

CANAVERAL PORT AUTHORITY



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2023

CAPE CANAVERAL, FLORIDA

Annual Comprehensive Financial Report

of the
Canaveral Port Authority

FOR THE YEAR ENDED SEPTEMBER 30, 2023





INTRODUCTORY SECTION

**Canaveral Port Authority
Port Canaveral, Florida**

**Annual Comprehensive Financial Report
Year Ended September 30, 2023**

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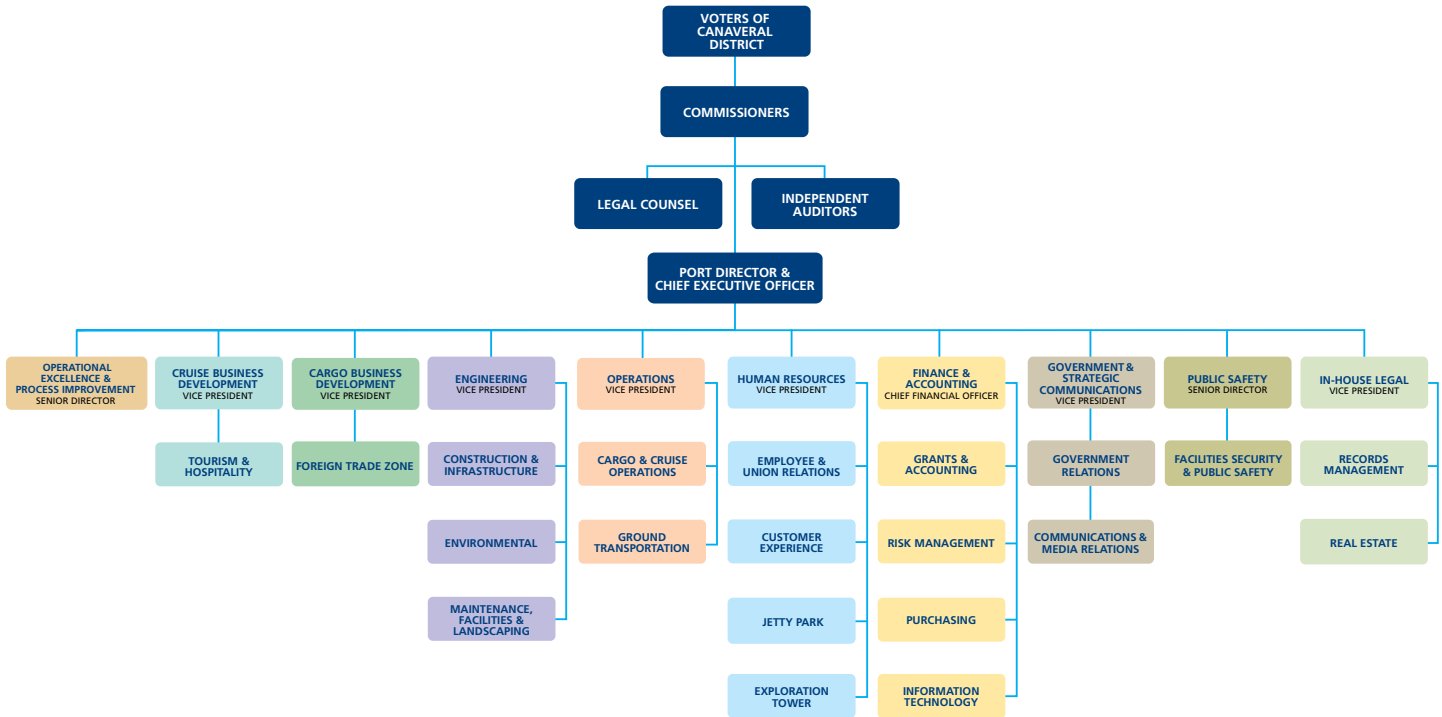
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Canaveral Port Authority

Organizational Chart - September 30, 2023



Canaveral Port Authority

2023



Kevin Markey
Chairman



Micah Loyd
Vice Chairman



Wayne E. Justice
Commission Secretary/Treasurer



Jerry W. Allender
Commissioner



Fritz VanVolkenburgh
Commissioner



John W. Murray
Chief Executive Officer



Michael Poole
Chief Financial Officer



Patricia G. Poston
Senior Director of Finance



Diana Mims-Reid
Controller

Canaveral Port Authority

Listing of Principal Officials As of September 30, 2023

Elected Officials

The Canaveral Port Authority, governing body of the Canaveral Harbor Port District, consists of five elected Commissioners. The Board meets on the third or fourth Wednesday of each month at 9:00 A.M. The meetings are held in the Board Room of the Port Authority office building located at 445 Challenger Road. In addition, special meetings and public hearings are scheduled throughout the year.

| <u>Commissioner</u> | <u>Position</u> | <u>Years of Service</u> | <u>Term Expires</u> |
|----------------------|---------------------|-------------------------|---------------------|
| Kevin Markey | Chairman | 2 | 11/1/24 |
| Micah Loyd | Vice Chairman | 7 | 11/1/24 |
| Wayne Justice | Secretary/Treasurer | 9 | 11/1/26 |
| Jerry Allender | Commissioner | 13 | 11/1/26 |
| Fritz VanVolkenburgh | Commissioner | 1 | 11/1/26 |

Appointed Officials

| | | <u>Years of Service</u> |
|--------------------------|--|-------------------------|
| Capt. John W. Murray | Chief Executive Officer | 7 |
| Michael Poole | Chief Financial Officer | 5 |
| George Arocha | Director, Cargo & Container Operations | 9 |
| Peter Bergeron | Sr. Director, Public Safety & Security | 2 |
| Amanda Brailsford-Urbina | Vice President, HR, Recreation & Customer Experience | 7 |
| Bruce Cameron | Director, Cruise Operations | 1 |
| Samantha Cornelius | Vice President, Cargo Business Development | 6 |
| William Crowe | Vice President, Engineering, Construction & Facilities | 8 |
| Cory Dibble | Director, Public Safety & Security | 7 |
| Shannon Feeley | Director, Risk Management | 20 |
| Dave German | Vice President, Cruise Business Development | 18 |
| Donna Greenslade | Director, Human Resources | 19 |
| AJ Jendroch | Director, Facilities | 10 |
| Craig Langley | Vice President & General Counsel | 9 |
| Steven Linden | Director, Communications & Public Affairs | 6 |
| Diane Luensmann | Vice President, Government & Strategic Communications | 6 |
| Mark Lorusso | Sr. Director, Information Technology | 12 |
| Clyde Mathis | Vice President, Cruise & Cargo Operations | 9 |
| Diana Mims-Reid | Controller | 23 |
| Bob Musser | Sr. Director, Port Environmental | 7 |
| Karen Pappas | Director, Procurement & Material Management | 22 |
| Patricia G. Poston | Sr. Director, Finance | 26 |
| Craig Thaxton | Sr. Director, Operational Excellence & Process Improvement | 5 |



March 15, 2024

To the Canaveral Port Authority Commissioners, Chief Executive Officer (CEO) and Citizens of the Canaveral Harbor Port District:

State law requires that all general-purpose local governments, including special districts, publish within nine months of the close of each fiscal year, a complete set of financial statements presented in conformity with U. S. general accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards and Government Auditing Standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the annual comprehensive financial report of the Canaveral Port Authority for the fiscal year ended September 30, 2023.

This report consists of management's representations concerning the finances of the Canaveral Port Authority (the Authority). Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the Authority has established a comprehensive internal control framework that is designed to: 1) protect the government's assets from loss, theft, or misuse and 2) compile sufficient reliable information for the preparation of the Authority's basic financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Authority'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 financial report is complete and reliable in all material respects.

RSM US, LLC, a firm of licensed certified public accountants, has audited the Canaveral Port Authority's basic financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Authority for the fiscal year ended September 30, 2023, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Authority's basic financial statements for the fiscal year ended September 30, 2023 are fairly presented. These statements are included as the first component 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 Canaveral Port Authority's MD&A can be found immediately following the report of the independent auditor.

Port Canaveral

445 Challenger Road Suite 301 Cape Canaveral, Florida 32920 USA
321.783.7831 888.767.8226 www.portcanaveral.com

Profile of the Authority

The Canaveral Harbor Port District, as presently structured, was created by House Bill Number 1136, Chapter 28922, from the Laws of Florida Special Acts of 1953, as amended and restated by Chapter 2003-335, Laws of Florida, Acts of 2003, and acts amendatory thereof and supplemental thereto. This bill created, organized and established a port district in Brevard County, Florida and designated the area as the Canaveral Harbor Port District. The Authority is a quasi-public governmental body, an independent special taxing district that is a political subdivision of the state of Florida. As such, it is not under the jurisdiction of Brevard County or any neighboring city.

The Authority has operated under the Commission-manager form of government since 1953. Five elected commissioners, representing the five Port districts, serve as a board of directors and have jurisdiction over all fiscal and regulatory policies and operations of the Port. Commissioners are chosen by the public via an at-large election and serve four-year terms. These terms are staggered, with three commissioners up for election at one time, and the remaining two up for election two years hence. As an independent special district of the State of Florida, the Authority is empowered to levy ad valorem taxes to finance expansion and operation, incur indebtedness through the sale of bonds or use of bank loans, establish tariff rates, negotiate for government grants, condemn necessary land, zone its land, and exercise police powers. The commission is responsible, among other things, for passing policies, adopting a budget, appointing committees, and hiring both the government's manager (CEO) and attorney. The CEO's authority and responsibilities are similar to those of both the manager of a local government and the president of a sizable private corporation. The major goals of the Authority are to give the residents of the area the benefits of low-cost ocean transportation, a foreign trade zone and to create economic opportunity and jobs. The Authority also provides substantial facilities for recreation for the local population and visitors alike.

The annual Operating and Capital Budgets serve as the foundation for the Authority's financial planning and control. All departments of the Authority are required to submit budget requests to the CEO during June of each year. The CEO uses these requests as the starting point for developing a proposed budget. The Chief Financial Officer (CFO) then prepares and presents this proposed budget to the commission for review prior to September 30. The commission holds two public hearings on the proposed budget and adopts a final budget no later than September 30, the close of the Authority's fiscal year (FY). The Operating Budget is prepared by functional department. Due to operating or unforeseen activities during the year, department heads may request modifications to their departmental budget. Any proposed changes to the Operating Budget are approved by the commission at a public hearing. Changes to the Capital Budget are more fluid, but do require the approval of the Commission.

Economic Conditions in Fiscal Year 2023

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the Authority operates.

Local Economy

The Canaveral Harbor Port District encompasses approximately the northern two-thirds of Brevard County. The County is home to a number of large employers, both public and private. According to the U.S Department of Labor, Bureau of Labor Statistics, the Nation's unemployment rate at September 2023 is estimated at 3.8%, the state of Florida unemployment rate is 3% and Brevard County Florida is 3.2%.

Economic Outlook

The Authority is strategically located on the central east coast of the state and enjoys a significant "drive-to" market for cruising. During Fiscal Year 2023, the Authority's total operating revenue was \$191.8 million.

For Fiscal Year 2023, cruise revenue was \$158,015,193 and total multi-day revenue passengers were 6,780,927.

Cargo related revenue for Fiscal Year 2023 was \$20,538,883 which was based on ship related revenue of \$15,851,344 and cargo lease revenue of \$4,687,539. The total tonnage of 7,100,711 included the commodities - petroleum, limestone, granite, forest products and slag. These materials contribute to a diversified cargo base and supports construction and growth in Central Florida.

The Authority continues to implement security measures to ensure the safety of the traveling public as well as Port Canaveral tenants. The annual costs of these services was \$11.4 million for FY2023.

In FY2021, the Authority was awarded \$72 million in American Rescue Plan Act (ARPA) funding. This funding was received over FY2021, FY2022, and FY2023.

Long-Term Financial Planning

In addition to the Authority's operating budget process, a \$497 million five-year capital plan has been developed to assess future needs. As part of this capital plan, projects are continuously evaluated to determine whether any new projects will yield an appropriate rate of return before any investment is considered when additional funding is needed. The Authority continues to

invest its cash resources to achieve the desired results along with prudent borrowing policies using bond financing and bank debt. A key component of capital project analysis also includes the availability of Federal and State agencies grant funding.

Relevant Financial Policies

The Authority continues to follow financial policies in effect which includes policies governing budget, investment, fraud, leasing land, travel, purchasing, and Commissioners minor expenses. These policies are reviewed annually, with amendments approved by the Board.

Major Initiatives

The Authority continues to expand and improve its cruise, cargo, recreational and real estate facilities, and infrastructure. For FY2023, the capital budget mainly consisted of the multiyear rehabilitation of North Cargo Berths 3 and 4. North Cargo Berth 3 improvements of \$46.5 million were funded from state and federal grants. This project was completed during FY2023 with \$14.8 million in expenses in the current year. North Cargo Berth 4 improvements of \$38.6 million commenced in FY2023 and will be funded by the Authority and state grants. In the current year, there was \$13.2 million in expenses for North Cargo Berth 4. These two cargo berths have been functionally obsolete but with modernization, it will allow the Authority to continue to expand and diversify its cargo business.

The Authority's improvements are funded from existing cash flow as a result of the revenues from existing and projected cruise, cargo, and land lease operations, Federal and State grants, and bank and bond financing. The Port continues to seek federal and state assistance in the form of grants and capital improvement funding.

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 Canaveral Port Authority for its annual comprehensive financial report for the fiscal year ended September 30, 2022. This was the thirty-second consecutive year that the Authority has received this prestigious award. In order to be awarded a Certificate of Achievement, the Authority published 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 only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department. I would like to extend my thanks to all members of the department who assisted and contributed to the preparation of this report, with special recognition given to Controller, Diana Mims-Reid. Thanks and appreciation are also extended to the Government and Strategic Communications department Tracy Krutz with her help on reviewing and coordinating this report and also to the firm of RSM US, LLC for their professional approach and high standards in the conduct of their independent audit of the Authority's financial records and transactions as well as their assistance in the preparation of this report.

Finally, I would also like to express my appreciation to the Canaveral Port Authority Board of Commissioners and CEO John Murray for their guidance and support throughout the year. I appreciate their interest and leadership in planning and conducting the financial operation of the Authority in a progressive and responsible manner.

Respectfully submitted,

A handwritten signature in blue ink that reads "M Poole". The signature is written in a cursive style with a large initial "M".

Michael Poole
Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Canaveral Port Authority
Florida**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2022

Christopher P. Morrill

Executive Director/CEO



FINANCIAL SECTION

Independent Auditor's Report

Members of the Board of Commissioners
Canaveral Port Authority

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Canaveral Port Authority (the Authority) as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Authority, as of September 30, 2023, and the changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 Authority's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority'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 Authority'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 the schedule of changes in total OPEB liability 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 GAAS, 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 Authority's basic financial statements. The schedule of expenditures of federal awards and state financial assistance, as required by Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and Chapter 10.550, *Rules of the Auditor General, State of Florida* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections, schedule of comparative revenues, expenses and changes in net position, schedule of comparative operating revenues by activity, the schedule of construction in progress and capital costs compared with budget (prior to transfer of completed projects to capital assets), and the schedule of insurance in force but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does 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 March 13, 2024, on our consideration of the Authority'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 solely 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 the effectiveness of the Authority's 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 Authority's internal control over financial reporting and compliance.

RSM US LLP

Jacksonville, Florida
March 13, 2024

Canaveral Port Authority

Management's Discussion and Analysis (Unaudited)

As management of the Canaveral Port Authority (the "Authority"), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended September 30, 2023. **All amounts, unless otherwise indicated, are expressed in thousands of dollars.**

Financial Highlights

- The assets and deferred outflows of the Authority exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$525,252 (*net position*). Of this amount, \$222,889 is the unrestricted net position and is available to meet the Authority's ongoing obligations to creditors.
- The Authority's total net position increased by \$122,151. This consists of an increase in net investment in capital assets of \$16,151, an increase in restricted net position of \$160, and an increase in unrestricted net position of \$105,840.
- At the end of the current fiscal year, the unrestricted net position was 182.2% of total expenses.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Authority's basic financial statements. The Authority's basic financial statements are comprised of two components: enterprise financial statements and notes to the financial statements. This report also contains the required supplementary information, other supplementary information, and other information in addition to the basic financial statements themselves.

The basic financial statements report information about the Authority using the full accrual basis of accounting as utilized by similar business activities in the private sector. The basic financial statements include a statement of net position, a statement of revenues, expenses and changes in net position and a statement of cash flows.

The statement of net position presents information on all the Authority's assets and deferred outflows of resources, as well as liabilities and deferred inflows of resources, with the difference between the two groups reported as total net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The statement of revenues, expenses and changes in net position presents information showing how the Authority's net position changed during the 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.

The statement of cash flows presents changes in cash and cash equivalents from operational, financing, and investing activities. This statement presents cash receipt and disbursement information without consideration of the earnings event, when an obligation arises, or depreciation of capital assets.

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

In addition to the basic financial statements and accompanying notes, this report also presents other required supplementary information, other supplementary information, and other information.

Canaveral Port Authority

Management's Discussion and Analysis (Unaudited)

Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the Authority's financial position.

The following table reflects the condensed statements of net position as of September 30:

| | 2023 | 2022 | Change | |
|----------------------------------|------------|------------|------------|--------|
| | | | Amount | % |
| Current and other assets | \$ 307,196 | \$ 193,386 | \$ 113,810 | 58.9% |
| Capital assets | 676,832 | 669,611 | 7,221 | 1.0% |
| Total assets | 984,028 | 862,997 | 121,031 | 14.0% |
| Deferred outflows of resources | 480 | 581 | (101) | -17.0% |
| Current liabilities | 48,922 | 33,608 | 15,314 | 45.6% |
| Noncurrent liabilities | 366,839 | 385,922 | (19,083) | -4.9% |
| Total liabilities | 415,761 | 419,530 | (3,769) | -0.9% |
| Deferred inflows of resources | 43,495 | 40,947 | 2,548 | 6.0% |
| Net position: | | | | |
| Net investment in capital assets | 289,432 | 273,281 | 16,151 | 6.0% |
| Restricted | 12,931 | 12,771 | 160 | 1.0% |
| Unrestricted | 222,889 | 117,049 | 105,840 | 90.4% |
| Total net position | \$ 525,252 | \$ 403,101 | \$ 122,151 | 30.3% |

Current assets increased because of a strong year of cruise operations with 6.8 million passengers. By far the largest portion (55.1%) of the Authority's net position as of September 30, 2023, reflects its investment in capital assets (e.g., land, buildings, improvements, equipment, intangibles and construction in progress); less any related debt used to acquire those assets that are still outstanding. These assets are not available for future spending. Although the Authority'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 operations, since the capital assets themselves cannot be used to liquidate these liabilities. At the end of the current fiscal year, the Authority's net investment in capital assets increased by \$16,151.

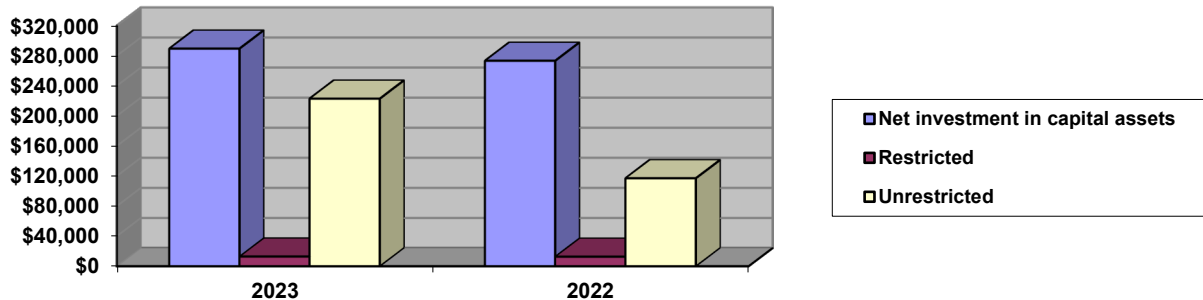
In addition, a portion (2.5%) of the Authority's net position as of September 30, 2023, represents the reserve for maximum debt service restricted in accordance with existing bond covenants. The remaining balance of unrestricted net position may be used to meet the Authority's ongoing obligations to creditors. At the end of the current fiscal year, the Authority's unrestricted net position increased by \$105,840.

Canaveral Port Authority

Management's Discussion and Analysis (Unaudited)

The Authority's total net position increased by \$122,151 during the current fiscal year. Of this amount, an increase of \$91,709 represents net income before capital contributions. The remaining increase of \$30,442 represents the capital contributions (grant proceeds) from federal and state sources. There is no assurance that these capital contributions from other sources will continue in the future.

Net Position



The following table shows condensed revenue and expense data for the years ended September 30:

| | 2023 | 2022 | Change | |
|--|-------------------|-------------------|-------------------|---------------|
| | | | Amount | % |
| Operating revenues: | | | | |
| Cruise | \$ 158,015 | \$ 99,015 | \$ 59,000 | 59.6% |
| Cargo | 20,539 | 13,952 | 6,587 | 47.2% |
| Leases | 6,196 | 9,916 | (3,720) | -37.5% |
| Other | 7,050 | 6,072 | 978 | 16.1% |
| Total operating revenues | <u>191,800</u> | <u>128,955</u> | <u>62,845</u> | <u>48.7%</u> |
| Non-operating revenues: | | | | |
| Investment earnings (loss) | 7,064 | (804) | 7,868 | 978.6% |
| Other | 15,154 | 44,907 | (29,753) | -66.3% |
| Total non-operating revenues | <u>22,218</u> | <u>44,103</u> | <u>(21,885)</u> | <u>-49.6%</u> |
| Total revenues | <u>214,018</u> | <u>173,058</u> | <u>40,960</u> | <u>23.7%</u> |
| Operating expenses: | | | | |
| Operations, facilities and public safety | 38,947 | 30,889 | 8,058 | 26.1% |
| Executive, finance and administration | 14,062 | 11,878 | 2,184 | 18.4% |
| Engineering and environmental | 2,315 | 1,885 | 430 | 22.8% |
| Other | 5,656 | 5,005 | 651 | 13.0% |
| Depreciation and amortization | 47,855 | 49,247 | (1,392) | -2.8% |
| Total operating expenses | <u>108,835</u> | <u>98,904</u> | <u>9,931</u> | <u>10.0%</u> |
| Non-operating expenses: | | | | |
| Interest | 12,219 | 12,077 | 142 | 1.2% |
| Loss on disposal of capital assets | 101 | - | 101 | 0.0% |
| Hurricane repairs | 996 | - | 996 | 0.0% |
| Other | 158 | 470 | (312) | -66.4% |
| Total non-operating expenses | <u>13,474</u> | <u>12,547</u> | <u>927</u> | <u>7.4%</u> |
| Total expenses | <u>122,309</u> | <u>111,451</u> | <u>10,858</u> | <u>9.7%</u> |
| Income before contributions | <u>91,709</u> | <u>61,607</u> | <u>30,102</u> | <u>48.9%</u> |
| Capital contributions | <u>30,442</u> | <u>23,502</u> | <u>6,940</u> | <u>29.5%</u> |
| Change in net position | <u>122,151</u> | <u>85,109</u> | <u>37,042</u> | <u>43.5%</u> |
| Net position – beginning | <u>403,101</u> | <u>317,992</u> | <u>85,109</u> | <u>26.8%</u> |
| Net position – ending | <u>\$ 525,252</u> | <u>\$ 403,101</u> | <u>\$ 122,151</u> | <u>30.3%</u> |

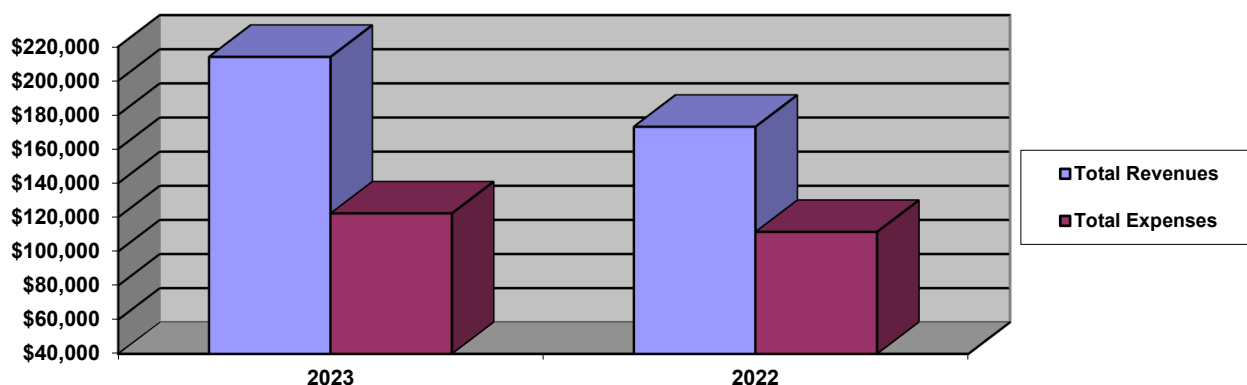
Canaveral Port Authority

Management's Discussion and Analysis (Unaudited)

Key elements of the increase in net position for the fiscal year ended September 30, 2023, are as follows.

