

Popular Annual Financial Report

Fiscal Year Ending September 30, 2017

INTRODUCTION

The Popular Annual Financial Report (PAFR) is a high level summary prepared by the City's Finance Department to assist City residents and stakeholders in understanding the City's annual financial data. This report is an unaudited financial report based on the audited Comprehensive Annual Financial Report (CAFR) prepared by the Finance Department and the external auditing firm in accordance with the City Charter, State Statutes and generally accepted accounting principles for governments. Whereas the CAFR, with more than 200 pages of detailed financial information, is intended for in-depth users of financial reports such as financial analysts and bond rating agencies, the PAFR is intended as an overview or summary for the general reader.

Understanding today's financial world can be difficult. The PAFR can play an important role in making financial information accessible to residents and more transparent to stakeholders who may feel that the traditional financial reports are too cumbersome.

For more detailed financial information, the Capital Improvement Plan (CIP), the CAFR, the Annual Operating Budget, and this PAFR are available as separate documents on the City of Cocoa website www.cocoafl.org.

Questions, comments and feedback on this report are welcomed and encouraged, so please do not hesitate to contact the Interim Finance Director at 321-433-8611 or at howell@cocoafl.org.



OVERVIEW OF FINANCIAL STATEMENTS

Most City services and projects are accounted for in a general category referred to as Government Funds. A fund is a grouping of related accounts used to maintain control over resources that are segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds focus on near-term inflows and outflows of spendable resources and balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. The City maintains nine governmental funds:

- The General Fund is the primary operating fund which accounts for all financial resources of the government that are not accounted for in other funds.
- Cocoa Housing Assistance Trust Fund accounts for funds received for the State Housing Initiatives Partnership (SHIP) that was enacted by the State of Florida through the Florida Housing Finance Corporation. The purpose of this program is to provide funds to local governments as an incentive for the creation of partnerships to produce and preserve affordable housing.
- Cocoa Redevelopment Agency Fund accounts for incremental tax revenues within the downtown Cocoa Village area. The monies are restricted by State statutes to specific projects within this geographical area.
- Six non-major funds. The non-major funds are the Community Development Block Grant, Brevard County Home Program, Police Confiscated Fund, Police Special Education Fund, Capital Project Fund, and Debt Service Fund.

Proprietary Funds operate in a manner similar to private business enterprises. Each proprietary fund is intended to be self-supported from user charges. The City maintains two enterprise funds (business-type activities) and two internal service funds:

- Water and Sewer Utility System
- Stormwater Utility System
- Workers Compensation Internal Service Fund
- Health Insurance Internal Service Fund

Fiduciary Funds account for resources held for the benefit of parties outside the government such as pension funds. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs.



STATEMENT OF NET POSITION, COMPARATIVE

The Statement of Net Position, referred to as a balance sheet in the private sector, provides a picture of the City's assets, liabilities, and deferred outflows/inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the City's financial position is improving or deteriorating. For FY 2017, the City's total net position increased by \$13,329,007 or 7.6% from FY 2016. Amounts presented below are in dollars.

	Governmental Activities		Business-type Activities		Total	
	FY 2017	FY2016	FY 2017	FY2016	FY 2017	FY2016
Current and Other Assets	49,851,504	44,445,730	49,980,199	53,123,932	99,831,703	97,569,662
Capital Assets	44,195,314	38,946,374	208,813,828	196,348,954	253,009,142	235,295,328
Total Assets	94,046,818	83,392,104	258,794,027	249,472,886	352,840,845	332,864,990
Deferred Outflows	7,001,024	7,485,951	4,995,064	4,920,768	11,996,088	12,406,719
Noncurrent Liabilities	57,774,636	49,289,141	92,741,464	96,419,095	150,516,100	145,708,236
Other Liabilities	3,861,321	2,731,530	17,752,438	17,510,471	21,613,759	20,242,001
Total Liabilities	61,635,957	52,020,671	110,493,902	113,929,566	172,129,859	165,950,237
Deferred Inflows	2,470,867	2,228,199	880,647	1,066,720	3,351,514	3,294,919
Net Investment in Capital Assets	19,280,723	25,284,348	132,683,806	115,435,116	151,964,529	140,719,464
Restricted	260,393	281,203	12,395,504	11,818,615	12,655,897	12,099,818
Unrestricted	17,399,902	11,063,634	7,335,232	12,143,637	24,735,134	23,207,271
Total Net Position	36,941,018	36,629,185	152,414,542	139,397,368	189,355,560	176,026,553

The Statement of Activities, referred to as an income statement in the private sector, on the next page shows how much the revenue collected covers the cost of services provided during the fiscal year. Amounts are in dollars.

