

Popular Annual Financial Report

Fiscal Year Ending September 30, 2013

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 181 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 summary for the general reader. Understanding today's financial world can prove to be a difficult task. The PAFR can play an important role in making financial information accessible to residents and more transparent to stakeholders who may feel the more detailed traditional financial reports are too cumbersome.

For more detailed financial information the Capital Improvement Plan (CIP), the CAFR and the Annual Operating Budget as well as this financial summary are available as separate documents on the City of Cocoa website www.cocoaf1.org.

Questions, comments and feedback on this report are welcomed and encouraged, so please do not hesitate to contact the Finance Director at 321-433-8611 or at mabdi@cocoaf1.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 individual governmental funds:

- The General Fund is the primary operating fund which accounts for all financial resources of the government except those accounted for in other funds.
- Cocoa Housing Assistance Trust Fund accounts for funds received for the State Housing Initiatives Partnership (SHIP), 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 Funds, Police Special Education Fund, Capital Project Fund and the Debt Service Fund.

Proprietary Funds (sometimes referred to as Enterprise Funds) – operate in a manner similar to private business enterprises. The fund is intended to be self-supported from user charges. The City uses enterprise funds to account for two funds:

- Water and Sewer System
- Stormwater System

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.



COCOA

FLORIDA

CITY OF COCOA NET ASSETS

	Governmental Activities		Proprietary Activities		Total	
	FY 2013	FY 2012	FY 2013	FY 2012	FY 2013	FY 2012
Current and Other Assets	\$35,037,148	\$29,120,018	\$ 73,392,802	\$ 77,461,665	\$108,429,950	\$106,581,683
Capital Assets	<u>33,544,849</u>	<u>34,231,731</u>	<u>167,956,849</u>	<u>161,101,951</u>	<u>201,501,698</u>	<u>195,333,682</u>
Total Assets	68,581,997	63,351,749	241,349,651	238,563,616	309,931,648	301,915,365
Noncurrent Liabilities	27,773,641	25,720,426	97,449,494	100,633,665	125,223,135	126,354,091
Other Liabilities	<u>3,185,790</u>	<u>2,862,475</u>	<u>13,830,864</u>	<u>12,432,254</u>	<u>17,016,654</u>	<u>15,294,729</u>
Total Liabilities	30,959,431	28,582,901	111,280,358	113,065,919	142,239,789	141,648,820
Net Investment in Capital Assets	18,770,655	19,517,843	81,193,813	77,709,201	99,964,468	97,227,044
Restricted	80,456	136,559	12,658,876	13,061,321	12,739,332	13,197,880
Unrestricted	<u>18,771,455</u>	<u>15,114,446</u>	<u>36,216,604</u>	<u>34,727,175</u>	<u>54,988,059</u>	<u>49,841,621</u>
→ Total Net Position	\$37,622,566	\$34,768,848	\$130,069,293	\$125,497,697	\$167,691,859	\$160,266,545

