

City of Rockledge, Florida

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Year Ended September 30, 2021

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City of Rockledge, Florida
ANNUAL COMPREHENSIVE FINANCIAL REPORT
Year Ended September 30, 2021

Prepared by: Matthew Trine

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City of Rockledge, Florida
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As of September 30, 2021

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City of Rockledge, Florida
City Officials
As of September 30, 2021

MAYOR

Thomas J. Price

CITY COUNCIL

Dr. Michael A. Cadore Sr.

Dr. R. Shaun Ferguson

Sammie Brown Martin

Frank T. Forester

Duane A. Daski

Ted J. Hartselle

CITY MANAGER

Dr. Brenda Fettrow

ASSISTANT CITY MANAGER

Matthew D. Trine

CITY ATTORNEY

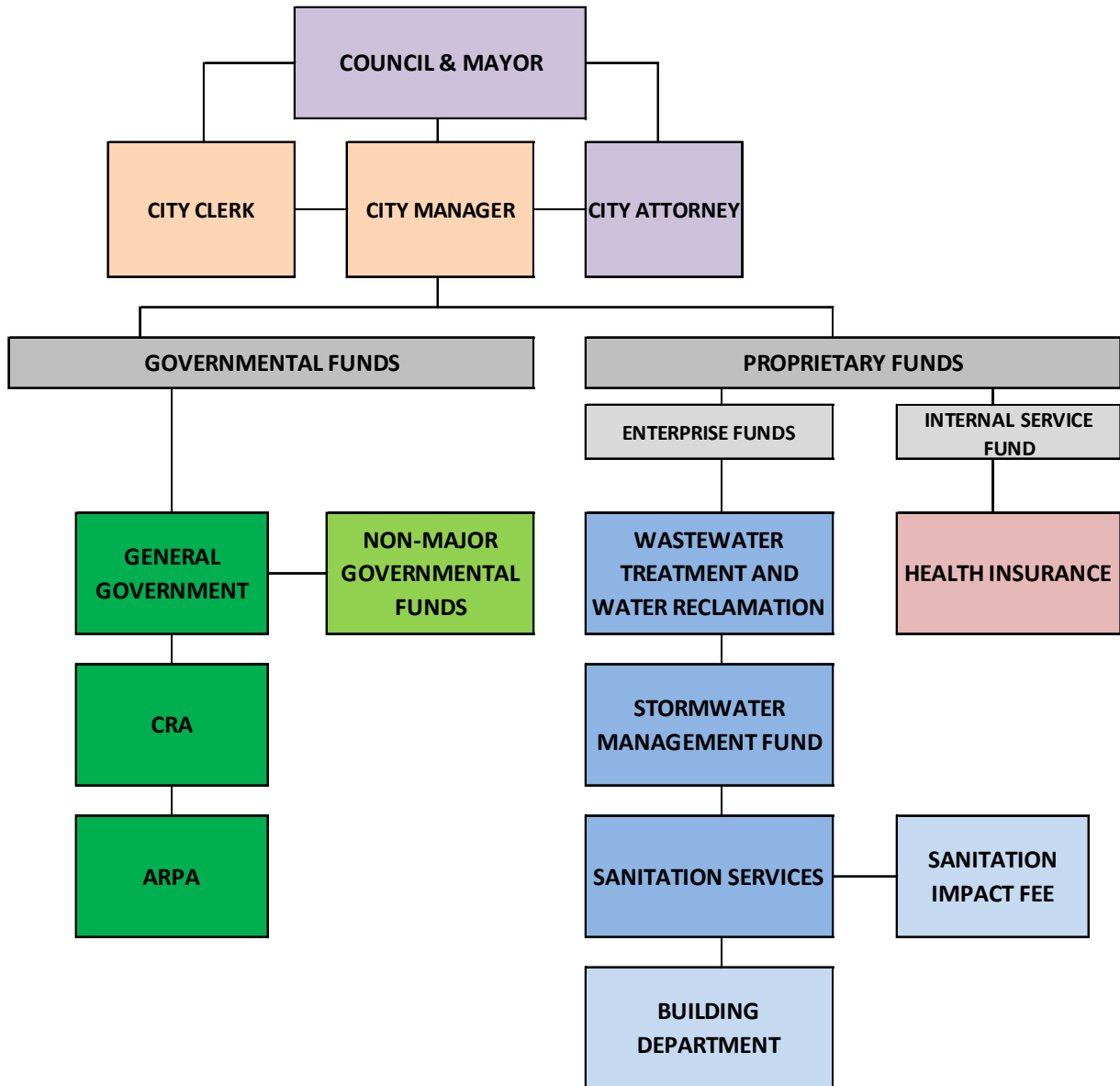
Joseph Miniclier

CITY CLERK/PUBLIC RELATIONS

Jennifer M. LeVasseur

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City of Rockledge, Florida
Organization Chart
As of September 30, 2021



- | | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| - Major Enterprise Funds | - Major Governmental Funds | - Chartered Officers |
| - Non-Major Enterprise Funds | - Non-Major Governmental Funds | - Elected Officials & City Attorney |
| - Internal Service Fund | | |

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CITY HALL
1600 HUNTINGTON LANE
ROCKLEDGE, FL 32955
TELEPHONE: 321-221-7540
FAX: 321-204-6356

BUILDING DIVISION
1600 HUNTINGTON LANE
ROCKLEDGE, FL 32955
TELEPHONE: 321-221-7540
FAX: 321-204-6356

PUBLIC SAFETY DEPT.

FIRE DIVISION
1776 JACK OATES BLVD.
ROCKLEDGE, FL 32955
TELEPHONE: 321-221-7540
FAX: 321-204-6386

POLICE DIVISION
1776 JACK OATES BLVD.
ROCKLEDGE, FL 32955
TELEPHONE: 321-690-3213
FAX: 321-690-3996

PUBLIC WORKS DEPT.
1400 N. GARDEN ROAD
ROCKLEDGE, FL 32955
TELEPHONE: 321-221-7540
FAX: 321-204-6353

**WASTEWATER
TREATMENT & WATER
RECLAMATION DEPT.**
1700 JACK OATES BLVD.
ROCKLEDGE, FL 32955
TELEPHONE: 321-221-7540
FAX: 321-204-6377

REDEVELOPMENT
1600 HUNTINGTON LANE
ROCKLEDGE, FL 32955
TELEPHONE: 321-221-7540
FAX: 321-204-6385

www.cityofrockledge.org

March 8, 2022

The Honorable Mayor,
Members of City Council,
and Citizens of the City of Rockledge:

The Annual Comprehensive Financial Report of the City of Rockledge, Florida, for the fiscal year ended September 30, 2021, is hereby submitted. The report includes Management's Discussion and Analysis and is reflective of management's position on the financial status of the City. Management is responsible for the contents of the annual comprehensive financial report. As such, management, with the support of the elected officials, has established a comprehensive framework of internal controls to protect the City from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with generally accepted accounting principles (GAAP). This framework of internal controls, despite inherent limitations, is established to provide a reasonable basis for asserting that these financial statements are fairly presented. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The firm of Carr, Riggs & Ingram, LLC, has audited the City's financial statements. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2021 are free of material misstatement. The independent audit involves 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 auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended September 30, 2021, are fairly presented in conformity with GAAP. The independent auditors' report is presented 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 report reflects work compliant with Governmental Accounting Standards Board (GASB) Statement No. 34 and was performed independent of the audit provisions. This includes accounting for streets, roads, sidewalks, stormwater facilities and all wastewater related infrastructure. This information will have an impact on the financial structure of the report and there will be additional statements within the document depicting those requirements.

Furthermore, the report reflects GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. This statement will continue to have a significant impact on net position for the entity-wide statements and the enterprise fund level statements. For more information on the impact of GASB 68, please refer to Note 9 in the Notes to Financial Statements. Finally, the report reflects GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*.

AWARDS AND ACKNOWLEDGEMENTS

The City of Rockledge participates in the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting Program. The City's initial submission for this program was for the Annual Comprehensive Financial Report for the year ended September 30, 2019, for which the City received the Certificate. The City also received the award for the most recent submission for this program for the year ended September 30, 2020.

PROFILE OF THE CITY

Economic conditions for fiscal year 2021 remained strong in the context of the COVID-19 pandemic, as is evidenced in the overall value of building activity and property values. As a measure of local economic activity, total permit value was down from \$129.1 million in 2020 to \$56.8 million in 2021. Total permits issued were 2,881, down 18.4 percent from 3,532 the previous year. New construction decreased in residential units (12 new single family homes, 58 in 2020) and decreased in commercial buildings (five new commercial buildings, seven in 2020). Assessed property values increased by 4.2 percent in 2021, which is the tenth consecutive year of increased values.

Under its Charter, the City operates as a Council-Manager form of government. The Mayor and City Council are elected at large on a non-partisan basis with staggered three-year terms. They are responsible for passing ordinances, adopting budgets, appointing committees, and hiring the City Manager, City Clerk, and City Attorney. The City Manager is responsible for carrying out the policies and ordinances of the Council, overseeing daily operations, and hiring department directors and all other employees of the City. The City currently has 254 full-time equivalent staff positions and 13 part-time staff positions, as well as volunteers in the Police Department. Volunteers also operate the Georgia Phillips Reading Room at the Community Resource Center.

The City provides a full range of services, including police and fire protection; public works, including sanitation, stormwater management, street and sidewalk maintenance, etc.; planning, community development and grants acquisition; building inspection services and code enforcement; wastewater treatment and reclaimed water; and general administration and support services. The City has five proprietary enterprise funds – wastewater treatment/reclaimed water, stormwater, sanitation, sanitation impact fee, and building department. The City also has a Community Redevelopment Agency and associated budget as outlined in Florida Statutes, Chapter 163. As for recreation and leisure services, the City is part of a recreational district created by legislative act in 1971 that serves the central mainland of Brevard County.

The annual budget is a foundation for the financial planning and control for the City and is meant to further the Strategic Plan of the City. The budget process begins at staff level in May of each year, through the City Manager, and is worked through the Council Finance and Budget Committee in June, July, and August. A public workshop is held in August and public hearings in September for adoption of the budget to begin October 1 of each year. The annual tax millage rate is also established at the same time as adoption of the budget.

The budgets are adopted by fund and department. The City Manager can make appropriate transfers within departmental budgets without Council approval. Changes to overall budgets require approval by the City Council. The City Council receives monthly reports of financial conditions of the City, including comparisons as to budget and actual expenditures.

FACTORS AFFECTING FINANCIAL CONDITIONS

As a part of the Central Florida Regional economy, Rockledge has slowly rebounded financially since the recession years of 2009-2012. During Fiscal Year 2021, unemployment was volatile, but ultimately decreased to 3.7 percent, the volatility likely due to the COVID-19 pandemic, continuing the downward trend from what started at double digits during the period of 2009-2012. The expansion of business in the City continues to be positive. Economic development on a comprehensive basis has been aided by redevelopment and public works projects. The City marketing efforts continue in order to attract new business, support existing businesses, and in revitalization of vacant and underutilized properties.

The City of Rockledge has an adopted Business Plan, Investment Strategy, and comprehensive approach to financial matters as well as budgeting. Each budget reflects delivering service at the highest level that can be supported by available revenues. This focus includes personnel management, maintenance and operations, purchasing, and projects. The City's financial position allows for responsible investments in Capital Projects and the continued replacement of vehicles and necessary operating equipment. Emphasis for the future includes the care and maintenance of existing facilities and infrastructure, combined with long-term strategic planning for efficiencies in operations and capital improvements.

As a top priority, the City continues to strategically manage its debt load, including reductions for all governmental budget funds. In eleven years, the City has been able to lower the debt principal from \$14.16 million to \$6.65 million, or to \$239 per capita. Of this, governmental debt is only \$1.88 million, or \$68 per capita. The debt service includes:

- General Fund total debt stands at \$1,632,733 for the Police and Fire Station's new construction and technology upgrades (retiring in 2028).
- The Wastewater Plant debt consists of the State Revolving Fund loan at \$91,922 which will be satisfied in fiscal year 2022, along with the new Series 2021 note to partially fund the construction of the equalization basin and biosolids projects. This note has an outstanding principal of \$4,234,174.
- The Community Redevelopment Agency (CRA) tax-exempt loan for the Barton Boulevard Project has been reduced to \$250,000 at a 1.60 percent interest rate, with satisfaction complete by 2022. In addition, the CRA has a \$500,000 credit line with Community Bank of the South. As of September 30, 2021, this debt instrument was fully satisfied.

Major projects completed in Fiscal Year 2021 included the transfer of Barnes Boulevard from the County to the City, the purchase of land within the redevelopment districts, and the design of the biosolids and flow equalization projects for the Wastewater and Water Reclamation Plant. Additional projects within the year include:

- Continued implementation of the Compensation and Classification System for employees, including the increase of the City-Wide minimum wage. The implementation plan has been modified for the new Florida State minimum wage changes through September 2026.
- Purchase of a compact wheel loader and construction of Don Griffin trail extension for public works
- Purchase of plant generator fuel tank upgrades and lift station 8 generator and control panel for the Wastewater Treatment and Water Reclamation Facility
- Purchase of a police interceptor and two K-9 units for Public Safety
- Completion of 9 Façade Improvement Grants through the Community Redevelopment Agency

Cash reserves are examined each budget season, and are maintained by the City as a contingency against emergent situations. During times of emergency response and disaster mitigation, these fund reserves have historically allowed the City to respond in a timely and efficient manner. These reserves are invested in certificates of deposit, cash management sweep accounts, and money market accounts. Yields have remained at historic lows, with longer-term investments (three to five years) providing only slightly increased returns. Risk Management includes insurance for workers' compensation, general liability, property, vehicular, fiduciary, public officials, and special risk through the Florida League of Cities Municipal Trust Program. The City continues to focus on reducing workers' compensation costs through safety programs and training. In Fiscal Year 2021, City-wide trainings continued to increase safety, as allowable due to the COVID-19 pandemic. Additional trainings were held on safety in the physical and virtual work environments. These continued efforts have recently reduced the overall cost of worker's compensation of the City, and the risk of unforeseen losses and business interruption. Liability, property and casualty insurance have also been maintained at reasonable cost levels.

City Council has continued to pay close attention to the funded status of the three pension plans provided for City employees. The unfunded liability continues to improve over the recessionary levels, with the 2021 market performance above investment objectives. The General, Fire, and Police Employees plans funded status improved in 2021. The funded status of each plan was calculated as follows as of September 30, 2021:

General	109.09%	Police	112.62%	Fire	96.89%
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The City continues to be in an overall positive position when compared with other pension plans statewide. As evidence, this fiscal year, the Fire Employees Retirement Plan's funded status has improved and remained well above 80 percent, which is considered the baseline for healthy pension plans. Furthermore, the General and Police Employees Retirement Plans' funded status exceeds 100%. Monitoring of all three plans remains a priority, and benefit evaluation is ongoing.

ECONOMIC FACTORS, AND NEXT YEAR'S BUDGET AND RATES

When establishing priorities for the Fiscal Year 2021 Budget, the City considered many factors for setting tax rates and user fees for business-type activities. The City emphasizes maintenance, replacement and renewal of existing facilities, and cost-effective capital projects. City facilities, vehicles, and equipment, are in good order but continued evaluation is necessary. Maintaining adequate reserves is key to the continued provision of orderly services in the event of a catastrophic situation.

The nearly 12 square miles of the City is substantially developed, though there continues to be residential, commercial, and industrial development and redevelopment. The CRA has concentrated on attracting new business to the districts, property improvements, and removal of dilapidated structures. Since 2004, the City has funded 114 property improvement projects with matching grants totaling \$894,894 (\$10,000 limit on any one grant). The result has been to leverage over \$3.2 million in private investment to enhance the tax base.

The State of Florida continues to make changes to revenue sources that fund the City budget, especially the General Fund. City Staff evaluates the budget on a monthly basis and recommendations are made to the City Council periodically to ensure financial responsibility.

Until the COVID-19 pandemic, the budget uncertainties were becoming less problematic. Although growth continues, volatility in regulations and economic activity has increased. Potential changes to ad-valorem tax exemptions in conjunction with the effect of state and federal actions affecting intergovernmental revenues may affect the City's budgeted revenues in unforeseen ways. Diligence to detail, along with matching recurring and non-recurring revenues to the proper initiatives are important in allocation of revenues moving forward. With the state mandated minimum wage changes, the City will need to continue to evaluate personnel costs, staffing levels, and benefits, while at the same time keeping salary ranges competitive so as not to become a training ground for other entities.

Enterprise funds such as sewer, sanitation, stormwater utility, and the building department continue to meet financial requirements; although, the sanitation fund has been impacted by Hurricanes Matthew and Irma. Fee increases are evaluated each year based on need and expansion requirements. Federal and State requirements, especially unfunded mandates, will have a direct impact on all of these budgets. The base service charges for sewer were last increased for fiscal year 2019. The gallonage charge was increased in fiscal year 2021, and subsequently increased effective October 1, 2021. Stormwater rate increases were enacted for fiscal year 2021, and subsequently increased effective October 1, 2021. Sanitation rates were increased in fiscal years 2020 and 2021, and subsequently increased effective October 1, 2021. Stormwater and Sewer rates still remain among the lowest in Brevard County. The City is the only provider of full-service sanitation within Brevard County.

