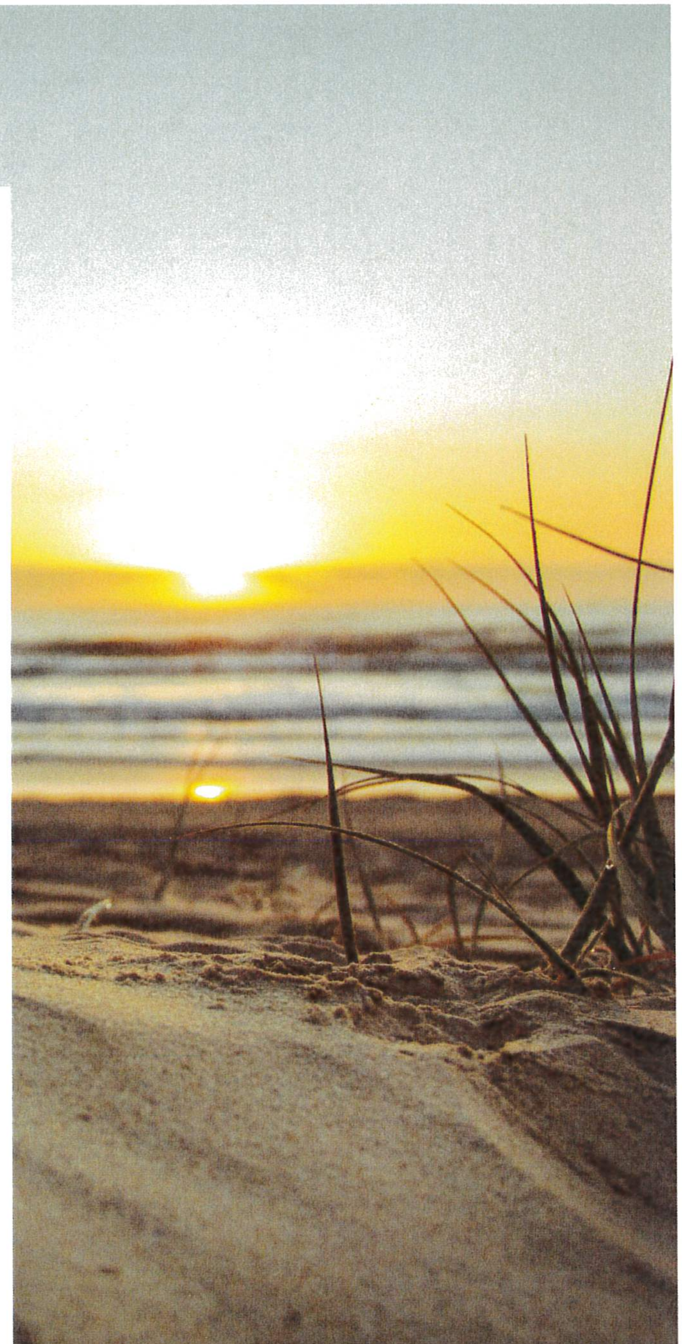

City of Cape Canaveral Community Redevelopment Agency (CRA) FY 24/25 Annual Report

DECEMBER 2025

City of Cape Canaveral
Community Redevelopment Agency
100 Polk Avenue
Cape Canaveral FL 32920
(321) 868-1220

Community Redevelopment Agency Officials

City Staff

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Community and Economic Development Director
CRA Director
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Connor Ford
Senior Planner
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Governing Board Members

Wes Morrison, Chairperson
w.morrison@capecanaveral.gov

Kay Jackson
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City of Cape Canaveral CRA Boundary and Overview

Under Florida law (Chapter 163, Part III), local governments may designate areas as Community Redevelopment Areas when certain conditions are met. Since all the funds used to finance CRA activities are locally generated, CRAs are not overseen by the state, but redevelopment plans must be consistent with local government comprehensive plans.

The dollar value of all real property in the Community Redevelopment Area is determined as of a fixed date, also known as the "frozen value." Taxing authorities that contribute to the tax increment continue to receive property tax revenues based on the frozen value. These frozen value revenues are available for general government purposes. However, any tax revenues from increases in real property value, referred to as "increment," are deposited into the Community Redevelopment Agency Trust Fund and dedicated to the redevelopment area.

Any funds received from a tax increment financing area must be used for specific redevelopment purposes within the targeted area, and not for general government purposes.

