

# *City of Cocoa Beach, Florida*

## **Comprehensive Annual Financial Report**

Fiscal Year Ended  
September 30, 2020



# *City of Cocoa Beach, Florida*

## Comprehensive Annual Financial Report

For the Fiscal Year Ended  
September 30, 2020



Prepared by:  
Finance Department

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# Introductory Section

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



March 12, 2021

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

The Comprehensive Annual Financial Report (CAFR) of the City of Cocoa Beach, Florida for the fiscal year ended September 30, 2020 is submitted pursuant to Florida Statutes Chapters 11.45 and 218.39, and Section 3.03(4) of the City Charter.

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

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

### **Internal Controls**

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

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

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

### **Independent Audit**

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

### **Management Discussion and Analysis**

Generally Accepted Accounting Principles (GAAP) requires management to provide a narrative introduction, overview, and analysis to accompany the basic financial statements. This information is referred to as Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Cocoa Beach's MD&A can be found immediately following the independent auditor's report.

### **Profile of the Government**

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

### **Budgeting Process and Controls**

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

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

## **Community Background**

The City of Cocoa Beach was incorporated in 1925, but really began growing residentially during the height of the Space Program in the 1960's. As a small oceanfront/riverfront community with six miles of highly accessible beaches and river access, lying in between the Banana River and the Atlantic Ocean, the City focuses on being a family-oriented tourist destination; however, the community has a solid residential component with 2,434 single family homes and 6,157 condominiums as of 2020. The diversity of the economy is driven by a mix of hotels/motels and businesses that are supportive of the tourism industry while also supporting the needs of the local residents. Cocoa Beach population (for State shared review purposes in Fiscal Year 2021) is 11,378, but seasonally the population more than doubles. Other factors are the normally (pre-COVID-19) estimated 2.4 million day-visitors to the city annually, reflecting the relative proximity to the Orlando Metro area.

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

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

## **Economic Condition and Outlook**

The initial impact of the global Coronavirus (COVID-19) pandemic on the City's FY 2020 economic activity (i.e., tourism, hospitality, restaurants, etc.) was far-reaching. Tourism essentially crashed in March and April of 2020. With hotels, restaurants, and beach parking closed or operating in restricted capacity in March and April and into the summer and fall months, the economic impact on the 2.1 billion-a-year industry for Brevard County is still unfolding. Although business travelers, especially ones connected with the space industry are helping boost room rentals, the slow recovery is expected to continue until the cruises resume sailing from Port Canaveral.

The financial condition and economic vitality of the Cocoa Beach area are influenced by the activities at the Kennedy Space Center and Port Canaveral to the north, and Patrick Air Force Base to the south.

The Kennedy Space Center (KSC) is both a tourist attraction and a major employment center, with several space and defense contractors located there, supported by numerous local suppliers and support services. KSC was adversely impacted by the elimination of the space shuttle program. Facilities at KSC have since been reconfigured for private space endeavors. It is anticipated that close to 1,000 satellites will be launch from KSC in 2021. With rocket launches scheduled on an ongoing basis, KSC has reclaimed its status as the most active rocket launch facility in the world.

The economic outlook for Brevard County is gradually improving since the unemployment rate rose from a low 2.7% in December 2019 to a double-digit rate of 12.8% in April 2020 due to COVID-19.<sup>1</sup> As of the date of this writing, the economic outlook continues to steadily improve with the December 2020 rate at 4.8%.

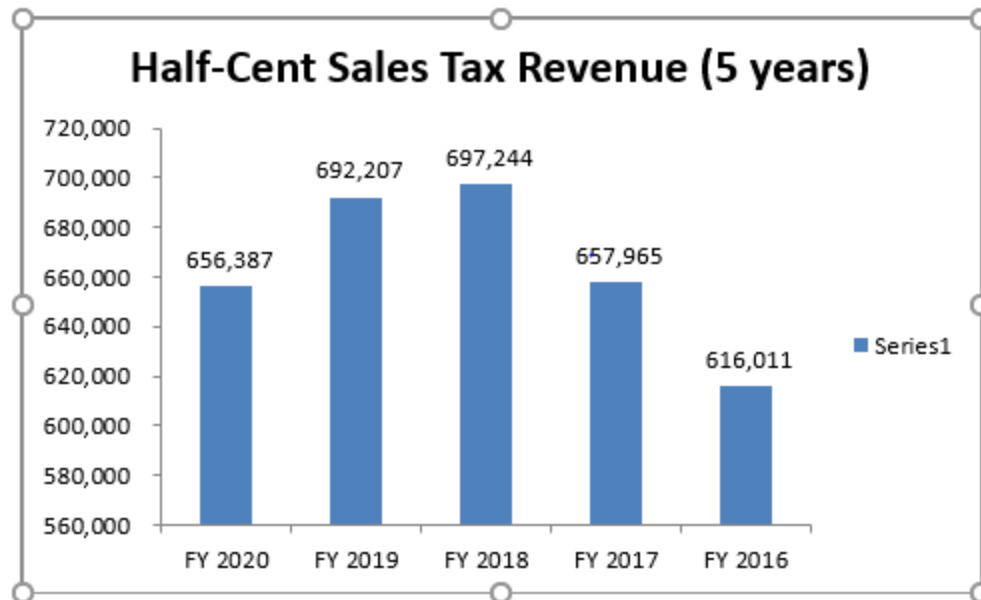
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<sup>1</sup> FRED Economic Data, St. Louis Fed. <https://fred.stlouisfed.org/series/FLBREV3URN>

Prior to the coronavirus pandemic, Port Canaveral sustained a favorable area impact with its growth in cruise ship services, port facilities, tonnage processed, and recreational activities. The Centers for Disease Control and Prevention (CDC) issued of a no-sail order in March 2020 for multiday cruise operations. Cruise lines with ships based at the Port don't plan to begin sailing until at least April, and possibly a late as July 2021. Despite the cruise operations shutdown, cargo operations, helped by strong construction and road building activity in Florida, held their own. The Port has evolved into a major deep-water port of entry with berthing facilities, a marine commercial park and foreign trade zone. It is the world's first quadra-modal hub, interchanging freight among sea, land, air and space transportation modes. The Port continues to increase cargo ship activity, with the combined port costs for tug boats, piloting, line handling, dockage and water among the lowest in the Southeast. Annual cargo tonnage exceeds 6.5M tons with two liquid bulk facilities and nine dry cargo berths. Exploration Tower, a seven-story welcome center at the Port, is designed to serve as a focal point for the community. Once the cruise lines resume sailing, cruise passengers may experience the tower's panoramic views while in port.

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

State shared revenues (sales tax and fuel tax) in general, have remained flat or declined since Fiscal Year 2008. However, we saw an overall increase in sales tax revenue in three of the last five years. Although FY 2020 sales tax revenue was 5% less than that of FY2019, the loss resulting from COVID-19 shutdowns was much less than anticipated.



Fuel tax revenues have continued to remain relatively flat. Additionally, low fuel prices are currently on the rise in hopes that COVID-19 vaccines will let the world return to normal levels of oil-fueled travel, a trend expected to continue in the near term (Fiscal Year 2021).

Up until the economic effects of the pandemic began being felt throughout financial markets, we were seeing significant increases in interest rate revenue in FY 2020. Following an eight year near zero interest rate, low interest rates had previously reduced revenues earned by our pooled funds and investment accounts. But with the Federal Reserve decision to continue lifting rates and move gradually in raising rates further in

coming years, we were seeing corresponding increases in interest rate revenue. The Federal Reserve's new inflation policy means that the current low interest rate environment may continue through 2023.

Taxable property values increased 4.6% from Fiscal Year 2019 to Fiscal Year 2020. Property values are projected to continue to increase in Brevard County for 2021. Total ad valorem tax collections for Fiscal Year 2020 are \$11,207,012. Although revenue is trending upward, the cumulative revenue loss through recessionary times was significant. Through a combination of rising property values and increased millage rates, the gap on the revenue losses have narrowed, however, in constant dollars, adjusting for inflation, the year over year loss exceeds \$5.3M; thereby reducing the purchasing power that otherwise would have been generated by collections. Page A-25 of the FY 2021 Budget has a detailed explanation of ten years of tax collection history.

The current session of the Legislature is considering changes in some tax measures. Florida is one of the lowest tax states<sup>2</sup> already, and previous recessionary times will make tax increases or revenue enhancements politically difficult. There are two half-cent sales taxes active at the county level:

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

### **Long-term Financial Planning**

With a stable population base, the City does not face the issue of adding significant infrastructure and related staffs to accommodate growth. Since the City is essentially fully developed, there is little potential for major additions to the tax roll. Such increases will come primarily from property redevelopment and re-evaluations. The stable (and slightly lower<sup>3</sup>) population base restricts growth in state shared revenue (allocated on a per capita basis). See additional subsequent event details related to building height limitation revisions in Note N of the financial statements.

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

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

Aging infrastructure has long been of a concern and is further brought to the forefront each summer as wind and rain associated with tropical storms and hurricanes continues to cause

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<sup>2</sup> Tax Foundation: [Background Paper](#), October 2013, No. 68.

<sup>3</sup> Population in Fiscal Year 2007 = 12,785; Population in Fiscal Year 2019 = 11,292; per state shared revenue allocations.

extensive damage to City Hall and the current Police Station. These facilities date from the 1950s – 1960s and require extensive renovation and/or replacement. With a total budget of \$9.3M, the new Police Station facility construction project began in fall of 2020. The order of magnitude (i.e. plus/minus thirty ( $\pm 30\%$ ) percent) estimate for the City Hall facility is \$4M. Although the main Fire Station was replaced five years ago, an additional \$2M is estimated as the replacement cost for the north area fire station. See Note H of the financial statements for debt schedules.



Groundbreaking – New Police Station

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

Additionally, to assist in minimizing annual facilities maintenance cost volatility, an energy and facility improvement plan was initiated in FY 2019. Focused reductions in positions and expenditure accounts have too been made. However, these reductions are partially offset by rising direct and indirect costs.

Over the last several years, the wastewater treatment plant required extensive capital upgrades to comply with increased regulatory requirements. These projects were funded with two state revolving fund (SRF) loans. Improvements to the collection systems to increase efficiency and manage peak flows (as experienced during and after Hurricanes Matthew and Irma) continue to be addressed and an additional SRF loan was approved in September 2019. The project was complete at the end of FY 2020, but the debt schedule for the most recent SRF loan is not yet finalized. The projects are discussed in more detail in Note H of the financial statements.

Rate increases based on studies by outside consultants as well as in-house comparisons to surrounding communities have been adopted by the Commission. These include increases in golf rates, pool and other recreation fees, permit rates, stormwater fees, sewer fees, and fire inspection fees. Ongoing fee reviews represent the steps to develop a master fee review schedule where useful.

Other revenue enhancements will be required as our needs are better defined.

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

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

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

### **Awards**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Cocoa Beach for its comprehensive annual financial report for the fiscal year ended September 30, 2019. This was the thirty-eighth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report (CAFR). This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

For the twentieth year, the City also received the GFOA Distinguished Budget Presentation Award for the Fiscal Year 2020 annual budget. To receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communication medium. It is valid for a period of one year. We believe our current budget continues to conform to program requirements, and it has been submitted to GFOA to determine its eligibility for another award.

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

**Acknowledgements**

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

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

Respectfully submitted,

  
James P. McKnight  
City Manager

  
Eileen A. Clark, CGFO  
Chief Financial Officer





## Fiscal Year 2020

### Elected Officials

**Mayor**

**Ben Malik**

**Vice Mayor**

**Mike Miller**

**Commissioners**

**Ed Martinez**

**Skip Williams**

**Karalyn Woulas**

### Management Team

**City Manager**

**James P. McKnight**

**Assistant City Manager / CFO**

**Eileen Clark**

**City Clerk**

**Loredana Kalaghchy**

**Director Development Services**

**Randy Stevenson**

**Dir. Information Technology**

**Kevin Perez**

**Director Leisure Services**

**Laird McLean**

**Director Economic Dev. / CRA**

**Melissa Byron**

**Director Personnel**

**Natalie Harmon**

**Director Public Works**

**Robert Torres**

**Director Water Reclamation**

**Brad Kalsow**

**Fire Chief**

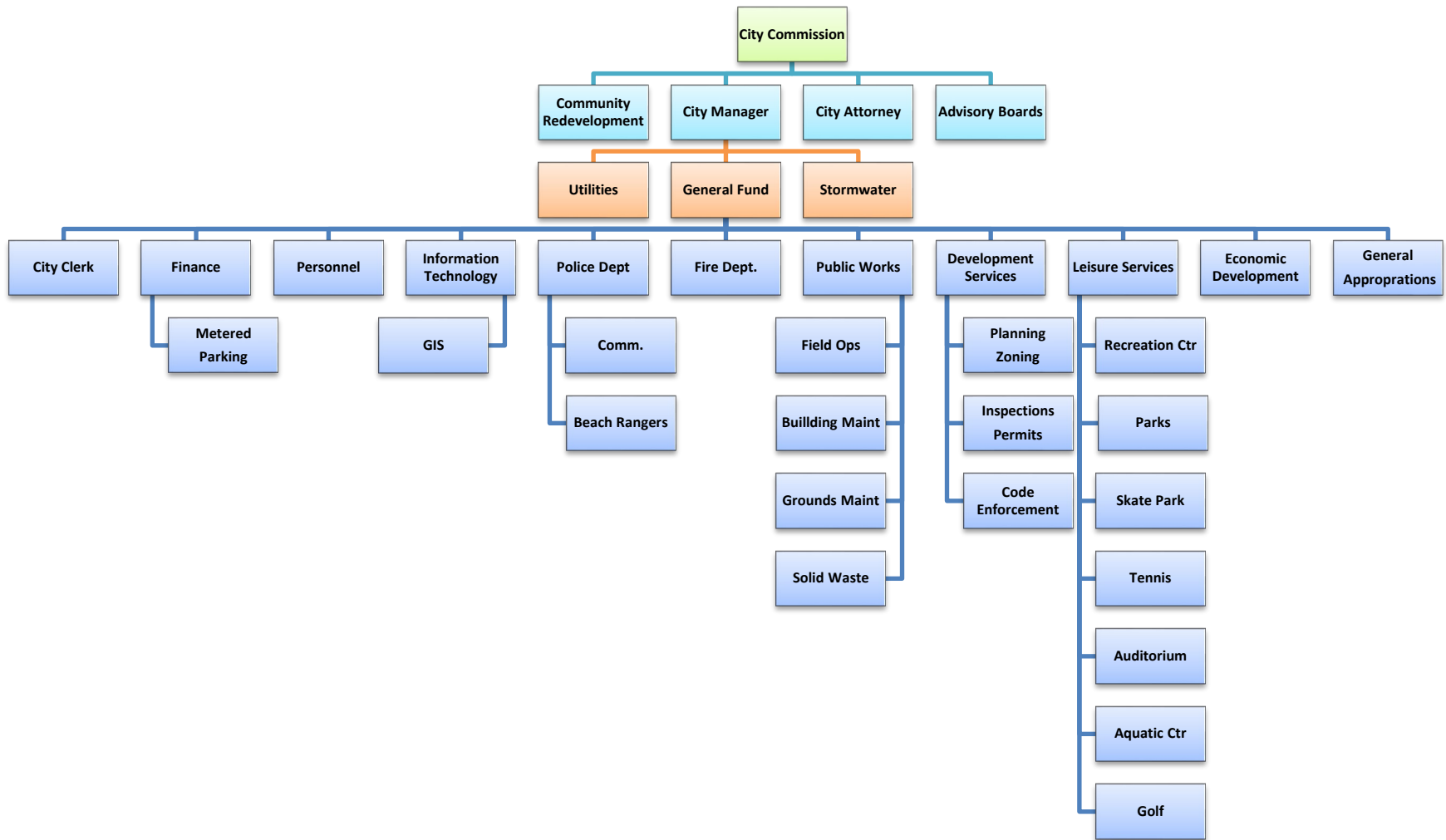
**Ryan Duckworth**

**Police Chief**

**Scott Rosenfeld**

**Stormwater Utility Manager**

**Jessica Bruso**



City of Cocoa Beach Organization Chart



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Cocoa Beach  
Florida**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

September 30, 2019

*Christopher P. Morill*

Executive Director/CEO



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# Financial Section

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## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and  
Members of the City Commission  
Cocoa Beach, 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 the City of Cocoa Beach, 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**

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.

### **Auditor's 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 of 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 auditor's 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 City'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 City'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.

### **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 thereof, and the budgetary comparison for the general fund and major special revenue fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

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

**Other Matters**

*Required Supplementary Information*

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

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements as a whole. The introductory section, combining and individual fund financial statements and schedules, and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual non-major fund financial statements and schedules are the responsibility of management and were derived from, and relate directly to, the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 non-major fund financial statements and schedules are fairly stated, in all material respects, in relation to the financial statements as a whole. The introductory section and statistical section 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 March 12, 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.

**MSL, P.A.**

Certified Public Accountants

Orlando, Florida  
March 12, 2021



## Management's Discussion and Analysis

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

### FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City of Cocoa Beach exceeded its liabilities and deferred inflows of resources as of September 30, 2020, by \$72,375,601 (net position). Of this amount, \$10,297,474 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors. Governmental and business-type assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$33,015,068 and \$39,360,533, respectively.
- The City's total net position was increased by \$9,452,228 or 15%, in comparison to the prior year. The City's unrestricted net position, which may be used to meet the City's ongoing obligations to its citizens and creditors, increased by \$3,063,204, a 42% increase from the prior year.
- At September 30, 2020, the City of Cocoa Beach's governmental fund balance sheet reported a combined ending fund balance of \$19,019,086, a decrease of \$277,378 from the Fiscal Year 2019 ending fund balance of \$19,296,464. Of this amount, \$7,852,255 remains in the General Fund of the City as unassigned fund balance.
- The General Fund reported a total fund balance of \$10,549,866 at year end, an increase from last fiscal year of \$1,119,949. The ending fund balance in Fiscal Year 2019 was \$9,429,917. The increase is due to an overall effort to hold expenditures below budgeted amounts where possible to offset decreases in revenues primarily related to the Coronavirus global pandemic (COVID-19).
- Total external debt increased by \$1,914,208 (4.8%) in Fiscal Year 2020. This increase is net of draws in FY 2020 in the amount of \$4,139,195 for the most recent State Revolving Fund (SRF) Loan for sewer plant improvements and an overall decrease in debt obligations in the amount of (\$2,224,987). See Note H to the financial statements for comprehensive debt schedules.

## MAJOR INITIATIVES

- With a total budget of 9.3M, design and pre-construction for the new 25,000 square foot, 3-story Police Station facility and public safety communication tower was at the forefront in FY 2020. Construction of the facility began in fall of 2020 (FY 2021). The project is scheduled to be complete in the first quarter of FY 2022. Funding sources are three-fold; \$8.5M from the issuance of the Special Obligation 2019 Revenue Note, \$500,000 from committed reserves, and \$300,000 from FY 2021 budget appropriations.



- Indian River Lagoon dredging projects are 100% grant funded and continue to be a priority to meet the challenge to Improve water quality in the lagoon. The City has two such projects underway:
  - The City has an interlocal agreement with Brevard County/Florida Department of Environmental Protection (FDEP) for residential dredging services. Additionally, grants for the dredging project have been awarded by St. Johns River Water Management District (SJRWMD) and the Save Our Indian River Lagoon Project (SOIRLP) (half cent sales tax revenues). The final phase of the citywide residential dredging project was active throughout FY 2020 and is still underway. A total of thirty-six canals will have been dredged when the final phase is done. Completion is expected by the end of FY 2021.<sup>1</sup>

### Grant(s) summary for Muck Dredging Residential Canals:

Saint Johns Water Mgmt. District (SJRWMD)	\$ 1,500,000
Contingency Allowance (FDEP/Brevard County)	\$ 600,000
Save Our Indian River Lagoon Plan (SOIRLP)	\$ 6,000,000
<b>Total Grant Funding</b>	<b>\$ 8,100,000</b>

- Brevard County is partnering with the City via the SOIRLP to perform the Cocoa Beach Golf Dredging/Capping Project. The SOIRLP has identified the waters around the Cocoa Beach Golf Course as a location of high concentrations of muck. The Project includes approximately 140 acres and 975,000 cubic yards of muck deposits adjacent to the Cocoa Beach Golf Course and Cocoa Beach High School. As part of this project an evaluation of capping as an alternative to muck

<sup>1</sup> Phase I, completed in March 2017, consisted of dredging six City canals north of State Road 520. Phase II consisted of dredging five canals in the center portion of the City and was completed in July of 2017. Phase III completed December 2019 included thirteen canals. The final phase (IIb) includes another twelve canals and should be complete in FY 2021. A total of 36 canals were dredged.

## **MAJOR INITIATIVES (Continued)**

dredging will be conducted. If capping is determined to be a cost-effective alternative this approach will be undertaken in lieu of muck dredging. The SOIRLP will provide 100% of the project funds. The City will perform all Project Management. The five-year project started in summer of FY 2020. Total Project Cost and grant funding is estimated at \$24,363,100.

- The Water Reclamation Department completed a comprehensive project to improve the sewer treatment plant with major capital upgrades. These upgrades and improvements address items directly related to National Pollutant Discharge Elimination System (NPDES) permitting requirements outlined in the Wastewater Facility Plan. The City secured a Clean Water State Revolving Fund (SRF) Loan for the project (see Note H5 for details).

## **FINANCIAL STATEMENTS**

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

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

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

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

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

### **Fund Financial Statements**

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

### **Governmental Funds**

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

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

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

### **Proprietary Funds**

This category of funds includes both enterprise and internal service funds. However, the City does not use internal service funds. The City does maintain two funds which are considered enterprise funds. The City uses enterprise funds to account for the waste collection/disposal/reuse water system, and stormwater management system. Proprietary funds provide the same type of information as the government-wide financial statements. The proprietary fund financial statements provide separate information for the Utilities System Fund, and Stormwater Management Fund, each of which are considered to be major funds of the City.

### **Fiduciary Funds**

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

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

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

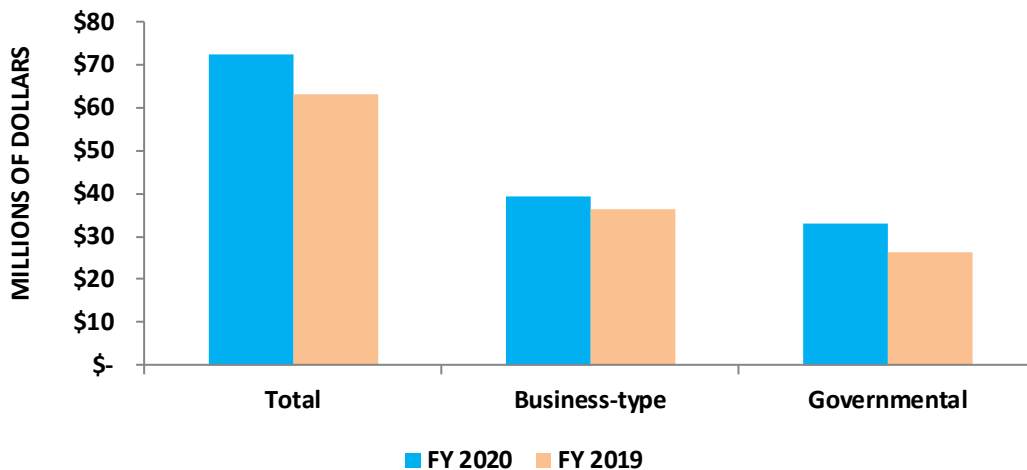
## GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. For the City of Cocoa Beach, the net position was \$72,375,601 at the close of the most recent fiscal year. This is a \$9,452,228 increase in net position over the \$62,923,373 reported in Fiscal Year 2019.

The increase is attributed to the rise in total assets, in both governmental and business-type activities. Most of this increase is a result of the completion of capital projects, including phases of the residential dredging program and major improvements to the Water Reclamation Facility. Detailed information on capital asset activity can be found in Notes G-1 to G-5 in the Notes to the Financial Statements.

### Net Position



As stated above, the City's net position totaled \$72,375,601 at the end of Fiscal Year 2020. The largest portion of the City's net position reflects the investment in capital assets (e.g. land, buildings, machinery, and equipment). Although the City's investment in its capital assets (\$61,881,736) 86% of total net position) is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

## Schedule of Net Position

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 21,386,256	\$ 21,227,619	\$ 12,242,628	\$ 11,482,379	\$ 33,628,884	\$ 32,709,998
Capital assets	42,053,943	37,035,602	54,075,394	49,085,593	96,129,337	86,121,195
Total assets	63,440,199	58,263,221	66,318,022	60,567,972	129,758,221	118,831,193
Deferred outflows of pension expenses	731,329	1,163,730	124,581	187,994	855,910	1,351,724
Deferred outflows of OPEB expenses	1,045,745	406,756	145,309	56,520	1,191,054	463,276
Total deferred outflows of resources	1,777,074	1,570,486	269,890	244,514	2,046,964	1,815,000
Long-term liabilities outstanding	25,000,931	27,574,040	24,697,663	22,140,797	49,698,594	49,714,837
Other liabilities	4,008,026	3,512,624	2,165,662	1,948,434	6,173,688	5,461,058
Total liabilities	29,008,957	31,086,664	26,863,325	24,089,231	55,872,282	55,175,895
Deferred inflows of pension earnings	2,271,060	1,090,454	235,914	100,501	2,506,974	1,190,955
Deferred inflows of OPEB earnings	922,188	1,190,541	128,140	165,429	1,050,328	1,355,970
Total deferred inflows of resources	3,193,248	2,280,995	364,054	265,930	3,557,302	2,546,925
Net investment in capital assets	33,219,144	29,172,420	28,662,592	26,320,292	61,881,736	55,492,712
Restricted	196,391	196,391	-	-	196,391	196,391
Unrestricted	(400,467)	(2,902,763)	10,697,941	10,137,033	10,297,474	7,234,270
Total net position	\$ 33,015,068	\$ 26,466,048	\$ 39,360,533	\$ 36,457,325	\$ 72,375,601	\$ 62,923,373

A portion of the City of Cocoa Beach's net position, \$196,391 (less than ½% of total net position) represents resources that are subject to external restrictions on how they may be used. The balance of unrestricted net position, \$10,297,474 (14.2% of total net position) may be used to meet the government's ongoing obligations to citizens and creditors within the respective governmental and business-type activities. At the end of the current fiscal year, the City of Cocoa Beach is able to report positive balances in all three categories of net position as a whole.

The change in net position balance from fiscal year 2019 to fiscal year 2020 is \$9,452,228 as shown in the Schedule of Changes in Net Position on the next page. This change includes increased tax revenue partially because of a 4.6% increase in property values. Additionally, capital assets were increased by over \$6.3M from the prior fiscal year. The City also received over \$6.5M in operating and capital grant reimbursements. While some revenues had comparatively significant decreases over the prior fiscal year, others showed modest increases, while the expenditures were decreased or remained relatively flat.

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

### Schedule of Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
<b>Revenues:</b>						
Programs revenues:						
Charges for services	\$ 8,499,455	\$ 8,732,819	\$ 8,485,392	\$ 8,195,842	\$ 16,984,847	\$ 16,928,661
Operating grants and contributions	772,574	1,102,563	-	9,317	772,574	1,111,880
Capital grants and contributions	3,732,094	1,756,900	2,813,348	297,200	6,545,442	2,054,100
General revenues:						
Property taxes	12,110,760	11,215,262	-	-	12,110,760	11,215,262
Other taxes	3,522,128	3,630,437	-	-	3,522,128	3,630,437
Intergovernmental	786,077	826,724	-	-	786,077	826,724
Investment earnings	263,740	229,480	206,327	277,403	470,067	506,883
Other	135,914	227,210	-	-	135,914	227,210
<b>Total revenues</b>	<b>29,822,742</b>	<b>27,721,395</b>	<b>11,505,067</b>	<b>8,779,762</b>	<b>41,327,809</b>	<b>36,501,157</b>
<b>Expenses:</b>						
General government	5,110,091	5,721,658	-	-	5,110,091	5,721,658
Public safety	8,920,204	9,260,591	-	-	8,920,204	9,260,591
Physical environment	1,758,727	1,725,572	-	-	1,758,727	1,725,572
Transportation/public works	4,488,918	4,311,053	-	-	4,488,918	4,311,053
Recreation	3,305,469	3,556,167	-	-	3,305,469	3,556,167
Interest on long-term debt	511,713	242,703	-	-	511,713	242,703
Utilities System	-	-	7,162,431	6,791,714	7,162,431	6,791,714
Stormwater Management	-	-	618,028	809,824	618,028	809,824
<b>Total expenses</b>	<b>24,095,122</b>	<b>24,817,744</b>	<b>7,780,459</b>	<b>7,601,538</b>	<b>31,875,581</b>	<b>32,419,282</b>
Increase (decrease) in net position before transfers	5,727,620	2,903,651	3,724,608	1,178,224	9,452,228	4,081,875
Transfers	821,400	859,000	(821,400)	(859,000)	-	-
Change in net position	6,549,020	3,762,651	2,903,208	319,224	9,452,228	4,081,875
Net position, beginning	26,466,048	22,703,397	36,457,325	36,138,101	62,923,373	58,841,498
<b>Net position, ending</b>	<b>\$ 33,015,068</b>	<b>\$ 26,466,048</b>	<b>\$ 39,360,533</b>	<b>\$ 36,457,325</b>	<b>\$ 72,375,601</b>	<b>\$ 62,923,373</b>

## FINANCIAL ANALYSIS OF COCOA BEACH'S FUNDS

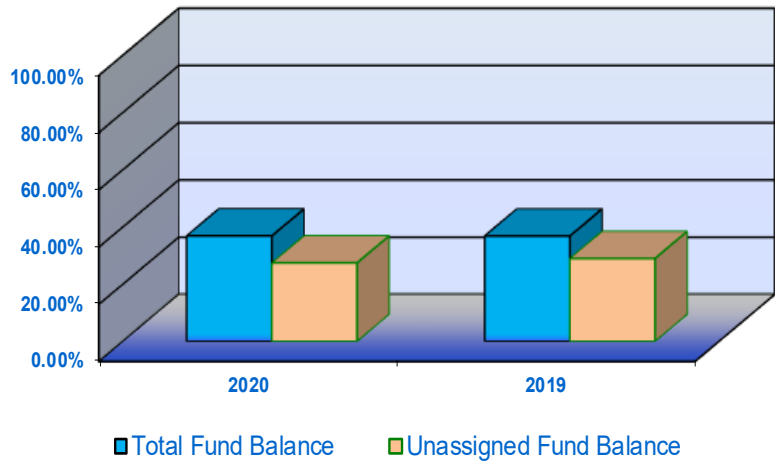
As noted earlier, the City of Cocoa Beach uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds.** The City uses three governmental fund types (General, Special Revenue, & Capital Projects). The purpose of governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of September 30, 2020, the City of Cocoa Beach's governmental funds reported a combined fund balance of \$19,019,086. This is a decrease of \$277,378 from the prior year balance of \$19,296,464.

