

CITY OF CAPE CANAVERAL

Annual Comprehensive Financial Report



WITH REPORT ON COMPLIANCE MATTERS

Fiscal Year Ended September 30, 2021

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

CITY OF CAPE CANAVERAL, FLORIDA

FISCAL YEAR ENDED SEPTEMBER 30, 2021

Prepared By:
City of Cape Canaveral Finance Department

**CITY OF CAPE CANAVERAL, FLORIDA
TABLE OF CONTENTS
SEPTEMBER 30, 2021**

	<u>Page Number(s)</u>
INTRODUCTORY SECTION	
List of Principal Officials	2
Letter of Transmittal	4 - 14
Organizational Chart	16
Certificate of Achievement for Excellence in Financial Reporting	17
 FINANCIAL SECTION	
Independent Auditors' Report	20 – 22
Management's Discussion and Analysis	24 – 37
Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Position	39
Statement of Activities	40
Fund Financial Statements:	
Balance Sheet – Governmental Funds	41
Reconciliation of the Balance Sheet of the Governmental Funds to the Statement of Net Position	42
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	43
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	44
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual-General Fund	45
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual-Cape Canaveral Community Redevelopment Agency Fund	46
Statement of Net Position – Proprietary Funds	47
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds	48
Statement of Cash Flows – Proprietary Funds	49
Notes to Financial Statements	51 - 71
 Combining and Individual Fund Statements and Schedules	
Combining Balance Sheet – Nonmajor Governmental Funds	74
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	75
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual	76 - 78

CITY OF CAPE CANAVERAL, FLORIDA
TABLE OF CONTENTS
SEPTEMBER 30, 2021
(Continued)

	<u>Page Number(s)</u>
STATISTICAL SECTION	
Table 1 – Net Position by Component	81
Table 2 – Changes in Net Position	82 – 83
Table 3 – Fund Balances of Governmental Funds	84
Table 4 – Changes in Fund Balances of Governmental Funds	85
Table 5 – Tax Revenues by Source of Governmental Funds	86
Table 6 – Assessed Value and Actual Value of Taxable Property	87
Table 7 – Property Tax Rates – Direct and Overlapping Governments	88
Table 8 – Principal Property Taxpayers (Major Taxpayers)	89
Table 9 – Property Tax Levies and Collections	90
Table 10 – Ratios of Outstanding Debt by Type	91
Table 11 – Ratio of Net General Obligation Bonded Debt to Assessed Value and Net Bonded Debt Per Capita	92
Table 12 – Direct and Overlapping Governmental Activities Debt	93
Table 13 – Pledged-Revenue Coverage – Wastewater System	94
Table 14 – Demographic Statistics	95
Table 15 – Principal Employers	96
Table 16 – Full-Time Equivalent City Government Employees by Function/Program	97
Table 17 – Operating Indicators by Function/Program	98
Table 18 – Capital Asset Statistics by Function/Program	99
Table 19 – Water/ Wastewater Distribution and Consumption	100
Table 20 – Water and Wastewater Rates	101
Table 21 – Construction, Property Value and Bank Deposits	102
Table 22 – Miscellaneous Statistics	103
SINGLE AUDIT AND OTHER REPORTS	
Schedule of Expenditures of State Financial Assistance	105
Notes to Schedule of Expenditures of State Financial Assistance	106
Schedule of Findings and Questioned Costs	107
Independent Auditors’ Report on Compliance for Each Major State Project and on Internal Control Over Compliance In Accordance with Chapter 10.550, Rules of the Auditor General	108 – 109
Independent Auditors’ Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	110 – 111
Independent Auditors’ Management Letter Required by Chapter 10.550, Rules of the State of Florida Office of the Auditor General	112 – 114
Independent Accountants’ Examination Report	115
Impact Fee Affidavit	116

Introductory Section

City of Cape Canaveral, Florida

Annual Comprehensive Financial Report

Fiscal Year Ended September 30, 2021



City Council

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

City Manager

Todd Morley

City Attorney

Anthony Garganese

Administrative + Financial Services Director

John DeLeo

Letter of Transmittal



CITY OF CAPE CANAVERAL

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February 4, 2022

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

Dear Mayor and Members of City Council:

It is our pleasure to submit this Annual Comprehensive Financial Report (ACFR) for the City of Cape Canaveral, Florida, for the Fiscal Year ended September 30, 2021. It fulfills the requirements set forth pursuant to Florida Statutes Section 218.39 and Chapter 10.500 of the Rules of the Auditor General of the State of Florida.

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

Florida Statutes and the City Charter require that an annual financial audit be performed by independent certified public accountants. The audit was performed by James Moore & Co., P.L., licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the Fiscal Year ended September 30, 2021 are free of material misstatement. 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 auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the Fiscal Year ended September 30, 2021 are fairly presented in conformity with GAAP. The independent auditor's report is located at the front of the financial section of this Report.

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

PROFILE OF THE GOVERNMENT

The City of Cape Canaveral was incorporated as a municipal corporation in May 1963. The City is located on the Atlantic Ocean approximately midpoint between Miami and Jacksonville and is slightly over 50 miles east of Orlando. This 1.9 square-mile beach and coastal community serves a population of 9,959 and is bounded on the west by the Banana River, on the north by Port Canaveral, on the east by the Atlantic Ocean and on the south by the City of Cocoa Beach.

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

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

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

ECONOMIC CONDITION AND OUTLOOK

All sectors of the economy are experiencing positive growth as the threat of COVID-19 diminishes. The City will experience increased growth moving towards an optimistic outlook to full recovery. Brevard County's unemployment rate has decreased to 3.8% for 2021 down from 4.4% the previous year. Job growth continues to recover post pandemic and is expected to rebound up 2.0% from last year, according to University of Central Florida's Florida and Metro Forecast. The real estate market is showing significant improvements; single-family home sales are up 6.5% and median home prices jumped to 21% from 14.7% this time last year.

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

MAJOR INITIATIVES

Capital Projects completed in 2021 were much needed improvements to the City's transportation, wastewater and stormwater systems. These Capital Projects were funded through a number of sources including the Enterprise Capital Funds (Stormwater and Wastewater), State Revolving Fund (SRF) loans from Florida Department of Environmental Protection (FDEP) and County Transportation Impact Fees.

Transportation

Capital Projects and Public Works Services (PWS) Staff continue to improve City streetscapes including Ridgewood Avenue and North Atlantic Avenue. Upgrades to Ridgewood Avenue included the installation of new solar lights and planting of vegetation. Upgrades to North Atlantic Avenue included installation of additional vehicular/pedestrian signage and new solar lights. Additionally, the West Central Boulevard Streetscape was completed from SR A1A to

Thurm Boulevard. Improved solar lighting and decorative crosswalks will be installed along West Central Boulevard in 2022.

Wastewater System

Improvements to the City's wastewater system included the (1) installation of a carbon feed system to improve Water Reclamation Facility (WRF) effluent (reclaimed water) and (2) rehab of Lift Station No. 3 located adjacent to the Central Ditch. Other projects initiated, but not completed, in 2021 include replacement of the WRF headworks and sand filters, replacement of the SCADA system and construction of protective buildings over major pump stations. These projects were many of the City projects that eliminated sewer leakage to groundwater and improved WRF effluent.

Many smaller-scope improvement projects were completed at the WRF and lift stations in 2021 including replacement and/or upgrade of the following:

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

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

Stormwater System

The City maintained an active stormwater system maintenance program in 2021. Activities included the replacement of (1) screens in the Center Street, International Drive and Angel Isles baffle boxes and (2) older style stormwater inlets with new Type "C" inlets. These newer inlets require less maintenance, are not damaged as easily by vehicular traffic, prohibit larger debris from entering the stormwater system and provide improved stormwater flow. Street sweeping of all curbed streets also continues on a monthly basis.

Drainage studies were initiated for the Center Street Drainage Basin and the vicinity of the Central Ditch due to excessive flooding after heavy rainfall events. The Central Ditch north of

West Central Boulevard was also dredged of muck and vegetative debris to improve stormwater flow.

Major 2022 Transportation Projects

The City will undertake two major transportation initiatives in the near future including the construction of a pedestrian-friendly streetscape along Thurm Boulevard and the paving of Oak Lane. These improvements along both corridors will include:

- Build/rebuild of the roadway base and pavement;
- Rehab/construct stormwater inlets and pipes;
- Rehab/construct wastewater manholes and pipes;
- Construct stormwater treatment areas;
- Construct new sidewalks and pedways; and
- Install solar lighting.

These projects will greatly improve the infrastructure conditions in these two transportation corridors. Funding will be from a variety of sources including County Transportation Impact Fees.

Major 2022 Wastewater Projects

Capital Projects to be completed in 2022 are numerous and will provide much needed improvements to the City's wastewater system. These Capital Projects will be funded through a number of sources including the Enterprise Capital Fund (Wastewater), SRF loans from FDEP and a grant from the State Legislature in the amount of \$250,000. The major projects include the following:

- Influent screen improvements will be performed to eliminate debris from entering the wastewater treatment process.
- Disc-type filters will be installed to replace the existing sand filters, which will drastically reduce maintenance costs and improve effluent water quality.
- Lift Station No. 8 located adjacent to Thurm Boulevard will be replaced to improve efficiency and reduce leakage.
- Lift Station No. 5 located within the Treasure Island Condominium complex will be replaced to improve efficiency and reduce leakage.
- WRF SCADA system will be updated to improve communication from lift stations to the WRF and improve efficiency of the wastewater treatment process.
- Structural buildings will be constructed to remove pumps at the WRF from the weather elements.

Numerous smaller-scope wastewater projects will be completed or initiated in 2022 including replacement and/or upgrade of the following:

- IR pumps and motors;
- Reclaimed water pumps;
- Lift station pumps;
- Mixer replacements;
- Sludge holding blowers; and
- Various valves.

Major 2022 Stormwater Projects

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

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

PWS Staff is currently negotiating easements with property owners to construct these stormwater improvement projects. The Save Our Indian River Lagoon Program may provide funding assistance. Capital Projects and PWS Staff are also currently investigating the possible purchase of land in the northeastern and western portions of the City for the construction of wet detention ponds. These ponds would treat a significant portion of stormwater prior to discharge to the Banana River. The properties would also be used as City parks with sidewalks, pedestrian benches, etc.

Routine maintenance of the City's stormwater system will continue in 2022. Activities will include the replacement of older style stormwater inlets with new Type "C" inlets and street sweeping of all curbed streets on a monthly basis. Capital Projects and PWS Staff will also continue to assist other departments in the completion of City infrastructure improvement projects.

Economic Opportunity Overlay District (EOOD). The EOOD is the City's primary attractor for new commercial interests. Recent commercial development includes hotels in the northern part of the City as well as the addition of the City's first cultural and arts museum, known as the CAPE Center (formerly the old City Hall).

The EOOD addresses community goals raised in the Visioning Initiative. The district leverages opportunities for economic development resulting from our proximity to Port Canaveral by attracting services desired by the citizens/visitors. It facilitates mixed-use & pedestrian-friendly development via increased design standards for architecturally significant buildings, a mechanism for increased building heights, revised hotel requirements and increased landscaping requirements. As Cape Canaveral continues to develop, the City will look for new opportunities to take advantage of in the EOOD.

Leisure Services Enhancements. A new information kiosk / shade shelter was purchased and installed at Manatee Sanctuary Park. This replaced a dilapidated structure that had outlived its useful purpose. A new touch free refrigerated drinking fountain with bottle filling station was installed at the Nancy Hanson Recreation Complex. Lastly, the City underwent a comprehensive citizen engagement process to design improvements to Veterans Memorial Park. This engagement process yielded a final design which will be phased over the next two fiscal years.

Multi-Generational Facility. The ground breaking ceremony for this project took place on December 22, 2020. Despite worldwide supply chain disruptions, the project continues on schedule with an anticipated target completion date of early 2022. Phase II of the project, which included a splash pad is underway. At the June 15, 2021 City Council Meeting, Council unanimously chose “**City of Cape Canaveral Community Center**” as the official name of the building. The main reasoning behind their decision stood with ensuring this timeless building was branded to the City and not be confused with a facility anywhere else in the County.



CAPE Center Project

Construction has begun on what will become the City's first arts and cultural facility. The befitting acronym C-A-P-E stands for Culture, Arts, Preservation and Enrichment; through which, this facility is poised to become a beacon of community engagement in not only the arts, but civic life as well. As the demolition phase of this renovation project draws to a close, Staff works to develop programming, build community interest/partnerships and identify varied opportunities to enhance the facility's mission capacity and overall visitor experience.

Community Development. The City is pleased to announce the adoption of our Vacation Rental and Inspection Program, **which began on October 1, 2021**. This program is the culmination of careful analysis of the impact Vacation Rental properties have on City services and neighborhoods. The City is committed to preserving and enhancing the quality of life for all property owners, residents and guests in a manner that is fair and equitable for all community stakeholders.

As part of our commitment to efficient governance, the City opted to partner with Property Registration Champions, LLC (d/b/a PROCHAMPS) for the administration of this program. This partnership provides for the identification and notification of registration requirements to include a cloud-based registration platform and support structure.

The intent of this program is to ensure that all vacation rental properties in the City of Cape Canaveral are held to an equal standard for property maintenance and code enforcement requirements. This platform will collect the most up-to-date owner information for each property, emergency contact information and structural information for emergency and code compliance purposes.

As the City increases its efforts to protect residents both now and in the future from increasing environmental challenges, the City of Cape Canaveral is continuing to implement numerous sustainability and resilience-based initiatives. The City is committed to delivering policies that are effective, efficient, and forward thinking; taking into consideration the latest in sustainable development, cost saving clean energy technologies, zero emissions transportation, and habitat remediation.

To this end, the City has implemented:

- Completion and adoption of the City's 2021 Resiliency Action Plan, which outlines 56 "Preparedness Targets" over a 30-year timeframe to help mitigate climate-related challenges, improve resident safety and ensure continuity of municipal operations among other environmentally oriented initiatives.
- The development of the City's first ever municipal greenhouse gas emissions inventory to better understand the environmental impact of municipal operations across the fields of electricity consumption, wastewater treatment, fleet activities and solid waste production.
- The development and completion of tree inventory across City-owned facilities and properties to better understand Cape Canaveral's urban tree canopy and where best to conduct future tree planting initiatives.
- The installation of remote weather stations at City Hall and the Water Reclamation Facility to help staff better understand inclement conditions and review impacts on community infrastructure.
- Installation of the City's first rooftop photovoltaic solar array (48 kilowatts) at the Cape Canaveral Community Center.

- Planting hundreds of Florida native Sand Cordgrasses along the shoreline of Manatee Sanctuary Park and Banana River Park for increased erosion control.
- Collaborating with the Brevard Zoo to implement a clam rehabilitate site on the shoreline of the City's Water Reclamation Facility that is maintained by local volunteers.
- Three-foot-high semi-permanent metal flood barriers at the Water Reclamation Facility to take the place of time-consuming sandbagging operations.
- New super-efficient 41 mpg hybrid SUVs for decreased fuel usage, costs, and emissions.
- Joining the Florida Race to Zero initiative in which the City has pledged to achieve net zero emissions by midcentury.
- The addition of the City's second all-electric fleet vehicle that is utilized for custodial duties at municipal facilities by the Public Works Services Department.
- The planting of 20,000 additional sea oats for increased dune stability and habitat enhancement.
- The official discontinuation of glyphosate-based herbicides on City property.
- Continuing environmental education and awareness through social media, outreach sessions and the City's website for staff members, residents and business owners.
- The continuing installation of off-grid solar street lighting.

Additionally, the City has had to adapt to recent State Legislative bills that include SB 496 (Private Property Rights Element) in the Comprehensive Plan and CS/HB 403 (Home-based Businesses). SB 496 includes language relating to property rights promulgated by the Legislature as contained in Chapter 2021-195. The overarching goal of the new element is to state that the City will "respect judicially acknowledged and constitutionally protected private property rights."

CS/HB 403 prohibits local governments from taking certain actions relating to the licensure and regulation of home-based businesses; specifying conditions under which a business is considered a home-based business; authorizing home-based businesses to operate in areas zoned for residential use; specifying that home-based businesses are subject to certain business taxes; authorizing the prevailing party in such challenge to recover specified attorney fees and costs, etc.

Notably, the bill provides that a home-based business may operate in an area zoned for residential use and may not be treated differently from other businesses in a local government's jurisdiction. Local governments may however, regulate a home-based business for issues related to noise, vibration, heat, smoke, dust, glare, fumes, odors as long as these regulations are not more stringent than those applied to a home where no business takes place. As a result, amendments to the City Code regarding home-based businesses were required to comply with the state preemption provided under Section 559.955, Florida Statutes.

Cultural and Community Affairs

This year saw a continued response to the 'new-normal,' as the public health threat posed by the COVID-19 Pandemic persists into yet another new year. Management of the City's communication network and processes remains a critical role for this department. In addition to public health and safety communications, the Cultural + Community Affairs Department provided promotional support for all other departments, throughout the year, assisting with brand implementation and digital content distribution. As such, this department now formally oversees the City's revised Communications Policy and the online Report A Concern portal.

The coming year will bring a rush of activity and change to this department with the Re-Visioning Project throughout the first quarter and the targeted completion of the CAPE Center shortly after—this of course in addition to the day-to-day departmental activities.

LONG TERM FINANCIAL PLANNING

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

The City's Wastewater/Stormwater enterprise fund has long term debt of \$9,266,295. The City has already secured two new State Revolving Fund Loans for Wastewater Treatment & Reuse Facilities/Stormwater Management Facilities at a low 1.68% interest rate. The FY 21-22 Budget encompasses \$2,096,500 in Wastewater/Stormwater Projects to be funded by SRF Loans with semi-annual payments of \$182,496 in June/December and \$85,954 in August/February.

AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Cape Canaveral for its Annual Comprehensive Financial Report for the Fiscal Year ended September 30, 2020. This was the 26th consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This Report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

The Honorable Mayor, et al

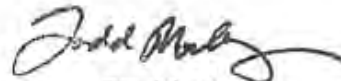
The culmination of this document is attributable to numerous facets of this organization. Special recognition is credited to the Financial Services Staff for their dedication to accurate and thorough financial reporting and accountability. Our appreciation is extended to the City Council for its dedication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

Respectfully submitted,



John DeLeo

Administrative/Financial Services Director



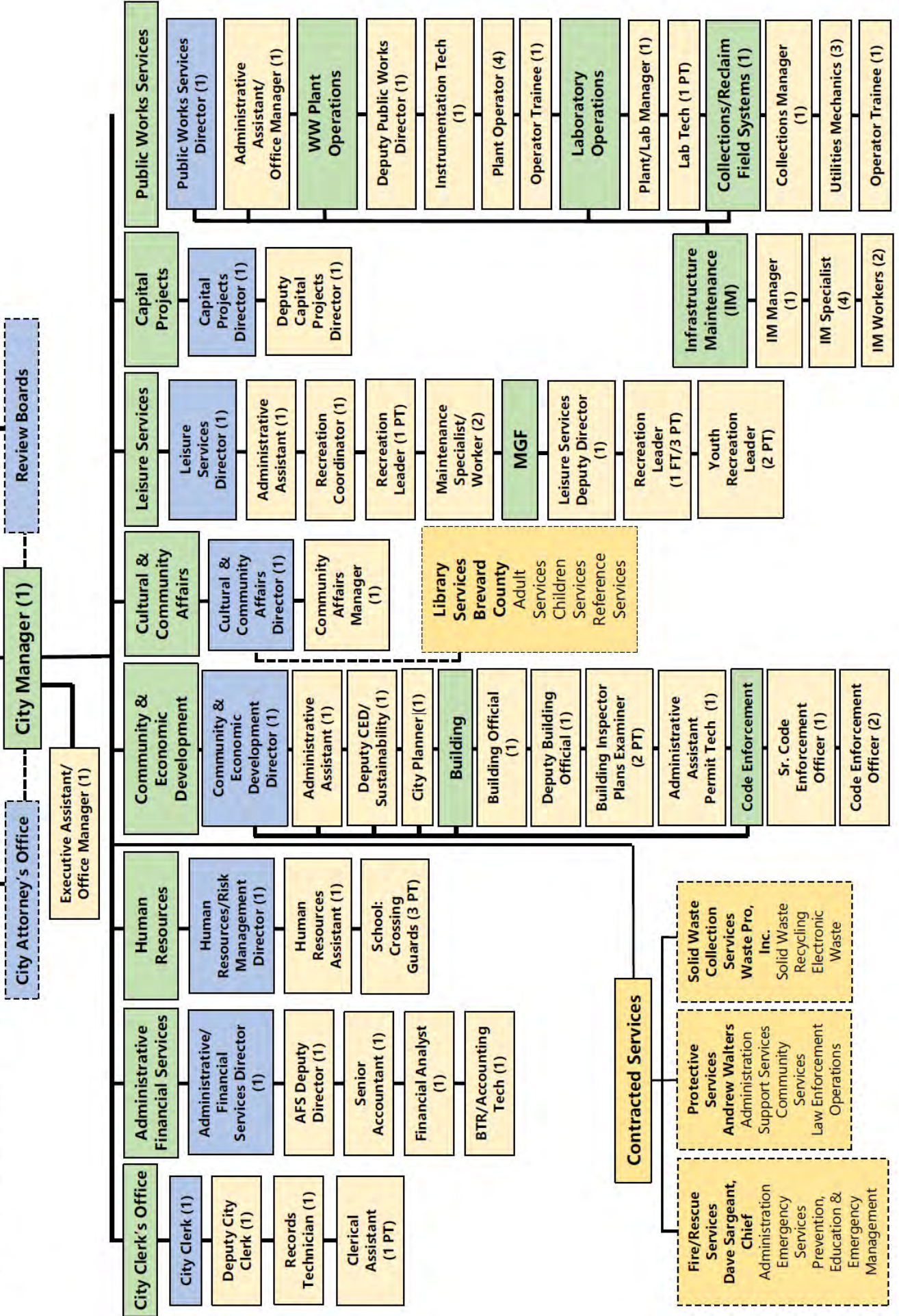
Todd Morley

City Manager

Organizational Chart

City of Cape Canaveral Personnel Organizational Chart FY 2021/22

June 2021
Personnel Organization Chart





Government Finance Officers Association

Certificate of
Achievement
for Excellence
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Reporting

Presented to

**City of Cape Canaveral
Florida**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2020

Christopher P. Morill

Executive Director CEO

Financial Section

Independent Auditors' Report



INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Cape Canaveral, Florida (the City), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2021, and the respective changes in financial position and where applicable, cash flows and the respective budgetary comparisons for the General and Cape Canaveral CRA funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of state financial assistance as required by Section 215.97, Florida Statutes, *Florida Single Audit Act*, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 4, 2022, 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.