CONCLUSION

The preparation of this report would not have been possible without the excellent work of the Finance Division. An extensive amount of detailed effort occurs during the year, as well as during the audit, to ensure accuracy and appropriate evaluation of procedures. Other City departments contribute extensively to sound financial practices of this local government to ensure accountability and the carrying out of the City's mission. Appreciation is also expressed to the independent audit team led by Christine Noll-Rhan for its tireless efforts on this yearly project. Finally, a sincere thank you to the City Council, for your direction and your trust in staff to carry out your policies throughout the year. It is truly a team effort.

The 2021 Fiscal Year, despite the second such year with pandemic headwinds, was a very successful year with much accomplished in all budgetary areas. The main emphasis has been placed on the maintenance of existing facilities to extend usefulness for longer periods, and the continuance of excellent service at reasonable costs. City staff will continue to focus on quality service delivery to the citizens within approved budgetary allocations.

The City of Rockledge has and will continue to serve the citizens with continued high-quality service, while keeping the tax and service rates at a reasonable level. We are honored to have this opportunity to serve the citizens and to move Rockledge forward, enjoying continued success and prosperity.

Sincerely,
CITY OF ROCKLEDGE, FLORIDA



Dr. Brenda Fettrow, City Manager



Matthew D. Trine, Assistant City Manager/ Finance Director



Government Finance Officers Association

Certificate of
Achievement for
Excellence in
Financial
Reporting

Presented to

**City of Rockledge
Florida**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2020

Christopher P. Morill

Executive Director/CEO



Carr, Riggs & Ingram, LLC
215 Baytree Drive
Melbourne, Florida 32940

(321) 255-0088
(321) 259-8648 (fax)
www.cricpa.com

INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members of the City Council
City of Rockledge, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Rockledge, Florida, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City of Rockledge, Florida's basic financial statements as listed in the table of contents..

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Rockledge, Florida, as of September 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and other required supplementary information on pages 5-18 and 86-106 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Rockledge, Florida's basic financial statements. The introductory section, combining financial statements and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining financial statements are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 combining financial statements are fairly stated in all material respects in relation to the financial statements as a whole.

The introductory section and statistical section disclosures have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 8, 2022 on our consideration of the City of Rockledge, Florida'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 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 City of Rockledge's internal control over financial reporting and compliance.

Carr, Riggs & Ingram, L.L.C.

Melbourne, Florida
March 8, 2022

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City of Rockledge, Florida Management's Discussion and Analysis

As management of the City of Rockledge (the "City"), we offer readers of the City's financial statements this narrative overview of the financial activities of the City for the fiscal year ended September 30, 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages vii to xi of this report.

FINANCIAL HIGHLIGHTS

- Total assets and liabilities of the City as of September 30, 2021, were \$172,623,905 and \$11,556,245, respectively. Deferred outflows related to pensions and post-employment benefits were \$1,013,289. Deferred inflows related to pensions, post-employment benefits and deferred revenues were \$14,170,541.
- City-wide total revenues (\$66,883,081) consisted of \$11,519,261 of charges for services and fines, \$309,146 in operating grants and contributions, \$34,046,933 in grants and capital contributions, and \$21,007,741 of general revenues. Total expenses were \$25,514,454.
- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$147,910,408 (net position). Of this amount, \$25,234,318 (unrestricted net position) may be used to meet the City's ongoing obligations to its citizens and creditors.
- The City's total net position increased by \$41,368,627 or 38.8 percent due to current year operations. It should be noted that, of this amount, \$30,180,656 represents capital assets granted to the City within the fiscal year. The governmental net position increased by \$35,874,541, or 63.1 percent, and the business-type net position increased by \$5,494,086 or 11 percent. Transfers from the governmental funds to the proprietary funds during the year totaled \$84,161, representing the reimbursement of qualified American Rescue Plan Act expenses. Transfers from the proprietary funds to the governmental funds during the year totaled \$479,000, representing cash transfers to supplement other fund sources for operating and capital purposes.
- At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$18,305,868, or 99.7 percent of the total expenditures and transfers out.
- Net positions of the General Employees, Police Employees, and Fire Employees Pension Trust Funds increased by \$3,761,307, \$2,971,035, and \$2,316,854, respectively. These changes were primarily the result of plan contributions and an increase in fair value of investments offset by benefit payments. For all three plans, benefit payments exceeded contributions in the current year, signaling the maturity of each plan and their reliance on investment performance.

City of Rockledge, Florida

Management's Discussion and Analysis

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements, which comprise three components: (1) government-wide financial statements; (2) fund financial statements; and (3) notes to the financial statements. This report also contains other required supplementary information in addition to the basic financial statements.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances in a manner similar to a private-sector business.

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

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned, but unused, vacation leave).

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, administrative services, mayor and city council, city attorney, police, fire, public works, planning and development, parks and recreation, and community relations. The business-type activities of the City include wastewater system, storm water utility, sanitation services, and building department services.

The government-wide financial statements can be found on pages 21 through 23 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the City's funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar

City of Rockledge, Florida Management's Discussion and Analysis

information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Community Redevelopment Agency (CRA), and American Rescue Plan Act Fund (ARPA), which are the City's major governmental funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements as other supplementary information in this report.

The City adopts annual appropriated budgets for its General, CRA, and ARPA Funds. Budgetary comparison schedules have been provided for each to demonstrate compliance with the budget and are presented as required supplementary information. The basic governmental funds' financial statements can be found on pages 24 through 27 of this report.

Proprietary funds. The City maintains five enterprise funds to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its wastewater system, sanitation services, stormwater utility, sanitation impact fee, and building department operations. The sanitation impact fee and building department funds are non-major proprietary funds. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary funds' financial statements provide separate information for each individual enterprise fund. Individual fund data for each of these non-major proprietary funds is provided in the form of combining statements as other supplementary information in this report.

The basic proprietary funds' financial statements can be found on pages 28 through 37 of this report.

The City maintains one internal service fund. The City uses an internal service fund to account for its health insurance functions. The internal service fund is combined with governmental activities on the government-wide statements.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of individuals or entities outside the City. Specifically, the City's fiduciary funds represent amounts held for the satisfaction of pension plan liabilities and operating expenditures. Fiduciary funds are not reflected in the government-wide financial statements, because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary funds' financial statements can be found on pages 38 and 39 of this report.

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

City of Rockledge, Florida Management's Discussion and Analysis

The notes to the financial statements can be found on pages 41 through 83 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning budgetary comparisons and the City's progress in funding its obligation to provide pension benefits to its employees.

The required supplementary information can be found on pages 85 through 106 of this report.

The combining statements referred to earlier, in connection with non-major governmental funds and fiduciary funds, are presented immediately following the required supplementary information.

The combining statements can be found on pages 109 through 113 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$147,910,408 at September 30, 2021.

Statement of Net Position

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 37,350,244	\$ 22,849,154	\$ 22,815,117	\$ 14,898,087	\$ 60,165,361	\$ 37,747,241
Capital assets	72,955,727	44,340,884	39,502,817	37,094,577	112,458,544	81,435,461
Total assets	110,305,971	67,190,038	62,317,934	51,992,664	172,623,905	119,182,702
Deferred outflows of resources	859,189	686,581	154,100	130,591	1,013,289	817,172
Long-term Liabilities	4,543,297	7,261,068	5,433,365	1,173,733	9,976,662	8,434,801
Other liabilities	1,190,925	1,300,787	388,658	526,668	1,579,583	1,827,455
Total liabilities	5,734,222	8,561,855	5,822,023	1,700,401	11,556,245	10,262,256
Deferred inflows of resources	12,744,784	2,503,151	1,425,757	692,686	14,170,541	3,195,837
Net Investment in Capital Assets	71,072,994	41,969,062	34,738,386	36,828,163	105,811,380	78,797,225
Restricted	4,793,546	3,613,628	12,071,164	7,129,738	16,864,710	10,743,366
Unrestricted	16,819,614	11,228,923	8,414,704	5,772,267	25,234,318	17,001,190
Total net position	\$ 92,686,154	\$ 56,811,613	\$ 55,224,254	\$ 49,730,168	\$ 147,910,408	\$ 106,541,781

A significant portion of the City's net position (71.54 percent) reflects its investment in capital assets (e.g., land, buildings and facilities, equipment, vehicles, and transmission lines), less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to its citizens and local businesses; consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. This category represented 73.96 percent of net position in the prior year. The increase in investment in capital assets totaled

City of Rockledge, Florida Management's Discussion and Analysis

\$27,014,155 for the City as a whole, which is a substantial portion of the overall increase in net position (\$41.4 million). However, a decrease in the ratio of this category to total net position still occurred.

An additional portion of the City's net position (11.40 percent) represents resources that are subject to external restrictions on how they may be used. This includes unspent funds designated for CRA, ARPA, transportation and other capital projects, unexpended impact fee collections required to be used for the renewal and replacement of the wastewater system and expanding sanitation services, and amounts required to be set aside for debt service and the operation of the building department. The remaining balance (\$25,234,318 or 17.06 percent) represents unrestricted net position that may be used to meet the City's ongoing obligations to its citizens, local businesses, and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, both for the City as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

Governmental activities. Governmental activities increased the City's net position by \$35,874,541, compared to an increase of \$4,254,947 in the prior year. Revenues increased by 148.4 percent or \$31,411,772 with the largest increases related to grants and contributions (\$30,316,545), property taxes (\$698,314), and other taxes (\$522,261). Conversely, the largest decreases in revenues occurred in charges for services (\$810,382) and investment earnings (\$227,870).

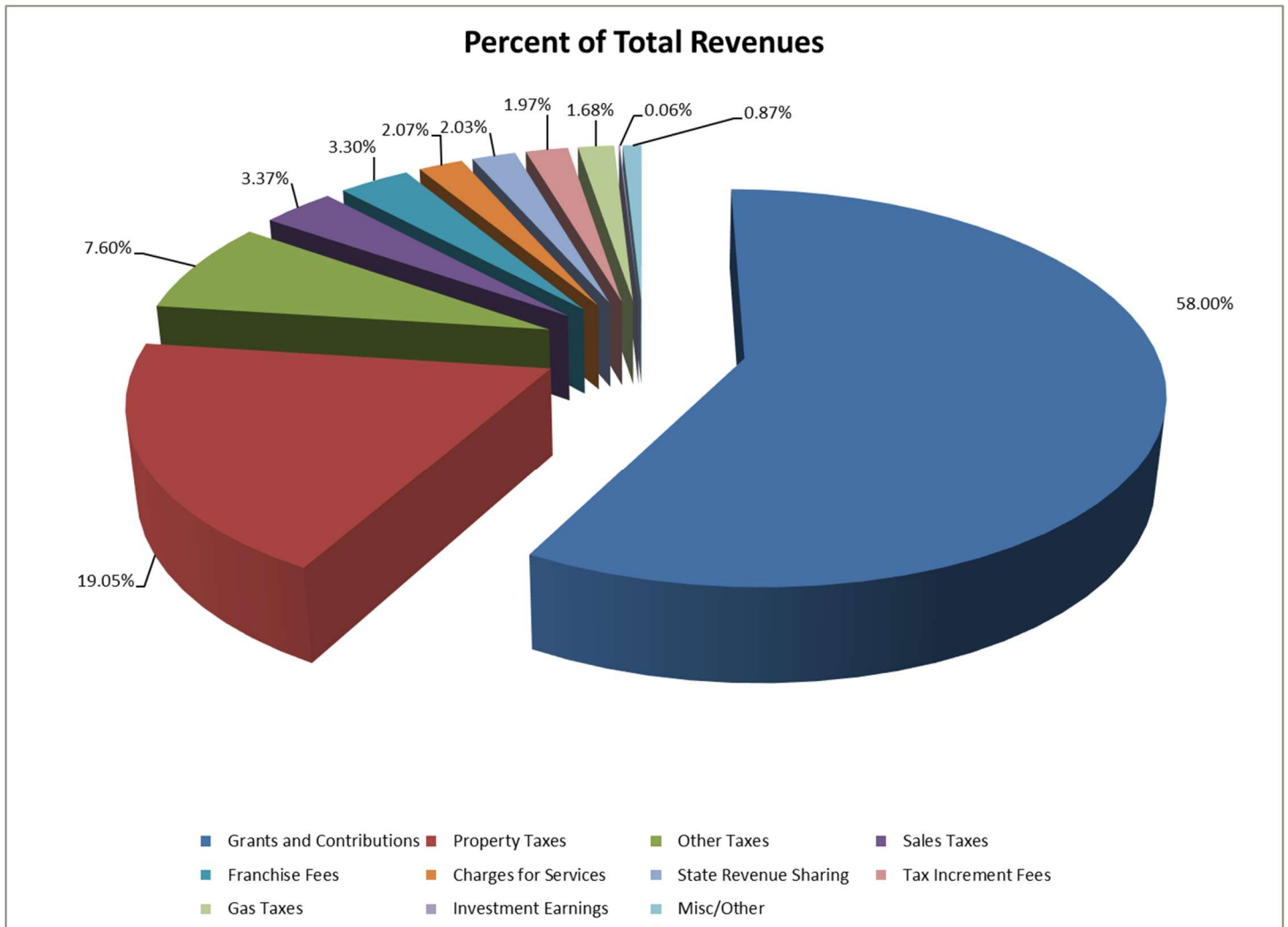
Expenses decreased compared to 2020 by \$208,983, with the largest decreases related to public works (\$449,205) and administrative services (\$234,065). Although most categories decreased, planning and development increased \$107,585, while city attorney and mayor and council expenses increased an aggregate of \$67,056. Interest on long-term debt decreased \$9,835.

City of Rockledge, Florida Management's Discussion and Analysis

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Programs revenues:						
Charges for services	\$ 1,089,581	\$ 1,899,963	\$ 10,429,680	\$ 9,461,698	\$ 11,519,261	\$ 11,361,661
Grants and contributions	30,489,802	173,257	3,866,277	1,554,849	34,356,079	1,728,106
General revenues:						
Property taxes	10,015,254	9,316,940	-	-	10,015,254	9,316,940
Tax increment fees	1,036,145	895,847	-	-	1,036,145	895,847
Gas taxes	885,741	875,842	-	-	885,741	875,842
Sales tax	1,769,809	1,557,760	-	-	1,769,809	1,557,760
Franchise fees	1,733,682	1,637,012	-	-	1,733,682	1,637,012
State revenue sharing	1,067,049	895,558	-	-	1,067,049	895,558
Other taxes	3,994,554	3,472,293	-	-	3,994,554	3,472,293
Investment earnings	33,748	261,618	12,340	91,070	46,088	352,688
Other	459,419	176,922	-	691	459,419	177,613
Total revenues	52,574,784	21,163,012	14,308,297	11,108,308	66,883,081	32,271,320
Expenses:						
General government	1,520,046	1,613,096	-	-	1,520,046	1,613,096
Administrative services	1,397,781	1,631,846	-	-	1,397,781	1,631,846
Mayor and council	54,663	52,452	-	-	54,663	52,452
City attorney	174,780	109,935	-	-	174,780	109,935
Police	6,071,467	6,179,375	-	-	6,071,467	6,179,375
Fire	4,289,440	3,779,001	-	-	4,289,440	3,779,001
Public works	2,927,536	3,376,741	-	-	2,927,536	3,376,741
Planning and development	607,571	499,986	-	-	607,571	499,986
Other	-	-	-	-	-	-
Interest on long-term debt	51,798	61,633	-	-	51,798	61,633
Wastewater system	-	-	4,419,510	4,486,995	4,419,510	4,486,995
Sanitation services	-	-	2,819,006	2,884,179	2,819,006	2,884,179
Stormwater utility	-	-	914,229	739,102	914,229	739,102
Building Department	-	-	266,627	-	266,627	-
Total expenses	17,095,082	17,304,065	8,419,372	8,110,276	25,514,454	25,414,341
Excess (deficiency) of revenues over expenses	35,479,702	3,858,947	5,888,925	2,998,032	41,368,627	6,856,979
Transfers in (out)	394,839	396,000	(394,839)	(396,000)	-	-
Increase (decrease) in net position	35,874,541	4,254,947	5,494,086	2,602,032	41,368,627	6,856,979
Net position, beginning	56,811,613	52,556,666	49,730,168	47,128,136	106,541,781	99,684,802
Net position, ending	\$ 92,686,154	\$ 56,811,613	\$ 55,224,254	\$ 49,730,168	\$ 147,910,408	\$ 106,541,781