The General Fund is the chief operating fund of the City. As of September 30, 2020, total fund balance in the General Fund was \$10,549,866 of which \$7,852,255 was unassigned. As a measure of liquidity, a comparison of total and unassigned fund balances to total expenditures for Fiscal Year 2020 (\$28,629,469) and Fiscal Year 2019 (\$25,604,989) shows percentages of 27% and 29%, respectively for unassigned fund balance. As previously mentioned in the discussion of changes in net position, the change in fund balance is also attributed to an overall increase in, tax revenues and grant reimbursements, while also holding expenditures at or below budgeted amounts.

**General Fund  
Fund Balance as Percent of Expenditures**



	2020	2019
Total Fund Balance	37%	37%
Unassigned Fund Balance	27%	29%

**General Fund Budgetary Highlights.** A budget to actual statement is provided for the General Fund. A budget column for both the original budget adopted for Fiscal Year 2020 as well as the final budget is presented. A comparison of the final budget to the actual amounts for current expenditures shows a final difference of \$2,736,990. A portion of the difference is attributed to the carrying over of budgeted funds to the Fiscal Year 2021 budget in the amount of \$1,161,632 for capital projects that were not completed by the end of the fiscal year. Furthermore, operating expenditure actuals were overall held below budgeted amounts to mitigate revenue shortfalls related to COVID-19.



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

**Community Redevelopment Agency (CRA) Fund**

The CRA is a major governmental fund used to account for monies from the incremental increase in property tax revenue collected within the designated redevelopment area. Consistent with State law, revenues are utilized and expended in accordance with the Community Redevelopment Plan. Fund balance at the end of Fiscal Year 2020 was \$255,359. Fund balance at the end of Fiscal Year 2019 was (\$55,705). The \$311,064 net change is reflective of a reduction in liabilities. Last year an advance was made from the Utilities Fund to the CRA in the amount of \$250,000 to ensure that adequate funding was available to complete the downtown parking garage. The advance will be paid back in full by the end of FY 2022.

Although the City’s electorate approved the formation of a CRA in 2008, the Community Redevelopment Plan was not delivered to the taxing authorities until April 2012 and tax incremental financing (TIF) was not available prior to Fiscal Year 2014. Accordingly, loans from the General Fund totaling \$261,230 were made to provide funds for the development of the CRA plan. In 2015, repayment of the advance began and continued through FY 2020 where the remaining balance was \$80,000. Consideration is being given to pay the balance in full in FY 2021.

The TIF has continued to increase in subsequent years as taxable values have risen. The increase from 2019 to 2020 is \$97,900 (15%).

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

	<u>2020</u>	<u>2019</u>	<b>Increase (Decrease)</b>
Taxable value	\$ 190,527,340	\$ 179,684,240	\$ 10,843,100
Less: Base year value	(119,086,930)	(119,086,930)	-
Net taxable value	<u>\$ 71,440,410</u>	<u>\$ 60,597,310</u>	<u>\$ 10,843,100</u>
County tax rate per \$1,000 of value	3.8200	3.9500	(0.1300)
City tax rate per \$1,000 of value	5.8294	5.7298	0.0996
Tax increment payments:			
County	\$ 259,257	\$ 227,138	\$ 32,119
City	<u>395,632</u>	<u>329,850</u>	<u>65,782</u>
Total tax increment payments	<u>\$ 654,888</u>	<u>\$ 556,988</u>	<u>\$ 97,900</u>

**Confiscated Property Fund**

The entire fund balance of the Confiscated Property Fund is considered restricted fund balance because it can only be used for certain enumerated law enforcement expenditures as defined by state statute. The fund balance is \$196,391 for Fiscal Year 2020.

**Capital Improvements Project Fund**

Major governmental facilities construction and improvements transactions are recorded in this fund. The fund was re-established in FY 2019 to account for Special Obligation Revenue Note 2019 proceeds of \$9,751,000 to be used for the design and construction costs of the new police station and infrastructure improvements to facilities and equipment throughout the city. The infrastructure and equipment improvements were completed in FY 2020 and the police station construction is on-going with completion scheduled for the first quarter of FY 2022.

**Proprietary Funds.** The City currently uses one of the two types of proprietary funds (Enterprise & Internal Service) and provides the same type of information found in the government-wide financial statements, but in more detail. The City does not use internal service funds.

**Enterprise Funds**

At September 30, 2020, total net position amounted to \$39,360,533 for enterprise funds as compared to \$36,457,325 at September 30, 2019. Net position changes are a result of operations, capital grants, capital contributions and transfers in the Utilities System and Stormwater Management Funds.

The net operating income for all of the enterprise funds for fiscal years 2020 and 2019 is as follows:

	<u>FY 2020</u>	<u>FY 2019</u>
Utilities system	\$ 996,107	\$ 1,155,909
Stormwater management	<u>281,152</u>	<u>97,078</u>
Total	<u>\$ 1,277,259</u>	<u>\$ 1,252,987</u>

The operating income in the Utilities System was \$159,802 less than in Fiscal Year 2019 primarily due to increased operating costs associated with services, materials, and supplies. The installation of energy efficient technology as a part of the sewer plant upgrade aids in offsetting some operations cost increases.

The Stormwater Management operating income increase of \$184,074 from Fiscal Year 2019 is primarily a result of a combination of a slight rise in revenue generated by a programmed rate increase, a temporary reduction in operating costs as the department restructured, transfers in and reduced interest expense. Generally, some year over year operating expenditures remained consistent due to the concentration on the Total Maximum Daily Load (TMDL) capital project.

## CAPITAL ASSET ADMINISTRATION

**Capital Assets.** The City of Cocoa Beach’s investment in capital assets as of September 30, 2020 is \$96,129,337 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, equipment, infrastructure, and work in progress. Governmental activities net investment in capital assets increased by \$5,018,341 and business-type activities increased by \$4,989,801. The primary reasons for the changes in the Governmental Activities Schedule are the work in progress on the new police station and dredging project. The primary reason for the change in the Business-type Activities Schedule is the improvements made at the wastewater facilities. Major changes in capital assets during the current fiscal year included the following:

### Schedule of Capital Assets (Net)

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 7,950,653	\$ 7,950,653	\$ 1,691,599	\$ 1,691,599	\$ 9,642,252	\$ 9,642,252
Buildings	12,020,666	12,218,225	1,862,601	1,957,751	13,883,267	14,175,976
Improvements	9,686,807	9,012,065	18,106,903	13,296,670	27,793,710	22,308,735
Equipment	3,644,863	3,436,092	839,768	854,195	4,484,631	4,290,287
Infrastructure	593,773	611,212	29,292,938	29,812,751	29,886,711	30,423,963
Work in progress	8,157,181	3,807,355	2,281,585	1,472,627	10,438,766	5,279,982
<b>Total</b>	<b>\$ 42,053,943</b>	<b>\$ 37,035,602</b>	<b>\$ 54,075,394</b>	<b>\$ 49,085,593</b>	<b>\$ 96,129,337</b>	<b>\$ 86,121,195</b>

Major changes in governmental activities included the new police station project, the residential dredging project, fleet vehicle replacements, paving projects, Information Technology (IT) upgrades and equipment, and country club improvements. For the business-type activities, the major acquisitions of the Water Reclamation Facilities Upgrades and the North Banana River Blvd. Force Main Extension projects are in the improvements category. These acquisitions were offset by disposals and depreciation of aging infrastructure and equipment.

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

## DEBT ADMINISTRATION

### Long-Term Debt

At the end of the current fiscal year, the City of Cocoa Beach had total long-term debt in the amount of \$41,921,638.

The City is participating in the State of Florida Revolving (SRF) Loan Program with twenty (20) year loans for utilities facility upgrades and sewer systems rehabilitation and stormwater improvements. The outstanding balance of the SRF loans is \$24,467,803; this includes the draws received in the amount of \$4,647,775 for the newest SRF Loan #5. In Fiscal Year 2014, the 2004 SRF loan was refunded by a bank loan generating a savings of about \$20,000 per year for ten (10) years. The outstanding balance is \$945,000. A second bank loan was issued in Fiscal Year 2014 for the construction of the new fire station and has an outstanding balance of \$2,940,000. A lease/purchase agreement for new golf carts was initiated in FY 2018. The outstanding balance is \$115,081. In Fiscal Year 2016 the City entered into a Master Equipment Lease Agreement in the amount of \$878,703 for various equipment units and has an outstanding balance of \$74,754. In Fiscal Year 2017 debt was issued with Florida Municipal Loan Council (FMLC) Revenue Bond 2017B to fund the design and construction of the new parking garage in the Community Redevelopment Agency (CRA). The first payment on the principal of Revenue Bond 2017B was not made until FY 2019 and the outstanding balance is \$3,795,000. In Fiscal Year 2019 debt was issued with Special Obligation Revenue Note, Series 2019 for the construction of a new police station and municipal facilities improvements in the amount of \$9,751,000. The outstanding balance is \$9,584,000. See Note H to the financial statements for additional information and Note N for subsequent year end debt information.

### Schedule of Outstanding Debt:

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
State Revolving Loan (#2)	\$ -	\$ -	\$ 15,114,351	\$ 16,064,240	\$ 15,114,351	\$ 16,064,240
State Revolving Loan (#3)	-	-	3,656,519	3,835,387	3,656,519	3,835,387
State Revolving Loan (#4)	-	-	1,049,158	1,107,094	1,049,158	1,107,094
State Revolving Loan (#5)	-	-	4,647,775	508,580	4,647,775	508,580
Revenue Note (Series 2014A)	2,940,000	3,105,000	-	-	2,940,000	3,105,000
Revenue Note (Series 2014B)	-	-	945,000	1,250,000	945,000	1,250,000
CRA Improvement Revenue Bonds, Series 2017B	3,795,000	4,025,000	-	-	3,795,000	4,025,000
Special Obligation Revenue Note, Series 2019	9,584,000	9,751,000	-	-	9,584,000	9,751,000
Capital Lease(s)	189,835	361,129	-	-	189,835	361,129
<b>Total</b>	<b>\$ 16,508,835</b>	<b>\$ 17,242,129</b>	<b>\$ 25,412,803</b>	<b>\$ 22,256,721</b>	<b>\$ 41,921,638</b>	<b>\$ 40,007,430</b>

Total external debt increased by \$1,914,208 (4.8%) in Fiscal Year 2020. The increase is attributed to the net of draws on SRF Loan #5 and paydown of other debt in FY 2020. Additional information on the City's long-term debt can be found in Note H to the financial statements.

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

The City's elected and appointed officials considered many factors when setting the fiscal year 2020 budget, tax rates, and fees to be charged for the business-type activities. In the past few years, the City has obligated significant dollars on new facilities, street resurfacing and infrastructure upgrades. The City has also managed to accumulate an acceptable level of unassigned reserves. Resolution 2020 - 23 amends formalized reserve policies to be in line with GASB 54 definitions and criteria for classifying fund balances. Bordering the ocean, the City wishes to hold reserve balances sufficient for those immediate expenditures associated with hurricanes, as well as expenditures required to maintain normal operations. Although a substantial portion of hurricane expenditures are typically reimbursed, this practice is considered necessary to avoid disruptions in operations.

Service-related revenues, i.e., parking, and leisure services were reduced due to the impact of COVID-19 on travel and social activities in FY 2020. During the first quarter of FY 2021 revenues are still somewhat less than the first quarter of FY 2020 but are steady even though reduced travel is still a factor of the pandemic. The economic impact and slow recovery are expected to continue until the cruises resume sailing from Port Canaveral. Additionally, the success of the vaccine distribution program will influence the normalization to full travel and in-person services.

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

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

The five-year CIP always presumes that operations and capital replacements are expected to be sufficiently funded without having to increase the ad valorem tax rate. We will have a real opportunity to test this presumption in the coming years.

The City's golf course continues to be challenged to sustain its operations and cover necessary equipment replacements. The high salt content in the area is extremely damaging to the equipment used for maintenance and funding the maintenance expense and replacement costs is an ongoing burden. The City has constructed a garage for equipment storage to aid in mitigating the salt issue and selectively purchases used equipment to lower capital costs. The course has been re-greened with a salt-resistant grass and play is gradually recovering as the economy improves.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES (continued)**

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

The Golf Course Fund was incorporated into the General Fund with the adoption of Resolution 2013 – 21, beginning in Fiscal Year 2014. Golf course activity is presented in the category of Recreation in the General Fund. Play has still not returned to historical levels, but the number of rounds played continues to rise as the economic recovery continues. A comprehensive study by the National Golf Foundation proposed a series of rate increases and restructuring (i.e. sun setting) of annual memberships to encourage revenue generation. The study was adopted by Resolution 2015 – 33 in November 2015 new rates were subsequently adopted. The current rates are set by Resolution 2018 – 05.

The Utilities System enterprise fund is in a similar situation. Environmental standards for discharges into the Indian River Lagoon have become stricter. We commissioned an updated comprehensive study in Fiscal Year 2018 to address specific capital replacements and upgrades required to meet the new discharge requirements schedule. We adopted Resolution 2018-21 which enacted a rate schedule that adjusts each year through FY 2022 to fund the necessary debt service for capital items, as well as cover increased costs of operations and the new regulatory requirements. Utility rates increased by 10% in FY 2020.

Forecasts for the Stormwater Management enterprise fund show that large capital improvement projects will have to be funded using grants or loans. Revenues are not sufficient to fund both operations and capital projects of any size. In addition to the budgetary challenges facing the Stormwater Fund, federal Clean Water Act legislation concerning the TMDL and National Pollutant Discharge Elimination System programs are unfunded mandates upon local government and require extensive staff resource time and effort. To address rising operating costs, the most recent Stormwater rate structure adopted by Resolution 2015 – 31 increased rates by 2.4% in FY 2020.

The City's current residential dredging program and schedule was developed through an interlocal agreement with Brevard County, Save Our Indian River Lagoon Program (SOIRLP) and Saint Johns River Water Management District (SJRWMD) as a part of the funding made available to clean the Indian River Lagoon. Dredging for thirty-six residential canals under this agreement continues into FY 2021. Additionally, the five-year Golf Muck Dredging/Capping Project funded by the SOIRLP was added as an Indian River Lagoon clean-up initiative in FY 2020.

All of these factors were considered in preparing the City's budget for Fiscal Year 2021. The Fiscal Year 2021 millage rate is 5.8294, the rollback rate is 5.6203. The rollback rate produces the same ad valorem tax revenue as the previous year and therefore is not a tax increase. See the economic outlook section of the letter of transmittal for additional details regarding economic conditions.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the City of Cocoa Beach's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Eileen A. Clark, CGFO, Assistant City Manager/Chief Financial Officer, 2 South Orlando Avenue, Cocoa Beach, Florida, 32931 or [eclark@cityofcocoa-beach.com](mailto:eclark@cityofcocoa-beach.com). The financial statements are included in the City's Comprehensive Annual Financial Report (CAFR) posted on the City's web site at [www.cityofcocoa-beach.com](http://www.cityofcocoa-beach.com).





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# Basic Financial Statements



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**City of Cocoa Beach, Florida**  
**Statement of Net Position**  
**September 30, 2020**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 9,714,256	\$ 5,848,182	\$ 15,562,438
Investments	121,066	2,570,913	2,691,979
Accounts receivable, net of allowance for uncollectible accounts	664,092	1,409,801	2,073,893
Due from other governments	1,912,551	756,058	2,668,609
Internal balances	(168,738)	168,738	-
Inventory	75,802	-	75,802
Prepaid expenses	211,838	33,747	245,585
Restricted assets:			
Cash and cash equivalents	8,497,973	1,335,157	9,833,130
Net pension asset	357,416	120,032	477,448
Capital assets not being depreciated:			
Land	7,950,653	1,691,599	9,642,252
Work-in-progress	8,157,181	2,281,585	10,438,766
Capital assets net of accumulated depreciation:			
Buildings	12,020,666	1,862,601	13,883,267
Infrastructure	593,773	29,292,938	29,886,711
Improvements other than buildings	9,686,807	18,106,903	27,793,710
Machinery and equipment	3,644,863	839,768	4,484,631
Total assets	<u>63,440,199</u>	<u>66,318,022</u>	<u>129,758,221</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pensions	731,329	124,581	855,910
Deferred outflows related to OPEB	1,045,745	145,309	1,191,054
Total deferred outflows of resources	<u>1,777,074</u>	<u>269,890</u>	<u>2,046,964</u>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	1,992,940	434,253	2,427,193
Accrued interest payable	172,473	68,819	241,292
Unearned revenue	16,814	-	16,814
Noncurrent liabilities:			
Due within one year	1,825,799	1,662,590	3,488,389
Due in more than one year	16,640,949	23,995,624	40,636,573
Net pension liability	3,307,596	-	3,307,596
Net OPEB liability	5,052,386	702,039	5,754,425
Total liabilities	<u>29,008,957</u>	<u>26,863,325</u>	<u>55,872,282</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows related to pensions	2,271,060	235,914	2,506,974
Deferred inflows related to OPEB	922,188	128,140	1,050,328
Total deferred inflows of resources	<u>3,193,248</u>	<u>364,054</u>	<u>3,557,302</u>
<b>NET POSITION</b>			
Net investment in capital assets	33,219,144	28,662,592	61,881,736
Restricted for:			
Law enforcement	196,391	-	196,391
Unrestricted	(400,467)	10,697,941	10,297,474
Total net position	<u>\$ 33,015,068</u>	<u>\$ 39,360,533</u>	<u>\$ 72,375,601</u>

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

**City of Cocoa Beach, Florida**  
**Statement of Activities**  
**For the Fiscal Year Ended September 30, 2020**

<b>Function/Program</b>	<b>Expenses</b>	<b>Program Revenues</b>		
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>
Governmental activities:				
General government	\$ 5,110,091	\$ 3,173,940	\$ -	\$ -
Public safety	8,920,204	1,325,274	279,784	-
Physical environment	1,758,727	1,922,149	-	-
Transportation/public works	4,488,918	179,109	492,790	3,732,094
Recreation	3,305,469	1,898,983	-	-
Interest on long-term debt	511,713	-	-	-
Total governmental activities	<u>24,095,122</u>	<u>8,499,455</u>	<u>772,574</u>	<u>3,732,094</u>
Business-type activities:				
Utility system	7,162,431	7,599,442	-	2,813,348
Stormwater	618,028	885,950	-	-
Total business-type activities	<u>7,780,459</u>	<u>8,485,392</u>	<u>-</u>	<u>2,813,348</u>
Total government	<u>\$ 31,875,581</u>	<u>\$ 16,984,847</u>	<u>\$ 772,574</u>	<u>\$ 6,545,442</u>

General Revenues:  
Property taxes  
Local option gax tax  
Franchise taxes  
Excise taxes  
Unrestricted intergovernmental  
Unrestricted investment earnings  
Miscellaneous revenues  
Gain on sale of capital assets  
Transfers  
    Total general revenues and transfers

Change in net position

Net position - beginning

Net position - ending

**Net (Expense) Revenue and  
Changes in Net Position**

<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
\$ (1,936,151)	\$ -	\$ (1,936,151)
(7,315,146)	-	(7,315,146)
163,422	-	163,422
(84,925)	-	(84,925)
(1,406,486)	-	(1,406,486)
(511,713)	-	(511,713)
(11,090,999)	-	(11,090,999)
-	3,250,359	3,250,359
-	267,922	267,922
-	3,518,281	3,518,281
(11,090,999)	3,518,281	(7,572,718)
12,110,760	-	12,110,760
330,750	-	330,750
1,257,463	-	1,257,463
1,933,915	-	1,933,915
786,077	-	786,077
263,740	206,327	470,067
110,387	-	110,387
25,527	-	25,527
821,400	(821,400)	-
17,640,019	(615,073)	17,024,946
6,549,020	2,903,208	9,452,228
26,466,048	36,457,325	62,923,373
\$ 33,015,068	\$ 39,360,533	\$ 72,375,601

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

**City of Cocoa Beach, Florida**  
**Balance Sheet**  
**Governmental Funds**  
**September 30, 2020**

	<u>General Fund</u>	<u>Community Redevelopment Agency Fund</u>	<u>Capital Improvements Project Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 9,528,489	\$ 459,874	\$ 8,027,475	\$ 196,391	\$ 18,212,229
Investments	94,301	26,765	-	-	121,066
Accounts receivable	660,956	3,136	-	-	664,092
Due from other funds	80,000	-	-	-	80,000
Due from other governments	1,912,551	-	-	-	1,912,551
Inventory	75,802	-	-	-	75,802
Prepayments	195,541	16,297	-	-	211,838
Total assets	<u>\$ 12,547,640</u>	<u>\$ 506,072</u>	<u>\$ 8,027,475</u>	<u>\$ 196,391</u>	<u>\$ 21,277,578</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts and contracts payable	\$ 1,137,644	\$ 1,975	\$ 10,005	\$ -	\$ 1,149,624
Accrued liabilities	843,316	-	-	-	843,316
Due to other funds	-	248,738	-	-	248,738
Unearned revenue	16,814	-	-	-	16,814
Total liabilities	<u>1,997,774</u>	<u>250,713</u>	<u>10,005</u>	<u>-</u>	<u>2,258,492</u>
<b>Fund balances:</b>					
Non-spendable	271,343	16,297	-	-	287,640
Restricted	264,636	239,062	8,017,470	196,391	8,717,559
Committed	2,161,632	-	-	-	2,161,632
Unassigned	7,852,255	-	-	-	7,852,255
Total fund balances (deficits)	<u>10,549,866</u>	<u>255,359</u>	<u>8,017,470</u>	<u>196,391</u>	<u>19,019,086</u>
Total liabilities and fund balances	<u>\$ 12,547,640</u>	<u>\$ 506,072</u>	<u>\$ 8,027,475</u>	<u>\$ 196,391</u>	

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 (Note G, Paragraph 1)	42,053,943
Pension related liabilities, deferred inflows and deferred outflows are not financial resources nor near-term obligations and, therefore, are not reported in the funds	(4,489,911)
OPEB related liabilities, deferred inflows and deferred outflows are not financial resources nor near-term obligations and, therefore, are not reported in the funds	(4,928,829)
Long-term liabilities, excluding pension and OPEB (Note B, Paragraph 1)	<u>(18,639,221)</u>
Net position of governmental activities	<u>\$ 33,015,068</u>

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

**City of Cocoa Beach, Florida**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Fiscal Year Ended September 30, 2020**

	<u>General Fund</u>	<u>Community Redevelopment Agency Fund</u>	<u>Capital Improvements Project Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
Taxes	\$ 15,373,658	\$ 259,230	\$ -	\$ -	\$ 15,632,888
Licenses and permits	741,709	-	-	-	741,709
Intergovernmental revenues	5,290,745	-	-	-	5,290,745
Charges for services	7,537,256	154,897	-	-	7,692,153
Fines and forfeitures	65,593	-	-	-	65,593
Investment earnings	151,460	2,219	110,061	-	263,740
Miscellaneous revenues	110,387	-	-	-	110,387
Total revenues	<u>29,270,808</u>	<u>416,346</u>	<u>110,061</u>	<u>-</u>	<u>29,797,215</u>
<b>EXPENDITURES</b>					
Current:					
General government	4,753,775	67,032	-	-	4,820,807
Public safety	10,357,771	-	-	-	10,357,771
Physical environment	1,758,727	-	-	-	1,758,727
Transportation/public works	7,892,109	-	-	-	7,892,109
Recreation	3,044,346	-	-	-	3,044,346
Capital outlay	-	-	1,818,452	-	1,818,452
Debt service:					
Principal	503,294	230,000	-	-	733,294
Interest and other	319,447	176,567	-	-	496,014
Total expenditures	<u>28,629,469</u>	<u>473,599</u>	<u>1,818,452</u>	<u>-</u>	<u>30,921,520</u>
Excess (deficiency) of revenues over (under) expenditures before transfers	641,339	(57,253)	(1,708,391)	-	(1,124,305)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	868,715	395,632	-	-	1,264,347
Transfers out	(415,632)	(27,315)	-	-	(442,947)
Sale of capital assets	25,527	-	-	-	25,527
Total other financing sources (uses)	<u>478,610</u>	<u>368,317</u>	<u>-</u>	<u>-</u>	<u>846,927</u>
Net change in fund balances	1,119,949	311,064	(1,708,391)	-	(277,378)
Fund balances, beginning of year	9,429,917	(55,705)	9,725,861	196,391	19,296,464
Fund balances, end of year	<u>\$ 10,549,866</u>	<u>\$ 255,359</u>	<u>\$ 8,017,470</u>	<u>\$ 196,391</u>	<u>\$ 19,019,086</u>

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



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**City of Cocoa Beach, Florida**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in**  
**Fund Balances of Governmental Funds to the Statement of Activities**  
**For the Fiscal Year Ended September 30, 2020**

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

Net change in fund balances - total governmental funds	\$	(277,378)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period (Note B, Paragraph 2).		5,018,341
Government funds report contributions to pension plans as expenditures and do not recognize the long-term net pension liability. However, in the statement of activities, the pension expense associated with service cost is recognized and the contributions to the pension plans reduce the net pension liability. (Note B, Paragraph 2)		1,308,070
Government funds report contributions to OPEB plans as expenditures and do not recognize the long-term net OPEB liability. However, in the statement of activities, the OPEB expense associated with service cost is recognized and the contributions to the OPEB plan reduces the net OPEB liability. (Note B, Paragraph 2)		62,269
The issuance of long-term debt (e.g., bonds, bank loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items (Note B, Paragraph 2).		761,913
Some expenses reported in the statement of activities did not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (Note B, Paragraph 2).		(324,195)
Change in net position of governmental activities	\$	6,549,020

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

**City of Cocoa Beach, Florida**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**General Fund**  
**For the Fiscal Year Ended September 30, 2020**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 15,250,130	\$ 15,250,130	\$ 15,373,658	\$ 123,528
Licenses and permits	598,900	598,900	741,709	142,809
Intergovernmental revenues	5,331,575	5,356,575	5,290,745	(65,830)
Charges for services	8,710,389	8,710,389	7,537,256	(1,173,133)
Fines and forfeitures	50,500	50,500	65,593	15,093
Investment earnings	67,500	67,500	151,460	83,960
Miscellaneous revenues	73,159	91,283	110,387	19,104
Total revenues	<u>30,082,153</u>	<u>30,125,277</u>	<u>29,270,808</u>	<u>(854,469)</u>
<b>EXPENDITURES</b>				
Current:				
General government:				
Mayor and City Commission	114,718	114,718	98,152	16,566
City Attorney - legal services	250,000	250,000	248,575	1,425
City Manager	366,162	366,162	364,611	1,551
Personnel	309,495	309,495	255,953	53,542
City Clerk	216,438	216,438	203,585	12,853
Finance	823,982	823,982	773,964	50,018
Metered parking program	626,802	694,802	499,120	195,682
Information technology	1,246,811	1,311,163	1,114,740	196,423
Other general government	1,304,427	1,304,427	1,195,075	109,352
	<u>5,258,835</u>	<u>5,391,187</u>	<u>4,753,775</u>	<u>637,412</u>
Public safety:				
Police department	4,881,970	4,864,870	4,662,623	202,247
Communications	857,772	864,272	775,221	89,051
Fire department	4,343,824	4,419,899	4,245,974	173,925
Building department:				
Planning, zoning and development	491,223	476,223	338,177	138,046
Inspections and permits	287,380	302,380	335,776	(33,396)
	<u>10,862,169</u>	<u>10,927,644</u>	<u>10,357,771</u>	<u>569,873</u>
Transportation/public works:				
Field operations	1,504,773	1,537,973	1,472,365	65,608
Building maintenance	916,866	1,047,729	901,586	146,143
Grounds maintenance	589,106	584,106	574,927	9,179
Fleet management	1,349,844	1,394,705	1,174,719	219,986
Capital improvements	4,180,000	4,279,510	3,768,512	510,998
Physical environment	1,694,000	1,714,000	1,758,727	(44,727)
	<u>10,234,589</u>	<u>10,558,023</u>	<u>9,650,836</u>	<u>907,187</u>

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**City of Cocoa Beach, Florida**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**General Fund (continued)**  
**For the Fiscal Year Ended September 30, 2020**

	Budget Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>EXPENDITURES (continued)</b>				
Recreation:				
Administration and community service center	\$ 473,416	\$ 465,715	\$ 352,700	\$ 113,015
Golf	2,378,873	2,377,073	2,024,788	352,285
Parks	234,373	234,373	186,398	47,975
Swimming pool	500,002	507,703	399,873	107,830
Beach rangers	79,880	79,880	78,764	1,116
Tennis courts	2,120	2,120	1,823	297
	<u>3,668,664</u>	<u>3,666,864</u>	<u>3,044,346</u>	<u>622,518</u>
Debt service:				
Principal	503,294	503,294	503,294	-
Interest	319,447	319,447	319,447	-
	<u>822,741</u>	<u>822,741</u>	<u>822,741</u>	<u>-</u>
Total expenditures	<u>30,846,998</u>	<u>31,366,459</u>	<u>28,629,469</u>	<u>2,736,990</u>
Excess (deficiency) of revenues over expenditures	(764,845)	(1,241,182)	641,339	1,882,521
<b>OTHER FINANCING SOURCES AND (USES)</b>				
Transfer from:				
Utilities system fund	861,400	861,400	861,400	-
CRA	87,315	87,315	7,315	(80,000)
Transfer to:				
CRA	(395,632)	(395,632)	(395,632)	-
Stormwater management fund	(20,000)	(20,000)	(20,000)	-
Sale of capital assets	5,000	5,000	25,527	20,527
Total other financing sources	<u>538,083</u>	<u>538,083</u>	<u>478,610</u>	<u>(59,473)</u>
Net change in fund balances	<u>(226,762)</u>	<u>(703,099)</u>	<u>1,119,949</u>	<u>1,823,048</u>
Fund balance, beginning of year	226,762	226,762	9,429,917	9,203,155
Fund balance, end of year	<u>\$ -</u>	<u>\$ (476,337)</u>	<u>\$ 10,549,866</u>	<u>\$ 11,026,203</u>