- Overall fees and charges for services increased 48.7%. Included in the overall fees and charges were revenues from increased cruise operations (including parking), and recreation (Jetty Park and Exploration Tower), which increased 60% and 16%, respectively. Additional operating revenues for cargo increased 11% and leases increased 16%, respectively.
- Overall, non-operating revenues increased, which included investment earnings, grant revenue and gains on sale of assets or legal settlements. Investment earnings (loss) increased by \$7.8 million due to increased investments and rising interest rates.
- Capital contributions from federal and state grants for capitalized projects increased during the current fiscal year by \$6.9 million. This increase was mainly due to the collection of previously approved grant funds associated with work on North Cargo Berth 3 and 4.

Total Revenues and Expenses



Capital Asset and Debt Administration

Capital assets: The Canaveral Port Authority's capital assets as of September 30, 2023, and 2022, amount to \$676,832 and \$669,611, respectively, (net of accumulated depreciation). These balances include land, buildings, improvements, equipment, intangibles and construction in progress. The total increase in the Authority's capital assets was 1.0% for fiscal year 2023.

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

- Construction continued on several major projects for the Authority, including Rehabilitation and Reconstruction of North Cargo Berths 3 and 4, Cruise Terminal 6 Upgrades, Road and Utility improvements, Harbor Crane and Parking Improvements. The total investment in these projects totaled \$47,192 and were offset by the total value of projects completed and moved from Construction in Progress to capital assets of \$53,765.

Several major projects included in Construction in Progress on September 30, 2022, were completed during fiscal year 2023 including:

- North Cargo Berth 3 \$46,586
- Road and Tenant Improvements at \$1,789
- Improvements to Port Security and Public Safety projects at \$1,218
- Cruise Terminal 8 Renovations at \$2,902

Canaveral Port Authority

Management's Discussion and Analysis (Unaudited)

Commitments for the repair, modification, improvements, materials and new construction of Authority owned property at September 30, 2023, totaled \$121,596.

Additions for the year ended September 30, 2023 were offset by depreciation expense of \$47,387 and amortization expense of \$468.

The following table shows capital assets by category for the years ended September 30:

| | 2023 | 2022 | Change | |
|-----------------------------------|-------------------|-------------------|-----------------|-------------|
| | | | Amount | % |
| Land | \$ 5,471 | \$ 5,471 | \$ - | 0.0% |
| Buildings | 181,987 | 193,063 | (11,076) | -6.0% |
| Improvements other than buildings | 415,244 | 392,157 | 23,087 | 6.0% |
| Equipment | 29,939 | 36,393 | (6,454) | -18.0% |
| Intangibles | 1,000 | 657 | 343 | 52.0% |
| Construction in progress | 43,191 | 41,870 | 1,321 | 3.0% |
| Total | <u>\$ 676,832</u> | <u>\$ 669,611</u> | <u>\$ 7,221</u> | <u>1.1%</u> |

Additional information on the Canaveral Port Authority's capital assets can be found in Note 3.D. in this report.

Long-term debt: On September 30, 2023, the Canaveral Port Authority had total bonded debt outstanding of \$352,596 and lines of credit with outstanding balances of \$5 million and \$16 million. The Canaveral Port Authority's debt represents bonds secured solely by operating revenues (i.e., revenue bonds).

The Canaveral Port Authority's total revenue bonds decreased by \$16,545 (4.48%). The major factor for the decrease during the current year was due to regular scheduled principal payments and no new issuances this year.

Additional information on the Canaveral Port Authority's long-term debt can be found in Note 3.G. and 3.H. in this report.

Economic Factors and Next Year's Budgets and Rates

For FY2024, the Authority has budgeted the following:

- Charges for services of \$187 million due to projected cruise and cargo related business.
- Operating expenses of \$123 million (includes \$49 million for depreciation) which contains funding for cruise activities.
- Non-operating revenues of \$8 million, which is mostly investment earnings.

Requests for Information

This financial report is designed to provide a general overview of the Canaveral Port Authority's finances for all those with an interest in the Authority's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Department, Canaveral Port Authority, 445 Challenger Road, Suite 301, Cape Canaveral, Florida 32920.

BASIC FINANCIAL STATEMENTS

Canaveral Port Authority

Statement of Net Position September 30, 2023

Assets

Current assets:

| | |
|---|--------------------|
| Cash and cash equivalents | \$ 170,389,808 |
| Cash and cash equivalents - restricted | 2,426,308 |
| Investments | 25,270,509 |
| Accounts receivable – trade, net | 12,830,315 |
| Interest receivable | 282,544 |
| Lease receivable | 3,649,108 |
| Prepaid expenses | 3,779,200 |
| Due from other governmental units | 29,430,832 |
| Inventory | 650,761 |
| Deposits and other receivables, current | 18,631 |
| Total current assets | <u>248,728,016</u> |

Noncurrent assets:

| | |
|---|--------------------|
| Cash and cash equivalents - restricted | 12,930,729 |
| Lease receivable | 39,885,943 |
| Deposits and other receivables, long-term | 5,650,700 |
| Capital assets (net of accumulated depreciation and amortization): | |
| Land (non-depreciable) | 5,470,630 |
| Buildings | 181,986,995 |
| Improvements other than buildings | 415,244,352 |
| Equipment | 29,938,974 |
| Intangible assets | 1,000,453 |
| Construction in progress (non-depreciable) | 43,190,749 |
| Total noncurrent assets | <u>735,299,525</u> |
| Total assets | <u>984,027,541</u> |

Deferred outflows of resources:

| | |
|---|----------------|
| Other post employment benefits (OPEB) related amounts | 428,932 |
| Deferred loss on bond refunding | 51,375 |
| Total deferred outflows of resources | <u>480,307</u> |

(Continued)

Canaveral Port Authority

Statement of Net Position (Continued)
September 30, 2023

Liabilities

Current liabilities:

| | |
|---|-------------------|
| Accounts payable and accrued expenses | \$ 22,150,416 |
| Unearned revenue | 832,639 |
| Payroll and sales taxes payable | 291,401 |
| Revenue bonds and direct borrowing bonds, current portion | 16,661,667 |
| Accrued interest payable | 1,652,819 |
| Compensated absences, current portion | 787 |
| Other liabilities, current portion | 4,977,967 |
| Payable from restricted assets: | |
| Accrued interest payable | 2,105,905 |
| Revenue bonds payable, current portion | 248,333 |
| Total current liabilities | <u>48,921,934</u> |

Noncurrent liabilities:

| | |
|--|--------------------|
| Revenue bonds and direct borrowing bonds, less current portion | 340,685,980 |
| Compensated absences, less current portion | 1,671,689 |
| Lines of credit | 21,000,000 |
| Total OPEB liability | 1,260,298 |
| Other liabilities, long-term portion | 2,220,988 |
| Total noncurrent liabilities | <u>366,838,955</u> |

Total liabilities 415,760,889

Deferred inflows of resources:

| | |
|--|-------------------|
| Leases | 41,965,504 |
| OPEB related amounts | 1,529,134 |
| Total deferred inflows of resources | <u>43,494,638</u> |

Net position:

| | |
|----------------------------------|------------------------------|
| Net investment in capital assets | 289,431,988 |
| Restricted for debt service | 12,930,729 |
| Unrestricted | 222,889,604 |
| Total net position | <u><u>\$ 525,252,321</u></u> |

See notes to financial statements.

Canaveral Port Authority

Statement of Revenues, Expenses and Changes in Net Position Year Ended September 30, 2023

| | |
|--|--------------------|
| Operating revenues: | |
| Cruise | \$ 158,015,193 |
| Cargo | 20,538,883 |
| Leases | 6,195,877 |
| Other | 7,049,702 |
| Total operating revenues | 191,799,655 |
| Operating expenses: | |
| Operations | 13,277,858 |
| Facilities | 14,254,493 |
| Parks and recreation | 2,034,290 |
| Exploration tower | 133,074 |
| Public safety | 11,413,785 |
| Fire training facility | 385,402 |
| Commission | 338,619 |
| Executive | 2,183,715 |
| Finance and accounting | 2,032,252 |
| Administrative services | 9,845,862 |
| Engineering and environmental | 2,314,638 |
| Business development | 990,068 |
| Real estate | 380,037 |
| Government and strategic communications | 1,396,232 |
| Depreciation | 47,387,275 |
| Amortization | 467,526 |
| Total operating expenses | 108,835,126 |
| Operating income | 82,964,529 |
| Non-operating revenues: | |
| Investment earnings | 7,063,893 |
| Grant revenue | 15,006,995 |
| Gain on sale of capital assets | 147,102 |
| Total non-operating revenues | 22,217,990 |
| Non-operating expenses: | |
| Interest expense | 12,219,324 |
| Loss on disposal of capital assets | 100,683 |
| Hurricane repairs | 995,650 |
| Other non-operating expenses | 157,862 |
| Total non-operating expenses | 13,473,519 |
| Income before capital contributions | 91,709,000 |
| Capital contributions | 30,442,555 |
| Change in net position | 122,151,555 |
| Net position, beginning of year | 403,100,766 |
| Net position, end of year | \$ 525,252,321 |

See notes to financial statements.

Canaveral Port Authority

Statement of Cash Flows Year Ended September 30, 2023

| | |
|--|------------------------------|
| Cash flows from operating activities: | |
| Cash received from customers and users | \$ 187,728,252 |
| Cash paid to suppliers for goods and services | (39,472,031) |
| Cash payments to employees for services | <u>(17,262,231)</u> |
| Net cash provided by operating activities | <u>130,993,990</u> |
| Cash flows from non-capital financing activities: | |
| Cash received from grants | <u>19,045,377</u> |
| Net cash provided by non-capital financing activities | <u>19,045,377</u> |
| Cash flows from capital and related financing activities: | |
| Interest paid on revenue bonds and direct borrowing bonds | (12,583,603) |
| Proceeds from interest on leases | 1,247,677 |
| Principal paid on revenue bonds and direct borrowing bonds | (16,545,000) |
| Acquisition and construction of capital assets | (44,308,469) |
| Proceeds from lines of credit | 5,000,000 |
| Payments made on lines of credit | (8,010,500) |
| Proceeds from sale of capital assets | 147,102 |
| Contributed capital | <u>11,787,583</u> |
| Net cash used in capital and related financing activities | <u>(63,265,210)</u> |
| Cash flows from investing activities: | |
| Interest received on investments | 6,694,200 |
| Sale of investments | <u>4,668,831</u> |
| Net cash provided by investing activities | <u>11,363,031</u> |
| Net change in cash and cash equivalents | 98,137,188 |
| Cash and cash equivalents: | |
| Beginning of year | <u>87,609,657</u> |
| End of year | <u>\$ 185,746,845</u> |

(Continued)

Canaveral Port Authority

Statement of Cash Flows (Continued)
Year Ended September 30, 2023

| | |
|--|------------------------------|
| Reconciliation of operating income to net cash provided by operating activities: | |
| Operating income | <u>\$ 82,964,529</u> |
| Adjustment to reconcile operating income to net cash provided by operating activities: | |
| Depreciation expense | 47,387,275 |
| Amortization expense | 467,526 |
| (Increase) decrease in assets and deferred outflows: | |
| Accounts receivable | (1,013,126) |
| Inventory | (109,780) |
| Lease receivables | (4,531,713) |
| Deposits and other receivables | (383,168) |
| Prepaid expenses | (755,954) |
| Deferred outflows of resources – OPEB | 37,766 |
| Increase (decrease) in liabilities and deferred inflows: | |
| Accounts payable and accrued expenses | 588,077 |
| Unearned revenue | (655,223) |
| Compensated absences | 215,543 |
| Total OPEB liability | (251,832) |
| Deferred inflows of resources – leases | 2,320,244 |
| Deferred inflows of resources – OPEB | 227,811 |
| Other liabilities | 4,441,531 |
| Payroll and sales tax payable | 44,484 |
| Total adjustments | <u>48,029,461</u> |
| Net cash provided by operating activities | <u><u>\$ 130,993,990</u></u> |

Supplemental schedule of noncash investing, capital and financing activities:

During 2023, the Authority recorded an unrealized gain on investments of \$369,693.

During 2023, the Authority's balance in due from other governmental units relating to capital contributions is \$28,397,227.

On September 30, 2023, the Authority had capital asset additions included in accounts payable of \$14,103,893.

See notes to financial statements.

Canaveral Port Authority

Notes to Financial Statements

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Canaveral Port Authority

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The Canaveral Port Authority (the Authority) is an independent special taxing Authority and a political subdivision of the state of Florida (the State) which was established in 1953 by Chapter 28922, Laws of Florida, and Special Acts of 1953, as amended in 2014 (the Enabling Act). The governing body of the Authority is the Board of Commissioners (Board) composed of one commissioner elected from each of the five districts created by the Enabling Act.

B. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The Authority is a special purpose government entity engaged in business type activities and uses a single enterprise fund for the presentation of its financial statements. Enterprise fund 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 the related cash flows.

The Authority operates as an enterprise fund that accounts for the construction, operation, and maintenance of the Authority. An enterprise fund is a type of proprietary fund that provides services to the general public. This fund is used to account for the acquisition, operation and maintenance of governmental facilities and services which are entirely or predominantly self-supported by user charges. The operations of the Authority are accounted for in such a manner as to show a profit or loss, similar to comparable private enterprises.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority are fees and charges for cruise ships, cargo ships and land leases. Operating expenses include costs to operate and maintain facilities of the Authority, administrative expenses and depreciation and amortization expenses related to long-lived assets. All revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses.

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

C. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position

1. Cash and Cash Equivalents

Florida state statutes authorize the government to invest in the Local Government Surplus Funds Trust Fund (Florida PRIME), an external investment pool, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act, Securities and Exchange Commission (SEC) registered money market funds with the highest credit quality rating, interest-bearing time deposits or savings accounts in qualified public depositories and direct obligations of the U.S. Treasury.

Florida PRIME is administered by the Florida State Board of Administration, who provides regulatory oversight. The Authority's investment in Florida PRIME is reported at amortized cost. The fair value of the Authority's position in Florida PRIME is equal to the value of pooled shares. The Authority also invests in Florida Public Assets for Liquidity Management (PALM). PALM is a common law trust organized under the laws of the state of Florida and offers a short-term investment program with the objective of maintaining a \$1 net asset value (NAV).

Canaveral Port Authority

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

C. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position (Continued)

1. Cash and Cash Equivalents (Continued)

Cash and cash equivalents include cash deposits and short-term investments with original maturities of three months or less from the date of acquisition.

2. Accounts and Other Receivables

Management considers most accounts and other receivables to be fully collectible; however, the Authority has created an allowance for those where, based upon historical attempts at collection, it deems collection to be unlikely. The allowance for trade receivables as of September 30, 2023 was \$75,000. All other receivables were deemed fully collectible as of September 30, 2023.

3. Investments

The Authority's investments are reported at fair value using the quoted market price or other fair value techniques as required by Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurements (GASB 72)*. Fair value is defined by GASB 72, as the price that would be received to sell an asset or to transfer a liability in an orderly transaction between market participants at the measurement date. Categories within the fair value hierarchy include Level 1 inputs are quoted priced in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 are unobservable inputs.

As of September 30, 2023, the Authority reported investments at fair value. Fair value for all the Authority's investments in debt was measured using Level 1 and Level 2 techniques. Florida PRIME is valued at amortized cost and PALM is measured at fair value using NAV.

4. Leases

The Authority has entered into various lessor arrangements with tenants for the use of warehouses, terminals, offices, and land at the Authority. For certain regulated leases and short-term leases, the Authority recognizes rental income based on the provisions of the lease agreement in the statement of revenues, expenses and changes in net position.

For other lessor arrangements, the Authority recognizes a lease receivable and a deferred inflow of resources in the statement of net position. The Authority recognizes a lease receivable and a deferred inflow of resources at the commencement of the lease term, with certain exceptions for leases of assets held as investments, certain regulated leases, short-term leases and leases that transfer ownership of the underlying asset. The lease receivable is measured at the present value of the lease payments expected to be received during the lease term. The deferred inflow of resources is measured as the value of the lease receivable in addition to any payments received at or before the commencement of the lease term that relate to future periods. Lease receivable is reduced as payments are received, applying principal against receivable and interest to revenue, based on the amortization schedule. Deferred inflow is recognized as revenue on a straight-line basis over the life of the lease term.

Canaveral Port Authority

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

C. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position (Continued)

4. Leases (Continued)

The Authority uses the following estimates and judgments to measure the GASB 87, *Leases (GASB 87)* leases:

- Discount Rate: The Authority uses its incremental borrowing rate to discount the expected lease receipts to present value based on the term of the leases.
- Lease Term: The lease term includes the non-cancelable lease period, plus: 1) periods for which the Authority has a unilateral option to extend and is reasonably certain to exercise such option, or 2) periods after an optional termination date if the Authority is reasonably certain not to exercise the termination option.
- Lease Receipts: Measurement of the lease receivable includes fixed payments and, as applicable, variable fixed in substance payments, residual value guarantee payments that are fixed in substance and any lease incentives payable to the lessee.

5. Prepaid Expenses

Prepaid expenses consist of payments to vendors which reflect costs applicable to future accounting periods. Prepaid expenses are recorded as expenditures over the period of their economic benefit.

6. Restricted Cash and Cash Equivalents

Debt proceeds and funds set aside for payment of revenue bonds and construction projects are classified as restricted assets on the statement of net position because their use is limited by applicable bond indentures.

7. Inventory

Inventory is stated at the lesser of cost or market using the first-in, first-out inventory method.

8. Capital Assets

Capital assets are defined by the Authority as assets with an initial cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at cost, if purchased, and at acquisition value at date of gift, if donated. Major additions are capitalized while maintenance and repairs, which do not improve or extend the life of the respective assets, are charged to expense. Contributions received in aid of construction are credited to capital contributions and do not reduce the cost of the assets acquired with such contributions. Costs associated with deepening and widening the channel increase the potential service utility of the port and are recorded as a non-depreciable capital asset.

Canaveral Port Authority

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

C. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position (Continued)

8. Capital Assets (Continued)

Depreciation is recognized on the straight-line method over the estimated useful lives of the assets. The following estimated useful lives are used for depreciation purposes:

| Classification | Range of Lives (Years) |
|-----------------------------------|---------------------------|
| Buildings | 30 |
| Improvements other than buildings | 5-40 |
| Equipment | 3-20 |

The Authority recognizes amortization on intangible assets as follows:

| Classification | Range of Lives (Years) |
|----------------------|---------------------------|
| Computer software | 3-5 |
| Trademarks | 5 |
| Risk assessment plan | 5 |
| Master plan | 7 |

9. Deferred Outflows of Resources

In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. This separate financial statement section, deferred outflows of resources, represents a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expenses) until that time. The Authority currently reports losses on bond refunding and items related to other post-employment benefits (OPEB) in this section.

10. Compensated Absences

All permanent employees of the Authority are eligible for annual leave. Each employee working a normal week earns vacation leave at certain rates, depending on the employee's length of service. All annual leave is accrued when earned in the statement of net position. There is no liability for unpaid accumulated sick leave since the Authority does not have a policy to pay such amounts upon termination.

11. Other Post-Employment Benefits (OPEB)

The Authority obtains actuarial valuation reports for its postemployment benefit plan and records the OPEB liability as required under GASB 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*. Disclosure information required by GASB 75 is found in Note 3.L.

12. Unearned Revenue

Resources that do not meet the revenue recognition requirements (not earned) are recorded as unearned revenue in the statement of net position.

Canaveral Port Authority

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

C. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position (Continued)

13. Deferred Inflows of Resources

In addition to liabilities, the statement of net position includes a separate section for deferred inflows of resources. This separate financial statement section, deferred inflows of resources, represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Authority currently reports items related to OPEB and leases in this section.

14. Net Position – Net Investment in Capital Assets

The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of bonds, notes or other borrowings that are attributable to the acquisition, construction or improvements of those assets and any deferred losses on bond refunding. Significant portions of unexpended capital debt are not included in this category of net position.

15. Net Position – Restricted

The Authority's statement of net position reports a restriction on net position that is maintained for a specific purpose. The nature and purpose of this restriction represent, in accordance with legal restrictions, amounts for payment of principal and interest maturing in later years.

16. Net Position – Unrestricted

This category represents the net position of the Authority, which is not restricted for any project or other purpose.

D. Revenues and Expenses

1. Operating Revenues and Expenses

Operating revenues are recorded when earned and expenses are recorded when incurred. Revenues and expenses relating to the Authority's property and operations included wharfage, dockage, line handling, water services, crane rentals, property leases, commercial vehicle, parks and recreation entrance and usage fees, fire training, parking fees and other port services. All other revenues and expenses are classified as non-operating.

2. Grants

Grants restricted for capital acquisition and construction are recorded as capital contributions. Other grant revenue is classified as non-operating revenue. They are considered earned when all applicable eligibility requirements have been met and it is earned by the Authority.

Canaveral Port Authority

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

E. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities and deferred inflows, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

F. GASB Pronouncements

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships (PPPs) and Availability Payment Arrangements (APAs)* (GASB 94). The objective of this statement is to improve financial reporting by addressing issues related to PPPs and APAs. This statement was adopted by the Authority as of October 1, 2022, and did not have a material effect within these financial statements.

In May 2022, the GASB issued Statement No. 96, *Subscription Based Information Technology Arrangements (SBITAs)* (GASB 96). The objective of this statement is to provide guidance on the accounting and financial reporting for SBITAs for government end users. This statement was adopted by the Authority as of October 1, 2022, and did not have a material effect within these financial statements.

Note 2. Budgetary Information

The Authority's Enabling Act requires adoption of an annual operating budget. The Board adopts an annual operating and capital improvement budget resolution prior to September 30, for the next ensuing fiscal year. The Authority's budgets are prepared on the accrual basis of accounting which is consistent with U.S. GAAP. Operating budgets for the enterprise fund are based on level of service expectations. Capital improvement projects are budgeted to provide control over authorized project expenses and ensure legal compliance.

Budget control is maintained at the departmental level. Actions which change the annual budget must be authorized by the Board. Budget amounts have been adjusted for legally authorized revisions of the annual budgets approved during the year.

The Authority has statutory authority to levy ad valorem taxes up to three (3) mills annually on all taxable property within the Authority's district boundaries for operation, maintenance, and improvement of Authority facilities. The Authority has not levied property taxes since 1986 and does not expect to do so in the foreseeable future.

Canaveral Port Authority

Notes to Financial Statements

Note 3. Detail Notes

A. Cash and Cash Equivalents and Investments

On September 30, 2023, the carrying amount of the Authority's recorded deposits with financial institutions was \$55,449,278, and the bank balance was \$55,338,851. In addition, the Authority held \$500 of petty cash on September 30, 2023.

The investing of public funds Florida PRIME is governed by Section 218.407, Florida Statutes. Florida PRIME is under the regulatory oversight of the state of Florida. This investment pool consists of bank instruments, asset-backed securities, and commercial paper. The pool operates as a money market fund but is classified as an external investment pool. The weighted average days to maturity of Florida PRIME was 35 days as of September 30, 2023. On September 30, 2023, the Authority had \$37,140,823 invested in Florida PRIME.

As of September 30, 2023, cash equivalents placed in money market accounts with PALM was \$93,156,744.

Florida Statutes, Chapter 280, Florida Security for Public Deposit Act (the Act) prescribes that the deposit authority of the Authority's policy conforms to state statute. Deposits whose value exceeds the limits of Federal Depository Insurance Corporation (FDIC) are entirely insured or collateralized pursuant to the Act. Under the Act, every qualified public depository shall deposit with the Florida Treasury, eligible collateral of the depository to be held subject to his or her order. The Florida Treasurer, by rule, shall establish minimum required collateral pledging levels. The pledging level may range from 25% to 200% of the average monthly balance of public deposits with an approved financial institution. The Public Deposit Security Trust Funds (Florida PRIME and PALM) have a procedure to allocate and recover losses in the event of default or insolvency. The Authority depositories at year-end were designated as qualified public depositories. All bank balances were covered by the FDIC and the banks' participation in the Act.

On September 30, all cash and cash equivalents were as follows:

| | |
|--|-----------------------|
| Deposits with financial institutions | \$ 55,449,278 |
| Deposits with Florida PRIME | 37,140,823 |
| Deposits with PALM | <u>93,156,744</u> |
| Total cash and cash equivalents | <u>\$ 185,746,845</u> |
| Reconciliation to the statement of net position: | |
| Cash and cash equivalents, current | \$ 170,389,808 |
| Cash and cash equivalents, current - restricted | 2,426,308 |
| Cash and cash equivalents, noncurrent | <u>12,930,729</u> |
| Total cash and cash equivalents | <u>\$ 185,746,845</u> |

Credit Risk

The Authority's investment policy addresses credit risk by restricting the types of investments in which it can invest, consistent with limitations defined in Florida Statutes 218.415.