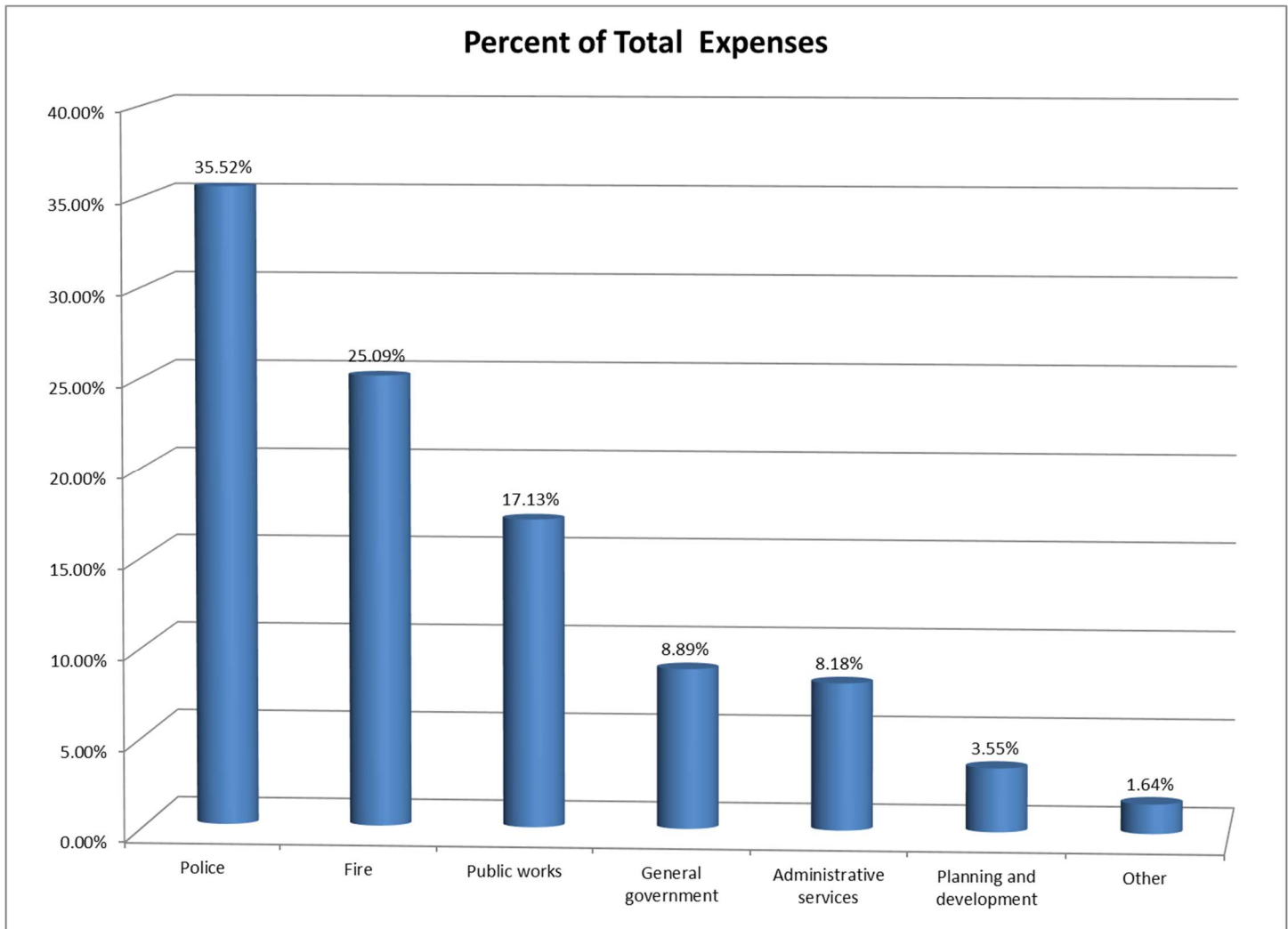
City of Rockledge, Florida
Management's Discussion and Analysis

Revenue by Source - Governmental Activities
as a Percentage of Total Revenues



City of Rockledge, Florida Management's Discussion and Analysis

Expenses by Program - Governmental Activities as a Percentage of Total Expenses

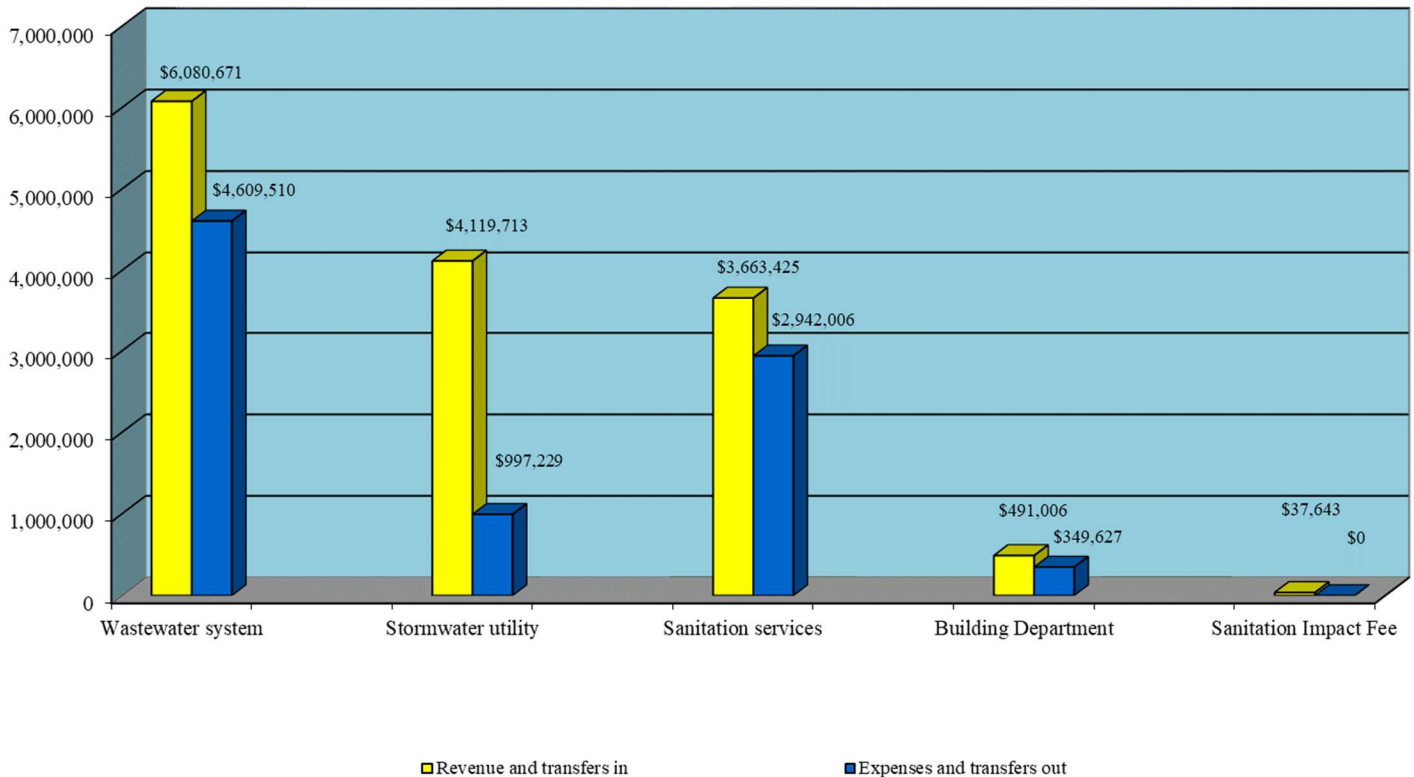


Business-type activities. Business-type activities increased the City's net position by \$5,494,086, compared to an increase of \$2,602,032 in the prior year. On the statement of net position, current and other assets increased \$7,917,030, and long-term liabilities increased \$4,259,632, with the increase in assets offsetting the increase in liabilities, improving the City's net position. Capital assets increased \$2,408,240 and deferred outflows of resources increased \$23,509, both increasing the City's net position. Other liabilities decreased \$138,010 and deferred inflows of resources increased \$733,071, with the increase in assets and deferred outflows offsetting the increase in long-term liabilities and deferred inflows, increasing the City's net position.

City of Rockledge, Florida Management's Discussion and Analysis

On the statement of activities, total revenues increased by 28.8 percent over the prior year. Increased grants and contributions of \$2,311,428 and charges for services of \$967,982 were partially offset by a combined decrease in investment earnings and other revenues of \$79,421. Expenses increased a total of \$309,096, mainly due to the addition of the building department fund, with expenses of \$266,627, and an increase in the stormwater utility of \$175,127. The wastewater system expenses decreased \$67,485, and sanitation services expenses decreased \$65,173.

Program Revenues and Expenses - Business-type Activities



City of Rockledge, Florida Management's Discussion and Analysis

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

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

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$24,524,718, an increase of \$4,500,993 when compared to the prior year. Of this total amount, \$18,305,868 represents the General Fund unassigned fund balance, which is available for spending at the City's discretion. Restricted fund balances in the General, CRA, and special revenue funds, which are restricted by law or administrative action for specific purposes, total \$4,793,546. A portion of governmental fund balance (\$1,115,015) is assigned to reflect that management has designated a future use for these amounts. The remaining fund balance is nonspendable because it has already been committed to inventories (\$116,279) or prepaid expenses (\$194,010).

The General Fund is the primary operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$18,305,868, while total fund balance reached \$20,216,237. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to the fund's total operational expenditures. Unassigned fund balance represents 99.74 percent of total expenditures and transfers out for recurring operational costs reported in other funds, while total fund balance represents 110.2 percent of that same amount. The General Fund's fund balance increased by \$3,290,310 during the current fiscal year.

The increase in the General Fund's fund balance may best be interpreted by a comparison to the budget, as passed by City Council. The City's adopted and amended budgets, included within the required supplementary section of this report, purposefully estimate that total revenues and utilization of fund balance will equal total expenditures necessary to provide the quality and level of services required by its Charter and requested by its citizens and local businesses. The City's General Fund actual revenues were \$917,838 more than those budgeted. This represented 27.9% of the increase in fund balance. Therefore, the majority of the difference in budgeted versus actual changes in fund balance were through actual expenditures differing from budgeted expenditures. From an operational perspective, although all departments operated under budgeted expenditures, fire, police, public works, and general government operated with expenditures more significantly below budgeted levels in the amount of \$2,217,142, \$503,199, \$494,346, and \$162,165, respectively. Savings in the fire activities were attributable to less capital improvement activity than expected, supplemented by reduced personnel costs. Savings in the police activities were realized mainly by fewer personnel costs than anticipated. Savings in the public works activities were attained through below budgeted costs for operating expenditures and personnel costs. Finally, below budgeted expenditures in the general government activities were achieved through savings operating expenditures.

City of Rockledge, Florida Management's Discussion and Analysis

CRA. In its 19th year of existence, the CRA fund balance increased by \$1,136,155 after increasing \$1,680,184 in the prior year. The revenues for this fund are derived from the additional tax revenue generated by new construction and improvements in taxable assessed values, as the CRA is continuing to implement plans and improvements its district area, funds were expended primarily on land acquisition, debt service, infrastructure, and façade improvement grants. A transfer of \$1,448,568, consisting of taxes generated by the “incremental” growth between the current value and the base year value, was made from the General Fund to the CRA pursuant to an interlocal agreement with Brevard County.

On a budgetary basis, expenditures for land acquisition, debt service, infrastructure, and façade improvement grants were \$800,122, \$258,078, \$89,134, and \$72,927, respectively, for a total of \$1,220,261 in the current year. Increased operating cash inflows were partially offset by an increase in expenditures for the year, increasing the CRA fund balance to \$4,182,006 as of September 30, 2021. This represents an increase from the fund balance of \$3,045,851 of the prior year.

Proprietary funds. The City’s proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Schedule of Changes in Net Position, Major Funds

	Wastewater System	Sanitation Services	Stormwater Utility
Unrestricted net position, September 30, 2020	\$ 2,076,774	\$ 1,886,137	\$ 1,809,356
Increase (decrease) in net position	1,471,161	721,419	3,122,484
Decrease (increase) in net position net investment in capital assets	4,392,270	224,014	(2,526,507)
Increase in net position restricted for renewal and replacement	(823,802)	-	-
Increase in net position restricted for capital improvements	(3,090,357)	-	-
Increase in net position restricted for pension benefits	(385,719)	(425,683)	(44,325)
Decrease in net position restricted for debt service	7,482	-	-
Increase (decrease) in unrestricted net position	1,571,035	519,750	551,652
Unrestricted net position, September 30, 2021	<u>\$ 3,647,809</u>	<u>\$ 2,405,887</u>	<u>\$ 2,361,008</u>

City of Rockledge, Florida Management's Discussion and Analysis

GENERAL FUND BUDGETARY HIGHLIGHTS

Budgeted expenditures for the General Fund were increased by \$528,026 from the original budget to the final budget. In summary, the General Fund budget was increased within certain departments as follows:

• Police	\$ 213,249
• Public Works	\$ 136,390
• Fire	\$ 130,552
• Administrative	\$ 34,835
• City Attorney	\$ 13,000

Expenditures in all general fund departments were within budgeted amounts for the year ended September 30, 2021. The most significant reason for expenditures remaining under budget was watchful management by the City Manager, the Assistant City Manager / Finance Director, and the Department Heads. The increases in the budget for all departments were related to upward revisions in anticipated revenues allowing for additional increases in compensation, which allowed the City to remain competitive within the inflationary labor market.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. The City's investment in capital assets for its governmental and business-type activities as of September 30, 2021, amounts to \$112,458,544 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, infrastructure, vehicles, furniture and equipment, and transmission lines and facilities.

The total increase in the City's investment in capital assets for the current fiscal year was \$31,023,083 or 38.1 percent. This overall change between fiscal years is mainly the result of capital assets, in the form of Barnes Boulevard, its rights of way, signalization, and related stormwater infrastructure being granted to the City from Brevard County. In total, these related assets increased capital assets by \$32,991,893, prior to depreciation. These grants and purchases of other assets were offset by disposals and depreciation expense for the year. Larger investments in capital asset categories relate to the purchase of land adjacent to City Hall (\$575,060) and near the Civic Hub (\$225,062) for governmental operations. Investments in capital assets also include the design development for the equalization basin and biosolids projects (\$827,352), the northeast force main rerouting engineering (\$98,684), the pines industrial force main engineering (\$70,497), the generator fuel storage (\$94,724) and a breaker replacement (\$196,966) for the Wastewater Treatment and Water Reclamation Plant. These increases in capital assets were offset by depreciation expense for the current year of approximately \$4.3 million. Capital assets are discussed more fully in Note 3 of the financial statements.

City of Rockledge, Florida
Management's Discussion and Analysis

Schedule of Capital Assets (Net)

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$26,291,706	\$14,477,046	\$ 3,703,226	\$ 3,703,226	\$ 29,994,932	\$ 18,180,272
Buildings	10,609,704	12,046,705	13,578,901	13,578,900	24,188,605	25,625,605
Improvements	4,358,786	4,946,385	-	-	4,358,786	4,946,385
Equipment	3,984,264	6,599,767	9,385,459	9,523,332	13,369,723	16,123,099
Vehicles	4,323,607	4,765,534	4,841,288	5,270,941	9,164,895	10,036,475
Infrastructure (combined)	46,280,620	26,016,279	42,961,524	40,069,456	89,242,144	66,085,735
Construction-in-progress	204,771	38,471	1,460,202	382,294	1,664,973	420,765
	96,053,458	68,890,187	75,930,600	72,528,149	171,984,058	141,418,336
Accumulated depreciation	(23,097,731)	(24,549,303)	(36,427,783)	(35,433,572)	(59,525,514)	(59,982,875)
Total	<u>\$72,955,727</u>	<u>\$44,340,884</u>	<u>\$39,502,817</u>	<u>\$37,094,577</u>	<u>\$ 112,458,544</u>	<u>\$ 81,435,461</u>

Long-term debt. At the end of the current fiscal year, the City owed \$91,922 under the State of Florida revolving loan program for the construction of a reclaimed water project. The indebtedness is also backed by the revenues of the wastewater system.

On July 22, 2005, the City, through its CRA, borrowed \$4,000,000 for the acquisition and construction of additions and improvements to Barton Boulevard in the City of Rockledge Redevelopment Area. Pursuant to the loan agreement (the Series 2005 Note), the excess of income, fees, and earnings over the costs of operation and maintenance of the CRA are irrevocably pledged to the payment of principal and interest on the Series 2005 Note. The Series 2005 Note does not constitute a general obligation or indebtedness of the CRA, and the lender shall never have the right to require or compel the levy of taxes for the payment of principal or interest, nor does it constitute a lien on any property of the CRA other than the pledged funds noted above. At the end of the current fiscal year, the City owed \$250,000 on this loan.

The Capital Improvement Note, dated April 1, 2009, was entered into for the purpose of constructing a new police facility within the City. During fiscal year 2018, \$2,061,468 was borrowed, the rate reduced, and the note amortization extended until 2028 in order to purchase a custom fire engine and fund the raze and rebuild of Fire Station 36. The debt is secured with a pledge of utility tax revenues and franchise fees. At the end of the current fiscal year, the City owed \$1,632,733 on this note.

The City obtained an unsecured line of credit during 2014 to provide working capital for the CRA. No balance was outstanding as of September 30, 2021.

The Capital Improvement Note, dated July 29, 2021, was entered into for the purpose of constructing the equalization basin and the biosolids projects within the Wastewater Treatment and Water Reclamation Plant of the City. During fiscal year 2021, \$4,750,000 was borrowed. The note will amortize until 2031. The debt is secured with a pledge of the net revenues of the

City of Rockledge, Florida
Management's Discussion and Analysis

Wastewater Treatment Fund. At the end of the current fiscal year, the City owed \$4,672,509 on this note.

