 463,899	\$ (13,487)	\$ 504,763

CITY OF CAPE CANAVERAL, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020

	Special Revenue Funds							
	Police Education				Fire Protection			
	Budgeted Amounts		Actual	Variance Positive (Negative)	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final			Original	Final		
Revenues								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	999	1,351	1,351	-	-	-	-	-
Impact fees	-	-	-	-	24,372	23,801	23,801	-
Investment earnings (losses)	196	335	335	-	168	257	257	-
Miscellaneous	-	-	-	-	-	-	-	-
Total revenues	<u>1,195</u>	<u>1,686</u>	<u>1,686</u>	<u>-</u>	<u>24,540</u>	<u>24,058</u>	<u>24,058</u>	<u>-</u>
Expenditures								
Current:								
Public Safety:								
Fire	-	-	-	-	24,540	24,058	-	24,058
Police	1,195	1,686	-	1,686	-	-	-	-
Total Public Safety	<u>1,195</u>	<u>1,686</u>	<u>-</u>	<u>1,686</u>	<u>24,540</u>	<u>24,058</u>	<u>-</u>	<u>24,058</u>
Culture and Recreation:								
Library	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	<u>1,195</u>	<u>1,686</u>	<u>-</u>	<u>1,686</u>	<u>24,540</u>	<u>24,058</u>	<u>-</u>	<u>24,058</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>1,686</u>	<u>1,686</u>	<u>-</u>	<u>-</u>	<u>24,058</u>	<u>24,058</u>
Other financing sources (uses)								
Transfers out	-	-	-	-	-	-	-	-
Net change in fund balances	<u>-</u>	<u>-</u>	<u>1,686</u>	<u>1,686</u>	<u>-</u>	<u>-</u>	<u>24,058</u>	<u>24,058</u>
Fund balances, beginning of year	23,069	23,069	23,069	-	7,702	7,702	7,702	-
Fund balances, end of year	<u>\$ 23,069</u>	<u>\$ 23,069</u>	<u>\$ 24,755</u>	<u>\$ 1,686</u>	<u>\$ 7,702</u>	<u>\$ 7,702</u>	<u>\$ 31,760</u>	<u>\$ 24,058</u>

CITY OF CAPE CANAVERAL, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL (Continued)
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020

	Special Revenue Funds							
	School Crossing Guard				Library			
	Budgeted Amounts		Actual	Variance Positive (Negative)	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final			Original	Final		
Revenues								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 69,149	\$ 70,486	\$ 70,486	\$ -
Fines and forfeitures	1,560	1,668	1,668	-	-	-	-	-
Impact fees	-	-	-	-	-	30,331	30,331	-
Investment earnings (losses)	825	-	-	-	6,222	8,833	8,833	-
Miscellaneous	-	-	-	-	-	-	-	-
Total revenues	<u>2,385</u>	<u>1,668</u>	<u>1,668</u>	<u>-</u>	<u>75,371</u>	<u>109,650</u>	<u>109,650</u>	<u>-</u>
Expenditures								
Current:								
Public Safety:								
Fire	-	-	-	-	-	-	-	-
Police	-	-	-	-	-	-	-	-
Total Public Safety	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Culture and Recreation:								
Library	-	-	-	-	45,371	81,181	23,121	58,060
Capital outlay	-	-	-	-	30,000	28,469	28,469	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,371</u>	<u>109,650</u>	<u>51,590</u>	<u>58,060</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,385</u>	<u>1,668</u>	<u>1,668</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>58,060</u>	<u>58,060</u>
Other financing sources (uses)								
Transfers out	(2,385)	(2,385)	(2,385)	-	-	-	-	-
Net change in fund balances	<u>-</u>	<u>(717)</u>	<u>(717)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>58,060</u>	<u>58,060</u>
Fund balances, beginning of year	(1,447)	(1,447)	(1,447)	-	405,839	405,839	405,839	-
Fund balances, end of year	<u>\$ (1,447)</u>	<u>\$ (2,164)</u>	<u>\$ (2,164)</u>	<u>\$ -</u>	<u>\$ 405,839</u>	<u>\$ 405,839</u>	<u>\$ 463,899</u>	<u>\$ 58,060</u>

CITY OF CAPE CANAVERAL, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL (Continued)
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020

	Special Revenue Funds			
	Special Law Enforcement			
	Budgeted Amounts		Actual	Variance Positive (Negative)
Original	Final			
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-
Impact fees	-	-	-	-
Investment earnings (losses)	72	48	48	-
Miscellaneous	1,000	-	-	-
Total revenues	<u>1,072</u>	<u>48</u>	<u>48</u>	<u>-</u>
Expenditures				
Current:				
Public Safety:				
Fire	-	-	-	-
Police	8,598	8,598	8,598	-
Total Public Safety	<u>8,598</u>	<u>8,598</u>	<u>8,598</u>	<u>-</u>
Culture and Recreation:				
Library	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>8,598</u>	<u>8,598</u>	<u>8,598</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,526)</u>	<u>(8,550)</u>	<u>(8,550)</u>	<u>-</u>
Other financing sources (uses)				
Transfers out	-	-	-	-
Net change in fund balances	<u>(7,526)</u>	<u>(8,550)</u>	<u>(8,550)</u>	<u>-</u>
Fund balances, beginning of year	(4,937)	(4,937)	(4,937)	-
Fund balances, end of year	<u>\$ (12,463)</u>	<u>\$ (13,487)</u>	<u>\$ (13,487)</u>	<u>\$ -</u>

Statistical Section

Statistical Section

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

<u>Contents</u>	<u>Page</u>
Financial Trends	81
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
Revenue Capacity	86
These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.	
Debt Capacity	91
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
Demographic and Economic Information	95
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
Operating Information	96
These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Report for the relevant fiscal year.

Net Assets by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year					Fiscal Year				
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Governmental activities:										
Investment in capital assets, net of related debt	\$ 25,098,106	\$ 24,420,158	\$ 23,031,722	\$ 15,762,142	\$ 17,995,928	\$ 13,333,909	\$ 12,919,882	\$ 15,842,742	\$ 16,153,413	\$ 16,192,759
Restricted	890,457	1,093,129	1,240,280	715,241	1,538,482	1,691,174	1,296,710	1,162,204	1,001,741	1,243,408
Unrestricted	4,841,643	3,680,573	3,313,663	9,651,795	5,850,230	7,844,092	8,219,219	5,835,996	5,800,091	5,802,065
Total governmental activities net assets	30,830,206	29,193,860	27,585,665	26,129,178	25,384,640	22,869,175	22,435,811	22,840,942	22,955,245	23,238,232
Business-type activities:										
Investment in capital assets, net of related debt	18,991,455	18,079,535	18,534,388	18,230,977	17,252,487	15,697,879	14,389,471	12,986,307	12,774,301	11,792,700
Restricted	301,698	331,621	311,774	523,141	327,160	175,579	423,939	396,648	428,741	453,489
Unrestricted	2,071,165	2,803,100	2,365,518	2,565,993	3,154,768	2,395,488	2,840,010	3,237,865	2,951,894	3,335,775
Total business-type activities net assets	21,364,318	21,214,256	21,211,680	21,320,111	20,734,415	18,268,946	17,653,420	16,620,820	16,154,936	15,581,964
Primary government:										
Investment in capital assets, net of related debt	44,089,561	42,499,693	41,566,110	33,993,119	35,248,415	29,031,788	27,309,353	28,829,049	28,927,714	27,985,459
Restricted	1,192,155	1,424,750	1,552,054	1,238,382	1,865,642	1,866,753	1,720,649	1,333,852	1,430,482	1,696,897
Unrestricted	6,912,808	6,483,673	5,679,181	12,217,788	9,004,998	10,239,580	11,059,229	9,298,861	8,751,985	9,137,840
Total primary government net assets	\$ 52,194,524	\$ 50,408,116	\$ 48,797,345	\$ 47,449,289	\$ 46,119,055	\$ 41,138,121	\$ 40,089,231	\$ 39,461,762	\$ 39,110,181	\$ 38,820,196

