



# COMPREHENSIVE ANNUAL FINANCIAL REPORT

**SERVING THE COMMUNITY WITH P.R.I.D.E!**



**CITY OF COCOA, FLORIDA**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2020**  
**PREPARED BY: FINANCE DEPARTMENT**

# **CITY OF COCOA, FLORIDA**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**



**FOR THE FISCAL YEAR ENDED  
SEPTEMBER 30, 2020**

**Prepared by:  
Finance Department**

**CITY OF COCOA, FLORIDA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**TABLE OF CONTENTS**  
Year Ended September 30, 2020

	<b><u>Page</u></b> <b><u>Number</u></b>
<b>INTRODUCTORY SECTION</b>	
Table of Contents	i
City Manager's Letter of Transmittal	1
City Council Members and Executive Management Team	7
City of Cocoa, Florida Organizational Chart	8
<b>FINANCIAL SECTION</b>	
INDEPENDENT AUDITOR'S REPORT	9
MANAGEMENT'S DISCUSSION AND ANALYSIS	11
<b>BASIC FINANCIAL STATEMENTS</b>	
Government-Wide Financial Statements	
Statement of Net Position	25
Statement of Activities	26
Fund Financial Statements:	
Balance Sheet - Governmental Funds	27
Reconciliation of Balance Sheet to the Statement of Net Position	28
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	29
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	30
Statement of Net Position - Proprietary Funds	31
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	33
Statement of Cash Flows - Proprietary Funds	34
Statement of Fiduciary Net Position - Fiduciary Funds	35
Statement of Changes in Fiduciary Net Position - Fiduciary Funds	36
Notes to the Financial Statements	37
<b>REQUIRED SUPPLEMENTARY INFORMATION:</b>	
Schedule of Proportionate Share of Net Pension Liability - Florida Retirement System - Last Ten Fiscal years	106
Schedule of Contributions - Florida Retirement System - Last Ten Fiscal Years	107
Schedule of Changes in Net Pension Liability and Related Ratios - Last Ten Fiscal Years	108
Schedule of Contributions - Last Ten Fiscal Years	111
Notes to Schedule	112
Schedule of Investment Returns - Last Ten Fiscal Years	115
Schedule of Changes in City's Total OPEB Liability and Related Ratios	116
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund	117
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Cocoa Redevelopment Agency	120
Notes to Schedule	121

**CITY OF COCOA, FLORIDA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
TABLE OF CONTENTS - Continued  
Year Ended September 30, 2020

	<u><b>Page Number</b></u>
<b>COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES:</b>	
Combining Balance Sheet - Nonmajor Governmental Funds	124
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds	126
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Community Development Block Grant Program	128
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Brevard County Home Program Fund	129
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Cocoa Housing Assistance Trust Fund	130
Schedule of Revenues, Expenditures, and Change in Fund Balances - Budget and Actual - Loan Guarantee Fund	131
Schedule of Revenues, Expenditures, and Change in Fund Balances - Budget and Actual - Police Confiscated Funds	132
Schedule of Revenues, Expenditures, and Change in Fund Balances - Budget and Actual - Police Special Education Fund	133
Schedule of Revenues, Expenditures, and Change in Fund Balances - Budget and Actual - Federal Forfeiture	134
Schedule of Revenues, Expenditures, and Change in Fund Balances - Budget and Actual - Debt Service Fund	135
Schedule of Revenues, Expenditures, and Change in Fund Balances - Budget and Actual - Capital Projects Fund	136
Combining Statement of Net Position - Internal Service Funds	139
Combining Statement of Revenues, Expenses, and Changes in Net Fund Position - Internal Service Funds	140
Combining Statement of Cash Flows - Internal Service Funds	141
<b>STATISTICAL SECTION</b>	
Schedule 1 Net Position by Component	146
Schedule 2 Changes in Net Position	148
Schedule 3 Fund Balances, Governmental Funds	152
Schedule 4 Changes in Fund Balances, Governmental Funds	154
Schedule 5 General Governmental Revenues by Source	156
Schedule 6 Assessed Value and Actual Value of Taxable Property	158
Schedule 7 Direct and Overlapping Property Tax Rates	160
Schedule 8 Principal Taxpayers	162
Schedule 9 Property Tax Levies and Collections	164
Schedule 10 Water Rates	165
Schedule 11 Waste Water Rates	166
Schedule 12 Water and Waste Water System Growth	167
Schedule 13 Ratio of Outstanding Debt by Type	168
Schedule 14 Ratio of Net General Bonded Debt Outstanding	170
Schedule 15 Legal Debt Limit Information	171
Schedule 16 Direct and Overlapping Governmental Activities Debt	172
Schedule 17 Pledged Revenue Coverage	173
Schedule 18 Demographic and Economic Statistics	174
Schedule 19 Principal Employers	176
Schedule 20 Full-Time Equivalent City Government Employees by Function/Program	178
Schedule 21 Operating Indicators by Function/Program	180
Schedule 22 Capital Assets by Function/Program	182

**CITY OF COCOA, FLORIDA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
TABLE OF CONTENTS - Continued  
Year Ended September 30, 2020

	<b><u>Page</u></b> <b><u>Number</u></b>
<b>COMPLIANCE SECTION</b>	
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	185
Independent Auditor's Management Letter	187
Independent Accountant's Report	189
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	191
Schedule of Expenditures of Federal Awards	194
Schedule of Findings and Questioned Costs	196
Affidavit of Impact Fee Compliance	198

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April 12, 2021

The Honorable Mayor,  
City Council Members, and  
Citizens of the  
City of Cocoa, Florida

The Comprehensive Annual Financial Report of the City of Cocoa, Florida (the "City"), for the fiscal year ended September 30, 2020, as presented by the Finance Department of the City, is hereby submitted pursuant to Florida Statutes Chapter 166.241, Chapter 218.3, and Chapter 10.500 of the Rules of the Auditor General of the State of Florida and Article XIV, Section 1 of the City Charter.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. Proper management of the government requires establishing and maintaining an internal control structure designed to ensure that the assets of the government are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the City has established an internal control structure designed to provide reasonable, but not absolute, assurance that the financial statements will be free from material misstatements. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and presents fairly the financial position and the results of operations of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The City's financial statements have been audited by the City's independent Certified Public Accountants, MSL, P.A. The goal of the independent audit is to provide a reasonable assurance that the financial statements of the City for the year ended September 30, 2020 are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended September 30, 2020, are fairly presented in conformity with GAAP. The Independent Auditors' Report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements, in the form of Management's Discussion and Analysis (MD&A). The MD&A provides additional narrative and analysis of the basic financial statements; it complements this letter of transmittal and should be read in conjunction with it.

## GOVERNMENT PROFILE

The City of Cocoa has a population of 19,327 and is located in central Brevard County, Florida, midway between the cities of Titusville to the north and Melbourne to the south. It was incorporated as a village in 1895 and as a City in 1913. The City Charter, as adopted in 1959, provides for a Council-City Manager form of government. The elected council consists of a Mayor and four Council Members. The City Manager is appointed by the City Council.

The City provides a wide range of services normally associated with a municipality. These services include police and fire protection, the construction and maintenance of highways, streets, and infrastructure (public works), community services, recreational activities, and cultural events. In addition to the general government activities, the governing body exercises, or has the ability to exercise, oversight of the Water and Sewer Utility Systems; therefore, these activities are included in the reporting entity.

The City of Cocoa has a regional water system that provides and sells water for a profit within an area extending approximately 268 square miles. The City has supplied water to the residents of Cocoa and adjacent communities since 1927 and is the sole supplier of water to Central Brevard County between the NASA and Pineda Causeways, including the cities of Cocoa, Rockledge, Cocoa Beach and Cape Canaveral as well as unincorporated areas on the mainland, Merritt Island, Port Canaveral and the beach area. Federal facilities serviced include Patrick Air Force Base, Kennedy Space Center and Cape Canaveral Air Force Station. The City owns, operates and maintains 48 wells, groundwater pretreatment plant, intake structure/surface water pretreatment plant, two water treatment trains, aquifer storage and recovery system, a transmission and distribution system, and five water storage tanks. The Water Treatment System has a ground water capacity of 48 million gallons per day and a surface water capacity of 12 million gallons per day, although the current consumptive use permit allows for withdrawals of 31 million gallons per day groundwater and 8.83 million gallons per day surface water. The City also provides sanitary sewer service to Cocoa and unincorporated areas adjacent to Cocoa. A water reuse system distributes reclaimed water for irrigation purposes and is available to both residential and commercial customers.

The Cocoa Community Redevelopment Agency (CRA) came into existence in 1981. Currently the agency is overseen by its own governing board consisting of the City of Cocoa, Florida, City Council and two additional members, appointed by the City Council, who reside in, own property in, or are engaged in business in the area of the Agency's operation. The CRA is included within the governmental activities in the City's financial statements. The Agency uses property tax incremental revenues derived from taxable real property within the geographic boundaries of the redevelopment area to finance redevelopment projects, streetscape and façade improvement programs. During fiscal year 1998, the City created two new redevelopment agencies: The Diamond Square Community Redevelopment Agency (CRA) and the U.S. 1 Corridor Community Redevelopment Agency with a sunset date of 2023. Through partnership with Brevard County the Diamond Square CRA was extended an additional 10 years (2033) and the U.S. 1 Corridor CRA will sunset on September 30, 2020. The governing boards of these agencies are appointed by the Cocoa City Council and are made up of City residents and/or Cocoa business and property owners. These agencies also make use of property tax incremental revenues derived from taxable real property within the geographic boundaries of the areas to finance redevelopment of those areas.

The annual budget serves as the foundation for the City of Cocoa, Florida's financial planning and control. Budgetary control is maintained to ensure compliance with legal provisions



embodied in the annual appropriated budget approved by the City Council. The Capital Improvement Program (CIP) is a five-year plan which identifies capital projects and equipment purchases, provides a planning schedule, and identifies options for financing the program. The link between the CIP and the budget is essential and in fiscal year 2015, the City began including the CIP in the annual budget. All departments are required to submit their requests to the City Manager who uses these requests as a starting point for developing a proposed budget to submit to the City Council. The City Council is required to hold two public hearings and adopt a final budget, by Resolution, no later than September 30th each year.

Budget-to-actual comparisons are provided in this report for each major governmental fund for which an appropriated annual budget has been adopted. This comparison is presented as part of the Required Supplementary Information.

## **FACTORS AFFECTING FINANCIAL CONDITIONS**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

### **LOCAL ECONOMY**

The City of Cocoa is located on the scenic Indian River Lagoon in east central Florida. With direct access to Interstate-95, US Highway 1, State Road 528 and State Road 520, Cocoa is positioned to take advantage of its close proximity to Port Canaveral, Orlando International Airport and Melbourne International Airport. With just a short trip to the beaches, theme parks, Kennedy Space Center and a variety of other local attractions, the City of Cocoa is the perfect location to live, work, play, and do business.

Eastern Florida State College has four campuses in Brevard County, the oldest of which is located in Cocoa. The City of Cocoa is also the home of the University of Central Florida (UCF) Brevard Campus, offering convenient, cost-effective educational opportunities to earn Bachelor's and Master's Degrees in high-demand fields of study including Business Administration, Education and Human Performance, Engineering and Computer Science, and Health and Public Affairs. Adjacent to and in conjunction with UCF is the Florida Solar Energy Center which is primarily engaged in the research and development of alternative energy technologies. Also located in the City of Cocoa are the Brevard Museum of History and Natural Science, UCF's Observatory and Planetarium, and Florida Historical Society's Museum and Headquarters.

After another year of solid job growth, declining unemployment, and high consumer confidence, the Florida economy was expected to continue to strengthen in 2020. Unemployment was 3.2% as of January 2020. The COVID-19 pandemic caused a state-wide shutdown of non-essential businesses and the Governor of Florida issued a "Safer at Home" order for the month of April, 2020. This shut-down had a large impact on the local economy. Many businesses, such as Port Canaveral, are highly dependent upon tourists visiting the area. Unemployment rose to a high of 11.6% in May, 2020 and dropped back to 5.2% as of September 30, 2020. Businesses struggled to stay afloat and were assisted by federal COVID assistance through grants and small business loans. The City reacted quickly to the economic conditions and reduced budgeted revenue collections and made efforts to reduce costs by freezing positions and deferring purchases that totaled \$556,387, taking a worst-case approach. However, as the summer approached, the City did not experience the reductions in revenues as anticipated. State sales tax and shared revenues maintained their distributions to the City on par with budgetary projections. Housing continued to keep a

strong pace due to low interest rates. In fiscal year 2020, 1,818 building permits were issued with a permit valuation of \$79,720,054. The City's fiscal year 2020 certified assessed property valuation experienced an increase of \$66,935,951 from the fiscal year 2019 final valuation, an increase of 6.0%. Of that, \$15,283,427 was attributable to new construction. For fiscal year 2020, the City adopted a tax millage rate of 5.9790 mills. The millage rate has remained at 5.9790 mills since fiscal year 2015. This millage rate, coupled with property value increases and new construction, along with interfund transfers from the Water and Sewer Utility Fund for charges for services, payment in lieu of franchise fees and a return on investment, provides sufficient revenue to fund the current level of services to the citizens and business owners of Cocoa.

It is the City's continuous goal is to preserve essential and critical services, maintain the adequate funding of reserves and provide resources to promote affordable and sustainable growth in the City of Cocoa. The City faces the challenges of meeting multi-year labor contract obligations and the continued rise in operating costs despite the slower than average increase in revenue trends as compared to peer cities. In May of 2016, the Cocoa City Council adopted a community-based strategic plan (2016-2021). The strategic plan serves as a guiding document for the City to ensure resources are strategically allocated to achieve the community vision. A number of the initiatives within the plan have been implemented, and the success of the implementation can be seen within the organization as well as in the community. The strategic plan will be updated in 2021 and will continue to serve as the guiding document for the City's annual budget process.

The City completed the restoration of damages from Hurricanes Irma, Matthew and Dorian in 2020. These hurricanes caused damages to the waterfront properties on the scenic Indian River. The City was able to leverage reimbursement from FEMA and obtain other grants to restore the shoreline, replace & increase the number of day boat slips and create an amenable waterfront promenade. The strategic use of the grant funding, supplemented by the General Fund and the Cocoa Community Redevelopment Agency created a more resilient waterfront that will be able to better withstand the annual Florida storms.

## **LONG-TERM FINANCIAL PLANNING**

The City adopts a multi-year Capital Improvement Program (CIP) annually as part of the budgetary process. The CIP is a planning tool to recognize when major cash expenditures may be necessary. The revenue sources for these projects may come from the issuance of debt, grants, new revenue sources, impact fees and/or fund reserves. Some of the major projects included in the CIP for 2021-2025 that will impact the future are:

- Floating Wetlands
- Drainage Improvements
- Harrison Street Streetscape Project
- Southern Gateway Traffic Circle Project
- Pineda Street Roadway and Sidewalk Reconstruction
- Cured In Place Pipe Rehabilitation
- Dyal Plant Chemical Conversion & Reliability Improvement Project
- Replacement, Repair and Improvements to Utility Infrastructure
- Vehicle and Machinery Replacements

## **RELEVANT FINANCIAL POLICIES**

The Fund Balance Reserve Policy was revised in October 2011 to comply with the new fund balance reporting requirements defined in GASB Statement No. 54, *Fund Balance Reporting and Government Fund Type Definitions*. This policy, utilized by management as a budgetary tool, establishes a Capital Replacement Reserve (not less than 5% of total capital outlay reported in the prior year audited Annual Financial Report) and a Stabilization Reserve (no less than \$9.5 M or 33% of the total operating expenditures reported in the prior year audited CAFR, whichever is greater) for the General Fund. These reserves are approved by Council by a resolution and are reported in the Annual Financial Report as Committed Fund Balances. The policy states that reserves should only be used for one-time emergency expenditures. The reserves also should not be used for ongoing expenditures unless a viable revenue plan designated to sustain the expenditures is simultaneously adopted. In the event the funds are not available to establish or replenish the minimum required balances, the target goals shall be achieved by adding a designated amount to the budget to cover the deficiencies over a period not to exceed five years.

## **MAJOR INITIATIVES**

The City of Cocoa manages an extensive Stormwater Utility System that serves to protect individual and personal property, while reducing the impacts of urban runoff to the natural environment and specifically the ecological significant Indian River Lagoon. During the fiscal year 2020 the City implemented a 10-year Stormwater Utility Capital Improvement Plan and modern assessment structure that satisfies the project cost of providing the service and maintain a strong financial plan. Based on the needs of the capital improvement plan, the revenue requirements will be evaluated on an annual basis.

The City completed the construction of a 16,000 sq.ft. community recreation center in the heart of the Diamond Square Community Redevelopment Area in fiscal year 2020. The facility cost \$4.9 million to build and will provide programming to address systemic social and economic issues for local residents. The funding for the project came from a variety of partners that included the use of City general fund reserves (\$3.5 million), Diamond Square Community Redevelopment Agency (\$47,488), Housing and Urban Development Community Development Block Grant (CDBG), Section 108 Loan (\$894,000), Brevard County Parks and Recreation (\$200,000), and Brevard County CDBG (\$175,000). The former center was constructed in 1962 and needed significant repair and is functionally obsolete. The City is in the process of determining what is the best use for the old building.

## **OTHER INFORMATION**

State Statutes require an annual audit by independent certified public accountants. The accounting firm of MSL, P.A., was selected by the City Council to perform the audit. The Independent Auditors' Report on the financial statement, which included an unmodified ("clean") opinion, is located at the front of the financial section of this report.

The City will apply to the Government Finance Officers Association of the United States and Canada (GFOA) for a Certificate of Achievement for Excellence in Financial Reporting to the City of Cocoa for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2020. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. Management believes that the City's fiscal year 2020 comprehensive

proved to be a very challenging year due to COVID-19. The City is working closely to monitor and respond to COVID-19. As of the end of the fiscal year, City operations were fully functional and operational and full-service levels have been re-established. The efforts of the entire Finance department should be recognized. Other departments of the City have also contributed directly or indirectly with the preparation of this report and their cooperation and continued assistance is appreciated. Credit must be also given to the Mayor and City Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City's finances.

Sincerely,



Stockton Whitten  
City Manager



Rebecca J. Bowman  
Finance Director



## Serving the Community

### **COUNCIL**

Jake Williams, Jr.  
Brenda Warner  
Alex Goins  
Lorraine Koss  
Donald Boisvert

Mayor  
Deputy Mayor  
Council Member  
Council Member  
Council Member

### **EXECUTIVE MANAGEMENT TEAM**

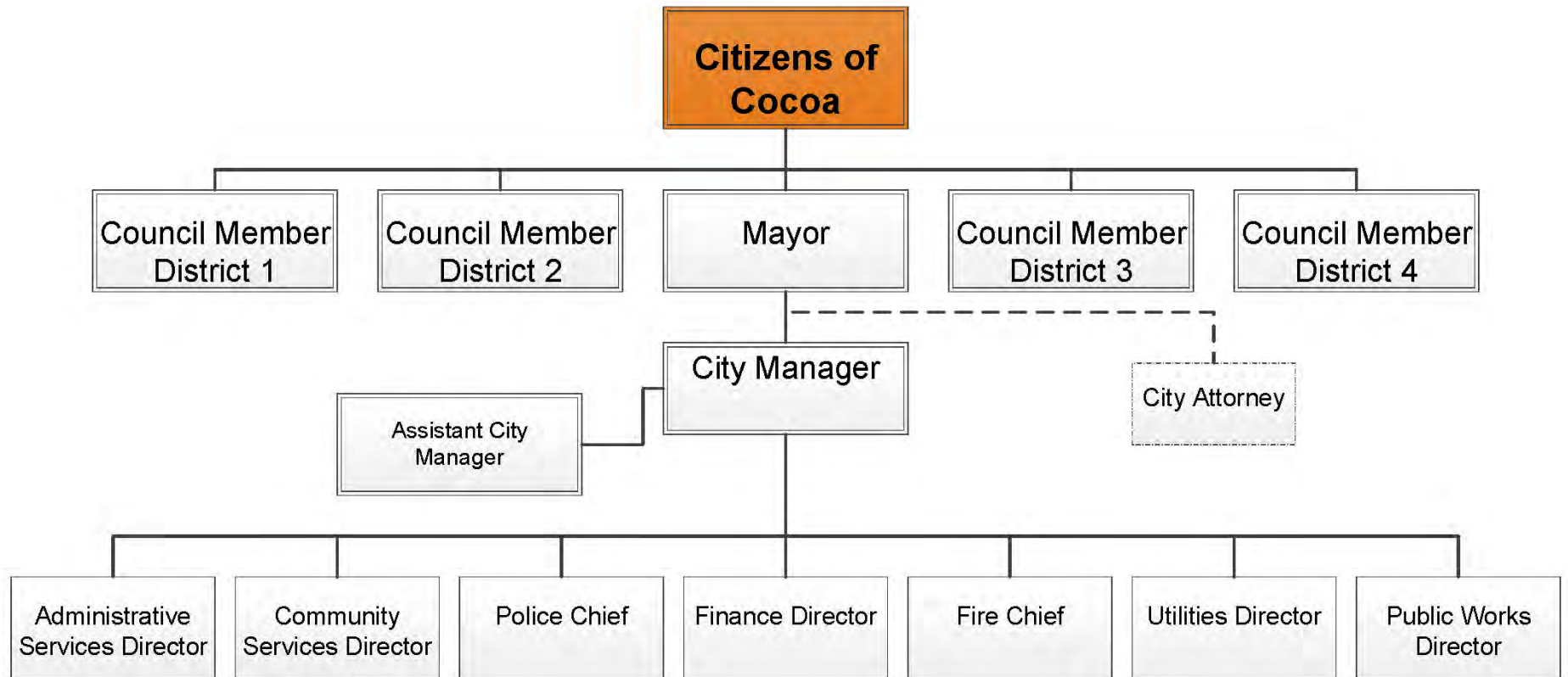
Matthew Fuhrer  
Anthony Garganese  
Rebecca Bowman, CGFO, CGFM  
Nancy Bunt  
Jonathan Lamm  
Mike Cantaloupe  
John Walsh II, P.E.  
Bryant Smith, P.E.  
Tammy Gemmati, PHR

Interim City Manager  
City Attorney  
Finance Director  
Community Services Director  
Fire Chief  
Police Chief  
Utilities Director  
Public Works/Stormwater Director  
Administrative Services Director

As of September 30, 2020



## City of Cocoa Organizational Chart





## **INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor and  
Members of the City Council  
City of Cocoa, Florida

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Cocoa, Florida (the "City") as of and for the fiscal 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 in the first paragraph present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, 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 for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

The Honorable Mayor and  
Members of the City Council  
City of Cocoa, 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 other 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. The introductory section, the other supplementary information section, and the statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary 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. Such 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 other supplementary information is fairly stated, in all material respects, in relation to the basic 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 April 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  
April 12, 2021

## Management's Discussion and Analysis

As management of the City of Cocoa (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2020. We encourage readers to consider the information presented here in conjunction with additional information we have furnished in our letter of transmittal.

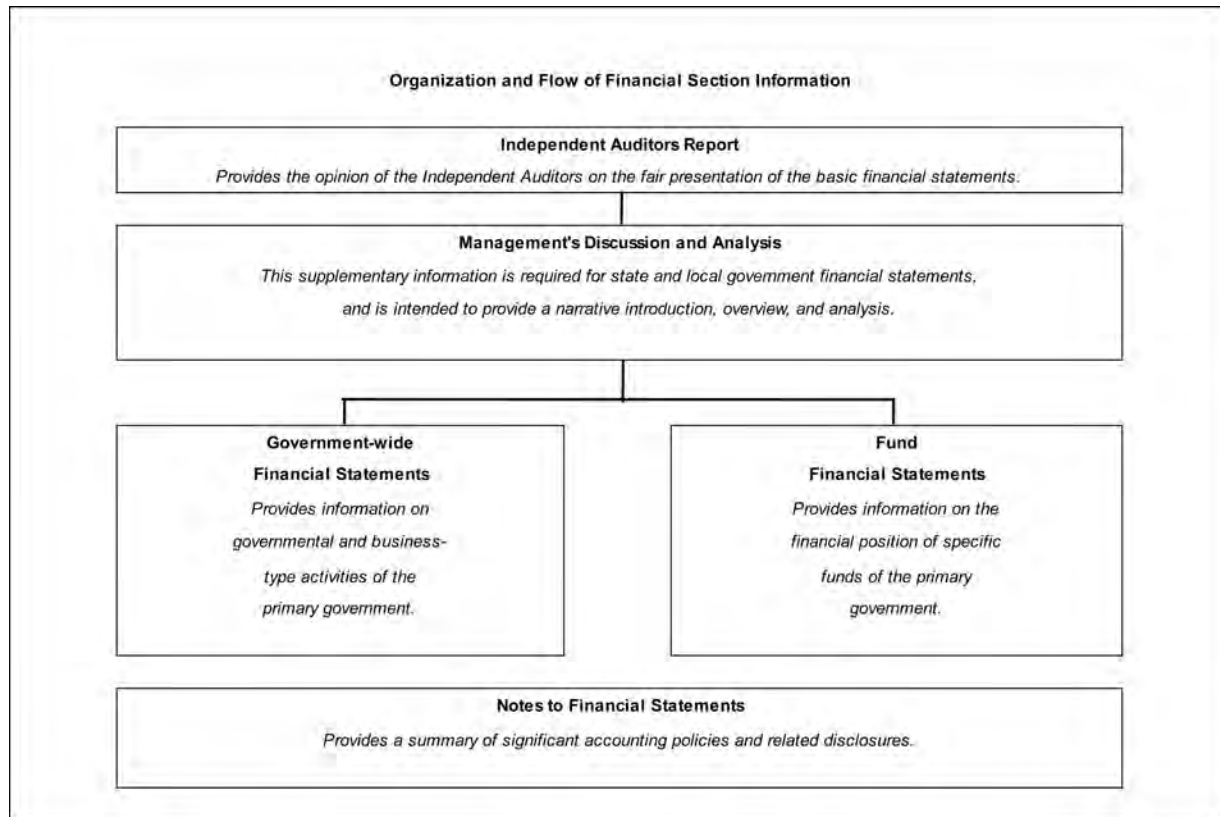
### Financial Highlights

- The assets and deferred outflows of resources of the City of Cocoa exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$211,474,456 (net position). Of this amount, \$3,131,142 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The primary government's total net position increased \$17,528,334 or 9.0% from the previous year. This increase was attributed to the increase of \$2,790,864 in the governmental activities and an increase of \$14,737,470 in the business-type activities.
- At September 30, 2020, the City's governmental funds reported combined ending fund balance of \$34,424,815, a decrease of \$(2,413,796) compared to the prior year. The City's governmental fund balance consists of the following:

Non-spendable -	\$	1,476,024	(Inventory, prepaid items and certain long-term receivables)
Restricted -	\$	3,435,342	(Grants and other restricted revenue sources)
Committed -	\$	15,840,379	(Stabilization and capital replacement reserves)
Assigned -	\$	8,779,000	(Community improvement projects/debt service payments)
Unassigned -	\$	4,894,070	(Available for spending at the government's discretion)
- At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$4,894,070 or 13.7% of total general fund expenditures.
- The City's total long-term liabilities increased \$1,603,569 (.8%) during the current fiscal year. The governmental activities long-term liabilities increased by \$3,823,433 due mainly to increased net pension liability and increased OPEB liability. The business-type activities long-term liabilities decreased by \$2,219,864 due to increases in OPEB liability and net pension liability offset by reductions resulting from routine annual debt service payments.

### Overview of the Financial Statements

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



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

The *Statement of Net Position* presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. The difference between the assets and liabilities is 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 only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities reflect the City's basic services, including general government, public safety, physical environment, economic environment and recreation. The business-type activities of the City include the Water and Sewer Utility System and the Stormwater Utility System.

The government-wide financial statements include the City itself (known as the primary government), and two legally separate redevelopment agencies for which the City is financially accountable – Diamond Square Community Redevelopment Agency and U.S. 1 Corridor Community Redevelopment Agency. Financial information for these component units are reported separately from the financial information presented for the primary government itself. The Cocoa Community Redevelopment Agency, although also legally separate, functions for all practical purposes as a department of the City and, therefore, has been included as an integral part of the primary government.

**Fund financial statements.** A *fund* is a grouping of related accounts used to maintain control over resources that are segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into 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* and *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains eleven individual governmental funds: the General Fund, Capital Projects Fund, Cocoa Community Redevelopment Agency and eight non-major funds. The non-major funds are the Community Development Block Grant, Brevard County Home Program, Cocoa Housing Assistance, Police Confiscated, Police Special Education, Federal Forfeiture, Loan Guarantee and Debt Service funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, the Capital Improvement Fund, and the Cocoa Community Redevelopment Agency, each of which is reported as a major fund. The Cocoa Community Redevelopment Agency Fund does not qualify as a major fund but the City desires to report this fund separately to bring the activities of this fund to the reader's attention. Data from the other eight governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its General Fund and Special Revenue Funds. A budgetary comparison schedule` has been provided for the General Fund and each major Special Revenue Fund in the Required Supplementary Information section of this report to demonstrate compliance with this budget.

**Proprietary funds.** The City maintains two different types of proprietary funds. The first type is Enterprise Funds that are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses Enterprise Funds to account for its Water and Sewer Utility System and Stormwater Utility System activities. The second proprietary fund type the City uses is Internal Service Funds that are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses Internal Service Funds to account for the activity of its worker's compensation and self-insured health plans. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

**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 statements because the resources of those funds are not available to support the City's own programs. The accounting used for Fiduciary Funds is much like that used for Proprietary Funds.

**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.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain Required Supplementary Information concerning the City's progress in funding its obligation to provide pension benefits to its employees. Required Supplementary Information can be found in a separate section of this report.

The combining statements referred to earlier in connection with Non-major Governmental Funds and Internal Service Funds are presented immediately following the Required Supplementary Information section on pensions.

## Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$211,474,456 at the close of fiscal year September 30, 2020.

By far the largest portion of the City's net position (\$179,664,094 or 85.0%) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, infrastructure and improvements, and intangibles); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

### City of Cocoa Net Position

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and Other Assets	\$ 44,257,066	\$ 45,050,855	\$ 114,544,547	\$ 101,126,831	\$ 158,801,613	\$ 146,177,686
Capital Assets (Net)	53,090,703	47,942,708	207,718,811	207,507,528	260,809,514	255,450,236
Total Assets	97,347,769	92,993,563	322,263,358	308,634,359	419,611,127	401,627,922
Deferred Outflows of Resources						
Deferred Outflows related to refundings	-	-	4,367,857	4,718,314	4,367,857	4,718,314
Deferred Outflows for OPEB	3,805,031	1,199,505	2,507,361	812,165	6,312,392	2,011,670
Deferred Outflows for Pensions	6,290,390	6,751,645	3,463,269	3,186,911	9,753,659	9,938,556
Total Deferred Outflows of Resources	10,095,421	7,951,150	10,338,487	8,717,390	20,433,908	16,668,540
Noncurrent Liabilities	71,088,103	67,264,669	129,955,824	132,175,686	201,043,927	199,440,355
Other Liabilities	2,968,080	2,592,185	20,006,285	16,814,704	22,974,365	19,406,889
Total Liabilities	74,056,183	69,856,854	149,962,109	148,990,390	224,018,292	218,847,244
Deferred Inflows of Resources						
Deferred Inflows for OPEB	1,669,952	2,020,899	1,114,835	1,343,166	2,784,787	3,364,065
Deferred Inflows for Pensions	1,165,738	1,306,507	601,762	832,524	1,767,500	2,139,031
Total Deferred Inflows of Resources	2,835,690	3,327,406	1,716,597	2,175,690	4,552,287	5,503,096
Net Position:						
Net Investment in						
Capital Assets	34,917,644	29,498,816	144,746,450	142,364,912	179,664,094	171,863,728
Restricted	852,844	941,298	27,826,376	11,381,896	28,679,220	12,323,194
Unrestricted	(5,219,171)	(2,679,661)	8,350,313	12,438,861	3,131,142	9,759,200
Total Net Position	\$ 30,551,317	\$ 27,760,453	\$ 180,923,139	\$ 166,185,669	\$ 211,474,456	\$ 193,946,122

An additional portion of the City's net position (\$28.7 or 13.6%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$3,131,142, may be used to meet the government's ongoing obligations to citizens and creditors.



At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, both for the government as a whole and for its separate governmental and business-type activities. The City was able to report positive balances in all three categories of net position in FY 2019 for the government as a whole and for its separate governmental and business-type activities, with the exception of the Loan Guarantee Fund. The chart on the following page provides information on the City's change in net position.

**City of Cocoa  
Changes in Net Position**

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
<b>REVENUES</b>						
Program Revenues:						
Charges for Services and Fees	\$ 15,727,707	\$ 15,083,760	\$ 73,079,984	\$ 66,952,175	\$ 88,807,691	\$ 82,035,935
Operating Grants and Contributions	1,956,391	2,439,991	-	-	1,956,391	2,439,991
Capital Grants and Contributions	1,803,247	600,292	4,280,474	3,324,099	6,083,721	3,924,391
General Revenues:						
Property Taxes	6,387,378	5,635,515	-	-	6,387,378	5,635,515
Shared Revenues	2,790,053	2,435,036	-	-	2,790,053	2,435,036
Other Taxes and Fees	4,198,126	4,167,397	-	-	4,198,126	4,167,397
Unrestricted Investment Earnings	358,105	668,857	1,046,181	2,041,815	1,404,286	2,710,672
Other	513,589	195,168	197,780	73,980	711,369	269,148
<b>Total Revenues</b>	<b>33,734,596</b>	<b>31,226,016</b>	<b>78,604,419</b>	<b>72,392,069</b>	<b>112,339,015</b>	<b>103,618,085</b>
<b>EXPENSES</b>						
General Government	14,796,779	14,712,121	-	-	14,796,779	14,712,121
Public Safety	17,278,095	18,071,667	-	-	17,278,095	18,071,667
Physical Environment	2,621,199	2,376,579	-	-	2,621,199	2,376,579
Transportation	1,445,676	1,221,639	-	-	1,445,676	1,221,639
Economic Environment	834,415	3,008,059	-	-	834,415	3,008,059
Culture/Recreation	1,535,106	1,607,032	-	-	1,535,106	1,607,032
Interest on Long-term Debt	641,434	649,182	-	-	641,434	649,182
Water and Sewer	-	-	54,022,806	52,538,165	54,022,806	52,538,165
Stormwater	-	-	1,635,171	1,522,778	1,635,171	1,522,778
<b>Total Expenses</b>	<b>39,152,704</b>	<b>41,646,279</b>	<b>55,657,977</b>	<b>54,060,943</b>	<b>94,810,681</b>	<b>95,707,222</b>
Increase/(Decrease) in Net Assets before Transfers/Special Items	(5,418,108)	(10,420,263)	22,946,442	18,331,126	17,528,334	7,910,863
Transfers	8,208,972	8,384,099	(8,208,972)	(8,384,099)	-	-
<b>Increase/(Decrease) in Net Position</b>	<b>2,790,864</b>	<b>(2,036,164)</b>	<b>14,737,470</b>	<b>9,947,027</b>	<b>17,528,334</b>	<b>7,910,863</b>
<b>Net Position - Beginning of Year</b>	<b>27,760,453</b>	<b>29,796,617</b>	<b>166,185,669</b>	<b>156,238,642</b>	<b>193,946,122</b>	<b>186,035,259</b>
<b>Net Position - End of Year</b>	<b>\$ 30,551,317</b>	<b>\$ 27,760,453</b>	<b>\$ 180,923,139</b>	<b>\$ 166,185,669</b>	<b>\$ 211,474,456</b>	<b>\$ 193,946,122</b>

**Governmental activities.** Governmental activities increased the City's net position by \$2,790,864. Key elements of this decrease are as follows:

- The City's total governmental revenues, excluding transfers, increased by \$2,508,580 (10.9%) from the prior year. Charges for services, operating and capital grants and contributions revenue increased \$2,257,302, largely due to increased grant revenue from obligations and reimbursements from FEMA and for Hurricanes Irma, Matthew and Dorian and FIND grants for waterfront projects. Property taxes increased \$751,863 due to increases in property values along with a large developed property coming now being included in the City's tax rolls. Other taxes, shared revenues and miscellaneous income remained consistent with the prior year.
- Expenses related to public safety activities decreased by \$(793,572) (4.4%) from the prior year. This decrease can be attributed largely to unfilled positions.
- Although governmental expenditures exceeded revenues by \$(5,418,108), the net contributions from other funds (transfers) of \$8,208,972 decreased the deficit to \$2,790,864.

- **COVID-19 -**

Several steps were taken to help financially sustain the City through the changing economic climate due to COVID-19. The City took the following actions:

Reduced budgeted revenue projections	\$114,084
Froze vacant positions -	\$178,766
Reduced operating costs -	\$274,000

**Business-type activities.** Business-type activities increased the City's net position by \$14,737,470. Key elements of this increase are as follows:

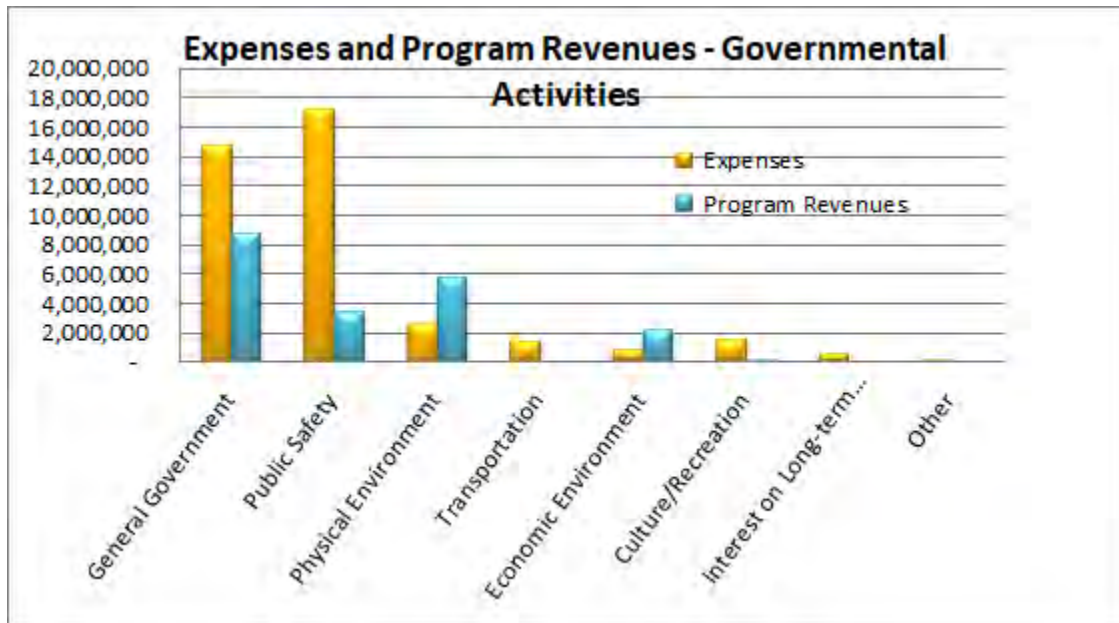
- Business-type activities reflect a 6.0% increase in revenues in the amount of \$6,212,350. This increase can be attributed an increase in charges for services of \$6,127,809 and a decrease of investment earnings of \$(995,634). There were increases of \$1,080,175 in capital and operating grants and contributions and other revenue.
- Business-type revenues exceeded expenses by \$22,946,442 before transfers to the General Fund. Expenses before transfers related to business-type activities increased \$1,597,034 (3.0%) from the previous year. This increase can be attributed to an increase in the transfers to the general fund for cost of services, return on investment and payment in lieu of franchise fees based on established calculations.