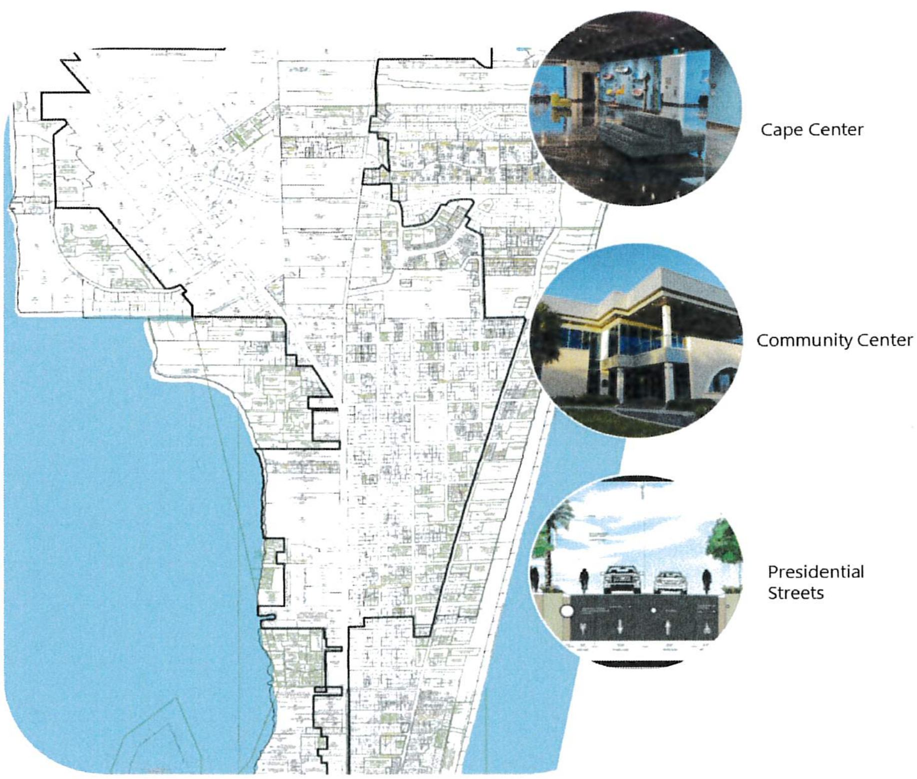

Figure 1. City of Cape Canaveral CRA Boundary (area outlined in black) with project highlights included.

Intent

On April 26, 2024, the State of Florida enacted HB 7013, amending Florida Statute (FS) §189.0694 to require all special districts—including Community Redevelopment Agencies (CRAs)—to establish clearly defined goals, measurable objectives, and performance standards for every funded program and activity. Beginning in 2025, each special district must publish an annual report by December 1 detailing its accomplishments, progress toward statutory goals, and any unmet performance targets.

The Cape Canaveral CRA will update and publish this report annually to provide transparency to residents, businesses, and stakeholders. This report outlines the methods and investments used to address the priority needs identified in the CRA Redevelopment Plan, offering a clear and accessible record of the CRA's achievements, community impact, and redevelopment trajectory.

Since adopting its Community Redevelopment Plan in FY 2012–2013, the CRA has strategically invested Tax Increment Financing (TIF) revenues into projects that stimulate economic development, revitalize aging infrastructure, support property values, and enhance quality of life. These investments—focused heavily along the City's main commercial corridor, State Route A1A (SR A1A)—have contributed to a cumulative increase of approximately $528 million in assessed property value since the CRA's inception. This upward trend reflects strong market confidence, sustained redevelopment activity, and the long-term return generated by CRA-supported improvements.

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. For more information, visit the CRA's webpage at https://capecanaveral.gov/commerce/community_redevelopment_agency/cra.php.

The City's website includes:
- Attending upcoming Board meetings;
- Minutes and agendas from prior meetings;
- Financial information for the CRA; and
- Contact information on how the CRA can help you.

All CRA Board meetings are open to the public and are held every quarter in the Council Chambers at City Hall (100 Polk Avenue, Cape Canaveral, Florida 32920). For remote viewing, the link is available on the City's meeting calendar at capecanaveral.gov. We encourage anyone interested to attend!

