

# City of Cape Canaveral

*Annual Comprehensive Financial Report*



**WITH REPORT ON COMPLIANCE MATTERS**

*Fiscal Year Ended September 30, 2023*

**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT**

**CITY OF CAPE CANAVERAL, FLORIDA**

**FISCAL YEAR ENDED SEPTEMBER 30, 2023**

Prepared By:  
City of Cape Canaveral Finance Department

**CITY OF CAPE CANAVERAL, FLORIDA  
TABLE OF CONTENTS  
SEPTEMBER 30, 2023**

	<u>Page Number(s)</u>
<b>INTRODUCTORY SECTION</b>	
List of Principal Officials	2
Letter of Transmittal	4 - 14
Organizational Chart	16
Certificate of Achievement for Excellence in Financial Reporting	17
 <b>FINANCIAL SECTION</b>	
<b>Independent Auditors' Report</b>	20 – 22
<b>Management's Discussion and Analysis</b>	24 – 37
<b>Basic Financial Statements</b>	
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
 <b>Combining and Individual Fund Statements and Schedules</b>	
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, 2023**  
(Continued)

	<u>Page Number(s)</u>
<b>STATISTICAL SECTION</b>	
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
<b>SINGLE AUDIT AND OTHER REPORTS</b>	
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 – 110
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>	111 – 112
Independent Auditors’ Management Letter Required by Chapter 10.550, Rules of the State of Florida Office of the Auditor General	113 – 115
Independent Accountants’ Examination Report	116
Impact Fee Affidavit	117
Management’s Response to Findings	118

## **Introductory Section**

**City of Cape Canaveral, Florida**

Annual Comprehensive Financial Report

Fiscal Year Ended September 30, 2023



**City Council**

Honorable Wes Morrison, Mayor

Mickie Kellum, Mayor Pro Tem

Kim Davis

Kay Jackson

Don Willis

**City Manager**

Todd Morley

**City Attorney**

Anthony Garganese

**Administrative + Financial Services Director**

John DeLeo

## **Letter of Transmittal**



# CITY OF CAPE CANAVERAL

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

February 8, 2024

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

Dear Mayor, Members of City Council, and Citizens of the City of Cape Canaveral:

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, 2023. It fulfills the requirements set forth pursuant to Florida Statutes Section 218.39 and Chapter 10.550 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, 2023 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, 2023 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 9,980 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 is provided in this Report for each governmental fund for which an appropriated annual budget has been adopted.

## **ECONOMIC CONDITION AND OUTLOOK**

With Inflation continuing to impact the City as whole, it will be imperative to manage our resources and financial decisions more closely. Inflation is directly affecting the execution of the City's Capital Projects with increases in materials and labor costs resulting in up to 35% for some projects. Although most sectors of the economy are experiencing growth, the City will be required to prioritize its needs and limit expenditures. Brevard County's unemployment rate has increased slightly to 3.0% for 2023 up from 2.6% the previous year. Job growth is expected to go up 2.0% from last year, according to University of Central Florida's Metro Forecast. Although the real estate market is still strong, single-family home sales are down 7.9% from last year. The median price for a single-family home increased less than a percent from \$362,540 this time last year, to \$364,995 this year according to Spacecoast Daily.com

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 2023 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), Florida Department of Environmental protection (DEP) grants, American Rescue Plan Act (ARPA) Funds, and a State Revolving Fund (SRF) loan from the FDEP.

### ***Wastewater System***

Improvements to the City's wastewater system included the (1) upgrade of Lift Station No. 8 along Thurm Boulevard, (2) upgrade of Lift Station No. 5 at the west end of Columbia Drive (inside Treasure Island), (3) replacement of the Water Reclamation Facility (WRF) headworks and sand filters systems, and (4) replacement of the Supervisory Control and Data Acquisition (SCADA) system at the WRF. These projects helped to eliminate sewer leakage to groundwater and/or improved the quality of WRF effluent. A number of studies/investigations were also completed including completion of (1) a stormwater and wastewater 20-year needs analysis, (2) an evaluation of the need for a deep effluent injection well, (3) revisions to the Asset Management Plan and (4) GIS mapping of all sewer manholes in the City.

Routine maintenance and replacement of equipment at the WRF also continued to improve wastewater treatment technology. Completion of a number of these new and routine maintenance projects allowed the City to meet the requirements of Consent Order No. 18-0916, which was subsequently closed by FDEP.

### ***Stormwater System***

The City maintained an active stormwater system maintenance program in 2023. Activities included the maintenance of (1) all baffle boxes throughout the City, and (2) changing 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 completed for the Center Street Drainage Basin and the Central Ditch Drainage Basin due to excessive flooding after heavy rainfall events. These studies will be used to design/construct stormwater improvements in both drainage basins.

### ***Major 2024 Transportation Projects***

The City will undertake one major transportation initiative in the future which includes the upgrade of Oak Lane. This improvement along this corridor will include:

- Build/rebuild of the roadway base and pavement;
- Rehab/construct stormwater inlets and pipes;
- Rehab/construct wastewater manholes and pipes;
- Installation of reclaimed water lines;
- Construction of stormwater treatment area

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 2024 Wastewater Projects***

Capital Projects to be completed in 2024 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), an SRF loan from FDEP and various grants. The major projects include the following:

- Construction of structural buildings at the WRF to remove pumps from the elements;
- Replacement of the SO<sub>2</sub> building at the WRF;
- Conversion from a SO<sub>2</sub> bleach system at the WRF to a sodium bisulfate system;
- Completion of a collections system analysis;
- Construction of improvements to the materials storage area at the WRF; and
- Upgrade of both clarifiers at the WRF.

Numerous smaller-scope wastewater projects will be completed or initiated in 2024 including replacement and/or upgrade of the following:

- Blower pipe for effluent transfer;
- Reclaimed water pumps;
- Lift station pumps;
- Bleach system;
- Wastewater mixers;
- Various valves.

### ***Major 2024 Stormwater Projects***

A number of projects are being investigated or implemented for stormwater improvements including:

- Construction of a pumping station along the Central Ditch;
- Purchase of property and the construction of a stormwater pond along Center Street;
- Construction of a pumping station along Center Street;
- Rehab of the City's five beemat stormwater filter mats;
- Veterans Park Bio-Swale; and
- Stormwater GIS mapping

The Save Our Indian River Lagoon Program and FDEP may provide funding assistance for these improvements. 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 2024. Activities will include (1) the replacement of older style stormwater inlets with new Type "C" inlets, (2) street sweeping of all curbed streets on a monthly basis and (3) the cleaning of all baffle boxes after rain events. Capital Projects and PWS Staff will also continue to assist other departments in the completion of City infrastructure improvement projects.

### **Parks, Recreation and Community Affairs**

In its first full year as a single department, the Parks, Recreation and Community Affairs Department was responsible for delivering many of the City's the public-facing services, to include managing the City's communications and digital platforms, oversight of recreational facilities, hosting of City events, development of recreational and enrichment programs, building and maintaining community partnerships, and a range of other programmatic activities that serve to engage or inform the community, create a sense of place and improve overall quality of life for residents and visitors.

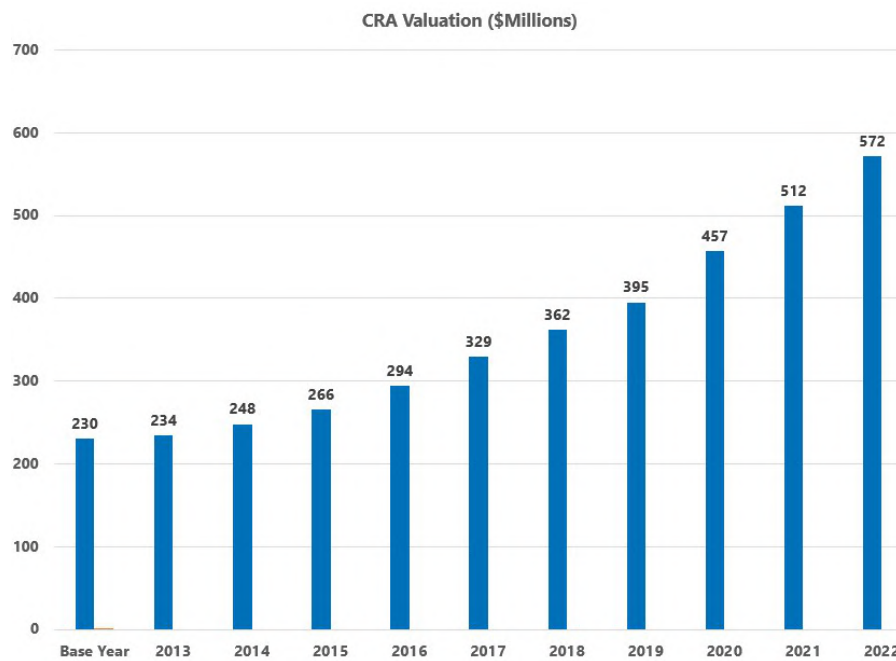
**CAPE Center Project.** The construction phase of this project has ended and in the coming weeks, the City will host the Grand Opening of its first arts and cultural facility. The befitting acronym C-A-P-E stands for Culture, Arts, Preservation and Enrichment; through which, this facility is poised to become a beacon of community engagement in not only the arts, but civic life as well. Staff is currently working to install exhibits, develop programming, build community interest/partnerships and identify varied opportunities to enhance the facility's mission capacity and overall visitor experience.

**Patriots Park Project.** Funded in part by a Florida Recreation Development Assistance Grant, the City has commenced a redevelopment of the playground at Patriots Park. This includes the replacement and refurbishment of existing play structures and increasing the accessibility of the park with improved surfacing. Completion of this project is anticipated by Spring 2024.

**Expanded Services.** Based on community feedback, this year the Parks, Recreation and Community Affairs Department expanded hours of operation for the Community Center, the Splash Pad and the Nancy Hanson Recreation Complex. This, combined with the opening of the CAPE Center, created a need for additional staff support and the transition of two part time positions, into full time opportunities.

**Civic Hub Project.** Formerly referred to as “The Promenade”, this year saw the preliminary design phase of the Civic Hub Project, to include expansion of the project footprint, the inclusion of subterranean stormwater infrastructure and multiple workshops to inform the redevelopment of the existing public properties south of the CAPE Center, to include the Nancy Hanson Recreation Complex.

**Economic Opportunity Overlay District (EOOD).** The EOOD is the City’s primary attractor for new commercial interests. Notable commercial development during this reporting period includes hotels in the northern part of the City. This development activity can be seen in the following graph, which shows the value of the City’s Community Redevelopment Area (CRA) over the past eleven years. Note that the EOOD and the CRA largely consist of the same geographical area.



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.

**Community Development.** October 1, 2022 marked the two-year anniversary of the City's Vacation Rental and Inspection Program. This program is the culmination of careful analysis of the impact Vacation Rental properties have on City services and neighborhoods.

However, in June of 2023, the City ended its contract with its previous short-term rental service provider, ProChamps, and partnered with Deckard Technologies for these services. Deckard was selected due to its outstanding customer service program, as well as its industry-leading public portal.

As the City increases its Resiliency 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:

- Continuing implementation 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.
- Continuing build out of remote sensor sites (i.e., weather stations and water level gauges) across the City to help Staff better understand inclement conditions and review impacts on community infrastructure.
- Completion and activation of the City's second rooftop photovoltaic solar array (25-kilowatts) at the CAPE Center.
- Collaboration with the Brevard Zoo to facilitate sustainable and resilient design of the proposed aquarium project in Port Canaveral.
- The planting of 18,528 additional sea oats for increased dune stability and habitat enhancement.
- Continuing environmental education and awareness through social media, outreach sessions and the City's website for Staff members, residents, and business owners.
- Numerous volunteer-based trash pickups across the City to remove harmful litter and debris.
- Completion and Council-endorsement of the Presidential Streets Master Plan, a 25-year plan to systematically modernize each of the Presidential Streets to reduce stormwater runoff and improve flood mitigation.
- Implementation of a new lightning protection systems at Cape Canaveral City Hall, the Nancy Hanson Recreation Complex, and the City of Cape Canaveral Community Center that effectively eliminates direct lightning strikes on-property for enhanced resilience.
- Ongoing facilitation and collaboration with the Florida Department of Transportation on the State Road A1A redevelopment project.
- Ongoing internal and external stakeholder engagement and collaboration regarding disaster management/preparedness policies, procedures and initiatives.

- Installation of a Starlink emergency backup satellite internet unit atop Cape Canaveral City Hall.
- Installation and activation of six pay-to-use networked Level-2 universal electric vehicle charging stations to foster community development, accessibility, air pollution reductions, and electrified evacuation traffic.
- \$1 million National Science Foundation "Stage 2" CIVIC Innovation Challenge grant award for the construction and scientific monitoring of a smart rain garden at Veterans Memorial Park for flood mitigation and water quality improvements.
- Application for Hurricane Ian/Nicole Hazard Mitigation Grant Program funding for four disaster-related mitigation and resilient adaption projects: (1) City of Cape Canaveral Community Center battery energy storage system, (2) mobile emergency backup diesel generator, (3) two Ford F-150 Lightning fleet pickup trucks, (4) Brevard County Sheriff's Office 53-kilowatt rooftop solar array. Total possible funding allotted could be up to about \$395,000.
- Management of the City's resident-focused Adopt-A-Tree Program, Adopt-A-Rain Barrel Program and Adopt-A-Mangrove Program.
- Cigarette butt recycling program.
- Beachside life preserver stations at 16 public beach crossovers as part of the Drown Zero Project.

### ***State Legislation***

During its 2023 Special Session, the Legislature adopted and the Governor signed Ch. 2023-349, Laws of Florida amending Section 2023-304 (aka SB 250) to specifically identify the Counties that remain affected by the Hurricane Ian and Nicole preemption related to any moratorium and proposed more restrictive or burdensome amendments to comprehensive plans or land development regulations. Brevard County is NOT included in the list. Therefore, the preemption is lifted and the City is free to adopt such regulations.



## **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 \$11,028,850. 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 23-24 Budget encompasses \$1,320,000 in Wastewater/Stormwater Projects to be funded by SRF Loans with semi-annual payments of \$182,496 in June/December, \$199,529 in August/February and \$52,516 in March/September.

## **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, 2022. This was the 28th 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.

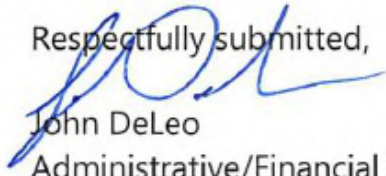
A Certificate of Achievement is valid for a period of one year. We believe the current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program requirements. It will be submitted to the GFOA to determine eligibility for another Certificate.

The 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.

The Honorable Mayor, et al

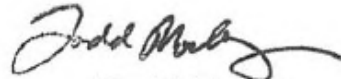
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Respectfully submitted,



John DeLeo

Administrative/Financial Services Director

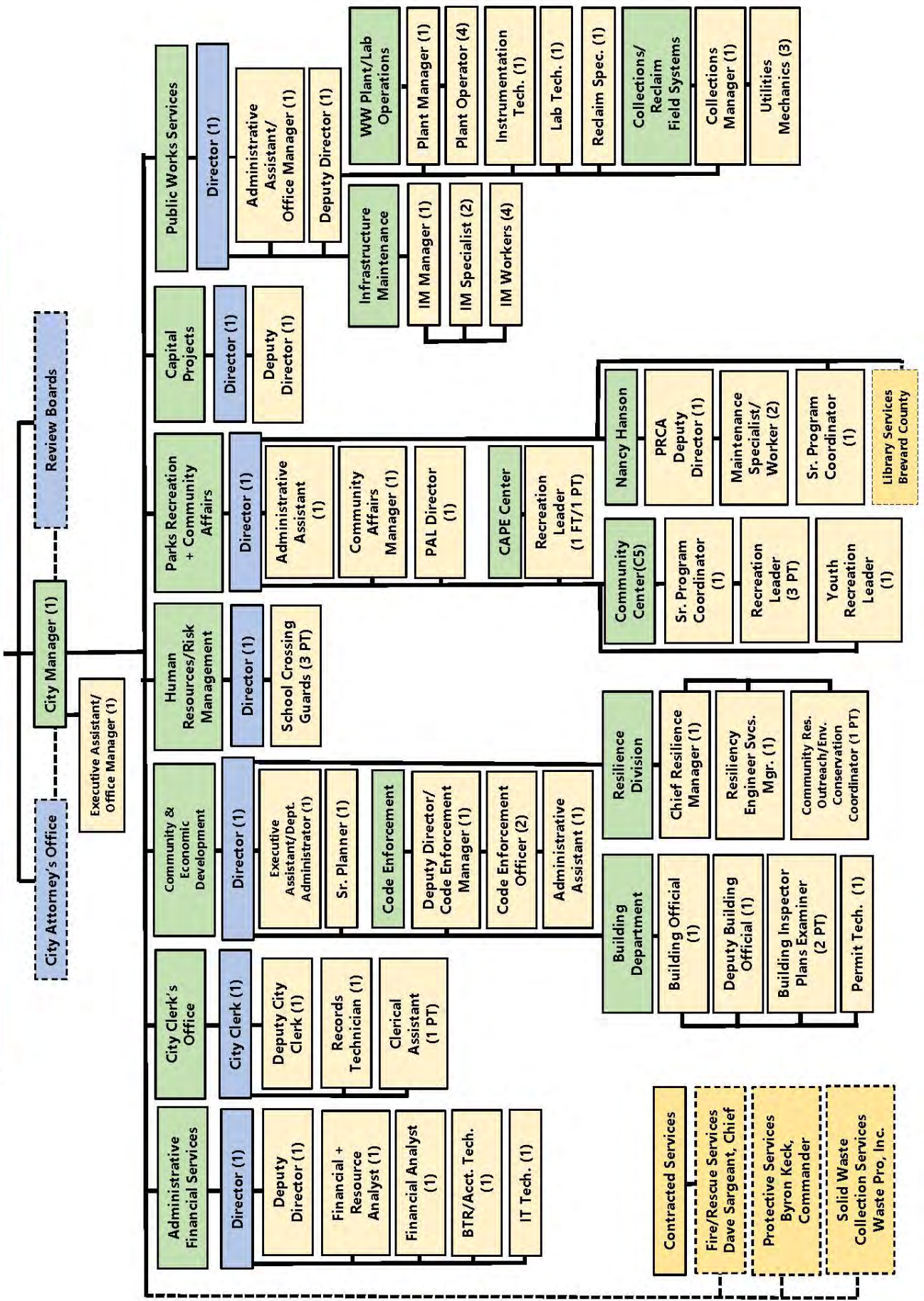


Todd Morley

City Manager

## **Organizational Chart**

City of Cape Canaveral Personnel Organizational Chart FY 2023-2024





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Cape Canaveral  
Florida**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

September 30, 2022

*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 Audit of the Financial Statements**

#### ***Opinions***

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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

#### ***Responsibilities of Management for the Financial Statements***

The 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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



### ***Auditors' Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

### ***Required Supplementary Information***

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

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

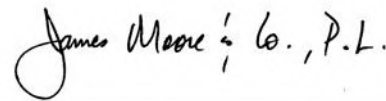
***Other Information***

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors’ report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 8, 2024, 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.