Canaveral Port Authority

Notes to Financial Statements

Note 3. Detail Notes (Continued)

A. Cash and Cash Equivalents and Investments (Continued)

Credit risk is the risk that a security or a portfolio will lose some or all its value due to a real or perceived change in the ability of the issuer to repay its debt. This risk is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Authority's investment policy permits the following investments, which are limited to credit quality ratings from nationally recognized rating agencies as described below:

- Commercial paper of any United States company or foreign company domiciled in the United States that is rated, at the time of purchase, "Prime-1" by Moody's and "A-1" by Standard & Poor's (prime commercial paper), or equivalent, as provided by two nationally recognized rating agencies. If the commercial paper is backed by a letter of credit (LOC), the long-term debt of the LOC provider must be rated "A" or better by at least two nationally recognized rating agencies.
- Local Intergovernmental Pools with the highest fund quality rating of AAAM or equivalent. Florida PRIME and PALM were rated AAAM by Standard & Poor's on September 30, 2023.
- Corporate bonds issued by corporations organized and operating within the United States or by depository institutions licensed by the United States that have a long-term debt rating, at the time of purchase, at a minimum "A" by Moody's and a minimum long-term debt rating of "A" by Standard & Poor's, or equivalent as provided by two nationally recognized rating agencies.
- Supranational in which the U.S. is a shareholder and a voting member. Must have the highest short- or long-term credit rating as provided by a nationally recognized credit agency.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The Authority's investment policy requires securities be held by a third-party custodian and be properly designated as an asset of the Authority and held in the Authority's name. As of September 30, 2023, the Authority's investment portfolio was held with a third-party custodian and designated as Authority assets and held in the Authority's name, as required by the Authority's investment policy.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. The longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. In accordance with the Authority's investment policy, investments should be invested to match investment maturities with known cash needs and anticipated cash flow requirements. The Authority's investment policy does not limit the maturities of investments to reduce the interest rate risk.

Canaveral Port Authority

Notes to Financial Statements

Note 3. Detail Notes (Continued)

A. Cash and Cash Equivalents and Investments (Continued)

Fair Value Measurements

On September 30, 2023, the Authority's summary of the fair value hierarchy of investments are as follows:

| Investments | Amount | Fair Value Measurements Using | | |
|---------------------------------------|----------------------|---|---|---|
| | | Quoted Prices in Active Market for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| Investments by Fair Value Level: | | | | |
| U.S. Government Securities | \$ 13,884,404 | \$ 12,353,581 | \$ 1,530,823 | \$ - |
| Corporate Issues | 10,261,946 | - | 10,261,946 | - |
| Supranationals | 966,525 | - | 966,525 | - |
| Municipal Issues | 157,634 | - | 157,634 | - |
| Total Investments by Fair Value Level | <u>\$ 25,270,509</u> | <u>\$ 12,353,581</u> | <u>\$ 12,916,928</u> | <u>\$ -</u> |

U.S. Government securities totaling \$12.3 million in fiscal year 2023 are classified in Level 1 of the fair value hierarchy and are valued using quoted prices in active markets.

U.S. Government securities totaling \$1.5 million, corporate issues totaling \$10.3 million, supranationals totaling \$967 thousand and municipal issues totaling \$158 thousand in fiscal year 2023 are classified in Level 2 of the fair value hierarchy and are valued using matrix pricing techniques maintained by various pricing vendors. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. The Authority has no investments classified in Level 3.

Concentration of Credit Risk

The Authority's investment policy does not specifically address the concentration of credit risk. However, the policy indicates that investments should be diversified to control the risk of loss resulting from over concentration of assets.

On September 30, 2023, the Authority had the following investments:

| Investment Type | Amount | Investment Maturities (in years) | | | | Rating | Agency |
|----------------------------|----------------------|----------------------------------|----------------------|-------------------|------------------|--------|--------|
| | | Less than 1 | 1-5 | 6-10 | Over 10 | | |
| Investments: | | | | | | | |
| U.S. Government Securities | \$ 13,884,404 | \$ 531,119 | \$ 13,169,695 | \$ 131,781 | \$ 51,809 | AAA | S&P |
| Corporate Issues | 10,261,946 | 412,398 | 9,849,548 | - | - | A-AAA | S&P |
| Supranationals | 966,525 | 480,447 | 486,078 | - | - | AAA | S&P |
| Municipal Issues | 157,634 | 59,760 | 97,874 | - | - | AA-AAA | S&P |
| Total | <u>\$ 25,270,509</u> | <u>\$ 1,483,724</u> | <u>\$ 23,603,195</u> | <u>\$ 131,781</u> | <u>\$ 51,809</u> | | |

The Authority is required to disclose, by amount and issuer, investments in any one issuer that represent 5% or more of total investments. The Authority's investments include a 5% investment in Federal Home Loan Mortgage bonds on September 30, 2023.

Canaveral Port Authority

Notes to Financial Statements

Note 3. Detail Notes (Continued)

B. Restricted Cash and Cash Equivalents

Debt service and bond reserves are set aside for payment of revenue bonds and are classified as restricted cash and cash equivalents and restricted investments since their use is limited by applicable bond indentures.

| | |
|----------------------|----------------------|
| Debt service reserve | \$ 2,426,308 |
| Bond reserve | 12,930,729 |
| Total | <u>\$ 15,357,037</u> |

C. Leases

The Authority has entered into various lessor arrangements with tenants for the use of warehouses, terminal, offices and land at the port. For the purpose of the GASB 87 implementation, the Lessor leases have been categorized as follows:

- GASB 87 – Included Leases
- GASB 87 – Excluded - Regulated Leases
- GASB 87 – Excluded - Short-Term Leases

1. GASB 87 Leases – Included

The incremental borrowing rates ranging from 3.00% to 3.04% is used to discount the expected lease receipts to present value. As of September 30, 2023, lease receivable is \$43.5 million (\$3.6 million current assets; \$39.9 million non-current assets) relating to fifty-six (56) leases, with interest income of \$1.2 million related to the lease payments received and included in fees and charges for services on the statement of revenues, expenses and changes in net position.

As of September 30, 2023, deferred inflows are \$41.9 million, and recognized revenues are \$4.3 million.

Future payments included in the measurement of the lease receivable, as of September 30, 2023, are as follows:

| | Principal | Interest | Total |
|--------------------|----------------------|----------------------|----------------------|
| 2024 | \$ 3,649,108 | \$ 1,263,011 | \$ 4,912,119 |
| 2025 | 3,517,418 | 1,152,427 | 4,669,845 |
| 2026 | 3,225,301 | 1,054,218 | 4,279,519 |
| 2027 | 2,947,416 | 962,957 | 3,910,373 |
| 2028 | 2,795,687 | 882,821 | 3,678,508 |
| 2029 to 2033 | 11,764,435 | 3,174,840 | 14,939,275 |
| 2034 to 2038 | 3,032,791 | 2,288,478 | 5,321,269 |
| 2039 to 2043 | 1,907,706 | 1,968,466 | 3,876,172 |
| 2044 to 2048 | 1,837,685 | 1,734,322 | 3,572,007 |
| 2049 to Thereafter | 8,857,504 | 7,637,090 | 16,494,594 |
| Total | <u>\$ 43,535,051</u> | <u>\$ 22,118,630</u> | <u>\$ 65,653,681</u> |

Canaveral Port Authority

Notes to Financial Statements

Note 3. Detail Notes (Continued)

C. Leases (Continued)

2. GASB 87 Leases – Excluded – Regulated Leases and Short-Term Leases

In accordance with GASB 87, the Authority does not recognize a lease receivable and a deferred inflow of resources for regulated leases and short-term leases. Regulated leases are certain leases that are subject to external laws, regulations or legal rulings. For the Authority, the Federal Maritime Commission regulates leases between ports and ocean carriers and other users. The Authority includes commercial cargo and cruise agreements as regulated leases. Short-term leases are certain leases that, at the commencement of the lease term, have a maximum possible term under the lease contract of 12 months (or less) including any options to extend. For the regulated agreements for fiscal year 2023, the total amount of inflows of resources was \$129,039,181 which includes minimum payments of \$40,451,929 and variable payments of \$88,587,252.

Future minimum payments for regulated leases and short-term leases are as follows:

Years Ending September 30:

| | | |
|--------------|----|----------------------|
| 2024 | \$ | 54,456,528 |
| 2025 | | 57,648,692 |
| 2026 | | 64,791,493 |
| 2027 | | 61,586,551 |
| 2028 | | 61,744,886 |
| 2029 to 2033 | | 263,545,000 |
| 2034 to 2038 | | 267,135,206 |
| 2039 to 2043 | | 209,856,107 |
| 2044 to 2048 | | 26,436,278 |
| 2049 to 2053 | | 15,339,422 |
| 2054 to 2058 | | 13,008,164 |
| Total | \$ | <u>1,095,548,327</u> |

Canaveral Port Authority

Notes to Financial Statements

Note 3. Detail Notes (Continued)

D. Capital Assets

Capital asset activity for the year ended September 30, was as follows:

| | Balance October 1, 2022 | Increases | Decreases | Balance September 30, 2023 |
|--|----------------------------|---------------|-----------------|-------------------------------|
| Capital assets, not being depreciated/amortized: | | | | |
| Land | \$ 5,470,630 | \$ - | \$ - | \$ 5,470,630 |
| Construction in progress | 41,869,961 | 55,086,210 | (53,765,422) | 43,190,749 |
| Total capital assets, not being depreciated/amortized | 47,340,591 | 55,086,210 | (53,765,422) | 48,661,379 |
| Capital assets, being depreciated/amortized: | | | | |
| Buildings | 278,534,716 | 3,069,029 | - | 281,603,745 |
| Improvements other than buildings | 716,926,672 | 47,381,520 | (22,692) | 764,285,500 |
| Equipment | 122,602,876 | 2,503,965 | (959,735) | 124,147,106 |
| Intangible assets | 16,164,743 | 810,908 | - | 16,975,651 |
| Total capital assets being depreciated/amortized | 1,134,229,007 | 53,765,422 | (982,427) | 1,187,012,002 |
| Less accumulated depreciation/amortization for: | | | | |
| Buildings | (85,471,567) | (14,145,183) | - | (99,616,750) |
| Improvements other than buildings | (324,769,785) | (24,292,645) | 21,282 | (349,041,148) |
| Equipment | (86,209,908) | (8,949,447) | 951,223 | (94,208,132) |
| Intangible assets | (15,507,672) | (467,526) | - | (15,975,198) |
| Total accumulated depreciation/amortization | (511,958,932) | (47,854,801) | 972,505 | (558,841,228) |
| Total capital assets, being depreciated/ amortized, net | 622,270,075 | 5,910,621 | (9,922) | 628,170,774 |
| Capital assets, net | \$ 669,610,666 | \$ 60,996,831 | \$ (53,775,344) | \$ 676,832,153 |

Intangible assets include computer software, a trademark, risk and port master plan.

E. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses are comprised of the following as of September 30:

| | |
|---------------------------------------|----------------------|
| Accounts and contracts payable | \$ 19,477,463 |
| Retainage payable | 677,497 |
| Accrued payroll and employee benefits | 1,995,456 |
| | <u>\$ 22,150,416</u> |

F. Other Liabilities

As required by GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, the Authority recognizes certain remediation obligations in its financial statements. The Authority's staff, working in conjunction with outside environmental specialists, developed detailed plans and cost estimates for the pollution remediation. The total estimated and recorded liabilities for the remediation on September 30, 2023, are \$637,156. Such amounts are recorded as a component of accounts payable as accrued expenses in the statement of net position.

Canaveral Port Authority

Notes to Financial Statements

Note 3. Detail Notes (Continued)

G. Revenue Bonds and Direct Borrowing Bonds.

Revenue bonds are bonds that are offered for public sale. Direct borrowing bonds are bonds negotiated between the Authority and a bank. The revenue bonds are secured by and payable from the gross operating revenues of the Authority. The proceeds of these issues were used for capital improvements and refunding certain outstanding issues of the Authority.

The resolutions applicable to the revenue bonds require the establishment of various bond principal and interest sinking funds and reserve accounts with various requirements for deposits. These requirements have been met for the fiscal year ended September 30, 2023. Premiums associated with bonds are amortized on a straight-line basis, which approximates the effective interest method, over the term of the debt issue.

The direct placement debt includes an event of default with finance-related consequences. An event of default is considered to occur if the Authority fails to make debt service payments on the direct placement debt, or defaults on other Authority debt obligations. In the event of default, the direct placement debt includes a default rate of interest that will increase by 6% - 8% points in excess of the prime rate as defined in the bond documents.

A summary of long-term debt on September 30, is as follows:

| | <u>2023</u> |
|--|-----------------------|
| <u>Revenue Bonds</u> | |
| Port Improvement and Refunding Revenue Bonds, Series 2016C | \$ 33,065,000 |
| Port Improvement Revenue Bonds, Series 2016D | 27,145,000 |
| Port Improvement Revenue Bonds, Series 2018A | 44,995,000 |
| Port Improvement Revenue Bonds, Series 2018B | 30,000,000 |
| Subtotal revenue bonds | <u>\$ 135,205,000</u> |
| <u>Direct Borrowing Bonds</u> | |
| Port Revenue Refunding Bonds, Series 2016A | \$ 19,820,000 |
| Port Revenue Refunding Bonds, Series 2016B | 34,350,000 |
| Port Improvement Revenue Bonds, Series 2018C | 33,030,000 |
| Port Revenue Refunding Bonds, Series 2019A | 5,828,000 |
| Port Revenue Refunding Bonds, Series 2019B | 10,038,000 |
| Port Revenue Refunding Bonds, Series 2019C | 50,775,000 |
| Port Revenue Refunding Bonds, Series 2019D | 31,260,000 |
| Port Improvement Revenue Bonds, Series 2020A | 32,290,000 |
| | <u>\$ 217,391,000</u> |
| Total revenue and direct borrowing bonds | 352,596,000 |
| Plus: unamortized premiums | 4,999,980 |
| Less: current maturities | (16,910,000) |
| Revenue bonds and direct borrowing bonds, less current portion | <u>\$ 340,685,980</u> |

Canaveral Port Authority

Notes to Financial Statements

Note 3. Detail Notes (Continued)

G. Revenue Bonds and Direct Borrowing Bonds (Continued)

PORT REVENUE REFUNDING BONDS, SERIES 2016A

On May 26, 2016, the Authority issued Port Revenue Refunding Bonds, Series 2016A (Series 2016A), in the principal amount of \$24,070,000: (i) to finance various cruise terminal improvements and other capital improvements and other capital investments previously financed using short-term funds, and (ii) to pay bond issuance costs. Gross revenues are pledged for repayment of these bonds.

The Series 2016A bonds bear interest at a fixed rate of 2.35% per annum, payable semiannually on June 1 and December 1. Principal is due annually beginning with a June 1, 2022, amount of \$2,100,000, and a final payment of \$2,695,000 in 2031.

PORT REVENUE REFUNDING BONDS, SERIES 2016B

On August 25, 2016, the Authority issued Port Revenue Refunding Bonds, Series 2016B (Series 2016B), in the principal amount of \$38,000,000: (i) to finance various cruise terminal improvements and other capital investments, a portion of which may have been previously financed using short-term funds, and (ii) to pay bond issuance costs. Gross revenues are pledged for repayment of these bonds.

The Series 2016B bonds bear interest at a fixed rate of 2.19% per annum, payable semiannually on June 1 and December 1. Principal is due annually beginning with June 1, 2022, an amount of \$1,775,000, and a final payment of \$5,040,000 in 2031.

PORT IMPROVEMENT AND REVENUE REFUNDING BONDS, SERIES 2016C

On November 15, 2016, the Authority issued Port Improvement and Revenue Refunding Bonds, Series 2016C (Series 2016C), in the principal amount of \$37,450,000: (i) to refund the Authority's \$16,915,000 Port Revenue Refunding Bonds, Series 2006A, in which the outstanding amount was \$9,760,000 and was redeemed on December 20, 2016, (ii) to currently refund all of the Authority's Port Revenue Bonds Series 2006B in the amount of \$1,330,000, (iii) to finance various cruise terminal improvements and a centralized maintenance and processing warehouse and (iv) to pay bond issuance costs. Gross revenues are pledged for repayment of these bonds.

The Series 2016C bonds bear interest at rates ranging from 3.00% to 5.00% per annum, payable semiannually on June 1 and December 1. Principal is due annually beginning with a June 1, 2017, amount of \$315,000, and a final payment of \$2,650,000 in 2046.

The Series 2016C bonds are subject to redemption prior to their respective dates of maturity, at any time, on or after June 1, 2026, at the option of the Authority, in whole or in part, at redemption price equal to 100% of the principal amount of the Series 2016C bonds to be redeemed, plus accrued interest to the redemption date.

Canaveral Port Authority

Notes to Financial Statements

Note 3. Detail Notes (Continued)

G. Revenue Bonds and Direct Borrowing Bonds (Continued)

PORT IMPROVEMENT REVENUE BONDS, SERIES 2016D

On November 15, 2016, the Authority issued Port Improvement Revenue Bonds, Series 2016D (Series 2016D), in the principal amount of \$27,145,000: (i) to finance an auto processing facility and vehicle staging area with roadway improvements, and (ii) to pay bond issuance costs. Gross revenues are pledged for repayment of these bonds.

The Series 2016D bonds bear interest at rates ranging from 4.494% to 4.654% per annum, payable semiannually on June 1 and December 1. Principal is due annually beginning with a June 1, 2032, amount of \$1,300,000, and a final payment of \$2,440,000 in 2046.

The Series 2016D bonds are subject to redemption prior to their respective dates of maturity, at any time, on or after June 1, 2026, at the option of the Authority, in whole or in part, at redemption price equal to 100% of the principal amount of the Series 2016D bonds to be redeemed, plus accrued interest to the redemption date.

PORT IMPROVEMENT REVENUE BONDS, SERIES 2018A

On December 13, 2018, the Authority issued Port Improvement Revenue Bonds, Series 2018A (Series 2018A), in the principal amount of \$44,995,000: (i) to finance the construction of a cruise terminal (the 2018 Project – Cruise Terminal), and (ii) to pay bond issuance costs. Gross revenues are pledged for repayment of these bonds.

The Series 2018A bonds bear interest at a rate of 5% per annum, payable semiannually on June 1 and December 1. Principal is due annually beginning with June 1, 2039, an amount of \$5,965,000, and a final payment of \$4,440,000 in 2045.

The Series 2018A bonds are subject to redemption prior to their respective dates of maturity, at any time, on or after June 1, 2028, at the option of the Authority, in whole or in part, at redemption price equal to 100% of the principal amount of the Series 2018A bonds to be redeemed, plus accrued interest to the redemption date.

PORT IMPROVEMENT REVENUE BONDS, SERIES 2018B

On December 13, 2018, the Authority issued Port Improvement Revenue Bonds, Series 2018B (Series 2018B), in the principal amount of \$30,000,000: (i) to finance the construction of a parking garage (the 2018 Project – Parking Garage), and (ii) to pay bond issuance costs. Gross revenues are pledged for repayment of these bonds.

The Series 2018B bonds bear interest at a rate of 5% per annum, payable semiannually on June 1 and December 1. Principal is due annually beginning with June 1, 2045, an amount of \$3,550,000, and a final payment of \$9,250,000 in 2048.

The Series 2018B bonds are subject to redemption prior to their respective dates of maturity, at any time, on or after June 1, 2028, at the option of the Authority, in whole or in part, at redemption price equal to 100% of the principal amount of the Series 2018B bonds to be redeemed, plus accrued interest to the redemption date.

Canaveral Port Authority

Notes to Financial Statements

Note 3. Detail Notes (Continued)

H. Revenue Bonds and Direct Borrowing Bonds (Continued)

PORT IMPROVEMENT REVENUE BONDS, SERIES 2018C

On December 21, 2018, the Authority issued Port Improvement Revenue Bonds, Series 2018C (Series 2018C), in the principal amount of \$37,000,000: (i) to finance the construction of a cruise terminal (the 2018 Project – Cruise Terminal), and (ii) to pay bond issuance costs. Gross revenues are pledged for repayment of these bonds.

The Series 2018C bonds bear interest at a rate of 3.41% per annum, payable semiannually on June 1 and December 1. Principal is due annually beginning with June 1, 2020, an amount of \$945,000, and a final payment of \$4,970,000 in 2038.

The Series 2018C bonds are subject to redemption prior to their respective dates of maturity, at any time, on or after December 1, 2028, at the option of the Authority, in whole or in part, at redemption price equal to 100% of the principal amount of the Series 2018C bonds to be redeemed, plus accrued interest to the redemption date.

PORT REVENUE REFUNDING BONDS, SERIES 2019A

On December 3, 2019, the Authority issued Port Revenue Refunding Bonds, Series 2019A (Series 2019A), in the principal amount of \$10,106,000: (i) to refund the Port Improvement Revenue Bonds, Series 2013 in which the outstanding amount was \$10,084,000, and (ii) to pay bond issuance costs. Gross revenues are pledged for repayment of these bonds. The refunding reduces the Authority's aggregate debt service payments by \$665,801, resulting in a present value savings of \$574,787.

The Series 2019A bonds bear interest at a fixed rate of 1.76% per annum, payable semi-annually on June 1 and December 1. Principal is due semi-annually beginning with June 1, 2020, an amount of \$1,019,000, and a final payment of \$603,000 in 2028.

PORT REVENUE REFUNDING BONDS, SERIES 2019B

On December 3, 2019, the Authority issued Port Revenue Refunding Bonds, Series 2019B (Series 2019B), in the principal amount of \$32,404,000: (i) to refund the Port Improvement Revenue Bonds, Series 2010 in which the outstanding amount was \$14,513,849, (ii) to refund the Port Improvement Revenue Bonds, Series 2013A in which the outstanding amount was \$17,829,000, and (iii) to pay bond issuance costs. Gross revenues are pledged for repayment of these bonds. The refunding reduces the system's aggregate debt service payments by \$1,665,351, resulting in a present value savings of \$1,416,788.

The Series 2019B bonds bear interest at a fixed rate of 1.73% per annum, payable semi-annually on June 1 and December 1. Principal is due semi-annually beginning with a June 1, 2020, amount of \$5,337,000, and a final payment of \$1,039,000 in 2028.

Canaveral Port Authority

Notes to Financial Statements

Note 3. Detail Notes (Continued)

G. Revenue Bonds and Direct Borrowing Bonds (Continued)

PORT REVENUE REFUNDING BONDS, SERIES 2019C

On December 3, 2019, the Authority issued Port Revenue Refunding Bonds, Series 2019C (Series 2019C), in the principal amount of \$56,947,000: (i) to refund \$56,843,500 of the Port Improvement Revenue Bonds, Series 2014, and (ii) to pay bond issuance costs. Gross revenues are pledged for repayment of these bonds. The refunding reduces the Authority's aggregate debt service payments by \$8,326,022, resulting in a present value savings of \$7,271,603.

The Series 2019C bonds bear interest at a fixed rate of 1.87% per annum, payable semi-annually on June 1 and December 1. Principal is due semi-annually beginning with a June 1, 2020, amount of \$1,082,000, and a final payment of \$3,066,000 in 2034.

The Series 2019C bonds are subject to redemption prior to their respective dates of maturity, at any time, on or after December 1, 2029, at the option of the Authority, in whole or in part, at redemption price equal to 100% of the principal amount of the Series 2019C bonds to be redeemed, plus accrued interest to the redemption date.

PORT REVENUE REFUNDING BONDS, SERIES 2019D

On December 3, 2019, the Authority issued Port Revenue Refunding Bonds, Series 2019D (Series 2019D), in the principal amount of \$35,047,000: (i) to refund \$34,980,707 of the Port Improvement Revenue Bonds, Series 2014, and (ii) to pay bond issuance costs. Gross revenues are pledged for repayment of these bonds. The refunding reduces the Authority's aggregate debt service payments by \$5,038,911, resulting in a present value savings of \$4,400,523.

The Series 2019D bonds bear interest at a fixed rate of 1.89% per annum, payable semi-annually on June 1 and December 1. Principal is due semi-annually beginning with a June 1, 2020, amount of \$657,000, and a final payment of \$1,874,000 in 2034.

The Series 2019D bonds are subject to redemption prior to their respective dates of maturity, at any time, on or after December 1, 2029, at the option of the Authority, in whole or in part, at redemption price equal to 100% of the principal amount of the Series 2019D bonds to be redeemed, plus accrued interest to the redemption date.

PORT IMPROVEMENT REVENUE BONDS, SERIES 2020A

On March 11, 2020, the Authority issued Port Improvement Revenue Bonds, Series 2020A (Series 2020A), in the principal amount of \$36,000,000 to finance the construction of cruise terminal improvements. Gross revenues are pledged for repayment of these bonds.

The Series 2020A bonds bear interest at a fixed rate of 2.47% per annum, payable semi-annually on June 1 and December 1. Principal is due semi-annually beginning with a June 1, 2021, amount of \$725,000, and a final payment of \$1,155,000 in 2040.

The Series 2020A bonds are subject to redemption prior to their respective dates of maturity, at any time, on or after March 11, 2025, at the option of the Authority, in whole or in part, at redemption price equal to 100% of the principal amount of the Series 2020A bonds to be redeemed, plus accrued interest to the redemption date.