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



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**City of Cocoa Beach, Florida**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Community Redevelopment Agency Fund**  
**For the Fiscal Year Ended September 30, 2020**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 259,257	\$ 259,257	\$ 259,230	\$ (27)
Charges for services	169,120	169,120	154,897	(14,223)
Investment earnings	900	900	2,219	1,319
Total revenues	<u>429,277</u>	<u>429,277</u>	<u>416,346</u>	<u>(12,931)</u>
<b>EXPENDITURES</b>				
Current:				
General government:				
Planning and development	115,448	115,448	67,032	48,416
Debt service:				
Principal	311,261	311,261	230,000	81,261
Interest and other	176,673	176,673	176,567	106
Total expenditures	<u>603,382</u>	<u>603,382</u>	<u>473,599</u>	<u>129,783</u>
<b>OTHER FINANCING SOURCES AND (USES)</b>				
Transfers in	395,632	395,632	395,632	-
Transfers out	(107,315)	(107,315)	(27,315)	80,000
Total other financing sources	<u>288,317</u>	<u>288,317</u>	<u>368,317</u>	<u>80,000</u>
Net change in fund balances	114,212	114,212	311,064	196,852
Fund balance (deficit), beginning of year	<u>(114,212)</u>	<u>(114,212)</u>	<u>(55,705)</u>	<u>58,507</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 255,359</u>	<u>\$ 255,359</u>

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

**City of Cocoa Beach, Florida**  
**Statement of Net Position**  
**Proprietary Funds**  
**September 30, 2020**

	<b>Enterprise Funds</b>		
	<b>Utility System</b>	<b>Stormwater Management</b>	<b>Total</b>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 4,972,535	\$ 875,647	\$ 5,848,182
Investments	2,269,450	301,463	2,570,913
Accounts receivable, net of allowance for uncollectible accounts	1,246,585	163,216	1,409,801
Due from other funds	182,280	-	182,280
Due from other governments	756,058	-	756,058
Prepaid expenses	30,790	2,957	33,747
Total current assets	<u>9,457,698</u>	<u>1,343,283</u>	<u>10,800,981</u>
Noncurrent assets:			
Restricted assets			
Cash and cash equivalents	1,302,363	32,794	1,335,157
Advances to other funds	173,447	-	173,447
Net pension asset	104,610	15,422	120,032
Capital assets:			
Land	1,691,599	-	1,691,599
Buildings	3,491,671	490,920	3,982,591
Infrastructure	41,396,088	9,178,056	50,574,144
Improvements other than buildings	29,540,551	250,814	29,791,365
Machinery and equipment	4,157,603	110,729	4,268,332
Construction in progress	2,080,673	200,912	2,281,585
Less accumulated depreciation	<u>(37,109,237)</u>	<u>(1,404,985)</u>	<u>(38,514,222)</u>
Total noncurrent assets	<u>46,829,368</u>	<u>8,874,662</u>	<u>55,704,030</u>
Total assets	<u>56,287,066</u>	<u>10,217,945</u>	<u>66,505,011</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pensions	108,575	16,006	124,581
Deferred outflows related to OPEB	127,443	17,866	145,309
Total deferred outflows of resources	<u>\$ 236,018</u>	<u>\$ 33,872</u>	<u>\$ 269,890</u>

*Continued on next page*

**City of Cocoa Beach, Florida**  
**Statement of Net Position**  
**Proprietary Funds (continued)**  
**September 30, 2020**

	<b>Enterprise Funds</b>		
	<b>Utility System</b>	<b>Stormwater Management</b>	<b>Total</b>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 417,548	\$ 16,705	\$ 434,253
Due to other funds	-	98,964	98,964
Accrued compensated absences	111,692	7,924	119,616
Notes payable	1,484,637	58,337	1,542,974
Accrued interest payable	66,664	2,155	68,819
Total current liabilities	<u>2,080,541</u>	<u>184,085</u>	<u>2,264,626</u>
Noncurrent liabilities:			
Advances from other funds	-	88,025	88,025
Accrued compensated absences	105,188	20,608	125,796
Net OPEB liability	615,723	86,316	702,039
Notes payable	22,879,007	990,821	23,869,828
Total noncurrent liabilities	<u>23,599,918</u>	<u>1,185,770</u>	<u>24,785,688</u>
Total liabilities	<u>25,680,459</u>	<u>1,369,855</u>	<u>27,050,314</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows related to pensions	205,604	30,310	235,914
Deferred inflows related to OPEB	112,385	15,755	128,140
Total deferred inflows of resources	<u>317,989</u>	<u>46,065</u>	<u>364,054</u>
<b>NET POSITION</b>			
Net investment in capital assets	20,885,304	7,777,288	28,662,592
Unrestricted	9,639,332	1,058,609	10,697,941
Total net position	<u>\$ 30,524,636</u>	<u>\$ 8,835,897</u>	<u>\$ 39,360,533</u>

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



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**City of Cocoa Beach, Florida**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Fiscal Year Ended**  
**September 30, 2020**

	<b>Enterprise Funds</b>		
	<b>Utility System</b>	<b>Stormwater Management</b>	<b>Totals</b>
<b>OPERATING REVENUES</b>			
Charges for services	\$ 7,525,885	\$ 885,950	\$ 8,411,835
Other operating revenue	73,557	-	73,557
Total operating revenues	<u>7,599,442</u>	<u>885,950</u>	<u>8,485,392</u>
<b>OPERATING EXPENSES</b>			
Salaries, wages and employee benefits	1,714,623	267,897	1,982,520
Contractual services, materials and supplies	1,914,968	122,202	2,037,170
Insurance	86,592	11,356	97,948
Depreciation	2,887,152	203,343	3,090,495
Total operating expenses	<u>6,603,335</u>	<u>604,798</u>	<u>7,208,133</u>
Operating income (loss)	<u>996,107</u>	<u>281,152</u>	<u>1,277,259</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Investment earnings	186,808	8,300	195,108
Interest on advance to other fund	11,219	(5,896)	5,323
Interest expense	(559,096)	(7,334)	(566,430)
Total non-operating revenues (expenses)	<u>(361,069)</u>	<u>(4,930)</u>	<u>(365,999)</u>
Income (loss) before contributions and transfers	635,038	276,222	911,260
Capital contributions - connection fees	497,990	-	497,990
Capital grants	2,315,358	-	2,315,358
Transfers in	-	40,000	40,000
Transfers out	(861,400)	-	(861,400)
Change in net position	<u>2,586,986</u>	<u>316,222</u>	<u>2,903,208</u>
Total net position, beginning of year	<u>27,937,650</u>	<u>8,519,675</u>	<u>36,457,325</u>
Total net position, end of year	<u>\$ 30,524,636</u>	<u>\$ 8,835,897</u>	<u>\$ 39,360,533</u>

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

**City of Cocoa Beach, Florida**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Fiscal Year Ended September 30, 2020**

	<b>Enterprise Funds</b>		
	<b>Utilities System</b>	<b>Stormwater Management</b>	<b>Totals</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers and users	\$ 7,383,944	\$ 876,408	\$ 8,260,352
Payments to suppliers	(1,281,994)	(65,343)	(1,347,337)
Employee payments and benefits	(1,743,312)	(283,410)	(2,026,722)
Payments for interfund services used	(596,187)	(83,387)	(679,574)
Other operating receipts	73,557	-	73,557
Net cash (used in) provided by operating activities	<u>3,836,008</u>	<u>444,268</u>	<u>4,280,276</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>			
Proceeds from repayments of advances	177,784	-	177,784
Interest received from advances to other funds	11,219	-	11,219
Payments on advances from other funds	-	(96,522)	(96,522)
Interest paid on advances from other funds	-	(5,896)	(5,896)
Transfer to other funds	(861,400)	-	(861,400)
Transfer from other funds	-	40,000	40,000
Net cash (used in) provided by non-capital financing activities	<u>(672,397)</u>	<u>(62,418)</u>	<u>(734,815)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Proceeds from capital debt	4,647,775	-	4,647,775
Proceeds from capital grants	1,834,277	-	1,834,277
Capital contributions - connection fees	497,990	-	497,990
Purchase and construction of capital assets	(7,886,968)	(193,328)	(8,080,296)
Principal payments on capital debt	(1,433,758)	(57,936)	(1,491,694)
Interest payments on capital debt	(545,762)	(7,451)	(553,213)
Net cash (used in) provided by capital and related financing activities	<u>(2,886,446)</u>	<u>(258,715)</u>	<u>(3,145,161)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sales of investments	1,175,041	-	1,175,041
Purchase of investments	-	(36,477)	(36,477)
Investment earnings	186,808	8,300	195,108
Net cash (used in) provided by investing activities	<u>1,361,849</u>	<u>(28,177)</u>	<u>1,333,672</u>
Net increase (decrease) in cash and cash equivalents	1,639,014	94,958	1,733,972
Cash and cash equivalents, beginning	<u>4,635,884</u>	<u>813,483</u>	<u>5,449,367</u>
Cash and cash equivalents, ending	<u>\$ 6,274,898</u>	<u>\$ 908,441</u>	<u>\$ 7,183,339</u>

*Continued on next page*

**City of Cocoa Beach, Florida**  
**Statement of Cash Flows**  
**Proprietary Funds (continued)**  
**For the Fiscal Year Ended September 30, 2020**

	<b>Enterprise Funds</b>		
	<b>Utilities System</b>	<b>Stormwater Management</b>	<b>Totals</b>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>			
Operating income (loss)	\$ 996,107	\$ 281,152	\$ 1,277,259
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation and amortization	2,887,152	203,343	3,090,495
(Increase) decrease in assets:			
Accounts receivable	(28,326)	(9,542)	(37,868)
Prepaid expenses	(1,965)	(122)	(2,087)
Due from other government	(113,615)	-	(113,615)
Deferred outflows from OPEB	(77,872)	(10,917)	(88,789)
Deferred outflows from pensions	55,265	8,148	63,413
Net pension asset	(104,610)	(15,422)	(120,032)
Increase (decrease) in liabilities:			
Accounts payable and accrued liabilities	125,344	(15,050)	110,294
Accrued compensated absences	34,349	(6,274)	28,075
Net pension liability	(124,119)	(18,298)	(142,417)
Net OPEB liability	102,987	14,437	117,424
Deferred inflows from OPEB	(32,704)	(4,585)	(37,289)
Deferred inflows from pensions	118,015	17,398	135,413
Total adjustments	<u>2,839,901</u>	<u>163,116</u>	<u>3,003,017</u>
Net cash (used in) provided by operating activities	<u>\$ 3,836,008</u>	<u>\$ 444,268</u>	<u>\$ 4,280,276</u>
Cash and cash equivalents reconciliation:			
Cash and cash equivalents	\$ 4,972,535	\$ 875,647	\$ 5,848,182
Restricted assets:			
Cash and cash equivalents (included in restricted cash, cash equivalents, and investments)	<u>1,302,363</u>	<u>32,794</u>	<u>1,335,157</u>
Cash and cash equivalents, ending	<u>\$ 6,274,898</u>	<u>\$ 908,441</u>	<u>\$ 7,183,339</u>

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

**City of Cocoa Beach, Florida**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**September 30, 2020**

	<u>Employee Retirement Funds</u>
<b>ASSETS</b>	
Receivables:	
Employer contributions	\$ 980
Total receivables	<u>980</u>
Investments, at fair value:	
Cash and money market	697,660
Real Estate	3,166,824
Mutual funds	<u>61,238,969</u>
Total investments	<u>65,103,453</u>
Total assets	<u>65,104,433</u>
<b>LIABILITIES</b>	
Accounts payable	<u>12,574</u>
<b>NET POSITION</b>	
Restricted for pensions	63,048,798
Restricted for OPEB benefits	<u>2,043,061</u>
Total net position	<u><u>\$ 65,091,859</u></u>

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

**City of Cocoa Beach, Florida**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Fiscal Year Ended September 30, 2020**

	<u>Employee Retirement Funds</u>
<b>ADDITIONS</b>	
Contributions:	
Employer	\$ 2,583,388
Plan members	483,135
Plan members buyback	47,992
Total contributions	<u>3,114,515</u>
Investment earnings:	
Net increase (decrease) in fair value of investments	4,238,149
Interest and dividends	2,706,491
Total investment earnings	<u>6,944,640</u>
Less investment expenses	139,549
Net investment earnings	<u>6,805,091</u>
Total additions	<u>9,919,606</u>
<b>DEDUCTIONS</b>	
Benefits	4,131,288
Refunds of contributions	25,596
Administrative expenses	159,280
Total deductions	<u>4,316,164</u>
Change in net position	5,603,442
Net position, beginning of year	<u>59,488,417</u>
Net position, end of year	<u><u>\$ 65,091,859</u></u>

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



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# NOTES TO THE FINANCIAL STATEMENTS

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## **A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **1. Reporting entity**

The City of Cocoa Beach, Florida (the City) is a political subdivision of the State of Florida and is located in Brevard County. The City was incorporated in 1925 and has a Commission/City Manager form of government. The City Commission consists of a Mayor and four (4) Commissioners responsible for establishing policies and enacting ordinances and resolutions. They are elected at large. The City Commission appoints the City Manager who is responsible for the daily administration of the City's operations.

The accompanying financial statements present the City and its component unit, an entity for which the City is considered to be financially accountable. A blended component unit, although legally separate, is, in substance, part of the City's operations. The City has one blended component unit, the Community Redevelopment Agency (CRA). For financial reporting purposes, the CRA is reported as if it were a part of the City's operations. The CRA is an incremental tax district established with City Resolution number 2009-28 on November 19, 2009, pursuant to Florida Statutes Chapter 163. The City Commission serves as the governing board, approves the budget, provides funding, and performs all accounting functions for the CRA. The CRA's services are provided exclusively to the City. The CRA is presented as a blended component unit classified as a special revenue fund. Beginning in FY 2020 a standalone CRA financial report is also presented as required by Florida Statutes.

The Cocoa Beach Public Library is funded through the Brevard County Free Public Library District, a separate taxing authority. The City Commissioners appoint an advisory Library Board that has authority to propose budget recommendations to the County and provide input in the selection of a library director. The Library's actual budget is approved and funded by Brevard County and all its personnel are governed by the policies and procedures of Brevard County. The Cocoa Beach Public Library is therefore not a component unit of the City.

The accounting policies of the City conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governments. The following is a summary of the more significant policies of the City.

### **2. Government-wide and fund financial statements**

The government-wide financial statements consist of a Statement of Net Position and a Statement of Activities. These statements report information on all of the nonfiduciary activities of the primary government as a whole. As part of the consolidation process, all interfund activities are eliminated from these statements, except for the residual amounts between governmental and business-type activities reported as "internal balances." Net position, the difference between assets, deferred outflows, and liabilities, deferred inflows, as presented in the Statement of Net Position, are categorized as follows:

- a. Net investment in capital assets - the portion of net position, which is associated with capital assets, less outstanding debt related to those capital assets.



## **A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

### **2. Government-wide and fund financial statements (continued)**

- b. Restricted net position - have third party (statutory, bond covenant or granting agency) limitations on their use or enabling legislation.
- c. Unrestricted net position - have no third-party limitations on their use.

The Statement of Activities presents a comparison between the direct and indirect expenses of a given function or segment and its program revenues and displays the extent to which each function or segment contributes to the change in net position for the fiscal year. Direct expenses are those that are clearly identifiable to a specific function or segment. Indirect expenses are costing the City has allocated to functions through various allocation methods. Program revenues consist of charges for services, operating grants and contributions, and capital grants and contributions.

Charges for services refer to amounts received from those who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment. Grants and contributions consist of revenues that are restricted to meeting the operational or capital requirements of a particular function or segment. Revenues not classified as program revenues are reported as general revenues.

Separate fund financial statements report detailed information about the City's governmental, proprietary, and fiduciary funds. The focus of governmental and proprietary fund financial statements is on major funds. Therefore, major funds are reported as separate columns in the fund financial statements and non-major funds are aggregated and presented as a single column on each statement. The results of governmental fund accounting are converted to the government-wide presentation by reconciliation.

Generally, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this are payments-in-lieu of taxes and other charges between the City's utilities and stormwater management systems and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

### **3. Measurement focus, basis of accounting, and financial statement presentation**

The government-wide financial statements, as well as the proprietary and fiduciary fund financial statements, are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized in the period earned and expenses are recognized when a liability is incurred. Property tax revenues are recognized 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.

## A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 3. Measurement focus, basis of accounting, and financial statement presentation (continued)

All governmental fund financial statements are reported using a current financial resources measurement focus on a modified accrual basis of accounting. Under this basis, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Available is defined as collectible within the current period, or soon enough thereafter to be used to pay liabilities of the current period, usually considered sixty days.

The primary revenue sources for governmental funds are property taxes, public utility taxes, franchise fees, and sales and fuel taxes. Primary revenue sources associated with the current fiscal period are considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenues, such as licenses and permits, charges for services, and miscellaneous revenues, are considered to be measurable and available only when payment is received.

Expenditures of governmental funds are generally recorded when a liability is incurred, as under accrual accounting. However, accumulated sick and vacation pay, prepaid insurance and similar items, and principal and interest on long-term debt are recorded only when payment is due.

Proprietary funds distinguish between operating and non-operating revenues and expenses. Operating revenues generally result from producing and delivering goods or providing services, such as water, sewer, and stormwater services, to the public. Operating expenses for these operations include the costs of sales and services, administrative expenses, and depreciation. All revenues and expenses not meeting the definition of operating are reported as non-operating revenues and expenses.

Major funds are those whose assets, revenues, expenditures, and liabilities are at least 10% percent of corresponding totals for all governmental or enterprise funds and at least 5% percent of the aggregate amount for all governmental *and* enterprise funds for the same item.

The following are major governmental funds:

**General Fund** - The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in other funds.

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

**Capital Improvements Project Fund** - The Capital Improvements Project Fund is a capital projects fund to account for Special Obligation Revenue Note 2019 proceeds being used for the design and construction costs of the new police station.

## A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 3. Measurement focus, basis of accounting, and financial statement presentation (continued)

The following are major enterprise funds:

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

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

Fiduciary Funds report assets held in a trustee or agency capacity for others and therefore cannot be used to support the government's own programs.

The following are trust or agency funds:

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

**Agency Fund** - The City has no agency funds.

### 4. Cash and cash equivalents

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and highly liquid short-term investments with original maturities of three months or less from the date of acquisition. The City maintains centralized checking accounts for all funds (except fiduciary funds).

### 5. Investments

The City's investment activities are governed by Chapter 218.415, Florida Statutes. In accordance with this statute, the City may invest any surplus funds in (a) The Local Government Surplus Funds Trust Fund; (b) Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency; (c) interest-bearing time deposits or savings accounts in qualified public depositories; (d) direct obligations of the U.S. Treasury and (e) federal agencies and instrumentalities. Securities listed in (c) and (d) must be invested to provide sufficient liquidity to pay obligations as they come due. The City has adopted a formal investment policy in compliance with Florida Statutes.

Investments are stated at fair value. Changes in the fair value during the year are included in investment income or loss. GASB 72, Fair Value Measurements, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The hierarchy is based on the valuation inputs used to measure the fair value of the asset, as determined by the City's investment advisors.

## A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 6. Receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (the current portion of interfund loans) or “advances to/from other funds” (the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Advances between funds, as reported in the fund financial statements, are offset by a non-spendable fund balance account in the applicable governmental funds to indicate that they are not available for appropriation and are not expendable available resources.

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

### 7. Inventory

Inventory is stated at cost, which approximates fair value, using the first-in, first-out (FIFO) inventory costing method. Inventory in governmental funds is recorded as an expenditure when purchased.

### 8. Prepayments and deposits

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. These amounts are offset by a non-spendable fund balance account, which indicates that they do not constitute available resources.

### 9. Restricted assets

Certain assets of the City’s funds are classified as restricted assets on the statement of net position because their use is limited by applicable legal restrictions. The restrictions are for the following:

- Capital Improvement Revenue Note, Series 2014A
- Capital Improvement Refunding Revenue Note, Series 2014B
- Special Obligation Revenue Note, Series 2019
- Confiscated Property Fund
- SRF Loan Repayment Reserve (Clean Water State Revolving Loans 050610, 050620, 050621, & 050630)

See Note J for additional information.

**A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**10. Property and equipment**

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

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

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

<u>Classification</u>	<u>Service Life Ranges</u>
Infrastructure	30 - 50 years
Buildings and building improvements	40 years
Improvements other than buildings	10 - 15 years
Machinery, furniture, and equipment	3 - 5 years

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

**11. Compensated absences**

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

Upon termination, PTO is paid in full, but limited to 480 hours. Bargaining unit members are paid in accordance with their respective contracts. This amount is charged to the fund in which the employee was budgeted. See Note I for a comprehensive recap by fund of the liability associated with compensated absences.

In FY 2020, in addition to the CARES Act requirements for Emergency Family Medical Leave, the City provided an additional 40 hours of PTO to all full-time employees to cover the impact of COVID.

## A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 12. Long-term liabilities

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

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as an "other financing" source. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs are reported as debt service expenditures. Losses incurred on refunding debt in Proprietary Funds is deferred and amortized over the shorter of the life of the new issue or the remaining life of the refunded issue. Only material amounts of accrued interest are recorded in the financial statements.

### 13. Fund equity

Fund balances for governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

The City reported the following governmental fund balances:

	FUND BALANCE - GOVERNMENTAL FUNDS				
	General	Confiscated Property	Community Redevelopment (CRA)	Capital Improvement Funds	Totals
<b>Fund balances:</b>					
Non-spendable:					
Prepaid items	\$ 195,541	\$ -	\$ 16,297	\$ -	\$ 211,838
Inventory	75,802	-	-	-	75,802
Restricted:					
Revenue Note, Series 2014A	264,636	-	-	-	264,636
CRA Obligations	-	-	239,062	-	239,062
Police Station Construction	-	-	-	8,017,470	8,017,470
/Infrastructure Improvements	-	196,391	-	-	196,391
Committed:					
Capital projects	1,161,632	-	-	-	1,161,632
Municipal Facilities	1,000,000	-	-	-	1,000,000
Unassigned:					
General government	7,852,255	-	-	-	7,852,255
<b>Total Fund Balance</b>	<b>\$ 10,549,866</b>	<b>\$ 196,391</b>	<b>\$ 255,359</b>	<b>\$ 8,017,470</b>	<b>\$ 19,019,086</b>

## **A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

### 13. Fund equity (continued)

#### Non-spendable fund balance

Represents components not in spendable form and legally or contractually required to be maintained intact. Examples are inventories, prepaid expenditures, long-term portion of notes receivable, property acquired for resale and unrealized gains. The City Commission is the highest authority for these items.

#### Restricted fund balance

These amounts represent spending constraints externally imposed by law through constitutional provisions or enabling legislation or by agreements with creditors, grantors, or other governments. Funds to construct the new fire station were secured with Capital Improvement Revenue Note, Series 2014A and the annual debt service payment is in this classification. Included in this classification are funds used to construct the new police station that were secured with Special Obligation Revenue Note, Series, 2019. See Notes H and J for additional details.

The Confiscated Property Fund is governed by Chapter 932, Florida Statutes, meaning that the \$196,391 monies from the fund must be spent for the purposes and items enumerated in the statute. These expenditures are requested by the Police Chief and approved by the City Commission.

#### Committed fund balance

These amounts can only be used for specific purposes pursuant to constraints imposed by the City Commission. The constraints cannot be removed unless the Commission removes it in the same manner it was implemented.

Resolution 2020-24 (passed October 15, 2020) amended the Fiscal Year 2021 budget to appropriate funds for capital projects not completed in the prior fiscal year. The Commission may cancel or defer any of the projects funded by the Resolution.

#### Assigned fund balance

These amounts are constrained by the government's intent they be used for specific purposes. Decisions with regard to these purposes and amounts will be as determined by the City Commission by Resolution.

#### Unassigned fund balance

Represents amounts that have not been assigned to other funds and that have not been restricted, committed, or assigned to a specific purpose within the general fund. This includes residual positive fund balance within the General Fund which has not been classified within the other above-mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes. Currently, this condition does not exist.

When both restricted and unrestricted amounts are available for use, it is the City's practice to use restricted resources first. Additionally, the City would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance.

## **A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

### 14. Revenues, contributions, expenditures, and expenses

The City's accounting treatment and recognition policies for certain revenues, expenditures, and expenses having unique accounting requirements are as follows:

#### Property taxes

Property taxes are billed November 1st (discounts are available for early payment) for the calendar year beginning January 1st. Taxes are due March 1st and become delinquent on April 1st and tax certificates on all property on which taxes are delinquent are sold at the end of May of each year. Property taxes are considered fully collected (i.e. 96% of the levy) during and prior to the end of the fiscal year. Therefore, no material amounts of property taxes are receivable.

#### Administrative service charges

Administrative services are provided to certain enterprise fund and special revenue fund activities by various departments within the general fund. These charges are recorded as revenues in the general fund and as operating expenses in the fund being charged.

#### Grants

Operating and capital grants for both governmental and proprietary funds are recorded as receivables and revenues at the time that eligible (reimbursable) project costs are incurred. Grant revenues received in advance of meeting all eligibility criteria are unearned.



## B - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

### 1. Explanation of certain differences between the governmental funds balance sheet and the government-wide statement of net position

The governmental funds balance sheet includes reconciliation between *fund balance-total governmental funds* and *net position-governmental activities* as reported in the government-wide statement of net position.

An element of that reconciliation explains that “long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.” The details of this difference are as follows:

Special Obligation Note, Series 2019	\$ 9,584,000
Capital Improvement Revenue Note, Series 2014A	2,940,000
CRA Improvement Revenue Bonds, Series 2017	3,795,000
CRA Improvement Bond Premium	343,434
Equipment lease payable	189,835
Accrued interest payable	172,473
Accrued compensated absences	<u>1,614,479</u>
 Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	 <u>\$ 18,639,221</u>

### 2. Explanation of certain differences between the governmental funds statement of revenues, expenditures, and changes in fund balances and government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes 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. One element of that reconciliation explains that “governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this difference are as follows:

Capital outlays and transfers (net) (Note G, Paragraph 3)	\$ 7,647,015
Depreciation expense	<u>(2,628,674)</u>
 Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position - governmental activities</i>	 <u>\$ 5,018,341</u>

Another element of the reconciliation explains that “the issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.”

**B - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (continued)**

2. Explanation of certain differences between the governmental funds statement of revenues, expenditures, and changes in fund balances and government-wide statement of activities (continued)

The detail of this difference is as follows:

Principal payments on long-term debt:	
Capital improvement revenue note, Series 2014A	\$ 165,000
CRA Improvement Revenue Bonds, Series 2017B	230,000
Capital lease (golf carts)	73,760
Capital lease (equipment master lease)	97,534
Special Obligation Note, 2019	167,000
Amortization of bond premium	<u>28,619</u>
 Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position - governmental activities</i>	 <u><u>\$ 761,913</u></u>

A third element of the reconciliation states, “some expenses reported in the statement of activities did not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.”

The details of this difference are as follows:

Change in accrued compensated absences	\$ (279,877)
Accrued interest expense	<u>(44,318)</u>
 Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position - governmental activities</i>	 <u><u>\$ (324,195)</u></u>

A fourth element of the reconciliation states that “contributions to pension plans do not recognize the long-term net pension liability. However, in the statement of activities, the pension expense associated with service cost is recognized and the contributions to the pension plans reduce the net pension liability.”

The details of this difference are as follows:

	General Employees' Pension Fund	Firefighters' Pension Fund	Police Officers' Pension Fund	Total
Pension contributions	\$ 419,216	\$ 570,000	\$ 865,000	\$ 1,854,216
Pension expenses	<u>(229,765)</u>	<u>(149,312)</u>	<u>(167,069)</u>	<u>(546,146)</u>
	<u><u>\$ 189,451</u></u>	<u><u>\$ 420,688</u></u>	<u><u>\$ 697,931</u></u>	<u><u>\$ 1,308,070</u></u>

A final element of the reconciliation states that “contributions to the OPEB plan do not recognize the long-term net OPEB liability. However, in the statement of activities, the OPEB expense associated with service cost is recognized and the contributions to the OPEB plan reduce the net OPEB liability.”

The details of this difference are as follows:

OPEB contributions	\$ 279,321
OPEB expenses	<u>(217,051)</u>
	<u><u>\$ 62,269</u></u>

## C - BUDGETS

### Budget policy

Annual budgets are prepared for all funds except the following:

- The Confiscated Property Special Revenue Fund is not budgeted because its sole purpose is to account for property confiscated by law enforcement in accordance with State and Federal Law. The use of these funds is governed by Chapter 932, Florida statutes. Accordingly, these funds are held in a separate interest-bearing account.
- The Pension and OPEB trust funds are not budgeted because the funds held in these accounts are in trust for others; however, the City contributions to those funds are budgeted within the respective departments. See Notes L and M for additional information.

Annual operating budgets are prepared on a basis consistent with accounting principles generally accepted in the United States of America. Annual budget appropriations lapse at the end of each fiscal year. Open purchase orders and other commitments are recognized as expenditures in the period in which the actual goods or services are received and a liability is incurred. Encumbrances outstanding at year-end for unfulfilled obligations are canceled and appropriated in the succeeding year's budget. Such amounts, if material, are disclosed in the notes to financial statements under "Commitments."

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

- Each department, office or agency of the City submits a work program and budget request to the Chief Financial Officer during March of each year.
- The City Manager reviews the departmental requests, conducts workshop sessions, and presents the proposed budget to the City Commission in July of each year.
- The City Commission holds a series of budget workshops and public hearings on the proposed budget and adopts the official annual budget of the City by resolution.