Daytona Beach, Florida  
February 8, 2024

## **Management's Discussion and Analysis**

## City of Cape Canaveral, Florida

### Management's Discussion and Analysis

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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, 2023. 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 \$61.6 million (net position). Of this amount, \$12.63 million (unrestricted net position) may be used to meet the City's ongoing obligations.
- The City's total net position increased by \$885 thousand. 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 \$10.95 million, an increase of \$898 thousand in comparison with the prior year due to funds received from the American Rescue Plan Act (ARPA), which was used primarily used for Wastewater and Stormwater Projects.
- At the close of the fiscal year, fund balance for the General Fund was \$9,972,309. Of this amount, \$0 relates to inventory and prepaids as well as long term advances and is therefore nonspendable. The remaining fund balance includes restricted (\$241,399), committed (\$4,318,640), assigned (\$1,766,915) and unassigned (\$3,645,355) balances. Within the committed fund balance category, the largest piece is \$3,879,785 ARPA transition projects, committed for the various Wastewater and Stormwater Projects. 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 \$850,563. This was due to receipt of additional State Revolving Fund money (\$960,741) offset by annual debt service payments on the Capital Improvement Revenue Notes (\$1,326,000) and State Revolving Loans (\$485,304).

#### 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

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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

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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 \$61.6 million at the close of the 2023 fiscal year.

By far the largest portion of the City's net position, \$46.8 million (76%) 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	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 11,748,495	\$ 13,082,496	\$ 4,793,366	\$ 3,285,746	\$ 16,541,861	\$ 16,368,242
Capital Assets (Net)	34,614,026	34,133,538	27,414,280	28,210,778	62,028,306	62,344,316
Total Assets	<u>46,362,521</u>	<u>47,216,034</u>	<u>32,207,646</u>	<u>31,496,524</u>	<u>78,570,167</u>	<u>78,712,558</u>
Current and other liabilities	2,423,416	2,361,597	1,269,023	977,906	3,692,439	3,339,503
term Liabilities	<u>2,919,065</u>	<u>4,256,609</u>	<u>10,375,530</u>	<u>9,999,453</u>	<u>13,294,595</u>	<u>14,256,062</u>
Total Liabilities	<u>5,342,481</u>	<u>6,618,206</u>	<u>11,644,553</u>	<u>10,977,359</u>	<u>16,987,034</u>	<u>17,595,565</u>
osition:						
Net Investment in						
Capital Assets	30,409,026	28,799,213	16,385,430	17,657,365	46,794,456	46,456,578
Restricted	1,432,139	1,196,000	723,515	511,053	2,155,654	1,707,053
Unrestricted	<u>9,178,875</u>	<u>10,602,615</u>	<u>3,454,148</u>	<u>2,350,747</u>	<u>12,633,023</u>	<u>12,953,362</u>
Total Net Position	<u>\$ 41,020,040</u>	<u>\$ 40,597,828</u>	<u>\$ 20,563,093</u>	<u>\$ 20,519,165</u>	<u>\$ 61,583,133</u>	<u>\$ 61,116,993</u>

A portion of the City's net position, \$2,155,654 or 3.5% 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 \$12,633,023 may be used to meet the City's ongoing obligations to citizens and creditors and to provide funding for various projects.

At September 30, 2023, 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 \$840,667. The increase for business-type activities was \$43,928.

# 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>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<b>REVENUES</b>						
Program Revenues:						
Charges for Services	\$ 2,754,581	\$ 2,197,139	\$ 5,986,226	\$ 5,578,423	\$ 8,740,807	\$ 7,775,562
Operating Grants and Contributions	329,951	5,617,417	-	-	329,951	5,617,417
Capital Grants and Contributions	84,655	1,792,086	-	128,400	84,655	1,920,486
General Revenues:						
Property Taxes	5,657,972	5,287,035	-	-	5,657,972	5,287,035
Utility and Franchise Taxes	3,166,072	2,858,214	-	-	3,166,072	2,858,214
Intergovernmental	2,199,457	2,091,247	-	-	2,199,457	2,091,247
Investment Income	410,836	77,266	19,222	5,230	430,058	82,496
Miscellaneous/Contributions	69,885	66,645	15,184	92,126	85,069	158,771
<b>Total Revenues</b>	<u>14,673,409</u>	<u>19,987,049</u>	<u>6,020,632</u>	<u>5,804,179</u>	<u>20,694,041</u>	<u>25,791,228</u>
<b>EXPENSES</b>						
General Government	2,027,333	1,853,153	-	-	2,027,333	1,853,153
Community Development	869,503	796,034	-	-	869,503	796,034
Public Safety	6,057,939	5,690,885	-	-	6,057,939	5,690,885
Infrastructure Maintenance	3,592,628	3,084,122	-	-	3,592,628	3,084,122
Culture/Recreation	1,589,986	1,161,390	-	-	1,589,986	1,161,390
Community Redevelopment	2,351	1,418	-	-	2,351	1,418
Interest on long-term debt	90,304	115,428	-	-	90,304	115,428
Wastewater	-	-	4,740,070	4,492,999	4,740,070	4,492,999
Stormwater	-	-	839,332	844,684	839,332	844,684
<b>Total Expenses</b>	<u>14,230,044</u>	<u>12,702,430</u>	<u>5,579,402</u>	<u>5,337,683</u>	<u>19,809,446</u>	<u>18,040,113</u>
Excess (Deficiency) Before Transfers	443,365	7,284,619	441,230	466,496	884,595	7,751,115
Transfers	397,302	999,316	(397,302)	(999,316)	-	-
Change in Net Position	840,667	8,283,935	43,928	(532,820)	884,595	7,751,115
Net Position - Beginning	<u>40,179,373</u>	<u>32,313,893</u>	<u>20,519,165</u>	<u>21,051,985</u>	<u>60,698,538</u>	<u>53,365,878</u>
<b>Net Position - Ending</b>	<u>\$ 41,020,040</u>	<u>\$ 40,597,828</u>	<u>\$ 20,563,093</u>	<u>\$ 20,519,165</u>	<u>\$ 61,583,133</u>	<u>\$ 61,116,993</u>

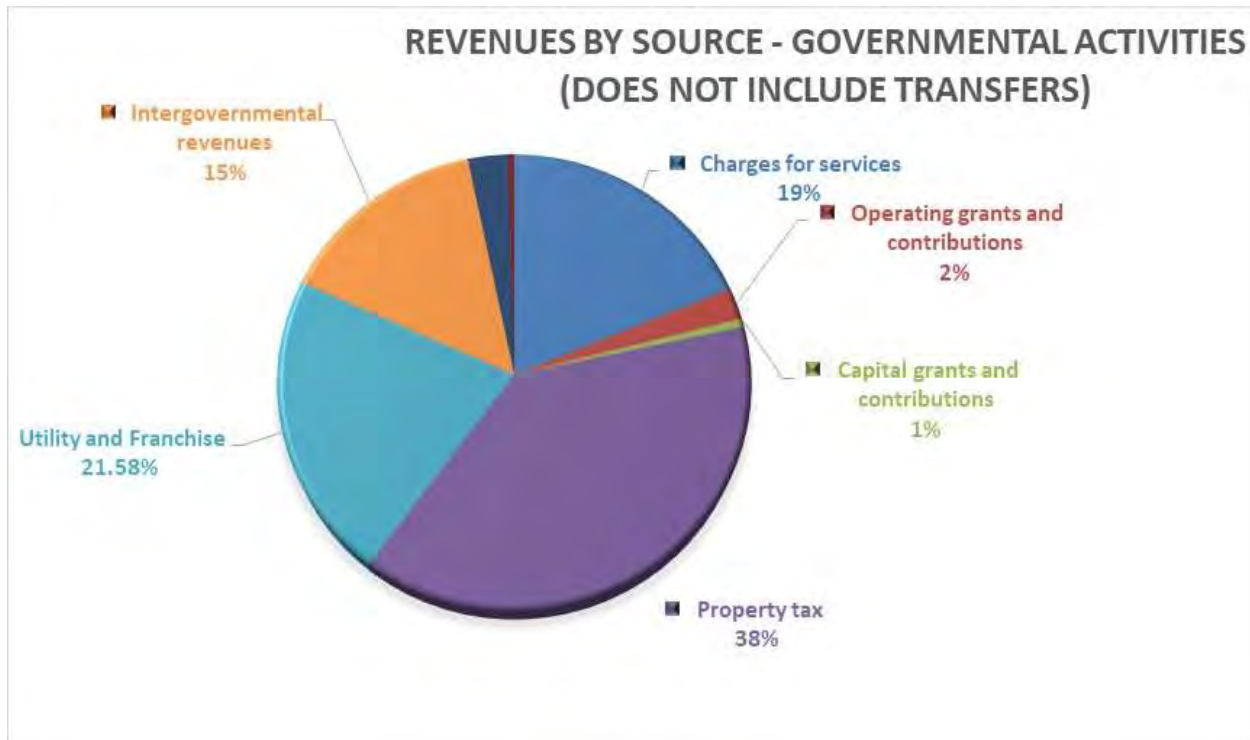


Management’s Discussion and Analysis

**Statement of Activities**

**Governmental activities:**

The Changes in Net Position Table reflects a governmental revenue (excluding transfers) decrease of \$5,313,640, a decrease of 26.59% from the previous fiscal year. This decrease reflects both program and general revenues. Governmental program revenues decreased \$6,437,455, a 67.01% decrease from 2022. This decrease is primarily the result of an increase in Charges for Services of \$557,442, a decrease in Capital Grants and Contributions of \$1,707,431 and a decrease in Operating Grants and Contributions of \$5,287,466 (primarily related to public safety).

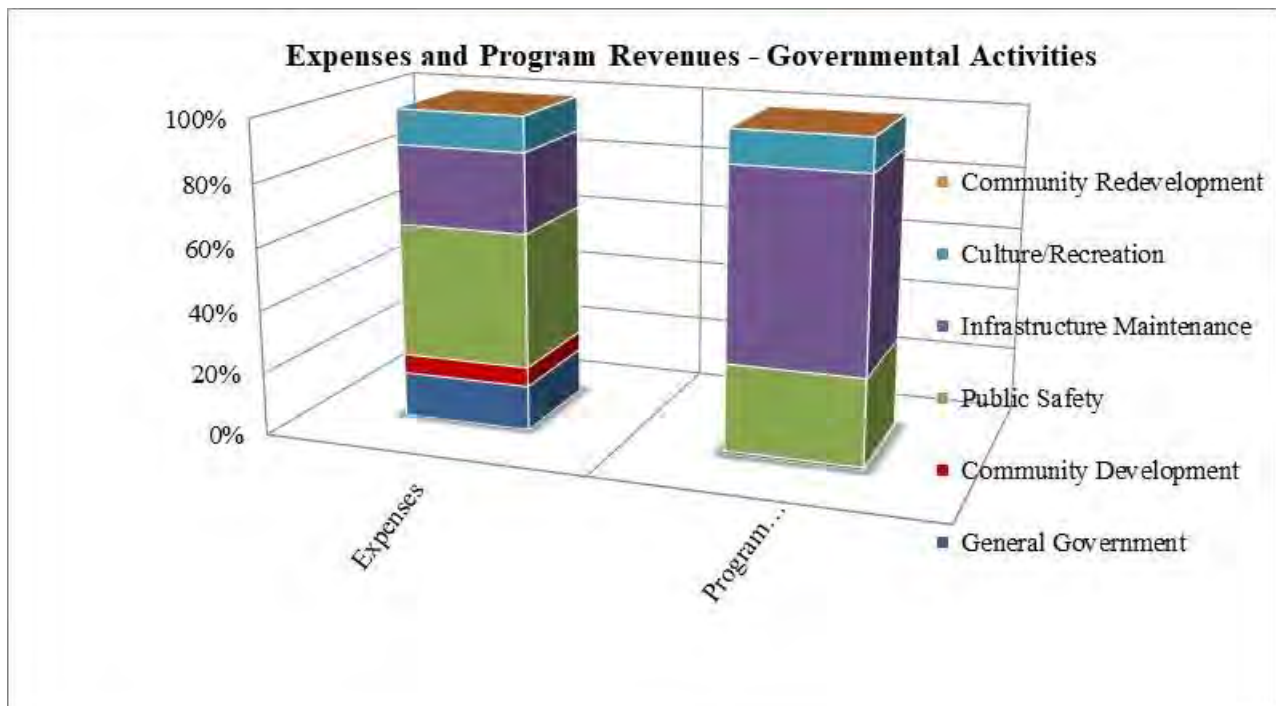


The remaining change relates to general revenues and changes in governmental expenses. Significant factors include the following:

- Property taxes increased \$370,937 from 2022. Note that assessed property values increased 11.87% by the end of 2023 as compared to 2022. Tax revenues for the year grew due to increased property tax revenues, which increased on all classes of property driven by increased local real estate market values.
- Intergovernmental income increased \$108,210 as compared to this revenue for 2022. This increase was related to shared revenues with the CRA.
- Utility and Franchise revenue increased \$307,858.
- Investment income increased \$33,570 from 2022. This increase is the result of higher interest rates couples with higher cash balance throughout the year for FY 23 as compared to FY22.

**Management’s Discussion and Analysis**

- Transfers net decreased \$602,014 or 60.2%. The reason for this was due to the start of construction the Cultural Arts Preservation and Enrichment (CAPE) Center in the prior year which caused transfers in 2022 to be significantly higher.
- Expenses for governmental activities increased \$1,527,614 over the prior year, showing a 12.03% increase over 2022 amounts. The most significant increases were related to increases in General Government of \$174,180, a \$508,506 increase in Infrastructure Maintenance, an increase of \$357,054 in Public Safety, which funded new equipment. Increases in Culture and Recreation of \$428,596 occurred in 2023. These increases were offset by a decrease in Interest on Long-term debt (\$25,124).



**Business-type activities**

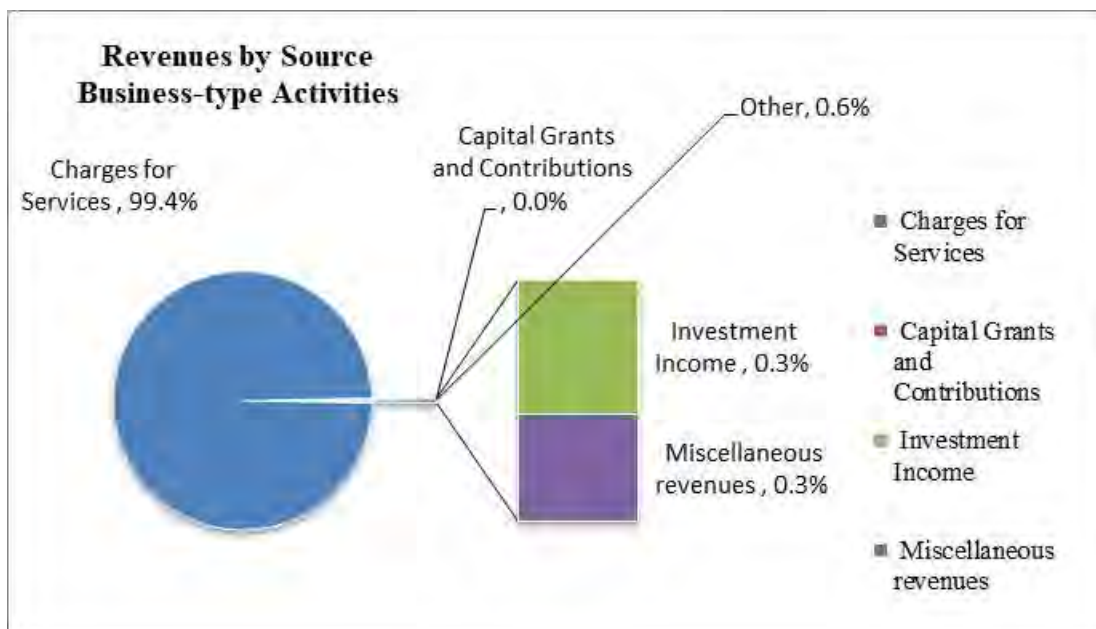
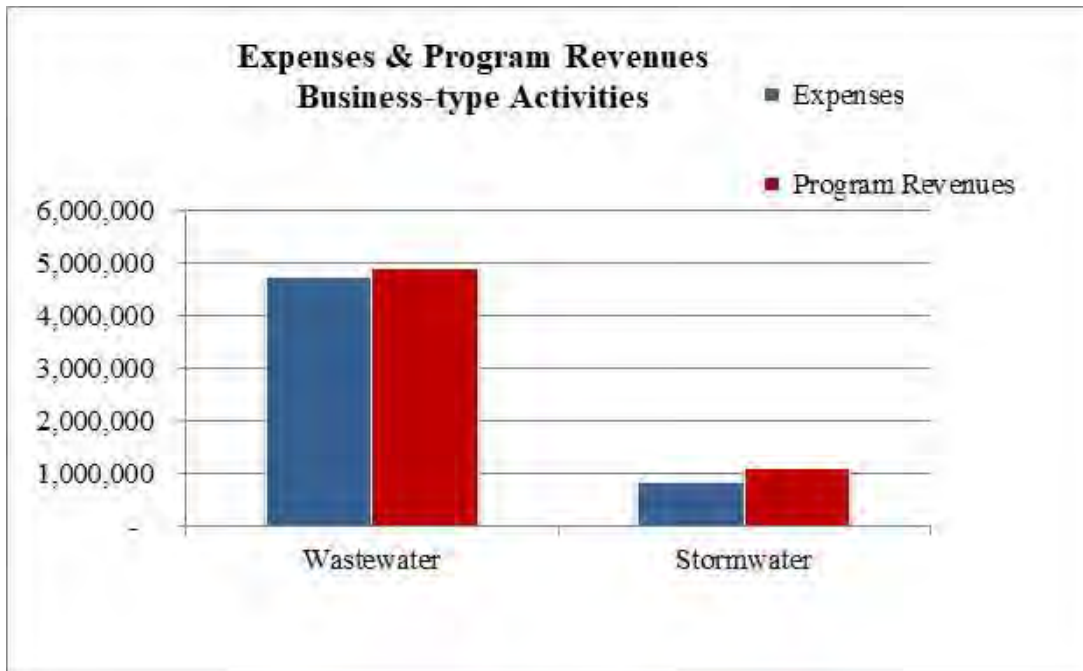
Business-type activities experienced an increase in net position of \$43,928, or .21%.

- The major source of revenue for business-type activities is charges for services, which increased \$407,803 (7.31%). The City’s Stormwater rates increased in January 2021. Wastewater and reclaimed water rates increased in October 2020. The continued increase in revenue is the impact of a full year of these increase rates.
- Investment income increased \$13,992. Miscellaneous Revenues reflects a decrease over 2022 amounts of \$76,942 due to a lightning strike at the Wastewater Treatment Plant.
- Business-type activities expenses increased \$241,719 or 4.53% over the prior year.
- Expenses for Wastewater increased \$247,071 over the prior year. This increase is the result of an increase of \$131,377 in personal services, an increase of \$97,219 in materials and supplies and an increase in depreciation of \$36,673. These increases are offset by

**Management’s Discussion and Analysis**

a decrease of \$29,581 in contractual services and a \$98,266 decrease in repair and maintenance.

- Stormwater operations experienced a decrease in expenses of \$5,352 during 2023 as compared to 2022 primarily due to additional personal costs.