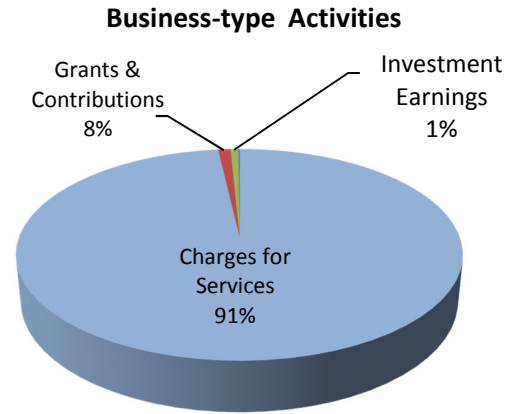
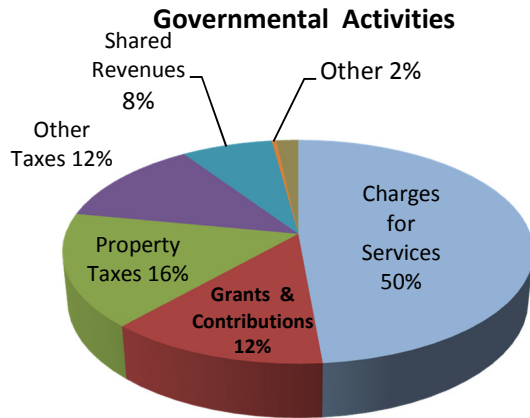


STATEMENT OF ACTIVITIES, COMPARATIVE

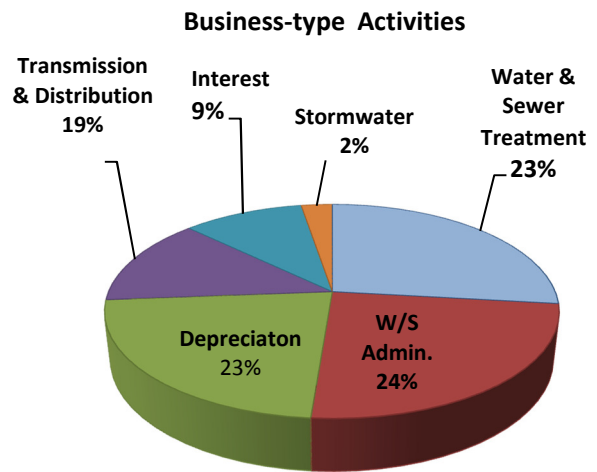
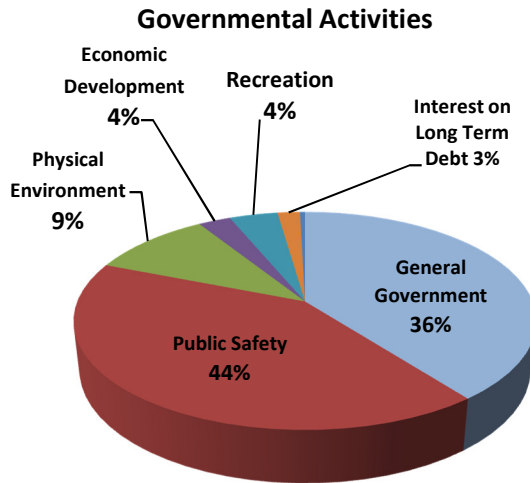
	Governmental Activities		Business-type Activities		Total	
	FY 2017	FY2016	FY 2017	FY2016	FY 2017	FY2016
REVENUES:						
Charges for Services & Fees	15,062,295	13,903,544	61,177,310	57,809,384	76,239,605	71,712,928
Grants & Contributions	3,808,800	3,720,745	5,860,498	1,892,336	9,669,298	5,613,081
Property Taxes	5,000,611	4,699,241	-	-	5,000,611	4,699,241
Other Taxes & Fees	3,608,198	3,597,190	-	-	3,608,198	3,597,190
Shared Revenues	2,340,469	2,088,744	-	-	2,340,469	2,088,744
Gain/(Loss) on Sale of Capital Assets	-	-	53,149	153,005	53,149	153,005
Investment Earnings	56,406	100,579	175,279	235,491	231,685	336,070
Other	550,203	503,570	42,959	69,094	593,162	572,664
Total Revenues	30,426,982	28,613,613	67,309,195	60,159,310	97,736,177	88,772,923
EXPENSES:						
General Government	13,131,276	11,996,774	-	-	13,131,276	11,996,774
Public Safety	16,180,830	12,600,590	-	-	16,180,830	12,600,590
Physical Environment	3,144,201	3,055,646	-	-	3,144,201	3,055,646
Economic Development	1,534,682	817,422	-	-	1,534,682	817,422
Recreation	1,404,532	1,221,988	-	-	1,404,532	1,221,988
Interest on Long-term Debt	1,180,788	565,742	-	-	1,180,788	565,742
Water & Sewer	-	-	46,549,681	44,710,558	46,549,681	44,710,558
Stormwater Utility	-	-	1,152,168	1,167,900	1,152,168	1,167,900
Unallocated Depreciation	129,012	125,871	-	-	129,012	125,871
Total Expenses	36,705,321	30,384,033	47,701,849	45,878,458	84,407,170	76,262,491
Net Change before Transfers	(6,278,339)	(1,770,420)	19,607,346	14,280,852	13,329,007	12,510,432
Transfers	6,590,172	7,226,129	(6,590,172)	(7,226,129)	-	-
Increase/(Decrease) in Net Position	311,833	5,455,709	13,017,174	7,054,723	13,329,007	12,510,432
Net Position, beginning of year	36,629,185	31,173,476	139,397,368	132,342,645	176,026,553	163,516,121
Net Position, end of year	36,941,018	36,629,185	152,414,542	139,397,368	189,355,560	176,026,553