James Moore & Co., P.L.

Daytona Beach, Florida
February 4, 2022

Management's Discussion and Analysis

City of Cape Canaveral, Florida

Management's Discussion and Analysis

As management of the City of Cape Canaveral, we provide readers of the City's financial statements this overview and analysis of the City's financial activities for the fiscal year ended September 30, 2021. Readers are encouraged to consider the information presented in conjunction with additional information furnished in the letter of transmittal, which can be found on pages 7-14 of this report.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of the most recent year by \$53.4 million (net position). Of this amount, \$7.9 million (unrestricted net position) may be used to meet the City's ongoing obligations.
- The City's total net position increased by \$1.35 million. This is the result of construction projects completed during the year and the addition of capital assets, funded primarily through capital contributions and grants.
- At the close of the fiscal year, the City's governmental funds reported combined ending fund balances of \$8.34 million, a decrease of \$4 million in comparison with the prior year due to expenditures incurred for construction of a Multigenerational Facility and Culture Arts Preservation and Enrichment (CAPE) Center.
- At the close of the fiscal year, fund balance for the General Fund was \$8,525,777. Of this amount, \$849,212 relates to inventory and prepaids as well as long term advances and is therefore nonspendable. The remaining fund balance includes: restricted (\$286,208), committed (\$2,061,783), assigned (\$1,996,700) and unassigned (\$3,331,874) balances. Within the committed fund balance category, the largest piece is \$1,649,486 committed for the construction of a Multigenerational Facility and Culture Arts Preservation and Enrichment (CAPE) Center. Unassigned funds are available to fund on-going activities of the City's various General Fund services and programs.
- The City's total long-term liabilities decreased \$473,263. This was due to receipt of additional State Revolving Fund money (\$1,099,699), offset by annual debt service payments on the Capital Improvement Revenue Notes (\$1,165,000) and State Revolving Loans (\$407,962).

Overview of the Financial Statements

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

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

The *Statement of Net Position* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net

Management's Discussion and Analysis

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, infrastructure maintenance, sanitation, economic development, culture and recreation. The business-type activities of the City include Wastewater and Stormwater operations. The government-wide financial statements can be found on pages 39 – 40 of this report.

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

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

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

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

Management's Discussion and Analysis

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

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

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

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

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

Government-wide Financial Analysis

As stated earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Cape Canaveral, assets exceeded liabilities by \$53.4 million at the close of the 2021 fiscal year.

By far the largest portion of the City's net position, \$44.1 million (82.8%) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Cape Canaveral, Florida

Management's Discussion and Analysis

City of Cape Canaveral, Florida Statement of Net Position

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 12,097,986	\$ 12,708,915	\$ 3,152,443	\$ 3,055,138	\$ 15,250,429	\$ 15,764,053
Capital Assets (Net)	29,889,853	25,505,590	27,547,401	27,383,547	57,437,254	52,889,137
Total Assets	<u>41,987,839</u>	<u>38,214,505</u>	<u>30,699,844</u>	<u>30,438,685</u>	<u>72,687,683</u>	<u>68,653,190</u>
Current and other liabilities	5,173,555	1,694,078	899,209	1,086,703	6,072,764	2,780,781
Long-term Liabilities	4,500,391	5,690,221	8,748,650	7,987,664	13,249,041	13,677,885
Total Liabilities	<u>9,673,946</u>	<u>7,384,299</u>	<u>9,647,859</u>	<u>9,074,367</u>	<u>19,321,805</u>	<u>16,458,666</u>
Net Position:						
Net Investment in						
Capital Assets	25,902,339	25,098,106	18,281,106	18,991,455	44,183,445	44,089,561
Restricted	980,250	890,457	318,294	301,698	1,298,544	1,192,155
Unrestricted	<u>5,431,304</u>	<u>4,841,643</u>	<u>2,452,585</u>	<u>2,071,165</u>	<u>7,883,889</u>	<u>6,912,808</u>
Total Net Position	<u>\$ 32,313,893</u>	<u>\$ 30,830,206</u>	<u>\$21,051,985</u>	<u>\$21,364,318</u>	<u>\$ 53,365,878</u>	<u>\$ 52,194,524</u>

A portion of the City's net position, \$1,298,544 or 2.4% of total net position, represents resources that are subject to external restriction on how they may be used. The balance of unrestricted net position totaling \$7,883,889 may be used to meet the City's ongoing obligations to citizens and creditors and to provide funding for various projects.

At September 30, 2021, the City is able to report positive balances in all three categories of net assets, both for the City as a whole and for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

The City experienced an overall increase in net position for Governmental activities of \$1,483,687. The decrease for business-type activities was \$129,867.

City of Cape Canaveral, Florida

Management's Discussion and Analysis

City of Cape Canaveral, Florida

Changes in Net Position

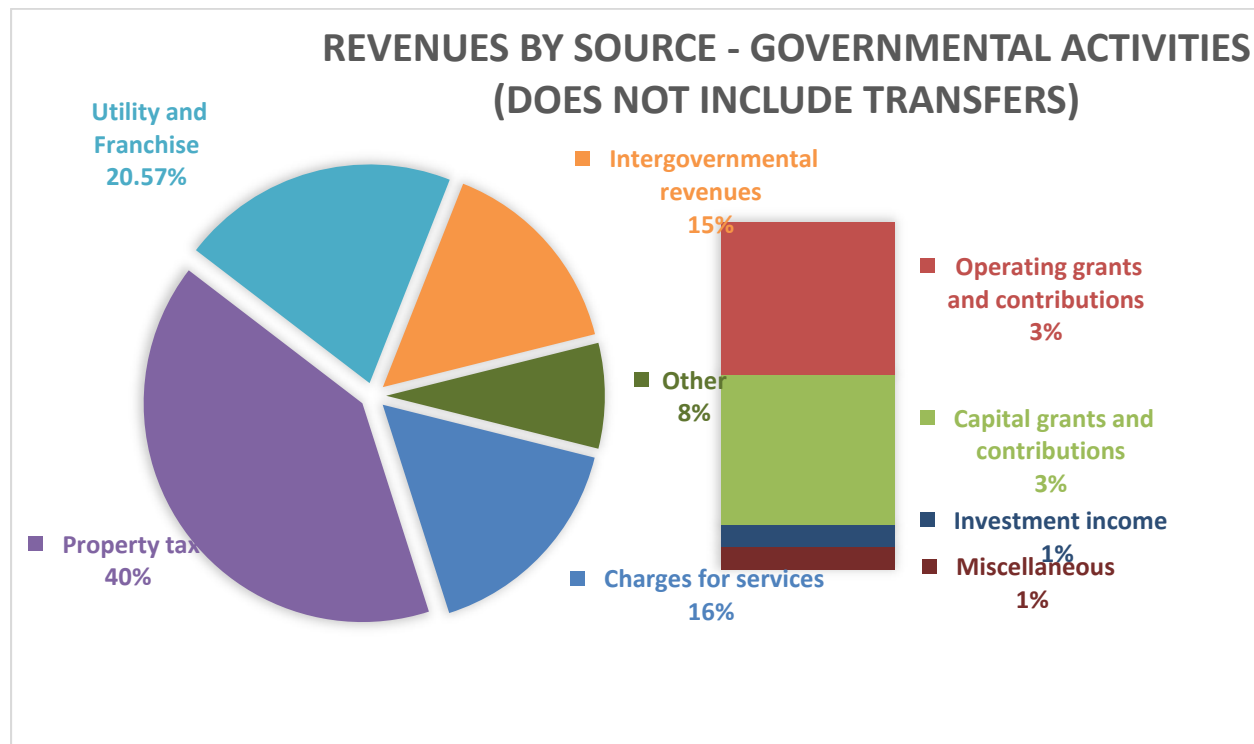
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
REVENUES						
Program Revenues:						
Charges for Services	\$ 1,988,691	\$ 2,158,305	\$ 5,390,422	\$ 5,377,238	\$ 7,379,113	\$ 7,535,543
Operating Grants and Contributions	422,784	358,369	-	-	422,784	358,369
Capital Grants and Contributions	412,985	617,279	121,600	-	534,585	617,279
General Revenues:						
Property Taxes	4,957,551	4,721,416	-	-	4,957,551	4,721,416
Utility and Franchise Taxes	2,528,058	2,503,275	-	-	2,528,058	2,503,275
Intergovernmental	1,859,137	1,471,997	-	-	1,859,137	1,471,997
Investment Income	60,628	204,746	7,022	14,293	67,650	219,039
Miscellaneous/Contributions	61,342	50,547	149,073	-	210,415	50,547
Total Revenues	<u>12,291,176</u>	<u>12,085,934</u>	<u>5,668,117</u>	<u>5,391,531</u>	<u>17,959,293</u>	<u>17,477,465</u>
EXPENSES						
General Government	1,496,754	1,194,393	-	-	1,496,754	1,194,393
Community Development	727,904	539,395	-	-	727,904	539,395
Public Safety	5,481,075	5,340,323	-	-	5,481,075	5,340,323
Intrastructure Maintenance	2,868,777	2,827,052	-	-	2,868,777	2,827,052
Culture/Recreation	785,391	822,896	-	-	785,391	822,896
Community Redevelopment	1,626	7,695	-	-	1,626	7,695
Interest on long-term debt	122,303	145,695	-	-	122,303	145,695
Wastewater	-	-	4,396,609	4,120,583	4,396,609	4,120,583
Stormwater	-	-	725,034	693,025	725,034	693,025
Total Expenses	<u>11,483,830</u>	<u>10,877,449</u>	<u>5,121,643</u>	<u>4,813,608</u>	<u>16,605,473</u>	<u>15,691,057</u>
Excess (Deficiency) Before Transfers	807,346	1,208,485	546,474	577,923	1,353,820	1,786,408
Transfers	676,341	427,861	(676,341)	(427,861)	-	-
Change in Net Position	1,483,687	1,636,346	(129,867)	150,062	1,353,820	1,786,408
Net Position - Beginning	30,830,206	29,193,860	21,181,852	21,214,256	52,012,058	50,408,116
Net Position - Ending	<u>\$ 32,313,893</u>	<u>\$ 30,830,206</u>	<u>\$ 21,051,985</u>	<u>\$ 21,364,318</u>	<u>\$ 53,365,878</u>	<u>\$ 52,194,524</u>

Statement of Activities

Governmental activities:

The Changes in Net Position Table on page 32 reflects a governmental revenue (excluding transfers) increase of \$481,828, an increase of 2.8% from the previous fiscal year. This increase reflects both program and general revenues. Governmental program revenues decreased \$309,493, a 9.88% increase from 2020. This decrease is primarily the result of a decrease in Charges for Services of \$169,617 and a decrease in Capital Grants and Contributions of \$204,294. This decrease is offset by an Operating Grants and Contributions of \$64,415 (primarily related to infrastructure).

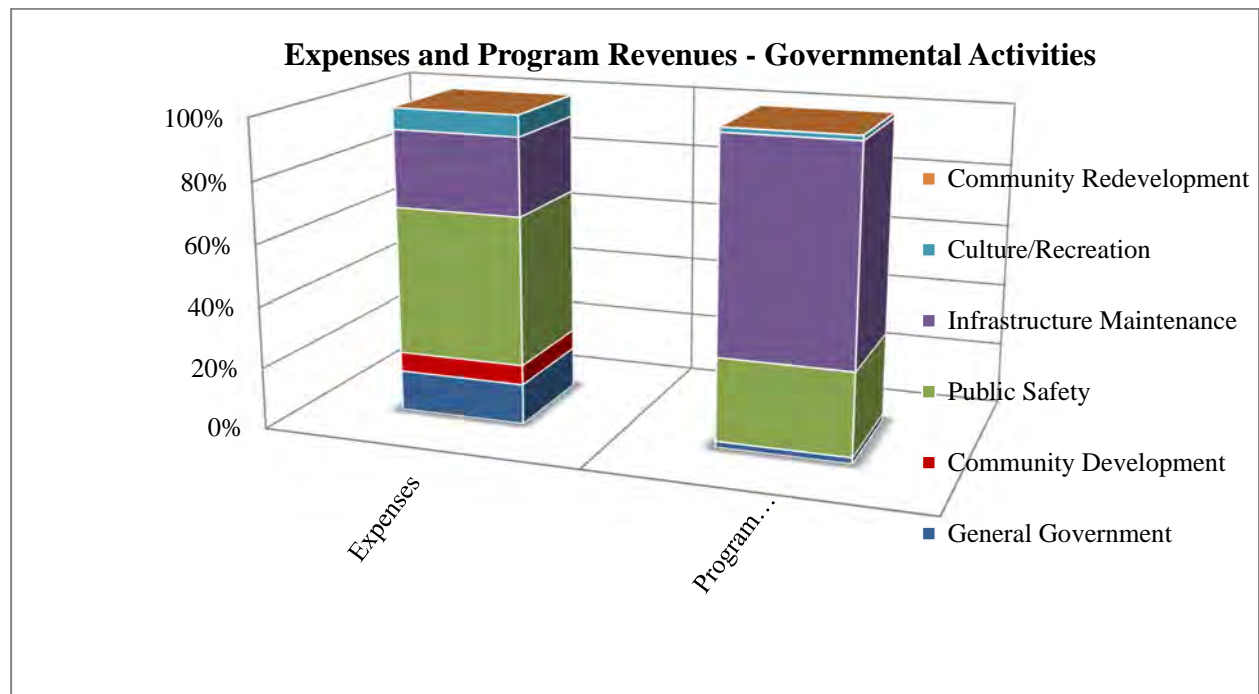
Management’s Discussion and Analysis



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

- Property taxes increased \$236,135 from 2020. Note that assessed property values increased 7.8% by the end of 2021 as compared to 2020.
- Intergovernmental income increased \$387,140 as compared to this revenue for 2020. This increase was related to shared revenues with the CRA.
- Investment income decreased \$144,118 from 2020. This decrease is the result of lower interest rates coupled with approximately \$1M lower cash balance at 9/30/21 compared to 9/30/20.
- Transfers net increased \$248,480 or 58.07%. The reason for this was due to the start of construction the Multi-Generational Facility.
- Expenses for governmental activities increased \$606,381 over the prior year, showing a 5.57% increase over 2020 amounts. The most significant increases were related to increases in General Government of \$302,361 which comprised an increase in Community Development of \$188,509 related to additional staffing and a \$140,752 increase in Public Safety which funded new equipment. These increases were offset by a decrease in Culture and Recreation (\$37,505) and Interest on Long-term debt (\$23,392).

Management’s Discussion and Analysis

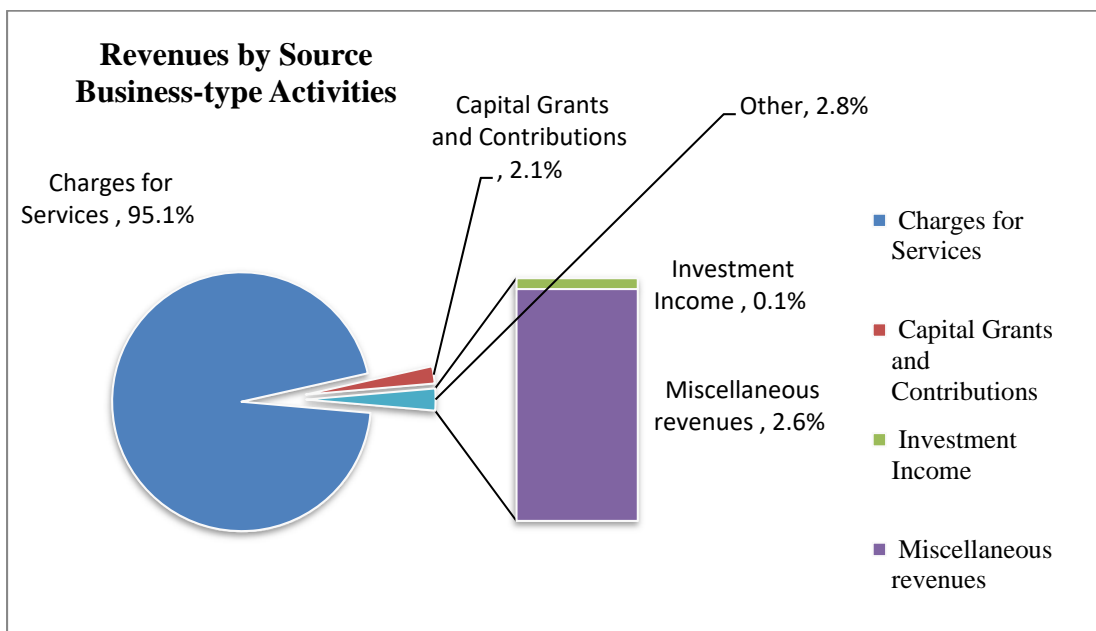
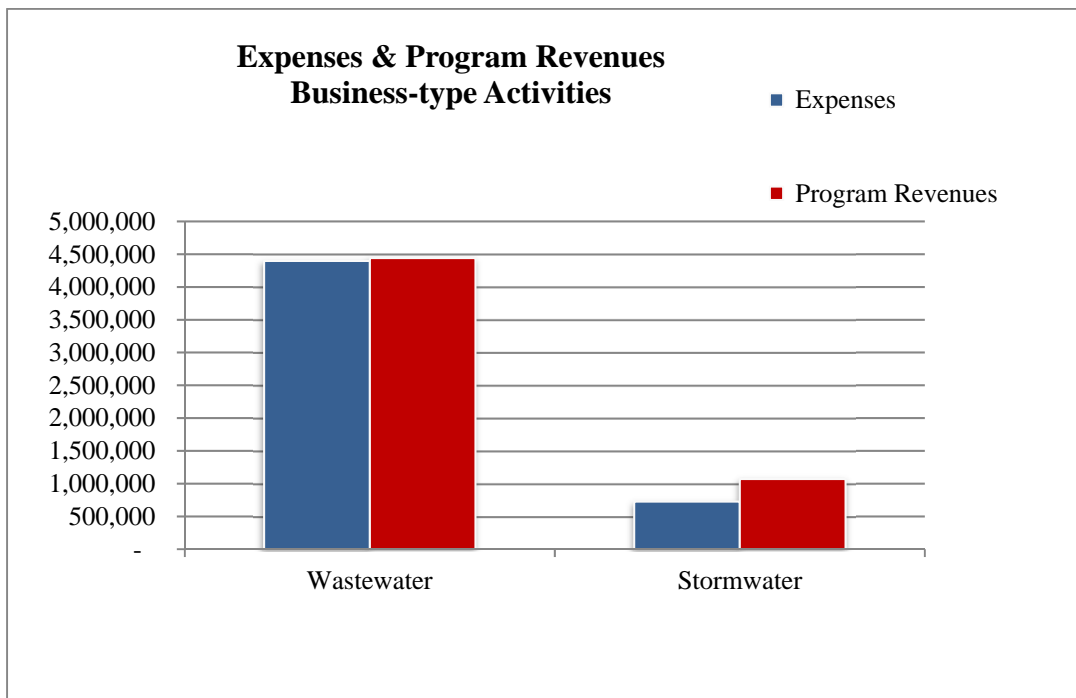


Business-type activities

Business-type activities experienced a decrease in net position of \$129,867, or 9.6%.

- The major source of revenue for business-type activities is charges for services, which increased \$13,184 (.25%). The City’s Stormwater rates increased in January 2021. Wastewater and reclaimed water rates increased in October 2020.
- Investment income remained fairly consistent with prior year amounts with investment income decreasing \$7,271. Miscellaneous Revenues reflects an increase over 2020 amounts of \$149,073 due to an insurance reimbursement for a ruptured gas line.
- Business-type activities expenses increased \$308,035 or 6.4% over the prior year.
- Expenses for Wastewater increased \$276,026 over the prior year. This increase is the result of an increase in personal service costs of \$132,867, an increase in materials and supplies of \$55,343, an increase of \$40,270 in depreciation and an increase in interest expense of \$75,361. These increases are offset by a decrease of \$124,833 in repair and maintenance.
- Stormwater operations experienced an increase in expenses of \$32,009 during 2021 as compared to 2020 due to additional personal costs.