**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.

## City of Cape Canaveral, Florida

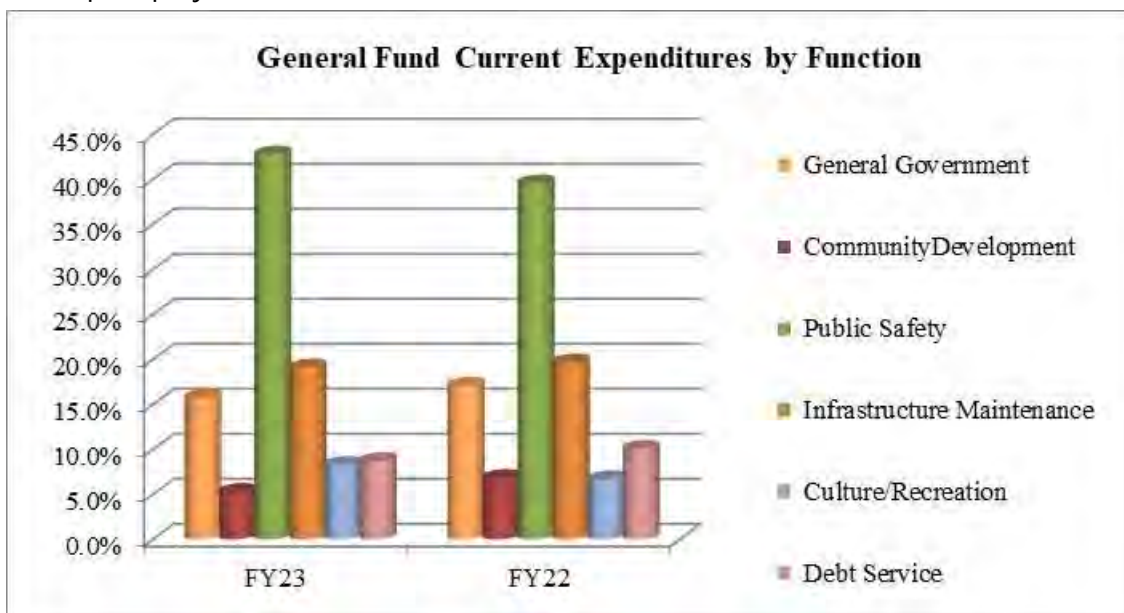
### Management's Discussion and Analysis

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

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 \$10,952,754, a decrease of \$897,974 or 7.6% from the prior fiscal year.

The General Fund, the City's main governmental fund, experienced an overall decrease in fund balance of \$1,718,547 or 17.23%. The most significant reason for this decrease can be contributed to American Rescue Plan Act revenue being recognized in the previous year and funding for various capital projects.



The General Fund is the City's chief operating fund. At the end of the current fiscal year, total fund balance was \$9,972,309. Of this amount, \$0 relates to inventory and prepaids as well as long term advances and is therefore nonspendable. The remaining fund balance includes restricted (\$241,399), committed (\$4,318,640), assigned (\$1,766,915) and unassigned (\$3,645,355). Within the committed fund balance category, the largest piece is the largest piece is \$3,879,785 ARPA transition projects, committed for the various capital Projects. The unassigned fund balance represents 22.39% of the total general fund expenditures. The total fund balance represents 61.24% 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 one additional major governmental fund. The Cape Canaveral CRA Fund reflects fund balance of (\$203,777) at September 30, 2023. This is a \$212,808 decrease from the (\$416,585) balance at September 30, 2022 and is the direct result of the remainder of the West Central Streetscape overrun.

## City of Cape Canaveral, Florida

### Management's Discussion and Analysis

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

- Police Education Fund \$29,378
- Fire Protection Fund \$260
- School Crossing Guard (\$3,415)
- Library Fund \$571,275
- Special Law Enforcement Trust (\$3,103)
- Impact Fee Fund \$589,827

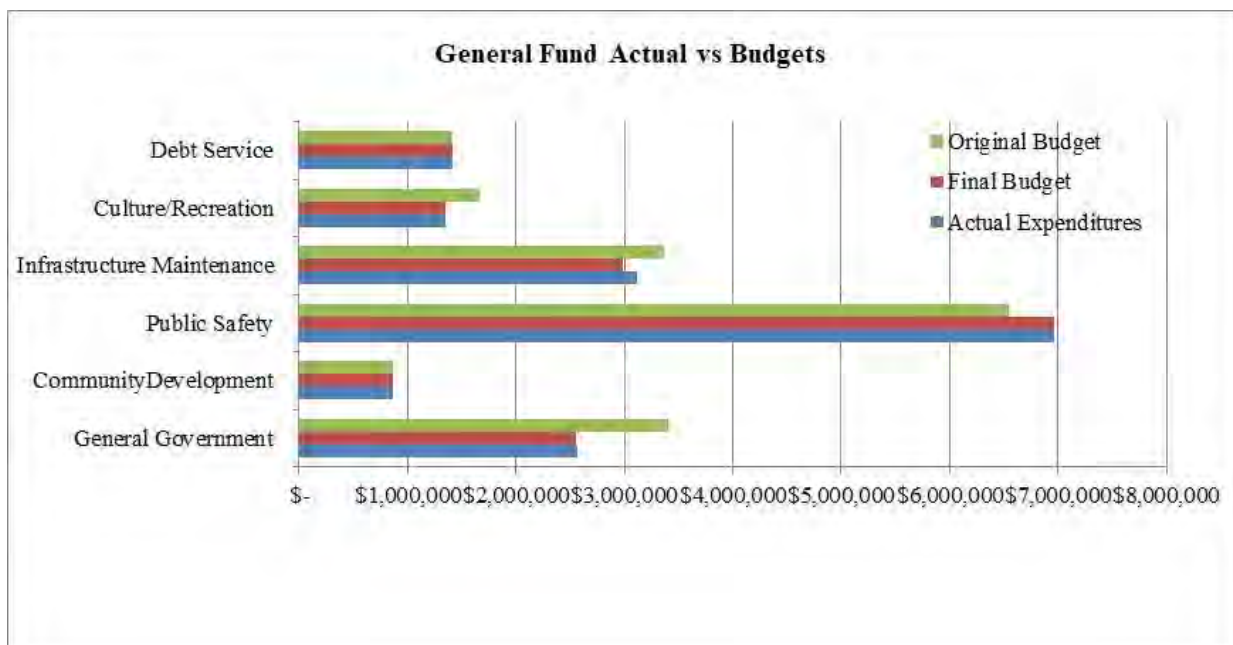
All positive fund balances of the Non-major governmental funds are restricted by an outside party as to use. At September 30, 2023, the School Crossing Guard Fund and Special Law Enforcement Trust Fund's fund balances are reflected as unassigned due to the negative fund balance.

**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 \$1,175,204, and the Stormwater Utility amounted to \$2,278,944. The total decrease in net position for the Wastewater Utility Fund was \$307,531, and the decrease for the Stormwater Utility was \$351,459. 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 FY23, because of amendments made during the year, the final amended budget decreased \$1,134,123. All budget functions decreased except public safety which increased \$418,035.



**Management's Discussion and Analysis**

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During the year, actual revenues on a budgetary basis were \$13,379,607. Actual revenues exceed the final budgetary estimate of \$13,032,494 in several categories. The most significant was Intergovernmental revenue, which exceeded the final budget by \$317,306. This was due to an increase in state shared revenues and franchise fees. The final budget for general government expenditures was \$17,557 less than actual. The final budget reflects a reduction in 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 \$134,095 less than actual expenditures and planning and zoning budget was \$1,951 more than expenditures. The budget for parks and recreation actual expenditures by \$1,770.

**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, 2023, amounts to \$62,028,306 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 decreased \$316,010. A decrease of \$480,488 (1.4%) in governmental activities and a decrease of \$796,498 (2.8%) for business-type activities make up the total.

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

- Improvements to the City's wastewater system included the (1) upgrade of Lift Station No. 8 along Thurm Boulevard, (2) upgrade of Lift Station No. 5 at the west end of Columbia Drive (inside Treasure Island), (3) replacement of the Water Reclamation Facility (WRF) headworks and sand filters systems, and (4) replacement of the Supervisory Control and Data Acquisition (SCADA) system at the WRF. These projects helped to eliminate sewer leakage to groundwater and/or improved the quality of WRF effluent. A number of studies/investigations were also completed including completion of (1) a stormwater and wastewater 20-year needs analysis, (2) an evaluation of the need for a deep effluent injection well, (3) revisions to the Asset Management Plan and (4) GIS mapping of all sewer manholes in the City.
- Routine maintenance and replacement of equipment at the WRF also continued to improve wastewater treatment technology. Completion of a number of these new and routine maintenance projects allowed the City to meet the requirements of Consent Order No. 18-0916, which was subsequently closed by FDEP.

Numerous smaller-scope wastewater projects will be completed or initiated in 2024 including replacement and/or upgrade of the following:

- Blower pipe for effluent transfer;
- Reclaimed water pumps;
- Lift station pumps;
- Bleach system;
- Wastewater mixers;
- Various valves.

## City of Cape Canaveral, Florida

### Management's Discussion and Analysis

A number of projects are being investigated or implemented for stormwater improvements including:

- Construction of a pumping station along the Central Ditch;
- Purchase of property and the construction of a stormwater pond along Center Street;
- Construction of a pumping station along Center Street;
- Rehab of the City's five beemat stormwater filter mats;
- Veterans Park Bio-Swale; and
- Stormwater GIS mapping

The Save Our Indian River Lagoon Program and FDEP may provide funding assistance for these improvements. 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 2024. Activities will include (1) the replacement of older style stormwater inlets with new Type "C" inlets, (2) street sweeping of all curbed streets on a monthly basis and (3) the cleaning of all baffle boxes after rain events.

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

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 8,183,264	\$ 8,183,264	\$ 351,084	\$ 351,084	\$ 8,534,348	\$ 8,534,348
Buildings and Improveme	16,718,327	16,669,916	5,250,304	5,259,085	21,968,631	21,929,001
Machinery and Equipmen	4,766,397	3,498,327	8,993,957	8,634,177	13,760,354	12,132,504
Infrastructure	14,268,932	14,006,803	36,117,878	35,516,246	50,386,810	49,523,049
Construction in Progress	2,332,840	1,899,357	4,439,497	4,526,706	6,772,337	6,426,063
	46,269,760	44,257,667	55,152,720	54,287,298	101,422,480	98,544,965
Less: Accumulated Deprec	(11,655,734)	(10,124,129)	(27,738,440)	(26,076,520)	(39,394,174)	(36,200,649)
Capital Assets, net	<u>\$ 34,614,026</u>	<u>\$ 34,133,538</u>	<u>\$ 27,414,280</u>	<u>\$ 28,210,778</u>	<u>\$ 62,028,306</u>	<u>\$ 62,344,316</u>

Additional information on the City's capital assets can be found on pages 65 – 66 of this report.

## City of Cape Canaveral, Florida

### Management’s Discussion and Analysis

**Long-term debt.** At the end of the current fiscal year, the City had a total long-term debt outstanding of \$15,233,850.

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 \$960,741. Decreases of \$485,304 represent routine principal payments. Note that compensated absences are also a long-term liability of the City.

The governmental activities long-term debt includes a \$5.5 Capital Improvement Revenue Note issued to finance a 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 City of Cape Canaveral Community 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 67 – 70 of this report.

#### City of Cape Canaveral's Outstanding Debt General Obligation

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenue Note	\$ 4,205,000	\$ 5,531,000	\$ -	\$ -	\$ 4,205,000	\$ 5,531,000
State revolving loans	-	-	11,028,850	10,553,413	11,028,850	10,553,413
	<u>\$ 4,205,000</u>	<u>\$ 5,531,000</u>	<u>\$ 11,028,850</u>	<u>\$ 10,553,413</u>	<u>\$ 15,233,850</u>	<u>\$ 16,084,413</u>

### Economic Factors and Next Year’s Budgets and Rates

- The unemployment rate averaged 2.6% during the year and is currently at 3.0%.
- The real estate market continues to trend upward. Property values for Calendar Year 2023 showed an increase of 7.9%. The median home sales price rose to \$364,995 up from \$362,540 at the end of 2022.
- 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. Utility increases will resume in Fiscal Year 2024. The City’s Ad valorem taxes for fiscal year 2023 decreased by .0532 mills compared to 2023 and still remained the fourth lowest in the County.

All of these factors were considered in preparing the City’s budget for the 2024 fiscal year.



**Management's Discussion and Analysis**

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**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, 2023**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Assets</b>			
Equity in pooled cash and investments	\$ 9,246,663	\$ 2,918,348	\$ 12,165,011
Receivables, net	394,057	1,038,872	1,432,929
Due from other governments	1,348,408	-	1,348,408
Interfund balances	(94,361)	94,361	-
Restricted assets:			
Equity in pooled cash and investments	853,728	741,785	1,595,513
Capital assets:			
Total capital assets, not being depreciated	10,516,104	4,790,581	15,306,685
Total capital assets, being depreciated, net	24,097,922	22,623,699	46,721,621
<b>Total Assets</b>	<b>\$ 46,362,521</b>	<b>\$ 32,207,646</b>	<b>\$ 78,570,167</b>
<b>Liabilities</b>			
Accounts payable and accrued liabilities	\$ 679,410	\$ 453,553	\$ 1,132,963
Deposits	19,631	-	19,631
Unearned revenue	96,700	-	96,700
Payable from restricted assets:			
Accrued interest payable	11,416	18,270	29,686
Noncurrent liabilities:			
Due within one year:			
Long-term debt	1,352,000	682,096	2,034,096
Compensated absences payable	264,259	115,104	379,363
Due in more than one year:			
Long-term debt	2,853,000	10,346,754	13,199,754
Compensated absences payable	66,065	28,776	94,841
<b>Total Liabilities</b>	<b>\$ 5,342,481</b>	<b>\$ 11,644,553</b>	<b>\$ 16,987,034</b>
<b>Net Position</b>			
Net investment in capital assets	\$ 30,409,026	\$ 16,385,430	\$ 46,794,456
Restricted for:			
Debt service	241,399	471,790	713,189
Public safety	29,638	-	29,638
Culture/recreation	571,275	-	571,275
Capital projects and expansion	589,827	251,725	841,552
Unrestricted	9,178,875	3,454,148	12,633,023
<b>Total Net Position</b>	<b>\$ 41,020,040</b>	<b>\$ 20,563,093</b>	<b>\$ 61,583,133</b>

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, 2023**

	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
<b>Functions/Programs</b>							
<b>Governmental activities</b>							
General government	\$ 2,027,333	\$ 2,359	\$ -	\$ 28,545	\$ (1,996,429)	\$ -	\$ (1,996,429)
Community development	869,503	-	-	-	(869,503)	-	(869,503)
Public safety	6,057,939	843,875	-	32,923	(5,181,141)	-	(5,181,141)
Infrastructure maintenance	3,592,628	1,599,122	329,951	-	(1,663,555)	-	(1,663,555)
Culture/recreation	1,589,986	309,225	-	23,187	(1,257,574)	-	(1,257,574)
Community redevelopment	2,351	-	-	-	(2,351)	-	(2,351)
Interest on long-term debt	90,304	-	-	-	(90,304)	-	(90,304)
<b>Total governmental activities</b>	<b>14,230,044</b>	<b>2,754,581</b>	<b>329,951</b>	<b>84,655</b>	<b>(11,060,857)</b>	<b>-</b>	<b>(11,060,857)</b>
<b>Business-type activities</b>							
Wastewater	4,740,070	4,894,160	-	-	-	154,090	154,090
Stormwater	839,332	1,092,066	-	-	-	252,734	252,734
Total business-type activities	5,579,402	5,986,226	-	-	-	406,824	406,824
<b>Total primary government</b>	<b>\$ 19,809,446</b>	<b>\$ 8,740,807</b>	<b>\$ 329,951</b>	<b>\$ 84,655</b>	<b>(11,060,857)</b>	<b>406,824</b>	<b>(10,654,033)</b>
General revenues							
Property taxes					5,657,972	-	5,657,972
Utility and franchise taxes					3,166,072	-	3,166,072
Intergovernmental revenues, unrestricted					2,199,457	-	2,199,457
Investment income					410,836	19,222	430,058
Miscellaneous revenues					69,885	15,184	85,069
Transfers					397,302	(397,302)	-
<b>Total general revenues and transfers</b>					<b>11,901,524</b>	<b>(362,896)</b>	<b>11,538,628</b>
<b>Change in net position</b>					<b>840,667</b>	<b>43,928</b>	<b>884,595</b>
<b>Net position, beginning of year, as restated</b>					<b>40,179,373</b>	<b>20,519,165</b>	<b>60,698,538</b>
<b>Net position, end of year</b>					<b>\$ 41,020,040</b>	<b>\$ 20,563,093</b>	<b>\$ 61,583,133</b>

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

**CITY OF CAPE CANAVERAL, FLORIDA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2023**

	<u>General Fund</u>	<u>Cape Canaveral CRA Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>				
Equity in pooled cash and investments	\$ 8,809,146	\$ 98,390	\$ 1,192,855	\$ 10,100,391
Receivables	394,057	-	-	394,057
Due from other governments	1,348,307	-	101	1,348,408
Due from other funds	9,498	-	-	9,498
Total assets	<u>\$ 10,561,008</u>	<u>\$ 98,390</u>	<u>\$ 1,192,956</u>	<u>\$ 11,852,354</u>
<b>Liabilities</b>				
Accounts payable and accrued liabilities	\$ 472,368	\$ 198,308	\$ 8,734	\$ 679,410
Zoning escrow and deposits	19,631	-	-	19,631
Unearned revenue	96,700	-	-	96,700
Due to other funds	-	9,498	-	9,498
Advances from other funds	-	94,361	-	94,361
Total liabilities	<u>588,699</u>	<u>302,167</u>	<u>8,734</u>	<u>899,600</u>
<b>Fund Balances</b>				
Restricted for:				
Debt service	241,399	-	-	241,399
Public safety	-	-	29,638	29,638
Culture/recreation	-	-	571,275	571,275
Capital expansion	-	-	589,827	589,827
Committed to:				
ARPA transition projects	3,879,785	-	-	3,879,785
Capital equipment renewal and replacement	359,208	-	-	359,208
Recreation expansion	45,329	-	-	45,329
Police expansion	34,318	-	-	34,318
Assigned to:				
Subsequent year's budget	1,766,915	-	-	1,766,915
Unassigned	3,645,355	(203,777)	(6,518)	3,435,060
Total fund balances	<u>9,972,309</u>	<u>(203,777)</u>	<u>1,184,222</u>	<u>10,952,754</u>
Total liabilities and fund balances	<u>\$ 10,561,008</u>	<u>\$ 98,390</u>	<u>\$ 1,192,956</u>	<u>\$ 11,852,354</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, 2023**

**Fund Balances - Total Governmental Funds** \$ 10,952,754

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	46,269,760	
Accumulated depreciation	(11,655,734)	
		34,614,026

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	(4,205,000)	
Compensated absences payable	(330,324)	
Accrued interest payable	(11,416)	
		(4,546,740)