The following charts and graphs show the results of governmental activities for fiscal year ended 2020:

### Expenses and Program Revenues - Governmental Activities

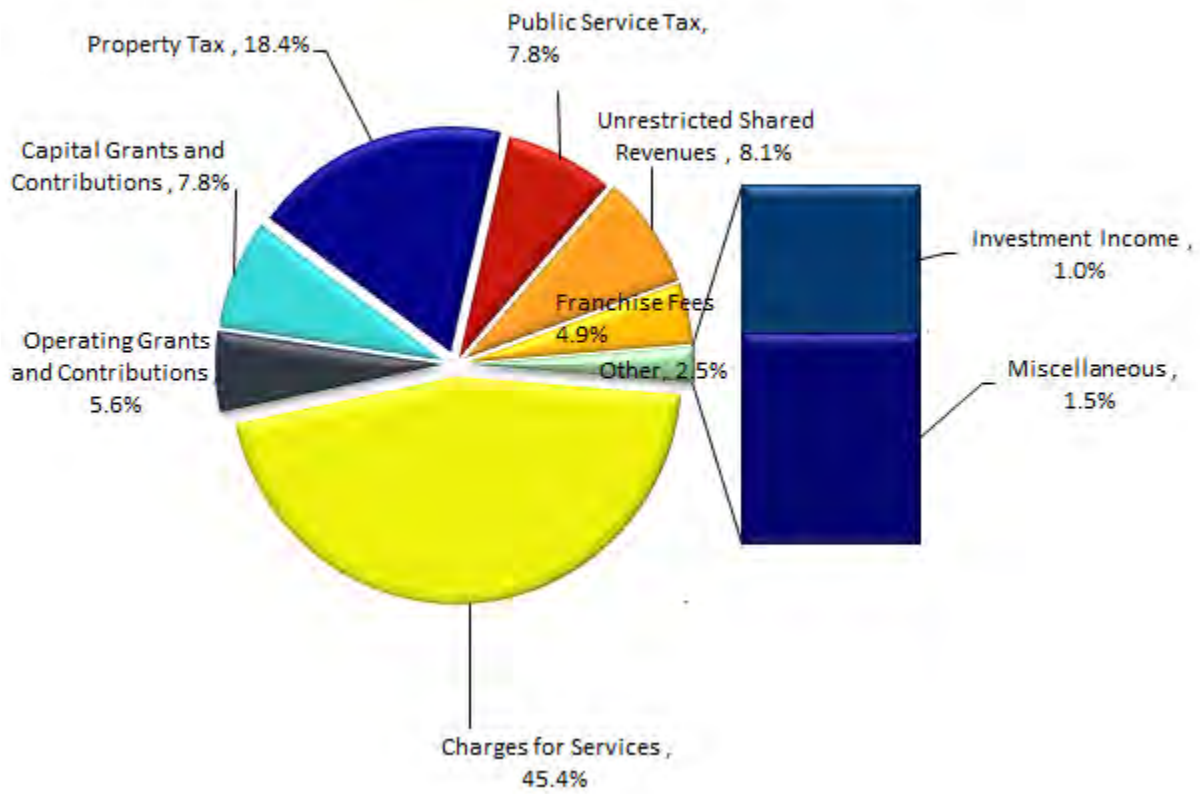
**For the Year Ended September 30, 2020**

Functions/Programs	Expenses	% of Total	Program Revenues	% of Total	Net (Expense) Revenue
General Government	\$ 14,796,779	37.8%	\$ 8,839,777	45.4%	\$ (5,957,002)
Public Safety	17,278,095	44.1%	3,435,804	17.6%	(13,842,291)
Physical Environment	2,621,199	6.7%	5,827,668	29.9%	3,206,469
Transportation	1,445,676	3.7%	-	0.0%	(1,445,676)
Economic Environment	834,415	2.1%	1,286,856	6.6%	452,441
Culture/Recreation	1,535,106	3.9%	97,240	0.5%	(1,437,866)
Interest on Long-term debt	641,434	1.7%	-	0.0%	(641,434)
	<u>\$ 39,152,704</u>	<u>100.0%</u>	<u>\$ 19,487,345</u>	<u>100.0%</u>	<u>\$ (19,665,359)</u>

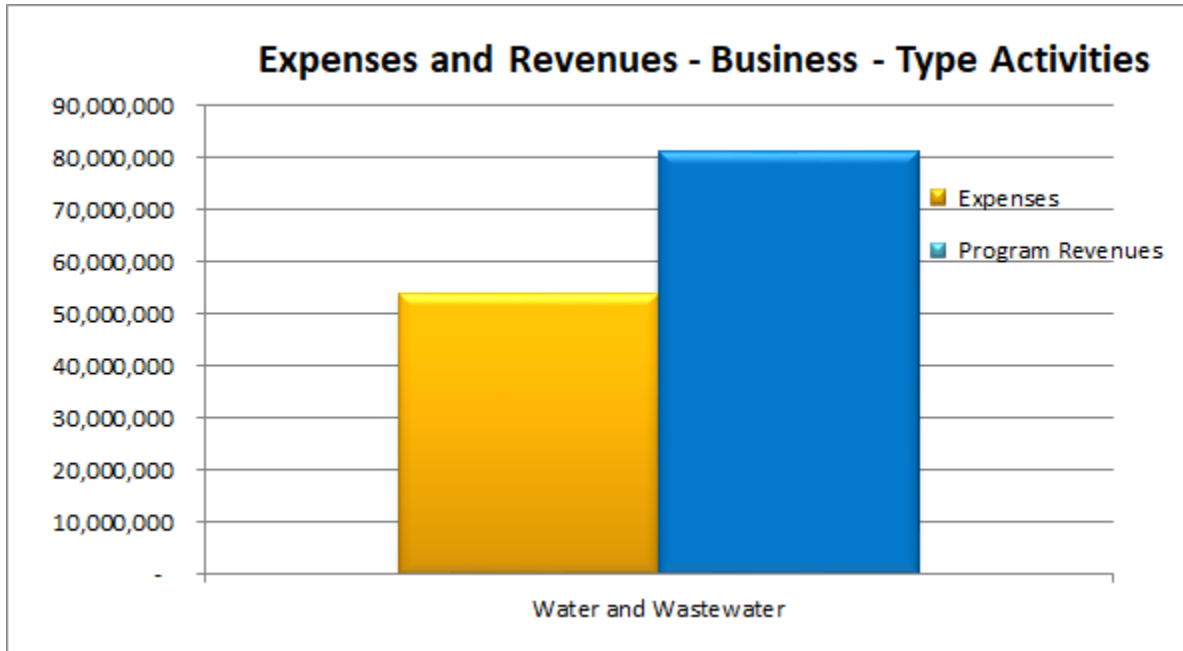


Description	Revenues	% of Total
Charges for Services	\$ 15,727,707	46.6%
Operating Grants and Contributions	1,956,391	5.8%
Capital Grants and Contributions	1,803,247	5.3%
Property Tax	6,387,378	18.9%
Public Service Tax	2,696,257	8.0%
Unrestricted Shared Revenues	2,790,053	8.3%
Gain on Sale of Capital Assets	36,113	0.1%
Franchise Fees	1,501,869	4.5%
Investment Revenue	358,105	1.1%
Miscellaneous	477,476	1.4%
	<u>\$ 33,734,596</u>	<u>100.0%</u>

### Revenues by Source - Governmental Activities



## Revenues by Source - Business-type Activities



The largest portion of revenues for business type funds is charges for services. This is comprised of charges for water and sewer services in the Water and Sewer System and stormwater fees in the Stormwater Fund.

## Financial Analysis of the Government's Funds

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

**Governmental Funds.** The focus of the City's 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. The equity section indicates the extent to which the government is bound to honor constraints on the specific purpose for which amounts in the fund can be spent. The five components of fund balance are as follows:

- Non-spendable fund balance – the portion of the fund balance that cannot be spent because of its form or must be maintained intact. Examples are inventory, prepaid items and certain long-term receivables.
- Restricted fund balance – the portion of the fund balance subject to externally enforceable legal restrictions. Examples are grants, contributions and restricted debt service requirements.
- Committed fund balance – the portion of the fund balance constrained by limitations imposed by the City Council, by resolution, for specific purposes. Examples are stabilization reserve and capital replacement reserve.
- Assigned fund balance – the portion of the fund balance assigned to specific projects or items by the City Council or City Manager. Examples are reserves dedicated to future specific projects and debt service reserves that are not legally restricted.
- Unassigned fund balance – the remaining portion of the fund balance available for spending at the government's discretion.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balance of \$34,424,815, which is a decrease of \$(2,413,796) in comparison to the prior year. The amount of \$4,894,070 constitutes the unassigned portion of the fund balance which is available for spending at the government's discretion. The remainder of fund balance is non-spendable, restricted, committed or assigned to indicate restriction requirements depending on the classification. Major restrictions, commitments or assignments include: 1) \$3,435,342 is restricted by grant requirements and state statutes, 2) \$15,840,379 is committed for capital replacement and as a stabilization reserve for unanticipated events adversely affecting the financial condition of the City and jeopardizing the continuation of necessary public services, and 3) \$8,779,000 is assigned for future expenses for Cocoa park improvements, building and equipment improvements, donations, ERP software upgrade, city-wide roadway construction, economic incentives, housing development, sustainability and resilience initiatives and Cocoa Village parking.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the total fund balance of the general fund was \$27,484,540 an increase of \$1,882,909 from the previous year primarily due to discontinuation of interfund transfers for capital projects funds and unfilled positions in public safety. As a measure of the general fund's liquidity, it may be useful to compare the unassigned fund balance to total expenditures. This amount represents 15.3% of total general fund expenditures.

The Capital Projects fund has a total fund balance of \$3,568,732. There was a net decrease in fund balance during the current year in the Capital Projects fund in the amount of \$(4,413,077). The decrease in fund balance is due to the Dr. Joe Lee Smith Community Center and Lee Wenner Park/waterfront improvements projects being completed in the current fiscal year.

The Cocoa Community Redevelopment Agency fund has a total fund balance of \$1,954,844. The increase in fund balance of \$163,580 over the prior year is primarily due to an increase in tax increment financing due to higher taxable values, offset by decreases in capital outlay and other expenditures.

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

Unrestricted net position of the Water and Sewer Fund at the end of the current fiscal year amounted to \$8,034,948, an increase of \$1,890,289. This increase can be attributed to decreased cash funded capital spending, as a result of bond funded capital projects and increases in revenue due to planned rate increases. There were also decreases in restricted investments due to a surplus of restricted investments over the required amount of reserves per bond covenants.

The unrestricted net assets for the Stormwater Utility amounted to \$315,365, a decrease of \$497,237. The stormwater revenue increased by \$27,023 due to a rate increase and increases in measured impervious areas. The expenses increased by \$112,393 with administration costs increasing by \$115,740 and depreciation decreasing by \$3,347.

## General Fund Budgetary Highlights

	Original Budget	Final Budget	Difference
General Government	\$ 15,308,918	\$ 15,493,484	\$ 184,566
Public Safety	16,723,203	16,848,014	124,811
Physical Environment	2,503,177	2,560,795	57,618
Transportation	2,076,731	1,978,677	(98,054)
Culture/Recreation	1,493,650	1,628,792	135,142
Economic Environment	142,701	245,820	103,119
Other Sources/(Uses)	6,682,985	6,672,342	(10,643)
	<u>\$ 44,931,365</u>	<u>\$ 45,427,924</u>	<u>\$ 496,559</u>



The net differences between the original budget and the final amended budget expenditures resulted in an increase in the amount appropriated for expenditures, including transfers out, of \$496,559 which is a result of an increase of \$103,119 for an economic development incentive and various other budgetary changes.

### General Fund Budgetary Comparison

	Actual			
	Expenditures	Final Budget	Change	
General Government	\$ 14,119,761	\$ 15,493,484	\$ 1,373,723	8.9%
Public Safety	15,718,032	16,848,014	1,129,982	6.7%
Economic Environment	153,729	245,820	92,091	37.5%
Physical Environment	2,520,422	2,560,795	40,373	1.6%
Transportation	1,784,048	1,978,677	194,629	9.8%
Culture/Recreation	1,375,665	1,628,792	253,127	15.5%
Other Sources/(Uses)	6,708,474	6,672,342	36,132	0.5%
	<u>\$ 42,380,131</u>	<u>\$ 45,427,924</u>	<u>\$ 3,120,057</u>	6.9%

The actual net expenditures were \$3,120,057 under the final budget projections. This is due to conservative spending in various divisions, with the largest variance of actual expenditures vs. budget occurring in the Public Safety activity. This activity accounts for \$1,129,482 of the variance due to position vacancies in the police and fire departments. Recreation expenditures were less than budget by \$253,127 due to reduced programs as result of COVID-19.

Actual resources available for appropriation were more than the final budget. The final revenue budgeted for the general fund was \$29,781,050; actual receipts of \$30,846,092 indicated an excess of 3.6% or \$1,065,042 from anticipated revenues. This was due to variances in utility service taxes (\$187,937), an increase in building permit revenue (\$169,276), increased revenue from federal grants (\$625,978), increased interest income (\$155,877), and other miscellaneous budgetary variances in other revenue accounts.

### Capital Asset and Long-term Liabilities

**Capital Assets.** The City's investment in capital assets for its governmental and business-type activities as of September 30, 2020, amounts to \$260,809,514 (net of accumulated depreciation). This represents a net increase of \$5,359,277 (2.1%) from the previous year. There was an increase in governmental activities of \$5,147,995 representing 96.1% of the total change in capital assets and a \$211,282 decrease in business-type activities' capital assets, or (.10% ) of the total change in capital assets. This investment in capital assets includes land, buildings, improvements other than buildings, machinery and equipment, infrastructure, intangibles and construction in progress.

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

- Vehicle and Equipment Purchases - \$803,815
- Paving and Sidewalk Program - \$498,822
- Cocoa Village Gateway Feature - \$169,241
- Dr. Joe Lee Smith Community Center - \$2,901,021
- Waterfront Improvements - \$2,844,971

These asset additions were offset by depreciation expense. Additional information on the City's capital assets can be found in Note 4 *Capital Assets* in the footnote section of this report.

**City of Cocoa**  
**City's Capital Assets**  
(net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 6,876,215	\$ 6,876,215	\$ 2,919,197	\$ 2,919,197	\$ 9,795,412	\$ 9,795,412
Buildings and Improvements	29,463,611	25,865,715	10,918,043	10,918,043	40,381,654	36,783,758
Machinery and Equipment	15,818,554	15,030,403	25,362,336	24,810,437	41,180,890	39,840,840
Intangible	2,138,750	2,138,750	3,530,027	3,381,928	5,668,777	5,520,678
Infrastructure/Imp Other	76,643,583	72,446,465	374,915,316	368,753,732	451,558,899	441,200,197
Construction in Progress	539,182	1,738,883	21,905,860	17,562,755	22,445,042	19,301,638
	131,479,895	124,096,431	439,550,779	428,346,092	571,030,674	552,442,523
Less: Accumulated Depreciation	(78,389,192)	(76,153,723)	(231,831,968)	(220,838,563)	(310,221,160)	(296,992,286)
Capital Assets, net	<u>\$ 53,090,703</u>	<u>\$ 47,942,708</u>	<u>\$ 207,718,811</u>	<u>\$ 207,507,529</u>	<u>\$ 260,809,514</u>	<u>\$ 255,450,237</u>

**Long-term Liabilities.** At the end of the current fiscal year, the City had total bonded debt outstanding of \$104,643,595. The entire amount of the City's bonded debt represents bonds secured by specified revenue sources (i.e., revenue bonds).

**City of Cocoa**  
**Outstanding Long-term Debt**

The City's long-term debt decreased by \$6,105,085 ((4.8)%) during the current fiscal year. This reduction in outstanding debt was due to debt service payments in accordance with established amortization schedules. More detailed information on the City's long-term debt can be found in the Note 7 *Long-Term Debt* in the footnote section of this report.

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Bonds Payable	\$ 15,412,059	\$ 15,916,240	\$ 89,231,536	\$ 92,986,217	\$ 104,643,595	\$ 108,902,457
Notes and Loans Payable	2,761,000	2,492,000	13,850,555	15,930,126	16,611,555	18,422,126
Capital Leases	-	35,652	-	-	-	35,652
	<u>\$ 18,173,059</u>	<u>\$ 18,443,892</u>	<u>\$ 103,082,091</u>	<u>\$ 108,916,343</u>	<u>\$ 121,255,150</u>	<u>\$ 127,360,235</u>

**Economic Factors and Next Year's Budgets and Rates**

Local, national and international economic factors influence the City's revenues in a variety of ways. Positive economic growth is correlated with increased revenues from property taxes, sales taxes, fuel taxes, charges for services, state revenue sharing as well as state and federal grants. Economic growth may be measured by a variety of indicators such as employment growth, new construction, assessed property values and enterprise fund revenues and net asset growth. New residential and commercial developments have been occurring in the City in recent years and the national economy was at near full employment at the beginning of the calendar year 2020. The state and local economy were growing at a record pace until the COVID-19 pandemic. Although the City reduced revenue projections and controlled costs due to the unknown impact and duration of COVID-19, State shared revenues continued to maintain their pre-COVID levels. In the State of Florida, the governor issued a "safer at home" executive order, allowing for only essential businesses to operate from April 1, 2020 to April 30, 2020. Conservative estimates for revenue will be used for the upcoming budget year and costs will be scrutinized to ensure the sustainability of City operations as the COVID-19 pandemic does not show a decreased impact in the State and local economies.

The City maintained its millage rate of 5.979 mills, and, as a result, no reduction in the level of services were required for the FY 2020 budget. This was accomplished by adhering to the City's comprehensive financial policies, a thorough reassessment of the base budget and a critical review of all proposed additions to the budget.

The unemployment rate for the City and the surrounding area at September 30, 2020, was 7.2%, a 3.9% increase from the previous year. This compares to an unemployment rate of 7.2% for the state of Florida and 7.8% nationally.

The City Council adopted the tax millage rate of 5.9790 in FY 2019 to sufficiently fund the current level of services to the citizens and business owners of Cocoa. A local dealership that moved into the City and a major retail chain with a distribution center in the City came on the tax rolls in FY 2020. Other revenue increases in FY 2020 are attributable to planned rate increases for fire assessment, water and sewer, and stormwater.

### **Requests for Information**

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

## BASIC FINANCIAL STATEMENTS

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

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Diamond Square Redevelopment Agency	U.S. 1 Corridor Redevelopment Agency
<b>Assets:</b>					
Cash and cash equivalents	\$ 34,324,040	\$ 37,310,398	\$ 71,634,438	\$ 380,917	\$ 10,109
Investments	6,919,552	10,352,666	17,272,218	-	-
Receivables	1,731,422	7,520,111	9,251,533	-	-
Receivables, earned but not billed	74,832	5,470,649	5,545,481	-	-
Tax receivable	40,082	-	40,082	-	-
Due from other governments	468,249	85,245	553,494	-	-
Deposits	4,350	-	4,350	-	-
Inventory	20,728	965,105	985,833	-	-
Prepaid items	380,920	141,959	522,879	5,726	-
Restricted assets:					
Cash and cash equivalents	21,000	26,603,698	26,624,698	-	-
Investments	-	26,094,716	26,094,716	-	-
Other receivables	271,891	-	271,891	-	-
Capital assets:					
Land	6,876,215	2,919,197	9,795,412	181,192	286,391
Buildings	29,463,611	10,918,043	40,381,654	-	-
Improvements other than buildings	-	374,915,316	374,915,316	-	-
Machinery and equipment	15,818,554	25,362,336	41,180,890	-	-
Infrastructure	76,643,583	-	76,643,583	477,850	692,313
Intangibles	2,138,750	3,530,027	5,668,777	-	-
Construction in progress	539,182	21,905,860	22,445,042	-	-
Less accumulated depreciation	(78,389,192)	(231,831,968)	(310,221,160)	(102,071)	(184,786)
<b>Total assets</b>	<b>97,347,769</b>	<b>322,263,358</b>	<b>419,611,127</b>	<b>943,614</b>	<b>804,027</b>
<b>Deferred Outflows of Resources:</b>					
Deferred outflows related to refundings	-	4,367,857	4,367,857	-	-
Deferred outflows related to pensions	6,290,390	3,463,269	9,753,659	-	-
Deferred outflows related to OPEB	3,805,031	2,507,361	6,312,392	-	-
<b>Total deferred outflows of resources</b>	<b>10,095,421</b>	<b>10,338,487</b>	<b>20,433,908</b>	<b>-</b>	<b>-</b>
<b>Liabilities:</b>					
Accounts, contracts and retainage payable	1,797,866	15,320,582	17,118,448	5,943	218
Accrued payroll and related liabilities	880,406	399,142	1,279,548	836	-
Accrued interest payable	-	129,035	129,035	-	-
Due to other governments	29,340	16,592	45,932	-	-
Payable from restricted assets:					
Customer and developer escrow deposits	-	3,159,021	3,159,021	-	-
Escrow deposits	91,725	981,913	1,073,638	-	-
Unearned revenue	142,406	-	142,406	-	-
Other liabilities	26,337	-	26,337	-	-
Noncurrent liabilities:					
Due within one year:					
Revenue bonds payable	495,000	3,595,000	4,090,000	-	-
Note payable	679,000	-	679,000	-	-
State revolving loans payable	-	2,134,170	2,134,170	-	-
Accrued claims payable	2,444,825	-	2,444,825	-	-
Compensated absences	591,298	294,895	886,193	-	-
Due in more than one year:					
Revenue bonds payable	14,917,059	85,636,537	100,553,596	-	-
Notes payable	2,082,000	-	2,082,000	-	-
State revolving loans payable	-	11,716,385	11,716,385	-	-
Accrued claims payable	1,853,000	-	1,853,000	-	-
Total OPEB liability	23,758,815	15,373,447	39,132,262	-	-
Compensated absences	757,955	382,036	1,139,991	-	-
Net pension liability	23,509,151	10,823,354	34,332,505	-	-
<b>Total liabilities</b>	<b>74,056,183</b>	<b>149,962,109</b>	<b>224,018,292</b>	<b>6,779</b>	<b>218</b>
<b>Deferred Inflows of Resources:</b>					
Deferred inflows related to pensions	1,165,738	601,762	1,767,500	-	-
Deferred inflows related to OPEB	1,669,952	1,114,835	2,784,787	-	-
<b>Total deferred inflows of resources</b>	<b>2,835,690</b>	<b>1,716,597</b>	<b>4,552,287</b>	<b>-</b>	<b>-</b>
<b>Net Position:</b>					
Net investment in capital assets	35,811,644	144,746,450	180,558,094	556,971	793,918
Restricted for:					
Public safety	63,264	-	63,264	-	-
Housing assistance	722,580	-	722,580	-	-
Reserve Fund- Dr. Joe Lee Smith Center	67,000	-	67,000	-	-
Debt service	-	2,470,129	2,470,129	-	-
Capital Improvements	-	8,577,390	8,577,390	-	-
Renewal and replacement	-	2,750,000	2,750,000	-	-
Working Capital	-	14,028,857	14,028,857	-	-
Unrestricted	(6,113,171)	8,350,313	2,237,142	379,864	9,891
<b>Total net position</b>	<b>\$ 30,551,317</b>	<b>\$ 180,923,139</b>	<b>\$ 211,474,456</b>	<b>\$ 936,835</b>	<b>\$ 803,809</b>

**City of Cocoa, Florida**  
**Statement of Activities**  
**Year Ended September 30, 2020**

Functions/Programs:	Program Revenues				Net (Expense) Revenue and Changes in Net Position				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Component Units		
					Governmental Activities	Business-Type Activities	Total	Diamond Square Redevelopment Agency	U.S. 1 Corridor Redevelopment Agency
Primary Government									
Governmental activities:									
General government	\$ 14,796,779	\$ 7,301,994	\$ 1,337,969	\$ 199,814	\$ (5,957,002)	\$ -	\$ (5,957,002)	\$ -	\$ -
Public safety	17,278,095	3,160,398	275,406	-	(13,842,291)	-	(13,842,291)	-	-
Recreation	1,535,106	97,240	-	-	(1,437,866)	-	(1,437,866)	-	-
Economic development	834,415	-	335,523	951,333	452,441	-	452,441	-	-
Physical environment	2,621,199	5,168,075	7,493	652,100	3,206,469	-	3,206,469	-	-
Transportation	1,445,676	-	-	-	(1,445,676)	-	(1,445,676)	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-	-	-
Interest	621,498	-	-	-	(621,498)	-	(621,498)	-	-
Other Debt Service	19,936	-	-	-	(19,936)	-	(19,936)	-	-
Total governmental activities	39,152,704	15,727,707	1,956,391	1,803,247	(19,665,359)	-	(19,665,359)	-	-
Business-type activities:									
Water and sewer	54,022,806	71,399,930	-	4,213,285	-	21,590,409	21,590,409	-	-
Stormwater utility	1,635,171	1,680,054	-	67,189	-	112,072	112,072	-	-
Total business-type activities	55,657,977	73,079,984	-	4,280,474	-	21,702,481	21,702,481	-	-
Total primary government	\$ 94,810,681	\$ 88,807,691	\$ 1,956,391	\$ 6,083,721	\$ (19,665,359)	\$ 21,702,481	\$ 2,037,122	\$ -	\$ -
Component Units									
Diamond Square Redevelopment Agency	\$ 70,820	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (70,820)	\$ -
U.S. 1 Corridor Redevelopment Agency	231,123	-	-	-	-	-	-	-	(231,123)
Total component units	\$ 301,943	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (70,820)	\$ (231,123)
General revenues:									
Property taxes					\$ 6,387,378	\$ -	\$ 6,387,378	\$ -	\$ -
Public utility and communication taxes					2,696,257	-	2,696,257	-	-
Franchise fees					1,501,869	-	1,501,869	-	-
Shared revenues not restricted to specific programs					2,790,053	-	2,790,053	238,015	204,832
Gain on sale of capital assets					36,113	73,336	109,449	-	-
Unrestricted investment earnings					358,105	1,046,181	1,404,286	1,619	659
Miscellaneous					477,476	124,444	601,920	-	-
Transfers, net					8,208,972	(8,208,972)	-	-	-
Total general revenues					22,456,223	(6,965,011)	15,491,212	239,634	205,491
Change in net position					2,790,864	14,737,470	17,528,334	168,814	(25,632)
Net position, beginning					27,760,453	166,185,669	193,946,122	768,021	829,441
Net position, ending					\$ 30,551,317	\$ 180,923,139	\$ 211,474,456	\$ 936,835	\$ 803,809

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



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

	<b>General Fund</b>	<b>Cocoa Redevelopment Agency</b>	<b>Capital Projects Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Assets:</b>					
Cash and cash equivalents	\$ 23,894,043	\$ 2,697,677	\$ 2,379,621	\$ 911,352	\$ 29,882,693
Restricted Cash	21,000	-	-	-	21,000
Investments	4,663,941	-	-	351,486	5,015,427
Accounts receivable, net	1,079,323	-	652,099	-	1,731,422
Accounts receivable earned, but not billed	74,832	-	-	-	74,832
Tax receivable	40,082	-	-	-	40,082
Due from other funds	58,658	-	59,376	-	118,034
Due from other governments	272,574	-	-	195,675	468,249
Inventory	20,728	-	-	-	20,728
Prepaid items	197,481	5,435	-	-	202,916
Deposits	-	4,350	-	-	4,350
Deferred charges	-	1,311,037	-	-	1,311,037
Other receivable	-	271,891	-	-	271,891
Advance to other funds	1,252,379	-	671,968	-	1,924,347
Total assets	<u>\$ 31,575,041</u>	<u>\$ 4,290,390</u>	<u>\$ 3,763,064</u>	<u>\$ 1,458,513</u>	<u>\$ 41,087,008</u>
<b>Liabilities:</b>					
Liabilities					
Accounts payable	\$ 1,529,738	\$ 19,783	\$ 194,332	\$ 14,850	\$ 1,758,703
Accrued payroll and related liabilities	877,963	1,491	-	952	880,406
Unearned revenue	188,139	-	-	-	188,139
Due to other funds	-	118,034	-	-	118,034
Due to other governments	29,205	-	-	135	29,340
Escrow deposits	65,848	-	-	25,877	91,725
Other liabilities	26,337	-	-	-	26,337
Advance from other funds	-	1,924,347	-	-	1,924,347
Total liabilities	<u>2,717,230</u>	<u>2,063,655</u>	<u>194,332</u>	<u>41,814</u>	<u>5,017,031</u>
<b>Deferred Inflows of Resources:</b>					
Deferred inflows - sale of building	1,311,037	-	-	-	1,311,037
Deferred inflow - Whitley Marina settlement revenue	-	271,891	-	-	271,891
Deferred Inflow - Grants	62,234	-	-	-	62,234
Total deferred inflows of resources	<u>1,373,271</u>	<u>271,891</u>	<u>-</u>	<u>-</u>	<u>1,645,162</u>
<b>Fund Balances:</b>					
Nonspendable	1,470,589	5,435	-	-	1,476,024
Restricted	69,234	1,949,409	-	1,416,699	3,435,342
Committed	12,271,647	-	3,568,732	-	15,840,379
Assigned	8,779,000	-	-	-	8,779,000
Unassigned	4,894,070	-	-	-	4,894,070
Total fund balances	<u>27,484,540</u>	<u>1,954,844</u>	<u>3,568,732</u>	<u>1,416,699</u>	<u>34,424,815</u>
Total liabilities and fund balances	<u>\$ 31,575,041</u>	<u>\$ 4,290,390</u>	<u>\$ 3,763,064</u>	<u>\$ 1,458,513</u>	<u>\$ 41,087,008</u>

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

**City of Cocoa, Florida**  
**Reconciliation of Balance Sheet to the Statement of Net Position**  
**September 30, 2020**

**Total fund balances of governmental funds** \$ 34,424,815

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

Deferred inflows (related to the Whitley Marina settlement) previously recorded as revenue in governmental activities but deferred in governmental funds. 271,891

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 53,090,703

Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in governmental funds.

Deferred outflows of resources for pensions	\$ 6,290,390	
Deferred inflows of resources for pensions	<u>(1,165,738)</u>	5,124,652

Deferred outflows and inflows of resources related to OPEB are applicable to future periods and, therefore, are not reported in governmental funds.

Deferred outflows of resources for OPEB	3,805,031	
Deferred inflows of resources for OPEB	<u>(1,669,952)</u>	2,135,079

Long-term liabilities are not due and payable in the current period and, accordingly, are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities--both current and long-term--are reported in the statement of net position. Long-term liabilities at year-end consist of:

Bonds payable (net of unamortized premium/discount)	(15,412,059)	
Notes payable	(2,761,000)	
Other postemployment benefits	(23,758,815)	
Net pension liability	(23,509,151)	
Compensated absences	<u>(1,349,253)</u>	(66,790,278)

Internal service funds are used by management to charge the costs of certain activities, such as workers' compensation and health insurance to individual funds. The assets and liabilities of certain internal service funds are included in governmental activities in the statement of net position.

2,186,488

Deferred inflows/unearned revenue at fund level recognized as revenue in entity-wide statements.

107,967

**Total net position of governmental activities** \$ 30,551,317

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

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

	<b>General Fund</b>	<b>Cocoa Redevelopment Agency</b>	<b>Capital Projects Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues:</b>					
Taxes	\$ 9,677,404	\$ -	\$ -	\$ -	\$ 9,677,404
Special Assessments	2,721,693	-	-	-	2,721,693
Licenses, permits, and fees	1,963,338	-	-	-	1,963,338
Intergovernmental	2,875,551	1,302,670	851,914	416,099	5,446,234
Charges for services	12,117,136	-	-	-	12,117,136
Fines and forfeitures	17,230	-	-	3,794	21,024
Investment earnings	255,758	14,036	17,362	11,953	299,109
Miscellaneous	1,217,982	39,027	-	28,573	1,285,582
Total revenues	30,846,092	1,355,733	869,276	460,419	33,531,520
<b>Expenditures:</b>					
Current:					
General government	13,823,207	-	-	45	13,823,252
Public safety	15,358,911	-	-	8,891	15,367,802
Recreation	1,326,355	-	-	-	1,326,355
Economic development	153,729	273,092	-	253,229	680,050
Physical environment	2,493,612	-	6,458	-	2,500,070
Transportation	1,262,206	-	-	-	1,262,206
Capital outlay	1,253,637	182,392	5,745,993	1,172,029	8,354,051
Debt service:					
Principal	-	-	-	1,105,000	1,105,000
Interest	-	-	-	645,679	645,679
Other Debt Service	-	-	-	19,936	19,936
Total expenditures	35,671,657	455,484	5,752,451	3,204,809	45,084,401
Excess (deficiency) of revenues over (under) expenditures	(4,825,565)	900,249	(4,883,175)	(2,744,390)	(11,552,881)
<b>Other Financing Sources (Uses):</b>					
Transfers in	8,703,563	-	707,412	1,807,008	11,217,983
Transfers out	(2,031,202)	(736,669)	(237,314)	(3,826)	(3,009,011)
Proceeds from sales of capital assets	36,113	-	-	-	36,113
Debt issuance	-	-	-	894,000	894,000
Total other financing sources (uses)	6,708,474	(736,669)	470,098	2,697,182	9,139,085
Net change in fund balances	1,882,909	163,580	(4,413,077)	(47,208)	(2,413,796)
<b>Fund Balances, Beginning of Year</b>	25,601,631	1,791,264	7,981,809	1,463,907	36,838,611
<b>Fund Balances, End of Year</b>	\$ 27,484,540	\$ 1,954,844	\$ 3,568,732	\$ 1,416,699	\$ 34,424,815

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

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

**Net change in fund balances - total governmental funds** \$ (2,413,796)

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

Governmental funds report capital purchases as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives and reported as depreciation expense.

Expenditures for capital assets	\$ 8,201,594	
Less current year depreciation	<u>(2,859,774)</u>	5,341,820

In the statement of activities, only the gain or loss on the sale of capital assets are reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balances by the cost of the capital assets sold or disposed.

Gain (loss) on sale of capital assets		(193,825)
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Cash pension contributions reported in the funds were less than the calculated pension expense on the statement of activities and therefore decreased net position.

(1,258,288)

Internal service funds are used by management to charge the costs of certain activities, such as workers' compensation and health insurance to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.

1,648,244

The issuance of long-term debt (e.g., bonds and notes payable) provide current financial resources to governmental funds, while repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas those amounts are deferred and amortized in the statement of activities.

Issuance of Debt	(894,000)	
Principal payments (\$35,652 capital lease payments included in general government)	1,140,652	
Amortization of premium and discount	<u>24,181</u>	270,833

Some revenues are recorded in the statement of activities, but since they do not provide current financial resources are not reported as revenues in the funds. This is the net amount of revenues recorded in the statement of activities in the current year.

107,967

Some expenses reported in the statement of activities (e.g., compensated absences) do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

(82,755)

The increase in the other post-employment benefit obligation reported in the statement of activities does not require the use of current financial resources and, therefore, is not reported as an expenditure in governmental funds.

(629,336)

**Change in Net Position of Governmental Activities** \$ 2,790,864

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

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

	<b>Business-type Activities - Enterprise Funds</b>			<b>Governmental Activities - Internal Services Fund</b>
	<b>Water and Sewer System</b>	<b>Stormwater Fund (Non-Major)</b>	<b>Total</b>	
<b>Assets:</b>				
Current assets:				
Cash and cash equivalents	\$ 36,007,734	\$ 1,302,664	\$ 37,310,398	\$ 4,441,347
Restricted current assets:				
Cash and cash equivalents	26,603,698	-	26,603,698	-
Investments	10,243,069	109,597	10,352,666	1,904,125
Accounts receivable, net	7,481,726	38,385	7,520,111	-
Accounts receivable earned, but not billed	5,470,649	-	5,470,649	-
Due from other governments	85,245	-	85,245	-
Inventory	965,105	-	965,105	-
Prepaid items	139,090	2,869	141,959	178,004
Total current assets	86,996,316	1,453,515	88,449,831	6,523,476
Noncurrent assets:				
Restricted noncurrent assets:				
Investments	26,094,716	-	26,094,716	-
Capital assets:				
Land	2,795,148	124,049	2,919,197	-
Buildings	10,918,043	-	10,918,043	-
Improvements other than buildings	369,179,612	5,735,704	374,915,316	-
Machinery and equipment	23,578,089	1,784,247	25,362,336	-
Intangibles	3,530,027	-	3,530,027	-
Construction in progress	21,819,141	86,719	21,905,860	-
Less accumulated depreciation/amortization	(228,931,345)	(2,900,623)	(231,831,968)	-
Total capital assets, net of accumulated depreciation/amortization	202,888,715	4,830,096	207,718,811	-
Total noncurrent assets	228,983,431	4,830,096	233,813,527	-
Total assets	315,979,747	6,283,611	322,263,358	6,523,476
<b>Deferred Outflows of Resources:</b>				
Deferred outflows related to refundings	4,367,857	-	4,367,857	-
Deferred outflows related to pensions	3,331,554	131,715	3,463,269	-
Deferred outflows related to OPEB	2,437,605	69,756	2,507,361	-
Total deferred outflows of resources	10,137,016	201,471	10,338,487	-

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

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

	<b>Business-type Activities - Enterprise Funds</b>			<b>Governmental Activities - Internal Services Fund</b>
	<b>Water and Sewer System</b>	<b>Stormwater Fund (Non-Major)</b>	<b>Total</b>	
<b>Liabilities:</b>				
Current liabilities (payable from current assets):				
Accounts and claims payable	\$ 5,551,839	\$ 157,020	\$ 5,708,859	\$ 39,163
Contracts payable	9,611,723	-	9,611,723	-
Accrued payroll and related liabilities	384,871	14,271	399,142	-
Compensated absences	284,935	9,960	294,895	-
Accrued claims payable	-	-	-	2,444,825
Due to other governments	10,405	6,187	16,592	-
State revolving loan payable	2,134,170	-	2,134,170	-
Current liabilities (payable from restricted assets):				
Accrued interest	129,035	-	129,035	-
Customer and developer deposits	3,159,021	-	3,159,021	-
Other deposits	981,913	-	981,913	-
Revenue bonds payable	3,595,000	-	3,595,000	-
Total current liabilities	25,842,912	187,438	26,030,350	2,483,988
Noncurrent liabilities:				
State revolving loan payable	11,716,385	-	11,716,385	-
Compensated absences	370,029	12,007	382,036	-
Accrued claims payable	-	-	-	1,853,000
Total OPEB Liability	15,157,559	215,888	15,373,447	-
Net pension liability	10,455,604	367,750	10,823,354	-
Revenue bonds payable, net of unamortized bond discount/premium	85,636,537	-	85,636,537	-
Total noncurrent liabilities	123,336,114	595,645	123,931,759	1,853,000
Total liabilities	149,179,026	783,083	149,962,109	4,336,988
<b>Deferred Inflows of Resources:</b>				
Deferred inflows related to pensions	585,351	16,411	601,762	-
Deferred inflows related to OPEB	1,092,512	22,323	1,114,835	-
Total deferred inflows of resources	1,677,863	38,734	1,716,597	-
<b>Net Position:</b>				
Net investment in capital assets	139,916,354	4,830,096	144,746,450	-
Restricted for:				
Debt service	2,470,129	-	2,470,129	-
Capital improvements	8,577,390	-	8,577,390	-
Renewal and replacement	2,750,000	-	2,750,000	-
Working capital	13,511,053	517,804	14,028,857	-
Unrestricted	8,034,948	315,365	8,350,313	2,186,488
Total net position	\$ 175,259,874	\$ 5,663,265	\$ 180,923,139	\$ 2,186,488

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

**City of Cocoa, Florida**  
**Statement of Revenues, Expenses, and Changes in Net Position -**  
**Proprietary Funds**  
**Year Ended September 30, 2020**

	<b>Business-type Activities - Enterprise Funds</b>			<b>Governmental Activities -</b>
	<b>Water and Sewer System</b>	<b>Stormwater Fund (Non-Major)</b>	<b>Total</b>	<b>Internal Service Funds</b>
<b>Operating revenues:</b>				
Charges for services	\$ 62,321,074	\$ (5,832)	\$ 62,315,242	\$ 8,384,500
Impact fees	5,576,575	-	5,576,575	-
Special Assessment Revenue	-	1,685,886	1,685,886	-
Fire protection	3,502,281	-	3,502,281	-
Miscellaneous revenue	123,395	1,049	124,444	294,712
Total operating revenues	71,523,325	1,681,103	73,204,428	8,679,212
<b>Operating expenses:</b>				
Water/sewer treatment	13,716,652	-	13,716,652	-
Administration	13,979,124	1,330,562	15,309,686	-
Depreciation/amortization	11,373,192	304,609	11,677,801	-
Insurance claims and expenses	-	-	-	7,089,964
Transmission and distribution	7,858,274	-	7,858,274	-
Lift stations and lines	2,799,501	-	2,799,501	-
Total operating expenses	49,726,743	1,635,171	51,361,914	7,089,964
<b>Operating income (loss)</b>	21,796,582	45,932	21,842,514	1,589,248
<b>Nonoperating revenues (expenses):</b>				
Gain (loss) on disposal of assets	84,036	(10,700)	73,336	-
Investment earnings	1,036,185	9,996	1,046,181	58,996
Interest expense	(4,296,063)	-	(4,296,063)	-
Total nonoperating revenues (expenses)	(3,175,842)	(704)	(3,176,546)	58,996
<b>Income before contributions and transfers</b>	18,620,740	45,228	18,665,968	1,648,244
<b>Capital contributions and transfers</b>				
Capital contributions	3,862,404	-	3,862,404	-
Capital grant	350,881	67,189	418,070	-
Transfers out	(8,208,972)	-	(8,208,972)	-
Total capital contributions and transfers	(3,995,687)	67,189	(3,928,498)	-
Change in net position	14,625,053	112,417	14,737,470	1,648,244
<b>Net position, beginning</b>	160,634,821	5,550,848	166,185,669	538,244
<b>Net position, ending</b>	<u>\$ 175,259,874</u>	<u>\$ 5,663,265</u>	<u>\$ 180,923,139</u>	<u>\$ 2,186,488</u>

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

**City of Cocoa, Florida**  
**Statement of Cash Flows -**  
**Proprietary Funds**  
**Year Ended September 30, 2020**

	<b>Business-type Activities - Enterprise Funds</b>			<b>Governmental Activities - Internal Service Funds</b>
	<b>Water and Sewer System</b>	<b>Stormwater Fund</b>	<b>Total</b>	
<b>Cash flows from operating activities:</b>				
Cash received from customers for sales and services	\$ 72,127,566	\$ 1,882,478	\$ 74,010,044	\$ 8,682,506
Cash payments to suppliers for goods and services	(20,389,523)	(813,070)	(21,202,593)	-
Cash payments to employees	(14,006,692)	(477,763)	(14,484,455)	-
Cash payments for insurance and claims expense	-	-	-	(7,626,947)
Net cash provided by (used in) operating activities	<u>37,731,351</u>	<u>591,645</u>	<u>38,322,996</u>	<u>1,055,559</u>
<b>Cash flows from noncapital financing activities:</b>				
Cash transfers in from other funds	-	-	-	-
Cash transfers out to other funds	(8,208,972)	-	(8,208,972)	-
Net cash provided by (used in) noncapital financing activities	<u>(8,208,972)</u>	<u>-</u>	<u>(8,208,972)</u>	<u>-</u>
<b>Cash flows from capital and related financing activities:</b>				
Acquisition of capital assets	(7,630,221)	(407,159)	(8,037,380)	-
Proceeds from sale of capital assets	84,036	-	84,036	-
Principal paid on revenue bonds and loans	(5,524,570)	-	(5,524,570)	-
Interest paid on long-term debt	(4,267,380)	-	(4,267,380)	-
Proceeds from issuance of bonds	-	-	-	-
Capital contributions - grant	350,881	67,189	418,070	-
Net cash provided by (used in) in capital and related financing activities	<u>(16,987,254)</u>	<u>(339,970)</u>	<u>(17,327,224)</u>	<u>-</u>
<b>Cash flows from investing activities:</b>				
Investment income	1,036,185	9,996	1,046,181	58,996
Proceeds from sale/maturity of investments	21,626,780	73,553	21,700,333	1,115,330
Purchase of investments	-	-	-	-
Net cash provided by (used in) investing activities	<u>22,662,965</u>	<u>83,549</u>	<u>22,746,514</u>	<u>1,174,326</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>35,198,090</b>	<b>335,224</b>	<b>35,533,314</b>	<b>2,229,885</b>
<b>Cash and cash equivalents, beginning</b>	<b>27,413,342</b>	<b>967,440</b>	<b>28,380,782</b>	<b>2,211,462</b>
<b>Cash and cash equivalents, ending</b>	<b><u>\$ 62,611,432</u></b>	<b><u>\$ 1,302,664</u></b>	<b><u>\$ 63,914,096</u></b>	<b><u>\$ 4,441,347</u></b>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>				
Operating income (loss)	\$ 21,796,582	\$ 45,932	\$ 21,842,514	\$ 1,589,248
<b>Adjustments to reconcile operating income (loss) to net cash provided by operating activities:</b>				
Depreciation/amortization	11,373,192	304,609	11,677,801	-
Change in assets and liabilities:				
(Increase) decrease in assets:				
Accounts receivable	351,170	201,375	552,545	3,294
Due from other governments	(85,245)	-	(85,245)	-
Inventory	(81,712)	-	(81,712)	-
Prepaid items	28,169	1,508	29,677	(27,617)
Deferred outflows of resources - pensions	(267,405)	(55,358)	(322,763)	-
Deferred outflows of resources - OPEB	(1,639,838)	(8,953)	(1,648,791)	-
Increase (decrease) in liabilities:				
Accounts and claims payable	2,442,199	(3,890)	2,438,309	2,733
Contracts payable and retainage payable	396,990	-	396,990	-
Accrued payroll and related liabilities	178,461	(215)	178,246	-
Accrued claims payable	-	-	-	(512,099)
Due to other governments	2,503	6,187	8,690	-
OPEB Liability	2,256,798	76,186	2,332,984	-
Net pension liability	1,170,577	39,196	1,209,773	-
Deferred inflows of resources - pensions	(223,286)	(7,476)	(230,762)	-
Deferred inflows of resources - OPEB	(220,875)	(7,456)	(228,331)	-
Deposits	253,071	-	253,071	-
Total adjustments	<u>15,934,769</u>	<u>545,713</u>	<u>16,480,482</u>	<u>(533,689)</u>
Net cash provided by (used in) operating activities	<u>\$ 37,731,351</u>	<u>\$ 591,645</u>	<u>\$ 38,322,996</u>	<u>\$ 1,055,559</u>
<b>Noncash capital and related financing activities:</b>				
Acquisition of capital assets through contributions from property owners, developers and other governments	<u>\$ (3,862,404)</u>	<u>\$ -</u>	<u>\$ (3,862,404)</u>	<u>\$ -</u>

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



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

	<b>Employee Pension Trust Funds</b>
<b>Assets:</b>	
Cash and cash equivalents	\$ 1,795,802
U.S. Bonds and T-bills	1,003,586
Federal Agencies	1,632,734
Investments at fair value:	
Corporate Bonds	4,698,414
Stocks	21,381,004
Mutual funds	28,012,636
Pooled Comingled Equity Funds	5,695,715
US real estate investment fund	8,139,442
Interest receivable	48,974
	<hr/>
Total assets	72,408,307
	<hr/>
<b>Liabilities:</b>	
Accounts payable	\$ 85,146
Deferred contributions	61,609
	<hr/>
Total liabilities	146,755
	<hr/>
<b>Net Position:</b>	
Restricted for pension benefits	\$ 72,261,552
	<hr/> <hr/>

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

**City of Cocoa, Florida**  
**Statement of Changes in Fiduciary Net Position -**  
**Fiduciary Funds**  
**Year Ended September 30, 2020**

	<b>Employee Pension Trust Funds</b>
<b>Additions</b>	
Contributions:	
Employer contributions	\$ 2,670,204
Employee contributions	378,658
Employee voluntary contributions	1,286
State contributions	<u>298,342</u>
Total contributions	<u>3,348,490</u>
Investment earnings:	
Net increase in the fair value of investments	4,560,092
Interest and dividends	<u>1,763,671</u>
Total investment earnings	6,323,763
Less investment expense	<u>300,230</u>
Net investment earnings	<u>6,023,533</u>
Total additions	<u>9,372,023</u>
<b>Deductions</b>	
Benefits payments	5,137,944
Administrative expenses	<u>220,326</u>
Total deductions	<u>5,358,270</u>
Change in net position	4,013,753
<b>Net position, beginning of year</b>	<u>68,247,799</u>
<b>Net position, end of year</b>	<u><u>72,261,552</u></u>

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

# **CITY OF COCOA**

## **NOTES TO FINANCIAL STATEMENTS**

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

#### **A. Reporting Entity**

The City of Cocoa, Florida (the “City”) was incorporated as a village in 1895 and as a city in 1913. The City of Cocoa was re-created pursuant to House Bill 1348, as set forth in Chapter 59-1186, Laws of Florida. The City has a population of approximately 19,290 and is located on the central east coast of Florida. The City operates under a charter adopted in 1959 and provides for a Council-City Manager form of government. The governing body is a five-member elected City Council comprised of a Mayor and four Council members. The City Council appoints the City Manager who is responsible for the administration of all City services.