The budgets, as adopted, may be amended through formal approval by the City Commission. Budgetary integration is established in the accounting records for control purposes at the object of expenditure level; however, the City Charter establishes the level at which expenditures may not legally exceed budgeted amounts at the department level. The City's general governmental appropriations are budgeted within the general fund as if it were a separate department. Items making up this legal level of budgetary control include current other general government expenditures; debt service expenditures and other financing uses. Resolution 2019-17 adopted September 19, 2019 contains budgets for the General Fund and CRA (governmental funds) as well as the Utilities System Fund, and the Stormwater Management Fund (enterprise funds). The City Manager may transfer budgeted amounts within a department, office, or agency of the City without formal approval by the City Commission. The final budget amounts shown in the financial statements include all amendments as approved during the year by the City Commission.

## D - CASH AND INVESTMENTS

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and certificates of deposit. The City maintains a centralized interest-bearing checking account for all operating funds. At September 30, 2020, cash and cash equivalents consisted of the following:

Petty cash funds	\$	7,460
FL PALM - Public Assets For Liquidity Management		5,481,353
FL PALM - Police Station Construction/Infrastruce Project Funds		8,036,945
Florida Local Government Investment Trust		7,852,821
FL SAFE - Operating		1,507,483
Bank balance (all accounts)		<u>2,509,506</u>
Total cash and cash equivalents		25,395,568
Less: cash and equivalents classified as restricted assets		
	Restricted Assets (see Note J for complete details)	<u>(9,833,130)</u>
Available cash balance	\$	<u><u>15,562,438</u></u>

While the total carrying amount of our cash deposits is \$25,395,568 the available cash balance is \$15,562,438. The City has complied with the requirements of the Florida Security for Public Deposits Act (the Act) by maintaining its accounts at a qualified public depository as provided by Chapter 280 of the Florida Statutes. Under the Act, qualified public depositories must deposit with the State Treasurer eligible collateral in such amounts as required by the Act. Therefore, all cash deposits and certificates of deposit held by banks are classified as fully insured. The cash and cash equivalents listed above are exempt from fair value hierarchy requirements of GASB 72, (as discussed in Note D 3).

### 1. City investment policy and portfolio

The City's investment policy is outlined in Resolution 2017-20. It allows the City to invest surplus money as provided by Florida Statute 218.415. The investment must be one of the following authorized types:

- The Local Government Surplus Funds Trust Fund or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act as provided in s. 163.01, Florida Statutes.
- Securities and Exchange Commission registered money market funds with the highest credit quality ratings (AAA/AA) from a nationally recognized rating agency.
- Interest-bearing time deposits or savings accounts in qualified public depositories as defined in s. 280.02, Florida Statutes.
- Direct Obligations of the United States Treasury.
- Federal agencies and instrumentalities.
- Derivative products and margin purchases are expressly prohibited.

## D - CASH AND INVESTMENTS (continued)

### 2. City investment policy and portfolio (continued)

The City's investments at September 30, 2020, consisted of the following:

	Maturity Dates			Fair Value*	Credit Quality
	Less than One Year	1-5 Years	Over Five Years		
Direct Obligations of the					
U.S. Treasury (at fair value)	\$ -	\$ 1,239,342	\$ -	\$ 1,239,342	Aaa
Federal Agencies & Instrumentalities	77,017	1,375,620	-	1,452,637	Aaa
Total investments				<u>\$ 2,691,979</u>	

\*Includes temporarily restricted assets and accrued interest

The investment policy addresses and mitigates the risk types below as shown:

(1) *Interest Rate Risk* – The policy requires the portfolio be structured with securities that maintain the greatest degree of liquidity and flexibility. The portfolio will maintain a structure with maturities staged to meet the City's obligations as they come due.

(2) *Credit Risk* – The City primarily invests in direct obligations of the U.S. Treasury, Federal agencies, and the State of Florida Local Government Surplus Trust Fund pool.

(3) *Custodial Risk* – All cash and securities are held in accounts bearing the name of the City. Securities in such accounts, held in the "street name," are considered held in the name of the City.

(4) *Concentration of Credit Risk* – No more than 50% of the City's funds will be invested with the same issuer, except direct obligations of the United States Treasury. No more than 50% of the City's funds will be invested through the same investment institution or dealer. No more than 20% of the City's funds will be invested beyond five years in any security with the same maturity date.

### 3. Fair value measurements

GASB 72, Fair Value Measurements, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

## D - CASH AND INVESTMENTS (continued)

### 3. Fair value measurements (continued)

The three levels of the fair value hierarchy under GASB 72 are described as follows:

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

Level 2: Inputs to the valuation methodology include

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at September 30, 2020.

Equities: Valued at quoted market prices.

Mutual funds: Valued at quoted market prices.

Alternative investments: Valued at net asset value, which approximates fair value.

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

The following table sets forth by level, within the fair value hierarchy, the City's assets at fair value as of September 30, 2020:

Investments by fair value level	Level 1	Level 2	Level 3
United States Treasuries	\$ 1,239,342	-	-
United States Agencies	1,452,637	-	-
Total Investment by fair value level	\$ 2,691,979	-	-

## D - CASH AND INVESTMENTS (continued)

### 4. Pension fund investment policies

A specific City ordinance created each pension fund. The Board of Trustees for each respective fund determines investment policies for each of the three pension trust funds.

For each fund, no more than 5% of fund assets may be invested in the securities of any one issuing company (this excludes the U. S. Government and its agencies). No investment may exceed 5% of the outstanding capital stock of any one company. The aggregate investments in common and capital stock and convertible securities (at cost) may not exceed 65% of the assets of the Police and Fire funds, or 60% of the assets of the General Employees fund.

Each fund maintains a list of prohibited investment security types. The following investment types are prohibited:

- Futures
- Hedge funds
- Limited partnerships
- Options
- Margin accounts
- Securities lending
- General obligations issued by a foreign government
- Bonds issued by a state or municipality
- Private equities
- Private mortgages
- Insurance annuities
- Internally managed assets

The investment policies address and mitigate the risk types below as shown:

(1) *Interest Rate Risk* – The funds’ investment policy requires that the portfolio be structured with sufficient liquidity to meet the funds’ obligations as they come due.

(2) *Credit Risk* – The three pension trust funds each hold cash in their respective fund accounts. To mitigate credit risk, the time, savings, and money market deposits of each fund in an institution may not exceed the Federal Deposit Insurance Corporation (FDIC) insurance coverage held by that institution for those amounts.

(3) *Custodial Risk* – All cash and securities are held in accounts bearing the name of the respective fund. Securities in such accounts, even though held in the “street name” are considered held in the name of the fund. Fund managers are required to carry errors and omissions insurance coverage.

(4) *Concentration of Credit Risk* – Each of the investment policies require that investments be diversified by security type. Each fund allocates the fund assets to a diversified portfolio of equities, fixed income and cash equivalent securities directed by a professional investment manager. Each fund has an independent investment consultant to evaluate and report on the performance of the investment managers.

## D - CASH AND INVESTMENTS (continued)

### 5. Pension fund portfolio structure

	<u>Fair Value</u>
<u>General Employees' Pension Trust Fund</u>	
Investments not subject to categorization:	
Mutual funds	\$ 29,331,864
Money market funds and short-term investments	<u>285,344</u>
Total investments	<u>\$ 29,617,208</u>
<u>Police Officers' Retirement Trust Fund</u>	
Investments not subject to categorization:	
Mutual funds	\$ 16,466,943
Money market funds and short-term investments	<u>210,854</u>
Total investments	<u>\$ 16,677,797</u>
<u>Firefighters' Retirement Trust Fund</u>	
Investments not subject to categorization:	
Mutual funds	\$ 16,565,968
Money market funds and short-term investments	<u>199,419</u>
Total investments	<u>\$ 16,765,387</u>

### 6. Pension fund fair value measurements

The following table sets forth by level, within the fair value hierarchy, the Pension Fund assets at fair value as of September 30, 2020:

#### a. General Employees' Pension Fund

<b>Investments by fair value level</b>	Level 1	Level 2	Level 3	Total
United States Treasury Obligations	285,344	-	-	285,344
Mutual Funds - Fixed Income	8,534,833	-	-	8,534,833
Mutual Funds - Equity	15,176,856	-	-	15,176,856
Domestic corporate equities	5,620,176	-	-	5,620,176
Total	<u>\$ 29,617,208</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,617,208</u>



**D - CASH AND INVESTMENTS (continued)**

6. Pension fund fair value measurements (continued)

b. Police Officers' Retirement Trust Fund

<b>Investments by fair value level</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Cash & Equivalents	\$ 210,854	-	-	\$ 210,854
Mutual Funds - Fixed Income	4,257,512	-	-	4,257,512
Mutual Funds - Equity	10,626,019	-	-	10,626,019
Total by fair value level	<u>\$ 15,094,385</u>	<u>\$ -</u>	<u>\$ -</u>	<u>15,094,385</u>
<b>Investments measured at Net Asset Value (NAV)</b>				
Real Estate Pooled Fund				1,583,412
Total Investments				<u>\$ 16,677,797</u>

c. Firefighters' Retirement Trust Fund

<b>Investments by fair value level</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Cash & Equivalents	\$ 199,419	-	-	\$ 199,419
Mutual Funds - Fixed Income	4,390,849	-	-	4,390,849
Mutual Funds - Equity	10,591,707	-	-	10,591,707
Total by fair value level	<u>\$ 15,181,975</u>	<u>\$ -</u>	<u>\$ -</u>	<u>15,181,975</u>
<b>Investments measured at Net Asset Value (NAV)</b>				
Real Estate Pooled Fund				1,583,412
Total Investments				<u>\$ 16,765,387</u>

The real estate pooled fund has no unfunded commitments at September 30, 2020. The redemption frequency is quarterly and requires 30 days' notice. This fund is valued at NAV of units held at the end of the period based upon the fair value of the underlying investments.

Additional information about the City's pension funds and fair value measurements within the fair value hierarchy established by generally accepted accounting principles are shown in Note L and in the RSI section. Maturities are considered less than one year for the above scheduled investments.

## D - CASH AND INVESTMENTS (continued)

### 7. Pension fund credit ratings for fixed income investments

The pension fund investments include fixed income mutual funds, which have varying levels of credit risk. The following tables breakdown credit exposure as a percentage of total fixed income pension fund investments as of September 30, 2020:

#### a. General Employees' Pension Fund

<b>Credit Quality Rating</b>	<b>Amount Invested</b>	<b>% of Fixed Income Total</b>
AA	\$ 2,290,597	26.84%
A	3,061,826	35.87%
BBB	1,528,787	17.91%
B	546,342	6.40%
Not Rated	1,107,281	12.97%
<b>Total</b>	<b>\$ 8,534,833</b>	<b>100.00%</b>

#### b. Police Officers' Retirement Trust Fund

<b>Credit Quality Rating</b>	<b>Amount Invested</b>	<b>% of Fixed Income Total</b>
AAA	\$ 371,375	8.72%
AA	418,712	9.83%
A	703,101	16.51%
BBB	1,975,151	46.39%
BB	752,846	17.68%
B	15,511	0.36%
<B	20,816	0.49%
<b>Total</b>	<b>\$ 4,257,512</b>	<b>100.00%</b>

#### c. Firefighters' Retirement Trust Fund

<b>Credit Quality Rating</b>	<b>Amount Invested</b>	<b>% of Fixed Income Total</b>
AAA	\$ 394,706	8.99%
AA	462,827	10.54%
A	780,252	17.77%
BBB	1,882,607	42.88%
BB	832,840	18.97%
B	16,076	0.37%
<B	21,541	0.49%
<b>Total</b>	<b>\$ 4,390,849</b>	<b>100.00%</b>

**E - UNEARNED REVENUE**

Governmental funds report unearned revenue in connection with receivables for revenues that are not considered available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At September 30, 2020, the various components of unavailable revenue and unearned revenue reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Business tax receipts received in Fiscal Year 2020 for Fiscal Year 2021	\$ -	\$ 16,321
Total	<u>\$ -</u>	<u>\$ 16,321</u>

**F - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

1. Long-term advances to/from other funds

There are three long-term advances outstanding as of September 30, 2020.

- a. In 2007, the Utilities System Enterprise Fund made a long-term advance to the Stormwater Enterprise Fund in the amount of \$1,280,000 to fund the Ocean Beach Blvd. project construction phase. This advance is being repaid over a fifteen-year period in annual installments including interest at <sup>1</sup>2.50% and will mature in Fiscal Year 2022.
- b. Loans were made from the General Fund to the CRA Fund from Fiscal Year 2010 to Fiscal Year 2013 in the amount of \$261,230. Tax increment funding was not available prior to Fiscal Year 2014, so loans from the General Fund were made to provide funds for the development of the CRA plan. A repayment schedule was established in Fiscal Year 2015 and the principal payment of \$21,230 was made with subsequent payments in the amount of \$20,000 beginning in FY 2016. The remaining \$80,000 balance may be paid in full in Fiscal Year 2021.
- c. The Utilities Fund made an advance to the CRA in the amount of \$250,000 in FY 2019 to ensure that adequate funding was available to complete the downtown parking garage. The advance will be paid back in full by the end of FY 2022.

<u>Advance</u>	<u>Outstanding Balance at 9/30/20</u>	<u>Principal Due in FY 2021</u>
(a)	\$ 186,988	\$ 98,964
(b)	80,000	80,000
(c)	168,739	83,316
	<u>\$ 435,727</u>	<u>\$ 262,280</u>

<sup>1</sup> Beginning in FY 2020, the amortization schedule is calculated using an interest rate of 2.5% to better reflect historical interest rates over the life of the loan. Prior to FY 2020, the interest rate used was 5%. The difference in rates over the term of the advance was calculated at \$209,330 and was transferred from the Utilities Fund to the Stormwater Fund in FY 2020.

**F - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (continued)**

2. Interfund transfers

Amounts are transferred from one fund to support expenditures of another fund in accordance with legally established budgets. Transfers between funds during the year ended September 30, 2020 were as follows:

The Utility System Enterprise Fund transfer of \$861,400 to the General Fund has three components. A payment in lieu of property taxes to compensate the General Fund for general government services in the amount of \$700,000 is the first component. An offset for the cost of General Fund maintenance workers used on projects which benefit the utility department in the amount of \$150,000 is the second component. The third component, in the amount of \$11,400, is payment for use of retention ponds at the golf course.

The General Fund transfer to the CRA Fund in the amount of \$395,632 represents the tax incremental financing (TIF) payment required.

The amounts shown above specifically exclude the amounts the General Fund charges the enterprise funds each year for administrative support and services (e.g. payroll, accounts payable disbursements, etc.). These amounts are identified in the proprietary fund financial statements.

	Transfers in:	
	General Fund	CRA Fund
Transfers out:		
Utilities System Enterprise Fund	\$ 861,400	-
General Fund		395,632
Total transfers	<u>\$ 861,400</u>	<u>\$ 395,632</u>

3. Due to/due from other funds (internal balances)

As of September 30, 2020, interfund balances are shown in the following table.

	Due to:	
	Utility System	General Fund
Due from:		
Stormwater Enterprise	\$ 98,964	\$ -
Community Redevelopment Agency	\$ 83,316	\$ 80,000
Total due to/from	<u>\$ 182,280</u>	<u>\$ 80,000</u>

Interfund balances represent the payments of expenditures paid by one fund on behalf of another fund and will be repaid within twelve months of year end.

## G - CAPITAL ASSETS

1. Governmental capital asset activity for the year ended September 30, 2020, was as follows:

<b>Governmental activities:</b>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 7,950,653	\$ -	\$ -	\$ 7,950,653
Construction in progress	<u>3,807,355</u>	<u>5,744,179</u>	<u>(1,394,353)</u>	<u>8,157,181</u>
Total capital assets, not being depreciated	<u>11,758,008</u>	<u>5,744,179</u>	<u>(1,394,353)</u>	<u>16,107,834</u>
Capital assets, being depreciated:				
Buildings	15,854,705	198,592	-	16,053,297
Infrastructure	879,707	-	-	879,707
Improvements other than buildings	23,386,578	1,625,064	(69,754)	24,941,888
Machinery and equipment	<u>14,928,696</u>	<u>1,473,533</u>	<u>(309,448)</u>	<u>16,092,781</u>
Total capital assets, being depreciated	55,049,686	3,297,189	(379,202)	57,967,673
Less accumulated depreciation for:				
Buildings	(3,636,480)	(396,151)	-	(4,032,631)
Infrastructure	(268,495)	(17,439)	-	(285,934)
Improvements other than buildings	(14,374,513)	(950,322)	69,754	(15,255,081)
Machinery and equipment	<u>(11,492,604)</u>	<u>(1,264,762)</u>	<u>309,448</u>	<u>(12,447,918)</u>
Total accumulated depreciation	<u>(29,772,092)</u>	<u>(2,628,674)</u>	<u>379,202</u>	<u>(32,021,564)</u>
Total capital assets, being depreciated, net	<u>25,277,594</u>	<u>668,515</u>	<u>-</u>	<u>25,946,109</u>
Governmental activities capital assets, net	<u>\$ 37,035,602</u>	<u>\$ 6,412,694</u>	<u>\$ (1,394,353)</u>	<u>\$ 42,053,943</u>

## G - CAPITAL ASSETS (continued)

2. Business type capital asset activity for the year ended September 30, 2020, was as follows:

<b>Business-type activities:</b>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases / Adjustments</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 1,691,599	\$ -	\$ -	\$ 1,691,599
Construction in progress	<u>1,472,627</u>	<u>890,263</u>	<u>(81,305)</u>	<u>2,281,585</u>
Total capital assets, not being depreciated	<u>3,164,226</u>	<u>890,263</u>	<u>(81,305)</u>	<u>3,973,184</u>
Capital assets, being depreciated:				
Buildings	3,982,591	-	-	3,982,592
Infrastructure	50,127,192	446,947	-	50,574,144
Improvements other than buildings	23,244,112	6,547,253	-	29,791,365
Machinery and equipment	<u>4,030,960</u>	<u>269,093</u>	<u>(40,790)</u>	<u>4,268,332</u>
Total capital assets, being depreciated	81,384,855	7,263,293	(40,790)	88,616,433
Less accumulated depreciation for:				
Buildings	(2,024,838)	(95,152)	-	(2,119,991)
Infrastructure	(20,314,441)	(966,762)	-	(21,281,206)
Improvements other than buildings	(9,947,443)	(1,737,021)	-	(11,684,462)
Machinery and equipment	<u>(3,176,766)</u>	<u>(292,588)</u>	<u>40,790</u>	<u>(3,428,564)</u>
Total accumulated depreciation	<u>(35,463,488)</u>	<u>(3,091,523)</u>	<u>40,790</u>	<u>(38,514,223)</u>
Total capital assets, being depreciated, net	<u>45,921,367</u>	<u>4,171,770</u>	<u>-</u>	<u>50,102,210</u>
Business-type activities capital assets, net	<u>\$ 49,085,593</u>	<u>\$ 5,062,033</u>	<u>\$ (81,305)</u>	<u>\$ 54,075,394</u>

**G - CAPITAL ASSETS (continued)**

3. Depreciation expense charged to functions/programs of the City is as follows:

Governmental activities:	
Golf	\$ 278,578
General government	487,324
Public safety	361,693
Transportation/public works	1,380,375
Recreation	120,705
Total depreciation expense -governmental activities	<u>\$ 2,628,674</u>
Business-type activities:	
Utility	\$ 2,888,179
Stormwater	203,344
Total depreciation expense - business-type activities	<u>\$ 3,091,523</u>
Governmental current year activities:	
Assets being depreciated	\$ 3,297,189
Construction in progress - increase	5,744,179
Construction in progress - decrease	(1,394,353)
Capital outlays and transfers (net)	<u>\$ 7,647,015</u>

4. Construction (estimated) commitments are as follows:

Residential Dredging, the new Police Station, Bicentennial Park improvements and the Wastewater Plant Upgrade project account for major construction commitments. A complete list of projects by fund is included in adopted Resolution 2019-18.

The scope of work for most projects shown below is preliminary. The commitments shown are order of magnitude, i.e. plus/minus thirty ( $\pm 30\%$ ) percent, estimates for most projects. Replacements of existing equipment units are omitted.

Project Description	Spent-to-date	Remaining Commitment	
		FY 2021	Beyond FY 2021
Muck Dredging/Capping	\$ 3,728,359	\$ 4,450,000	\$ 23,863,100
PDCOMP - New Police Station	654,137	8,597,341	-
WRDDEO-DEO Repair Program	10,854	2,732,504	599,819
Other projects (7)	637,695	2,051,790	450,000
Total	<u>\$ 5,031,044</u>	<u>\$ 17,831,635</u>	<u>\$ 24,912,919</u>

## G - CAPITAL ASSETS (continued)

### 5. Net investment in capital assets

	Enterprise Funds		
	Governmental Funds	Utility Fund	Stormwater Fund
Capital assets	\$ 74,075,507	\$ 82,358,186	\$ 10,231,431
Less: Accumulated depreciation	(32,021,564)	(37,109,238)	(1,404,985)
Less: Outstanding principal of capital-related debt	(16,852,269)	(24,363,644)	(1,049,158)
Add: Unspent bond proceeds	8,036,945	-	-
Net investment in capital assets	\$ 33,238,619	\$ 20,885,304	\$ 7,777,288

## H - LONG-TERM DEBT

### 1. Revenue bonds and other debt instruments

	Outstanding Principal
Capital Improvement Revenue Note, Series 2014A, payable in semi-annual installments beginning November 1, 2014 through November 1, 2033; interest rate is 3.28% secured by and payable from the revenue received for Utility Franchise Fees. Loan proceeds are used to pay costs of the new Fire Station Construction Project. Loan has prepayment restrictions prior to May 1, 2024. Debt Service account with current payment balance must be maintained. Covenant to budget and appropriate non-ad valorem revenues. Original loan amount: \$3,790,000.	\$ 2,940,000
Capital Improvement Revenue Refunding Note, Series 2014B, payable in semi-annual installments beginning July 15, 2014 through July 15, 2023; interest rate 1.88%; secured by revenue received for Utility Franchise Fees and payable from the net revenues derived from the operation of the City's sewer system. Loan has no prepayment restrictions. Debt Service account with current payment balance must be maintained. Covenant to budget and appropriate non-ad valorem revenues. This loan advance refunded the remaining balance of Clean Water State Revolving Loan # 68506P. Original loan amount: \$2,840,000.	945,000
Clean Water State Revolving Loan, # 050610, payable in semi-annual installments beginning March 2014 through September 2033; interest from 2.65% plus service charges. Issued to finance sewer treatment and rehabilitation projects; secured by and payable from the net revenues derived from the operation of the City's sewer system. Original loan amount: \$20,871,742.	15,114,351
Clean Water State Revolving Loan, # 050620, payable in semi-annual installments beginning May 2017 through November 2036; interest from 2.39% plus service charges. Issued to finance major sewer rehabilitation and stormwater improvements; secured by and payable from the net revenues derived from the operation of the City's sewer system. Original loan amount: \$4,180,624.	3,656,519
Clean Water State Revolving Loan, # 050621, payable in semi-annual installments beginning December 2017 through June 2037; interest from .56 to 1.48% plus service charges. Issued to finance major sewer rehabilitation and stormwater improvements; secured by and payable from the net revenues derived from the operation of the City's sewer and stormwater system. Original loan amount: \$1,193,215.	1,049,158
Clean Water State Revolving Loan, # 050630, payable in proposed semi-annual installments beginning April 2021 through April 2041; interest from .69% plus service charges. Issued to finance wastewater treatment plant upgrades and improvements; secured by and payable from the net revenues derived from the operation of the City's sewer system. The total loan amount: \$4,647,775.	4,647,775
CRA Improvement Revenue Bonds, Series 2017B, payable in semi-annual installments beginning April 2018 through October 2031; interest from 2.86% plus service charges. Issued to finance construction of a public parking garage in the Downtown Community Redevelopment Area consisting of approximately 241 parking spaces, bathrooms, showers and an elevator.	3,795,000
Special Obligation Revenue Note, Series 2019, payable in semi-annual installments beginning January 15, 2020 through July 15, 2039; interest rate is 2.45% secured and payable from all legally available non-ad valorem revenues of the City. Loan proceeds are used to pay costs of construction of a new Police Station Facility and the cost of municipal facilities energy and equipment improvement to include; control enhancements, HVAC armor, LED lighting, tightening of building envelopes and roofs.	9,584,000.00
In Fiscal Year 2018 the City entered into a Lease-Purchase Agreement in the amount of \$295,224 for 110 electric golf carts and a beverage cart, which act as collateral for the lease. The agreement includes an annual interest rate of 3.15%. A final payment of \$19,610 is due in Fiscal Year 2022. Upon payment in full of all lease payments, the rights of ownership of the golf carts, which have been reported as capital assets, will be conveyed to the City.	115,081
In Fiscal Year 2016 the City entered into a Master Equipment Lease Agreement in the amount of \$878,703 for purchase of a Vactor (vaccon), Front End Loader, and 75 Parking Kiosks, which act as collateral for the lease. The agreement's original annual interest rate of 2.01716% was updated to 2.45% effective January 2018. The equipment payment schedule ranges from 3 to 5 years. And final payment totaling \$74,306 is due in Fiscal Year 2021. Upon payment in full of all lease payments, the rights of ownership of the Vactor, Front-end loader, and 75 parking kiosks, which have been reported as capital assets, will be conveyed to the City.	74,754
<b>Total</b>	<b>\$ 41,921,638</b>



## H - LONG-TERM DEBT (continued)

### 2. Changes in long-term liabilities

Long-term liability activity for the year ended September 30, 2020 (excluding long-term advances between funds) was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
Note payable:					
Capital Improvement Revenue Note, Series 2014A	\$ 3,105,000	\$ -	\$ (165,000)	\$ 2,940,000	\$ 170,000
CRA Improvement Revenue Bonds, Series 2017B	4,025,000	-	(230,000)	3,795,000	240,000
Special Obligation Revenue Note, Series, 2019	9,751,000	-	(167,000)	9,584,000	424,000
Capital Leases	361,129	-	(171,294)	189,835	150,279
	17,242,129	-	(733,294)	16,508,835	984,279
Plus bond premiums	372,053	-	(28,619)	343,434	-
Total bonds, notes, and leases payable	17,614,182	-	(761,913)	16,852,269	984,279
OPEB Liability	4,111,547	940,839	-	5,052,386	-
Net pension liability	5,871,257	-	(2,921,079)	2,950,178	-
Compensated absences	1,337,786	975,516	(695,639)	1,614,479	841,520
Governmental activity long-term liabilities	<u>\$ 28,934,772</u>	<u>\$ 1,916,355</u>	<u>\$ (4,378,631)</u>	<u>\$ 26,469,312</u>	<u>\$ 1,825,799</u>
<b>Business-type activities:</b>					
Notes payable:					
Capital Improvement Refunding Revenue Note, Series 2014B	1,250,000	-	(305,000)	945,000	310,000
State Revolving Loan # 050610	16,064,240	-	(949,889)	15,114,351	976,940
State Revolving Loan # 050620	3,835,387	-	(178,868)	3,656,519	183,169
State Revolving Loan # 050621	1,107,094	-	(57,936)	1,049,158	58,337
State Revolving Loan # 050630	508,580	4,139,195	-	4,647,775	14,529
Total notes payable	22,765,301	4,139,195	(1,491,693)	25,412,803	1,542,975
OPEB Liability	544,792	157,247	-	702,039	-
Net pension liability (asset)	142,417	-	(262,446)	(120,029)	-
Compensated absences	217,337	131,745	(103,670)	245,412	119,617
Business-type activity long-term liabilities	<u>\$ 23,669,847</u>	<u>\$ 4,428,187</u>	<u>\$ (1,857,809)</u>	<u>\$ 26,240,225</u>	<u>\$ 1,662,590</u>

For governmental activities, capital leases and compensated absences are generally liquidated by the General Fund.

The OPEB liability is primarily liquidated by the General Fund. A detailed discussion of the OPEB liability including the allocation by fund is discussed in Note A, paragraph 15, Note M, and in the RSI section.

A detailed discussion of the compensated absence policy and its liability including the allocation by fund is discussed in Note A, paragraph 11, and Note I.

The net pension liability is primarily liquidated by the General Fund. A detailed discussion of components of changes in the net pension liability by individual pension plan is disclosed in Note L, paragraph 8, and in the RSI section.

**H - LONG-TERM DEBT (continued)**

3. Bond and note debt service requirements to maturity for governmental activities

a.

Governmental Activities		
Capital Improvement Revenue Note Series 2014A		
Year Ending September 30,	Principal	Interest
2021	\$ 170,000	\$ 93,644
2022	175,000	87,986
2023	180,000	82,164
2024	185,000	76,178
2025	190,000	70,028
2026	200,000	63,632
2027	205,000	56,990
2028	210,000	50,184
2029	220,000	43,132
2030	225,000	35,834
2031	235,000	28,290
2032	240,000	20,500
2033	250,000	12,464
2034	255,000	4,182
Total	<u>\$ 2,940,000</u>	<u>\$ 725,208</u>

b.

Governmental Activities		
Florida Municipal Loan Council CRA Revenue Bonds, Series 2017B		
Year Ending September 30,	Principal	Interest
2021	\$ 240,000	\$ 160,750
2022	250,000	148,500
2023	265,000	135,625
2024	280,000	122,000
2025	290,000	107,750
2026	305,000	92,875
2027	320,000	77,250
2028	340,000	60,750
2029	355,000	43,375
2030	370,000	28,950
2031	385,000	17,625
2032	395,000	5,925
Total	<u>\$ 3,795,000</u>	<u>\$ 1,001,375</u>

**H - LONG-TERM DEBT (continued)**

C.