Management’s Discussion and Analysis



Financial Analysis of the Government’s Funds

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

Governmental funds. The focus of the City’s reporting of *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City’s financing requirements. In particular, *unassigned fund*

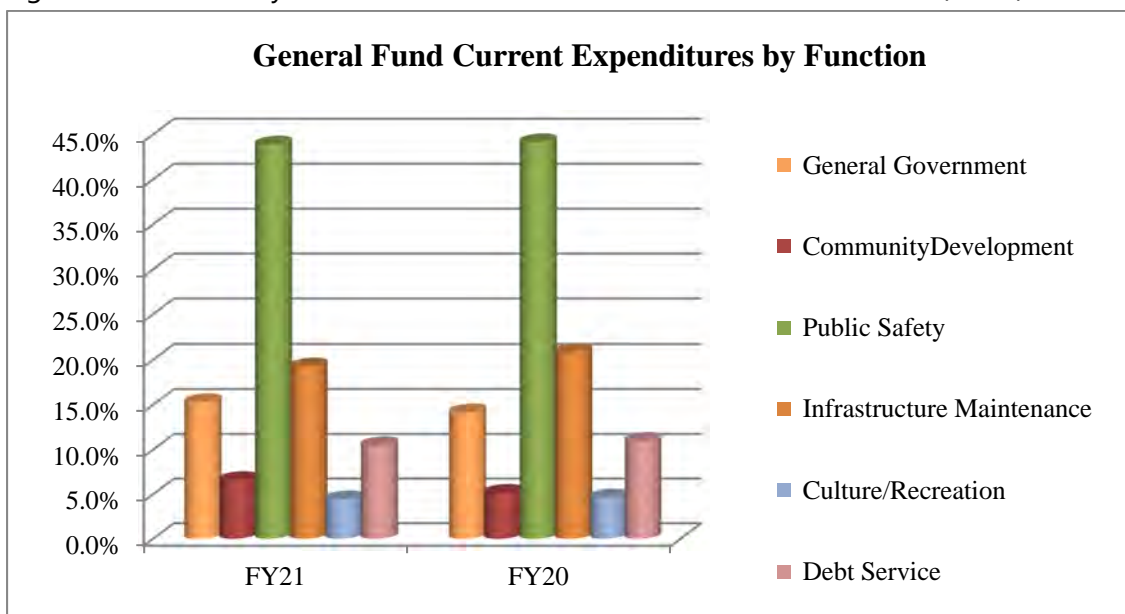
City of Cape Canaveral, Florida

Management's Discussion and Analysis

balance may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year.

The City is strategically using its resources more effectively through the recent Economic Development restructuring which increased focus and provided leverage for the success of the City's future. As of the end of the current fiscal year, the total fund balance of the City's governmental funds was \$8,344,984, a decrease of \$4,068,692 or 32.78% from the prior fiscal year.

The General Fund, the City's main governmental fund, experienced an overall decrease in fund balance of \$4,209,567 or 33.1%. The most significant reason for this decrease can be contributed to the completion of the West Central Streetscape and a \$4.7 M transfer to the CRA for the Multigenerational Facility and the Culture Arts Preservation and Enrichment (CAPE).



The General Fund is the City's chief operating fund. At the end of the current fiscal year, total fund balance was \$8,525,777. Of this amount, \$849,212 relates to inventory and prepaids as well as long term advances and is therefore nonspendable. The remaining fund balance includes restricted (\$286,208), committed (\$2,061,783), assigned (\$1,996,700) and unassigned (\$3,331,874). Within the committed fund balance category, the largest piece is \$1,649,486 for the construction of a Multigenerational Facility and Culture Arts Preservation and Enrichment (CAPE) Center. The unassigned fund balance represents 27.14% of the total general fund expenditures. The total fund balance represents 69.45% of the total general fund expenditures. Unassigned funds are available to fund on-going activities of the City's various services and programs.

The City maintains two additional major governmental funds. The Cape Canaveral CRA Fund reflects fund balance of \$144,454 at September 30, 2021. This is a \$117,433 increase from the \$17,111 balance at September 30, 2020 and is the result of normal operations. The Capital Construction Fund has negative fund balance of \$853,452 at September 30, 2021 as compared to a negative fund balance of \$853,452 in the prior year. This fund is used for the acquisition of land and construction of major capital facilities for governmental funds. In fiscal 2018, significant purchases directly related to the construction of the New City Hall, with no transfer of offsetting

City of Cape Canaveral, Florida

Management's Discussion and Analysis

revenues from the general fund, were the primary reason that fund balance in the Capital Construction Fund became negative. There were no expenditures in this fund during FY20.

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

- Police Education Fund \$26,539
- Fire Protection Fund \$32,227
- School Crossing Guard (\$3,222)
- Library Fund \$490,822
- Special Law Enforcement Trust (\$18,161)

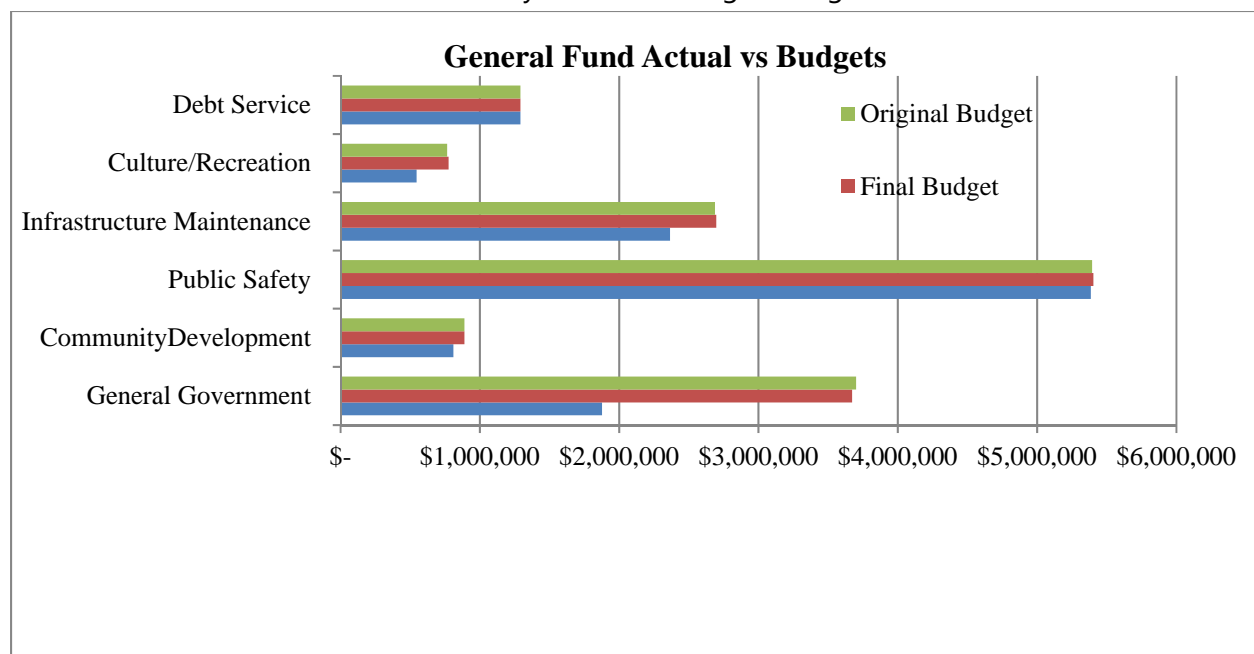
All positive fund balances of the Non-major governmental funds are restricted by an outside party as to use. At September 30, 2021, the School Crossing Guard Fund's and Special Law Enforcement Trust Fund's fund balances are reflected as unassigned due to the negative fund balance.

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

Unrestricted net position of the Wastewater Utility Fund at the end of the year amounted to \$808,119, and the Stormwater Utility amounted to \$1,644,466. The total decrease in net position for the Wastewater Utility Fund was \$455,271, and the increase for the Stormwater Utility was \$325,404. Other factors concerning the finances of these two funds have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

At the end of FY21, as a result of amendments made during the year, the final amended budget equals total expenditures from the adopted budget. A slight increase in public safety and Infrastructure Maintenance was offset by a decrease in general government.



Management's Discussion and Analysis

During the year, actual revenues on a budgetary basis were \$11,420,443. Actual revenues exceed the final budgetary estimate of \$11,647,897 in several categories. The most significant were utility and franchise taxes (\$83,822 over budget) and Intergovernmental revenue, which exceeded final budget by \$113,832. This was due to an increase in franchise fee receipts for 2021 and state shared revenues and CARES Act grant funding, respectively. The final budget for general government expenditures was \$1,795,341 more than actual. The final budget reflects budget for anticipated projects which were not begun during the current year including various planned ARPA grant projects. Likewise, the final budget for Infrastructure Maintenance was \$332,395 more than actual expenditures. The budget for parks and recreation actual expenditures by \$230,365. All other final budgeted expenditures were substantially equal to budgeted amounts.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business-type activities as of September 30, 2021, amounts to \$57,437,254 net of accumulated depreciation. This investment in capital assets includes land, buildings and system improvements, machinery and equipment, park facilities, roads and construction work in progress. The City's investment in capital assets increased \$4,548,117. An increase of \$4,384,263 (17. %) in governmental activities and an increase of \$163,854 (.6%) for business-type activities make up the total.

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

- Capital Projects and Public Works Services (PWS) Staff continue to improve City streetscapes including Ridgewood Avenue and North Atlantic Avenue. Upgrades to Ridgewood Avenue included the installation of new solar lights and planting of vegetation. Upgrades to North Atlantic Avenue included installation of additional vehicular/pedestrian signage and new solar lights. Additionally, the West Central Boulevard Streetscape was completed from SR A1A to Thurm Boulevard. Improved solar lighting and decorative crosswalks will be installed along West Central Boulevard in 2022.
- Improvements to the City's wastewater system included the (1) installation of a carbon feed system to improve Water Reclamation Facility (WRF) effluent (reclaimed water) and (2) rehab of Lift Station No. 3 located adjacent to the Central Ditch. Other projects initiated, but not completed, in 2021 include replacement of the WRF headworks and sand filters, replacement of the SCADA system and construction of protective buildings over major pump stations. These projects were many of the City projects that eliminated sewer leakage to groundwater and improved WRF effluent.

Many smaller-scope improvement projects were completed at the WRF and lift stations in 2021 including replacement and/or upgrade of the following:

- Returned activated sludge (RAS) pumps and motors;
- Water activated sludge (WAS) pumps and motors;
- Internal Recycle Pumps (IRPs) and motors;
- Reclaimed water pumps;
- Sludge holding blowers;

City of Cape Canaveral, Florida

Management's Discussion and Analysis

- Lift station pumps;
 - Transfer basin pumps and motors;
 - Piermount mixers; and
 - Various valves.
- Completion of a number of these projects will fulfill FDEP requirements as detailed in Consent Order No. 18-0916 which addresses exceedances of total nitrogen and total phosphorous in treated wastewater that occurred between June 2017 and February 2018. The City is also preparing to replace Lift Station No. 5 at Treasure Island Condominiums and Lift Station No. 8 along Thurm Boulevard as part of the SRF Loan Program.
 - The City maintained an active stormwater system maintenance program in 2021. Activities included the replacement of (1) screens in the Center Street, International Drive and Angel Isles baffle boxes and (2) older style stormwater inlets with new Type "C" inlets. These newer inlets require less maintenance, are not damaged as easily by vehicular traffic, prohibit larger debris from entering the stormwater system and provide improved stormwater flow. Street sweeping of all curbed streets also continues on a monthly basis.

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

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 7,248,237	\$ 7,248,237	\$ 351,084	\$ 351,084	\$ 7,599,321	\$ 7,599,321
Buildings and Improveme	9,988,352	9,979,465	5,251,743	5,251,743	15,240,095	15,231,208
Machinery and Equipmen	3,342,230	3,642,518	8,616,986	8,516,721	11,959,216	12,159,239
Infrastructure	13,932,070	12,003,344	35,131,924	33,625,348	49,063,994	45,628,692
Construction in Progress	<u>4,275,968</u>	<u>527,499</u>	<u>2,341,098</u>	<u>2,019,915</u>	<u>6,617,066</u>	<u>2,547,414</u>
	38,786,857	33,401,063	51,692,835	49,764,811	90,479,692	83,165,874
Less: Accumulated Deprec	<u>(8,897,004)</u>	<u>(7,895,473)</u>	<u>(24,145,434)</u>	<u>(22,381,264)</u>	<u>(33,042,438)</u>	<u>(30,276,737)</u>
Capital Assets, net	<u>\$ 29,889,853</u>	<u>\$ 25,505,590</u>	<u>\$ 27,547,401</u>	<u>\$ 27,383,547</u>	<u>\$ 57,437,254</u>	<u>\$ 52,889,137</u>

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

Long-term debt. At the end of the current fiscal year, the City had a total long-term debt outstanding of \$14,903,295.

The business-type activities long-term debt is from State Revolving Loans related to Wastewater System improvements. In the current year, additional draws for system improvements totaled \$1,099,699. Decreases of \$407,962 represent routine principal payments. Note that compensated absences are also a long-term liability of the City.

City of Cape Canaveral, Florida

Management's Discussion and Analysis

The governmental activities long-term debt includes a \$5.5 Capital Improvement Revenue Note issued to finance a completed City Hall project, Fire Station and Main Wastewater Treatment Plant Building Refurbishment. It also includes a \$6.2 million Capital Improvement Revenue Note for the construction of a Multigenerational Center and various other capital projects throughout the City. Additional information on the City of Cape Canaveral's long-term debt can be found on pages 66 – 68 of this report.

City of Cape Canaveral's Outstanding Debt General Obligation

Governmental Activities		Business-type Activities		Total	
2021	2020	2021	2020	2021	2020
\$ 5,637,000	\$ 6,802,000	\$ -	\$ -	\$ 5,637,000	\$ 6,802,000
-	-	9,266,295	8,574,558	9,266,295	8,574,558
<u>\$ 5,637,000</u>	<u>\$ 6,802,000</u>	<u>\$ 9,266,295</u>	<u>\$ 8,574,558</u>	<u>\$ 14,903,295</u>	<u>\$ 15,376,558</u>

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate averaged 3.8% during the year and is currently at 3.6%.
- The real estate market continues to trend upward. Property values for Calendar Year 2021 showed an increase of 6.3%. The median home sales price rose to \$285,416 up from \$268,500 at the end of 2020.
- Due to accelerated hiring, Cape Canaveral, as well as Brevard County, will continue to show improvement due to increased industry growth at the Kennedy Space Center and Canaveral Air Force Station; increased Aerospace and High Technological Manufacturing Companies such as Blue Origin, Space X, Embraer S.A. and Northrup Grumman's expansion at the Melbourne International Airport; and numerous service-oriented companies countywide.
- In an effort to take advantage of the opportunities provided by the City's proximity to Port Canaveral, Cape Canaveral Air Force Station, Kennedy Space Center, two International Airports, and Orlando, the City continues to pursue economic development/redevelopment through its Community Redevelopment Agency (CRA).
- The City has and will continue to increase its revenue stream. An increase to the wastewater and reclaimed water rates in October 2020 and an increase to stormwater rates in January 2021 enhanced revenue. The City's Ad valorem taxes for fiscal year 2022 decreased by .0641 mills compared to 2021 and still remained the fourth lowest in the County.

All of these factors were considered in preparing the City's budget for the 2022 fiscal year.

Management's Discussion and Analysis

Requests for Information

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

Basic Financial Statements

CITY OF CAPE CANAVERAL, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in pooled cash and investments	\$ 10,175,806	\$ 1,680,846	\$ 11,856,652
Receivables, net	350,318	936,916	1,287,234
Due from other governments	891,533	-	891,533
Interfund balances	(192,287)	192,287	-
Inventories and prepaid items	1,782	6,574	8,356
Restricted assets:			
Equity in pooled cash and investments	870,834	335,820	1,206,654
Capital assets:			
Total capital assets, not being depreciated	11,524,205	2,692,182	14,216,387
Total capital assets, being depreciated, net	18,365,648	24,855,219	43,220,867
Total Assets	<u>\$ 41,987,839</u>	<u>\$ 30,699,844</u>	<u>\$ 72,687,683</u>
Liabilities			
Accounts payable and accrued liabilities	\$ 1,023,586	\$ 245,918	\$ 1,269,504
Unearned revenue and deposits	2,711,367	-	2,711,367
Payable from restricted assets:			
Accrued interest payable	16,989	17,526	34,515
Zoning escrow	18,049	-	18,049
Noncurrent liabilities:			
Due within one year:			
Long-term debt	1,190,000	541,269	1,731,269
Compensated absences payable	213,564	94,496	308,060
Due in more than one year:			
Long-term debt	4,447,000	8,725,026	13,172,026
Compensated absences payable	53,391	23,624	77,015
Total Liabilities	<u>\$ 9,673,946</u>	<u>\$ 9,647,859</u>	<u>\$ 19,321,805</u>
Net Position			
Net investment in capital assets	\$ 25,902,339	\$ 18,281,106	\$ 44,183,445
Restricted for:			
Community redevelopment	144,454	-	144,454
Debt service	286,208	291,147	577,355
Public safety	58,766	-	58,766
Culture/recreation	490,822	-	490,822
Capital expansion	-	27,147	27,147
Unrestricted	5,431,304	2,452,585	7,883,889
Total Net Position	<u>\$ 32,313,893</u>	<u>\$ 21,051,985</u>	<u>\$ 53,365,878</u>

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

CITY OF CAPE CANAVERAL, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Functions/Programs							
Governmental activities							
General government	\$ 1,496,754	\$ 3,236	\$ 52,910	\$ -	\$ (1,440,608)	\$ -	\$ (1,440,608)
Community development	727,904	-	-	-	(727,904)	-	(727,904)
Public safety	5,481,075	761,110	5,016	-	(4,714,949)	-	(4,714,949)
Infrastructure maintenance	2,868,777	1,181,011	364,858	412,985	(909,923)	-	(909,923)
Culture/recreation	785,391	43,334	-	-	(742,057)	-	(742,057)
Community redevelopment	1,626	-	-	-	(1,626)	-	(1,626)
Interest on long-term debt	122,303	-	-	-	(122,303)	-	(122,303)
Total governmental activities	11,483,830	1,988,691	422,784	412,985	(8,659,370)	-	(8,659,370)
Business-type activities							
Wastewater	4,396,609	4,320,626	-	121,600	-	45,617	45,617
Stormwater	725,034	1,069,796	-	-	-	344,762	344,762
Total business-type activities	5,121,643	5,390,422	-	121,600	-	390,379	390,379
Total primary government	\$ 16,605,473	\$ 7,379,113	\$ 422,784	\$ 534,585	(8,659,370)	390,379	(8,268,991)
General revenues							
Property taxes					4,957,551	-	4,957,551
Utility and franchise taxes					2,528,058	-	2,528,058
Intergovernmental revenues, unrestricted					1,859,137	-	1,859,137
Investment income					60,628	7,022	67,650
Miscellaneous revenues					61,342	149,073	210,415
Transfers					676,341	(676,341)	-
Total general revenues and transfers					10,143,057	(520,246)	9,622,811
Change in net position					1,483,687	(129,867)	1,353,820
Net position, beginning of year, as restated					30,830,206	21,181,852	52,012,058
Net position, end of year					\$ 32,313,893	\$ 21,051,985	\$ 53,365,878

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

CITY OF CAPE CANAVERAL, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021

	<u>General Fund</u>	<u>Cape Canaveral CRA Fund</u>	<u>Capital Construction Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets					
Equity in pooled cash and investments	\$ 9,423,283	\$ 1,089,778	\$ -	\$ 533,579	\$ 11,046,640
Receivables	350,318	-	-	-	350,318
Due from other governments	891,532	-	-	1	891,533
Advances to other funds	847,430	-	-	-	847,430
Inventories and prepaid items	1,782	-	-	-	1,782
Total assets	<u>\$ 11,514,345</u>	<u>\$ 1,089,778</u>	<u>\$ -</u>	<u>\$ 533,580</u>	<u>\$ 13,137,703</u>
Liabilities					
Accounts payable and accrued liabilities	\$ 259,152	\$ 753,037	\$ 6,022	\$ 5,375	\$ 1,023,586
Zoning escrow	18,049	-	-	-	18,049
Unearned revenue and deposits	2,711,367	-	-	-	2,711,367
Due to other funds	-	-	-	-	-
Advances from other funds	-	192,287	847,430	-	1,039,717
Total liabilities	<u>2,988,568</u>	<u>945,324</u>	<u>853,452</u>	<u>5,375</u>	<u>4,792,719</u>
Fund Balances					
Nonspendable:					
Inventories and prepaid items	1,782	-	-	-	1,782
Long-term interfund advance	847,430	-	-	-	847,430
Restricted for:					
Debt service	286,208	-	-	-	286,208
Community redevelopment	-	144,454	-	-	144,454
Public safety	-	-	-	58,766	58,766
Culture/recreation	-	-	-	490,822	490,822
Committed to:					
Capital equipment renewal and replacement	334,926	-	-	-	334,926
New facilities	1,649,486	-	-	-	1,649,486
Recreation expansion	44,033	-	-	-	44,033
Police expansion	33,338	-	-	-	33,338
Assigned to:					
Subsequent year's budget	1,996,700	-	-	-	1,996,700
Unassigned	3,331,874	-	(853,452)	(21,383)	2,457,039
Total fund balances	<u>8,525,777</u>	<u>144,454</u>	<u>(853,452)</u>	<u>528,205</u>	<u>8,344,984</u>
Total liabilities and fund balances	<u>\$ 11,514,345</u>	<u>\$ 1,089,778</u>	<u>\$ -</u>	<u>\$ 533,580</u>	<u>\$ 13,137,703</u>