Performance Information

Assessed Valuation

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

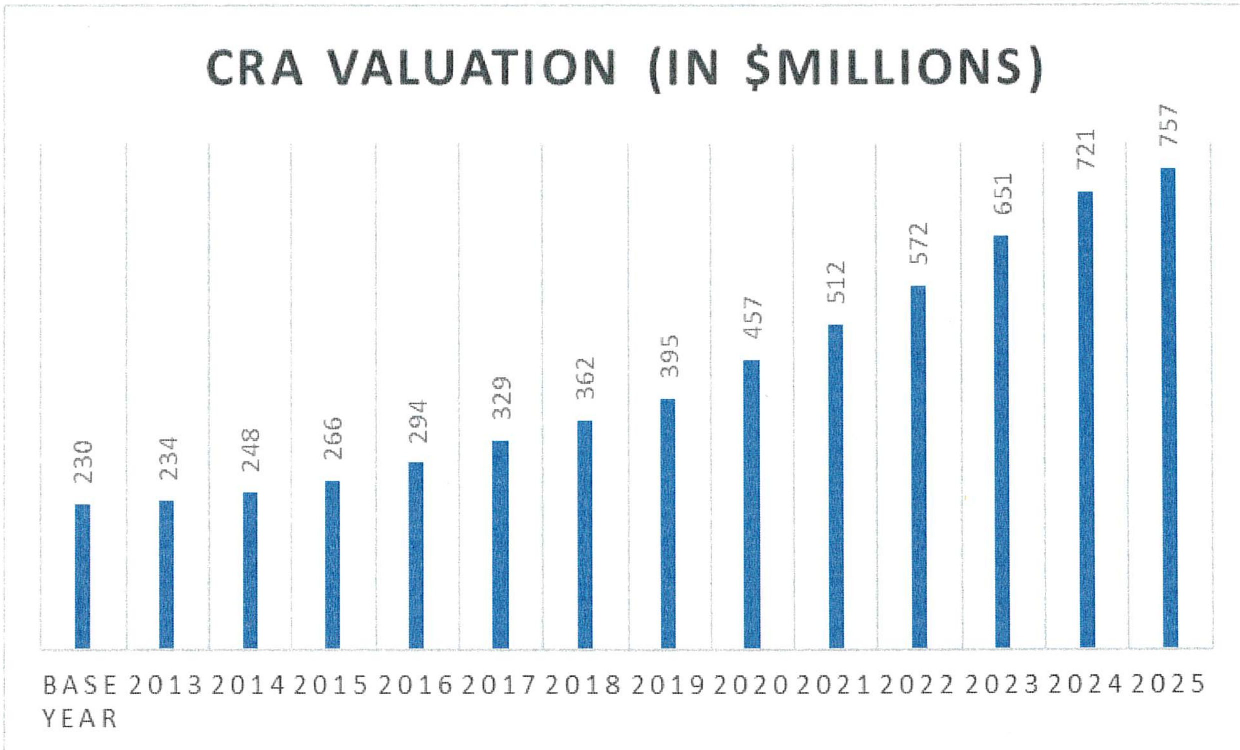

Figure 2. Assessed Valuation as determined by the Brevard County Property Appraiser's Office

Summary of Projects, Grants, & Debt

Budget Detail
Cape Canaveral Community Redevelopment Agency
Fund 106 - Dept 016

		2022-2023 Actual	2023-2024 Actual	2024-2025 Original Budget	2025-2026 Adopted	% Inc/Dec
Revenue						
106-000-000-300100	Cash Forward	-	-	500,000	400,000	-20%
106-000-000-338000	Shared Revenue-Cape Canaveral	1,099,809	1,383,417	1,489,627	1,550,573	4%
106-000-000-338001	Shared Revenue-Brevard County	1,058,562	1,217,800	1,360,216	1,074,773	-21%
106-000-000-342102	EV Charging	-	-	-	-	0%
106-000-000-361100	Interest from Investment	3,917	9,238	8,000	11,055	38%
106-000-000-381001	Transfer in from General Fund	141,958	23,164	500,000	-	-100%
106-000-000-382100	Transfer in from Stormwater	-	-	-	-	0%
	Total Revenue	**$ 2,304,246**	**$ 2,633,620**	**$ 3,857,843**	**$ 3,036,401**	-21%
Operating						
106-016-559-531000	Legal Fees	1,307	7,986	3,200	3,200	0%
106-016-559-533000	Professional Services	-	52,510	100,000	-	-100%
106-016-559-531001	Administrative Fees	175	175	-	-	0%
106-016-559-540000	Travel & Per Diem	-	-	920	2,930	218%
106-016-559-554000	Membership & Training	870	870	1,095	1,095	0%
	Total Operating	**$ 2,352**	**$ 61,541**	**$ 105,215**	**$ 7,225**	-93%
Capital Outlay						
106-016-559-563000	Grant Programs	-	43,593	50,000	75,000	50%
106-016-559-563001	Capital Initiatives	123,688	1,485	-	-	0%
106-016-559-563002	Mobility/Striping/Sidewalk	116,071	-	-	-	0%
106-016-559-563003	Oak Lane Improvements	-	-	550,000	-	-100%
106-016-559-563008	Presidential Streets	36,225	1,500	1,550,000	1,240,726	-20%
106-016-559-563009	C5 Construction/Resiliency Upgrades	69,027	80,959	-	-	0%
106-016-559-563010	Nancy Hanson Rec Center Maint.		-	100,000	295,000	195%
106-016-559-563226	Canaveral City Park Upgrade	-	43,920	12,000	500,000	4067%
106-016-559-563227	Civic Hub Redevelopment	64,665	65,219	-	-	0%
106-016-559-563228	Cape Center	251,019	58,544	-	-	0%
106-016-559-563231	Bike Lane Striping	-	50,000	-	-	0%
106-016-559-563248	Canaveral City Park Concession Stand		-	315,000	-	-100%
106-016-559-563249	CFR #53 Lightning Protection System		-	16,000	-	-100%
	Total Capital Outlay	**660,695**	**345,220**	**2,593,000**	**2,110,726**	-19%
Debt Service						
106-016-559-571000	Debt Service - Principal	738,000	752,000	811,047	783,000	-3%
106-016-559-572000	Debt Service - Interest	79,822	64,060	47,099	31,716	-33%
	Total Debt Service	**817,822**	**816,060**	**858,146**	**814,716**	-5%
Other Expenses						
106-016-581-591001	Transfer to General Fund	610,570	-	-	-	0%
	Total Other Expenses	**610,570**	**-**	**-**	**-**	0%
Contingency						
106-016-559-599000	Contingency	-	-	301,482	103,734	-66%
	Total Contingency	**-**	**-**	**301,482**	**103,734**	-66%
Total Community Redevelopment Agency Fund Budget		**$ 2,091,438**	**$ 1,222,821**	**$ 3,857,843**	**$ 3,036,401**	-21%