**Net Position of Governmental Activities** \$ 41,020,040

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 BALANCE - GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<b>General Fund</b>	<b>Cape Canaveral CRA Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues</b>				
Taxes:				
Property	\$ 5,586,755	\$ -	\$ 71,217	\$ 5,657,972
Local option motor fuel	329,951	-	-	329,951
Utility and franchise	2,999,723	-	-	2,999,723
Intergovernmental	1,365,748	2,158,371	-	3,524,119
Licenses and permits	523,417	-	-	523,417
Charges for services	1,959,067	-	-	1,959,067
Fines and forfeitures	14,540	-	2,362	16,902
Impact fees	-	-	84,655	84,655
Investment earnings	396,707	3,917	10,212	410,836
Miscellaneous	203,699	-	-	203,699
Total revenues	<u>13,379,607</u>	<u>2,162,288</u>	<u>168,446</u>	<u>15,710,341</u>
<b>Expenditures</b>				
Current:				
General Government	2,536,813	-	-	2,536,813
Community Development	863,168	-	-	863,168
Public Safety	5,827,329	-	6,924	5,834,253
Infrastructure Maintenance	2,839,560	-	-	2,839,560
Culture and Recreation	1,259,345	-	25,828	1,285,173
Community Redevelopment	-	2,351	-	2,351
Capital Outlay	1,536,768	660,695	26,099	2,223,562
Debt Service:				
Principal	1,326,000	-	-	1,326,000
Interest	94,737	-	-	94,737
Total expenditures	<u>16,283,720</u>	<u>663,046</u>	<u>58,851</u>	<u>17,005,617</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(2,904,113)</u>	<u>1,499,242</u>	<u>109,595</u>	<u>(1,295,276)</u>
<b>Other financing sources</b>				
Transfers in	2,198,447	141,958	530,879	2,871,284
Transfers out	(1,012,881)	(1,428,392)	(32,709)	(2,473,982)
Total other financing sources (uses)	<u>1,185,566</u>	<u>(1,286,434)</u>	<u>498,170</u>	<u>397,302</u>
<b>Net change in fund balances</b>	<u>(1,718,547)</u>	<u>212,808</u>	<u>607,765</u>	<u>(897,974)</u>
<b>Fund balances, beginning of year, as restated</b>	11,690,856	(416,585)	576,457	11,850,728
<b>Fund balances, end of year</b>	<u>\$ 9,972,309</u>	<u>\$ (203,777)</u>	<u>\$ 1,184,222</u>	<u>\$ 10,952,754</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, 2023**

**Net Change in Fund Balances - Total Governmental Funds** \$ (897,974)

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	2,223,562	
Net book value on disposal of capital assets	(152,992)	
Less: Current year depreciation	(1,590,082)	
		480,488

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	1,326,000
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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	(72,280)	
Accrued interest on long-term debt	4,433	
		(67,847)

**Change in Net Position of Governmental Activities** \$ 840,667

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, 2023**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>		<b>Positive (Negative)</b>
<b>Revenues</b>				
Taxes:				
Property	\$ 5,512,589	\$ 5,586,755	\$ 5,586,755	\$ -
Local option motor fuel	361,000	313,448	329,951	16,503
Utility and franchise	2,677,792	2,917,641	2,999,723	82,082
Intergovernmental	5,058,301	1,048,442	1,365,748	317,306
Licenses and permits	411,950	523,417	523,417	-
Charges for services	1,687,720	1,959,067	1,959,067	-
Fines and forfeitures	12,600	14,540	14,540	-
Investment earnings	32,700	396,707	396,707	-
Miscellaneous	148,000	272,477	203,699	(68,778)
Total revenues	<u>15,902,652</u>	<u>13,032,494</u>	<u>13,379,607</u>	<u>347,113</u>
<b>Expenditures</b>				
Current:				
General Government:				
Legislative	98,573	71,101	70,636	465
Administrative	540,548	592,112	592,302	(190)
Legal	309,293	197,062	187,685	9,377
Non-departmental	2,458,412	1,688,281	1,715,490	(27,209)
Total General Government	<u>3,406,826</u>	<u>2,548,556</u>	<u>2,566,113</u>	<u>(17,557)</u>
Community Development:				
Planning and Zoning	868,177	865,119	863,168	1,951
Total Community Development	<u>868,177</u>	<u>865,119</u>	<u>863,168</u>	<u>1,951</u>
Public Safety:				
Fire	3,048,064	3,454,099	3,454,100	(1)
Police	3,501,187	3,513,187	3,513,187	-
Total Public Safety	<u>6,549,251</u>	<u>6,967,286</u>	<u>6,967,287</u>	<u>(1)</u>
Infrastructure Maintenance:				
Building	409,605	360,461	361,595	(1,134)
Refuse	1,271,215	1,573,381	1,573,381	-
Transportation	1,682,911	1,047,242	1,180,203	(132,961)
Total Infrastructure Maintenance	<u>3,363,731</u>	<u>2,981,084</u>	<u>3,115,179</u>	<u>(134,095)</u>
Culture and Recreation:				
Parks and Recreation	1,657,649	1,349,466	1,351,236	(1,770)
Total Culture and Recreation	<u>1,657,649</u>	<u>1,349,466</u>	<u>1,351,236</u>	<u>(1,770)</u>
Debt service:				
Principal	1,326,000	1,326,000	1,326,000	-
Interest	94,737	94,737	94,737	-
Total expenditures	<u>17,266,371</u>	<u>16,132,248</u>	<u>16,283,720</u>	<u>(151,472)</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(1,363,719)</u>	<u>(3,099,754)</u>	<u>(2,904,113)</u>	<u>195,641</u>
<b>Other financing sources</b>				
Transfers in	1,557,219	2,198,447	2,198,447	-
Transfers out	(3,925,000)	(1,012,881)	(1,012,881)	-
Issuance of long term debt	250,000	-	-	-
Total other financing sources	<u>(2,117,781)</u>	<u>1,185,566</u>	<u>1,185,566</u>	<u>-</u>
<b>Net change in fund balances, as restated</b>	<u>(3,481,500)</u>	<u>(1,914,188)</u>	<u>(1,718,547)</u>	<u>195,641</u>
<b>Fund balances, beginning of year</b>	11,690,856	11,690,856	11,690,856	-
<b>Fund balances, end of year</b>	<u>\$ 8,209,356</u>	<u>\$ 9,776,668</u>	<u>\$ 9,972,309</u>	<u>\$ 195,641</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, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes:				
Intergovernmental	\$ 2,199,618	\$ 2,158,371	\$ 2,158,371	\$ -
Investment earnings	288	3,917	3,917	-
Total revenues	<u>2,199,906</u>	<u>2,162,288</u>	<u>2,162,288</u>	<u>-</u>
<b>Expenditures</b>				
Current:				
Community Redevelopment	1,582,636	828,296	663,046	165,250
Total expenditures	<u>1,582,636</u>	<u>828,296</u>	<u>663,046</u>	<u>165,250</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>617,270</u>	<u>1,333,992</u>	<u>1,499,242</u>	<u>165,250</u>
<b>Other financing sources</b>				
Transfers in	250,000	141,958	141,958	-
Transfers out	(867,270)	(1,475,950)	(1,428,392)	47,558
Total other financing sources	<u>(617,270)</u>	<u>(1,333,992)</u>	<u>(1,286,434)</u>	<u>47,558</u>
<b>Net change in fund balances</b>	<u>-</u>	<u>-</u>	<u>212,808</u>	<u>212,808</u>
<b>Fund balances, beginning of year</b>	(416,585)	(416,585)	(416,585)	-
<b>Fund balances, end of year</b>	<u>\$ (416,585)</u>	<u>\$ (416,585)</u>	<u>\$ (203,777)</u>	<u>\$ 212,808</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, 2023**

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Wastewater</b>	<b>Stormwater</b>	<b>Total</b>
	<b>Fund</b>	<b>Fund</b>	
<b>Assets</b>			
Current assets:			
Equity in pooled cash and investments	\$ 569,408	\$ 2,348,940	\$ 2,918,348
Receivables, net	891,391	147,481	1,038,872
Due from other governments	-	-	-
Due from other funds	100,467	-	100,467
Advance to other funds	94,361	-	94,361
Restricted assets:			
Equity in pooled cash and investments	741,785	-	741,785
<b>Total current assets</b>	<u>2,397,412</u>	<u>2,496,421</u>	<u>4,893,833</u>
Capital assets:			
Total capital assets, not being depreciated	4,505,455	285,126	4,790,581
Total capital assets, being depreciated, net of accumulated depreciation	<u>18,772,336</u>	<u>3,851,363</u>	<u>22,623,699</u>
Capital assets, net	<u>23,277,791</u>	<u>4,136,489</u>	<u>27,414,280</u>
<b>Total Assets</b>	<u><u>\$ 25,675,203</u></u>	<u><u>\$ 6,632,910</u></u>	<u><u>\$ 32,308,113</u></u>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 378,322	\$ 75,231	\$ 453,553
Due to other funds	-	100,467	100,467
Current portion of compensated absences	81,681	33,423	115,104
Current portion of long-term debt	632,567	49,529	682,096
Liabilities payable from current restricted assets:			
Accrued interest payable	18,270	-	18,270
<b>Total current liabilities</b>	<u>1,110,840</u>	<u>258,650</u>	<u>1,369,490</u>
Noncurrent liabilities:			
Long-term portion of compensated absences	20,420	8,356	28,776
Long-term debt payable after one year	<u>9,566,698</u>	<u>780,056</u>	<u>10,346,754</u>
<b>Total noncurrent liabilities</b>	<u>9,587,118</u>	<u>788,412</u>	<u>10,375,530</u>
<b>Total Liabilities</b>	<u><u>\$ 10,697,958</u></u>	<u><u>\$ 1,047,062</u></u>	<u><u>\$ 11,745,020</u></u>
<b>Net Position</b>			
Net investment in capital assets	\$ 13,078,526	\$ 3,306,904	\$ 16,385,430
Restricted for:			
Debt service	471,790	-	471,790
Capital expansion	251,725	-	251,725
Unrestricted	<u>1,175,204</u>	<u>2,278,944</u>	<u>3,454,148</u>
<b>Total Net Position</b>	<u><u>\$ 14,977,245</u></u>	<u><u>\$ 5,585,848</u></u>	<u><u>\$ 20,563,093</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, 2023**

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Wastewater Fund</b>	<b>Stormwater Fund</b>	<b>Total</b>
<b>Operating revenues</b>			
Charges for sales and services:			
Wastewater charges	\$ 4,894,160	\$ -	\$ 4,894,160
Stormwater charges	-	1,092,066	1,092,066
Miscellaneous	15,184	-	15,184
Total operating revenues	<u>4,909,344</u>	<u>1,092,066</u>	<u>6,001,410</u>
<b>Operating expenses</b>			
Operating and maintenance:			
Personal services	1,790,227	378,748	2,168,975
Contractual services	94,712	55,055	149,767
Repairs and maintenance	485,556	87,040	572,596
Materials and supplies	454,571	9,258	463,829
Depreciation	1,656,215	309,231	1,965,446
Total operating expenses	<u>4,481,281</u>	<u>839,332</u>	<u>5,320,613</u>
<b>Operating income</b>	<u>428,063</u>	<u>252,734</u>	<u>680,797</u>
<b>Nonoperating revenues (expenses)</b>			
Investment earnings	12,078	7,144	19,222
Loss on sale or disposal of assets	(116,968)	-	(116,968)
Interest expense	(141,821)	-	(141,821)
Total nonoperating revenues (expenses)	<u>(246,711)</u>	<u>7,144</u>	<u>(239,567)</u>
<b>Income before contributions and transfers</b>	<u>181,352</u>	<u>259,878</u>	<u>441,230</u>
Transfers in	231,773	111,147	342,920
Transfers out	(720,656)	(19,566)	(740,222)
<b>Change in net position</b>	<u>(307,531)</u>	<u>351,459</u>	<u>43,928</u>
<b>Total net position, beginning of year</b>	15,284,776	5,234,389	20,519,165
<b>Total net position, end of year</b>	<u>\$ 14,977,245</u>	<u>\$ 5,585,848</u>	<u>\$ 20,563,093</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, 2023**

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Wastewater Fund</b>	<b>Stormwater Fund</b>	<b>Total</b>
<b>Cash flows from operating activities</b>			
Cash received from customers	\$ 4,855,153	\$ 1,087,903	\$ 5,943,056
Cash paid to suppliers	(893,469)	(115,580)	(1,009,049)
Cash paid to employees	(1,783,270)	(371,091)	(2,154,361)
Net cash provided by (used in) operating activities	<u>2,178,414</u>	<u>601,232</u>	<u>2,779,646</u>
<b>Cash flows from noncapital financing activities</b>			
Interfund loans	(3,499)	52,947	49,448
Transfers in	231,773	111,147	342,920
Transfers out	(720,656)	(19,566)	(740,222)
Net cash provided by (used) in noncapital financing activities	<u>(492,382)</u>	<u>144,528</u>	<u>(347,854)</u>
<b>Cash flows from capital and related financing activities</b>			
Principal payments on capital debt	(436,790)	(48,514)	(485,304)
Proceeds from issuance of capital debt	960,741	-	960,741
Interest paid	(141,821)	-	(141,821)
Acquisition and construction of capital assets	(1,157,957)	(127,959)	(1,285,916)
Net cash provided by (used in) capital and related financing activities	<u>(775,827)</u>	<u>(176,473)</u>	<u>(952,300)</u>
<b>Cash flows from investing activities</b>			
Interest received	12,078	7,144	19,222
<b>Net change in cash and cash equivalents</b>	<u>922,283</u>	<u>576,431</u>	<u>1,498,714</u>
<b>Cash and cash equivalents, beginning of year</b>	388,910	1,772,509	2,161,419
<b>Cash and cash equivalents, end of year</b>	<u>\$ 1,311,193</u>	<u>\$ 2,348,940</u>	<u>\$ 3,660,133</u>
<b>Reconciliation of operating income to net cash provided by (used in) operating activities</b>			
Operating income (loss)	\$ 428,063	\$ 252,734	\$ 680,797
Adjustment to reconcile operating income to net cash provided by (used in) operating activities:			
Depreciation	1,656,215	309,231	1,965,446
Decrease (increase) in certain assets:			
Accounts receivable	(54,191)	(4,163)	(58,354)
Increase (decrease) in certain liabilities:			
Compensated absences payable	6,957	7,657	14,614
Accounts payable and accrued liabilities	142,396	35,773	178,169
Accrued interest payable	(1,026)	-	(1,026)
Net cash provided by (used in) operating activities	<u>\$ 2,178,414</u>	<u>\$ 601,232</u>	<u>\$ 2,779,646</u>
<b>Cash and cash equivalents classified as:</b>			
Unrestricted	\$ 569,408	\$ 2,348,940	\$ 2,918,348
Restricted	741,785	-	741,785
Total cash and cash equivalents	<u>\$ 1,311,193</u>	<u>\$ 2,348,940</u>	<u>\$ 3,660,133</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, 2023**

(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, 2023**

(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, 2023**

(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.

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.

**CITY OF CAPE CANAVERAL, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

(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 30<sup>th</sup>, 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, 2023**

(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 \$5,000 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, 2023**

(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, 2023**

(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, 2023.

(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) **New accounting pronouncements**—The City implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, in the current year. No *Subscription-Based Information Technology Arrangements* were identified meeting the criteria for recognition under this statement.

(r) **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, 2023**

(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, 2022 was 3.4322 mills (3.389 for general government and 0.0432 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, 2022 through March 31, 2023
<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, 2023**

(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, 2023**

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

At September 30, 2023, the City had the following deposits and investments included in equity in pooled cash and investments:

<b>Investment Type</b>	<b>Carrying Value at September 30, 2023</b>	<b>Maturity</b>	<b>Credit Rating</b>
Cash in banks	\$ 4,255,878	N/A	N/A
Florida Division of Treasury – Special Purpose Investment Account	9,504,646	3.24 years	AA-f
Total Government-wide deposits and investments	\$ 13,760,524		

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, 2023, 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](http://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, 2023, 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, 2023**

(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, 2023, the City's receivables consist of the following:

	<b>Receivables, gross</b>	<b>Allowance for Doubtful Accounts</b>	<b>Receivables, net</b>
Governmental Activities:			
General Fund	\$ 396,374	\$ (2,317)	\$ 394,057
Total Governmental Activities	396,374	(2,317)	394,057
Business-Type Activities:			
Wastewater	898,560	(7,169)	891,391
Stormwater	148,541	(1,060)	147,481
Total Business-Type Activities	1,047,101	(8,229)	1,038,872
Totals	\$ 1,443,475	\$ (10,546)	\$ 1,432,929

In addition to accounts receivable, the City also recorded \$1,348,408 in due from other governments at September 30, 2023.

**CITY OF CAPE CANAVERAL, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

(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, 2023, individual fund interfund receivables and payables for the primary government arising from short-term borrowings for cash flow purposes are comprised of the following:

	<b>Due From Other Funds</b>	<b>Due To Other Funds</b>
General Fund:		
Cape Canaveral CRA Fund	\$ 9,498	\$ -
Cape Canaveral CRA Fund:		
General Fund	-	9,498
Wastewater Fund:		
Stormwater Fund	100,467	-
Stormwater Fund:		
Wastewater Fund	-	100,467
Total—All Funds	\$ 109,965	\$ 109,965

At September 30, 2023, 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:

	<b>Advance To</b>	<b>Advance From</b>
Cape Canaveral CRA Fund:		
Wastewater Fund	\$ -	\$ 94,361
Wastewater Fund:		
Cape Canaveral CRA Fund	94,361	-
Total—All Funds	\$ 94,361	\$ 94,361

**CITY OF CAPE CANAVERAL, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

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

For the year ended September 30, 2023, the composition of interfund transfers is as follows:

	<b>Transfer From</b>	<b>Transfer To</b>
Governmental Activities:		
General Fund:		
Fire Protection Fund	\$ 32,709	\$ -
Cape Canaveral CRA Fund	1,425,516	141,958
Capital Construction Fund	-	-
Wastewater Fund	720,656	228,897
Stormwater Fund	19,566	111,147
Law Enforcement Fund	-	27,768
Impact Fees Fund	-	503,111
Cape Canaveral CRA Fund:		
General Fund	141,958	1,428,392
Nonmajor Governmental Funds:		
Impact Fees Fund:		
General Fund	503,111	-
Law Enforcement Trust Fund:		
General Fund	27,768	-
Fire Protection Fund:		
General Fund	-	32,709
Total Governmental Activities	2,871,284	2,473,982
Business-Type Activities:		
Wastewater Fund:		
General Fund	228,897	720,656
Cape Canaveral CRA Fund	2,876	-
Stormwater Fund:		
General Fund	111,147	19,566
Total Business-Type Activities	342,920	740,222
Total—All Funds	\$ 3,214,204	\$ 3,214,204

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, 2023**

(7) **Capital Assets:**

For the fiscal year ended September 30, 2023, capital asset activity was as follows:

<b>Governmental activities:</b>	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
Capital assets not being depreciated:				
Land	\$ 8,183,264	\$ -	\$ -	\$ 8,183,264
Construction in progress	1,899,357	566,194	(132,711)	2,332,840
Total assets not being depreciated	<u>10,082,621</u>	<u>566,194</u>	<u>(132,711)</u>	<u>10,516,104</u>
Capital assets being depreciated:				
Building & Improvements	16,669,916	50,971	(2,560)	16,718,327
Machinery and equipment	3,498,327	1,299,144	(31,074)	4,766,397
Infrastructure	14,006,803	307,253	(45,124)	14,268,932
Total assets being depreciated	<u>34,175,046</u>	<u>1,657,368</u>	<u>(78,758)</u>	<u>35,753,656</u>
Less accumulated depreciation for:				
Building & Improvements	(2,683,995)	(622,557)	2,303	(3,304,249)
Machinery and equipment	(2,084,775)	(309,743)	30,074	(2,364,444)
Infrastructure	(5,355,359)	(657,782)	26,100	(5,987,041)
Total accumulated depreciation	<u>(10,124,129)</u>	<u>(1,590,082)</u>	<u>58,477</u>	<u>(11,655,734)</u>
Total capital assets being depreciated, net	<u>24,050,917</u>	<u>67,286</u>	<u>(20,281)</u>	<u>24,097,922</u>
Governmental activities capital assets, net	<u>\$ 34,133,538</u>	<u>\$ 633,480</u>	<u>\$ (152,992)</u>	<u>\$ 34,614,026</u>

**CITY OF CAPE CANAVERAL, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

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

<b>Business-type activities:</b>	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
Capital assets not being depreciated:				
Land	\$ 351,084	\$ -	\$ -	\$ 351,084
Construction in progress	4,526,706	806,718	(893,927)	4,439,497
Total assets not being depreciated	<u>4,877,790</u>	<u>806,718</u>	<u>(893,927)</u>	<u>4,790,581</u>
Capital assets being depreciated:				
Building & Improvements	5,259,085	-	(8,781)	5,250,304
Machinery and equipment	8,634,177	413,346	(53,566)	8,993,957
Infrastructure	35,516,246	959,779	(358,147)	36,117,878
Total assets being depreciated	<u>49,409,508</u>	<u>1,373,125</u>	<u>(420,494)</u>	<u>50,362,139</u>
Less accumulated depreciation for:				
Building & Improvements	(3,006,448)	(132,300)	8,380	(3,130,368)
Machinery and equipment	(3,318,637)	(584,242)	49,592	(3,853,287)
Infrastructure	(19,751,435)	(1,248,904)	245,554	(20,754,785)
Total accumulated depreciation	<u>(26,076,520)</u>	<u>(1,965,446)</u>	<u>303,526</u>	<u>(27,738,440)</u>
Total capital assets being depreciated, net	<u>23,332,988</u>	<u>(592,321)</u>	<u>(116,968)</u>	<u>22,623,699</u>
Business-type activities capital assets, net	<u>\$ 28,210,778</u>	<u>\$ 214,397</u>	<u>\$ (1,010,895)</u>	<u>\$ 27,414,280</u>

Depreciation expense was charged to functions/programs as follows:

<b>Governmental activities:</b>	
General government	\$ 455,172
Community development	6,335
Public safety	223,686
Infrastructure maintenance	600,076
Culture and recreation	304,813
Total depreciation expense-governmental activities	<u>\$ 1,590,082</u>
<b>Business-type activities:</b>	
Wastewater	\$ 1,656,215
Stormwater	309,231
Total depreciation expense-business-type activities	<u>\$ 1,965,446</u>

**CITY OF CAPE CANAVERAL, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

(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 \$2,999,723 for the year ended September 30, 2023. These annually pledged revenues collectively support the annual debt repayment of \$605,790 which comprises of \$588,000 in principal and \$17,790 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 \$600,000.