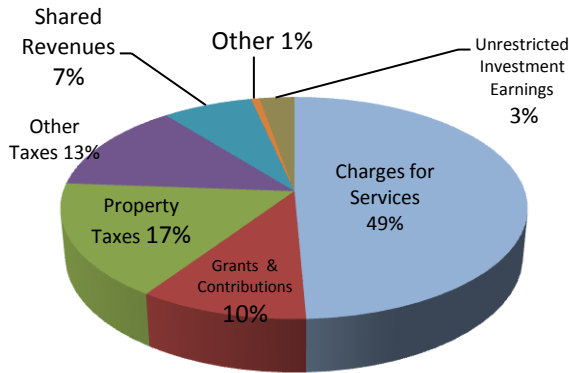
CITY OF COCOA CHANGES IN NET ASSETS

	Governmental Activities		Proprietary Activities		Total	
	FY 2013	FY 2012	FY 2013	FY 2012	FY 2013	FY 2012
Revenues:						
Charges for Service	\$13,087,851	\$12,712,390	\$ 54,895,380	\$ 51,645,921	\$67,983,231	\$64,358,311
Grants/Contributions	2,691,727	2,189,127	1,486,997	1,049,025	4,178,724	3,238,152
Property Taxes	4,435,865	4,331,898			4,435,865	4,331,898
Other Taxes	3,485,682	3,327,267			3,485,682	3,327,267
Shared Revenues	1,917,889	1,864,355			1,917,889	1,864,355
Investment Earnings	182,955	246,918	(90,540)	361,168	92,415	608,086
Other	<u>739,177</u>	<u>792,711</u>	<u>44,805</u>	<u>41,657</u>	<u>783,982</u>	<u>834,368</u>
Total Revenues	26,541,146	25,464,666	56,336,642	53,097,771	82,877,788	78,562,437
Expenses:						
General Government	10,744,769	10,528,005			10,744,769	10,528,005
Public Safety	15,157,432	14,294,201			15,157,432	14,294,201
Physical Environment	2,875,482	2,688,133			2,875,482	2,688,133
Economic Development	943,819	686,310			943,819	686,310
Recreation	1,153,649	1,085,098			1,153,649	1,085,098
Interest on Long Term Debt	624,801	645,198			624,801	645,198
Water/Sewer			41,298,779	39,776,639	41,298,779	39,776,639
Stormwater			950,220	784,328	950,220	784,328
Unallocated Depreciation	<u>1,703,523</u>	<u>1,689,124</u>			<u>1,703,523</u>	<u>1,689,124</u>
Total Expenses	33,203,475	31,616,069	42,248,999	40,560,967	75,452,474	72,177,036
Net before Transfers	(6,662,329)	(6,151,403)	14,087,643	12,536,804	7,425,314	6,385,401
Transfers (net)	<u>9,516,047</u>	<u>8,265,045</u>	<u>(9,516,047)</u>	<u>(8,265,045)</u>	<u>-0-</u>	<u>-0-</u>
Increase/(Decrease) Net Position	2,853,718	2,113,642	4,571,596	4,271,759	7,425,314	6,385,401
Net Position Beginning of the Year	<u>34,768,848</u>	<u>32,655,206</u>	<u>125,497,697</u>	<u>121,225,938</u>	<u>160,266,545</u>	<u>153,881,144</u>
→ Net Position End of Year	\$37,622,566	\$34,768,848	\$130,069,293	\$125,497,697	\$167,691,859	\$160,266,545