The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although separate legal entities, are, in substance, part of the government’s operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that it is legally separate from the government.

#### **1. Component Units**

Effective for the FY 20 fiscal year, the State of Florida amended FS 163.387 (8) to require separate financial statements to be issued for each CRA that meets a specified \$100,000 threshold. The component units' financial information is audited and included in the City's annual report and the separately issued annual reports can be obtained from the City Clerk's office or on the City's website.

##### **a) Blended Component Units**

- (i) Cocoa Redevelopment Agency (the “Agency”) – The Agency was organized under Section 163 of the Florida Statutes and formally came into existence in 1981. The Agency uses property tax incremental revenues derived from taxable real property within the geographic boundaries of the community redevelopment area to finance the rehabilitation, conservation, and re-development of affordable housing and related facilities for residents of low or moderate income. The Agency’s Board is comprised of the City Council and two additional members who reside in, or are engaged in business in, the area of the Agency’s operation.

Cocoa Public Safety Employees’ Retirement Systems – The City’s public safety employees participate in two Public Safety Employees’ Retirement Systems (“PSERS”). Each single-employer PSERS plan (firefighters and police officers) functions for the benefit of its employees and is governed by a five-member pension Board, consisting of two City employees, two legal residents of the City, and one member appointed by the other four. The City and PSERS participants are obligated to fund all PSERS costs based upon actuarial valuations. The pension Board is authorized to establish benefit levels and to

**CITY OF COCOA**  
**NOTES TO FINANCIAL STATEMENTS**  
**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)***

**a) Blended component units *(Continued)***

approve the actuarial assumptions used in the determination of contribution levels.

Cocoa General Employees' Retirement System – City employees not participating in the PSERS or the 401(a) Defined Contribution Plan are covered under the General Employees' Retirement System ("GERS"), unless they opted out as of March 1, 2009, to be included in the Florida Retirement System (see Note 10). The GERS functions for the benefit of its employees and is governed by a five-member pension board consisting of three elected City employees and two City Council appointees residing in the City. The City and GERS participants are obligated to fund all GERS costs based upon actuarial valuations. The GERS pension Board is authorized to establish benefit levels and to approve the actuarial assumptions used in the determination of contribution levels.

Pension information for the PSERS and the GERS is found in a combined format in the Fiduciary Statement of Net Position and Statement of Changes in the Fiduciary Net Position in the City's annual report. Stand-alone financial statements for the for the individual PSERS and the GERS plans are contained in the annual actuarial reports that are prepared by an external consultant and can be obtained from the City Clerk.

**b) Discretely Presented Component Units**

- (i) Diamond Square Redevelopment Agency – The Diamond Square Redevelopment Agency was organized under Section 163 of the Florida Statutes and formally came into existence in 1998. The Diamond Square Redevelopment Agency uses property tax incremental revenues derived from taxable real property within the geographic boundaries of the community redevelopment area to finance development within that area. The Board is appointed by the City Council and is comprised of seven members who reside in, or are engaged in business in, the area of the Diamond Square Redevelopment Agency's operation. There is a potential for the Agency to provide specific financial benefits to, or impose specific financial burdens on, the City.
- (ii) U.S. 1 Corridor Redevelopment Agency – The U.S. 1 Corridor Redevelopment Agency was organized under Section 163 of the Florida Statutes and formally came into existence in 1998. The U.S. 1 Corridor Redevelopment Agency uses property tax incremental revenues derived from taxable real property within the geographic boundaries of the community redevelopment area to finance development within that area. The Board is appointed by the City Council and is comprised of seven members who reside in, or are engaged in business in, the area of the U.S. 1 Corridor Redevelopment Agency's operation. There is a

## CITY OF COCOA NOTES TO FINANCIAL STATEMENTS

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

potential for the Agency to provide specific financial benefits to, or impose specific financial burdens on, the City. The U.S. 1 Corridor Redevelopment Agency will sunset on September 30, 2020.

#### **b) Discretely Presented Component Units (*Continued*)**

The component units' financial information is audited and included in the City's annual financial report in the Government-Wide Statement of Net Position and the Statement of Activities. Separately issued financial statements can be obtained from the City Clerk's office or on the City's website.

### **B. Measurement Focus and Basis of Accounting and Financial Statement Presentation**

#### **1. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which are normally supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**CITY OF COCOA**  
**NOTES TO FINANCIAL STATEMENTS**  
**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**1. Government-Wide and Fund Financial Statements (Continued)**

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

Property taxes, franchise fees, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

**a) Restricted Net Position**

The balance of the restricted net position at September 30, 2020 in the enterprise funds are as follows:

Debt Service	\$ 2,470,129
Capital Improvements	8,577,390
Renewal and Replacement	2,750,000
Working Capital	14,028,857
Total Restricted Net Position	<u>\$ 27,826,376</u>

**2. Fund Financial Statements**

**a) The City reports the following major governmental funds:**

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

The *Cocoa Redevelopment Agency Fund* accounts for incremental tax revenues within the downtown Cocoa Village area. The monies are restricted by State Statute to specific projects or a class of projects within this geographical area.

The *Capital Projects Fund* accounts for acquisition of capital assets or the construction of major capital projects

**CITY OF COCOA**  
**NOTES TO FINANCIAL STATEMENTS**  
**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*Continued*)**

**2. Fund Financial Statements (*Continued*)**

**b) The City reports the following major proprietary funds:**

- (i) The *Water and Sewer Fund* accounts for water and sewer operations that are financed and operated in a manner similar to private business enterprise. The fund is intended to be predominantly self-supported from user charges.

**c) Additionally, the City reports the following funds:**

Internal Service Funds

The *internal service funds* account for the activity of the City's workers' compensation self-insurance fund and healthcare self-insurance fund. Services are provided to various City departments on a cost-reimbursement basis.

The City reports the following fiduciary funds:

The *pension trust funds* account for assets, liabilities, revenues and expenses of the pension plans of the City's general employees, firefighters and police officers and the defined contribution plan. The activities of these funds are subject to state mandatory regulations, local ordinances and the policies of the governing boards.

The City's nonmajor governmental funds consist of special revenue funds (Community Development Block Grant, Cocoa Housing Assistance Trust, Brevard County Home Program, Loan Guarantee, Police Confiscated Funds, Police Special Education and Federal Forfeiture), and a Debt Service fund. The City's nonmajor enterprise fund consists of the stormwater utility fund.

As a rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's water and sewer function and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported in the various functions concerned.

Amounts reported as *program revenues* include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 2) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, *general revenues* include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and providing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the water and sewer enterprise fund and the City's internal service funds are charges to customers

**CITY OF COCOA**  
**NOTES TO FINANCIAL STATEMENTS**  
**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)***

**c) Additionally, the City reports the following funds: *(Continued)***

for sales and services. The Water and Sewer System fund also recognizes as operating revenues the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and the internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

**3. Fund Balance**

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Non-spendable Fund Balance— Amounts that are inherently not spendable because of their form (such as inventory) and/or that cannot convert or are not readily convertible to cash (such as prepaid assets or the long-term portion of loans receivable).

Restricted Fund Balance— Amounts that have externally enforceable limitations on their use. These amounts are constrained to the specific purposes by their providers (such as grantors, bondholders, or higher levels of government pursuant to enabling legislation, e.g., gas tax revenues that must be used for road repairs).

Committed Fund Balance— Amounts that have self-imposed limitations established through actions of the City Council (the City's highest level of decision-making authority) set in place prior to the end of a financial reporting period. These amounts cannot be used for any other purpose, unless the City Council takes action by Resolution to remove or change the limitation.

Assigned Fund Balance— Amounts that the City intends to use for a specific purpose. The authority for such intent may be expressed by the City Council, the Finance Committee or the City Manager in accordance with the City's Fund Balance Reserve Policy.

Unassigned Fund Balance— The remaining portion of fund balance which is spendable and not obligated or specifically designated and, therefore, available for any purpose. The General Fund is the only fund that reports a positive unassigned fund balance.



# CITY OF COCOA

## NOTES TO FINANCIAL STATEMENTS

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

#### 3. Fund Balance *(Continued)*

In other governmental funds, it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

The City will use restricted amounts to be spent first when both restricted and unrestricted fund balance is available, unless there are legal documents or contracts that prohibit doing this, such as in grant agreements requiring dollar-for-dollar spending. Additionally, the City would first use Unassigned Fund Balance, unless the expenditure is identified as a component of the Committed or Assigned Fund Balance, when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

At September 30, 2020, the City's fund balances were classified as follows:

September 30, 2020	General	Cocoa Redevelopment Agency	Capital Projects Fund	Nonmajor Funds	Total Governmental Funds
Fund balances:					
Non-spendable:					
Inventory	\$ 20,728	\$ -	\$ -	\$ -	\$ 20,728
Prepaid Items	197,481	5,435	-	-	202,916
Long-term Receivable	1,252,380	-	-	-	1,252,380
Restricted:					
Public safety	2,234	-	-	63,264	65,498
Reserve Fund - Dr. Joe Lee Smith					
Community Center Project	67,000				67,000
Community Improvement projects	-	1,949,409	-	722,581	2,671,990
Debt Service Payments	-	-	-	630,854	630,854
Committed:					
Other Community Improvements	-	-	-	-	-
Stabilization Fund	11,771,647	-	-	-	11,771,647
Capital Replacement	500,000	-	-	-	500,000
Capital Projects	-	-	3,568,732	-	3,568,732
Assigned:					
Economic Incentives	750,000	-	-	-	750,000
Building & Equipment Improvements	494,000				494,000
City-wide Software Upgrade	1,750,000	-	-	-	1,750,000
Cocoa Park Improvements	2,500,000				2,500,000
Cocoa Village Parking	1,500,000				1,500,000
Donations	85,000				85,000
Road & Sidewalk Improvements	350,000				350,000
Housing	350,000	-	-	-	350,000
Sustainability/Resiliency Initiatives	1,000,000	-	-	-	1,000,000
Unassigned	4,894,070	-	-	-	4,894,070
Total fund balances	<u>\$ 27,484,540</u>	<u>\$ 1,954,844</u>	<u>\$ 3,568,732</u>	<u>\$ 1,416,699</u>	<u>\$ 34,424,815</u>

# **CITY OF COCOA**

## **NOTES TO FINANCIAL STATEMENTS**

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

#### **4. Budgets & Budgetary Accounting**

The following procedures are used to establish the budgetary data reflected in the financial statement:

- 1) No later than August 1 of each year, the City Manager submits a proposed operating budget to City Council for the fiscal year commencing the following October 1.
- 2) Public hearings are held to obtain taxpayer comments.
- 3) Prior to October 1, the budget is legally enacted through the passage of a resolution.
- 4) Budgets are legally adopted and formal budgetary integration is employed as a management control device during the year for all appropriated funds, including the internal service funds. The budget for the enterprise fund is derived in compliance with bond covenants and operational needs. The pension trust funds are not budgeted.
- 5) Budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). The budget for the enterprise fund is adopted on a non-GAAP basis to reflect budget versus actual information related to "operations and maintenance" as defined in bond covenants.
- 6) The City Manager is authorized to transfer all or part of an unencumbered appropriation balance between departments within a fund; however, any revisions that alter the total appropriations of any fund must be approved by City Council. The classification at which expenditures may not legally exceed appropriations is at the object classification level. During the fiscal year, various appropriations were approved in accordance with this policy. Budgeted amounts shown in the financial statements are as originally adopted and as further amended.
- 7) Appropriations lapse at the end of the fiscal year. Reappropriation of remaining encumbrances that will continue into the following year require separate approval by City Council in the following fiscal year.

#### **5. Cash and Cash Equivalents**

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

Cash balances available within various funds, except pension trust funds, were pooled for investment purposes. Substantially all deposits at September 30, 2020, were invested using the pooled investment concept. Interest earned was allocated to the various funds based on their average cash and investment balances.

**CITY OF COCOA**  
**NOTES TO FINANCIAL STATEMENTS**

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

Cash and cash equivalents for the purpose of the proprietary fund statement of cash flows include: cash, short-term investments with original maturities of three months or less from the date of acquisition, and money market funds.

**5. Cash and Cash Equivalents (*Continued*)**

Investments are reported at fair value, with the exception of external investment pools that comply with criteria set forth in Section 150: *Investments* of the GASB Codification and have elected to measure their investments at amortized cost. Accordingly, the fair value of the City's position in the external investment pools having met these criteria is equal to the value of pooled shares.

**a) The City is authorized to invest surplus funds as follows:**

- a) The State Pool, administered by the Florida State Board of Administration;
- b) U.S. Government securities and agencies of the U.S. Government;
- c) U.S.-sponsored agencies, including Federal Farm Credit Bank ("FFCB"), Federal Home Loan Bank or its City banks ("FHLB"), Federal National Mortgage Association ("FNMA"), Federal Home Loan Mortgage Corporation ("Freddie-Macs"), and Federal Home Loan Mortgage Corporation participation certificates;
- d) Interest-bearing time deposits or savings accounts;
- e) Repurchase agreements, commercial paper and bankers' acceptances;
- f) Corporate notes issued by corporations operating in the United States or by depository institutions licensed by the United States;
- g) State or local government taxable or tax-exempt debt, general obligation debt, or revenue bonds;
- h) Money market mutual funds, which are open-end, no load funds, where the share value of funds is equal to \$1.00;
- i) Intergovernmental investment pools that are authorized pursuant to the Florida Interlocal Cooperation Act, provided said funds contain no derivatives.

**b) The General Employees' Pension Fund is authorized to invest surplus funds as follows:**

- a) Corporate fixed income securities rated "BAA" or higher by Moody's or "BBB" by Standard & Poor's;

**CITY OF COCOA**  
**NOTES TO FINANCIAL STATEMENTS**

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

- b) Corporate fixed income securities rated “BAA” or higher by Moody’s or “BBB” by Standard & Poor’s;
  - c) Collateralized mortgage obligations whose collateral is secured by Government National Mortgage Association (“GNMA”), Federal Home Loan Mortgage Corporation (“FHLMC”) or Federal National Mortgage Association (“FNMA”);
  - d) The money market or short-term investment fund (“STIF”) provided by the fund’s custodian;
  - e) Direct obligations of the U.S. Government with a maturity of one year or less;
  - f) Commercial paper with a maturity of 270 days or less that is rated “A-1” by Moody’s or “P-1” by Standard & Poor’s; and
  - g) Bankers acceptances issued by the 50 largest banks in the United States (in terms of total assets).
- c) The Police Officers' Pension Fund is authorized to invest surplus funds as follows:**
- a) Time, savings and money market deposit accounts of a national bank, a state bank or a savings and loan institution, insured by the Federal Deposit Insurance Corporation (“FDIC”), provided the amount deposited does not exceed the insured amount, and cash instruments that have a quality rating of at least Standard & Poor’s “P-1” or Moody’s “A-1”;
  - b) Obligations issued by the United States Government or obligations guaranteed as to principal and interest by the United States Government or by an agency of the United States Government;
  - c) Bonds issued by the State of Israel;
  - d) Bonds or other evidences or indebtedness issued or guaranteed by a corporation organized under the laws of the United States or the District of Columbia and the corporation is listed on one or more of the recognized national exchanges or on the National Market System of the NASDAQ stock market, provided the issuer has a quality rating of at least “A” by Standard & Poor’s or Moody’s;
  - e) Equity investments (common stock, convertible bonds, and preferred stock) in a corporation listed on one or more of the recognized national exchanges or on the National Market System of the NASDAQ stock market;
  - f) Commingled stock, bond or money market funds whose investments are restricted to securities meeting the requirements of Section 3 of the Investment policy related to liquidity, custodian, bid requirement and risk diversification;

**CITY OF COCOA**  
**NOTES TO FINANCIAL STATEMENTS**  
**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(Continued)**

**c) The Police Officers Pension Fund is authorized to invest surplus funds as follows: (Continued)**

- g) Investments in real estate are limited to real estate investment trusts (“REITs”); and
- h) Repurchase agreements adhering to the requirements of the Master Repurchase Agreement.

**d) The Firefighters Pension Fund is authorized to invest surplus funds as follows:**

- a) At all times, the Board’s investments are subject to the limitations set forth in Florida Statute Sections 215.47(1-8), (10), and (16), except as otherwise permitted by Chapter 175 or by local ordinance;
- b) Equity investments (common stock, convertible bonds, and preferred stock) in a corporation listed on one or more of the recognized national exchanges or on the National Market System of the NASDAQ stock market;
- c) Fixed income investments shall be permitted in obligations of the United States or obligations guaranteed as to principal and interest by the Government of the United States, with a minimum quality rating of “A” or equivalent, as rated by one or more recognized bond rating services at the time of purchase;
- d) Fixed income investments in bonds issued by the State of Israel;
- e) Money market funds, short-term investment funds; securities rated “A-1” or better by Moody’s or “P-1” or better by Standard & Poor’s; and
- f) Time or savings accounts of a national bank, a state bank insured by the Bank Insurance Fund, or a savings, building, and loan association insured by the Savings Association Insurance Fund which is administered by the FDIC.

Investments for the City, as well as for its component units, are stated at fair value. Banks and savings and loans in which City funds are deposited must be classified as a qualified public depository, as defined in the Florida Security for Public Deposits Act, Chapter 280, Florida Statutes, before any deposits are made with those institutions.

**6. Inventories**

All inventories are valued at cost. The cost is recorded in inventory at the time of purchase and is charged to the appropriate department when consumed using an average cost method. Inventories of the governmental funds consist principally of supplies for City vehicles and fuel. Inventories of the proprietary funds primarily consist of maintenance supplies.

**CITY OF COCOA**  
**NOTES TO FINANCIAL STATEMENTS**  
**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(Continued)*

**7. Prepaid Items**

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

**8. Restricted Assets**

The use of certain assets of the Water and Sewer Utility Fund are restricted by certain provisions of bond resolutions and other agreements. Other assets are restricted by nature of the funding sources. Assets so designated are identified as restricted assets on the statement of net position and fund level statements.

**9. Capital Assets**

Capital assets, which include property, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, pipelines, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

Capital assets are defined by the government as assets with an estimated useful life in excess of two years and an individual cost of \$5,000 or more for equipment or an individual cost of \$25,000 or more for buildings, improvements other than buildings, and infrastructure. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated and confiscated capital assets are recorded at acquisition value. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

Capital assets of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

Buildings	30 years
Infrastructure	11 to 50 years
Equipment	3 to 20 years
Vehicles	5 to 20 years

The City recognizes amortization of software over a period of 3 years using the straight-line method.

**10. Amortization of Bond Premium and Discounts**

Bond discounts and premiums are amortized over the life of the bonds using the effective interest method. In the governmental funds, these costs are recorded as other sources or uses of funds when bonds are issued. Issuance costs are expensed at the time of debt issuance.

**CITY OF COCOA**  
**NOTES TO FINANCIAL STATEMENTS**  
**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)***

**11. Receivables**

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.”

All account and tax receivables are shown net of allowance for uncollectible accounts.

Property Taxes Receivable

The City is permitted by State law to levy taxes up to 10 mills on assessed valuation. However, Chapter 74-430, Laws of Florida, a special act applicable only to governmental units in Brevard County, limits the annual increase to 10% of the prior year’s millage. Pursuant to Chapter 200.065(5)(a), Florida Statutes the maximum millage rate that the City may levy is a rolled-back rate based on the amount of taxes which would have been levied in the prior year if the maximum millage rate had been applied, adjusted for the change in per capita Florida personal income, unless a higher rate is adopted, in which case the maximum is the adopted rate. The Cocoa City Council levy for the fiscal year ended September 30, 2020 was 5.9790 mills, which represents an increase over the rolled back rate.

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

**12. Compensated Absences**

It is the City’s policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation and a portion of sick pay is accrued when incurred in the government-wide and proprietary fund type financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

**13. Deferred Outflows of Resources/Deferred Inflows of Resources**

The deferred amount for advance refunding of debt in the Water and Sewer fund is classified as deferred outflows of resources.

**CITY OF COCOA**  
**NOTES TO FINANCIAL STATEMENTS**

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

**13. Deferred Outflows of Resources/Deferred Inflows of Resources *(Continued)***

The deferred outflows related to pensions are an aggregate of items related to pensions as calculated in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. Total deferred outflows of resources related to pensions were \$9,753,659 for the year ended September 30, 2020.

The deferred outflows related to OPEB are an aggregate of items related to OPEB as calculated in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Total deferred outflows of resources related to OPEB were \$6,312,392 for the year ended September 30, 2020.

Unavailable revenues and resources received before time requirements are met are classified as deferred inflows of resources.

The deferred inflows related to pensions are an aggregate of items related to pensions, as calculated in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. Total deferred inflows of resources related to pensions were \$1,767,500 for the year ended September 30, 2020.

The deferred inflows related to OPEB are an aggregate of items related to OPEB, as calculated in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Total deferred inflows of resources related to OPEB were \$2,784,787 for the year ended September 30, 2020.

**14. Defined Benefit Pension Plans**

The City participates in cost-sharing, multiple-employer, defined benefit pension plans that are administered by the State of Florida, Department of Management Services, Division of Retirement. Additionally, the City participates in three separate single-employer defined benefit pension plans for firefighters, police officers and those full-time employees who did not elect to be in the Florida Retirement System. For purposes of measuring the net pension asset or liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net positions of the City and state-administered defined benefit pension plans and additions to/deductions from the City and state-administered defined benefit pension plans' fiduciary net positions have been determined on the same basis as they are reported by the City and state-administered defined benefit pension plans. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The City's employer contributions are recognized when due and the City has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the City and state-administered defined benefit pension plans.



**CITY OF COCOA**  
**NOTES TO FINANCIAL STATEMENTS**  
**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(Continued)*

**15. Unearned Revenues**

Unearned revenues include amounts collected before the revenue recognition criteria are met. The unearned items consist of grant and other revenues received in excess of amounts earned since the work has not been performed and, therefore, expenditures not incurred.

**16. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States (“GAAP”) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures/expenses during the reporting period. Actual results could differ from management’s estimates.

**17. Fund Deficit**

There are no funds that report a fund deficit as of September 30, 2020.

**18. New Accounting Pronouncements**

The City did not implement any new accounting pronouncements for the period ended September 30, 2020.

**19. Net Position Restricted by Enabling Legislation**

The City reports net position restricted by enabling legislation for public safety (\$63,264) and housing assistance (\$722,581) as of September 30, 2020.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 2 - DEPOSITS & INVESTMENTS

#### A. Governmental & Business-Type Activities Deposits and Investments

The City invests certain surplus funds in an external investment pool, the Local Government Surplus Funds Trust Fund (the “Florida Prime”). The State Pool is administered by the Florida State Board of Administration (“SBA”), who provides regulatory oversight.

Under GASB Codification I50: *Investments*, if a participant has an investment in a qualifying external investment pool that measures for financial reporting purposes all of its investments at amortized cost, it should disclose the presence of any limitations or restrictions on withdrawals (such as redemption notice periods, maximum transaction amounts, and the qualifying external investment pool’s authority to impose liquidity fees or redemption gates) in notes to the financial statements.

As of September 30, 2020, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit the City’s access to 100% of its account value in either external investment pool.

At September 30, 2020, the City’s carrying amount of cash deposits was \$69,118,413 and the bank balance was \$69,131,832. In addition, the City holds \$2,750 of petty cash. The component units’ carrying amount of deposits with banks was \$391,026 and the bank balance was \$391,026. As of September 30, 2020, \$250,000 of the City’s bank balances is covered by the FDIC. Monies invested in amounts greater than the insurance coverage are secured by the qualified public depositories pledging securities with the State Treasurer in such amounts required by the Florida Security for Public Depositories Act. In the event of a default or insolvency of a qualified public depositor, the State Treasurer will implement procedures for payment of losses according to the validated claims of the City pursuant to Section 280.08, Florida Statutes.

#### Credit Risk

The City’s investment policy and the investment policies for the City’s General Employees’, Police Officers’ and Firefighters’ Pension Funds limit investments to securities with specific ranking criteria.

#### Interest Rate Risk

The City’s investment policy limits interest rate risk by requiring that investment maturities shall not be greater than seven years. In addition, the overall required weighted average duration is required to be less than three years. The City’s General Employees’, Police Officers’ and Firefighters’ Pension Funds do not address interest rate risk.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 2 - DEPOSITS & INVESTMENTS *(Continued)*

#### A. Governmental & Business-Type Activities Deposits and Investments *(Continued)*

##### Concentration of Credit Risk

The City's Police Officers' and Firefighters' Pension Funds do not allow for an investment in any one issuer that is in excess of five percent of the respective funds' total investments, except for securities issued by the U.S. Government or its agencies, which may be held without limitation. The City's investment policy and the investment policy of the City's General Employees' Pension Fund do not address concentration of credit risk.

##### Foreign Currency Risk

The City's pension funds contain investments in foreign stock mutual funds and foreign corporate bonds; however, all of the investments are denominated in U.S. dollars and are not exposed to foreign currency risk.

##### Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, the City will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The City's investment policy does not contain requirements that would limit exposure to custodial credit risk for investments. Pension plans operate under separate investment policies. The fiduciary funds' U.S. Real Estate Investments are not covered by the SIPC (Securities Investor Protection Corporation) insurance, are uncollateralized and held by the pension funds' broker-dealer (counterparty); therefore, the balance as of September 30, 2020 of \$8,139,442 is subject to custodial credit risk. The fiduciary funds' remaining investments are covered by SIPC insurance.

At September 30, 2020, the City had the following investments:

Investment Type	Fair Value	Less than 1	1 - 5	6 - 10	More than 10	Rating	Agency	Level
SBA (Florida Prime)	\$ 599,072	\$ 599,072	\$ -	\$ -	\$ -	AAAm	S&P	
FL Class	22,498,926	22,498,926	-	-	-	AAA - A-	S&P	
Money Market Fund								
Money Market Fund	129	129	-	-	-	AAA	S&P	L1
Money Market Fund	29,532,234	29,529,072	-	-	-	AAAm	S&P	L1
Corporate Bonds								
Corporate Bonds (Aaa - A1)	722,702	722,702	-	-	-	A+	S&P	L2
Asset-Backed Securities								
Asset-Backed Securities (Aaa)	-	-	-	-	-		S&P	L2
US Treasuries								
US Treasuries (Aaa-Aa1)	11,721,322	10,211,056	1,510,265	-	-	AA+	S&P	L2
US Agencies								
US Agencies (Aaa)	7,821,751	3,622,809	4,198,942	-	-	AA+	S&P	L2
Total primary government cash equivalents and investments	\$ 72,896,136	\$ 67,183,766	\$ 5,709,207	\$ -	\$ -			
Less: Total Cash Equivalents, at cost	\$ 29,529,202							
Total Investments	<u>\$ 43,366,934</u>							

## NOTES TO FINANCIAL STATEMENTS

### NOTE 2 - DEPOSITS & INVESTMENTS *(Continued)*

#### B. Fiduciary Investments

At September 30, 2020, the fiduciary funds had the following investments:

Investment Type	Fair Value	Less than 1	1 - 5	6 - 10	More than 10	Rating	Agency	Level
Bond Mutual Fund	\$ 239,729	\$ -	\$ 211,979	\$ 27,750	\$ -	AAA - AA	S&P	L1
Fixed Income US Government (AAA)	1,619,168	-	922,493	-	696,675	AAA	S&P	L2
Fixed Income Preferred Securities	108,716	108,716	-	-	-	Baa2 - Baa3	S&P	L2
Corporate Fixed Income	2,565,232	305,884	371,591	1,869,879	17,878	AAA - A-, BBB+ - B-	S&P	L2
Mutual Funds	38,523,665	38,505,078	-	-	-	Not Rated		L1
Equities	14,539,097	14,539,097	-	-	-	Not Rated		L1
Fixed Income	3,648,653	675,053	1,835,661	371,483	766,456	Not Rated		L2
Real Estate Investment Fund	8,139,442	8,139,442	-	-	-	Not Rated		L3
Alternative Investments	610,331	610,331	-	-	-	Not Rated		-
Global Fixed Income	618,472	618,472	-	-	-	Not Rated		
Total Investments	<u>\$ 70,612,505</u>	<u>\$ 63,502,073</u>	<u>\$ 3,341,724</u>	<u>\$ 2,269,112</u>	<u>\$ 1,481,009</u>			
Total Cash Equivalents, at cost	<u>1,795,802</u>							
Total Fiduciary Fund Cash Equivalents and Investments	<u><u>\$ 72,408,307</u></u>							

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

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

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

Level 2 (L2): Inputs to the valuation methodology include:

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

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 (L3): Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 2 - DEPOSITS & INVESTMENTS *(Continued)*

#### **B. Fiduciary Investments *(Continued)***

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 for Level 2 investments and net asset value if the quoted market price is unavailable.

*U.S. Real Estate Investment:* Valued at net asset value, which approximates fair value.

*American Core Realty:* Valued using pricing models maximizing the use of observable inputs for similar securities.

*SEI Trust Company:* Valued at last quoted sale price on the primary exchange or market on which they are traded or at the most recent quoted bid price.

*Fixed Income Funds:* Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yield currently available on comparable securities of issuers with similar credit ratings.

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.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 2 - DEPOSITS & INVESTMENTS *(Continued)*

#### B. Fiduciary Investments *(Continued)*

##### Level Three Financial Instruments

The following table summarizes the City's Fiduciary Funds' Level 3 financial instruments, the value technique used to measure the fair value of those financial instruments as of September 30, 2020, and the significant unobservable inputs and the ranges of those values for those inputs.

Instrument	Fair Value 09/30/2020	Principal Valuation Technique	Significant Unobservable Inputs	Range of Significant Input Values	Weighted Average
American Realty Advisors	\$ 2,001,107	Discounted Cash Flow	Going-In Cap Rate Exit Cap Rate Discount Rate	- .22% to 6.94% 4.25% to 8.5% 5.25% to 10%	4.27% 5.12% 5.94%
Barings	1,517,879	Discounted Cash Flow	Discount Rate Terminal Cap Rate DCF Term (years)	5.50% to 9.01% 4.5% to 7.5% 10 to 11 years	6.68% 5.33% 10.08 years
TA Realty	1,542,703	Discounted Cash Flow (DCF) Analysis	Discount Rate Exit Cap Rate DCF Term (years)	5.25% to 7% 4.5% to 6.5% 10 years	N/A N/A N/A
U.S. Realty	3,077,753	Discounted Cash Flow Direct Capitalization	Exit Cap Rate Discount Rate Market rent Growth Rate DCF Term	4.75% to 8.63% 5.75% to 9.5% 3.0% to 3.11% 8 to 12 years	6.06% 7.35% 3.00% 10 years
	<u>\$ 8,139,442</u>				

##### Fair Value of Investments in Entities that Use Net Asset Value (NAV)

The following table summarizes investments measured at fair value based on NAV per share as of September 30, 2020:

	Fair Value	Unfunded Commitments	Redemption Frequency (If currently eligible)	Redemption Notice Period
American Realty Advisors	\$ 2,001,107	N/A	Quarterly	10 Days
Westwood Trust Large Cap Value Equity	\$ 3,362,488	N/A	Daily	3 Days
TA Realty	\$ 1,542,703	N/A	Quarterly	45 Days
SEI Aristotle	\$ 3,297,952	N/A	Monthly	None
Barings	\$ 1,517,879	N/A	Quarterly	60 Days
U.S. Real Estate	\$ 3,077,753	N/A	Quarterly	None

## NOTES TO FINANCIAL STATEMENTS

### NOTE 3 - RECEIVABLES

Receivables as of September 30, 2020, for the government's individual major funds and nonmajor, enterprise major and non-major, and internal service funds in the aggregate, including applicable allowances for uncollectible accounts, are as follows:

	General Fund	Capital Projects Fund	Water and Sewer System Fund	Nonmajor Enterprise Fund	Total
Accounts receivable	1,191,614	652,099	7,662,831	47,969	9,554,513
Accounts receivable earned, but not billed	74,832	-	5,470,649	-	5,545,481
Tax Receivable	40,082	-	-	-	40,082
Gross receivables	1,306,528	652,099	13,133,480	47,969	15,140,076
Less: allowance for uncollectible accounts	(112,291)	-	(181,105)	(9,584)	(302,980)
Total net receivables	1,194,237	652,099	12,952,375	38,385	14,837,096

The City provides an allowance for accounts receivable that may become uncollectible. At September 30, 2020, this allowance was \$112,291 in the general fund, \$181,105 in the water and sewer system fund, and \$9,584 in the stormwater fund. No other allowances for doubtful accounts are maintained since all other accounts receivable are considered collectible at September 30, 2020.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 4 - CAPITAL ASSETS

#### A. Governmental Activities

Capital asset activity for the year ended September 30, 2020 was as follows:

	Beginning Balance	Additions/ Transfers	Deletions/ Transfers	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated/amortized:				
Land	\$ 6,876,215	\$ -	\$ -	\$ 6,876,215
Construction in progress	1,738,883	6,364,005	(7,563,706)	539,182
Total capital assets, not being depreciated/amortized	8,615,098	6,364,005	(7,563,706)	7,415,397
Capital assets, being depreciated/amortized:				
Buildings	25,865,715	3,676,270	(78,374)	29,463,611
Equipment	15,030,403	1,271,427	(483,276)	15,818,554
Intangibles	2,138,750	-	-	2,138,750
Infrastructure	72,446,465	4,453,598	(256,480)	76,643,583
Total capital assets being depreciated/amortized	115,481,333	9,401,295	(818,130)	124,064,498
Less accumulated depreciation/amortization for:				
Buildings	(8,141,126)	(893,209)	78,374	(8,955,961)
Equipment	(10,317,338)	(1,149,464)	438,550	(11,028,252)
Intangibles	(2,116,593)	(13,017)	-	(2,129,610)
Infrastructure	(55,578,666)	(804,083)	107,380	(56,275,369)
Total accumulated depreciation/amortization	(76,153,723)	(2,859,773)	624,304	(78,389,192)
Total capital assets being depreciated/amortized, net	39,327,610	6,541,522	(193,826)	45,675,306
Governmental activities capital assets, net	<u>\$ 47,942,708</u>	<u>\$ 12,905,527</u>	<u>\$ (7,757,532)</u>	<u>\$ 53,090,703</u>

Depreciation/amortization expense was charged to functions/programs of the City's governmental funds as follows:

Governmental activities:	
General government	\$ 1,704,310
Public safety	710,258
Recreation	134,297
Economic development	141,093
Physical environment	-
Transportation	169,815
Total depreciation/amortization expense - governmental activities	<u>\$ 2,859,773</u>



## NOTES TO FINANCIAL STATEMENTS

### NOTE 4 - CAPITAL ASSETS *(Continued)*

#### B. Business-type Activities

	Beginning Balance	Additions/ Transfers	Deletions/ Transfers	Ending Balance
<b>Business-type activities:</b>				
Capital assets, not being depreciated/amortized:				
Land	\$ 2,919,197	\$ -	\$ -	\$ 2,919,197
Construction in progress	17,562,755	7,836,679	(3,493,574)	21,905,860
Total capital assets, not being depreciated/amortized	20,481,952	7,836,679	(3,493,574)	24,825,057
Capital assets, being depreciated/amortized:				
Buildings	10,918,043	-	-	10,918,043
Improvements other than buildings	368,753,731	6,161,585	-	374,915,316
Equipment	24,810,437	1,264,448	(712,549)	25,362,336
Intangibles	3,381,928	148,099	-	3,530,027
Total capital assets, being depreciated/amortized	407,864,139	7,574,132	(712,549)	414,725,722
Less accumulated depreciation/amortization for:				
Buildings	(5,155,951)	(269,775)	-	(5,425,726)
Improvements other than buildings	(193,858,725)	(9,819,311)	-	(203,678,036)
Equipment	(19,102,596)	(1,420,414)	684,396	(19,838,614)
Intangibles	(2,721,291)	(168,301)	-	(2,889,592)
Total accumulated depreciation/amortization	(220,838,563)	(11,677,801)	684,396	(231,831,968)
Total capital assets, being depreciated/amortized, net	187,025,576	(4,103,669)	(28,153)	182,893,754
Business-type activities capital assets, net	<u>\$ 207,507,528</u>	<u>\$ 3,733,010</u>	<u>\$ (3,521,727)</u>	<u>\$ 207,718,811</u>

Depreciation/amortization expense was charged to functions/programs of the City's business-type activities as follows:

Business-type activities:	
Water and Sewer System	\$ 11,373,192
Stormwater Utility	304,609
Total depreciation/amortization expense - business-type activities	<u>\$ 11,677,801</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 4 - CAPITAL ASSETS *(Continued)*

#### C. Discretely Presented Component Units

Activity for the Diamond Square Redevelopment Agency for the year ended September 30, 2020 was as follows:

	Beginning Balance	Additions/ Transfers	Deletions/ Transfers	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 181,192	\$ -	\$ -	\$ 181,192
Construction in progress	-	-	-	-
Total capital assets, not being depreciated	181,192	-	-	181,192
Capital assets, being depreciated:				
Improvements other than buildings	430,362	47,488	-	477,850
Less accumulated depreciation for:				
Improvements other than buildings	(86,983)	(15,088)	-	(102,071)
Total capital assets, being depreciated, net	343,379	32,400	-	375,779
Diamond Square Agency capital assets, net	<u>\$ 524,571</u>	<u>\$ 32,400</u>	<u>\$ -</u>	<u>\$ 556,971</u>

Activity for the U.S. 1 Corridor Redevelopment Agency for the year ended September 30, 2020 was as follows:

	Beginning Balance	Additions/ Transfers	Deletions/ Transfers	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 286,391	\$ -	\$ -	\$ 286,391
Construction in progress	-	-	-	-
Total capital assets, not being depreciated	286,391	-	-	286,391
Capital assets, being depreciated:				
Improvements other than buildings	692,313	-	-	692,313
Less accumulated depreciation for:				
Improvements other than buildings	(162,696)	(22,090)	-	(184,786)
Total capital assets, being depreciated, net	529,617	(22,090)	-	507,527
U.S. 1 Corridor Agency capital assets, net	<u>\$ 816,008</u>	<u>\$ (22,090)</u>	<u>\$ -</u>	<u>\$ 793,918</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 4 - CAPITAL ASSETS *(Continued)*

#### D. Construction Commitments

The City has active construction commitments as of September 30, 2020. At fiscal year-end, the City's commitments with such contracts totaling more than \$100,000 are summarized by project as follows:

Project	Spent-to-Date	Remaining Commitment
Industrial Park Pump Station	\$ 4,795	\$ 420,315
Redundant Finish Flow Pipe	4,406,331	19,349,679
Biosolids Improvement	-	167,104
Dyal Standard Operations Procedures Manual	-	143,094
Total	<u>\$ 4,411,126</u>	<u>\$ 20,080,192</u>

The above remaining commitment balances include accounts and retainages payable recorded in the City's financial statements as of September 30, 2020.