***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 \$2,999,723 for the year ended September 30, 2023. These annually pledged revenues collectively support the annual debt repayment of \$685,404 which comprises of \$625,000 in principal and \$60,404 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 \$2,634,000.

**CITY OF CAPE CANAVERAL, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

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

***Capital Improvement Revenue Note, Series 2021***

The \$1,200,000 Capital Improvement Revenue Note, Series 2021 was issued in October 2021 to finance various general government capital improvements and acquisitions including but not limited to the Promenade Building located at 7404 North Atlantic Avenue and other capital improvements and to pay the cost of issuance related to the financing. The Series 2021 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 \$2,999,723 for the year ended September 30, 2023. These annually pledged revenues collectively support the annual debt repayment of \$129,543 which comprises of \$113,000 in principal and \$16,543 in interest. The pledge of the pledged revenues would be continuing and cumulative until all amounts under the Series 2021 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 1.61%, is payable semi-annually on February 1 and August 1 of each year until final maturity on February 1, 2031. Total principal remaining to be paid on the note is \$971,000.

***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, 2023 is summarized as follows:

1.68% State Revolving Fund promissory note payable in the amount of \$5,632,526; with semiannual loan payments of \$182,496 through fiscal year 2031; secured by the net wastewater and stormwater utility revenue of the City.	\$ 4,544,547
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 2037; secured by the net wastewater utility revenue of the City.	2,308,506
1.32% State Revolving Fund promissory note payable in the amount of \$432,071; with semiannual loan payments of \$15,222 through fiscal year 2031 secured by the net wastewater utility revenue of the City.	400,822
0% State Revolving Fund promissory note payable in the amount of \$340,000; with semiannual loan payments of \$7,365 through fiscal year 2040; secured by the net wastewater utility revenue of the City.	250,394

**CITY OF CAPE CANAVERAL, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

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

0% State Revolving Fund promissory note payable in the amount of \$934,317; with semiannual loan payments of \$21,463 through fiscal year 2041; secured by the net wastewater utility revenue of the City.	772,670
0.18% State Revolving Fund promissory note payable in the amount of \$1,770,000; with semiannual loan payments beginning on March 15, 2024 of \$45,195 through fiscal year 2042; secured by the net wastewater utility revenue of the City.	1,768,300
0% State Revolving Fund promissory note payable in the amount of \$752,014; with semiannual loan payments beginning on February 15, 2024 of \$19,176 through fiscal year 2042; secured by the net wastewater utility revenue of the City.	630,884
0% State Revolving Fund promissory note payable in the amount of \$320,565; with semiannual loan payments of \$8,174 through fiscal year 2042; secured by the net wastewater utility revenue of the City.	318,802
0% State Revolving Fund promissory note payable in the amount of \$1,955,104; with semiannual loan payments beginning on August 15, 2024 of \$49,855 through fiscal year 2044; secured by the net wastewater utility revenue of the City.	33,925
	11,028,850
Less: current maturities	682,096
Total business-type activities long-term debt	\$ 10,346,754

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

<b>Year Ending September 30,</b>	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	
2024	\$ 1,352,000	\$ 68,143	\$ 682,096	\$ 60,819	\$ 2,163,058
2025	768,000	47,099	655,464	57,352	1,527,915
2026	783,000	31,716	662,964	53,494	1,531,174
2027	799,000	16,024	670,640	49,564	1,535,228
2028	122,000	7,116	678,462	45,559	853,137
2029-2033	381,000	9,265	3,515,014	165,009	4,070,288
2034-2038	-	-	3,428,876	52,935	3,481,811
2039-2043	-	-	643,514	-	643,514
2044-2045	-	-	91,820	-	91,820
	\$ 4,205,000	\$ 179,363	\$ 11,028,850	\$ 484,732	\$ 15,897,945



**CITY OF CAPE CANAVERAL, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

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

**B. Change in Long-term Liabilities**

Long-term liability activity for the year ended September 30, 2023, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental Activities</b>					
Capital improvement notes	\$ 5,531,000	\$ -	\$(1,326,000)	\$ 4,205,000	\$ 1,352,000
Compensated absences payable	258,044	260,167	(187,887)	330,324	264,259
Total Governmental Activities	<u>\$ 5,789,044</u>	<u>\$ 260,167</u>	<u>\$(1,513,887)</u>	<u>\$ 4,535,324</u>	<u>\$ 1,616,259</u>
<b>Business-Type Activities</b>					
State revolving loans	\$ 10,553,413	\$ 960,741	\$ (485,304)	\$ 11,028,850	\$ 682,096
Compensated absences payable	129,266	109,899	(95,285)	143,880	115,104
Total Business-Type Activities	<u>\$ 10,682,679</u>	<u>\$ 1,070,640</u>	<u>\$ (580,589)</u>	<u>\$ 11,172,730</u>	<u>\$ 797,200</u>

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

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

(9) **Legal Matters:**

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

(10) **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.

**CITY OF CAPE CANAVERAL, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

(11) **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 \$3,897 were used to reduce the City's current period contribution requirement.

For the year ended September 30, 2023, employer and matching contributions to the defined contribution plan were \$218,437 and \$86,692, respectively. As of September 30, 2023, the Plan had 52 participating employees.

(12) **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, 2023. As such, no OPEB liability has been recorded.

(13) **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.

**CITY OF CAPE CANAVERAL, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

(14) **Fund Deficits:**

The School Crossing Guard Fund deficit of \$3,415 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 \$3,103 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 CRA Fund deficit of \$203,777 represents the cumulative costs associated with capital improvements and excess of expenditures over revenues. This deficit is to be funded by future revenues in excess of expenditures.

(15) **Restatement of Fund Balance and Net Position:**

Relating to the general fund, it was determined for the year ended September 30, 2022, certain accruals related to intergovernmental revenue were incorrect. Beginning general fund balance and governmental activities net position have been restated for the effects to reduce to prior year assets by \$418,455 related to the over-accrued receivable.

(16) **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, 2023, no taxes were abated.

(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. 101, *Compensated Absences*, in June 2022. GASB Statement No. 101 amends various provisions regarding the calculation methodology and required disclosures related to the liability for compensated absences. The provisions for GASB 101 are effective for fiscal years beginning after December 15, 2023.
- (b) GASB issued Statement No. 102, *Certain Risk Disclosures*, in June 2022. GASB 102 requires governments to disclose essential information about risks related to vulnerabilities due to certain concentrations or constraints. The provisions for GASB 102 are effective for fiscal years beginning after June 15, 2024.

**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.

#### **Impact Fee**

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

**CITY OF CAPE CANAVERAL, FLORIDA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2023**

	<b>Special Revenue Funds</b>						<b>Total</b>
	<b>Police Education</b>	<b>Fire Protection</b>	<b>School Crossing Guard</b>	<b>Library</b>	<b>Impact Fees</b>	<b>Special Law Enforcement Trust</b>	
<b>Assets</b>							
Equity in pooled cash and investments	\$ 29,352	\$ 260	\$ -	\$ 571,582	\$ 589,827	\$ 1,834	\$ 1,192,855
Due from other governments	26	-	60	15	-	-	101
<b>Total assets</b>	<b>\$ 29,378</b>	<b>\$ 260</b>	<b>\$ 60</b>	<b>\$ 571,597</b>	<b>\$ 589,827</b>	<b>\$ 1,834</b>	<b>\$ 1,192,956</b>
<b>Liabilities</b>							
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 3,475	\$ 322	\$ -	\$ 4,937	\$ 8,734
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>3,475</b>	<b>322</b>	<b>-</b>	<b>4,937</b>	<b>8,734</b>
<b>Fund Balances</b>							
Restricted for:							
Public safety	29,378	260	-	-	-	-	29,638
Culture/recreation	-	-	-	571,275	-	-	571,275
Capital expansion	-	-	-	-	589,827	-	589,827
Unassigned	-	-	(3,415)	-	-	(3,103)	(6,518)
<b>Total fund balances</b>	<b>29,378</b>	<b>260</b>	<b>(3,415)</b>	<b>571,275</b>	<b>589,827</b>	<b>(3,103)</b>	<b>1,184,222</b>
<b>Total liabilities and fund balances</b>	<b>\$ 29,378</b>	<b>\$ 260</b>	<b>\$ 60</b>	<b>\$ 571,597</b>	<b>\$ 589,827</b>	<b>\$ 1,834</b>	<b>\$ 1,192,956</b>

**CITY OF CAPE CANAVERAL, FLORIDA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<b>Special Revenue Funds</b>						<b>Total</b>
	<b>Police Education</b>	<b>Fire Protection</b>	<b>School Crossing Guard</b>	<b>Library</b>	<b>Impact Fees</b>	<b>Special Law Enforcement</b>	
<b>Revenues</b>							
Property taxes	\$ -	\$ -	\$ -	\$ 71,217	\$ -	\$ -	\$ 71,217
Fines and forfeitures	1,232	-	1,130	-	-	-	2,362
Impact fees	-	-	-	-	84,655	-	84,655
Investment earnings (losses)	256	460	-	7,398	2,061	37	10,212
Total revenues	<u>1,488</u>	<u>460</u>	<u>1,130</u>	<u>78,615</u>	<u>86,716</u>	<u>37</u>	<u>168,446</u>
<b>Expenditures</b>							
Current:							
Public Safety	-	-	-	-	-	6,924	6,924
Culture and Recreation	-	-	-	25,828	-	-	25,828
Capital outlay	-	-	-	26,099	-	-	26,099
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>51,927</u>	<u>-</u>	<u>6,924</u>	<u>58,851</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>1,488</u>	<u>460</u>	<u>1,130</u>	<u>26,688</u>	<u>86,716</u>	<u>(6,887)</u>	<u>109,595</u>
<b>Other financing sources (uses)</b>							
Transfers in	-	-	-	-	503,111	27,768	530,879
Transfers out	-	(32,709)	-	-	-	-	(32,709)
Total other financing sources (uses)	<u>-</u>	<u>(32,709)</u>	<u>-</u>	<u>-</u>	<u>503,111</u>	<u>27,768</u>	<u>498,170</u>
<b>Net change in fund balances</b>	<u>1,488</u>	<u>(32,249)</u>	<u>1,130</u>	<u>26,688</u>	<u>589,827</u>	<u>20,881</u>	<u>607,765</u>
<b>Fund balances, beginning of year</b>	27,890	32,509	(4,545)	544,587	-	(23,984)	576,457
<b>Fund balances, end of year</b>	<u>\$ 29,378</u>	<u>\$ 260</u>	<u>\$ (3,415)</u>	<u>\$ 571,275</u>	<u>\$ 589,827</u>	<u>\$ (3,103)</u>	<u>\$ 1,184,222</u>

**CITY OF CAPE CANAVERAL, FLORIDA  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL  
NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2023**

	Special Revenue Funds							
	Police Education				Fire Protection			
	Budgeted Amounts		Actual	Variance Positive (Negative)	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final			Original	Final		
<b>Revenues</b>								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	1,020	1,232	1,232	-	-	-	-	-
Impact fees	-	-	-	-	-	-	-	-
Investment earnings (losses)	75	256	256	-	264	460	460	-
Miscellaneous	-	-	-	-	-	-	-	-
Total revenues	<u>1,095</u>	<u>1,488</u>	<u>1,488</u>	<u>-</u>	<u>264</u>	<u>460</u>	<u>460</u>	<u>-</u>
<b>Expenditures</b>								
Current:								
Public Safety:								
Fire	-	-	-	-	264	-	-	-
Police	1,095	1,488	-	1,488	-	-	-	-
Total Public Safety	<u>1,095</u>	<u>1,488</u>	<u>-</u>	<u>1,488</u>	<u>264</u>	<u>-</u>	<u>-</u>	<u>-</u>
Culture and Recreation:								
Library	-	-	-	-	-	-	-	-
Total Culture and Recreation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	<u>1,095</u>	<u>1,488</u>	<u>-</u>	<u>1,488</u>	<u>264</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>-</u>	<u>-</u>	<u>1,488</u>	<u>1,488</u>	<u>-</u>	<u>460</u>	<u>460</u>	<u>-</u>
<b>Other financing sources (uses)</b>								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	(32,709)	(32,709)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(32,709)</u>	<u>(32,709)</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>-</u>	<u>-</u>	<u>1,488</u>	<u>1,488</u>	<u>-</u>	<u>(32,249)</u>	<u>(32,249)</u>	<u>-</u>
<b>Fund balances, beginning of year</b>	27,890	27,890	27,890	-	32,509	32,509	32,509	-
<b>Fund balances, end of year</b>	<u>\$ 27,890</u>	<u>\$ 27,890</u>	<u>\$ 29,378</u>	<u>\$ 1,488</u>	<u>\$ 32,509</u>	<u>\$ 260</u>	<u>\$ 260</u>	<u>\$ -</u>



CITY OF CAPE CANAVERAL, FLORIDA  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL (Continued)  
NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2023

	Special Revenue Funds							
	School Crossing Guard				Library			
	Budgeted Amounts		Actual	Variance Positive (Negative)	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final			Original	Final		
<b>Revenues</b>								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 70,303	\$ 71,217	\$ 71,217	\$ -
Fines and forfeitures	900	1,130	1,130	-	-	-	-	-
Impact fees	-	-	-	-	-	-	-	-
Investment earnings (losses)	-	-	-	-	7,422	7,398	7,398	-
Miscellaneous	-	-	-	-	-	-	-	-
Total revenues	<u>900</u>	<u>1,130</u>	<u>1,130</u>	<u>-</u>	<u>77,725</u>	<u>78,615</u>	<u>78,615</u>	<u>-</u>
<b>Expenditures</b>								
Current:								
Public Safety:								
Fire	-	-	-	-	-	-	-	-
Police	-	1,130	-	1,130	-	-	-	-
Total Public Safety	<u>-</u>	<u>1,130</u>	<u>-</u>	<u>1,130</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Culture and Recreation:								
Library	-	-	-	-	47,725	52,516	25,828	26,688
Total Culture and Recreation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>47,725</u>	<u>52,516</u>	<u>25,828</u>	<u>26,688</u>
Capital outlay	-	-	-	-	30,000	26,099	26,099	-
Total expenditures	<u>-</u>	<u>1,130</u>	<u>-</u>	<u>1,130</u>	<u>77,725</u>	<u>78,615</u>	<u>51,927</u>	<u>26,688</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>900</u>	<u>-</u>	<u>1,130</u>	<u>(1,130)</u>	<u>-</u>	<u>-</u>	<u>26,688</u>	<u>26,688</u>
<b>Other financing sources (uses)</b>								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	(2,100)	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>(2,100)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>(1,200)</u>	<u>-</u>	<u>1,130</u>	<u>(1,130)</u>	<u>-</u>	<u>-</u>	<u>26,688</u>	<u>26,688</u>
<b>Fund balances, beginning of year</b>	(4,545)	(4,545)	(4,545)	-	544,587	544,587	544,587	-
<b>Fund balances, end of year</b>	<u>\$ (5,745)</u>	<u>\$ (4,545)</u>	<u>\$ (3,415)</u>	<u>\$ (1,130)</u>	<u>\$ 544,587</u>	<u>\$ 544,587</u>	<u>\$ 571,275</u>	<u>\$ 26,688</u>

**CITY OF CAPE CANAVERAL, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET TO ACTUAL (Continued)**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2023**

	Special Revenue Funds				Special Revenue Funds			
	Impact Fees				Special Law Enforcement			
	Budgeted Amounts		Actual	Variance Positive (Negative)	Budgeted Amounts		Actual	Variance Positive (Negative)
Original	Final	Original			Final			
<b>Revenues</b>								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-	-	-	-	-
Impact fees	82,696	84,656	84,655	(1)	-	-	-	-
Investment earnings (losses)	-	2,061	2,061	-	45	(1,568)	37	1,605
Miscellaneous	-	-	-	-	1,650	1,605	-	(1,605)
Total revenues	<u>82,696</u>	<u>86,717</u>	<u>86,716</u>	<u>(1)</u>	<u>1,695</u>	<u>37</u>	<u>37</u>	<u>-</u>
<b>Expenditures</b>								
Current:								
Public Safety:								
Fire	-	-	-	-	-	-	-	-
Police	-	-	-	-	6,924	27,805	6,924	20,881
Total Public Safety	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,924</u>	<u>27,805</u>	<u>6,924</u>	<u>20,881</u>
Culture and Recreation:								
Library	-	-	-	-	-	-	-	-
Total Culture and Recreation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,924</u>	<u>27,805</u>	<u>6,924</u>	<u>20,881</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>82,696</u>	<u>86,717</u>	<u>86,716</u>	<u>(1)</u>	<u>(5,229)</u>	<u>(27,768)</u>	<u>(6,887)</u>	<u>(20,881)</u>
<b>Other financing sources (uses)</b>								
Transfers in	-	503,111	503,111	-	-	27,768	27,768	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>503,111</u>	<u>503,111</u>	<u>-</u>	<u>-</u>	<u>27,768</u>	<u>27,768</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>82,696</u>	<u>589,828</u>	<u>589,827</u>	<u>(1)</u>	<u>(5,229)</u>	<u>-</u>	<u>20,881</u>	<u>(20,881)</u>
<b>Fund balances, beginning of year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(23,984)</u>	<u>(23,984)</u>	<u>(23,984)</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 82,696</u>	<u>\$ 589,828</u>	<u>\$ 589,827</u>	<u>\$ (1)</u>	<u>\$ (29,213)</u>	<u>\$ (23,984)</u>	<u>\$ (3,103)</u>	<u>\$ (20,881)</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.