See Notes 4, 5, and 6 for more information on the City's debt obligations and related pledged revenues.

Outstanding Debt

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Notes payable	\$1,882,733	\$2,371,823	\$4,764,431	\$ 266,414	\$ 6,647,164	\$ 2,638,237
Total indebtedness	<u>\$1,882,733</u>	<u>\$2,371,823</u>	<u>\$4,764,431</u>	<u>\$ 266,414</u>	<u>\$ 6,647,164</u>	<u>\$ 2,638,237</u>

REQUESTS FOR INFORMATION

Questions about this report or requests for additional financial information should be addressed to:

City of Rockledge
Finance Department
1600 Huntington Lane
Rockledge, FL 32955
321-221-7540

CITY OF ROCKLEDGE, FLORIDA
Basic Financial Statements

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City of Rockledge, Florida
Statement of Net Position

September 30, 2021	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 26,109,065	\$ 7,300,904	\$ 33,409,969
Certificates of deposit	6,462,408	938,138	7,400,546
Bonds	128,584	-	128,584
Receivables	682,149	1,031,568	1,713,717
Accrued interest and other	4,419	-	4,419
Prepaid items	194,010	82,530	276,540
Due from other governments	279,616	1,207,650	1,487,266
Inventories	116,279	322,664	438,943
Restricted assets:			
Cash and cash equivalents	158,310	10,581,961	10,740,271
Certificates of deposit	-	407,326	407,326
Net pension asset	3,215,404	942,376	4,157,780
Capital assets:			
Non-depreciable	26,496,477	5,163,428	31,659,905
Depreciable (net)	46,459,250	34,339,389	80,798,639
Total assets	110,305,971	62,317,934	172,623,905
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of OPEB expense	105,410	40,779	146,189
Deferred outflows of pension expense	753,779	113,321	867,100
Total deferred outflow of resources	859,189	154,100	1,013,289
LIABILITIES			
Accounts payable	227,029	252,607	479,636
Accrued liabilities	953,751	136,051	1,089,802
Contribution payable - pension trust fund	10,145	-	10,145
Non-current liabilities:			
Due within one year:			
Compensated absences	965,706	276,517	1,242,223
Notes payable	494,793	529,257	1,024,050
Due in more than one year:			
Compensated absences	500,182	129,885	630,067
OPEB liability	697,339	262,532	959,871
Net pension liability	497,337	-	497,337
Notes payable	1,387,940	4,235,174	5,623,114
Total liabilities	5,734,222	5,822,023	11,556,245
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of deferred revenue	133,012	14,640	147,652
Deferred inflows of grant revenue	6,782,650	-	6,782,650
Deferred inflows of pension earnings	5,774,601	1,390,652	7,165,253
Deferred inflows of OPEB earnings	54,521	20,465	74,986
Total deferred inflows of resources	12,744,784	1,425,757	14,170,541
NET POSITION			
Net investment in capital assets	71,072,994	34,738,386	105,811,380
Restricted for:			
Capital projects	4,372,406	7,687,173	12,059,579
Heritage Foundation	1,865	-	1,865
Debt services	-	93,306	93,306
Renewal and replacement	-	3,293,579	3,293,579
Public safety	335,427	54,730	390,157
Pension benefits	-	942,376	942,376
Transportation	79,280	-	79,280
Recreation	4,568	-	4,568
Unrestricted	16,819,614	8,414,704	25,234,318
Total net position	\$ 92,686,154	\$ 55,224,254	\$ 147,910,408

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

City of Rockledge, Florida
Statement of Activities

Year ended September 30, 2021

Program Revenues

Functions/Programs	Expenses	Charges for Services and Fines	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities:				
General government	\$ 1,520,046	\$ 211,454	\$ 286,147	\$ -
Administrative services	1,397,781	325	-	-
Mayor and City Council	54,663	-	-	-
City Attorney	174,780	-	-	-
Police	6,071,467	387,378	607	-
Fire	4,333,160	3,700	22,392	25,121
Public works	2,927,536	176,987	-	30,155,535
Planning and development	615,649	115,746	-	-
Parks and recreation	-	94,292	-	-
Community relations	-	99,699	-	-
Total governmental activities	17,095,082	1,089,581	309,146	30,180,656
Business-type activities:				
Wastewater system	4,419,510	5,103,545	-	929,848
Sanitation services	2,819,006	3,621,703	-	71
Stormwater utility	914,229	1,177,431	-	2,936,358
Sanitation impact fee	-	37,590	-	-
Building department	266,627	489,411	-	-
Total business-type activities	8,419,372	10,429,680	-	3,866,277
Total primary government	\$ 25,514,454	\$ 11,519,261	\$ 309,146	\$ 34,046,933

General revenues:

Taxes:

Property taxes

Gas tax

Sales tax

Franchise fees

Other taxes

State revenue sharing

Investment earnings

Miscellaneous

Transfers, net

Total general revenues

Change in net position

Net position, beginning of year

Net position, end of year

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

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (1,022,445)	\$ -	\$ (1,022,445)
(1,397,456)	-	(1,397,456)
(54,663)	-	(54,663)
(174,780)	-	(174,780)
(5,683,482)	-	(5,683,482)
(4,281,947)	-	(4,281,947)
27,404,986	-	27,404,986
(499,903)	-	(499,903)
94,292	-	94,292
99,699	-	99,699
14,484,301	-	14,484,301
-	1,613,883	1,613,883
-	802,768	802,768
-	3,199,560	3,199,560
-	37,590	37,590
-	222,784	222,784
-	5,876,585	5,876,585
14,484,301	5,876,585	20,360,886
11,051,399	-	11,051,399
885,741	-	885,741
1,769,809	-	1,769,809
1,733,682	-	1,733,682
3,994,554	-	3,994,554
1,067,049	-	1,067,049
33,748	12,340	46,088
459,419	-	459,419
394,839	(394,839)	-
21,390,240	(382,499)	21,007,741
35,874,541	5,494,086	41,368,627
56,811,613	49,730,168	106,541,781
\$ 92,686,154	\$ 55,224,254	\$ 147,910,408

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

City of Rockledge, Florida
Balance Sheet – Governmental Funds

<i>September 30, 2021</i>	General		CRA		ARPA		Nonmajor Funds	Total Governmental Funds		
ASSETS										
Cash and cash equivalents	\$	13,078,732	\$	4,197,735	\$	6,781,342	\$	147,015	\$	24,204,824
Certificates of deposit		6,462,408		-		-		-		6,462,408
Bonds		128,584		-		-		-		128,584
Restricted cash and cash equivalents		158,310		-		-		-		158,310
Accounts receivable		680,529		-		-		-		680,529
Accrued interest and other		4,419		-		-		-		4,419
Due from other funds		-		-		1,530		-		1,530
Due from other governments		279,616		-		-		-		279,616
Inventories		116,279		-		-		-		116,279
Prepaid items		188,731		5,279		-		-		194,010
Total assets	\$	21,097,608	\$	4,203,014	\$	6,782,872	\$	147,015	\$	32,230,509
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES										
Liabilities:										
Accounts payable	\$	187,264	\$	19,003	\$	-	\$	20,762	\$	227,029
Accrued payroll and related liabilities		538,272		2,005		-		-		540,277
Due to other funds		1,530		-		-		-		1,530
Contributions payable - pension trust fund		10,145		-		-		-		10,145
Compensated absences		11,148		-		-		-		11,148
Total liabilities		748,359		21,008		-		20,762		790,129
Deferred inflows of resources:										
Deferred inflows of grant revenue		-		-		6,782,650		-		6,782,650
Deferred inflows of deferred revenue		133,012		-		-		-		133,012
Total deferred inflows of resources		133,012		-		6,782,650		-		6,915,662
Fund balances:										
Nonspendable:										
Inventories and prepaids		305,010		5,279		-		-		310,289
Restricted for:										
Public safety		290,649		-		-		44,778		335,427
Heritage Foundation		-		-		-		1,865		1,865
Capital improvements		195,127		4,176,727		222		330		4,372,406
Transportation impact		-		-		-		79,280		79,280
Recreation		4,568		-		-		-		4,568
Assigned for subsequent years budget		1,115,015		-		-		-		1,115,015
Unassigned		18,305,868		-		-		-		18,305,868
Total fund balances		20,216,237		4,182,006		222		126,253		24,524,718
Total liabilities, deferred inflows of resources, and fund balances	\$	21,097,608	\$	4,203,014	\$	6,782,872	\$	147,015	\$	32,230,509

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

City of Rockledge, Florida

**Reconciliation of Fund Balance of Governmental Funds to Net Position of
Governmental Activities**

September 30, 2021

Total fund balance of governmental funds		\$ 24,524,718
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
	Governmental capital assets	\$ 96,053,458
	Less accumulated depreciation	<u>(23,097,731)</u>
		72,955,727
Deferred outflow of resources related to pension expenses are not recognized in the governmental funds; however, they are recorded in the statement of net position under full accrual accounting.		753,779
Deferred outflow of resources related to OPEB expenses are not recognized in the governmental funds; however, they are recorded in the statement of net position under full accrual accounting.		105,410
Deferred inflow of resources related to pension earnings are not recognized in governmental funds; however, they are recorded in the statement of net position under full accrual accounting.		(5,774,601)
Deferred inflow of resources related to OPEB earnings are not recognized in governmental funds; however, they are recorded in the statement of net position under full accrual accounting.		(54,521)
Internal service funds are used by the City to charge the cost of health insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		1,492,387
Long term assets, such as net pension assets, are not receivable in the current period, and therefore, are not reported in the funds.		3,215,404
Long-term liabilities, including net OPEB obligation, net pension liability and compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.		
	Net pension liability	\$ (497,337)
	Notes payable	(1,882,733)
	Compensated absences	(1,454,740)
	Other postemployment benefits	<u>(697,339)</u>
		(4,532,149)
Net position of governmental activities		<u>\$ 92,686,154</u>

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

City of Rockledge, Florida
Statement of Revenues, Expenditures and Changes in Fund Balances -
Governmental Funds

<i>Year ended September 30, 2021</i>	General	CRA	ARPA	Nonmajor Funds	Total Governmental Funds
Revenues					
Property taxes	\$ 10,015,254	\$ 1,036,145	\$ -	\$ -	\$ 11,051,399
Other local taxes	5,147,735	-	-	-	5,147,735
Licenses, permits and fees	329,500	-	-	-	329,500
Intergovernmental	4,230,829	-	286,147	95,270	4,612,246
Charges for services	592,062	-	-	-	592,062
Fines and forfeitures	164,717	-	-	3,302	168,019
Interest and other	26,620	5,199	222	60	32,101
Miscellaneous revenue	456,947	2,472	-	-	459,419
Total revenues	20,963,664	1,043,816	286,369	98,632	22,392,481
Expenditures					
Current:					
General government	1,407,269	-	-	61	1,407,330
Administrative services	1,408,269	-	-	-	1,408,269
Mayor and City Council	54,663	-	-	-	54,663
City Attorney	157,743	16,800	-	-	174,543
Police	6,127,442	-	-	-	6,127,442
Fire	4,067,163	-	-	-	4,067,163
Public works	3,398,883	-	-	24,265	3,423,148
Planning and development	-	1,082,881	-	-	1,082,881
Debt service	282,810	258,078	-	-	540,888
Total expenditures	16,904,242	1,357,759	-	24,326	18,286,327
Excess (deficiency) of revenues over (under) expenditures	4,059,422	(313,943)	286,369	74,306	4,106,154
Other financing sources (uses)					
Transfers in	679,456	1,450,098	-	-	2,129,554
Transfers out	(1,448,568)	-	(286,147)	-	(1,734,715)
Net other financing sources (uses)	(769,112)	1,450,098	(286,147)	-	394,839
Net change in fund balances	3,290,310	1,136,155	222	74,306	4,500,993
Fund balances, beginning of year	16,925,927	3,045,851	-	51,947	20,023,725
Fund balances, end of year	\$ 20,216,237	\$ 4,182,006	\$ 222	\$ 126,253	\$ 24,524,718

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

City of Rockledge, Florida

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Statement of Activities**

Year Ended September 30, 2021

Net change in fund balances - total governmental funds **\$ 4,500,993**

Amounts reported for governmental activities in the statement of activities
are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as a depreciation expense. This is the amount by which depreciation compares to capital outlay in the current period.

Expenditures for capital assets	\$ 1,448,160	
Capital assets granted to City	30,180,656	
Less current year depreciation	<u>(2,103,094)</u>	29,525,722

In the statement of activities, only the gain or loss on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balances by the cost of the capital assets sold or disposed.

Cost of capital assets	\$ (4,465,545)	
Depreciation and amortization expense	<u>3,554,666</u>	(910,879)

Repayment of note principal and changes in accrued interest thereon is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. **496,053**

Compensated absences are reported in the statement of activities when earned. As they do not require the use of current financial resources, they are not reported as expenditures on governmental funds until they have matured. This is the amount of compensated absences reported in the statement of activities in the prior year that has matured in the current year. **(25,209)**

Other postemployment benefit obligation reported in the statement of activities does not require the use of current financial resources; therefore, is not reported as an expenditure in governmental funds. **(39,060)**

Cash pension contributions reported in the funds were greater than the calculated pension expense on the statement of activities and therefore increase net position. **1,986,138**

Internal service funds are used by the City to charge the costs of health insurance to individual funds. The change in net position of internal service funds are reported with governmental activities. **340,783**

Change in net position of governmental activities \$ 35,874,541

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

City of Rockledge, Florida
Statement of Net Position - Proprietary Funds

	Business-type Activities - Enterprise Funds			
	Wastewater System	Sanitation Services	Stormwater Utility	Nonmajor Funds
<i>September 30, 2021</i>				
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 2,518,409	\$ 2,675,157	\$ 1,836,886	\$ 270,452
Certificates of deposit	938,138	-	-	-
Accounts receivable	544,771	367,383	118,162	-
Assessments receivable	-	-	1,252	-
Prepaid items	43,980	35,618	1,195	1,737
Due from other governments	545,868	271,376	390,406	-
Inventory	175,478	24,144	123,042	-
Total current assets	4,766,644	3,373,678	2,470,943	272,189
Noncurrent assets:				
Restricted noncurrent assets:				
Cash and cash equivalents	10,581,961	-	-	-
Certificates of deposit	407,326	-	-	-
Net pension asset	385,719	425,683	44,325	86,649
Total restricted assets	11,375,006	425,683	44,325	86,649
Capital assets:				
Land	776,414	30,516	2,896,296	-
Construction in progress	1,433,725	-	26,477	-
Buildings	13,569,799	9,102	-	-
Infrastructure	59,150	-	2,836,358	-
Machinery and equipment	8,091,813	625,947	667,699	-
Vehicles	1,170,693	3,407,607	262,988	-
Wastewater and transmission lines and facilities	28,435,307	-	11,630,709	-
Total capital assets	53,536,901	4,073,172	18,320,527	-
Less accumulated depreciation	(27,358,176)	(2,823,490)	(6,246,117)	-
Total capital assets, net of accumulated depreciation	26,178,725	1,249,682	12,074,410	-
Total noncurrent assets	37,553,731	1,675,365	12,118,735	86,649
Total assets	42,320,375	5,049,043	14,589,678	358,838
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflow of OPEB expense	16,382	22,453	1,800	144
Deferred outflow of pension expense	56,767	50,407	4,659	1,488
Total deferred outflow of resources	73,149	72,860	6,459	1,632

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

		Governmental Activities - Internal Service	
Total		Fund	
<hr/>		<hr/>	
\$	7,300,904	\$	1,904,241
	938,138		-
	1,030,316		1,620
	1,252		-
	82,530		-
	1,207,650		-
	322,664		-
	<hr/>		<hr/>
	10,883,454		1,905,861
<hr/>		<hr/>	
	10,581,961		-
	407,326		-
	942,376		-
	<hr/>		<hr/>
	11,931,663		-
	<hr/>		<hr/>
	-		-
	3,703,226		-
	1,460,202		-
	13,578,901		-
	2,895,508		-
	9,385,459		-
	4,841,288		-
	40,066,016		-
	<hr/>		<hr/>
	75,930,600		-
	(36,427,783)		-
	<hr/>		<hr/>
	39,502,817		-
	<hr/>		<hr/>
	51,434,480		-
	<hr/>		<hr/>
	62,317,934		1,905,861
	<hr/>		<hr/>
	40,779		-
	113,321		-
	<hr/>		<hr/>
	154,100		-
	<hr/>		<hr/>

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

City of Rockledge, Florida
Statement of Net Position - Proprietary Funds (Continued)