Measurable Objectives by Project

Canaveral City Park Redevelopment

Status: In progress.

Budgeted:

- $12,000 in FY 24-2025
- $400,000 in FY 25-2026 (carry forward to subsequent FY)

Goal/Objective(s): Pursue proactive measures to preserve and enhance the community's appearance as a distinctive small-town coastal community with open and natural environments, green spaces, parks, beaches, and cultural assets, with unique and progressive design standards, and appealing public spaces for multi-generational recreation and gatherings. These improvements expand the City's capacity to host community events, increase park safety after dusk, reduce the need for temporary generators, and provide a more inclusive environment for families and visitors. The redevelopment directly supports increased walkability and encourages healthier outdoor activity.

Performance Measure/Standard(s):

- Install electric access points per plan by 2026.
- Complete playground lighting and fence installation by 2027.

Presidential Streets Master Plan Implementation

Status: Design phase complete.

Budgeted:

- $1,050,000 in FY 24-2025
- $1,600,000 in FY 25-2026

Goal/Objective(s): Lead by example as a community that embraces sustainability and resiliency in the design and operation of its facilities, infrastructure, programs, services, budgets, and development through forward-thinking policies, ordinances, and education. When constructed, the improvements will reduce localized flooding, extend pavement life, reduce maintenance costs, and improve walkability. These upgrades directly protect property values and enhance neighborhood quality of life—particularly important in a coastal community experiencing rising construction costs and climate-related stressors.

Performance Measure/Standard(s): Implementation: The city engineer was tasked by the city to perform engineered plans and designs for the City for $298,900 for the Presidential Street Fillmore Avenue. These plans would include much-needed upgrades such as inlets, stormwater pipes, underground stormwater retention, Green stormwater infrastructure, upgraded sewer laterals, sidewalks, and a newly uplifted roadway. The city engineer has informed the city that the 100% plans are almost complete and will be ready for bid in the first quarter of 2026.

Canaveral Fire Rescue Station #53 Enhanced Lightning Protection System

Status: Complete.

Budgeted: $16,000 in FY 24-2025

Goal/Objective(s): Prevent the ability of potentially dangerous lightning strikes from making a ground connection with vital governmental facilities and the surrounding area.

Performance Measure/Standard(s): Installation of the enhanced lightning protection system (CMCE device) atop the roof or radio mast of Canaveral Fire Rescue Station #53 is complete, and measurement data will be available by the end of 2025. This improvement ensures continuous operation of life-safety services, reduces risk to personnel and equipment, and strengthens the City's resiliency during severe weather—critical in a region with some of the nation's highest lightning strike frequency.

Canaveral City Park Concession Stand

Status: Complete.

Budgeted: $315,000 in FY 24-2025

Actual: $4000

Goal/Objective(s): Create a dedicated space for community partners to facilitate nonprofit concession sales and improve the existing announcer's booth. A professionally designed concession area increases event capacity, supports youth sports and nonprofit fundraising, and enhances the quality of local festivals and gatherings. It brings a new level of functionality to the City's most active community venue.

Performance Measure/Standard(s): Completed in-house, resulting in nearly a $300,000 savings to the CRA.

Nancy Hanson Recreation Center Maintenance

Status: In progress.