Canaveral Port Authority

Notes to Financial Statements

Note 3. Detail Notes (Continued)

G. Revenue Bonds and Direct Borrowing Bonds (Continued)

FUTURE MATURITIES

Future maturities requirements for all outstanding revenue bonds payable, as of September 30, 2023, are as follows:

| | Revenue Bonds | | Direct Borrowing Bonds | | Total |
|--------------|-----------------------|-----------------------|------------------------|----------------------|-----------------------|
| | Principal | Interest | Principal | Interest | |
| 2024 | \$ 745,000 | \$ 6,317,715 | \$ 16,165,000 | \$ 4,912,647 | 28,140,362 |
| 2025 | 780,000 | 6,280,465 | 16,516,000 | 4,565,656 | 28,142,121 |
| 2026 | 825,000 | 6,241,465 | 16,869,000 | 4,210,882 | 28,146,347 |
| 2027 | - | 6,200,215 | 18,344,000 | 3,848,204 | 28,392,419 |
| 2028 | - | 6,200,215 | 18,760,000 | 3,453,072 | 28,413,287 |
| 2029 to 2033 | 5,830,000 | 30,891,952 | 85,492,000 | 11,079,360 | 133,293,312 |
| 2034 to 2038 | 16,750,000 | 28,550,783 | 40,710,000 | 3,754,918 | 89,765,701 |
| 2039 to 2043 | 53,580,000 | 21,513,713 | 4,535,000 | 140,852 | 79,769,565 |
| 2044 to 2048 | 56,695,000 | 7,793,601 | - | - | 64,488,601 |
| | <u>\$ 135,205,000</u> | <u>\$ 119,990,124</u> | <u>\$ 217,391,000</u> | <u>\$ 35,965,591</u> | <u>\$ 508,551,715</u> |

The pledged revenue recognized during FY23 was \$191,799,655. The amount of the pledge is equal to the remaining principal and interest payments. The bonds may be redeemed at the option of the Authority.

H. Lines of Credit

PNC Bank

As of September 30, 2023, the Authority has an agreement with PNC Bank for a line of credit not to exceed \$30,000,000 with a maturity date of December 15, 2025. This line of credit is used to provide bridge financing for capital projects. The taxable interest rate is the one-month term Secured Overnight Financing Rate (SOFR) plus 0.63%. The tax-exempt rate is 79% of one-month term SOFR, plus 0.56%. The line of credit balance on September 30, 2023, was \$16,000,000.

Truist Bank

As of September 30, 2023, the Authority has an agreement with Truist Bank for a line of credit not to exceed \$20,000,000 with a maturity date of October 8, 2024. This line of credit is used to provide bridge financing for capital projects. The taxable interest rate is the one-month term SOFR plus 0.65%. The line of credit balance on September 30, 2023, was \$5,000,000.

Canaveral Port Authority

Notes to Financial Statements

Note 3. Detail Notes (Continued)

I. Changes in Long-Term Liabilities

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

| | Balance October 1, 2022 | Additions | Reductions | Balance September 30, 2023 | Due Within One Year |
|---------------------------|----------------------------|----------------------|------------------------|-------------------------------|------------------------|
| Revenue bonds | \$ 135,915,000 | \$ - | \$ (710,000) | \$ 135,205,000 | \$ 745,000 |
| Direct borrowing bonds | 233,226,000 | - | (15,835,000) | 217,391,000 | 16,165,000 |
| Unamortized bond premiums | 5,242,962 | - | (242,983) | 4,999,979 | - |
| Lines of credit | 24,000,000 | 5,000,000 | (8,000,000) | 21,000,000 | - |
| Compensated absences | 1,456,933 | 1,672,476 | (1,456,933) | 1,672,476 | 787 |
| Other liabilities | 2,788,447 | 4,410,508 | - | 7,198,955 | 4,977,967 |
| Long-term liabilities | <u>\$ 402,629,342</u> | <u>\$ 11,082,984</u> | <u>\$ (26,244,916)</u> | <u>\$ 387,467,410</u> | <u>\$ 21,888,754</u> |

J. Restricted Net Position

The following schedule lists the amounts of net position that are restricted as of September 30, in accordance with the provisions of the respective bond indentures. These amounts represent restricted assets less certain current liabilities payable from restricted assets included in the various debt service, reserve, bond and interest sinking fund accounts.

| | |
|---------------------------------|----------------------|
| Bond Reserve | |
| Series 2016C | \$ 3,034,923 |
| Series 2016D | 2,199,813 |
| Series 2018A | 4,928,848 |
| Series 2018B | 2,767,145 |
| Total debt service restrictions | <u>\$ 12,930,729</u> |

K. Defined Contribution Plan

Effective January 1, 1996, the Authority adopted Resolution 96-12, pursuant to 95-338 Laws of Florida, whereby the Authority revoked its participation in the Florida Retirement System and established the Canaveral Port Authority Defined Contribution Plan and Trust (the Plan) for employees hired after January 1, 1996.

The Plan is administered by the Authority as a Qualified Retirement Plan as defined by Section 401 (a) of the Internal Revenue Code. Plan provisions and contribution requirements are established and may be amended by the Board. The Authority contributes 10.77% of the employees' eligible compensation to the Plan; employee contributions to the Plan are not permitted. The amount of covered payroll by the Plan for the year ended September 30, 2023 was \$17,035,950. The amount of retirement expense related to the Plan for the year ended September 30, 2023 was \$1,882,875.

Canaveral Port Authority

Notes to Financial Statements

Note 3. Detail Notes (Continued)

L. Other Post-Employment Benefits

(a) Description of OPEB Plans

Plan description: The Authority administers a single employer defined benefit healthcare plan (the Healthcare Plan) that provides health care benefits, including medical coverage and prescription drug benefits, to its employees and their eligible dependents. Pursuant to Section 112.0801 Florida Statutes, the Authority is required to provide eligible retirees (as defined in the Authority's ordinances) the opportunity to participate in this Healthcare Plan at the same cost that is applicable to active employees.

Employees who are active participants in the Healthcare Plan at the time of retirement and are either aged 62 with completion of six years of service or have 30 years of service are eligible to receive benefits. Below is a summary of the Healthcare Plan's membership as of September 30:

Plan Membership

| | |
|------------------------------|------------|
| Active | 172 |
| Inactive, receiving benefits | 1 |
| Total membership | <u>173</u> |

The Board can only amend benefit provisions. The Board approves the Authority's annual budget and, therefore, indirectly approves the annual costs associated with the Healthcare Plan. The Authority has not established a trust fund for the Healthcare Plan and there are no assets accumulated in a trust. The Authority does not issue standalone financial statements for the Healthcare Plan. All financial information related to the Healthcare Plan is accounted for in the Authority's basic financial statements.

For the year ended September 30, 2023, the amount of benefits paid by the Authority for the Healthcare Plan was \$38,070.

(b) Measurement of Total OPEB Liability

The Authority's total OPEB liability for the Healthcare Plan was determined using the following measurement dates and actuarial assumptions as of September 30:

| | |
|----------------------------|---|
| Measurement date | 09/30/2022 |
| Actuarial valuation date | 10/01/2021 |
| Healthcare cost trend rate | 7.0% for 2023 graded down by 0.5% per year to 5.0% in 2026/27 |
| Discount rate | 4.77% |
| Mortality tables used | PUB-2010 Combined Mortality Table with fully generational improvements in mortality using Scale MP-2020 |

Canaveral Port Authority

Notes to Financial Statements

Note 3. Detail Notes (Continued)

L. Other Post-Employment Benefits (Continued)

Multiple healthcare cost trend rate assumptions were used for different benefit components and participant groups (pre-65 and post-65 age groups). The current rates used to calculate the total OPEB liability as of September 30, 2023, are as follows:

| Year | |
|---------------|------|
| 2022 to 2023 | 7.0% |
| 2023 to 2024 | 6.5% |
| 2024 to 2025 | 6.0% |
| 2025 to 2026 | 5.5% |
| 2026 to 2027+ | 5.0% |

As of the measurement date, September 30, 2023, the Authority did not have any assets accumulated in a trust that was dedicated to providing benefits to Healthcare Plan members.

(c) Changes in Total OPEB Liability

Changes in the Healthcare Plan total OPEB liability for the fiscal year ended September 30, based on the measurement date, are as follows:

| | |
|----------------------------|---------------------|
| Balance, beginning of year | \$ 1,512,130 |
| Changes for the year: | |
| Service cost | 142,621 |
| Expected interest growth | 78,034 |
| Demographic experience | 35,142 |
| Assumption changes | (469,559) |
| Benefit payments | (38,070) |
| Net change | (251,832) |
| Balance, end of year | <u>\$ 1,260,298</u> |

(d) OPEB Expense

For the year ended September 30, 2023, the amount of OPEB expense recognized by the Authority was \$13,745.

Canaveral Port Authority

Notes to Financial Statements

Note 3. Detail Notes (Continued)

L. Other Post-Employment Benefits (Continued)

(e) OPEB Deferred Outflows and Inflows of Resources

Changes in the OPEB deferred outflows and inflows of resources for the fiscal year ended September 30, 2023 are as follows:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|-----------------------|-----------------------------------|----------------------------------|
| Demographic gain/loss | \$ 137,636 | \$ 459,082 |
| Assumption changes | 291,296 | 1,070,052 |
| Total | <u>\$ 428,932</u> | <u>\$ 1,529,134</u> |

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in pension expense as follows:

| Years Ending September 30: | Deferred Outflows (Inflows) |
|----------------------------|--------------------------------|
| 2024 | \$ (146,694) |
| 2025 | (146,694) |
| 2026 | (146,694) |
| 2027 | (146,694) |
| 2028 | (146,694) |
| Thereafter | (366,732) |
| | <u>\$ (1,100,202)</u> |

(f) Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate and Discount Rate

i) Healthcare Cost Trend Sensitivity

The following presents the total OPEB liability for the Healthcare Plan, calculated using healthcare cost trend rates as of September 30, 2023 as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current rates, as of the Healthcare Plan's measurement date:

| | Discount Rate | Total and Net OPEB Liability | | |
|--------------------------|---------------|------------------------------|---------------------|---------------------|
| | | 1% Decrease | Current Rate | 1% Increase |
| As of September 30, 2023 | 7.00% | <u>\$ 1,106,750</u> | <u>\$ 1,260,298</u> | <u>\$ 1,445,508</u> |

Canaveral Port Authority

Notes to Financial Statements

Note 3. Detail Notes (Continued)

L. Other Post-Employment Benefits (Continued)

ii) Discount Rate Sensitivity

The discount rate was based on the return on the S&P Municipal Bond 20-year High Index as of the measurement date.

| | Discount Rate | Total and Net OPEB Liability | | |
|--------------------------|---------------|------------------------------|--------------|--------------|
| | | 1% Decrease | Current Rate | 1% Increase |
| As of September 30, 2023 | 4.77% | \$ 1,393,696 | \$ 1,260,298 | \$ 1,145,099 |

M. Major Customers

Gross revenues from the top three companies totaled \$39,688,124, \$35,901,232 and \$19,847,691 in 2023, respectively. The top three are cruise companies. On September 30, 2023, the outstanding trade accounts receivable balances of these three companies amounted to \$3,215,090, \$4,397,785 and \$1,521,935, respectively.

N. Risk Management

The Authority purchases commercial insurance to cover the risk of loss for general liability, property and casualty, comprehensive crime and flood and fire.

The Authority is exposed to various risks and losses related to alleged torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority manages the exposure to these risks through the purchase of commercial insurance.

In the past three years, there have been no claims that have exceeded the Authority's insurance coverage.

O. Concentration – Collective Bargaining Unit

Substantially all the Authority's non-management public safety, parking operations, enforcement, support, maintenance, supply, and safety employees are covered by a collective bargaining agreement, which is in effect through September 30, 2024.

P. Capital Contributions

For the year ended September 30, 2023, the Authority recognized capital contributions of \$30,442,555, composed primarily of federal and state grants used for various capital projects.

Canaveral Port Authority

Notes to Financial Statements

Note 4. Commitments and Contingencies

A. Construction

Commitments for the repair, modification, improvements, materials and new construction of Authority owned property at September 30, 2023, totaled \$121,595,938.

B. Litigation

The Authority is named as a defendant in various other lawsuits. The outcome of the lawsuits is not determinable currently. It is the opinion of management and of the Authority's legal counsel that the resolution of these matters will not have a material adverse effect on the financial condition of the Authority.

C. Grants Programs

The Authority participates in federal, and state assisted grant programs that are subject to review and audit by the grantor agencies. Entitlement to these resources is conditional upon compliance with the terms and conditions of the grant agreements and applicable federal and state regulations. Any disallowance resulting from a regulatory audit may become a liability to the Authority. Assessments from such audits, if any, are recorded when the amounts of such assessments become reasonably determinable.

Note 5. Future Accounting Pronouncements

The GASB has issued statements that will become effective in future years. The statements address:

- GASB Statement No. 100, *Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62* was issued in June 2022 and will be effective for the Authority in fiscal year 2024. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. Management does not expect a material impact of adopting this standard on the Authority's financial statements.
- GASB Statement No. 101, *Compensated Absences* was issued in June 2022 and will be effective for the Authority in fiscal year 2025. The objective of this Statement is to better meet the information needs of financial statement users by the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Management will evaluate the impact of this standard to the Authority's financial statements.
- GASB Statement No. 102, *Certain Risk Disclosures* was issued in December 2023 and will be effective for the Authority in fiscal year 2025. The objective of this Statement is to better meet the information needs of financial statement users by providing enhanced disclosure about risks related to a government's vulnerabilities due to certain concentrations or constraints. Management will evaluate the impact of this standard to the Authority's financial statements.

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

Canaveral Port Authority

**Schedule of Changes in Total OPEB Liability (Unaudited)
Last Ten Fiscal Years***

| <i>Years Ended September 30,</i> | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Total OPEB Liability | | | | | | |
| Service cost | \$ 142,621 | \$ 180,797 | \$ 352,677 | \$ 178,370 | \$ 201,759 | \$ 248,419 |
| Interest | 78,034 | 61,112 | 39,680 | 63,761 | 63,691 | 51,675 |
| Demographic experience | 35,142 | (506,672) | 136,185 | (30,559) | (311,536) | - |
| Assumption changes | (469,559) | (541,844) | 345,945 | (260,426) | 155,090 | - |
| Benefit payments | (38,070) | (30,584) | (53,126) | (51,263) | (57,314) | (35,371) |
| Net change in total OPEB liability | (251,832) | (837,191) | 821,361 | (100,117) | 51,690 | 264,723 |
| Total OPEB liability – beginning | 1,512,130 | 2,349,321 | 1,527,960 | 1,628,077 | 1,576,387 | 1,311,664 |
| Total OPEB liability – ending | \$ 1,260,298 | \$ 1,512,130 | \$ 2,349,321 | \$ 1,527,960 | \$ 1,628,077 | \$ 1,576,387 |
| Covered employee payroll | 12,457,811 | 11,037,937 | 13,069,476 | 11,304,940 | 11,120,726 | 10,025,200 |
| Total OPEB liability as a percentage of covered employee payroll | 10.12% | 13.70% | 17.98% | 13.52% | 14.64% | 15.72% |

*Data reported for fiscal years above is based on the Authority's Healthcare Plan's measurement dates of September 30. Changes in the total OPEB liability for the fiscal years prior to 2018 were not available and accordingly, not included in the schedule. There are no assets accumulated in a trust to pay related benefits for the OPEB plan.

SUPPLEMENTARY INFORMATION

Canaveral Port Authority

**Schedule of Expenditures of Federal Awards and State Financial Assistance
Fiscal Year Ended September 30, 2023**

| Federal Grantor/Pass-Through Grantor/ Program or Cluster Title | ALN Number | Contract Number | Pass-Through Entity Identifying Number | Total Federal Expenditures |
|--|---------------|-----------------------|---|-------------------------------|
| U.S. Department of Homeland Security | | | | |
| Port Security Grant Program | 97.056 | EMW-2022-PU-00191-S01 | | \$ 544 |
| Port Security Grant Program | 97.056 | EMW-2021-PU-00248-S01 | | 274,905 |
| Port Security Grant Program | 97.056 | EMW-2020-PU-00453-S01 | | 22,748 |
| Total Port Security Grant Program | | | | <u>298,197</u> |
| Passed through State of Florida Division of Emergency Management: | | | | |
| Disaster Grants - Public Assistance (Presidentially Declared Disasters) | 97.036 | PA-B3-06-15-09-552 | PA-B3-06-15-09-552 | 558,977 |
| Disaster Grants - Public Assistance (Presidentially Declared Disasters) | 97.036 | PA-009-U644L-00 | PA-009-U644L-00 | 449,040 |
| Total Disaster Grants - Public Assistance (Presidentially Declared Disasters) | | | | <u>1,008,017</u> |
| Total U.S. Department of Homeland Security | | | | <u>1,306,214</u> |
| U.S. Department of Treasury | | | | |
| Passed through State of Florida Department of Transportation | | | | |
| COVID-19: Coronavirus State and Local Fiscal Recovery Funds | 21.027 | G1Z80/449498-1-84-01 | G1Z80/449498-1-84-01 | 13,658,795 |
| Total U.S. Department of Treasury and COVID-19: Coronavirus State and Local Fiscal Recovery Funds | | | | <u>13,658,795</u> |
| U.S. Department of Transportation | | | | |
| Port Infrastructure Development Program | 20.823 | 693JF72040022 | | 4,337,357 |
| Total National Infrastructure Investments and U.S. Department of Transportation | | | | <u>4,337,357</u> |
| Total Expenditures of Federal Awards | | | | <u>\$ 19,302,366</u> |

(continued)

Canaveral Port Authority

Schedule of Expenditures of Federal Awards and State Financial Assistance
 Fiscal Year Ended September 30, 2023

| State Grantor/Pass-Through Grantor/Project Title | CSFA Number | Contract Number | Total State Expenditures |
|--|----------------|----------------------|-----------------------------|
| State of Florida Department of Transportation | | | |
| Seaport Grant Programs | 55.005 | G2G06/440323-1-94-04 | \$ 9,325,710 |
| Seaport Grant Programs | 55.005 | G1C70/440323-1-94-03 | 11,065,122 |
| Seaport Grant Programs | 55.005 | G1I76/412652-2-94-02 | 288,228 |
| Seaport Grant Programs | 55.005 | G1P26/440323-2-A8-01 | 3,200,000 |
| Seaport Grant Programs | 55.005 | G2B55/40323-1-94-05 | 2,226,139 |
| Total Port Security Grant Program and State of Florida Department of Transportation | | | 26,105,199 |
| State of Florida Department of Environmental Protection | | | |
| Beach Management Funding Assistance Program | 37.003 | 20BE1 | 56,193 |
| Total Beach Management Funding Assistance Program and State of Florida Department of Environmental Protection | | | 56,193 |
| Total Expenditures of State Financial Assistance | | | \$ 26,161,392 |
| Total Expenditures of Federal Awards and State Financial Assistance | | | \$ 45,463,758 |

See accompanying notes to the Schedule of Federal Expenditures and State Financial Assistance

Canaveral Port Authority

Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards and state financial assistance (the Schedule) includes the federal and state grant activity of the Canaveral Port Authority (the Authority), under programs of the federal and state government for the year ended September 30, 2023. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.650 *Rules of the Auditor General*. Because the Schedule presents only a selected portion of the operations of the Authority, they are not intended to and do not present the financial position, changes in net position, or cash flows of the Authority.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and Chapter 10.650, *Rules of the Auditor General*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3. Indirect Cost Rate

The Authority has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

Note 4. Subrecipients

The Authority did not make sub-awards of federal awards or state financial assistance during the year ended September 30, 2023.



STATISTICAL SECTION

STATISTICAL SECTION
(unaudited)

CANAVERAL PORT AUTHORITY

Statistical Section Narrative

This section of the Authority's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and supplementary information says about the Authority's overall financial position. This information has not been audited.

| | PAGE |
|----------------------------|--------------|
| A. FINANCIAL TRENDS | 41-50 |

These schedules contain trend information to help the reader understand how the Authority's financial performance and well-being has changed over time. The Authority engages in business-type activities and presents revenues by major source and distinguishes between operating and non-operating revenues and expenses.

| | |
|----------------------------|--------------|
| B. REVENUE CAPACITY | 51-56 |
|----------------------------|--------------|

These schedules contain information to help the reader assess the Authority's most significant revenue sources: cargo and cruise revenue.

| | |
|-------------------------|--------------|
| C. DEBT CAPACITY | 57-59 |
|-------------------------|--------------|

These schedules present information that assists the reader in analyzing the affordability of the Authority's current levels of outstanding debt and the Authority's ability to issue additional debt in the future. Details regarding the Authority's outstanding debt can be found in the notes to the financial statements.

| | |
|--|--------------|
| D. DEMOGRAPHIC AND ECONOMIC INFORMATION | 60-62 |
|--|--------------|

These schedules offer demographic and economic indicators that are commonly used for financial analysis and that can enhance one's understanding of the Authority's present and ongoing financial status.

| | |
|---------------------------------|--------------|
| E. OPERATING INFORMATION | 63-68 |
|---------------------------------|--------------|

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

Source: Unless otherwise noted, the information in these schedules is derived from the annual financial reports for the relevant year.

Canaveral Port Authority

Net Position (in thousands)

Fiscal Years ended September 30, 2014 through 2023

| Fiscal Year | Net Investment in Capital Assets | Restricted for Debt Service | Unrestricted | Total |
|------------------|--|-----------------------------------|--------------|------------|
| 2014 * | \$ 245,995 | \$ 4,566 | \$ 46,838 | \$ 297,399 |
| 2015 ** | 301,897 | 1,825 | 23,161 | 326,883 |
| 2016 | 305,846 | 1,825 | 28,982 | 336,653 |
| 2017 *** | 285,685 | 5,235 | 53,401 | 344,321 |
| 2018 | 287,311 | 5,235 | 65,568 | 358,114 |
| 2019 **** | 305,092 | 12,152 | 65,134 | 382,378 |
| 2020 | 290,424 | 12,361 | 63,538 | 366,323 |
| 2021 | 250,807 | 12,623 | 54,562 | 317,992 |
| 2022 | 273,281 | 12,771 | 117,049 | 403,101 |
| 2023 | 289,432 | 12,931 | 222,889 | 525,252 |

* Balances have been restated as of September 30, 2014 to implementing GASB 68.

** Balances have been reclassified to conform to September 30, 2016 financial presentation.

*** Balances have been reclassified to conform to September 30, 2018 financial presentation.

**** Balances have been reclassified to conform to September 30, 2020 financial presentation.

Canaveral Port Authority

Operating Revenues by Source

Fiscal Years ended September 30, 2014 through 2023

| Fiscal Year | Dockage | Wharfage | Leases | Water | Parking | Line-handling | Camping and Recreational Parking | Exploration Tower | Fire Training Facility | Commercial Vehicle | Miscellaneous | Total |
|-------------|--------------|---------------|--------------|--------------|---------------|---------------|----------------------------------|-------------------|------------------------|--------------------|---------------|-----------------|
| 2014 | \$ 6,613,071 | \$ 40,006,862 | \$ 4,951,406 | \$ 1,280,968 | \$ 13,684,515 | \$ 1,124,910 | \$ 2,263,894 | \$ 363,188 | \$ 159,150 | \$ 813,757 | * \$ 666,864 | * \$ 71,928,585 |
| 2015 | 6,571,994 | 44,584,996 | 5,069,270 | 1,268,708 | 14,666,522 | 1,037,664 | 2,500,239 | 433,417 | 175,657 | 654,018 | 742,718 | 77,705,203 |
| 2016 | 7,106,444 | 50,601,459 | 5,588,459 | 1,365,761 | 14,967,052 | 1,048,527 | 2,625,225 | 494,102 | 110,403 | 633,874 | 936,907 | 85,478,213 |
| 2017 | 7,837,207 | 54,173,635 | ** 6,914,194 | 1,459,841 | 16,739,081 | 1,160,118 | 2,268,843 | 417,248 | 112,847 | 1,104,587 | 1,091,918 | ** 93,279,519 |
| 2018 | 8,992,071 | 57,033,065 | ** 8,414,872 | 1,230,951 | 19,211,928 | 1,407,933 | 2,751,980 | 426,439 | 126,703 | 1,460,186 | 652,577 | ** 101,708,705 |
| 2019 | 8,695,601 | 60,457,528 | 9,252,306 | 1,175,649 | 19,604,009 | 1,254,120 | 2,865,863 | 448,204 | 207,812 | 1,584,389 | 965,951 | 106,511,432 |
| 2020 | 9,072,939 | 33,277,045 | 9,699,530 | 905,464 | 9,405,128 | 1,067,417 | 1,817,641 | 216,039 | 114,158 | 908,927 | 619,882 | 67,104,170 |
| 2021 | 8,279,495 | 9,855,931 | 9,258,649 | 412,511 | 1,876,428 | 903,220 | 3,098,655 | 82,951 | 182,801 | 40,701 | 557,952 | 34,549,294 |
| 2022 | 16,332,621 | 67,914,886 | 9,916,482 | 713,535 | 26,150,224 | 1,856,065 | 3,938,945 | 117,192 | 247,179 | 1,162,170 | 606,175 | 128,955,474 |
| 2023 | 18,194,138 | 111,442,773 | 10,883,416 | 707,692 | 41,302,548 | 2,219,386 | 3,928,674 | 13,100 | 360,749 | 1,877,940 | 869,239 | 191,799,655 |

* These items have been reclassified to conform to the September 30, 2015 financial statement presentation.