	Business-type Activities - Enterprise Funds			
	Wastewater System	Sanitation Services	Stormwater Utility	Nonmajor Funds
<i>September 30, 2021</i>				
LIABILITIES				
Current liabilities (payable from current assets):				
Accounts payable	153,790	21,681	2,101	75,035
Accrued payroll and related liabilities	58,107	65,137	6,640	6,167
Compensated absences	132,981	129,133	12,694	1,709
Claims payable	-	-	-	-
Current portion of note payable	529,257	-	-	-
Total current liabilities	874,135	215,951	21,435	82,911
Noncurrent liabilities:				
Compensated absences	111,159	2,452	16,274	-
OPEB liability	105,220	144,877	11,885	550
Notes payable due after one year	4,235,174	-	-	-
Total noncurrent liabilities	4,451,553	147,329	28,159	550
Total liabilities	5,325,688	363,280	49,594	83,461
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of deferred revenue	14,640	-	-	-
Deferred inflows of pension earnings	608,445	666,015	65,873	50,319
Deferred inflows of OPEB earnings	7,642	11,356	927	540
Total deferred inflows of resources	630,727	677,371	66,800	50,859
NET POSITION				
Net investment in capital assets	21,414,294	1,249,682	12,074,410	-
Restricted for:				
Debt service	93,306	-	-	-
Public safety	-	-	-	54,730
Renewal and replacement	3,293,579	-	-	-
Capital projects	7,602,402	-	-	84,771
Pension benefits	385,719	425,683	44,325	86,649
Unrestricted	3,647,809	2,405,887	2,361,008	-
Total net position	\$ 36,437,109	\$ 4,081,252	\$ 14,479,743	\$ 226,150

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

	Governmental	
	Activities -	
	Internal Service	
Total	Fund	
252,607	-	
136,051	-	
276,517	-	
-	413,474	
529,257	-	
1,194,432	413,474	
129,885	-	
262,532	-	
4,235,174	-	
4,627,591	-	
5,822,023	413,474	
14,640	-	
1,390,652	-	
20,465	-	
1,425,757	-	
34,738,386	-	
93,306	-	
54,730	-	
3,293,579	-	
7,687,173	-	
942,376	-	
8,414,704	1,492,387	
\$ 55,224,254	\$ 1,492,387	

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

City of Rockledge, Florida
Statement of Revenues, Expenses and Changes in Fund Net Position –
Proprietary Funds

<i>Year ended September 30, 2021</i>	Business-type Activities - Enterprise Funds			
	Wastewater System	Sanitation Services	Stormwater Utility	Nonmajor Funds
Operating revenues:				
Charges for services	\$ 4,750,743	\$ 3,612,804	\$ -	\$ 525,709
Intergovernmental	-	8,899	-	-
Fees	352,802	-	1,177,431	-
Miscellaneous revenue	-	-	-	1,292
Total operating revenues	5,103,545	3,621,703	1,177,431	527,001
Operating expenses:				
Salaries, wages and employee benefits	1,629,724	1,806,275	178,035	165,193
Contractual, materials, and supplies	1,029,424	504,640	166,188	101,332
Insurance claims and expense	-	-	-	-
Depreciation	1,366,175	224,014	401,642	-
Repairs and maintenance	372,406	284,077	167,361	102
Total operating expenses	4,397,729	2,819,006	913,226	266,627
Operating income	705,816	802,697	264,205	260,374
Nonoperating revenues (expenses):				
Interest income	9,023	1,866	1,333	118
Interest expense	(20,596)	-	-	-
Gain (loss) on sale of capital assets	(1,185)	-	(1,003)	-
Total nonoperating revenues (expenses)	(12,758)	1,866	330	118
Income (loss) before contributions	693,058	804,563	264,535	260,492
Capital contributions	929,848	71	2,936,358	-
Transfers in	38,255	39,785	4,591	1,530
Transfers out	(190,000)	(123,000)	(83,000)	(83,000)
Change in net position	1,471,161	721,419	3,122,484	179,022
Net position, beginning of year	34,965,948	3,359,833	11,357,259	47,128
Net position, end of year	\$ 36,437,109	\$ 4,081,252	\$ 14,479,743	\$ 226,150

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

	Governmental	
	Activities -	
	Internal Service	
Total	Fund	
\$ 8,889,256	\$ 2,953,342	
8,899	-	
1,530,233	-	
1,292	-	
10,429,680	2,953,342	
3,779,227	-	
1,801,584	-	
-	2,614,206	
1,991,831	-	
823,946	-	
8,396,588	2,614,206	
2,033,092	339,136	
12,340	1,647	
(20,596)	-	
(2,188)	-	
(10,444)	1,647	
2,022,648	340,783	
3,866,277	-	
84,161	-	
(479,000)	-	
5,494,086	340,783	
49,730,168	1,151,604	
\$ 55,224,254	\$ 1,492,387	

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

City of Rockledge, Florida
Statement of Cash Flows - Proprietary Funds

	Business-type Activities - Enterprise Funds			
	Wastewater System	Sanitation Services	Stormwater Utility	Nonmajor Funds
<i>Year Ended September 30, 2021</i>				
Cash flows from operating activities:				
Cash received from customers for sales and services	\$ 4,958,035	\$ 3,607,981	\$ 1,189,881	\$ 527,001
Cash payments to employees	(1,852,838)	(2,026,602)	(194,634)	(194,189)
Cash payments to suppliers for goods and services	(1,598,891)	(793,547)	(346,817)	(28,136)
Cash payments for insurance and claims expenses	-	-	-	-
Net cash provided by operating activities	1,506,306	787,832	648,430	304,676
Cash flows from noncapital financing activities:				
Cash transfers in from other funds	38,255	39,785	4,591	1,530
Cash transfers out to other funds	(190,000)	(123,000)	(83,000)	(83,000)
Net cash used in noncapital financing activities	(151,745)	(83,215)	(78,409)	(81,470)
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(1,477,703)	-	(92,794)	-
Proceeds for capital grants and contributions	929,848	71	100,000	-
Proceeds from sale of capital assets	4,596	-	-	-
Revenue note proceeds, net of related costs	4,750,000	-	-	-
Principal paid on note payable	(251,983)	-	-	-
Interest paid on long-term debt, net of subsidy	(20,596)	-	-	-
Net cash provided by capital and related financing activities	3,934,162	71	7,206	-
Cash flows from investing activities:				
Investment income	9,023	1,866	1,333	118
Proceeds from sale/maturity of investments	106,028	-	-	-
Net cash provided by investing activities	115,051	1,866	1,333	118
Net increase in cash and cash equivalents	5,403,774	706,554	578,560	223,324
Cash and cash equivalents, beginning of year	7,696,596	1,968,603	1,258,326	47,128
Cash and cash equivalents, end of year	\$ 13,100,370	\$ 2,675,157	\$ 1,836,886	\$ 270,452

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

		Governmental Activities - Internal Service Fund
	Total	
\$	10,282,898	\$ 2,957,047
	(4,268,263)	(11,982)
	(2,767,391)	-
	-	(2,622,537)
	3,247,244	322,528
	84,161	-
	(479,000)	-
	(394,839)	-
	(1,570,497)	-
	1,029,919	-
	4,596	-
	4,750,000	-
	(251,983)	-
	(20,596)	-
	3,941,439	-
	12,340	1,647
	106,028	-
	118,368	1,647
	6,912,212	324,175
	10,970,653	1,580,066
\$	17,882,865	\$ 1,904,241

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

City of Rockledge, Florida
Statement of Cash Flows - Proprietary Funds (Continued)

	Business-type Activities - Enterprise Funds			
	Wastewater System	Sanitation Services	Stormwater Utility	Nonmajor Funds
<i>Year Ended September 30, 2021</i>				
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$ 705,816	\$ 802,697	\$ 264,205	\$ 260,374
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	1,366,175	224,014	401,642	-
Change in assets and liabilities:				
(Increase) decrease in assets:				
Accounts receivable	(42,069)	(13,722)	(4,353)	-
Due from other governments	(118,081)	2,617	(2,011)	(1,737)
Inventory	(4,565)	811	98	-
Assessments receivable	-	-	18,814	-
Prepaid items	677	(4,662)	(287)	-
Net pension asset	(385,719)	(425,683)	(44,325)	(86,649)
Deferred outflows of OPEB expense	(1,006)	(1,294)	(108)	(144)
Deferred outflows of pension expense	(9,042)	(9,536)	(891)	(1,488)
Increase (decrease) in liabilities:				
Accounts payable	(209,347)	(3,596)	(13,079)	75,035
Accrued payroll and related liabilities	16,174	13,486	5,307	7,876
Claims payable	-	-	-	-
OPEB obligation	3,852	4,952	413	550
Net pension liability	(140,815)	(129,672)	(7,531)	-
Deferred inflows of pension earnings	305,833	322,556	30,131	50,319
Deferred inflows of OPEB earnings	3,783	4,864	405	540
Deferred inflows of deferred revenue	14,640	-	-	-
Total adjustments	800,490	(14,865)	384,225	44,302
Net cash provided by operating activities	\$ 1,506,306	\$ 787,832	\$ 648,430	\$ 304,676

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

	Governmental Activities - Internal Service
Total	Fund

- 37 -

City of Rockledge, Florida
Statement of Fiduciary Net Position - Fiduciary Funds

<i>September 30, 2021</i>	Employee Pension Trust Funds
ASSETS	
Cash and cash equivalents	\$ 1,183,392
Due from police employees plan	1,266
Interest receivable	27,061
Investments, at fair value:	
U.S. government obligations	3,052,807
Domestic corporate bonds	868,363
Government agency notes	5,411,192
Domestic stocks	40,916,170
Infrastructure	2,236,371
Real estate	4,842,251
Total investments	57,327,154
Total assets	58,538,873
LIABILITIES	
Due to general employees plan	1,266
NET POSITION	
Restricted for pension benefits	\$ 58,537,607

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

City of Rockledge, Florida
Statement of Changes in Fiduciary Net Position – Fiduciary Funds

	Employee Pension Trust Funds
<i>Year ended September 30, 2021</i>	
ADDITIONS	
Contributions:	
State	\$ 432,821
Employer	1,399,004
Employees	596,897
Total contributions	2,428,722
Investment income:	
Net appreciation in the fair value of investments	9,332,216
Interest and dividends	925,517
	10,257,733
Less: investment related expense	(174,320)
Net investment income	10,083,413
Total additions	12,512,135
DEDUCTIONS	
Benefits paid	3,260,458
Administrative expenses	202,481
Total deductions	3,462,939
Change in net position	9,049,196
Net position held in trust for pension benefits, beginning of year	49,488,411
Net position held in trust for pension benefits, end of year	\$ 58,537,607

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

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Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Rockledge, Florida (the City), was incorporated in 1887 under the provisions of Florida Statutes, Chapter 166. The current City Code, as adopted in 2002, authorizes the following services: public safety, public utilities, public works, planning and zoning, sanitation, and general administrative services. Education, health, and welfare are administered by other governmental entities.

The accounting policies of the City conform to generally accepted accounting principles (GAAP) as applied to government units. The more significant accounting policies used by the City are described below.

A. REPORTING ENTITY

The City provides a full range of municipal services including police and fire protection, public works activities, parks and recreational facilities, planning and development, financial services, and general administrative services. In addition, the City operates five enterprise funds: Wastewater System, Sanitation Services, Sanitation Impact fee, Stormwater Utility, and Building Department, and an Internal Service Fund for employee health insurance transactions.

The City is a Florida municipal corporation governed by an elected mayor and a six-member council (the "Council"). As required by GAAP, financial statements are to present the City and its component units, which are entities for which the City is considered to be financially accountable or with which the City has an economic relationship. In evaluating the City, the primary government, as a reporting entity, all potential component units that may or may not fall within the financial accountability or economic relationship tests have been addressed. Financial accountability is present if the Council appoints a voting majority of a component unit's governing body and has the ability to impose its will on the organization or if there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the City. An economic relationship exists when the economic resources received by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents and the primary government (or its component units) has the ability to otherwise access the resources. The concept of the ability to otherwise access resources is broad and is not based on the narrow concept of control. Government Accounting Standards Board (GASB) Statement No. 61 states that this broad concept includes situations where the primary government (or its component units) has received, directly or indirectly, a majority of economic resources provided by the organization, the organization has previously honored requests to provide resources to the primary government, or the other organization is financially interrelated with the primary government.

Blended component units, although legally separate entities are, in substance, part of the City's operations; therefore, data from these units is combined with data of the primary government. Discretely presented component units, on the other hand, are to be reported in separate columns in the combined financial statements to emphasize they are legally separate from the City.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. REPORTING ENTITY (continued)

The accompanying financial statements present all the fund types of the City. The Community Redevelopment Agency (the “CRA”) is an incremental tax district created pursuant to Florida Statutes 163.356. Although legally separate, for financial reporting purposes, the CRA is reported as if it were part of the City’s operations. The City Council approves the annual budget and appoints the Board of Commissioners, who serve as the governing board. City staff perform all accounting and administrative functions for the CRA. The CRA’s services are provided exclusively to the City. The CRA has been presented as a blended component unit classified as a special revenue fund.

Additionally, the Rockledge Heritage Foundation, Inc. (the “Foundation”) is a Florida, not-for-profit corporation dedicated to the preservation of significant historical assets within the City. Historically, the Foundation’s primary focus was the restoration of the Rockledge Municipal Building, which is owned by the City. In Fiscal Year 2019, the bylaws of the Foundation were amended, naming the office holders of Rockledge City Manager, Finance Director and Planning Director as the primary board members. Therefore, management of the City of Rockledge has operational responsibility for the Foundation, as addressed in GASB Statement No. 61, 80 and 85. As such, the Rockledge Heritage Foundation meets the criteria of a blended component unit.

There are no discretely presented component units.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities which rely, to a significant extent, on fees and charges for support.

The statement of activities demonstrates the degree to which direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major, individual governmental funds and major, individual enterprise funds are reported as separate columns in the fund financial statements.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds and fiduciary funds financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due or made.

Property taxes, franchise fees and utility taxes, state revenue sharing, fines and forfeitures, and investment earnings associated with the current fiscal period are considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when received by the City.

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

The City does not currently employ an indirect cost allocation system. However, the City does charge the Wastewater System, Stormwater Utility, and Sanitation Services (enterprise funds) a fee for services provided. These fees serve to approximate the value of services provided these enterprise funds by the General Fund and are not eliminated at year end like a reimbursement. Reimbursements to the General Fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures in the General Fund.

The financial transactions of the City are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues, and expenditures or expenses, as appropriate. The various funds are reported by general classification within the financial statements.

GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The City may electively add funds as major funds when it believes such an addition would enhance its financial reporting. The nonmajor funds are combined in a column in the fund financial statements and detailed in the combining section.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION
(continued)**

Major Governmental Funds

The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Community Redevelopment Agency Fund (CRA) accounts for the redevelopment activities within the Redevelopment District.

The American Rescue Plan Act (ARPA) Fund accounts for all financial resources relating to the American Rescue Plan Act of 2021.

Nonmajor Governmental Fund Types

The Special Revenue Funds account for specific revenue sources that are restricted by law or administrative action to expenditures for specific purposes. Nonmajor special revenue funds include the Law Enforcement Education Fund, Transportation Impact Fee Fund, Taylor Park Trust Fund, and Rockledge Heritage Foundation.

Major Proprietary Funds

The Wastewater System Fund accounts for the provision of sewer services to customers within the service area.

The Sanitation Services Fund accounts for the provision of garbage services to customers within the service area.

The Stormwater Utility Fund accounts for the operation and maintenance of the stormwater management activities of the City.

The Insurance Fund is an internal service fund that accounts for the health insurance coverage provided to other City departments on a cost-reimbursement basis.

Nonmajor Proprietary Funds

The Sanitation Impact Fee Fund accounts for the collection and utilization of impact fees related to the cost of garbage services expansion caused by new residential and commercial construction within the service area.

The Building Department (Building) Fund accounts for the provision of building permitting services related to the enforcement of the Florida Building Code within the City.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION
(continued)**

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Fiduciary Fund Types

The City's fiduciary funds consist solely of the Pension Trust Funds. These funds account for the activities of the General, Police, and Fire Pension Trust Funds, which accumulate resources for pension benefit payments to City employees. Since these assets are being held for the benefit of pension participants and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

D. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

The City has elected to report the budgetary comparison schedules as Required Supplementary Information (RSI). The City does not prepare a budget for the non-major governmental funds, including the Rockledge Heritage Foundation. Please refer to the accompanying notes to the RSI for the City's budgetary information.

The City has no material violation of finance related legal and contractual provisions.

E. USE OF ESTIMATES

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts and disclosures reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. DEPOSITS AND INVESTMENTS

Cash and Cash Equivalents

Except as noted below, the City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

The City maintains a pooled cash account with a local bank which is available for use by all funds, except the Pension Trust Fund. The resulting investment income is allocated based on the respective cash balance of each fund. In the government-wide statement of net position, these amounts are displayed separately for governmental and business-type activities. Individual funds with negative balances at the end of the year are reclassified as "due to other funds" for reporting purposes with an offsetting due from other funds in the General Fund.

The deposits and investments of the Pension Trust Fund are held separately from other City funds by a trustee.

Deposits

The City's and Rockledge Heritage Foundation's pooled cash deposits, with a carrying amount of \$30,802,584, and \$1,865, respectively, its deposits in the CRA and ARPA escrow accounts of \$3,054,888 and \$6,781,342, its extensive investment in insured bank deposits of \$3,508,911, certificates of deposits of \$7,807,872, and treasury bonds of \$128,584, are covered by federal depository insurance (FDIC), by deposits held in banks that are members of the State of Florida's collateral pool, and / or backed by the full faith and credit of the United States of America. In addition, the City holds \$650 of petty cash. The Florida collateral pool is a multiple institution pool with the authority to assess member institutions in the event of any collateral shortfall. For this reason, the City considers these deposits insured. The cash and cash equivalents listed above are exempt from fair market value hierarchy requirements of GASB 72, as discussed below in this note.