Budgeted: $100,000 in FY 24-2025

Goal/Objective(s): Perform safety and mission-critical maintenance on the Nancy Hanson Recreation Center building.

Performance Measure/Standard(s): Staff worked with many firms to perform studies and engineering on the Nancy Hanson building, including the roof's structural integrity, a roof re-design, and a set of roof plans for construction. Other issues were found during the conditions assessment report, such as electrical, fire protection, and Mechanical/HVAC. These will be included in ongoing CRA funds. The roof plans have been approved, and the project is out to bid. Staff expect an awarded bid to be given in October. Pass inspections on all improvements by the end of FY 2025-26.

Oak Lane Improvements

Status: Complete.

Budgeted: $550,000 in FY 24-2025

Goal/Objective(s): Modernize City streets to keep up with surrounding industry and homebuyer expectations.

Performance Measure/Standard(s): Oak Lane improvements consisted of installing pavement and drainage down a dirt road. This project included installing the roadway base, paving the roadway, installing a stormwater system, and installing new laterals. This project was completed in September of 2025, ahead of the 2027 target date, with a total cost of $773,352.50; CRA cost - $550,000, other department cost – $223,352.50

Financial Incentive Grant Program

Status: Ongoing

Budgeted:

- $50,000 in FY 24-2025
- $75,000 in FY 25-2026

Goal/Objective(s): Provide tax increment financing funds generated by redevelopment projects to neighboring properties to augment private investment in aesthetics, upkeep, stormwater management, and other community beautification efforts. These grants leverage private investment, increase taxable value, and strengthen curb appeal. By supporting both homeowners and businesses, the program reduces redevelopment barriers and helps ensure revitalization benefits are shared across the community.

Performance Measure/Standard(s): Goal was to approve at least $40,000 by the end of FY 24-2025. Completed and approved $50,000 for residential and commercial upgrades. The program amount increased to $75,000, and applications opened on September 1st. The program has received $43,137 in requests for review in the first quarter.

CITY OF CAPE CANAVERAL COMMUNITY REDEVELOPMENT AGENCY

FINANCIAL STATEMENTS

SEPTEMBER 30, 2025

CITY OF CAPE CANAVERAL COMMUNITY REDEVELOPMENT AGENCY
TABLE OF CONTENTS
SEPTEMBER 30, 2025

JAMESMOORE

INDEPENDENT AUDITORS' REPORT

To the Governing Board,
City of Cape Canaveral Community Redevelopment Agency:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the City of Cape Canaveral Community Redevelopment Agency (the CRA), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the CRA'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 and each major fund of the CRA, as of September 30, 2025 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the CRA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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 CRA'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' Responsibility

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 auditor's 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 will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the CRA'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 CRA'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, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other 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 CRA'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 CRA's internal control over financial reporting and compliance.

James Moore & Co., P.L.

Daytona Beach, Florida
February 12, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of Cape Canaveral Community Redevelopment Agency's (the CRA) management's discussion and analysis (MD&A) is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the CRA's financial activity, (c) identify changes in the CRA's financial position (its ability to address the next and subsequent year challenges), (d) identify any material deviations from the financial plan (the approved budget), and (e) identify individual fund issues or concerns.

Since the MD&A is designed to focus on current year activities, resulting changes, and currently known facts, it should be read in conjunction with the CRA's financial statements which follow this section.

Financial Highlights

- The liabilities of the CRA exceeded its assets at September 30, 2025, by $2,525,204 (net position). Of this amount, the entire balance (to the extent it is positive) was restricted for redevelopment purposes. Deficits are classified as unrestricted net position.
- As of September 30, 2025, the CRA's reported ending fund balances of $2,525,204. Fund balance saw a change of $1,318,183 when compared to the prior year.

The MD&A is intended to serve as an introduction to the CRA's basic financial statements, which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements.

Overview of the Financial Statements

This annual report consists of four components: 1) management's discussion and analysis (this section), 2) government-wide and fund financial statements, 3) notes to the financial statements, and 4) required supplementary information.

Government-wide Financial Statements

Government-wide financial statements provide readers with a broad overview of the CRA's finances in a manner similar to a private-sector business. The governmental activities of the CRA include reinvesting within the community redevelopment district.