** These items have been reclassified to conform to the September 30, 2019 financial statement presentation.

Canaveral Port Authority

Operating Revenues by Activity

Fiscal Years ended September 30, 2014 through 2023

| Fiscal Year | Cruise | Cargo | Recreation | Leases | Ground Trans- portation | Other | Total |
|-------------|---------------|--------------|--------------|--------------|----------------------------|--------------|---------------|
| 2014 | \$ 58,284,973 | \$ 4,425,353 | \$ 2,263,894 | \$ 4,951,406 | \$ 813,757 | \$ 1,189,202 | \$ 71,928,585 |
| 2015 | 63,006,688 | 5,123,196 | 2,500,239 | 5,069,270 | 654,018 | 1,351,792 | 77,705,203 |
| 2016 | 68,214,524 | 6,870,898 | 2,625,225 | 5,588,459 | 633,874 | 1,545,233 | 85,478,213 |
| 2017 | 72,799,989 | 8,569,893 | 2,686,091 | 6,914,194 | 1,104,587 | 1,204,765 | 93,279,519 |
| 2018 | 77,734,133 | 10,141,812 | 3,178,419 | 8,414,872 | 1,460,186 | 779,283 | 101,708,705 |
| 2019 | 81,914,307 | 9,272,598 | 3,314,067 | 9,252,306 | 1,584,389 | 1,173,765 | 106,511,432 |
| 2020 | 44,097,826 | 9,629,868 | 2,032,900 | 9,699,530 | 908,927 | 735,119 | 67,104,170 |
| 2021 | 10,184,479 | 11,143,105 | 3,181,606 | 9,258,649 | 40,701 | 740,754 | 34,549,294 |
| 2022 | 99,014,902 | 18,488,881 | 4,056,137 | 5,380,030 * | 1,162,170 | 853,354 | 128,955,474 |
| 2023 | 158,015,193 | 20,538,883 | 3,941,774 | 6,195,877 | 1,877,940 | 1,229,988 | 191,799,655 |

* Beginning in FY22, rent from cargo tenants is reported as Cargo revenue. Prior to FY22, cargo rent was reported within Leases.

Canaveral Port Authority

Non-Operating Revenues

Fiscal Years ended September 30, 2014 through 2023

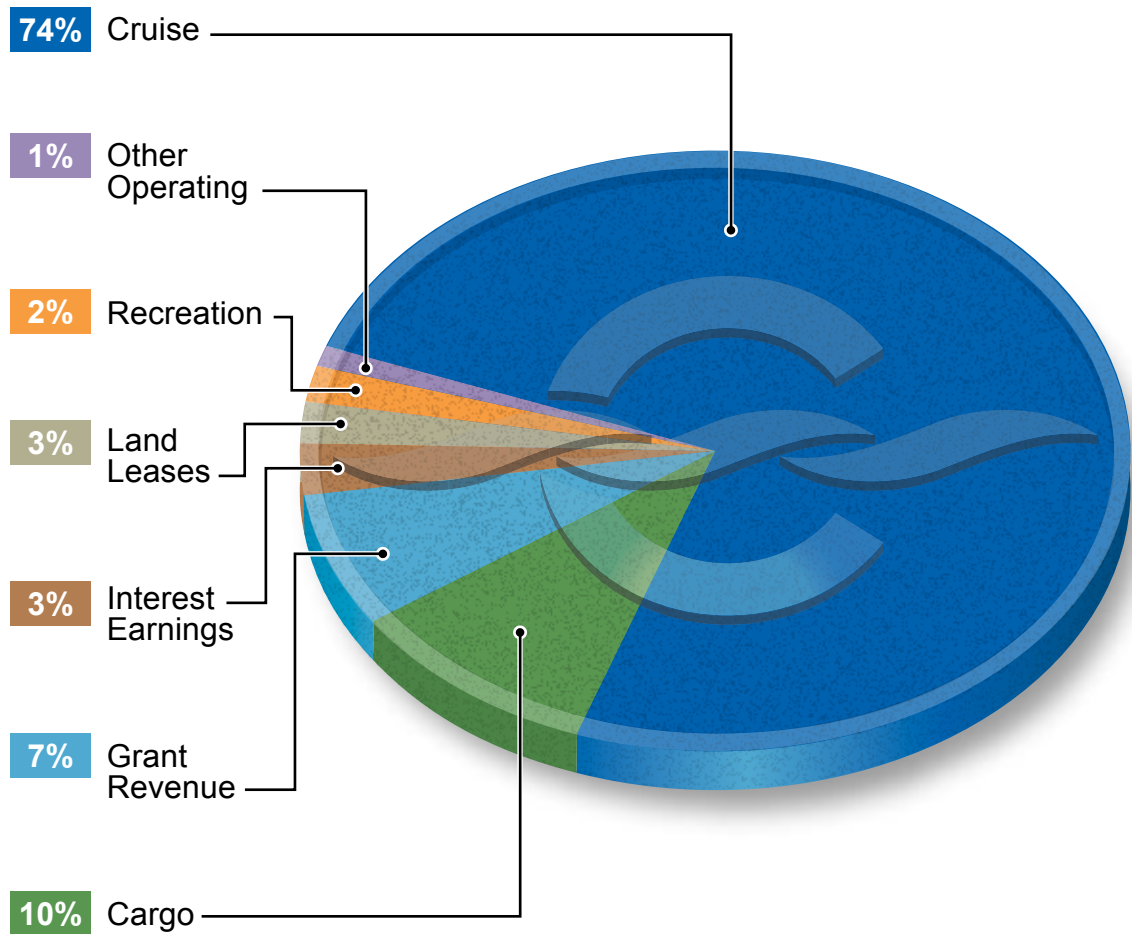
| Fiscal Year | Interest Earnings | Grant Revenue | Other | Total |
|----------------|----------------------|------------------|--------------|------------|
| 2014 | \$ 66,985 | \$ 180,716 | \$ 126,384 | \$ 374,085 |
| 2015 | 193,291 | 73,179 | 107,814 | 374,284 |
| 2016 | 164,880 | 156,592 | 829,866 | 1,151,338 |
| 2017 | 445,598 | 288,411 | 3,998,937 * | 4,732,946 |
| 2018 | 809,438 | 765,757 | 723,946 | 2,299,141 |
| 2019 | 3,412,808 | 567,455 | 704,596 | 4,684,859 |
| 2020 | 1,600,821 | 460,826 | 7,356 | 2,069,003 |
| 2021 | 217,578 | 15,440,776 | 2,953,254 ** | 18,611,608 |
| 2022 | (804,109) | 43,411,126 | 1,495,476 | 44,102,493 |
| 2023 | 7,063,893 | 15,006,995 | 147,102 | 22,217,990 |

* Included in this amount is a gain on sale of an asset for \$3.6M.

** Included in this amount is a gain on sale of an asset for \$2.4M.

Canaveral Port Authority

Total Revenue by Activity - FY2023



\$214,017,645

Canaveral Port Authority

Operating Expenses (in thousands)

Fiscal Years ended September 30, 2014 through 2023

| Fiscal Year | Operations | Facilities | Public Safety | Parks & Recreation | Ex-ploration Tower | Fire Training | Commission | Executive | Finance & Accounting | Admini-strative Services | Engineering & Environ-mental | Business Develop-ment | Real Estate | Government & Strategic Comm-unications | Depreciation | Amortization | Total |
|-------------|------------|------------|---------------|--------------------|--------------------|---------------|------------|-------------|----------------------|--------------------------|------------------------------|-----------------------|-------------|--|--------------|--------------|-----------|
| 2014 | \$ 2,980 * | \$ 9,626 * | \$ 6,728 * | \$ 1,391 | \$ 750 | \$ 189 | \$ 240 | \$ 1,457 ** | \$ 1,400 | \$ 4,727 | \$ 2,001 | \$ 1,323 | \$ 388 | \$ 2,012 | \$ 24,666 | \$ 1,513 | \$ 61,391 |
| 2015 | 5,602 | 8,502 | 7,543 | 1,479 | 745 | 197 | 311 | 1,403 ** | 1,530 | 4,579 | 1,970 | 1,517 | 519 | 863 | 31,507 | 1,719 | 69,986 |
| 2016 | 6,651 | 8,906 | 7,867 | 1,476 | 789 | 180 | 458 | 1,747 ** | 1,556 | 4,446 | 1,936 | 1,520 | 1,112 | 855 | 34,555 | 1,275 | 75,329 |
| 2017 | 6,944 | 10,604 | 8,676 | 1,457 | 632 | 190 | 327 | 1,522 ** | 1,655 | 5,854 | 5,633 | 1,174 | 630 | 1,118 | 38,515 | 365 | 85,296 |
| 2018 | 6,443 | 11,351 | 9,156 | 1,513 | 692 | 202 | 305 | 1,542 | 1,825 | 6,046 | 2,739 | 1,606 | 893 | 1,018 | 43,140 | 482 | 88,953 |
| 2019 | 9,217 | 10,773 | 9,701 | 1,587 | 634 | 299 | 332 | 1,829 | 1,717 | 6,501 | 2,556 | 1,714 | 798 | 1,179 | 38,554 | 531 | 87,922 |
| 2020 | 6,966 | 10,028 | 10,103 | 1,423 | 435 | 235 | 293 | 1,741 | 1,706 | 8,079 | 2,359 | 1,525 | 510 | 1,181 | 38,957 | 578 | 86,119 |
| 2021 | 2,958 | 8,278 | 9,078 | 1,423 | 236 | 238 | 266 | 1,714 | 1,643 | 7,446 | 1,712 | 736 | 492 | 939 | 49,078 | 611 | 86,848 |
| 2022 | 8,938 | 11,602 | 10,349 | 1,950 | 251 | 295 | 303 | 1,854 | 1,901 | 8,123 | 1,885 | 773 | 330 | 1,103 | 48,790 | 457 | 98,904 |
| 2023 | 13,278 | 14,254 | 11,414 | 2,034 | 133 | 385 | 339 | 2,184 | 2,032 | 9,846 | 2,315 | 990 | 380 | 1,396 | 47,387 | 468 | 108,835 |

* FY2013-2014 expenses have been reclassified to conform to the September 30, 2015 financial statement presentation.

** FY2017 expenses have been reclassified to conform to the September 30, 2018 financial statement presentation.

Canaveral Port Authority

Non-Operating Expenses

Fiscal Years ended September 30, 2014 through 2023

| Fiscal Year | Interest & Amortization | Commissions & Fees | Loss on Capital Asset Disposals | Other | Total |
|-------------|-------------------------|--------------------|---------------------------------|-------------|--------------|
| 2014 | \$ 3,875,415 | \$ 502,096 * | \$ 2,723,558 | \$ 50,500 * | \$ 7,151,569 |
| 2015 | 5,822,476 | 137,340 * | 60,692 | - | 6,020,508 |
| 2016 | 7,202,480 | 295,368 | 626,509 | 40,000 | 8,164,357 |
| 2017 | 8,900,648 | 923,113 * | 78,981 | - | 9,902,742 |
| 2018 | 9,527,142 | 104,312 | 931,634 | 533,770 | 11,096,858 |
| 2019 | 13,222,111 | 827,550 | 5,026 | 195,201 | 14,249,888 |
| 2020 | 9,932,652 | 424,935 | 505,000 | 142,320 | 11,004,907 |
| 2021 | 12,516,878 | 183,030 | 1,658,837 | 572,079 | 14,930,824 |
| 2022 | 12,139,624 | 148,622 | - | 259,620 | 12,547,866 |
| 2023 | 12,282,093 | 95,093 | 100,683 | 995,650 | 13,473,519 |

* FY2017 expenses have been reclassified to conform to the September 30, 2018 financial statement presentation.

Canaveral Port Authority

Changes in Net Position

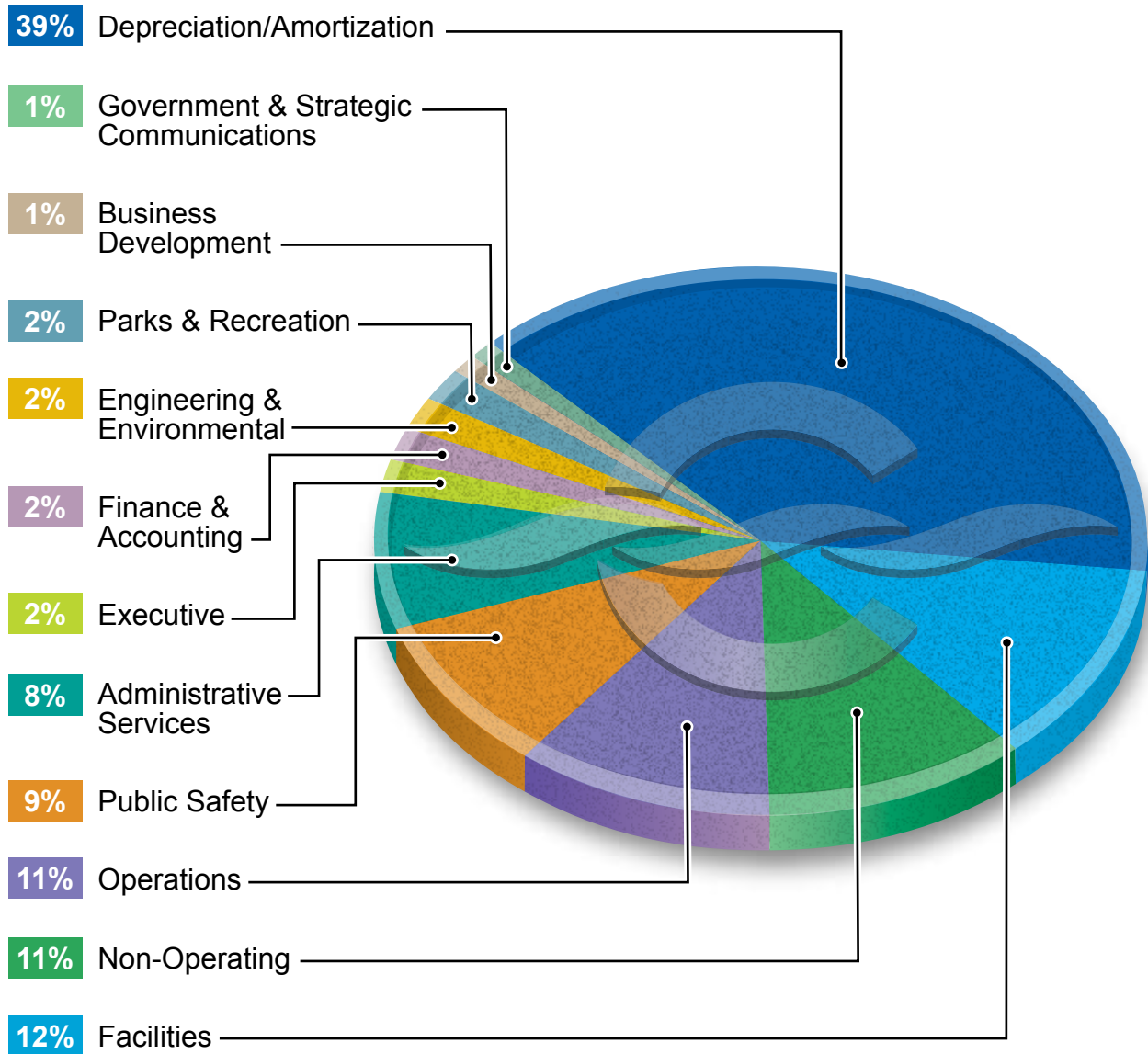
Fiscal Years ended September 30, 2014 through 2023

| Fiscal Year | Net Operating Income/(Loss) | Net Non-Operating Revenue or (Expense) | Income/(Loss) before Contributions & Special Items | Special Item | Capital Contributions | Change in Net Position |
|-------------|-----------------------------|--|--|--------------|-----------------------|------------------------|
| 2014 | \$ 10,537,206 ** | \$ (6,777,484) | \$ 3,759,722 ** | \$ (693,999) | \$ 13,184,167 | \$ 16,249,890 ** |
| 2015 | 7,719,291 | (5,646,224) | 2,073,067 | (421,690) | 27,832,677 | 29,484,054 |
| 2016 | 10,149,451 | (7,013,019) | 3,136,432 | - | 6,634,056 | 9,770,488 |
| 2017 | 7,983,034 | (5,169,796) | 2,813,238 | - | 4,854,580 | 7,667,818 |
| 2018 | 12,755,824 | (8,797,717) | 3,958,107 | - | 9,834,725 | 13,792,832 |
| 2019 | 18,589,628 | (9,565,029) | 9,024,599 | - | 15,239,301 | 24,263,900 |
| 2020 | (19,014,956) | (8,935,904) | (27,950,860) | - | 11,896,455 | (16,054,405) |
| 2021 | (52,299,044) | 3,680,784 | (48,618,260) | - | 287,128 | (48,331,132) |
| 2022 | 30,051,426 | 31,554,627 | 61,606,053 | - | 23,502,430 | 85,108,483 |
| 2023 | 82,964,529 | 8,744,471 | 91,709,000 | - | 30,442,555 | 122,151,555 |