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

**CITY OF CAPE CANAVERAL, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF THE
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2021**

Fund Balances - Total Governmental Funds \$ 8,344,984

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

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

Governmental capital assets	38,786,857	
Accumulated depreciation	<u>(8,897,004)</u>	
		29,889,853

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

Long-term debt	(5,637,000)	
Compensated absences payable	(266,955)	
Accrued interest payable	<u>(16,989)</u>	
		(5,920,944)

Net Position of Governmental Activities \$ 32,313,893

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

CITY OF CAPE CANAVERAL, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>General Fund</u>	<u>Cape Canaveral CRA Fund</u>	<u>Capital Construction Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues					
Taxes:					
Property	\$ 4,886,986	\$ -	\$ -	\$ 70,565	\$ 4,957,551
Local option motor fuel	364,858	-	-	-	364,858
Utility and franchise	2,488,732	-	-	-	2,488,732
Intergovernmental	1,383,904	1,566,301	-	-	2,950,205
Licenses and permits	344,363	-	-	-	344,363
Charges for services	1,332,217	-	-	-	1,332,217
Fines and forfeitures	40,156	-	-	2,495	42,651
Impact fees	415,582	-	-	-	415,582
Investment earnings	54,746	-	-	5,882	60,628
Miscellaneous	108,899	-	-	1,896	110,795
Total revenues	<u>11,420,443</u>	<u>1,566,301</u>	<u>-</u>	<u>80,838</u>	<u>13,067,582</u>
Expenditures					
Current:					
General Government	1,821,635	-	-	-	1,821,635
Community Development	810,667	-	-	-	810,667
Public Safety	5,303,685	-	-	6,596	5,310,281
Infrastructure Maintenance	2,198,718	-	-	-	2,198,718
Culture and Recreation	508,305	-	-	19,681	527,986
Community Redevelopment	-	1,626	-	-	1,626
Capital Outlay	341,995	5,479,267	-	29,169	5,850,431
Debt Service:					
Principal	1,165,000	-	-	-	1,165,000
Interest	126,271	-	-	-	126,271
Total expenditures	<u>12,276,276</u>	<u>5,480,893</u>	<u>-</u>	<u>55,446</u>	<u>17,812,615</u>
Excess (deficiency) of revenues over expenditures	<u>(855,833)</u>	<u>(3,914,592)</u>	<u>-</u>	<u>25,392</u>	<u>(4,745,033)</u>
Other financing sources					
Transfers in	1,396,939	4,750,673	-	-	6,147,612
Transfers out	(4,750,673)	(718,648)	-	(1,950)	(5,471,271)
Total other financing sources (uses)	<u>(3,353,734)</u>	<u>4,032,025</u>	<u>-</u>	<u>(1,950)</u>	<u>676,341</u>
Net change in fund balances	<u>(4,209,567)</u>	<u>117,433</u>	<u>-</u>	<u>23,442</u>	<u>(4,068,692)</u>
Fund balances, beginning of year	12,735,344	27,021	(853,452)	504,763	12,413,676
Fund balances, end of year	<u>\$ 8,525,777</u>	<u>\$ 144,454</u>	<u>\$ (853,452)</u>	<u>\$ 528,205</u>	<u>\$ 8,344,984</u>

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

**CITY OF CAPE CANAVERAL, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

Net Change in Fund Balances - Total Governmental Funds \$ (4,068,692)

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

Governmental funds report capital outlays as expenditures.

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

Expenditures for capital assets	5,850,431	
Loss on disposal of capital assets	(157,305)	
Less: Current year depreciation	(1,308,863)	
		4,384,263

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

Principal repayment of general long-term debt	1,165,000
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Compensated absences payable	(852)	
Accrued interest on long-term debt	3,968	
		3,116

Change in Net Position of Governmental Activities \$ 1,483,687

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

CITY OF CAPE CANAVERAL, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>
Revenues				
Taxes:				
Property	\$ 4,803,164	\$ 4,803,164	\$ 4,886,986	\$ 83,822
Local option motor fuel	325,000	325,000	364,858	39,858
Utility and franchise	2,444,528	2,444,528	2,488,732	44,204
Intergovernmental	1,270,072	1,270,072	1,383,904	113,832
Licenses and permits	408,275	408,275	344,363	(63,912)
Charges for services	1,386,113	1,386,113	1,332,217	(53,896)
Fines and forfeitures	21,800	21,800	40,156	18,356
Impact fees	802,125	802,125	415,582	(386,543)
Investment earnings	63,960	63,960	54,746	(9,214)
Miscellaneous	122,860	122,860	108,899	(13,961)
Total revenues	<u>11,647,897</u>	<u>11,647,897</u>	<u>11,420,443</u>	<u>(227,454)</u>
Expenditures				
Current:				
General Government:				
Legislative	33,801	33,801	22,160	11,641
Administrative	517,346	517,346	502,920	14,426
Legal	291,176	291,176	134,217	156,959
Non-departmental	2,859,113	2,829,913	1,217,598	1,612,315
Total General Government	<u>3,701,436</u>	<u>3,672,236</u>	<u>1,876,895</u>	<u>1,795,341</u>
Community Development:				
Planning and Zoning	648,479	648,479	627,294	21,185
Community Engagement Services	121,595	121,595	86,154	35,441
Culture Programs	119,648	119,648	97,219	22,429
Total Community Development	<u>889,722</u>	<u>889,722</u>	<u>810,667</u>	<u>79,055</u>
Public Safety:				
Fire	2,216,975	2,216,975	2,206,699	10,276
Police	3,178,369	3,187,369	3,179,998	7,371
Total Public Safety	<u>5,395,344</u>	<u>5,404,344</u>	<u>5,386,697</u>	<u>17,647</u>
Infrastructure Maintenance:				
Building	274,268	283,268	243,146	40,122
Refuse	1,195,889	1,195,889	1,166,438	29,451
Transportation	1,218,177	1,218,177	955,355	262,822
Total Infrastructure Maintenance	<u>2,688,334</u>	<u>2,697,334</u>	<u>2,364,939</u>	<u>332,395</u>
Culture and Recreation:				
Parks and Recreation	764,972	776,172	545,807	230,365
Total Culture and Recreation	<u>764,972</u>	<u>776,172</u>	<u>545,807</u>	<u>230,365</u>
Debt service:				
Principal	1,165,000	1,165,000	1,165,000	-
Interest	126,271	126,271	126,271	-
Total expenditures	<u>14,731,079</u>	<u>14,731,079</u>	<u>12,276,276</u>	<u>2,454,803</u>
Excess (deficiency) of revenues over expenditures	<u>(3,083,182)</u>	<u>(3,083,182)</u>	<u>(855,833)</u>	<u>2,227,349</u>
Other financing sources				
Transfers in	1,394,832	1,394,832	1,396,939	2,107
Transfers out	(4,409,000)	(4,409,000)	(4,750,673)	(341,673)
Issuance of long term debt	4,037,000	4,037,000	-	(4,037,000)
Total other financing sources	<u>1,022,832</u>	<u>1,022,832</u>	<u>(3,353,734)</u>	<u>(4,376,566)</u>
Net change in fund balances	<u>(2,060,350)</u>	<u>(2,060,350)</u>	<u>(4,209,567)</u>	<u>(2,149,217)</u>
Fund balances, beginning of year	12,735,344	12,735,344	12,735,344	-
Fund balances, end of year	<u>\$ 10,674,994</u>	<u>\$ 10,674,994</u>	<u>\$ 8,525,777</u>	<u>\$ (2,149,217)</u>

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

CITY OF CAPE CANAVERAL, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
CAPE CANAVERAL COMMUNITY REDEVELOPMENT AGENCY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Positive (Negative)
Revenues				
Taxes:				
Intergovernmental	\$ 1,552,812	\$ 1,566,301	\$ 1,566,301	\$ -
Total revenues	<u>1,552,812</u>	<u>1,566,301</u>	<u>1,566,301</u>	<u>-</u>
Expenditures				
Current:				
Community Redevelopment	4,877,516	5,579,124	5,480,893	98,231
Total expenditures	<u>4,877,516</u>	<u>5,579,124</u>	<u>5,480,893</u>	<u>98,231</u>
Excess (deficiency) of revenues over expenditures	<u>(3,324,704)</u>	<u>(4,012,823)</u>	<u>(3,914,592)</u>	<u>98,231</u>
Other financing sources				
Transfers in	4,037,000	4,750,673	4,750,673	-
Transfers out	(737,850)	(737,850)	(718,648)	19,202
Total other financing sources	<u>3,299,150</u>	<u>4,012,823</u>	<u>4,032,025</u>	<u>19,202</u>
Net change in fund balances	<u>(25,554)</u>	<u>-</u>	<u>117,433</u>	<u>117,433</u>
Fund balances, beginning of year	27,021	27,021	27,021	-
Fund balances, end of year	<u>\$ 1,467</u>	<u>\$ 27,021</u>	<u>\$ 144,454</u>	<u>\$ 117,433</u>

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

CITY OF CAPE CANAVERAL, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2021

	Business-type Activities - Enterprise Funds		
	Wastewater Fund	Stormwater Fund	Total
Assets			
Current assets:			
Equity in pooled cash and investments	\$ 112,150	\$ 1,568,696	\$ 1,680,846
Receivables, net	800,852	136,064	936,916
Advance to other funds	192,287	-	192,287
Inventories and prepaid items	6,543	31	6,574
Restricted assets:			
Equity in pooled cash and investments	335,820	-	335,820
Total current assets	<u>1,447,652</u>	<u>1,704,791</u>	<u>3,152,443</u>
Capital assets:			
Total capital assets, not being depreciated	2,611,844	80,338	2,692,182
Total capital assets, being depreciated, net of accumulated depreciation	<u>20,383,081</u>	<u>4,472,138</u>	<u>24,855,219</u>
Capital assets, net	<u>22,994,925</u>	<u>4,552,476</u>	<u>27,547,401</u>
Total Assets	<u><u>\$ 24,442,577</u></u>	<u><u>\$ 6,257,267</u></u>	<u><u>\$ 30,699,844</u></u>
Liabilities			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 213,655	\$ 32,263	\$ 245,918
Current portion of compensated absences	72,046	22,450	94,496
Current portion of long-term debt	493,749	47,520	541,269
Liabilities payable from current restricted assets:			
Accrued interest payable	17,526	-	17,526
Total current liabilities	<u>796,976</u>	<u>102,233</u>	<u>899,209</u>
Noncurrent liabilities:			
Long-term portion of compensated absences	18,012	5,612	23,624
Long-term debt payable after one year	<u>7,846,927</u>	<u>878,099</u>	<u>8,725,026</u>
Total noncurrent liabilities	<u>7,864,939</u>	<u>883,711</u>	<u>8,748,650</u>
Total Liabilities	<u><u>\$ 8,661,915</u></u>	<u><u>\$ 985,944</u></u>	<u><u>\$ 9,647,859</u></u>
Net Position			
Net investment in capital assets	\$ 14,654,249	\$ 3,626,857	\$ 18,281,106
Restricted for:			
Debt service	291,147	-	291,147
Capital expansion	27,147	-	27,147
Unrestricted	<u>808,119</u>	<u>1,644,466</u>	<u>2,452,585</u>
Total Net Position	<u><u>\$ 15,780,662</u></u>	<u><u>\$ 5,271,323</u></u>	<u><u>\$ 21,051,985</u></u>

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

CITY OF CAPE CANAVERAL, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Business-type Activities - Enterprise Funds		
	Wastewater Fund	Stormwater Fund	Total
Operating revenues			
Charges for sales and services:			
Wastewater charges	\$ 4,320,626	\$ -	\$ 4,320,626
Stormwater charges	-	1,069,796	1,069,796
Total operating revenues	<u>4,469,699</u>	<u>1,069,796</u>	<u>5,539,495</u>
Operating expenses			
Operating and maintenance:			
Personal services	1,699,944	248,042	1,947,986
Contractual services	116,083	52,594	168,677
Repairs and maintenance	422,979	56,072	479,051
Materials and supplies	364,519	5,311	369,830
Depreciation	1,576,458	297,657	1,874,115
Total operating expenses	<u>4,179,983</u>	<u>659,676</u>	<u>4,839,659</u>
Operating income	<u>289,716</u>	<u>410,120</u>	<u>699,836</u>
Nonoperating revenues (expenses)			
Investment earnings	4,857	2,165	7,022
Loss on sale or disposal of assets	(69,480)	(65,358)	(134,838)
Interest expense	(147,146)	-	(147,146)
Total nonoperating revenues (expenses)	<u>(211,769)</u>	<u>(63,193)</u>	<u>(274,962)</u>
Income before contributions and transfers	<u>77,947</u>	<u>346,927</u>	<u>424,874</u>
Transfers in	33,122	-	33,122
Transfers out	(687,940)	(21,523)	(709,463)
Change in net position	<u>(455,271)</u>	<u>325,404</u>	<u>(129,867)</u>
Total net position, beginning of year, as restated	16,235,933	4,945,919	21,181,852
Total net position, end of year	<u>\$ 15,780,662</u>	<u>\$ 5,271,323</u>	<u>\$ 21,051,985</u>

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

CITY OF CAPE CANAVERAL, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Business-type Activities - Enterprise Funds		
	Wastewater Fund	Stormwater Fund	Total
Cash flows from operating activities			
Cash received from customers	\$ 4,377,388	\$ 1,062,947	\$ 5,440,335
Cash paid to suppliers	(1,233,534)	(87,023)	(1,320,557)
Cash paid to employees	(1,695,118)	(250,580)	(1,945,698)
Net cash provided by operating activities	<u>1,448,736</u>	<u>725,344</u>	<u>2,174,080</u>
Cash flows from noncapital financing activities			
Interfund loans	(36,116)	40,616	4,500
Transfers in	33,122	-	33,122
Transfers out	(687,940)	(21,523)	(709,463)
Net cash provided by (used) in noncapital financing activities	<u>(690,934)</u>	<u>19,093</u>	<u>(671,841)</u>
Cash flows from capital and related financing activities			
Principal payments on capital debt	(361,416)	(46,546)	(407,962)
Proceeds from issuance of capital debt	1,099,699	-	1,099,699
Interest paid	(147,146)	-	(147,146)
Acquisition and construction of capital assets	(1,579,882)	(592,925)	(2,172,807)
Net cash provided by (used in) capital and related financing activities	<u>(867,145)</u>	<u>(639,471)</u>	<u>(1,506,616)</u>
Cash flows from investing activities			
Interest received	4,857	2,165	7,022
Net change in cash and cash equivalents	<u>(104,486)</u>	<u>107,131</u>	<u>2,645</u>
Cash and cash equivalents, beginning of year	552,456	1,461,565	2,014,021
Cash and cash equivalents, end of year	<u>\$ 447,970</u>	<u>\$ 1,568,696</u>	<u>\$ 2,016,666</u>
Reconciliation of operating income to net cash provided by operating activities			
Operating income	\$ 289,716	\$ 410,120	\$ 699,836
Adjustment to reconcile operating income to net cash provided by operating activities:			
Depreciation	1,576,458	297,657	1,874,115
Decrease (increase) in certain assets:			
Accounts receivable	(92,311)	(6,849)	(99,160)
Due from other governments	-	-	-
Increase (decrease) in certain liabilities:			
Compensated absences payable	4,826	(2,538)	2,288
Accounts payable and accrued liabilities	(329,128)	26,954	(302,174)
Accrued interest payable	(825)	-	(825)
Net cash provided by operating activities	<u>\$ 1,448,736</u>	<u>\$ 725,344</u>	<u>\$ 2,174,080</u>
Cash and cash equivalents classified as:			
Unrestricted	\$ 112,150	\$ 1,568,696	\$ 1,680,846
Restricted	335,820	-	335,820
Total cash and cash equivalents	<u>\$ 447,970</u>	<u>\$ 1,568,696</u>	<u>\$ 2,016,666</u>

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

Notes to Financial Statements

CITY OF CAPE CANAVERAL, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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

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

The financial statements of the City of Cape Canaveral, Florida, have been prepared in conformance with accounting principles generally accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted body for promulgating governmental accounting and financial reporting principles. The following is a summary of the more significant policies.

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

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

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

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

CITY OF CAPE CANAVERAL, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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

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

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

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

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

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

CITY OF CAPE CANAVERAL, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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

Property taxes, franchise taxes, intergovernmental revenues, licenses and permits, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when the government receives cash.

The City reports the following major governmental funds:

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

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

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

The City reports the following major proprietary funds:

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

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

Additionally, the City reports the following fund types:

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

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

CITY OF CAPE CANAVERAL, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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

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

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

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

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

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

CITY OF CAPE CANAVERAL, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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

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

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

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

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

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

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

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

CITY OF CAPE CANAVERAL, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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

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

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

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

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

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

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

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

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

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

CITY OF CAPE CANAVERAL, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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

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

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

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

The City has adopted an ordinance whereby the minimum unassigned fund balance in the General Fund must be at least 20% of the current fiscal year original budgeted expenditures. The City was in compliance with this policy at September 30, 2021.

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

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

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

(a) **Reconciliation of the balance sheet of the governmental funds to the statement of net position**—Following the governmental fund balance sheet is a reconciliation between fund balance - total governmental funds and net position - governmental activities as reported in the government-wide statement of net position. A detailed explanation of these differences is provided in the above referenced financial statement.

(b) **Reconciliation of the statement of revenues, expenditures, and changes in fund balances of governmental funds to the statement of activities**—Following the governmental fund statement of revenues, expenditures, and changes in fund balances, there is a reconciliation between net changes in fund balances - total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. A detailed explanation of these differences is provided in the above referenced financial statement.

CITY OF CAPE CANAVERAL, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

(3) **Property Tax Calendar:**

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

The millage rate assessed by the City on the tax roll certified on November 1, 2020 was 3.6396 mills (3.5878 for general government and 0.0518 for the library fund).

The property tax calendar is as follows:

Valuation Date	January 1												
Property Appraiser prepares the assessment roll with values as of January 1, submits this preliminary roll for approval by the State and notifies each taxing authority of their respective valuations.	July 1												
City Council adopts a budget and ad valorem tax millage rate for the coming fiscal year.	September												
Property Appraiser certifies the assessment roll and all real and tangible personal property taxes are due and payable (Levy date).	November 1												
A Notice of Taxes is mailed to each property owner on the assessment roll. Taxes may be paid November through March, with the following applicable discounts:	November 1												
<table border="0"> <thead> <tr> <th style="text-align: left;"><u>Month Paid</u></th> <th style="text-align: left;"><u>Discount Percent</u></th> </tr> </thead> <tbody> <tr> <td>November</td> <td style="text-align: center;">4</td> </tr> <tr> <td>December</td> <td style="text-align: center;">3</td> </tr> <tr> <td>January</td> <td style="text-align: center;">2</td> </tr> <tr> <td>February</td> <td style="text-align: center;">1</td> </tr> <tr> <td>March</td> <td style="text-align: center;">0</td> </tr> </tbody> </table>	<u>Month Paid</u>	<u>Discount Percent</u>	November	4	December	3	January	2	February	1	March	0	November 1, 2020 through March 31, 2021
<u>Month Paid</u>	<u>Discount Percent</u>												
November	4												
December	3												
January	2												
February	1												
March	0												
All unpaid taxes on real and tangible personal property become delinquent.	April 1												
A list of unpaid tangible personal property taxes and a list of unpaid real property taxes are advertised.	April and May												
Tax certificates are sold on all real estate parcels with unpaid real property taxes (Lien date).	May 31												
A court order is obtained authorizing the seizure and sale of personal property if the taxpayer fails to pay the delinquent personal property taxes.	August 29												

CITY OF CAPE CANAVERAL, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

(4) **Deposits and Investments:**

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

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

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

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

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

CITY OF CAPE CANAVERAL, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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

At September 30, 2021, the City had the following deposits and investments included in equity in pooled cash and investments:

Investment Type	Carrying Value at September 30, 2021	Maturity	Credit Rating
Cash in banks	\$ 3,790,875	N/A	N/A
Florida Division of Treasury – Special Purpose Investment Account	9,272,431	2.62 years	AA-f
Total Government-wide deposits and investments	\$ 13,063,306		

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

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

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

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

The City has investments in the State of Florida Division of Treasury’s Special Purpose Investment Account (SPIA), of which the City owns a share of the Pool, not the underlying securities. At June 30, 2021, the fair value factor for the SPIA was 1.0269. Additional valuation information is available in the State of Florida’s Annual Comprehensive Financial Report, which can be obtained through their website, www.myfloridacfo.com.

Concentrations of Credit Risk: The City’s policy does not limit the amount that can be invested in any one issuer. As of September 30, 2021, all investments of the City are held in the pooled investment accounts administered by the State of Florida.