Year Ending September 30,	Governmental Activities	
	Special Obligation Revenue Note Series 2019	
	Principal	Interest
FY 2021	\$ 424,000	\$ 229,614
FY 2022	434,000	219,104
FY 2023	445,000	208,336
FY 2024	456,000	197,299
FY 2025	467,000	185,992
FY 2026	478,000	174,416
FY 2027	490,000	162,558
FY 2028	502,000	150,406
FY 2029	514,000	137,960
FY 2030	527,000	125,207
FY 2031	540,000	112,137
FY 2032	554,000	98,735
FY 2033	567,000	85,003
FY 2034	580,000	70,952
FY 2035	496,000	57,771
FY 2036	508,000	45,472
FY 2037	521,000	32,867
FY 2038	534,000	19,943
FY 2039	547,000	6,701
	<u>\$ 9,584,000</u>	<u>\$ 2,320,469</u>

**H - LONG-TERM DEBT (continued)**

4. Bond and note debt service requirements to maturity for business-type activities

a.

Business-type Activities		
Capital Improvement Refunding Revenue Note, Series 2014B		
Year Ending September 30,	Principal	Interest
2021	\$ 310,000	\$ 17,766
2022	315,000	11,938
2023	320,000	6,016
Total	<u>\$ 945,000</u>	<u>\$ 35,720</u>

b.

Business-type Activities		
Clean Water State Revolving Fund Loan # 050610		
Year Ending September 30,	Principal	Interest
2021	\$ 976,940	\$ 420,662
2022	1,004,762	392,839
2023	1,033,378	364,224
2024	1,062,810	334,792
2025	1,093,081	304,521
2026	1,124,216	273,386
2027	1,156,238	241,363
2028	1,189,174	208,427
2029	1,223,050	174,552
2030	1,257,892	139,710
2031	1,293,728	103,874
2032	1,330,586	67,016
2033	1,368,495	29,106
Total	<u>\$ 15,114,351</u>	<u>\$ 3,054,472</u>

## H - LONG-TERM DEBT (continued)

c.

Business-type Activities		
Major Sewer Rehab & Stormwater Improvements State Revolving Fund Loan # 050620		
Year Ending September 30,	Principal	Interest
2021	\$ 183,169	\$ 86,303
2022	187,573	81,899
2023	192,082	77,389
2024	196,701	72,771
2025	201,430	68,042
2026	206,273	63,199
2027	211,232	58,239
2028	216,311	53,161
2029	221,512	47,960
2030	226,837	42,634
2031	232,291	37,181
2032	237,876	31,596
2033	243,595	25,876
2034	249,452	20,020
2035	255,449	14,022
2036	261,591	7,880
2037	133,145	1,591
Total	<u>\$ 3,656,519</u>	<u>\$ 789,764</u>

d.

Business-type Activities		
Major Sewer Rehab & Stormwater Improvements State Revolving Fund Loan # 050621		
Year Ending September 30,	Principal	Interest
2021	\$ 58,337	\$ 7,251
2022	58,742	6,846
2023	59,150	6,438
2024	59,561	6,027
2025	59,976	5,612
2026	60,394	5,194
2027	60,816	4,772
2028	61,242	4,346
2029	61,671	3,917
2030	62,104	3,484
2031	62,541	3,048
2032	62,981	2,607
2033	63,425	2,163
2034	63,873	1,715
2035	64,325	1,263
2036	64,781	807
2037	65,241	347
Total	<u>\$ 1,049,159</u>	<u>\$ 65,838</u>

**H - LONG-TERM DEBT (continued)**

e.

Business-type Activities		
Wastewater Treatment Plant Improvement Project State Revolving Fund Loan # 050630		
Year Ending September 30,	Principal	Interest
2021	\$ 14,529	\$ 112,648
2022	222,769	31,586
2023	224,308	30,046
2024	225,859	28,496
2025	227,420	26,935
2026	228,992	25,363
2027	230,575	23,780
2028	232,168	22,186
2029	233,773	20,581
2030	235,389	18,966
2031	237,016	17,339
2032	238,654	15,700
2033	240,304	14,051
2034	241,965	12,390
2035	243,637	10,717
2036	245,321	9,033
2037	247,017	7,338
2038	248,724	5,630
2039	250,443	3,911
2040	252,174	2,180
2041	126,740	437
Total	<u>\$ 4,647,775</u>	<u>\$ 439,314</u>

**5. Events of Default**

The Capital Improvement Revenue Note, Series 2014A, Capital Improvement Refunding Revenue Note, Series 2014B, CRA Improvement Revenue Bonds, Series 2017B, and Special Obligation Revenue Note, Series 2019 contain provisions that in the event of default of any payment due to the lender, written admission of inability to pay or filing a petition of bankruptcy, judgment of insolvency, or other similar events by the City, the lender may pursue legal action to enforce its rights under the note, which may include declaring the entire outstanding indebtedness and all accrued interest thereon to be immediately due and payable.

For the State Revolving Fund loans, the default remedies include court action and/or accelerating the repayment schedules or increasing the interest rate on the unpaid principal of the loan to as much as 1.667 times the loan interest rate.

## H - LONG-TERM DEBT (continued)

### 6. Comprehensive summary of debt service requirements to maturity

Year Ending September 30,	Summary	
	Principal	Interest
2021	\$ 2,527,845	\$ 1,135,387
2022	2,686,810	985,956
2023	2,718,918	910,238
2024	2,465,930	837,562
2025	2,528,907	768,879
2026	2,602,875	698,064
2027	2,673,861	624,952
2028	2,750,895	549,460
2029	2,829,006	471,477
2030	2,904,222	394,786
2031	2,985,575	319,492
2032	3,059,097	242,079
2033	2,732,819	168,663
2034	1,390,290	109,258
2035	1,059,411	83,774
2036	1,079,693	63,193
2037	966,402	42,143
2038	782,724	25,573
2039	797,443	10,612
2040	252,174	2,180
2041	126,740	437
Total	<u>\$ 41,921,638</u>	<u>\$ 8,444,165</u>

## I - COMPENSATED ABSENCES

An explanation of the compensated absences policy is given in Note A, paragraph 11.  
A comprehensive recap of the liability by fund is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
General Fund	<u>\$ 1,334,602</u>	<u>\$ 975,516</u>	<u>\$ (695,639)</u>	<u>\$ 1,614,479</u>	<u>\$ 841,520</u>
Enterprise Funds:					
Utilities System	\$ 182,531	\$ 128,352	\$ (94,003)	\$ 216,880	\$ 111,693
Stormwater Management	34,806	3,393	(9,667)	28,532	7,924
Total Enterprise Funds	<u>\$ 217,337</u>	<u>\$ 131,745</u>	<u>\$ (103,670)</u>	<u>\$ 245,412</u>	<u>\$ 119,617</u>

## J - RESTRICTED ASSETS

The restricted asset balances for debt service are as follows:

Capital Improvement Revenue Note, Series 2014A	\$ 264,636
Capital Improvement Revenue Refunding Note, Series 2014B	329,140
SRF Loan 2 - # 050610 Repayment Reserve	698,801
SRF Loan 3 - # 050620 Repayment Reserve	134,736
SRF Loan 4 - # 050621 Repayment Reserve	32,794
SRF Loan 5 - # 050630 Repayment Reserve	139,687
Total	<u>\$ 1,599,794</u>

The restricted asset account balances in the government-wide governmental activities are:

Special Obligation Revenue Note Loan Proceeds	\$ 8,036,945
Confiscated property fund	196,391
Total	<u>\$ 8,233,336</u>

Total restricted asset account balances \$ 9,833,130

The Confiscated Property Fund is maintained in a separate interest-bearing bank account. For cash purposes both of the above categories are considered restricted (see Note D – Cash and Investments).

## K - RISK MANAGEMENT

### Property and liability insurance programs

The City is exposed to various risks of loss related to torts; injuries to employees, theft of, damage to and/or destruction of assets, errors and omissions, general liabilities, and natural disasters. In order to limit its exposure to these risks, the City participates in the Florida League of Cities (FLOC) (a not-for-profit corporation) insurance program for workers' compensation, general and auto liability, and property insurance. The FLOC purchases both excess and specific coverages from third party insurance carriers. Program participants purchase excess and specific coverages and are not assessed for unanticipated losses incurred by the program. The City has insurance programs with other carriers for floods, liability insurance for public officials and other specialized coverages.

Premiums paid by the City during Fiscal Year 2020 totaled \$848,904. This is a slight decrease from \$854,331 paid in Fiscal Year 2019. The cost reduction is primarily attributed to a favorable experience rate applied to the worker's compensation premium.



## L - EMPLOYER RETIREMENT PLANS

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

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

### 1. Summary of significant accounting policies (all Plans)

#### Basis of accounting

The Plans' financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to each plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits, refunds, and administrative costs are recognized when due and payable in accordance with the terms of each plan. On-behalf payments, made by the state totaling \$110,273 and \$113,250 for the Police Officers' and Firefighters' plans respectively, were recognized as revenues and expenditures in the General Fund during the year ended September 30, 2020.

#### Method used to value investments

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value.

#### Presentation of financial statements

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

#### Funding requirements

At the request of the Division of Retirement, the City is required to fund the actuarially determined percentage of payroll for fiscal years beginning October 1, 2009 instead of a disclosed dollar requirement.

#### Contributions

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

## L - EMPLOYER RETIREMENT PLANS (continued)

### 2. General Employees' Pension Trust Fund

#### Plan administration

The Plan is administered by a Board of Trustees comprised of:

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

#### Plan membership as of October 1, 2019:

Inactive plan members or beneficiaries currently receiving benefits	98
Inactive plan members entitled to but not yet receiving benefits	34
Active plan members	129
	<u>261</u>

#### Normal retirement

Age 62 and 5 years of Credited Service.

Benefit Amount: If employed on or after 11/18/1999, 2.50% of Average Final Compensation times Credited Service. If employed before 11/18/1999, 3.00% of Average Final Compensation times Credited Service. If the Member had 25 or more years of Credited Service on 12/31/1998, the maximum benefit payable is 90% of Average Final Compensation. Otherwise, the maximum benefit payable is 80% of Average Final Compensation.

#### Early retirement

Age 52 and 5 years of Credited Service.

#### Disability benefit

Benefit accrued to date of disability, reduced as for Early Retirement from date of disability to Normal Retirement Date.

#### Death benefit pre-retirement

Vested: Accrued benefit paid to beneficiary for life at the Member's Normal Retirement Date (unreduced) or on a reduced basis at the otherwise Early Retirement Date. The monthly accrued benefit is payable to designated beneficiary for 10 years.

Non-Vested: Refund of accumulated Member Contributions.

#### Death benefit post-retirement

According to optional form of benefit selected.

#### Vesting schedule

Employee vested after completion of 5 years of Credited Service.

## L - EMPLOYER RETIREMENT PLANS (continued)

### 3. Police Officers' Retirement Trust Fund

#### Plan administration

The Plan is administered by a Board of Trustees comprised of:

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

#### Plan Membership as of October 1, 2019:

Inactive plan members or beneficiaries currently receiving benefits	35
Inactive plan members entitled to but not yet receiving benefits	10
Active plan members	36
	<u>81</u>

#### Normal retirement

Earlier of: 1) Age 55 and the completion of 10 years of Credited Service, 2) Age 52 and the completion of 25 years of Credited Service, or 3) the completion of 30 years of Credited Service, regardless of age completion of 25 years of Credited Service, or 3) the completion of 30 years of Credited Service, regardless of age.

Benefit amount: Retirement benefits are calculated as 4.00% of Average Final Compensation (AFC) times Credited Service before 11/19/1998, plus 3.00% of AFC times Credited Service on or after 11/19/1998.

#### Early retirement

Age 50 and 10 Years of Credited Service.

#### Disability

Service Incurred: Covered from Date of Employment

Non-Service Incurred: Ten years of Credited Service

Benefit accrued to date of disability but not less than 42% of Average Monthly Earnings (Service Incurred)

#### Death benefits pre-retirement

Vested: Monthly accrued benefit payable to designated beneficiary for 10 years.

Non-Vested: Refund of accumulated contributions without interest.

#### Death benefits post-retirement

Benefits payable to beneficiary in accordance with option selected at retirement.

#### Vesting (termination)

Less than 10 years of Contributing Service: Refund of Member Contributions with 3% interest per annum. Ten years or more: Accrued benefit payable at otherwise Normal Retirement Date if Member contributions left in Fund or Refund of Member Contributions.

**L - EMPLOYER RETIREMENT PLANS (continued)**

3. Police Officers' Retirement Trust Fund (continued)

Deferred Retirement Option Program (DROP)

Eligibility: Satisfaction of Normal Retirement requirements.

Participation: Not to exceed 60 months.

Rate of Return: Actual net rate of investment return (total return net of brokerage commissions, transaction costs, and management fees).

The DROP balance as of September 30, 2020 is \$ 0.00.

4. Firefighters' Retirement Trust Fund

Plan administration

The Plan is administered by a Board of Trustees comprised of:

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

Plan Membership as of October 1, 2019:

Inactive plan members or beneficiaries currently receiving benefits	26
Inactive plan members entitled to but not yet receiving benefits	4
Active plan members	<u>25</u>
	<u><u>55</u></u>

Normal retirement:

Eligibility: Earlier of: 1) Age 55 and the completion of 10 years of Credited Service, or 2) the completion of 25 years of Credited Service, regardless of age.

Benefit amount: 4.00% of Average Final Compensation (AFC) times Credited Service before 11/19/1998, plus 3.00% of AFC times Credited Service on or after 11/19/1998.

Early retirement

Age 45 and 10 years of Credited Service.

Benefit Amount: Deferred benefit payable at Normal Retirement or immediate benefit reduced 3% per year.

Disability

Service Incurred: Covered from Date of Employment

Non-Service Incurred: Ten years of Credited Service.

Benefit accrued to date of disability but not less than 42% of Average Monthly Earnings (Service Incurred).

Death benefits pre-retirement

Vested: Monthly accrued benefit payable to designated beneficiary for 10 years.

Non-Vested: Refund of accumulated contributions without interest.

**L - EMPLOYER RETIREMENT PLANS (continued)**

4. Firefighters' Retirement Trust Fund (continued)

Death benefits post-retirement

Benefits payable to beneficiary in accordance with option selected at retirement.

Vesting (termination)

Less than 10 years of Contributing Service: Refund of Member Contributions

10 year or more: Accrued benefit payable at otherwise Normal Retirement Date if Member contributions left in Fund or Refund of Member Contributions.

Deferred Retirement Option Program (DROP)

Eligibility: Satisfaction of Normal Retirement requirements.

Participation: Not to exceed 60 months.

Rate of Return: Actual net rate of investment return (total return net of brokerage commissions, transaction costs, and management fees).

The DROP balance as of September 30, 2020 is \$ 354,228.

5. Net pension liability of City

The City's net pension liability was measured as of September 30, 2020. The total pension liability used to calculate the net pension liability was determined as of that date.

The components of the net pension liability of the City as of September 30, 2020 were as follows:

	General Employees'	Police Employees'	Fire Employees'
Total pension liability	\$ 29,139,760	\$ 19,236,782	\$ 17,502,404
Plan fiduciary net position	\$ (29,617,208)	\$ (16,672,172)	\$ (16,759,418)
City's net pension liability	\$ (477,448)	\$ 2,564,610	\$ 742,986
Plan fiduciary net position as a percentage of total pension liability	101.64%	86.67%	95.75%

Actuarial assumptions:

The total pension liability for all plans was determined by an actuarial valuation as of October 1, 2019 updated to September 30, 2020 using the following actuarial assumptions applied to all measurement periods.

	General Employees'	Police Employees'	Fire Employees'
Inflation	2.30%	2.50%	2.50%
Salary increases	3.00% - 18.00%	4.5% - 13.00%	4.50% - 6.50%
Discount rate	7.75%	7.75%	7.75%
Investment rate of return	7.75%	7.75%	7.75%

Mortality rates for the General Employees' Fund were based on the RP-2000 Generational Mortality Tables, projected to valuation date using scale BB. Mortality rates for the Police and Fire Employees' Funds were based on the RP-2000 Table with no projection date. Based on a study of over 650 public safety funds, the table reflects a 10% margin for future mortality improvements.

## L - EMPLOYER RETIREMENT PLANS (continued)

### 5. Net pension liability of City (continued)

For the General Employees' Fund measurement date 9/30/2020, as required by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in Milliman's July 1, 2019 Florida Retirement System (FRS) valuation report for non-special -risk employees.

#### Long-term expected rate of return – all Plans

The long-term expected rate of return on all pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2020 are summarized in the following table:

Asset Class	General Employees'		Police Employees'		Fire Employees'	
	Target Allocation	Long-term Expected Real Rate of Return	Target Allocation	Long-term Expected Real Rate of Return	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity	35%	8.50%	50%	7.50%	50%	7.50%
International equity	15%	4.10%	15%	8.50%	15%	8.50%
Broad market fixed income	-	-	20%	2.50%	20%	2.50%
Bonds	30%	3.70%	-	-	-	-
Convertibles	10%	7.90%	-	-	-	-
Global fixed income	-	-	5%	3.50%	5%	3.50%
Real estate	5%	5.00%	10%	4.50%	10%	4.50%
Infrastructure	5%	6.40%	-	-	-	-

#### Investment concentrations

The Plans did not hold investments in any one organization that represent 5% or more of the Pension Plan's fiduciary net position.

**L - EMPLOYER RETIREMENT PLANS (continued)**

5. Net pension liability of City (continued)

Rate of return

For the year ended September 30, 2020 the annual money-weighted rate of return on Pension Plan investments, net of pension plan investment expense, was 11.35% for the General Employees' Plan, 12.05% for the Police Employees' Plan and 11.60% for the Fire Employees' Plan as shown in the table below. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

<u>Fiscal Year 2020</u>	<u>General Employees</u>	<u>Police Employees</u>	<u>Fire Employees</u>
Annual Money-Weighted Rate of Return Net of Investment Expense	11.35%	12.05%	11.60%

Discount rate

The discount rate used to measure the total all three Plan's pension liability was 7.75%.

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

	1% Decrease 6.75%	Current Discount Rate 7.75%	1% Increase 8.75%
<u>City's Net Pension Liability</u>			
General Employees' Fund	\$ 2,453,073	\$ (477,448)	\$ (2,978,038)
Police Employees' Fund	\$ 4,726,729	\$ 2,564,610	\$ 755,025
Fire Employees' Fund	\$ 2,635,514	\$ 742,986	\$ (847,302)

## L - EMPLOYER RETIREMENT PLANS (continued)

### 6. Pension plan financial statements

#### a. Statement of plan net position – fair value

	General Employees' Pension Trust Fund	Police Officers' Retirement Trust Fund	Firefighters' Retirement Trust Fund	Total
<u>ASSETS</u>				
Cash and cash equivalents:				
Short-term Investments	\$ -	\$ 210,854	\$ 199,419	\$ 410,273
Money market	285,344	-	-	285,344
Total cash and equivalents	<u>285,344</u>	<u>210,854</u>	<u>199,419</u>	<u>695,617</u>
Receivable:				
Additional City contributions	-	-	-	-
Investment income	-	-	6	6
State contribution	-	-	974	974
Total receivable	<u>-</u>	<u>-</u>	<u>980</u>	<u>980</u>
Investments:				
Mutual funds:				
Fixed income	8,903,671	4,257,512	4,390,849	17,552,032
Equity	20,428,193	10,626,019	10,591,707	41,645,919
Pooled/common/commingled funds:				
Equity	-	-	-	-
Real estate	-	1,583,412	1,583,412	3,166,824
Total investments	<u>29,331,864</u>	<u>16,466,943</u>	<u>16,565,968</u>	<u>62,364,775</u>
Total assets	<u>29,617,208</u>	<u>16,677,797</u>	<u>16,766,367</u>	<u>63,061,372</u>
<u>LIABILITIES</u>				
Payables:				
Refund of Member Contributions	-	-	-	-
Benefit Payments	-	-	1,324	1,324
Unpaid Investment Expenses	-	5,625	5,625	11,250
Total liabilities	<u>-</u>	<u>5,625</u>	<u>6,949</u>	<u>12,574</u>
Net position restricted for pensions	<u>29,617,208</u>	<u>16,672,172</u>	<u>16,759,418</u>	<u>63,048,798</u>
Total liabilities and net position	<u>\$ 29,617,208</u>	<u>\$ 16,672,172</u>	<u>\$ 16,759,418</u>	<u>\$ 63,048,798</u>



## L - EMPLOYER RETIREMENT PLANS (continued)

### 6. Pension plan financial statements (continued)

#### b. Statement of changes in plan net position – fair value

	General Employees' Pension Trust Fund	Police Officers' Retirement Trust Fund	Firefighters' Retirement Trust Fund	Total
<b>ADDITIONS</b>				
Contributions:				
Employer	\$ 560,000	\$ 865,000	\$ 570,000	\$ 1,995,000
Plan members	293,346	105,737	84,052	483,135
State	-	110,273	113,250	223,523
Buy-Back	-	47,992	-	-
Total contributions	<u>853,346</u>	<u>1,129,002</u>	<u>767,302</u>	<u>2,749,650</u>
Investment earnings:				
Net increase (decrease) in fair value of investments	1,985,527	1,157,145	1,095,477	4,238,149
Interest and dividends	1,166,782	707,353	699,284	2,573,419
Total investment earnings	<u>3,152,309</u>	<u>1,864,498</u>	<u>1,794,761</u>	<u>6,811,568</u>
Less investment expenses*	76,662	31,460	31,427	139,549
Net investment earnings	<u>3,075,647</u>	<u>1,833,038</u>	<u>1,763,334</u>	<u>6,672,019</u>
Demutualization				
Total additions	<u>3,928,993</u>	<u>2,962,040</u>	<u>2,530,636</u>	<u>9,421,669</u>
<b>DEDUCTIONS</b>				
Benefits	1,503,613	1,153,928	859,597	3,517,138
Refunds of member contributions	13,319	12,277	-	25,596
Lump sum DROP distributions	-	349,285	-	349,285
Admin expenses	52,696	48,249	55,981	156,926
Total deductions	<u>1,569,628</u>	<u>1,563,739</u>	<u>915,578</u>	<u>4,048,945</u>
Change in net position	<u>2,359,365</u>	<u>1,398,301</u>	<u>1,615,058</u>	<u>5,372,724</u>
Net position, beginning of year	<u>27,257,843</u>	<u>15,273,871</u>	<u>15,144,360</u>	<u>57,676,074</u>
Net position, end of year	<u>\$ 29,617,208</u>	<u>\$ 16,672,172</u>	<u>\$ 16,759,418</u>	<u>\$ 63,048,798</u>

\*Investment related expenses include investment advisory, custodial and performance monitoring fees.

## L - EMPLOYER RETIREMENT PLANS (continued)

### 7. Pension expense and deferred inflows/outflows of resources related to pensions

For the year ended September 30, 2020 the City recognized a total pension expense of \$846,830; a) \$306,926 for the General Employees' Plan; b) \$277,342 for the Police Officers' Plan; and c) \$262,562 for the Firefighters' Plan. On September 30, 2020 the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	General Employees'		Police Employees'		Fire Employees'	
	Deferred Outflow of Resources	Deferred Inflow of Resources	Deferred Outflow of Resources	Deferred Inflow of Resources	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 487,357	\$ 246,929	\$ 173,865	\$ 248,186	\$ 186,496	\$ 12,170
Changes of assumptions	8,192	342,108	-	147,411	-	105,570
Net difference between projected and actual earnings of pension plan investments	-	349,364	-	548,135	-	507,101
Total	<u>\$ 495,549</u>	<u>\$ 938,401</u>	<u>\$ 173,865</u>	<u>\$ 943,732</u>	<u>\$ 186,496</u>	<u>\$ 624,841</u>

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

Year ended September 30:	General Employees'	Police Employees'	Fire Employees'
2021	\$ (140,729)	\$ (296,962)	\$ (182,642)
2022	(72,207)	(286,195)	(127,778)
2023	(44,578)	(53,478)	(8,847)
2024	(185,338)	(133,232)	(119,078)
2025	-	-	-
Thereafter	-	-	-

**L - EMPLOYER RETIREMENT PLANS (continued)**

**8. Changes in net pension liability and sensitivity to changes in discount rate**

**a. General Employees' Retirement Fund**

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at September 30, 2019	\$ 27,824,335	\$ 27,257,843	\$ 566,492
Changes for a year:			
Service cost	622,293	-	622,293
Interest	2,145,833	-	2,145,833
Differences between expected and actual experience	491,865	-	491,865
Changes of assumptions	(427,634)	-	(427,634)
Contributions - employer	-	560,000	(560,000)
Contributions - employee	-	293,346	(293,346)
Net investment income	-	3,075,647	(3,075,647)
Benefit payments, including refunds of employee contributions	(1,516,932)	(1,516,932)	-
Administrative expense	-	(52,696)	52,696
Net changes	<u>1,315,425</u>	<u>2,359,365</u>	<u>(1,043,940)</u>
Balances at September 30, 2020	<u>\$ 29,139,760</u>	<u>\$ 29,617,208</u>	<u>\$ (477,448)</u>

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

	1% Decrease 6.75%	Current Discount Rate 7.75%	1% Increase 8.75%
City's net pension (asset) liability	\$ 2,453,073	\$ (477,448)	\$ (2,978,038)

**L - EMPLOYER RETIREMENT PLANS (continued)**

**8. Changes in net pension liability and sensitivity to changes in discount rate (continued)**

**b. Police Officers' Retirement Fund:**

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at September 30, 2019	\$ 19,081,604	\$ 15,273,871	\$ 3,807,733
Changes for a year:			
Service cost	297,678	-	297,678
Interest	1,443,169	-	1,443,169
Differences between expected and actual experience	78,378	-	78,378
Changes of assumptions	(196,549)	-	(196,549)
Contributions - employer	-	865,000	(865,000)
Contributions - state	-	110,273	(110,273)
Contributions - employee	-	105,737	(105,737)
Contributions - buy back	47,992	47,992	-
Net investment income	-	1,833,038	(1,833,038)
Benefit payments, including refunds of employee contributions	(1,515,490)	(1,515,490)	-
Administrative expense	-	(48,249)	48,249
Net changes	<u>155,178</u>	<u>1,398,301</u>	<u>(1,243,123)</u>
Balances at September 30, 2020	<u>\$ 19,236,782</u>	<u>\$ 16,672,172</u>	<u>\$ 2,564,610</u>

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

	1% Decrease 6.75%	Current Discount Rate 7.75%	1% Increase 8.75%
City's net pension liability	\$ 4,726,729	\$ 2,564,610	\$ 755,025

**L - EMPLOYER RETIREMENT PLANS (continued)**

**8. Changes in net pension liability and sensitivity to changes in discount rate (continued)**

**c. Firefighters' Retirement Fund:**

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at September 30, 2019	\$ 16,783,809	\$ 15,144,360	\$ 1,639,449
Changes for a year:			
Service cost	275,256	-	275,256
Interest	1,288,768	-	1,288,768
Differences between expected and actual experience	154,929	-	154,929
Changes of assumptions	(140,761)	-	(140,761)
Contributions - employer	-	570,000	(570,000)
Contributions - state	-	113,250	(113,250)
Contributions - employee	-	84,052	(84,052)
Net investment income	-	1,763,334	(1,763,334)
Benefit payments, including refunds of employee contributions	(859,597)	(859,597)	-
Administrative expense	-	(55,981)	55,981
Net changes	<u>718,595</u>	<u>1,615,058</u>	<u>(896,463)</u>
Balances at September 30, 2020	<u>\$ 17,502,404</u>	<u>\$ 16,759,418</u>	<u>\$ 742,986</u>

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

	1% Decrease 6.75%	Current Discount Rate 7.75%	1% Increase 8.75%
City's net pension liability	\$ 2,635,514	\$ 742,986	\$ (847,302)

**M - OTHER POST-EMPLOYMENT BENEFITS (OPEB)**

Generally accepted accounting principles require that state and local governmental employers account for and report the annual cost of OPEB and the outstanding obligations and commitments related to OPEB. The City reports as required in GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. GASB Statement No. 75 specifies that governments must recognize their total OPEB liability and related deferred outflows of resources, deferred inflows of resources, and OPEB expense in the financial statements based on the actuarial present value of projected benefit payments, rather than the smaller net OPEB obligation based on contribution requirements, under GASB Statement No. 45.

For purposes of measuring the net OPEB Liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's Retiree Health Care Plan (Plan) and additions to/ deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by The Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments, which are reported at cost.

## M - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

### General Information about the OPEB Plan

#### 1. Plan Description

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

#### 2. Employees covered by benefit terms

As of October 1, 2019, the following employees were covered by benefit terms:

Inactive Plan Members or beneficiaries currently receiving benefits	59
Inactive Plan Members entitled to but not yet receiving benefits	-
Active Plan Members	198
	<hr/>
	257
	<hr/>

#### 3. Benefits Provided

The benefits provided are the same as those provided for active employees. Spouses and dependents of eligible retirees are also eligible for medical coverage. All full-time employees of the City of Cocoa Beach are eligible to receive postemployment health care benefits. Coverage for retirees and their spouses and dependents is provided for life. The Trust was established with the intent to advance fund benefits provided under the Plan.

#### 4. Contributions

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

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

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

In future years, contributions are assumed to increase at the same rate as premiums

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

## M - OTHER POST EMPLOYMENT BENEFITS (OPEB) (continued)

### 5. Summary of Significant Accounting Policies

#### Basis of accounting

The financial statements are prepared using the accrual basis of accounting. Contributions are recognized in the period in which the contributions are due. Benefits, refunds, and administrative costs are recognized when due and payable in accordance with the terms of the plan.

#### Method used to value investments

Investments are reported at fair value. The Florida Municipal Pension Trust Fund (FMPTF) provides monthly statements for this purpose and is classified as a Level 1 investment.

#### Presentation of financial statements

The OPEB trust does not issue stand-alone financial reports and is not included in the reports of any other entity.

### 6. OPEB Investment Policy

The following was the Board's adopted asset allocation:

<u>Asset Class</u>	<u>Target Allocation</u>
Core Bonds	10%
Core Plus	10%
S. Large Cap Equity	39%
S. Small Cap Equity	13%
Non- U.S. Equity	18%
Core Real Estate	10%
<u>Total</u>	<u>100%</u>

### 7. Concentrations

The Plan did not hold investments in any one organization that represents 5 percent or more of the Fund's Fiduciary Net Position.

### 8. Rate of Return

For the year ended September 30, 2020 the annual money-weighted rate of return on investments, net of investment expense, was 6.47%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts invested.