**Changes in Net Assets
Last Ten Fiscal Years (accrual basis of accounting)**

	Fiscal Year					Fiscal Year				
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Expenses:										
Governmental activities										
General government	\$ 1,733,788	\$ 1,912,122	\$ 2,113,111	\$ 1,738,078	\$ 1,729,277	\$ 1,506,243	\$ 1,196,010	\$ 1,176,016	\$ 1,113,604	\$ 691,932
Public safety	5,340,323	5,114,039	4,813,735	4,758,227	4,806,887	4,533,243	4,988,955	4,786,742	4,669,217	4,616,255
Transportation	-	-	-	-	968,272	982,291	976,126	989,959	1,068,023	1,039,001
Physical environment	-	-	-	-	1,059,367	1,039,747	971,376	969,778	879,353	856,790
Infrastructure Maintenance*	2,827,052	2,803,492	2,530,280	2,879,334	-	-	-	-	-	-
Culture/recreation	822,896	758,247	671,362	641,703	640,356	570,491	721,749	568,356	585,452	467,498
Community Redevelopment*	7,695	16,879	2,508	102,732	-	-	-	-	-	-
Unallocated depreciation	-	-	-	-	-	-	-	-	-	-
Interest on long-term debt	145,695	166,650	211,511	101,772	94,236	104,385	47,124	-	-	-
Total governmental activities expenses	10,877,449	10,771,429	10,342,507	10,221,846	9,298,395	8,736,400	8,901,340	8,490,851	8,315,649	7,671,476
Business-type activities:										
Wastewater utility	4,120,583	3,692,274	3,560,126	3,149,054	2,916,035	2,873,515	2,867,552	2,946,743	3,015,636	2,934,729
Stormwater utility	693,025	614,469	685,002	526,404	537,809	526,065	463,618	427,634	336,503	279,213
Total business-type activities expenses	4,813,608	4,306,743	4,245,128	3,675,458	3,453,844	3,399,580	3,331,170	3,374,377	3,352,139	3,213,942
Total primary-government expenses	\$ 15,691,057	\$ 15,078,172	\$ 14,587,635	\$ 13,897,304	\$ 12,752,239	\$ 12,135,980	\$ 12,232,510	\$ 11,865,228	\$ 11,667,788	\$ 10,885,418
Program revenue										
Governmental activities:										
Charges for Services:										
General government	\$ 97,732	\$ 4,035	\$ 5,981	\$ 17,192	\$ 49,413	\$ 20,552	\$ 22,890	\$ 17,376	\$ 3,757	\$ 105
Public safety	779,155	1,160,043	676,100	569,568	471,722	614,254	509,007	528,502	368,253	324,504
Physical environment	1,176,442	1,123,123	1,087,639	1,059,788	1,058,515	1,050,377	983,463	978,586	914,873	890,489
Culture/recreation	104,976	85,646	76,287	67,081	87,210	79,947	85,832	88,413	100,305	75,880
Operating Grants and Contributions										
Public safety	5,070	-	-	-	-	-	-	-	-	-
Transportation	353,299	383,440	320,181	332,189	333,666	303,353	283,621	319,888	-	-
Culture/recreation	-	-	-	-	-	-	-	986	8,922	8,060
Capital Grants and Contributions										
General government	-	-	-	-	-	-	-	2,804	211	-
Public safety	-	-	-	-	-	-	-	7,635	376	-
Transportation	615,279	73,195	5,123	455,249	818,647	13,886	293,678	92,420	2,800	490,255
Culture/recreation	2,000	-	50,000	5,000	-	-	-	695	463	-
Total governmental activities program revenue	3,133,953	2,829,482	2,221,311	2,506,067	2,819,173	2,082,369	2,178,491	2,037,305	1,399,960	1,789,293
Business-type activities:										
Charges for services:										
Wastewater utility	4,389,709	4,126,467	4,014,216	3,964,016	4,099,508	3,732,961	3,569,928	3,363,595	3,601,830	3,376,100
Stormwater utility	987,529	852,611	747,234	637,061	582,331	580,543	579,494	577,141	400,035	344,596
Capital grants and contributions										
Stormwater utility	-	-	-	465,038	-	-	-	-	-	-
Total business-type activities program revenue	5,377,238	4,979,078	4,761,450	5,066,115	4,681,839	4,313,504	4,149,422	3,940,736	4,001,865	3,720,696
Total primary government program revenue	\$ 8,511,191	\$ 7,808,560	\$ 6,982,761	\$ 7,572,182	\$ 7,501,012	\$ 6,395,873	\$ 6,327,913	\$ 5,978,041	\$ 5,401,825	\$ 5,509,989

**Changes in Net Assets
Last Ten Fiscal Years
(accrual basis of accounting)**

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Net (expense) revenue										
Governmental activities	\$ (7,743,496)	\$ (7,941,947)	\$ (8,121,196)	\$ (7,715,779)	\$ (6,479,222)	\$ (6,654,031)	\$ (6,722,849)	\$ (6,453,546)	\$ (6,915,689)	\$ (5,882,183)
Business-type activities	563,630	672,335	516,322	1,390,657	1,227,995	913,924	818,252	566,359	649,726	506,754
Total primary government net (expense) revenue	\$ (7,179,866)	\$ (7,269,612)	\$ (7,604,874)	\$ (6,325,122)	\$ (5,251,227)	\$ (5,740,107)	\$ (5,904,597)	\$ (5,887,187)	\$ (6,265,963)	\$ (5,375,429)
<i>General revenues and other changes in net assets</i>										
Governmental activities:										
Property taxes	\$ 4,721,416	\$ 4,533,714	\$ 4,434,439	\$ 3,546,026	\$ 3,349,568	\$ 3,280,632	\$ 3,244,566	\$ 3,225,873	\$ 3,246,835	\$ 3,701,683
Local option motor fuel taxes	-	-	-	-	-	-	-	319,888	343,960	270,065
Utility and franchise taxes	2,503,275	2,505,196	2,498,499	2,461,812	2,454,174	2,385,223	2,302,715	2,064,043	1,990,307	2,072,864
Unrestricted intergovernmental revenues	1,471,997	1,408,921	1,682,505	1,482,570	2,736,562	940,785	794,366	733,430	696,767	662,774
Investment income	204,746	271,544	164,414	76,501	77,593	80,687	65,002	118,418	177,045	189,713
Contributions and donations	-	-	-	25,072	-	-	-	-	-	-
Miscellaneous revenues	50,547	72,591	55,294	39,406	34,642	70,668	121,673	72,479	52,788	49,420
Transfers	427,861	758,176	700,925	828,930	342,148	329,400	(210,604)	125,000	125,000	125,000
Total governmental activities	9,379,842	9,550,142	9,536,076	8,460,317	8,994,687	7,087,395	6,317,718	6,659,131	6,632,702	7,071,519
Business-type activities:										
Investment income	14,293	17,255	17,079	18,568	16,769	26,314	16,903	24,525	47,254	54,761
Unrestricted intergovernmental revenues	-	-	-	-	1,558,083	-	-	-	-	-
Miscellaneous revenues	-	24,082	34,700	5,401	4,770	4,688	-	-	992	18,660
Transfers	(427,861)	(711,096)	(700,925)	(828,930)	(342,148)	(329,400)	210,604	(125,000)	(125,000)	(125,000)
Total business-type activities	(413,568)	(669,759)	(649,146)	(804,961)	1,237,474	(298,398)	227,507	(100,475)	(76,754)	(51,579)
Total primary government	\$ 8,966,274	\$ 8,880,383	\$ 8,886,930	\$ 7,655,356	\$ 10,232,161	\$ 6,788,997	\$ 6,545,225	\$ 6,558,656	\$ 6,555,948	\$ 7,019,940
Change in net assets:										
Government activities	\$ 1,636,346	\$ 1,608,195	\$ 1,414,880	\$ 744,538	\$ 2,515,465	\$ 433,364	\$ (405,131)	\$ 205,585	\$ (282,987)	\$ 1,189,336
Business-type activities	150,062	2,576	(132,824)	585,696	2,465,469	615,526	1,045,759	465,884	572,972	455,175
Total primary government change in net assets	\$ 1,786,408	\$ 1,610,771	\$ 1,282,056	\$ 1,330,234	\$ 4,980,934	\$ 1,048,890	\$ 640,628	\$ 671,469	\$ 289,985	\$ 1,644,511

Note: The city began reporting financial information on the accrual basis of accounting when it implemented GASB Statement No. 34 in fiscal year 2004.

* Break down to reflect auditors records in order to show Infrastructure Maintenance and Community Redevelopment totals separated.

**Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)**

	Fiscal Year					Fiscal Year				
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Fund										
Nonspendable	\$ 1,782	\$ 4,623	\$ 3,312	\$ 115,308	\$ 96,734	\$ 105,275	\$ 124,668	\$ 12,394	\$ 11,192	\$ 376,436
Restricted	343,022	612,387	774,321	321,574	447,214	542,083	430,314	249,194	227,475	47,645
Committed	6,805,686	6,427,779	6,598,862	7,153,028	2,479,667	4,393,882	5,024,941	2,264,838	-	-
Assigned	1,735,350	1,206,400	1,034,776	947,650	-	-	485,543	428,837	2,901,197	2,731,899
Unassigned (deficit)	3,849,504	3,523,099	3,072,957	3,282,575	3,981,139	3,585,562	3,026,331	3,285,868	3,035,218	2,831,584
Total general fund	<u>\$ 12,735,344</u>	<u>\$ 11,774,288</u>	<u>\$ 11,484,228</u>	<u>\$ 11,820,135</u>	<u>\$ 7,004,754</u>	<u>\$ 8,626,802</u>	<u>\$ 9,091,797</u>	<u>\$ 6,241,131</u>	<u>\$ 6,175,082</u>	<u>\$ 5,987,564</u>
All other Governmental Funds:										
Nonspendable	\$ -	\$ -	\$ 620	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,247
Restricted	547,435	480,742	465,959	393,667	1,091,268	1,149,091	866,396	913,010	774,266	1,189,516
Committed	-	-	-	843	2,257	3,113	-	-	4,119	7,762
Assigned	-	-	-	-	-	1,998	-	-	-	-
Unassigned (deficit)	(869,103)	(859,836)	(852,161)	(1,548,847)	(466,535)	-	(189,731)	-	-	-
Total all other governmental funds	<u>\$ (321,668)</u>	<u>\$ (379,094)</u>	<u>\$ (385,582)</u>	<u>\$ (1,154,337)</u>	<u>\$ 626,990</u>	<u>\$ 1,154,202</u>	<u>\$ 676,665</u>	<u>\$ 913,010</u>	<u>\$ 778,385</u>	<u>\$ 1,203,525</u>

Note: Implementation of GASB 54 in 2011 has changed fund balance designations.

**Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)**

	Fiscal Year					Fiscal Year				
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Revenues:										
Property Taxes	\$ 4,650,930	\$ 4,533,714	\$ 4,434,439	\$ 3,546,026	\$ 3,349,568	\$ 3,280,632	\$ 3,244,566	\$ 3,225,873	\$ 3,246,835	\$ 3,701,683
Local option fuel taxes	353,299	383,440	320,181	332,189	333,666	303,353	283,621	319,888	343,960	270,065
Utility and franchise taxes	2,408,107	2,432,396	2,433,499	2,384,812	2,385,437	2,327,660	2,242,170	2,005,288	1,926,356	2,001,431
Intergovernmental	1,126,427	2,062,390	1,903,580	2,128,985	2,911,743	1,107,604	1,237,160	968,271	840,488	1,207,232
Licenses and permits	330,810	594,184	401,431	301,520	218,773	324,649	214,674	240,605	187,851	174,371
Charges for services	1,339,726	1,286,197	1,238,322	1,195,654	1,184,568	1,187,150	1,178,777	1,177,491	1,052,443	1,004,528
Fines and forfeitures	40,137	218,722	6,990	14,565	29,690	80,412	84,173	68,477	32,810	43,743
Impact fees	767,502	540	2,160	25,978	556,989	16,046	-	-	-	-
Investment earnings	195,016	271,544	164,414	76,501	77,593	80,687	65,002	118,418	177,045	189,714
Contributions and donations	-	-	-	25,072	-	-	-	2,286	11,722	67,578
Miscellaneous	172,863	307,120	151,446	105,477	86,301	129,237	174,520	107,101	88,152	65,364
Total revenues	11,384,817	12,090,247	11,056,462	10,136,779	11,134,328	8,837,430	8,724,663	8,233,698	7,907,662	8,725,709
Expenditures:										
Current:										
General government	1,547,803	1,579,128	1,457,158	1,201,347	1,718,241	1,497,117	1,137,376	1,158,745	1,075,806	661,104
Community Development*	607,291	612,709	414,414	399,564	-	-	-	-	-	-
Public safety	5,114,044	4,932,439	4,659,316	4,582,436	4,547,434	4,270,231	4,686,563	4,536,967	4,443,899	4,457,143
Transportation	-	-	-	-	714,108	734,258	708,679	650,836	731,492	881,311
Physical environment	-	-	-	-	1,059,367	1,039,747	971,376	958,346	886,445	855,189
Infrastructure Maintenance*	2,330,198	2,326,371	2,085,620	2,627,268	-	-	-	-	-	-
Culture/recreation	542,093	597,242	554,635	537,003	529,267	468,430	629,639	505,509	505,436	394,860
Community Redevelopment	-	16,879	2,508	102,732	-	-	-	-	-	-
Capital outlay	316,037	1,148,599	856,195	4,077,012	8,933,674	3,678,426	5,089,128	386,968	741,895	2,318,682
Debt service:										
Principal	1,142,000	1,119,000	1,096,000	521,000	511,000	509,000	-	-	-	-
Interest	149,582	172,428	198,693	83,968	94,236	104,385	47,124	-	-	-
Total expenditures	11,749,048	12,504,795	11,324,539	14,132,330	18,107,327	12,301,594	13,269,885	8,197,371	8,384,973	9,568,289
Excess of revenues over (under) expenditures	(364,231)	(414,548)	(268,077)	(3,995,551)	(6,972,999)	(3,464,164)	(4,545,222)	36,327	(477,311)	(842,580)
Other financing sources (uses):										
Proceeds from sale of assets	-	-	-	675	4,110	12,567	99,119	39,347	114,689	10,103
Transfers In	1,399,096	1,484,187	2,516,822	2,708,179	6,979,075	4,467,764	5,435,060	353,120	125,000	125,000
Transfers Out	(73,809)	(773,091)	(1,815,897)	(1,879,249)	(2,159,446)	(1,003,625)	(3,874,636)	(228,120)	-	-
Issuance of long term debt	-	-	-	6,200,000	-	-	5,500,000	-	-	-
Total other financing sources (uses)	1,325,287	711,096	700,925	7,029,605	4,823,739	3,476,706	7,159,543	164,347	239,689	135,103
Net change in fund balances	\$ 961,056	\$ 296,548	\$ 432,848	\$ 3,034,054	\$ (2,149,260)	\$ 12,542	\$ 2,614,321	\$ 200,674	\$ (237,622)	\$ (707,477)

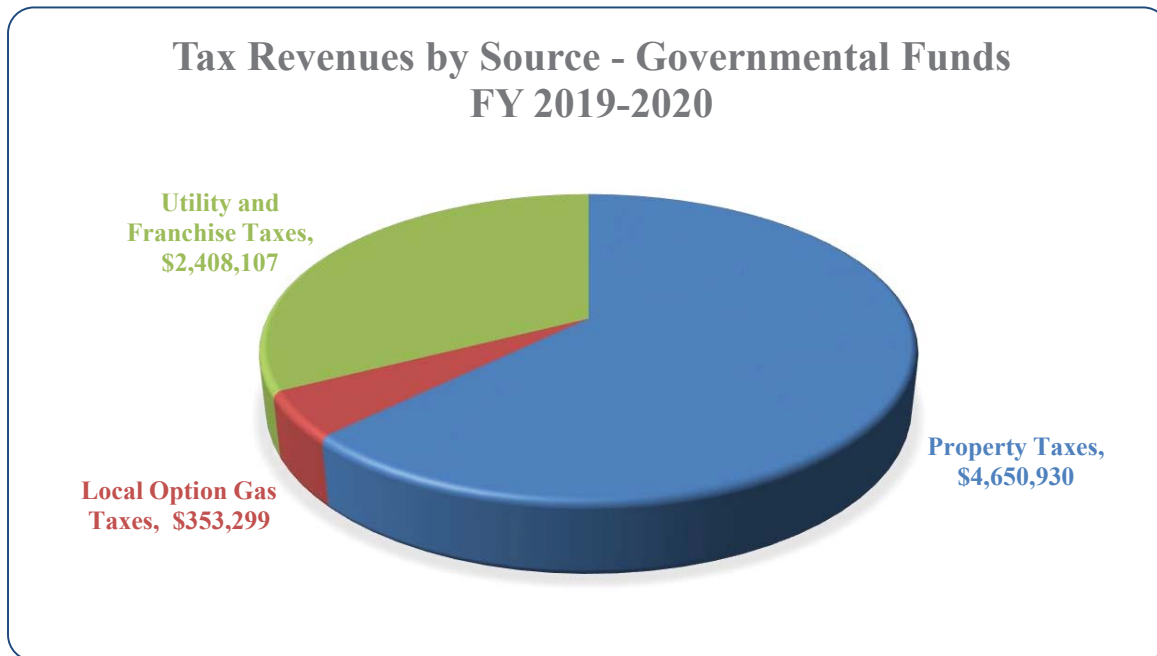
* New break down to reflect auditors records in order to show Infrastructure Maintenance and Community Redevelopment totals separated.