The statement of net position presents information on all of the CRA's assets and liabilities, with the difference between the two reported as net position. This statement serves a purpose similar to that of the balance sheet of a private-sector business. Over time, increases or decreases in net position may serve as one indicator of whether the financial position of the CRA is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the fiscal year. All changes in net position are reported using the modified cash basis of accounting.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Government-wide Financial Analysis

Statement of Net Position

The following is a summary of the CRA's governmental activities net position for each of the past two years:

	Governmental Activities	
	2025	**2024**
ASSETS		
Current and other assets	$ 2,569,917	$ 1,267,779
Total assets	$ 2,569,917	$ 1,267,779
LIABILITIES		
Current liabilities	$ 44,713	$ 60,758
Total liabilities	$ 44,713	$ 60,758
NET POSITION		
Restricted	$ 2,525,204	$ 1,207,021
Unrestricted	-	-
Total net position	$ 2,525,204	$ 1,207,021

Statement of Activities

The following is a summary of the changes in the CRA's governmental activities net position for each of the past two years:

	Governmental Activities	
	2025	**2024**
REVENUES		
Intergovernmental and grants	$ 2,849,238	$ 2,601,217
Other revenues	12,192	9,238
Total revenues	2,861,430	2,610,455
EXPENSES		
Community Redevelopment	29,906	106,619
Capital outlay	889,995	300,142
Total expenses	919,901	406,761
Net income before transfers	1,941,529	2,203,694
Transfers from primary government	197,923	23,164
Transfers to primary government	(865,194)	(816,060)
Change in net position	1,274,258	1,410,798
Net position, beginning of year	1,207,021	(203,777)
Net position, end of year	$ 2,481,279	$ 1,207,021

Financial Analysis of the General Fund

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

As of the end of the current fiscal year, the CRA's general fund reported an ending fund balance of $2,525,204, a change of $1,318,183 in comparison with the prior year. This increase was due to tax increment revenues in excess of expenditures.

At the end of the current fiscal year, the entire fund balance was unassigned (due to the fund balance deficit, similar to the prior year). As the CRA is focused on reinvestment revenues into the CRA district and does not have significant annual operational costs, the CRA does not maintain specific reserve levels for operations.

General Fund Budgetary Highlights

There were no significant amendments between the original and the final CRA budget.

Actual expenditures in the general fund were $1,513,730 less than final budget amounts. The main reason for this is due to the timing of capital projects and other one-time expenditures.

Budgetary comparisons between the final budget and actual results can be found on page 14 of this report.

Economic Factors and Next Year's Budget

There are many challenges facing local governments today. Property values have continued to increase in recent years, contributing to related growth in the revenues of the CRA. While property values for the subsequent fiscal year have increased, the future outlook of property values, and any potential impact they will have on the CRA's finances, are unknown.

Requests for Information

This report is designed to provide an overview of the CRA's finances for those with an interest in this area. Questions concerning any of the information found in this report, or requests for additional information, should be directed to the City of Cape Canaveral.

CITY OF CAPE CANAVERAL COMMUNITY REDEVELOPMENT AGENCY
BALANCE SHEET / STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

	Balance Sheet General Fund	Adjustments	Statement of Net Position Governmental Activities
ASSETS			
Cash and cash equivalents	$ 2,569,917	$ -	$ 2,569,917
Due from primary government	-	-	-
Total assets	$ 2,569,917	$ -	$ 2,569,917
LIABILITIES			
Accounts payable and accrued liabilities	$ 44,713	$ -	$ 44,713
Total liabilities	44,713	-	44,713
FUND BALANCE / NET POSITION			
Fund Balance:			
Restricted for:			
Community redevelopment	2,525,204	(2,525,204)	-
Net Position:			
Restricted for:			
Community redevelopment	-	2,525,204	2,525,204
Total fund balance / net position	2,525,204	-	2,525,204
Total liabilities and fund balance / net position	$ 2,569,917	$ -	$ 2,569,917

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

CITY OF CAPE CANAVERAL COMMUNITY REDEVELOPMENT AGENCY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE /
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Statement of Revenues, Expenditures, and Changes in Fund Balance		Statement of Activities
	General Fund	**Adjustments**	**Governmental Activities**
Revenues			
Intergovernmental	$ 2,849,238	$ -	$ 2,849,238
Investment income	12,192	-	12,192
Total revenues	2,861,430	-	2,861,430
Expenditures / expenses			
Current:			
Community redevelopment	29,028	-	29,028
Capital outlay	889,995	-	889,995
Total expenditures / expenses	919,023	-	919,023
Excess (deficiency) of revenues over expenditures / operating income (loss)	1,942,407	-	1,942,407
Other financing sources (uses)			
Transfers in from primary government	197,923	-	197,923
Transfers out to primary government	(822,147)	-	(822,147)
Total other financing sources (uses)	(624,224)	-	(624,224)
Net change in fund balance / net position	1,318,183	-	1,318,183
Fund balance / net position, beginning of year	1,207,021	-	1,207,021
Fund balance / net position, end of year	$ 2,525,204	$ -	$ 2,525,204

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

CITY OF CAPE CANAVERAL COMMUNITY REDEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

(1) Summary of Significant Accounting Policies:

The financial statements of the City of Cape Canaveral Community Redevelopment Agency (the CRA), 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 and the CRA has adopted the GASB Codification. The following is a summary of the CRA's significant accounting policies:

(a) **Reporting entity**—The City of Cape Canaveral Community Redevelopment Agency was created in 2016, by City Ordinance 2015-O-04 of the City of Cape Canaveral, Florida (the City), pursuant to Florida Statute 163.387, to account for the receipt and expenditure of property tax revenues from the tax increment financing district to support redevelopment in the designated community redevelopment area. Since the City is financially accountable for the activities of the CRA, its governing board is the same, and its relationship to the CRA is significant, the CRA is considered to be a blended component unit in the City's financial statements, where it is also reported as a major special revenue fund. The CRA has determined there are no component units that meet criteria for inclusion in the CRA's financial statements.

(b) **Government-wide and fund financial statements**—The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the CRA. The CRA only has governmental activities and does not engage in any business-type activity. Direct expenses are those that are clearly identifiable with a specific function or segment. General revenues include ad valorem taxes and interest income. Fund financial statements are presented for the CRA's General Fund. The General Fund, which accounts for all financial operations of the CRA, is considered to be a major fund and is the only fund of the CRA.

(c) **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*. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue when all eligibility requirements imposed by the grantor 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 when 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 CRA considers property revenues to be available if they are collected within 60 days of the end of the current period. Grants, other intergovernmental revenues, charges for services, licenses 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. Expenditures generally are recorded when a liability is incurred. However, expenditures related to long-term agreements are recorded only when payment is due.

(d) **Budgets and budgetary accounting**—The governing board of the CRA adopts an annual operating budget, which is prepared on a modified accrual basis and can be amended by the board throughout the year. At the fund level, actual expenditures cannot exceed the budgeted amounts. The accompanying budgeted financial statements for the General Fund reflect the final budget authorization amounts, including all amendments.

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

(e) **Deposits and investments**—The CRA's cash and cash equivalents include cash on hand, demand deposits and short-term 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.

(f) **Receivables and payables**—Activity between the CRA and the City has been classified as amount due to/from the primary government on the balance sheet and statement of net position. All trade and property tax receivables are reported net of an allowance for uncollectible accounts, which is based upon management's analysis of outstanding balances and historical trends. At September 30, 2025, all of the CRA's receivables were considered fully collectible.

(g) **Prepaid items**—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.

(h) **Capital assets**—The CRA does not own any capital assets. Any capital outlay expenditures made by the CRA are deemed to be on behalf of the City who takes ownership of the assets along with the perpetual maintenance obligation for those assets.

(i) **Long-term obligations**—The CRA does not have any legal indebtedness. Any use of funds for debt service, which is included in transfers to the primary governments, represents payments toward long-term debt issued in the name of the City for which CRA revenues have been pledged.

The CRA does not have any employees. Any employees who provide services to the CRA are employees of the primary government and do so at either no charge to the CRA, or any allocations made to the CRA represent reimbursements by the CRA to the primary government for services rendered (any items recorded to personnel expense accounts are only for ease of tracking the reimbursement amounts). As a result, there is no compensated absences, other post-employment benefits (OPEB), or pension liabilities recorded on the CRA's financial statements.

(j) **Fund balance**—In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the CRA is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Those classifications are as follows:

Nonspendable – amounts not available to be spent or not in spendable form, such as inventory and prepaid items.

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

Committed – amounts constrained to specific purposes based on actions taken by the CRA governing board through ordinance.

Assigned – amounts the CRA intends to use for a specific purpose. Intent can be expressed by the CRA governing board or by an official or body which the Board delegates authority.

Unassigned – amounts that are available for any purpose.

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

When an expenditure is incurred for purposes for which both restricted and unrestricted resources are available; the CRA considers restricted funds to have been spent first. When expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the CRA considers amounts to have been spent first out of committed funds, then assigned funds and finally, unassigned funds, as needed.

(k) **Net position flow assumption**—Sometimes the CRA will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to determine amounts reported as restricted and unrestricted net position, it is the CRA's policy to consider restricted net position to have been used before unrestricted net position is applied.

(l) **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) **Explanation of certain differences between the governmental fund balance sheet and the government-wide 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. The CRA has no items reported differently between these two statements.

(b) **Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide 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. The CRA has no items reported differently between these two statements.

(3) **Deposits and Investments:**

The CRA is subject to the investment policy of the primary government and has no cash or investment held outside of the CRA's interest in the City's pooled cash and investments. Additional accounts are held for various other purposes, or to segregate cash balances for amounts which are restricted or held on behalf of others. State statutes authorize the CRA to invest excess funds in time deposits, or obligations of the principal and interest of which are unconditionally guaranteed by, the United States Government, commercial paper, corporate bonds, repurchase agreements and/or the State Board of Administration (SBA) Local Government Surplus Trust Fund Investment Pool or other investment vehicles authorized by local ordinance.

