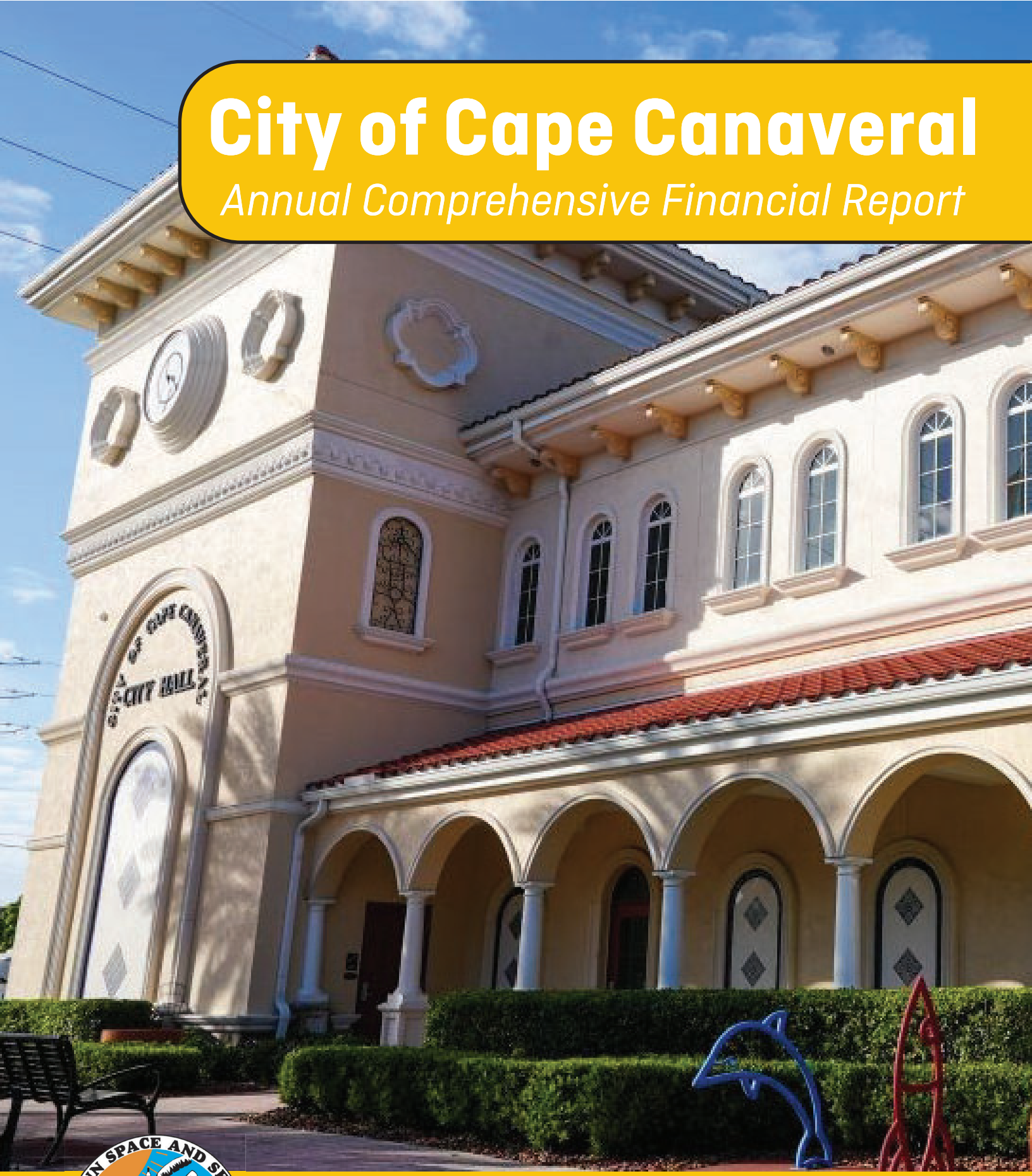
City of Cape Canaveral

Annual Comprehensive Financial Report



WITH REPORT ON COMPLIANCE MATTERS

Fiscal Year Ended September 30, 2025

ANNUAL COMPREHENSIVE FINANCIAL REPORT

CITY OF CAPE CANAVERAL, FLORIDA

FISCAL YEAR ENDED SEPTEMBER 30, 2025

Prepared By:
City of Cape Canaveral Finance Department

CITY OF CAPE CANAVERAL, FLORIDA
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Introductory Section

City of Cape Canaveral, Florida

Annual Comprehensive Financial Report

Fiscal Year Ended September 30, 2025

City Council
Honorable Wes Morrison, Mayor
Kay Jackson, Mayor Pro Tem
Don Willis
Thomas Shoriak
Andrea King

City Manager
Keith Touchberry

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

February 12, 2026

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, 2025. It fulfills the requirements set forth pursuant to Florida Statutes Section 218.39 and Chapter 10.500 of the Rules of the Auditor General of the State of Florida.

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

Florida Statutes and the City Charter require that an annual financial audit be performed by independent certified public accountants. The audit was performed by James Moore & Co., P.L., licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the Fiscal Year ended September 30, 2025 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, 2025 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 9,987 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

As Inflation levels off, it will still be imperative to manage our resources and financial decisions closely. However, the inflationary impact will still affect the execution of the City's Capital Projects as increased costs in materials and labor remain. 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 4.7% for 2025 up from 3.6% the previous year. Job growth is expected to go up 2.5% from last year, according to Florida Commerce Report. As the real estate market is stays relatively strong, single-family home sales are up 11% from last year. The median price for a single-family home decreased to $357,250, 6.9% lower than the $383,900 price this time last year, according to Brevard County Real Estate Report.

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 Space 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 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.

CAPITAL PROJECTS MAJOR INITIATIVES

Capital Projects completed in 2025 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 (FDEP) 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) construction of the Water Reclamation Facility Structural Buildings, and (2) the complete rehabilitation of two clarifiers including stairs, catwalks, electrical panels, etc., These projects helped to improve the quality of WRF effluent as well as prolonging the life of the infrastructure such as pumps and valves. A number of studies/investigations/submittals were also completed including phase I of the Gravity Sewer Cleaning, and phase II which included the Inspection and Evaluation for Rehabilitation Recommendations which are continuing phases per SB 712 and HB 1091.

Stormwater System

Improvements and studies to the City's stormwater system included the (1) Longpoint Stormwater Retention Study, (2) Rehab of the City's five Beemats stormwater filters, and (3) Oak Lane stormwater inlets and piping.

The city maintained an active stormwater system maintenance program in 2025. Activities included the maintenance of (1) all baffle boxes throughout the City, (2) minor curb and inlet construction, and (3) 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.

Transportation

Improvements to the City's streets, sidewalks, and curbing included the construction of Oak Lane. This project was the only transportation project for 2025.

Major 2026 Transportation Projects

The city will undertake two major transportation initiative in the future which includes the upgrade of Fillmore Ave. and the upgrade of Thurm Blvd. These improvements along the corridors will include some or all of the following:

- Build/rebuild of the roadway base and pavement;
- Rehab/construct stormwater inlets, pipes, and underground storage;
- Rehab/construct wastewater manholes and pipes;
- Installation of reclaimed water lines;

- Construction of stormwater treatment area;
- Solar Lighting;
- Landscaping;
- Sidewalks/Pedways

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

Major 2026 Wastewater Projects

Capital Projects to be completed in 2026 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:

- Blower pipe for effluent transfer;
- Headworks Bar Screen

Numerous smaller-scope wastewater projects will be completed or initiated in 2025 including replacement and/or upgrade of the following:

- Reclaimed water pumps;
- Lift station pumps;
- Wastewater mixers;
- Various valves;
- Collection system upgrades; and
- Sanitary Collection System Evaluation Program

Major 2026 Stormwater Projects

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

- Design and Construction of a pumping station along the Central Ditch;
- Purchase of property and the construction of a stormwater pond along Center Street;
- Harbor Heights Stormwater Pipe Replacement;
- Misc. Stormwater Improvement Pilot Projects;
- Basin Action Management Plan (BMAP); and
- A stormwater underground piped system on Thurm Blvd.

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 2026. 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.

Parks, Recreation and Community Affairs

In its third year as a unified department, the Parks, Recreation and Community Affairs Department was responsible for delivering the majority 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.

TENNIS COURT REHAB

This maintenance project included the replacement of one court in its entirety due to a void under the court which was causing a depression. In addition, all the cracks were filled and the courts were primed, sanded, repainted, and new net posts were installed. This project was completed in November of 2025.

NANCY HANSON RECREATION CENTER ROOF REHABILITATION

The Nancy Hanson Recreation Center's roof had become dilapidated and, in some areas, unstable. This project consisted of shortening the eaves from five feet to one foot, and the replacement of all decking and underlayment, and the removal of shingles and replacement with a metal roof. This project was completed in November of 2025.

BALLFIELD CONCESSION STAND

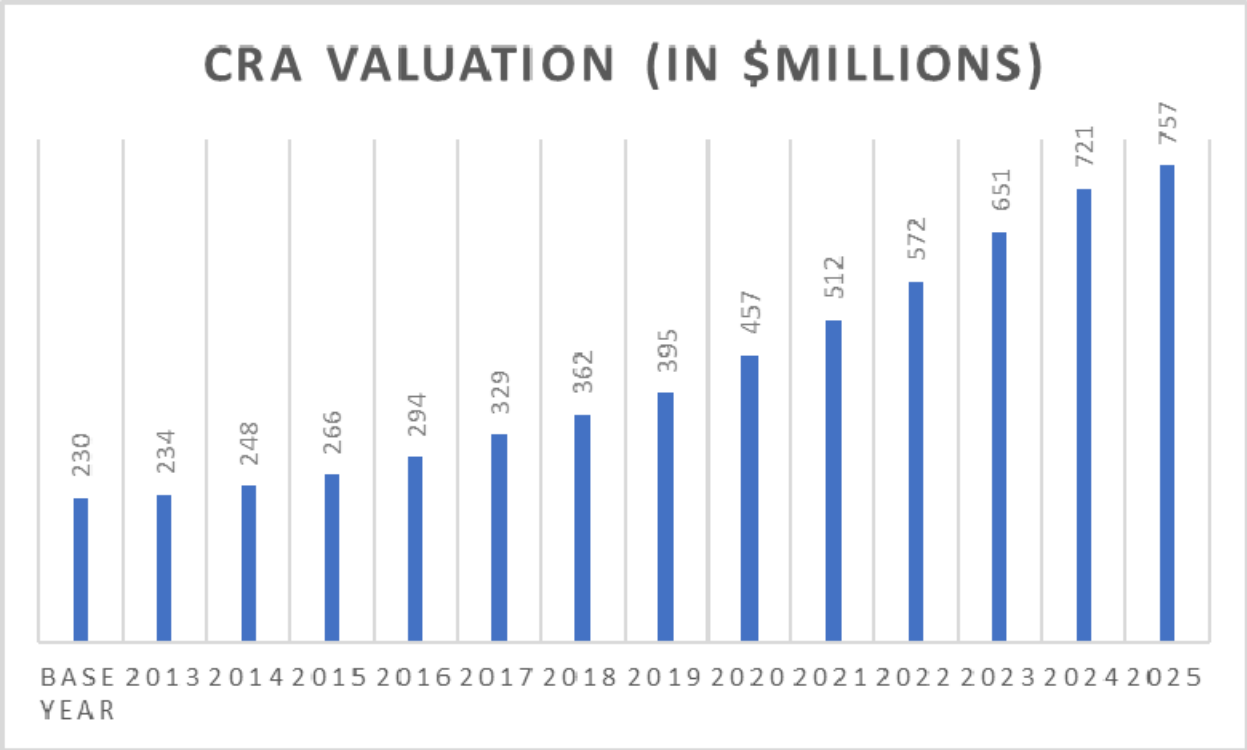
This year, the existing announcer's booth and storage room for the Little League ballfield at Canaveral City Park was remodeled to incorporate a small area for concession sales. Originally budgeted at $315,000, the project was rescoped to reduce costs and completed almost entirely with in-house labor, resulting in total a project cost less than $15,000.

SPLASH PAD UPGRADES

This year, the Splash Pad at Canaveral City Park required critical upgrades to address maintenance issues, prevent equipment failure and ensure the safety of users. All upgrades have been completed and the project is awaiting inspection and the subsequent operational permit from the Florida Department of Health.

Economic Opportunity Overlay District (EOOD). The EOOD is the City's main area for attracting new commercial interests. Notable commercial development during this reporting period includes hotels in the northern part of the City. This development activity is displayed in the following graph, which shows the value of the City's Community Redevelopment Area (CRA) over the past 11 years. Note that the EOOD and the CRA mostly cover the same geographic area.

CRA Enactment (2011)	**$230M**
Current	**$757M**



The district leverages economic development opportunities from our proximity to Port Canaveral by attracting services preferred by residents and visitors. It encourages mixed-use, pedestrian-friendly growth through higher design standards for architecturally notable buildings, methods to allow taller structures, revised hotel requirements, and improved landscaping standards. As Cape Canaveral continues to grow, the City consistently seeks

opportunities to boost the economy within the EOOD and CRA. The CRA is a tool for the City and property owners to help improve property values, business revenues, and economic growth within the City of Cape Canaveral. The CRA strives to provide comprehensive support for the community, property owners, and businesses. CRA projects completed in 2025 include Canaveral City Park Concession Stand, Oak Lane Improvements, and Canaveral Fire Rescue Station Enhanced Lighting.

Private Development Projects. The City supported hundreds of private construction projects—from conceptual plan approval to Certification of Occupancy—and continues to guide projects through the multi-year process. Significant projects include planning for the Columbia Road Hotel and the completion of the Hilton Garden Inn hotel.

Updates to Land Development Regulations. The City's Code of Ordinances is a living document that updates as the environment, economy, and technology evolve. The City adopted multiple text amendments to stay competitive in the business market through newly allowed uses and development standards, promote sustainability such as increased oversight by the council over development projects, enhance review boards, and update the comprehensive plan to include an economic development element.

Code Enforcement. The City has doubled its staff dedicated to code enforcement, enabling better compliance, increased safety, and a more harmonious environment. Maintaining quality standards raises property values and improves quality of life. Over two years, this has resulted in a significant increase in rental revenues through voluntary compliance efforts. The division has also gradually increased registration fees and is projected to offset $95,000 in expenses. Code Enforcement offers proactive educational outreach through various channels and now prepares a monthly report of all current cases. Additionally, they develop community partnerships to help property owners facing hardships with maintenance.

Resiliency. As the City increases its preparedness 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, energy security initiatives, smart 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, reduce environmental impacts, and ensure continuity of municipal operations.

- 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 real-time impacts on community infrastructure.
- Collaboration with the Brevard Zoo to facilitate sustainable and resilient design of the proposed aquarium project in Port Canaveral.
- The planting of 19,760 additional sea oats for increased dune stability, storm surge mitigation, 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.
- The testing of 3D printed concrete infrastructure at City facilities that are intended to require less maintenance and be more resilient in the face of hazardous weather conditions.
- The research and drafting of a design study in collaboration with the United States Army Corps of Engineers (USACE) to enhance the vulnerable shoreline of the City's Water Reclamation Facility to protect it against the impacts of both acute and long-term erosion, storm surge, and sea level rise. This critical project is being conducted via the USACE's Section 14, Emergency Stream Bank and Shoreline Protection Program.
- The Veterans Memorial Park "Smart" Rain Garden project to mitigate flooding around Orange/Taylor Avenue, reduce stormwater runoff into the Banana River Lagoon, and increase local habitat biodiversity.
- Additional electrified fleet vehicles to reduce fuel consumption and costs, as well as operational emissions.
- 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, to include Brevard County Emergency Management, the US Coast Guard, the National Weather Service, etc.
- Continuing management of the City's resident-focused Adopt-A-Tree Program, Adopt-A-Rain Barrel Program and Adopt-A-Mangrove Program.
- An ongoing Earth/Arbor Day Tree Giveaway Program to help promote residential tree plantings.
- Continued facilitation of the City's voluntary participation in FEMA's Community Rating System to ensure a reduced rate on community flood insurance premiums.
- Staff tested a new mobile battery energy storage system (BESS). It is envisioned that this modular, expandable system be used post-storm in the City's Community Center to deliver up to 60 kWh of capacity. With these, power can be fed to mobile AC units, lights, telecommunications equipment, computers, appliances, etc.

- Ten 1,200-pound "Reef Arch" units were placed at the southeast corner of the City's hypercritical Water Reclamation Facility within the Banana River Lagoon to mitigate the impacts of coastal erosion and storm surge while also promoting habitat restoration.
- The execution of two separate agreements with Rollins College and Embry-Riddle Aeronautical University to monitor sound levels, structural vibrations, and air pollution at public facilities caused by rocket launches to better help understand impacts, if any, as launch vehicles increase in size and power.
- The City received its first-ever Storm Ready certification, a voluntary program facilitated by the National Weather Service intended to help communities across the country improve public messaging and safety skills to help save lives and property before, during, and after a storm event.

LONG TERM FINANCIAL PLANNING

It is City policy to plan financially towards future Capital Projects. With this is 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 $11,521,079. 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 25-26 Budget encompasses $1,900,000 in Wastewater/Stormwater Projects to be funded by SRF Loans with semi-annual payments of $182,496 in June/December, $130,499.23 in August/February and $68,911.21 in March/September.

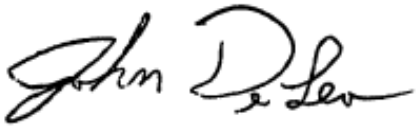
AWARDS AND ACKNOWLEDGMENTS

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, 2024. This was the 30th 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.