** FY 2014 income has been reclassified to conform to the September 30, 2015 financial statement presentation.

Canaveral Port Authority

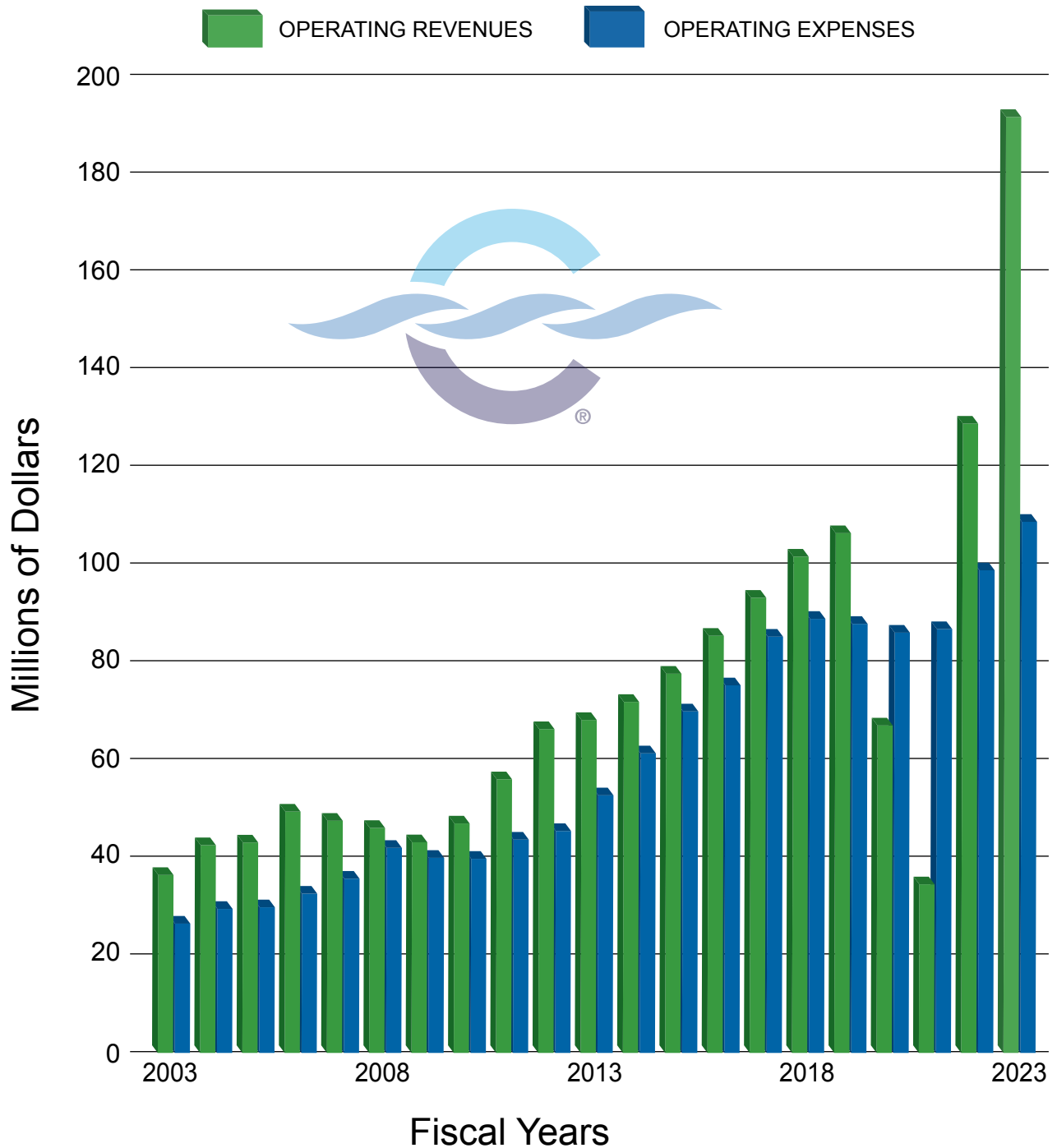
Total Expenses - FY2023



\$122,308,645

Canaveral Port Authority

Operating Revenues & Expenses FY2003 - FY2023



Canaveral Port Authority

Cargo Revenue

Fiscal Years ended September 30, 2014 through 2023

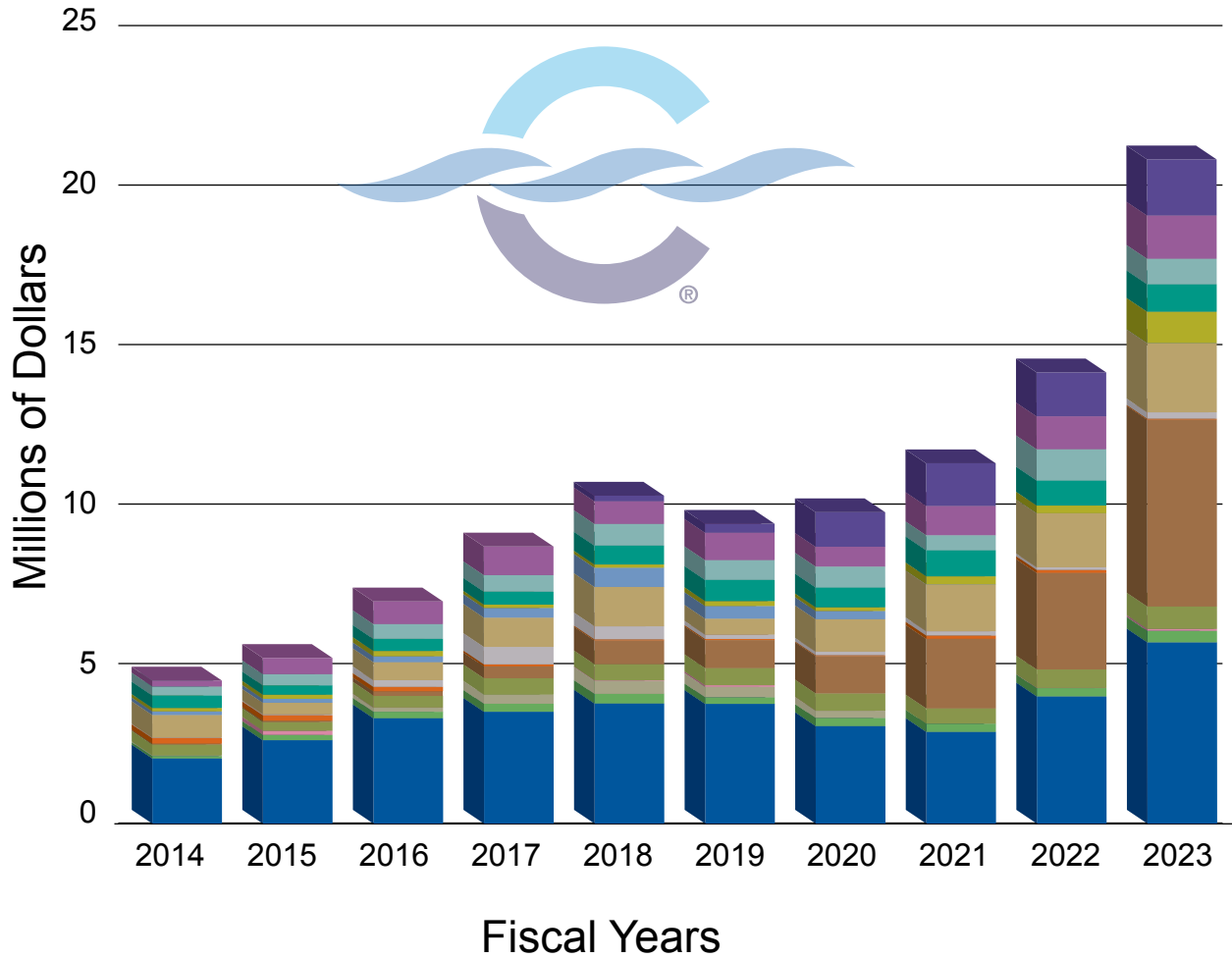
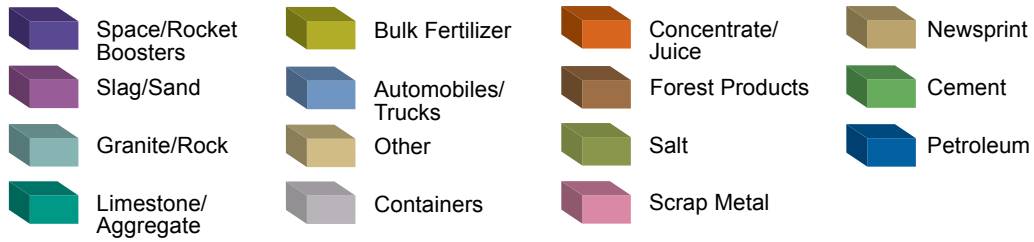
| Commodity | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|-----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|
| Petroleum | \$ 2,017,413 | \$ 2,581,687 | \$ 3,261,288 | \$ 3,460,935 | \$ 3,714,869 | \$ 3,704,278 | \$ 3,016,994 | \$ 2,837,170 | \$ 3,935,588 | \$ 5,606,188 |
| Cement* | 73,153 | 162,868 | 198,832 | 246,483 | 297,470 | 203,589 | 252,114 | 254,200 | 255,359 | 357,632 |
| Newsprint | 22,330 | - | 123,857 | 282,757 | 404,978 | 321,709 | 223,223 | - | - | - |
| Scrap Metal | - | 129,612 | 5,930 | 477 | 15,516 | 51,374 | 58 | 56 | 7,116 | 58,677 |
| Salt | 332,004 | 269,032 | 371,229 | 505,788 | 496,951 | 527,901 | 533,132 | 472,147 | 569,650 | 691,496 |
| Forest Products | 29,759 | 38,958 | 131,123 | 367,015 | 735,440 | 866,934 | 1,157,605 | 2,151,277 | 2,984,413 | 5,777,278 |
| Concentrate | 108,709 | 108,458 | 102,878 | 39,275 | 31,186 | 33,970 | 23,732 | 101,287 | 91,157 | 27,806 |
| Single Strength Juice | 61,909 | 62,146 | 33,493 | 21,049 | - | - | - | - | - | - |
| General Misc.** | 698,192 | 354,966 | 558,141 | 906,420 | 1,215,792 | 492,951 | 1,002,114 | 1,449,253 | 1,669,650 | 2,137,091 |
| Containers | 17,708 | 30,583 | 206,941 | 540,687 | 406,577 | 136,622 | 111,996 | 133,922 | 83,730 | 200,189 |
| Automobiles/Trucks | 111,276 | 121,000 | 182,081 | 299,827 | 594,905 | 390,149 | 255,428 | 1,483 | 1,093 | 1,832 |
| Bulk Fertilizer | 106,130 | 129,218 | 164,544 | 102,870 | 100,869 | 153,990 | 114,128 | 247,647 | 238,231 | 971,152 |
| Limestone/Aggregate | 387,007 | 288,768 | 374,178 | 400,754 | 584,434 | 656,620 | 615,073 | 807,842 | 777,690 | 851,457 |
| Granite/Rock | 275,022 | 344,450 | 455,887 | 509,905 | 668,142 | 609,056 | 644,231 | 463,717 | 962,308 | 786,189 |
| Slag/Sand | 184,741 | 501,450 | 700,496 | 885,651 | 702,258 | 847,279 | 611,417 | 904,139 | 1,019,942 | 1,338,495 |
| Space/Rocket Boosters | - | - | - | - | 172,425 | 276,176 | 1,068,623 | 1,318,965 | 1,356,502 | 1,733,401 |
| Totals | \$ 4,425,353 | \$ 5,123,196 | \$ 6,870,898 | \$ 8,569,893 | \$10,141,812 | \$ 9,272,598 | \$ 9,629,868 | \$11,143,105 | \$ 13,952,429 | \$ 20,538,883 |

* Revenue is from a contract with required shortage minimum guarantee.

** Includes minimum annual guarantees and layberth dockage.

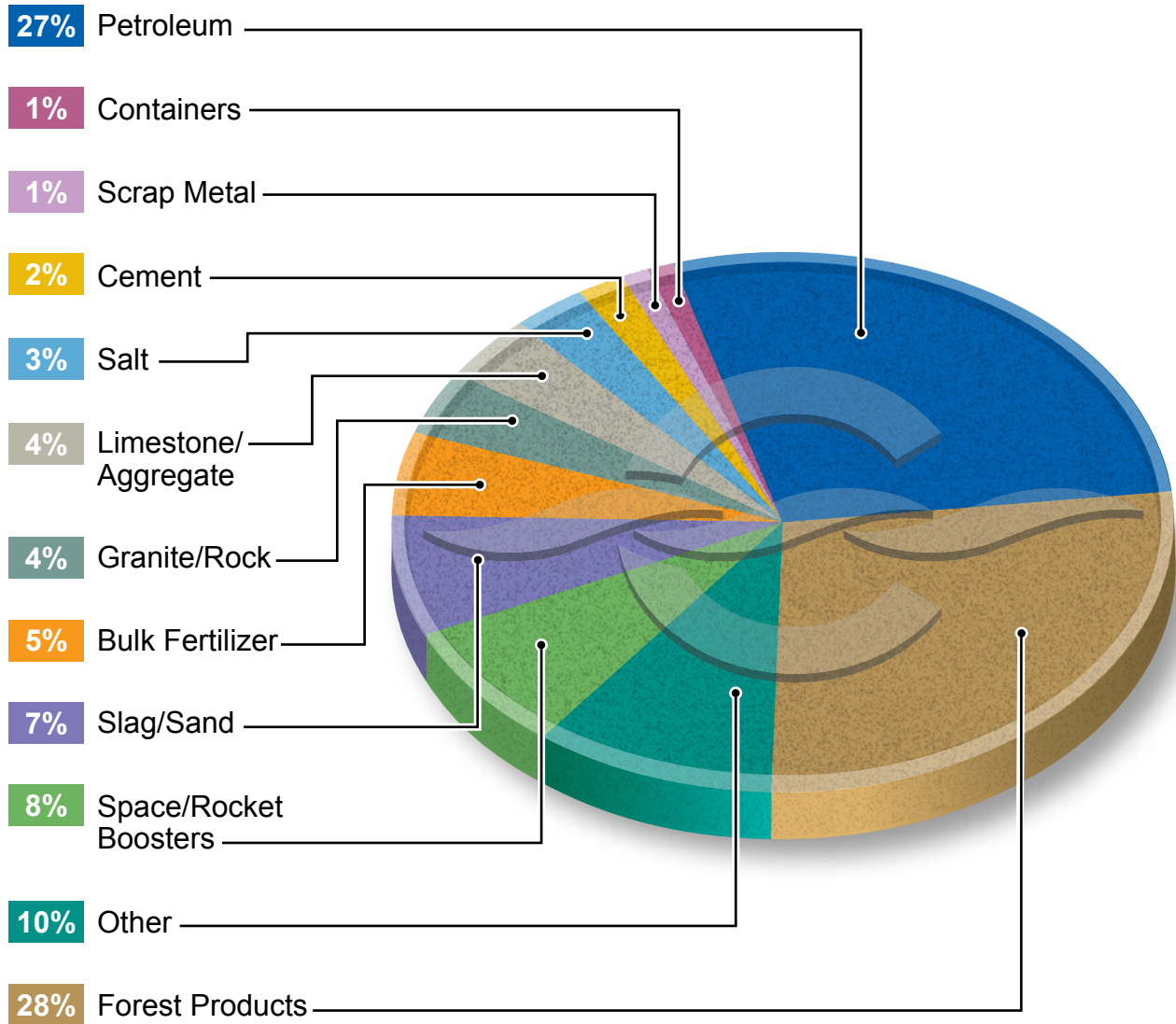
Canaveral Port Authority

Cargo Revenue FY2014 - FY2023



Canaveral Port Authority

Cargo Revenue - FY2023



\$20,538,883

Canaveral Port Authority

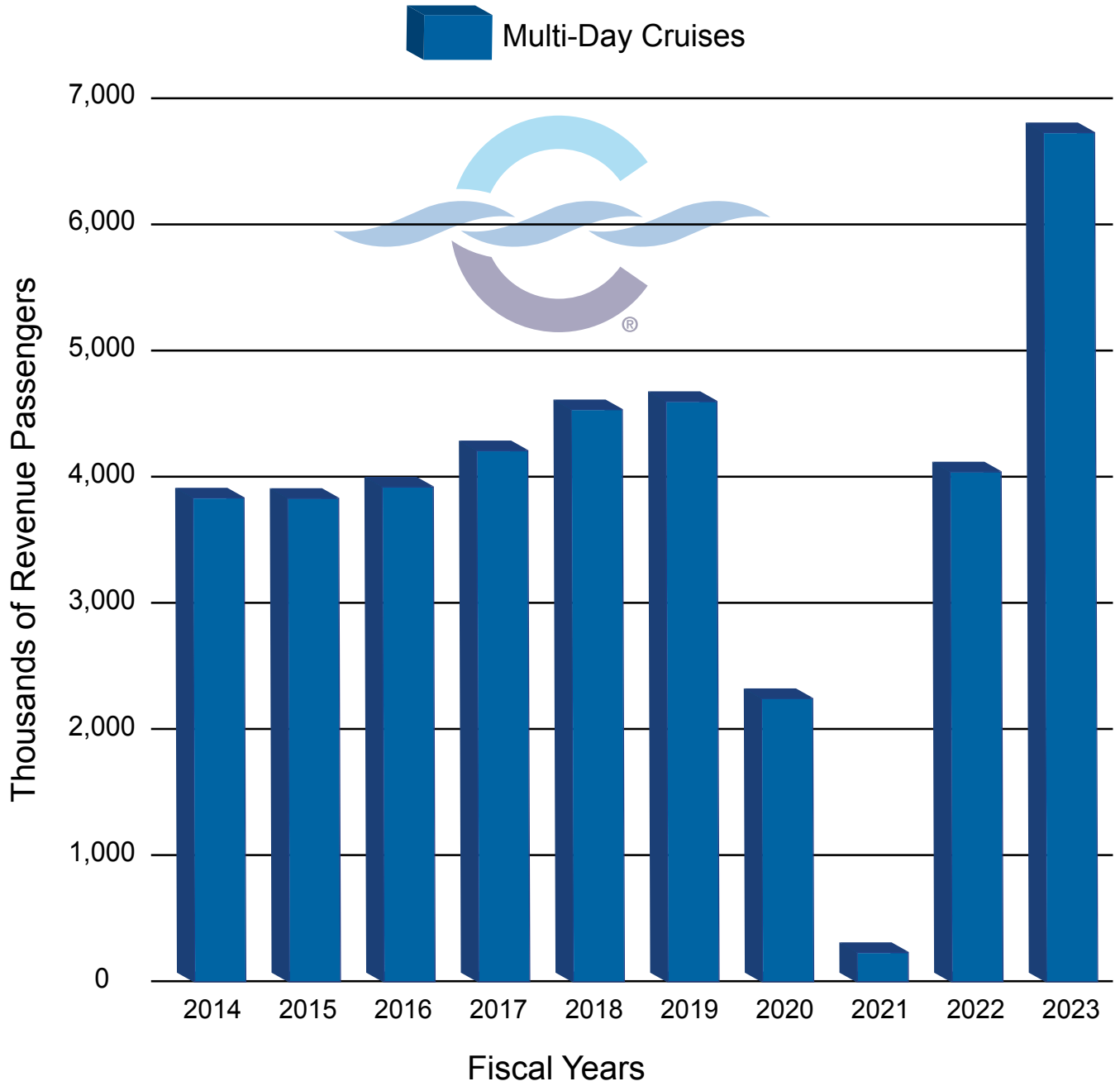
Revenue Passengers

Fiscal Years ended September 30, 2014 through 2023

| Fiscal Year | Multi Day Cruises |
|--------------------|--------------------------|
| 2014 | 3,863,606 |
| 2015 | 3,860,225 |
| 2016 | 3,951,127 |
| 2017 | 4,240,942 |
| 2018 | 4,568,431 |
| 2019 | 4,634,154 |
| 2020 | 2,261,431 |
| 2021 | 233,216 |
| 2022 | 4,071,893 |
| 2023 | 6,780,927 |

Canaveral Port Authority

Revenue Passengers FY2014 - FY2023



Canaveral Port Authority

Ten Largest Revenue Generating Customers

Fiscal Years ended September 30, 2023 and 2014

| FY 2023 Customer | FY 2023 Revenue | Rank | Percentage of Total Revenue | FY 2014 Customer | FY 2014 Revenue | Rank | Percentage of Total Revenue |
|--|------------------------------|------|--------------------------------|--------------------------------|-----------------------------|------|--------------------------------|
| Royal Caribbean Group | \$ 53,639,792 * | 1 | 25.1% | Magical Cruise Lines | \$ 22,076,811 * | 1 | 30.5% |
| Carnival Cruise Line/Seabourn | 50,542,094 * | 2 | 23.6% | Carnival Cruise Line | 18,308,988 * | 2 | 25.3% |
| Magical Cruise Company dba DCL Port Facilities, LLC | 25,974,929 * | 3 | 12.1% | Inter cruises Shoreside | 13,639,441 * | 3 | 18.9% |
| MLSBC Cruise Ltd. Cape Canaveral (MSC Cruises) | 15,626,772 * | 4 | 7.3% | Victory Casino Cruise | 2,350,300 | 4 | 3.3% |
| Norwegian Cruise Line | 9,163,436 * | 5 | 4.3% | Ambassador Services, Inc & LLC | 2,006,778 * | 5 | 2.8% |
| Ambassador Services International & LLC | 6,675,998 | 6 | 3.1% | Seaport Canaveral/Vitol, Inc | 1,680,258 | 6 | 2.3% |
| Vitol Inc. & Seaport Canaveral Corp. | 3,082,983 | 7 | 1.5% | Fillette Green & Company | 1,293,037 | 7 | 1.8% |
| SpaceX | 1,720,303 | 8 | 0.8% | Norwegian Cruise Line | 630,245 | 8 | 0.9% |
| Inter cruises Port Operations USA Inc. (TUI Cruises) | 1,676,711 * | 9 | 0.8% | Moran Gulf Shipping | 605,240 | 9 | 0.8% |
| Norton Lilly International | <u>1,130,811</u> | 10 | 0.5% | Martin Marietta | <u>535,447</u> | 10 | <u>0.7%</u> |
| Totals | <u>\$ 169,233,829</u> | | <u>79.1%</u> | Totals | <u>\$ 63,126,545</u> | | <u>87.3%</u> |

* These amounts differ from those in the notes to the financial statements due to the inclusion of parking lot revenue.

This report is generated by the Finance Department.

Canaveral Port Authority

Revenue Bond Coverage

Fiscal Years ended September 30, 2014 through 2023

| Fiscal Year | Gross Revenue (1) | Total Expenses (2) | Net Revenue Available for Debt Service |
|-------------|----------------------|-----------------------|--|
| 2014 | \$ 71,995,570 | \$ 35,643,427 | * \$ 36,352,143 |
| 2015 | 77,898,494 | 36,860,800 | 41,037,694 |
| 2016 | 85,643,093 | 39,794,234 | 45,848,859 |
| 2017 | 93,725,117 | 47,294,188 | 46,430,929 |
| 2018 | 102,518,143 | 45,872,338 | 56,645,805 |
| 2019 | 109,924,240 | 49,803,710 | 60,120,530 |
| 2020 | 68,704,991 | 47,093,326 | 21,611,665 |
| 2021 | 50,078,252 | 37,852,091 | 12,226,160 |
| 2022 | 171,386,266 | 49,946,995 | 121,439,271 |
| 2023 | 212,522,343 | 62,212,296 | 150,310,047 |

(1) Gross revenue includes operating revenues, investment earnings, operating grant revenues, and adding back bad debt per bond covenant.

(2) Expenses do not include non-cash outlays such as depreciation, amortization, bad debt expense, loss on equipment disposals, interest or any grant related expenses.

* These items have been reclassified to conform to the FY15 financial statement presentation.

Canaveral Port Authority

Revenue Bond Coverage

Fiscal Years ended September 30, 2014 through 2023

| Fiscal Year | Debt Service Requirements | | | Coverage (3) |
|-------------|---------------------------|---------------|---------------|--------------|
| | Principal | Interest | Total | |
| 2014 | \$ 8,295,063 | \$ 3,779,364 | \$ 12,074,427 | 3.01 |
| 2015 | 12,346,205 | 6,834,674 | 19,180,879 | 2.14 |
| 2016 | 13,064,689 | 6,350,480 | 19,415,169 | 2.36 |
| 2017 | 12,538,605 | 8,442,510 | 20,981,115 | 2.21 |
| 2018 | 11,684,412 | 9,363,621 | 21,048,033 | 2.69 |
| 2019 | 12,052,895 | 9,542,919 ** | 21,595,815 | 2.78 |
| 2020 | 1,501,000 *** | 7,184,498 *** | 8,685,498 | 2.49 |
| 2021 | - *** | 625,976 *** | 625,976 | 19.53 |
| 2022 | 15,904,062 | 11,938,581 | 27,842,644 | 4.36 |
| 2023 | 16,545,000 | 11,589,650 | 28,134,650 | 5.34 |

(3) Required coverage is 1.25

** Amount does not include bond proceeds used for debt service

*** Amount does not include defeased debt.

Canaveral Port Authority

Ratios of Outstanding Debt By Type

Fiscal Years ended September 30, 2014 through 2023

| Fiscal Year | Revenue & Direct Borrowing Bonds* | Line of Credit | Notes Payable | Total Debt | Ratio of Debt to Ship Revenue (1) | Total Debt Per Passenger (2) |
|-------------|-----------------------------------|----------------|---------------|----------------|-----------------------------------|------------------------------|
| 2014 | \$ 209,610,409 | \$ - | \$ 346,335 | \$ 209,956,744 | 335% | \$ 50 |
| 2015 | 197,369,979 | 11,404,709 | 230,745 | 209,005,433 | 307% | 50 |
| 2016 | 246,426,583 | 31,023,249 | 108,027 | 277,557,859 | 370% | 65 |
| 2017 | 289,432,977 | 15,985,543 | - | 305,418,520 | 375% | 67 |
| 2018 | 277,748,566 | 15,985,543 | - | 293,734,109 | 334% | 61 |
| 2019 | 383,662,581 | 45,772,035 | - | 429,434,616 | 471% | 88 |
| 2020 | 405,929,990 | 45,772,035 | - | 451,702,025 | 841% | 189 |
| 2021 | 390,531,007 | 37,646,680 | - | 428,177,687 | 2008% | 1,161 |
| 2022 | 374,383,962 | 24,000,000 | - | 398,383,962 | 353% | 95 |
| 2023 | 357,595,980 | 21,000,000 | - | 378,595,980 | 218% | 56 |

(1) Ship Revenue (Cruise and Cargo) used to find Ratio to Debt can be found in Schedule A-3.

(2) To find Total Debt per Passenger Schedule B-4 was used.

* Revenue bonds payable net of unamortized discounts and premiums.

Canaveral Port Authority

Demographic Statistics for Brevard County (Estimates) Fiscal Years ended September 30, 2014 through 2023

| Fiscal Year | Population (1) | Personal Income (in thousands) (2) | Per Capita Personal Income (2) | Unemployment Rate (1) |
|----------------|-------------------|---|---|-----------------------------|
| 2014 | 558,489 | \$ 21,914,222 | \$ 39,426 | 6.4 |
| 2015 | 561,714 | 23,322,117 | 41,195 | 5.6 |
| 2016 | 568,088 | 24,258,583 | 42,015 | 5.2 |
| 2017 | 579,130 | 25,823,177 | 43,905 | 3.6 |
| 2018 | 583,563 | 27,455,164 | 46,145 | 3.0 |
| 2019 | 594,469 | 29,172,881 | 48,539 | 3.0 |
| 2020 | 606,612 | 31,339,828 | 51,507 | 5.2 |
| 2021 | 616,742 | 34,208,428 | 55,477 | 3.8 |
| 2022 | 627,544 | 35,833,890 | 56,817 | 2.5 |
| 2023 | 640,773 | (3) | (3) | 3.2 |

(1) Florida Legislature Office of Economic and Demographic Research

(2) U.S. Bureau of Economic Analysis

(3) Information not available for this year.

Canaveral Port Authority

Principal Employers

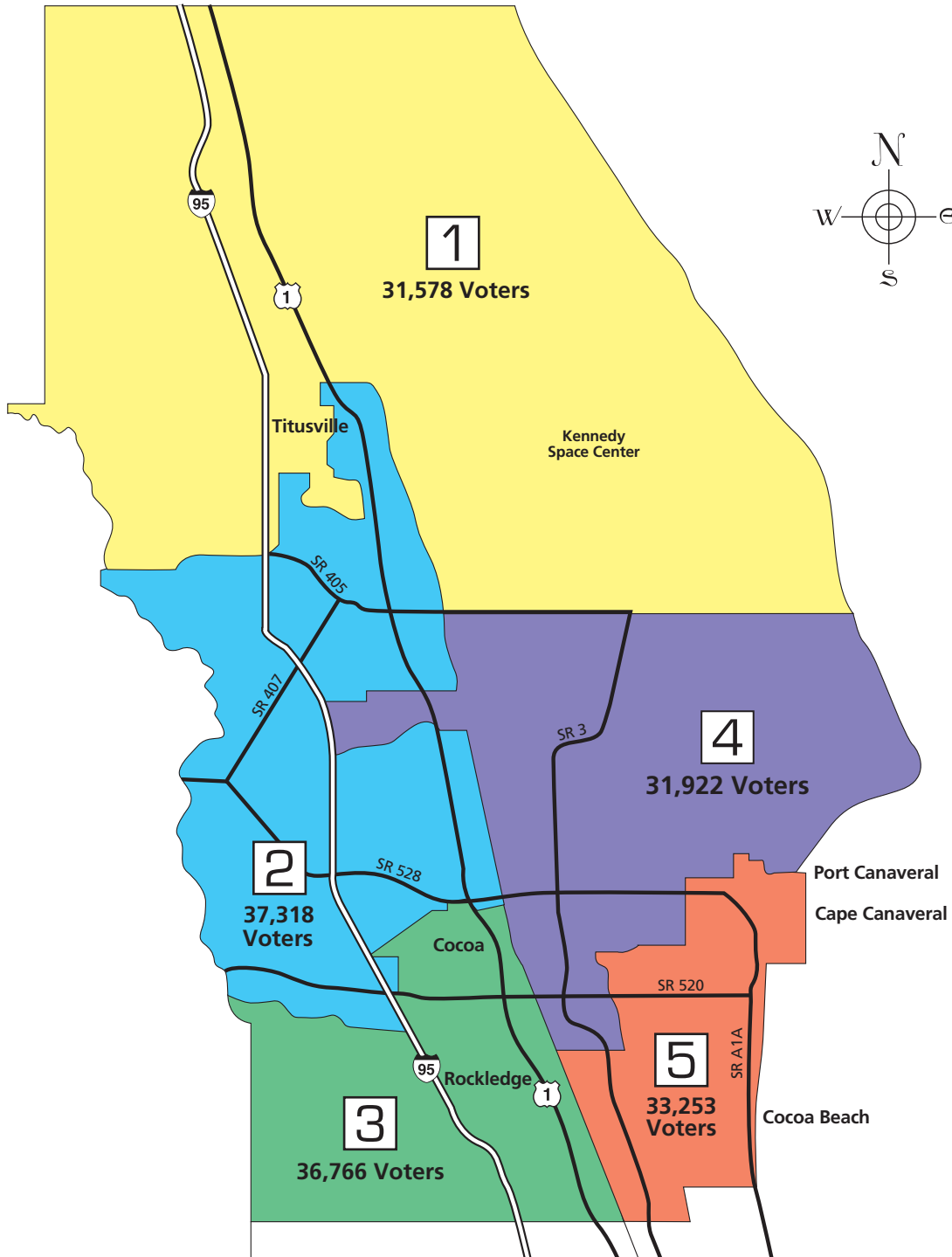
Brevard County 2023 and 2014

| Employer | 2023 | | | 2014 | | |
|--|---------------------|---------------------|------|---------------------|---------------------|------|
| | Number of Employees | Percentage of Total | Rank | Number of Employees | Percentage of Total | Rank |
| Brevard County School Board | 9,000 | 3.04% | 1 | 8,915 | 3.55% | 1 |
| Health First Medical Group, LLC | 8,500 | 2.87% | 2 | 7,800 | 3.10% | 2 |
| L3Harris Technologies, Inc. | 7,500 | 2.53% | 3 | 6,065 | 2.41% | 3 |
| Northrop Grumman Corporation | 3,800 | 1.28% | 4 | 1,350 | 0.54% | 9 |
| Wal-Mart Associates, Inc. | 3,500 | 1.18% | 5 | - | - | - |
| Publix Super Markets, Inc. | 3,000 | 1.01% | 6 | 2,360 | 0.94% | 4 |
| Brevard County Board of County Commissioners | 2,500 | 0.84% | 7 | 2,090 | 0.83% | 6 |
| National Aeronautics Space Administration | 2,300 | 0.78% | 8 | - | - | - |
| Lockheed Martin Corp | 1,600 | 0.56% | 9 | - | - | - |
| Teletech Services Corp | 1,500 | 0.51% | 10 | | | |
| Rockwell Collins, Inc | - | - | - | 1,400 | 0.56% | 8 |
| U.S Department of Defense | - | - | - | 2,180 | 0.87% | 5 |
| Brevard Community College | - | - | - | 1,260 | 0.50% | 10 |
| Wuesthoff Health Systems | - | - | - | 1,455 | 0.58% | 7 |
| Total | 43,200 | 14.60% | | 34,875 | 13.88% | |

Source: Florida Research and Economic Database & Economic Development of Florida's Space Coast, and Brevard County.