Debt Service as a Percentage of Noncapital

Expenditures	11.30%	11.37%	12.37%	6.02%	6.60%	7.11%	0.58%	0.00%	0.00%	0.00%
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**Tax Revenues by Source of Governmental Funds
Last Ten Fiscal Years**

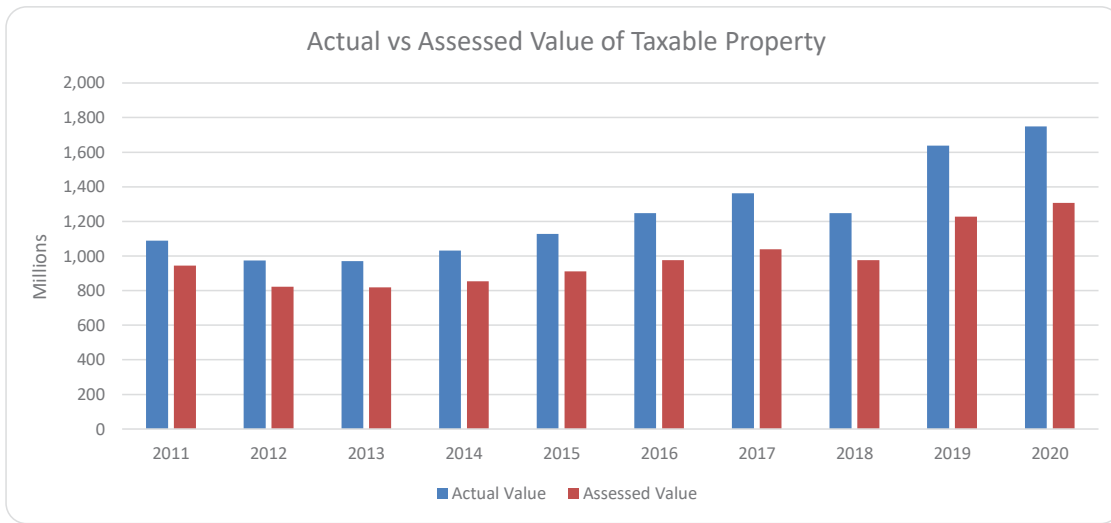
Fiscal Year Ending September 30	Property Taxes	Local Option Gas Taxes	Utility and Franchise Taxes	Total
2020	\$ 4,650,930	\$ 353,299	\$ 2,408,107	\$ 7,412,336
2019	\$ 4,464,086	\$ 383,440	\$ 2,432,396	\$ 7,279,922
2018	\$ 4,364,351	\$ 320,181	\$ 2,433,499	\$ 7,118,031
2017	\$ 3,482,123	\$ 332,189	\$ 2,384,812	\$ 6,199,124
2016	\$ 3,349,568	\$ 333,666	\$ 2,385,437	\$ 6,068,671
2015	\$ 3,280,632	\$ 303,353	\$ 2,327,660	\$ 5,911,645
2014	\$ 3,244,566	\$ 283,621	\$ 2,242,170	\$ 5,770,357
2013	\$ 3,225,873	\$ 319,888	\$ 2,005,288	\$ 5,551,049
2012	\$ 3,246,835	\$ 343,960	\$ 1,926,356	\$ 5,517,151
2011	\$ 3,701,683	\$ 270,065	\$ 2,001,431	\$ 5,973,179



Note: This schedule represents General Fund Revenues and Special Revenue Funds

Assessed Value and Actual Value of Taxable Property - Unaudited Last Ten Fiscal Years

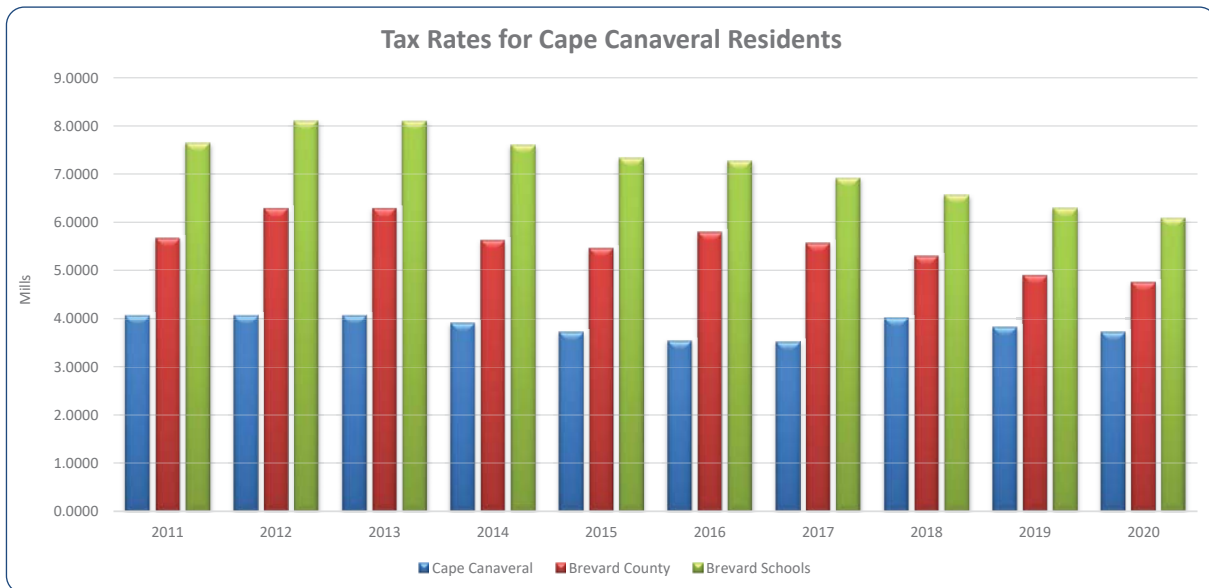
Fiscal Year Ending Sept. 20	Real Property	Personal Property	Estimated Actual Value	Exemptions Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Assessed Value as a Percentage of Actual Value
2020	\$ 1,700,785,860	48,681,522	1,749,467,382	178,290,148	1,306,681,294	3.7256	74.7%
2019	1,588,082,910	49,267,823	1,637,350,733	163,019,002	1,227,595,411	3.8288	75.0%
2018	1,471,785,620	45,960,609	1,517,746,229	155,035,175	1,139,320,084	4.0190	75.1%
2017	1,319,311,200	43,765,742	1,363,076,942	148,346,260	1,039,685,602	3.5235	76.3%
2016	1,210,304,710	37,596,222	1,247,900,932	139,827,608	976,475,444	3.5432	78.2%
2015	1,089,004,140	37,779,795	1,126,783,935	136,211,297	911,269,988	3.7246	80.9%
2014	997,910,830	32,828,416	1,030,739,246	134,809,299	854,722,277	3.9102	82.9%
2013	941,481,580	29,345,431	970,827,011	133,952,078	819,560,573	4.0739	84.4%
2012	946,202,570	28,849,632	975,052,202	135,604,108	822,683,104	4.0739	84.4%
2011	1,086,815,240	37,635,713	1,088,915,973	144,063,544	944,852,429	4.0739	86.8%



Source: Brevard County Property Appraiser (Form DR-403V)

**Property Tax Rates - Direct and Overlapping Governments - Unaudited
Last Ten Fiscal Years**

Fiscal Year	Mills (per \$1,000 of assessed valuation)							
	Library	Cape Canaveral (1)				Brevard County & Other	Brevard School District	Total Direct & Overlapping Rates
		Police	Fire	Beautification	Total			
2020	0.0556			3.6700	3.7256	4.7599	6.0860	14.5715
2019	0.0588			3.7700***	3.8288	4.8938	6.2990	15.0216
2018	0.0635			3.9555***	4.0190	5.3069	6.5680	15.8939
2017	0.0635			3.4600***	3.5235	5.5753	6.9160	16.0148
2016	0.0635			3.4797***	3.5432	5.8035	7.2750	16.6217
2015	0.0666			3.6580***	3.7246	5.4589	7.3390	16.5225
2014	0.0709	1.9187	1.4390	0.4816	3.9102	5.6254	7.6060	17.1416
2013	0.0739	2.0000	1.5000	0.5000	4.0739	6.2857	8.0960	18.4556
2012	0.0739	2.0000	1.5000	0.5000	4.0739	6.2857	8.1120	18.4716
2011	0.0739	2.0000	1.5000	0.5000	4.0739	5.6752	7.6530	17.4021