FY2017 REVENUES BY SOURCE



FY2017 EXPENSES BY FUNCTIONS



Divisions classified in the Governmental Activities Expenditures:

General Government - City Council, City Manager, City Clerk, Finance Administration, General Accounting, Purchasing, Utility Accounting, Information Technology, General Operations, Human Resources, Fleet Maintenance, Community Services, and Facility Maintenance

Public Safety - Fire, Police, and Code Enforcement

Physical Environment - Public Works Administration, Public Works Maintenance, Sanitation and Capital Projects

Economic Development - Economic Development, Community Redevelopment Agencies, and Housing Grants

Recreation - Parks and Beautification, Leisure Services

Divisions classified in the Business-type Activities Expenses:

W/S Administration - Water/Waste Water Administration, Engineering and Field Services

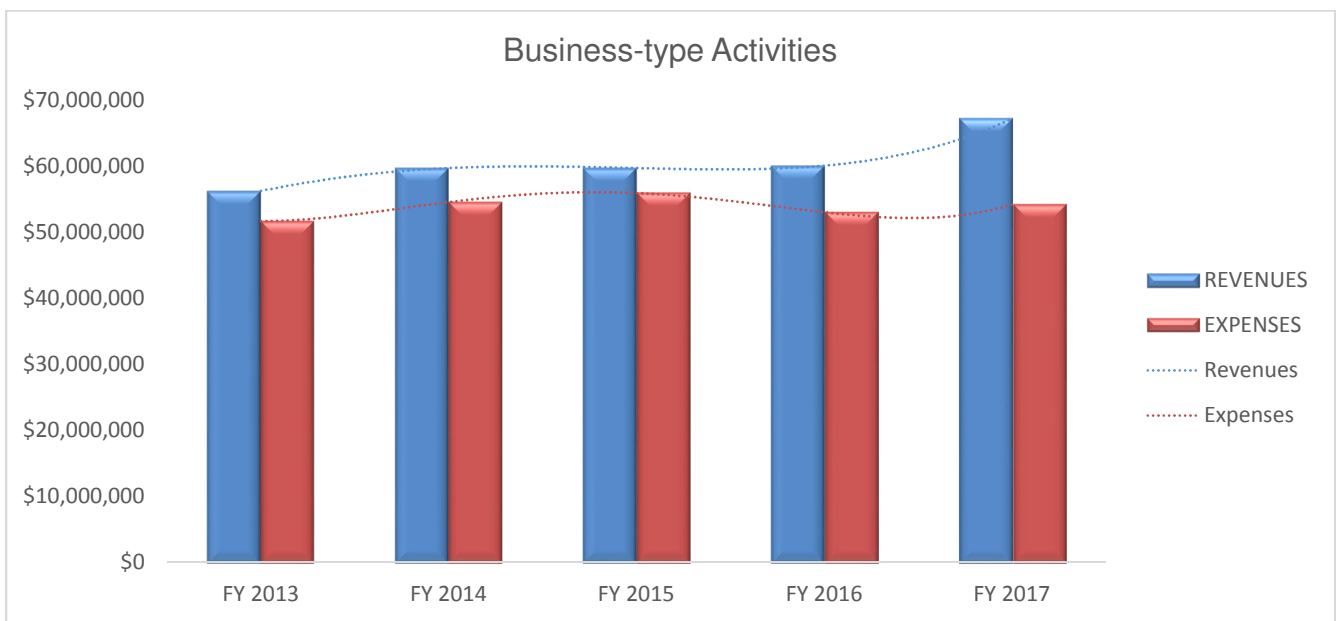
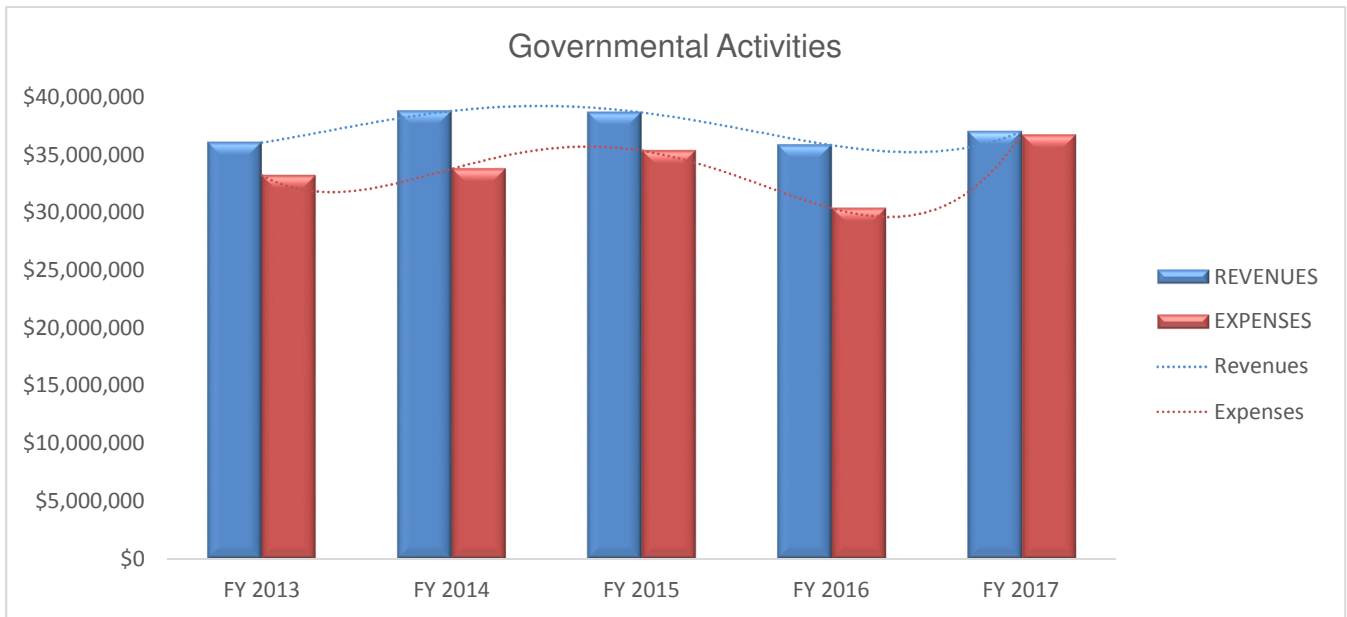
Transmission & Distribution - Water/Waste Water Field Operations

Water & Sewer Treatment - Dyal Water Treatment Plant and Sellers Water Reclamation Facility