Respectfully submitted,

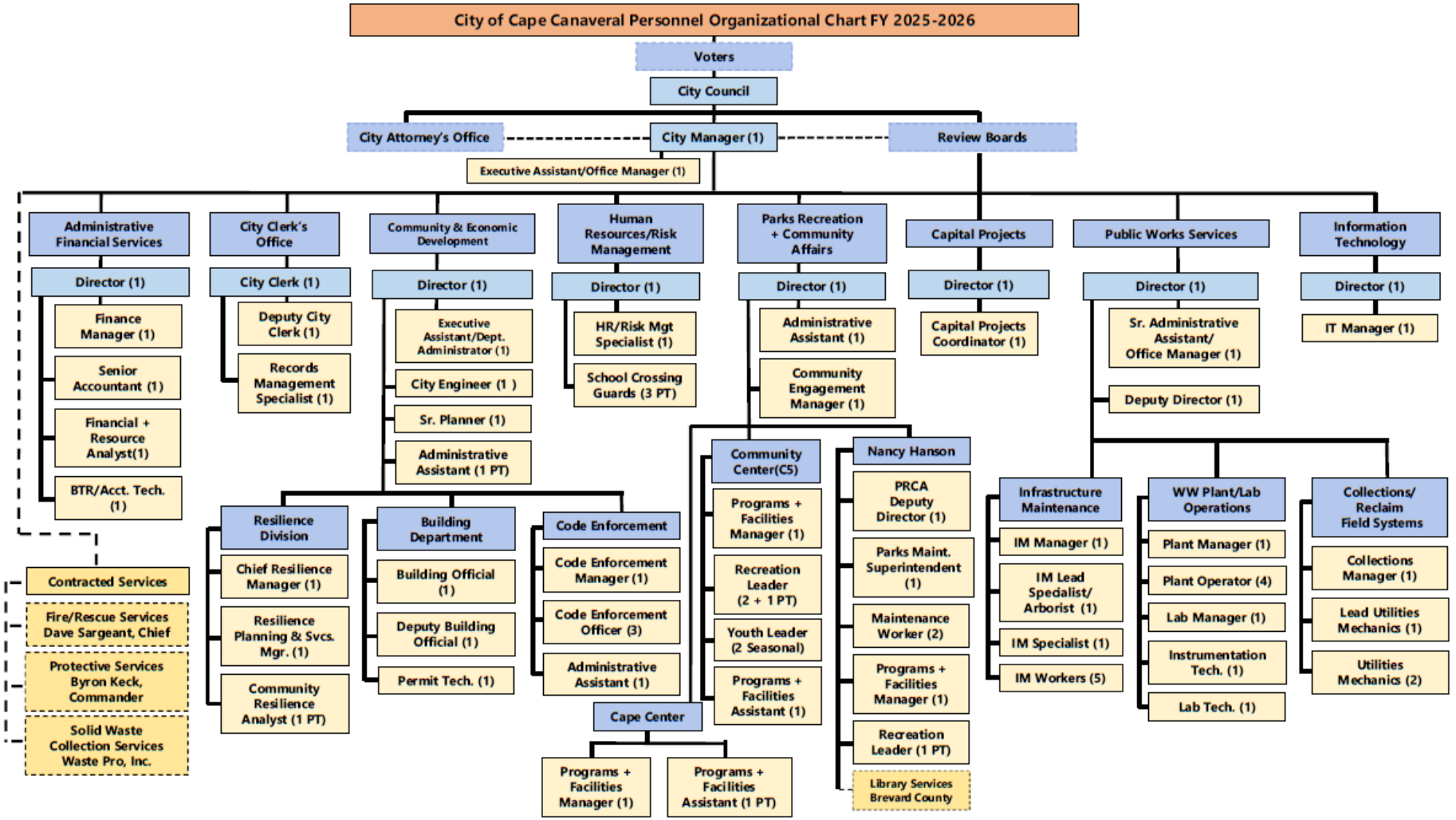




John DeLeo
Administrative/Financial Services Director

Keith Touchberry
City Manager

Organizational Chart


City of Cape Canaveral Personnel Organizational Chart FY 2025-2026
Voters
City Council
City Attorney's Office
City Manager (1)
Review Boards
Executive Assistant/Office Manager (1)
Administrative Financial Services
Director (1)
Finance Manager (1)
Senior Accountant (1)
Financial + Resource Analyst(1)
BTR/Acct. Tech. (1)
Contracted Services
Fire/Rescue Services Dave Sargeant, Chief
Protective Services Byron Keck, Commander
Solid Waste Collection Services Waste Pro, Inc.
City Clerk's Office
City Clerk (1)
Deputy City Clerk (1)
Records Management Specialist (1)
Community & Economic Development
Director (1)
Executive Assistant/Dept. Administrator (1)
City Engineer (1)
Sr. Planner (1)
Administrative Assistant (1 PT)
Resilience Division
Chief Resilience Manager (1)
Resilience Planning & Svcs. Mgr. (1)
Community Resilience Analyst (1 PT)
Building Department
Building Official (1)
Deputy Building Official (1)
Permit Tech. (1)
Code Enforcement
Code Enforcement Manager (1)
Code Enforcement Officer (3)
Administrative Assistant (1)
Cape Center
Programs + Facilities Manager (1)
Programs + Facilities Assistant (1 PT)
Human Resources/Risk Management
Director (1)
HR/Risk Mgt Specialist (1)
School Crossing Guards (3 PT)
Parks Recreation + Community Affairs
Director (1)
Administrative Assistant (1)
Community Engagement Manager (1)
Community Center(C5)
Programs + Facilities Manager (1)
Recreation Leader (2 + 1 PT)
Youth Leader (2 Seasonal)
Programs + Facilities Assistant (1)
Nancy Hanson
PRCA Deputy Director (1)
Parks Maint. Superintendent (1)
Maintenance Worker (2)
Programs + Facilities Manager (1)
Recreation Leader (1 PT)
Library Services Brevard County
Capital Projects
Director (1)
Capital Projects Coordinator (1)
Public Works Services
Director (1)
Sr. Administrative Assistant/ Office Manager (1)
Deputy Director (1)
Infrastructure Maintenance
IM Manager (1)
IM Lead Specialist/ Arborist (1)
IM Specialist (1)
IM Workers (5)
WW Plant/Lab Operations
Plant Manager (1)
Plant Operator (4)
Lab Manager (1)
Instrumentation Tech. (1)
Lab Tech. (1)
Collections/ Reclaim Field Systems
Collections Manager (1)
Lead Utilities Mechanics (1)
Utilities Mechanics (2)
Information Technology
Director (1)
IT Manager (1)

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, 2024

Christopher P. Morrill

Executive Director/CEO

Financial Section

Independent Auditors' Report

JAMESMOORE

INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited 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, 2025, 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, 2025, and the respective changes in financial position and, where applicable, cash flows thereof, and the applicable budgetary comparison statements 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 (GAS)*, 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

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 GAS 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 GAS, 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 basic financial statements. The schedule of expenditures of state financial assistance as required by the audit requirements of Chapter 10.550, Rules of the Auditor General, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The accompanying supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 information is 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 12, 2026, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

James Moore & Co., P.L.

Daytona Beach, Florida
February 12, 2026

Management's Discussion and Analysis

Management's Discussion and Analysis

As management of the City of Cape Canaveral, we provide readers of the City's financial statements this overview and analysis of the City's financial activities for the fiscal year ended September 30, 2025. 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 4-14 of this report.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of the most recent year by $62.3 million (net position). Of this amount, $8.2 million (unrestricted net position) may be used to meet the City's ongoing obligations.
- The City's total net position decreased by $189 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 and a full year of depreciation on these assets.
- At the close of the fiscal year, the City's governmental funds reported combined ending fund balances of $9 million, an increase of $46 thousand in comparison with the prior year due to a decrease in the dollars expended on capital projects.
- At the close of the fiscal year, fund balance for the General Fund was $4,581,013. 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 ($228,055), committed ($527,065), assigned ($3,825,893) and unassigned ($0) balances. Within the committed fund balance category, the largest piece is $385,814, committed for the various capital equipment repair and maintenance 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 debt decreased $143,755. This was due to receipt of additional State Revolving Fund money ($1,268,278) offset by annual debt service payments on the Capital Improvement Revenue Notes ($768,000) and State Revolving Loans ($644,033).
- The City's long-term liabilities also include compensated absences. During 2025 this balance decreased $127,579.

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

The S*tatement 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 and Cape Canaveral Community Redevelopment Agency Fund, both of which are considered major funds. Financial data from the other six 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.

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 – 46of 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 $62.3 million at the close of the 2025 fiscal year.

By far the largest portion of the City's net position, $48.9 million (78.6%) 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

Statement of Net Position

	Governmental Activities		Business-type Activities		Total	
	2025	**2024**	**2025**	**2024**	**2025**	**2024**
Current and other assets	$ 10,004,830	$ 9,580,790	$ 5,554,486	$ 4,907,201	$ 15,559,316	$ 14,487,991
Capital Assets (Net)	33,935,653	34,546,349	28,624,755	28,714,459	62,560,408	63,260,808
Total Assets	43,940,483	44,127,139	34,179,241	33,621,660	78,119,724	77,748,799
Current and other liabilities	1,972,670	1,641,868	1,611,287	1,240,231	3,583,957	2,882,099
Long-term Liabilities	1,350,009	2,147,982	10,890,310	10,234,041	12,240,319	12,382,023
Total Liabilities	3,322,679	3,789,850	12,501,597	11,474,272	15,824,276	15,264,122
Net Position:						
Net Investment in Capital Assets	31,850,653	31,693,349	17,103,676	17,817,629	48,954,329	49,510,978
Restricted	4,665,602	3,264,928	481,293	478,325	5,146,895	3,743,253
Unrestricted	4,101,549	5,379,012	4,092,675	3,851,418	8,194,224	9,230,430
Total Net Position	$ 40,617,804	$ 40,337,289	$21,677,644	$ 22,147,372	$ 62,295,448	$ 62,484,661

A portion of the City's net position, $5,146,895 or 8.3% of total net position, represents resources that are subject to external restriction on how they may be used. The balance of unrestricted net position totaling $8,194,224 may be used to meet the City's ongoing obligations to citizens and creditors and to provide funding for various projects.

At September 30, 2025, 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 $280,515. The decrease for business-type activities was $469,724.

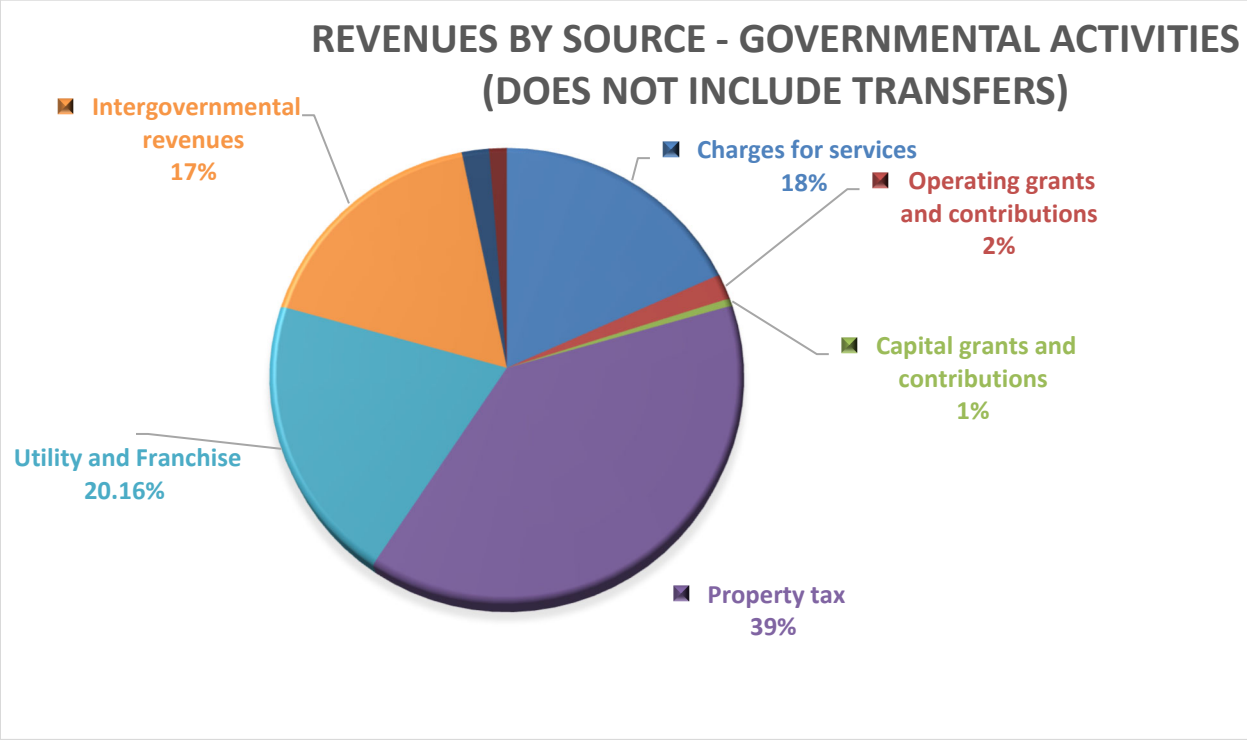
City of Cape Canaveral, Florida
Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
REVENUES						
Program Revenues:						
Charges for Services	$ 3,062,027	$ 3,051,876	$ 6,583,795	$ 6,355,463	$ 9,645,822	$ 9,407,339
Operating Grants and Contributions	304,423	307,179			304,423	307,179
Capital Grants and Contributions	89,874	88,255			89,874	88,255
General Revenues:						
Property Taxes	6,507,569	6,448,378			6,507,569	6,448,378
Utility and Franchise Taxes	3,391,189	3,122,801			3,391,189	3,122,801
Intergovernmental	2,933,380	2,650,583			2,933,380	2,650,583
Investment Income	323,581	465,167	50,344	38,434	373,925	503,601
Miscellaneous/Contributions	210,697	57,782	7	9,723	210,704	67,505
Total Revenues	16,822,740	16,192,021	6,634,146	6,403,620	23,456,886	22,595,641
EXPENSES						
General Government	2,357,832	2,085,128		-	2,357,832	2,085,128
Community Development	950,092	897,615		-	950,092	897,615
Public Safety	7,310,527	6,718,335		-	7,310,527	6,718,335
ntrastructure Maintenance	4,540,181	4,149,099		-	4,540,181	4,149,099
Culture/Recreation	1,883,314	1,644,761		-	1,883,314	1,644,761
Community Redevelopment	29,029	106,619		-	29,029	106,619
Interest on long-term debt	44,559	65,847		-	44,559	65,847
Wastewater			5,555,609	5,248,632	5,555,609	5,248,632
Stormwater	-	-	974,952	778,081	974,952	778,081
Total Expenses	17,115,534	15,667,404	6,530,561	6,026,713	23,646,095	21,694,117
Excess (Deficiency) Before Transfers	(292,794)	524,617	103,585	376,907	(189,209)	901,524
Transfers	573,309	(1,207,368)	(573,309)	1,207,368	-	-
Change in Net Position	280,515	(682,751)	(469,724)	1,584,275	(189,209)	901,524
Net Position - Beginning	40,337,289	41,020,040	22,147,368	20,563,093	62,484,657	61,583,133
Net Position - Ending	$ 40,617,804	$ 40,337,289	$21,677,644	$ 22,147,368	$62,295,448	$ 62,484,657

Statement of Activities

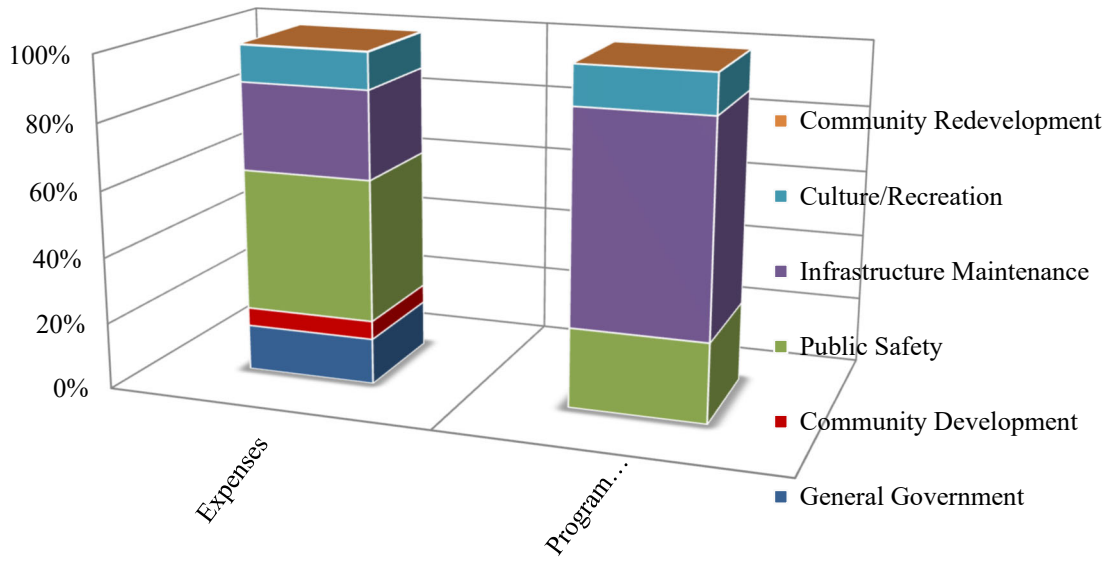
Governmental activities:

The Changes in Net Position Table reflects a governmental revenue (excluding transfers) increase of $630,719, an increase of 3.9% from the previous fiscal year. This increase reflects both program and general revenues. Governmental program revenues increased $9,014, a .26% increase from 2024. This increase is primarily the result of an increase in Charges for Services of $10,151, an increase in Capital Grants and Contributions of $1,619 and a decrease in Operating Grants and Contributions of $2,756 (primarily related to infrastructure maintenance).



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

- Property taxes increased $59,191 from 2024. This nominal increase resulted from a decrease of 6.9% in property values combined with a decline in the millage rate for 2025.
- Intergovernmental income increased $282,797 as compared to this revenue for 2024. This increase was related to shared revenues with the CRA.
- Utility and Franchise revenue increased $268,388.
- Investment income decreased $141,586 from 2024. This decrease is the result of lower interest rates coupled with lower cash balance throughout the year for FY 2025 as compared to FY 2024.
- Transfers net increased $1,780,677 or 147.48%. The reason for this was due to a significant decrease in transfers out in the general fund as compared to 2024.
- Expenses for governmental activities increased $1,448,130 over the prior year, showing a 9.24% increase over 2024 amounts. The most significant increases were related to increases in General Government of $272,704, a $391,082 increase in Infrastructure Maintenance, an increase of $592,192 in Public Safety, which funded new equipment. Increases in Culture and Recreation of $238,553. These increases were offset by a decrease in Interest on Long-term debt ($21,288) and Community Redevelopment of ($77,590).