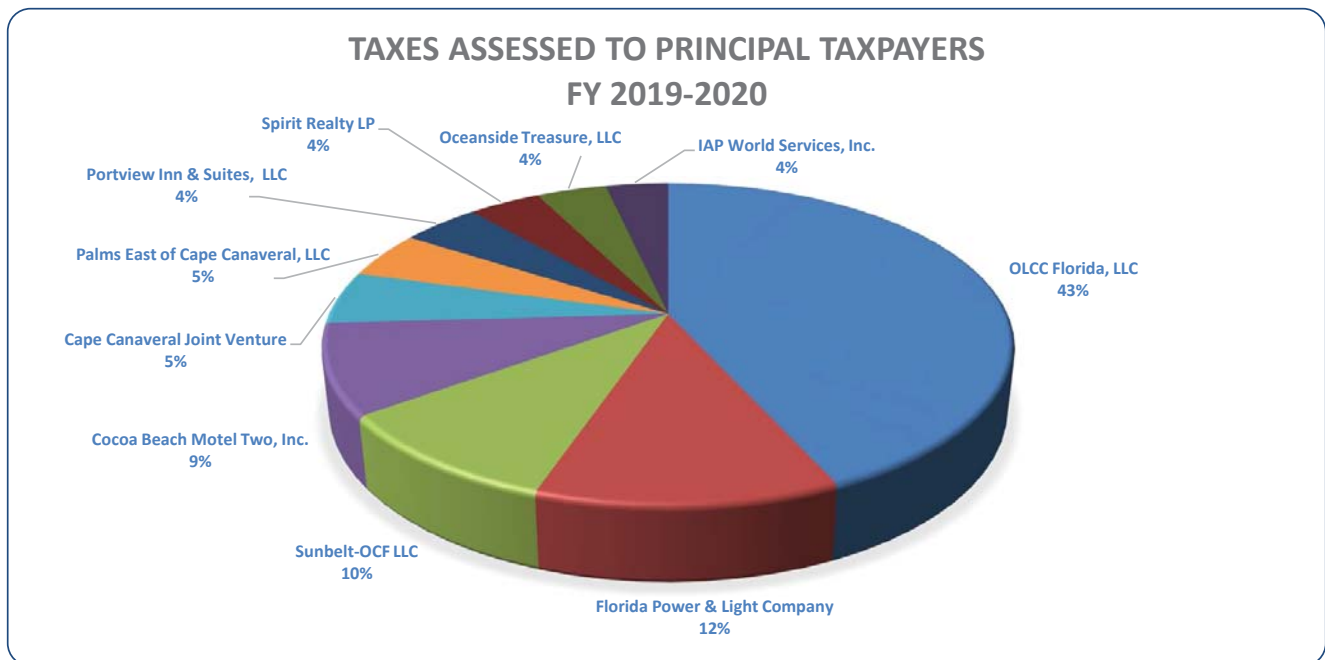
*** 2015 is the 1st year of a General Millage for Cape Canaveral

Source:

- (1) Millage Rate includes General Fund and Library Fund
- (2) Brevard County Property Appraiser DR-403BM & DR-403CC

**Principal Property Taxpayers (Major Taxpayers) - Unaudited
Current Year and Ten Years Ago**

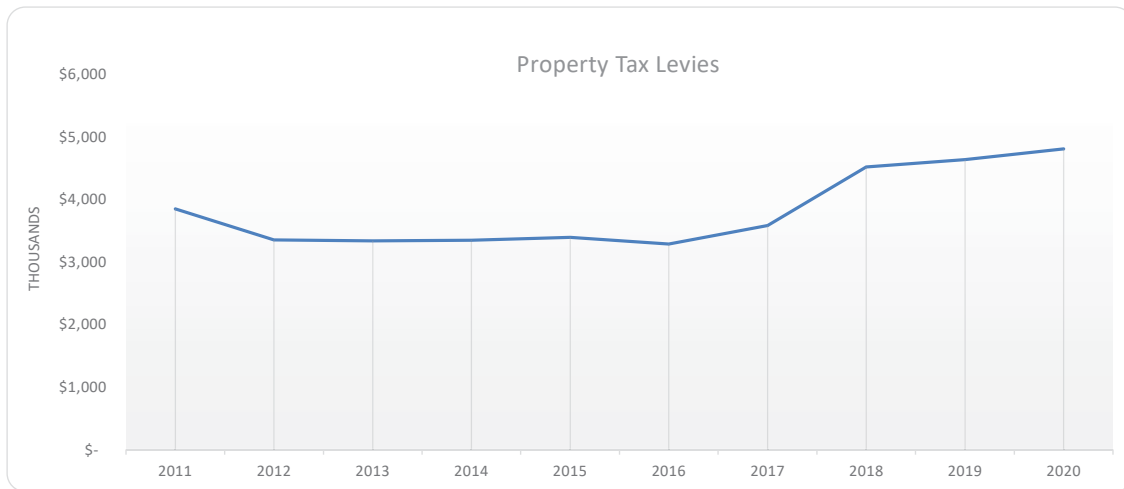
Taxpayer	Product/Service	Year Ended September 30, 2020			Year Ended September 30, 2011		
		Tax Assessed	Rank	Percent of Total City Taxable Value	Tax Assessed	Rank	Percent of Total City Taxable Value
OLCC Florida, LLC (Holiday Inn Vacation)	Time Share Dvlpmnt	\$ 207,534.43	1	4.32%			
Florida Power & Light Company	Utility	57,753.64	2	1.20%			
Sunbelt-OCF LLC (Homewood Suites)	Hotel	46,829.20	3	0.98%			
Cocoa Beach Motel Two, Inc. (Radisson)	Hotel	43,645.40	4	0.91%			
Cape Canaveral Joint Venture (8550 Astronaut)	N/A	25,531.16	5	0.53%	109,011	3	1.89%
Palms East of Cape Canaveral, LLC	Rental Property	22,647.57	6	0.47%	91,518	5	1.59%
Portview Inn & Suites, LLC (Country Inn)	Hotel	21,004.51	7	0.44%	97,747	4	1.70%
Spirit Realty LP	Real Estate	19,539.08	8	0.41%			
Oceanside Treasure, LLC	Condominium	18,872.98	9	0.39%	67,027	10	1.16%
IAP World Services, Inc.	Security Contractor	16,874.66	10	0.35%	-	0	0.00%
Cape Caribe	Time Share Dvlpmnt				1,057,222	1	18.37%
Puerto Del Rio, LLC.	Condominium				139,247	2	2.42%
Coastal Terminals, LLC	N/A				81,560	7	1.42%
A1A Acquisition Group, LTD., LLC	N/A				89,712	6	1.56%
Canaveral Properties, LLC					67,158	9	1.17%
Bayport, LLC	Real Estate Dvlpmnt				76,349	8	1.33%
Total Taxes Assessed		\$ 480,233		10.00%	\$1,876,551		32.61%



Source: Brevard County Tax Collector

**Property Tax Levies and Collections - Unaudited
Last Ten Fiscal Years**

Fiscal Year	Current Year Collections			Total Collections to Date		
	Amount Levied	Amount Collected	Percentage of Levy	Delinquent Tax Collections (1)	Total Amount Collected	Percentage of Levy
2020	\$ 4,807,848	\$ 4,642,024	96.55%	\$ 56,479	\$ 4,698,503	98%
2019	4,635,991	4,467,439	96.36%	41,614	4,509,053	97%
2018	4,518,710	4,448,749	98.45%	34,723	4,483,472	99%
2017	3,583,769	3,582,073	99.95%	42,618	3,624,691	101%
2016	3,286,001	3,285,438	99.98%	64,129	3,349,567	102%
2015	3,393,383	3,280,632	96.68%	50,621	3,331,253	98%
2014	3,344,618	3,244,566	97.01%	65,851	3,310,417	99%
2013	3,338,808	3,175,256	95.10%	116,468	3,291,724	99%
2012	3,350,872	3,184,597	95.04%	89,352	3,273,949	98%
2011	3,848,393	3,701,217	96.18%	100,626	3,801,843	99%



Source: Brevard County Property Appraiser and Tax Collector
(Includes delinquent taxes, penalties and tax certificates.)