Canaveral Port Authority

Brevard County, Florida
Approved Commissioner Districts and Registered Voters, March 2024



Canaveral Port Authority

Employee Positions by Function - Full Time Equivalent

Fiscal Years ended September 30, 2014 through 2023

| Fiscal Year | Administration | Operations & Facilities | Parks and Recreation & Exploration Tower | Public Safety | Total | |
|----------------|----------------|----------------------------|---|------------------|-------|-------|
| 2014 | 57.0 | 93.0 | * | 24.0 | 50.0 | 224.0 |
| 2015 | 58.0 | 94.0 | * | 23.5 | 8.0 | 183.5 |
| 2016 | 55.0 | 125.0 | | 26.0 | 5.0 | 211.0 |
| 2017 | 53.0 | 140.5 | | 25.0 | 5.0 | 223.5 |
| 2018 | 67.0 | 133.0 | | 27.5 | 6.0 | 233.5 |
| 2019 | 73.0 | 136.5 | | 27.0 | 6.0 | 242.5 |
| 2020 | 63.0 | 72.0 | | 15.5 | 4.0 | 154.5 |
| 2021 | 59.6 | 103.6 | | 17.6 | 4.0 | 184.8 |
| 2022 | 62.5 | 112.5 | | 17.5 | 5.0 | 197.5 |
| 2023 | 69.0 | 155.5 | | 16.5 | 5.0 | 246.0 |

Source: Full time equivalent employees per the adopted budget.

* Balances have been reclassified to remove Parks and Recreation,
& Exploration Tower.

Port Canaveral World Trading Partners



● IMPORTS

| COUNTRY | COMMODITY |
|------------------|--|
| Argentina | Juice Concentrate |
| Ascension Island | Containers, Cars/Trucks, Machinery/Equipment |
| Austria | Lumber |
| The Bahamas | Limestone, Salt, Petroleum |
| Belgium | Petroleum |
| Brazil | Petroleum |
| Bulgaria | Petroleum |
| Canada | Granite, Aggregate, Petroleum |
| Chile | Fertilizer, Petroleum, Supersacks |
| Colombia | Petroleum |
| Curacao | Petroleum |
| Egypt | Supersacks |
| Finland | Petroleum, Supersacks |
| France | Machinery/Equipment, Containers, General |
| Germany | Lumber, Petroleum, Containers |
| India | Petroleum, Machinery/Equipment |
| Iraq | Petroleum |
| Israel | Petroleum |
| Italy | Petroleum, Machinery/Equipment, Containers, Cars/Trucks, General |
| Japan | Slag, Petroleum |
| Kuwait | Petroleum |

| | |
|-----------------|--|
| Latvia | Hardboard/Plywood/Veneers, Lumber |
| Mexico | Slag, Petroleum |
| The Netherlands | Petroleum, Fertilizer, Containers, General |
| Norway | Petroleum, Fertilizer, Lumber, Supersacks |
| Peru | Petroleum |
| Portugal | Petroleum |
| Romania | Lumber |
| Saudi Arabia | Petroleum |
| Singapore | Petroleum |
| South Korea | Petroleum |
| Spain | Petroleum, Aggregate, Steel/Iron, General |
| Sweden | Lumber, Petroleum |
| Turkey | Petroleum, Supersacks, Salt, Steel/Iron |
| U.A.E. | Petroleum |
| U.S.A. | Petroleum, Space Components, Containers |

● EXPORTS

| COUNTRY | COMMODITY |
|------------------|--|
| Ascension Island | Containers, Machinery/Equipment, Cars/Trucks |
| Chile | Containers |
| Guyana | Cars/Trucks, Machinery/Equipment |
| The Netherlands | Containers |
| U.S.A. | Petroleum |

Canaveral Port Authority

Cargo Tonnage (in short tons)

Fiscal Years ended September 30, 2014 through 2023

| Commodity | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|-----------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Petroleum | 2,280,510 | 2,817,361 | 3,845,853 | 3,957,363 | 3,982,524 | 3,850,344 | 2,572,886 | 2,458,378 | 3,333,197 | 3,711,106 |
| Cement | - | - | - | - | 5,650 | - | - | - | - | - |
| Newsprint | 4,907 | - | 21,428 | 46,692 | 78,587 | 62,258 | 41,916 | - | - | - |
| Scrap Metal | - | 27,528 | - | - | - | - | - | - | - | - |
| Salt | 192,125 | 224,272 | 220,329 | 277,976 | 332,180 | 362,922 | 343,290 | 291,307 | 223,915 | 253,589 |
| Forest products | 9,383 | 15,151 | 29,410 | 111,185 | 211,911 | 277,674 | 350,383 | 643,951 | 930,012 | 997,792 |
| Concentrate | 29,693 | 25,163 | 25,125 | 10,510 | 6,006 | 6,594 | 5,193 | 13,566 | 13,804 | 5,643 |
| Single Strength Juice | 19,465 | 18,134 | 11,447 | 4,893 | - | - | - | - | - | - |
| General Miscellaneous | 6,777 | 10,162 | 20,259 | 57,585 | 66,541 | 15,871 | 33,424 | 63,518 | 89,393 | 133,718 |
| Containers | - | - | - | 41,943 | 66,902 | 7,084 | 7,054 | 11,002 | 7,929 | 10,314 |
| Automobiles/Trucks | 5,585 | 4,868 | 12,244 | 39,835 | 40,523 | 23,721 | 11,576 | 317 | 184 | 1,740 |
| Bulk Fertilizer | 48,122 | 67,100 | 81,411 | 43,552 | 41,834 | 59,174 | 38,308 | 78,051 | 68,272 | 65,026 |
| Limestone/Aggregate | 354,693 | 259,206 | 315,564 | 344,751 | 478,587 | 510,337 | 463,822 | 619,011 | 544,040 | 577,495 |
| Granite/Rock | 234,786 | 281,395 | 318,261 | 404,229 | 496,774 | 442,880 | 459,841 | 352,150 | 613,575 | 552,868 |
| Slag/Sand | 176,236 | 397,903 | 595,697 | 650,249 | 609,107 | 710,236 | 450,676 | 671,283 | 740,558 | 791,420 |
| Totals | 3,362,282 | 4,148,243 | 5,497,028 | 5,990,763 | 6,417,126 | 6,329,095 | 4,778,369 | 5,202,534 | 6,564,879 | 7,100,711 |

Canaveral Port Authority

Operating Indicators by Function

Fiscal Years ended September 30, 2014 through 2023

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|----------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| <u>Cruise</u> | | | | | | | | | | |
| Multi Day Cruises | 698 | 679 | 668 | 658 | 693 | 686 | 459 | 173 | 792 | 906 |
| <u>Public Safety</u> | | | | | | | | | | |
| Arrests* | 24 | - | - | - | - | - | - | - | - | - |
| Uniform Traffic Citations* | 199 | - | - | - | - | - | - | - | - | - |
| Parking Citations* | 5 | - | - | - | - | - | - | - | - | - |
| Fire Calls | 241 | 231 | 262 | 296 | 254 | 210 | 213 | 191 | 181 | 26 |
| Calls | 2,225 | 2,256 | 2,512 | 2,541 | 2,825 | 2,679 | 2,523 | 2,232 | 3,222 | 3,059 |

* The Port Police were disbanded as of Sept. 30th, 2014. The Authority now contracts with the Brevard County Sheriff's Office.

Source: Cruise information comes from the Finance Department, Public Safety information comes from the Public Safety Department and Fire Department

Canaveral Port Authority

Capital Assets by Function

Fiscal Years ended September 30, 2014 through 2023

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|--|------|------|------|------|------|------|------|------|------|------|
| <u>General</u> | | | | | | | | | | |
| Cruise Terminals | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 |
| Cargo Terminals | 10 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 |
| Warehouse Storage -sq ft (in thousands) | 317 | 317 | 567 | 567 | 567 | 567 | 567 | 317 | 317 | 317 |
| Developed Land | 643 | 715 | 715 | 715 | 725 | 725 | 725 | 725 | 725 | 725 |
| Public Boat Docks | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 |
| <u>Public Safety</u> | | | | | | | | | | |
| Security Building | 1 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Interagency Maritime Operations Center | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Patrol Vehicles* | 21 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sargeant Vehicles* | 4 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Chief/Lieutenant Vehicles* | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Patrol Boats* | 5 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Mobile Command Center | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Fire Station | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Fire/Rescue Vehicles | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |

* The Port Police were disbanded as of Sept. 30th, 2014. Assets were transferred to the Sheriff's office.

Source: General information section comes from the Engineering and Tenant & Property Development departments.

Public safety section is supplied by the Public Safety Department and Fire Department.

Canaveral Port Authority

Capital Improvements

Fiscal Years ended September 30, 2014 through 2023

| Fiscal Year | Total |
|----------------|----------------|
| 2014 | \$ 124,336,508 |
| 2015 | 101,881,393 |
| 2016 | 112,777,097 |
| 2017 | 31,716,607 |
| 2018 | 37,850,476 |
| 2019 | 115,013,154 |
| 2020 | 107,138,941 |
| 2021 | 15,227,088 * |
| 2022 | 42,649,542 |
| 2023 | 55,086,210 |

* Corrected to conform with prior year Financial Statements



COMPLIANCE SECTION

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

Independent Auditor's Report

Members of the Board of Commissioners
Canaveral Port Authority
Cape Canaveral, Florida

We have audited, in accordance with the 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 basic financial statements of Canaveral Port Authority (the Authority) as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated March 13, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the basic financial statements, we considered the Authority'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 opinion on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority'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 basic 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 were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's basic 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 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.

RSM VS LLP

Jacksonville, Florida
March 13, 2024

Report on Compliance for Each Major Federal Program and the Major State Financial Assistance Project and Report on Internal Control Over Compliance Required by the Uniform Guidance and State of Florida Chapter 10.650, *Rules of the Auditor General*

Independent Auditor's Report

Members of the Board of Commissioners
Canaveral Port Authority
Cape Canaveral, Florida

Report on Compliance for Each Major Federal Program and State Financial Assistance Project

Opinion on Each Major Federal Program and State Financial Assistance Project

We have audited the Canaveral Port Authority's (the Authority), compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and in the State of Florida's *Department of Financial Services' State Projects Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs and state financial assistance projects for the year ended September 30, 2023. The Authority's major federal programs and state financial assistance projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority 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 federal programs and state financial assistance projects for the year ended September 30, 2023.

Basis for Opinion on Each Major Federal Program and State Financial Assistance 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*); the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the State of Florida Chapter 10.650, *Rules of the Auditor General* (Chapter 10.650). Our responsibilities under those standards, the Uniform Guidance and Chapter 10.650 are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Authority 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 federal program and state financial assistance project. Our audit does not provide a legal determination of the Authority'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 Authority's federal programs and state financial assistance projects.

Auditor's 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 Authority'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*, the Uniform Guidance, and Chapter 10.650 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 Authority's compliance with the requirements of each major federal program and state financial assistance project as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.650, 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 Authority'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 Authority'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 the Uniform Guidance and Chapter 10.650, but not for the purpose of expressing an opinion on the effectiveness of the Authority'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 federal program or state financial assistance 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 federal program or state financial assistance 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 federal program or state financial assistance project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.650. Accordingly, this report is not suitable for any other purpose.

RSM US LLP

Jacksonville, Florida
March 13, 2024

Canaveral Port Authority, Florida

**Schedule of Findings and Questioned Costs
Year Ended September 30, 2023**

I – Summary of Auditor’s Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

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 |

Federal Awards

Internal control over major federal programs:

| | | | |
|---|-----------|---|---------------------|
| Material weakness(es) identified? | _____ Yes | X | _____ No |
| Significant deficiency(ies) identified? | _____ Yes | X | _____ None Reported |

Type of auditor’s report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)?

| | | |
|-----------|---|----------|
| _____ Yes | X | _____ No |
|-----------|---|----------|

Identification of major federal programs:

| Assistance Listing Numbers | Name of Federal Program or Cluster |
|----------------------------|---|
| 97.036 | Disaster Grants - Public Assistance (Presidentially Declared Disasters) |
| 21.027 | COVID-19: Coronavirus State and Local Fiscal Recovery Funds |

Dollar threshold used to distinguish between type A and type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

| | | |
|---|-----|----------|
| X | Yes | _____ No |
|---|-----|----------|

(continued)

Canaveral Port Authority, Florida

**Schedule of Findings and Questioned Costs
Year Ended September 30, 2023**

I – Summary of Auditor’s Results

State Financial Assistance Projects

Internal control over major state projects:

| | | |
|---|-----------|-----------------------------|
| Material weakness(es) identified? | _____ Yes | _____ X _____ No |
| Significant deficiency(ies) identified? | _____ Yes | _____ X _____ None Reported |

Type of auditor’s report issued on compliance for major state projects:

_____ Unmodified _____

Any audit findings disclosed that are required to be reported in accordance with Chapter 10.550, Rules of the Florida Auditor General?

_____ Yes _____ X _____ No

Identification of major state projects:

| CSFA Number | Name of State Program or Project |
|-------------|----------------------------------|
| 55.005 | Seaport Grant Programs |

Dollar threshold used to distinguish between type

A and type B projects: \$ 784,842

Canaveral Port Authority, Florida

**Schedule of Findings and Questioned Costs (Continued)
Year Ended September 30, 2023**

II – Financial Statement Findings

No matters were reported.

III – Findings and Questioned Costs for Federal Awards and State Financial Assistance

No matters were reported.

Canaveral Port Authority, Florida

**Summary Schedule of Prior Audit Findings
Year Ended September 30, 2023**

The prior year single audit disclosed no findings in the Schedule of Findings and Questioned Costs and no uncorrected or unresolved findings exist from the prior audit's Summary of Prior Audit Findings.



OTHER INFORMATION

Canaveral Port Authority

Schedule of Comparative Revenues, Expenses and Changes in Net Position – Unaudited

| Years Ended September 30, | 2023 | 2022 | 2021 | 2020 | 2019 |
|---------------------------------|-----------------------|-----------------------|----------------------|----------------------|-----------------------|
| Operating revenues | | | | | |
| Dockage | \$ 18,194,138 | \$ 16,332,621 | \$ 8,279,495 | \$ 9,072,939 | \$ 8,695,601 |
| Wharfage | 110,861,378 | 67,372,871 | 9,215,706 | 32,608,638 | 60,375,728 |
| Water | 707,692 | 713,535 | 412,511 | 905,464 | 1,175,649 |
| Parking | 41,302,548 | 26,150,224 | 1,876,428 | 9,405,128 | 19,604,009 |
| Line handling | 2,219,386 | 1,856,065 | 903,220 | 1,067,417 | 1,254,120 |
| Terminal/crane/RORO | 581,395 | 542,015 | 640,225 | 668,407 | 81,800 |
| Leases | 10,883,416 | 9,916,482 | 9,258,649 | 9,699,530 | 9,252,306 |
| Permits | 86,460 | 84,984 | 74,729 | 78,857 | 78,753 |
| Badging fees | - | - | 221 | 17,221 | 27,855 |
| Commercial vehicle | 1,877,940 | 1,162,170 | 40,701 | 908,927 | 1,584,389 |
| Miscellaneous | 782,779 | 521,191 | 483,002 | 523,804 | 859,343 |
| Camping | 2,502,805 | 2,535,781 | 1,894,699 | 1,134,554 | 1,796,460 |
| Recreational parking | 1,011,188 | 1,004,441 | 951,256 | 539,215 | 789,638 |
| Fire training | 360,749 | 247,179 | 182,801 | 114,158 | 207,812 |
| Other park revenues | 403,881 | 387,923 | 246,400 | 139,649 | 269,129 |
| Exploration Tower | 13,100 | 117,192 | 82,951 | 216,039 | 448,204 |
| Concessions | 10,800 | 10,800 | 6,300 | 4,223 | 10,636 |
| Total operating revenues | 191,799,655 | 128,955,474 | 34,549,294 | 67,104,170 | 106,511,432 |
| Non-operating revenues | | | | | |
| Investment earnings (loss) | 7,063,893 | (804,109) | 217,578 | 1,600,821 | 3,412,808 |
| Insurance proceeds | - | - | - | - | 658,975 |
| Grant revenue | 15,006,995 | 43,411,126 | 15,440,776 | 460,826 | 567,455 |
| Gain on sale/disposal of assets | 147,102 | 25,476 | 2,953,254 | 7,356 | 45,621 |
| Gain on legal settlement | - | 1,470,000 | - | - | - |
| Total revenues | \$ 214,017,645 | \$ 173,057,967 | \$ 53,160,902 | \$ 69,173,173 | \$ 111,196,291 |
| Operating expenses | | | | | |
| Operations: | | | | | |
| Salaries | \$ 4,493,765 | \$ 3,334,601 | \$ 1,675,206 | \$ 2,885,231 | \$ 3,317,835 |
| Benefits | 2,141,653 | 1,768,982 | 915,918 | 1,780,026 | 2,040,946 |
| Service contracts | 1,650,795 | 756,683 | 110,058 | 385,963 | 527,294 |
| Utilities | 81,373 | 75,145 | 67,915 | 41,030 | 31,247 |
| Maintenance and supplies | 369,306 | 148,836 | 163,079 | 132,669 | 151,718 |
| Office | 72,000 | 26,339 | 34,368 | 49,431 | 89,157 |
| Training | 18,011 | - | - | - | - |
| Fuel | 19,386 | 13,120 | 11,245 | 10,503 | 12,490 |
| Contractual obligations | 4,399,014 | 2,790,239 | (35,538) | 1,652,670 | 3,003,307 |
| Advertising | - | - | 199 | - | 562 |
| Travel | 7,474 | 4,117 | 42 | 6,360 | 14,990 |
| Education and seminars | 65 | - | - | 77 | 38 |
| Cruise terminal maintenance | - | 19,819 | - | - | - |
| Other | 25,016 | - | 15,317 | 22,240 | 27,119 |
| Total operations | 13,277,858 | 8,937,881 | 2,957,809 | 6,966,200 | 9,216,703 |
| Facilities: | | | | | |
| Salaries | 3,606,548 | 2,738,201 | 2,365,248 | 2,872,865 | 2,874,142 |
| Benefits | 1,833,177 | 1,483,918 | 1,662,277 | 1,804,374 | 1,620,975 |
| Service contracts | 2,906,537 | 2,395,489 | 1,167,913 | 1,567,174 | 1,937,217 |
| Utilities | 3,668,087 | 3,324,140 | 2,361,444 | 2,838,991 | 3,532,838 |
| Maintenance and support | 2,020,291 | 1,466,845 | 599,019 | 823,972 | 649,137 |
| Office | 16,648 | 14,766 | 16,676 | 18,394 | 23,193 |

Canaveral Port Authority

Schedule of Comparative Revenues, Expenses and Changes in Net Position – Unaudited (Continued)

| Years Ended September 30, | 2023 | 2022 | 2021 | 2020 | 2019 |
|-----------------------------------|-------------------|-------------------|------------------|-------------------|-------------------|
| Computer support and training | \$ 10,687 | \$ 9,302 | \$ 9,302 | \$ 8,568 | \$ - |
| Fuel | 161,482 | 145,856 | 87,192 | 82,238 | 110,439 |
| Publications | - | 89 | - | - | - |
| Travel | 3,442 | 1,923 | 1,436 | 1,403 | 3,899 |
| Education and seminars | 1,715 | 3,095 | 1,595 | 2,376 | 2,760 |
| Other | 25,879 | 18,651 | 5,439 | 7,998 | 18,219 |
| Total facilities | 14,254,493 | 11,602,275 | 8,277,541 | 10,028,353 | 10,772,819 |
| Public safety: | | | | | |
| Salaries | 488,670 | 435,539 | 323,917 | 484,675 | 484,497 |
| Benefits | 154,792 | 140,711 | 110,084 | 153,722 | 163,230 |
| Service contracts | - | - | 2,476 | 712 | 4,746 |
| Fire protection | 2,560,091 | 2,463,962 | 2,385,004 | 2,432,225 | 2,291,582 |
| Police services | 8,131,575 | 7,263,714 | 6,231,291 | 7,000,101 | 6,692,578 |
| Maintenance and supplies | 14,680 | 8,209 | 7,471 | 6,881 | 9,585 |
| Office | 11,395 | 10,278 | 2,516 | 3,927 | 18,752 |
| Computer support and training | - | - | - | 1,244 | - |
| Communications services | 21,524 | 4,276 | 4,296 | 3,444 | 10,267 |
| Travel | 15,567 | 8,286 | 1,084 | 8,523 | 20,233 |
| Education and seminars | 4,774 | 3,296 | - | 787 | 3,323 |
| Other | 10,717 | 11,058 | 9,835 | 6,567 | 2,006 |
| Total public safety | 11,413,785 | 10,349,329 | 9,077,974 | 10,102,808 | 9,700,799 |
| Parks and recreation: | | | | | |
| Salaries | 763,120 | 740,753 | 532,024 | 582,975 | 642,480 |
| Benefits | 420,690 | 436,112 | 340,719 | 387,978 | 395,850 |
| Service contracts | 408,871 | 388,243 | 308,523 | 226,011 | 235,520 |
| Store merchandise | 59,699 | 60,423 | 18,757 | 22,906 | 47,275 |
| Utilities | 267,551 | 258,419 | 183,124 | 164,362 | 206,286 |
| Maintenance and supplies | 35,065 | 32,300 | 20,022 | 12,832 | 19,502 |
| Office | 51,512 | 24,168 | 16,663 | 18,632 | 30,430 |
| Computer support and training | 1,392 | 3,945 | - | - | - |
| Advertising | 8,611 | 415 | - | - | - |
| Travel | 1,299 | 529 | 401 | 239 | 1,774 |
| Education and seminars | 775 | 372 | 450 | 279 | 1,743 |
| Other park expense | 15,705 | 4,193 | 2,223 | 6,988 | 6,096 |
| Total parks and recreation | 2,034,290 | 1,949,872 | 1,422,906 | 1,423,202 | 1,586,956 |
| Exploration tower: | | | | | |
| Salaries | 26,193 | 107,053 | 114,299 | 201,726 | 301,073 |
| Benefits | 18,515 | 58,110 | 63,008 | 121,286 | 144,175 |
| Service contracts | 948 | 3,237 | 8,602 | 10,755 | 22,154 |
| Store merchandise | - | 34,803 | 37,783 | 46,641 | 77,533 |
| Utilities | 75,187 | 38,654 | 8,229 | 11,681 | 14,369 |
| Exhibit and special events | 5,919 | 4,272 | 2,383 | 12,632 | 30,737 |
| Maintenance and supplies | - | 878 | 921 | 2,005 | 5,544 |
| Office | 5,170 | 326 | 591 | 3,637 | 6,621 |
| Promotions | 175 | 1,500 | (65) | 987 | 5,963 |
| Advertising | - | 1,659 | - | 19,526 | 23,452 |
| Trade development | 927 | 424 | - | 3,276 | 905 |
| Travel | 40 | 234 | - | 325 | 320 |
| Education and seminars | - | - | - | - | 408 |
| Other expenses | - | - | - | 138 | 1,215 |
| Total exploration tower | 133,074 | 251,150 | 235,751 | 434,615 | 634,469 |