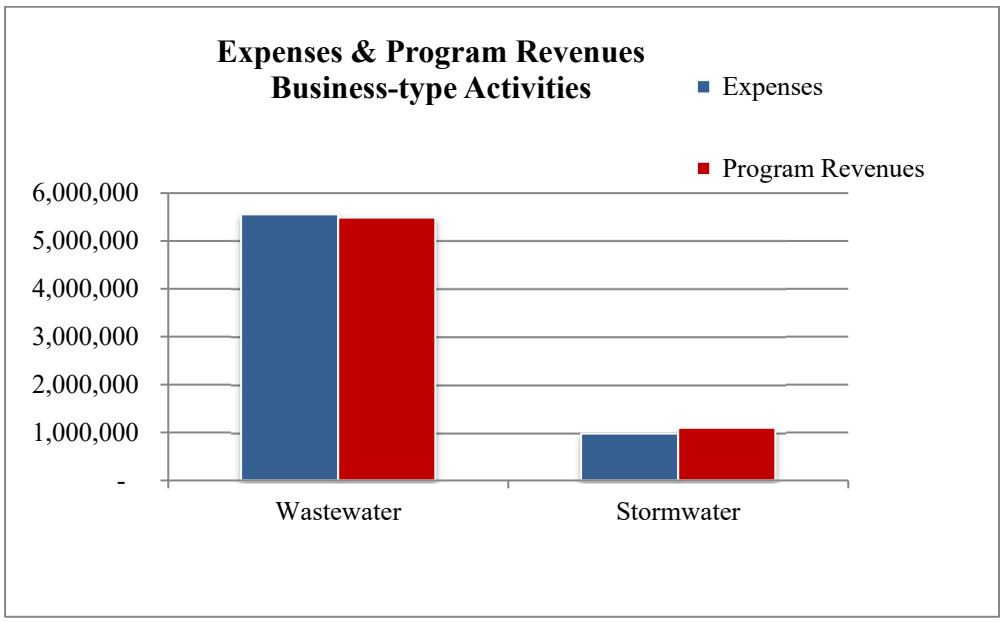


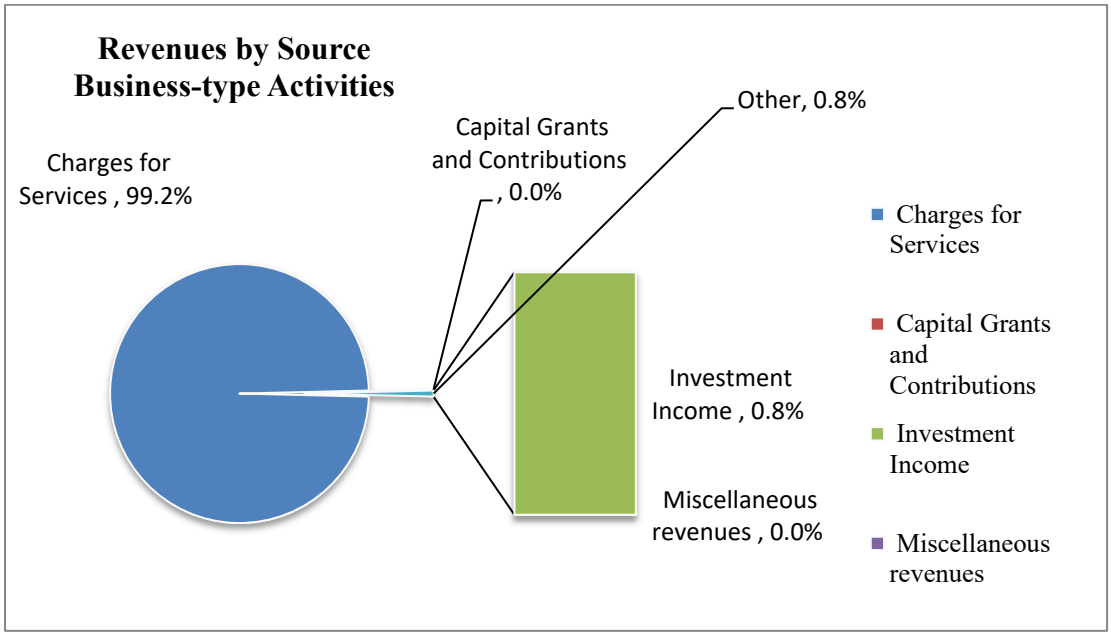
Expenses and Program Revenues - Governmental Activities

Business-type activities

Business-type activities experienced a decrease in net position of $469,724, or 2.12%.

- The major source of revenue for business-type activities is charges for services, which increased $228,332 (3.59%). The City's Wastewater rate increased 5% in October 2024. The continued increase in revenue is the impact of a full year of this increased rate.
- Investment income increased $11,910.
- Miscellaneous Revenues reflects a decrease $9716 over 2024 due to receipt of Opioid settlement payments being included in 2024.
- Business-type activities expenses increased $503,848 or 8.36% over the prior year.
- Expenses for Wastewater increased $306,977 over the prior year. This increase is the result of an increase of $81,643 in personal services, an increase of $101,151 in repair and maintenance, an increase in material of $77,278 and an increase in depreciation of $92,051. These increases are offset by a decrease of $45,896 in contractual services.
- Stormwater operations experienced an increase in expenses of $196,871 during 2025 as compared to 2024. Personal services increased $59,858 and depreciation increased by $171,095 while materials increased $3,322. These increases were offset by $31,360 decrease in repair and maintenance expense and $9,137 decrease in contractual services.





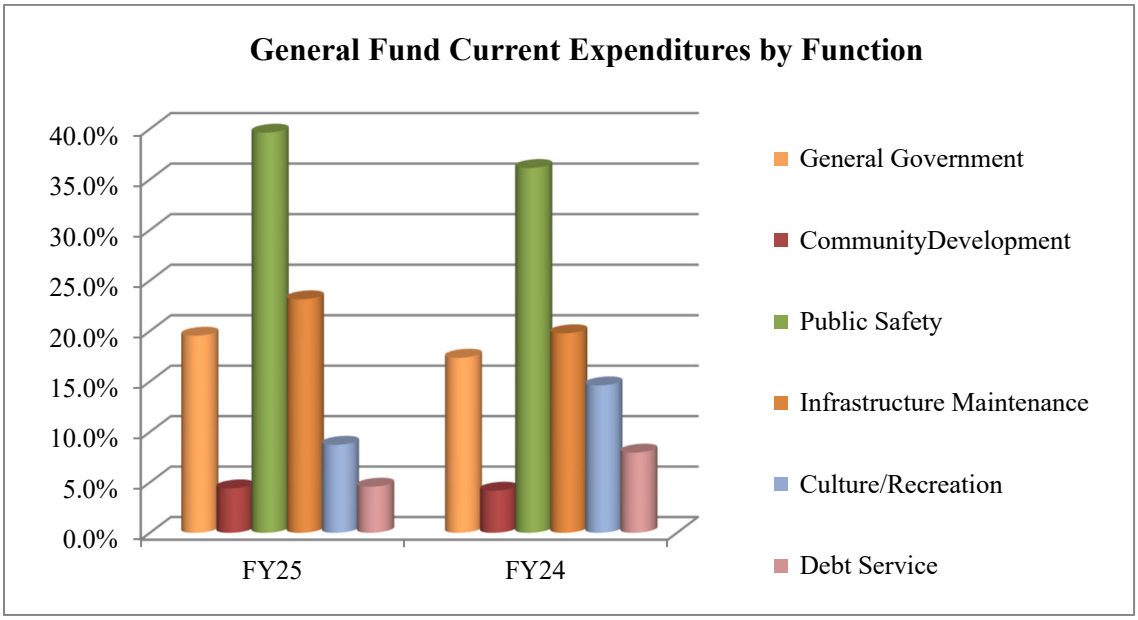
Financial Analysis of the Government's Funds

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

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

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 $9,013,777, an increase of $45,808 or .51% from the prior fiscal year.

The General Fund, the City's main governmental fund, experienced an overall decrease in fund balance of $1,353,182 or 15.1%. The most significant reason for this decrease can be contributed to the balance of American Rescue Plan Act revenue being fully recognized in FY 2023 and being expended in FY 2025 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 $4,581,013. 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 ($228,055), committed ($527,065), assigned ($3,825,893) and unassigned ($0). Within the committed fund balance category, the largest piece is the largest piece is $385,814 committed for the various repair and replacement capital Projects. The unassigned fund balance represents 0% of the total general fund expenditures. The total fund balance represents 25.69% 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 $2,525,204 at September 30, 2025. This is a $1,318,183 increase from the $1,207,021 balance at September 30, 2024 and is the direct result of the Presidential Streets projects being pushed out and Civic Hub project being cancelled.

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

- Police Education Fund $32,455
- Fire Protection Fund $260
- School Crossing Guard $(1,775)

- Library Fund $622,094
- Special Law Enforcement Trust $(3,008)
- Impact Fee Fund $1,257,534

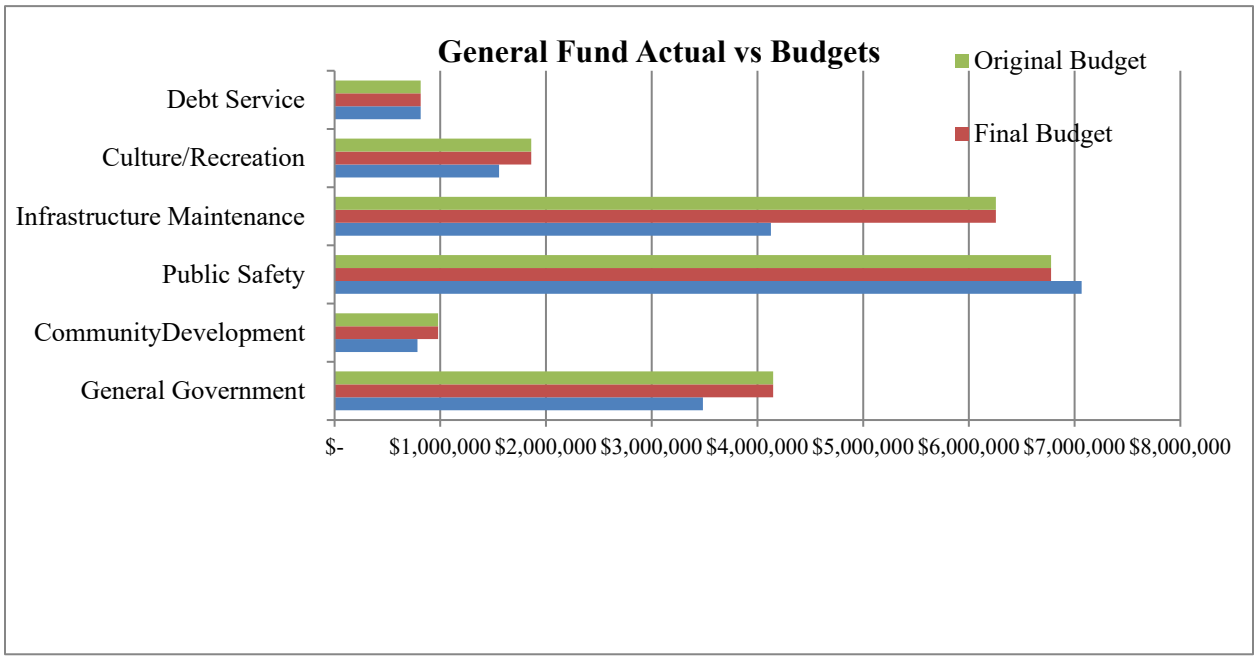
All positive fund balances of the Non-major governmental funds are restricted by an outside party as to use. At September 30, 2025, the School Crossing Guard Fund and Special Law Enforcement Trust Fund's fund balances are reflected as unassigned due to the negative fund balance.

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 $1,252,447, and the Stormwater Utility amounted to $2,840,228. The total decrease in net position for the Wastewater Utility Fund was ($710,772) and the increase for the Stormwater Utility was $241,048. 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 FY25, the change in the final budget from the originally adopted budget were relatively small, with slight decreases in general government with a small increase in infrastructure maintenance.



During the year, actual revenues on a budgetary basis were $15,299,922. Actual revenues exceed the final budgetary estimate of $14,747,031 in several categories. The most significant was Intergovernmental, which exceeded the final budget by $471,257 and Utility and Franchise revenue which exceeded the revenue by $128,049. This was offset by license and permit fees revenue less than budget by $148,004. The final budget for general government expenditures was $663,765 more 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 $2,127,448 more than actual expenditures and culture and recreation budget was $304,148 more than expenditures. The Public Safety expenditures were ($228,960) less than the final budget.

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, 2025, amounts to $62,560,408 net of accumulated depreciation. This investment in capital assets includes land, buildings and system improvements, machinery and equipment, park facilities, roads and construction work in progress. The City's investment in capital assets increased $700,400. A decrease of $610,696 (1.8%) in governmental activities and an decrease of $89,704 (.3%) for business-type activities make up the total.

Wastewater System

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

- Improvements to the City's wastewater system included the (1) construction of the Water Reclamation Facility Structural Buildings, and (2) the complete rehabilitation of two clarifiers including stairs, catwalks, electrical panels, etc., These projects helped to improve the quality of WRF effluent as well as prolonging the life of the infrastructure such as pumps and valves. A number of studies/investigations/submittals were also completed including phase I of the Gravity Sewer Cleaning, and phase II which included the Inspection and Evaluation for Rehabilitation Recommendations which are continuing phases per SB 712 and HB 1091.

Stormwater System

Improvements and studies to the City's stormwater system included the (1) Longpoint Stormwater Retention Study, (2) Rehab of the City's five Beemats stormwater filters, and (3) Oak Lane stormwater inlets and piping.

The city maintained an active stormwater system maintenance program in 2025. Activities included the maintenance of (1) all baffle boxes throughout the City, (2) minor curb and inlet construction, and (3) 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.

Transportation

Improvements to the City's streets, sidewalks, and curbing included the construction of Oak Lane. This project was the only transportation project for 2025.

Numerous smaller-scope wastewater projects were completed or initiated in 2025 including replacement and/or upgrade of the following:

- Reclaimed water pumps;
- Lift station pumps;
- Wastewater mixers;
- Various valves;
- Collection system upgrades; and
- Sanitary Collection System Evaluation Program

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

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	$ 8,183,264	$ 8,183,264	$ 351,084	$ 351,084	$ 8,534,348	$ 8,534,348
Buildings and Improveme	18,938,877	18,938,295	5,193,184	5,250,304	24,132,061	24,188,599
Machinery and Equipmen	5,171,886	4,953,586	9,450,328	9,199,270	14,622,214	14,152,856
Infrastructure	15,703,493	15,673,981	39,082,176	39,228,393	54,785,669	54,902,374
Construction in Progress	1,217,167	220,548	6,012,418	4,430,030	7,229,585	4,650,578
	49,214,687	47,969,674	60,089,190	58,459,081	109,303,877	106,428,755
Less: Accumulated Depre	(15,279,034)	(13,423,325)	(31,464,435)	(29,744,622)	(46,743,469)	(43,167,947)
Capital Assets, net	$ 33,935,653	$ 34,546,349	$ 28,624,755	$ 28,714,459	$ 62,560,408	$ 63,260,808

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

Long-term debt. At the end of the current fiscal year, the City had a total long-term debt outstanding of $13,606,079 and $344,478 in compensated absences.

Business-type activities long-term debt is from State Revolving Loans related to Wastewater System improvements. In the current year, additional draws for system improvements totaled $1,268,278. Decreases of $644,033 represent routine principal payments.

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. Decreases of $768,000 represent routine principal payments. Additional

information on the City of Cape Canaveral's long-term debt can be found on pages 66 – 68 of this report.

Note that compensated absences are also a long-term liability of the City. For 2025 the ending balance is $127,579.

City of Cape Canaveral's Outstanding Debt

General Obligation

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenue Note	$ 2,085,000	$ 2,853,000	$ -	$ -	$ 2,085,000	$ 2,853,000
State revolving loans	-	-	11,521,079	10,896,834	11,521,079	10,896,834
npensated Absences	240,046	314,909	104,432	157,148	344,478	472,057
	$ 2,325,046	$ 3,167,909	$11,625,511	$11,053,982	$ 13,950,557	$14,221,891

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate averaged 4.4% during the year and is currently at 4.7%.
- The real estate market continues to trend upward. Property values for Calendar Year 2025 showed a decrease of 6.9%. The median home sales price dropped to $357,250 down from $383,900 at the end of 2025.
- 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 2025. The City's Ad valorem taxes for fiscal year 2025 decreased by .2642 mills compared to 2024 and still remained the fourth lowest in the County.

All of these factors were considered in preparing the City's budget for the 2026 fiscal year.