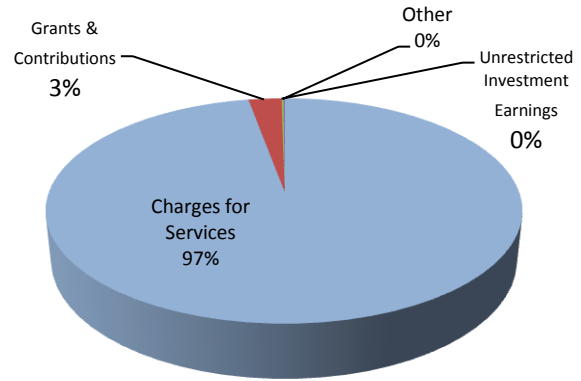


FY 2013 REVENUES BY SOURCE

Governmental Activities

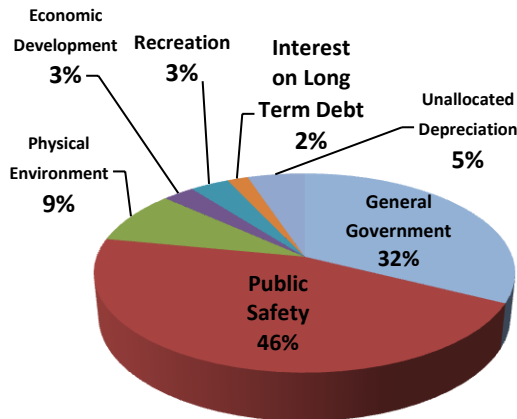


Proprietary Activities

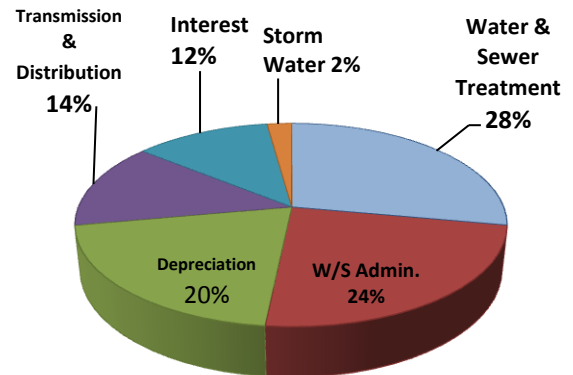


FY 2013 EXPENDITURES BY FUNCTIONS

Governmental Activities



Proprietary Activities



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 and Police

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 Proprietary Activities Expenditures:

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

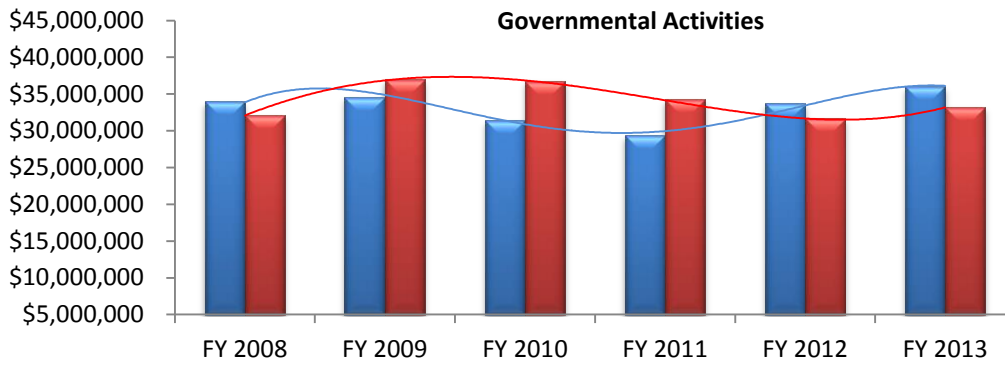
Transmission & Distribution - Water/Waste Water Field Operations

Stormwater - Stormwater Administration and Operations

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

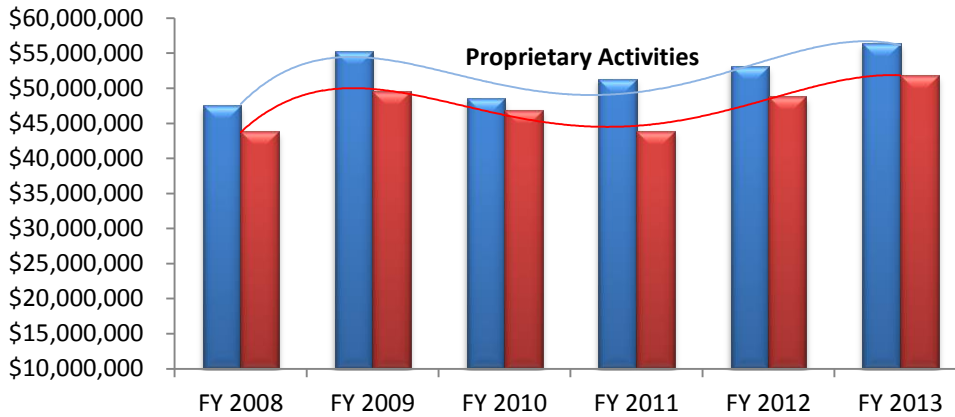


REVENUES VS. EXPENDITURES HISTORY



In FY 2009, FY 2010 and FY 2011 the revenues were less than the expenses, requiring the governmental activities to be funded by using reserves, whereas in FY 2012 and FY 2013 the revenues exceeded expenses, allowing the City to replenish the reserves.