#### E. Net Investment in Capital Assets

Net investment in capital assets component of net position consisted of the following components as of September 30, 2020:

	Governmental Activities	Business-type Activities	Diamond Square Redevelopment Agency	U.S. 1 Corridor Redevelopment Agency
Capital Assets, Net of Depreciation	<u>\$ 53,090,703</u>	<u>\$ 207,718,811</u>	<u>\$ 556,971</u>	<u>\$ 793,918</u>
Calculation of Outstanding Capital Debt				
Less: Revenue Bonds Payable	15,015,000	82,715,000	-	-
Unamortized Premiums/Discounts	397,059	6,516,536	-	-
Notes Payable	2,761,000	13,850,555	-	-
Capital Lease	-	-	-	-
Total Outstanding Capital Debt	<u>18,173,059</u>	<u>103,082,091</u>	<u>-</u>	<u>-</u>
Add:				
Unspent Debt Proceeds	894,000	35,741,873	-	-
Deferred Outflow Related to Refundings	-	4,367,857	-	-
Total Adjustments	<u>894,000</u>	<u>40,109,730</u>	<u>-</u>	<u>-</u>
Net Investment in Capital Assets	<u>\$ 35,811,644</u>	<u>\$ 144,746,450</u>	<u>\$ 556,971</u>	<u>\$ 793,918</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 5 - INTERFUND ACTIVITY

#### Interfund Payables/Receivables

The composition of interfund balances as of September 30, 2020 is as follows:

Due to/from other funds:

Due From	Due To	Amount
Cocoa Redevelopment Agency	General Fund	\$ 58,658
Cocoa Redevelopment Agency	Capital Projects Fund	59,376
Total		<u>\$ 118,034</u>

Advance to/from other funds:

Advance To	Advance From	Amount
Cocoa Redevelopment Agency	General Fund	\$ 1,252,379
Cocoa Redevelopment Agency	Capital Projects Fund	671,968
Total		<u>\$ 1,924,347</u>

The balance due to the General Fund by the Cocoa Redevelopment Agency Fund represents a loan to pay for the purchase of certain real property within the boundaries of the redevelopment area. The balance due to the Capital Projects Fund by the Cocoa Redevelopment Agency represents a loan to pay for certain capital improvement projects within the boundaries of the redevelopment area. All remaining interfund receivables and payables within the primary government represent cash transfers for operating and capital purposes.

#### Interfund Transfers

	Transfers In	Transfers Out	Purpose
Major Funds:			
General Fund	\$ 8,703,563	\$ 2,031,202	To fund debt service and expenditures; receive Return On Investment (ROI) & Payment in Lieu of Franchise Fee (PILOFF)
Cocoa CRA	-	736,669	To fund capital expenditures
Capital Projects Funds	707,412	237,314	To fund capital projects and equipment
Water Sewer Fund	-	8,208,972	To pay for ROI & PILOFF
Nonmajor Governmental Funds:			
Special Revenue Funds	23,763	3,826	To fund capital projects and expenditures
Debt Service Fund	1,783,245	-	To fund debt service payments
Total Interfund Transfers	<u>\$ 11,217,983</u>	<u>\$ 11,217,983</u>	

## NOTES TO FINANCIAL STATEMENTS

### NOTE 6 - SHORT-TERM LIABILITIES

The City bills and collects charges for sewer and other services on behalf of Brevard County; the Cities of Cape Canaveral, Cocoa Beach, Rockledge, and Titusville; and Sun Lake and Merritt Island Utility Company. Cash collections are remitted to these entities monthly. At September 30, 2020, the balance recorded as contracts payable due to these entities was \$9,611,724, which includes amounts billed but not yet collected of \$6,941,417 and revenue earned but not yet billed of \$2,669,391. Amounts collected and not yet remitted to these entities at year-end totaled \$4,017,220 in the Water and Sewer System fund. The City has collected for, and not yet remitted to, the County permit fees totaling \$9,602.

### NOTE 7 - LONG-TERM LIABILITIES

#### A. Changes in Long-term Liabilities

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

	Beginning Balance	Additions/ Transfers	Deletions/ Transfers	Ending Balance	Due Within One Year
<b>Governmental Activities</b>					
Bond payable:					
Revenue bonds payable	\$ 15,495,000	\$ -	\$ (480,000)	\$ 15,015,000	\$ 495,000
Less deferred amounts:					
For issuance discounts	(39,243)	-	1,401	(37,842)	-
For issuance premium	460,483	-	(25,582)	434,901	-
Total bonds payable	<u>15,916,240</u>	<u>-</u>	<u>(504,181)</u>	<u>15,412,059</u>	<u>495,000</u>
Notes from direct placements	2,492,000	-	(625,000)	1,867,000	634,000
Notes from direct borrowing	-	894,000	-	894,000	45,000
Capital leases	35,652	-	(35,652)	-	-
Accrued claims payable	4,809,924	7,089,722	(7,601,821)	4,297,825	2,444,825
OPEB liability	20,173,007	4,392,369	(806,561)	23,758,815	-
Net pension liability	22,571,349	2,453,470	(1,515,668)	23,509,151	-
Compensated absences	<u>1,266,498</u>	<u>1,444,909</u>	<u>(1,362,154)</u>	<u>1,349,253</u>	<u>591,298</u>
Governmental activities long-term liabilities	<u>\$ 67,264,670</u>	<u>\$ 16,274,470</u>	<u>\$ (12,451,037)</u>	<u>\$ 71,088,103</u>	<u>\$ 4,210,123</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 7 - LONG-TERM LIABILITIES *(Continued)*

#### A. Changes in Long-term Liabilities *(Continued)*

	Beginning Balance	Additions/ Transfers	Deletions/ Transfers	Ending Balance	Due Within One Year
<b>Business-type Activities</b>					
Bond payable:					
Revenue bonds payable	\$ 64,355,000	\$ -	\$ (2,195,000)	\$ 62,160,000	\$ 2,295,000
Less deferred amounts:					
For issuance discounts	-	-	-	-	-
For issuance premium	6,826,217	-	(309,681)	6,516,536	-
Total bonds payable	71,181,217	-	(2,504,681)	68,676,536	2,295,000
Direct placement:					
Revenue bonds payable - private placement	21,805,000	-	(1,250,000)	20,555,000	1,300,000
Total all bonds payable	92,986,217	-	(3,754,681)	89,231,536	3,595,000
Due to other governments:					
State revolving loans payable - direct borrowings	15,930,126	-	(2,079,571)	13,850,555	2,134,170
OPEB liability	13,040,463	2,857,745	(524,761)	15,373,447	-
Net pension liability	9,613,581	1,617,301	(407,528)	10,823,354	-
Compensated absences	605,300	790,379	(718,748)	676,931	294,895
Business-type activities long-term liabilities	<u>\$ 132,175,687</u>	<u>\$ 5,265,425</u>	<u>\$ (7,485,289)</u>	<u>\$ 129,955,823</u>	<u>\$ 6,024,065</u>

For the governmental activities, capital leases and compensated absences are generally liquidated by current resources of the General Fund. Other governmental liabilities such as OPEB and pension are liquidated by the fund in which the liability was incurred.

Principal and interest paid in the current fiscal year for the Fire Protection Revenue Bonds, Series 2016, was \$460,063 and pledged gross revenue was \$2,721,693. As of September 30, 2020, principal and interest to maturity in 2046 to be paid from pledged future revenues totaled \$12,019,444. Principal and interest paid in the current fiscal year for the Capital Improvement Revenue Bond, Series 2016, was \$610,613 and pledged gross revenue was \$4,198,125. As of September 30, 2020, principal and interest to maturity in 2037 to be paid from pledged future revenues totaled \$10,398,213.

Principal and interest paid in the current fiscal year for the Water and Sewer System Revenue Bonds, Capital Improvement Revenue Notes, and the State Revolving Loan Funds was \$9,691,951 and pledged net revenue and impact fees was \$31,073,979. As of September 30, 2020, principal and interest to maturity in 2048 to be paid from pledged future revenues totaled \$148,729,681.

#### 1. Revenue Bonds

Revenue bonds in the City's Water and Sewer System Fund are secured by, and payable from, the gross revenues of the City's water and sewer system. The bond resolutions provide that certain revenues in excess of debt service requirements may be used for general operating purposes.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 7 - LONG-TERM LIABILITIES *(Continued)*

#### 1. Revenue Bonds *(Continued)*

The resolutions applicable to the revenue bonds require the establishment of various bond principal and interest sinking funds and reserve accounts with various requirements for deposit. These requirements have been met for the fiscal year ended September 30, 2020. Revenue bonds outstanding at year-end are as follows:

##### i) Governmental Activities

###### Governmental Activities

Capital Improvement Refunding Revenue Bond, Series 2016, original issuance amount of \$8,865,000 to the Capital Projects Fund, due \$295,000 to \$590,000 annually through 2037; interest at 2.000% to 4.000% (plus bond premium \$434,901)	\$ 8,054,901
Fire Protection Assessment Revenue Bond, Series 2016, original issuance amount of \$8,000,000 to the Capital Projects Fund, due \$160,000 to \$445,000 annually through 2046; interest at 2.000% to 4.125% (less bond discount of \$37,842)	<u>7,357,158</u>
Total governmental activities	<u><u>\$ 15,412,059</u></u>

- a. On November 1, 2016, the City issued \$8,865,000 Capital Improvement Refunding Revenue Bonds, Series 2016, a refunding bond. These bonds were sold to: (i) fully refund \$9,550,000 of outstanding Capital Improvement Revenue Bonds, Series 2007, maturing on and after October 1, 2018, and defeasing the lien on all of the Series 2007 Bonds, and (ii) paying certain costs and expenses relating to the issuance of the Series 2016 Bonds. The City completed the refunding to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$925,052. The City's decision to advance refund the Capital Improvement Revenue Bonds, Series 2007, resulted in a reduction of total debt service payments over the next twenty years of \$2,230,407. The Series 2016 bonds bear interest at 2.00% to 4.00% per annum, payable semi-annually on April 1 and October 1. Principal is due annually beginning October 1, 2017, in amounts that range from \$295,000 to \$590,000, until final maturity on October 1, 2037.

This refunding constituted an economic defeasance, but did not legally release the City from its obligation to repay the Capital Improvement Revenue Bonds, Series 2007. Under the terms of the refunding bond, sufficient assets to pay all principal and interest on the fully refunded bond issue were placed into an irrevocable trust account at a commercial bank. The assets, liabilities and financial transactions of this trust account are not reflected in the financial statements of the City.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 7 - LONG-TERM LIABILITIES *(Continued)*

#### **a) Governmental Activities *(Continued)***

Default under the Capital Improvement Refunding Revenue Bonds, Series 2016 includes non-payment of amounts due (principal and interest), failure to perform bond covenants without remedy within a 30-day period and bankruptcy or receivership for longer than 90 days. Upon an event of default, registered owners of not less than 25% of aggregate principal outstanding can appoint a trustee to represent them in legal proceedings related to the rights of the bondholders. In no case, however, shall any holder, trustee or receiver have the right to declare the bonds immediately due and payable.

- b) On December 20, 2016, the City issued \$8,000,000 in Fire Protection Assessment Revenue Bonds, Series 2016, with interest rates ranging from 2.000% to 4.125%. The total amount of the debt, principal of \$8,000,000 and interest of \$5,763,711, is to be paid through fiscal year 2047, with annual debt service payments ranging from \$160,000 to \$445,000 beginning in fiscal year 2017. The Series 2016 Bonds were issued by the City for the purpose of, together with other available funds of the City, (i) financing a portion of the costs of acquisition and construction of three fire station facilities and other equipment for the City's fire protection services, (ii) making a deposit to the Series 2016 Reserve Fund Subaccount, and (iii) paying certain costs and expenses relating to the issuance of the Series 2016 Bonds. Debt service will be paid from certain non-ad valorem special assessments (fire protection assessments), with the rates established each year by resolution.

Default under the Fire Protection Assessment Revenue Bonds, Series 2016 includes non-payment of amounts due (principal and interest), failure to perform bond covenants without remedy within a 30-day period, and bankruptcy or receivership for longer than 90 days. Upon an event of default, registered owners of not less than 25% of aggregate principal outstanding can appoint a trustee to represent them in legal proceedings related to the rights of the bondholders. In no case, however, shall any holder, trustee or receiver have the right to declare the bonds immediately due and payable.



## NOTES TO FINANCIAL STATEMENTS

### NOTE 7 - LONG-TERM LIABILITIES *(Continued)*

#### ii) Business-Type Activities

##### Business-Type Activities

Water and Sewer System Refunding Revenue Bonds, Series 2003, original issuance amount of \$23,985,000, due \$1,370,000 to \$1,790,000 annually through 2023; interest at 2.000% to 5.500% (plus bond premium of \$147,340) \$ 5,242,340

Water and Sewer System Revenue Bond, Series 2018B, original issuance amount of \$37,540,000, due \$640,000 to \$2,270,000 annually in 2019 through 2048; interest at 3-5% (plus bond premium of \$4,052,487) 40,282,487

Water and Sewer System Refunding Revenue Bond, Series 2018C, original issuance amount of \$20,835,000, due \$980,000 to \$2,050,000 annually in 2027 through 2040; interest at 4-5% (plus bond premium of \$2,316,709) 23,151,709

Total Bonds Payable 68,676,536

##### Direct Placement Bonds

Water and Sewer System Refunding Revenue Bond, Series 2018A-2, original issuance amount of \$21,805,000, due \$3,645,000 to \$1,175,000 annually in 2018 through 2031; interest at 3.63% (issued at par value) 20,555,000

Total Business-Type Activities \$ 89,231,536

Annual debt service requirements to maturity for revenue bonds outstanding are as follows:

Year Ending September 30,	Governmental Activities		Business-Type Activities			
	Principal	Interest	Bonds Payable		Direct Placement Bonds	
			Principal	Interest	Principal	Interest
2021	\$ 495,000	\$ 576,275	\$ 2,295,000	\$ 2,941,975	\$ 1,300,000	\$ 746,146
2022	510,000	561,425	2,410,000	2,833,000	1,345,000	698,956
2023	535,000	541,025	2,530,000	2,711,100	1,400,000	650,134
2024	555,000	519,625	765,000	2,583,050	3,340,000	599,312
2025	575,000	497,425	800,000	2,552,450	3,480,000	478,071
2026-2030	3,235,000	2,133,069	8,865,000	12,074,288	8,445,000	969,574
2031-2035	3,910,000	1,458,231	12,635,000	9,940,650	1,245,000	45,194
2036-2040	2,780,000	755,306	16,445,000	6,843,750	-	-
2041-2045	1,975,000	341,919	8,920,000	3,107,500	-	-
2046-2050	445,000	18,356	6,495,000	660,000	-	-
Totals	<u>\$ 15,015,000</u>	<u>\$ 7,402,656</u>	<u>\$ 62,160,000</u>	<u>\$ 46,247,763</u>	<u>\$ 20,555,000</u>	<u>\$ 4,187,387</u>

- a) The Water and Sewer System Refunding Revenue Bonds, Series 2003, are not subject to redemption prior to maturity at the option of the City. However, bonds maturing on October 1, 2019 are subject to mandatory redemption prior to maturity, at the option of the paying agent, at 100% of the principal amount of the bond to be redeemed, on October 1, 2018. In addition, bonds maturing on October 1, 2023 are subject to mandatory redemption prior to maturity, at the option of the paying agent, at 100% of the principal amount of the bonds to be redeemed, on October 1, 2018 and on each October 1 thereafter, through and including October 1, 2023.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 7 - LONG-TERM LIABILITIES *(Continued)*

#### **b) Business-Type Activities *(Continued)***

Default under the 2003 Bonds includes non-payment of principal and interest when due, failure to perform bond covenants without remedy within 30 days, and insolvency or bankruptcy. Upon an event of default, registered owners of not less than 51% of the aggregate principal outstanding and accreted value as of the most recent interest payment date, may declare the bonds due and payable immediately. For the Series 2003 bonds, this requires the consent of AMBAC, insurer of the bonds.

- b) On August 22, 2018, the City issued \$21,805,000 Water and Sewer System Revenue Refunding Bonds, Series 2018A-1, a refunding bond. These bonds were sold to: (1) fully refund \$8,795,000 of outstanding Water and Sewer Revenue Bonds, Series 2009A maturing October 1, 2039 and defease the lien on all of the Series 2009B bonds and \$12,325,000 of Water and Sewer System Refunding Revenue Bonds, Series 2009B maturing October 1, 2031 and defease the lien on all of the Series 2009B bonds and (2) pay certain costs and expenses relating to the issuance of the Series 2018A-1 Bonds. The City completed the refunding to obtain an economic gain (the difference between the present values of the old and new debt service payments) of \$1,369,098. The City's decision to advance refund the Water and Sewer Revenue Bonds, Series 2009A and the Water and Sewer System Refunding Revenue Bonds, Series 2009B resulted in a reduction of total debt service payments over the next 13 years of \$2,965,093. The Series 2018A-1 Bonds were exchanged for a 2018A-2 Tax Exempt Bond on July 15, 2019. The principal amount of the 2018 Tax-Exempt Bond Series A-2 is payable beginning October 1, 2020. Final maturity of the Series A-2 tax-exempt bond is October 1, 2031.

Default under the 2018A-2 Bonds includes non-payment of principal and interest when due, failure to perform bond covenants without remedy within 30 days, and insolvency or bankruptcy. Upon an event of default, registered owners of not less than 51% of the aggregate principal outstanding and accreted value as of the most recent interest payment date, may declare the bonds due and payable immediately.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 7 - LONG-TERM LIABILITIES (*Continued*)

#### **b) Business-Type Activities(*Continued*)**

- c) On October 3, 2018, the City issued \$37,540,000 Water and Sewer System Revenue Bonds, Series 2018B and Water and Sewer System Refunding Revenue Bonds, Series 2018C. The 2018B Bonds are being issued to fund the 2018B Project consisting of the acquisition, construction and equipping of certain capital improvements to the Water and Sewer System. The bonds bear interest at a rate of 3-5% with semi-annual payments due each April 1 and October 1 through October 1, 2048. The 2018C Bonds are being issued to advance refund the Water and Sewer System Revenue Bonds, Series 2010 (Federally Taxable – Build America Bonds – Direct Subsidy). Immediately upon issuance, a portion of the proceeds of the 2018C bonds, together with other available funds of the City, were deposited into an escrow account for the purpose of paying principal and interest on the Series 2010 bonds as they come due. Interest on these bonds are 4-5% with payment of interest only due until October 1, 2027 at which time principal installments are due each April 1 and October 1 through October 1, 2040.

The City completed the refunding to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$2,023,448. The City's decision to advance refund the Water and Sewer System Revenue Bonds, Series 2010, resulted in a reduction of total debt service payments over the next 22 years of \$8,788,883.

Default under the 2018B and 2018C Bonds includes non-payment of principal and interest when due, failure to perform bond covenants without remedy within 30 days, and insolvency or bankruptcy. Upon an event of default, registered owners of not less than 51% of the aggregate principal outstanding and accreted value as of the most recent interest payment date, may declare the bonds due and payable immediately.

## **2. Notes Payable**

#### **a) Governmental Activities**

- a) On December 7, 2010, the City entered into a Capital Improvement Refunding Note, Series 2010, in the principal amount of \$3,200,000 to refund the remaining amount of the Capital Improvement Revenue Bonds, Series 1998, outstanding and to finance certain costs of capital expenditures for the City's public purposes. The note bears interest at a fixed rate of 2.50%.

Upon an Event of Default, registered owners of not less than 25% of the aggregate principal outstanding can appoint a trustee to represent them in legal proceedings related to the rights of the bondholders. In no case, however, shall any holder, trustee or receiver have the right to declare the bonds immediately due and payable

## NOTES TO FINANCIAL STATEMENTS

### NOTE 7 - LONG-TERM LIABILITIES *(Continued)*

- b) On November 14, 2012, the City entered into a Transportation Improvement Revenue Note, Series 2012, in the principal amount of \$1,250,000 for the purpose of financing the City's payment obligations under a funding agreement with the Florida Department of Transportation. The note bears interest at a fixed rate of 1.90%.

Upon an Event of Default, the owner of the note can declare the entire debt immediately due and payable. Issuer may then be obligated for collection and enforcement costs, including attorney's fees.

- c) On November 26, 2014, the City entered into a Capital Improvement Revenue Note, Series 2014, in the principal amount of \$2,010,000 in order to finance the City's purchase of three fire vehicles, consisting of one ladder truck and two rescue pumper trucks. The note bears interest at a fixed rate of 2.20%.

#### **Direct Borrowing**

On April 22, 2020, The City entered into a loan agreement with the U.S. Department of Housing and Urban Development (HUD) through the Section 108 Loan Guarantee Program for the construction of the Dr. Joe Lee Smith Community Center in the amount of \$894,000. This loan is a variable interest rate loan that is calculated as 20 basis points above the three month LIBOR rate two days prior to the payment due date. It holds a conversion date clause in which the loan may be converted to a fixed rate loan. As the interest rate is variable and future interest rates are unknown, the amortization schedule as of September 30, 2020 is an estimated amount based on historical LIBOR interest rates.

The loan guarantee provision of the Community Development Block Grant (CDBG) program provides communities with a source of financing for economic development, housing rehabilitation, public facilities, and large-scale development projects. Local governments borrowing funds guaranteed by Section 108 loans must pledge their current and future CDBG allocations as security for the loan.

The outstanding principal amount of the loan at September 30, 2020 is as follows:

	Issue Date	Due Serially to	Interest Rate	Issue	Balance at September 30, 2020
Section 108 Loan	4/22/20	8/1/39	Variable	\$ 894,000	\$ 894,000

## NOTES TO FINANCIAL STATEMENTS

### NOTE 7 - LONG-TERM LIABILITIES *(Continued)*

Future requirements to pay principal and interest on the Section 108 Loan at September 30, 2020, are as follows:

<u>Governmental Activities - Direct Borrowing</u>			
Fiscal Year	Principal	Interest	Total
2021	\$ 45,000	\$ 3,254	\$ 48,254
2022	45,000	3,722	48,722
2023	45,000	3,525	48,525
2024	45,000	3,337	48,337
2025	45,000	3,130	48,130
2026-2030	225,000	14,645	239,645
2031-2036	290,000	6,649	296,649
2037-2039	154,000	1,302	155,302
Total	<u>\$ 894,000</u>	<u>\$ 39,564</u>	<u>\$ 933,564</u>

Notes payable outstanding at year-end are as follows:

#### Governmental Activities

Capital Improvement Refunding Note, Series 2010, original issuance amount of \$3,200,000, payments range from \$277,000 to \$303,000 annually through 2022; interest at 2.5%	\$ 597,000
Transportation Revenue Note, Series 2012, original issuance amount of \$1,250,000, payments range from \$125,000 to \$135,000 annually through 2023; interest at 1.9%	400,000
Capital Improvement Revenue Note, Series 2014, original issuance amount of \$2,010,000, payments range from \$195,000 to \$225,000 annually through 2024; interest at 2.20%	<u>870,000</u>
Total governmental activities	<u>\$ 1,867,000</u>

Upon an event of default, the interest rate increases to the default rate after 5 days past any due date for principal and interest.

Annual debt service requirements to maturity for the notes are as follows:

<u>Year Ending September 30,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2021	\$ 634,000	\$ 40,430
2022	653,000	25,943
2023	355,000	11,073
2024	225,000	4,950
2025	-	-
2026-2030	<u>-</u>	<u>-</u>
Totals	<u>\$ 1,867,000</u>	<u>\$ 82,396</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 7 - LONG-TERM LIABILITIES (*Continued*)

The note agreements provide for certain debt covenant requirements including debt service and reserve requirements. The City is currently in compliance with each of these covenants.

#### **b) Proprietary Activities**

##### **State Revolving Fund Loans**

- a) On March 20, 2001, the City was awarded financial assistance from the Florida Department of Environmental Protection in the form of a Drinking Water State Revolving Fund Loan (DW0517010), for the purpose of financing construction of the Banana River 36-inch Water Main project. The amount of the loan payable at September 30, 2020 is \$524,205. The loan bears interest at fixed rates ranging from 3.05% to 3.27% per annum, with principal and interest payments due in January and July of each fiscal year until the loan is paid in full in fiscal year 2022.
- b) During 2003, the City was awarded an additional construction loan under the Florida Department of Environmental Protection's Drinking Water State Revolving Fund Loan (DW0517020), for the purpose of financing Phase I of a 54-inch water main from State Road 524 to the St. John's River. The amount of the loan payable at September 30, 2020 is \$968,422. The loan bears interest at fixed rates ranging from 2.67% to 2.93% per annum, with principal and interest payments due in February and August of each fiscal year until the loan is paid in full in fiscal year 2024.
- c) During 2003, the City was awarded an additional construction loan under the Florida Department of Environmental Protection's Clean Water State Revolving Fund (WWG12081202P), for the purpose of preconstruction activities, which consist of the planning, administrative, and engineering work necessary for the City to qualify for Clean Water State Revolving Fund financing, for construction of wastewater transmission, collection, reuse, and treatment facilities. The amount of the loan payable at September 30, 2020 is \$926,601. The loan bears interest at fixed rates ranging from 1.89% to 2.04% per annum, with principal and interest payments due in June and December of each year until the loan is paid in full in fiscal year 2025.
- d) During 2004, the City was awarded an additional construction loan under the Florida Department of Environmental Protection's State Revolving Fund (DW0517030), in order to finance the City's 54-inch Water Transmission Main Phase 2 construction project. The amount of the loan payable at September 30, 2020 is \$2,822,587. The loan bears interest at fixed rates ranging from 2.58% to 2.96% per annum, with principal and interest payments due in February and August of each year until the loan is paid in full in fiscal year 2025.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 7 - LONG-TERM LIABILITIES *(Continued)*

#### a) Governmental Activities *(Continued)*

- e) During 2009, the City was awarded an additional construction loan under the Florida Department of Environmental Protection Clean Water State Revolving Fund (WW812030), for the wastewater portion related to the widening of U.S. 1 from Park to Rosa L. Jones and from Rosa L. Jones to Pine, including a force main and reclaimed water main. The amount of the loan payable at September 30, 2020 is \$3,597,722. The loan bears interest at 2.92% per annum, with 40 principal and interest payments due in April and October of each fiscal year until the loan is paid in full in fiscal year 2031.
- f) During 2009, the City was awarded an additional construction loan under the Florida Department of Environmental Protection Drinking Water State Revolving Fund (DW0517040), for the water main portion related to the widening of U.S. 1 from Park to Rosa L. Jones and from Rosa L. Jones to Pine. The maximum amount of the loan is \$3,200,000. The amount of the loan payable at September 30, 2020 is \$1,217,098. The loan bears interest at 2.77% per annum, with 40 principal and interest payments due in June and December of each fiscal year until the loan is paid in full in fiscal year 2031.
- g) During 2009, the City was awarded an additional construction loan under the Florida Department of Environmental Protection Drinking Water State Revolving Fund (DW0517050), for the South Mainland 42-inch Water Main Project. The maximum amount of the loan is \$6,400,000. The amount of the loan payable at September 30, 2020 is \$3,721,028. The loan bears interest at fixed rates ranging from 2.77% to 2.84% per annum, with 40 principal and interest payments due in April and October of each fiscal year until the loan is paid in full in fiscal year 2030.
- h) During 2009, the City was awarded an additional construction loan under the Florida Department of Environmental Protection Drinking Water State Revolving Fund (DW0517060), for the South Atlantic Avenue Water Main Replacement Phase I Project. The amount of the loan payable at September 30, 2020 is \$72,892. The loan bears interest at fixed rates ranging from 2.57% to 2.82% per annum, with 40 principal and interest payments due in June and December of each fiscal year until the loan is paid in full in fiscal year 2031.

The City's direct borrowings with the State Revolving Fund (SRF) contain provisions that in the event of default, notification of such default may be made to the Florida Auditor General and Chief Financial Officer, and the SRF may intercept the unpaid amounts from unobligated funds due to the City under revenue or tax sharing programs. The SRF may impose a penalty of an interest rate from 6-18% annually on the amount due. Additionally, the SRF may accelerate the repayment schedule or increase the financing rate on unpaid principal to as much as 1.667-3.333 times the original financing rate.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 7 - LONG-TERM LIABILITIES *(Continued)*

#### a) Governmental Activities *(Continued)*

The balances outstanding under State Revolving Loan Funds as of September 30, 2020 are as follows:

Year Ending September 30,	Business-type Activities	
	Principal	Interest
2021	\$ 2,134,170	\$ 375,309
2022	2,014,250	314,839
2023	1,887,305	261,392
2024	1,792,761	209,395
2025	1,357,619	162,400
2026-2030	4,463,191	402,705
2031	201,259	2,936
Totals	<u>\$ 13,850,555</u>	<u>\$ 1,728,976</u>



## NOTES TO FINANCIAL STATEMENTS

### NOTE 7 - LONG-TERM LIABILITIES *(Continued)*

#### 3. Pledged Revenue

The following is a summary schedule of the City's long-term obligations, including their impact on those present and future pledged revenue sources:

	Debt Service Paid	Principal Outstanding	Interest Outstanding	Years Remaining
<b>Business-Type Activities:</b>				
<b>Revenue Bonds:</b>				
Water and Sewer System Refunding Revenue Bonds, Series 2003 original issuance amount of \$23,985,000, due \$1,370,000 to \$1,790,000 annually through 2023; interest at 2.0% to 5.5% (plus bond premium of \$147,340)	\$ 1,889,100	\$ 5,095,000	\$ 570,625	3
Water and Sewer System Revenue Bond, Series 2018B original issuance amount of \$37,540,000, due \$640,000 to \$2,270,000 annually in 2019 through 2048; interest at 3-5% (plus bond premium of \$3,907,757)	2,386,650	36,230,000	30,571,200	28
Water and Sewer System Revenue Bond, Series 2018C original issuance amount of \$20,835,000, due \$980,000 to \$2,050,000 annually in 2027 through 2040; interest at 4-5% (plus bond premium of \$2,316,709)	865,200	20,835,000	15,105,938	21
<b>Direct Placement Bonds:</b>				
Water and Sewer System Revenue Refunding Bonds, Series 2018A-2 original issuance amount of \$21,805,000, due \$3,645,000 to \$1,175,000 annually in 2018 through 2031; interest at 3.63% (issued at par value)	2,041,522	20,555,000	4,187,387	11
Total Bonds - Business-type Activities	7,182,472	82,715,000	50,435,150	
<b>Subordinate Debt (Direct Borrowing):</b>				
State Revolving Loans - Florida Department of Environmental Protection and Florida Water Pollution Control Financing Corporation original issuance amounts of \$22,262,404, with annual installments ranging from \$3,977 to \$597,586 through 2031, interest at 1.89-3.27%.	2,509,479	13,850,555	1,728,976	
<b>Total Business-Type Activities</b>	<u>\$ 9,691,951</u>	<u>\$ 96,565,555</u>	<u>\$ 52,164,126</u>	
<b>Less: Premium/ Discount</b>		<u>\$ 6,826,218</u>		
<b>Total Principal Outstanding Less Premium / Discount</b>		<u>\$ 89,739,337</u>		

# NOTES TO FINANCIAL STATEMENTS

## Water & Sewer System Pledged Revenue Calculation

Operating Revenues	\$ 71,523,325
Add: Gain (Loss) on disposal of assets	84,036
Add: Investment Income	1,036,185
Less: Impact Fees	<u>(5,576,575)</u>
Total Applicable Revenues	67,066,971
Less: Operating Expenses	(49,726,743)
Plus: Depreciation	11,373,192
General Fund Admin Fee	<u>6,343,999</u>
Net Revenue	35,057,419
Pledged Impact Fees	<u>5,576,575</u>
Net Revenue Plus Pledged Impact Fees	<u><u>\$ 40,633,994</u></u>

## 4. Leases

### a) Operating Leases

The City leases various equipment under operating leases. The following schedule represents minimum future rental expense related to the leases:

<u>Year Ending September 30,</u>	
2021	\$ 52,916
2022	52,916
2023	52,916
2024	52,086
2025	<u>49,596</u>
Total minimum future rental expense	<u><u>\$ 260,430</u></u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 8 - RISK MANAGEMENT

The City adopted a self-insurance program for workers' compensation, effective January 1, 1990. The City is self-insured during each one-year liability period for the first \$600,000 of each workers' compensation claim and for any losses incurred exceeding \$25,000,000 per incident. For the year ended September 30, 2020, the City had an estimated \$452,527 in claims expense, including \$32,147 in incurred but not reported claims, and \$187,561 in administrative costs recorded in the self-insurance fund. At September 30, 2020, the actuarially determined net loss reserve for all fund years is \$3,420,000 (undiscounted). On a discounted basis (discounted at 3.0%), the actuarial net loss reserve is \$2,899,000. This liability is based on the requirements of GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*. To estimate this liability, the incurred but not reported factors are applied to trended claims history. Settled claims exceeded coverage in April 2018. Settled claims did not exceed coverage in FY 2019 or 2020.

Effective October 1, 2015, the City changed from a hybrid fully insured healthcare plan to a self-funded healthcare plan, engaging Cigna Health and Life Insurance Company ("Cigna") to act as third-party administrator in exchange for a medical administrative fee per covered employee. Funds are deposited into an imprest account from which Cigna, as third-party administrator, pays plan claims in accordance with plan benefits. The City has obtained Specific Stop Loss Insurance and Aggregate Stop Loss Insurance to protect its assets in the event of a large individual claim (greater than \$150,000) or in the event claim costs exceed a predetermined amount (125% of the expected annual claims amount). For the year ended September 30, 2020, the City had \$5,197,709 in claims expense, including \$355,592 in incurred but not reported claims and \$1,250,437 in administrative costs recorded in the self-insurance fund. At September 30, 2020, the actuarially determined net loss reserve is \$1,398,825. This liability is based on the requirements of GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*. To estimate this liability, the incurred but not reported factors are applied to trended claims history.

Changes in the estimated accrued claims payable for both insurance funds in fiscal years 2020 and 2019 were as follows:

	2020	2019
Balance at beginning of year	\$ 4,809,924	\$ 4,720,650
Current year claims and changes in estimate	7,089,964	7,775,590
Claims payments	<u>(7,602,063)</u>	<u>(7,686,316)</u>
Balance at end of fiscal year	4,297,825	4,809,924
Less: amount due within one year	<u>(2,444,825)</u>	<u>(2,426,924)</u>
Noncurrent portion	<u><u>\$ 1,853,000</u></u>	<u><u>\$ 2,383,000</u></u>

There have been no significant reductions in insurance coverage during fiscal year 2020.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 9 - MAJOR CUSTOMERS

The City provides water for the U.S. Government to the U.S. Air Force, NASA, and two locations at Patrick Air Force Base. As all of those utility accounts are all receivable from the U.S. Government, the City's Water and Sewer System Fund considers the U.S. Government as its one major customer. Sales to this customer aggregated \$4,066,746. At September 30, 2020, the amount due from this customer included in accounts receivable is \$742,322.

### NOTE 10 - EMPLOYEE RETIREMENT SYSTEMS

#### A. Florida Retirement Systems

	FRS/HIS	Fire	Police	General	Total
Deferred Outflow	\$ 6,766,997	\$ 1,667,347	\$ 1,319,315	\$ -	\$ 9,753,659
Deferred Inflow	(388,609)	(454,718)	(525,180)	(398,993)	(1,767,500)
Net Pension Liability	(21,309,257)	(8,768,033)	(2,599,835)	(1,655,380)	(34,332,505)
Pension Expense	\$ 2,561,725	\$ 150,960	\$ 41,394	\$ (793,141)	\$ 1,960,938

The Florida Retirement System and the Health Insurance Subsidy are benefits under the Florida Retirement System plan and so, the two are combined in the chart above. The City has one OPEB plan for all employees. OPEB liability and expense is reflected in the Government-wide financial statements for governmental and proprietary activities.

#### *Defined Benefit Plans*

The City participates in two defined benefit pension plans that are administered by the State of Florida, Department of Management Services, Division of Retirement. The plans provide retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the plans. That report is available from the Florida Department of Management Services' website ([www.dms.myflorida.com](http://www.dms.myflorida.com)).

The Florida Retirement System ("FRS") Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan with a Deferred Retirement Option Program ("DROP") available for eligible employees. The FRS was established and is administered in accordance with Chapter 121, Florida Statutes. Retirees receive a lifetime pension benefit with joint and survivor payment options. FRS membership is compulsory for employees filling regularly established positions in a state agency, county agency, state university, state college, or district school board, unless restricted from FRS membership under Sections 121.053 or 121.122, Florida Statutes, or allowed to participate in a defined contribution plan in lieu of FRS membership. Participation by cities, municipalities, special districts, charter schools and metropolitan planning organizations is optional.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 10 - EMPLOYEE RETIREMENT SYSTEMS *(Continued)*

#### A. Florida Retirement Systems *(Continued)*

The Retiree Health Insurance Subsidy (“HIS”) Program is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with Section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. To be eligible to receive a HIS benefit, a retiree under a state-administered retirement system must provide proof of eligible health insurance coverage, which can include Medicare.

##### *Benefits Provided*

Benefits under the FRS Pension Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years’ earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years’ earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned.

Eligible retirees and beneficiaries receive a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to Section 112.363, Florida Statutes.

##### *Contributions*

The contribution requirements of plan members and the employer are established and may be amended by the Florida Legislature. Employees are required to contribute 3% of their salary to the FRS Pension Plan. The employer’s contribution rates as of September 30, 2020, were as follows:

	<u>FRS</u>	<u>HIS</u>
Regular Class	10.00%	1.66%
Special Risk Class	24.45%	1.66%
Senior Management Service Class	27.29%	1.66%
Elected Officials	49.18%	1.66%
DROP from FRS	16.98%	1.66%

The employer’s contributions for the year ended September 30, 2020, were \$1,202,820 to the FRS Defined Benefit Pension Plan and Defined Contribution Investment Plan and \$265,189 to the HIS Program.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 10 - EMPLOYEE RETIREMENT SYSTEMS *(Continued)*

#### A. Florida Retirement Systems *(Continued)*

##### *Pension Liabilities and Pension Expense*

In its financial statements for the year ended September 30, 2020, the City reported a liability for its proportionate share of the net pension liability of the FRS Pension Plan and its proportionate share of the net pension liability of the HIS Program. The net pension liabilities were measured as of June 30, 2020. The City's proportions of the net pension liabilities were based on its share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

	FRS	HIS
Net pension liability	\$ 15,690,345	\$ 5,618,912
Proportion at:		
Current measurement date	0.0362%	0.0460%
Prior measurement date	0.0351%	0.0460%
Pension expense	\$ 3,474,981	\$ 597,600

##### *Deferred Outflows/Inflows of Resources Related to Pensions*

At September 30, 2020, the City has reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	FRS		HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 600,501	\$ -	\$ 229,848	\$ (4,335)
Changes of assumptions	2,840,452	-	604,193	(326,718)
Net difference between projected and actual earnings on pension plan investments	934,218	-	4,486	-
Changes in proportion and differences between City pension plan contributions and proportionate share of contributions	721,905	(57,557)	413,209	-
Employer contributions subsequent to the measurement date	352,526	-	65,660	-
Totals	<u>\$ 5,449,602</u>	<u>\$ (57,557)</u>	<u>\$ 1,317,396</u>	<u>\$ (331,052)</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 10 - EMPLOYEE RETIREMENT SYSTEMS *(Continued)*

#### A. Florida Retirement Systems *(Continued)*

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2020. Other pension-related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year Ending September 30,	FRS	HIS
2021	\$ 1,068,561	\$ 257,285
2022	1,595,777	212,009
2023	1,345,082	133,122
2024	810,283	123,217
2025	219,816	112,799
Thereafter	-	82,252
Totals	<u>\$ 5,039,519</u>	<u>\$ 920,684</u>

#### *Actuarial Assumptions*

The total pension liability for each of the defined benefit plans was measured as of June 30, 2020. The total pension liability for the FRS and HIS Pension Plans was determined by an actuarial valuation dated July 1, 2020. The individual entry age normal actuarial cost method was used for each plan, along with the following significant actuarial assumptions:

	FRS	HIS
Inflation	2.40%	2.40%
Salary increases	3.25%	3.25%
Investment rate of return	6.80%	N/A
Discount rate	6.80%	2.21%

Mortality assumptions for both the FRS Pension Plan and the HIS Program were based off the PUB-2010 base table projected generationally with Scale MP-2018.