Requests for Information

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

Basic Financial Statements

CITY OF CAPE CANAVERAL, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in pooled cash and investments	$ 7,484,224	$ 3,441,678	$ 10,925,902
Receivables, net	507,680	1,617,976	2,125,656
Due from other governments	1,123,482	-	1,123,482
Restricted assets:			
Equity in pooled cash and investments	889,444	494,832	1,384,276
Capital assets:			
Total capital assets, not being depreciated	9,400,431	6,363,502	15,763,933
Total capital assets, being depreciated, net	24,535,222	22,261,253	46,796,475
Total Assets	$ 43,940,483	$ 34,179,241	$ 78,119,724
Liabilities			
Accounts payable and accrued liabilities	$ 860,082	$ 862,547	$ 1,722,629
Deposits	20,006	-	20,006
Unearned revenue	110,965	-	110,965
Payable from restricted assets:			
Accrued interest payable	6,580	13,539	20,119
Noncurrent liabilities:			
Due within one year:			
Long-term debt	783,000	651,656	1,434,656
Compensated absences payable	192,037	83,545	275,582
Due in more than one year:			
Long-term debt	1,302,000	10,869,423	12,171,423
Compensated absences payable	48,009	20,887	68,896
Total Liabilities	$ 3,322,679	$ 12,501,597	$ 15,824,276
Net Position			
Net investment in capital assets	$ 31,850,653	$ 17,103,676	$ 48,954,329
Restricted for:			
Community redevelopment	2,525,204	-	2,525,204
Debt service	228,055	481,293	709,348
Public safety	32,715	-	32,715
Culture/recreation	622,094	-	622,094
Capital projects and expansion	1,257,534	-	1,257,534
Unrestricted	4,101,549	4,092,675	8,194,224
Total Net Position	$ 40,617,804	$ 21,677,644	$ 62,295,448

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, 2025

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
					Primary Government		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Functions/Programs							
Governmental activities							
General government	$ 2,357,833	$ 2,369	$ -	$ -	$ (2,355,464)	$ -	$ (2,355,464)
Community development	950,092	-	-	-	(950,092)	-	(950,092)
Public safety	7,310,527	828,082	-	-	(6,482,445)	-	(6,482,445)
Infrastructure maintenance	4,540,181	1,895,839	304,423	15,000	(2,324,919)	-	(2,324,919)
Culture/recreation	1,883,314	335,737	-	74,874	(1,472,703)	-	(1,472,703)
Community redevelopment	29,028	-	-	-	(29,028)	-	(29,028)
Interest on long-term debt	44,559	-	-	-	(44,559)	-	(44,559)
Total governmental activities	17,115,534	3,062,027	304,423	89,874	(13,659,210)	-	(13,659,210)
Business-type activities							
Wastewater	5,555,609	5,486,945	-	-	-	(68,664)	(68,664)
Stormwater	974,952	1,096,850	-	-	-	121,898	121,898
Total business-type activities	6,530,561	6,583,795	-	-	-	53,234	53,234
Total primary government	$ 23,646,095	$ 9,645,822	$ 304,423	$ 89,874	(13,659,210)	53,234	(13,605,976)
General revenues							
Property taxes					6,507,569	-	6,507,569
Utility and franchise taxes					3,391,189	-	3,391,189
Intergovernmental revenues, unrestricted					2,933,380	-	2,933,380
Investment income					323,581	50,344	373,925
Miscellaneous revenues					210,697	7	210,704
Transfers					573,309	(573,309)	-
Total general revenues and transfers					13,939,725	(522,958)	13,416,767
Change in net position					280,515	(469,724)	(189,209)
Net position, beginning of year					40,337,289	22,147,368	62,484,657
Net position, end of year					$ 40,617,804	$ 21,677,644	$ 62,295,448

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

CITY OF CAPE CANAVERAL, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025

	General Fund	Cape Canaveral CRA Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Equity in pooled cash and investments	$ 3,889,031	$ 2,569,917	$ 1,914,720	$ 8,373,668
Receivables	507,680	-	-	507,680
Due from other governments	1,123,479	-	3	1,123,482
Total assets	$ 5,520,190	$ 2,569,917	$ 1,914,723	$ 10,004,830
Liabilities				
Accounts payable and accrued liabilities	$ 808,206	$ 44,713	$ 7,163	$ 860,082
Zoning escrow and deposits	20,006	-	-	20,006
Unearned revenue	110,965	-	-	110,965
Total liabilities	939,177	44,713	7,163	991,053
Fund Balances				
Restricted for:				
Debt service	228,055	-	-	228,055
Community redevelopment	-	2,525,204	-	2,525,204
Public safety	-	-	32,715	32,715
Culture/recreation	-	-	622,094	622,094
Capital expansion	-	-	1,257,534	1,257,534
Committed to:				
ARPA transition projects	55,705	-	-	55,705
Capital equipment renewal and replacement	385,814	-	-	385,814
Recreation expansion	48,686	-	-	48,686
Police expansion	36,860	-	-	36,860
Assigned to:				
Subsequent year's budget	3,825,893	-	-	3,825,893
Unassigned	-	-	(4,783)	(4,783)
Total fund balances	4,581,013	2,525,204	1,907,560	9,013,777
Total liabilities and fund balances	$ 5,520,190	$ 2,569,917	$ 1,914,723	$ 10,004,830

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, 2025

Fund Balances - Total Governmental Funds		$ 9,013,777
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	49,214,687	
Accumulated depreciation	(15,279,034)	
		33,935,653
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	(2,085,000)	
Compensated absences payable	(240,046)	
Accrued interest payable	(6,580)	
		(2,331,626)
Net Position of Governmental Activities		$ 40,617,804

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, 2025

	General Fund	Cape Canaveral CRA Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Taxes:				
Property	$ 6,422,873	$ -	$ 84,696	$ 6,507,569
Local option motor fuel	304,423	-	-	304,423
Utility and franchise	3,153,218	-	-	3,153,218
Licenses and permits	523,041	-	-	523,041
Intergovernmental	1,962,061	2,849,238	-	4,811,299
Charges for services	2,327,775	-	-	2,327,775
Fines and forfeitures	11,982	-	2,129	14,111
Investment earnings	247,199	12,192	64,190	323,581
Miscellaneous	347,350	-	-	347,350
Total revenues	15,299,922	2,861,430	151,015	18,312,367
Expenditures				
Current:				
General Government	3,365,106	-	-	3,365,106
Community Development	785,052	-	-	785,052
Public Safety	6,972,293	-	15,770	6,988,063
Infrastructure Maintenance	3,805,190	-	-	3,805,190
Culture and Recreation	1,521,700	-	40,697	1,562,397
Community Redevelopment	-	29,028	-	29,028
Capital Outlay	570,427	889,995	29,511	1,489,933
Debt Service:				
Principal	768,000	-	-	768,000
Interest	47,099	-	-	47,099
Total expenditures	17,834,867	919,023	85,978	18,839,868
Excess (deficiency) of revenues over expenditures	(2,534,945)	1,942,407	65,037	(527,501)
Other financing sources				
Transfers in	1,662,369	197,923	15,770	1,876,062
Transfers out	(480,606)	(822,147)	-	(1,302,753)
Total other financing sources (uses)	1,181,763	(624,224)	15,770	573,309
Net change in fund balances	(1,353,182)	1,318,183	80,807	45,808
Fund balances, beginning of year	5,934,195	1,207,021	1,826,753	8,967,969
Fund balances, end of year	$ 4,581,013	$ 2,525,204	$ 1,907,560	$ 9,013,777

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, 2025

Net Change in Fund Balances - Total Governmental Funds		$ 45,808
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	1,489,933	
Less: Current year depreciation	(2,015,240)	
		(610,696)
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		768,000
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	74,863	
Accrued interest on long-term debt	2,540	
		77,403
Change in Net Position of Governmental Activities		$ 280,515

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, 2025

	Budgeted Amounts			Variance Positive
	Original	Final	Actual	(Negative)
Revenues				
Taxes:				
Property	$ 6,307,153	$ 6,307,153	$ 6,422,873	$ 115,720
Local option motor fuel	335,550	335,550	304,423	(31,127)
Utility and franchise	3,025,169	3,025,169	3,153,218	128,049
Licenses and permits	671,045	671,045	523,041	(148,004)
Intergovernmental	1,490,804	1,490,804	1,962,061	471,257
Charges for services	2,268,599	2,268,599	2,327,775	59,176
Fines and forfeitures	11,075	11,075	11,982	907
Investment earnings	365,737	365,737	247,199	(118,538)
Miscellaneous	271,899	271,899	347,350	75,451
Total revenues	14,747,031	14,747,031	15,299,922	552,891
Expenditures				
Current:				
General Government:				
Legislative	80,948	80,948	50,074	30,874
Administrative	787,496	787,496	818,582	(31,086)
Legal	328,481	328,481	227,245	101,236
Information Technology	-	-	1,309	(1,309)
Non-departmental	2,951,450	2,951,450	2,387,400	564,050
Total General Government	4,148,375	4,148,375	3,484,610	663,765
Community Development:				
Planning and Zoning	979,788	979,788	785,052	194,736
Total Community Development	979,788	979,788	785,052	194,736
Public Safety:				
Fire	2,947,237	2,947,237	3,012,289	(65,052)
Police	3,830,808	3,830,808	4,054,716	(223,908)
Total Public Safety	6,778,045	6,778,045	7,067,005	(288,960)
Infrastructure Maintenance:				
Building	458,138	458,138	333,962	124,176
Refuse	1,965,208	1,965,208	2,145,545	(180,337)
Transportation	3,453,155	3,453,155	1,355,183	2,097,972
Conservation	378,144	378,144	292,507	85,637
Total Infrastructure Maintenance	6,254,645	6,254,645	4,127,197	2,127,448
Culture and Recreation:				
Parks and Recreation	1,860,052	1,860,052	1,555,904	304,148
Total Culture and Recreation	1,860,052	1,860,052	1,555,904	304,148
Debt service:				
Principal	768,000	768,000	768,000	-
Interest	47,099	47,099	47,099	-
Total expenditures	20,836,004	20,836,004	17,834,867	3,001,137
Excess (deficiency) of revenues over expenditures	(6,088,973)	(6,088,973)	(2,534,945)	3,554,028
Other financing sources				
Transfers in	2,856,495	2,856,495	1,662,369	(1,194,126)
Transfers out	(1,066,328)	(1,066,328)	(480,606)	585,722
Total other financing sources	1,790,167	1,790,167	1,181,763	(608,404)
Net change in fund balances	(4,298,806)	(4,298,806)	(1,353,182)	2,945,624
Fund balances, beginning of year	5,934,195	5,934,195	5,934,195	-
Fund balances, end of year	$ 1,635,389	$ 1,635,389	$ 4,581,013	$ 2,945,624

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, 2025

	Budgeted Amounts			Variance Positive
	Original	Final	Actual	(Negative)
Revenues				
Taxes:				
Intergovernmental	$ 2,849,843	$ 2,849,843	$ 2,849,238	$ (605)
Investment earnings	8,000	8,000	12,192	4,192
Total revenues	2,857,843	2,857,843	2,861,430	3,587
Expenditures				
Current:				
Community Redevelopment	2,999,697	2,999,697	919,023	2,080,674
Total expenditures	2,999,697	2,999,697	919,023	2,080,674
Excess (deficiency) of revenues over expenditures	(141,854)	(141,854)	1,942,407	2,084,261
Other financing sources				
Transfers in	500,000	500,000	197,923	(302,077)
Transfers out	(858,146)	(858,146)	(822,147)	35,999
Total other financing sources	(358,146)	(358,146)	(624,224)	(266,078)
Net change in fund balances	(500,000)	(500,000)	1,318,183	1,818,183
Fund balances, beginning of year	1,207,021	1,207,021	1,207,021	-
Fund balances, end of year	$ 707,021	$ 707,021	$ 2,525,204	$ 1,818,183

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, 2025

	Business-type Activities - Enterprise Funds		
	Wastewater Fund	Stormwater Fund	Total
Assets			
Current assets:			
Equity in pooled cash and investments	$ 429,836	$ 3,011,842	$ 3,441,678
Receivables, net	1,381,704	236,272	1,617,976
Due from other funds	200,563	-	200,563
Restricted assets:			
Equity in pooled cash and investments	494,832	-	494,832
Total current assets	2,506,935	3,248,114	5,755,049
Capital assets:			
Total capital assets, not being depreciated	4,919,925	1,443,577	6,363,502
Total capital assets, being depreciated, net of accumulated depreciation	18,788,227	3,473,026	22,261,253
Capital assets, net	23,708,152	4,916,603	28,624,755
Total Assets	$ 26,215,087	$ 8,164,717	$ 34,379,804
Liabilities			
Current liabilities:			
Accounts payable and accrued liabilities	$ 670,132	$ 192,415	$ 862,547
Due to other funds	-	200,563	200,563
Current portion of compensated absences	71,619	11,926	83,545
Current portion of long-term debt	600,029	51,627	651,656
Liabilities payable from current restricted assets:			
Accrued interest payable	13,539	-	13,539
Total current liabilities	1,355,319	456,531	1,811,850
Noncurrent liabilities:			
Long-term portion of compensated absences	17,905	2,982	20,887
Long-term debt payable after one year	10,191,561	677,862	10,869,423
Total noncurrent liabilities	10,209,466	680,844	10,890,310
Total Liabilities	$ 11,564,785	$ 1,137,375	$ 12,702,160
Net Position			
Net investment in capital assets	$ 12,916,562	$ 4,187,114	$ 17,103,676
Restricted for:			
Debt service	481,293	-	481,293
Unrestricted	1,252,447	2,840,228	4,092,675
Total Net Position	$ 14,650,302	$ 7,027,342	$ 21,677,644

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, 2025

	Business-type Activities - Enterprise Funds		
	Wastewater Fund	**Stormwater Fund**	**Total**
Operating revenues			
Charges for sales and services:			
Wastewater charges	$ 5,486,945	$ -	$ 5,486,945
Stormwater charges	-	1,096,850	1,096,850
Miscellaneous	-	7	7
Total operating revenues	5,486,945	1,096,857	6,583,802
Operating expenses			
Operating and maintenance:			
Personal services	2,102,509	381,402	2,483,911
Contractual services	64,567	48,946	113,513
Repairs and maintenance	911,596	48,306	959,902
Materials and supplies	518,958	14,036	532,994
Depreciation	1,790,158	479,169	2,269,327
Total operating expenses	5,387,788	971,859	6,359,647
Operating income	99,157	124,998	224,155
Nonoperating revenues (expenses)			
Investment earnings	27,859	22,485	50,344
Interest expense	(114,017)	-	(114,017)
Total nonoperating revenues (expenses)	(139,962)	19,392	(120,570)
Income before contributions and transfers	(40,805)	144,390	103,585
Transfers in	150,689	116,224	266,913
Transfers out	(820,656)	(19,566)	(840,222)
Change in net position	(710,772)	241,048	(469,724)
Total net position, beginning of year	15,361,074	6,786,294	22,147,368
Total net position, end of year	$ 14,650,302	$ 7,027,342	$ 21,677,644

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, 2025

	Business-type Activities - Enterprise Funds		
	Wastewater Fund	Stormwater Fund	Total
Cash flows from operating activities			
Cash received from customers	$ 5,075,499	$ 1,025,547	$ 6,101,046
Cash paid to suppliers	(1,200,709)	50,096	(1,150,613)
Cash paid to employees	(2,145,711)	(390,916)	(2,536,627)
Net cash provided by (used in) operating activities	1,729,079	684,727	2,413,806
Cash flows from noncapital financing activities			
Interfund loans	(6,642)	50,567	43,925
Transfers in	150,689	116,224	266,913
Transfers out	(820,656)	(19,566)	(840,222)
Net cash provided by (used) in noncapital financing activities	(676,609)	147,225	(529,384)
Cash flows from capital and related financing activities			
Principal payments on capital debt	(593,466)	(50,567)	(644,033)
Proceeds from issuance of capital debt	1,268,278	-	1,268,278
Interest paid	(114,017)	-	(114,017)
Acquisition and construction of capital assets	(1,693,607)	(542,913)	(2,236,520)
Net cash provided by (used in) capital and related financing activities	(1,132,812)	(593,480)	(1,726,292)
Cash flows from investing activities			
Interest received	27,859	22,485	50,344
Net change in cash and cash equivalents	(52,483)	260,957	208,474
Cash and cash equivalents, beginning of year	977,151	2,750,885	3,728,036
Cash and cash equivalents, end of year	$ 924,668	$ 3,011,842	$ 3,936,510
Reconciliation of operating income to net cash provided by (used in) operating activities			
Operating income (loss)	$ 99,157	$ 124,998	$ 224,155
Adjustment to reconcile operating income to net cash provided by (used in) operating activities:			
Depreciation	1,790,158	479,169	2,269,327
Decrease (increase) in certain assets:			
Accounts receivable	(411,446)	(71,310)	(482,756)
Increase (decrease) in certain liabilities:			
Compensated absences payable	(43,202)	(9,514)	(52,716)
Accounts payable and accrued liabilities	295,451	161,384	456,835
Accrued interest payable	(1,039)	-	(1,039)
Net cash provided by (used in) operating activities	$ 1,729,079	$ 684,727	$ 2,413,806
Cash and cash equivalents classified as:			
Unrestricted	$ 429,836	$ 3,011,842	$ 3,441,678
Restricted	494,832	-	494,832
Total cash and cash equivalents	$ 924,668	$ 3,011,842	$ 3,936,510

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

Notes to Financial Statements

(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:

The Cape Canaveral Free Public Library fund is a dependent special district created by Ordinance No. 11-66 and No. 14-66 and 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. The Cape Canaveral CRA does issue its own financial statements.

(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 (l) 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.

(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.

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

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

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

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

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

(i) On or before June 30th, the City Manager submits a preliminary budget to the City Council for the ensuing fiscal year.

(ii) Budget workshop sessions are scheduled by the City Manager as needed.

(iii) Prior to October 1, the budgets are legally enacted through passage of an ordinance.

(iv) The City Council reviews the monthly financial reports.

(v) The City Manager has the authority to approve budget transfers between line items, expenditure classifications, and departments. The City Council must approve all inter-departmental budget amendments and/or transfers that increase the total appropriations. Budgetary control is exercised at the departmental level.

(vi) Every appropriation lapses at the close of the fiscal year.

(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:

(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. Any additional leave amounts considered likely to be used are also accrued for. 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.

(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 16.7% of the current fiscal year original budgeted expenditures. The City was not in compliance with this policy at September 30, 2025.

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

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

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

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

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

(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, 2024 was 3.2422 mills (3.2000 for general government and 0.0422 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

Month Paid	Discount Percent	
November	4	November 1, 2024 through March 31, 2025
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

(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.

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

At September 30, 2025, the City had the following deposits and investments included in equity in pooled cash and investments:

Investment Type	Carrying Value at September 30, 2025	Maturity	Credit Rating
Cash in banks	$ 4,745,860	N/A	N/A
Florida Division of Treasury – Special Purpose Investment Account	5,607,572	3.33 years	AA-f
FL SAFE Treasury Note	1,956,746	38 days	AAAm
Total Government-wide deposits and investments	$ 12,310,178		

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, 2025, the fair value factor for the SPIA was .9958. Additional valuation information is available in the State of Florida's Annual Comprehensive Financial Report, which can be obtained through their website, www.myfloridacfo.com.

Concentrations of Credit Risk: The City's policy does not limit the amount that can be invested in any one issuer. As of September 30, 2025, all investments of the City are held in the pooled investment accounts administered by the State of Florida.

(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, 2025, the City's receivables consist of the following:

	Receivables, gross	Allowance for Doubtful Accounts	Receivables, net
Governmental Activities:			
General Fund	$ 509,997	$ (2,317)	$ 507,680
Total Governmental Activities	509,997	(2,317)	507,680
Business-Type Activities:			
Wastewater	1,388,873	(7,169)	1,381,704
Stormwater	237,332	(1,060)	236,272
Total Business-Type Activities	1,626,205	(8,229)	1,617,976
Totals	$ 2,136,202	$ (10,546)	$ 2,125,656

In addition to accounts receivable, the City also recorded $1,123,482 in due from other governments at September 30, 2025.