### 9. Funding Policy

The Plan was established by Resolution 2008 – 31 in 2008. The Plan may be amended or terminated as circumstances require by Resolution.

The numbers shown below reflect a decision to partially fund the program. Therefore, the contributions made to the program are the benefits paid to retirees (both on an explicit and implicit basis) and administrative expenses.

## M - OTHER POST EMPLOYMENT BENEFITS (OPEB) (continued)

### 9. Funding Policy (continued)

An initial \$100,000 was contributed to the OPEB fund run by the FMPTF administered by the Florida League of Cities in October 2008. As of September 30, 2020, twelve annual payments of \$100,000 each had been made to the FMPTF. A payment of \$100,000 for Fiscal Year 2021 was made in December 2020.

Benefits may be changed from time to time by management as noted above. Under the current policy, if a retiree does not make his or her payments for the benefits as described above the benefit is forfeited and cannot be reinstated.

### 10. OPEB Plan Financial Statements

#### a. Statement of plan net position – fair value

Statement of OPEB Fund Net Position  
September 30, 2020

<u>Assets</u>	Fair Value
Cash & Cash Equivalents	\$ 2,043
Investments:	
Mutual funds	<u>2,041,019</u>
Total Investments	<u>2,041,019</u>
Total Assets	<u>2,043,062</u>
Total Liabilities	<u>-</u>
Net Position Restricted for Postemployment Benefits Other Than Pensions	<u>\$ 2,043,062</u>



**M - OTHER POST EMPLOYMENT BENEFITS (OPEB) (continued)**

10. OPEB Plan Financial Statements (continued)

b. Statement of changes in plan net position – fair value

Statement of Changes in OPEB Net Position  
for the Year Ended September 30, 2020

**ADDITIONS**

Contributions:	
Employer	\$ 100,000
Plan members	-
Total contributions	<u>100,000</u>
Investment Income:	
Net increase (decrease) in fair value of investments	133,072
Interest and dividends	-
Total investment earnings	<u>133,072</u>
Less investment expenses*	-
Net investment earnings	<u>133,072</u>
Total additions	<u>233,072</u>

**DEDUCTIONS**

Health Insurance Benefits	-
Admin expenses	2,354
Total deductions	<u>2,354</u>
Net increase in net position	230,719

Net Position Restricted for Postemployment Benefits Other Than Pensions	
Beginning of year	1,812,343
End of year	<u><u>\$ 2,043,062</u></u>

11. Net OPEB Liability

The City's net OPEB liability was measured as of September 30, 2020. The total OPEB liability used to calculate the net OPEB liability was also determined as of that date.

The components of the Net OPEB Liability of the City on September 30, 2020 were as follows:

Total OPEB Liability	\$	7,797,487
Plan Fiduciary Net Position	\$	(2,043,062)
Net OPEB Liability	\$	<u><u>5,754,425</u></u>

Plan Fiduciary Net Position as a percentage of Total OPEB Liability 26.2%

**M - OTHER POST EMPLOYMENT BENEFITS (OPEB) (continued)**

11. Net OPEB Liability (continued)

The City's allocation of the net OPEB liability as of September 30, 2020 was as follows:

<b>Allocation of the Net OPEB Liability</b>			
<u>Activity</u>	<u>Personnel</u>	<u>Percent</u>	<u>Amount</u>
Governmental Activities	218	87.80%	\$ 5,052,385
Utility System	34	10.70%	615,723
Stormwater	5	1.50%	86,316
	<u>257</u>	<u>100.00%</u>	<u>\$ 5,754,425</u>

12. Actuarial Assumptions

The Total OPEB Liability was determined by an actuarial valuation as of October 1, 2019 using the following actuarial assumptions:

Inflation	3.00%
Salary Increase Rate(s)	Varies with Service
Discount Rate	3.55%
Initial Trend Rate	7.50%
Ultimate Trend Rate	4.00%
Years to Ultimate	55
Investment Rate of Return	6.50%

For general employees, mortality rates were based on the RP-2000 mortality tables. For female lives, 100% of the white-collar table was used. For male lives, a 50% white collar table, 50% blue collar table blend was used. All tables include fully generational adjustments for mortality improvements using improvement scale BB. For disabled lives, mortality rates were based on the RP-2000 sex-distinct disabled mortality tables with female lives set forward two (2) years, male lives set back four (4) years. Disabled mortality has not been adjusted for mortality improvements.

For police and fire employees, mortality rates were also based on various RP-2000 mortality tables. For female lives, 100% of the white-collar table was used. For male lives, a 10% white collar table, 90% blue collar table blend was used. All tables include fully generational adjustments for mortality improvements using improvement scale BB. For disabled female lives, a blend of 60% of the RP-2000 disabled female mortality table set forward two (2) years and 40% of the white-collar table with no setback was used. For disabled male lives, a blend of 60% of the RP-2000 disabled male mortality table set back four (4) year and 40% of the white-collar table with no setback was used. Disabled mortality has not been adjusted for mortality improvements.

## M - OTHER POST EMPLOYMENT BENEFITS (OPEB) (continued)

### 12. Actuarial Assumptions (continued)

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

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

Asset Class	Long Term Expected Real Rate of Return
Core Bonds	1.4%
Core Plus	1.7%
S. Large Cap Equity	5.1%
S. Small Cap Equity	5.6%
Non- U.S. Equity	5.6%
Core Real Estate	4.5%

Discount Rate:

The discount rate used to measure the Total OPEB Liability was 3.87%

The City contributes \$100,000 to the fund annually, but otherwise funds benefits on a pay-as-you-go basis. The expected rate of return on trust investments is 6.50%. The remaining projected benefit payments were discounted at a municipal bond rate. The high-quality municipal bond rate, 2.14%, was based on the week closest but not later than the measurement date of the Bond Buyer 20-Bond Index as published by the Federal Reserve. The 20-Bond Index consists of 20 general obligation bonds that mature in 20 years.

### 13. OPEB Expense and Deferred Outflows and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2020 the City recognized an OPEB Expense of \$247,210. On September 30, 2020, the City reported Deferred Outflows and Deferred Inflows of Resources related to OPEB from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between Expected and Actual Experience	\$ 432,521	\$ 252,868
Changes of assumptions	758,533	783,326
Net difference between Projected and Actual Earnings on OPEB Plan investments	-	14,134
Total	\$ 1,191,054	\$ 1,050,328

## M - OTHER POST EMPLOYMENT BENEFITS (OPEB) (continued)

### 13. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (continued)

Amount reported as reported Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB will be recognized in OPEB Expense as follows:

Fiscal Year Ending	Inflows
September 30, 2021	\$ (101,178)
September 30, 2022	(100,177)
September 30, 2023	(93,721)
September 30, 2024	148,668
September 30, 2025	151,089
Thereafter	135,045

### 14. Changes in Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balances at September 30, 2019	\$ 6,604,271	\$ 1,812,343	\$ 4,791,928
Changes for a year:			
Service cost	189,883	-	189,883
Interest	276,127	-	276,127
Differences between expected and actual experience	448,963	-	448,963
Changes of assumptions	496,376	-	496,376
Explicit contributions - employer	-	100,000	(100,000)
Implicit contributions - employer	-	218,133	(218,133)
Net investment income	-	133,073	(133,073)
Explicit benefit payments	(264,865)	(218,133)	(46,732)
Implicit benefit payments	46,732	-	46,732
Administrative expense	-	(2,354)	2,354
Net changes	1,193,216	230,719	962,497
Balances at September 30, 2020	\$ 7,797,487	\$ 2,043,062	\$ 5,754,425

Experience reflects changes to the census data during the twelve-month period since the prior valuation.

Changes of assumptions reflect a change in the discount rate from 3.87% for the reporting period ended September 30, 2019 to 3.55% for the reporting period ended September 30, 2020, updates to the underlying health claims and premium, and an update to mortality tables to be consistent with Chapter 2015-157, Florida Statutes for pension plans.

**M - OTHER POST EMPLOYMENT BENEFITS (OPEB) (continued)**

15. Sensitivity of OPEB Liability to Changes in Rates

The first table below shows the Net OPEB Liability, as well as what the Net OPEB Liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current discount rate:

	1% Decrease 2.55%	Current Discount Rate 3.55%	1% Increase 4.55%
Net OPEB Liability	\$ 7,021,316	\$ 5,754,425	\$ 4,751,024

The following table presents the Net OPEB Liability, as well as what the Net OPEB Liability would be if it were calculated using healthcare cost trend rates that are one percentage-point lower or one percentage-point higher than the current healthcare cost trend rates:

	1% Decrease 3.00% - 6.50%	Healthcare Cost Trend Rates 4.00% - 7.50%	1% Increase 5.00 - 8.50%
Net OPEB Liability	\$ 4,649,654	\$ 5,754,425	\$ 7,154,923

The Required Supplementary Information (RSI) immediately following the notes to the financial statements presents additional multi-year trend information about the employer contributions and changes in the City’s Net OPEB Liability and related ratios.

**N – SUBSEQUENT EVENTS**

1. Refunding of two SRF loans in October 2020

The City Commission approved a term loan with Truist Bank (formerly SunTrust) to refund the two outstanding SRF loans referenced in Note H, paragraphs 4b & c. The new loan has a fixed tax-exempt interest rate of 1.61%. The SRF loans were outstanding in the par amount of \$18,770,870 maturing in years 2021-2036 with interest rates ranging from 2.39% to 2.89%. The City will realize approximately \$1.4 million of net present value debt service savings (net of all costs associated with completing the transaction) through the refunding and restructuring of the existing debt. Resolution 2020-25 provides for the issuance of the Series 2020 Bond.

2. Fire Aerial Platform Tower Truck Loan

In October 2020, through a Master Lease/Purchase Agreement with Truist Equipment Finance & Leasing Corporation, an equipment schedule with a principal amount \$1,200,000 was added for the acquisition of a replacement Fire Aerial Platform Tower Truck. The 10-year loan has a fixed interest rate of 1.78% with the first interest payment due in FY 2022 and the first principal payment due in FY 2024.



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## Required Supplementary Information (RSI)

**City of Cocoa Beach, Florida**  
**Required Supplementary Information**  
**September 30, 2020**

**1. Schedule of Changes in Net Pension Liability and Related Ratios**

**a. General Employees' Retirement Fund:**

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
Last Eight Fiscal Years  
General Employees'

	2020	2019	2018	2017	2016	2015	2014	2013
<b>Total pension liability</b>								
Service cost	\$ 622,293	\$ 619,034	\$ 625,201	\$ 584,519	\$ 545,829	\$ 533,313	\$ 539,287	\$ 500,498
Interest	2,145,833	2,077,332	1,988,818	1,853,234	1,732,753	1,651,759	1,564,938	1,476,982
Difference between expected and actual experience	491,865	(340,064)	(107,227)	469,323	(316,930)	(113,781)	-	-
Changes of assumptions	(427,634)	-	-	40,962	688,895	-	-	-
Contributions - buy back	-	-	-	6,585	-	-	-	-
Benefit payments, including refunds of employee contributions	(1,516,932)	(1,434,443)	(1,282,573)	(1,209,098)	(1,060,176)	(1,017,261)	(938,707)	(824,004)
Net change in total pension liability	1,315,425	921,859	1,224,219	1,745,525	1,590,371	1,054,030	1,165,518	1,153,476
Total pension liability - beginning	27,824,335	26,902,476	25,678,257	23,932,732	22,342,361	21,288,331	20,122,813	18,969,336
Total pension liability - ending (a)	<u>\$ 29,139,760</u>	<u>\$ 27,824,335</u>	<u>\$ 26,902,476</u>	<u>\$ 25,678,257</u>	<u>\$ 23,932,732</u>	<u>\$ 22,342,361</u>	<u>\$ 21,288,331</u>	<u>\$ 20,122,812</u>
<b>Plan fiduciary net position</b>								
Contributions - employer	\$ 560,000	\$ 525,000	\$ 510,000	\$ 425,001	\$ 559,031	\$ 786,715	\$ 898,200	\$ 850,280
Contributions - employee	293,346	283,369	279,093	284,664	279,795	248,332	235,872	231,937
Contributions - buy back	-	-	-	6,585	-	-	-	-
Net investment income	3,075,647	1,015,118	1,981,691	2,639,271	2,007,647	(669,085)	1,955,398	2,302,167
Benefit payments, including refunds of employee contributions	(1,516,932)	(1,434,443)	(1,282,573)	(1,209,098)	(1,060,176)	(1,017,261)	(938,707)	(824,004)
Administrative expense	(52,696)	(23,527)	(27,732)	(22,069)	(23,056)	(20,811)	(21,453)	(14,705)
Net change in plan fiduciary net position	2,359,365	365,517	1,460,479	2,124,354	1,763,241	(672,110)	2,129,310	2,545,675
Plan fiduciary net position - beginning	27,257,843	26,892,326	25,431,847	23,307,493	21,544,252	22,216,362	20,087,052	17,541,377
Plan fiduciary net position - ending (b)	<u>\$ 29,617,208</u>	<u>\$ 27,257,843</u>	<u>\$ 26,892,326</u>	<u>\$ 25,431,847</u>	<u>\$ 23,307,493</u>	<u>\$ 21,544,252</u>	<u>\$ 22,216,362</u>	<u>\$ 20,087,052</u>
Net pension liability - ending (a) - (b)	<u>\$ (477,448)</u>	<u>\$ 566,492</u>	<u>\$ 10,150</u>	<u>\$ 246,410</u>	<u>\$ 625,239</u>	<u>\$ 798,109</u>	<u>\$ (928,031)</u>	<u>\$ 35,761</u>
Plan fiduciary net position as a percentage of the Total Pension Liability	101.64%	97.96%	99.96%	99.04%	97.39%	96.43%	104.36%	99.82%
Covered payroll	\$ 5,866,914	\$ 5,667,922	\$ 5,581,312	\$ 5,693,277	\$ 5,595,907	\$ 4,966,634	\$ 4,717,435	\$ 4,638,735
Net pension liability as a percentage of covered payroll	-8.14%	9.99%	0.18%	4.33%	11.17%	16.07%	-19.67%	0.77%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information for those years for which information is available is presented.

**SCHEDULE OF CONTRIBUTIONS**  
Last Eight Fiscal Years  
General Employees'

	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined contribution	\$ 502,795	\$ 520,882	\$ 488,923	\$ 409,916	\$ 559,031	\$ 786,715	\$ 898,200	\$ 850,280
Contributions in relation to the actuarially determined contributions	560,000	525,000	510,000	425,001	559,031	786,715	898,200	850,280
Contribution deficiency (Excess)	<u>\$ (57,205)</u>	<u>\$ (4,118)</u>	<u>\$ (21,077)</u>	<u>\$ (15,085)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 5,866,914	\$ 5,667,922	\$ 5,581,312	\$ 5,693,277	\$ 5,595,907	\$ 4,966,634	\$ 4,717,435	\$ 4,638,735
Contributions as a percentage of covered payroll	9.55%	9.26%	9.14%	7.46%	9.99%	15.84%	19.04%	18.33%

**Notes to Schedule**

Valuation Date: 10/1/18. Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.



**City of Cocoa Beach, Florida  
Required Supplementary Information  
September 30, 2020**

**1. Schedule of Changes in Net Pension Liability and Related Ratios (continued)**

**b. Police Employees' Pension Plan:**

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS								
Last Eight Fiscal Years								
Police Employees'								
	2020	2019	2018	2017	2016	2015	2014	2013
<b>Total pension liability</b>								
Service cost	\$ 297,678	\$ 280,676	\$ 312,449	\$ 266,442	\$ 264,410	\$ 268,905	\$ 278,445	\$ 257,819
Interest	1,443,169	1,447,501	1,365,029	1,282,422	1,248,592	1,215,095	1,166,413	1,118,532
Change in excess state money		-	-	-	(25,826)	-	-	-
Difference between expected and actual Experience	78,378	(496,372)	460,321	386,258	(205,356)	(159,029)	-	-
Changes of assumptions	(196,549)	-	-	36,994	636,451	-	-	-
Contributions - buy back	47,992	-	-	22,500	-	52,320	-	-
Benefit payments, including refunds of employee contributions	(1,515,490)	(1,093,911)	(989,830)	(959,625)	(1,052,685)	(855,473)	(798,118)	(798,796)
Net change in total pension liability	155,178	137,894	1,147,969	1,034,991	865,586	521,818	646,740	577,555
Total pension liability - beginning	19,081,604	18,943,710	17,795,741	16,760,750	15,895,164	15,373,346	14,726,606	14,149,051
Total pension liability - ending (a)	<u>\$ 19,236,782</u>	<u>\$ 19,081,604</u>	<u>\$ 18,943,710</u>	<u>\$ 17,795,741</u>	<u>\$ 16,760,750</u>	<u>\$ 15,895,164</u>	<u>\$ 15,373,346</u>	<u>\$ 14,726,606</u>
<b>Plan fiduciary net position</b>								
Contributions - employer	\$ 865,000	\$ 865,000	\$ 860,000	\$ 782,512	\$ 822,359	\$ 625,885	\$ 751,980	\$ 719,321
Contributions - state	110,273	109,736	107,105	101,389	104,215	97,977	99,477	97,465
Contributions - employee	105,737	100,003	89,780	95,018	91,834	80,429	91,260	87,375
Contributions - buy back	47,992	-	-	22,500	-	52,320	-	-
Net Investment income	1,833,038	593,406	1,562,850	1,529,239	1,085,149	(150,618)	1,089,153	1,174,778
Benefit payments, including refunds of Employee contributions	(1,515,490)	(1,093,911)	(989,830)	(959,625)	(1,052,685)	(855,473)	(798,118)	(798,796)
Administrative expense	(48,249)	(36,318)	(36,507)	(41,061)	(41,054)	(37,661)	(32,708)	(37,849)
Other	-	-	-	-	-	-	-	-
Net change in plan fiduciary net position	1,398,301	537,916	1,593,398	1,529,972	1,009,818	(187,141)	1,201,044	1,242,294
Plan fiduciary net position - beginning	15,273,871	14,735,955	13,142,557	11,612,585	10,602,767	10,789,908	9,588,864	8,346,569
Plan fiduciary net position - ending (b)	<u>\$ 16,672,172</u>	<u>\$ 15,273,871</u>	<u>\$ 14,735,955</u>	<u>\$ 13,142,557</u>	<u>\$ 11,612,585</u>	<u>\$ 10,602,767</u>	<u>\$ 10,789,908</u>	<u>\$ 9,588,864</u>
Net pension liability - ending (a) - (b)	<u>\$ 2,564,610</u>	<u>\$ 3,807,733</u>	<u>\$ 4,207,755</u>	<u>\$ 4,653,184</u>	<u>\$ 5,148,165</u>	<u>\$ 5,292,397</u>	<u>\$ 4,583,438</u>	<u>\$ 5,137,742</u>
Plan fiduciary net position as a percentage of the Total Pension Liability	86.67%	80.05%	77.79%	73.85%	69.28%	66.70%	70.19%	65.11%
Covered payroll	\$ 2,114,730	\$ 2,000,053	\$ 1,795,611	\$ 1,900,351	\$ 1,836,685	\$ 1,697,629	\$ 1,825,203	\$ 1,747,510
Net pension liability as a percentage of covered payroll	121.27%	190.38%	234.34%	244.86%	280.30%	311.75%	251.12%	294.00%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information for those years for which information is available is presented.

SCHEDULE OF CONTRIBUTIONS								
Last Eight Fiscal Years								
Police Employees'								
	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined contribution	\$ 966,431	\$ 987,426	\$ 932,461	\$ 933,642	\$ 876,833	\$ 723,862	\$ 851,457	\$ 716,786
Contributions in relation to the actuarially determined contributions	(8,842)	12,690	(34,644)	883,901	926,574	723,862	851,457	716,786
Contribution deficiency (Excess)	<u>\$ 975,273</u>	<u>\$ 974,736</u>	<u>\$ 967,105</u>	<u>\$ 49,741</u>	<u>\$ (49,741)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 2,114,730	\$ 2,000,053	\$ 1,795,611	\$ 1,900,351	\$ 1,836,685	\$ 1,697,629	\$ 1,825,203	\$ 1,747,510
Contributions as a percentage of covered payroll	46.12%	48.74%	53.86%	46.51%	50.45%	42.64%	46.65%	41.02%

**Notes to Schedule**

Valuation Date: 10/1/18. Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

**City of Cocoa Beach, Florida**  
**Required Supplementary Information**  
**September 30, 2020**

**1. Schedule of Changes in Net Pension Liability and Related Ratios (continued)**

**c. Fire Employees' Pension Plan:**

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**

Last Eight Fiscal Years

Fire Employees

	2020	2019	2018	2017	2016	2015	2014	2013
<b>Total pension liability</b>								
Service cost	\$ 275,256	\$ 263,330	\$ 252,306	\$ 223,453	\$ 238,463	\$ 226,817	\$ 231,534	\$ 214,383
Interest	1,288,768	1,252,370	1,193,937	1,106,270	1,084,188	1,054,408	1,020,957	971,801
Change in excess state money		-	-	-	(654,119)	77,735	85,864	-
Changes of benefit terms	-	(1,726)	-	-	-	-	-	-
Difference between expected and actual Experience	154,929	(24,340)	281,198	483,038	(88,821)	(17,490)	-	-
Changes of assumptions	(140,761)	-	-	26,411	229,105	-	-	-
Benefit payments, including refunds of employee contributions	(859,597)	(1,207,655)	(757,898)	(715,766)	(735,874)	(1,070,390)	(588,887)	(588,887)
Net change in total pension liability	718,595	281,979	969,543	1,123,406	72,942	271,080	749,468	597,297
Total pension liability - beginning	16,783,809	16,501,830	15,532,287	14,408,881	14,335,939	14,064,859	13,315,391	12,718,094
Total pension liability - ending (a)	<u>\$ 17,502,404</u>	<u>\$ 16,783,809</u>	<u>\$ 16,501,830</u>	<u>\$ 15,532,287</u>	<u>\$ 14,408,881</u>	<u>\$ 14,335,939</u>	<u>\$ 14,064,859</u>	<u>\$ 13,315,391</u>
<b>Plan fiduciary net position</b>								
Contributions - employer	\$ 570,000	\$ 675,000	\$ 609,433	\$ 475,026	\$ 655,200	\$ 561,835	\$ 581,513	\$ 564,182
Contributions - state	113,250	108,999	111,216	132,166	144,452	162,542	170,671	153,173
Contributions - employee	84,052	78,566	77,874	80,832	80,412	68,646	76,167	66,823
Net investment income	1,763,334	607,901	1,596,550	1,540,888	1,104,852	(147,286)	1,080,437	1,190,873
Benefit payments, including refunds of Employee contributions	(859,597)	(1,207,655)	(757,898)	(715,766)	(735,874)	(1,070,390)	(588,887)	(588,887)
Administrative expense	(55,981)	(36,084)	(38,992)	(29,789)	(32,055)	(29,141)	(18,863)	(24,007)
Net change in plan fiduciary net position	1,615,058	226,727	1,598,183	1,483,357	1,216,987	(453,794)	1,301,038	1,362,157
Plan fiduciary net position - beginning	15,144,360	14,917,633	13,319,450	11,836,093	10,619,106	11,072,900	9,771,862	8,409,705
Plan fiduciary net position - ending (b)	<u>\$ 16,759,418</u>	<u>\$ 15,144,360</u>	<u>\$ 14,917,633</u>	<u>\$ 13,319,450</u>	<u>\$ 11,836,093</u>	<u>\$ 10,619,106</u>	<u>\$ 11,072,900</u>	<u>\$ 9,771,862</u>
Net pension liability - ending (a) - (b)	<u>\$ 742,986</u>	<u>\$ 1,639,449</u>	<u>\$ 1,584,197</u>	<u>\$ 2,212,837</u>	<u>\$ 2,572,788</u>	<u>\$ 3,716,833</u>	<u>\$ 2,991,959</u>	<u>\$ 3,543,529</u>
Plan fiduciary net position as a percentage of the Total Pension Liability	95.75%	90.23%	90.40%	85.75%	82.14%	74.07%	78.73%	73.39%
Covered payroll	\$ 1,681,035	\$ 1,571,321	\$ 1,557,486	\$ 1,616,637	\$ 1,608,236	\$ 1,441,819	\$ 1,386,146	\$ 1,336,468
Net pension liability as a percentage of covered payroll	44.20%	104.34%	101.72%	136.88%	159.98%	257.79%	215.85%	265.14%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information for those years for which information is available is presented.

**SCHEDULE OF CONTRIBUTIONS**

Last Eight Fiscal Years

Fire Employees'

	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined contribution	\$ 650,393	\$ 694,681	\$ 720,649	\$ 673,167	\$ 733,677	\$ 646,642	\$ 666,321	\$ 648,989
Contributions in relation to the actuarially determined contributions	683,250	783,999	720,649	607,192	799,652	646,642	666,321	648,989
Contribution deficiency (Excess)	<u>\$ (32,857)</u>	<u>\$ (89,318)</u>	<u>\$ -</u>	<u>\$ 65,975</u>	<u>\$ (65,975)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 1,681,035	\$ 1,571,321	\$ 1,557,486	\$ 1,616,637	\$ 1,608,236	\$ 1,441,819	\$ 1,386,146	\$ 1,336,468
Contributions as a percentage of covered payroll	40.64%	49.89%	46.27%	37.56%	49.72%	44.85%	48.07%	48.56%

Notes to Schedule

Valuation Date: 10/1/18. Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

**City of Cocoa Beach, Florida  
Required Supplementary Information  
September 30, 2020**

**2. Changes of Benefit Terms**

There have been no changes in benefits since the prior valuation of the three Plans<sup>2</sup>.

**3. Changes of Assumptions**

There have been no considerable changes in actuarial assumptions or methods for the Plans since the prior valuation.

**4. Methods and Assumptions Used to Determine Contribution Rates**

	General Employees'	Police Employees'	Fire Employees'
Actuarial cost method :	Frozen Entry Age	Entry Age Normal	Entry Age Normal
Amortization method:	Level dollar amount	Level % of pay, Closed	Level % of pay, Closed
Remaining amortization period:	20 Years (as of 10/1/2020)	20 Years (as of 10/1/2020)	20 Years (as of 10/1/2020)
Inflation:	2.30%	2.50%	2.50%
Payroll increase:	None	1.30% per year	1.04% per year
Salary increases :	3 - 18% per year	4.5 -13% per year	4.5 - 6.5% per year
*Interest rate:	7.75%	7.75%	7.75%
Retirement age:	Age 62 and 5 years of service	Age 55 and 10 years of service, or age 52 and 25 years of service	Age 55 and 10 years of service, or 25 years of service, regardless of age
Early retirement:	Age 52 -subsidized benefit at 5% per year	Age 50 -subsidized benefit at 5% per year	Beginning at age 50 - subsidized benefit at 10% per year
Mortality:	RP-2000 Table	RP-2000 Table	RP-2000 Table

\*Interest rate is compounded annually, net of investment related expenses.

<sup>2</sup> Ordinance 1596, adopted and effective May 19, 2016, amended the Police and Fire Employees' Plans primarily for compliance with requirements under the Internal Revenue Code, in addition to implementation of a Share Plan. Ordinance 1628, adopted and effective December 6, 2018, amended the General Employees' Plan primarily for compliance with requirements under the Internal Revenue Code. Letters of no actuarial impact were submitted for both amendments.

**City of Cocoa Beach, Florida  
Required Supplementary Information  
September 30, 2020**

**5. Money-Weighted Rate of Return**

This schedule is intended to provide information about the actual performance of the pension plan's investment portfolio because it takes into account the effects of transactions that increase the amount of pension plan investments (such as contributions from employers, non-employer contributing entities, and plan members) and those that decrease the amount of pension plan investments (such as benefit payments).

Annual money-weighted rate of  
return net of investment expense:

<b>Fiscal Year</b>	<b>General Employees'</b>	<b>Police Employees'</b>	<b>Fire Employees'</b>
2020	11.35%	12.05%	11.60%
2019	3.79%	3.98%	4.03%
2018	7.82%	11.71%	11.89%
2017	11.38%	13.01%	12.97%
2016	9.31%	10.02%	10.18%
2015	-2.98%	-1.37%	-1.34%
2014	9.55%	11.11%	10.77%
2013	13.01%	13.90%	13.83%

**City of Cocoa Beach, Florida**  
**Required Supplementary Information**  
**September 30, 2020**

**6. Narrative Summary (OPEB Liability)**

The OPEB liability is currently partially funded, with a combination of annual contributions to a professionally managed fund and City premium payments on a pay-as-you-go basis. See Note M for additional details.

**7. Schedule of Changes in Net OPEB Liability and Related Ratios\***

Schedule of Changes in Net OPEB Liability and Related Ratios

	<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>
Total OPEB Liability				
Service Cost	\$ 189,883	\$ 157,858	\$ 212,520	\$ 227,237
Interest	276,127	263,064	288,588	254,072
Differences between Expected and Actual Experience	448,963	(354,014)	95,393	-
Changes of assumptions	496,376	466,294	(1,566,653)	(678,077)
Explicit Benefit Payments	(264,865)	(252,087)	(150,000)	(130,101)
Implicit Benefit Payment	46,732	46,686	(89,140)	(78,541)
Net Change in Total OPEB Liability	<u>1,193,216</u>	<u>327,801</u>	<u>(1,209,292)</u>	<u>(405,410)</u>
Total OPEB Liability - Beginning	6,604,271	6,276,470	7,485,762	7,891,172
Total OPEB Liability -Ending (a)	<u>\$ 7,797,487</u>	<u>\$ 6,604,271</u>	<u>\$ 6,276,470</u>	<u>\$ 7,485,762</u>
Plan Fiduciary Net Position				
Explicit Contributions - Employer	100,000	352,087	250,000	230,101
Implicit Contributions - Employer	218,133	(46,686)	89,140	78,541
Net Investment Income	133,073	94,389	126,209	178,425
Explicit Benefit Payments	(264,865)	(252,087)	(150,000)	(130,101)
Implicit Benefit Payment	46,732	46,686	(89,140)	(78,541)
Administrative Expense	(2,354)	(2,177)	(2,015)	(1,753)
Net Change in Plan Fiduciary Net Position	<u>230,719</u>	<u>192,212</u>	<u>224,194</u>	<u>276,672</u>
Plan Fiduciary Net Position - Beginning	1,812,343	1,620,131	1,395,937	1,119,264
Plan Fiduciary Net Position - Ending (b)	<u>\$ 2,043,062</u>	<u>\$ 1,812,343</u>	<u>\$ 1,620,131</u>	<u>\$ 1,395,937</u>
Net OPEB Liability (a - b)	<u>\$ 5,754,425</u>	<u>\$ 4,791,928</u>	<u>\$ 4,656,339</u>	<u>\$ 6,089,825</u>
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	26.20%	27.44%	25.81%	18.65%
Covered Employee Payroll	\$ 9,866,485	\$ 9,940,598	\$ 9,889,192	\$ 8,816,274
Net OPEB Liability as a Percentage of Covered Employee Payroll	58.32%	48.21%	47.09%	69.07%

\*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information for those years for which information is available is presented.