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b>	81
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
<b>Revenue Capacity</b>	86
These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.	
<b>Debt Capacity</b>	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.	
<b>Demographic and Economic Information</b>	95
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
<b>Operating Information</b>	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			
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental activities:										
Net investment in capital assets	\$ 30,409,026	\$ 28,799,213	\$ 25,902,339	\$ 25,098,106	\$ 24,420,158	\$ 23,031,722	\$ 15,762,142	\$ 17,995,928	\$ 13,333,909	\$ 12,919,882
Restricted	1,432,139	1,196,000	980,250	890,457	1,093,129	1,240,280	715,241	1,538,482	1,691,174	1,296,710
Unrestricted	9,178,875	10,602,615	5,431,304	4,841,643	3,680,573	3,313,663	9,651,795	5,850,230	7,844,092	8,219,219
<b>Total governmental activities net position</b>	<b>41,020,040</b>	<b>40,597,828</b>	<b>32,313,893</b>	<b>30,830,206</b>	<b>29,193,860</b>	<b>27,585,665</b>	<b>26,129,178</b>	<b>25,384,640</b>	<b>22,869,175</b>	<b>22,435,811</b>
Business-type activities:										
Net investment in capital assets	16,385,430	17,657,365	18,281,106	18,991,455	18,079,535	18,534,388	18,230,977	17,252,487	15,697,879	14,389,471
Restricted	723,515	511,053	318,294	301,698	331,621	311,774	523,141	327,160	175,579	423,939
Unrestricted	3,454,148	2,350,747	2,452,585	2,071,165	2,803,100	2,365,518	2,565,993	3,154,768	2,395,488	2,840,010
<b>Total business-type activities net position</b>	<b>20,563,093</b>	<b>20,519,165</b>	<b>21,051,985</b>	<b>21,364,318</b>	<b>21,214,256</b>	<b>21,211,680</b>	<b>21,320,111</b>	<b>20,734,415</b>	<b>18,268,946</b>	<b>17,653,420</b>
Primary government:										
Net investment in capital assets	46,794,456	46,456,578	44,183,445	44,089,561	42,499,693	41,566,110	33,993,119	35,248,415	29,031,788	27,309,353
Restricted	2,155,654	1,707,053	1,298,544	1,192,155	1,424,750	1,552,054	1,238,382	1,865,642	1,866,753	1,720,649
Unrestricted	12,633,023	12,953,362	7,883,889	6,912,808	6,483,673	5,679,181	12,217,788	9,004,998	10,239,580	11,059,229
<b>Total primary government net position</b>	<b>\$ 61,583,133</b>	<b>\$ 61,116,993</b>	<b>\$ 53,365,878</b>	<b>\$ 52,194,524</b>	<b>\$ 50,408,116</b>	<b>\$ 48,797,345</b>	<b>\$ 47,449,289</b>	<b>\$ 46,119,055</b>	<b>\$ 41,138,121</b>	<b>\$ 40,089,231</b>

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

	Fiscal Year					Fiscal Year				
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Expenses:</b>										
Governmental activities										
General government	\$ 2,896,836	\$ 2,649,187	\$ 2,224,658	\$ 1,733,788	\$ 1,912,122	\$ 2,113,111	\$ 1,738,078	\$ 1,729,277	\$ 1,506,243	\$ 1,196,010
Public safety	6,057,939	5,690,885	5,481,075	5,340,323	5,114,039	4,813,735	4,758,227	4,806,887	4,533,243	4,988,955
Transportation	-	-	-	-	-	-	-	-	968,272	976,126
Physical environment	-	-	-	-	-	-	-	1,059,367	1,039,747	971,376
Infrastructure Maintenance*	3,592,628	3,084,122	2,868,777	2,827,052	2,803,492	2,530,280	2,879,334	-	-	-
Culture/recreation	1,589,986	1,161,390	785,391	822,896	758,247	671,362	641,703	640,356	570,491	721,749
Community Redevelopment*	2,351	1,418	1,626	7,695	16,879	2,508	102,732	-	-	-
Unallocated depreciation	-	-	-	-	-	-	-	-	-	-
Interest on long-term debt	90,304	115,428	122,303	145,695	166,650	211,511	101,772	94,236	104,385	47,124
<b>Total governmental activities expenses</b>	<b>14,230,044</b>	<b>12,702,430</b>	<b>11,483,830</b>	<b>10,877,449</b>	<b>10,771,429</b>	<b>10,342,507</b>	<b>10,221,846</b>	<b>9,298,395</b>	<b>8,736,400</b>	<b>8,901,340</b>
Business-type activities:										
Wastewater utility	4,740,070	4,492,999	4,396,609	4,120,583	3,692,274	3,560,126	3,149,054	2,916,035	2,873,515	2,867,552
Stormwater utility	839,332	844,684	725,034	693,025	614,469	685,002	526,404	537,809	526,065	463,618
<b>Total business-type activities expenses</b>	<b>5,579,402</b>	<b>5,337,683</b>	<b>5,121,643</b>	<b>4,813,608</b>	<b>4,306,743</b>	<b>4,245,128</b>	<b>3,675,458</b>	<b>3,453,844</b>	<b>3,399,580</b>	<b>3,331,170</b>
<b>Total primary-government expenses</b>	<b>\$ 19,809,446</b>	<b>\$ 18,040,113</b>	<b>\$ 16,605,473</b>	<b>\$ 15,691,057</b>	<b>\$ 15,078,172</b>	<b>\$ 14,587,635</b>	<b>\$ 13,897,304</b>	<b>\$ 12,752,239</b>	<b>\$ 12,135,980</b>	<b>\$ 12,232,510</b>
<b>Program revenue</b>										
Governmental activities:										
Charges for Services:										
General government	\$ 2,359	\$ 2,476	\$ 3,236	\$ 97,732	\$ 4,035	\$ 5,981	\$ 17,192	\$ 49,413	\$ 20,552	\$ 22,890
Public safety	843,875	795,542	761,110	779,155	1,160,043	676,100	569,568	471,722	614,254	509,007
Infrastructure Maintenance	1,599,122	1,258,631	1,181,011	1,176,442	1,123,123	1,087,639	1,059,788	1,058,515	1,050,377	983,463
Culture/recreation	309,225	140,490	43,334	104,976	85,646	76,287	67,081	87,210	79,947	85,832
Operating Grants and Contributions										
General government	-	-	52,910	-	-	-	-	-	-	-
Public safety	-	5,243,938	5,016	5,070	-	-	-	-	-	-
Infrastructure Maintenance	329,951	-	-	-	-	-	-	-	-	-
Transportation	-	373,479	364,858	353,299	383,440	320,181	332,189	333,666	303,353	283,621
Culture/recreation	-	-	-	-	-	-	-	-	-	-
Capital Grants and Contributions										
General government	28,545	57,864	-	-	-	-	-	-	-	-
Public safety	32,923	66,635	-	-	-	-	-	-	-	-
Transportation	-	1,620,455	412,985	615,279	73,195	5,123	455,249	818,647	13,886	293,678
Culture/recreation	23,187	47,132	-	2,000	-	50,000	5,000	-	-	-
<b>Total governmental activities program revenues</b>	<b>3,169,187</b>	<b>9,606,642</b>	<b>2,824,460</b>	<b>3,133,953</b>	<b>2,829,482</b>	<b>2,221,311</b>	<b>2,506,067</b>	<b>2,819,173</b>	<b>2,082,369</b>	<b>2,178,491</b>
Business-type activities:										
Charges for services:										
Wastewater utility	4,894,160	4,489,017	4,320,626	4,389,709	4,126,467	4,014,216	3,964,016	4,099,508	3,732,961	3,569,928
Stormwater utility	1,092,066	1,089,406	1,069,796	987,529	852,611	747,234	637,061	582,331	580,543	579,494
Capital grants and contributions										
Wastewater utility	-	128,400	121,600	-	-	-	-	-	-	-
Stormwater utility	-	-	-	-	-	-	465,038	-	-	-
<b>Total business-type activities program revenues</b>	<b>5,986,226</b>	<b>5,706,823</b>	<b>5,512,022</b>	<b>5,377,238</b>	<b>4,979,078</b>	<b>4,761,450</b>	<b>5,066,115</b>	<b>4,681,839</b>	<b>4,313,504</b>	<b>4,149,422</b>
<b>Total primary government program revenues</b>	<b>\$ 9,155,413</b>	<b>\$ 15,313,465</b>	<b>\$ 8,336,482</b>	<b>\$ 8,511,191</b>	<b>\$ 7,808,560</b>	<b>\$ 6,982,761</b>	<b>\$ 7,572,182</b>	<b>\$ 7,501,012</b>	<b>\$ 6,395,873</b>	<b>\$ 6,327,913</b>

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

	Fiscal Year					Fiscal Year				
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Net (expense) revenue</b>										
Governmental activities	\$ (11,060,857)	\$ (3,095,788)	\$ (8,659,370)	\$ (7,743,496)	\$ (7,941,947)	\$ (8,121,196)	\$ (7,715,779)	\$ (6,479,222)	\$ (6,654,031)	\$ (6,722,849)
Business-type activities	<b>406,824</b>	369,140	390,379	563,630	672,335	516,322	1,390,657	1,227,995	913,924	818,252
<b>Total primary government net (expense) revenue</b>	<b>\$ (10,654,033)</b>	<b>\$ (2,726,648)</b>	<b>\$ (8,268,991)</b>	<b>\$ (7,179,866)</b>	<b>\$ (7,269,612)</b>	<b>\$ (7,604,874)</b>	<b>\$ (6,325,122)</b>	<b>\$ (5,251,227)</b>	<b>\$ (5,740,107)</b>	<b>\$ (5,904,597)</b>
<i>General revenues and other changes in net position</i>										
Governmental activities:										
Property taxes	\$ 5,657,972	\$ 5,287,035	\$ 4,957,551	\$ 4,721,416	\$ 4,533,714	\$ 4,434,439	\$ 3,546,026	\$ 3,349,568	\$ 3,280,632	\$ 3,244,566
Local option motor fuel taxes	-	-	-	-	-	-	-	-	-	-
Utility and franchise taxes	3,166,072	2,858,214	2,528,058	2,503,275	2,505,196	2,498,499	2,461,812	2,454,174	2,385,223	2,302,715
Unrestricted intergovernmental revenues	2,199,457	2,091,247	1,859,137	1,471,997	1,408,921	1,682,505	1,482,570	2,736,562	940,785	794,366
Investment income	410,836	77,266	60,628	204,746	271,544	164,414	76,501	77,593	80,687	65,002
Contributions and donations	-	-	-	-	-	-	25,072	-	-	-
Miscellaneous revenues	69,885	66,645	61,342	50,547	72,591	55,294	39,406	34,642	70,668	121,673
Transfers	397,302	999,316	676,341	427,861	758,176	700,925	828,930	342,148	329,400	(210,604)
<b>Total governmental activities</b>	<b>11,901,524</b>	<b>11,379,723</b>	<b>10,143,057</b>	<b>9,379,842</b>	<b>9,550,142</b>	<b>9,536,076</b>	<b>8,460,317</b>	<b>8,994,687</b>	<b>7,087,395</b>	<b>6,317,718</b>
Business-type activities:										
Investment income	19,222	5,230	7,022	14,293	17,255	17,079	18,568	16,769	26,314	16,903
Unrestricted intergovernmental revenues	-	-	-	-	-	-	-	1,558,083	-	-
Miscellaneous revenues	15,184	92,126	149,073	-	24,082	34,700	5,401	4,770	4,688	-
Transfers	(397,302)	(999,316)	(676,341)	(427,861)	(711,096)	(700,925)	(828,930)	(342,148)	(329,400)	210,604
<b>Total business-type activities</b>	<b>(362,896)</b>	<b>(901,960)</b>	<b>(520,246)</b>	<b>(413,568)</b>	<b>(669,759)</b>	<b>(649,146)</b>	<b>(804,961)</b>	<b>1,237,474</b>	<b>(298,398)</b>	<b>227,507</b>
<b>Total primary government</b>	<b>\$ 11,538,628</b>	<b>\$ 10,477,763</b>	<b>\$ 9,622,811</b>	<b>\$ 8,966,274</b>	<b>\$ 8,880,383</b>	<b>\$ 8,886,930</b>	<b>\$ 7,655,356</b>	<b>\$ 10,232,161</b>	<b>\$ 6,788,997</b>	<b>\$ 6,545,225</b>
<b>Change in net position:</b>										
Government activities	\$ 840,667	\$ 8,283,935	\$ 1,483,687	\$ 1,636,346	\$ 1,608,195	\$ 1,414,880	\$ 744,538	\$ 2,515,465	\$ 433,364	\$ (405,131)
Business-type activities	43,928	(532,820)	(129,867)	150,062	2,576	(132,824)	585,696	2,465,469	615,526	1,045,759
<b>Total primary government change in net position</b>	<b>\$ 884,595</b>	<b>\$ 7,751,115</b>	<b>\$ 1,353,820</b>	<b>\$ 1,786,408</b>	<b>\$ 1,610,771</b>	<b>\$ 1,282,056</b>	<b>\$ 1,330,234</b>	<b>\$ 4,980,934</b>	<b>\$ 1,048,890</b>	<b>\$ 640,628</b>

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				
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Fund										
Nonspendable	\$ -	\$ -	\$ 849,212	\$ 1,782	\$ 4,623	\$ 3,312	\$ 115,308	\$ 96,734	\$ 105,275	\$ 124,668
Restricted	241,399	591,014	286,208	343,022	612,387	774,321	321,574	447,214	542,083	430,314
Committed	4,318,640	5,631,465	2,061,783	6,805,686	6,427,779	6,598,862	7,153,028	2,479,667	4,393,882	5,024,941
Assigned	1,766,915	3,120,500	1,996,700	1,735,350	1,206,400	1,034,776	947,650	-	-	485,543
Unassigned (deficit)	3,645,355	2,766,332	3,331,874	3,849,504	3,523,099	3,072,957	3,282,575	3,981,139	3,585,562	3,026,331
Total general fund	<u>\$ 9,972,309</u>	<u>\$ 12,109,311</u>	<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>
All other Governmental Funds:										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 620	\$ -	\$ -	\$ -	\$ -
Restricted	1,190,740	604,986	694,042	547,435	480,742	465,959	393,667	1,091,268	1,149,091	866,396
Committed	-	-	-	-	-	-	843	2,257	3,113	-
Assigned	-	-	-	-	-	-	-	-	1,998	-
Unassigned (deficit)	(210,295)	(445,114)	(874,835)	(869,103)	(859,836)	(852,161)	(1,548,847)	(466,535)	-	(189,731)
Total all other governmental funds	<u>\$ 980,445</u>	<u>\$ 159,872</u>	<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>



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

	Fiscal Year					Fiscal Year				
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Revenues:</b>										
Property Taxes	\$ 5,657,972	\$ 5,287,035	\$ 4,957,551	\$ 4,721,416	\$ 4,533,714	\$ 4,434,439	\$ 3,546,026	\$ 3,349,568	\$ 3,280,632	\$ 3,244,566
Local option fuel taxes	329,951	373,479	364,858	353,299	383,440	320,181	332,189	333,666	303,353	283,621
Utility and franchise taxes	2,999,723	2,719,895	2,488,732	2,408,107	2,432,396	2,433,499	2,384,812	2,385,437	2,327,660	2,242,170
Intergovernmental	3,524,119	8,504,106	2,950,205	2,275,583	2,062,390	1,903,580	2,128,985	2,911,743	1,107,604	1,237,160
Licenses and permits	523,417	461,715	344,363	330,810	594,184	401,431	301,520	218,773	324,649	214,674
Charges for services	1,959,067	1,484,142	1,332,217	1,339,726	1,286,197	1,238,322	1,195,654	1,184,568	1,187,150	1,178,777
Fines and forfeitures	16,902	17,184	42,651	43,156	218,722	6,990	14,565	29,690	80,412	84,173
Impact fees	84,655	1,790,086	415,582	821,634	540	2,160	25,978	556,989	16,046	-
Investment earnings	410,836	77,266	60,628	204,746	271,544	164,414	76,501	77,593	80,687	65,002
Miscellaneous	203,699	215,203	110,795	172,863	307,120	151,446	105,477	86,301	129,237	174,520
<b>Total revenues</b>	<b>15,710,341</b>	<b>20,930,111</b>	<b>13,067,582</b>	<b>12,671,340</b>	<b>12,090,247</b>	<b>11,056,462</b>	<b>10,136,779</b>	<b>11,134,328</b>	<b>8,837,430</b>	<b>8,724,663</b>
<b>Expenditures:</b>										
Current:										
General government	2,536,813	2,353,495	1,821,635	1,547,803	1,579,128	1,457,158	1,201,347	1,718,241	1,497,117	1,137,376
Community Development*	863,168	965,204	810,667	607,291	612,709	414,414	399,564	-	-	-
Public safety	5,834,253	5,526,268	5,310,281	5,122,642	4,932,439	4,659,316	4,582,436	4,547,434	4,270,231	4,686,563
Transportation	-	-	-	-	-	-	-	714,108	734,258	708,679
Physical environment	-	-	-	-	-	-	-	1,059,367	1,039,747	971,376
Infrastructure Maintenance*	2,839,560	2,362,277	2,198,718	2,330,198	2,326,371	2,085,620	2,627,268	-	-	-
Culture/recreation	1,285,173	752,859	527,986	565,214	597,242	554,635	537,003	529,267	468,430	629,639
Community Redevelopment	2,351	1,418	1,626	7,695	16,879	2,508	102,732	-	-	-
Capital outlay	2,223,562	5,610,049	5,850,431	608,294	1,148,599	856,195	4,077,012	8,933,674	3,678,426	5,089,128
Debt service:	-	-	-	-	-	-	-	-	-	-
Principal	1,326,000	1,306,000	1,165,000	1,142,000	1,119,000	1,096,000	521,000	511,000	509,000	-
Interest	94,737	116,568	126,271	149,582	172,428	198,693	83,968	94,236	104,385	47,124
<b>Total expenditures</b>	<b>17,005,617</b>	<b>18,994,138</b>	<b>17,812,615</b>	<b>12,080,719</b>	<b>12,504,795</b>	<b>11,324,539</b>	<b>14,132,330</b>	<b>18,107,327</b>	<b>12,301,594</b>	<b>13,269,885</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(1,295,276)</b>	<b>1,935,973</b>	<b>(4,745,033)</b>	<b>590,621</b>	<b>(414,548)</b>	<b>(268,077)</b>	<b>(3,995,551)</b>	<b>(6,972,999)</b>	<b>(3,464,164)</b>	<b>(4,545,222)</b>
<b>Other financing sources (uses):</b>										
Proceeds from sale of assets	-	-	-	-	-	-	675	4,110	12,567	99,119
Transfers In	2,871,284	5,605,355	6,147,612	1,472,905	1,484,187	2,516,822	2,708,179	6,979,075	4,467,764	5,435,060
Transfers Out	(2,473,982)	(4,817,129)	(5,471,271)	(1,045,044)	(773,091)	(1,815,897)	(1,879,249)	(2,159,446)	(1,003,625)	(3,874,636)
Issuance of long term debt	-	1,200,000	-	-	-	-	6,200,000	-	-	5,500,000
<b>Total other financing sources (uses)</b>	<b>397,302</b>	<b>1,988,226</b>	<b>676,341</b>	<b>427,861</b>	<b>711,096</b>	<b>700,925</b>	<b>7,029,605</b>	<b>4,823,739</b>	<b>3,476,706</b>	<b>7,159,543</b>
<b>Net change in fund balances</b>	<b>\$ (897,974)</b>	<b>\$ 3,924,199</b>	<b>\$ (4,068,692)</b>	<b>\$ 1,018,482</b>	<b>\$ 296,548</b>	<b>\$ 432,848</b>	<b>\$ 3,034,054</b>	<b>\$ (2,149,260)</b>	<b>\$ 12,542</b>	<b>\$ 2,614,321</b>