CITY OF CAPE CANAVERAL, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

(5) **Receivables:**

Receivables in the wastewater and stormwater funds represent customer receivables but have been included in Due from Other Governments in the statement of net position as another municipality is responsible for the billing and collection of the receivables and ultimate payments to the City. At September 30, 2021, the City's receivables consist of the following:

	Receivables, gross	Allowance for Doubtful Accounts	Receivables, net
Governmental Activities:			
General Fund	\$ 352,635	\$ (2,317)	\$ 350,318
Total Governmental Activities	352,635	(2,317)	350,318
Business-Type Activities:			
Wastewater	808,021	(7,169)	800,852
Stormwater	137,124	(1,060)	136,064
Total Business-Type Activities	945,145	(8,229)	936,916
Totals	\$ 1,297,780	\$ (10,546)	\$ 1,287,234

In addition to accounts receivable, the City also recorded \$891,533 in due from other governments at September 30, 2021.

CITY OF CAPE CANAVERAL, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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

The outstanding balances between funds result mainly from the time lag between the dates reimbursable expenditures occur, when transactions are recorded in the accounting system, and when payments between funds are made. At September 30, 2021, no such individual fund interfund receivables and payables for the primary government arising from short-term borrowings for cash flow purposes existed.

At September 30, 2021, long-term individual fund advances to and from other funds for the primary government were for the purposes of providing advance funding for projects in the Cape Canaveral CRA Fund and comprised of the following:

	<u>Advance To</u>	<u>Advance From</u>
General Fund:		
Capital Construction Fund	\$ 847,430	\$ -
Cape Canaveral CRA Fund:		
Wastewater Fund	-	192,287
Capital Construction Fund:		
General Fund	-	847,430
Wastewater Fund:		
Cape Canaveral CRA Fund	192,287	-
Total—All Funds	<u>\$ 1,039,717</u>	<u>\$ 1,039,717</u>

CITY OF CAPE CANAVERAL, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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

For the year ended September 30, 2021, the composition of interfund transfers is as follows:

	Transfer From	Transfer To
Governmental Activities:		
General Fund:		
School Crossing Guard Fund	\$ 1,950	\$ -
Cape Canaveral CRA Fund	685,526	4,750,673
Wastewater Fund	687,940	-
Stormwater Fund	21,523	-
Cape Canaveral CRA Fund:		
General Fund	4,750,673	718,648
Nonmajor Governmental Funds:		
School Crossing Guard Fund:		
General Fund	-	1,950
Total Governmental Activities	6,147,612	5,471,271
Business-Type Activities:		
Wastewater Fund:		
General Fund	33,122	687,940
Stormwater Fund:		
General Fund	-	21,523
Total Business-Type Activities	33,122	709,463
Total—All Funds	\$ 6,180,734	\$ 6,180,734

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

CITY OF CAPE CANAVERAL, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

(7) **Capital Assets:**

For the fiscal year ended September 30, 2021, capital asset activity was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 7,248,237	\$ -	\$ -	\$ 7,248,237
Construction in progress	527,499	5,595,592	(1,847,123)	4,275,968
Total capital assets, not being depreciated	<u>7,775,736</u>	<u>5,595,592</u>	<u>(1,847,123)</u>	<u>11,524,205</u>
Capital assets, being depreciated:				
Buildings and improvements	9,979,465	8,887	-	9,988,352
Machinery and equipment	3,642,518	155,683	(455,971)	3,342,230
Infrastructure	12,003,344	1,937,392	(8,666)	13,932,070
Total capital assets, being depreciated	<u>25,625,327</u>	<u>2,101,962</u>	<u>(464,637)</u>	<u>27,262,652</u>
Accumulated depreciation for:				
Buildings and improvements	(1,765,330)	(498,599)	-	(2,263,929)
Machinery and equipment	(1,991,616)	(230,622)	304,987	(1,917,251)
Infrastructure	(4,138,527)	(579,642)	2,345	(4,715,824)
Total accumulated depreciation	<u>(7,895,473)</u>	<u>(1,308,863)</u>	<u>307,332</u>	<u>(8,897,004)</u>
Total capital assets being depreciated, net of accumulated depreciation	<u>17,729,854</u>	<u>793,099</u>	<u>(157,305)</u>	<u>18,365,648</u>
Governmental activities capital assets, net	<u>\$ 25,505,590</u>	<u>\$ 6,388,691</u>	<u>\$ (2,004,428)</u>	<u>\$ 29,889,853</u>

CITY OF CAPE CANAVERAL, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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

Business-type activities:

Capital assets, not being depreciated:				
Land	\$ 351,084	\$ -	\$ -	\$ 351,084
Construction in progress	2,019,915	1,714,764	(1,393,581)	2,341,098
Total capital assets, not being depreciated	<u>2,370,999</u>	<u>1,714,764</u>	<u>(1,393,581)</u>	<u>2,692,182</u>
Capital assets, being depreciated:				
Buildings and improvements	5,251,743	-	-	5,251,743
Machinery and equipment	8,516,721	288,616	(188,351)	8,616,986
Infrastructure	33,625,348	1,513,504	(6,928)	35,131,924
Total capital assets, being depreciated	<u>47,393,812</u>	<u>1,802,120</u>	<u>(195,279)</u>	<u>49,000,653</u>
Accumulated depreciation for –				
Buildings and improvements	(2,738,038)	(133,981)	-	(2,872,019)
Machinery and equipment	(2,337,657)	(542,893)	106,325	(2,774,225)
Infrastructure	<u>(17,305,569)</u>	<u>(1,197,241)</u>	<u>3,620</u>	<u>(18,499,190)</u>
Total accumulated depreciation	<u>(22,381,264)</u>	<u>(1,874,115)</u>	<u>109,945</u>	<u>(24,145,434)</u>
Total capital assets being depreciated, net of accumulated depreciation	<u>25,012,548</u>	<u>(71,995)</u>	<u>(85,334)</u>	<u>24,855,219</u>
Business-type activities capital assets, net	<u>\$ 27,383,547</u>	<u>\$ 1,642,769</u>	<u>\$ (1,478,915)</u>	<u>\$ 27,547,401</u>

Depreciation expense was charged to functions/programs as follows:

Governmental activities:

General government	\$ 450,673
Community development	14,398
Public safety	170,794
Infrastructure maintenance	512,754
Culture and recreation	<u>160,244</u>
Total depreciation expense-governmental activities	<u>\$ 1,308,863</u>

Business-type activities:

Wastewater	\$ 1,576,458
Stormwater	<u>297,657</u>
Total depreciation expense-business-type activities	<u>\$ 1,874,115</u>

CITY OF CAPE CANAVERAL, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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

A. Revenue Bonds and Notes

Governmental Activities:

Capital Improvement Revenue Note, Series 2014

The \$5,500,000 Capital Improvement Revenue Note, Series 2014 was issued in February 2014 to finance various general government capital improvements and acquisitions including but not limited to a City Hall project, Fire Station, Main Wastewater Treatment Plant Building Refurbishment, and other capital improvements and to pay the cost of issuance related to the financing. The Series 2014 Note is secured by an irrevocable first lien pledge and dedication of the pledged revenues which would consist of (1) public service tax, (2) the City's local government half-cent sales tax, (3) the guaranteed entitlement portion of the state revenue sharing funds, and (4) franchise fees; such revenues totaled \$2,488,732 for the year ended September 30, 2021. These annually pledged revenues collectively support the annual debt repayment of \$605,795 which comprises of \$543,000 in principal and \$62,795 in interest. The pledge of the pledged revenues would be continuing and cumulative until all amounts under the Series 2014 Note shall have been paid. The City directly collects the public service taxes, whereas the sales tax, state revenue sharing funds, and franchise fees are collected through third parties and subsequently remitted to the City. The note, which bears interest at 1.99%, is payable semi-annually on February 1 and August 1 of each year until final maturity on February 1, 2024. Total principal remaining to be paid on the note is \$1,765,000.

Capital Improvement Revenue Note, Series 2017

The \$6,200,000 Capital Improvement Revenue Note, Series 2017 was issued in July 2017 to finance various general government capital improvements and acquisitions including but not limited to the multi-generational center and other capital improvements and to pay the cost of issuance related to the financing. The Series 2017 Note is secured by an irrevocable first lien pledge and dedication of the pledged revenues which would consist of (1) the communications services tax, (2) the public service tax, (3) the guaranteed entitlement portion of the state revenue sharing funds, (4) the local government half-cent sales tax, (5) franchise fees, and (6) amounts on deposit in the Debt Service Fund, totaled \$2,488,732 for the year ended September 30, 2021. These annually pledged revenues collectively support the annual debt repayment of \$685,634 which comprises of \$576,000 in principal and \$109,634 in interest. The pledge of the pledged revenues would be continuing and cumulative until all amounts under the Series 2017 Note shall have been paid. The City directly collects the public service taxes, whereas the sales tax, state revenue sharing funds, and franchise fees are collected through third parties and subsequently remitted to the City. The note, which bears interest at 2.05%, is payable semi-annually on February 1 and August 1 of each year until final maturity on February 1, 2027. Total principal remaining to be paid on the note is \$3,872,000.

CITY OF CAPE CANAVERAL, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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

Business-Type Activities:

State Revolving Loan

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

The City's SRF loans outstanding at September 30, 2021 is summarized as follows:

1.46% State Revolving Fund promissory note payable in the amount of \$5,632,526; with semiannual loan payments of \$182,496 through fiscal year 2038; secured by the net wastewater and stormwater utility revenue of the City.	\$ 5,070,757
0.83% State Revolving Fund promissory note payable in the amount of \$3,032,463; with semiannual loan payments of \$85,954 through fiscal year 2038; secured by the net wastewater utility revenue of the City.	2,600,854
1.32% State Revolving Fund promissory note payable in the amount of \$520,000; with semiannual loan payments of \$15,222 through fiscal year 2034 secured by the net wastewater utility revenue of the City.	365,003
0% State Revolving Fund promissory note payable in the amount of \$340,000; with semiannual loan payments of \$8,670 through fiscal year 2040; secured by the net wastewater utility revenue of the City.	279,852
0% State Revolving Fund promissory note payable in the amount of \$934,317; with semiannual loan payments of \$23,825 through fiscal year 2041; secured by the net wastewater utility revenue of the City.	780,140
0% State Revolving Fund promissory note payable in the amount of \$1,643,600; with semiannual loan payments of \$41,912 through fiscal year 2042; secured by the net wastewater utility revenue of the City.	159,276
0% State Revolving Fund promissory note payable in the amount of \$767,054; with semiannual loan payments beginning on February 15, 2023 of \$19,176 through fiscal year 2042; secured by the net wastewater utility revenue of the City.	1,548
0% State Revolving Fund promissory note payable in the amount of \$402,960; with semiannual loan payments beginning on February 15, 2023 of \$10,275 through fiscal year 2042; secured by the net wastewater utility revenue of the City.	8,865
	9,266,295
Less: current maturities	541,269
Total business-type activities long-term debt	\$ 8,725,026

CITY OF CAPE CANAVERAL, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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

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

Year Ending September 30,	Governmental Activities		Business-Type Activities		Total
	Principal	Interest	Principal	Interest	
2022	\$ 1,190,000	\$ 102,475	\$ 541,269	\$ 67,433	\$ 1,901,177
2023	1,213,000	78,195	600,717	63,777	1,955,689
2024	1,238,000	53,428	547,279	60,053	1,898,760
2025	652,000	34,235	521,167	56,258	1,263,660
2026	665,000	20,736	528,675	52,392	1,266,803
2027-2031	679,000	6,960	2,760,293	201,381	3,647,634
2032-2036	-	-	2,890,595	95,486	2,986,081
2037-2041	-	-	876,300	6,975	883,275
Totals	<u>\$ 5,637,000</u>	<u>\$ 296,029</u>	<u>\$ 9,266,295</u>	<u>\$ 603,755</u>	<u>\$ 15,803,079</u>

B. Change in Long-term Liabilities

Long-term liability activity for the year ended September 30, 2021, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities					
Capital improvement notes	\$ 6,802,000	\$ -	\$(1,165,000)	\$ 5,637,000	\$ 1,190,000
Compensated absences payable	266,103	173,202	(172,350)	266,955	213,564
Total Governmental Activities	<u>\$ 7,068,103</u>	<u>\$ 173,202</u>	<u>\$(1,337,350)</u>	<u>\$ 5,903,955</u>	<u>\$ 1,403,564</u>
Business-Type Activities					
State revolving loans	\$ 8,574,558	\$ 1,099,699	\$(407,962)	\$ 9,266,295	\$ 541,269
Compensated absences payable	115,832	85,543	(83,255)	118,120	94,496
Total Business-Type Activities	<u>\$ 8,690,390</u>	<u>\$ 1,185,242</u>	<u>\$(491,217)</u>	<u>\$ 9,384,415</u>	<u>\$ 635,765</u>

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

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

CITY OF CAPE CANAVERAL, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

(9) **Legal Matters:**

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

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

Established with Resolution No. 2006-13 of the City Council, which is responsible for amending the plan provisions and contribution requirements, the City contributes to a defined contribution plan which is administered by the Florida League of Cities, P. O. Box 1757, Tallahassee, FL 32302, and features participant-directed investments. The City established the plan for all regular full time and regular part time employees with one year of employment and 1,000 hours of service each year. All qualifying employees at least 18 years of age participate in the plan on the date of employment. Retirement benefits are available after 5 years of service. Established with Resolution No. 2006-51 of the City Council, employer contributions to the plan are 7% of the employee gross wages and the City allows for a matching contribution of up to 3% of employee's basic compensation. Forfeitures of \$10,263 were used to reduce the City's current period contribution requirement.

For the year ended September 30, 2021, employer and matching contributions to the defined contribution plan were \$171,262 and \$71,788, respectively. As of September 30, 2021, the Plan had 46 participating employees.

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

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

In 2018, the City engaged an actuary to calculate the outstanding liability for certain post-employment healthcare benefits provided by the City. Based on the City's policies whereby the retirement age is equal to age 65 at which point employees become eligible for Medicare, the OPEB liability was actuarially determined to be zero. There have been no changes to the City's policies or state statutes since that time which management believes would impact this determination as of September 30, 2021. As such, no OPEB liability has been recorded.

CITY OF CAPE CANAVERAL, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

(12) **Commitments and Contingencies:**

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

(13) **Risk Management:**

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

(14) **Fund Deficits:**

The School Crossing Guard Fund deficit of \$3,222 represents the cumulative costs associated with capital improvements and excess of expenditures over revenues. This deficit is to be funded by future fines and forfeitures. The Special Law Enforcement Trust Fund deficit of \$18,161 represents the cumulative costs associated with capital improvements and excess of expenditures over revenues. This deficit is to be funded by future fines and forfeitures. The Capital Construction Fund deficit of \$853,452 represents the cumulative costs associated with capital improvements and excess of expenditures over revenues. This deficit is to be funded by future general fund transfers.

(15) **Tax Abatements:**

The City entered into an agreement with a local corporation to abate certain ad valorem taxes in exchange for economic incentives. Article VII, Section 3 of the Florida Constitution and Section 16.1995, Florida Statutes, and the electorate of the City, have granted City Council the authority to grant property tax exemptions for new business and expansions of existing businesses. The City Council approved Ordinance 05-2016, granting the corporation an ad valorem tax exemption for a term of ten years. During the year ended September 30, 2021, no taxes were abated.

(16) **Restatement of Net Position:**

The beginning net position of the Wastewater fund was reduced by \$182,466 to account for state revolving fund loan draws that were initiated in the prior year on a new loan. A corresponding adjustment was also made to the beginning net position of the City's business-type activities.

CITY OF CAPE CANAVERAL, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

(17) **Recent Accounting Pronouncements:**

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

- (a) GASB issued Statement No. 87, *Leases*, in June 2017. GASB 87 increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The provisions in GASB 87 are effective for periods beginning after June 15, 2021.

**Combining and Individual
Fund Statements and Schedules**

Special Revenue Funds

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

Police Education

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

Fire Protection

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

School Crossing Guard

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

Library

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

Special Law Enforcement

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

**CITY OF CAPE CANAVERAL, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021**

	Special Revenue Funds					Total
	Police Education	Fire Protection	School Crossing Guard	Library	Special Law Enforcement Trust	
Assets						
Equity in pooled cash and investments	\$ 26,539	\$ 32,227	\$ (3,222)	\$ 491,259	\$ (13,224)	\$ 533,579
Due from other governments	-	-	-	1	-	1
Total assets	<u>\$ 26,539</u>	<u>\$ 32,227</u>	<u>\$ (3,222)</u>	<u>\$ 491,260</u>	<u>\$ (13,224)</u>	<u>\$ 533,580</u>
Liabilities						
Accounts payable and accrued liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 438</u>	<u>\$ 4,937</u>	<u>\$ 5,375</u>
Fund Balances						
Restricted for:						
Public safety	26,539	32,227	-	-	-	58,766
Culture/recreation	-	-	-	490,822	-	490,822
Unassigned	-	-	(3,222)	-	(18,161)	(21,383)
Total fund balances	<u>26,539</u>	<u>32,227</u>	<u>(3,222)</u>	<u>490,822</u>	<u>(18,161)</u>	<u>528,205</u>
Total liabilities and fund balances	<u>\$ 26,539</u>	<u>\$ 32,227</u>	<u>\$ (3,222)</u>	<u>\$ 491,260</u>	<u>\$ (13,224)</u>	<u>\$ 533,580</u>

CITY OF CAPE CANAVERAL, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>Special Revenue Funds</u>					
	<u>Police Education</u>	<u>Fire Protection</u>	<u>School Crossing Guard</u>	<u>Library</u>	<u>Special Law Enforcement</u>	<u>Total</u>
Revenues						
Property taxes	\$ -	\$ -	\$ -	\$ 70,565	\$ -	\$ 70,565
Fines and forfeitures	1,603	-	892	-	-	2,495
Investment earnings (losses)	181	467	-	5,208	26	5,882
Total revenues	<u>1,784</u>	<u>467</u>	<u>892</u>	<u>75,773</u>	<u>1,922</u>	<u>80,838</u>
Expenditures						
Current:						
Public Safety	-	-	-	-	6,596	6,596
Culture and Recreation	-	-	-	19,681	-	19,681
Capital outlay	-	-	-	29,169	-	29,169
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>48,850</u>	<u>6,596</u>	<u>55,446</u>
Excess (deficiency) of revenues over expenditures	<u>1,784</u>	<u>467</u>	<u>892</u>	<u>26,923</u>	<u>(4,674)</u>	<u>25,392</u>
Other financing sources (uses)						
Transfers out	-	-	(1,950)	-	-	(1,950)
Net change in fund balances	<u>1,784</u>	<u>467</u>	<u>(1,058)</u>	<u>26,923</u>	<u>(4,674)</u>	<u>23,442</u>
Fund balances, beginning of year	24,755	31,760	(2,164)	463,899	(13,487)	504,763
Fund balances, end of year	<u>\$ 26,539</u>	<u>\$ 32,227</u>	<u>\$ (3,222)</u>	<u>\$ 490,822</u>	<u>\$ (18,161)</u>	<u>\$ 528,205</u>

CITY OF CAPE CANAVERAL, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021

	Special Revenue Funds							
	Police Education				Fire Protection			
	Budgeted Amounts		Actual	Variance Positive (Negative)	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final			Original	Final		
Revenues								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	1,200	1,200	1,603	403	-	-	-	-
Impact fees	-	-	-	-	9,500	9,500	-	(9,500)
Investment earnings (losses)	400	400	181	(219)	168	168	467	299
Miscellaneous	-	-	-	-	-	-	-	-
Total revenues	<u>1,600</u>	<u>1,600</u>	<u>1,784</u>	<u>184</u>	<u>9,668</u>	<u>9,668</u>	<u>467</u>	<u>(9,201)</u>
Expenditures								
Current:								
Public Safety:								
Fire	-	-	-	-	9,668	9,668	-	9,668
Police	1,600	1,600	-	1,600	-	-	-	-
Total Public Safety	<u>1,600</u>	<u>1,600</u>	<u>-</u>	<u>1,600</u>	<u>9,668</u>	<u>9,668</u>	<u>-</u>	<u>9,668</u>
Culture and Recreation:								
Library	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	<u>1,600</u>	<u>1,600</u>	<u>-</u>	<u>1,600</u>	<u>9,668</u>	<u>9,668</u>	<u>-</u>	<u>9,668</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>1,784</u>	<u>1,784</u>	<u>-</u>	<u>-</u>	<u>467</u>	<u>467</u>
Other financing sources (uses)								
Transfers out	-	-	-	-	-	-	-	-
Net change in fund balances	<u>-</u>	<u>-</u>	<u>1,784</u>	<u>1,784</u>	<u>-</u>	<u>-</u>	<u>467</u>	<u>467</u>
Fund balances, beginning of year	24,755	24,755	24,755	-	31,760	31,760	31,760	-
Fund balances, end of year	<u>\$ 24,755</u>	<u>\$ 24,755</u>	<u>\$ 26,539</u>	<u>\$ 1,784</u>	<u>\$ 31,760</u>	<u>\$ 31,760</u>	<u>\$ 32,227</u>	<u>\$ 467</u>

CITY OF CAPE CANAVERAL, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL (Continued)
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021