Investments

The City's investments consist of certificates of deposit and United States Treasury Bonds, which are held to maturity and are nonparticipating interest-earning investment contracts. The certificates of deposits are valued at fair value per GASB 72.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. DEPOSITS AND INVESTMENTS (continued)

Local Investment Policy

The City has a local investment policy that mirrors the state statutes. State statutes and related City ordinances authorize the City to invest in direct obligations of the U.S. Treasury, federal agencies and instrumentalities, savings accounts, and certificates of deposit which are insured or held in state qualified depositories, repurchase agreements, money market funds registered with the Securities and Exchange Commission and possessing the highest credit rating from a nationally recognized rating agency, and the State Board of Administration's Local Government Surplus Funds Trust Fund. Investments are reported at fair value.

- (1) *Interest Rate Risk* - To mitigate interest rate risk, the City's investment policy requires that the investment portfolio be structured with securities that maintain the greatest degree of liquidity and flexibility. The portfolio will maintain a structure with maturities staged to meet the City's obligations as they come due. None of the City's funds will be invested beyond five years in any security.
- (2) *Credit Risk* - To mitigate credit risk, the City primarily invests in U.S. Government securities and FDIC insured certificates of deposit.
- (3) *Custodial Risk* - To mitigate custodial risk, all cash and securities are held in accounts bearing the name of the City.
- (4) *Concentration of Credit Risk* - The City's investment policy requires that investments be diversified by security type and institution. No more than 50% of the City's funds will be invested with the same issuer, except direct obligations of the U. S. Treasury. No more than 50% of the City's funds will be invested through the same investment institution or dealer.

Pension Investment Policy

The pension funds have much broader investment policies. They may invest in stocks, bonds, investment trusts, common trust funds, mutual funds, mortgages, and others without restriction except that the plans prohibit investment in any one corporation in an amount that exceeds 5% of that plan's assets; nor shall the aggregate of its investments in stock exceed 75% of total assets. A specific city ordinance created each pension fund. Investment policies for each of the three pension trust funds are determined by the Board of Trustees for each respective fund. For each fund, no more than 5% of fund assets may be invested in the securities (of whatever type) of any one issuing company, excluding the U. S. Government and its agencies. No investment may exceed 5% of the outstanding capital stock of any one company. The aggregate investments in common and capital stock and convertible securities (at cost) may not exceed 75% of the assets of the funds. Each fund maintains a list of prohibited investment security types.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. DEPOSITS AND INVESTMENTS (continued)

Fair Value Measurement

Investments are stated at fair value. Changes in the fair value during the year are included in investment income or loss. GASB 72, *Fair Value Measurements*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The hierarchy is based on the valuation inputs used to measure the fair value of the asset, as determined by the City's investment advisors.

The three levels of the fair value hierarchy under GASB 72 are described as follows:

- Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.
- Level 2: Inputs to the valuation methodology include:
- quoted prices for similar assets or liabilities in active markets;
 - quoted prices for identical or similar assets or liabilities in inactive markets;
 - inputs other than quoted prices that are observable for the asset or liability;
 - inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at September 30, 2021.

Equities: Includes common stock which is valued at publicly traded market prices.

US Real Estate Investment: The Real Estate Investments, included in the City's General Employees, Police Officers, and Firefighters Defined Benefit Plans, consists of two funds that are blended in nature. Each are valued at the net asset value of the units held at the end of the period based upon the fair value of the underlying investments in the pooled investment fund.

Infrastructure Investment: The Infrastructure Investments, included in the City's General Employees, Police Officers, and Firefighters Defined Benefit Plans is valued at the net asset value of the units held at the end of the period, based upon the fair value of the underlying investments.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. DEPOSITS AND INVESTMENTS (continued)

Fair Value Measurement

Fixed income funds and Certificates of Deposit: Valued using pricing models maximizing the use of observable inputs of similar securities. This includes basing value on yield currently available on comparable securities of issuers with similar credit ratings.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the City believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

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Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. DEPOSITS AND INVESTMENTS (continued)

The following table sets forth by level, within the fair value hierarchy, the City's assets at fair value as of September 30, 2021:

	Maturity Date				
	1-5	Over			
	Years	Five Years	Fair Value	Rating	Level
Primary government:					
Certificates of Deposit	\$ 7,807,872	\$ -	\$ 7,807,872	Not rated	L2
Bonds - U.S. Government	128,584	-	128,584	Not rated	L2
Total Investments	<u>\$ 7,936,456</u>	<u>\$ -</u>	<u>\$ 7,936,456</u>		
	Maturity Date				
	1-5	Over			
	Years	Five Years	Fair Value	Rating	Level
General employees:					
U.S. Government securities	\$ 858,005	\$ 371,256	\$ 1,229,261	Not rated	L2
Federal agencies	-	2,138,118	2,138,118	AAA	L2
Corporate bonds and notes	65,179	282,484	347,663	Baa - AAA	L2
Total	<u>\$ 923,184</u>	<u>\$ 2,791,858</u>	3,715,042		
Investments not subject to categorization:					
Real Estate			1,888,105	Not rated	L3
Infrastructure			874,218	Not rated	L3
Common stocks			16,061,338	Not rated	L1
Total investments			<u>\$ 22,538,703</u>		
Police officers:					
U.S. Government securities	\$ 519,661	\$ 436,126	\$ 955,787	Not rated	L2
Federal agencies	22	1,683,264	1,683,286	AAA	L2
Corporate bonds and notes	90,981	225,740	316,721	Baa - AAA	L2
Total	<u>\$ 610,664</u>	<u>\$ 2,345,130</u>	2,955,794		
Investments not subject to categorization:					
Real Estate			1,644,059	Not rated	L3
Infrastructure			772,565	Not rated	L3
Common stocks			14,253,796	Not rated	L1
Total investments			<u>\$ 19,626,214</u>		
Firefighter employees:					
U.S. Government securities	\$ 529,919	\$ 337,840	\$ 867,759	Not rated	L2
Federal agencies	21	1,589,767	1,589,788	AAA	L2
Corporate bonds and notes	-	203,979	203,979	Baa - AAA	L2
Total	<u>\$ 529,940</u>	<u>\$ 2,131,586</u>	2,661,526		
Investments not subject to categorization:					
Real Estate			1,310,087	Not rated	L3
Infrastructure			589,588	Not rated	L3
Common stocks			10,601,036	Not rated	L1
Total investments			<u>\$ 15,162,237</u>		

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. DEPOSITS AND INVESTMENTS (continued)

Fair value of Investments in Entities that use Net Asset Value (NAV)

The following table summarizes investments measured at fair value based on NAV per share as of September 30, 2021.

	Fair Value	Unfunded Commitments	Redemption Frequency (if currently eligible)	Redemption Notice Period
Real Estate	\$4,842,251	N/A	Quarterly	30 days
Infrastructure	\$2,236,371	N/A	3 year lockout	120 days

- (1) *Interest Rate Risk* - To mitigate interest rate risk, the funds' investment policy requires that the portfolio be structured with sufficient liquidity to meet the funds' obligations as they come due.
- (2) *Credit Risk* - The three (3) pension trust funds each hold cash in their respective fund accounts. To mitigate credit risk, the time, savings, and money market deposits of each fund in an institution may not exceed the Federal Deposit Insurance Corporation (FDIC) insurance coverage held by that institution for those amounts.
- (3) *Custodial Risk* - To mitigate custodial risk, all cash and securities are held in accounts bearing the name of the respective fund. Securities in such accounts, even though held in the "street name" are considered held in the name of the fund. Fund managers are required to carry errors and omissions insurance coverage.
- (4) *Concentration of Credit Risk* - Each of the investment policies requires that investments be diversified by security type. Each fund has a manager tasked to invest the fund assets in a diversified portfolio of equities, fixed income, and cash equivalent securities. Each fund has an independent investment consultant to evaluate the performance of the investment manager.

G. RECEIVABLES

For the Wastewater System, Sanitation Services, and Stormwater Utility Funds, operating revenues are generally recognized on the basis of cycle billings rendered monthly. The amount of services delivered for the period from the last billing date to September 30, 2021 (unbilled receivable), is estimated and accrued at year end. The City deems all amounts collectable, therefore an allowance for doubtful accounts is not necessary. If payments are not received from customers, services are shut off and deposits are applied against negative balances.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. PROPERTY TAXES

Under Florida law, the assessment of all properties and the collection of all City property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. The laws of the State of Florida regulating tax assessment are also designed to assure a consistent property valuation method statewide. State statutes permit cities to levy property taxes at a rate of up to ten mills. The operating millage rate in effect for the fiscal year ended September 30, 2021, was 6.05 mills.

All property is assessed according to its fair market value on January 1 of each year and, at that time, a lien is placed on the property for the taxes. The tax levy of the City is established by the Council prior to October 1 of each year and the Brevard County Property Appraiser incorporates the City's millage into the total tax levy, which also includes Brevard County, the Brevard County School Board, Florida Inland Navigation District, and the St. Johns Water Management District's tax requirements.

The following procedures were completed on or about the dates listed during the property tax levy process.

July - The Brevard County Property Tax Appraiser (the County Property Appraiser) forwarded to the City a certification of value of all real property within the City's boundaries which included the current year's taxable values, new construction, annexations, deletions, prior year taxable value, prior year millage rates, prior year ad valorem tax proceeds, and roll-back rates.

July - The Council sets the current year millage rate at not more than 110% of the rolled-back millage rate.

August - Notices of the proposed ad valorem tax assessments were mailed to each property owner by the County Property Appraiser.

September - As required by the State of Florida, a public meeting is held within 80 days of receipt of the certification of value to consider the budget and ad valorem tax millage rate.

September - Within 15 days of the meeting at which the Council adopted a tentative budget, the City advertised its intent to adopt a final budget and millage rate.

September - A final budget and millage rate hearing was held during which the Council set the current year's millage rate.

November - Tax notices were mailed to each property owner by the County Property Appraiser's office.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. PROPERTY TAXES (continued)

All taxes are billed on November 1 of each year or as soon thereafter as the assessment roll is certified and delivered to the County Tax Collector. All unpaid taxes become delinquent on April 1 following the year in which they are assessed. Discounts are allowed for early payment at the rate of 4% in the month of November, 3% in the month of December, 2% in the month of January, and 1% in the month of February. The taxes paid in March are without discount.

On or prior to June 1 following the tax year, certificates are sold for all delinquent taxes on real property. Application for a tax deed on any unredeemed tax certificates may be made by the certificate holder after a period of two years. Unsold certificates are held by the County.

I. INVENTORIES

Inventories held by the General, Stormwater Utility, Wastewater System, and Sanitation Services Funds consist principally of chemicals, maintenance supplies, gas, and diesel fuel. The costs of inventories are reported as expenditures when consumed rather than purchased and adjustments are made at year end to reflect actual physical inventory. All inventories of the General Fund are reflected as nonspendable within the fund balance. Inventories are valued at lower cost or market, using a first-in, first-out flow assumption.

J. CAPITAL ASSETS

Property, plant, and equipment purchased or acquired are carried at the historical cost or the estimated historical cost. Donated capital assets, donated works of art, and capital assets, including those received in a service concession arrangement, are recorded at the acquisition value as of the date received. During fiscal year 2021, the City revised its policies controlling capital assets, raising the value which defines capital assets as assets with an initial, individual cost greater than or equal to \$5,000, and an estimated useful life in excess of one year. The prior definition included assets with an initial cost of more than \$1,000. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following useful lives:

<u>Years</u>	
10 – 40	Buildings
10 – 40	Improvements other than buildings
3 – 20	Machinery and equipment
4 – 20	Vehicles (including heavy equipment)
40	Infrastructure
20 – 40	Waste and transmission lines and facilities

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. PREPAID ITEMS

Prepaid items represent payments to vendors for services that will benefit the City beyond September 30, 2021. These payments are recorded as expenditures or expenses when utilized rather than when cash is paid to the respective vendor.

L. DEFERRED OUTFLOWS OF RESOURCES

In addition to assets, the entity-wide statement of net position and the proprietary funds statement of net position report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an expense until then. The City currently has deferred outflows of pension expenses and OPEB expenses that meet this criteria. Deferred outflows of pension expenses and OPEB expenses represent differences between actual pension experiences and actuarial assumptions. These will be charged to pension and OPEB expense over the actuarial assumption's timeline.

M. LONG-TERM DEBT

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statements of net position.

N. ACCUMULATED UNUSED COMPENSATED ABSENCES

The City records the vested portion of accumulated compensated absences at year end based on each employee's accumulated unused hours and rate of pay. All compensated absences are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

O. OTHER POSTEMPLOYMENT BENEFITS

The City allows retirees to participate in its employee health insurance program. The City accrues an other postemployment benefit liability for the cost of providing those benefits in the government-wide and enterprise fund financial statements based on actuarial measurement annually.

P. PENSION PLANS

The City sponsors and administers three pension plans covering substantially all the full-time employees. The City's policy is to fund the annual pension costs in the annual budget.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Q. PENSION PLANS (continued)

General employees, police officers, and firefighters are enrolled in separate, defined benefit pension plans restated December 4, 2019, with subsequent amendments. Annual costs of the pension plans are actuarially computed using the entry age normal actuarial cost method as described in Note 9.

The City accounts for its pension plans in accordance with GASB Statement No. 67, *Financial Reporting for Pension Plans*, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions, an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. These statements require the recording of defined benefit plan investments at market value.

R. DEFERRED INFLOWS OF RESOURCES

This separate financial statement element, deferred inflows of resources, represents a receipt of net position that applies to a future period and will not be recognized as a revenue until then. The City currently has deferred inflows of pension and OPEB earnings, grant proceeds, and business tax receipts that meet this criteria. Deferred inflows of pension and OPEB revenues represent differences between actual pension experiences and actuarial assumptions. These will be recognized as a reduction of pension and OPEB expense over the actuarial assumption's timeline.

S. NET POSITION

Net position of proprietary funds, governmental activities, and business-type activities are made up of three components. Net investment in capital assets represents net capital assets less related long-term liabilities, where unspent debt proceeds increase this amount. Restricted net position represents assets that are legally restricted for specific purposes. They include bond sinking and reserve funds, special revenues restricted by statute and ordinance, bond proceeds, and other sources restricted for capital projects or improvements. The balance of net position is considered unrestricted net position.

T. FUND EQUITY

In the fund financial statements, fund balance for governmental funds is reported in classifications that are based on the relative strength of the constraints that control how amounts in the funds can be spent.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

T. FUND EQUITY (continued)

Fund balance is reported in the following five components:

Nonspendable - includes fund balance amounts that cannot be spent either because they are not in spendable form or because of legal or contractual requirements. This would include inventories, advances, and prepaid items.

Restricted - includes fund balance amounts that are constrained for specific purposes which are externally imposed by third-party (creditors, grantors, contributors) agreements, constitutional provisions, or enabling legislation.

Committed - includes fund balance amounts that can be used only for the specific purposes that are internally imposed by a formal action of the government's highest level of decision making authority, which includes ordinances and resolutions. Commitments may be changed by the government only by taking the same action that imposed the constraint initially. Contractual obligations are included to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual obligations.

Assigned - includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. The authority for assigning fund balance is expressed by the City Council, City Manager, or their designee.

Unassigned - includes residual positive fund balance within the General Fund which has not been classified within the other above-mentioned categories. Unassigned fund balance may also include negative balances for other governmental funds besides the General Fund, if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

When both restricted and unrestricted (committed, assigned, and unassigned) fund resources are available for use, it is the City's policy to generally use restricted resources first, and then unrestricted resources. When unrestricted resources are available for use, it is the City's policy to use committed resources first, then assigned, and then unassigned as they are needed.

U. NET POSITION RESTRICTED BY ENABLING LEGISLATION

In the government-wide financial statements, governmental activities report restricted net position of \$4,793,546. Management has determined that, of this amount, \$335,427 is restricted for public safety purposes by enabling legislation.

Note 2 – ACCOUNTS RECEIVABLE

The accounts receivable and allowance for uncollectible accounts at September 30, 2021, were as follows:

	Accounts Receivable	Unbilled Receivable	Allowance for Uncollectible	Net
General Fund	\$ 680,529	\$ -	\$ -	\$ 680,529
Enterprise Funds:				
Wastewater System Fund	432,287	112,484	-	544,771
Sanitation Services Fund	281,898	85,485	-	367,383
Stormwater Utility Fund	90,420	27,742	-	118,162
Internal Service Fund	1,620	-	-	1,620
Totals	\$ 1,486,754	\$ 225,711	\$ -	\$ 1,712,465

Property taxes are considered fully collected during and prior to the end of the fiscal year. Therefore, no material amounts of property taxes are receivable as of September 30, 2021. There are no other reserves for receivables recorded by the City as of September 30, 2021.