**City of Cocoa Beach, Florida  
Required Supplementary Information  
September 30, 2020**

**Schedule of City OPEB Contribution**

<b>Schedule of City OPEB Contributions</b>				
	<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>
Actuarial Determined Contribution	480,901	450,296	453,999	576,881
Contribution in relation to the Actuarially Determined Contributions	100,000	352,087	250,000	230,101
Contribution Deficiency (Excess)	<u>\$ 380,901</u>	<u>\$ 98,209</u>	<u>\$ 203,999</u>	<u>\$ 346,780</u>
Covered Employee Payroll	\$ 9,866,485	\$ 9,940,598	\$ 9,889,192	\$ 8,816,274
Contributions as a percentage of Covered Employee Payroll	1.01%	3.54%	2.53%	2.61%

\*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information for those years for which information is available is presented.

**Note to Schedule:**

Actuarially determined contribution rates shown above are calculated as of October 1, 2019 for the plan/fiscal year in which contributions are reported. Methods and assumptions used to determine contribution rates are the same as those found in Note M, Paragraph 12 of this report.

**8. Changes in actuarial assumptions**

Changes in assumptions and other inputs reflect the effect of changes in the discount rate each period. The following are the discount rates used in each period:

FY 2020	3.55%
FY 2019	3.87%
FY 2018	4.40%
FY 2017	3.76%

**10. Money-Weighted Rate of Return**

This schedule is intended to provide information about the actual performance of the pension plan's investment portfolio because it takes into account the effects of transactions that increase the amount of pension plan investments (such as contributions from employers, non-employer contributing entities, and plan members) and those that decrease the amount of pension plan investments (such as benefit payments).

**SCHEDULE OF INVESTMENT RETURNS  
Last Four Fiscal Years**

	<u>OPEB Plan</u>			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Annual money-weighted rate of return net of investment expense	6.47%	4.90%	7.83%	8.72%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information for those years for which information is available is presented.

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## Other Supplemental Information

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**City of Cocoa Beach, Florida**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Confiscated Property Special Revenue Fund**  
**For the Year Ended September 30, 2020**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Fines and forfeitures	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	-	-	-	-
Fund balances, beginning of year	<u>196,391</u>	<u>196,391</u>	<u>196,391</u>	<u>-</u>
Fund balances, end of year	<u><u>\$ 196,391</u></u>	<u><u>\$ 196,391</u></u>	<u><u>\$ 196,391</u></u>	<u><u>\$ -</u></u>



**City of Cocoa Beach, Florida**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Capital Improvements Project Fund**  
**For the Fiscal Year Ended September 30, 2020**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Investment earnings	\$ -	\$ -	\$ 110,061	\$ 110,061
Total revenues	<u>-</u>	<u>-</u>	<u>110,061</u>	<u>110,061</u>
<b>EXPENDITURES</b>				
Capital outlay	<u>1,177,324</u>	<u>9,705,923</u>	<u>1,818,452</u>	<u>7,887,471</u>
Total expenditures	<u>1,177,324</u>	<u>9,705,923</u>	<u>1,818,452</u>	<u>7,887,471</u>
Net change in fund balances	(1,177,324)	(9,705,923)	(1,708,391)	7,997,532
Fund balances, beginning of year	<u>1,177,324</u>	<u>1,177,324</u>	<u>9,725,861</u>	<u>8,548,537</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ (8,528,599)</u>	<u>\$ 8,017,470</u>	<u>\$ 16,546,069</u>

**City of Cocoa Beach, Florida**  
**Combining Statement of Fiduciary Net Position**  
**Pension (and Other Employee Benefit) Trust Funds**  
**September 30, 2020**

	<u>Pension Trust</u>				<u>Total Employee Retirement Funds</u>
	<u>OPEB Trust Fund</u>	<u>General Employees</u>	<u>Police Officers</u>	<u>Firefighters</u>	
<b>ASSETS</b>					
Receivables:					
Employer contributions	\$ -	\$ -	\$ -	\$ 980	\$ 980
Total receivables	<u>-</u>	<u>-</u>	<u>-</u>	<u>980</u>	<u>980</u>
Investments, at fair value:					
Cash and money market	2,043	285,344	210,854	199,419	697,660
Real Estate	-	-	1,583,412	1,583,412	3,166,824
Mutual funds	<u>2,041,018</u>	<u>29,331,864</u>	<u>14,883,531</u>	<u>14,982,556</u>	<u>61,238,969</u>
Total investments	<u>2,043,061</u>	<u>29,617,208</u>	<u>16,677,797</u>	<u>16,765,387</u>	<u>65,103,453</u>
Total assets	<u>2,043,061</u>	<u>29,617,208</u>	<u>16,677,797</u>	<u>16,766,367</u>	<u>65,104,433</u>
<b>LIABILITIES</b>					
Accounts payable	<u>-</u>	<u>-</u>	<u>5,625</u>	<u>6,949</u>	<u>12,574</u>
<b>NET POSITION</b>					
Restricted for pensions	-	29,617,208	16,672,172	16,759,418	63,048,798
Restricted for OPEB benefits	<u>2,043,061</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,043,061</u>
Total net position	<u>\$ 2,043,061</u>	<u>\$ 29,617,208</u>	<u>\$ 16,672,172</u>	<u>\$ 16,759,418</u>	<u>\$ 65,091,859</u>

**City of Cocoa Beach, Florida**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Pension (and Other Employee Benefit) Trust Funds**  
**For the Fiscal Year Ended September 30, 2020**

	<u>Pension Trust</u>				<b>Total Employee Retirement Funds</b>
	<u>OPEB Trust Fund</u>	<u>General Employees</u>	<u>Police Officers</u>	<u>Firefighters</u>	
<b>ADDITIONS</b>					
Contributions:					
Employer	\$ 364,865	\$ 560,000	\$ 975,273	\$ 683,250	\$ 2,583,388
Plan members	-	293,346	105,737	84,052	483,135
Plan members buyback	-	-	47,992	-	47,992
Total contributions	<u>364,865</u>	<u>853,346</u>	<u>1,129,002</u>	<u>767,302</u>	<u>3,114,515</u>
Investment earnings:					
Net increase (decrease) in fair value of investments	-	1,985,527	1,157,145	1,095,477	4,238,149
Interest and dividends	133,072	1,166,782	707,353	699,284	2,706,491
Total investment earnings	<u>133,072</u>	<u>3,152,309</u>	<u>1,864,498</u>	<u>1,794,761</u>	<u>6,944,640</u>
Less investment expenses	-	76,662	31,460	31,427	139,549
Net investment earnings	<u>133,072</u>	<u>3,075,647</u>	<u>1,833,038</u>	<u>1,763,334</u>	<u>6,805,091</u>
Total additions	<u>497,937</u>	<u>3,928,993</u>	<u>2,962,040</u>	<u>2,530,636</u>	<u>9,919,606</u>
<b>DEDUCTIONS</b>					
Benefits	264,865	1,503,613	1,503,213	859,597	4,131,288
Refunds of contributions	-	13,319	12,277	-	25,596
Administrative expenses	2,354	52,696	48,249	55,981	159,280
Total deductions	<u>267,219</u>	<u>1,569,628</u>	<u>1,563,739</u>	<u>915,578</u>	<u>4,316,164</u>
Change in net position	230,718	2,359,365	1,398,301	1,615,058	5,603,442
Net position, beginning of year	<u>1,812,343</u>	<u>27,257,843</u>	<u>15,273,871</u>	<u>15,144,360</u>	<u>59,488,417</u>
Net position, end of year	<u>\$ 2,043,061</u>	<u>\$ 29,617,208</u>	<u>\$ 16,672,172</u>	<u>\$ 16,759,418</u>	<u>\$ 65,091,859</u>



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# STATISTICAL SECTION (Unaudited)

*This part of the City of Cocoa Beach'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.*

## Table of Contents & Additional Notes

### A. Financial Trends

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

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Table A-3 Fund Balances - Governmental Funds	118
Table A-4 Changes in Fund Balances - Governmental Funds	119

### B. Revenue Capacity

*These schedules contain information to help the reader assess the city's most significant local revenue source, the property tax.*

	<u>Page</u>
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Table B-2 Direct and Overlapping Property Tax Rates	121
Table B-3 Principal Property Taxpayers	122
Table B-4 Property Tax Levies and Collections	123

### C. Debt Capacity

*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.*

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Table C-1 Ratios of Outstanding Debt by Type	124
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### D. Demographic and Economic Information Financial Trends

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

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Table D-2 Principal Employers	128

(Continued)

## STATISTICAL SECTION (Unaudited)

### E. Operating Information

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

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Table E-2 Operating Indicators by Function/Program	130
Table E-3 Capital Asset Statistics by Function/Program	131

### Additional Notes

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

Actual titles of some schedules will vary from the general titles shown above.

Neither the City of Cocoa Beach Charter or Code, nor the Florida Statutes limit the amount of debt the City of Cocoa Beach can issue; therefore tables showing the City's legal debt limit and debt margins are not applicable. The City has not issued any General Bonded Debt in the last ten years.

The following statistical tables which are normally included in a government's Comprehensive Annual Financial Report are not applicable and, accordingly, are not included in this report.

Table C-2	Ratios of General Bonded Debt Outstanding
Table C-4	Legal Debt Margin Information

**City of Cocoa Beach, Florida**  
**Table A-1**  
**Net Position by Component**  
**Last Ten Fiscal Years**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Governmental activities</b>										
Net investment in capital assets	\$ 18,708,421	\$ 18,261,764	\$ 18,080,949	\$ 23,650,099	\$ 22,249,281	\$ 24,182,508	\$ 26,290,568	\$ 27,578,331	\$ 29,172,420	\$ 33,219,144
Restricted	205,435	204,697	206,541	594,503	864,117	456,923	445,157	180,521	196,391	196,391
Unrestricted	8,743,640	8,984,450	5,609,847	2,278,071	(3,923,940)	(3,432,120)	(3,184,461)	(5,055,455)	(2,902,763)	(400,467)
<b>Total governmental activities net position</b>	<b>\$ 27,657,496</b>	<b>\$ 27,450,911</b>	<b>\$ 23,897,337</b>	<b>\$ 26,522,673</b>	<b>\$ 19,189,458</b>	<b>\$ 21,207,311</b>	<b>\$ 23,551,264</b>	<b>\$ 22,703,397</b>	<b>\$ 26,466,048</b>	<b>\$ 33,015,068</b>
<b>Business-type activities</b>										
Net investment in capital assets	\$ 31,165,812	\$ 32,096,348	\$ 29,003,772	\$ 25,003,758	\$ 24,343,465	\$ 25,427,503	\$ 27,971,940	\$ 26,666,412	\$ 26,320,292	\$ 28,662,592
Restricted	105,626	98,193	824,865	824,865	1,029,297	1,029,297	637,235	-	-	-
Unrestricted	2,447,560	2,091,980	8,318,197	8,376,696	8,857,119	7,625,604	8,315,120	9,471,689	10,137,033	10,697,941
<b>Total business-type activities net position</b>	<b>\$ 33,718,998</b>	<b>\$ 34,286,521</b>	<b>\$ 38,146,834</b>	<b>\$ 34,205,319</b>	<b>\$ 34,229,881</b>	<b>\$ 34,082,404</b>	<b>\$ 36,924,295</b>	<b>\$ 36,138,101</b>	<b>\$ 36,457,325</b>	<b>\$ 39,360,533</b>
<b>Primary government</b>										
Net investment in capital assets	\$ 49,874,233	\$ 50,358,112	\$ 47,084,721	\$ 48,653,857	\$ 46,592,746	\$ 49,610,011	\$ 54,262,508	\$ 54,244,743	\$ 55,492,712	\$ 61,881,736
Restricted	311,061	302,890	1,031,406	1,419,368	1,893,414	1,486,220	1,082,392	180,521	196,391	196,391
Unrestricted	11,191,200	11,076,430	13,928,044	10,654,767	4,933,179	4,193,484	5,130,659	4,416,234	7,234,270	10,297,474
<b>Total primary government net position</b>	<b>\$ 61,376,494</b>	<b>\$ 61,737,432</b>	<b>\$ 62,044,171</b>	<b>\$ 60,727,992</b>	<b>\$ 53,419,339</b>	<b>\$ 55,289,715</b>	<b>\$ 60,475,559</b>	<b>\$ 58,841,498</b>	<b>\$ 62,923,373</b>	<b>\$ 72,375,601</b>

**Notes:**

- (1) Accrual Basis of Accounting.
- (2) Accounting standards require that net position be reported in three (3) components in the financial statements: net investment in capital assets, restricted, and unrestricted.
- (3) Net position is considered restricted only when an external party, such as the state or federal government, places a restriction on how the resources may be used, or through enabling legislation enacted by the City.
- (4) Net assets restated as net position beginning Fiscal Year 2013 CAFR.

**City of Cocoa Beach, Florida**  
**Table A-2, Part 1**  
**Changes in Net Position**  
**Last Ten Fiscal Years**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Program expenses</b>										
Governmental activities:										
General government	\$ 3,357,724	\$ 2,788,002	\$ 2,919,124	\$ 1,285,245	\$ 3,487,514	\$ 4,819,444	\$ 4,935,118	\$ 4,968,022	\$ 5,721,658	\$ 5,110,091
Public Safety	8,895,179	8,906,595	8,648,071	9,289,985	8,632,350	7,726,733	8,782,659	8,730,028	9,260,591	8,920,204
Physical Environment	1,463,330	1,448,782	1,480,466	1,491,654	1,441,963	1,468,270	1,510,816	1,670,732	1,725,572	1,758,727
Transportation/Public Works	3,135,193	3,450,828	2,970,897	5,199,935	3,744,760	3,368,439	3,526,815	4,300,002	4,311,053	4,488,918
Recreation	1,008,353	1,202,669	1,085,135	3,874,112	3,346,596	3,539,718	3,432,942	3,486,931	3,556,167	3,305,469
Interest on long-term debt	15,697	9,587	2,736	-	125,844	124,169	307,420	328,326	242,703	511,713
<b>Total governmental activities program expenses</b>	<b>\$ 17,875,476</b>	<b>\$ 17,806,463</b>	<b>\$ 17,106,429</b>	<b>\$ 21,140,931</b>	<b>\$ 20,779,027</b>	<b>\$ 21,046,773</b>	<b>\$ 22,495,770</b>	<b>\$ 23,484,041</b>	<b>\$ 24,817,744</b>	<b>\$ 24,095,122</b>
Business-type activities:										
Utilities system	\$ 4,682,920	\$ 4,846,321	\$ 4,802,654	\$ 6,428,259	\$ 6,180,828	\$ 6,491,931	\$ 6,828,930	\$ 7,122,007	\$ 6,791,714	\$ 7,162,431
Golf	2,821,748	2,704,671	2,636,838	-	-	-	-	-	-	-
Stormwater	510,821	482,407	507,130	512,869	472,371	471,907	500,555	726,342	809,824	618,028
<b>Total business-type activities program expenses</b>	<b>\$ 8,015,489</b>	<b>\$ 8,033,399</b>	<b>\$ 7,946,622</b>	<b>\$ 6,941,128</b>	<b>\$ 6,653,199</b>	<b>\$ 6,963,838</b>	<b>\$ 7,329,485</b>	<b>\$ 7,848,349</b>	<b>\$ 7,601,538</b>	<b>\$ 7,780,459</b>
<b>Total primary government program expenses</b>	<b>\$ 25,890,965</b>	<b>\$ 25,839,862</b>	<b>\$ 25,053,051</b>	<b>\$ 28,082,059</b>	<b>\$ 27,432,226</b>	<b>\$ 28,010,611</b>	<b>\$ 29,825,255</b>	<b>\$ 31,332,390</b>	<b>\$ 32,419,282</b>	<b>\$ 31,875,581</b>
<b>Program revenues</b>										
Governmental activities:										
General government	\$ 2,747,622	\$ 2,047,310	\$ 2,073,020	\$ 2,395,990	\$ 2,044,829	\$ 1,161,342	\$ 1,134,935	\$ 2,946,376	\$ 3,266,840	\$ 3,173,940
Public Safety	420,858	642,032	725,412	665,589	626,835	981,899	1,105,118	1,188,367	1,231,927	1,325,274
Physical Environment	1,588,430	1,605,658	1,593,151	1,662,458	1,663,153	1,763,280	1,801,744	1,854,899	1,949,517	1,922,149
Transportation/Public Works	1,159,062	1,109,997	1,021,125	1,140,466	1,267,992	1,874,144	2,652,362	165,065	180,710	179,109
Recreation	250,063	244,540	274,497	2,496,625	2,436,776	2,340,083	2,161,586	2,161,540	2,103,825	1,898,983
Operating grants and contributions	-	-	-	-	-	283,861	746,727	499,643	1,102,563	772,574
Capital grants and contributions	1,026,314	547,108	328,225	478,810	660,802	1,844,670	1,015,000	1,021,221	1,756,900	3,732,094
<b>Total governmental activities program revenues</b>	<b>\$ 7,192,349</b>	<b>\$ 6,196,645</b>	<b>\$ 6,015,430</b>	<b>\$ 8,839,938</b>	<b>\$ 8,700,387</b>	<b>\$ 10,249,279</b>	<b>\$ 10,617,472</b>	<b>\$ 9,837,111</b>	<b>\$ 11,592,282</b>	<b>\$ 13,004,123</b>
Business-type activities:										
Charges for services:										
Utilities system	\$ 5,544,368	\$ 6,058,715	\$ 5,633,604	\$ 5,830,201	\$ 5,799,532	\$ 6,268,290	\$ 6,628,578	\$ 7,005,833	\$ 7,330,994	\$ 7,599,442
Golf	2,103,128	2,225,397	2,311,096	-	-	-	-	-	-	-
Stormwater	573,019	667,912	585,947	592,638	595,644	800,882	815,368	841,390	864,848	885,950
Operating grants and contributions	-	-	-	-	-	-	-	-	9,317	-
Capital grants and contributions	635,021	73,391	54,314	159,540	558,212	208,794	3,221,488	400,350	297,200	2,813,348
<b>Total business-type activities program revenues</b>	<b>\$ 8,855,536</b>	<b>\$ 9,025,415</b>	<b>\$ 8,584,961</b>	<b>\$ 6,582,379</b>	<b>\$ 6,953,388</b>	<b>\$ 7,277,966</b>	<b>\$ 10,665,434</b>	<b>\$ 8,247,573</b>	<b>\$ 8,502,359</b>	<b>\$ 11,298,740</b>
<b>Total primary government program revenues</b>	<b>\$ 16,047,885</b>	<b>\$ 15,222,060</b>	<b>\$ 14,600,391</b>	<b>\$ 15,422,317</b>	<b>\$ 15,653,775</b>	<b>\$ 17,527,245</b>	<b>\$ 21,282,906</b>	<b>\$ 18,084,684</b>	<b>\$ 20,094,641</b>	<b>\$ 24,302,863</b>



**City of Cocoa Beach, Florida**  
**Table A-2, Part 2**  
**General Revenues and Other Changes in Net Position**  
**Last Ten Fiscal Years**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Net (expense) revenue</b>										
Governmental activities	\$ (10,683,127)	\$ (11,609,818)	\$ (11,090,999)	\$ (12,300,993)	\$ (12,078,640)	\$ (10,797,494)	\$ (11,878,298)	\$ (13,646,930)	\$ (13,225,462)	\$ (11,090,999)
Business-type activities	840,047	992,016	638,339	(358,749)	300,189	314,128	3,335,949	399,224	900,821	3,518,281
<b>Total primary government net expense</b>	<b>\$ (9,843,080)</b>	<b>\$ (10,617,802)</b>	<b>\$ (10,452,660)</b>	<b>\$ (12,659,743)</b>	<b>\$ (11,778,451)</b>	<b>\$ (10,483,366)</b>	<b>\$ (8,542,349)</b>	<b>\$ (13,247,706)</b>	<b>\$ (12,324,641)</b>	<b>\$ (7,572,718)</b>
<b>General revenues and other changes in net position</b>										
Governmental activities:										
General revenues:										
Property taxes	\$ 6,327,375	\$ 6,348,123	\$ 6,352,123	\$ 6,680,713	\$ 7,102,087	\$ 7,657,945	\$ 9,126,174	\$ 10,375,705	\$ 11,215,262	\$ 12,110,760
Local option gas tax	366,540	458,735	408,959	393,454	417,978	461,652	333,671	327,312	354,872	330,750
Franchise taxes	1,357,980	1,358,787	1,231,315	1,290,918	1,294,985	1,272,155	1,247,130	1,274,531	1,294,054	1,257,463
Excise taxes	1,926,808	1,891,349	1,964,827	1,991,139	1,976,393	1,989,682	1,901,602	2,006,144	1,981,511	1,933,915
Intergovernmental	683,612	645,626	668,540	699,504	722,933	737,261	779,801	822,000	826,724	786,077
Unrestricted investment earnings	123,315	96,921	(1,692)	58,705	79,118	42,569	10,575	76,363	229,480	263,740
Miscellaneous revenues	151,322	112,638	97,773	165,712	156,703	145,083	264,298	469,223	227,210	135,914
Transfers	491,054	491,054	(3,184,420)	3,646,185	509,000	509,000	559,000	859,000	859,000	821,400
<b>Total governmental activities</b>	<b>\$ 11,428,006</b>	<b>\$ 11,403,233</b>	<b>\$ 7,537,425</b>	<b>\$ 14,926,330</b>	<b>\$ 12,259,197</b>	<b>\$ 12,815,347</b>	<b>\$ 14,222,251</b>	<b>\$ 16,210,278</b>	<b>\$ 16,988,113</b>	<b>\$ 17,640,019</b>
Business-type activities:										
Unrestricted investment earnings	\$ 79,314	\$ 66,561	\$ 37,554	\$ 63,419	\$ 73,088	\$ 47,395	\$ 64,942	\$ 92,510	\$ 277,403	\$ 206,327
Transfers	(491,054)	(491,054)	3,184,420	(3,646,185)	(509,000)	(509,000)	(559,000)	(859,000)	(859,000)	(821,400)
<b>Total business-type activities</b>	<b>\$ (411,740)</b>	<b>\$ (424,493)</b>	<b>\$ 3,221,974</b>	<b>\$ (3,582,766)</b>	<b>\$ (435,912)</b>	<b>\$ (461,605)</b>	<b>\$ (494,058)</b>	<b>\$ (766,490)</b>	<b>\$ (581,597)</b>	<b>\$ (615,073)</b>
<b>Total primary government</b>	<b>\$ 11,016,266</b>	<b>\$ 10,978,740</b>	<b>\$ 10,759,399</b>	<b>\$ 11,343,564</b>	<b>\$ 11,823,285</b>	<b>\$ 12,353,742</b>	<b>\$ 13,728,193</b>	<b>\$ 15,443,788</b>	<b>\$ 16,406,516</b>	<b>\$ 17,024,946</b>
<b>Changes in net position</b>										
Governmental activities	\$ 744,879	\$ (206,585)	\$ (3,553,574)	\$ 2,625,337	\$ 180,557	\$ 2,017,853	\$ 2,343,953	\$ 2,563,348	\$ 3,762,651	\$ 6,549,020
Business-type activities	428,307	567,523	3,860,313	(3,941,515)	(135,723)	(147,477)	2,841,891	(367,266)	319,224	2,903,208
<b>Total primary government</b>	<b>\$ 1,173,186</b>	<b>\$ 360,938</b>	<b>\$ 306,739</b>	<b>\$ (1,316,178)</b>	<b>\$ 44,834</b>	<b>\$ 1,870,376</b>	<b>\$ 5,185,844</b>	<b>\$ 2,196,082</b>	<b>\$ 4,081,875</b>	<b>\$ 9,452,228</b>

**City of Cocoa Beach, Florida**  
**Table A-3**  
**Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>General Fund</b>										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-	-	-	-	-	-
Nonspendable	3,117,227	3,530,116	140,544	374,973	222,504	246,919	239,286	280,372	264,291	271,343
Restricted	-	16,200	16,200	402,375	672,125	264,636	264,636	264,636	264,636	264,636
Committed	1,083,606	668,570	328,918	3,031,960	422,975	1,018,716	1,435,818	1,629,521	1,476,337	2,161,632
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	5,691,311	6,116,168	6,396,738	5,007,909	4,530,258	3,714,213	2,976,927	5,039,536	7,424,653	7,852,255
<b>Total general fund</b>	<b>\$ 9,892,144</b>	<b>\$ 10,331,054</b>	<b>\$ 6,882,400</b>	<b>\$ 8,817,217</b>	<b>\$ 5,847,862</b>	<b>\$ 5,244,484</b>	<b>\$ 4,916,667</b>	<b>\$ 7,214,065</b>	<b>\$ 9,429,917</b>	<b>\$ 10,549,866</b>
<b>All other governmental funds</b>										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-	-	-	-	-	-
Nonspendable	-	-	-	4,649	4,983	5,082	5,346	5,543	15,170	16,297
Restricted	205,435	188,497	190,341	192,128	191,992	192,287	4,680,521	4,675,443	9,922,252	8,452,923
Committed (Metered Parking)	1,032,001	1,106,949	1,144,536	1,045,024	1,115,763	1,126,273	1,928,182	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	(261,230)	(191,818)	(77,030)	151,595	-	(70,875)	-
<b>Total all other governmental funds</b>	<b>\$ 1,237,436</b>	<b>\$ 1,295,446</b>	<b>\$ 1,334,877</b>	<b>\$ 980,571</b>	<b>\$ 1,120,920</b>	<b>\$ 1,246,612</b>	<b>\$ 6,765,644</b>	<b>\$ 4,680,986</b>	<b>\$ 9,866,547</b>	<b>\$ 8,469,220</b>

**Notes:**

- (1) Modified accrual basis of accounting
- (2) The City implemented GASB #54 for the fiscal year ended September 30, 2011.  
See Note A to the financial statements for details.
- (3) All other governmental funds includes: Confiscated Property Fund, Capital Improvement Fund, and the Community Redevelopment Agency (CRA).
- (4) The Metered Parking Fund was incorporated into the General Fund beginning in Fiscal Year 2018.