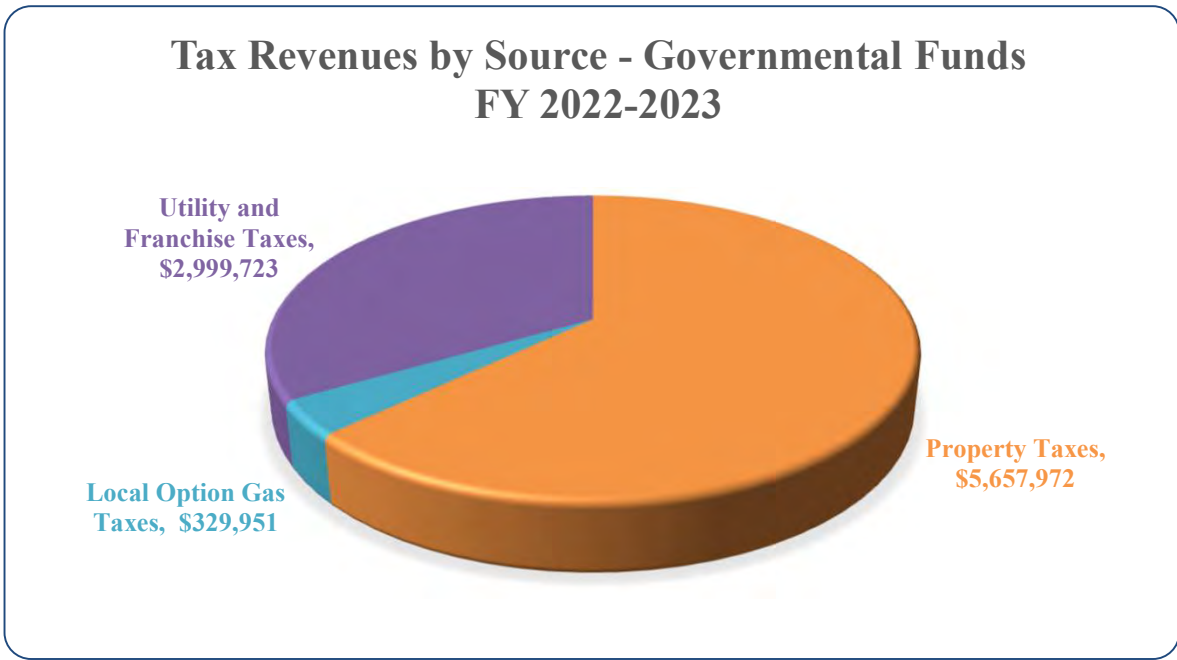
\* New break down to reflect auditors records in order to show Infrastructure Maintenance and Community Redevelopment totals separated.

**Debt Service as a Percentage of Noncapital Expenditures**

	9.61%	10.63%	10.79%	11.26%	11.37%	12.37%	6.02%	6.60%	7.11%	0.58%
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**Tax Revenues by Source of Governmental Funds  
Last Ten Fiscal Years**

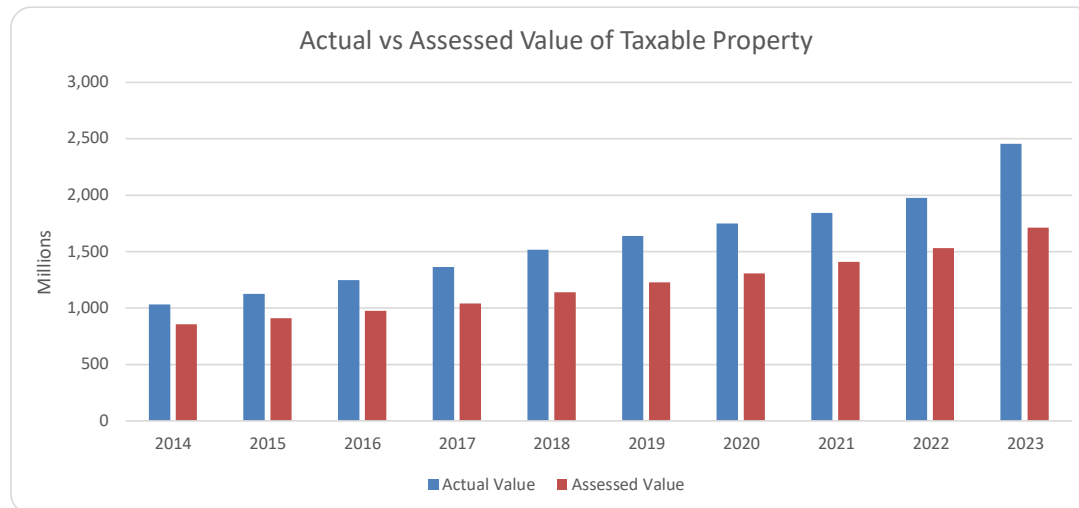
Fiscal Year Ending September 30	Property Taxes	Local Option Gas Taxes	Utility and Franchise Taxes	Total
<b>2023</b>	<b>\$ 5,657,972</b>	<b>\$ 329,951</b>	<b>\$ 2,999,723</b>	<b>\$ 8,987,646</b>
2022	\$ 5,287,035	\$ 373,479	\$ 2,719,895	\$ 8,380,409
2021	\$ 4,957,551	\$ 364,858	\$ 2,488,732	\$ 7,811,141
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	\$ 6,068,671
2016	\$ 3,349,568	\$ 333,666	\$ 2,385,437	\$ 5,911,645
2015	\$ 3,280,632	\$ 303,353	\$ 2,327,660	\$ 5,911,645
2014	\$ 3,244,566	\$ 283,621	\$ 2,242,170	\$ 5,770,357



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

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

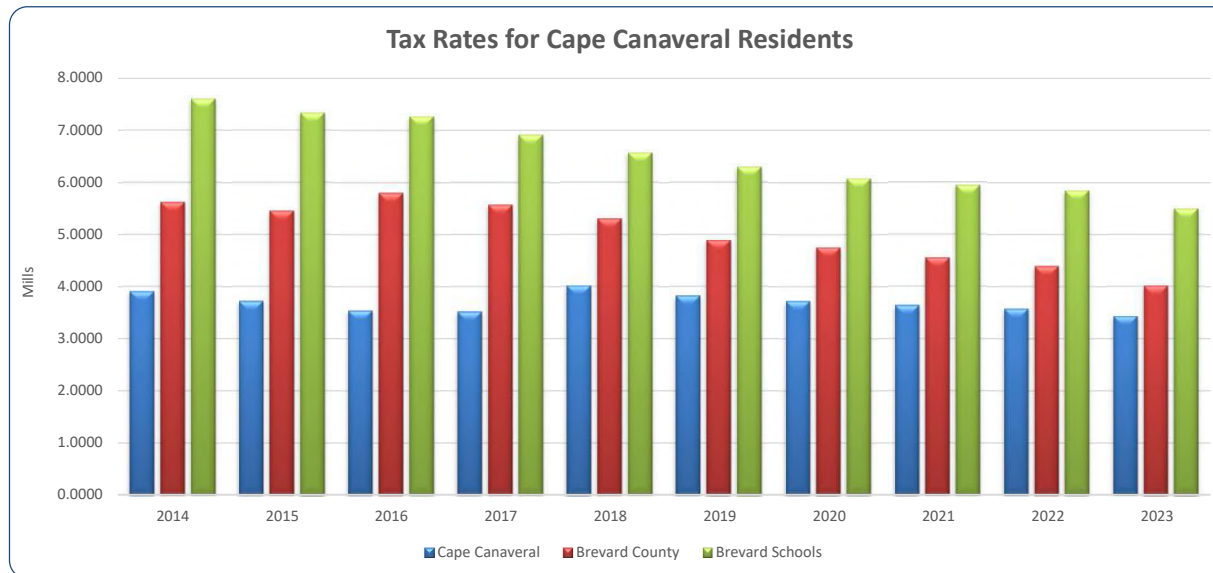
Fiscal Year Ending Sept.	Real Property	Personal Property	Estimated Actual Value	Exemptions Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Assessed Value as a Percentage of Actual Value
<b>2023</b>	<b>\$ 2,391,571,580</b>	<b>62,263,136</b>	<b>2,453,834,716</b>	<b>198,589,343</b>	<b>1,712,701,973</b>	<b>3.4322</b>	<b>69.8%</b>
2022	1,917,008,620	59,734,396	1,976,743,016	190,215,018	1,530,922,568	3.5755	77.4%
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%



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

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

Fiscal Year	Cape Canaveral (1)					Brevard	Brevard School	Total Direct & Overlapping Rates
	Library	Police	Fire	Beautification	Total	County & Other	District	
<b>2023</b>	<b>0.0432</b>			<b>3.3890</b>	<b>3.4322</b>	<b>4.0203</b>	<b>5.4950</b>	<b>12.9475</b>
2022	0.0464			3.5291	3.5755	4.3957	5.8500	13.8212
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



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

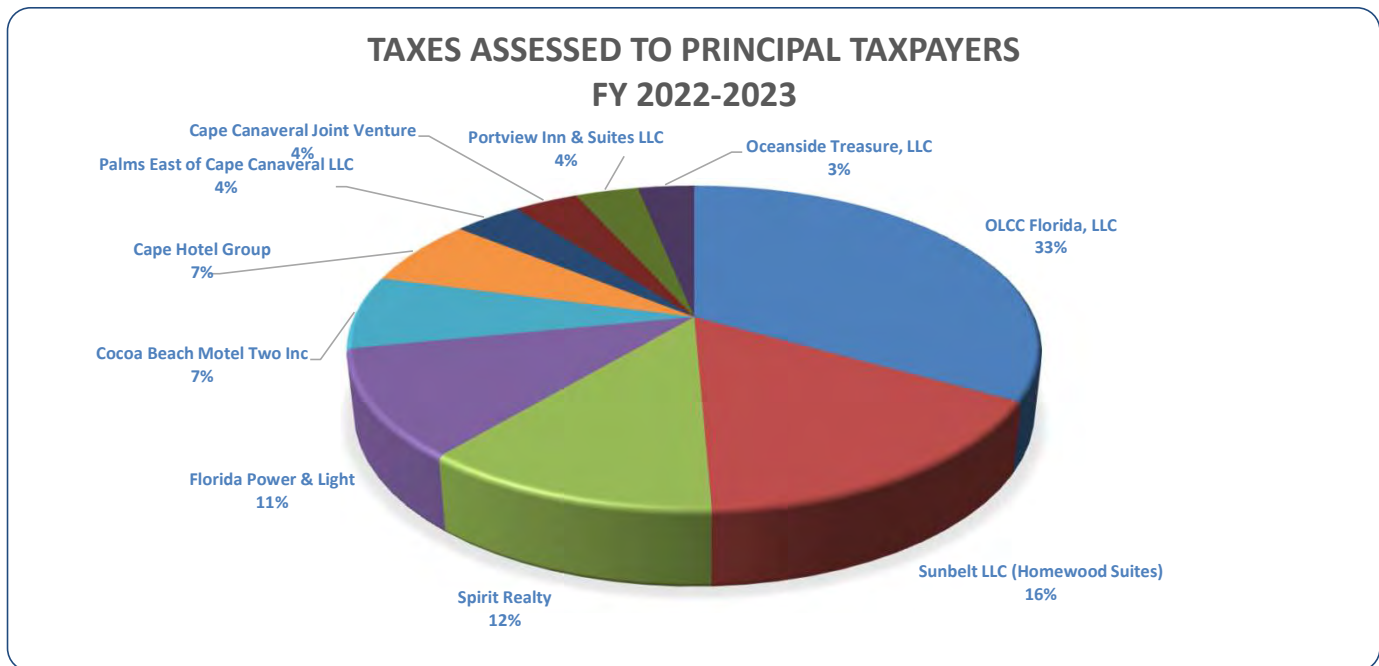
Source:

(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**

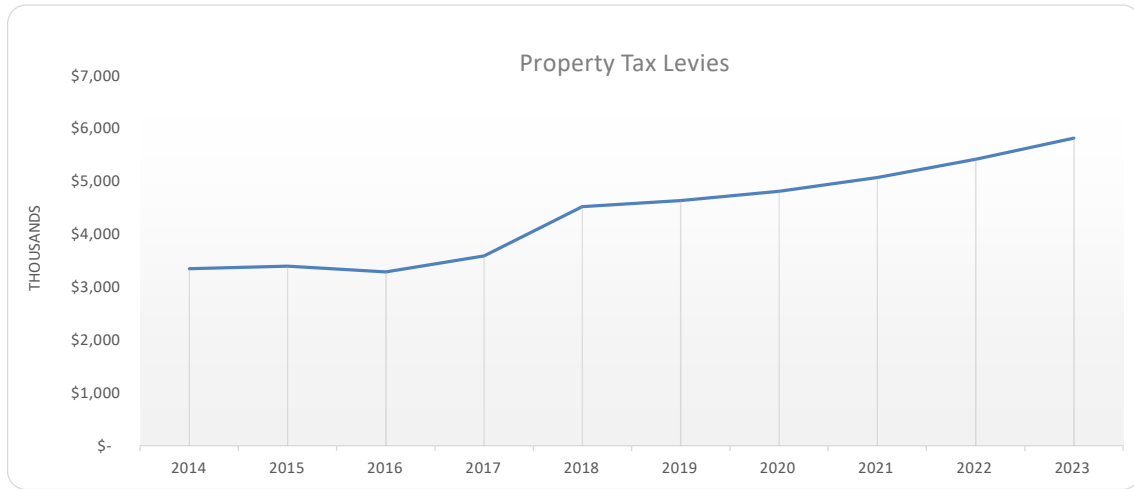
Taxpayer	Product/Service	Year Ended September 30, 2023			Year Ended September 30, 2014		
		Tax Assessed	Rank	Percent of Total City Taxable Value	Tax Assessed	Rank	Percent of Total City Taxable Value
OLCC Florida, LLC (Holiday Inn Vacation)	Time Share Dvlpmnt	244,027	1	4.22%			
Sunbelt LLC (Homewood Suites)	Hotel	118,107	2	2.04%			
Spirirt Realty LP	Real Estate	86,411	3	1.49%			
Florida Power & Light	Utility	79,066	4	1.37%			
Cocoa Beach Motel Two Inc	Hotel	53,644	5	0.93%	29,913	2	0.90%
Cape Hotel Group	Hotel	49,447	6	0.86%			
Palms East of Cape Canaveral LLC	Rental Property	27,836	7	0.48%	15,895	4	0.48%
Cape Canaveral Joint Venture	N/A	26,549	8	0.46%	19,531	3	0.58%
Portview Inn & Suites LLC	Hotel	25,816	9	0.45%	14,390	5	0.43%
Oceanside Treasure, LLC	Condominium	23,197	10	0.40%	12,982	8	0.39%
Cape Caribe	Time Share Dvlpmnt				207,834	1	6.22%
A1A Acquisition Group Ltd. LLP	N/A				13,197	7	0.39%
IAP World Services	Contractor				12,474	9	0.37%
Transmontaigne Terminals LLC	N/A				14,036	6	0.42%
Canaveral Properties LLC	Real Estate				11,026	10	0.33%
<b>Total Taxes Assessed</b>		<b>\$ 734,100</b>		<b>12.70%</b>	<b>\$ 351,278</b>		<b>10.51%</b>



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
<b>2023</b>	<b>\$ 5,813,971</b>	<b>\$ 5,586,077</b>	<b>96.08%</b>	<b>\$ 57,054</b>	<b>\$ 5,643,131</b>	<b>97%</b>
2022	5,414,016	5,220,997	96.43%	42,529	5,263,526	97%
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%



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 <sup>(b)</sup>
	Revenue Note Payable	Capital Leases	State Revolving Loans				
<b>2023</b>	<b>\$ 4,205,000</b>	<b>\$ -</b>	<b>\$ 11,028,850</b>	<b>\$ 15,233,850</b>	<b>501,135,720</b>	<b>3.04%</b>	<b>1,526</b>
2022	5,531,000	-	10,553,413	16,084,413	380,203,208	4.23%	1,610
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

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
<b>2023</b>	<b>9,980</b>	<b>1,712,701,973</b>	-	<b>0.00%</b>	<b>0.00</b>
2022	9,988	1,530,922,568	-	0.00%	0.00
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

Source: (1) Space Coast Economic Development Commission  
(2) Brevard County Property Appraiser (DR-420)



**Direct and Overlapping Governmental Activities Debt  
September 30, 2023**

Governmental Unit	Debt Outstanding (1)	Applicable Percentage (2)	City's Estimated Share of Direct and Overlapping Debt
Brevard County	\$ 11,848,225	1.56%	\$ 184,535
City of Cape Canaveral Direct Debt (Governmental Activities) Revenue Note			4,205,000
<b>Total Direct and Overlapping Debt</b>			<b>\$ 4,389,535</b>

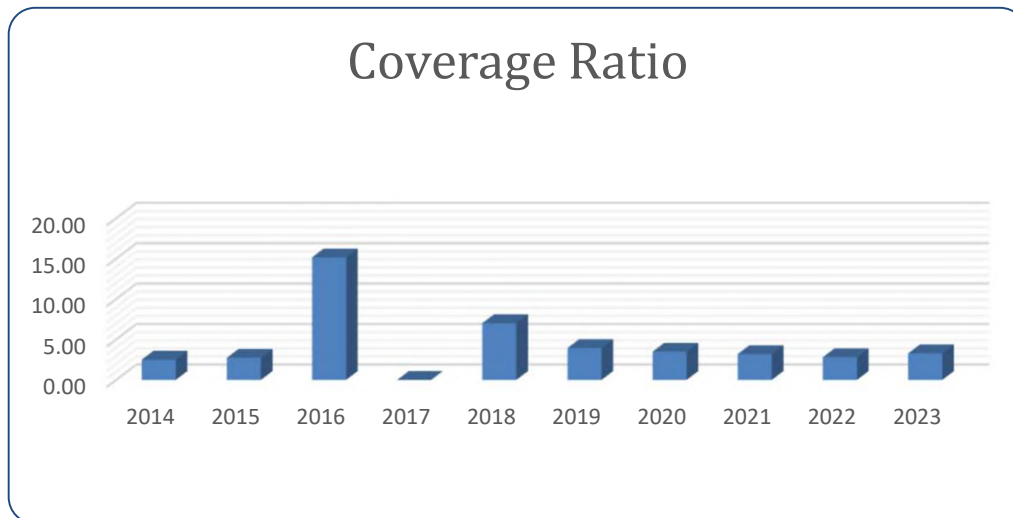
Source:

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

(2) Economic Development Commission of Florida's Space Coast.