(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, 2025, individual fund interfund receivables and payables for the primary government arising from short-term borrowings for cash flow purposes are comprised of the following:

	Due From Other Funds	Due To Other Funds
Wastewater Fund:		
Stormwater Fund	$ 200,563	$ -
Stormwater Fund:		
Wastewater Fund	-	200,563
Total—All Funds	$ 200,563	$ 200,563

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

For the year ended September 30, 2025, the composition of interfund transfers is as follows:

	Transfer From	Transfer To
Governmental Activities:		
General Fund:		
Cape Canaveral CRA Fund	$ 822,147	$ 197,923
Wastewater Fund	820,656	150,689
Stormwater Fund	19,566	116,224
Law Enforcement Fund	-	15,770
Cape Canaveral CRA Fund:		
General Fund	197,923	822,147
Nonmajor Governmental Funds:		
Impact Fees Fund:		
General Fund	-	-
Law Enforcement Trust Fund:		
General Fund	15,770	-
Total Governmental Activities	1,876,062	1,302,753
Business-Type Activities:		
Wastewater Fund:		
General Fund	150,689	820,656
Stormwater Fund:		
General Fund	116,224	19,566
Total Business-Type Activities	266,913	840,222
Total—All Funds	$ 2,142,975	$ 2,142,975

Transfers were 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.

(7) Capital Assets:

For the fiscal year ended September 30, 2025, capital asset activity was as follows:

Governmental activities:	**Beginning Balance**	**Increases**	**Decreases**	**Ending Balance**
Capital assets not being depreciated:				
Land	$ 8,183,264	$ -	$ -	$ 8,183,264
Construction in progress	220,548	1,049,495	(52,876)	1,217,167
Total assets not being depreciated	8,403,812	1,049,495	(52,876)	9,400,431
Capital assets being depreciated:				
Building & Improvements	18,938,295	10,000	(9,418)	18,938,877
Machinery and equipment	4,953,586	317,094	(98,794)	5,171,886
Infrastructure	15,673,981	166,220	(136,708)	15,703,493
Total assets being depreciated	39,565,862	493,314	(244,920)	39,814,256
Less accumulated depreciation for:				
Building & Improvements	(4,016,082)	(772,468)	9,418	(4,779,132)
Machinery and equipment	(2,748,286)	(486,379)	95,411	(3,139,254)
Infrastructure	(6,658,957)	(756,393)	54,702	(7,360,648)
Total accumulated depreciation	(13,423,325)	(2,015,240)	159,531	(15,279,034)
Total capital assets being depreciated, net	26,142,537	(1,521,926)	(85,389)	24,535,222
Governmental activities capital assets, net	$ 34,546,349	$ (472,431)	$ (138,265)	$ 33,935,653

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

Business-type activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	$ 351,084	$ -	$ -	$ 351,084
Construction in progress	4,430,030	1,770,970	(188,582)	6,012,418
Total assets not being depreciated	4,781,114	1,770,970	(188,582)	6,363,502
Capital assets being depreciated:				
Building & Improvements	5,250,304	-	(57,120)	5,193,184
Machinery and equipment	9,199,270	456,821	(205,763)	9,450,328
Infrastructure	39,228,393	197,312	(343,529)	39,082,176
Total assets being depreciated	53,677,967	654,133	(606,412)	53,725,688
Less accumulated depreciation for:				
Building & Improvements	(3,259,311)	(126,951)	49,703	(3,336,559)
Machinery and equipment	(4,438,890)	(694,651)	183,407	(4,950,134)
Infrastructure	(22,046,421)	(1,447,725)	316,404	(23,177,742)
Total accumulated depreciation	(29,744,622)	(2,269,327)	549,514	(31,464,435)
Total capital assets being depreciated, net	23,933,345	(1,615,194)	(56,898)	22,261,253
Business-type activities capital assets, net	$ 28,714,459	$ 155,776	$ (245,480)	$ 28,624,755

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government	$ 557,217
Community development	165,040
Public safety	322,464
Infrastructure maintenance	649,602
Culture and recreation	320,917
Total depreciation expense-governmental activities	$ 2,015,240
Business-type activities:	
Wastewater	$ 1,790,158
Stormwater	479,169
Total depreciation expense-business-type activities	$ 2,269,327

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

A. Revenue Bonds and Notes

Governmental Activities:

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 $3,153,218 for the year ended September 30, 2025. These annually pledged revenues collectively support the annual debt repayment of $686,235 which comprises of $652,000 in principal and $34,235 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 $1,344,000.

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 $3,153,218 for the year ended September 30, 2025. These annually pledged revenues collectively support the annual debt repayment of $128,864 which comprises of $116,000 in principal and $12,864 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 $741,000.

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

Business-Type Activities:

State Revolving Loan

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

The City's SRF loans outstanding at September 30, 2025 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 2038; secured by the net wastewater and stormwater utility revenue of the City.	$ 3,996,074
0.83% State Revolving Fund promissory note payable in the amount of $3,032,463; with semiannual loan payments of $85,954 through fiscal year 2038; secured by the net wastewater utility revenue of the City.	2,010,142
1.32% State Revolving Fund promissory note payable in the amount of $432,071; with semiannual loan payments of $12,546 through fiscal year 2031 secured by the net wastewater utility revenue of the City.	360,827
0% State Revolving Fund promissory note payable in the amount of $340,000; with semiannual loan payments of $7,365 through fiscal year 2041; secured by the net wastewater utility revenue of the City.	220,936
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.	686,818
0.18% State Revolving Fund promissory note payable in the amount of $1,770,000; with semiannual loan payments of $45,151 through fiscal year 2043; secured by the net wastewater utility revenue of the City.	1,623,505
0% State Revolving Fund promissory note payable in the amount of $752,014; with semiannual loan payments of $16,396 through fiscal year 2043; secured by the net wastewater utility revenue of the City.	590,257
0% State Revolving Fund promissory note payable in the amount of $320,565; with semiannual loan payments of $8,174 through fiscal year 2043; secured by the net wastewater utility revenue of the City.	286,104
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.	1,746,416
	11,521,079
Less: current maturities	651,656
Total business-type activities long-term debt	$ 10,869,423

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

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

Year Ending	Governmental Activities		Business-Type Activities		
September 30,	Principal	Interest	Principal	Interest	Total
2026	$ 783,000	$ 31,716	$ 651,656	$ 56,166	$ 1,522,538
2027	799,000	16,024	780,556	52,140	1,647,720
2028	122,000	7,116	788,476	48,178	965,770
2029	125,000	5,128	796,548	43,858	970,534
2030	127,000	3,099	804,776	39,597	974,472
2031-2035	129,000	1,038	4,152,981	131,177	4,414,196
2036-2040	-	-	3,017,628	23,678	3,041,306
2041-2045	-	-	528,458	307	528,765
2046-2045	-	-	-	-	-
	$ 2,085,000	$ 64,121	$ 11,521,079	$ 395,101	$ 14,065,301

B. Change in Long-term Liabilities

Long-term liability activity for the year ended September 30, 2025, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities					
Capital improvement notes	$ 2,853,000	$ -	$ (768,000)	$ 2,085,000	$ 783,000
Compensated absences payable	314,909	219,640	(294,503)	240,046	192,037
Total Governmental Activities	$ 3,167,909	$ 219,640	$(1,062,503)	$ 2,325,046	$ 975,037
Business-Type Activities					
State revolving loans	$ 10,896,834	$ 1,268,278	$ (644,033)	$ 11,521,079	$ 651,656
Compensated absences payable	157,148	104,883	(157,599)	104,432	83,545
Total Business-Type Activities	$ 11,053,982	$ 1,373,161	$ (801,632)	$ 11,625,511	$ 735,201

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.

(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 are used to reduce the City's current period contribution requirement.

For the year ended September 30, 2025, employer and matching contributions to the defined contribution plan were $301,972 and $97,340, respectively. As of September 30, 2025, the Plan had 50 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, 2025. 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.

(14) **Fund Deficits:**

The School Crossing Guard Fund deficit of $1,775 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 $3,008 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.

(15) **Tax Abatements:**

The City entered into an agreement with a local corporation to abate certain ad valorem taxes in exchange for economic incentives. Article VII, Section 3 of the Florida Constitution and Section 16.1995, Florida Statutes, and the electorate of the City, have granted City Council the authority to grant property tax exemptions for new business and expansions of existing businesses. The City Council approved Ordinance 05-2016, granting the corporation an ad valorem tax exemption for a term of ten years. During the year ended September 30, 2025, no taxes were abated.

(16) **Implementation of New Accounting Standards**

During the fiscal year ended September 30, 2025, the City implemented GASB Statement No. 101, Compensated Absences. This statement establishes recognition and measurement criteria for liabilities related to compensated absences, including vacation, sick leave, and similar benefits. The Statement requires that a liability be recognized for leave that has not been used if (1) the leave is attributable to services already rendered, (2) the leave accumulates, and (3) it is more likely than not that the leave will be used for time off or otherwise paid in cash or settled through noncash means. Implementation of this new standard did not result in a restatement of beginning net position or fund balance and had no significant impact on the financial statements. Accordingly, no prior-period adjustment has been reported.

(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:

GASB issued Statement No. 103, *Financial Reporting Model Improvements*, in April 2024. The objective of GASB 103 is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The effective date for implementation is fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*, in September 2024. GASB Statement No. 104 requires governments to disclose separate information about specific types of capital assets and establishes criteria for identifying and reporting capital assets held for sale. The objective of GASB 104 is to enhance transparency and improve the usefulness of financial statements for stakeholders by providing more detailed information on these assets. The provisions are effective for fiscal years beginning after June 15, 2025.

GASB issued Statement No. 105, Subsequent Events, in December 2025. GASB Statement No. 105 clarifies the subsequent events time frame and establishes accounting and disclosure requirements for recognized and nonrecognized subsequent events. The provisions of GASB Statement No. 105 are effective for fiscal years beginning after June 15, 2026, and all reporting periods thereafter.

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, 2025

	Special Revenue Funds						
	Police Education	Fire Protection	School Crossing Guard	Library	Impact Fees	Special Law Enforcement Trust	Total
Assets							
Equity in pooled cash and investments	$ 32,453	$ 260	$ -	$ 622,544	$ 1,257,534	$ 1,929	$ 1,914,720
Due from other governments	2	-	-	1	-	-	3
Total assets	$ 32,455	$ 260	$ -	$ 622,545	$ 1,257,534	$ 1,929	$ 1,914,723
Liabilities							
Accounts payable and accrued liabilities	$ -	$ -	$ 1,775	$ 451	$ -	$ 4,937	$ 7,163
Total liabilities	-	-	1,775	451	-	4,937	7,163
Fund Balances							
Restricted for:							
Public safety	32,455	260	-	-	-	-	32,715
Culture/recreation	-	-	-	622,094	-	-	622,094
Capital expansion	-	-	-	-	1,257,534	-	1,257,534
Unassigned	-	-	(1,775)	-	-	(3,008)	(4,783)
Total fund balances	32,455	260	(1,775)	622,094	1,257,534	(3,008)	1,907,560
Total liabilities and fund balances	$ 32,455	$ 260	$ -	$ 622,545	$ 1,257,534	$ 1,929	$ 1,914,723

CITY OF CAPE CANAVERAL, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Special Revenue Funds						
	Police Education	**Fire Protection**	**School Crossing Guard**	**Library**	**Impact Fees**	**Special Law Enforcement**	**Total**
Revenues							
Property taxes	$ -	$ -	$ -	$ 84,696	$ -	$ -	$ 84,696
Fines and forfeitures	1,059	-	1,070	-	-	-	2,129
Investment earnings (losses)	529	-	-	15,163	48,422	76	64,190
Total revenues	1,588	-	1,070	99,859	48,422	76	151,015
Expenditures							
Current:							
Public Safety	-	-	-	-	-	15,770	15,770
Culture and Recreation	-	-	-	40,697	-	-	40,697
Capital outlay	-	-	-	29,511	-	-	29,511
Total expenditures	-	-	-	70,208	-	15,770	85,978
Excess (deficiency) of revenues over expenditures	1,588	-	1,070	29,651	48,422	(15,694)	65,037
Other financing sources (uses)							
Transfers in	-	-	-	-	-	15,770	15,770
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	15,770	15,770
Net change in fund balances	1,588	-	1,070	29,651	48,422	76	80,807
Fund balances, beginning of year	30,867	260	(2,845)	592,443	1,209,112	(3,084)	1,826,753
Fund balances, end of year	$ 32,455	$ 260	$ (1,775)	$ 622,094	$ 1,257,534	$ (3,008)	$ 1,907,560

CITY OF CAPE CANAVERAL, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025

	Special Revenue Funds							
	Police Education				Fire Protection			
	Budgeted Amounts			Variance Positive (Negative)	Budgeted Amounts			Variance Positive (Negative)
	Original	Final	Actual		Original	Final	Actual	
Revenues								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Fines and forfeitures	972	972	1,059	87	-	-	-	-
Impact fees	-	-	-	-	-	-	-	-
Investment earnings (losses)	300	300	529	229	250	250	-	(250)
Miscellaneous	-	-	-	-	-	-	-	-
Total revenues	1,272	1,272	1,588	316	250	250	-	(250)
Expenditures								
Current:								
Public Safety:								
Fire	-	-	-	-	250	250	-	250
Police	1,272	1,272	-	1,272	-	-	-	-
Total Public Safety	1,272	1,272	-	1,272	250	250	-	250
Culture and Recreation:								
Library	-	-	-	-	-	-	-	-
Total Culture and Recreation	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	1,272	1,272	-	1,272	250	250	-	250
Excess (deficiency) of revenues over (under) expenditures	-	-	1,588	1,588	-	-	-	-
Other financing sources (uses)								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Net change in fund balances	-	-	1,588	1,588	-	-	-	-
Fund balances, beginning of year	30,867	30,867	30,867	-	260	260	260	-
Fund balances, end of year	$ 30,867	$ 30,867	$ 32,455	$ 1,588	$ 260	$ 260	$ 260	$ -

CITY OF CAPE CANAVERAL, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL (Continued)
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025

	Special Revenue Funds							
	School Crossing Guard				Library			
	Budgeted Amounts			Variance Positive (Negative)	Budgeted Amounts			Variance Positive (Negative)
	Original	Final	Actual		Original	Final	Actual	
Revenues								
Property taxes	$ -	$ -	$ -	$ -	$ 83,166	$ 83,166	$ 84,696	$ 1,530
Fines and forfeitures	440	440	1,070	630	-	-	-	-
Impact fees	-	-	-	-	-	-	-	-
Investment earnings (losses)	-	-	-	-	8,796	8,796	15,163	6,367
Miscellaneous	-	-	-	-	-	-	-	-
Total revenues	440	440	1,070	630	91,962	91,962	99,859	7,897
Expenditures								
Current:								
Public Safety:								
Fire	-	-	-	-	-	-	-	-
Police	440	440	-	440	-	-	-	-
Total Public Safety	440	440	-	440	-	-	-	-
Culture and Recreation:								
Library	-	-	-	-	61,962	61,962	40,697	21,265
Total Culture and Recreation	-	-	-	-	61,962	61,962	40,697	21,265
Capital outlay	-	-	-	-	30,000	30,000	29,511	489
Total expenditures	440	440	-	440	91,962	91,962	70,208	21,754
Excess (deficiency) of revenues over (under) expenditures	-	-	1,070	190	-	-	29,651	29,651
Other financing sources (uses)								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	(2,100)	(2,100)	-	2,100	-	-	-	-
Total other financing sources (uses)	(2,100)	(2,100)	-	2,100	-	-	-	-
Net change in fund balances	(2,100)	(2,100)	1,070	(1,030)	-	-	29,651	29,651
Fund balances, beginning of year	(2,845)	(2,845)	(2,845)	-	592,443	592,443	592,443	-
Fund balances, end of year	$ (4,945)	$ (4,945)	$ (1,775)	$ (1,030)	$ 592,443	$ 592,443	$ 622,094	$ 29,651

CITY OF CAPE CANAVERAL, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL (Continued)
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025

	Special Revenue Funds				Special Revenue Funds			
	Impact Fees				Special Law Enforcement			
	Budgeted Amounts			Variance Positive (Negative)	Budgeted Amounts			Variance Positive (Negative)
	Original	Final	Actual		Original	Final	Actual	
Revenues								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Fines and forfeitures	-	-	-	-	-	-	-	-
Impact fees	165,471	165,471	-	(165,471)	-	-	-	-
Investment earnings (losses)	-	-	48,422	48,422	42	42	76	34
Miscellaneous	-	-	-	-	-	-	-	-
Total revenues	165,471	165,471	48,422	(117,049)	42	42	76	34
Expenditures								
Current:								
Public Safety:								
Fire	-	-	-	-	-	-	-	-
Police	-	-	-	-	15,770	15,770	15,770	-
Total Public Safety	-	-	-	-	15,770	15,770	15,770	-
Culture and Recreation:								
Library	-	-	-	-	-	-	-	-
Total Culture and Recreation	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	-	-	-	-	15,770	15,770	15,770	-
Excess (deficiency) of revenues over (under) expenditures	165,471	165,471	48,422	(117,049)	(15,728)	(15,728)	(15,694)	34
Other financing sources (uses)								
Transfers in	-	-	-	-	15,728	15,728	15,770	(42)
Transfers out	(1,200,000)	(1,200,000)	-	(1,200,000)	-	-	-	-
Total other financing sources (uses)	(1,200,000)	(1,200,000)	-	(1,200,000)	15,728	15,728	15,770	(42)
Net change in fund balances	(1,034,529)	(1,034,529)	48,422	(1,082,951)	-	-	76	(8)
Fund balances, beginning of year	1,209,112	1,209,112	1,209,112	-	(3,084)	(3,084)	(3,084)	-
Fund balances, end of year	$ 174,583	$ 174,583	$ 1,257,534	$ (1,082,951)	$ (3,084)	$ (3,084)	$ (3,008)	$ (8)

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.

Contents **Page**

Financial Trends 81

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

Revenue Capacity 86

These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.

Debt Capacity 91

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

Demographic and Economic Information 95

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

Operating Information 96

These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.