The most recent experience study for the FRS Pension Plan was completed in 2019 for the period July 1, 2013, through June 30, 2018. Because the HIS Program is funded on a pay-as-you-go basis, no experience study has been completed for that program. The actuarial assumptions that determined the total pension liability for the HIS Program were based on certain results of the most recent experience study for the FRS Pension Plan.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 10 - EMPLOYEE RETIREMENT SYSTEMS *(Continued)*

#### A. Florida Retirement Systems *(Continued)*

The following changes in key actuarial assumptions occurred in 2020:

FRS: The long-term expected rate of return was decreased from 6.90% to 6.80%.

HIS: The municipal bond rate used to determine total pension liability was decreased from 3.50% to 2.21%, and the mortality assumption was changed from the Generational RD-2000 with Projection Scale BB tables to the PUB-2010 base table, projected generationally with Scale MP-2018.

The long-term expected investment rate of return was not based on historical returns, but instead was based on a forward-looking capital market economic model. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. For the FRS Pension Plan, the table below summarizes the consulting actuary's assumptions based on the long-term target asset allocation:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Annual Arithmetic Return</b>	<b>Compound Annual (Geometric) Return</b>
Cash	1.0%	2.2%	2.2%
Fixed income	19.0%	3.0%	2.9%
Global equity	54.2%	8.0%	..067
Real estate	10.3%	6.4%	5.8%
Private equity	11.1%	10.8%	8.1%
Strategic investments	4.4%	5.5%	5.3%
	<u>100%</u>		

#### *Discount Rate*

The discount rate used to measure the total pension liability for the FRS Pension Plan was 6.80%. The FRS Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Because the HIS Program is essentially funded on a pay-as-you-go basis, a municipal bond rate of 2.21% was used to determine the total pension liability for the program. The Bond Buyer General Obligation Bond 20-Bond Municipal Bond Index was used as the applicable municipal bond index.



## NOTES TO FINANCIAL STATEMENTS

### NOTE 10 - EMPLOYEE RETIREMENT SYSTEMS *(Continued)*

#### A. Florida Retirement Systems *(Continued)*

##### *Sensitivity Analysis*

The following tables demonstrate the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the employer's proportionate share of the net pension liability if the discount rate was 1% higher or 1% lower than the current discount rate:

	FRS			HIS		
	1% Decrease	Current Discount Rate	1% Increase	1% Decrease	Current Discount Rate	1% Increase
	(5.80)%	(6.80)%	(7.80)%	(1.21)%	(2.21)%	(3.21)%
Employer's proportionate share of the net pension liability	\$ 25,054,844	\$ 15,690,345	\$ 7,869,074	\$ 6,495,211	\$ 5,618,912	\$ 4,901,663

##### *Pension Plans' Fiduciary Net Position*

Detailed information about the pension plans' fiduciary net position is available in the State's separately issued financial reports.

##### *Defined Contribution Plan*

Pursuant to Chapter 121, Florida Statutes, the Florida Legislature created the Florida Retirement Investment Plan ("FRS Investment Plan"), a defined contribution pension plan qualified under Section 401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative retirement plan available to members of the FRS in lieu of the defined benefit plan. There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class.

#### B. City-Provided – Defined Benefit Plans

The City maintains three separate single-employer defined benefit pension plans for firefighters, police officers and those full-time City employees who did not elect to be in the Florida Retirement System as of March 1, 2009. They are accounted for as pension trust funds and reported herein as part of the City's reporting entity. Each plan is administered through its own Board of Trustees.

*Summary of Significant Accounting Policies* – The financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Investments are reported at fair value.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 10 - EMPLOYEE RETIREMENT SYSTEMS *(Continued)*

#### **B. City-Provided – Defined Benefit Plans *(Continued)***

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. Investments that do not have an established market are reported at estimated fair value.

The City recognized as revenues and expenditures-on-behalf-of payments relating to pension contributions for its public safety employees that the State of Florida paid to the Police Officers and Firefighters retirement plans in the amounts of \$185,915 and \$112,427, respectively. These contributions are funded by an excise tax upon certain casualty insurance companies on their gross receipts of premiums from policyholders.

*Funding Policy* – The City uses the Entry Age Normal Actuarial Cost Method (“EANACM”) for the General Employees Retirement Plan, the Firefighters Retirement Plan and the Police Officers Retirement Plan to determine required contributions under its retirement systems because it provides for the systematic funding of the normal cost and any unfunded actuarial accrued liabilities. This is an acceptable method to the State of Florida. These liabilities are being funded over a 20-year period for the General Employees Retirement Plan, Police Officers Retirement Plan and Firefighters Retirement Plan.

The State of Florida has established guidelines for state and local pension plan funding and requires submission to and approval of the local government’s actuarial reports by a State Bureau, at least every third year. The City’s pension plans, by policy, require the following:

- a) Annual actuarial reports as of October 1 of each year to determine the next year’s required contributions.
- b) Employee contributions at 5% of compensation for the General Employees Retirement System, and 6.5% of compensation for the Police Officers Retirement Plan and the Firefighters Retirement Plan.
- c) Employer contributions in accordance with the actuarially determined requirement using the EANACM for the General Employees Retirement Plan, the Firefighters Retirement Plan, and the Police Officers Retirement Plan.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 10 - EMPLOYEE RETIREMENT SYSTEMS *(Continued)*

#### B. City-Provided – Defined Benefit Plans *(Continued)*

Plan Description			
General Employees' Pension Plan	Police Officers' Pension Plan	Firefighters' Pension Plan	
<i>Plan Administration</i>	<i>Plan Administration</i>	<i>Plan Administration</i>	
The Plan is administered by a Board of Trustees comprised of: a) Two Council appointees (City residents), and b) Three Plan Members elected by the Membership.	The Plan is administered by a Board of Trustees comprised of: a) Two City Council appointees, b) Two Members of the System elected by a majority of the other covered Police Officers, and c) A fifth Member elected by the other 4 and appointed by Council.	The Plan is administered by a Board of Trustees comprised of: a) Two City Council appointees, b) Two Members of the System elected by a majority of the other covered Firefighters, and c) A fifth Member elected by the other 4 and appointed by Council.	
	General Employees' Pension Plan	Police Officers' Pension Plan	Firefighters' Pension Plan
Plan membership as of October 1, 2019			
Inactive Plan Members or Beneficiaries	44	52	48
Currently Receiving Benefits			
Inactive Plan Members Entitled to but			
Not Yet Receiving Benefits	-	10	5
Active Plan Members	1	62	38
Total Plan Members	45	124	91

#### *Benefits Provided*

All three plans provide retirement, termination, disability and death benefits.

#### General Employees' Pension Plan:

##### Normal Retirement:

Date: Age 50 and 25 years of Credited Service, or age 57 (age 57 and 10 years of service if hired after 3/31/94).

Benefit: 3% of Average Final Compensation times Credited Service.

##### Early Retirement:

Date: Age 55 and 10 years of Credited Service.

Benefit: Accrued benefit, reduced 1/15th for each of the first 5 years and 1/30th for each of the next 5 years prior to Normal Retirement.

##### Cost of Living Increases for Retirees:

3% per year beginning at age 65.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 10 - EMPLOYEE RETIREMENT SYSTEMS *(Continued)*

#### **B. City-Provided – Defined Benefit Plans *(Continued)***

##### Vesting:

Less Than 10 Years: Refund of Member Contributions, with interest.

10 or More Years: Accrued pension payable at Normal Retirement, or refund of Member Contributions, with interest.

##### Disability:

Eligibility: Total and permanent; unable to perform any regular and continuous duties as a General Employee (as determined by the Board).

Benefit: Service Incurred 50% of average pay for the 12 months preceding disability.

Non-Service Incurred: 25% of average pay for the 12 months preceding disability.

Benefit Offsets: If the Plan benefit plus Social Security and/or Workers' Compensation exceeds 100% of pay, Plan benefit is reduced so total is 100% of pay.

##### Pre-Retirement Death Benefits:

Vested or Eligible to Retire: Beneficiary receives accrued benefit for 10 years at the otherwise Normal (unreduced) or Early (reduced) Retirement Date, or refund of member contributions, with interest.

Not Vested or Eligible to Retire: Refund of member contributions, with interest.

##### *Police Officers' Pension Plan:*

##### Normal Retirement:

Date: Earlier of: 1) Age 50 and 10 years of Credited Service, or 2) 25 years of Credited Service, regardless of age.

Benefit: 3% of Average Monthly Earnings ("AME") times Years of Credited Service.

##### Vesting (Termination of Employment):

Less than 10 Years: Refund of member contributions, with interest.

10 Years or More: Accrued pension payable at age 50, or refund of member contributions with interest.

##### Cost of Living Adjustment:

Up to 3% per year beginning at age 65.

##### Disability:

Eligibility: Total and permanent; not able to perform useful and efficient service as a police officer. Board can require periodic re-examination. 10 years of service required for Non-Service Incurred benefits.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 10 - EMPLOYEE RETIREMENT SYSTEMS *(Continued)*

#### **B. City-Provided – Defined Benefit Plans *(Continued)***

Benefit: Service Connected: Greater of 1) Accrued benefit, 2) 42% of Average Monthly Earnings, or 3) 50% of regular base pay on date of disability.

Non-Service Connected: Accrued benefit.

Benefit Offsets: If the 50% or 25% of pay benefit plus all Primary and Family Social Security benefits and/or all regular or periodic payments under Workers' Compensation exceeds 100% of regular base pay on the date of disability, the Plan benefit will be reduced so that the sum of all such payments equal 100% of pay. (In no event will offset reduce benefits below 42% of AME for service connected, or 25% of AME for Non-Service Connected disability.)

#### Pre-Retirement Death Benefits:

Vested or Eligible to Retire: Accrued benefits payable to beneficiary for 10 years, or in accordance with available options.

If Not Vested or Eligible for Early or Normal Retirement: Refund of contributions plus 4.5% interest.

#### Firefighters' Pension Plan:

##### Normal Retirement:

Date: Earlier of age 55 with 10 years of service or the completion of 25 years of Credited Service. Members with at least 10 years of Credited Service on October 27, 2015, as well as Members who were within 7 years of Normal Retirement eligibility on that date retain the Normal Retirement date previously in effect: Earlier of age 52 and 10 years of Credited Service or the completion of 25 years of Credited Service.

Benefit: 3% of AME times Years of Credited Service.

##### Early Retirement:

Date: Age 50 and 10 years of Credited Service.

Benefit: Accrued benefit, reduced 3% per year.

##### Delayed Retirement:

Allowable beyond age 70, with consent of the Board. Benefit continues to accrue.

##### Cost of Living Adjustment for Retirees:

Up to 3% per year beginning at age 65.

##### Vesting (Termination of Employment):

Less than 10 years of Service: Refund of Member Contributions, with interest.

10 years or more: Accrued pension payable at Normal Retirement, or, on a reduced basis at Early Retirement, or refund of contributions with interest.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 10 - EMPLOYEE RETIREMENT SYSTEMS *(Continued)*

#### **B. City-Provided – Defined Benefit Plans *(Continued)***

Disability:

Eligibility: Total and permanent; not able to perform any useful duties or service for Fire Department. Board can require periodic re-examination.

Waiting Period Service Connected: At expiration of sick pay and accrued vacation pay.

Waiting Period Non-Service Connected: 6 months from date of disability.

Benefit Amount Service Connected: Accrued benefit (at the 3% benefit rate) with a minimum of 42% of AME.

Benefit Amount Non-Service Connected: 25% of pay on date of disability.

Pre-Retirement Death Benefits:

Vested: Accrued Benefit (determined using a 2.0% Benefit Multiplier Rate) payable to beneficiary for 120 months at the Normal Retirement Date (unreduced), Early Retirement Date (reduced as for Early Retirement), or immediately (actuarially reduced for commencement prior to the Early Retirement Date).

Non-Vested: Refund of contributions plus 4.5% interest.

Investment Policy:

The following was the Board's adopted asset allocation policy as of September 30, 2020:

Asset Class	Target Allocation		
	General Employees' Pension Plan	Police Officers' Pension Plan	Firefighters' Pension Plan
Domestic Equity	45%	35%	-
International Equity	15%	15%	10%
Broad Market Fixed Income	10%	-	-
Global Fixed Income	5%	-	-
Real Estate	15%	-	15%
Bonds	-	25%	-
Convertibles	-	10%	-
REITS	-	10%	-
MLPs	-	-	-
Large Cap Equity	-	-	40%
Smid Cap Equity	-	-	20%
Fixed Income	-	-	15%
Alternative	10%	-	-
Infrastructure	-	5%	-
Total	<u>100%</u>	<u>100%</u>	<u>100%</u>

Concentrations:

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

## NOTES TO FINANCIAL STATEMENTS

### NOTE 10 - EMPLOYEE RETIREMENT SYSTEMS *(Continued)*

#### B. City-Provided – Defined Benefit Plans *(Continued)*

*Rate of Return:*

For the year ended September 30, 2020, the annual money-weighted rate of return on General Employees', Police Officers' and Firefighters' Pension Plan investments, net of pension plan investment expense, was 10.26%, 8.55% and 7.89%, respectively.

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

*Deferred Retirement Option Program:*

	General Employees' Pension Plan	Police Officers' Pension Plan	Firefighters' Pension Plan
Eligibility	Satisfaction of Normal Retirement requirements.	Satisfaction of Normal Retirement requirements.	Satisfaction of Normal Retirement requirements.
Participation	Not to exceed 60 months.	Not to exceed 60 months.	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) based on Actuarial Value of plan assets.	Actual net investment rate or fixed interest, at member's election.	DROP Entry prior to April 1, 2012: At Participant's election (may change semi-annually), either: a) Actual net rate of investment return (total return net of brokerage commissions, management fees, and transaction costs), credited each fiscal year quarter, or b) 7.99% fixed.  DROP Entry after March 31, 2012: At Participant's election (may change semi-annually), either: a) Actual net rate of investment return (total return net of brokerage commissions, management fees, and transaction costs), credited each fiscal year quarter, or b) Net rate of investment return, not less than 4%, not greater than 6.5%.

*Net Pension Liability of the City:*

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

	General Employees' Pension Plan	Police Officers' Pension Plan	Firefighters' Pension Plan
Total Pension Liability	\$ 16,083,678	\$ 36,102,340	\$ 30,887,593
Plan Fiduciary Net Position	(14,428,298)	(33,502,504)	(22,119,560)
City's Net Pension Liability	<u>\$ 1,655,380</u>	<u>\$ 2,599,836</u>	<u>\$ 8,768,033</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 10 - EMPLOYEE RETIREMENT SYSTEMS *(Continued)*

#### B. City-Provided – Defined Benefit Plans *(Continued)*

Actuarial Assumptions:

The total pension liability 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’ Pension Plan	Police Officers’ Pension Plan	Firefighters’ Pension Plan
Inflation	2.50%	2.70%	3.00%
Salary Increases	6.50%	service based	service based
Discount Rate	6.70%	7.50%	7.50%
Investment Rate of Return	6.70%	7.50%	7.50%
General Employees’ Pension Plan	Police Officers’ Pension Plan	Firefighters’ Pension Plan	
Mortality Rate Healthy Lives: Female: PubG.H-2010 (Above Median) for Healthy Retirees. Male: PubG.H-2010 for Healthy Retirees, set back one year	Mortality Rate Healthy Lives: Female: PubS.H-2010 (Below Median) for Employees, set forward one year. Male: PubS.H-2010 (Below Median) for Employees, set forward one year.	Mortality Rate Healthy Lives: Female: PubS.H-2010 (Below Median) for Employees, set forward one year. Male: PubS.H-2010 (Below Median) for Employees, set forward one year.	
Mortality Rate Disabled Lives: PubG.H-2010 for Disabled Retirees, set forward three years.	Mortality Rate Disabled Lives: 80% PubG.H-2010 for Disabled Retirees / 20% PubS.H-2010 for Disabled Retirees	Mortality Rate Disabled Lives: 80% PubG.H-2010 for Disabled Retirees / 20% PubS.H-2010 for Disabled Retirees	
The date of the most recent experience study for which significant assumptions are based upon is not available.	The most recent actuarial experience study used to review the other significant assumptions was dated August 17, 2018.	The most recent actuarial experience study used to review the other significant assumptions was dated August 15, 2018.	

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class.



## NOTES TO FINANCIAL STATEMENTS

### NOTE 10 - EMPLOYEE RETIREMENT SYSTEMS *(Continued)*

#### B. City-Provided – Defined Benefit Plans *(Continued)*

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 geometric 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	Long Term Expected Real Rate of Return		
	General Employees' Pension Plan	Police Officers' Pension Plan	Firefighters' Pension Plan
Domestic Equity	7.50%	8.50%	-
International Equity	8.50%	4.10%	3.32%
Broad Market Fixed Income	2.50%	-	-
Global Fixed Income	3.50%	-	-
Real Estate	4.50%	-	6.16%
Bonds	-	3.70%	-
Convertibles	-	7.90%	-
REITS	-	4.90%	-
Infrastructure	-	8.10%	-
Large Cap Equity	-	-	5.62%
Smid Cap Equity	-	-	6.79%
Fixed Income	-	-	2.68%
Alternative	6.00%	-	-

#### Discount Rate:

The discount rate used to measure the total pension liability for the General Employees, Police Officers and Firefighters Pension Plan investments was 6.70%, 7.50% and 7.50%, respectively.

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

## NOTES TO FINANCIAL STATEMENTS

### NOTE 10 - EMPLOYEE RETIREMENT SYSTEMS *(Continued)*

#### B. City-Provided – Defined Benefit Plans *(Continued)*

##### Change in Net Pension Liability:

General Employees' Pension Plan	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at September 30, 2019	\$ 16,638,723	\$ 13,957,588	\$ 2,681,135
Changes for a Year:			
Service Cost	10,118	-	10,118
Interest	1,090,679	-	1,090,679
Differences between expected and actual experience	(649,539)	-	(649,539)
Changes of assumptions	212,596	-	212,596
Contributions - Employer	-	342,201	(342,201)
Contributions - Employee	-	1,101	(1,101)
Net Investment Income	-	1,408,014	(1,408,014)
Benefit payments, including refunds of employees contributions	(1,218,899)	(1,218,899)	-
Administrative expense	-	(61,707)	61,707
Net Changes	(555,045)	470,710	(1,025,755)
Balances at September 30, 2020	<u>\$ 16,083,678</u>	<u>\$ 14,428,298</u>	<u>\$ 1,655,380</u>

Police Officers' Pension Plan	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at September 30, 2019	\$ 34,567,360	\$ 31,345,463	\$ 3,221,897
Changes for a Year:			
Service Cost	676,591	-	676,591
Interest	2,580,719	-	2,580,719
Differences between expected and actual experience	321,621	-	321,621
Changes of assumptions	(375,217)	-	(375,217)
Changes of benefit terms	-	-	-
Contributions - Employer	-	815,347	(815,347)
Contributions - State	-	185,915	(185,915)
Contributions - Employee	-	220,107	(220,107)
Net Investment Income	-	2,685,732	(2,685,732)
Benefit payments, including refunds of employees contributions	(1,668,734)	(1,668,734)	-
Administrative expense	-	(81,326)	81,326
Net Changes	1,534,980	2,157,041	(622,061)
Balances at September 30, 2020	<u>\$ 36,102,340</u>	<u>\$ 33,502,504</u>	<u>\$ 2,599,836</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 10 - EMPLOYEE RETIREMENT SYSTEMS *(Continued)*

#### B. City-Provided – Defined Benefit Plans *(Continued)*

	Increase (Decrease)		
Firefighters' Pension Plan	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at September 30, 2019	\$ 29,540,519	\$ 20,497,106	9,043,413
Changes for a Year:			
Service Cost	550,549	-	550,549
Interest	2,223,242	-	2,223,242
Differences between Expected and Actual Experience	384,149	-	384,149
Changes of assumptions	(135,092)	-	(135,092)
Changes of benefit terms	-	-	-
Contributions - Employer	-	1,516,474	(1,516,474)
Contributions - State	-	112,427	(112,427)
Contributions - Employee	-	140,965	(140,965)
Net Investment Income	-	1,605,655	(1,605,655)
Benefit Payments, including Refunds of Employees Contributions	(1,675,774)	(1,675,774)	-
Administrative Expense	-	(77,293)	77,293
Net Changes	1,347,074	1,622,454	(275,380)
Balances at September 30, 2020	<u>\$ 30,887,593</u>	<u>\$ 22,119,560</u>	<u>8,768,033</u>

#### *Sensitivity of the Net Pension Liability to Changes in the Discount Rate.*

The following presents the net pension liability of the City, calculated using the discount rate, as well as what the City's net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease 5.70%	Current Discount Rate 6.70%	1% Increase 7.70%
Sponsor's Net Pension Liability			
General Employees' Pension Plan	\$ 3,288,706	\$ 1,655,380	\$ 280,760
	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Sponsor's Net Pension Liability			
Police Officers' Pension Plan	\$ 7,229,780	\$ 2,599,836	\$ (1,196,616)
	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Sponsor's Net Pension Liability			
Firefighters' Pension Plan	\$ 12,504,714	\$ 8,768,033	\$ 5,687,754

## NOTES TO FINANCIAL STATEMENTS

### NOTE 10 - EMPLOYEE RETIREMENT SYSTEMS *(Continued)*

#### **B. City-Provided – Defined Benefit Plans *(Continued)***

##### *Pension Plan Fiduciary Net Position*

Detailed information about pension plan Fiduciary Net Position is available in a separately issued plan financial report for each pension plan.

For the year ended September 30, 2020, the pension expense recognized on the General Employees', Police Officers' and Firefighters' Pension Plans, was (\$450,938), \$1,042,656 and \$1,779,861, respectively.

On September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
<u>General Employees' Pension Plan</u>		
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 398,993
Total General Employees' Pension Plan	-	398,993
<u>Police Officers' Pension Plan</u>		
Differences between expected and actual experience	718,504	225,008
Change of assumptions	341,604	300,172
Net difference between projected and actual earnings on pension plan investments	259,207	-
Total Police Officers' Pension Plan	1,319,315	525,180
<u>Firefighters' Pension Plan</u>		
Differences between expected and actual experience	755,748	277,256
Change of assumptions	632,760	177,462
Net difference between projected and actual earnings on pension plan investments	278,839	-
Total Firefighters' Pension Plan	1,667,347	454,718
Total deferred outflows and deferred inflows of resources related to pensions	<u>\$ 2,986,662</u>	<u>\$ 1,378,891</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 10 - EMPLOYEE RETIREMENT SYSTEMS *(Continued)*

#### **B. City-Provided – Defined Benefit Plans *(Continued)***

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

Year Ending September 30,	General Employees' Pension Plan	Police Officers' Pension Plan	Firefighters' Pension Plan
2021	\$ (235,731)	\$ 273,580	\$ 328,850
2022	(91,353)	376,012	305,254
2023	26,244	226,192	416,076
2024	(98,153)	(81,649)	120,939
2025	-	-	41,510
Total	<u>\$ (398,993)</u>	<u>\$ 794,135</u>	<u>\$ 1,212,629</u>

#### **C. Defined Contribution Plans**

##### Defined Contribution 401(a) Retirement Plan

During July 1996, the City made available to all permanent, full-time personnel who were not certified firefighters or sworn police officers an opportunity to participate in a Defined Contribution 401(a) Retirement Plan. This Plan was established under the authority of, and governed by, the United States Internal Revenue Code, as amended; Part VII, Chapter 112, Florida Statutes; and ordinances as adopted by the City. The Plan is administered by the City through the Human Resources Department, with SunTrust Investments ("STI") serving as the investment manager and trustee. The effective date of the City of Cocoa, Florida Defined Contribution Plan is July 1, 1996. Participation in the Plan was mandatory. Any individual who was a permanent, full-time employee of the City on or after July 1, 1996 but prior to March 1, 2009 (other than certified firefighters and sworn police officers) became a participant of the Plan on the date of their employment. Effective March 1, 2009, when the city began participation in FRS, the Plan was closed to new participants.

The Plan requires the employer to contribute an amount equal to 12% of each participant's compensation. Pursuant to the provisions of the Defined Contribution Plan, any amounts forfeited by employees as a result of termination prior to vesting shall be used to reduce contributions of the employer. During 2020, the Plan had no forfeitures. Employer contributions for 2020 totaled \$36,906. At September 30, 2020, the remaining forfeiture balance from previous years was \$-0-. The employee contributes 5% of their compensation. Employee contributions for 2020 totaled \$15,387. Employees may also make voluntary contributions to the Plan. Total voluntary contributions made by the employees in the amount of \$1,285 are not matched by the employer.

##### 401(a) Money Purchase Plan and Trust

In February 2013, the City established a 401(a) Money Purchase Plan and Trust with ICMA Retirement Corporation exclusively for the City Manager, in accordance with an employment agreement with the City Manager. During the year ended September 30, 2020, employer contributions were \$1,547 and employee contributions were \$1,098.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 10 - EMPLOYEE RETIREMENT SYSTEMS *(Continued)*

#### D. Net Activity by Pension Plan

The pension trust funds' fiduciary net position activity as of September 30, 2020 was as follows:

	General Employees' Pension Plan	Police Officers' Pension Plan	Firefighters' Pension Plan	Defined Contribution Plans	Total
<b>ASSETS</b>					
Cash and cash equivalents	\$ 69,747	\$ 410,240	\$ 1,315,815	\$ -	\$ 1,795,802
Investments at fair value:					
Equity funds	9,733,293	15,016,685	4,993,866	1,671,823	31,415,667
Blended mutual funds	-	-	-	181,766	181,766
Fixed income funds	618,472	7,907,009	-	362,531	8,888,012
Mortgage-backed securities	736,064	-	896,670	-	1,632,734
Corporate stock	-	4,927,504	9,621,085	-	14,548,589
Corporate bonds	951,212	2,220,098	1,527,104	-	4,698,414
Foreign equity funds	-	-	-	55,321	55,321
Government securities	306,911	-	696,675	-	1,003,586
US real estate investment fund	2,001,107	3,060,582	3,077,753	-	8,139,442
Accounts receivable	-	-	-	-	-
Interest receivable	11,492	15,948	21,534	-	48,974
Total assets	14,428,298	33,558,066	22,150,502	2,271,441	72,408,307
<b>LIABILITIES</b>					
Accounts payable	-	55,560	29,586	-	85,146
Deferred contributions	17,982	42,271	1,356	-	61,609
Total liabilities	17,982	97,831	30,942	-	146,755
<b>NET POSITION</b>					
Held in trust for pension benefits	<u>\$ 14,410,316</u>	<u>\$ 33,460,235</u>	<u>\$ 22,119,560</u>	<u>\$ 2,271,441</u>	<u>\$ 72,261,552</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 10 - EMPLOYEE RETIREMENT SYSTEMS *(Continued)*

#### E. Change in Fiduciary Net Position by Pension Plan

The pension trust funds' change in fiduciary net position activity as of September 30, 2020 was as follows:

	General Employees' Pension Plan	Police Officers' Pension Plan	Firefighters' Pension Plan	Defined Contribution Plans	Total
<b>ADDITIONS</b>					
Contributions:					
Employer contributions	\$ 342,201	\$ 815,347	\$ 1,516,474	\$ 38,453	\$ 2,712,475
Employee contributions	1,101	220,107	140,965	16,485	378,658
Employee voluntary contributions	-	-	-	1,286	1,286
State contributions	-	185,915	112,427	-	298,342
Total contributions	343,302	1,221,369	1,769,866	56,224	3,390,761
Investment earnings:					
Net increase (decrease) in the fair value of investments	1,045,151	1,960,939	1,369,271	184,731	4,560,092
Interest and dividends	394,832	871,710	355,169	141,960	1,763,671
Total investment earnings	1,439,983	2,832,649	1,724,440	326,691	6,323,763
Less investment expense	(31,968)	(146,917)	(118,785)	(2,560)	(300,230)
Net investment earnings	1,408,015	2,685,732	1,605,655	324,131	6,023,533
Total additions	1,751,317	3,907,101	3,375,521	380,355	9,414,294
<b>DEDUCTIONS</b>					
Benefit payments	1,218,899	1,668,734	1,675,774	574,537	5,137,944
Administrative expenses	61,707	81,326	77,293	-	220,326
Total deductions	1,280,606	1,750,060	1,753,067	574,537	5,358,270
Change in net position	470,711	2,157,041	1,622,454	(194,182)	4,056,024
Net position, beginning of year	13,939,605	31,345,463	20,497,106	2,465,623	68,247,797
Net position, end of year	<u>\$ 14,410,316</u>	<u>\$ 33,502,504</u>	<u>\$ 22,119,560</u>	<u>\$ 2,271,441</u>	<u>\$ 72,303,821</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS

The City follows Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (“OPEB”), for certain postemployment healthcare benefits provided by the City.

#### A. Plan Description and Benefits Provided

The City administers a single-employer defined benefit healthcare plan (the “Plan”) that provides medical insurance to its employees and their eligible dependents. Pursuant to Section 112.0801, Florida Statutes, the City is required to provide eligible retirees (as defined in the City’s pension plans) the opportunity to participate in this Plan at the same cost that is applicable to active employees.

Employees and their dependents may elect to remain in the Plan upon retirement up to age 65. After age 65, the City’s insurance coverage becomes secondary to the retirees’ Medicare insurance. The Plan has 148 retirees and spouses receiving benefits and has a total of 383 active participants and dependents.

Benefit provisions for the Plan were established by the City Council by Resolution on June 27, 1995 (amended as of July 22, 2008) and may only be amended by the City Council. The City has not established a trust or agency fund for the Plan. The City does not issue stand-alone financial statements for this Plan. All financial information related to the Plan is accounted for in the City’s basic financial statements.

#### B. Funding Policy

The City is funding the Plan on a pay-as-you-go basis. The City pays insurance premiums for medical, dental and vision incurred by pre-Medicare retirees at rates of 100% for retirees hired prior to January 14, 1992 and 50% for retirees hired after January 14, 1992. Regardless of their date of hire, Department Directors and the Assistant City Manager receive 100% of the premium for life. These members are generally eligible for this benefit after ten years of employment with the City and having reached the age of 55. In all cases, retirees may purchase coverage for dependents at their expense. In addition to the explicit subsidies described above, there is an implied subsidy in the insurance premiums for all employees because the premium charged for retirees is the same as the premium charged for active employees, who are younger than retirees on average.

For the year ended September 30, 2020, the City’s contribution was \$1,331,321, which included both an estimate of the implied subsidy described above, and the explicit subsidy paid on behalf of eligible retirees. Contributions by the City for Plan members not eligible for an explicit subsidy totaled \$-0- for retirees and approximately \$265,317 for spouses for the year ended September 30, 2020.



## NOTES TO FINANCIAL STATEMENTS

### NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS *(Continued)*

#### C. Total OPEB Liability

The City's total OPEB liability of \$39,132,262 was measured as of September 30, 2020 and was determined by an actuarial valuation as of September 30, 2018.

#### D. Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the Plan as understood by the employer and the Plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and Plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Actuarial valuations for an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Actuarially determined amounts are subject to continuous revision as actual results are compared to past expectations and new estimates about the future are formulated. Although the valuation results are based on values that the City's actuarial consultant believes are reasonable assumptions, the valuation results reflect a long-term perspective and, as such, are merely an estimate of what future costs may actually be. Deviations in any of several factors, such as future interest rates, medical cost inflation, Medicare coverage, and changes in marital status, could result in actual costs being less or greater than estimated.

In the September 30, 2019 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions used for the September 30, 2019 calculations included a 3.83% investment rate of return (including inflation of 2.50%) and an annual healthcare cost trend rate of 6.5% assumed for the year beginning October 1, 2020, reduced by decrements to an ultimate rate of 4.64% in 2040. The discount rate utilized was 2.75%. The actuarial methods and assumptions used are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

#### E. Changes in Total OPEB Liability

Service Cost	\$ 858,707
Interest on the Total OPEB Liability	1,279,470
Changes of benefit terms	56,557
Difference between expected and actual experience of the Total OPEB Liability	
Changes of assumptions and other inputs	5,055,380
Benefit payments	(1,331,321)
Net change in Total OPEB Liability	5,918,793
<b>Total OPEB Liability - Beginning</b>	<b>33,213,469</b>
<b>Total OPEB Liability - Ending</b>	<b>\$ 39,132,262</b>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS *(Continued)*

Changes in assumptions reflect a change in the discount rate from 3.83% for the fiscal year ended September 30, 2019 to 2.75% for the fiscal year ended September 30, 2020.

#### F. Sensitivity Analysis

##### Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

	Discount Rate		
	1% Decrease	Current Discount Rate	1% Increase
	1.75%	2.75%	3.75%
Total OPEB liability	<u>\$ 44,829,492</u>	<u>\$ 39,132,262</u>	<u>\$ 34,359,431</u>

##### Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

	Healthcare Cost Trend Rate		
	1% Decrease	Current Healthcare Cost Rate	1% Increase
	5.50%	6.50%	7.50%
Total OPEB liability	<u>\$ 33,747,701</u>	<u>\$ 39,132,262</u>	<u>\$ 46,391,621</u>

#### G. Deferred Inflows of Resources/Deferred Outflows of Resources

##### OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

OPEB expense for the fiscal year ended September 30, 2020 was \$2,415,966. On September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resource
Changes in assumptions	\$ 4,362,862	\$ 2,784,787
Differences between expected and actual experience	572,357	-
Transactions after measurement date	1,377,173	-
Totals	<u>\$ 6,312,392</u>	<u>\$ 2,784,787</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS *(Continued)*

#### G. Deferred Inflows of Resources/Deferred Outflows of Resources

##### Deferred Outflows/Inflows of Resources Schedule for Future Years

The amount of \$1,377,173 reported as deferred outflows of resources related to OPEB resulting from benefit payments made subsequent to the measurement date will be recognized as a decrease of the total OPEB liability in fiscal year 2021. Other amounts reported as deferred inflows of resources and deferred outflows related to OPEB will be recognized in OPEB expense as follows:

Year Ending September 30,		
2021	\$	221,232
2022		221,232
2023		221,232
2024		221,232
2025		428,785
Thereafter		<u>836,719</u>
Totals	\$	<u>2,150,432</u>

### NOTE 12 - LITIGATION

The City was involved in a lawsuit filed by the Petitioner against the Florida Department of Environmental Protection and the City of Cocoa to obtain a 25-year sovereign submerged land lease related to a boardwalk and promenade constructed jointly by the City and the Petitioner. On November 8, 2005, the parties reached a settlement agreement whereby the Petitioner agreed to reimburse the City for its portion of construction costs in the amount of \$607,837 to be paid in installments through 2009. In accordance with the settlement agreement, the City received \$135,946 and \$200,000 during 2007 and 2006, respectively. During 2008, the Petitioner suspended payments, as the note payable to the City is subordinate to other debt of the Petitioner. At such time as the priority debt is paid by the Petitioner, they will resume payments to the City. A receivable for the remaining amount due, \$271,891, is recorded as of September 30, 2020 in the Cocoa Redevelopment Agency fund as a settlement receivable. The related revenue has been deferred in the governmental fund statements, as it is not collectible soon enough to pay liabilities of the current period.

Various other suits in the ordinary course of operations are pending against the City. While the ultimate effect of such litigation cannot be ascertained at this time, in the opinion of counsel for the City, the liabilities that may arise from such actions would not result in losses that would exceed the liability insurance limits in effect at the time the claim arose or otherwise materially affect the financial position of the City or results of operations.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 13 - COLLECTIVE BARGAINING UNIT

Substantially all of the City's non-management operations, maintenance and public safety employees are covered by collective bargaining agreements. The Agreements with the employees covered by the Laborers' International Union of North America ("LIUNA"), the International Association of Firefighters (IAFF) and the Coastal Florida Police Benevolent Association (PBA) extend through September 30, 2021. The Agreements covering police lieutenants (PBA) and fire district chiefs (Teamsters) expire September 30, 2023.

### NOTE 14 - FUTURE PRONOUNCEMENTS

The Governmental Accounting Standards Board has issued statements that will become effective in 2020. The statements address:

- Fiduciary Activities
- Majority Equity Interests

The City is currently evaluating the effects that these statements will have on its 2020 financial statements.

In response to the COVID-19 global pandemic, the Governmental Accounting Standards Board (GASB) undertook a project to determine whether to delay the mandated implementation date of previously issued pronouncements. The GASB agreed to provide temporary relief to state and local governments by delaying the implementation of several pronouncements. Statement No. 95 "*Postponement of the Effective Dates of Certain Authoritative Guidance*" was issued to identify the pronouncements that are being delayed. It also provides details about the revised effective dates of those pronouncements.

The guidance most likely to have the most significant impact on the City's financial statements No. 87 "*Leases*". The revised effective date for this pronouncement and its related implementation guide is the period beginning after June 15, 2021. The objective of this guidance is to better meet the needs of financial statement users by improving accounting and financial reporting of leases by governments. Management will continue the process of determining what, if any, impact the implementation of the guidance will have on the City's financial statements.

GASB also delayed the effective date for several other pronouncements. Some of these are limited in scope or address topics that are not prevalent in the government environment. Management will continue the process of determining what, if any, impact the implementation of the guidance will have on the City's financial statements.

The pronouncements that the City will be evaluating include: *Statement 92: Omnibus 2020*

## **NOTES TO FINANCIAL STATEMENTS**

### **NOTE 15 - SUBSEQUENT EVENT**

On November 12, 2020, the City issued bonds in the amount of \$13,606,000. This bond was a private placement bond in which proceeds from the bond were used to payoff the State of Florida revolving fund loan #s DW517010, DW517020, DW517030, DWS517040, DW517050, DWS517060, WWG12081202P and WW812030. The bond is payable from pledged revenues primarily comprised of net revenues of the Water and Sewer Utility System and is on parity with outstanding Water and Sewer bond #s Series 2018A-2, Series 2018B and Series 2018C.

On September 30, 2020, the US1 Community Redevelopment Agency sunsetted and ceased existence.

### **NOTE 16 - COVID-19**

In December 2019, COVID-19 emerged and subsequently spread worldwide. The World Health Organization declared COVID-19 a pandemic resulting in federal, state and local governments and private entities mandating various restrictions, including travel restrictions, restrictions on public gatherings, stay at home orders and advisories, and quarantining of people who may have been exposed to the virus. At this point, COVID-19 has not severely affected the City's various revenue sources.

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REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN  
MANAGEMENT'S DISCUSSION AND ANALYSIS

**City of Cocoa, Florida**  
**Required Pension Supplementary Information - Schedule of Proportionate**  
**Share of Net Pension Liability - Florida Retirement System**  
**Last Ten Fiscal Years\***

	<b>Florida Retirement System (FRS)</b>		<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
	<b>2020</b>	<b>2019</b>				
City's proportion of the collective net pension liability	0.3620%	0.0351%	0.0339%	0.0329%	0.0290%	0.0309%
City's proportionate share of the collective net pension liability	\$ 15,690,345	\$ 12,093,584	\$ 10,208,790	\$ 9,723,144	\$ 7,318,096	\$ 3,984,745
City's covered payroll	\$ 16,151,468	\$ 15,476,496	\$ 14,746,847	\$ 12,997,287	\$ 13,039,745	\$ 10,982,455
City's proportionate share of the collective net pension liability as a percentage of its covered payroll	97.15%	78.14%	69.23%	74.81%	56.12%	36.28%
Plan fiduciary net position as a percentage of the total pension liability	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%

	<b>Health Insurance Subsidy (HIS)</b>		<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
	<b>2020</b>	<b>2019</b>				
City's proportion of the collective net pension liability	0.0460%	0.0459%	0.0449%	0.0428%	0.0385%	0.0383%
City's proportionate share of the collective net pension liability	\$ 5,618,912	\$ 5,144,901	\$ 4,744,957	\$ 4,579,133	\$ 4,490,228	\$ 3,908,990
City's covered payroll	\$ 16,151,468	\$ 15,476,496	\$ 14,746,847	\$ 12,997,287	\$ 13,039,745	\$ 10,982,455
City's proportionate share of the collective net pension liability as a percentage of its covered payroll	34.79%	33.24%	32.18%	35.23%	34.43%	35.59%
Plan fiduciary net position as a percentage of the total pension liability	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%

\*GASB 67 requires information for 10 years. However, until a full 10-year trend is compiled, the City is presenting information only for the years for which information is available. The City implemented GASB 68 for the fiscal year ended September 30, 2015.

Note 1: The Plan's fiduciary net position as a percentage of the total pension liability is published in Note 3K of the Plan's Comprehensive Annual Financial Report.

Note 2: The amounts presented for each fiscal year were determined as of 6/30, the measurement date.