Note 3 - CAPITAL ASSETS

Depreciation expense was allocated to the governmental functions in the statement of activities as follows:

Governmental activities:	
General government	\$ 469,006
Administrative services	115,023
Police	393,606
Fire	239,201
Public works	577,550
Planning and development	308,708
Total depreciation expense - governmental activities	\$ 2,103,094
Business-type activities:	
Wastewater system	\$ 1,366,175
Sanitation services	224,014
Stormwater utility	401,642
Total depreciation expense - business-type activities	\$ 1,991,831

City of Rockledge, Florida
Notes to Financial Statements

Note 3 - CAPITAL ASSETS (Continued)

The following is a summary of changes in capital assets during the year ended September 30, 2021:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 14,477,046	\$ 11,840,660	\$ (26,000)	\$ 26,291,706
Construction-in-progress	38,471	764,774	(598,474)	204,771
Total capital assets, not being depreciated	14,515,517	12,605,434	(624,474)	26,496,477
Capital assets, being depreciated:				
Buildings	12,046,705	-	(1,437,001)	10,609,704
Improvements other than buildings	4,946,385	18,542	(606,141)	4,358,786
Furniture and equipment	6,599,767	81,893	(2,697,396)	3,984,264
Vehicles	4,765,534	249,978	(691,905)	4,323,607
Infrastructure	26,016,279	20,289,986	(25,645)	46,280,620
Total capital assets, being depreciated	54,374,670	20,640,399	(5,458,088)	69,556,981
Less accumulated depreciation for:				
Buildings	(3,562,629)	(282,084)	344,849	(3,499,864)
Improvements other than buildings	(701,534)	(102,612)	50,694	(753,452)
Furniture and equipment	(4,861,630)	(291,492)	2,660,171	(2,492,951)
Vehicles	(3,608,388)	(454,998)	679,993	(3,383,393)
Infrastructure	(11,815,122)	(1,178,594)	25,645	(12,968,071)
Total accumulated depreciation	(24,549,303)	(2,309,780)	3,761,352	(23,097,731)
Total capital assets, being depreciated, net	29,825,367	18,330,619	(1,696,736)	46,459,250
Governmental activities capital assets, net	\$ 44,340,884	\$ 30,936,053	\$ (2,321,210)	\$ 72,955,727
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 3,703,226	\$ -	\$ -	\$ 3,703,226
Construction-in-progress	382,294	1,249,611	(171,703)	1,460,202
Total capital assets, not being depreciated	4,085,520	1,249,611	(171,703)	5,163,428
Capital assets, being depreciated:				
Buildings	13,578,901	-	-	13,578,901
Infrastructure	-	2,895,508	-	2,895,508
Machinery and equipment	9,523,332	433,440	(571,313)	9,385,459
Vehicles	5,270,941	-	(429,653)	4,841,288
Waste and transmission lines and facilities	40,069,456	-	(3,440)	40,066,016
Total capital assets, being depreciated	68,442,630	3,328,948	(1,004,406)	70,767,172
Less accumulated depreciation for:				
Buildings	(7,074,880)	(280,551)	-	(7,355,431)
Infrastructure	-	(72,092)	-	(72,092)
Machinery and equipment	(5,289,811)	(418,424)	564,528	(5,143,707)
Vehicles	(3,633,683)	(237,590)	429,652	(3,441,621)
Waste and transmission lines and facilities	(19,435,198)	(983,174)	3,440	(20,414,932)
Total accumulated depreciation	(35,433,572)	(1,991,831)	997,620	(36,427,783)
Total capital assets, being depreciated, net	33,009,058	1,337,117	(6,786)	34,339,389
Business-type activities capital assets, net	\$ 37,094,578	\$ 2,586,728	\$ (178,489)	\$ 39,502,817

Note 3 - CAPITAL ASSETS (Continued)

During the fiscal year, the City implemented a new Capital Assets Policy. To effect the implementation, several assets within the government activities were reclassified, without any gain or loss on the reclassification. The effects of the reclassification summarized in the table below, and are included in the previous table.

	Increases	Decreases
Governmental activities:		
Capital assets, not being depreciated:		
Land	\$ 1,119,358	\$ -
Construction-in-progress	-	(598,474)
Total capital assets, not being depreciated	1,119,358	(598,474)
Capital assets, being depreciated:		
Buildings	-	(272,257)
Improvements other than buildings	-	(550,465)
Furniture and equipment	25,996	(195,821)
Vehicles	195,821	-
Infrastructure	275,842	-
Total capital assets, being depreciated	497,659	(1,018,543)
Less accumulated depreciation for:		
Buildings	-	34,014
Improvements other than buildings	-	1,044
Furniture and equipment	(775)	171,632
Vehicles	(171,632)	-
Infrastructure	(34,283)	-
Total accumulated depreciation	(206,690)	206,690
Total capital assets, being depreciated, net	290,969	(811,853)
Governmental activities capital assets, net	\$ 1,410,327	\$ (1,410,327)

Note 4 – NOTES PAYABLE

On April 1, 2009, the City borrowed \$2,000,000 through a local bank for the purpose of constructing a police facility. As of September 30, 2010, the City owed \$1,763,069 on this note. Principal of \$14,932 was paid in October 2010 bringing the outstanding balance on the note to \$1,748,137. On November 1, 2010, the City borrowed an additional \$500,000 at the same interest rate of 3.95% bringing the monthly payments to \$25,983. The City obtained a second loan modification on this note, effective August 12, 2011, at an effective interest rate of 2.87% and payments of \$24,924 per month. This interest rate and payment amount remained in effect for five years, at which time the interest rate increased to 3.37% with monthly payments of \$25,076 through May 1, 2019. However, on December 7, 2017, the City refinanced the note, borrowing an additional amount of \$2,061,468, which carried a new interest rate of 2.50%. Interest of \$43,719.63 was paid on this note during the year ended September 30, 2021. The note is secured with a pledge of utility tax revenues and franchise fees collected by the City. As of September 30, 2021, the principal outstanding on the note was \$1,632,733.

On July 22, 2005, the City, through its Community Redevelopment Agency (CRA), borrowed \$4,000,000 through a local bank for the acquisition and construction of additions and improvements to Barton Boulevard in the City of Rockledge Redevelopment Area. Pursuant to the loan agreement (Series 2005 Note), the excess of income, fees and earnings over the costs of operation and maintenance of the CRA are irrevocably pledged to the payment of principal and interest on the Series 2005 Note. The Series 2005 Note does not constitute a general obligation or indebtedness of the CRA and the lender shall never have the right to require or compel the levy of taxes for the payment of principal or interest nor does it constitute a lien on any property of the CRA other than the pledged funds noted above. The Series 2005 Note has a maturity date of January 31, 2022, and bore interest at 3.49% until resetting on January 31, 2012. Effective January 31, 2012, the rate was adjusted to the five-year U.S. Treasury rate minus 30 basis points (0.43%). This rate was effective through January 31, 2017, when the rate was adjusted for a final time to the five-year U.S. Treasury rate minus 30 basis points (1.6%), which will remain in effect until January 31, 2022. Payments were interest only on January 31, 2007, on the unpaid principal balance and, beginning on January 31, 2007, annual principal payments of \$250,000 plus accrued interest are due. Interest of \$8,078 was paid on this note during the year ended September 30, 2021. As of September 30, 2021, the remaining principal outstanding on the note was \$250,000.

On October 7, 2013, the City, through its Community Redevelopment Agency (CRA), opened a \$750,000 line of credit through a local bank in order to facilitate short-term financing needs. In 2013 and 2015, the City drew \$500,000 and \$350,000 from the line of credit, which was used with other funds to purchase parcels of land and buildings. On September 30, 2016, the City increased the line of credit to \$1,000,000 and drew \$200,000 to purchase land. On October 4, 2017, the City increased the line of credit to \$2,000,000 and drew \$396,996 to purchase land and a commercial building. On December 7, 2017, the City decreased the line of credit to \$1,000,000. On July 29, 2021, the City decreased the line of credit to \$500,000. As of September 30, 2021, no amount of principal remains outstanding. The line of credit has a maturity date of July 17, 2022, and bears interest at the Wall Street Journal Prime Rate, which was 3.25% on September 30, 2021.

Note 4 – NOTES PAYABLE (Continued)

The City borrowed \$2,779,452 under the State of Florida Revolving Fund Program under a small community pre-construction loan contract for the construction of a reclaimed water project. The effective interest rate for the funds borrowed under the program is 2.98%. Pursuant to the contract, semi-annual payments consisting of principal and interest in the amount of \$93,323, with a final payment due on December 15, 2021, commenced June 15, 2002. Interest of \$6,925 was paid on this note during the year ended September 30, 2021. As of September 30, 2021, the principal outstanding on the note was \$91,922.

On July 29, 2021, the City, through its Wastewater System Fund, borrowed \$4,750,000 through a local bank for the construction of additions and improvements to the City's wastewater treatment and water reclamation facilities. Pursuant to the loan agreement (Series 2021 Note), the excess of income, fees and earnings over the costs of operation and maintenance of the wastewater treatment system are irrevocably pledged to the payment of principal and interest on the Series 2021 Note. The Series 2021 Note does not constitute a general obligation or indebtedness of the City and the lender shall never have the right to require or compel the levy of taxes for the payment of principal or interest nor does it constitute a lien on any property of the City other than the pledged funds noted above. The Series 2021 Note has a maturity date of July 29, 2031, and bears interest at a fixed rate of 1.65%. Monthly payments of principal and interest total \$42,965.87. Interest of \$8,441 was paid on this note during the year ended September 30, 2021. As of September 30, 2021, the remaining principal outstanding on the note was \$4,672,509.

The following is a summary of governmental activities direct borrowings for the year ended September 30, 2021:

Year Ending September 30,	Governmental Activities					
	Redevelopment Agency		Capital Improvement Note		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 250,000	\$ 4,022	\$ 244,793	\$ 38,017	\$ 494,793	\$ 42,039
2023	-	-	250,983	31,827	250,983	31,827
2024	-	-	257,258	25,551	257,258	25,551
2025	-	-	263,836	18,974	263,836	18,974
2026	-	-	270,508	12,302	270,508	12,302
2027-2028	-	-	345,355	5,739	345,355	5,739
Total	250,000	4,022	1,632,733	132,410	1,882,733	136,432
Current portion	(250,000)	(4,022)	(244,793)	(38,017)	(494,793)	(42,039)
Payable after one year	\$ -	\$ -	\$ 1,387,940	\$ 94,393	\$ 1,387,940	\$ 94,393

Note 4 – NOTES PAYABLE (Continued)

The following is a summary of business-type activities direct borrowings for the year ended September 30, 2021:

Year Ending September 30,	Business-type Activities					
	Wastewater System - SRF		Wastewater System - Series 2021		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 91,922	\$ 1,402	\$ 437,335	\$ 78,256	\$ 529,257	\$ 79,658
2023	-	-	449,109	66,481	449,109	66,481
2024	-	-	456,410	59,181	456,410	59,181
2025	-	-	464,164	51,427	464,164	51,427
2026	-	-	471,880	43,710	471,880	43,710
2027-2031	-	-	2,393,611	98,376	2,393,611	98,376
Total	91,922	1,402	4,672,509	397,431	4,764,431	398,833
Current portion	(91,922)	(1,402)	(437,335)	(78,256)	(529,257)	(79,658)
Payable after one year	\$ -	\$ -	\$ 4,235,174	\$ 319,175	\$ 4,235,174	\$ 319,175

Note 5 - CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended September 30, 2021, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Notes payable:					
Community Redevelopment Agency Note, Series 2005	\$ 500,000	\$ -	\$ (250,000)	\$ 250,000	\$ 250,000
Capital Improvement Note	1,871,822	-	(239,089)	1,632,733	244,793
Total notes payable	2,371,822	-	(489,089)	1,882,733	494,793
Other postemployment benefits	674,642	63,324	(40,627)	697,339	-
Compensated absences	1,499,941	951,023	(985,076)	1,465,888	965,706
Net pension liability and asset	2,516,357	5,071,421	(10,305,845)	(2,718,067)	-
Governmental activity long-term liabilities	\$ 7,062,762	\$ 6,085,768	\$ (11,820,637)	\$ 1,327,893	\$ 1,460,499
Business-type activities:					
Notes payable:					
State Revolving Fund Note	\$ 266,414	\$ -	\$ (174,492)	\$ 91,922	\$ 91,922
Series 2021 Note	-	4,750,000	(77,491)	4,672,509	437,335
Total notes payable	266,414	4,750,000	(251,983)	4,764,431	529,257
Other postemployment benefits	252,765	27,249	(17,482)	262,532	-
Compensated absences	376,536	302,799	(272,933)	406,402	276,517
Net pension liability and asset	278,018	1,177,509	(2,397,903)	(942,376)	-
Business-type activity long-term liabilities	\$ 1,173,733	\$ 6,257,557	\$ (2,940,301)	\$ 4,490,989	\$ 805,774

Compensated absences, other postemployment benefits and the net pension liability will be liquidated in future periods primarily by the General Fund for governmental activities. Business-type activities compensated absences, other postemployment benefits and the net pension liability will be liquidated by the respective proprietary fund.

Note 6 - PLEDGED REVENUES

The City has revenue notes outstanding at September 30, 2021, for which revenues of the City have been pledged for repayment. Revenues pledged to repay these obligations are as follows:

	Amount Issued	Principal Outstanding	Total Pledged Revenue (1)	Total Pledged Revenue Over Debt Service Required (2)	Current Year Debt Service Paid	Current Year Total Revenue
Governmental Activities:						
Revenue Notes:						
Community Redevelopment Agency Revenue Note, Series 2005 (3)						
Maturity: 2022, Interest rate: 1.60%	\$4,000,000	\$ 250,000	N/A	N/A	\$258,078	N/A
Purpose: Improvements to Barton Blvd.						
Pledged revenue: Net revenues of the CRA						
 Capital Improvement Note, Series 2009						
Maturity: 2028, Interest rate: 2.50%	\$2,500,000	\$ 1,632,733	\$ 1,765,143	9,242.00%	\$282,810	\$4,181,985
Purpose: Construction of new public safety facilities						
Pledged revenue: Utility taxes and franchise fees						
Business Activities:						
Revenue Notes:						
Capital Improvement Note, Series 2021 (4)						
Maturity: 2031, Interest rate: 1.65%	\$4,750,000	\$ 4,672,509	\$ 5,069,940	16,834.73%	\$ 85,932	\$1,471,161
Purpose: Improvements to Wastewater Treatment and Water Reclamation Facility						
Pledged revenue: Net revenues of the Wastewater Treatment Fund						

(1) Total pledged revenue is the total outstanding principal and interest.

(2) Total pledged revenue over debt service required is calculated using the current year total revenues for the remaining years of debt service.

(3) The excess of income, fees, and earnings over the cost of operations and maintenance are irrevocably pledged to the payment of principal and interest on the Series 2005 note. However, the note does not constitute a general obligation or indebtedness of the CRA nor does it constitute a lien on any property of the CRA.

(4) The Net Revenues, after deduction of the cost of operation and maintenance received from the City's Wastewater Enterprise Fund and the moneys and investment income therefrom are irrevocably pledged to the payment of principal and interest on the Series 2021 note. However, the note does not constitute a general obligation or indebtedness of the City nor does it constitute a lien on any property of the City.

Note 7 - TRANSFERS TO/FROM OTHER FUNDS

Operating Transfers	Transfers		Net
	In	Out	
Major Funds:			
General Fund	\$ 679,456	\$ (1,448,568)	\$ (769,112)
Community Redevelopment Agency	1,450,098	-	1,450,098
ARPA		(286,147)	(286,147)
Wastewater System	38,255	(190,000)	(151,745)
Sanitation Services	39,785	(123,000)	(83,215)
Stormwater Utility	4,591	(83,000)	(78,409)
Building	1,530	(83,000)	(81,470)
Total	\$ 2,213,175	\$ (2,213,175)	\$ -

Amounts are transferred from one fund to another fund in accordance with legally established budgets. The transfer from the General Fund to the Community Redevelopment Agency Fund in the amount of \$1,448,568 represents the tax incremental financing (TIF) payment required. The transfers from the ARPA fund to the remaining funds represent the funding of qualified initiatives under the enabling legislation of the American Rescue Plan Act. All remaining interfund transfers within the primary government represent cash transfers to supplement other fund sources for operating and capital purposes.

Note 8 - NET INVESTMENT IN CAPITAL ASSETS

The elements of this calculation are as follows:

	Governmental Activities	Business-type Activities	Total
Capital assets (net)	\$ 72,955,727	\$ 39,502,817	\$ 112,458,544
Outstanding debt related to capital assets	(1,882,733)	(4,764,431)	(6,647,164)
	\$ 71,072,994	\$ 34,738,386	\$ 105,811,380

Note 9 - RETIREMENT PLANS

A. DESCRIPTION OF PLANS

The City maintains three contributory single-employer defined benefit pension plans (Plans) that provide for retirement, disability and death benefits as described below. These Plans are:

- City of Rockledge General Employees' Retirement Plan (General Employees)
- City of Rockledge Police Employees' Retirement Plan (Police Employees)
- City of Rockledge Fire Employees' Retirement Plan (Fire Employees)

Note 9 - RETIREMENT PLANS (Continued)

A. DESCRIPTION OF PLANS (continued)

Each plan is administered by a separate board of trustees comprised of five members, two of whom are appointed by the City Council, two of whom are full-time participants of the respective employee group (General, Police, or Fire) and one is chosen by a majority of the previous four members. Each board of trustees is empowered to hire its own attorneys and consultants at the pension fund's expense, and to bring and defend lawsuits.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (ALL PLANS)

Basis of Accounting

The Plans' financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to each plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits, refunds, and administrative costs are recognized when due and payable in accordance with the terms of each plan. On-behalf payments, made by the state totaling \$185,590 and \$247,231 for the Fire Employees' and Police Employees' plans, respectively, were recognized as revenues and expenditures in the General Fund during the year ended September 30, 2021.