**Ratios of Outstanding Debt by Type - Unaudited
Last Ten Fiscal Years**

Fiscal Year	Governmental Activities		Business-Type Activities		Total	Total Personal Income (a)	Percentage of Personal Income	Per Capita ^(b)
	Revenue Note Payable	Capital Leases	State Revolving Loans					
2020	\$ 6,802,000	\$ -	\$ 7,964,498	\$ 14,766,498	446,660,638	3.31%	1,428	
2019	7,944,000	-	8,413,099	16,357,099	446,876,276	3.66%	1,597	
2018	9,063,000	-	7,012,461	16,075,461	434,402,052	3.70%	1,572	
2017	10,159,000	-	5,266,711	15,425,711	445,002,064	3.47%	1,510	
2016	4,480,000	-	4,107,608	8,587,608	399,564,620	2.15%	832	
2015	4,991,000	-	2,245,786	7,096,069	340,791,737	2.08%	706	
2014	5,500,000	-	1,423,228	6,302,051	346,961,640	1.82%	629	
2013	-	-	2,020,187	2,020,187	351,582,346	0.57%	202	
2012	-	-	2,268,987	1,684,340	350,070,168	0.48%	170	
2011	-	-	2,836,184	2,836,184	319,379,658	0	272	

Source: (1) Economic Development Commission of Florida's Space Coast.

(2) University of Florida, Bureau of Economic & Business Research

Note: Details regarding the City's outstanding debt are located in the Notes to Financial Statements.

**Ratio of Net General Obligation Bonded Debt to Assessed Value and
Net Bonded Debt Per Capita - Unaudited
Last Ten Fiscal Years**

Fiscal Year	Population (a)	Assessed Value (b)	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed	Net Bonded Debt Per Capita
2020	10,342	1,306,681,294	-	0.00%	0.00
2019	10,241	1,227,415,621	-	0.00%	0.00
2018	10,227	1,138,556,594	-	0.00%	0.00
2017	10,218	1,039,685,602	-	0.00%	0.00
2016	10,322	976,221,712	-	0.00%	0.00
2015	10,049	911,269,988	-	0.00%	0.00
2014	10,022	854,722,277	-	0.00%	0.00
2013	9,987	819,560,573	-	0.00%	0.00
2012	9,926	822,683,104	-	0.00%	0.00
2011	10,426	944,852,429	-	0.00%	0.00

Source: (1) University of Florida, Bureau of Economic & Business Research
(2) Brevard County Property Appraiser (DR-420)

**Direct and Overlapping Governmental Activities Debt
September 30, 2020**

Governmental Unit	Debt Outstanding (1)	Applicable Percentage (2)	City's Estimated Share of Direct and Overlapping Debt
Brevard County	\$ 39,165,601	1.70%	\$ 667,661
City of Cape Canaveral Direct Debt (Governmental Activities)			
Revenue Note			6,802,000
Total Direct and Overlapping Debt			\$ 7,469,661

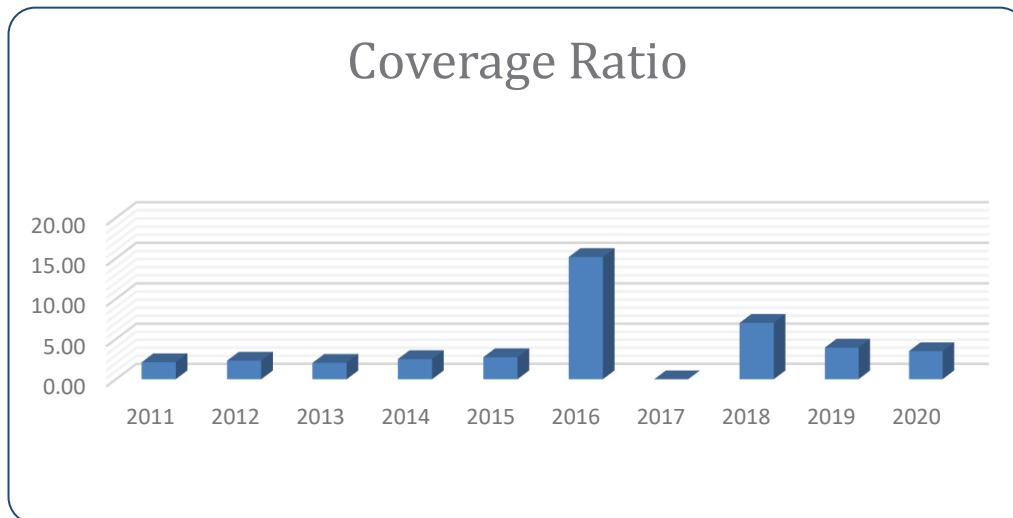
Source:

(1) Brevard County Comprehensive Annual Financial Report. Table 12

(2) <https://www.census.gov/quickfacts/capecanaveralcityflorida>

**Pledged Revenue Coverage - Wastewater System - Unaudited
Last Ten Fiscal Years**

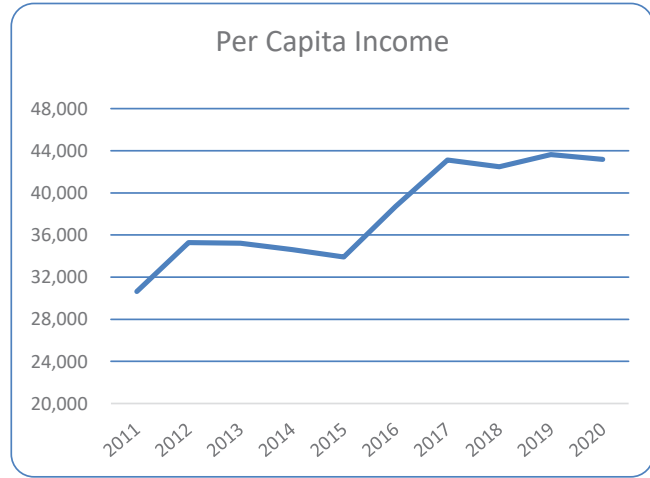
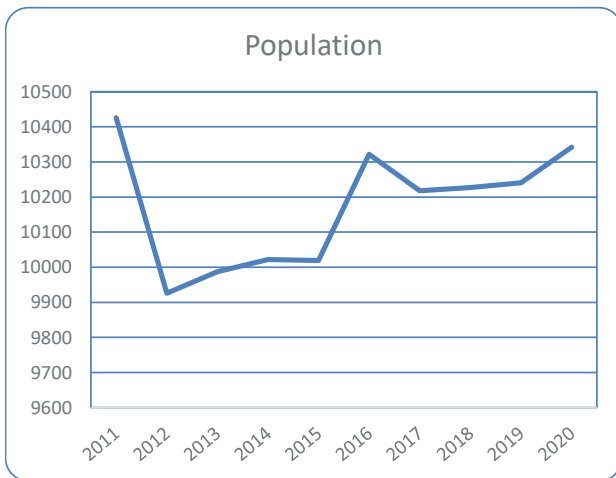
Fiscal Year	Debt Coverage Revenues (a)	Debt Service Requirements (b)	Debt Service Coverage (c)	Direct Operating Expenses (Excluding Depreciation) (d)	Operating Coverage (e)
2020	\$ 4,389,709	\$ 536,900	8.18	\$ 2,511,964	3.50
2019	4,126,497	513,080	8.04	2,106,963	3.94
2018	4,014,216	251,981	15.93	2,246,030	7.02
2017	3,964,016	-	n/a	2,031,279	n/a
2016	4,099,508	144,927	28.29	1,903,323	15.15
2015	3,732,961	649,383	5.75	1,952,830	2.74
2014	3,569,928	649,383	5.50	1,946,033	2.50
2013	3,363,595	649,383	5.18	2,040,297	2.04
2012	3,602,765	649,383	5.55	2,101,172	2.31
2011	3,376,100	641,383	5.26	2,022,564	2.11



- Notes: (1) Total debt coverage revenues and connection fees
 (2) Total operating expenses net of depreciation
 (3) Debt Service Coverage based on Operating Revenues
 (4) Required coverage is 1.25 for Bonds (1.15 and 1.20 for state loans)