	Special Revenue Funds							
	School Crossing Guard				Library			
	Budgeted Amounts		Actual	Variance Positive (Negative)	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final			Original	Final		
Revenues								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 69,371	\$ 69,371	\$ 70,565	\$ 1,194
Fines and forfeitures	750	750	892	142	-	-	-	-
Impact fees	-	-	-	-	12,100	12,100	-	(12,100)
Investment earnings (losses)	-	-	-	-	6,222	6,222	5,208	(1,014)
Miscellaneous	-	-	-	-	-	-	-	-
Total revenues	<u>750</u>	<u>750</u>	<u>892</u>	<u>142</u>	<u>87,693</u>	<u>87,693</u>	<u>75,773</u>	<u>(11,920)</u>
Expenditures								
Current:								
Public Safety:								
Fire	-	-	-	-	-	-	-	-
Police	-	-	-	-	-	-	-	-
Total Public Safety	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Culture and Recreation:								
Library	-	-	-	-	57,693	57,693	19,681	38,012
Capital outlay	-	-	-	-	30,000	30,000	29,169	831
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>87,693</u>	<u>87,693</u>	<u>48,850</u>	<u>38,843</u>
Excess (deficiency) of revenues over (under) expenditures	<u>750</u>	<u>750</u>	<u>892</u>	<u>142</u>	<u>-</u>	<u>-</u>	<u>26,923</u>	<u>26,923</u>
Other financing sources (uses)								
Transfers out	(1,950)	(1,950)	(1,950)	-	-	-	-	-
Net change in fund balances	<u>(1,200)</u>	<u>(1,200)</u>	<u>(1,058)</u>	<u>142</u>	<u>-</u>	<u>-</u>	<u>26,923</u>	<u>26,923</u>
Fund balances, beginning of year	(2,164)	(2,164)	(2,164)	-	463,899	463,899	463,899	-
Fund balances, end of year	<u>\$ (3,364)</u>	<u>\$ (3,364)</u>	<u>\$ (3,222)</u>	<u>\$ 142</u>	<u>\$ 463,899</u>	<u>\$ 463,899</u>	<u>\$ 490,822</u>	<u>\$ 26,923</u>

CITY OF CAPE CANAVERAL, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL (Continued)
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021

	Special Revenue Funds			
	Special Law Enforcement			
	Budgeted Amounts		Actual	Variance Positive (Negative)
Original	Final			
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-
Impact fees	-	-	-	-
Investment earnings (losses)	45	45	26	(19)
Miscellaneous	1,000	1,000	1,896	896
Total revenues	<u>1,045</u>	<u>1,045</u>	<u>1,922</u>	<u>877</u>
Expenditures				
Current:				
Public Safety:				
Fire	-	-	-	-
Police	8,571	8,571	6,596	1,975
Total Public Safety	<u>8,571</u>	<u>8,571</u>	<u>6,596</u>	<u>1,975</u>
Culture and Recreation:				
Library	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>8,571</u>	<u>8,571</u>	<u>6,596</u>	<u>1,975</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,526)</u>	<u>(7,526)</u>	<u>(4,674)</u>	<u>(1,098)</u>
Other financing sources (uses)				
Transfers out	-	-	-	-
Net change in fund balances	<u>(7,526)</u>	<u>(7,526)</u>	<u>(4,674)</u>	<u>(1,098)</u>
Fund balances, beginning of year	(13,487)	(13,487)	(13,487)	-
Fund balances, end of year	<u>\$ (21,013)</u>	<u>\$ (21,013)</u>	<u>\$ (18,161)</u>	<u>\$ (1,098)</u>

Statistical Section

Statistical Section

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

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

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

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

	Fiscal Year					Fiscal Year				
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Governmental activities:										
Net investment in capital assets	\$ 25,902,339	\$ 25,098,106	\$ 24,420,158	\$ 23,031,722	\$ 15,762,142	\$ 17,995,928	\$ 13,333,909	\$ 12,919,882	\$ 15,842,742	\$ 16,153,413
Restricted	980,250	890,457	1,093,129	1,240,280	715,241	1,538,482	1,691,174	1,296,710	1,162,204	1,001,741
Unrestricted	5,431,304	4,841,643	3,680,573	3,313,663	9,651,795	5,850,230	7,844,092	8,219,219	5,835,996	5,800,091
Total governmental activities net position	32,313,893	30,830,206	29,193,860	27,585,665	26,129,178	25,384,640	22,869,175	22,435,811	22,840,942	22,955,245
Business-type activities:										
Net investment in capital assets	18,281,106	18,991,455	18,079,535	18,534,388	18,230,977	17,252,487	15,697,879	14,389,471	12,986,307	12,774,301
Restricted	318,294	301,698	331,621	311,774	523,141	327,160	175,579	423,939	396,648	428,741
Unrestricted	2,452,585	2,071,165	2,803,100	2,365,518	2,565,993	3,154,768	2,395,488	2,840,010	3,237,865	2,951,894
Total business-type activities net position	21,051,985	21,364,318	21,214,256	21,211,680	21,320,111	20,734,415	18,268,946	17,653,420	16,620,820	16,154,936
Primary government:										
Net investment in capital assets	44,183,445	44,089,561	42,499,693	41,566,110	33,993,119	35,248,415	29,031,788	27,309,353	28,829,049	28,927,714
Restricted	1,298,544	1,192,155	1,424,750	1,552,054	1,238,382	1,865,642	1,866,753	1,720,649	1,333,852	1,430,482
Unrestricted	7,883,889	6,912,808	6,483,673	5,679,181	12,217,788	9,004,998	10,239,580	11,059,229	9,298,861	8,751,985
Total primary government net position	\$ 53,365,878	\$ 52,194,524	\$ 50,408,116	\$ 48,797,345	\$ 47,449,289	\$ 46,119,055	\$ 41,138,121	\$ 40,089,231	\$ 39,461,762	\$ 39,110,181

Changes in Net Position

Last Ten Fiscal Years (accrual basis of accounting)

	Fiscal Year					Fiscal Year				
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Expenses:										
Governmental activities										
General government	\$ 2,224,658	\$ 1,733,788	\$ 1,912,122	\$ 2,113,111	\$ 1,738,078	\$ 1,729,277	\$ 1,506,243	\$ 1,196,010	\$ 1,176,016	\$ 1,113,604
Public safety	5,481,075	5,340,323	5,114,039	4,813,735	4,758,227	4,806,887	4,533,243	4,988,955	4,786,742	4,669,217
Transportation	-	-	-	-	-	968,272	982,291	976,126	989,959	1,068,023
Physical environment	-	-	-	-	-	1,059,367	1,039,747	971,376	969,778	879,353
Infrastructure Maintenance*	2,868,777	2,827,052	2,803,492	2,530,280	2,879,334	-	-	-	-	-
Culture/recreation	785,391	822,896	758,247	671,362	641,703	640,356	570,491	721,749	568,356	585,452
Community Redevelopment*	1,626	7,695	16,879	2,508	102,732	-	-	-	-	-
Unallocated depreciation	-	-	-	-	-	-	-	-	-	-
Interest on long-term debt	122,303	145,695	166,650	211,511	101,772	94,236	104,385	47,124	-	-
Total governmental activities expenses	11,483,830	10,877,449	10,771,429	10,342,507	10,221,846	9,298,395	8,736,400	8,901,340	8,490,851	8,315,649
Business-type activities:										
Wastewater utility	4,396,609	4,120,583	3,692,274	3,560,126	3,149,054	2,916,035	2,873,515	2,867,552	2,946,743	3,015,636
Stormwater utility	725,034	693,025	614,469	685,002	526,404	537,809	526,065	463,618	427,634	336,503
Total business-type activities expenses	5,121,643	4,813,608	4,306,743	4,245,128	3,675,458	3,453,844	3,399,580	3,331,170	3,374,377	3,352,139
Total primary-government expenses	\$ 16,605,473	\$ 15,691,057	\$ 15,078,172	\$ 14,587,635	\$ 13,897,304	\$ 12,752,239	\$ 12,135,980	\$ 12,232,510	\$ 11,865,228	\$ 11,667,788
Program revenue										
Governmental activities:										
Charges for Services:										
General government	\$ 3,236	\$ 97,732	\$ 4,035	\$ 5,981	\$ 17,192	\$ 49,413	\$ 20,552	\$ 22,890	\$ 17,376	\$ 3,757
Public safety	761,110	779,155	1,160,043	676,100	569,568	471,722	614,254	509,007	528,502	368,253
Physical environment	1,181,011	1,176,442	1,123,123	1,087,639	1,059,788	1,058,515	1,050,377	983,463	978,586	914,873
Culture/recreation	43,334	104,976	85,646	76,287	67,081	87,210	79,947	85,832	88,413	100,305
Operating Grants and Contributions										
General government	52,910	-	-	-	-	-	-	-	-	-
Public safety	5,016	5,070	-	-	-	-	-	-	-	-
Transportation	364,858	353,299	383,440	320,181	332,189	333,666	303,353	283,621	319,888	-
Culture/recreation	-	-	-	-	-	-	-	-	986	8,922
Capital Grants and Contributions										
General government	-	-	-	-	-	-	-	-	2,804	211
Public safety	-	-	-	-	-	-	-	-	7,635	376
Transportation	412,985	615,279	73,195	5,123	455,249	818,647	13,886	293,678	92,420	2,800
Culture/recreation	-	2,000	-	50,000	5,000	-	-	-	695	463
Total governmental activities program revenues	2,824,460	3,133,953	2,829,482	2,221,311	2,506,067	2,819,173	2,082,369	2,178,491	2,037,305	1,399,960
Business-type activities:										
Charges for services:										
Wastewater utility	4,320,626	4,389,709	4,126,467	4,014,216	3,964,016	4,099,508	3,732,961	3,569,928	3,363,595	3,601,830
Stormwater utility	1,069,796	987,529	852,611	747,234	637,061	582,331	580,543	579,494	577,141	400,035
Capital grants and contributions										
Wastewater utility	121,600	-	-	-	-	-	-	-	-	-
Stormwater utility	-	-	-	-	465,038	-	-	-	-	-
Total business-type activities program revenues	5,512,022	5,377,238	4,979,078	4,761,450	5,066,115	4,681,839	4,313,504	4,149,422	3,940,736	4,001,865
Total primary government program revenues	\$ 8,336,482	\$ 8,511,191	\$ 7,808,560	\$ 6,982,761	\$ 7,572,182	\$ 7,501,012	\$ 6,395,873	\$ 6,327,913	\$ 5,978,041	\$ 5,401,825

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

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Net (expense) revenue										
Governmental activities	\$ (8,659,370)	\$ (7,743,496)	\$ (7,941,947)	\$ (8,121,196)	\$ (7,715,779)	\$ (6,479,222)	\$ (6,654,031)	\$ (6,722,849)	\$ (6,453,546)	\$ (6,915,689)
Business-type activities	390,379	563,630	672,335	516,322	1,390,657	1,227,995	913,924	818,252	566,359	649,726
Total primary government net (expense) revenue	\$ (8,268,991)	\$ (7,179,866)	\$ (7,269,612)	\$ (7,604,874)	\$ (6,325,122)	\$ (5,251,227)	\$ (5,740,107)	\$ (5,904,597)	\$ (5,887,187)	\$ (6,265,963)
<i>General revenues and other changes in net position</i>										
Governmental activities:										
Property taxes	\$ 4,957,551	\$ 4,721,416	\$ 4,533,714	\$ 4,434,439	\$ 3,546,026	\$ 3,349,568	\$ 3,280,632	\$ 3,244,566	\$ 3,225,873	\$ 3,246,835
Local option motor fuel taxes	-	-	-	-	-	-	-	-	319,888	343,960
Utility and franchise taxes	2,528,058	2,503,275	2,505,196	2,498,499	2,461,812	2,454,174	2,385,223	2,302,715	2,064,043	1,990,307
Unrestricted intergovernmental revenues	1,859,137	1,471,997	1,408,921	1,682,505	1,482,570	2,736,562	940,785	794,366	733,430	696,767
Investment income	60,628	204,746	271,544	164,414	76,501	77,593	80,687	65,002	118,418	177,045
Contributions and donations	-	-	-	-	25,072	-	-	-	-	-
Miscellaneous revenues	61,342	50,547	72,591	55,294	39,406	34,642	70,668	121,673	72,479	52,788
Transfers	676,341	427,861	758,176	700,925	828,930	342,148	329,400	(210,604)	125,000	125,000
Total governmental activities	10,143,057	9,379,842	9,550,142	9,536,076	8,460,317	8,994,687	7,087,395	6,317,718	6,659,131	6,632,702
Business-type activities:										
Investment income	7,022	14,293	17,255	17,079	18,568	16,769	26,314	16,903	24,525	47,254
Unrestricted intergovernmental revenues	-	-	-	-	-	1,558,083	-	-	-	-
Miscellaneous revenues	149,073	-	24,082	34,700	5,401	4,770	4,688	-	-	992
Transfers	(676,341)	(427,861)	(711,096)	(700,925)	(828,930)	(342,148)	(329,400)	210,604	(125,000)	(125,000)
Total business-type activities	(520,246)	(413,568)	(669,759)	(649,146)	(804,961)	1,237,474	(298,398)	227,507	(100,475)	(76,754)
Total primary government	\$ 9,622,811	\$ 8,966,274	\$ 8,880,383	\$ 8,886,930	\$ 7,655,356	\$ 10,232,161	\$ 6,788,997	\$ 6,545,225	\$ 6,558,656	\$ 6,555,948
Change in net position:										
Government activities	\$ 1,483,687	\$ 1,636,346	\$ 1,608,195	\$ 1,414,880	\$ 744,538	\$ 2,515,465	\$ 433,364	\$ (405,131)	\$ 205,585	\$ (282,987)
Business-type activities	(129,867)	150,062	2,576	(132,824)	585,696	2,465,469	615,526	1,045,759	465,884	572,972
Total primary government change in net position	\$ 1,353,820	\$ 1,786,408	\$ 1,610,771	\$ 1,282,056	\$ 1,330,234	\$ 4,980,934	\$ 1,048,890	\$ 640,628	\$ 671,469	\$ 289,985

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

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

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

	Fiscal Year					Fiscal Year				
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Fund										
Nonspendable	\$ 849,212	\$ 1,782	\$ 4,623	\$ 3,312	\$ 115,308	\$ 96,734	\$ 105,275	\$ 124,668	\$ 12,394	\$ 11,192
Restricted	286,208	343,022	612,387	774,321	321,574	447,214	542,083	430,314	249,194	227,475
Committed	2,061,783	6,805,686	6,427,779	6,598,862	7,153,028	2,479,667	4,393,882	5,024,941	2,264,838	-
Assigned	1,996,700	1,735,350	1,206,400	1,034,776	947,650	-	-	485,543	428,837	2,901,197
Unassigned (deficit)	3,331,874	3,849,504	3,523,099	3,072,957	3,282,575	3,981,139	3,585,562	3,026,331	3,285,868	3,035,218
Total general fund	<u>\$ 8,525,777</u>	<u>\$ 12,735,344</u>	<u>\$ 11,774,288</u>	<u>\$ 11,484,228</u>	<u>\$ 11,820,135</u>	<u>\$ 7,004,754</u>	<u>\$ 8,626,802</u>	<u>\$ 9,091,797</u>	<u>\$ 6,241,131</u>	<u>\$ 6,175,082</u>
All other Governmental Funds:										
Nonspendable	\$ -	\$ -	\$ -	\$ 620	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	694,042	547,435	480,742	465,959	393,667	1,091,268	1,149,091	866,396	913,010	774,266
Committed	-	-	-	-	843	2,257	3,113	-	-	4,119
Assigned	-	-	-	-	-	-	1,998	-	-	-
Unassigned (deficit)	(874,835)	(869,103)	(859,836)	(852,161)	(1,548,847)	(466,535)	-	(189,731)	-	-
Total all other governmental funds	<u>\$ (180,793)</u>	<u>\$ (321,668)</u>	<u>\$ (379,094)</u>	<u>\$ (385,582)</u>	<u>\$ (1,154,337)</u>	<u>\$ 626,990</u>	<u>\$ 1,154,202</u>	<u>\$ 676,665</u>	<u>\$ 913,010</u>	<u>\$ 778,385</u>

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

	Fiscal Year					Fiscal Year				
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Revenues:										
Property Taxes	\$ 4,957,551	\$ 4,721,416	\$ 4,533,714	\$ 4,434,439	\$ 3,546,026	\$ 3,349,568	\$ 3,280,632	\$ 3,244,566	\$ 3,225,873	\$ 3,246,835
Local option fuel taxes	364,858	353,299	383,440	320,181	332,189	333,666	303,353	283,621	319,888	343,960
Utility and franchise taxes	2,488,732	2,408,107	2,432,396	2,433,499	2,384,812	2,385,437	2,327,660	2,242,170	2,005,288	1,926,356
Intergovernmental	2,950,205	2,275,583	2,062,390	1,903,580	2,128,985	2,911,743	1,107,604	1,237,160	968,271	840,488
Licenses and permits	344,363	330,810	594,184	401,431	301,520	218,773	324,649	214,674	240,605	187,851
Charges for services	1,332,217	1,339,726	1,286,197	1,238,322	1,195,654	1,184,568	1,187,150	1,178,777	1,177,491	1,052,443
Fines and forfeitures	42,651	43,156	218,722	6,990	14,565	29,690	80,412	84,173	68,477	32,810
Impact fees	415,582	821,634	540	2,160	25,978	556,989	16,046	-	-	-
Investment earnings	60,628	204,746	271,544	164,414	76,501	77,593	80,687	65,002	118,418	177,045
Contributions and donations	-	-	-	-	25,072	-	-	-	2,286	11,722
Miscellaneous	110,795	172,863	307,120	151,446	105,477	86,301	129,237	174,520	107,101	88,152
Total revenues	13,067,582	12,671,340	12,090,247	11,056,462	10,136,779	11,134,328	8,837,430	8,724,663	8,233,698	7,907,662
Expenditures:										
Current:										
General government	1,821,635	1,547,803	1,579,128	1,457,158	1,201,347	1,718,241	1,497,117	1,137,376	1,158,745	1,075,806
Community Development*	810,667	607,291	612,709	414,414	399,564	-	-	-	-	-
Public safety	5,310,281	5,122,642	4,932,439	4,659,316	4,582,436	4,547,434	4,270,231	4,686,563	4,536,967	4,443,899
Transportation	-	-	-	-	-	714,108	734,258	708,679	650,836	731,492
Physical environment	-	-	-	-	-	1,059,367	1,039,747	971,376	958,346	886,445
Infrastructure Maintenance*	2,198,718	2,330,198	2,326,371	2,085,620	2,627,268	-	-	-	-	-
Culture/recreation	527,986	565,214	597,242	554,635	537,003	529,267	468,430	629,639	505,509	505,436
Community Redevelopment	1,626	7,695	16,879	2,508	102,732	-	-	-	-	-
Capital outlay	5,850,431	608,294	1,148,599	856,195	4,077,012	8,933,674	3,678,426	5,089,128	386,968	741,895
Debt service:										
Principal	1,165,000	1,142,000	1,119,000	1,096,000	521,000	511,000	509,000	-	-	-
Interest	126,271	149,582	172,428	198,693	83,968	94,236	104,385	47,124	-	-
Total expenditures	17,812,615	12,080,719	12,504,795	11,324,539	14,132,330	18,107,327	12,301,594	13,269,885	8,197,371	8,384,973
Excess of revenues over (under) expenditures	(4,745,033)	590,621	(414,548)	(268,077)	(3,995,551)	(6,972,999)	(3,464,164)	(4,545,222)	36,327	(477,311)
Other financing sources (uses):										
Proceeds from sale of assets	-	-	-	-	675	4,110	12,567	99,119	39,347	114,689
Transfers In	6,147,612	1,472,905	1,484,187	2,516,822	2,708,179	6,979,075	4,467,764	5,435,060	353,120	125,000
Transfers Out	(5,471,271)	(1,045,044)	(773,091)	(1,815,897)	(1,879,249)	(2,159,446)	(1,003,625)	(3,874,636)	(228,120)	-
Issuance of long term debt	-	-	-	-	6,200,000	-	-	5,500,000	-	-
Total other financing sources (uses)	676,341	427,861	711,096	700,925	7,029,605	4,823,739	3,476,706	7,159,543	164,347	239,689
Net change in fund balances	\$ (4,068,692)	\$ 1,018,482	\$ 296,548	\$ 432,848	\$ 3,034,054	\$ (2,149,260)	\$ 12,542	\$ 2,614,321	\$ 200,674	\$ (237,622)

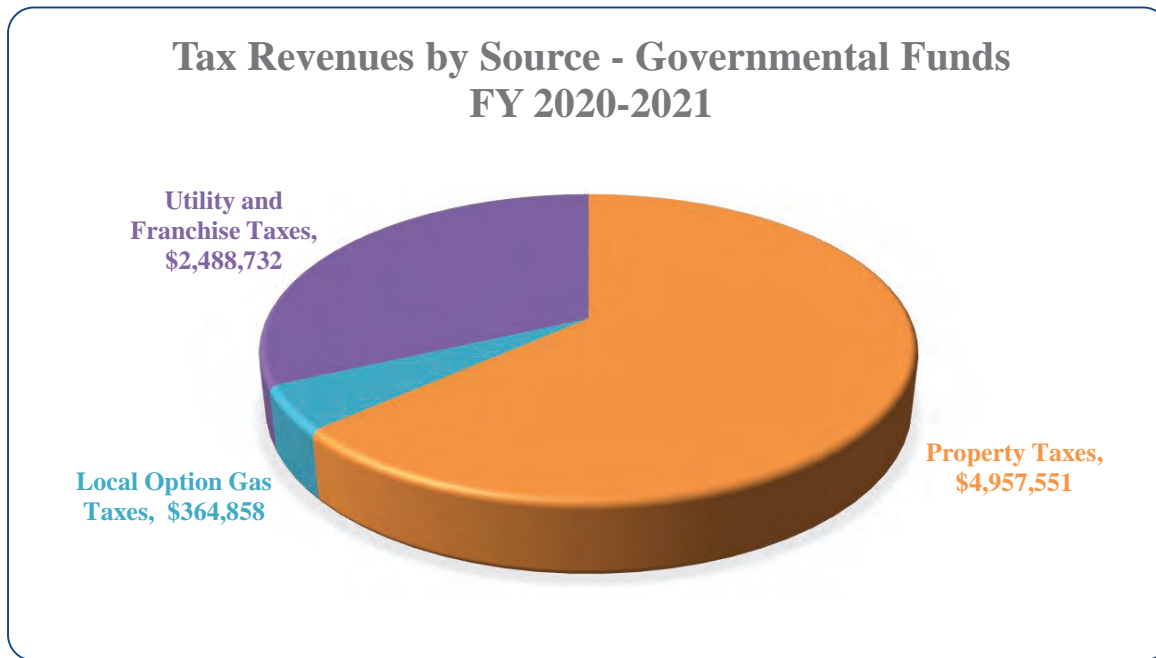
* New break down to reflect auditors records in order to show Infrastructure Maintenance and Community Redevelopment totals separated.