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

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

	Fiscal Year									Fiscal Year
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Governmental activities:										
Net investment in capital assets	**$ 31,850,653**	$ 31,693,349	$ 30,409,026	$ 28,799,213	$ 25,902,339	$ 25,098,106	$ 24,420,158	$ 23,031,722	$ 15,762,142	$ 17,995,928
Restricted	**4,665,602**	3,264,928	1,432,139	1,196,000	980,250	890,457	1,093,129	1,240,280	715,241	1,538,482
Unrestricted	**4,101,549**	5,379,012	9,178,875	10,602,615	5,431,304	4,841,643	3,680,573	3,313,663	9,651,795	5,850,230
Total governmental activities net position	**40,617,804**	40,337,289	41,020,040	40,597,828	32,313,893	30,830,206	29,193,860	27,585,665	26,129,178	25,384,640
Business-type activities:										
Net investment in capital assets	**17,103,676**	17,817,625	16,385,430	17,657,365	18,281,106	18,991,455	18,079,535	18,534,388	18,230,977	17,252,487
Restricted	**481,293**	478,325	723,515	511,053	318,294	301,698	331,621	311,774	523,141	327,160
Unrestricted	**4,092,675**	3,851,418	3,454,148	2,350,747	2,452,585	2,071,165	2,803,100	2,365,518	2,565,993	3,154,768
Total business-type activities net position	**21,677,644**	22,147,368	20,563,093	20,519,165	21,051,985	21,364,318	21,214,256	21,211,680	21,320,111	20,734,415
Primary government:										
Net investment in capital assets	**48,954,329**	49,510,974	46,794,456	46,456,578	44,183,445	44,089,561	42,499,693	41,566,110	33,993,119	35,248,415
Restricted	**5,146,895**	3,743,253	2,155,654	1,707,053	1,298,544	1,192,155	1,424,750	1,552,054	1,238,382	1,865,642
Unrestricted	**8,194,224**	9,230,430	12,633,023	12,953,362	7,883,889	6,912,808	6,483,673	5,679,181	12,217,788	9,004,998
Total primary government net position	**$ 62,295,448**	$ 62,484,657	$ 61,583,133	$ 61,116,993	$ 53,365,878	$ 52,194,524	$ 50,408,116	$ 48,797,345	$ 47,449,289	$ 46,119,055

City of Cape Canaveral, Florida **Table 2**

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

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Expenses:										
Governmental activities										
General government	**$ 3,307,925**	$ 2,982,743	$ 2,896,836	$ 2,649,187	$ 2,224,658	$ 1,733,788	$ 1,912,122	$ 2,113,111	$ 1,738,078	$ 1,729,277
Public safety	**7,310,527**	6,718,335	6,057,939	5,690,885	5,481,075	5,340,323	5,114,039	4,813,735	4,758,227	4,806,887
Transportation	**-**	-	-	-	-	-	-	-	-	968,272
Physical environment	**-**	-	-	-	-	-	-	-	-	1,059,367
Infrastructure Maintenance*	**4,540,181**	4,149,099	3,592,628	3,084,122	2,868,777	2,827,052	2,803,492	2,530,280	2,879,334	-
Culture/recreation	**1,883,314**	1,644,761	1,589,986	1,161,390	785,391	822,896	758,247	671,362	641,703	640,356
Community Redevelopment*	**29,028**	106,619	3	1,418	1,626	7,695	16,879	2,508	102,732	-
Unallocated depreciation						-	-	-	-	-
Interest on long-term debt	**44,559**	65,847	90,304	115,428	122,303	145,695	166,650	211,511	101,772	94,236
Total governmental activities expenses	**17,115,534**	15,667,404	14,230,044	12,702,430	11,483,830	10,877,449	10,771,429	10,342,507	10,221,846	9,298,395
Business-type activities:										
Wastewater utility	**5,555,609**	5,248,632	4,740,070	4,492,999	4,396,609	4,120,583	3,692,274	3,560,126	3,149,054	2,916,035
Stormwater utility	**974,952**	778,081	839,332	844,684	725,034	693,025	614,469	685,002	526,404	537,809
Total business-type activities expenses	**6,530,561**	6,026,713	5,579,402	5,337,683	5,121,643	4,813,608	4,306,743	4,245,128	3,675,458	3,453,844
Total primary-government expenses	**$ 23,646,095**	$ 21,694,117	$ 19,809,446	$ 18,040,113	$ 16,605,473	$ 15,691,057	$ 15,078,172	$ 14,587,635	$ 13,897,304	$ 12,752,239
Program revenue										
Governmental activities:										
Charges for Services:										
General government	**$ 2,369**	$ 2,512	$ 2,359	$ 2,476	$ 3,236	$ 97,732	$ 4,035	$ 5,981	$ 17,192	$ 49,413
Public safety	**828,082**	943,436	843,875	795,542	761,110	779,155	1,160,043	676,100	569,568	471,722
Infrastructure Maintenance	**1,895,839**	1,830,800	1,599,122	1,258,631	1,181,011	1,176,442	1,123,123	1,087,639	1,059,788	1,058,515
Culture/recreation	**335,737**	275,128	309,225	140,490	43,334	104,976	85,646	76,287	67,081	87,210
Operating Grants and Contributions										
General government	**-**	-	-	-	52,910	-	-	-	-	-
Public safety	**-**	-	-	5,243,938	5,016	5,070	-	-	-	-
Infrastructure Maintenance	**304,423**	307,179	329,951							
Transportation	**-**	-	-	373,479	364,858	353,299	383,440	320,181	332,189	333,666
Culture/recreation	**-**	-	-	-	-	-	-	-	-	-
Capital Grants and Contributions										
General government	**-**	39,248	28,545	57,864	-	-	-	-	-	-
Public safety	**-**	25,062	32,923	66,635	-	-	-	-	-	-
Infrastructure Maintenance	**15,000**	-	-	-	-	-	-	-	-	-
Transportation	**-**	-	-	1,620,455	412,985	615,279	73,195	5,123	455,249	818,647
Culture/recreation	**74,874**	23,945	23,187	47,132	-	2,000	-	50,000	5,000	-
Total governmental activities program revenues	**3,456,324**	3,447,310	3,169,187	9,606,642	2,824,460	3,133,953	2,829,482	2,221,311	2,506,067	2,819,173
Business-type activities:										
Charges for services:										
Wastewater utility	**5,486,945**	5,259,345	4,894,160	4,489,017	4,320,626	4,389,709	4,126,467	4,014,216	3,964,016	4,099,508
Stormwater utility	**1,096,850**	1,096,118	1,092,066	1,089,406	1,069,796	987,529	852,611	747,234	637,061	582,331
Capital grants and contributions										
Wastewater utility	**-**	-	-	128,400	121,600	-	-	-	-	-
Stormwater utility	**-**	-	-	-	-	-	-	-	465,038	-
Total business-type activities program revenues	**6,583,795**	6,355,463	5,986,226	5,706,823	5,512,022	5,377,238	4,979,078	4,761,450	5,066,115	4,681,839
Total primary government program revenues	**$ 10,040,119**	$ 9,802,773	$ 9,155,413	$ 15,313,465	$ 8,336,482	$ 8,511,191	$ 7,808,560	$ 6,982,761	$ 7,572,182	$ 7,501,012

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

	Fiscal Year									Fiscal Year
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Net (expense) revenue										
Governmental activities	**$ (13,659,210)**	$ (12,220,094)	$ (11,060,857)	$ (11,060,857)	$ (3,095,788)	$ (8,659,370)	$ (7,743,496)	$ (7,941,947)	$ (8,121,196)	$ (7,715,779)
Business-type activities	**53,234**	328,750	406,824	406,824	369,140	390,379	563,630	672,335	516,322	1,390,657
Total primary government net (expense) revenue	**$ (13,605,976)**	$ (11,891,344)	$ (10,654,033)	$ (10,654,033)	$ (2,726,648)	$ (8,268,991)	$ (7,179,866)	$ (7,269,612)	$ (7,604,874)	$ (6,325,122)
General revenues and other changes in net position										
Governmental activities:										
Property taxes	**$ 6,507,569**	$ 6,448,378	$ 5,657,972	$ 5,287,035	$ 4,957,551	$ 4,721,416	$ 4,533,714	$ 4,434,439	$ 3,546,026	$ 3,349,568
Local option motor fuel taxes	**-**	-	-	-	-	-	-	-	-	-
Utility and franchise taxes	**3,391,189**	3,122,801	3,166,072	2,858,214	2,528,058	2,503,275	2,505,196	2,498,499	2,461,812	2,454,174
Unrestricted intergovernmental revenues	**2,933,380**	2,650,583	2,199,457	2,091,247	1,859,137	1,471,997	1,408,921	1,682,505	1,482,570	2,736,562
Investment income	**323,581**	465,167	410,836	77,266	60,628	204,746	271,544	164,414	76,501	77,593
Contributions and donations	**-**	-	-	-	-	-	-	-	25,072	-
Miscellaneous revenues	**210,697**	57,782	69,885	66,645	61,342	50,547	72,591	55,294	39,406	34,642
Transfers	**573,309**	(1,207,368)	397,302	999,316	676,341	427,861	758,176	700,925	828,930	342,148
Total governmental activities	**13,939,725**	11,537,343	11,901,524	11,379,723	10,143,057	9,379,842	9,550,142	9,536,076	8,460,317	8,994,687
Business-type activities:										
Investment income	**50,344**	38,434	19,222	5,230	7,022	14,293	17,255	17,079	18,568	16,769
Unrestricted intergovernmental revenues	**-**	-	-	-	-	-	-	-	-	1,558,083
Miscellaneous revenues	**7**	9,723	15,184	92,126	149,073	-	24,082	34,700	5,401	4,770
Transfers	**(573,309)**	1,207,368	(397,302)	(999,316)	(676,341)	(427,861)	(711,096)	(700,925)	(828,930)	(342,148)
Total business-type activities	**(522,958)**	1,255,525	(362,896)	(901,960)	(520,246)	(413,568)	(669,759)	(649,146)	(804,961)	1,237,474
Total primary government	**$ 13,416,767**	$ 12,792,868	$ 11,538,628	$ 10,477,763	$ 9,622,811	$ 8,966,274	$ 8,880,383	$ 8,886,930	$ 7,655,356	$ 10,232,161
Change in net position:										
Government activities	**$ 280,515**	$ (682,751)	$ 840,667	$ 318,866	$ 7,047,269	$ 720,472	$ 1,806,646	$ 1,594,129	$ 339,121	$ 1,278,908
Business-type activities	**(469,724)**	1,584,275	43,928	(495,136)	(151,106)	(23,189)	(106,129)	23,189	(288,639)	2,628,131
Total primary government change in net position	**$ (189,209)**	$ 901,524	$ 884,595	$ (176,270)	$ 6,896,163	$ 697,283	$ 1,700,517	$ 1,617,318	$ 50,482	$ 3,907,039

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
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General Fund										
Nonspendable	**$ -**	$ -	$ -	$ -	$ 849,212	$ 1,782	$ 4,623	$ 3,312	$ 115,308	$ 96,734
Restricted	**228,055**	225,225	241,399	591,014	286,208	343,022	612,387	774,321	321,574	447,214
Committed	**527,065**	2,382,393	4,318,640	5,631,465	2,061,783	6,805,686	6,427,779	6,598,862	7,153,028	2,479,667
Assigned	**3,825,893**	1,834,073	1,766,915	3,120,500	1,996,700	1,735,350	1,206,400	1,034,776	947,650	-
Unassigned (deficit)	**-** 3	1,492,504 3	3,645,355	2,766,332	3,331,874	3,849,504	3,523,099	3,072,957	3,282,575	3,981,139
Total general fund	**$ 4,581,013**	$ 5,934,195	$ 9,972,309	$ 12,109,311	$ 8,525,777	$ 12,735,344	$ 11,774,288	$ 11,484,228	$ 11,820,135	$ 7,004,754
All other Governmental Funds:										
Nonspendable	**$ -**	$ -	$ -	$ -	$ -	$ -	$ -	$ 620	$ -	$ -
Restricted	**4,437,547**	3,039,703	1,190,740	604,986	694,042	547,435	480,742	465,959	393,667	1,091,268
Committed	**-**	-	-	-	-	-	-	-	843	2,257
Assigned	**-**	-	-	-	-	-	-	-	-	-
Unassigned (deficit)	**(4,783)**	(5,929)	(210,295)	(445,114)	(874,835)	(869,103)	(859,836)	(852,161)	(1,548,847)	(466,535)
Total all other governmental funds	**$ 4,432,764**	$ 3,033,774	$ 980,445	$ 159,872	$ (180,793)	$ (321,668)	$ (379,094)	$ (385,582)	$ (1,154,337)	$ 626,990

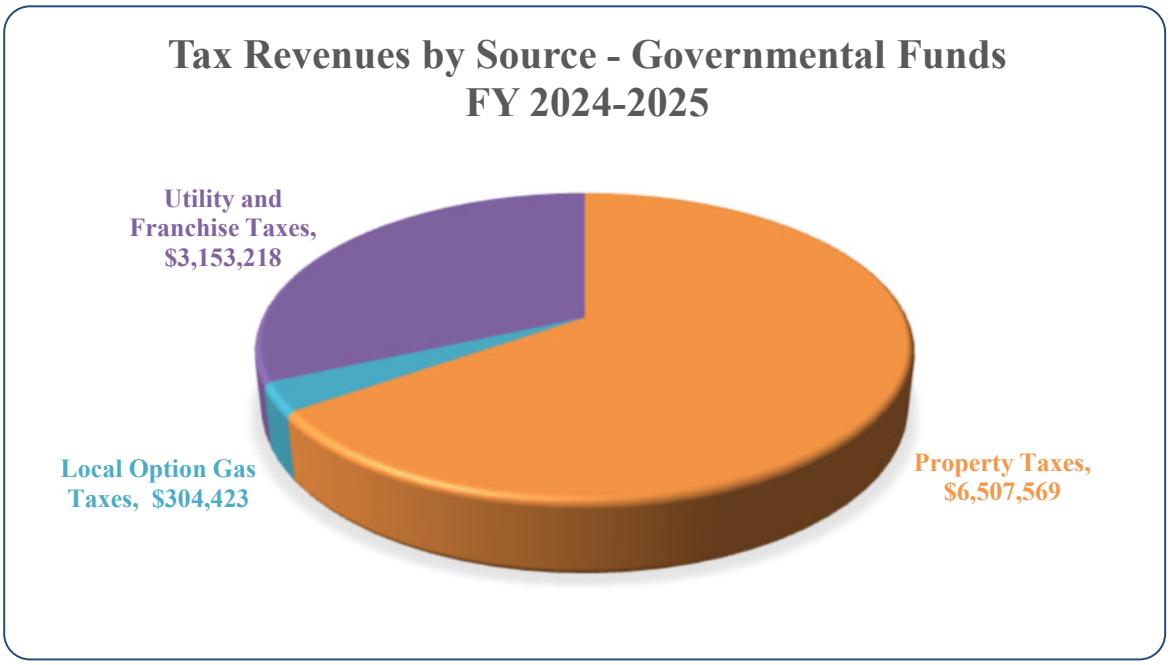
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2025	2024	2024	2023	2022	2021	2020	2019	2018	2017
Revenues:										
Property Taxes	**$ 6,507,569**	$ 6,448,378	$ 6,448,378	$ 5,657,972	$ 5,287,035	$ 4,957,551	$ 4,721,416	$ 4,533,714	$ 4,434,439	$ 3,546,026
Local option fuel taxes	**304,423**	307,179	307,179	329,951	373,479	364,858	353,299	383,440	320,181	332,189
Utility and franchise taxes	**3,153,218**	3,019,183	3,019,183	2,999,723	2,719,895	2,488,732	2,408,107	2,432,396	2,433,499	2,384,812
Intergovernmental	**523,041**	538,455	538,455	3,524,119	8,504,106	2,950,205	2,275,583	2,062,390	1,903,580	2,128,985
Licenses and permits	**4,811,299**	4,258,066	4,258,066	3	461,715	344,363	330,810	594,184	401,431	301,520
Charges for services	**2,327,775**	2,193,414	2,193,414	1,959,067	1,484,142	1,332,217	1,339,726	1,286,197	1,238,322	1,195,654
Fines and forfeitures	**14,111**	10,780	10,780	16,902	17,184	42,651	43,156	218,722	6,990	14,565
Impact fees	**-**	87,094	87,094	84,655	1,790,086	415,582	821,634	540	2,160	25,978
Investment earnings	**323,581**	465,167	465,167	410,836	77,266	60,628	204,746	271,544	164,414	76,501
Contributions and donations	**-**	-	-	-	-	-	-	-	-	25,072
Miscellaneous	**347,350**	247,722	247,722	203,699	215,203	110,795	172,863	307,120	151,446	105,477
Total revenues	**18,312,367**	17,575,438	17,575,438	15,710,341	20,930,111	13,067,582	12,671,340	12,090,247	11,056,462	10,136,779
Expenditures:										
Current:										
General government	**3,365,106**	3,028,646	3,028,646	2,536,813	2,353,495	1,821,635	1,547,803	1,579,128	1,457,158	1,201,347
Community Development*	**785,052**	745,281	745,281	863,168	965,204	810,667	607,291	612,709	414,414	399,564
Public safety	**6,988,063**	6,395,829	6,395,829	5,834,253	5,526,268	5,310,281	5,122,642	4,932,439	4,659,316	4,582,436
Transportation	**-**	-	-	-	-	-	-	-	-	-
Physical environment	**-**	-	-	-	-	-	-	-	-	-
Infrastructure Maintenance*	**3,805,190**	3,522,043	3,522,043	2,839,560	2,362,277	2,198,718	2,330,198	2,326,371	2,085,620	2,627,268
Culture/recreation	**1,562,397**	1,346,596	1,346,596	1,285,173	752,859	527,986	565,214	597,242	554,635	537,003
Community Redevelopment	**29,028**	106,619	106,619	2,351	1,418	1,626	7,695	16,879	2,508	102,732
Capital outlay	**1,489,933**	1,787,698	1,787,698	2,223,562	5,610,049	5,850,431	608,294	1,148,599	856,195	4,077,012
Debt service:	**-**	-	-	-	-	-				
Principal	**768,000**	1,352,000	1,352,000	1,326,000	1,306,000	1,165,000	1,142,000	1,119,000	1,096,000	521,000
Interest	**47,099**	68,143	68,143	94,737	116,568	126,271	149,582	172,428	198,693	83,968
Total expenditures	**18,839,868**	18,352,855	18,352,855	17,005,617	18,994,138	17,812,615	12,080,719	12,504,795	11,324,539	14,132,330
Excess of revenues over (under) expenditures	**(527,501)**	(777,417)	(777,417)	(1,295,276)	1,935,973	(4,745,033)	590,621	(414,548)	(268,077)	(3,995,551)
Other financing sources (uses):										
Proceeds from sale of assets	**-**	-	-	-	-	-	-	-	0	675
Transfers In	**1,876,062**	2,214,568	2,214,568	2,871,284	5,605,355	6,147,612	1,472,905	1,484,187	2,516,822	2,708,179
Transfers Out	**(1,302,753)**	(3,421,936)	(3,421,936)	(2,473,982)	(4,817,129)	(5,471,271)	(1,045,044)	(773,091)	(1,815,897)	(1,879,249)
Issuance of long term debt	**-**	-	-	-	1,200,000	-	-	-	-	6,200,000
Total other financing sources (uses)	**573,309**	(1,207,368)	(1,207,368)	397,302	1,988,226	676,341	427,861	711,096	700,925	7,029,605
Net change in fund balances	**$ 45,808**	$ (1,984,785)	$ (1,984,785)	$ (897,974)	$ 3,924,199	$ (4,068,692)	$ 1,018,482	$ 296,548	$ 432,848	$ 3,034,054
Debt Service as a Percentage of Noncapital Expenditures	**4.70%**	8.57%	8.57%	9.61%	10.63%	10.79%	11.26%	11.37%	12.37%	6.02%