**Demographic Statistics - Unaudited
Last Ten Fiscal Years**

Fiscal Year	Population (a)	Median Age (a)	Unemployment Rate (a)	Per Capita Personal Income (a)	Median Household Income (a)	School Enrollment (b)
2020	10,342	54.5	6.7%	\$ 43,189	\$ 54,653	360
2019	10,241	54.5	2.1%	43,636	47,612	380
2018	10,227	54.3	3.0%	42,476	47,610	394
2017	10,218	54.1	4.8%	43,112	50,032	385
2016	10,322	53.7	5.5%	38,710	44,768	427
2015	10,019	53.6	6.0%	33,913	41,222	369
2014	10,022	52.5	6.4%	34,620	45,577	369
2013	9,987	48.3	7.9%	35,204	43,881	368
2012	9,926	48.3	9.9%	35,268	46,060	375
2011	10,426	50.0	11.1%	30,633	40,468	362



Source: (1) Economic Development Commission of Florida's Space Coast
(2) Cape View Elementary

**Principal Employers - Unaudited
Current Year and Ten Years Ago**

Employer	2020			2011		
	Number of Employees	Rank	Percentage of Total County Employment	Number of Employees	Rank	Percentage of Total County Employment
School Board of Brevard County	9,362	1	3.34%	9,140	1	3.65%
Health First Medical Group LLC	8,909	2	3.18%	6,350	2	2.54%
Harris Corporation	7,750	3	2.76%	6,130	3	2.45%
Northrop Grumman Corporation	3,208	4	1.14%			
Brevard County	2,891	5	1.03%	2,390	5	0.95%
Department of Defense	2,869	6	1.02%	2,260	6	0.90%
NASA	2,033	7	0.72%	2,210	8	0.88%
New Rockwell Collins Inc.	1,978	8	0.71%			
Teletch Services Corp	1,975	9	0.70%			
Steward Medical Group	1,955	10	0.70%			
Health Management Associates				2,220	7	0.89%
Brevard Community College				1,580	9	0.63%
Rockwell Collins Inc				1,500	10	0.60%
United Space Alliance				3,830	4	1.53%
Total	42,930		15.30%	33,780		13.49%

Source: Economic Development Commission of Florida's Space Coast.

Note: Figures are for Brevard County. No City figures are available.

**Full-Time Equivalent City Government Employees by Function/Program - Unaudited
Last Ten Fiscal Years**

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<u>Function/program</u>										
General Government:										
Executive/Administration	6.00	5.50	5.00	5.00	5.00	5.00	5.00	5.00	4.00	4.00
Finance	6.00	5.00	5.00	5.00	4.00	4.00	4.00	3.50	3.00	3.00
Building Department	6.80	6.80	5.80	5.80	5.50	6.00	6.00	5.00	5.00	5.50
Recreation	6.40	7.40	7.06	7.06	6.40	7.00	8.00	7.00	7.00	5.50
Infrastructure Maintenance Dept.	7.00	7.00	7.00	7.00	7.00	7.00	7.00	6.00	6.00	7.00
Economic Development	1.00	1.00	1.00	1.00	1.00	-	-	-	-	-
Community Engagement	1.00	2.00	1.00	1.00	-	-	-	-	-	-
Public Safety:										
Crossing Guards	1.00	1.00	1.00	1.00	1.00	1.50	1.50	1.50	1.50	1.50
Code Enforcement	3.00	2.53	2.00	2.00	2.00	2.00	2.00	2.00	1.00	1.50
Public Works:										
Waste Water Treatment Plant	15	14.54	13.19	12.19	17.00	15.00	17.00	18.00	18.00	19.50
Stormwater	1.00	1.00	1.00	1.00	1.00	1.00	2.00	1.00	1.00	1.00
Totals	54.2	53.77	49.05	48.05	49.90	48.50	52.50	49.00	46.50	48.50

Source: City of Cape Canaveral, Florida's Budget

Method: 1.0 for full-time employees and 0.50 for part-time employees

Note: Police & Fire Departments are contracted out and Personnel not included in City totals

**Operating Indicators by Function - Unaudited
Last Ten Fiscal Years**

Function	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General government										
Building permits issued	1,737	1,729	2,008	1,422	1,184	1,177	935	1,080	836	749
Building inspections conducted	2,914	4,392	3,918	2,609	1,848	1,995	1,773	1,773	1,342	1,218
Police										
Physical arrests	705	1,017	1,109	1,167	996	943	625	511	832	1,003
Parking violations (includes warnings)	445	417	304	108	102	189	317	142	287	357
Traffic violations (includes warnings)	3,771	4,706	3,682	1,271	2,558	561	798	852	864	1,706
Fire										
Emergency responses	2,736	2,649	2,825	1,966	2,730	1,845	1,581	1,676	1,567	1,549
Fires extinguished	50	40	60	23	47	31	61	25	70	79
Inspections	1,107	1,828	2,128	1,887	1,613	1,436	1,543	1,658	1,505	1,448
Public works										
Streets resurfacing (feet)	-	1,050	-	-	-	-	-	-	-	3,925
Potholes repaired	16	24	20	28	14	12	12	30	12	24
Water/Sewer										
Accounts	2,890	2,880	2,898	2,893	2,752	2,837	2,723	2,718	2,705	8,491
Water main breaks	4	1	2	2	2	6	6	-	-	1
Average monthly usage	26,984	28,556	31,496	35,997	11,487	11,632	10,899	10,993	27,395	32,120
Wastewater										
Average daily wastewater treatment	1,141,000	1,144,000	1,300,000	1,300,000	1,300,000	1,100,000	1,096,000	1,096,000	1,096,000	1,070,700

Source: City of Cape Canaveral and City of Cocoa, Florida

Note: In accordance with Inter-Municipal Agreement, billing for Water & Other Services provided to City of Cape Canaveral by City of Cocoa Water Department. Wastewater is City of Cape Canaveral's revenue; Water is City of Cocoa's revenue.

**Capital Asset Statistics by Function - Unaudited
Last Ten Fiscal Years**

Function	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Substations	-	-	-	-	-	-	-	-	-	-
Patrol units (sworn)	25.5	25.5	24.5	23.5	23	23.5	22	28	28	28
Fire										
Stations	1	1	1	1	1	1	1	1	1	1
Public works										
Streets (lane miles)	21.8	21.8	21.8	21.8	21.8	22	16	16	16	16
Streetlights	636	663	679	677	645	645	645	645	622	622
Recreation and Culture										
Parks	10	8	8	8	8	8	8	8	8	8
Parks - acres	26.99	26.99	26.99	26.99	26.99	26.99	26.99	26.99	26.99	26.99
Playgrounds	4	4	4	4	4	4	4	4	4	4
Tennis courts	5	5	5	5	5	5	5	5	5	5
Baseball/softball diamonds	2	2	2	2	2	2	2	2	2	2
Soccer/football fields	1	1	1	1	1	1	1	1	1	1
City centers	1	1	1	1	1	1	1	1	1	1
Racquetball courts	4	4	4	4	4	4	4	4	4	4
Water										
Water mains (miles)	48.2	48.2	48.2	48.2	48.2	48	48	48	48	48
Fire hydrants	254	254	254	254	254	214	214	214	214	214
Storage capacity (thousands of gallons)	None	None	None	None	None	None	None	None	None	None
Wastewater										
Sanitary sewers (miles)	16.8	16.8	16.8	16.8	16.8	16.8	16.6	16.6	16.6	16.6
Treatment capacity (thousands of gallons)	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000

Source: City of Cape Canaveral and City of Cocoa, Florida

Note: In accordance with Inter-Municipal Agreement, Water & Other Services to the City of Cape Canaveral are billed by the City of Cocoa's Water Department. Water Storage Tanks are not located in City of Cape Canaveral.

**Water/Wastewater Distribution and Consumption - Unaudited
Fiscal Year 2020**

Water & Wastewater Distribution & Consumption

Number of Accounts	2,890
Total Meters Billed	2,890
Residential Meters (3/4")	2,193
Non-residential Meters	690
Average Monthly Useage (thousands of gallons)	26,984
Average Consumption per meter (thousands of gallons)	9.34
Average Monthly Wastewater Collection (thousands of dollars)	\$206,315

Source: (a) City of Cocoa Wastewater Consumption Analysis for FY19/20
(b) City of Cape Canaveral Sewer Rates for FY19/20

Note: In accordance with Inter-Municipality Agreement, Water & Other Services provided to City of Cape Canaveral billed by City of Cocoa Water Department. Wastewater is City of Cape Canaveral's revenue; Water is City of Cocoa's revenue.