**City of Cocoa Beach, Florida**  
**Table A-4**  
**Changes in Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	
<b>Revenues</b>										
Taxes	\$ 9,978,703	\$ 10,056,994	\$ 9,957,224	\$ 10,356,221	\$ 10,791,445	\$ 11,381,434	\$ 12,608,577	\$ 13,983,692	\$ 14,845,699	
Licenses and permits	386,320	416,435	433,729	449,991	441,606	482,642	586,788	736,536	645,339	
Intergovernmental revenues	1,719,712	1,192,734	996,765	1,178,314	1,383,735	2,865,792	2,541,528	2,342,864	3,686,187	
Charges for services	4,576,197	4,349,042	4,311,489	6,567,717	6,585,380	7,331,896	7,818,769	7,523,826	8,019,542	
Fines & forfeitures	1,193,286	900,892	971,569	1,396,075	1,067,909	306,210	450,188	55,885	67,938	
Investment earnings	123,315	96,921	(1,692)	54,907	79,118	42,569	10,575	76,363	229,480	
Miscellaneous revenues	151,768	95,804	68,191	116,854	101,393	145,083	264,298	290,457	201,897	
<b>Total revenues</b>	<b>\$ 18,129,301</b>	<b>\$ 17,108,822</b>	<b>\$ 16,737,275</b>	<b>\$ 20,120,079</b>	<b>\$ 20,450,586</b>	<b>\$ 22,555,626</b>	<b>\$ 24,280,723</b>	<b>\$ 25,009,623</b>	<b>\$ 27,696,082</b>	
<b>Expenditures</b>										
General government	\$ 3,118,375	\$ 3,260,223	\$ 3,160,833	\$ 3,749,095	\$ 4,399,772	\$ 4,733,699	\$ 5,038,902	\$ 6,102,703	\$ 4,919,563	
Public Safety	8,678,916	8,379,998	8,402,158	9,174,689	9,252,083	8,593,542	8,845,792	9,017,098	9,816,003	
Physical Environment	1,463,330	1,448,782	1,480,466	1,491,654	1,441,963	1,468,270	1,510,816	1,670,732	1,725,572	
Transportation/Public Works	4,153,674	2,785,826	2,712,413	5,156,369	5,244,532	5,954,177	4,886,276	4,866,390	5,291,411	
Recreation	926,926	1,043,540	1,018,472	3,605,523	3,249,398	3,320,906	3,265,936	3,798,436	3,327,465	
Debt Service									4,905,856	
Principal	170,000	175,000	185,000	69,401	75,000	226,252	467,657	454,566	663,948	
Interest	15,697	9,587	2,736	-	125,844	124,169	307,420	219,948	280,164	
<b>Total expenditures</b>	<b>\$ 18,526,918</b>	<b>\$ 17,102,956</b>	<b>\$ 16,962,078</b>	<b>\$ 23,246,731</b>	<b>\$ 23,788,592</b>	<b>\$ 24,421,015</b>	<b>\$ 24,322,799</b>	<b>\$ 26,129,873</b>	<b>\$ 30,929,982</b>	
<b>Excess of revenues over (under) expenditures</b>										
	\$ (397,617)	\$ 5,866	\$ (224,803)	\$ (3,126,652)	\$ (3,338,006)	\$ (1,865,389)	\$ (42,076)	\$ (1,120,250)	\$ (3,233,900)	
<b>Other financing sources (uses)</b>										
Land purchases	-	-	-	-	-	-	-	-	-	
Transfers in	835,798	1,090,074	1,112,184	1,575,341	1,218,930	1,265,170	1,277,099	3,032,557	1,188,850	
Transfers out	(344,744)	(599,020)	(4,296,604)	(658,178)	(709,930)	(756,170)	(718,099)	(2,173,557)	(329,850)	
Sale of Capital Assets	-	-	-	-	-	-	-	178,766	25,313	
Capital lease	-	-	-	-	-	878,703	-	295,224	-	
Issuance of debt	-	-	-	3,790,000	-	-	4,245,000	-	9,751,000	
Premium on debt	-	-	-	-	-	-	429,291	-	-	
<b>Total other financing sources</b>	<b>\$ 491,054</b>	<b>\$ 491,054</b>	<b>\$ (3,184,420)</b>	<b>\$ 4,707,163</b>	<b>\$ 509,000</b>	<b>\$ 1,387,703</b>	<b>\$ 5,233,291</b>	<b>\$ 1,332,990</b>	<b>\$ 10,635,313</b>	
<b>Net change in fund balances</b>										
	\$ 93,437	\$ 496,920	\$ (3,409,223)	\$ 1,580,511	\$ (2,829,006)	\$ (477,686)	\$ 5,191,215	\$ 212,740	\$ 7,401,413	
<b>Debt service as a percentage of non-capital expenditures</b>										
	1.14%	1.15%	1.16%	0.43%	1.42%	1.75%	2.95%	3.07%	4.14%	

**Notes:**

Modified accrual basis of accounting  
Rise of debt service percentage in Fiscal Year 2017 is attributed to Equipment Master Lease payments

**City of Cocoa Beach, Florida**  
**Table B-1**  
**Value of Taxable Property**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Taxable Value Real Property for Operating Purposes</b>	<b>Personal Property for Operating Purposes</b>	<b>Gross Taxable Value</b>	<b>New Construction Taxable Value</b>	<b>Adjusted Taxable Value</b>	<b>Final Taxable Value*</b>	<b>Millage Rate **</b>
<b>2011</b>	\$ 1,273,147,270	\$ 34,617,909	\$ 1,307,765,179	\$ 2,615,190	\$ 1,305,149,989	\$ 1,457,119,766	4.5000
<b>2012</b>	1,282,995,490	36,505,989	1,319,501,479	1,955,124	1,317,546,355	1,317,771,181	5.0240
<b>2013</b>	1,336,061,370	39,768,882	1,375,830,252	1,068,490	1,374,761,762	1,317,345,221	4.9798
<b>2014</b>	1,420,415,260	42,997,287	1,463,412,547	2,768,970	1,460,643,577	1,375,437,743	4.9798
<b>2015</b>	1,528,428,150	44,389,202	1,572,817,352	3,875,580	1,568,941,772	1,462,050,879	4.9798
<b>2016</b>	1,651,383,595	44,356,979	1,695,740,574	7,726,440	1,688,014,134	1,570,025,655	4.9798
<b>2017</b>	1,790,137,425	45,689,227	1,835,826,652	3,666,242	1,832,160,410	1,689,173,910	5.4798
<b>2018</b>	1,926,013,887	47,699,982	1,973,713,869	2,355,548	1,971,358,321	1,834,321,456	5.7298
<b>2019</b>	2,046,878,881	50,724,415	2,097,603,296	11,191,720	2,086,411,576	2,018,543,186	5.7298
<b>2020</b>	2,141,432,855	55,389,524	2,196,822,379	8,596,439	2,188,225,940	2,107,856,272	5.8294

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

- Notes:**
1. Final taxable value determined after Valuation Board rulings.
  2. The rate used in the calculation for property taxes. One mil equals \$1 per \$1,000 of taxable value. A millage of 5.8294, which is the current (Fiscal Year 2020) rate in effect for the City of Cocoa Beach is equal to \$5.84 for each \$1,000 of taxable value on real property.
  3. Property is assessed at actual value and therefore a separate table for assessed and actual data is not presented.

**City of Cocoa Beach, Florida**  
**Table B-2**  
**Direct and Overlapping Property Tax Rates**  
**Last Ten Fiscal Years**

City Direct Rates		Overlapping Rates				
Fiscal Year	Basic Rate *	Brevard County	Brevard County Schools		Other **	Total Millage
			Operating	Capital Outlay		
2011	4.5000	5.9199	6.6120	1.5000	0.3658	18.8977
2012	4.9798	5.9199	6.5960	1.5000	0.3658	19.3615
2013	4.9798	5.7979	6.1060	1.5000	0.3628	18.7465
2014	4.9798	5.4589	5.8390	1.5000	0.5230	18.3007
2015	4.9798	5.3047	5.7750	1.5000	0.4988	18.0583
2016	4.9798	5.3590	5.7750	1.5000	0.4445	18.0583
2017	5.4798	5.1512	5.4160	1.5000	0.4241	17.9711
2018	5.4798	4.9117	5.0680	1.5000	0.3952	17.3547
2019	5.7298	4.6700	4.8000	1.5000	0.3700	17.0698
2020	5.8294	4.5100	4.5900	1.5000	0.3500	16.7794

**Source:** Brevard County Property Appraiser website.

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

\*\* "Other" includes Florida Inland Navigation District and St. John's River Water Management District.

Overlapping rates are those of local and county governments that apply to property owners within the City of Cocoa Beach.

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

**City of Cocoa Beach, Florida**  
**Table B-3**  
**Principal Property Taxpayers**  
**Current Year and Nine Years Ago**

Taxpayer	2020			2012		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Cocoa Beach Development, Inc.(Cocoa Beach Resort)	\$ 23,366,680	1	1.16%	\$ 20,632,860	1	1.42%
International Palms(1300 Atlantic)	22,613,370	2	1.12%	8,500,000	6	0.58%
Hilton (1550 North Atlantic)	17,632,790	3	0.87%	8,500,000	6	0.58%
Northport Inc Et Al (Ocean Landings)	12,063,980	4	0.60%	11,498,870	3	0.00%
Cocoa Beach Hospitality LLC (Quality Inn)	11,597,640	5	0.57%	-	2	0.00%
Ocean Partners Hospitality LLC 5500 North Group (Days Inn/Best Western)	11,585,380	6	0.57%	11,350,040	-	0.00%
Discovery Resort, Inc.	11,087,960	7	0.55%	10,791,890	4	0.74%
Westgate Resorts Ltd & Pier (Walkula)	9,302,510	8	0.46%	-	-	0.00%
Ron Jon Surf Shop Of Florida Inc	8,974,700	9	0.44%	6,404,870	-	0.00%
Jeffrey Wells	8,343,700	10	0.41%	-	8	0.00%
Branch Cornerstone Assoc.LP (Inland Western)	8,018,700	11	0.40%	5,600,000	10	0.38%
Cocoa Beach Surf Company	6,998,390	12	0.35%	4,000,000	5	0.27%
Las Olas Beach Club	5,281,210	13	-	8,934,200	7	0.61%
Pandey Hotel Cocoa Beach LLC (Doubletree,Cocoa Beach Hotel Fund)	4,391,580	14	-	4,400,000	9	0.30%
<b>TOTALS</b>	<b>\$ 161,258,590</b>		<b>7.51%</b>	<b>\$ 100,612,730</b>		<b>3.48%</b>
<b>Total City final taxable value</b>	<b>\$ 2,018,543,186</b>			<b>\$ 1,457,119,766</b>		

**Source:** Brevard County Property Appraiser  
Multiple properties may be included in some taxable assessed values  
\*This Taxpayer includes the Cornerstone Plaza Publix

**City of Cocoa Beach, Florida**  
**Table B-4**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**

Fiscal Year	Gross Tax Levy (1)	Collected Within the Fiscal Year of the Levy		Current Year Collections for Prior Years	Total Collections	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2011	\$ 6,563,416	\$ 6,302,345	96.02%	25,030	\$ 6,327,375	96.40%
2012	6,562,237	6,327,427	96.42%	20,696	6,348,123	96.74%
2013	6,560,116	6,302,734	96.08%	49,388	6,352,122	96.83%
2014	6,849,405	6,599,358	96.35%	55,240	6,654,598	97.16%
2015	7,281,531	6,974,913	95.79%	13,075	6,987,988	95.97%
2016	7,832,316	7,445,190	95.06%	12,070	7,457,259	95.21%
2017	9,256,330	8,773,566	94.78%	10,390	8,783,956	94.90%
2018	10,510,295	9,743,132	92.70%	175,935	9,919,067	94.37%
2019	11,326,775	10,390,175	91.73%	216,957	10,607,132	93.65%
2020	12,242,466	11,204,780	91.52%	223,187	11,427,967	93.35%

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

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

Current Year Collections includes prior year taxes and penalties collected.

**City of Cocoa Beach, Florida**  
**Table C-1**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

Fiscal Year	Governmental Activities				Business-type Activities					Total Debt of Primary Government	Debt as of Personal Income	Debt Per Capita
	Capital Improvement Revenue Note, 2014 A	Special Obligation Revenue Note Series, 2019	CRA Improvement Revenue Bond Series 2017B	Capital Lease(s)	Utility System Improvement Revenue Bonds/Note	Clean Water State Revolving Loan 050610	Clean Water State Revolving Loan 050620	Clean Water State Revolving Loan 050621	Clean Water State Revolving Loan 050630			
2011	\$ 360,000	\$ -	\$ -	\$ -	\$ -	\$ 3,520,852	\$ -	\$ -	\$ -	\$ 3,880,852	0.83%	\$ 346
2012	185,000	-	-	-	-	13,398,470	-	-	-	13,583,470	2.99%	1,206
2013	-	-	-	310,647	-	22,924,791	-	-	-	23,235,438	5.19%	2,064
2014	3,790,000	-	-	241,246	2,695,000	20,433,179	-	-	-	27,159,425	6.21%	2,442
2015	3,715,000	-	-	169,625	2,420,000	19,607,982	1,714,186	-	-	27,626,793	6.91%	2,482
2016	3,570,000	-	-	967,076	2,135,000	18,759,001	4,170,162	-	-	29,601,239	5.33%	2,647
2017	3,420,000	-	4,245,000	649,419	1,845,000	17,885,846	4,180,624	-	-	32,225,889	9.51%	2,858
2018	3,265,000	-	4,645,672	645,077	1,550,000	16,987,829	4,010,056	1,141,177	-	32,244,811	6.43%	2,856
2019	3,105,000	9,751,000	4,397,053	361,129	1,250,000	16,064,240	3,835,387	1,107,094	508,580	40,379,483	7.48%	3,565
2020	2,940,000	9,584,000	4,138,434	189,835	945,000	15,114,351	3,656,519	1,049,158	4,647,775	42,265,072	7.72%	3,715

**Notes:**

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

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

See Note H, Paragraph No. 1 for a detailed discussion of the Capital Equipment Lease (Governmental Activities).

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

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

CRA Improvement Revenue Bonds, Series 2017B were issued in September of 2017. Note H - 3b details the payment schedule

Special Obligation Revenue Note, Series 2019 were issued in August of 2019. Note H - 3c details the payment schedule

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



**City of Cocoa Beach, Florida**  
**Table C-3**  
**Direct and Overlapping Governmental Activities Debt**  
**As of September 30, 2020**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
<b>City Direct Debt</b> (Governmental Activities) (a)	\$ 40,379,483	100.00%	\$ 40,379,483
<b>Overlapping Debt</b>			
Brevard County:			
Governmental Activities Debt (b)	<u>187,995,018</u>	4.9500%	<u>9,305,753</u>
<b>Total Direct and Overlapping Debt</b>	<u><u>\$ 228,374,501</u></u>		<u><u>\$ 49,685,236</u></u>

**Source:** (a) City of Cocoa Beach CAFR Fiscal Year 2020 Statistical Table C-1  
(b) Brevard County Finance Department CAFR Fiscal Year 2020 Table 7 and Table 11

**Notes:** Percentage based on the 2020 final taxable assessed City and County valuation

**City of Cocoa Beach, Florida**  
**Table C-5**  
**Pledged Revenue Coverage**  
**Last Ten Fiscal Years**

**Community Redevelopment Agency**  
**CRA Improvement Revenue Bonds, Series 2017B**

Fiscal Year	Tax Increment Revenue	Debt Service			Coverage
		Principal	Interest	Total	
<b>2019</b>	\$ 556,988	\$ 220,000	\$ 161,610	\$ 381,610	1.46
<b>2020</b>	\$ 654,862	\$ 230,000	\$ 171,350	\$ 401,350	1.63

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

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

**City of Cocoa Beach, Florida**  
**Table D-1**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**

	(1)	(2)	(3)	(4)	(5)	(6)
Year	Population	Personal Income	Per Capita Personal Income	Median Age	Unemployment Rate	School Enrollment
2011	11,231	\$ 468,939,174	\$ 41,754	54.3	10.8%	2,226
2012	11,233	453,970,462	40,414	53.5	6.0%	2,063
2013	11,259	447,770,430	39,770	56.2	3.9%	1,977
2014	11,121	437,044,179	39,299	56.8	6.3%	1,914
2015	11,131	399,814,389	35,919	58.3	6.1%	1,876
2016	11,182	555,633,580	49,690	47.1	5.2%	1,811
2017	11,276	338,821,248	30,048	59.4	4.6%	1,785
2018	11,292	501,184,128	44,384	59.4	3.7%	1,782
2019	11,328	539,597,952	47,634	57.0	3.5%	N/A
2020	11,378	547,293,178	48,101	56.5	8.5%	1,755

**Sources:**

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

For 2019, enrollment numbers were not available.

**City of Cocoa Beach, Florida**  
**Table D-2**  
**Principal Employers**  
**Current Year and Ten Years Ago**

Employer	2020			2010		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
School Board of Brevard County	9,000 - 9,999	1	4.01% - 4.46%	8,800	1	3.30%
Health First Medical Group	8,000 - 8,999	2	3.57% - 4.01%	6,420	3	2.41%
Harris Technologies	6,000 - 6,999	3	2.68% - 3.12%	6,550	2	2.46%
Publix Super Markets	3,000 - 3,999	4	1.34% - 1.78%	2,820	6	1.06%
Northrop Grumman Corporation	2,000 - 2,999	5	.89% - 1.34%	-	-	0.00%
Brevard County Board of County Commissioners	2,000 - 2,999	6	.89% - 1.34%	2,720	7	1.02%
Department of Defense	2,000 - 2,999	7	.89% - 1.34%	1,870	10	0.70%
National Aeronautics/Space Admin.	2,000 - 2,999	8	.89% - 1.34%	2,170	9	0.81%
Telettech Services	1,000 - 1,999	9	.45% - .89%	-	-	0.00%
New Rockwell Collins	1,000 - 1,999	10	.45% - .89%	-	-	0.00%
Wal-Mart	1,000 - 1,999	11	.45% - .89%	3,140	5	1.18%
Comprehensive Health Services	1,000 - 1,999	12	.45% - .89%	-	-	0.00%
Lockheed Martin Corporation	1,000 - 1,999	13	.45% - .89%	-	-	0.00%
Eastern Florida State College	1,000 - 1,999	14	.45% - .89%	-	-	0.00%
Brevard County Sheriff Office	1,000 - 1,999	15	.45% - .89%	-	-	0.00%
<b>TOTALS</b>	<u>N/A</u>		<u>18.31% - 24.96%</u>	<u>34,490</u>		<u>12.94%</u>

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

- Notes:**
1. Employers include retail operations.
  2. Employment figures are for Brevard County.
  3. Exact employment numbers are no longer available as of 2016 for security reasons per the EDC.
  4. Total average employment for Brevard County in fiscal year 2010 was 266,711.
  5. Total average employment for Brevard County in fiscal year 2020 was 224,210.

**City of Cocoa Beach, Florida**  
**Table E-1**  
**Full-time Equivalent**  
**City Government Employees by Function/Program**  
**Last Ten Fiscal Years**

**Full-time Equivalent Employees as of September 30**

<b>Function/Program</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>General Government</b>	31.50	31.70	32.20	31.20	31.90	37.20	36.20	36.20	36.20	36.20
<b>Police</b>	53.60	53.35	54.00	54.45	55.45	55.50	55.45	56.45	58.45	59.05
<b>Fire</b>	28.00	28.00	28.00	28.00	28.00	28.00	28.00	28.00	28.00	28.20
<b>Public Works</b>	28.50	29.10	30.48	30.63	31.00	32.80	34.80	34.80	35.20	36.70
<b>Parks and Recreation</b>	19.56	25.44	29.45	23.27	23.29	29.35	29.35	30.35	30.35	30.35
<b>Utilities</b>	24.00	24.00	24.00	24.00	25.00	25.00	25.00	25.00	25.40	25.40
<b>Stormwater</b>	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.20	4.20
<b>Golf Course</b>	39.14	45.15	40.95	45.05	40.70	40.70	39.70	39.70	39.70	40.20
<b>Metered Parking</b>	5.35	6.85	6.25	5.25	5.90	5.90	5.90	5.90	5.90	5.90
<b>Totals</b>	<b>233.65</b>	<b>247.59</b>	<b>249.33</b>	<b>245.85</b>	<b>245.24</b>	<b>258.45</b>	<b>258.40</b>	<b>260.40</b>	<b>263.40</b>	<b>266.20</b>

**Source:** City Finance and Personnel Departments.

**Notes:** Refers to the number of personnel authorized for an accounting period, including part-time personnel converted to the decimal equivalent of a full-time position based on 2,080 hours per year. For example, a part-time recreation aide working 20 hours per week for 52 weeks a year equals one-half of a full-time position. Elected officials are carried as General Government employees for payroll purposes, but are excluded from the figures above.

**Staffing Notes:** Increase in General Government in 2016 due to addition of 6 positions (ACM, Associate Planner, 2 GIS, 2 IT). Increase in Parks and Recreation due to ACA reg changes and the need to add additional staff members to ensure the same or higher level of service is delivered to the residents and visitors.

**City of Cocoa Beach, Florida**  
**Table E-2**  
**Operating Indicators by Function/Program**  
**Last Ten Years**

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Police</b>										
Physical arrests	801	729	616	681	685	581	785	675	589	508
Parking violations	5,529	7,268	8,527	6,084	5,841	7,770	10,831	13,983	14,993	11,504
Traffic violations	3,798	3,616	3,696	4,163	1,984	2,941	2,904	2,668	2,641	3,779
<b>Fire</b>										
Emergency responses (incidents)	2,513	2,150	2,467	2,235	2,565	2,646	2,803	2,745	2,749	2,690
Fires extinguished	62	63	62	47	46	48	55	57	33	30
Inspections	206	281	582	410	178	196	214	228	453	515
<b>Public Works***</b>										
Street resurfacing (miles)	1.3	-	-	-	-	0.1	0.32	-	0.54	1
Pothole repair/patching (square yards)	243	248	-	269	2,311	184	226	458	201	136
Asphalt rejuvenation (square yards)	-	-	-	-	283,558	263,112	-	-	-	-
<b>Parks and Recreation</b>										
Attendees at gymnasium	2,542	1,717	2,149	2,385	2,192	2,026	3,265	3,836	4,377	3,547
Pool attendees	22,627	21,180	19,564	21,392	25,083	23,021	21,154	19,839	19,858	12,314
<b>Water</b>										
Total metered connections*	4,518	4,502	4,501	4,523	4,368	4,570	4,589	4,603	4,615	4,636
Average daily consumption (thousands of gallons)	1,913	1,891	1,780	1,808	1,652	1,784	1,768	1,709	1,735	1,633
<b>Wastewater</b>										
Average daily sewage treatment ** (thousands of gallons)	3,600	3,705	3,933	4,148	4,260	3,857	3,852	4,094	3,688	3,599

**Notes:** Refuse collection - Contracted out.  
Library - County provided.  
Transit - County provided.

\* Excludes Patrick AFB.

\*\* Includes Patrick AFB.

\*\*\* Limited road work was recorded in the Public Works categories in multiple fiscal years - City-wide asphalt rejuvenation budgeted in FY 2015 and FY 2016.

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

**City of Cocoa Beach, Florida**  
**Table E-3**  
**Capital Asset Statistics by Function/Program**  
**Last Ten Fiscal Years**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Schools (1)</b>										
Elementary	2	2	2	2	2	2	2	2	2	2
Junior/Senior High	1	1	1	1	1	1	1	1	1	1
<b>Police</b>										
Stations	1	1	1	1	1	1	1	1	1	1
Police Officers (2)	34	31	34	32	35	35	35	37	39	47
<b>Fire</b>										
Stations	2	2	2	2	2	2	2	2	2	2
Firefighters (3)	27	26	27	27	27	27	27	27	27	28
<b>Other Public Works</b>										
Streets (linear miles)	35	35	35	35	35	35	35	35	35	35
Streetlights	1,265	1,265	1,265	1,265	1,265	1,265	1,265	1,265	1,265	1,393
<b>Parks and Recreation</b>										
Parks and playgrounds (4)	12	12	12	12	12	12	12	12	12	12
Golf course (27 holes)	1	1	1	1	1	1	1	1	1	1
Tennis courts (2 clay)	12	12	12	12	12	12	12	12	12	12
Swimming pools (1 adult; 1 children)	2	2	2	2	2	2	2	2	2	2
Maritime Hammock Preserve (5)	1	1	1	1	1	1	1	1	1	1
Skateboard park	1	1	1	1	1	1	1	1	1	1
<b>Utilities</b>										
<b>Wastewater</b>										
Sanitary sewers (miles)	64	64	64	64	64	64	64	64	64	64
Storm sewers (miles)	22	22	22	22	22	22	22	22	22	23
<b>Electricity</b>										
Meter connections (5)	10,121	10,137	10,155	10,201	10,235	10,269	10,280	10,129	10,124	10,142

**Notes:**

- (1) Schools owned and operated by Brevard County School Board
- (2) Sworn officers
- (3) Firefighters and 2 chiefs
- (4) City and County parks in City limits
- (5) Sorted by FPL Franchise Code



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# Compliance Section



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Cocoa Beach, Florida (the “City”) as of and for the year ended September 30, 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 March 12, 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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

### **Compliance and Other Matters**

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

Pursuant to provisions of Chapter 10.550, *Rules of the Auditor General*, we reported certain matters to management of the City in a separate Management Letter and Independent Accountant's Report dated March 12, 2021.

### **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.

**MSL, P.A.**

Certified Public Accountants

Orlando, Florida  
March 12, 2021



**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR  
STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE AND  
REPORT ON SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
REQUIRED BY CHAPTER 10.550, *RULES OF THE AUDITOR GENERAL***

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

**Report on Compliance for Each Major State Project**

We have audited the compliance of the City of Cocoa Beach, Florida (the “City”) with the types of compliance requirements described in the Florida Department of Financial Services *State Compliance Supplement* that could have a direct and material effect on each of the City’s major state projects for the year ended September 30, 2020. The City’s major state projects are identified in the Summary of Auditor’s Results section of the accompanying Schedule of Findings and Questioned Costs.

***Management’s Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state projects.

***Auditor’s Responsibility***

Our responsibility is to express an opinion on the City’s compliance based on our audit. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and Chapter 10.550, *Rules of the Auditor General*. Those standards and Chapter 10.550, *Rules of the Auditor General* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state project identified in the accompanying Schedule of Findings and Questioned Costs occurred. An audit includes examining, on a test basis, evidence about the City’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state project. However, our audit does not provide a legal determination of the City’s compliance.

***Opinion on Each Major State Project***

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state projects for the year ended September 30, 2020.

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

### **Report on Internal Control over Compliance**

The management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of requirements referred to above. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on each major state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state project and to test and report on internal control over compliance in accordance with Chapter 10.550, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

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

### **Report on Schedule of Expenditures of State Financial Assistance Required by Chapter 10.550, Rules of the Auditor General**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of 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. We have issued our report thereon dated March 12, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of State Financial Assistance is presented for the purposes of additional analysis, as required by Chapter 10.550, *Rules of the Auditor General*, and is not a required part of the basic financial statements.

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

**Report on Schedule of Expenditures of State Financial Assistance Required by  
Chapter 10.550, Rules of the Auditor General (Cont.)**

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of State Financial Assistance is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**MSL, P.A.**

Certified Public Accountants

Orlando, Florida  
March 12, 2021

**CITY OF COCOA BEACH, FLORIDA**

**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**

**For the Year Ended September 30, 2020**

**STATE FINANCIAL ASSISTANCE**

<b>Grantor/State Project Title/Pass-Through Grantor</b>	<b>Identification Number</b>	<b>CSFA Number</b>	<b>State Expenditures</b>
<b>Florida Department of Environmental Protection</b>			
Statewide Surface Water Restoration and Wastewater Projects <i>Passed through Brevard County, Florida</i>			
Muck Dredging Project Phase 3	S0714	37.039	\$ 429,505
Wastewater Treatment Facility Construction			
Clean Water State Revolving Fund Loan			
Wastewater Treatment Plan Upgrades	WW050630	37.077	4,115,786
<b>Total Florida Department of Environmental Protection</b>			<u>4,545,291</u>
<b>TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE</b>			<u><u>\$ 4,545,291</u></u>

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of state financial assistance is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Florida Single Audit Act, Section 215.97, and Chapter 10.550, *Rules of the Auditor General*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.



**CITY OF COCOA BEACH, FLORIDA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For the Year Ended September 30, 2020**

**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of auditor's report issued:

**Unmodified Opinion**

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_\_\_ Yes   X   No
- Significant deficiency(ies) identified? \_\_\_\_\_ Yes   X   None reported
- Noncompliance material to financial statements noted? \_\_\_\_\_ Yes   X   No

**State Financial Assistance**

Internal control over major state projects:

- Material weakness(es) identified? \_\_\_\_\_ Yes   X   No
- Significant deficiency(ies) identified? \_\_\_\_\_ Yes   X   None reported

Type of auditor's report issued on compliance for major state projects:

**Unmodified Opinion**

Any audit findings disclosed that are required to be reported in accordance with Chapter 10.557, *Rules of the Auditor General*?

\_\_\_\_\_ Yes   X   No

**Identification of Major State Project(s):**

**CSFA Number**  
37.077

**Name of State Project**  
Wastewater Treatment Facility Construction

Dollar threshold used to distinguish between Type A and Type B projects:

State: \$750,000

**SECTION II - FINDINGS RELATED TO THE FINANCIAL STATEMENT AUDIT, AS REQUIRED TO BE REPORTED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

No matters were reported.

**CITY OF COCOA BEACH, FLORIDA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (*Continued*)**

**For the Year Ended September 30, 2020**

**SECTION III - STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS SECTION**

No matters were reported.

**SECTION IV - PRIOR YEAR AUDIT FINDINGS**

No matters were reported.



## INDEPENDENT AUDITOR'S MANAGEMENT LETTER

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

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

We have audited the financial statements of the City of Cocoa Beach, Florida (the "City") as of and for the year ended September 30, 2020, and have issued our report thereon dated March 12, 2021.

### **Auditor's Responsibility**

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

### **Other Reporting Requirements**

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major State Project and Report on Internal Control over Compliance and Report on Schedule of Expenditures of State Financial Assistance Required by Chapter 10.550, Rules of the Auditor General; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated March 12, 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 report. There were no findings and recommendations made in the preceding annual financial audit report.

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

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

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

### **Financial Condition and Management**

Sections 10.554(1)(i)5.a. and 10.556(7), *Rules of the Auditor General*, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of specific condition(s) met. In conjunction 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 the same. The assessment was prepared as of September 30, 2020.

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

### **Special District Component Units**

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

### **Additional Matters**

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

### **Purpose of this Letter**

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

**MSL, P.A.**

Certified Public Accountants

Orlando, Florida  
March 12, 2021



## INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the compliance of the City of Cocoa Beach, Florida (the "City") with the requirements of Section 218.415, Florida Statutes, during 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.

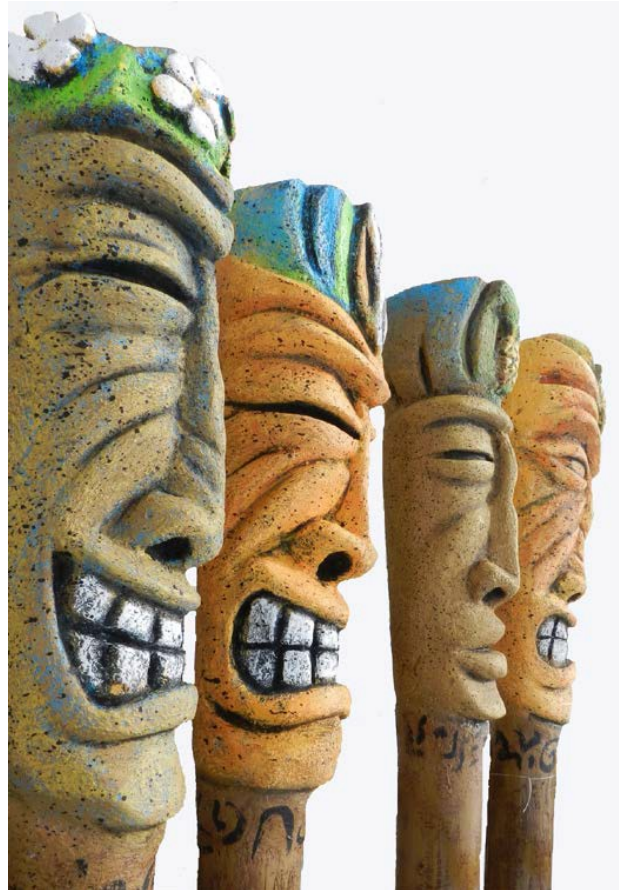
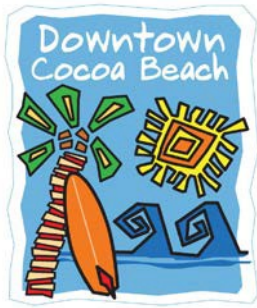
Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied with those requirements. An examination involves performing procedures to obtain evidence about the City's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the City's compliance with specified requirements.

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

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

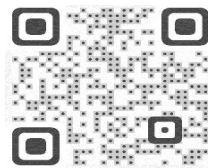
Certified Public Accountants

Orlando, Florida  
March 12, 2021



## City of Cocoa Beach, Florida

*Excellent Recreation and Quality Living*



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