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

Tax Revenues by Source of Governmental Funds
Last Ten Fiscal Years

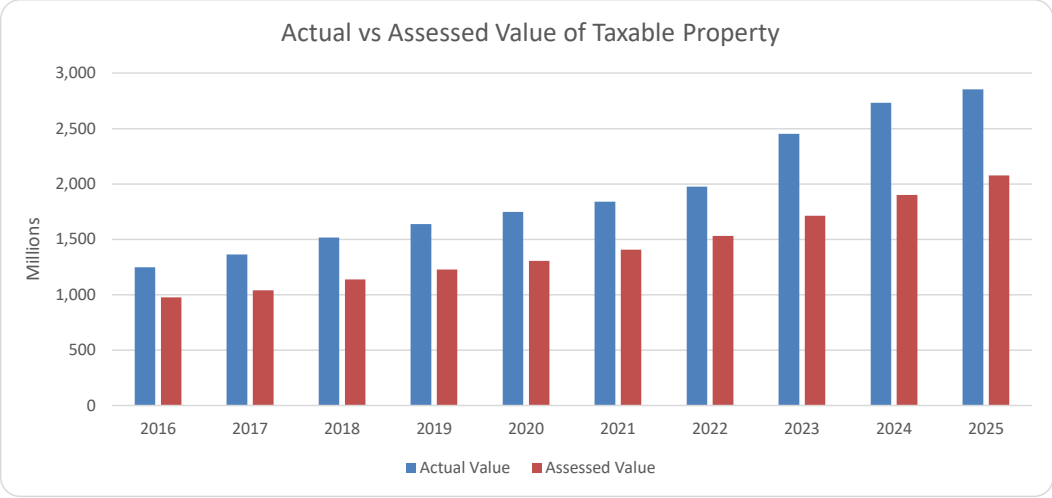
Fiscal Year Ending September 30	Property Taxes	Local Option Gas Taxes	Utility and Franchise Taxes	Total
2025	**$ 6,507,569**	**$ 304,423**	**$ 3,153,218**	**$ 9,965,210**
2024	$ 6,448,378	$ 307,179	$ 3,019,183	$ 9,774,740
2023	$ 5,657,972	$ 329,951	$ 2,999,723	$ 8,987,646
2022	$ 5,287,035	$ 373,479	$ 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



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

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

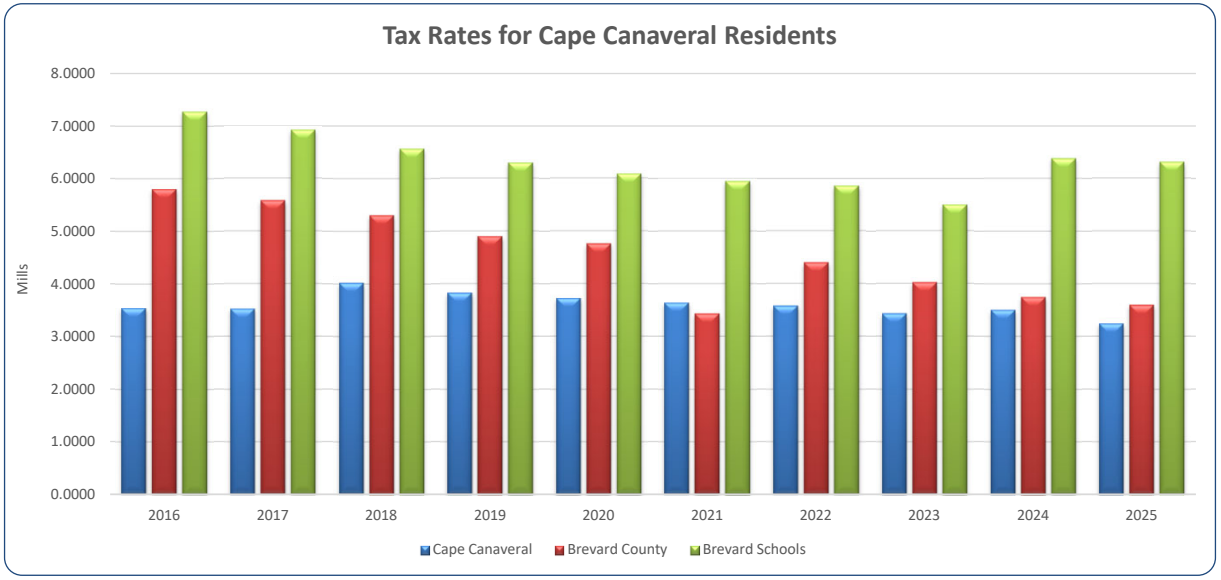
Fiscal Year Ending Sept. 30	Real Property	Personal Property	Estimated Actual Value	Exemptions Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Assessed Value as a Percentage of Actual Value
2025	**$ 2,776,216,700**	**77,205,898**	**2,853,422,598**	**216,212,201**	**2,077,522,057**	**3.2422**	**72.8%**
2024	2,663,342,110	67,783,656	2,731,125,766	211,409,492	1,899,851,784	3.5064	69.6%
2023	2,391,571,580	62,263,136	2,453,834,716	198,589,343	1,712,701,973	3.4322	69.8%
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%



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

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

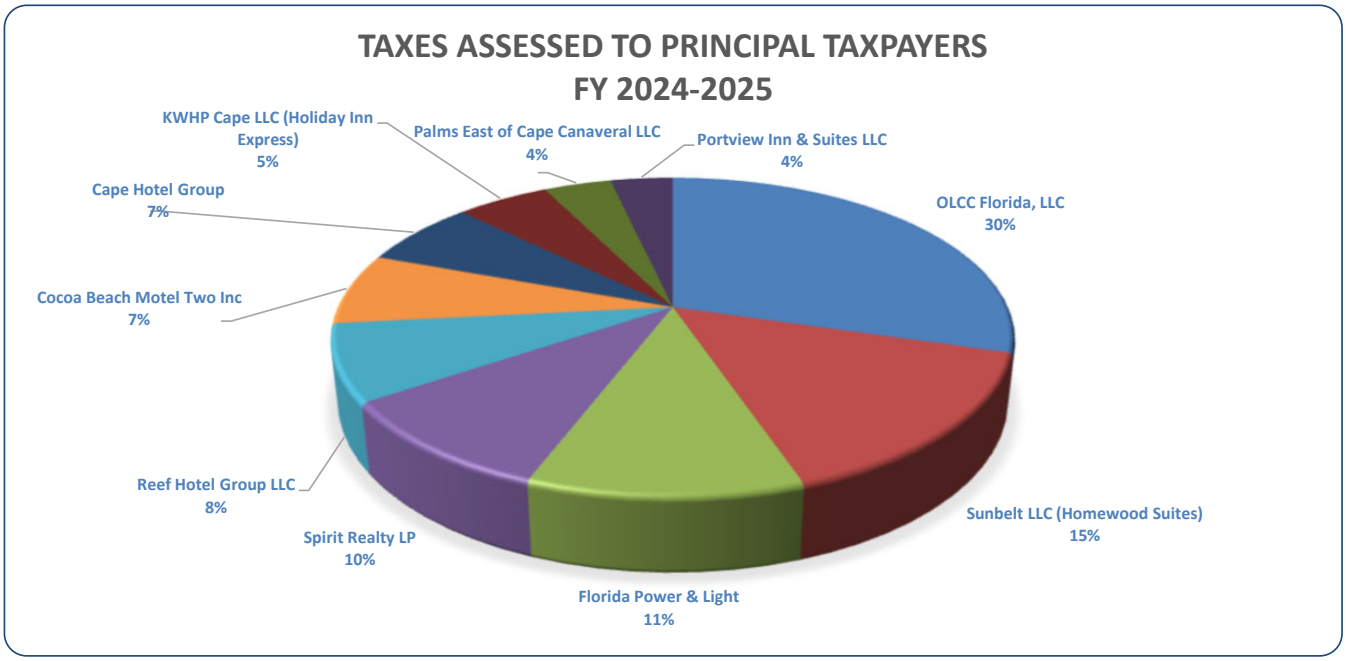
	Mills (per $1,000 of assessed valuation)							
	Cape Canaveral (1)					Brevard	Brevard School	Total Direct &
Fiscal Year	Library	Police	Fire	Beautification	Total	County & Other	District	Overlapping Rates
2025	**0.0422**			**3.2000**	**3.2422**	**3.5961**	**6.3110**	**13.1493**
2024	0.0432			3.4632	3.5064	3.7461	6.3830	13.6355
2023	0.0432			3.3890	3.4322	4.0203	5.4950	12.9475
2022	0.0464			3.5291	3.5755	4.3957	5.8500	13.8212
2021	0.0518			3.5878	3.6396	3.4322	5.9420	13.0138
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 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

		Year Ended September 30, 2025			Year Ended September 30, 2016		
Taxpayer	Product/Service	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	245,864.90	1	3.71%	185,844	1	6.36%
Sunbelt LLC (Homewood Suites)	Hotel	126,499.45	2	1.91%			
Florida Power & Light	Utility	92,025.92	3	1.39%			
Spirit Realty LP	Real Estate	80,825.60	4	1.22%			
Reef Hotel Group LLC	Hotel	64,862.91	5	0.98%			
Cocoa Beach Motel Two Inc	Hotel	60,399.78	6	0.91%	30,153	2	1.03%
Cape Hotel Group	Hotel	55,809.34	7	0.84%			
KWHP Cape LLC (Holiday Inn Express)	Hotel	44,053.47	8	0.66%			
Palms East of Cape Canaveral LLC	Rental Property	31,803.04	8	0.48%	15,502	4	0.53%
Portview Inn & Suites LLC	Hotel	29,495.71	9	0.44%	14,492	5	0.50%
Cape Canaveral Joint Venture	N/A				18,779	3	0.64%
Oceanside Treasure, LLC	Condominium				13,021	6	0.45%
CC Hotel Cab & Investors, LLC	Hotel				13,298	7	0.46%
IAP World Services	Contractor				11,994	8	0.41%
Logan Commercial Office Center, LLC	Rental Property				10,222	9	0.35%
8910 Astronaut, LLC	Manufacturing				9,496	10	0.32%
Total Taxes Assessed		**$ 831,640**		**12.53%**	**$ 322,801**		**11.05%**

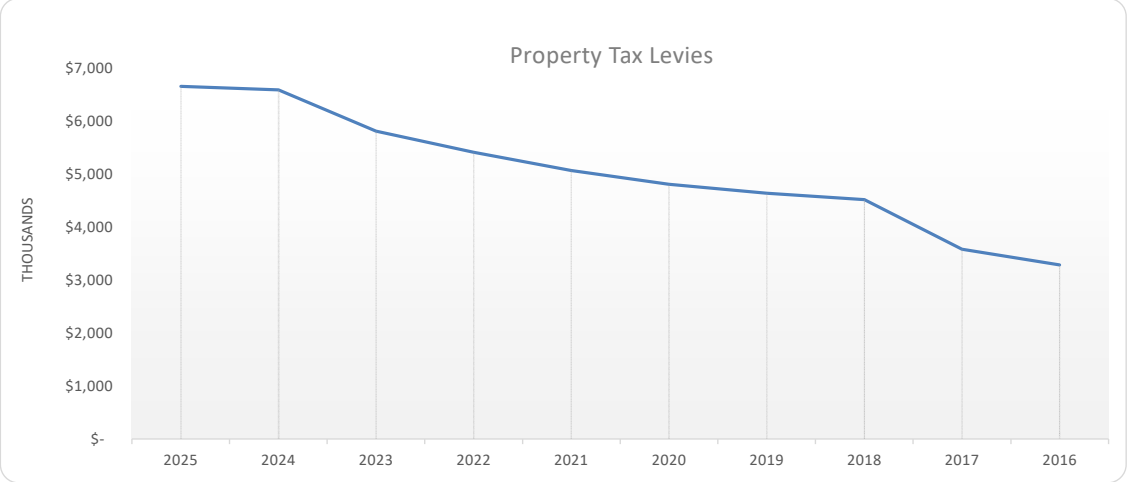


Source: Brevard County Tax Collector

Property Tax Levies and Collections - Unaudited

Last Ten Fiscal Years

	Current Year Collections				Total Collections to Date	
Fiscal Year	Amount Levied	Amount Collected	Percentage of Levy	Delinquent Tax Collections (1)	Total Amount Collected	Percentage of Levy
2025	**$ 6,660,205**	**$ 6,419,364**	**96.38%**	**$ 94,263**	**$ 6,513,627**	**98%**
2024	6,589,101	6,364,367	96.59%	64,441	6,428,808	98%
2023	5,813,971	5,586,077	96.08%	57,054	5,643,131	97%
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%



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

	Governmental Activities		Business-Type Activities				
Fiscal Year	Revenue Note Payable	Capital Leases	State Revolving Loans	Total	Total Personal Income (a)	Percentage of Personal Income	Per Capita [(b)]
2025	**$ 2,085,000**	**$ -**	**$ 11,521,079**	**$ 13,606,079**	**535,702,680**	**2.54%**	**1,362**
2024	2,853,000	-	10,896,834	13,749,834	535,102,664	2.57%	1,378
2023	4,205,000	-	11,028,850	15,233,850	501,135,720	343.22%	1,526
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

Source: (1) Economic Development Commission of Florida's Space Coast.
(2) Univeristy 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
2025	**9,987**	**2,077,522,057**	**-**	**0.00%**	**0.00**
2024	9,976	1,899,851,784	-	0.00%	0.00
2023	9,980	1,712,701,973	-	0.00%	0.00
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

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

City of Cape Canaveral, Florida **Table 12**

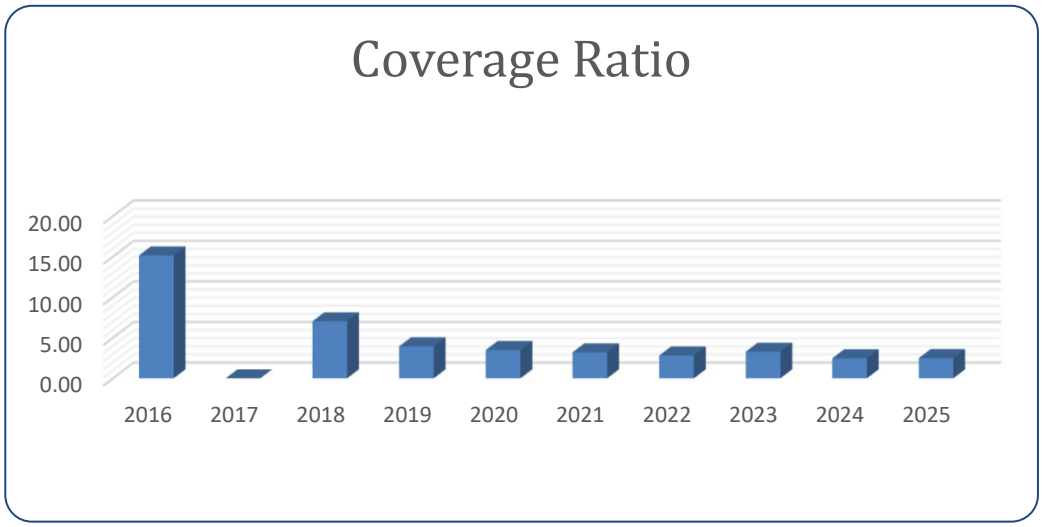
Direct and Overlapping Governmental Activities Debt
September 30, 2025

Governmental Unit	Debt Outstanding (1)	Applicable Percentage (2)	City's Estimated Share of Direct and Overlapping Debt
Brevard County	$ 8,819,301	1.49%	$ 131,742
City of Cape Canaveral Direct Debt (Governmental Activities) Revenue Note			2,085,000
Total Direct and Overlapping Debt			$ 2,216,742

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

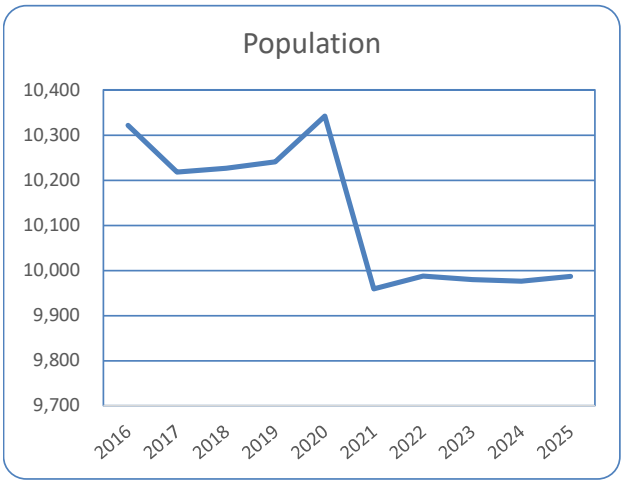
Fiscal Year	Debt Coverage Revenues (a)	Debt Service Requirements (b)	Debt Service Coverage (c)	Direct Operating Expenses (Excluding Depreciation) (d)	Operating Coverage (e)
2025	**$ 5,486,945**	**$ 759,089**	**7.23**	**$ 3,597,630**	**2.49**
2024	5,259,345	759,089	6.93	3,383,454	2.47
2023	4,894,160	630,497	7.76	2,825,066	3.28
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