**Water and Wastewater Rates - Unaudited
Last Ten Fiscal Years**

Fiscal Year	Water		Wastewater	
	Monthly Base	Rate per 1,000	Monthly Base	Rate per 1,000
	Rate	Gallons	Rate	Gallons
2020	\$ 18.08	\$ 3.76	\$ 20.89	\$ 6.09
2019	17.23	3.59	20.37	5.94
2018	16.40	3.41	19.86	5.79
2017	15.77	3.28	19.35	5.64
2016	15.32	3.28	19.35	5.64
2015	14.59	3.04	18.43	5.37
2014	14.59	3.04	17.54	5.11
2013	13.89	3.01	16.70	4.86
2012	13.23	2.89	15.82	4.60
2011	12.54	2.61	14.93	4.34

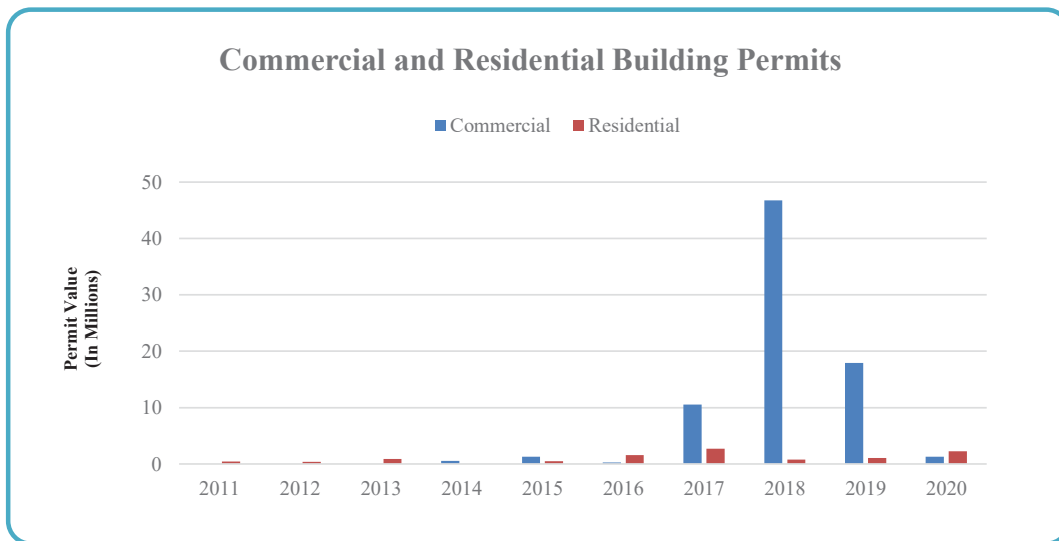
Note: Rates are based on 3/4" meter, the standard household meter size.

Source: City of Cocoa

Note: In accordance with Inter-Municipality Agreement, Water & Other Services provided to City of Cape Canaveral billed by City of Cocoa Water Department. Wastewater is City of Cape Canaveral's revenue; Water is City of Cocoa's Revenue.

Construction, Property Value and Bank Deposits - Unaudited Last Ten Fiscal Years

Fiscal Year	Commercial Construction (a)		Residential Construction (a)		(b) Brevard County Real and Personal Property Taxable Value	(c) Bank Deposits (in thousands)
	# of Units	Value	# of Units	Value	Value	
2020	3	\$ 1,269,000	7	\$ 2,266,187	\$ 40,742,328,549	n/a
2019	1	17,937,796	3	1,068,250	37,698,498,609	n/a
2018	5	46,771,274	3	755,368	34,564,221,486	n/a
2017	6	10,543,928	8	2,678,393	31,906,507,569	n/a
2016	2	280,025	5	1,594,464	29,684,313,125	n/a
2015	1	1,299,738	31	466,392	27,990,267,285	n/a
2014	1	557,455	-	-	25,745,155,761	n/a
2013	0	-	4	877,749	24,626,876,502	n/a
2012	0	-	2	401,774	24,922,195,924	n/a
2011	0	-	2	436,946	29,089,009,692	n/a



Data source:

- (a) City of Cape Canaveral Building Department
- (b) Brevard County Property Appraiser - Form 403V
- (c) Florida Bankers Association (figures are for Brevard County)

**Miscellaneous Statistics - Unaudited
September 30, 2020**

Date of Incorporation	May 16, 1963
Form of Government	Council - Manager
Area/Square Miles	1.9 sq. miles
Miles of Streets:	
Paved	21.8 miles
Unpaved	.2 miles
Street Lights	636
Fire Protection:	
Number of Stations	1
Number of Firefighters (volunteer)	5
Number of Firefighters (paid)	36
Police Protection:	
Number of Stations	1
Number of Personnel	33.5
Number of Patrol Units (sworn)	25.5
Recreation:	
Parks - acres	26.99
Number of special use facilities	2
Number of neighborhood parks	10
Undeveloped land, dedicated for recreation use (acres)	7.88
Wastewater	
Gravity Sewer mains	16.8 miles
Force mains	2.8 miles
Storm sewers	9.5 miles
Reclaim lines	14 miles
Number of reuse accounts	694
Number of accounts (wastewater)	2890
Schools:	
Elementary	1
Building Permits Issued	1737
Number of City Employees (excluding police officers and firefighters)	55.2

Other Reports

**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 Honorable Mayor, City Council, and City Manager,
City of Cape Canaveral, Florida:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Cape Canaveral, Florida, (the City) as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated February 5, 2021.

Internal Control over Financial Reporting

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

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

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

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121 Executive Circle
Daytona Beach, FL 32114-1180
Telephone: 386-257-4100

133 East Indiana Avenue
DeLand, FL 32724-4329
Telephone: 386-738-3300

5931 NW 1st Place
Gainesville, FL 32607-2063
Telephone: 352-378-1331

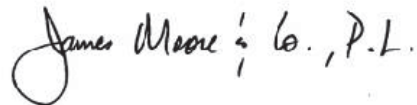
2477 Tim Gamble Place, Suite 200
Tallahassee, FL 32308-4386
Telephone: 850-386-6184

Compliance and Other Matters

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

Purpose of this Report

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

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

Daytona Beach, Florida
February 5, 2021

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

To the Honorable Mayor, City Council, and City Manager,
City of Cape Canaveral, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Cape Canaveral, Florida (the City), as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated February 5, 2021.

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 Reports 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 the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Examination 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 Florida Auditor General. Disclosures in those reports and schedule, which are dated February 5, 2021, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

Financial Condition

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

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

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

Additional Matters

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

Purpose of this Letter

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

Daytona Beach, Florida
February 5, 2021



INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT

To the Honorable Mayor, City Council, and City Manager,
City of Cape Canaveral, Florida

We have examined the City of Cape Canaveral, Florida's (the City) compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2020. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Authority complied with Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2020, in all material respects. An examination involves performing procedures to obtain evidence about the Authority's compliance with those requirements. 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.

In our opinion, the City of Cape Canaveral, Florida complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2020.



Daytona Beach, Florida
February 5, 2021

IMPACT FEE AFFIDAVIT

BEFORE ME, the undersigned authority, personally appeared John DeLeo, Administrative/Financial Services Director of the City of Cape Canaveral, who being duly sworn, deposes and says on oath that:

1. I am the Administrative/Financial Services Director of the City of Cape Canaveral which is a local governmental entity of the State of Florida;
2. City of Cape Canaveral adopted Resolution Number: 2013-13 Sanitary Sewer Impact Fee and Ordinance Numbers: 09-2013 Revising Sewer Impact Fee Assessment Procedures; 10-2019 Amending the City Code regarding the Payment of Impact Fees; 20-2006 Fair Share Mitigation Program related to Transportation Facility Impact s; 08-2003 Related to Sidewalk Impact Fees; and 07-2002 Payment of Impact Fees, implementing an impact fee; and
3. City of Cape Canaveral has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.


FURTHER AFFIANT SAYETH NAUGHT.



 John DeLeo, City of Cape Canaveral

STATE OF FLORIDA
COUNTY OF Brevard County

SWORN TO AND SUBSCRIBED before me by physical presence this 28th day of January, 2021.

 Daniel LeFever
 Notary Public
 State of Florida
 Comm# HH014221
 Expires 6/24/2024



 NOTARY PUBLIC
 Print Name DANIEL LEFEVER

Personally known X or produced identification _____

Type of identification produced: _____

My Commission Expires:

6/24/2024