**City of Cocoa, Florida**  
**Required Pension Supplementary Information - Schedule of Contributions**  
**Florida Retirement System**  
**Last Ten Fiscal Years\***

	<b>Florida Retirement System (FRS)</b>					
	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Contractually required contribution	\$ 1,247,810	\$ 1,135,700	\$ 981,272	\$ 883,954	\$ 823,709	\$ 824,677
Contributions in relation to the contractually required contribution	(1,247,810)	(1,135,700)	(981,272)	(883,954)	(823,709)	(824,677)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 15,990,658	\$ 15,868,536	\$ 14,757,014	\$ 13,532,920	\$ 12,170,167	\$ 10,982,455
Contributions as a percentage of covered payroll	7.80%	7.16%	6.65%	6.53%	6.77%	7.51%

	<b>Health Insurance Subsidy (HIS)</b>					
	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Contractually required contribution	\$ 262,719	\$ 262,384	\$ 242,596	\$ 235,608	\$ 216,473	\$ 10,524
Contributions in relation to the contractually required contribution	(262,719)	(262,384)	(242,596)	(235,608)	(216,473)	(10,524)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 15,990,658	\$ 15,868,356	\$ 14,757,014	\$ 13,532,920	\$ 12,170,167	\$ 10,982,455
Contributions as a percentage of covered payroll	1.64%	1.65%	1.64%	1.74%	1.78%	0.10%

\*GASB 67 requires information for 10 years. However, until a full 10-year trend is compiled, the City is presenting information only for the years for which information is available. The City implemented GASB 68 for the fiscal year ended September 30, 2015.

Note 1: Amounts are presented as of 9/30, the report date.

**City of Cocoa, Florida**  
**Required Other Pension Supplementary Information - Schedule of Changes in**  
**Net Pension Liability and Related Ratios**  
**Last Ten Fiscal Years\***

	<b>General Employees' Pension Plan</b>						
	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>Total Pension Liability</b>							
Service Cost	\$ 10,118	\$ 8,673	\$ 16,218	\$ 14,181	\$ 29,795	\$ 42,355	\$ 47,142
Interest	1,090,679	1,146,191	1,180,886	1,249,866	1,188,448	1,212,220	1,212,422
Differences between Expected and Actual Experience	(649,539)	(449,972)	(353,443)	(810,338)	90,981	(148,809)	-
Changes of Assumptions	212,596	303,069	-	320,883	1,307,508	280,514	-
Benefit payments, including Refunds of Employee Contributions	(1,218,899)	(1,469,442)	(1,194,075)	(1,338,089)	(1,265,867)	(1,261,866)	(1,253,011)
Net Change in Total Pension Liability	(555,045)	(461,481)	(350,414)	(563,497)	1,350,865	124,414	6,553
Total Pension Liability - Beginning	16,638,723	17,100,204	17,450,618	18,014,115	16,663,250	16,538,836	16,532,283
Total Pension Liability - Ending (a)	16,083,678	16,638,723	17,100,204	17,450,618	18,014,115	16,663,250	16,538,836
<b>Plan Fiduciary Net Position</b>							
Contributions - Employer	342,201	540,614	585,825	622,133	651,442	711,229	789,489
Contributions - Employee	1,101	3,631	3,954	4,993	8,293	11,199	14,167
Net Investment Income	1,408,014	364,341	1,525,741	1,621,502	1,014,663	88,087	1,269,824
Benefit Payments, Including Refunds of Employee Contributions	(1,218,899)	(1,469,442)	(1,194,075)	(1,338,089)	(1,265,867)	(1,261,866)	(1,253,011)
Administrative Expense	(61,707)	(69,029)	(65,202)	(58,842)	(58,000)	(63,707)	(48,959)
Net Change in Plan Fiduciary Net Position	470,710	(629,885)	856,243	851,697	350,531	(515,058)	771,510
Plan Fiduciary Net Position - Beginning	13,957,588	14,587,473	13,731,230	12,879,533	12,529,002	13,044,060	12,272,550
Plan Fiduciary Net Position - Ending (b)	14,428,298	13,957,588	14,587,473	13,731,230	12,879,533	12,529,002	13,044,060
Net Pension Liability - Ending (a) - (b)	<u>\$ 1,655,380</u>	<u>\$ 2,681,135</u>	<u>\$ 2,512,731</u>	<u>\$ 3,719,388</u>	<u>\$ 5,134,582</u>	<u>\$ 4,134,248</u>	<u>\$ 3,494,776</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	89.71%	83.89%	85.31%	78.69%	71.50%	75.19%	78.87%
Covered Payroll	<u>\$ 22,014</u>	<u>\$ 79,071</u>	<u>\$ 79,071</u>	<u>\$ 99,870</u>	<u>\$ 165,865</u>	<u>\$ 360,114</u>	<u>\$ 282,176</u>
Net Pension Liability as a Percentage of Covered Payroll	7519.67%	3390.79%	3177.82%	3724.23%	3095.64%	1148.04%	1238.51%

\*GASB 67 requires information for 10 years. However, until a full 10-year trend is compiled, the City is presenting information only for the years for which information is available.

Notes to the schedules:

- (1) The Covered Employee Payroll numbers shown are in compliance with GASB 82, except for the September 30, 2015 measurement period which includes DROP payroll.

**City of Cocoa, Florida**  
**Required Other Pension Supplementary Information - Schedule of Changes in**  
**Net Pension Liability and Related Ratios (*Continued*)**  
**Last Ten Fiscal Years\***

	<b>Police Officers' Pension Plan</b>						
	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>Total Pension Liability</b>							
Service Cost	\$ 676,591	\$ 622,141	\$ 674,529	\$ 635,256	\$ 618,297	\$ 618,844	\$ 674,987
Interest	2,580,719	2,416,957	2,446,824	2,321,762	2,201,265	2,131,633	2,089,717
Changes of Benefit Terms	-	-	308,630	-	-	(997,832)	-
Differences between Expected and Actual Experience	321,621	768,679	(562,521)	153,793	(374,962)	(513,866)	-
Changes of Assumptions	(375,217)	-	854,009	-	1,036,841	-	-
Contributions - Buy Back	-	-	-	-	10,045	6,362	-
Benefit Payments, Including Refund of Employee Contributions	(1,668,734)	(1,688,734)	(1,750,601)	(2,040,254)	(1,964,221)	(1,414,928)	(958,641)
Net Change in Total Pension Liability	1,534,980	2,119,043	1,970,870	1,070,557	1,527,265	(169,787)	1,806,063
Total Pension Liability - Beginning	34,567,360	32,448,317	30,477,447	29,406,890	27,879,625	28,049,412	26,243,349
Total Pension Liability - Ending (a)	36,102,340	34,567,360	32,448,317	30,477,447	29,406,890	27,879,625	28,049,412
<b>Plan Fiduciary Net Position</b>							
Contributions - Employer	815,347	867,341	829,616	586,260	943,008	1,052,280	1,247,515
Contributions - State	185,915	182,386	171,608	154,134	146,531	135,036	137,207
Contributions - Employee	220,107	212,363	208,055	195,078	206,653	197,582	188,931
Contributions - Buy Back	-	-	-	-	10,045	6,362	-
Net Investment Income	2,685,732	1,488,348	1,849,653	2,676,958	2,337,754	(751,053)	2,455,052
Benefit Payments, Including Refunds of Employee Contributions	(1,668,734)	(1,688,734)	(1,750,601)	(2,040,254)	(1,964,221)	(1,414,928)	(958,641)
Administrative Expense	(81,326)	(95,675)	(80,644)	(65,640)	(68,661)	(70,689)	(64,627)
Net Change in Plan Fiduciary Net Position	2,157,041	966,029	1,227,687	1,506,536	1,611,109	(845,410)	3,005,437
Plan Fiduciary Net Position - Beginning	31,345,463	30,379,434	29,151,747	27,645,211	26,034,102	26,879,512	23,874,075
Plan Fiduciary Net Position - Ending (b)	33,502,504	31,345,463	30,379,434	29,151,747	27,645,211	26,034,102	26,879,512
Net Pension Liability - Ending (a) - (b)	<u>\$ 2,599,836</u>	<u>\$ 3,221,897</u>	<u>\$ 2,068,883</u>	<u>\$ 1,325,700</u>	<u>\$ 1,761,679</u>	<u>\$ 1,845,523</u>	<u>\$ 1,169,900</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	92.80%	90.68%	93.62%	95.65%	94.01%	93.38%	95.83%
Covered Payroll	<u>\$ 3,386,265</u>	<u>\$ 3,267,124</u>	<u>\$ 3,200,845</u>	<u>\$ 3,001,194</u>	<u>\$ 3,179,278</u>	<u>\$ 3,657,284</u>	<u>\$ 2,906,638</u>
Net Pension Liability as a Percentage of Covered Payroll	76.78%	98.62%	64.64%	44.17%	55.41%	50.46%	40.25%

\* The amounts presented for each fiscal year were determined as of September 30. The City implemented GASB Statement No. 67 for the fiscal year ending September 30, 2014. As a result the City is presenting information only for the years for which the information is available.

Notes to the schedules:

- (1) The Covered Employee Payroll numbers shown are in compliance with GASB 82, except for the September 30, 2015 measurement period which includes DROP payroll.

**City of Cocoa, Florida**  
**Required Other Pension Supplementary Information - Schedule of Changes in**  
**Net Pension Liability and Related Ratios (Continued)**  
**Last Ten Fiscal Years\***

	<b>Firefighters' Pension Plan</b>						
	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>Total Pension Liability</b>							
Service Cost	\$ 550,549	\$ 485,600	\$ 517,114	\$ 497,902	\$ 437,785	\$ 428,719	\$ 433,714
Interest	2,223,242	2,188,638	2,105,795	1,964,536	1,793,566	1,712,414	1,731,706
Change in Excess State Money	-	-	-	-	-	-	34,809
Changes of Benefit Terms	-	18,691	-	-	-	(1,070,557)	-
Differences between Expected and Actual Experience	384,149	(415,884)	556,795	786,130	494,099	7,133	-
Changes of Assumptions	(135,092)	949,138	(129,772)	-	1,122,630	-	-
Benefit Payments, Including Refund of Employee Contributions	(1,675,774)	(1,771,291)	(1,539,253)	(1,464,836)	(2,077,311)	(1,309,918)	(1,352,119)
Net Change in Total Pension Liability	1,347,074	1,454,892	1,510,679	1,783,732	1,770,769	(232,209)	848,110
Total Pension Liability - Beginning	29,540,519	28,085,627	26,574,948	24,791,216	23,020,447	23,252,656	22,404,546
Total Pension Liability - Ending (a)	30,887,593	29,540,519	28,085,627	26,574,948	24,791,216	23,020,447	23,252,656
<b>Plan Fiduciary Net Position</b>							
Contributions - Employer	1,516,474	1,351,865	1,279,709	1,306,976	1,391,074	1,442,906	1,720,919
Contributions - State	112,427	105,146	109,866	130,749	115,233	128,299	129,468
Contributions - Employee	140,965	143,125	142,644	146,845	152,199	140,228	134,687
Net Investment Income	1,605,655	472,802	2,019,990	1,977,411	1,340,094	(79,330)	1,370,989
Benefit Payments, Including Refunds of Employee Contributions	(1,675,774)	(1,771,291)	(1,539,253)	(1,464,836)	(2,077,311)	(1,309,918)	(1,352,119)
Administrative Expense	(77,293)	(100,198)	(88,571)	(63,579)	(84,495)	(95,930)	(56,334)
Net Change in Plan Fiduciary Net Position	1,622,454	201,449	1,924,385	2,033,566	836,794	226,255	1,947,610
Plan Fiduciary Net Position - Beginning	20,497,106	20,295,657	18,371,272	16,337,706	15,500,912	15,274,657	13,327,047
Plan Fiduciary Net Position - Ending (b)	22,119,560	20,497,106	20,295,657	18,371,272	16,337,706	15,500,912	15,274,657
Net Pension Liability - Ending (a) - (b)	<u>\$ 8,768,033</u>	<u>\$ 9,043,413</u>	<u>\$ 7,789,970</u>	<u>\$ 8,203,676</u>	<u>\$ 8,453,510</u>	<u>\$ 7,519,535</u>	<u>\$ 7,977,999</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	71.61%	69.39%	72.26%	69.13%	65.90%	67.34%	65.69%
Covered Payroll	<u>\$ 2,168,687</u>	<u>\$ 2,201,921</u>	<u>\$ 2,194,527</u>	<u>\$ 2,259,154</u>	<u>\$ 2,341,531</u>	<u>\$ 2,257,178</u>	<u>\$ 2,072,106</u>
Net Pension Liability as a Percentage of Covered Payroll	404.30%	410.71%	354.97%	363.13%	361.02%	333.14%	385.02%

\* The amounts presented for each fiscal year were determined as of September 30. The City implemented GASB Statement No. 67 for the fiscal year ending September 30, 2014. As a result the City is presenting information only for the years for which the information is available.

Notes to the schedules:

- (1) The Covered Employee Payroll numbers shown are in compliance with GASB 82, except for the September 30, 2015 measurement period which includes DROP payroll.

**City of Cocoa, Florida**  
**Required Other Supplementary Information - Schedule of Contributions**  
**Last Ten Fiscal Years\***

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>General Employees' Pension Plan</b>							
Actuarially Determined Contribution	\$ 342,201	\$ 522,632	\$ 585,687	\$ 622,133	\$ 651,442	\$ 711,229	\$ 789,489
Contributions in Relation to the Actuarially Determined Contributions	<u>(342,201)</u>	<u>(540,614)</u>	<u>(585,825)</u>	<u>(622,133)</u>	<u>(651,442)</u>	<u>(711,229)</u>	<u>(789,489)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ (17,982)</u>	<u>\$ (138)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 22,014	\$ 79,071	\$ 79,071	\$ 99,870	\$ 165,865	\$ 360,114	\$ 282,176
Contributions as a Percentage of Covered Payroll	1554.47%	660.97%	740.71%	622.94%	392.75%	197.50%	279.79%
<b>Police Officers' Pension Plan</b>							
Actuarially Determined Contribution	\$ 958,990	\$ 1,049,727	\$ 1,001,224	\$ 740,394	\$ 1,089,539	\$ 1,187,316	\$ 1,384,722
Contributions in Relation to the Actuarially Determined Contributions	<u>(1,001,262)</u>	<u>(1,049,727)</u>	<u>(1,001,224)</u>	<u>(740,394)</u>	<u>(1,089,539)</u>	<u>(1,187,316)</u>	<u>(1,384,722)</u>
Contribution Deficiency (Excess)	<u>\$ (42,272)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Employee Payroll	\$ 3,386,265	\$ 3,267,124	\$ 3,200,845	\$ 3,001,194	\$ 3,179,278	\$ 3,657,284	\$ 2,906,638
Contributions as a Percentage of Covered Payroll	29.57%	32.13%	31.28%	24.67%	34.27%	32.46%	47.64%
<b>Firefighters' Pension Plan</b>							
Actuarially Determined Contribution	\$ 1,628,901	\$ 1,457,011	\$ 1,389,575	\$ 1,437,725	\$ 1,506,307	\$ 1,571,205	\$ 1,815,579
Contributions in Relation to the Actuarially Determined Contributions	<u>(1,628,901)</u>	<u>(1,457,011)</u>	<u>(1,389,575)</u>	<u>(1,437,725)</u>	<u>(1,506,307)</u>	<u>(1,571,205)</u>	<u>(1,815,579)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 2,168,687	\$ 2,201,921	\$ 2,194,527	\$ 2,259,157	\$ 2,341,531	\$ 2,257,178	\$ 2,072,106
Contributions as a Percentage of Covered Payroll	75.11%	66.17%	63.32%	63.64%	64.33%	69.61%	87.62%

\* GASB 67 requires information for 10 years. However, until a full 10-year trend is compiled, the City is presenting information only for the years for which information is available. The City implemented GASB 67 for the fiscal year ended September 30, 2014.

Notes to the schedules:

- (2) The Covered Payroll numbers shown are in compliance with GASB 82, except for the September 30, 2015 measurement period which includes DROP payroll.

**City of Cocoa, Florida**  
**Required Other Pension Supplementary Information - Notes to Schedule**

Notes to Schedule

Valuation Date: 10/01/2018

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.

Methods and assumptions used to determine contribution rates:

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**GENERAL EMPLOYEES' PENSION PLAN**

Valuation Date:	10/01/2018
Mortality	<i>Healthy Lives:</i> Female: PubG.H-2010 (Above Median) for Healthy Retirees. Male: PubG.H-2010 for Healthy Retirees, set back one year. <i>Beneficiary Lives:</i> Female: PubG.H-2010 for Healthy Retirees. Male: PubG.H-2010 (Above Median) for Healthy Retirees, set back one year. <i>Disabled Lives:</i> Female: PubG.H-2010 for Disabled Retirees, set forward three years. Male: PubG.H-2010 for Disabled Retirees, set forward three years.
Interest Rate	6.70% per year compounded annually, net of investment related expenses.
Retirement Age	Age 50 and 25 years of Credited Service, or age 57 (age 57 and 10 years of service if hired after 3/31/94).
Early Retirement	Age 55 and 10 years of credited service.
Salary Increases	6.50% per year until the assumed retirement age.
Payroll Growth	None.
Cost of Living Increase	3.0% per year beginning at age 65.
Funding Method	Entry Age Normal Actuarial Cost Method. An interest load equal to 1 year has been applied for determination of required sponsor contributions.
Asset Valuation Method	Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric 4-year average Market Value Returns, net of fees. It is possible that over time this technique will produce an insignificant bias above or below Market Value.
Termination and Disability Rate Table	The Plan has no active members therefore termination and disability rates do not apply.

**City of Cocoa, Florida**  
**Required Other Pension Supplementary Information - Notes to Schedule (Continued)**

**POLICE OFFICERS' PENSION PLAN**

Valuation Date:	10/01/2018	
Mortality	<i>Healthy Lives:</i> Female: PubS.H-2010 (Below Median) for Employees, set forward one year. Male: PubS.H-2010 (Below Median) for Employees, set forward one year. <i>Beneficiary Lives:</i> Female: PubG.H-2010 for Healthy Retirees. Male: PubG.H-2010 for Healthy Retirees. <i>Disabled Lives:</i> Female: 80% PubG.H-2010 for Disabled Retirees / 20% Pub S.H-2010 for Disabled Retirees. Male: 80% PubG.H-2010 for Disabled Retirees / 20% Pub S.H-2010 for Disabled Retirees.	
Interest Rate	7.50% per year compounded annually, net of investment related expenses.	
Retirement Age	Earlier of: 1) Age 50 with 10 years of Credited Service, or 2) 25 years of Credited Service, regardless of age.	
Salary Increases	6.5% for 0 years of service, 4.5% for 1 to 5 years of service, 4.0% for 6 or more years of service.	
Payroll Growth	None.	
Cost of Living Increase	3.0% per year beginning at age 65.	
Funding Method	Entry Age Normal Actuarial Cost Method.	
Asset Smoothing Methodology	The Actuarial Value of Assets is brought forward using the historical 4-year geometric average of Market Value Returns, net of fees. Over time, this may result in a de minimis bias that is above or below the Market Value of Assets.	
Termination and Disability		
Rate Table	% Terminating	% Becoming Disabled
<u>Years of Service / Age</u>	<u>During the Year</u>	<u>During the Year</u>
0-1 / 20	17.0%	0.140%
2 / 30	10.0%	0.180%
3-19 / 40	4.0%	0.300%
20+ / 50	0.0%	1.000%
N/A / 60+	N/A	2.090%

**City of Cocoa, Florida**  
**Required Other Pension Supplementary Information - Notes to Schedule (Continued)**

**FIRE FIGHTERS' PENSION PLAN**

Valuation Date:	10/01/2018	
Mortality	<p><i>Healthy Lives:</i>  Female: PubS.H-2010 (Below Median) for Employees, set forward one year.  Male: PubS.H-2010 (Below Median) for Employees, set forward one year.</p> <p><i>Beneficiary Lives:</i>  Female: PubG.H-2010 for Healthy Retirees.  Male: PubG.H-2010 for Healthy Retirees set back one year.</p> <p><i>Disabled Lives:</i>  Female: 80% PubG.H-2010 for Disabled Retirees / 20% PubS.H-2010 for Disabled Retirees.  Male: 80% PubG.H-2010 for Disabled Retirees / 20% PubS.H-2010 for Disabled Retirees.</p>	
Interest Rate	7.50% per year compounded annually, net of investment related expenses.	
Retirement Age	<p>Earlier of age 52 or the completion of 25 years of Credited Service if hired prior to 01/01/1999.</p> <p>Earlier of age 52 with 10 years of service or the completion of 25 years of Credited Service if hired between 01/01/1999 and 11/08/2015.</p> <p>Earlier of age 55 with 10 years of service or the completion of 25 years of Credited Service if hired after 11/08/2015.</p>	
Salary Increases	10.0% for 0 years of service, 5.0% for 1-9 years of service, 4.5% for 10-14 years of service, 4.0% for 15 or more years of service.	
Payroll Growth	None.	
Cost of Living Increase	3.0% per year beginning at age 65.	
Funding Method	Entry Age Normal Actuarial Cost Method.	
Asset Smoothing Methodology	The Actuarial Value of Assets is brought forward using the historical 4-year geometric average of Market Value Returns, net of fees. Over time, this may result in a de minimis bias that is above or below the Market Value of Assets.	
Termination and Disability		
Rate Table	% Terminating	% Becoming Disabled
Years of Service / Age	<u>During the Year</u>	<u>During the Year</u>
0-2 / 20	7.0%	0.180%
3+ / 30	0.0%	0.230%
N/A / 40	N/A	0.380%
N/A / 50	N/A	1.250%
N/A / 60+	N/A	2.610%



**City of Cocoa, Florida**  
**Required Other Pension Supplementary Information - Schedule of Investment Returns**  
**Last Ten Fiscal Years\***

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual Money-Weighted Rate of Return Net of Investment Expense							
General Employees' Pension Plan	10.26%	2.59%	11.42%	13.04%	8.39%	0.69%	10.60%
Police Officers' Pension Plan	8.55%	4.93%	6.41%	9.83%	9.11%	-2.80%	10.27%
Firefighters' Pension Plan	7.89%	2.36%	11.12%	12.23%	9.03%	-0.19%	10.29%

\* The amounts presented for each fiscal year were determined as of September 30. GASB 67 requires information for 10 years. However, until a full 10-year trend is compiled, the City is presenting information only for the years for which information is available.

**City of Cocoa, Florida**  
**Schedule of Changes in the City's Total OPEB Liability and Related Ratios**  
**Last Ten Fiscal Years\***

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>			
Service Cost	\$ 858,707	\$ 950,505	\$ 1,007,663
Interest on the Total OPEB Liability	1,279,470	1,197,534	1,092,025
Changes in benefit terms	56,557	(12,150)	-
Difference between expected and actual experience of the Total OPEB Liability	-	788,341	-
Changes of assumptions and other inputs	5,055,380	(2,334,802)	(1,867,983)
Benefit payments	<u>(1,331,321)</u>	<u>(1,281,410)</u>	<u>(1,090,399)</u>
<b>Net Change in Total OPEB Liability</b>	5,918,793	(691,982)	(858,694)
 <b>Total OPEB Liability (Beginning)</b>	 <u>33,213,469</u>	 <u>33,905,451</u>	 <u>34,764,145</u>
 <b>Total OPEB Liability (Ending)</b>	 <u><u>\$ 39,132,262</u></u>	 <u><u>\$ 33,213,469</u></u>	 <u><u>\$ 33,905,451</u></u>
 Covered Employee Payroll at Measurement Period	 \$ 22,758,924	 \$ 21,560,496	 \$ 21,096,736
 Total OPEB Liability as a Percentage of Covered Employee Payroll	 171.94%	 154.05%	 160.71%

\* GASB Statement No. 75 was implemented during the Fiscal Year 2018. GASB 75 requires information for 10 years. However, until a full 10-year trend is compiled, the City is only presenting information for the years for which information is available.

The discount rate was changed from 2.75% as of the beginning of the measurement period to 3.5% as of September 30, 2019.

**City of Cocoa, Florida**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balances - Budget and Actual - General Fund**  
**Year Ended September 30, 2020**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
<b>Revenues:</b>				
Taxes	\$ 9,519,925	\$ 9,519,925	\$ 9,677,404	\$ 157,479
Special Assessments	2,774,000	2,774,000	2,721,693	(52,307)
Licenses and permits	1,792,282	1,792,282	1,963,338	171,056
Intergovernmental	2,501,724	2,830,086	2,875,551	45,465
Charges for services	12,292,301	12,148,731	12,117,136	(31,595)
Fines and forfeitures	20,930	20,930	17,230	(3,700)
Investment earnings	85,000	85,000	255,758	170,758
Miscellaneous (including investment earnings)	756,371	610,096	1,217,982	607,886
Total revenues	29,742,533	29,781,050	30,846,092	1,065,042
<b>Expenditures:</b>				
Category:				
City council:				
Personal services	104,142	104,142	102,675	1,467
Operating expenditures	81,799	81,799	46,833	34,966
	185,941	185,941	149,508	36,433
City manager:				
Personal services	735,378	963,900	815,008	148,892
Operating expenditures	65,990	89,423	55,858	33,565
	801,368	1,053,323	870,866	182,457
Information technology:				
Personal services	722,440	730,951	718,433	12,518
Operating expenditures	1,424,565	1,242,424	1,121,813	120,611
Capital outlay	120,000	196,450	136,016	60,434
	2,267,005	2,169,825	1,976,262	193,563
General accounting:				
Personal services	1,173,548	1,173,548	1,081,989	91,559
Operating expenditures	24,795	20,895	18,014	2,881
	1,198,343	1,194,443	1,100,003	94,440
Purchasing:				
Personal services	254,875	254,862	227,109	27,753
Operating expenditures	5,636	4,949	1,936	3,013
	260,511	259,811	229,045	30,766
Utility accounting:				
Personal services	1,330,744	1,330,744	1,280,800	49,944
Operating expenditures	737,752	720,252	619,831	100,421
Capital outlay	41,127	56,127	-	56,127
	2,109,623	2,107,123	1,900,631	206,492
General operations:				
Personal services	961,969	813,672	1,107,096	(293,424)
Operating expenditures	2,080,622	1,913,056	1,584,687	328,369
Aid to government agencies	1,180,794	1,180,794	1,085,094	95,700
	4,223,385	3,907,522	3,776,877	130,645
Emergency disaster:				
Operating expenditures	5,760	221,457	221,455	2
Capital outlay	-	54,740	54,740	-
	5,760	276,197	276,195	2
Human resources:				
Personal services	641,079	638,490	504,197	134,293
Operating expenditures	19,963	19,963	16,704	3,259
	661,042	658,453	520,901	137,552
City clerk:				
Personal services	230,882	230,882	216,314	14,568
Operating expenditures	33,330	33,330	22,722	10,608
	264,212	264,212	239,036	25,176

The accompanying note to required supplementary information is an integral part of this schedule.

**City of Cocoa, Florida**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balances - Budget and Actual - General Fund (Continued)**  
**Year Ended September 30, 2020**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
<b>Expenditures:</b>				
Category:				
Community services administration:				
Personal services	1,000,803	967,632	941,679	25,953
Operating expenditures	154,559	280,959	217,867	63,092
Capital outlay	26,800	26,800	26,046	754
	<u>1,182,162</u>	<u>1,275,391</u>	<u>1,185,592</u>	<u>89,799</u>
Fleet maintenance:				
Personal services	535,430	534,430	510,889	23,541
Operating expenditures	164,985	176,393	173,519	2,874
Capital outlay	6,700	6,100	6,035	65
	<u>707,115</u>	<u>716,923</u>	<u>690,443</u>	<u>26,480</u>
Facility management:				
Personal services	650,131	653,716	602,815	50,901
Operating expenditures	763,820	696,887	527,870	169,017
Capital outlay	28,500	73,717	73,717	-
	<u>1,442,451</u>	<u>1,424,320</u>	<u>1,204,402</u>	<u>219,918</u>
Total General Government	<u>15,308,918</u>	<u>15,493,484</u>	<u>14,119,761</u>	<u>1,373,723</u>
Police administration:				
Personal services	7,230,950	7,202,530	6,797,265	405,265
Operating expenditures	955,382	1,070,949	870,171	200,778
Capital outlay	300,747	298,366	241,334	57,032
	<u>8,487,079</u>	<u>8,571,845</u>	<u>7,908,770</u>	<u>663,075</u>
Police communications:				
Personal services	1,216,476	1,244,896	1,112,317	132,579
Operating expenditures	119,879	116,366	85,544	30,822
	<u>1,336,355</u>	<u>1,361,262</u>	<u>1,197,861</u>	<u>163,401</u>
Police code enforcement:				
Personal services	346,406	346,406	320,850	25,556
Operating expenditures	47,155	47,521	33,201	14,320
Capital outlay	68,910	69,141	69,141	-
	<u>462,471</u>	<u>463,068</u>	<u>423,192</u>	<u>39,876</u>
Fire department administration:				
Personal services	583,775	635,953	550,481	85,472
Operating expenditures	39,602	85,191	66,498	18,693
	<u>623,377</u>	<u>721,144</u>	<u>616,979</u>	<u>104,165</u>
Fire department operations:				
Personal services	5,063,881	4,973,336	4,852,457	120,879
Operating expenditures	717,935	708,713	670,127	38,586
Capital outlay	32,105	48,646	48,646	-
	<u>5,813,921</u>	<u>5,730,695</u>	<u>5,571,230</u>	<u>159,465</u>
Total Public Safety	<u>16,723,203</u>	<u>16,848,014</u>	<u>15,718,032</u>	<u>1,129,982</u>

The accompanying note to required supplementary information is an integral part of this schedule.

**City of Cocoa, Florida**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balances - Budget and Actual - General Fund (Continued)**  
**Year Ended September 30, 2020**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
<b>Expenditures:</b>				
Category:				
Leisure services:				
Personal services	342,218	342,218	313,532	28,686
Operating expenditures	57,334	57,334	23,133	34,201
	<u>399,552</u>	<u>399,552</u>	<u>336,665</u>	<u>62,887</u>
Parks and beautification:				
Personal services	770,276	791,895	701,134	90,761
Operating expenditures	308,822	384,845	288,556	96,289
Capital outlay	15,000	52,500	49,310	3,190
	<u>1,094,098</u>	<u>1,229,240</u>	<u>1,039,000</u>	<u>190,240</u>
Total Recreation	<u>1,493,650</u>	<u>1,628,792</u>	<u>1,375,665</u>	<u>253,127</u>
Economic development:				
Personal services	79,344	79,344	59,317	20,027
Operating expenditures	63,357	108,257	90,934	17,323
Aid to government agencies	-	58,219	3,478	54,741
	<u>142,701</u>	<u>245,820</u>	<u>153,729</u>	<u>92,091</u>
Total Economic Development	<u>142,701</u>	<u>245,820</u>	<u>153,729</u>	<u>92,091</u>
Public works administration:				
Personal services	332,915	283,915	268,052	15,863
Operating expenditures	15,537	17,445	17,046	399
Capital outlay	27,000	27,000	26,810	190
	<u>375,452</u>	<u>328,360</u>	<u>311,908</u>	<u>16,452</u>
Sanitation:				
Operating expenditures	1,938,500	2,043,210	2,033,980	9,230
	<u>1,938,500</u>	<u>2,043,210</u>	<u>2,033,980</u>	<u>9,230</u>
Capital projects management:				
Personal services	159,710	159,710	157,590	2,120
Operating expenditures	29,515	29,515	16,944	12,571
	<u>189,225</u>	<u>189,225</u>	<u>174,534</u>	<u>14,691</u>
Total Physical Environment	<u>2,503,177</u>	<u>2,560,795</u>	<u>2,520,422</u>	<u>40,373</u>
Street management:				
Personal services	491,325	309,549	248,332	61,217
Operating expenditures	1,554,406	1,399,099	1,013,874	385,225
Capital outlay	31,000	270,029	521,842	(251,813)
	<u>2,076,731</u>	<u>1,978,677</u>	<u>1,784,048</u>	<u>194,629</u>
Total Transportation	<u>2,076,731</u>	<u>1,978,677</u>	<u>1,784,048</u>	<u>194,629</u>
Total expenditures	<u>38,248,380</u>	<u>38,755,582</u>	<u>35,671,657</u>	<u>3,083,925</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8,505,847)</u>	<u>(8,974,532)</u>	<u>(4,825,565)</u>	<u>4,148,967</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in	8,466,231	8,703,545	8,703,563	18
Transfers out	(1,783,246)	(2,031,203)	(2,031,202)	1
Proceeds from sales of capital assets	-	-	36,113	36,113
Net other financing sources (uses)	<u>6,682,985</u>	<u>6,672,342</u>	<u>6,708,474</u>	<u>36,132</u>
Net change in fund balance	<u>(1,822,862)</u>	<u>(2,302,190)</u>	<u>1,882,909</u>	<u>4,185,099</u>
Fund balances, beginning of year	<u>25,601,631</u>	<u>25,601,631</u>	<u>25,601,631</u>	<u>-</u>
Fund balances, end of year	<u>\$ 23,778,769</u>	<u>\$ 23,299,441</u>	<u>\$ 27,484,540</u>	<u>\$ 4,185,099</u>

The accompanying note to required supplementary information is an integral part of this schedule.

**City of Cocoa, Florida**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balances - Budget and Actual - Cocoa Redevelopment Agency**  
**Year Ended September 30, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues:</b>				
Intergovernmental	\$ 1,348,257	\$ 1,348,257	\$ 1,302,670	\$ (45,587)
Investment earnings	-	-	14,036	14,036
Miscellaneous	39,027	39,027	39,027	-
	<u>1,387,284</u>	<u>1,387,284</u>	<u>1,355,733</u>	<u>(31,551)</u>
<b>Total revenues</b>				
<b>Expenditures:</b>				
Economic development	7,265,700	8,018,351	273,092	7,745,259
Capital outlay	410,000	483,815	182,392	301,423
	<u>7,675,700</u>	<u>8,502,166</u>	<u>455,484</u>	<u>8,046,682</u>
<b>Total expenditures</b>				
Excess (deficiency) of revenues over (under) expenditures	(6,288,416)	(7,114,882)	900,249	8,015,131
Transfers out	(348,884)	-	(736,669)	(736,669)
Debt issuance	6,487,300	6,487,300	-	(6,487,300)
	<u>6,138,416</u>	<u>6,487,300</u>	<u>(736,669)</u>	<u>(7,223,969)</u>
<b>Other financing sources</b>				
Net change in fund balance	(150,000)	(627,582)	163,580	791,162
<b>Fund balances, beginning of year</b>	<u>1,791,264</u>	<u>1,791,264</u>	<u>1,791,264</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 1,641,264</u>	<u>\$ 1,163,682</u>	<u>\$ 1,954,844</u>	<u>\$ 791,162</u>

The accompanying note to required supplementary information is an integral part of this schedule.

# **CITY OF COCOA, FLORIDA**

## **NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**September 30, 2020**

### **NOTE A - BUDGETARY INFORMATION**

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

- Prior to September 1, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them. Complete copies of the proposed budget are open for public inspection until the budget is finally adopted.
- The required number of public hearings are held by the City Council.
- Prior to October 1, the budget is legally enacted through passage of a resolution, which indicates amounts appropriated. The appropriated budget is prepared by fund, function and department.
- The budgets for governmental funds are adopted on a basis that is consistent with generally accepted accounting principles (GAAP). Budgeted amounts reflected in the accompanying budget and actual comparisons are as adopted, and subsequently amended, by the City Council.
- All appropriations which are not expended or accrued lapse at year end.
- The City's Charter establishes the level at which expenditures may not exceed appropriations at the general classification level. Resolution 2006-142, which amended the Office of Management and Budget (OMB) Policies and Procedures now known as the Financial Operations Manual (Policy), defines "general classification" as the object level as defined by the State of Florida Uniform Accounting System Manual. Expenditures are monitored and adjusted by management in accordance with the City's policies and procedures. In addition, management may not amend the original budget without approval of the City Council. The City Council, by majority vote, may amend the budget at any time during the fiscal year during its regular meetings.

Final adopted budgeted expenditures exceeded budgeted revenues in the General Fund, Community Development Block Grant Fund, Brevard County Home Program Fund, Cocoa Housing Assistance Trust Fund, Loan Guarantee Fund, Police Confiscated Fund Capital Projects Fund, and Debt Service Fund pursuant to the legally adopted budgets.

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# CITY OF COCOA, FLORIDA

## Nonmajor Governmental Funds

### Special Revenue and Debt Service Funds

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Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Debt service funds are used to account for financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

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***Community Development Block Grant*** – This fund is used to account for revenues received from the Department of Housing and Urban Development (HUD). These monies are restricted to specific projects approved by HUD under the terms of the agreement.

***Brevard County Home Program*** – This fund is used to account for revenues received from the Department of Housing and Urban Development (HUD). The City has executed an interlocal agreement with Brevard County to act as the Participating Jurisdiction (lead agency) in the Brevard Consortium agreement with HUD. These monies are restricted by statute to specific projects approved by HUD under the terms of the interlocal agreement with Brevard County.

***Cocoa Housing Assistance Trust Fund*** – This fund is used to account for funds received for the State Housing Initiatives Partnership (SHIP), enacted by the State of Florida through the Florida Housing Finance Agency. The purpose of the program is to provide funds to local governments as an incentive for the creating of partnerships to produce and preserve affordable housing.

***Loan Guarantee Fund*** – This is a special revenue fund to track debt proceeds (Section 108 Loan Guarantee Program) of \$894,000 from HUD/U.S. Department of Housing & Urban Development to partially fund the Dr. Joe Lee Smith Community Center capital project.

***Police Confiscated Fund*** – This fund is used to account for police confiscated funds.

***Police Special Education Fund***– This fund is used to account for portions of revenues received from traffic fines. The purpose of the fund is to administer police special education programs.

***Federal Forfeiture Fund*** - This fund is used to account for funds received from the federal government through settled federal police cases.

***Debt service fund*** – This fund is used to account for the servicing of general long-term debt not being financed by proprietary funds.