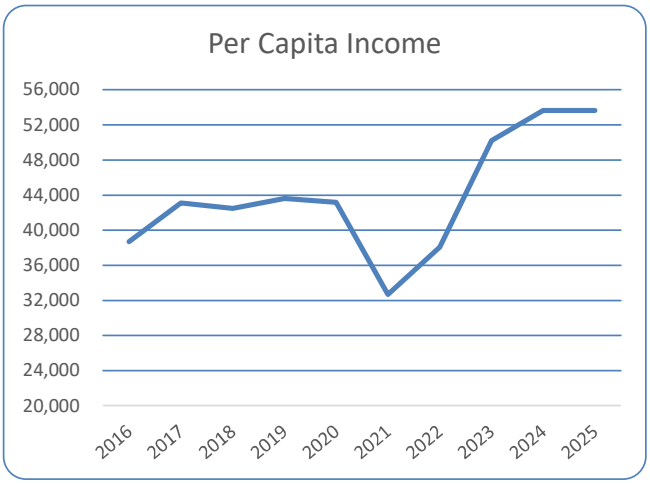


Notes: (1) Total debt coverage revenues and connection fees
(2) Total operating expenses net of depreciation
(3) Debt Service Coverage based on Operating Revenues
(4) Required coverage is 1.25 for Bonds (1.15 and 1.20 for state loans)

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)
2025	**9,987**	**59.0**	**2.7%**	**$ 53,640**	**$ 70,590**	**273**
2024	9,976	59.5	2.6%	53,639	70,585	293
2023	9,980	59.0	2.9%	50,214	68,495	312
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





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

Principal Employers - Unaudited
Current Year and Ten Years Ago

Employer	2025 # Employees			Rank	2025 % of Total County Employment			2016 # Employees	2016 Rank	2016 % of Total County Employment
School Board of Brevard County	**10,000**	**-**	**10,999**	**1**	**3.32%**	**-**	**3.65%**	8,998	1	3.68%
Health First Medical Group LLC	**9,000**	**-**	**9,999**	**2**	**2.98%**	**-**	**3.32%**	7,800	2	3.19%
L3Harris Technologies	**7,000**	**-**	**7,999**	**3**	**2.32%**	**-**	**2.65%**	5,750	3	2.35%
Northrop Grumman Corporation	**5,000**	**-**	**5,999**	**4**	**1.66%**	**-**	**1.99%**	1,915	8	0.78%
Blue Origin Florida LLC	**3,000**	**-**	**3,999**	**5**	**0.99%**		**1.33%**			
United States Spc Force	**2,000**	**-**	**2,999**	**6**	**0.66%**	**-**	**0.99%**			
Brev. County Board of County Comm.	**2,000**	**-**	**2,999**	**7**	**0.66%**	**-**	**0.99%**			
Florida Institute of Technology Inc	**2,000**	**-**	**2,999**	**8**	**0.66%**	**-**	**0.99%**			
National Aeronautics Spc Admin	**2,000**	**-**	**2,999**	**9**	**0.66%**	**-**	**0.99%**	2,005	6	0.82%
SpaceX	**1,000**	**-**	**1,999**	**10**	**0.33%**	**-**	**0.66%**			
Brevard County Government								2,360	4	0.96%
USAF 45th Space Wing								2,285	5	0.93%
Wuesthoff Medical Center								1,785	7	0.73%
Rockwell Collins Inc.								1,605	9	0.66%
Brevard County Sheriff's Office								1,280	10	0.52%
Total	**43,000**	**-**	**52,990**		**14.24%**	**-**	**17.56%**	35,783		14.62%

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Function/Program										
General Government:										
Executive/Administration	**8.60**	7.60	6.50	7.50	7.00	6.00	5.50	5.00	5.00	5.00
Finance	**5.00**	5.00	4.00	5.00	5.50	5.50	5.00	5.00	5.00	4.00
Building Department	**3.50**	3.60	3.80	3.80	3.80	3.80	6.80	5.80	5.80	5.50
Parks/Recreation/Community Affairs	**14.40**	12.66	12.10	12.60	9.40	8.40	3.43	7.06	7.06	6.40
Infrastructure Maintenance Dept.	**8.00**	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Economic Development					0.00	1.00	1.00	1.00	1.00	1.00
Community Dev/Code Enforcement	**10.50**	9.50	9.00	7.00	7.00	7.00	4.53	3.00	3.00	2.00
Public Safety:										
Crossing Guards	**0.80**	0.75	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Public Works:										
Wastewater Treatment Plant	**15.00**	15.00	16.00	16.00	14.40	14.40	14.54	13.19	12.19	17.00
Stormwater	**2.00**	2.00	2.00	2.00	1.00	1.00	1.00	1.00	1.00	1.00
Totals	**67.80**	63.11	61.40	61.90	56.10	55.10	49.80	49.05	48.05	49.90

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Function										
General government										
Building permits issued	**1,306**	1,742	1,935	1,709	1,709	1,737	1,729	2,008	1,422	1,184
Building inspections conducted	**3,270**	2,928	3,121	2,811	3,004	2,914	4,392	3,918	2,609	1,848
Police										
Physical arrests	**655**	718	850	739	722	705	1,017	1,109	1,167	996
Parking violations (includes warnings)	**149**	202	323	193	203	445	417	304	108	102
Traffic violations (includes warnings)	**1,956**	1,815	2,534	2,250	3,118	3,771	4,706	3,682	1,271	2,558
Fire										
Emergency responses	**3,501**	3,490	3,333	2,953	2,421	2,736	2,649	2,825	1,966	2,730
Fires extinguished	**45**	36	43	35	32	50	40	60	23	47
Inspections	**1,383**	1,573	1,573	1,667	1,333	1,107	1,828	2,128	1,887	1,613
Public works										
Streets resurfacing (feet)							1,050			
Potholes repaired	**20**	14	24	27	7	16	24	20	28	14
Water/Sewer										
Accounts	**2,856**	2,860	2,853	2,857	2,850	2,890	2,880	2,898	2,893	2,752
Water main breaks	**7**	6	7	14	8	4	1	2	2	2
Average monthly useage	**28,316**	27,673	28,263	27,709	27,029	26,984	28,556	31,496	35,997	11,487
Wastewater										
Average daily wastewater treatment	**1,166,000**	1,136,700	1,137,000	1,182,500	1,119,000	1,141,000	1,144,000	1,300,000	1,300,000	1,300,000

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Function										
Police										
Stations	**1**	1	1	1	1	1	1	1	1	1
Substations	**-**	-	-	-	-	-	-	-	-	-
Patrol units (sworn)	**24.0**	24.0	24.0	24.0	25.5	25.5 3	25.5	24.5	23.5	23
Fire										
Stations	**1**	1	1	1	1	1	1	1	1	1
Public works										
Streets (lane miles)	**21.8**	21.8	21.8	21.8	21.8	21.8	21.8	21.8	21.8	21.8
Streetlights	**650**	650	650	650	636	636	663	679	677	645
Recreation and Culture										
Parks	**11**	11	11	11	11	10	8	8	8	8
Parks - acres	**27.21**	27.21	27.21	27.24	27.24	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	1	1	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	1	1						
Conference Rooms/Classrooms/Game rooms	**4**	4	4	3						
Indoor Walking Track	**1**	1	1	1						
Gymnasium	**1**	1	1	1						
Fitness Center	**1**	1	1	1						
City Centers	**3**	3	3	2	1	1	1	1	1	1
Water										
Water mains (miles)	**48.2**	48.2	48.2	48.2	48.2	48.2	48.2	48.2	48.2	48.2
Fire hydrants	**254**	254	254	254	254	254	254	254	254	254
Storage capacity (thousands of gallons)	**None**	None	None	None	None	None	None	None	None	None
Wastewater										
Sanitary sewers (miles)	**16.8**	16.8	16.8	16.8	16.8	16.8	16.8	16.8	16.8	16.8
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

City of Cape Canaveral, Florida **Table 19**

Water/Wastewater Distribution and Consumption - Unaudited
Fiscal Year 2025

Water & Wastewater Distribution & Consumption	
Number of Accounts	**2,856**
Total Meters Billed	**2,856**
Residential Meters (3/4")	**2,178**
Non-residential Meters	**678**
Average Monthly Useage (thousands of gallons)	**28,316**
Average Consumption per meter (thousands of gallons)	**9.91**
Average Monthly Wastewater Collection (thousands of dollars)	**$207,639**

Source: (a) City of Cocoa Wastewater Consumption Analysis for FY24/25
(b) City of Cape Canaveral Sewer Rates for FY24/25

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

	Water		Wastewater	
Fiscal Year	Monthly Base Rate	Rate per 1,000 Gallons	Monthly Base Rate	Rate per 1,000 Gallons
2025	**$ 18.68**	**$ 4.32**	**$ 23.80**	**$ 7.77**
2024	18.32	4.24	22.66	7.40
2023	17.61	4.07	21.07	6.88
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

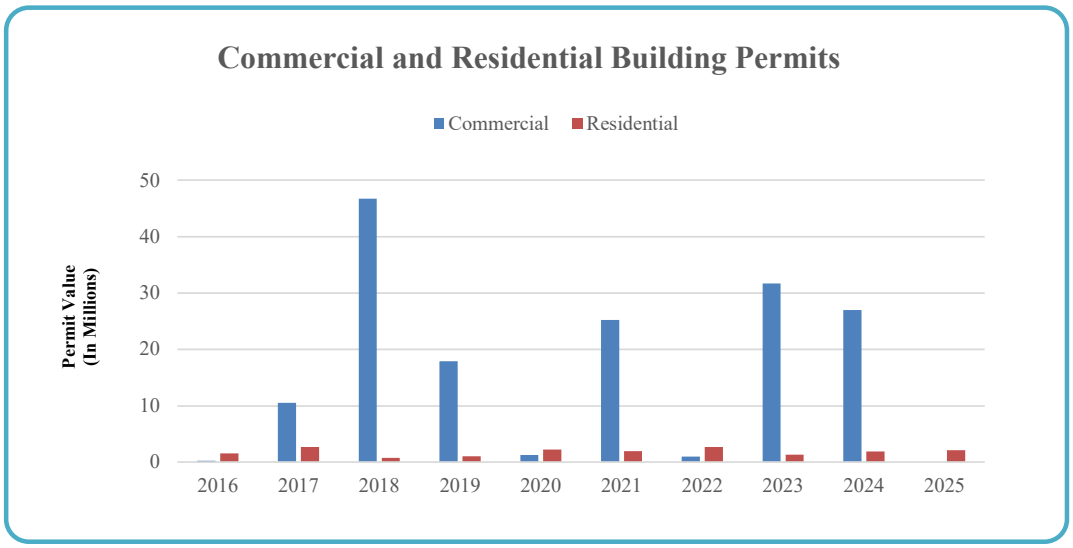
Note: Rates are based on 3/4" meter, the standard household meter size.

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) # of Units	Commercial Construction (a) Value	Residential Construction (a) # of Units	Residential Construction (a) Value	(b) Brevard County Real and Personal Property Taxable Value	(c) Bank Deposits (in thousands)
2025	**0**	**$ -**	**2**	**$ 2,145,762**	**$ 67,950,226,532**	**N/A**
2024	1	27,000,000	3	1,893,744	61,218,295,899	N/A
2023	3	31,723,700	2	1,343,897	54,033,535,556	N/A
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



Data source:

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

Miscellaneous Statistics - Unaudited
September 30, 2025

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)	4
Number of Firefighters (paid)	40
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	722
Number of accounts (wastewater)	2856
Schools:	
Elementary	1
Building Permits Issued	1,306
Number of City Employees (excluding police officers and firefighters)	67.8

Single Audit and Other Reports

CITY OF CAPE CANAVERAL, FLORIDA
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2025

State Grantor/ Pass-Through Grantor/Program Title	CSFA Number	Contract / Grant Number	Expenditures
STATE FINANCIAL ASSISTANCE			
State of Florida Department of Environmental Protection			
Direct Programs:			
Wastewater Treatment Facility Construction	37.077	WW050580	$ 1,268,278
Resilient Florida Program	37.098	H1214	437,463
Florida Recreation Development Assistance Program	37.017	A3045	74,874
Total Florida Department of Environmental Protection			1,780,615
Total State Financial Assistance			$ 1,780,615

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, 2025

(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. 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.

(4) **Subrecipients:**

During the year ended September 30, 2025, the City provided no grant 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.

CITY OF CAPE CANAVERAL, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

A. **Summary of Auditors' Results:**

Financial Statements:

Type of audit report issued on the financial statements: *Unmodified*

Internal control over financial reporting:

Material weakness(es) identified?	____ yes	__X__ no
Significant deficiency(ies) identified?	____ yes	__X__ none reported

Noncompliance material to financial statements noted? ____ yes __X__ no

State Financial Assistance:

Internal control over major State projects:

Material weakness(es) identified?	____ yes	__X__ no
Significant deficiency(ies) identified?	____ yes	__X__ none reported

Type of auditors' report issued on compliance for major State projects: *Unmodified*

Any audit findings disclosed that are required to be reported for state financial assistance projects in accordance with Chapter 10.550? ____ yes __X__ none reported

Dollar threshold used to distinguish between type A and type B programs: $534,185

Identification of major State projects:

CSFA Number	Project Name
37.077	Water Treatment Facility Construction

B. **Financial Statement Findings:** None

C. **State Financial Assistance Projects Findings and Questioned Costs:** None

D. **Summary Schedule of Prior Audit Findings:** Not applicable as there were no prior year financial statement or state financial assistance internal control or compliance findings.

E. **Corrective Action Plan:** Not applicable as there are no financial statement or state financial assistance internal control or compliance findings.

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, 2025. 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, 2025.

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 Auditors' 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 Auditors' 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 Chapter 10.550, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

James Moore & Co., P.L.

Daytona Beach, Florida
February 12, 2026

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 and City Council,
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 (*Government Auditing Standards*), 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, 2025, 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 12, 2026.

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 or significant deficiencies 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.

James Moore & Co., P.L.

Daytona Beach, Florida
February 12, 2026

JAMESMOORE

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

To the Honorable Mayor and City Council,
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, 2025, and have issued our report thereon dated February 12, 2026.

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 12, 2026, 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 repeat findings exist from the second preceding audit. The following is a summary of prior year recommendations:

2024-001 Fund Balance Policy—Corrective action not taken. See repeat comment 2025-001.

2024-002 Reconciliation of Account Balances Corrective action not taken. See repeat comment 2025-002.

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 and Management

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. As a result of our procedures, we noted the following:

2025-001 Fund Balance Policy

In performing financial condition assessment procedures, the City received an "unfavorable" condition, with 65% of applicable indicators rating as unfavorable. The City has seen a negative trend in Net Position and Unassigned Fund Balance resulting in unfavorable Financial Indicators. City policy mandates that the unassigned fund balance in the General Fund be maintained at a minimum of 16.7% of total operating expenditures. However, we observed that the unassigned fund balance currently stands at 0% of operating expenditures, falling short of the established threshold. We recommend that the City take proactive measures to address the downward trend in the unassigned fund balance. Specifically, in the remainder of fiscal year 2026 and in the fiscal year 2027 budget cycle, the City should work to gradually restore the balance to at least 16.7% of operating expenditures, in alignment with its policy, to ensure fiscal stability and compliance with its fund balance objectives.

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

2025-002 Reconciliation of Account Balances

During the audit, it was determined some accounts were not fully reconciled at initial year-end close, resulting in multiple audit adjustments. We recommend that the City implement a more robust reconciliation process with regular reviews throughout the year to ensure timely and accurate recording of transactions. In addition, we suggest that the City enhance its year-end review procedures to include a thorough analysis of account cutoffs, ensuring the completeness and accuracy of financial statements and reducing the likelihood of significant adjustments at year-end.

Property Assessed Clean Energy (PACE) Programs

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 10.554(1)(i)6.a., Rules of the Auditor General, the City did not have a property assessed clean energy (PACE) program that finances qualifying improvements authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, operated within the City's geographical boundaries during the fiscal year under audit.

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: 0.0422.

b) The total amount of ad valorem taxes collected by or on behalf of the district: $84,658

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.

James Moore & Co., P.L.

Daytona Beach, Florida
February 12, 2026

INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT

To the Honorable Mayor and City Council,
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, 2025. 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, 2025.

James Moore & Co., P.L.

Daytona Beach, Florida
February 12, 2026

CITY OF
CAPE CANAVERAL
P.O. Box 326 • 100 Polk Avenue • Cape Canaveral, FL 32920-0326
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MANAGEMENT'S RESPONSE TO CURRENT YEAR FINDINGS

25-001 Fund Balance Policy - In performing financial condition assessment procedures, the City received an "unfavorable" condition, with 65% of applicable indicators rating as unfavorable. The City has seen a negative trend in Net Position and Unassigned Fund Balance resulting in unfavorable Financial Indicators. City policy mandates that the unassigned fund balance in the General Fund be maintained at a minimum of 16.7% of total operating expenditures. However, we observed that the unassigned fund balance currently stands at 0% of operating expenditures, falling short of the established threshold. We recommend that the City take proactive measures to address the downward trend in the unassigned fund balance. Specifically, in the remainder of fiscal year 2026 and in the fiscal year 2027 budget cycle, the City should work to gradually restore the balance to at least 16.7% of operating expenditures, in alignment with its policy, to ensure fiscal stability and compliance with its fund balance objectives.

Action: The Financial Services Department concurs and moving forward in preparing the Fiscal Year 26-27 Budget, Capital Projects and other operating expenses will be thoroughly scrutinized to reduce expenses which will allow an upward swing in the unassigned fund balance. Also, recommendations to Council during the Budget process on considering its approach in setting the millage accordingly to avoid any huge cut in Ad-Valorem Revenue. These actions will help ensure the City recovers from any downward trend in unassigned fund balance and returns to compliance with its City policy mandate of 16.7%. The Administrative/Financial Services Director, John DeLeo, will ensure that expenses are reduced and Council is thoroughly briefed on their understanding of the impact caused by millage decreases.

25-002 Reconciliation of Account Balances - During the audit, it was determined some accounts were not fully reconciled at initial year-end close, resulting in multiple audit adjustments. We recommend that the City implement a more robust reconciliation process with regular reviews throughout the year to ensure timely and accurate recording of transactions. In addition, we suggest that the City enhance its year-end review procedures to include a thorough analysis of account cutoffs, ensuring the completeness and accuracy of financial statements and reducing the likelihood of significant adjustments at year-end.

Action: Moving forward, the Financial Services Department will conduct quarterly reviews to ensure invoices, receivables, and other transactions are properly posted to the general ledger throughout the year. We will also enhance our accrual procedures so that payments made after fiscal year-end, but related to the prior fiscal year, are accurately recorded. In addition, we will reinforce adherence to proper fiscal year cutoff dates and perform a more thorough year-end analysis to ensure all revenues and expenditures are captured in the correct period. By implementing these measures, we expect to significantly reduce year-end adjustments and provide a cleaner, more stable audit environment in the next fiscal year. The Administrative/Financial Services Director, John DeLeo, will ensure these actions occur.