- REVENUES
- EXPENSES
- Revenues
- Expenses



In FY 2010 the net difference was reduced considerably but rebounded in FY 2011, FY 2012 and FY 2013.

- REVENUES
- EXPENSES
- Revenues
- Expenses



NET POSITION

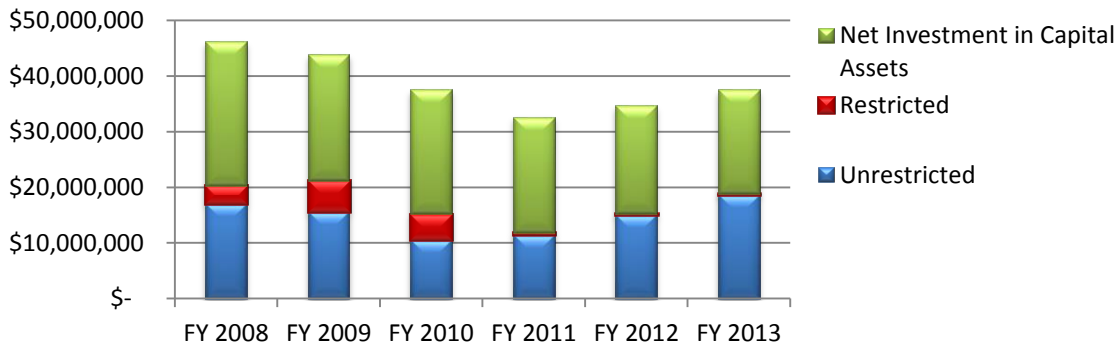
Net position (referred to as Fund Balance in the Governmental Funds) represent the difference in total assets and total liabilities. Increases and decreases in net position over time may serve as a useful indicator of whether the City’s financial position is improving or deteriorating. Although the accounting for Net Position in Governmental Funds and Proprietary Funds may be different, both Funds may be 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 capital assets.

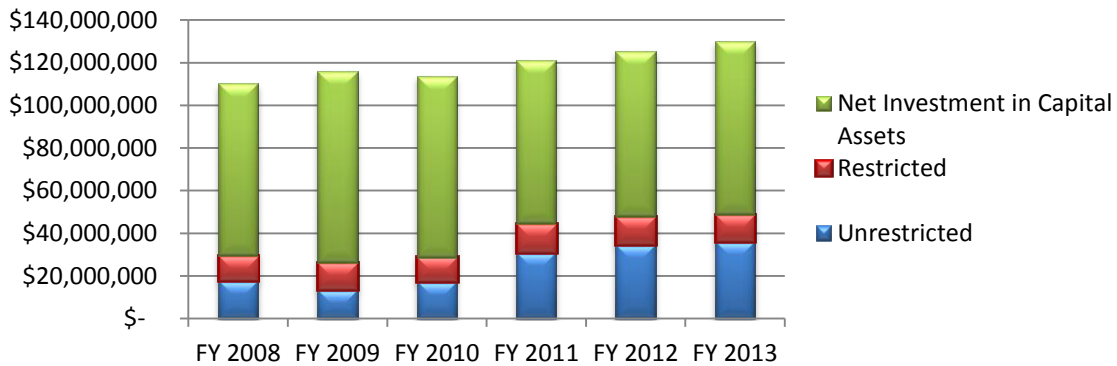
Restricted is the portion of net position that has constraints that are externally imposed by creditors, grantors, contributors, law/regulation of other governments or imposed by law through constitutional provisions/enabling legislation.

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.

GOVERNMENTAL FUND BALANCE



PROPRIETARY NET POSITION



SUMMARY

The PAFR provides the reader with a general overview of the FY 2013 financial activities. Supplementary to this document, the Management Discussion and Analysis (MD&A) and the Transmittal Letter in the CAFR are especially helpful to less experienced users of financial statements by providing an overall summary of the CAFR. For more detailed information, the CAFR references below provide a summary of the major sections 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.	19
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