**City of Cocoa, Florida**  
**Combining Balance Sheet - Nonmajor Governmental Funds**  
**September 30, 2020**

	Special Revenue			
	Community Development Block Grant	Brevard County Home Program	Cocoa Housing Assistance Trust Fund	Loan Guarantee
<b>Assets:</b>				
Cash and cash equivalents	\$ 228,121	\$ 242,620	\$ 71,338	\$ 1
Investments	-	-	-	-
Due from other governments	195,499	-	-	-
Total assets	<u>\$ 423,620</u>	<u>\$ 242,620</u>	<u>\$ 71,338</u>	<u>\$ 1</u>
<b>Liabilities:</b>				
Accounts payable	765	-	13,146	-
Accrued payroll and related liabilities	762	190	-	-
Due to other governments	135	-	-	-
Escrow deposits	-	-	-	-
Total liabilities	<u>1,662</u>	<u>190</u>	<u>13,146</u>	<u>-</u>
<b>Fund Balances:</b>				
Restricted	<u>421,958</u>	<u>242,430</u>	<u>58,192</u>	<u>1</u>
Total fund balances (deficits)	<u>421,958</u>	<u>242,430</u>	<u>58,192</u>	<u>1</u>
Total liabilities and fund balances (deficits)	<u>\$ 423,620</u>	<u>\$ 242,620</u>	<u>\$ 71,338</u>	<u>\$ 1</u>

<u>Special Revenue</u>			<u>Debt Service</u>	
<u>Police Confiscated Funds</u>	<u>Police Special Education</u>	<u>Federal Forfeiture</u>	<u>Debt Service</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 54,783	\$ 30,840	\$ 3,342	\$ 280,307	\$ 911,352
-	-	-	351,486	351,486
-	176	-	-	195,675
<u>\$ 54,783</u>	<u>\$ 31,016</u>	<u>\$ 3,342</u>	<u>\$ 631,793</u>	<u>\$ 1,458,513</u>
-	-	-	939	14,850
-	-	-	-	952
-	-	-	-	135
25,877	-	-	-	25,877
<u>25,877</u>	<u>-</u>	<u>-</u>	<u>939</u>	<u>41,814</u>
<u>28,906</u>	<u>31,016</u>	<u>3,342</u>	<u>630,854</u>	<u>1,416,699</u>
<u>28,906</u>	<u>31,016</u>	<u>3,342</u>	<u>630,854</u>	<u>1,416,699</u>
<u>\$ 54,783</u>	<u>\$ 31,016</u>	<u>\$ 3,342</u>	<u>\$ 631,793</u>	<u>\$ 1,458,513</u>

**City of Cocoa, Florida**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**Year Ended September 30, 2020**

	<b>Special Revenue</b>			
	<b>Community Development Block Grant</b>	<b>Brevard County Home Program</b>	<b>Cocoa Housing Assistance Trust Fund</b>	<b>Loan Guarantee</b>
<b>Revenues</b>				
Intergovernmental	\$ 351,825	\$ 28,975	\$ 35,299	\$ -
Fines and forfeitures	-	-	-	-
Investment earnings	52	1,531	233	-
Miscellaneous	28,573	-	-	-
Total revenues	380,450	30,506	35,532	-
<b>Expenditures</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Economic development	95,236	146,386	11,467	140
Capital outlay	285,705	-	-	827,702
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	344
Other Debt Service	-	-	-	19,936
Total expenditures	380,941	146,386	11,467	848,122
Excess (deficiency) of revenues over (under) expenditures	(491)	(115,880)	24,065	(848,122)
<b>Other Financing Sources</b>				
Transfers in	-	-	-	20,421
Transfers out	(484)	-	-	-
Debt issuance	-	-	-	894,000
Total other financing sources	(484)	-	-	914,421
Net change in fund balances	(975)	(115,880)	24,065	66,299
Fund balances, beginning of year	422,933	358,310	34,127	(66,298)
Fund balances (deficit), end of year	<u>\$ 421,958</u>	<u>\$ 242,430</u>	<u>\$ 58,192</u>	<u>\$ 1</u>

Special Revenue			Debt Service		Total Nonmajor Governmental Funds
Police Confiscated Funds	Police Special Education	Federal Forfeiture	Debt Service		
\$ -	\$ -	\$ -	\$ -	\$	416,099
-	3,794	-	-		3,794
497	123	-	9,517		11,953
-	-	-	-		28,573
497	3,917	-	9,517		460,419
-	-	-	45		45
7,094	1,797	-	-		8,891
-	-	-	-		253,229
58,622	-	-	-		1,172,029
-	-	-	1,105,000		1,105,000
-	-	-	645,335		645,679
-	-	-	-		19,936
65,716	1,797	-	1,750,380		3,204,809
(65,219)	2,120	-	(1,740,863)		(2,744,390)
-	-	3,342	1,783,245		1,807,008
(3,342)	-	-	-		(3,826)
-	-	-	-		894,000
(3,342)	-	3,342	1,783,245		2,697,182
(68,561)	2,120	3,342	42,382		(47,208)
97,467	28,896	-	588,472		1,463,907
\$ 28,906	\$ 31,016	\$ 3,342	\$ 630,854	\$	1,416,699

**City of Cocoa, Florida**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balances - Budget and Actual - Community Development Block Grant Program**  
**Year Ended September 30, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues:</b>				
Intergovernmental	\$ 226,797	\$ 330,149	\$ 351,825	\$ 21,676
Investment earnings	-	-	52	52
Miscellaneous	-	-	28,573	28,573
Total revenues	<u>226,797</u>	<u>330,149</u>	<u>380,450</u>	<u>50,301</u>
<b>Expenditures:</b>				
Economic development	233,136	336,004	95,236	240,768
Capital outlay	-	285,706	285,705	1
Total expenditures	<u>233,136</u>	<u>621,710</u>	<u>380,941</u>	<u>240,769</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,339)</u>	<u>(291,561)</u>	<u>(491)</u>	<u>291,070</u>
<b>Other Financing Sources:</b>				
Transfers out	-	(484)	(484)	-
Net other financing sources	<u>-</u>	<u>(484)</u>	<u>(484)</u>	<u>-</u>
Net change in fund balance	(6,339)	(292,045)	(975)	291,070
<b>Fund balances, beginning of year</b>	<u>422,933</u>	<u>422,933</u>	<u>422,933</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 416,594</u>	<u>\$ 130,888</u>	<u>\$ 421,958</u>	<u>\$ 291,070</u>

**City of Cocoa, Florida**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balances - Budget and Actual - Brevard County Home Program Fund**  
**Year Ended September 30, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues:</b>				
Intergovernmental	\$ 192,066	\$ 192,066	\$ 28,975	\$ (163,091)
Investment earnings	<u>-</u>	<u>-</u>	<u>1,531</u>	<u>1,531</u>
Total revenues	<u>192,066</u>	<u>192,066</u>	<u>30,506</u>	<u>(161,560)</u>
<b>Expenditures:</b>				
Economic development	<u>502,345</u>	<u>906,208</u>	<u>146,386</u>	<u>759,822</u>
Total expenditures	<u>502,345</u>	<u>906,208</u>	<u>146,386</u>	<u>759,822</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(310,279)</u>	<u>(714,142)</u>	<u>(115,880)</u>	<u>598,262</u>
Net change in fund balance	(310,279)	(714,142)	(115,880)	598,262
<b>Fund balances, beginning of year</b>	<u>358,310</u>	<u>358,310</u>	<u>358,310</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u><u>\$ 48,031</u></u>	<u><u>\$ (355,832)</u></u>	<u><u>\$ 242,430</u></u>	<u><u>\$ 598,262</u></u>

**City of Cocoa, Florida**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balances - Budget and Actual - Cocoa Housing Assistance Trust Fund**  
**Year Ended September 30, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues:</b>				
Intergovernmental	\$ 43,074	\$ 43,074	\$ 35,299	\$ (7,775)
Investment earnings	-	-	233	233
Total revenues	<u>43,074</u>	<u>43,074</u>	<u>35,532</u>	<u>(7,542)</u>
<b>Expenditures:</b>				
Economic development	<u>43,074</u>	<u>43,074</u>	<u>11,467</u>	<u>31,607</u>
Total expenditures	<u>43,074</u>	<u>43,074</u>	<u>11,467</u>	<u>31,607</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>24,065</u>	<u>24,065</u>
Net change in fund balance	-	-	24,065	24,065
<b>Fund balances, beginning of year</b>	<u>34,127</u>	<u>34,127</u>	<u>34,127</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u><u>\$ 34,127</u></u>	<u><u>\$ 34,127</u></u>	<u><u>\$ 58,192</u></u>	<u><u>\$ 24,065</u></u>



**City of Cocoa, Florida**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balances - Budget and Actual - Loan Guarantee Fund**  
**Year Ended September 30, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Expenditures:</b>				
Economic development	\$ -	\$ 140	\$ 140	\$ -
Capital outlay	-	827,702	827,702	-
Interest	-	344	344	-
Other Debt Service	-	19,937	19,936	1
	<u>-</u>	<u>848,123</u>	<u>848,122</u>	<u>1</u>
Total expenditures	-	848,123	848,122	1
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(848,123)</u>	<u>(848,122)</u>	<u>1</u>
<b>Other Financing Sources:</b>				
Transfers in	-	20,421	20,421	-
Debt issuance	-	894,000	894,000	-
	<u>-</u>	<u>914,421</u>	<u>914,421</u>	<u>-</u>
Net other financing sources	-	914,421	914,421	-
Net change in fund balance	-	66,298	66,299	1
<b>Fund balances, beginning of year</b>	<u>(66,298)</u>	<u>(66,298)</u>	<u>(66,298)</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u><u>\$ (66,298)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1</u></u>	<u><u>\$ 1</u></u>

**City of Cocoa, Florida**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balances - Budget and Actual - Police Confiscated Funds**  
**Year Ended September 30, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues:</b>				
Investment earnings	\$ -	\$ -	\$ 497	\$ 497
Total revenues	-	-	497	497
<b>Expenditures:</b>				
Public safety	-	15,225	7,094	8,131
Capital outlay	-	59,622	58,622	1,000
Total expenditures	-	74,847	65,716	9,131
Excess (deficiency) of revenues over (under) expenditures	-	(74,847)	(65,219)	9,628
<b>Other Financing Sources:</b>				
Transfers out	-	-	(3,342)	(3,342)
Net other financing sources	-	-	(3,342)	(3,342)
Net change in fund balance	-	(74,847)	(68,561)	6,286
<b>Fund balances, beginning of year</b>	<u>97,467</u>	<u>97,467</u>	<u>97,467</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 97,467</u>	<u>\$ 22,620</u>	<u>\$ 28,906</u>	<u>\$ 6,286</u>

**City of Cocoa, Florida**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balances - Budget and Actual - Police Special Education Fund**  
**Year Ended September 30, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues:</b>				
Fines and forfeitures	\$ 4,500	\$ 4,500	\$ 3,794	\$ (706)
Investment earnings	-	-	123	123
Total revenues	<u>4,500</u>	<u>4,500</u>	<u>3,917</u>	<u>(583)</u>
<b>Expenditures:</b>				
Public safety	<u>4,500</u>	<u>4,500</u>	<u>1,797</u>	<u>2,703</u>
Total expenditures	<u>4,500</u>	<u>4,500</u>	<u>1,797</u>	<u>2,703</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>2,120</u>	<u>2,120</u>
Net change in fund balance	-	-	2,120	2,120
<b>Fund balances, beginning of year</b>	<u>28,896</u>	<u>28,896</u>	<u>28,896</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u><u>\$ 28,896</u></u>	<u><u>\$ 28,896</u></u>	<u><u>\$ 31,016</u></u>	<u><u>\$ 2,120</u></u>

**City of Cocoa, Florida**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balances - Budget and Actual - Federal Forfeiture**  
**Year Ended September 30, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Other Financing Sources:</b>				
Transfers in	\$ -	\$ -	\$ 3,342	\$ 3,342
Net other financing sources	-	-	3,342	3,342
Net change in fund balance	-	-	3,342	3,342
<b>Fund balances, beginning of year</b>	-	-	-	-
<b>Fund balances, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,342</u>	<u>\$ 3,342</u>

**City of Cocoa, Florida**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balances - Budget and Actual - Debt Service Fund**  
**Year Ended September 30, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues:</b>				
Investment earnings	\$ -	\$ -	\$ 9,517	\$ 9,517
Total revenues	-	-	9,517	9,517
<b>Expenditures:</b>				
General government	-	-	45	(45)
Public safety	-	32,910	-	32,910
Principal	1,137,910	1,105,000	1,105,000	-
Interest	645,336	645,336	645,335	1
Total expenditures	1,783,246	1,783,246	1,750,380	32,866
Excess (deficiency) of revenues over (under) expenditures	(1,783,246)	(1,783,246)	(1,740,863)	42,383
<b>Other Financing Sources:</b>				
Transfers in	1,783,246	1,783,246	1,783,245	(1)
Net other financing sources	1,783,246	1,783,246	1,783,245	(1)
Net change in fund balance	-	-	42,382	42,382
<b>Fund balances, beginning of year</b>	<u>588,472</u>	<u>588,472</u>	<u>588,472</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u><u>\$ 588,472</u></u>	<u><u>\$ 588,472</u></u>	<u><u>\$ 630,854</u></u>	<u><u>\$ 42,382</u></u>

**City of Cocoa, Florida**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balances - Budget and Actual - Major Capital Projects Fund**  
**Year Ended September 30, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues:</b>				
Intergovernmental	\$ -	\$ 851,914	\$ 851,914	\$ -
Investment earnings	-	-	17,362	17,362
Total revenues	-	851,914	869,276	17,362
<b>Expenditures:</b>				
Physical environment:				
Physical environment	91,626	106,850	6,458	100,392
Capital outlay	-	7,444,279	5,745,993	1,698,286
Total expenditures	91,626	7,551,129	5,752,451	1,798,678
Excess (deficiency) of revenues over (under) expenditures	(91,626)	(6,699,215)	(4,883,175)	1,816,040
<b>Other Financing Sources:</b>				
Transfers in	91,626	707,413	707,412	(1)
Transfers out	-	(237,314)	(237,314)	-
Net other financing sources	91,626	470,099	470,098	(1)
Net change in fund balance	-	(6,229,116)	(4,413,077)	1,816,039
<b>Fund balances, beginning of year</b>	<u>7,981,809</u>	<u>7,981,809</u>	<u>7,981,809</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 7,981,809</u>	<u>\$ 1,752,693</u>	<u>\$ 3,568,732</u>	<u>\$ 1,816,039</u>

# CITY OF COCOA, FLORIDA

## Internal Service Funds

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Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its workers compensation insurance and health care insurance.

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The City maintains the following Internal Service Funds:

***Workers Compensation Internal Service Fund*** – This fund is used to account for workers compensation services provided to other funds and the component units of the City on a cost reimbursement basis.

***Health Insurance Internal Service Fund*** – This fund is used to account for health care insurance services provided to employees and eligible retirees of the City on a cost reimbursement basis.

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**City of Cocoa, Florida**  
**Combining Statement of Net Position - Internal Service Funds**  
**September 30, 2020**

	<b>Internal Service Fund</b>		
	<b>Workers' Compensation</b>	<b>Health Care Insurance</b>	<b>Total</b>
<b>Assets:</b>			
Current assets:			
Cash and cash equivalents	\$ 2,458,289	\$ 1,983,058	\$ 4,441,347
Investments	1,904,125	-	1,904,125
Prepaid items	178,004	-	178,004
Total assets	<u>4,540,418</u>	<u>1,983,058</u>	<u>6,523,476</u>
<b>Liabilities:</b>			
Current liabilities (payable from current assets):			
Accounts and claims payable	39,163	-	39,163
Accrued claims payable	1,046,000	1,398,825	2,444,825
Total current liabilities	<u>1,085,163</u>	<u>1,398,825</u>	<u>2,483,988</u>
Noncurrent liabilities:			
Accrued claims payable	1,853,000	-	1,853,000
Total noncurrent liabilities	<u>1,853,000</u>	<u>-</u>	<u>1,853,000</u>
Total liabilities	<u>2,938,163</u>	<u>1,398,825</u>	<u>4,336,988</u>
<b>Net Position</b>			
Unrestricted (deficit)	<u>1,602,255</u>	<u>584,233</u>	<u>2,186,488</u>
Total net position	<u>\$ 1,602,255</u>	<u>\$ 584,233</u>	<u>\$ 2,186,488</u>

**City of Cocoa, Florida**  
**Combining Statement of Revenue, Expenses, and Changes in Fund Net Position -**  
**Internal Service Funds**  
**Year Ended September 30, 2020**

	<b>Internal Service Fund</b>		
	<b>Workers' Compensation</b>	<b>Health Care Insurance</b>	<b>Total</b>
<b>Operating revenues:</b>			
Charges for services	\$ 1,140,163	\$ 7,244,337	\$ 8,384,500
Other charges and fees	203,695	91,017	294,712
Total operating revenues	1,343,858	7,335,354	8,679,212
<b>Operating expenses:</b>			
Insurance claims and expenses	640,088	6,449,876	7,089,964
Total operating expenses	640,088	6,449,876	7,089,964
Operating income (loss)	703,770	885,478	1,589,248
<b>Nonoperating revenues (expenses):</b>			
Investment earnings	55,968	3,028	58,996
Total nonoperating revenues (expenses)	55,968	3,028	58,996
Change in net position	759,738	888,506	1,648,244
Net position (deficit), beginning	842,517	(304,273)	538,244
Net position (deficit), end of year	<u>\$ 1,602,255</u>	<u>\$ 584,233</u>	<u>\$ 2,186,488</u>

**City of Cocoa, Florida**  
**Combining Statement of Cash Flows - Internal Service Funds**  
**Year Ended September 30, 2020**

	<b>Internal Service Fund</b>		
	<b>Workers' Compensation</b>	<b>Health Care Insurance</b>	<b>Total</b>
<b>Cash flows from operating activities</b>			
Cash received from customers for sales and services	\$ 1,347,152	\$ 7,335,354	\$ 8,682,506
Cash payments for insurance and claims expenses	(1,165,972)	(6,460,975)	(7,626,947)
Net cash provided by (used in) operating activities	181,180	874,379	1,055,559
<b>Cash flows from investing activities:</b>			
Investment income	55,968	3,028	58,996
Proceeds from sale/maturity of investments	1,115,330	-	1,115,330
Net cash provided by (used in) investing activities	1,171,298	3,028	1,174,326
<b>Net increase (decrease) in cash and cash equivalents</b>	1,352,478	877,407	2,229,885
Cash and cash equivalents, beginning of year	1,105,811	1,105,651	2,211,462
Cash and cash equivalents, end of year	\$ 2,458,289	\$ 1,983,058	\$ 4,441,347
<b>Reconciliation of operating income (loss) to net cash used in operating activities</b>			
Operating income (loss)	\$ 703,770	\$ 885,478	\$ 1,589,248
Adjustments to reconcile operating income (loss) to net cash used in operating activities:			
Change in assets and liabilities:			
(Increase) decrease in assets:			
Accounts receivable	3,294	-	3,294
Prepaid items	(27,617)	-	(27,617)
Increase (decrease) in liabilities:			
Accounts and claims payable	2,733	-	2,733
Accrued claims payable	(501,000)	(11,099)	(512,099)
Total adjustments	(522,590)	(11,099)	(533,689)
Net cash used in operating activities	\$ 181,180	\$ 874,379	\$ 1,055,559
<b>Noncash capital and related financing activities:</b>			
There were no significant non-cash transactions			

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## STATISTICAL SECTION

# STATISTICAL SECTION

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

## Table of Contents

### 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.

<b>Schedule 1</b>	Net Position by Component
<b>Schedule 2</b>	Changes in Net Position
<b>Schedule 3</b>	Fund Balances, Governmental Funds
<b>Schedule 4</b>	Changes in Fund Balances, Governmental Funds

### B. Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local own- source revenues such as ad valorem property taxes, local business taxes, and building permit revenues.

<b>Schedule 5</b>	General Governmental Revenues by Source
<b>Schedule 6</b>	Assessed Value and Estimated Actual Value of Taxable Property
<b>Schedule 7</b>	Direct and Overlapping Property Tax Rates
<b>Schedule 8</b>	Principal Taxpayers
<b>Schedule 9</b>	Property Tax Levies and Collections
<b>Schedule 10</b>	Water Rates
<b>Schedule 11</b>	Waste Water Rates
<b>Schedule 12</b>	Water and Waste Water System Growth

## **C. Debt Capacity**

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

- Schedule 13**      Ratio of Outstanding Debt by Type
- Schedule 14**      Ratio of Net General Bonded Debt Outstanding
- Schedule 15**      Legal Debt Limit Information
- Schedule 16**      Direct and Overlapping Governmental Activities Debt
- Schedule 17**      Pledged Revenue Coverage

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

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

- Schedule 18**      Demographic and Economic Statistics
- Schedule 19**      Principal Employers

## **E. Operating Information**

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

- Schedule 20**      Full-Time Equivalent City Government Employees by Function/Program
- Schedule 21**      Operating Indicators by Function/Program
- Schedule 22**      Capital Assets by Function/Program

## **Additional Notes**

Unless otherwise noted, the information in these schedules is derived from the City's Comprehensive Annual Financial Report (AFR), financial records, and other departmental sources for the relevant year.

# City of Cocoa, Florida

## Net Position by Component

Last Ten Fiscal Years - (accrual basis of accounting)

	2020	2019	2018	2017	2016
<b>Governmental activities</b>					
Net investment in capital assets	\$ 34,917,644	\$ 29,498,816	\$ 28,913,932	\$ 19,280,723	\$ 25,293,324
Restricted	852,844	941,298	695,990	260,393	281,203
Unrestricted	(5,219,171)	(2,679,661)	186,695	17,399,902	11,063,634
<b>Total governmental activities net position</b>	<b>30,551,317</b>	<b>27,760,453</b>	<b>29,796,617</b>	<b>36,941,018</b>	<b>36,638,161</b>
<b>Business-type activities</b>					
Net investment in capital assets	144,746,450	142,364,912	138,261,322	132,683,806	115,435,116
Restricted	27,826,376	11,381,896	11,227,943	12,395,504	11,818,615
Unrestricted	8,350,313	12,438,861	6,749,377	7,335,232	12,143,637
<b>Total business-type activities net position</b>	<b>180,923,139</b>	<b>166,185,669</b>	<b>156,238,642</b>	<b>152,414,542</b>	<b>139,397,368</b>
<b>Primary government</b>					
Net investment in capital assets	179,664,094	171,863,728	167,175,254	151,964,529	140,728,440
Restricted	28,679,220	12,323,194	11,923,933	12,655,897	12,099,818
Unrestricted	3,131,142	9,759,200	6,936,072	24,735,134	23,207,271
<b>Total primary government net position</b>	<b>\$ 211,474,456</b>	<b>\$ 193,946,122</b>	<b>\$ 186,035,259</b>	<b>\$ 189,355,560</b>	<b>\$ 176,035,529</b>

Note: Accounting standards require that net position be reported in three components in the financial statements. Net investment in capital assets; restricted; and unrestricted. Net position is considered restricted only when an external part, 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.

The City began identifying the Working Capital Reserve component of net position on the financial statements in FY2020. The Working Capital Reserve is equal to 6 months of the Utility and the Stormwater Fund's operating expenses.



**Schedule 1**

2015	2014	2013	2012	2011
\$ 20,134,496	\$ 19,145,644	\$ 18,770,655	\$ 19,517,843	\$ 20,830,311
252,338	87,030	80,456	136,559	308,046
10,786,642	23,184,495	18,771,455	15,114,446	11,516,849
31,173,476	42,417,169	37,622,566	34,768,848	32,655,206
103,777,006	93,350,606	81,193,813	77,709,201	76,709,974
11,822,514	11,824,666	12,658,876	13,061,321	13,393,511
16,743,125	29,178,323	36,216,604	34,727,175	31,122,453
132,342,645	134,353,595	130,069,293	125,497,697	121,225,938
123,911,502	112,496,250	99,964,468	97,227,044	97,540,285
12,074,852	11,911,696	12,739,332	13,197,880	13,701,557
27,529,767	52,362,818	54,988,059	49,841,621	42,639,302
\$ 163,516,121	\$ 176,770,764	\$ 167,691,859	\$ 160,266,545	\$ 153,881,144

# City of Cocoa, Florida

## Changes in Net Position

Last Ten Fiscal Years - (accrual basis of accounting)

	2020	2019	2018	2017
<b>Expenses</b>				
Governmental activities:				
General government	\$ 14,796,779	\$ 14,712,121	\$ 14,324,743	\$ 13,131,276
Public safety	17,278,095	18,071,667	16,768,238	16,180,830
Recreation	1,535,106	1,607,032	1,476,661	1,404,532
Economic development	834,415	3,008,059	1,192,366	1,534,682
Physical environment	2,621,199	2,376,579	2,304,779	3,144,201
Transportation	1,445,676	1,221,639	774,532	
Interest on long-term debt	621,498	649,182	676,437	1,180,788
Unallocated depreciation	-	-	-	129,012
Total governmental activities expenses	39,132,768	41,646,279	37,517,756	36,705,321
Business-type activities:				
Water and sewer	54,022,806	52,538,165	47,733,339	46,549,681
Stormwater utility	1,635,171	1,522,778	1,218,376	1,152,168
Total business-type activities	55,657,977	54,060,943	48,951,715	47,701,849
Total primary government activities	\$ 94,790,745	\$ 95,707,222	\$ 86,469,471	\$ 84,407,170
<b>Program Revenues</b>				
Governmental activities:				
Charges for services:				
General government	\$ 7,301,994	\$ 6,599,101	\$ 6,254,900	\$ 7,095,604
Public safety	3,160,398	3,013,695	2,560,844	2,292,471
Recreation	97,240	140,797	123,745	132,735
Economic development	-	-	-	195,121
Physical environment	5,168,075	5,330,167	5,312,519	5,346,364
Operating grants and contributions	1,956,391	2,439,991	1,953,430	2,862,670
Capital grants and contributions	1,803,247	600,292	72,781	946,130
Total governmental activities program revenues	19,487,345	18,124,043	16,278,219	18,871,095
Business-type activities:				
Charges for services:				
Water and sewer	71,399,930	65,298,095	62,391,805	59,695,998
Stormwater utility	1,680,054	1,654,080	1,704,541	1,481,312
Operating grants and contributions	-	-	-	762,202
Capital grants and contributions	4,280,474	3,324,099	3,783,027	5,098,296
Total business-type activities program revenues	77,360,458	70,276,274	67,879,373	67,037,808
Total primary government program revenues	\$ 96,847,803	\$ 88,400,317	\$ 84,157,592	\$ 85,908,903

**Schedule 2**

2016	2015	2014	2013	2012	2011
\$ 12,001,545	\$ 12,192,945	\$ 11,008,561	\$ 10,744,769	\$ 10,528,005	\$ 14,265,207
12,593,567	15,887,751	15,569,379	15,157,432	14,294,202	13,951,279
1,221,987	1,236,510	1,248,559	1,153,649	1,085,098	1,130,151
817,422	1,075,995	849,547	943,819	686,310	1,155,249
3,055,646	3,061,232	2,774,929	2,875,482	2,688,133	1,487,530
565,742	592,542	608,239	624,801	645,198	697,413
128,124	1,303,323	1,720,039	1,703,523	1,689,124	1,595,419
30,384,033	35,350,298	33,779,253	33,203,475	31,616,070	34,282,248
44,710,558	43,873,364	41,911,372	41,298,779	39,776,639	39,731,176
1,167,900	1,023,881	1,014,924	950,220	784,328	718,825
45,878,458	44,897,245	42,926,296	42,248,999	40,560,967	40,450,001
\$ 76,262,491	\$ 80,247,543	\$ 76,705,549	\$ 75,452,474	\$ 72,177,037	\$ 74,732,249
\$ 6,040,226	\$ 5,975,125	\$ 5,969,111	\$ 5,988,279	\$ 5,925,745	\$ 6,772,756
2,219,789	2,000,615	1,669,761	1,294,010	1,280,764	1,183,748
197,801	182,574	253,249	269,316	267,345	226,203
78,120	166,553	232,543	374,430	169,286	217,943
5,367,608	5,374,671	5,275,079	5,161,816	5,069,250	5,136,179
2,070,571	2,082,850	2,528,861	2,128,951	1,643,910	1,707,691
1,650,174	683,729	628,308	562,776	545,217	418,612
17,624,289	16,466,117	16,556,912	15,779,578	14,901,517	15,663,132
56,433,043	54,719,795	55,488,254	53,740,469	50,553,130	48,657,881
1,376,341	1,312,233	1,212,723	1,154,911	1,092,791	1,046,929
608,791	605,525	606,178	624,792	653,209	504,423
1,283,545	2,797,467	2,123,484	862,205	395,816	703,953
59,701,720	59,435,020	59,430,639	56,382,377	52,694,946	50,913,186
\$ 77,326,009	\$ 75,901,137	\$ 75,987,551	\$ 72,161,955	\$ 67,596,463	\$ 66,576,318

## City of Cocoa, Florida

### Changes in Net Position (Continued)

Last Ten Fiscal Years - (accrual basis of accounting)

<b>Net (Expense)/Revenue</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Governmental activities	\$ (19,665,359)	\$ (23,522,236)	\$ (21,239,537)	\$ (17,834,226)
Business-type activities	21,702,481	16,215,331	18,927,658	19,335,959
<b>Total primary government net revenue (expense)</b>	<b>\$ 2,037,122</b>	<b>\$ (7,306,905)</b>	<b>\$ (2,311,879)</b>	<b>\$ 1,501,733</b>

#### General Revenues and Other Changes in Net Position

##### Governmental activities:

Property taxes	\$ 6,387,378	\$ 5,635,515	\$ 5,168,838	\$ 5,000,611
Public utility and telecommunication taxes	2,696,257	2,611,295	2,628,618	2,169,692
Franchise taxes	1,501,869	1,556,102	1,454,938	1,438,506
Shared revenues not restricted to specific programs	2,790,053	2,435,036	3,706,378	2,340,469
Gain on sale of capital assets	36,113	-	9,271	-
Unrestricted investment earnings	358,105	668,857	142,396	56,406
Miscellaneous	477,476	195,168	395,608	550,203
Transfers, net	8,208,972	8,384,099	7,280,466	6,590,172
Special item	-	-	-	-
<b>Total governmental activities</b>	<b>22,456,223</b>	<b>21,486,072</b>	<b>20,786,513</b>	<b>18,146,059</b>

##### Business-type activities:

Unrestricted investment earnings	1,046,181	2,041,815	217,198	175,279
Miscellaneous	124,444	-	-	42,959
Gain on sale of capital assets	73,336	73,980	97,002	53,149
Transfers, net	(8,208,972)	(8,384,099)	(7,280,466)	(6,590,172)
Special item	-	-	-	-
<b>Total business-type activities</b>	<b>(6,965,011)</b>	<b>(6,268,304)</b>	<b>(6,966,266)</b>	<b>(6,318,785)</b>
<b>Total primary government</b>	<b>\$ 15,491,212</b>	<b>\$ 15,217,768</b>	<b>\$ 13,820,247</b>	<b>\$ 11,827,274</b>

#### Change in Net Position

Governmental activities	\$ 2,790,864	\$ (2,036,164)	\$ (453,024)	\$ 311,833
Business-type activities	14,737,470	9,947,027	11,961,392	13,017,174
<b>Total primary government</b>	<b>\$ 17,528,334</b>	<b>\$ 7,910,863</b>	<b>\$ 11,508,368</b>	<b>\$ 13,329,007</b>

**Schedule 2 (continued)**

2016	2015	2014	2013	2012	2011
\$ (12,759,744)	\$ (18,884,181)	\$ (17,222,341)	\$ (17,423,897)	\$ (16,714,553)	\$ (18,619,116)
13,823,262	14,537,775	16,504,343	14,133,378	12,133,979	10,463,185
<u>\$ 1,063,518</u>	<u>\$ (4,346,406)</u>	<u>\$ (717,998)</u>	<u>\$ (3,290,519)</u>	<u>\$ (4,580,574)</u>	<u>\$ (8,155,931)</u>
\$ 4,699,241	\$ 4,528,807	\$ 4,520,106	\$ 4,435,865	\$ 4,331,898	\$ 4,371,564
2,179,176	2,142,546	2,011,573	2,152,855	1,999,902	2,062,808
1,418,014	1,427,925	1,392,338	1,332,827	1,327,365	1,414,456
2,088,744	2,012,550	1,983,054	1,917,889	1,864,355	1,814,427
100,577	154,667	90,445	182,955	246,918	274,572
503,570	829,289	529,855	739,177	792,711	359,300
7,226,129	11,102,408	11,706,620	9,516,047	8,265,045	3,443,292
-	-	-	-	-	-
<u>18,215,451</u>	<u>22,198,192</u>	<u>22,233,991</u>	<u>20,277,615</u>	<u>18,828,194</u>	<u>13,740,419</u>
235,491	283,248	232,887	(90,540)	361,168	282,282
69,094	75,422	127,933	44,805	41,657	135,265
153,005	-	-	-	-	-
(7,226,129)	(11,102,408)	(11,706,620)	(9,516,047)	(8,265,045)	(3,458,292)
-	-	-	-	-	-
<u>(6,768,539)</u>	<u>(10,743,738)</u>	<u>(11,345,800)</u>	<u>(9,561,782)</u>	<u>(7,862,220)</u>	<u>(3,040,745)</u>
<u>\$ 11,446,912</u>	<u>\$ 11,454,454</u>	<u>\$ 10,888,191</u>	<u>\$ 10,715,833</u>	<u>\$ 10,965,974</u>	<u>\$ 10,699,674</u>
\$ 5,455,707	\$ 3,314,011	\$ 5,011,650	\$ 2,853,718	\$ 2,113,642	\$ (4,878,697)
7,054,723	3,794,037	5,158,543	4,571,596	4,271,759	7,422,440
<u>\$ 12,510,430</u>	<u>\$ 7,108,048</u>	<u>\$ 10,170,193</u>	<u>\$ 7,425,314</u>	<u>\$ 6,385,401</u>	<u>\$ 2,543,743</u>

**City of Cocoa, Florida**

## Fund Balances, Governmental Funds

Last Ten Fiscal Years - (modified accrual basis of accounting)

	2020	2019	2018	2017
General Fund				
Nonspendable	\$ 1,470,589	\$ 1,666,589	\$ 1,768,057	\$ 297,130
Restricted	69,234	-	-	-
Committed	12,271,647	12,288,375	11,400,743	10,403,251
Assigned	8,779,000	6,250,000	14,494,250	11,600,000
Unassigned	4,894,070	5,396,667	5,148,440	9,877,964
Total general fund	\$ 27,484,540	\$ 25,601,631	\$ 32,811,490	\$ 32,178,345
All other Governmental Funds				
Nonspendable	\$ 5,435	\$ 6,603	\$ 4,915	\$ 848,268
Restricted	3,366,108	3,314,866	2,551,525	1,236,715
Committed	3,568,732	7,981,809	1,716,632	-
Assigned	-	-	-	5,860,345
Unassigned (deficit)	-	(66,298)	-	(123,735)
Total all other government funds	\$ 6,940,275	\$ 11,236,980	\$ 4,273,072	\$ 7,821,593

Note: The City began to report fund balance definitions under GASB Statement 54 in fiscal year 2011.

**Schedule 3**

2016	2015	2014	2013	2012	2011
\$ 172,051	\$ 438,024	\$ 232,583	\$ 245,679	\$ 205,131	\$ 291,487
-	-	-	-	18,836	152,993
10,000,000	10,000,000	10,200,000	10,200,000	10,200,000	10,200,000
10,855,020	10,855,020	1,520,181	1,370,443	1,387,461	-
11,976,517	14,297,920	18,192,939	11,823,962	6,181,283	2,838,599
<u>\$ 33,003,588</u>	<u>\$ 35,590,964</u>	<u>\$ 30,145,703</u>	<u>\$ 23,640,084</u>	<u>\$ 17,992,711</u>	<u>\$ 13,483,079</u>
\$ 898,415	\$ 968,115	\$ 996,435	\$ 1,041,106	\$ 1,082,334	\$ 1,109,870
281,203	252,338	87,030	80,456	117,723	155,053
-	-	-	-	-	-
1,915,995	2,358,327	2,674,300	3,020,454	2,961,538	3,321,783
237,552	(63,357)	(271,886)	(426,370)	(567,998)	(997,823)
<u>\$ 3,333,165</u>	<u>\$ 3,515,423</u>	<u>\$ 3,485,879</u>	<u>\$ 3,715,646</u>	<u>\$ 3,593,597</u>	<u>\$ 3,588,883</u>

# City of Cocoa, Florida

## Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years - (modified accrual basis of accounting)

	2020	2019	2018	2017
<b>Revenues</b>				
Taxes*	\$ 9,677,404	\$ 8,258,422	\$ 7,797,456	\$ 7,170,303
Special Assessments	2,721,693	-	-	-
Licenses and permits*	1,963,338	3,674,524	4,122,684	5,005,518
Intergovernmental*	5,446,234	2,902,052	5,342,696	6,091,329
Charges for services*	12,117,136	11,637,669	11,376,107	11,247,118
Fines and forfeitures	21,024	24,529	43,643	42,184
Investment earnings	299,109	452,710	73,525	89,494
Miscellaneous	1,285,582	1,239,077	1,269,512	732,555
Total revenues	33,531,520	28,188,983	30,025,623	30,378,501
<b>Expenditures</b>				
General government	13,823,252	12,770,519	11,940,914	11,519,260
Public safety	15,367,802	15,082,113	14,249,945	13,586,273
Economic development	680,050	2,252,073	1,003,355	1,563,100
Recreation	1,326,355	1,391,840	1,231,144	1,203,552
Physical environment	2,500,070	2,266,188	2,198,447	3,188,741
Transportation	1,262,206	1,070,922	621,326	-
Capital outlay	8,354,051	2,494,869	7,210,525	7,759,900
Principal	1,105,000	1,302,873	1,084,910	1,031,000
Interest	645,679	726,183	700,618	628,762
Other Debt Service	19,936	-	-	-
Bond issuance costs	-	-	-	283,542
Total expenditures	45,084,401	39,357,580	40,241,184	40,764,130
Deficiency of revenues under expenditures	(11,552,881)	(11,168,597)	(10,215,561)	(10,385,629)
<b>Other financing sources (uses)</b>				
Transfers in	11,217,983	16,298,453	7,990,703	7,014,528
Transfers out	(3,009,011)	(7,914,354)	(816,158)	(424,356)
Proceeds from sale of capital assets	36,113	18,069	23,773	52,486
Capital lease proceeds	-	-	101,472	-
Payment to refunded debt escrow agent	-	-	-	(9,928,053)
Bond discount	-	-	-	(42,045)
Bond premium	-	-	-	511,647
Debt issuance	894,000	-	-	16,865,000
Total other financing sources (uses)	9,139,085	8,402,168	7,299,790	14,049,207
Net change in fund balances	\$ (2,413,796)	\$ (2,766,429)	\$ (2,915,771)	\$ 3,663,578
Debt service as a percentage of noncapital expenditures	4.8%	5.5%	5.4%	5.0%

\*2012 and 2011 amounts have been restated to be consistent with the 2013 presentation.



**Schedule 4**

2016	2015	2014	2013	2012*	2011*
\$ 8,296,431	\$ 8,099,278	\$ 7,924,017	\$ 7,921,547	\$ 7,264,458	\$ 7,848,828
-	-	-	-	-	-
313,935	181,103	167,418	203,595	574,997	287,748
5,495,267	5,238,875	4,512,528	4,361,263	4,165,693	3,835,207
13,404,589	13,292,807	12,917,593	12,458,121	12,301,178	12,896,817
93,881	42,560	62,464	35,669	47,110	115,644
131,533	192,048	70,053	173,736	215,347	233,303
705,100	858,069	885,609	1,576,734	493,033	413,166
28,440,736	27,904,740	26,539,682	26,730,665	25,061,816	25,630,713
10,342,933	9,987,287	9,199,043	9,186,111	8,599,636	10,534,019
14,348,468	13,521,776	13,588,277	13,124,375	12,530,027	11,987,883
959,938	1,155,565	950,343	1,048,240	782,058	1,383,005
1,106,032	1,142,761	1,194,672	1,061,993	998,205	1,031,054
2,826,143	3,161,046	2,498,692	2,685,860	2,506,411	3,135,701
-	-	-	-	-	-
6,431,769	5,028,077	3,022,931	2,808,239	1,857,266	1,269,705
1,143,729	1,070,500	934,036	1,198,393	916,238	891,371
557,042	583,843	599,540	616,102	636,499	688,739
-	-	-	-	-	-
-	-	-	-	-	-
37,716,054	35,650,855	31,987,534	31,729,313	28,826,340	30,921,477
(9,275,318)	(7,746,115)	(5,447,852)	(4,998,648)	(3,764,524)	(5,290,764)
7,873,404	11,159,572	11,877,562	9,564,909	8,620,442	4,011,651
(1,457,807)	(57,164)	(170,942)	(48,862)	(355,397)	(568,359)
90,087	108,512	17,084	2,023	13,825	24,420
-	-	-	-	-	69,434
-	-	-	-	-	(2,750,000)
-	-	-	-	-	-
-	-	-	-	-	-
-	2,010,000	-	1,250,000	-	3,200,000
6,505,684	13,220,920	11,723,704	10,768,070	8,278,870	3,987,146
\$ (2,769,634)	\$ 5,474,805	\$ 6,275,852	\$ 5,769,422	\$ 4,514,346	\$ (1,303,618)
5.4%	5.4%	5.3%	6.3%	5.8%	5.3%

**City of Cocoa, Florida**

General Governmental Revenues by Source

Last Ten Fiscal Years - (accrual basis of accounting)

**Schedule 5**

Fiscal Year	Property Taxes	Utility Taxes and Franchise Fees	Inter- governmental (1)*	Other*	Totals
2020	\$ 6,387,378	\$ 4,198,126	\$ 5,446,234	\$ 17,558,440	\$ 33,590,178
2019	5,635,515	4,167,397	4,559,650	16,957,876	31,320,438
2018	5,168,838	4,083,555	5,342,696	15,430,534	30,025,623
2017	5,000,611	3,608,198	6,091,329	15,678,363	30,378,501
2016	4,699,241	3,597,190	5,495,267	14,570,284	28,361,982
2015	4,528,807	3,570,471	5,238,875	14,501,130	27,839,283
2014	4,520,106	3,403,911	4,512,528	14,041,442	26,477,987
2013	4,435,865	3,485,682	4,361,263	14,018,816	26,301,626
2012*	4,331,898	3,327,267	4,165,693	13,236,958	25,061,816
2011*	4,371,564	3,477,264	3,835,207	13,946,678	25,630,713

(1) Includes local option gas tax.

\*2012 and 2011 amounts have been restated to be consistent with the 2013 presentation.

Note: Includes General, Special Revenue, Capital Projects and Debt Service Funds, as applicable.

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**City of Cocoa, Florida**

Assessed Value and Estimated Actual Value of Taxable Property  
Last Ten Fiscal Years

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Fiscal Year	Real Property	Personal Property	Centrally Assessed Property	Less: Tax-Exempt Property
2020	\$ 1,259,462,890	\$ 270,050,324	\$ 4,163,609	\$ 433,914,576
2019	1,090,255,400	271,171,634	4,097,166	393,758,161
2018	940,958,240	270,529,563	3,869,600	355,293,089
2017	874,284,810	277,265,631	3,514,003	337,493,706
2016	838,137,370	268,432,534	2,656,441	328,336,969
2015	820,754,020	277,223,578	2,335,457	325,183,520
2014	846,372,850	284,164,503	2,089,111	334,960,096
2013	961,539,190	306,406,665	2,019,635	363,813,856
2012	1,159,589,630	341,024,797	2,313,993	478,190,225
2011	1,371,082,320	369,202,673	3,420,128	581,568,187

Source: Brevard County Property Appraiser.

**Schedule 6**

Total Taxable Assessed Value		Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
\$	1,099,762,247	5.979%	\$ 1,093,766,539	100.548%
	971,766,039	5.979%	967,726,786	100.417%
	860,064,314	5.979%	888,479,522	100.271%
	817,570,738	5.979%	857,337,863	100.318%
	780,889,376	5.979%	818,427,691	99.895%
	775,129,535	5.979%	782,374,729	99.810%
	797,666,368	5.981%	775,765,766	99.918%
	906,151,634	5.981%	798,015,398	99.956%
	1,024,738,195	5.581%	906,819,814	99.926%
	1,162,136,934	4.966%	1,025,224,075	99.953%

**City of Cocoa, Florida**

Direct and Overlapping Property Tax Rates (1)

Last Ten Fiscal Years

**Schedule 7**

<b>Fiscal Year</b>	<b>City Direct Rate</b>	<b>Overlapping Rates</b>			<b>Total Direct and Overlapping Rates</b>
	<b>Basic Rate</b>	<b>Brevard County</b>	<b>Brevard County Public School</b>	<b>Independent Special Districts</b>	
2020	5.9790	5.0381	5.9420	0.0320	16.9911
2019	5.9790	5.2553	6.0860	0.2734	17.5937
2018	5.9790	5.4432	6.2990	0.2882	18.0094
2017	5.9790	5.8130	6.9160	0.4823	19.1903
2016	5.9790	5.4692	7.2750	0.3343	19.0575
2015	5.9790	5.6310	7.3390	0.3509	19.2999
2014	5.9811	5.7979	7.6060	0.3628	19.7478
2013	5.9811	5.9199	8.0960	0.3658	20.3628
2012	5.5813	5.9199	8.1120	0.3658	19.9790
2011	4.9662	5.2249	7.6530	0.4503	18.2944

(1) Per \$1,000 of assessed value.