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

As of September 30, 2025, all CRA deposits were covered by private bank acquired insurance, Securities Investor Protection Corporation (SIPC) insurance, private broker/dealer acquired insurance, Federal Depository Insurance Corporation (FDIC) insurance, and/or the State of Florida collateral pool established under the Florida Security for Public Deposits Act (the Act). The Act established guidelines for qualification and participation by banks and savings associations, procedures for administration of the collateral requirements and characteristics of eligible collateral. Under the Act, the qualified depository must pledge at least 50% of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance. Additional collateral, up to 125% may be required if deemed necessary.

All of the CRA's deposits are held with public depositories and as of September 30, 2025, the CRA's deposits and investments were not subject to any substantial interest rate, credit, or concentration risks.

(4) **Commitments and Contingencies:**

The CRA is engaged in various liability claims incidental to the conduct of its general government operations at September 30, 2025. The outcomes of established claims are included in these financial statements. In the opinion of the CRA and the primary government's legal counsel, no legal proceedings are pending or threatened against the CRA which are not covered by applicable insurance which would inhibit its ability to perform its operations or materially affect its financial condition.

The CRA 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 is satisfactorily insured by limited risk, high deductible commercial general liability insurance. Commercial insurance policies are also obtained for other risks of loss, including employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

(5) **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 CRA's financial statements:

GASB issued Statement No. 103, *Financial Reporting Model Improvements*, in April 2024. The objective of GASB 103 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.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CAPE CANAVERAL COMMUNITY REDEVELOPMENT AGENCY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	$ 2,849,843	$ 2,849,843	$ 2,849,238	$ (605)
Investment income	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	321,697	321,697	29,028	292,669
Capital outlay	2,678,000	2,678,000	889,995	1,788,005
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 (uses)				
Transfers in from primary government	500,000	500,000	197,923	(302,077)
Transfers out to primary government	(858,146)	(858,146)	(822,147)	35,999
Total other financing sources (uses)	(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

JAMESMOORE

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 Governing Board,
City of Cape Canaveral Community Redevelopment Agency:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the 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 and each major fund of the City of Cape Canaveral Community Redevelopment Agency (the CRA), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the CRA'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 CRA's internal control over financial reporting (internal control) as a basis for designing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the CRA's internal control. Accordingly, we do not express an opinion on the effectiveness of the CRA'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 CRA's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the CRA's financial statements are free of 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 determination of 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 Governing Board,
City of Cape Canaveral Community Redevelopment Agency:

Report on the Financial Statements

We have audited the basic financial statements of the City of Cape Canaveral Community Redevelopment Agency (the CRA), 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 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 Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' 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 Auditor General. Disclosures in those reports, 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 or prior audit.

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 CRA is disclosed in Note 1 of the basic financial statements.

Financial Condition and Management

Sections 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 CRA has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific conditions met. In connection with our audit, we determined that the CRA, 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 CRA. It is management's responsibility to monitor the CRA's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we had no such recommendations.

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 District 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 District'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; therefore, we did note any such component units that failed to provide the necessary information, nor is any specific special district information required to be reported.

Specific Special District Information

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 CRA 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. Oak Lane Improvements - $550,000

    b. Presidential Street - $202,488

    c. Splash Pad Improvements - $93,153

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: a summary of the budget amendments for the CRA can be found on page 14.

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 have any such findings.

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 Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the CRA's governing board and applicable management, 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

JAMESMOORE

INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT

To the Governing Board,
City of Cape Canaveral Community Redevelopment Agency:

We have examined the City of Cape Canaveral Community Redevelopment Agency's (the CRA) compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies,* and Sections 163.387(6) and (7), Florida Statutes, *Redevelopment Trust Fund* (collectively, the "Statutes"), for the year ended September 30, 2025. The City's management is responsible for the CRA's compliance with those requirements. Our responsibility is to express an opinion on the CRA's compliance 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. Those standards require that we obtain reasonable assurance by measuring (or evaluating) the CRA against the Statutes, and performing other procedures to obtain sufficient appropriate evidence to express an opinion that conveys the results of our measurement or evaluation of the CRA's compliance. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks that the City's investment policies were not in accordance with the Statutes, 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 CRA and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our examination engagement.

In our opinion, the City of Cape Canaveral Community Redevelopment Agency was in accordance with aforementioned requirements for the year ended September 30, 2025, in all material respects.

James Moore & Co., P.L.

Daytona Beach, Florida
February 12, 2026