Stormwater - Stormwater Administration and Operations



REVENUES VS. EXPENSES HISTORY



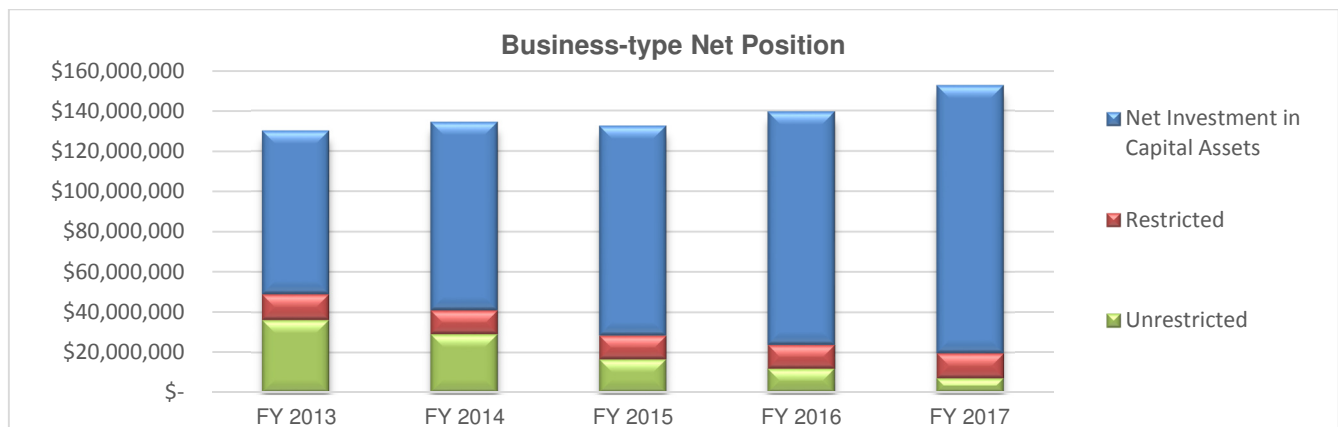
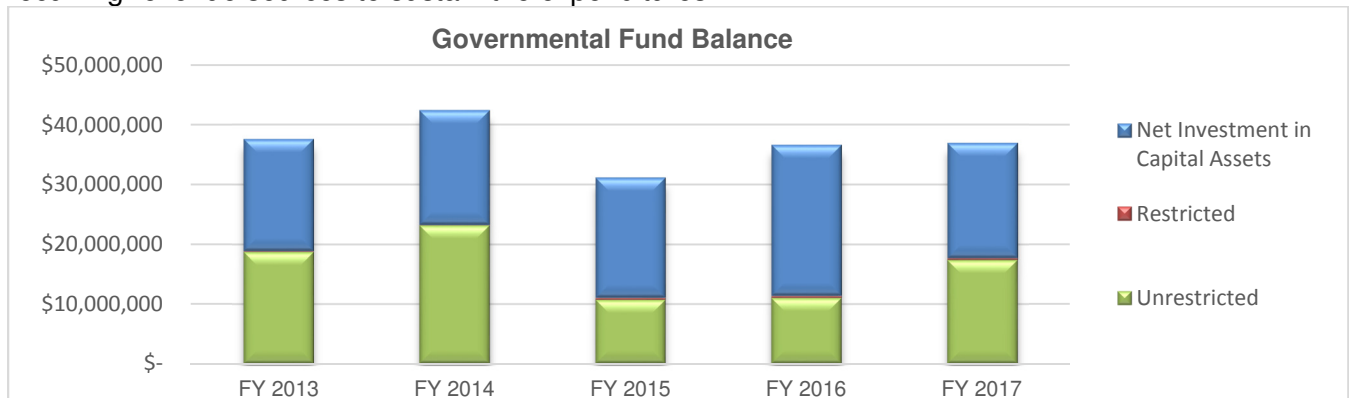
NET POSITION HISTORY

Net position (referred to as Fund Balance in Governmental Funds) represents the difference between total assets plus deferred outflows and total liabilities plus deferred inflows. Changes in net position over time may indicate whether the City's financial position is improving or deteriorating. Net position is divided into three categories: net investment in capital assets, restricted, and unrestricted.

Net Investment in Capital Assets represents total capital assets less accumulated depreciation less debt directly related to those capital assets.

Restricted is the portion of net position that has constraints that are externally imposed by creditors, grantors, contributors, laws/regulations of other governments, or imposed by law through constitutional provisions/enabling legislation.

Unrestricted is the remaining net position that is available for spending in future years on one-time expenditures. Recurring costs should not be funded by unrestricted net assets without anticipation of recurring revenue sources to sustain the expenditures.



SUMMARY

The PAFR provides a general overview of the FY2017 financial activities. Supplementary to this document, the Management Discussion and Analysis (MD&A) and the Transmittal Letter in the CAFR provide an overall summary of the CAFR. The references below list the major sections of the CAFR, where more detailed information can be found, with a brief description and page number.

CAFR References:

DOCUMENT	DESCRIPTION	PAGE
Transmittal Letter	Introduction to the CAFR, profile of the government, and assessment of the government's economic conditions.	5
Management's Discussion and Analysis (MD&A)	Introduction to the basic financial statements and an analytical overview.	21
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