Debt Service as a Percentage of Noncapital Expenditures

10.79%	11.26%	11.37%	12.37%	6.02%	6.60%	7.11%	0.58%	0.00%	0.00%
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**Tax Revenues by Source of Governmental Funds
Last Ten Fiscal Years**

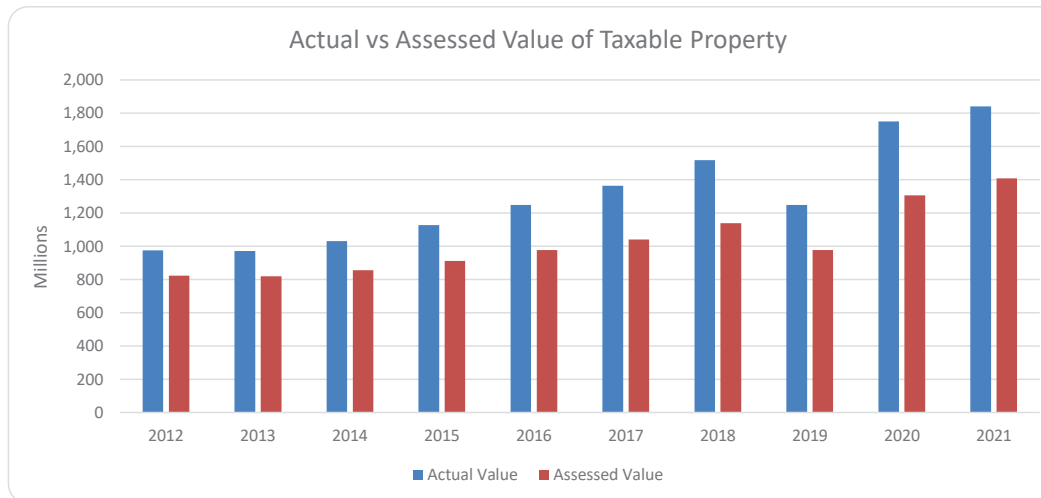
Fiscal Year Ending September 30	Property Taxes	Local Option Gas Taxes	Utility and Franchise Taxes	Total
2021	\$ 4,957,551	\$ 364,858	\$ 2,488,732	\$ 7,811,141
2020	\$ 4,721,416	\$ 353,299	\$ 2,408,107	\$ 7,482,822
2019	\$ 4,464,086	\$ 383,440	\$ 2,432,396	\$ 7,279,922
2018	\$ 4,364,351	\$ 320,181	\$ 2,433,499	\$ 7,118,031
2017	\$ 3,482,123	\$ 332,189	\$ 2,384,812	\$ 6,199,124
2016	\$ 3,349,568	\$ 333,666	\$ 2,385,437	\$ 6,068,671
2015	\$ 3,280,632	\$ 303,353	\$ 2,327,660	\$ 5,911,645
2014	\$ 3,244,566	\$ 283,621	\$ 2,242,170	\$ 5,770,357
2013	\$ 3,225,873	\$ 319,888	\$ 2,005,288	\$ 5,551,049
2012	\$ 3,246,835	\$ 343,960	\$ 1,926,356	\$ 5,517,151



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

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

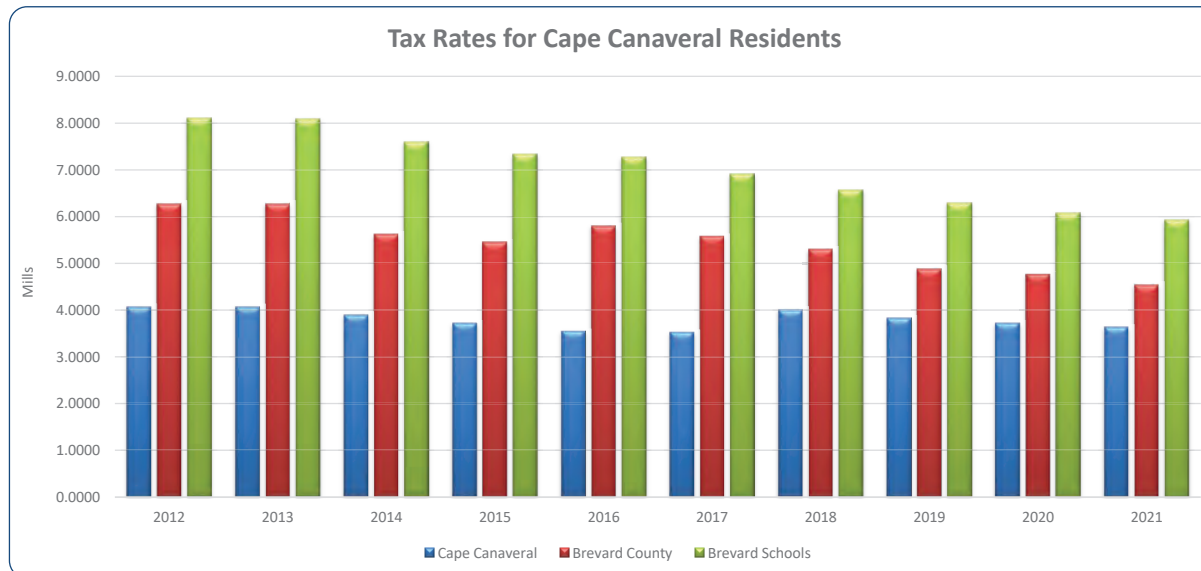
Fiscal Year Ending Sept. 30	Real Property	Personal Property	Estimated Actual Value	Exemptions Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Assessed Value as a Percentage of Actual Value
2021	\$ 1,791,942,050	49,513,346	1,841,455,396	184,750,326	1,408,437,260	3.6396	76.5%
2020	\$ 1,700,785,860	48,681,522	1,749,467,382	178,290,148	1,306,681,294	3.7256	74.7%
2019	1,588,082,910	49,267,823	1,637,350,733	163,019,002	1,227,595,411	3.8288	75.0%
2018	1,471,785,620	45,960,609	1,517,746,229	155,035,175	1,139,320,084	4.0190	75.1%
2017	1,319,311,200	43,765,742	1,363,076,942	148,346,260	1,039,685,602	3.5235	76.3%
2016	1,210,304,710	37,596,222	1,247,900,932	139,827,608	976,475,444	3.5432	78.2%
2015	1,089,004,140	37,779,795	1,126,783,935	136,211,297	911,269,988	3.7246	80.9%
2014	997,910,830	32,828,416	1,030,739,246	134,809,299	854,722,277	3.9102	82.9%
2013	941,481,580	29,345,431	970,827,011	133,952,078	819,560,573	4.0739	84.4%
2012	946,202,570	28,849,632	975,052,202	135,604,108	822,683,104	4.0739	84.4%



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

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

Fiscal Year	Mills (per \$1,000 of assessed valuation)							
	Cape Canaveral (1)					Brevard	Brevard School	Total Direct & Overlapping Rates
	Library	Police	Fire	Beautification	Total	County & Other	District	
2021	0.0518			3.5878	3.6396	4.5528	5.9420	14.1344
2020	0.0556			3.6700	3.7256	4.7599	6.0860	14.5715
2019	0.0588			3.7700***	3.8288	4.8938	6.2990	15.0216
2018	0.0635			3.9555***	4.0190	5.3069	6.5680	15.8939
2017	0.0635			3.4600***	3.5235	5.5753	6.9160	16.0148
2016	0.0635			3.4797***	3.5432	5.8035	7.2750	16.6217
2015	0.0666			3.6580***	3.7246	5.4589	7.3390	16.5225
2014	0.0709	1.9187	1.4390	0.4816	3.9102	5.6254	7.6060	17.1416
2013	0.0739	2.0000	1.5000	0.5000	4.0739	6.2857	8.0960	18.4556
2012	0.0739	2.0000	1.5000	0.5000	4.0739	6.2857	8.1120	18.4716



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

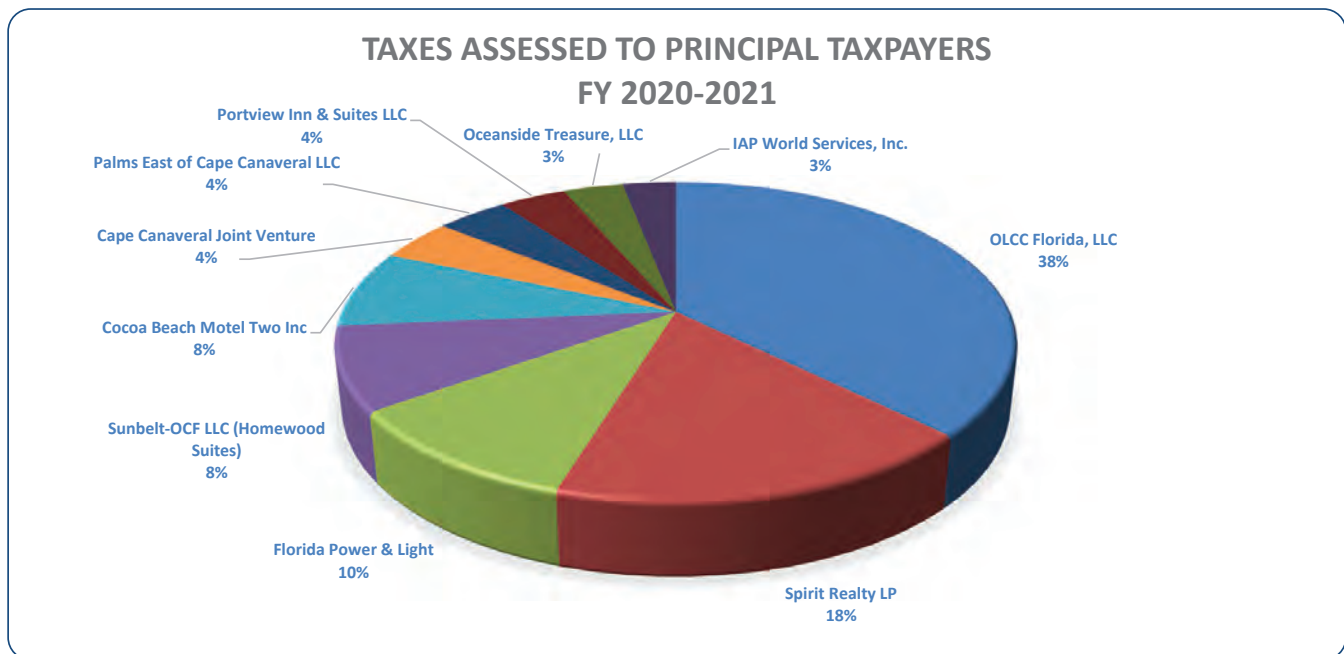
Source:

(1) Millage Rate includes General Fund and Library Fund

(2) Brevard County Property Appraiser DR-403BM & DR-403CC

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

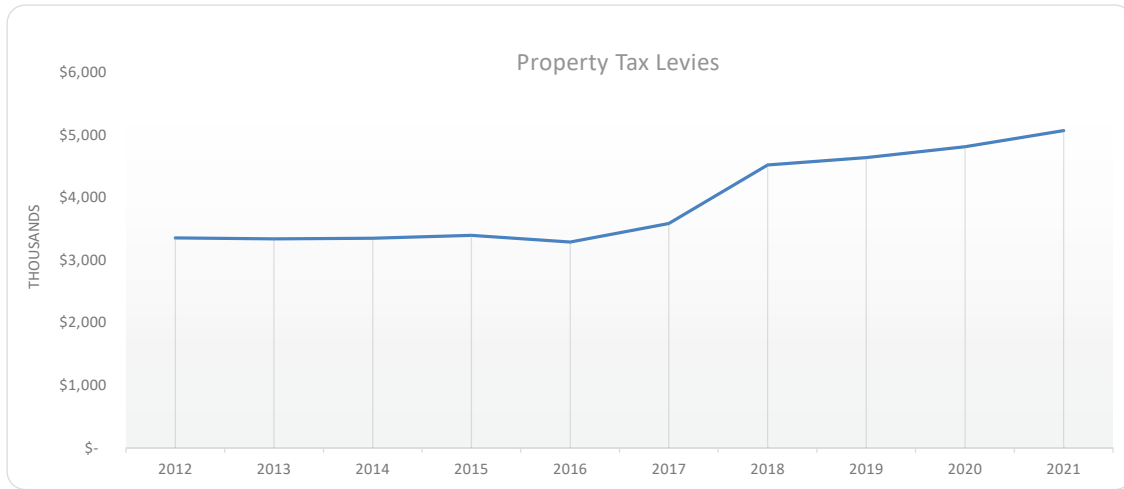
Taxpayer	Product/Service	Year Ended September 30, 2021			Year Ended September 30, 2012		
		Tax Assessed	Rank	Percent of Total City Taxable Value	Tax Assessed	Rank	Percent of Total City Taxable Value
OLCC Florida, LLC (Holiday Inn Vacation)	Time Share Dvlpmnt	\$ 223,174.69	1	4.42%			
Spirirt Realty LP	Real Estate	103,954.24	2	2.06%			
Florida Power & Light	Utility	62,075.92	3	1.23%			
Sunbelt-OCF LLC (Homewood Suites)	Hotel	50,358.36	4	1.00%			
Cocoa Beach Motel Two Inc	Hotel	46,934.60	5	0.93%	138,537	2	2.70%
Cape Canaveral Joint Venture	N/A	25,464.91	6	0.50%	93,282	4	1.82%
Palms East of Cape Canaveral LLC	Rental Property	24,354.35	7	0.48%	64,651	8	1.26%
Portview Inn & Suites LLC	Hotel	22,587.46	8	0.45%	66,498	7	1.30%
Oceanside Treasure, LLC	Condominium	20,295.29	9	0.40%			
IAP World Services, Inc.	Security Contractor	18,146.37	10	0.36%			
Cape Caribe	Time Share Dvlpmnt				956,549	1	18.64%
Puerto Del Rio, LLC.	Condominium				99,884	3	1.95%
Bayport, LLC	Real Estate Dvlpmnt				68,166	5	1.33%
Transmontaigne Terminals LLC	N/A				67,284	6	1.31%
A1A Acquisition Group Ltd. LLP	N/A				60,956	9	1.19%
Canaveral Properties	N/A				56,891	10	1.11%
Total Taxes Assessed		\$ 597,346		11.83%	\$1,672,698		32.61%



Source: Brevard County Tax Collector

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

Fiscal Year	Current Year Collections			Total Collections to Date		
	Amount Levied	Amount Collected	Percentage of Levy	Delinquent Tax Collections (1)	Total Amount Collected	Percentage of Levy
2021	\$ 5,068,154	\$ 4,889,888	96.48%	\$ 49,059	\$ 4,938,947	97%
2020	4,807,848	4,642,024	96.55%	56,479	4,698,503	98%
2019	4,635,991	4,467,439	96.36%	41,614	4,509,053	97%
2018	4,518,710	4,448,749	98.45%	34,723	4,483,472	99%
2017	3,583,769	3,582,073	99.95%	42,618	3,624,691	101%
2016	3,286,001	3,285,438	99.98%	64,129	3,349,567	102%
2015	3,393,383	3,280,632	96.68%	50,621	3,331,253	98%
2014	3,344,618	3,244,566	97.01%	65,851	3,310,417	99%
2013	3,338,808	3,175,256	95.10%	116,468	3,291,724	99%
2012	3,350,872	3,184,597	95.04%	89,352	3,273,949	98%



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

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

Fiscal Year	Governmental Activities		Business-Type Activities		Total	Total Personal Income (a)	Percentage of Personal Income	Per Capita ^(b)
	Revenue Note Payable	Capital Leases	State Revolving Loans					
2021	\$ 5,637,000	\$ -	\$ 9,266,295	\$ 14,903,295	325,330,653	4.58%	1,496	
2020	6,802,000	-	8,392,092	15,194,092	446,660,638	3.40%	1,469	
2019	7,944,000	-	8,413,099	16,357,099	446,876,276	3.66%	1,597	
2018	9,063,000	-	7,012,461	16,075,461	434,402,052	3.70%	1,572	
2017	10,159,000	-	5,266,711	15,425,711	445,002,064	3.47%	1,510	
2016	4,480,000	-	4,107,608	8,587,608	399,564,620	2.15%	832	
2015	4,991,000	-	2,245,786	7,096,069	340,791,737	2.08%	706	
2014	5,500,000	-	1,423,228	6,302,051	346,961,640	1.82%	629	
2013	-	-	2,020,187	2,020,187	351,582,346	0.57%	202	
2012	-	-	2,268,987	1,684,340	350,070,168	0.48%	170	

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

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

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

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

Fiscal Year	Population (a)	Assessed Value (b)	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed	Net Bonded Debt Per Capita
2021	9,959	1,408,437,260	-	0.00%	0.00
2020	10,342	1,306,681,294	-	0.00%	0.00
2019	10,241	1,227,415,621	-	0.00%	0.00
2018	10,227	1,138,556,594	-	0.00%	0.00
2017	10,218	1,039,685,602	-	0.00%	0.00
2016	10,322	976,221,712	-	0.00%	0.00
2015	10,049	911,269,988	-	0.00%	0.00
2014	10,022	854,722,277	-	0.00%	0.00
2013	9,987	819,560,573	-	0.00%	0.00
2012	9,926	822,683,104	-	0.00%	0.00

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

**Direct and Overlapping Governmental Activities Debt
September 30, 2021**

Governmental Unit	Debt Outstanding (1)	Applicable Percentage (2)	City's Estimated Share of Direct and Overlapping Debt
Brevard County	\$ 30,652,180	1.61%	\$ 494,964
City of Cape Canaveral Direct Debt (Governmental Activities)			
Revenue Note			5,637,000
Total Direct and Overlapping Debt			\$ 6,131,964

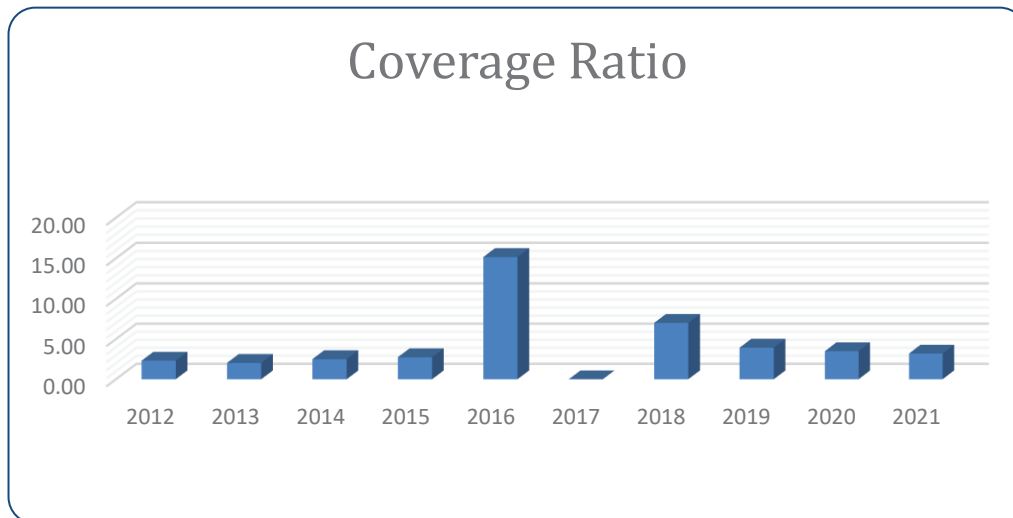
Source:

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

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

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

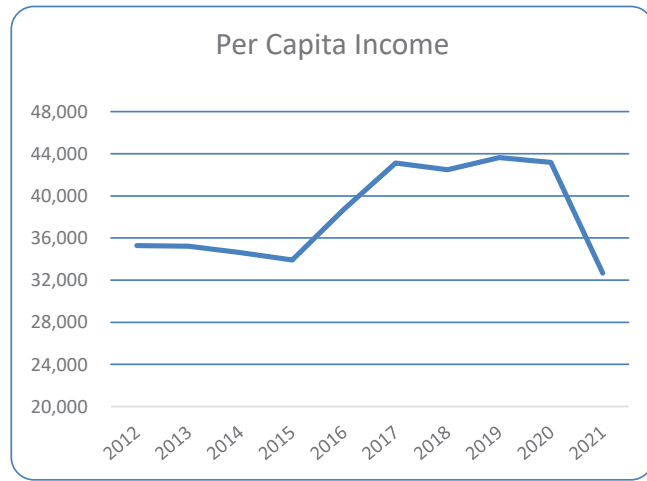
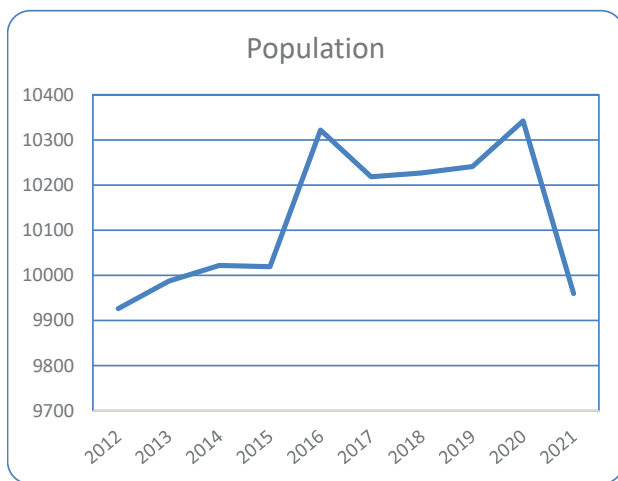
Fiscal Year	Debt Coverage Revenues (a)	Debt Service Requirements (b)	Debt Service Coverage (c)	Direct Operating Expenses (Excluding Depreciation) (d)	Operating Coverage (e)
2021	\$ 4,320,626	\$ 536,900	8.05	\$ 2,603,525	3.20
2020	4,389,709	536,900	8.18	2,511,964	3.50
2019	4,126,497	513,080	8.04	2,106,963	3.94
2018	4,014,216	251,981	15.93	2,246,030	7.02
2017	3,964,016	-	N/A	2,031,279	N/A
2016	4,099,508	144,927	28.29	1,903,323	15.15
2015	3,732,961	649,383	5.75	1,952,830	2.74
2014	3,569,928	649,383	5.50	1,946,033	2.50
2013	3,363,595	649,383	5.18	2,040,297	2.04
2012	3,602,765	649,383	5.55	2,101,172	2.31



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

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

Fiscal Year	Population (a)	Median Age (a)	Unemployment Rate (a)	Per Capita Personal Income (a)	Median Household Income (a)	School Enrollment (b)
2021	9,959	47.2	3.4%	\$ 32,667	\$ 57,305	380
2020	10,342	54.5	6.7%	43,189	54,653	360
2019	10,241	54.5	2.1%	43,636	47,612	380
2018	10,227	54.3	3.0%	42,476	47,610	394
2017	10,218	54.1	4.8%	43,112	50,032	385
2016	10,322	53.7	5.5%	38,710	44,768	427
2015	10,019	53.6	6.0%	33,913	41,222	369
2014	10,022	52.5	6.4%	34,620	45,577	369
2013	9,987	48.3	7.9%	35,204	43,881	368
2012	9,926	48.3	9.9%	35,268	46,060	375



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

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

Employer	2021				2012		
	# Employees	Rank	% of Total County Employment		# Employees	Rank	% of Total County Employment
School Board of Brevard County	9,000	1	4.18%	4.64%	9,400	2	3.65%
Health First Medical Group LLC	8,000	2	3.71%	4.18%	9,700	1	2.54%
Harris Corporation	7,000	3	3.25%	3.71%	5,500	3	2.45%
Northrop Grumman Corporation	3,000	4	1.39%	1.86%	1,300	10	2.45%
Brevard County	2,000	5	0.93%	1.39%	2,400	4	0.95%
Department of Defense	2,000	6	0.93%	1.39%	2,100	5	0.90%
Florida Institute of Technology	1,000	7	0.46%	0.93%			
Space Command	1,000	8	0.46%	0.93%	2,100	6	0.88%
Lockheed Martin Corp	1,000	9	0.46%	0.93%			
Eastern Florida State College	1,000	10	0.46%	0.93%			
United Space Alliance					1,500	7	0.63%
Brevard Community College					1,500	8	0.60%
Rockwell Collins Inc					1,500	9	1.53%
Total	35,000	44,990	16.23%	20.89%	37,000		16.58%

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

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

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Function/program										
General Government:										
Executive/Administration	7.00	6.00	5.50	5.00	5.00	5.00	5.00	5.00	5.00	4.00
Finance	5.50	5.50	5.00	5.00	5.00	4.00	4.00	4.00	3.50	3.00
Building Department	3.80	3.80	6.80	5.80	5.80	5.50	6.00	6.00	5.00	5.00
Community Affairs	1.00	1.00	-	-	-	-	-	-	-	-
Cultural Affairs	1.00	1.00	-	-	-	-	-	-	-	-
Recreation	7.40	6.40	7.40	7.06	7.06	6.40	7.00	8.00	7.00	7.00
Infrastructure Maintenance Dept.	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	6.00	6.00
Economic Development	0.00	1.00	1.00	1.00	1.00	1.00	-	-	-	-
Community Dev/Code Enforcement	7.00	4.00	2.00	1.00	1.00	-	-	-	-	-
Public Safety:										
Crossing Guards	1.00	1.00	1.00	1.00	1.00	1.00	1.50	1.50	1.50	1.50
Code Enforcement		3.00	2.53	2.00	2.00	2.00	2.00	2.00	2.00	1.00
Public Works:										
Wastewater Treatment Plant	14.40	14.40	14.54	13.19	12.19	17.00	15.00	17.00	18.00	18.00
Stormwater	1.00	1.00	1.00	1.00	1.00	1.00	1.00	2.00	1.00	1.00
Totals	56.10	55.10	53.77	49.05	48.05	49.90	48.50	52.50	49.00	46.50

Source: City of Cape Canaveral, Florida's Budget

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

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

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

<u>Function</u>	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General government										
Building permits issued	1,709	1,737	1,729	2,008	1,422	1,184	1,177	935	1,080	836
Building inspections conducted	3,004	2,914	4,392	3,918	2,609	1,848	1,995	1,773	1,773	1,342
Police										
Physical arrests	722	705	1,017	1,109	1,167	996	943	625	511	832
Parking violations (includes warnings)	203	445	417	304	108	102	189	317	142	287
Traffic violations (includes warnings)	3,118	3,771	4,706	3,682	1,271	2,558	561	798	852	864
Fire										
Emergency responses	2,421	2,736	2,649	2,825	1,966	2,730	1,845	1,581	1,676	1,567
Fires extinguished	32	50	40	60	23	47	31	61	25	70
Inspections	1,333	1,107	1,828	2,128	1,887	1,613	1,436	1,543	1,658	1,505
Public works										
Streets resurfacing (feet)			1,050							
Potholes repaired	7	16	24	20	28	14	12	12	30	12
Water/Sewer										
Accounts	2,850	2,890	2,880	2,898	2,893	2,752	2,837	2,723	2,718	2,705
Water main breaks	8	4	1	2	2	2	6	6	-	-
Average monthly useage	27,029	26,984	28,556	31,496	35,997	11,487	11,632	10,899	10,993	27,395
Wastewater										
Average daily wastewater treatment	1,119,000	1,141,000	1,144,000	1,300,000	1,300,000	1,300,000	1,100,000	1,096,000	1,096,000	1,096,000

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

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

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

Function	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Substations	-	-	-	-	-	-	-	-	-	-
Patrol units (sworn)	25.5	25.5	25.5	24.5	23.5	23	23.5	22	28	28
Fire										
Stations	1	1	1	1	1	1	1	1	1	1
Public works										
Streets (lane miles)	21.8	21.8	21.8	21.8	21.8	21.8	22	16	16	16
Streetlights	636	636	663	679	677	645	645	645	645	622
Recreation and Culture										
Parks	11	10	8	8	8	8	8	8	8	8
Parks - acres	27.24	26.99	26.99	26.99	26.99	26.99	26.99	26.99	26.99	26.99
Playgrounds	4	4	4	4	4	4	4	4	4	4
Tennis courts	5	5	5	5	5	5	5	5	5	5
Baseball/softball diamonds	2	2	2	2	2	2	2	2	2	2
Soccer/football fields	1	1	1	1	1	1	1	1	1	1
City centers	1	1	1	1	1	1	1	1	1	1
Racquetball courts	4	4	4	4	4	4	4	4	4	4
Water										
Water mains (miles)	48.2	48.2	48.2	48.2	48.2	48.2	48	48	48	48
Fire hydrants	254	254	254	254	254	254	214	214	214	214
Storage capacity (thousands of gallons)	None	None	None	None	None	None	None	None	None	None
Wastewater										
Sanitary sewers (miles)	16.8	16.8	16.8	16.8	16.8	16.8	16.8	16.6	16.6	16.6
Treatment capacity (thousands of gallons)	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000

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

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

**Water/Wastewater Distribution and Consumption - Unaudited
Fiscal Year 2021**

Water & Wastewater Distribution & Consumption

Number of Accounts	2,850
Total Meters Billed	2,850
Residential Meters (3/4")	2,176
Non-residential Meters	674
Average Monthly Useage (thousands of gallons)	27,029
Average Consumption per meter (thousands of gallons)	9.48
Average Monthly Wastewater Collection (thousands of dollars)	\$135,823

Source: (a) City of Cocoa Wastewater Consumption Analysis for FY20/21
(b) City of Cape Canaveral Sewer Rates for FY20/21

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

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

Fiscal Year	Water		Wastewater	
	Monthly Base	Rate per 1,000	Monthly Base	Rate per 1,000
	Rate	Gallons	Rate	Gallons
2021	\$ 16.28	\$ 3.76	\$ 19.15	\$ 6.25
2020	18.08	3.76	20.89	6.09
2019	17.23	3.59	20.37	5.94
2018	16.40	3.41	19.86	5.79
2017	15.77	3.28	19.35	5.64
2016	15.32	3.28	19.35	5.64
2015	14.59	3.04	18.43	5.37
2014	14.59	3.04	17.54	5.11
2013	13.89	3.01	16.70	4.86
2012	13.23	2.89	15.82	4.60

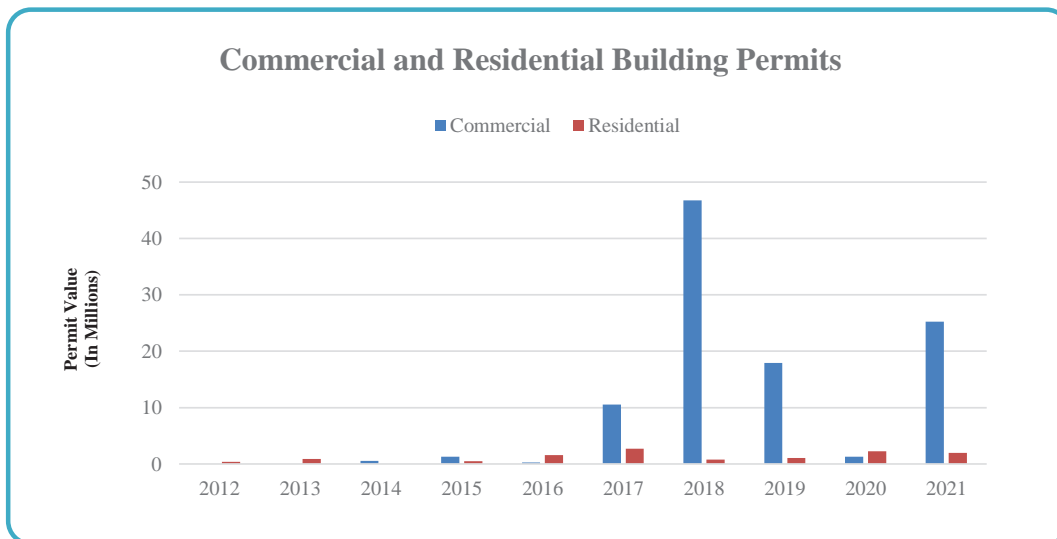
Note: Rates are based on 3/4" meter, the standard household meter size.

Source: City of Cocoa

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

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

Fiscal Year	Commercial Construction (a)		Residential Construction (a)		(b) Brevard County Real and Personal Property Taxable Value	(c) Bank Deposits (in thousands)
	# of Units	Value	# of Units	Value	Value	
2021	2	\$ 25,221,923	8	\$ 1,949,828	\$ 43,803,487,825	N/A
2020	3	1,269,000	7	2,266,187	40,742,328,549	N/A
2019	1	17,937,796	3	1,068,250	37,698,498,609	N/A
2018	5	46,771,274	3	755,368	34,564,221,486	N/A
2017	6	10,543,928	8	2,678,393	31,906,507,569	N/A
2016	2	280,025	5	1,594,464	29,684,313,125	N/A
2015	1	1,299,738	31	466,392	27,990,267,285	N/A
2014	1	557,455	-	-	25,745,155,761	N/A
2013	0	-	4	877,749	24,626,876,502	N/A
2012	0	-	2	401,774	24,922,195,924	N/A



Data source:

- (a) City of Cape Canaveral Building Department
- (b) Brevard County Property Appraiser - Form 403V

**Miscellaneous Statistics - Unaudited
September 30, 2021**

Date of Incorporation	May 16, 1963
Form of Government	Council - Manager
Area/Square Miles	1.9 sq. miles
Miles of Streets:	
Paved	21.8 miles
Unpaved	.2 miles
Street Lights	636
Fire Protection:	
Number of Stations	1
Number of Firefighters (volunteer)	11
Number of Firefighters (paid)	36
Police Protection:	
Number of Stations	1
Number of Personnel	33.5
Number of Patrol Units (sworn)	25.5
Recreation:	
Parks - acres	27.24
Number of special use facilities	2
Number of neighborhood parks	11
Undeveloped land, dedicated for recreation use (acres)	7.63
Wastewater	
Gravity Sewer mains	16.8 miles
Force mains	2.8 miles
Storm sewers	9.5 miles
Reclaim lines	14 miles
Number of reuse accounts	696
Number of accounts (wastewater)	2850
Schools:	
Elementary	1
Building Permits Issued	1,709
Number of City Employees (excluding police officers and firefighters)	56.1

Single Audit and Other Reports

CITY OF CAPE CANAVERAL, FLORIDA
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2021

<u>State Grantor/ Pass- Through Grantor/Program Title</u>	<u>CSFA Number</u>	<u>Contract / Grant Number</u>	<u>Expenditures</u>
STATE FINANCIAL ASSISTANCE			
<u>State of Florida Department of Environmental Protection</u>			
Direct Programs:			
Wastewater Treatment Facility Construction	37.077	WW050530	\$ 43,531
Wastewater Treatment Facility Construction	37.077	WW050531	106,339
Wastewater Treatment Facility Construction	37.077	WW050540	780,140
Wastewater Treatment Facility Construction	37.077	WW050550	159,276
Wastewater Treatment Facility Construction	37.077	WW050560	1,548
Wastewater Treatment Facility Construction	37.077	WW050570	8,865
Total Wastewater Treatment Facility Construction			1,099,699
Water Management Districts - Land Acquisition and Improvement	37.039	LPA0096	121,600
Total State Financial Assistance			\$ 1,221,299

The accompanying notes to the schedule of expenditures of state financial assistance are an integral part of this schedule.

**CITY OF CAPE CANAVERAL, FLORIDA
NOTES TO SCHEDULE OF EXPENDITURES OF
STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

(1) **Basis of Presentation:**

The accompanying Schedule of Expenditures of State Financial Assistance includes the state financial assistance activity of City of Cape Canaveral, Florida. The information in this schedule is presented in accordance with the requirements of Section 215.97, Florida Statutes, *Florida Single Audit Act*. Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

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

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles contained in the cost principles contained in Section 215, Florida Statutes, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(3) **Contingency:**

Project expenditures are subject to audit and adjustment. If any expenditures were to be disallowed by the grantor agency as a result of such an audit, any claim for reimbursement to the grantor agency would become a liability of the City. In the opinion of management, all project expenditures included on the accompanying schedule are in compliance with the terms of the project agreements and applicable federal and state laws and regulations.



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH STATE PROJECT
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH
CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

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

Report on Compliance for Each Major State Project

We have audited City of Cape Canaveral, Florida's (the City) compliance with the types of compliance requirements described in the *Florida Department of Financial Services State Project Compliance Supplement* that could have a direct and material effect on each of the City's major state projects for the year ended September 30, 2021. The City's major state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major state projects 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; and Chapter 10.550, Rules of the Florida Auditor General. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state project occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major State Project

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state projects for the year ended September 30, 2021.


Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to state projects. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major state project to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with Chapter 10.550, Rules of the Florida Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of internal control over compliance.

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

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

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

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

Daytona Beach, Florida
February 4, 2022



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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Cape Canaveral, Florida, (the City) as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated February 4, 2022.

Internal Control over Financial Reporting

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

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

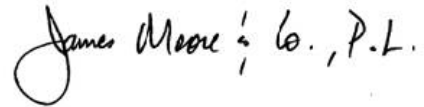
Our consideration of internal control over financial reporting (internal control) was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore,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

Compliance and Other Matters

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

Purpose of this Report

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

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

Daytona Beach, Florida
February 4, 2022



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

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

Report on the Financial Statements

We have audited the financial statements of the City of Cape Canaveral, Florida (the City), as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated February 4, 2022.

Auditors' Responsibility

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

Other Reports Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Examination Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Florida Auditor General. Disclosures in those reports and schedule, which are dated February 4, 2022, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

Financial Condition

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

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

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we any recommendations to improve financial management. In connection with our audit, we had the following recommendations:

2021-001 Impact Fee Accounting

Impact Fee Accounting: At year-end, the City’s impact fees were not being recorded in a separate fund. In fiscal year 2021, the State of Florida adopted a bill modifying Section 163.31801 (4b), Florida Statutes, which require impact fees be recorded in a separate accounting fund. We recommend the City transition its impact fees to a separate fund in fiscal year 2022 and in the fiscal year 2023 budget process.

Special District Component Units

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

Specific Special District Information – City of Cape Canaveral Community Redevelopment Agency

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

Specific Special District Information – Cape Canaveral Free Public Library

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

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

- a) The total number of district employees compensated in the last pay period of the district’s fiscal year: -0-.
- b) The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district’s fiscal year: -0-.
- c) All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency: \$-0-.
- d) All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency: \$-0-.
- e) Each construction project with a total cost of at least \$65,000 approved by the district that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as:
 - a. No such projects noted.
- f) A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under

Section 189.016(6), Florida Statutes, as follows: there were no amendments between the original and final total district expenditure budget.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7, Rules of the Auditor General, the Cape Canaveral Free Public Library reported the following unaudited data:

- a) The millage rate or rates imposed by the district: 0.0518.
- b) The total amount of ad valorem taxes collected by or on behalf of the district: \$70,693.
- c) The total amount of outstanding bonds issued by the district and the terms of such bonds: \$-0-.

Additional Matters

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

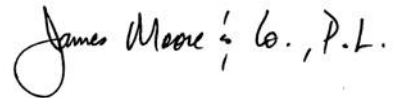
City's Response to Recommendations

The City's responses to the recommendations identified in our audit are described in the management's response as listed in the table of contents. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Letter

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

Daytona Beach, Florida
February 4, 2022





INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT

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

We have examined the City of Cape Canaveral, Florida's (the City) compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2021. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Authority complied with Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2021, in all material respects. An examination involves performing procedures to obtain evidence about the Authority's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of risks of material noncompliance with those requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, the City of Cape Canaveral, Florida complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2021.

Daytona Beach, Florida
February 4, 2022

A handwritten signature in black ink that reads 'James Moore & Co., P.L.' The signature is written in a cursive, flowing style.

IMPACT FEE AFFIDAVIT

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

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

FURTHER AFFIANT SAYETH NAUGHT.



 John DeLeo, City of Cape Canaveral

STATE OF FLORIDA
COUNTY OF Brevard County

SWORN TO AND SUBSCRIBED before me by physical presence this 29th day of November, 2021.



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



 NOTARY PUBLIC
 Print Name DANIEL LEFEVER

Personally known or produced identification _____

Type of identification produced: _____

My Commission Expires:

6/24/2024



CITY OF CAPE CANAVERAL

P.O. Box 326 • 100 Polk Avenue • Cape Canaveral, FL 32920-0326
(321) 868-1220 www.cityofcapecanaveral.org

MANAGEMENT'S RESPONSE TO CURRENT YEAR FINDINGS

2021-001 Impact Fee Accounting – The Financial Services Department concurs with the comment and intends to split impact fees into a separate accounting fund during fiscal year 2022. The Administrative/Financial Services Director, John DeLeo, will ensure this action is taken.