Source: Brevard County Tax Collector.

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**City of Cocoa, Florida**

Principal Taxpayers

Current and Nine Years Ago

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2020				
Rank	Taxpayer	Amount Levied		Percentage of Total City Levy
1	Wal-Mart Stores East LP	\$	433,276	7.46%
2	East Florida Motor Sales Inc		71,005	1.22%
3	Cocoa Commons Station LLC		55,306	0.95%
4	Sam's East Inc		46,546	0.80%
5	Mike Erdman Motors Inc		46,351	0.80%
6	12550 LC		37,229	0.64%
7	Monmouth Real Estate Investment		31,894	0.55%
8	Sunrise Mobile Home Park LLC		31,224	0.54%
9	ATS Clearlake LLC		27,211	0.47%
10	Oaks Meadows LTD Partnership		26,768	0.46%
Total		\$	806,810	13.89%
Total Amount Levied		\$	<u>6,575,409</u>	

Source: Brevard County Tax Collector.



2011				
Rank	Taxpayer	Amount Levied		Percentage of Total City Levy
1	Wal-Mart Stores East LP	\$	51,126	1.11%
2	Sam's East Inc		46,261	1.01%
3	RLV Cocoa Commons		37,713	0.82%
4	12550 LC		29,773	0.65%
5	Home Depot USA, Inc.		28,286	0.61%
6	Sunrise Mobile Home Park LLC		15,879	0.35%
7	Monmouth Real Estate Investment		24,811	0.54%
8	Emerald Lakes of Cocoa, LLC		18,803	0.41%
9	Cocoa Commercial Properties, LLC		18,112	0.39%
10	Hopper, Gertrude K. Trust		17,216	0.37%
Total		\$	287,980	6.26%
Total Amount Levied		\$	4,600,154	

Source: Brevard County Tax Collector

**City of Cocoa, Florida**

## Property Tax Levies and Collections

Last Ten Fiscal Years

**Schedule 9**

Fiscal Year	Current Year Collections				Total Collections to Date		
	Amount Levied	Amount Collected	Percentage of Levy	Delinquent Tax Collections (1)	Total Amount Collected	Percentage of Levy	
2020	\$ 6,575,409	\$ 6,023,708	91.61%	\$ 363,670	\$ 6,387,378	97.14%	
2019	5,810,115	5,399,899	92.94%	235,616	5,635,515	96.99%	
2018	5,324,625	4,947,189	92.91%	224,292	5,171,481	97.12%	
2017	5,142,260	4,768,944	92.74%	231,667	5,000,611	97.25%	
2016	4,888,261	4,454,794	91.13%	244,447	4,699,241	96.13%	
2015	4,668,943	4,275,053	91.56%	253,754	4,528,807	97.00%	
2014	4,636,129	4,235,126	91.35%	284,980	4,520,107	97.50%	
2013	4,452,014	4,173,107	93.74%	262,758	4,435,865	99.64%	
2012*	4,500,137	4,022,600	89.39%	309,298	4,331,898	96.26%	
2011*	4,600,154	4,040,240	87.83%	331,324	4,371,564	95.03%	

Source: Tax Certificate, Brevard County Property Appraiser.  
Financial records of the City of Cocoa, Florida.

(1) Includes delinquent taxes, penalties and tax certificates.

\*2012 and 2011 have been restated to be consistent with the 2013 presentation.

# City of Cocoa, Florida

## Water Rates

Last Ten Fiscal Years

Schedule 10

Tier rate structure as adopted via 2009 Utility Rate Study.

### TIER RATE STRUCTURE BY METER SIZE EFFECTIVE 10/01/2010

Meter Size	1st Tier	2nd Tier	3rd Tier	4th Tier
3/4"	0-6	7-12	13-24	over 24
1"	0-15	16-30	31-60	over 60
1.5"	0-42	43-84	85-168	over 168
2"	0-102	103-204	205-408	over 408
3"	0-420	421-840	841-1,680	over 1,680
4"	0-690	691-1,380	1,381-2,760	over 2,760
6"	0-3,300	3,301-6,600	6,601-13,200	over 13,200
8"	0-12,000	12,001-24,000	24,001-48,000	over 48,000
10"	0-21,000	21,001-42,000	42,001-84,000	over 84,000

### TIER RATE STRUCTURE BY METER SIZE THROUGH 09/30/2010

Meter Size	1st Tier	2nd Tier	3rd Tier	4th Tier
3/4"	0-8	9-16	17-24	over 24
1"	0-20	21-40	41-60	over 60
1.5"	0-40	41-80	81-120	over 120
2"	0-100	101-200	201-300	over 300
3"	0-400	401-800	801-1,200	over 1,200
4"	0-600	601-1,200	1,200-1,800	over 1,800
6"	0-2,000	2,000-4,000	4,000-6,000	over 6,000
10"	0-20,000	20,001-40,000	40,001-60,000	over 60,000

### INSIDE COCOA CITY LIMITS

#### BASE RATES

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
3/4"	\$ 16.44	\$ 15.66	\$ 14.91	\$ 14.34	\$ 13.66	\$ 13.26	\$ 13.26	\$ 12.63	\$ 12.03	\$ 11.40
1"	39.82	37.92	36.11	34.72	33.07	32.11	32.11	30.58	29.12	27.60
1.5"	72.22	68.78	65.50	62.98	59.98	58.23	58.23	55.46	52.82	50.07
2"	180.63	172.03	163.84	157.54	150.04	145.67	145.67	138.73	132.12	125.23
3"	433.62	412.97	393.30	378.17	360.16	349.67	349.67	333.02	317.16	300.63
4"	650.42	619.45	589.95	567.26	540.25	524.51	524.51	499.53	475.74	450.94
6"	1,228.63	1,170.12	1,114.40	1,071.54	1,020.51	990.79	990.79	943.61	898.68	851.83
8"	1,707.49	1,626.18	1,548.74	1,489.17	1,418.26	1,376.95	1,376.95	1,311.38	1,248.93	1,183.82
10"	2,189.30	2,082.05	1,982.90	1,906.63	1,815.84	1,762.95	1,762.95	1,679.00	1,599.05	1,515.69

#### VOLUME RATES PER THOUSAND GALLONS

1st Tier	\$ 3.42	\$ 3.26	\$ 3.10	\$ 2.98	\$ 2.84	\$ 2.76	\$ 2.76	\$ 2.63	\$ 2.50	\$ 2.37
2nd Tier	\$ 6.55	\$ 6.24	\$ 5.94	\$ 5.71	\$ 5.44	\$ 5.28	\$ 5.28	\$ 5.03	\$ 4.79	\$ 4.54
3rd Tier	\$ 8.54	\$ 8.13	\$ 7.74	\$ 7.44	\$ 7.09	\$ 6.88	\$ 6.88	\$ 6.55	\$ 6.24	\$ 5.91
4th Tier	\$ 11.50	\$ 10.95	\$ 10.43	\$ 10.03	\$ 9.55	\$ 9.27	\$ 9.27	\$ 8.83	\$ 8.41	\$ 7.97

### OUTSIDE COCOA CITY LIMITS

#### BASE RATES

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
3/4"	\$ 18.08	\$ 17.23	\$ 16.40	\$ 15.77	\$ 15.03	\$ 14.59	\$ 14.59	\$ 13.89	\$ 13.23	\$ 12.54
1"	43.80	41.71	39.72	38.19	36.38	35.32	35.32	33.64	32.03	30.36
1.5"	79.44	75.66	72.05	69.28	65.98	64.06	64.06	61.01	58.10	55.08
2"	198.69	189.23	180.22	173.29	165.04	160.23	160.23	152.60	145.33	137.75
3"	476.98	454.27	432.63	415.99	396.18	384.64	384.64	366.32	348.88	330.69
4"	715.46	681.40	648.95	623.99	594.28	576.96	576.96	549.48	523.31	496.03
6"	1,351.49	1,287.13	1,225.84	1,178.69	1,122.56	1,089.87	1,089.87	1,037.97	988.55	937.01
8"	1,878.24	1,788.80	1,703.61	1,638.09	1,560.09	1,514.65	1,514.65	1,442.52	1,373.82	1,302.20
10"	2,408.23	2,290.26	2,181.19	2,097.29	1,997.42	1,939.25	1,939.25	1,846.90	1,758.96	1,667.26

#### VOLUME RATES PER THOUSAND GALLONS

1st Tier	\$ 3.76	\$ 3.59	\$ 3.41	\$ 3.28	\$ 3.12	\$ 3.04	\$ 3.04	\$ 2.89	\$ 2.75	\$ 2.61
2nd Tier	\$ 7.21	\$ 6.86	\$ 6.53	\$ 6.28	\$ 5.98	\$ 5.81	\$ 5.81	\$ 5.53	\$ 5.27	\$ 4.99
3rd Tier	\$ 9.39	\$ 8.94	\$ 8.51	\$ 8.18	\$ 7.80	\$ 7.57	\$ 7.57	\$ 7.21	\$ 6.86	\$ 6.50
4th Tier	\$ 12.65	\$ 12.05	\$ 11.47	\$ 11.03	\$ 10.51	\$ 10.20	\$ 10.20	\$ 9.71	\$ 9.25	\$ 8.77

**City of Cocoa, Florida**

Waste Water Rates

Last Ten Fiscal Years

**Schedule 11****INSIDE COCOA CITY LIMITS  
BASE RATES**

Meter Size	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
3/4"	\$ 15.89	\$ 15.13	\$ 14.41	\$ 13.86	\$ 13.20	\$ 12.82	\$ 12.82	\$ 12.21	\$ 11.63	\$ 11.51
1"	29.73	28.31	26.96	25.92	24.69	23.97	23.97	22.83	21.74	21.52
1.5"	59.62	56.78	54.08	52.00	49.52	48.08	48.08	45.79	43.61	43.18
2"	148.96	141.87	135.11	129.91	123.72	120.12	120.12	114.40	108.95	107.87
3"	596.15	567.76	540.72	519.92	495.16	480.74	480.74	457.85	436.05	431.73
4"	894.22	851.64	811.09	779.89	742.75	721.12	721.12	686.78	654.08	647.60
6"	1,609.61	1,532.96	1,459.96	1,403.81	1,336.96	1,298.02	1,298.02	1,236.21	1,177.34	1,165.68
8"	2,575.49	2,452.85	2,336.05	2,246.20	2,139.24	2,076.93	2,076.93	1,978.03	1,883.84	1,865.19
10"	3,702.29	3,525.99	3,358.09	3,228.93	3,075.17	2,985.60	2,985.60	2,843.43	2,708.03	2,681.22

Volume Rate

Per 1,000 Gal. \$ 7.53 \$ 7.17 \$ 6.83 \$ 6.57 \$ 6.26 \$ 6.08 \$ 6.08 \$ 5.79 \$ 5.51 \$ 5.46

**OUTSIDE COCOA CITY LIMITS  
BASE RATES**

Meter Size	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
3/4"	\$ 19.87	\$ 18.92	\$ 18.02	\$ 17.33	\$ 16.50	\$ 16.03	\$ 16.03	\$ 15.26	\$ 14.54	\$ 14.39
1"	37.16	35.39	33.70	32.40	30.86	29.96	29.96	28.54	27.18	26.90
1.5"	74.53	70.98	67.60	65.00	61.90	60.10	60.10	57.24	54.51	53.98
2"	186.19	177.32	168.88	162.38	154.65	150.15	150.15	143.00	136.19	134.84
3"	745.19	709.70	675.90	649.90	618.95	600.93	600.93	572.31	545.06	539.66
4"	1,117.77	1,064.54	1,013.85	974.86	928.44	901.40	901.40	858.48	817.60	809.50
6"	2,012.01	1,916.20	1,824.95	1,754.76	1,671.20	1,622.53	1,622.53	1,545.26	1,471.68	1,457.10
8"	3,219.36	3,066.06	2,920.06	2,807.75	2,674.05	2,596.16	2,596.16	2,472.54	2,354.80	2,331.49
10"	4,627.86	4,407.49	4,197.61	4,036.16	3,843.96	3,732.00	3,732.00	3,554.29	3,385.04	3,351.53

Volume Rate

Per 1,000 Gal. \$ 9.43 \$ 8.98 \$ 8.55 \$ 8.22 \$ 7.83 \$ 7.60 \$ 7.60 \$ 7.24 \$ 6.89 \$ 6.83

Source: Financial records of the City of Cocoa, Florida.

**City of Cocoa, Florida**

Water and Waste Water System Growth  
Last Ten Fiscal Years

**Schedule 12****Water System**

Year	Number of Customers	Increase in Customers	Annual Revenue*	Increase in Revenue	Avg. Daily Flow (mdg**)	Change in Avg. Daily Flow
2020	84,393	0.89%	\$ 55,139,169	5.60%	20.592	2.11%
2019	83,649	1.71%	52,215,889	6.02%	20.166	-0.65%
2018	82,246	2.06%	49,249,171	0.75%	20.298	-7.44%
2017	80,582	0.47%	48,880,866	6.78%	21.929	3.21%
2016	80,206	0.78%	45,776,069	3.15%	21.247	-3.22%
2015	79,589	1.52%	44,378,086	-2.15%	21.954	3.44%
2014	78,398	-2.24%	45,354,935	3.20%	21.223	-5.13%
2013	80,198	0.69%	43,949,338	5.08%	22.370	-0.27%
2012	79,647	0.53%	41,823,688	4.11%	22.430	-2.51%
2011	79,228	0.38%	40,171,798	14.15%	23.007	-10.74%

**Waste Water System**

Year	Number of Customers	Increase in Customers	Annual Revenue*	Increase in Revenue	Avg. Daily Flow (mdg**)	Change in Avg. Daily Flow
2020	7,332	-0.05%	\$ 5,923,625	6.34%	2.195	7.60%
2019	7,336	4.00%	5,570,678	7.72%	2.040	-11.61%
2018	7,054	0.96%	5,171,562	-1.85%	2.308	6.07%
2017	6,987	-0.77%	5,269,276	5.25%	2.176	4.77%
2016	7,041	1.53%	5,006,306	2.99%	2.077	-2.90%
2015	6,935	0.52%	4,860,790	2.52%	2.139	19.10%
2014	6,899	12.16%	4,741,096	2.40%	1.796	-10.65%
2013	6,151	-8.63%	4,629,901	3.62%	2.010	3.61%
2012	6,732	-0.77%	4,468,058	-2.16%	1.940	-3.96%
2011	6,784	0.70%	4,566,617	14.13%	2.020	-1.94%

\* Revenues exclude miscellaneous charges for services not directly related to consumption.

\*\* mgd = million gallons per day.

Source: Financial records of the City of Cocoa, Florida.

# City of Cocoa, Florida

Ratio of Outstanding Debt by Type  
Last Ten Fiscal Years

Governmental Activities								
Fiscal Year	Capital Improvement Revenue Bonds	Fire Protection Assessment Revenue Bond	Cocoa Redevelopment Agency Revenue Bonds	Capital Leases	Note Payable	Net Issuance Discounts & Premiums		
2020	\$ 7,620,000	\$ 7,395,000	\$ -	\$ -	\$ 2,761,000	397,059		
2019	7,935,000	7,560,000	-	35,652	2,492,000	421,240		
2018	8,731,065	7,679,356	-	68,562	3,103,000	445,421		
2017	9,051,647	7,837,955	-	-	3,700,000	469,602		
2016	9,376,026	-	-	-	4,286,000	(173,974)		
2015	9,642,327	-	297,729	-	4,857,000	(182,673)		
2014	9,898,628	-	573,229	-	3,377,000	(191,372)		
2013	10,144,929	-	838,729	64,536	3,726,000	(200,701)		
2012	10,381,230	-	1,378,500	236,158	2,718,000	(208,770)		
2011	10,607,531	-	1,625,000	435,801	2,953,000	(217,469)		

(1) See Schedule 18 - Demographic and Economic Statistics.

## Business-type Activities

	Water and Sewer Bonds	Capital Leases	Note and Loans Payable	Net Issuance Discounts & Premiums	Total Primary Government	Percentage of Personal Income (1)	Per capita (1)
\$	82,715,000	\$ -	\$ 13,850,555	6,516,536	\$ 121,255,150	13.0%	\$ 6,228
	86,160,000	-	15,930,125	6,826,218	127,360,235	14.5%	6,589
	56,135,000	-	17,952,442	(350,026)	93,764,820	11.2%	4,862
	57,739,956	-	19,919,095	(380,044)	98,338,211	12.9%	5,181
	60,295,739	-	22,026,569	(369,261)	95,441,099	12.5%	5,068
	62,726,522	-	24,059,149	(358,478)	101,041,576	14.1%	5,517
	65,037,304	-	26,161,299	(347,696)	104,508,392	15.6%	5,931
	65,224,990	-	28,332,602	(336,913)	107,794,172	16.3%	6,180
	67,212,256	-	30,451,616	(326,131)	111,842,859	16.8%	6,480
	69,625,331	44,559	32,701,997	(315,348)	117,460,402	18.6%	6,814

**City of Cocoa, Florida**Ratio of Net General Bonded Debt Outstanding  
Last Ten Fiscal Years**Schedule 14**

General Bonded Debt Outstanding							
Fiscal Year	Capital Improvement Revenue Bonds	Fire Protection Assessment Revenue Bond	Total	Percentage of Actual Taxable Value of Property (in thousands)	Per Capita	Population (1)	Net Assessed Value (in thousands)
2020	\$ 7,620,000	\$ 7,395,000	\$ 15,015,000	0.014	\$ 776.89	19,327	\$ 1,094,367
2019	7,935,000	7,560,000	15,495,000	0.016	801.69	19,328	967,727
2018	8,731,065	7,679,356	16,410,421	0.019	850.90	19,286	857,338
2017	9,051,647	7,837,955	16,889,602	0.020	889.77	18,982	857,338
2016	9,376,026	-	9,376,026	0.011	497.85	18,833	817,571
2015	9,642,327	-	9,642,327	0.012	526.53	18,313	817,571
2014	9,898,628	-	9,898,628	0.013	559.94	17,678	780,889
2013	10,144,929	-	10,144,929	0.013	581.60	17,443	775,130
2012	10,381,230	-	10,381,230	0.013	601.50	17,259	797,666
2011	10,607,531	-	10,607,531	0.012	615.36	17,238	906,152

(1) Source: Bureau of Economic and Business Research, University of Florida.



Florida statutes impose no limitation on the amount of bonded debt the City can issue and the City has not adopted a legal debt limit.

**City of Cocoa, Florida**Direct and Overlapping Governmental Activities Debt  
September 30, 2020**Schedule 16**

Governmental Unit	Debt Outstanding (1)	Applicable Percentage (2)	City's Estimated Share of Direct and Overlapping Debt
Brevard County	\$ 39,165,601	2.38%	\$ 933,780
City of Cocoa Direct Debt (Governmental Activities)			
Revenue Bonds net of related premiums and discounts			15,412,059
Revenue Notes			2,761,000
Capital Leases			-
			18,173,059
Total Direct and Overlapping Debt			\$ 19,106,839

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

(2) Source: Brevard County Comprehensive Annual Financial Report. Table 7

**City of Cocoa, Florida**

## Pledged Revenue Coverage

Last Ten Fiscal Years - (in thousands of dollars)

**Schedule 17**

Water and Sewer System Revenue Bonds							
Fiscal Year	Debt Service						
	Pledged Revenues (1)	Less: Operating Expenses (2)	Net Available Revenue	Principal (3)	Interest (4)	Total	Coverage (5)
2020	\$ 67,067	\$ 32,010	\$ 35,057	\$ 3,445	\$ 3,837	\$ 7,282	3.90
2019	64,937	30,992	33,945	3,580	4,121	7,701	4.41
2018	59,569	32,889	26,680	2,670	3,071	5,741	4.65
2017	58,263	31,557	26,706	2,545	2,994	5,539	4.82
2016	55,856	30,195	25,661	2,420	3,124	5,544	4.63
2015	53,736	29,455	24,281	2,300	3,248	5,548	4.38
2014	54,392	27,793	26,599	2,180	3,362	5,542	4.80
2013	53,301	27,603	25,698	2,095	3,434	5,529	4.65
2012	50,601	26,627	23,974	2,295	3,492	5,787	4.14
2011	48,903	26,561	22,342	2,220	3,287	5,507	4.06

(1) Pledged revenues include operating and non-operating revenues of Water and Sewer System, excluding impact fees, capital contributions, and intergovernmental. Beginning in 2019, interfund administrative charges are excluded.

(2) Operating expenses excludes interest and depreciation.

(3) Bond proceeds from revenue refunding bonds are excluded since payments are made with proceeds and not pledged revenues. Accordingly, they are not included in the above calculations.

(4) Excludes subsidy received for Series 2010 Build America Bonds.

(5) Required coverage is 1.25.

**City of Cocoa, Florida**

Demographic and Economic Statistics  
Last Ten Fiscal Years

**Schedule 18**

Fiscal Year	Population (1)	Personal Income	Per Capita Personal Income (2)	Unemployment Rate (3)
2020	19,328	\$ 925,975,897	\$ 47,911	7.2%
2019	19,328	877,974,400	45,425	3.3%
2018	19,286	840,715,312	43,592	3.7%
2017	18,982	791,264,670	41,685	4.6%
2016	18,833	762,943,663	40,511	5.2%
2015	18,313	717,832,974	39,198	6.1%
2014	17,678	672,382,730	38,035	6.9%
2013	17,443	664,264,326	38,082	7.9%
2012	17,259	663,936,471	38,469	9.1%
2011	17,238	634,461,828	36,806	11.6%

(1) Source 2014: United States Census Bureau, American Fact Finder, Cocoa City, Florida.

(1) Source 2020-2015, 2013-2011: Bureau of Economic and Business Research, University of Florida.

(2) Source: U.S. Department of Commerce, Bureau of Economic Analysis

(3) Source: U.S. Department of Labor, Bureau of Labor Statistics, Palm Bay-Melbourne-Titusville, FL (Metropolitan Areas). Based on an average of the monthly unemployment rates throughout the fiscal year. Fiscal Year 2020 based on an average of the monthly unemployment rates for June 2020 - September 2020.

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**City of Cocoa, Florida**

Principal Employers

Current and Nine Years Ago

2020			
Rank	Employer (1)	Employees (1)	% of Total Employment (2)
1	City of Cocoa	456	3.95%
2	Wal-Mart Distribution	438	3.80%
3	Eastern Florida State College - Cocoa Campus	426	3.69%
4	Beyel Brothers Inc.	392	3.40%
5	Aging Matters in Brevard	350	3.04%
6	Wal-Mart Associates Inc.	342	2.97%
7	Erdman Automotive (Nissan & Toyota)	194	1.68%
8	Bob Steel Chevrolet	150	1.30%
9	Brevard Robotics	145	1.26%
10	Sam's Club	130	1.13%
		3,023	26.22%

(1) Source: The companies listed above.

(2) Source: Space Coast Economic Development Council.

2011			
Rank	Employer	Employees	% of Total Employment
1	Brevard Public Schools	478	6.00%
2	Brevard Community College	426	5.34%
3	City of Cocoa	360	4.52%
4	Wal-Mart Supercenter	214	2.68%
5	Beyel Brothers Crane & Rigging	150	1.88%
6	Florida Solar Energy Center	150	1.88%
7	Publix	150	1.88%
8	Brevard Robotics	145	1.82%
9	Ocean Potion	122	1.53%
10	Fed Ex Ground Distribution Center	120	1.51%
Total Employees		2,315	29.04%

Source for FY 2011 data was Bureau of Economic and Business Research.

**City of Cocoa, Florida**

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

Function/Program	2020	2019	2018	2017
General government				
City Manager/OMB	4.00	5.00	4.00	4.00
City Clerk	3.00	3.00	3.00	3.00
Finance	12.50	11.50	11.50	11.50
Customer Service	22.00	22.00	29.00	28.00
Human Resources	6.50	6.50	5.50	6.50
Purchasing	3.00	3.00	3.00	3.00
Information Technology	9.00	10.50	9.50	9.50
Fleet Services	7.00	6.50	6.00	7.00
Community Services	14.00	13.00	9.80	11.80
Other	0.00	0.00	0.00	0.00
Public Safety				
Police Department	97.00	97.00	95.00	92.50
Fire Department	41.00	47.00	48.00	45.00
Public Works	28.80	27.80	24.80	26.80
Water	153.50	150.50	150.00	149.00
Wastewater	39.00	37.00	36.00	36.00
Stormwater	6.60	7.60	5.40	7.40
Recreation	9.00	8.50	4.50	5.00
Total	455.90	456.40	445.00	446.00

Source: City of Cocoa Finance Department.

Note 1: In fiscal year 2017, the City of Cocoa moved Code Enforcement from Community Services to Public Safety - Police Department.

Note 2: For Fiscal years 2011 and 2012, OMB reported to the City Manager department. Beginning in fiscal year 2013 OMB moved to the Finance department.



**Schedule 20**

2016	2015	2014	2013	2012	2011
3.00	3.00	3.00	1.00	4.00	7.00
3.00	3.00	3.00	3.00	3.00	3.00
12.00	11.00	12.00	10.50	8.50	8.50
26.00	25.00	25.00	18.00	20.00	18.00
7.00	6.00	4.00	4.00	3.50	4.34
3.00	3.00	2.00	2.00	2.00	2.00
8.50	7.50	8.00	7.00	8.00	8.33
7.00	7.00	7.00	7.00	7.50	7.33
16.00	18.00	17.00	15.00	17.00	18.00
0.00	0.00	0.00	0.00	2.50	5.00
89.50	95.25	92.00	90.00	87.50	89.00
44.00	44.00	43.00	39.00	39.00	41.00
28.00	27.00	27.00	26.00	26.00	28.00
128.00	127.00	129.00	135.50	140.00	133.50
33.00	33.00	28.00	30.00	29.00	28.00
6.00	5.00	7.00	3.00	5.00	5.00
5.00	5.00	3.00	2.00	3.50	6.00
419.00	419.75	410.00	393.00	406.00	412.00

## City of Cocoa, Florida

Operating Indicators by Function/Program  
Last Ten Fiscal Years

	2020	2019	2018	2017 (1)
<b>Function/Program</b>				
General government				
Building permits issued	1,818	2,012	1,503	1,084
Building inspections conducted	5,741	4,695	2,738	3,294
Police				
Physical arrests	1,124	1,450	1,451	1,274
Parking violations	20	34	31	49
Traffic violations	1,522	2,380	2,455	2,568
Fire				
Emergency responses	4,770	5,323	5,425	5,413
Fire responses	114	95	107	144
Inspections	707	1,226	252	199
Public Works				
Streets resurfacing (miles)	2	2	-	6
Water				
New connections	1,223	1,078	916	803
Water main breaks	59	84	75	135
Average daily consumption (thousands of gallons)	20,592	20,166	20,298	21,929
Peak daily consumption (thousands of gallons)	26,175	25,292	26,444	27,695
Wastewater				
Average daily sewage treatment (thousands of gallons)	2,195	2,040	2,308	2,176

Source: Various City of Cocoa departments.

(1) In Fiscal Year 2017, the Fire Department began performing new business and annual fire inspections. The Building Division performs initial fire inspections during the building permit process (not included herein).

(2) In Fiscal Year 2013, the City discontinued annual fire inspections. The Building Division conducts inspections for state-licensed facilities upon request.

**Schedule 21**

2016	2015	2014	2013 (2)	2012	2011
1,063	996	917	815	700	775
3,618	3,669	2,890	2,118	1,838	2,142
1,054	1,543	1,636	1,510	1,501	1,938
48	24	12	19	57	34
1,630	2,096	3,161	2,455	2,162	3,877
5,139	4,835	4,481	4,085	4,253	4,092
107	96	108	90	117	221
83	73	102	349	2,123	2,332
4	2	4	-	1	3
707	719	522	612	463	359
83	107	118	105	128	105
21,247	21,954	21,223	22,370	22,430	23,008
28,271	27,550	26,867	29,028	27,093	31,179
2,077	2,139	1,796	1,930	2,020	2,570

**City of Cocoa, Florida**

Capital Asset Statistics by Function/Program

Last Ten Fiscal Years

	2020	2019	2018	2017	2016
<b>Function/Program</b>					
Police Stations	1	1	1	1	1
Fire Stations	3	3	3	3	3
Other Public Works					
Streets (miles)	79	79	79	79	79
Street Lights	2,183	2,182	2,182	2,182	2,182
Traffic Signals	146	146	146	146	146
Water					
Water mains (miles)	1,376	1,369	1,360	1,353	1,341
Fire Hydrants in Cocoa	706	701	699	689	687
Fire Hydrants - Total System	6,814	6,773	6,718	6,658	6,590
Storage capacity (thousands of gallons)	22,500	22,500	22,500	22,500	22,500
Wastewater					
Sanitary sewers (miles) (1)	135	130	130	119	118
Treatment capacity (thousands of gallons)	4,500	4,500	4,500	4,500	4,500

Sources: Various City of Cocoa departments.

(1) City of Cocoa, Sanitary Sewers (miles) for fiscal years 2017 and 2016 have been restated to exclude Private Sewer miles.

**Schedule 22**

2015	2014	2013	2012	2011
1	1	1	1	1
3	3	3	3	3
79	93	93	93	93
2,004	2,004	2,004	2,004	2,004
146	146	146	146	146
1,339	1,331	1,325	1,322	1,321
685	687	684	684	683
6,499	6,515	6,467	6,442	6,424
22,500	22,500	22,500	22,500	22,500
118	117	117	117	117
4,500	4,500	4,500	4,500	4,500

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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***

The Honorable Mayor and  
Members of the City Council  
City of Cocoa, 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Cocoa, Florida, (the “City”) as of and for the fiscal 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 April 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.

## **Compliance and Other Matters**

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

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



## **INDEPENDENT AUDITOR’S MANAGEMENT LETTER**

The Honorable Mayor and  
Members of the City Council  
City of Cocoa, Florida

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

We have audited the basic financial statements of the City of Cocoa, Florida (the “City”) as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated April 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; the audit requirements of Title 2 U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (“Uniform Guidance”); and Chapter 10.550, *Rules of the Auditor General*.

### **Other Reporting Requirements**

We have also 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 Federal Program and Report on Internal Control over Compliance and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance, 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 April 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 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.

## **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 report 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 the specific conditions met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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

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

## **Special District Component Units**

Section 10.554(1)(i)5.c., *Rules of the Auditor General*, requires, if appropriate, that we communicated the failure of a special district that is a component unit of a county, municipality, or special district, provided 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 determined that all special district component units provided 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 have any such findings.

## **Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, federal and other granting agencies, the Mayor, City Council, 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  
April 12, 2021

## INDEPENDENT ACCOUNTANT'S REPORT

The Honorable Mayor and  
Members of the City Council  
City of Cocoa, Florida

We have examined the City of Cocoa, Florida's (the "City") compliance with the requirements of Section 218.415, Florida Statutes, during the fiscal 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 is in accordance 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 fiscal year ended September 30, 2020.

**MSL, P.A.**

Certified Public Accountants

Orlando, Florida  
April 12, 2021

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**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH  
MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE AND REPORT ON SCHEDULE OF EXPENDITURES OF  
FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

The Honorable Mayor and  
Members of the City Council  
City of Cocoa, Florida

**Report on Compliance for Each Major Federal Program**

We have audited the compliance of the City of Cocoa, Florida (the “City”) with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City’s major federal programs for the fiscal year ended September 30, 2020. The City’s major federal programs 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 federal programs.

***Auditor’s Responsibility***

Our responsibility is to express an opinion on compliance for each of the City’s major federal based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”). Those standards, and the Uniform Guidance, 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 federal program 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 unmodified opinions on compliance for each major federal program. However, our audit does not provide a legal determination of the City’s compliance.

The Honorable Mayor and  
Members of the City Council  
City of Cocoa, Florida

### **Opinion on Each Major Federal Program**

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

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

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to in the first paragraph of this section. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of 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 federal program 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 federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

The Honorable Mayor and  
Members of the City Council  
City of Cocoa, Florida

**Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the governmental activities, the business-type activity, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of and for the fiscal year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon April 12, 2021, which contained unmodified opinions on those financial statements. Our report on the basic financial statements also contained references to the reports of other auditors. 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 Federal Awards is presented for purposes of additional analysis, as required by the Uniform Guidance, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting, and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

**MSL, P.A.**

Certified Public Accountants

Orlando, Florida  
April 12, 2021

**City of Cocoa**  
**Schedule of Expenditures of Federal Awards**  
**For the Fiscal Year Ended September 30, 2020**

<i>Federal Agency/Pass-through Grantor/Program Title</i>	<i>Contract / Grant No.</i>	<i>CFDA No.</i>	<i>Expenditures</i>	<i>Transfers to Subrecipient</i>
<b>U.S. DEPARTMENT OF AGRICULTURE, FORESTRY SERVICE</b>				
<b>Indirect Program, Pass through State of Florida Forest Service</b>				
City of Cocoa Urban Forestry Management Agreement No. 26866	19-DG-11083112-001	10.664	\$ 7,493	
<b>Total U.S. Department of Agriculture</b>			<b>\$ 7,493</b>	
<b>U.S. DEPARTMENT OF COMMERCE</b>				
<b>Indirect Program, Pass through State of Florida Department of Environmental Protection</b>				
Business Disaster Preparedness and Recovery Plans	04-69-07348	11.307	\$ 45,000	
<b>Total U.S. Department of Commerce</b>			<b>\$ 45,000</b>	
<b>U.S. DEPARTMENT OF HOUSING &amp; URBAN DEVELOPMENT</b>				
<b>Direct Program</b>				
Community Development Block Grants/Entitlement Grants	B-17-MC-12-0003	14.218	\$ 4,751	
Community Development Block Grants/Entitlement Grants	B-18-MC-12-0003	14.218	65,636	
Community Development Block Grants/Entitlement Grants	B-19-MC-12-0003	14.218	106,438	\$ 26,623
Community Development Block Grants				
Section 108 Loan Guarantees	B-18-MC-12-0003	14.248	\$ 894,000	
<b>Subtotal - Direct Programs</b>			<b>\$ 1,070,825</b>	
<b>Indirect Program, Pass through Brevard County:</b>				
Home Investment Partnerships Program	M-18-DC-12-00200	14.239	\$ 6,386	
<b>Subtotal - Indirect Programs</b>			<b>\$ 6,386</b>	
<b>Total U.S. Department of Housing &amp; Urban Development</b>			<b>\$ 1,077,211</b>	
<b>U.S. DEPARTMENT OF JUSTICE</b>				
<b>Direct Program</b>				
Bulletproof Vest Partnership Program				
Public Safety Partnership and Community Policing Grant	2019-BU-BX-19096472	16.607	\$ 9,909	
Edward Byrne Memorial Justice Assistance Grant Program - 2019	2019-DJ-BX-0428	16.738	22,166	
<b>Subtotal - Direct Programs</b>			<b>\$ 32,075</b>	
<b>Indirect Program, pass through Florida Attorney District General's Office</b>				
BJA FY 20 Coronavirus Emergency Supplemental Funding Program	2020-VD-BX-1270	16.034	\$ 2,709	
Crime Victim Assistance	VOCA-2019-City of Cocoa Police Depa-00038	16.575	\$ 75,164	
<b>Subtotal - Indirect Programs</b>			<b>77,873</b>	
<b>Total U.S. Department of Justice</b>			<b>\$ 109,948</b>	
<b>UNITED STATES DEPARTMENT OF THE TREASURY</b>				
<b>Indirect Program, Pass through Florida Housing Finance Corporation</b>				
Coronavirus Relief Fund (CRF) Agreement 107-2020	107-2020	21.019	\$ 3,478	
<b>Total United States Department of the Treasury</b>			<b>\$ 3,478</b>	
<b>FEDERAL EMERGENCY MANAGEMENT AGENCY</b>				
<b>Indirect Program, Pass through State of Florida, Division of Emergency Management</b>				
<b>Disaster Grants - Public Assistance - (Presidentially Declared Disasters)</b>				
Hurricane Dorian (NOTE 5)	FEMA-4468-DR-FL	97.036	\$ 149,703	
<b>Total Federal Emergency Management Agency</b>			<b>\$ 149,703</b>	
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b>\$ 1,392,833</b>	<b>\$ 26,623</b>



**City of Cocoa**  
**Schedule of Expenditures of Federal Awards**  
**For the Fiscal Year Ended September 30, 2020**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**NOTE 1 - REPORTING ENTITY**

For reporting entity purposes, the Schedule of Expenditures of Federal Awards includes only the activities of the primary government of the City of Cocoa, Florida.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Schedule of Expenditures of Federal Awards is prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as applicable to governmental organizations.

**NOTE 3 - RELATIONSHIP TO FINANCIAL STATEMENTS AND FEDERAL FINANCIAL REPORTS**

Information reported in the schedule agrees with the amounts reported in both the financial statements and related federal financial reports for the major federal programs. Revenues from federal award programs are reported in the financial statements as operating and capital grant revenues in the government-wide financial statements and intergovernmental revenues in the fund statements, except for the Section 108 guaranteed loan, which is reported as other financing sources - issuance of debt and long-term debt payable.

**NOTE 4 - CONTINGENCIES**

Grant monies received by the City are for specific purposes and are subject to review by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon prior experience, the City does not believe such disallowances, if any, would have a material effect on the financial position of the City. As of September 30, 2020, there were no material questioned or disallowed costs as a result of grant audits in process or completed of which management was aware. Any adjustments as a result of grant findings are recorded in the year the adjustment occurs.

**NOTE 5 - INDIRECT COST RATE**

The City has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance. For the sponsored programs where the City claims indirect costs, the City's internal indirect cost rate is used.

**NOTE 6 - DISASTER GRANTS - PUBLIC ASSISTANCE**

Expenditures for Hurricane Matthew and Hurricane Irma were incurred during fiscal years 2017, 2018, 2019 and 2020. Emergency Assistance projects were approved and obligated by Florida Public Assistance in fiscal years 2018 and 2019. Projects not obligated by Florida Public Assistance are not considered as expenses towards a Disaster Grant, therefore the City did not meet the threshold of spending to meet the requirement for a "Schedule of Expenditures of Federal Awards (SEFA)" in fiscal year 2018. For full disclosure of federal funds received for both hurricanes, expenses incurred and covered by "Disaster Grants - Public Assistance - (Presidentially Declared Disasters)" for fiscal years 2017, 2018, 2019 and 2020 and obligated and/or reimbursed in FY2018, 2019 and 2020 have been included in the FY 2020 SEFA.

**NOTE 7 - GUARANTEED LOAN OUTSTANDING**

On April 22, 2020, the City had a total outstanding guaranteed loan balance of \$894,000 with the U.S. Department of Housing and Urban Development under the Section 108 Loan Guarantee Program (CFDA No. 14.248). Below is the breakdown of debt service payments and outstanding balances of the loan for fiscal year 2020:

	<u>Outstanding Balance</u> <u>10/1/19</u>	<u>Additions</u>	<u>Principal</u> <u>Payments</u>	<u>Interest</u> <u>Payments</u>	<u>Total</u> <u>Payments</u>	<u>Outstanding Balance</u> <u>9/30/2020</u>
HUD 108 Guaranteed Loan						
For Capital Projects	\$ -	\$ 894,000	\$ -	\$ -	\$ -	\$ 894,000

# CITY OF COCOA, FLORIDA

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended September 30, 2020

### SECTION I - SUMMARY OF INDEPENDENT AUDITOR'S RESULTS

#### Financial Statements

Type of Auditor's Report Issued:

**Unmodified Opinion**

Internal control over financial reporting:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified? ☐ Yes ☒ None reported

Noncompliance material to financial statements noted? ☐ Yes ☒ No

#### Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified? ☐ Yes ☒ None reported

Type of report issued on compliance for major federal programs:

**Unmodified Opinion**

Any audit findings disclosed that are required to be reported in accordance with Section 200.516(a) of the Uniform Guidance? ☐ Yes ☒ No

#### Identification of Major Federal Program(s):

<u>CFDA Number(s)</u>	<u>Name of Federal Program(s)</u>
14.248	Section 108 Loan Guarantees

Dollar threshold used to distinguish between Type A and Type B programs: Federal \$750,000

Auditee qualified as low-risk auditee? ☐ Yes ☒ No

# **CITY OF COCOA, FLORIDA**

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

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

**Section II - Findings Related to the Financial Statement Audit, as required to be reported in accordance with *Government Auditing Standards***

No matters are reported.

**Section III - Federal Award Findings and Questioned Costs Section reported in accordance with the Uniform Guidance**

No matters are reported.

**Section IV - Status of Prior Year Findings**

No matters were reported in the prior year affecting federal financial assistance programs.



Finance Department  
65 Stone Street I Cocoa, FL 32922  
Phone: (321) 433-8600 I Fax: (321) 433-8608

## AFFIDAVIT OF IMPACT FEE COMPLIANCE

The City of Cocoa has complied with Section 163.31801 of Florida Statutes regarding accounting and reporting impact fee collections and expenditures for Fiscal Year 2020.

Rebecca J. Bowman, MBA, CGFO, CGFM  
Finance Director

STATE OF FLORIDA  
COUNTY OF BREVARD:

SWORN TO AND SUBSCRIBED before me this 12<sup>th</sup> day of March, 2021, by  
Rebecca J. Bowman who is personally known to me.

  
SIGNATURE OF NOTARY PUBLIC-STATE OF FLORIDA

Carrie E. Shealy  
NOTARY PUBLIC  
STATE OF FLORIDA  
Comm# GG102465  
Expires 8/30/2021