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

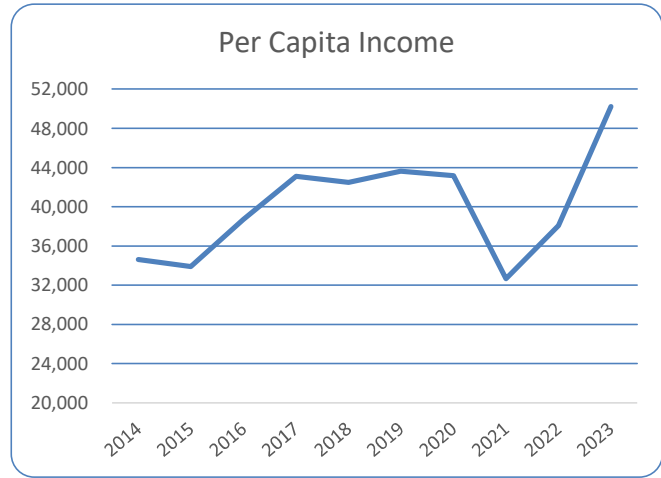
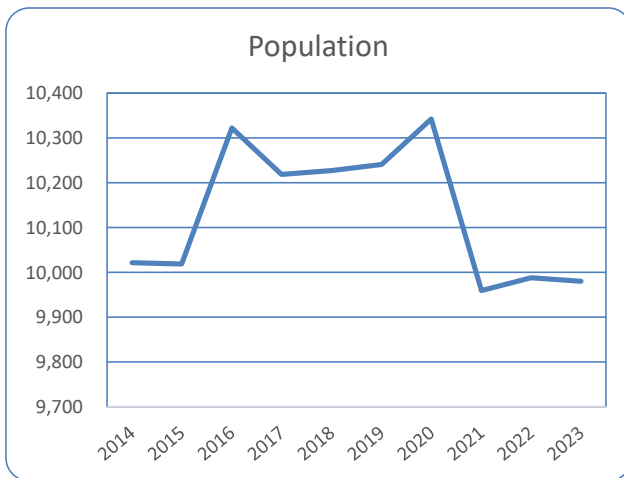
Fiscal Year	Debt Coverage Revenues (a)	Debt Service Requirements (b)	Debt Service Coverage (c)	Direct Operating Expenses (Excluding Depreciation) (d)	Operating Coverage (e)
<b>2023</b>	<b>\$ 4,894,160</b>	<b>\$ 630,497</b>	<b>7.76</b>	<b>\$ 2,825,066</b>	<b>3.28</b>
2022	4,489,017	627,361	7.16	2,724,317	2.81
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



- 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)
<b>2023</b>	<b>9,980</b>	<b>59.0</b>	<b>2.9%</b>	<b>\$ 50,214</b>	<b>\$ 68,495</b>	<b>312</b>
2022	9,988	47.0	2.6%	38,066	65,333	283
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



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

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

Employer	2023			2014		
	# Employees	Rank	% of Total County Employment	# Employees	Rank	% of Total County Employment
School Board of Brevard County	9,000 - 9,999	1	2.94% - 3.27%	10,115	1	4.12%
Health First Medical Group LLC	7,000 - 7,999	2	2.29% - 2.62%	7,800	2	3.18%
L3Harris Technologies	7,000 - 7,999	3	2.29% - 2.62%	6,005	3	2.45%
Northrop Grumman Corporation	3,000 - 3,999	4	0.98% - 1.31%			
Brevard County	2,000 - 2,999	5	0.65% - 0.98%	2,405	4	0.98%
Blue Origin Florida LLC	2,000 - 2,999	6	0.65% - 0.98%	2,090	5	0.85%
NASA	2,000 - 2,999	7	0.65% - 0.98%	2,040	6	0.83%
Florida Institute of Technology Inc	1,000 - 1,999	8	0.33% - 0.65%	1,340	10	0.55%
New Rockwell Collins Inc	1,000 - 1,999	9	0.33% - 0.65%	1,445	9	0.59%
Lockheed Martin Corp	1,000 - 1,999	10	0.33% - 0.65%			
Wuesthoff Medical Center				1,610	7	0.66%
Eastern Florida State College				1,490	8	0.61%
<b>Total</b>	<b>35,000 - 44,990</b>		<b>11.44% - 14.71%</b>	<b>36,340</b>		<b>14.82%</b>

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**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b><u>Function/Program</u></b>										
<b>General Government:</b>										
Executive/Administration	6.50	7.50	7.00	6.00	5.50	5.00	5.00	5.00	5.00	5.00
Finance	4.00	5.00	5.50	5.50	5.00	5.00	5.00	4.00	4.00	4.00
<b>Building Department</b>	<b>3.80</b>	3.80	3.80	3.80	6.80	5.80	5.80	5.50	6.00	6.00
<b>Parks/Recreation/Community Affairs</b>	<b>12.10</b>	12.60	9.40	8.40	7.40	7.06	7.06	6.40	7.00	8.00
<b>Infrastructure Maintenance Dept.</b>	<b>7.00</b>	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
<b>Economic Development</b>			0.00	1.00	1.00	1.00	1.00	1.00	-	-
<b>Community Dev/Code Enforcement</b>	<b>9.00</b>	7.00	7.00	7.00	4.53	3.00	3.00	2.00	2.00	2.00
<b>Public Safety:</b>										
Crossing Guards	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.50	1.50
<b>Public Works:</b>										
Wastewater Treatment Plant	16.00	16.00	14.40	14.40	14.54	13.19	12.19	17.00	15.00	17.00
Stormwater	2.00	2.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	2.00
<b>Totals</b>	<b>61.40</b>	61.90	56.10	55.10	53.77	49.05	48.05	49.90	48.50	52.50

Source: City of Cape Canaveral, Florida's Budget

Note: Police & Fire Department personnel are contracted out and not included in City totals

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

<b>Function</b>	<b>2023</b>	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>General government</b>										
Building permits issued	<b>1,935</b>	1,709	1,709	1,737	1,729	2,008	1,422	1,184	1,177	935
Building inspections conducted	<b>3,121</b>	2,811	3,004	2,914	4,392	3,918	2,609	1,848	1,995	1,773
<b>Police</b>										
Physical arrests	<b>850</b>	739	722	705	1,017	1,109	1,167	996	943	625
Parking violations (includes warnings)	<b>323</b>	193	203	445	417	304	108	102	189	317
Traffic violations (includes warnings)	<b>2,534</b>	2,250	3,118	3,771	4,706	3,682	1,271	2,558	561	798
<b>Fire</b>										
Emergency responses	<b>3,333</b>	2,953	2,421	2,736	2,649	2,825	1,966	2,730	1,845	1,581
Fires extinguished	<b>43</b>	35	32	50	40	60	23	47	31	61
Inspections	<b>1,573</b>	1,667	1,333	1,107	1,828	2,128	1,887	1,613	1,436	1,543
<b>Public works</b>										
Streets resurfacing (feet)					1,050					
Potholes repaired	<b>24</b>	27	7	16	24	20	28	14	12	12
<b>Water/Sewer</b>										
Accounts	<b>2,853</b>	2,857	2,850	2,890	2,880	2,898	2,893	2,752	2,837	2,723
Water main breaks	<b>7</b>	14	8	4	1	2	2	2	6	6
Average monthly useage	<b>28,263</b>	27,709	27,029	26,984	28,556	31,496	35,997	11,487	11,632	10,899
<b>Wastewater</b>										
Average daily wastewater treatment	<b>1,137,000</b>	1,182,500	1,119,000	1,141,000	1,144,000	1,300,000	1,300,000	1,300,000	1,100,000	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**

<b>Function</b>	<b>2023</b>	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Police</b>										
Stations	1	1	1	1	1	1	1	1	1	1
Substations	-	-	-	-	-	-	-	-	-	-
Patrol units (sworn)	24.0	24.0	25.5	25.5	25.5	24.5	23.5	23	23.5	22
<b>Fire</b>										
Stations	1	1	1	1	1	1	1	1	1	1
<b>Public works</b>										
Streets (lane miles)	21.8	21.8	21.8	21.8	21.8	21.8	21.8	21.8	22	16
Streetlights	650	650	636	636	663	679	677	645	645	645
<b>Recreation and Culture</b>										
Parks	11	11	11	10	8	8	8	8	8	8
Parks - acres	27.21	27.24	27.24	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/Pickleball courts	5	5	5	5	5	5	5	5	5	5
Baseball/softball diamonds	1	1	2	2	2	2	2	2	2	2
Soccer/football fields	1	1	1	1	1	1	1	1	1	1
Racquetball courts	4	4	4	4	4	4	4	4	4	4
Splash Pad	1	1								
Conference Rooms/Classrooms/Game rooms	4	3								
Indoor Walking Track	1	1								
Gymnasium	1	1								
Fitness Center	1	1								
City Centers	3	2	1	1	1	1	1	1	1	1
<b>Water</b>										
Water mains (miles)	48.2	48.2	48.2	48.2	48.2	48.2	48.2	48.2	48	48
Fire hydrants	254	254	254	254	254	254	254	254	214	214
Storage capacity (thousands of gallons)	None	None	None	None	None	None	None	None	None	None
<b>Wastewater</b>										
Sanitary sewers (miles)	16.8	16.8	16.8	16.8	16.8	16.8	16.8	16.8	16.8	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

**Water/Wastewater Distribution and Consumption - Unaudited  
Fiscal Year 2023**

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**Water & Wastewater Distribution & Consumption**

Number of Accounts	<b>2,853</b>
Total Meters Billed	<b>2,853</b>
Residential Meters (3/4")	<b>2,175</b>
Non-residential Meters	<b>678</b>
Average Monthly Useage (thousands of gallons)	<b>28,263</b>
Average Consumption per meter (thousands of gallons)	<b>9.91</b>
Average Monthly Wastewater Collection (thousands of dollars)	<b>\$180,164</b>

Source: (a) City of Cocoa Wastewater Consumption Analysis for FY22/23  
(b) City of Cape Canaveral Sewer Rates for FY22/23

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	Rate per 1,000 Gallons	Monthly Base Rate	Rate per 1,000 Gallons
<b>2023</b>	<b>\$ 17.61</b>	<b>\$ 4.07</b>	<b>\$ 21.07</b>	<b>\$ 6.88</b>
2022	16.93	3.92	19.15	6.25
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

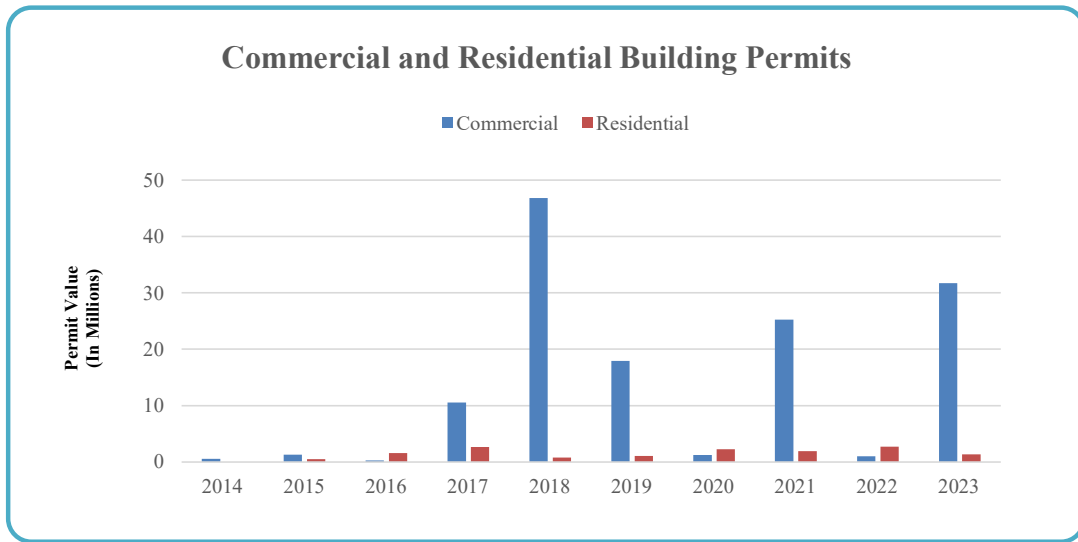
Note: Rates are based on 3/4" meter, the standard household meter size.

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		
<b>2023</b>	<b>3</b>	<b>\$ 31,723,700</b>	<b>2</b>	<b>\$ 1,343,897</b>	<b>\$ 54,033,535,556</b>	<b>N/A</b>
2022	2	1,010,557	4	2,696,461	46,972,269,779	N/A
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



Data source:

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

**Miscellaneous Statistics - Unaudited  
September 30, 2023**

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	650
Fire Protection:	
Number of Stations	1
Number of Firefighters (volunteer)	7
Number of Firefighters (paid)	37
Police Protection:	
Number of Stations	1
Number of Personnel	28
Number of Patrol Units (sworn)	24
Recreation:	
Parks - acres	27.21
Number of special use facilities	3
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	702
Number of accounts (wastewater)	2853
Schools:	
Elementary	1
Building Permits Issued	1,935
Number of City Employees (excluding police officers and firefighters)	61.4

## **Single Audit and Other Reports**

**CITY OF CAPE CANAVERAL, FLORIDA  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

<b>Federal or State Grantor/ Pass- Through Grantor/Program Title</b>	<b>CSFA Number</b>	<b>Contract / Grant Number</b>	<b>Expenditures</b>
<b>STATE FINANCIAL ASSISTANCE</b>			
<u>State of Florida Department of Environmental Protection</u>			
Direct Programs:			
Wastewater Treatment Facility Construction	37.077	WW050530	\$ 9,456
Wastewater Treatment Facility Construction	37.077	WW050550	347,555
Wastewater Treatment Facility Construction	37.077	WW050560	382,481
Wastewater Treatment Facility Construction	37.077	WW050570	187,324
Wastewater Treatment Facility Construction	37.077	WW050580	33,925
Total Wastewater Treatment Facility Construction			960,741
Total State Financial Assistance			\$ 960,741

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, 2023**

(1) **Basis of Presentation:**

The accompanying schedule of expenditures of state financial assistance includes the state financial assistance activity of the City of Cape Canaveral, Florida (the City), and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Section 215.97, Florida Statutes, *Florida Single Audit Act*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

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

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

(3) **De Minimis Indirect Cost Rate Election:**

The City has elected not to use the 10 percent de minimis indirect cost rate as allowed under Uniform Guidance regulations.

(4) **Subrecipients:**

During the year ended September 30, 2023, the City provided no federal awards to subrecipients.

(5) **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**

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

We have audited the City of Cape Canaveral, Florida's (the City) compliance with the types of compliance requirements described in the Department of Financial Services' *State Projects 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, 2023. The City's major state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the 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, 2023.

***Basis for Opinion on Each Major State Project***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and Chapter 10.550, Rules of the Auditor General. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state project. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's state projects.



### ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and Chapter 10.550, Rules of the Auditor General will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each state project as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and Chapter 10.550, Rules of the Auditor General, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with Chapter 10.550, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

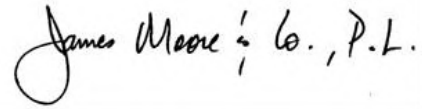
### **Report on Internal Control Over Compliance**

*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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.550. 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 and is enclosed within a thin black rectangular border.

Daytona Beach, Florida  
February 8, 2024



**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, 2023, 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 8, 2024.

***Report on 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.

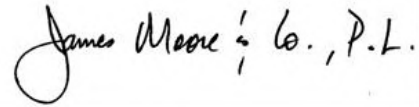
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

***Report on 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 and is enclosed within a thin black rectangular border.

Daytona Beach, Florida  
February 8, 2024



**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, 2023, and have issued our report thereon dated February 8, 2024.

**Auditors' Responsibility**

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

**Other 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 8, 2024, should be considered in conjunction with this management letter.

**Prior Audit Findings**

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. 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:

### **2023-001 Prior Period Adjustment**

We noted a restatement of beginning fund balance in the general fund in the amount of a \$418,000 reduction was necessary to correct a prior year estimate related to receivables due from other governments. Additionally, other correcting entries were required to reverse prior year-end entries and agree beginning fund balance/net position amounts for various funds to the prior year financial statements. We recommend the review of balance sheet accounts for proper cutoff as part of the year-end closing process incorporate a focused review on estimates and a step to ensure all beginning equity amounts agree to the prior year.

### **2023-002 Budget Procedures**

Various departments in the general fund exceed the final budget. However, in many of these cases, the actual amounts were still less than the originally adopted budget, and the variances primarily arose as a result of the City amending budget amounts to match actual expenditures. In order to best use the budget as a management tool while ensuring legal compliance, we recommend the City consider whether or not to continue its historical practice of amending the final budget to match preliminary actual figures, as this practice subjects the City to potential budgetary noncompliance in the event of any audit adjustments or late invoices which subsequently increase total expenditures, as was the case in the current year.

### **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: 0.0464.
- b) The total amount of ad valorem taxes collected by or on behalf of the district: \$68,739.
- 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.


### **Management's Response to Recommendations**

The City's response to the recommendation identified in our audit is outlined 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 8, 2024





## 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* (the Statute), for the year ended September 30, 2023. Management is responsible for the City's compliance with the Statute. Our responsibility is to obtain reasonable assurance by evaluate the City's compliance with the Statute and performing other procedures to obtain sufficient appropriate evidence to express an opinion that conveys the results of our evaluation based on our examination.

Our examination was conducted in accordance with attestation standards for a direct examination engagement established by the American Institute of Certified Public Accountants (AICPA). Those standards require that we obtain reasonable assurance for evaluating the City's compliance with the Statute, and performing other procedures to obtain sufficient appropriate evidence to express an opinion that conveys the results of our evaluation of the City's compliance with the Statute. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of risks that the City was not in compliance with the Statute in all material respects, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

In our opinion, the City of Cape Canaveral, Florida complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2023.

Daytona Beach, Florida  
February 8, 2024

A handwritten signature in black ink that reads 'James Moore &amp; Co., P.L.' The signature is written in a cursive style and is enclosed within a thin black rectangular border.



**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 9th day of January, 2024.

 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](http://www.cityofcapecanaveral.org)

## MANAGEMENT'S RESPONSE TO CURRENT YEAR FINDINGS

**2023-001 Prior Period Adjustment** - We noted a restatement of beginning fund balance in the general fund in the amount of a \$418,000 reduction was necessary to correct a prior year estimate related to receivables due from other governments. Additionally, other correcting entries were required to reverse prior year-end entries and agree beginning fund balance/net position amounts for various funds to the prior year financial statements.

**Action:** The Financial Services Department concurs with the comment and will review all balance sheet accounts for proper cutoff as part of the year-end closing process and incorporate a focused review on estimates and a step to ensure all beginning equity amounts agree to the prior year. The Administrative/Financial Services Director, John DeLeo, will ensure this action is taken.

**2023-002 Budget Procedures** - Various departments in the general fund exceed the final budget. However, in many of these cases, the actual amounts were still less than the originally adopted budget, and the variances primarily arose as a result of the City amending budget amounts to match actual expenditures.

**Action:** Going forward, the City will no longer continue its historical practice of amending the final budget to match preliminary actual figures, as this practice subjects the City to potential budgetary noncompliance in the event of any audit adjustments or late invoices which subsequently increase total expenditures, as was the case in the current year. Instead, the City will no longer do a budget ordinance at the end of the Fiscal Year because audit adjustments are still being made during the City's Final Audit. All final financial data will be reflected in the financial statements in the City's Annual Comprehensive Financial Report.