Canaveral Port Authority

Schedule of Comparative Revenues, Expenses and Changes in Net Position – Unaudited (Continued)

| Years Ended September 30, | 2023 | 2022 | 2021 | 2020 | 2019 |
|-------------------------------------|------------------|------------------|------------------|------------------|------------------|
| Fire training facility: | | | | | |
| Service contracts | \$ 245,358 | \$ 190,322 | \$ 135,897 | \$ 170,625 | \$ 180,024 |
| Utilities | 53,434 | 29,558 | 43,322 | 17,923 | 23,020 |
| Insurance | 51,916 | 39,390 | 38,240 | 35,727 | 42,244 |
| Maintenance and supplies | 34,194 | 35,383 | 20,759 | 10,809 | 53,264 |
| Office | - | - | - | 355 | 76 |
| Accounting | 500 | 500 | - | - | 475 |
| Total fire training facility | 385,402 | 295,153 | 238,218 | 235,439 | 299,103 |
| Commission: | | | | | |
| Salaries | 131,088 | 128,242 | 110,104 | 120,200 | 116,547 |
| Benefits | 126,549 | 119,511 | 115,414 | 106,443 | 104,833 |
| Legal | 58,745 | 40,408 | 31,873 | 43,178 | 59,795 |
| Maintenance and supplies | 29 | 59 | 46 | 10 | 14 |
| Office | 4,715 | 4,288 | 4,710 | 5,832 | 8,046 |
| Planning and studies | 3,830 | - | - | - | - |
| Promotions | 3,161 | 356 | 3,020 | 4,750 | 2,980 |
| Advertising | 424 | 400 | 341 | 850 | 836 |
| Travel | 10,078 | 9,156 | 250 | 9,782 | 37,628 |
| Education and seminars | - | 600 | - | 1,723 | 995 |
| Total commission | 338,619 | 303,020 | 265,758 | 292,768 | 331,674 |
| Executive: | | | | | |
| Salaries | 1,508,983 | 1,331,597 | 1,138,853 | 1,139,195 | 1,063,625 |
| Benefits | 372,110 | 355,072 | 318,024 | 311,905 | 329,762 |
| Service contracts | 58,750 | - | - | - | - |
| Legal | 31,919 | 47,148 | 97,952 | 59,810 | 209,586 |
| Maintenance and supplies | 180 | 70 | 64 | 89 | 7 |
| Office | 187,493 | 107,332 | 152,437 | 205,299 | 201,812 |
| Fraud hotline | 2,446 | 2,626 | 4,163 | 2,699 | 2,579 |
| Advertising | 351 | - | - | - | - |
| Travel | 19,057 | 5,968 | 1,840 | 8,377 | 18,669 |
| Education and seminars | 2,426 | 3,847 | 89 | 4,802 | 3,068 |
| Other expenses | - | - | 583 | 9,000 | - |
| Total executive | 2,183,715 | 1,853,660 | 1,714,005 | 1,741,176 | 1,829,108 |
| Finance and accounting: | | | | | |
| Salaries | 1,351,494 | 1,184,217 | 1,108,949 | 1,114,472 | 999,710 |
| Benefits | 506,693 | 462,994 | 393,768 | 410,875 | 409,324 |
| Service contracts | 2,957 | 71,570 | 281 | 30,787 | 63,338 |
| Maintenance and supplies | 328 | 268 | 77 | 100 | - |
| Office | 19,376 | 42,512 | 9,426 | 44,715 | 70,906 |
| Computer support and training | - | - | - | - | 22,667 |
| Advertising | 5,594 | 3,647 | 6,733 | 1,923 | 4,979 |
| Travel | 6,882 | 7,078 | 696 | 1,486 | 5,513 |
| Education and seminars | 490 | 1,339 | 869 | 395 | 2,343 |
| Accounting | 138,438 | 127,099 | 122,064 | 100,841 | 137,835 |
| Total finance and accounting | 2,032,252 | 1,900,724 | 1,642,863 | 1,705,594 | 1,716,615 |

Canaveral Port Authority

Schedule of Comparative Revenues, Expenses and Changes in Net Position – Unaudited (Continued)

| Years Ended September 30, | 2023 | 2022 | 2021 | 2020 | 2019 |
|--|------------------|------------------|------------------|------------------|------------------|
| Administrative services: | | | | | |
| Salaries | \$ 2,468,423 | \$ 2,032,280 | \$ 1,744,807 | \$ 2,211,261 | \$ 1,894,792 |
| Benefits | 920,485 | 772,052 | 720,471 | 901,759 | 783,879 |
| Service contracts | 184,479 | 162,431 | 171,651 | 62,173 | 73,002 |
| Utilities | 73 | - | 376 | 222 | - |
| Legal | 139,489 | 10,634 | 77,645 | 100,443 | 35,491 |
| Insurance | 4,481,010 | 3,848,529 | 3,574,932 | 3,112,167 | 2,259,514 |
| Maintenance and supplies | 13,269 | 7,541 | 5,815 | 4,334 | 545 |
| Office | 129,215 | 73,576 | 73,082 | 113,780 | 136,044 |
| Recruiting | 122,600 | 125,965 | 10,288 | 83,092 | 189,375 |
| Computer support and training | 1,358,940 | 1,076,680 | 1,066,899 | 1,459,466 | 1,084,255 |
| Advertising | 429 | 89 | - | 457 | 2,009 |
| Travel | 13,291 | 2,065 | 77 | 6,901 | 16,230 |
| Education and seminars | 14,159 | 10,969 | (206) | 22,450 | 25,577 |
| Total administrative services | 9,845,862 | 8,122,811 | 7,445,837 | 8,078,505 | 6,500,713 |
| Engineering and environmental: | | | | | |
| Salaries | 1,188,299 | 998,883 | 899,608 | 1,144,243 | 1,083,798 |
| Benefits | 477,425 | 405,682 | 336,522 | 455,823 | 439,692 |
| Service contracts | 90,982 | 90,912 | 85,553 | 113,214 | 43,118 |
| Maintenance and supplies | 59,106 | 1,300 | 321 | 86,335 | - |
| Office | 5,228 | 5,817 | 3,586 | 6,260 | 20,387 |
| Advertising | 6,823 | 2,705 | - | 1,796 | - |
| Travel | 17,098 | 5,610 | 516 | 1,409 | 17,073 |
| Education and seminars | 4,676 | 4,374 | 311 | 95 | 7,511 |
| Engineering – general | 172,755 | 99,920 | 76,853 | 285,163 | 493,619 |
| Engineering – environment | 292,246 | 269,632 | 309,113 | 265,097 | 450,676 |
| Total engineering and environmental | 2,314,638 | 1,884,835 | 1,712,383 | 2,359,435 | 2,555,874 |
| Business development: | | | | | |
| Salaries | 553,502 | 462,773 | 526,207 | 816,761 | 693,611 |
| Benefits | 194,291 | 177,527 | 198,774 | 313,127 | 274,486 |
| Maintenance and supplies | 95 | 211 | 125 | 22,420 | 7 |
| Office | 37,809 | 21,093 | 13,186 | 54,063 | 59,399 |
| Promotions | - | - | - | 242 | 490 |
| Advertising | 14,545 | - | (3,500) | 139,470 | 271,369 |
| Trade development | 169,160 | 102,571 | (753) | 140,601 | 309,476 |
| Travel | 19,201 | 9,355 | 2,230 | 38,262 | 104,719 |
| Education and seminars | 1,465 | - | - | 29 | 177 |
| Total business development | 990,068 | 773,530 | 736,269 | 1,524,975 | 1,713,734 |
| Real estate: | | | | | |
| Salaries | 238,425 | 191,317 | 46,399 | 172,584 | 271,865 |
| Benefits | 65,225 | 53,109 | 17,741 | 69,223 | 81,533 |
| Service contracts | 839 | 956 | 3,003 | 1,820 | 266 |
| Maintenance and supplies | (24,886) | 4,490 | 9,640 | 2,284 | - |
| Legal | - | - | - | 475 | - |
| Office | 35,144 | 2,403 | 78,010 | 1,112 | 41,986 |
| Land use planning | 8,786 | 15,900 | 11,100 | 12,000 | 5,700 |
| Lease preparation | 56,504 | 61,351 | 325,837 | 250,805 | 396,035 |
| Promotions | - | - | - | 23 | 299 |
| Travel | - | - | - | 46 | 33 |
| Education and seminars | - | - | - | - | 290 |
| Total real estate | 380,037 | 329,526 | 491,730 | 510,372 | 798,007 |

Canaveral Port Authority

Schedule of Comparative Revenues, Expenses and Changes in Net Position – Unaudited (Continued)

| <i>Years Ended September 30,</i> | 2023 | 2022 | 2021 | 2020 | 2019 |
|---|-----------------------|-----------------------|------------------------|------------------------|-----------------------|
| Government and strategic communications: | | | | | |
| Salaries | \$ 717,495 | \$ 599,665 | \$ 533,241 | \$ 604,819 | \$ 518,503 |
| Benefits | 207,383 | 166,915 | 159,823 | 193,581 | 160,704 |
| Maintenance and supplies | 126 | 62 | 95 | 138 | - |
| Office | 9,200 | 9,433 | 4,053 | 8,836 | 11,656 |
| Computer support and training | - | - | 1,188 | 1,663 | - |
| Planning and studies | 53,000 | - | - | 5,300 | 83,500 |
| Promotions | 60,131 | 26,757 | 2,545 | 29,157 | 61,116 |
| Publications | 24,061 | 992 | 3,907 | 3,469 | 4,169 |
| Electronic media | 17,340 | 16,455 | 9,972 | 38,050 | 9,789 |
| Advertising | 166 | - | 9,100 | 25,276 | 46,393 |
| Sponsorship | 44,880 | 33,815 | 360 | 54,950 | 64,390 |
| Travel | 18,341 | 16,301 | 1,851 | 8,209 | 13,931 |
| Professional services | 239,500 | 230,000 | 213,000 | 206,300 | 202,400 |
| Education and seminars | 4,609 | 2,928 | 411 | 1,382 | 2,944 |
| Total government and strategic communications | 1,396,232 | 1,103,323 | 939,546 | 1,181,130 | 1,179,495 |
| Depreciation | 47,387,275 | 48,790,189 | 49,078,633 | 38,956,733 | 38,554,203 |
| Amortization | 467,526 | 456,770 | 611,115 | 577,821 | 531,532 |
| Total operating expenses | 108,835,126 | 98,904,048 | 86,848,338 | 86,119,126 | 87,921,804 |
| Non-operating expenses | | | | | |
| Amortization of bond discounts | 62,769 | 62,768 | 137,675 | 175,129 | 175,129 |
| Commissions and fees | 95,093 | 148,622 | 183,030 | 424,935 | 827,550 |
| Interest expense | 12,219,324 | 12,076,856 | 12,379,203 | 9,757,523 | 13,046,982 |
| Loss on disposal of capital assets | 100,683 | - | 1,658,837 | 505,000 | 5,026 |
| Litigation expense | - | 25,159 | 488,132 | 76,638 | 117,489 |
| Covid expense | - | - | 83,067 | 45,403 | - |
| Hurricane repairs | 995,650 | 234,461 | 880 | 20,279 | 77,712 |
| Total non-operating expense | 13,473,519 | 12,547,866 | 14,930,824 | 11,004,907 | 14,249,888 |
| Total expenses | \$ 122,308,645 | \$ 111,451,914 | \$ 101,779,162 | \$ 97,124,033 | \$ 102,171,692 |
| Total operating revenues | \$ 191,799,655 | \$ 128,955,474 | \$ 34,549,294 | \$ 67,104,170 | \$ 106,511,432 |
| Total operating expenses | 108,835,126 | 98,904,048 | 86,848,338 | 86,119,126 | 87,921,804 |
| Net operating income (loss) | \$ 82,964,529 | \$ 30,051,426 | \$ (52,299,044) | \$ (19,014,956) | \$ 18,589,628 |
| Total non-operating revenues | \$ 22,217,990 | \$ 44,102,493 | \$ 18,611,608 | \$ 2,069,003 | \$ 4,684,859 |
| Total non-operating expenses | 13,473,519 | 12,547,866 | 14,930,824 | 11,004,907 | 14,249,888 |
| Net non-operating income (loss) | \$ 8,744,471 | \$ 31,554,627 | \$ 3,680,784 | \$ (8,935,904) | \$ (9,565,029) |
| Total revenues | \$ 214,017,645 | \$ 173,057,967 | \$ 53,160,902 | \$ 69,173,173 | \$ 111,196,291 |
| Total expenses | 122,308,645 | 111,451,914 | 101,779,162 | 97,124,033 | 102,171,692 |
| Net income (loss) before capital contributions | 91,709,000 | 61,606,053 | (48,618,260) | (27,950,860) | 9,024,599 |
| Capital contributions | 30,442,555 | 23,502,430 | 287,128 | 11,896,455 | 15,239,301 |
| Changes in net position | \$ 122,151,555 | \$ 85,108,483 | \$ (48,331,132) | \$ (16,054,405) | \$ 24,263,900 |

Canaveral Port Authority

Schedule of Comparative Operating Revenues by Activity (Unaudited)

| <i>Years Ended September 30,</i> | 2023 | 2022 | 2021 | 2020 | 2019 |
|---|-----------------------|-----------------------|----------------------|----------------------|-----------------------|
| Cruise | \$ 158,015,193 | \$ 99,014,902 | \$ 10,184,479 | \$ 44,097,826 | \$ 81,914,307 |
| Cargo | 15,851,344 | 13,952,429 | 11,143,105 | 9,629,868 | 9,272,598 |
| Total ship related operating revenue | 173,866,537 | 112,967,331 | 21,327,584 | 53,727,694 | 91,186,905 |
| Leases | 10,883,416 | 9,916,482 | 9,258,649 | 9,699,530 | 9,252,306 |
| Recreation | 3,941,774 | 4,056,137 | 3,181,606 | 2,032,900 | 3,311,850 |
| Miscellaneous | 3,107,928 | 2,015,524 | 781,455 | 1,644,046 | 2,760,371 |
| Total non-ship related operating revenue | 17,933,118 | 15,988,143 | 13,221,710 | 13,376,476 | 15,324,527 |
| Total operating revenue | \$ 191,799,655 | \$ 128,955,474 | \$ 34,549,294 | \$ 67,104,170 | \$ 106,511,432 |

Canaveral Port Authority

**Schedule of Construction in Progress and Capital Costs Compared with Budget
(Unaudited)(Prior to Transfer of Completed Projects to Capital Assets)**

| <i>Year Ended September 30, 2023</i> | Actual | | | Budget |
|--------------------------------------|---------------------|---------------------|---------------------|-----------------------|
| | Prior Years | Current Year | Cumulative Total | Cumulative Total |
| Road Improvements | \$ 158,065 | \$ 3,293,689 | \$ 3,451,754 | \$ 8,092,837 |
| Portwide Parking Lot Improvement | 25,916 | 4,953,776 | 4,979,692 | 12,550,000 |
| Portwide Parking Improvements | - | 1,811,268 | 1,811,268 | 1,900,000 |
| Security Fencing/Lighting | - | 58,199 | 58,199 | 600,270 |
| Maintenance Dredging | 65,605 | 2,480,861 | 2,546,466 | 4,437,000 |
| Other Computer Equipment | 92,307 | 528,752 | 621,059 | 796,823 |
| Park Upgrades | 87,728 | 44,881 | 132,609 | 5,001,653 |
| Improve Piers,Bldgs,Structures | 291,734 | 3,416,894 | 3,708,628 | 6,395,074 |
| Fire Training Equipment | - | 13,000 | 13,000 | 35,000 |
| Utilities and Improvements | 139,757 | 71,219 | 210,975 | 1,795,000 |
| Minor Equipment | - | 422,973 | 422,973 | 423,900 |
| New/Replacement Vehicles | - | 2,443,867 | 2,443,867 | 2,444,000 |
| CT Furniture/Equipment | 162,578 | 651,162 | 813,740 | 2,506,000 |
| Stormwater Improvements | 53,472 | 62,560 | 116,031 | 296,159 |
| Financial System Upgrade | 38,038 | - | 38,038 | 38,038 |
| Cove Roads Phase 2 | 502,292 | - | 502,292 | 502,292 |
| CT 5 Terminal Upgrades | 220,480 | 47,208 | 267,687 | 458,216 |
| CT10 Terminal Improvements | - | 186,068 | 186,068 | 5,000,000 |
| Maritime Ctr Tenant Improvement | 101,245 | 12,982 | 114,227 | 1,042,000 |
| CT# 8 Renovations | 2,883,731 | 18,151 | 2,901,882 | 2,901,882 |
| WTB Channel Entrance Phase 2 | 2,419,556 | - | 2,419,556 | 2,419,556 |
| Public Safety Projects | - | 42,571 | 42,571 | 225,000 |
| PSGP 2020 Projects CPA | 1,122,052 | 28,887 | 1,150,939 | 1,151,439 |
| PSGP 2021 Projects | 2,941 | 315,078 | 318,019 | 587,267 |
| PSGP 2022 Projects | - | 681 | 681 | 630,000 |
| North Cargo Berth 4 | 1,361,556 | 13,203,465 | 14,565,021 | 14,602,000 |
| North Cargo Berth 3 | 31,702,078 | 14,883,474 | 46,585,553 | 47,435,822 |
| Auto Terminal | 95,390 | - | 95,390 | 95,390 |
| Port Master Plan | - | 197,312 | 197,312 | 224,933 |
| Cruise Terminal 3 | - | 49,542 | 49,542 | 49,542 |
| North Cargo Power Project | 49,796 | - | 49,796 | 49,796 |
| CT Pax Bridge Renovation | 112,131 | 1,068,770 | 1,180,901 | 1,850,395 |
| Mobile Harbor Crane FY2020 | 92,921 | 4,506,546 | 4,599,467 | 7,710,020 |
| LNG Fire Trainer Expansion | 70,194 | - | 70,194 | 70,194 |
| CBP Tech Upgrades | - | 242,220 | 242,220 | 1,127,747 |
| West Side Infrastructure | 18,398 | 30,157 | 48,555 | 2,642,246 |
| Total | \$41,869,961 | \$55,086,210 | \$96,956,171 | \$ 138,087,490 |

Canaveral Port Authority

Appendix A – Schedule of Insurance in Force (Unaudited) Year Ended September 30, 2023

Property Coverage

| | |
|---|----------------|
| Total insured values | \$ 915,076,063 |
| Limit on buildings, contents, electronic data processing, flood, equipment, terrorism and boats | \$ 200,000,000 |

Port Liability

| | |
|--|---------------|
| Comprehensive per occurrence/bodily injury and property damage | \$ 25,000,000 |
|--|---------------|

Automobile Liability and Physical Damage

| | |
|---|--------------|
| Bodily injury and property damage | \$ 1,000,000 |
| Auto medical payments, any one accident or loss | \$ 5,000 |
| Personal injury protection | Statutory |
| Hired and non-owned auto liability | \$ 1,000,000 |

Excess Port Liability

| | |
|--------------------------|---------------|
| Per occurrence/aggregate | \$ 75,000,000 |
|--------------------------|---------------|

Public Officials Liability, Claims Made Policy, includes Directors and Officers and Employment Practices Liability Insurance

| | |
|--|--------------|
| Each claim and aggregate, including claims expense | \$ 3,000,000 |
|--|--------------|

Comprehensive Crime Insurance

| | |
|------------------------------------|--------------|
| Employee theft, per loss/aggregate | \$ 1,000,000 |
| Forgery or alteration | \$ 1,000,000 |
| Computer fraud | \$ 1,000,000 |

Florida Storage Tank

| | |
|-------------------------|--------------|
| Each incident/aggregate | \$ 2,000,000 |
|-------------------------|--------------|

Fiduciary Liability, Claims Made Policy

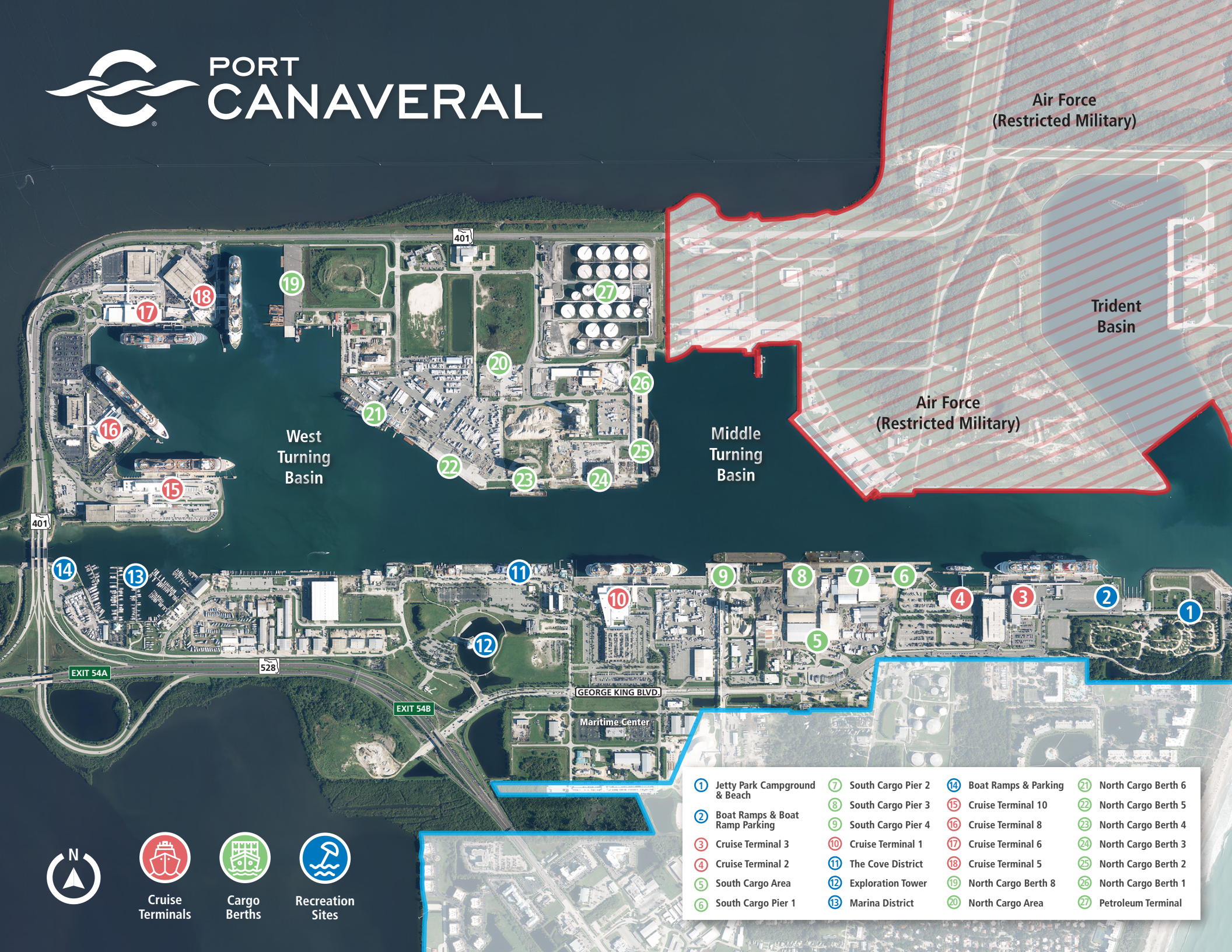
| | |
|-----------|--------------|
| Aggregate | \$ 1,000,000 |
|-----------|--------------|

Workers' Compensation, Employers Liability

| | |
|---|--------------|
| Bodily injury by accident/each accident | \$ 1,000,000 |
| Bodily injury by disease/each employee | \$ 1,000,000 |
| Bodily injury by disease/aggregate | \$ 1,000,000 |

Hull and Machinery / Protection and Indemnity / Vessel Pollution Liability

| | |
|------------|--------------|
| Hull limit | \$ 5,567,200 |
| P&I limit | \$ 1,000,000 |
| Excess P&I | \$ 5,000,000 |



Air Force
(Restricted Military)

Trident Basin

Air Force
(Restricted Military)

Middle Turning Basin

West Turning Basin

GEORGE KING BLVD.

Maritime Center

401

401

528

EXIT 54A

EXIT 54B



Cruise Terminals

Cargo Berths

Recreation Sites

- | | | | |
|----------------------------------|----------------------|------------------------|-----------------------|
| ① Jetty Park Campground & Beach | ⑦ South Cargo Pier 2 | ⑭ Boat Ramps & Parking | ⑳ North Cargo Area |
| ② Boat Ramps & Boat Ramp Parking | ⑧ South Cargo Pier 3 | ⑮ Cruise Terminal 10 | ㉑ North Cargo Berth 6 |
| ③ Cruise Terminal 3 | ⑨ South Cargo Pier 4 | ⑯ Cruise Terminal 8 | ㉒ North Cargo Berth 5 |
| ④ Cruise Terminal 2 | ⑩ Cruise Terminal 1 | ⑰ Cruise Terminal 6 | ㉓ North Cargo Berth 4 |
| ⑤ South Cargo Area | ⑪ The Cove District | ⑱ Cruise Terminal 5 | ㉔ North Cargo Berth 3 |
| ⑥ South Cargo Pier 1 | ⑫ Exploration Tower | ㉒ North Cargo Berth 8 | ㉕ North Cargo Berth 2 |
| | ⑬ Marina District | ㉓ North Cargo Berth 1 | ㉖ North Cargo Berth 1 |
| | | ㉔ Petroleum Terminal | |

ON THE COVER

Cruise passengers are going through the embarkment process for a voyage out of Cruise Terminal 3.

A record breaking 6,780,927 passengers visited Port Canaveral for their cruises during fiscal year 2023.



Canaveral Port Authority
445 Challenger Road, Suite 301
Cape Canaveral, FL 32920