Method Used to Value Investments

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value.

Presentation of Financial Statements

The Plans do not issue stand-alone financial reports and are not included in the reports of any other entity.

Funding Requirements

The City uses the entry age normal actuarial cost method (EAN) to determine required contributions. This method provides a stable pattern of minimum required contributions at a level dollar amount (for each plan) and allows a more transparent analysis of the changes experienced from one year to the next.

The General Employees plan requires employee contributions at 6% of basic compensation. City contributions are actuarially determined sufficient to pay current costs and amortize unfunded past service costs, if any, as provided in Chapter 112, Florida Statutes. For 2021, employee contributions to the plan totaled \$306,359, while City contributions were \$724,655 or 14.2% of covered payroll.

Note 9 - RETIREMENT PLANS (Continued)

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (ALL PLANS) (continued)

Funding Requirements (continued)

Florida Statutes, Chapters 175 and 185, require members to contribute not less than 5% of earnings, this may be reduced by local ordinance to no less than 0.5%. The Police Employees and Fire Employees plans, as approved by the City Council, require members to contribute 7% of their basic compensation. The City is required to contribute at an actuarially determined rate, which includes the state's premium tax proceeds. Employer contributions for police officers and firefighters include on-behalf payments from the state of Florida related to state excise taxes collected on homeowners' insurance policies. The current combined required rate is 20.8% of annual covered payroll for police officers and 33.44% of covered payroll for firefighters. The City contributed \$214,932 and \$459,417 for Police Employees and Fire Employees plans, respectively, for the year ended September 30, 2021.

Municipalities that have established pension plans complying with the provisions of Chapters 175 and 185, Florida Statutes, and that have enacted appropriate taxing legislation are eligible to receive revenues generated from excise taxes on gross receipts of certain insurance premiums from policyholders covering property within the City limits. These state premium tax proceeds are the Firefighters' Pension Fund Excise Tax, which is imposed on the gross receipts of property insurance policy premiums, and the Police Officers' Pension Fund Excise Tax, which is imposed on the gross receipts of casualty insurance policy premiums. These revenues, taken as a whole, amounted to \$432,821 for the year ended September 30, 2021.

C. PLAN MEMBERSHIP AND BENEFITS

The makeup of plan participants as of the October 1, 2021 valuation was as follows:

	General	Police	Fire
Plan Membership	Employees	Employees	Employees
Inactive plan members or beneficiaries currently receiving benefits	65	25	25
Inactive plan members entitled to, but not yet receiving benefits	8	7	5
Active plan members	132	43	37
Total	205	75	67

Note 9 - RETIREMENT PLANS (Continued)

C. PLAN MEMBERSHIP AND BENEFITS (continued)

All three plans provide retirement, termination, disability, and death benefits. A summary of those benefits, by plan, is outlined below.

	<u>General Employees</u>	<u>Police Employees</u>	<u>Fire Employees</u>
Normal Retirement:	Age 65 and 10 years of service.	Age 52 and 10 years of service.	Age 52 and 25 years or age 55 and 10 years of service.
	Benefit equals 2.75% x Avg Monthly Comp x credited service.	Benefit equals 3% x Avg Monthly Comp x credited service (if hired prior to 1/2/13, retirees receive additional 1.5% for service over 25 years).	Benefit equals 3% x Avg Monthly Comp x credited service, plus additional 1.5% for service over 25 years (after 10/1/12 rates are 2.75% times the average monthly comp and 1.25% for additional service).
Early Retirement:	Age 55 and 10 years of service, reduced at 5/9% per month first 60 months and 5/18% thereafter with a minimum benefit of 60% for employees with 25 years credited service.	Age 44 and 25 years or age 50 and 10 years of service, reduced at 1/4% per month with a minimum of 50% for those with 25 years credited service.	Age 45 and 25 years or age 50 and 10 years of service, reduced at 1/4% per month with a minimum of 50% for those with 25 years credited service.

Note 9 - RETIREMENT PLANS (Continued)

C. PLAN MEMBERSHIP AND BENEFITS (continued)

	<u>General Employees</u>	<u>Police Employees</u>	<u>Fire Employees</u>
Termination of Employment:	Vested employees receive full benefits upon retirement age. Nonvested are entitled to return of employee contributions with 1.5% interest.	Vested employees receive full benefits upon retirement age. Nonvested are entitled to return of employee contributions with 1.5% interest.	Vested employees receive full benefits upon retirement age. Nonvested are entitled to return of employee contributions with 1.5% interest.
Disability Benefits:	Line-of-duty benefit reduced 50%. Non-line-of-duty benefit based on 10 years certain and continuous annuity payable determined at time of disability adjusted for years of service.	Line-of-duty benefit reduced 50%. Non-line-of-duty benefit based on 10 years certain and continuous annuity payable determined at time of disability adjusted for years of service.	Line-of-duty benefit reduced 50%. Non-line-of-duty benefit based on 10 years certain and continuous annuity payable determined at time of disability adjusted for years of service.
Pre-retirement Death Benefits:	Survivor benefit is 10 year certain amount adjusted for vesting status at time of death of plan member.	Survivor benefit is 10 year certain amount adjusted for vesting status at time of death of plan member.	Survivor benefit is 10 year certain amount adjusted for vesting status at time of death of plan member.
Deferred Retirement Option (DROP):	Employees eligible at early retirement date. Accrued benefit frozen but earns interest until DROP exit (no more than 5 years later).	Employees eligible at normal retirement date. Accrued benefit frozen but earns interest until DROP exit (no more than 5 years later).	Employees eligible at normal retirement date. Accrued benefit frozen but earns interest until DROP exit (no more than 5 years later).

Note 9 - RETIREMENT PLANS (Continued)

D. PENSION PLAN INVESTMENTS

Each plan's investment policy was adopted by the respective Pension Board of Trustees, which has the authority for establishing and amending investment policy decisions for each of the plans that they administer. The policy outlines suitable, authorized investments along with asset allocations.

Each plan's investments are reported at fair value. Securities traded on a national exchange are valued at the last reported sales price at current exchange rates. Independent investment managers and an independent custodian handle all pension investments and disbursements.

In order to provide for a diversified portfolio, several investment management firms are selected to be responsible for the assets and allocation of the Trustees' mandate only, and are provided specific performance objectives and investment criteria. In order to maintain a balanced portfolio, the allocation of assets are targeted at no more than 5% in common stock, capital stock, or convertible stock of any one issuing company. Fixed income investments issued to any single corporation shall not exceed 5% of the total fund and all investments, and shall have a minimum rating of investment grade (Baa – AAA) or higher by at least one major credit rating agency. The plans did not hold investments in any one organization that represent 5% or more of the plans' fiduciary net position.

For the year ended September 30, 2021, the annual money-weighted rate of return on the plans' investments, net of pension investment expense, was 20.17% for General, 20.74% for Police, and 19.85% for Fire. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

	General Employees	Police Employees	Fire Employees
Annual money-weighted rate of return net of investment expenses	20.17%	20.74%	19.85%

Note 9 - RETIREMENT PLANS (Continued)

E. NET PENSION LIABILITY, SIGNIFICANT ASSUMPTIONS, AND DISCOUNT RATE

The components of the net pension liability (asset) of the City as of September 30, 2021, were as follows:

General Employees:	
Total pension liability	\$ 21,113,877
Plan fiduciary net position	(23,032,574)
<hr/>	
City's net pension asset	\$ (1,918,697)
<hr/>	
Plan fiduciary net position as a percentage of the total pension liability	109.09%
Police Employees:	
Total pension liability	\$ 17,748,421
Plan fiduciary net position	(19,987,504)
<hr/>	
City's net pension asset	\$ (2,239,083)
<hr/>	
Plan fiduciary net position as a percentage of the total pension liability	112.62%
Fire Employees:	
Total pension liability	\$ 16,014,866
Plan fiduciary net position	(15,517,529)
<hr/>	
City's net pension liability	\$ 497,337
<hr/>	
Plan fiduciary net position as a percentage of the total pension liability	96.89%

The total pension liability (asset) was determined by an actuarial valuation as of October 1, 2021 using the following actuarial assumptions applied to all measurement periods for each plan.

	General Employees'	Police Employees'	Fire Employees'
Inflation	2.00%	2.00%	2.00%
Salary increases (including inflation)			
0 - 10 years of service (0-12 for general employees)	5.50%	5.50%	6.00%
10+ years of service (12+ for general employees)	4.50%	4.50%	4.50%
Investment rate of return (net of investment expense, including inflation)	7.65%	7.65%	7.65%
Discount rate	7.65%	7.65%	7.65%

Note 9 - RETIREMENT PLANS (Continued)

E. NET PENSION LIABILITY, SIGNIFICANT ASSUMPTIONS, AND DISCOUNT RATE (continued)

Mortality rates were based on the July 1, 2019 and 2020 Florida Retirement System (FRS) special risk actuarial valuation for the Police and Fire Employees plans and the July 1, 2019 and 2020 FRS not special risk actuarial valuation for the General Employees plan. Disabled tables were used for disabled lives.

For all three plans, actuarial assumptions used in the October 1, 2021 valuation were based on the results of an actuarial experience study for the 10-year period presiding October 1, 2020, a change from the prior year assumptions.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the plans' target asset allocation as of September 30, 2021, are summarized in the following table:

Asset Class	General Employees		Police Employees		Fire Employees	
	Target Allocation	Long-term Expected	Target Allocation	Long-term Expected	Target Allocation	Long-term Expected
		Rate of Return		Rate of Return		Rate of Return
Domestic equity	47.50%	7.50%	47.50%	7.50%	47.50%	7.50%
International equity	15.00%	8.50%	15.00%	8.50%	15.00%	8.50%
Domestic bonds	17.50%	2.50%	17.50%	2.50%	17.50%	2.50%
International bonds	5.00%	3.50%	5.00%	3.50%	5.00%	3.50%
Real estate & Infrastructure	15.00%	4.50%	15.00%	4.50%	15.00%	4.50%

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, each Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the net pension liability.

Note 9 - RETIREMENT PLANS (Continued)

F. PENSION PLAN FINANCIAL STATEMENTS

The following tables present the statement of net position - fair value, and statement of changes in net position - fair value, of all the trusts' investments as of and for the year ended September 30, 2021.

	Employee Benefit Funds			
	General Employees	Police Employees	Fire Employees	Totals
ASSETS				
Cash and cash equivalents	\$ 484,707	\$ 351,583	\$ 347,102	\$ 1,183,392
Due from other plan	-	1,266	-	1,266
Interest receivable	10,430	8,441	8,190	27,061
Total current assets	495,137	361,290	355,292	1,211,719
Investments, at fair value	22,538,703	19,626,214	15,162,237	57,327,154
Total assets	23,033,840	19,987,504	15,517,529	58,538,873
LIABILITIES				
Due to other plan	1,266	-	-	1,266
Net position held in trust for pension benefits	\$ 23,032,574	\$ 19,987,504	\$ 15,517,529	\$ 58,537,607

Note 9 - RETIREMENT PLANS (Continued)

F. PENSION PLAN FINANCIAL STATEMENTS (continued)

	Employee Benefit Funds			
	General	Police	Fire	
	<u>Employees</u>	<u>Employees</u>	<u>Employees</u>	<u>Totals</u>
Additions:				
Contributions:				
Employer	\$ 724,655	\$ 214,932	\$ 459,417	\$ 1,399,004
State	-	247,231	185,590	432,821
Employees	306,359	152,146	138,392	596,897
Total contributions	1,031,014	614,309	783,399	2,428,722
Investment income:				
Net appreciation in fair value of investments	3,630,871	3,255,939	2,445,406	9,332,216
Interest and dividends	365,313	312,513	247,691	925,517
	3,996,184	3,568,452	2,693,097	10,257,733
Less: investment related expense	(64,792)	(58,559)	(50,969)	(174,320)
Net investment income	3,931,392	3,509,893	2,642,128	10,083,413
Total additions	4,962,406	4,124,202	3,425,527	12,512,135
Deductions:				
Benefits	1,137,829	1,085,578	1,037,051	3,260,458
Administrative expense	63,270	67,589	71,622	202,481
Total deductions	1,201,099	1,153,167	1,108,673	3,462,939
Change in net position	3,761,307	2,971,035	2,316,854	9,049,196
Net position held in trust for pension benefits:				
Balance at beginning of year	19,271,267	17,016,469	13,200,675	49,488,411
Balance at end of year	\$ 23,032,574	\$ 19,987,504	\$ 15,517,529	\$ 58,537,607

Note 9 - RETIREMENT PLANS (Continued)

G. PENSION EXPENSE AND DEFERRED INFLOWS/OUTFLOWS OF RESOURCES RELATED TO PENSIONS

For the year ended September 30, 2021, the City recognized a pension expense of (\$407,352) for the General Employees plan; (\$263,055) for the Police Employees plan; and (\$16,418) for the Fire Employees plan. The total aggregate pension expense for all plans is (\$686,825). On September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	General		Police		Fire	
	Deferred Outflow of Resources	Deferred Inflow of Resources	Deferred Outflow of Resources	Deferred Inflow of Resources	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 225,757	\$ 912,756	\$ 199,335	\$ 206,479	\$ -	\$ 184,784
Changes of assumptions	73,260	248,543	328,787	238,181	39,961	191,820
Net difference between projected and actual earnings	-	2,020,490	-	1,826,736	-	1,335,464
Total	\$ 299,017	\$ 3,181,789	\$ 528,122	\$ 2,271,396	\$ 39,961	\$ 1,712,068

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

<u>Year Ending September 30:</u>	<u>General Employees</u>	<u>Police Employees</u>	<u>Fire Employees</u>
2022	(798,687)	(439,663)	(459,617)
2023	(724,554)	(381,984)	(397,752)
2024	(809,885)	(515,927)	(460,405)
2025	(560,224)	(424,299)	(351,092)
2026	10,578	(2,290)	(3,241)
2027	-	16,129	-
2028	-	4,760	-
	<u>\$ (2,882,772)</u>	<u>\$ (1,743,274)</u>	<u>\$ (1,672,107)</u>

Note 9 - RETIREMENT PLANS (Continued)

H. CHANGES IN NET PENSION LIABILITY AND SENSITIVITY TO CHANGES IN DISCOUNT RATE

General Employees

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances at September 30, 2020	\$ 19,946,602	\$ 19,271,267	\$ 675,335
Changes for a year:			
Service cost	621,801	-	621,801
Interest	1,540,540	-	1,540,540
Differences between expected and actual experience	277,065	-	277,065
Changes of assumptions	(134,302)	-	(134,302)
Contributions - employer	-	724,655	(724,655)
Contributions - employee	-	306,359	(306,359)
Net investment income	-	3,931,392	(3,931,392)
Benefit payments, including refunds of member contributions	(1,137,829)	(1,137,829)	-
Administrative expense	-	(63,270)	63,270
Net changes	1,167,275	3,761,307	(2,594,032)
Balances at September 30, 2021	\$ 21,113,877	\$ 23,032,574	\$ (1,918,697)

The sensitivity of the net pension liability to changes in the discount rate is shown below.

General Employees	Current Discount Rate		
	1% Decrease	Current Discount Rate	1% Increase
City's net position liability (asset)	6.65%	7.65%	8.65%
	\$494,197	\$ (1,918,697)	\$ (3,944,788)

Note 9 - RETIREMENT PLANS (Continued)

H. CHANGES IN NET PENSION LIABILITY AND SENSITIVITY TO CHANGES IN DISCOUNT RATE (continued)

Police Employees

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances at September 30, 2020	\$ 16,818,163	\$ 17,016,469	\$ (198,306)
Changes for a year:			
Service cost	382,153	-	382,153
Interest	1,295,989	-	1,295,989
Differences between expected and actual experience	205,503	-	205,503
Changes of assumptions	132,191	-	132,191
Contributions - employer	-	214,932	(214,932)
Contributions - state	-	247,231	(247,231)
Contributions - employee	-	152,146	(152,146)
Net investment income	-	3,509,893	(3,509,893)
Benefit payments, including refunds of employee contributions	(1,085,578)	(1,085,578)	-
Administrative expense	-	(67,589)	67,589
Net changes	930,258	2,971,035	(2,040,777)
Balances at September 30, 2021	\$ 17,748,421	\$ 19,987,504	\$ (2,239,083)

The sensitivity of the net pension liability to changes in the discount rate is shown below.

	1% Decrease	Current Discount Rate	1% Increase
Police Employees			
City's net position asset	6.65%	7.65%	8.65%
	\$ (227,925)	\$ (2,239,083)	\$ (3,921,363)

Note 9 - RETIREMENT PLANS (Continued)

H. CHANGES IN NET PENSION LIABILITY AND SENSITIVITY TO CHANGES IN DISCOUNT RATE (continued)

Fire Employees

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at September 30, 2020	\$ 15,518,021	\$ 13,200,675	\$ 2,317,346
Changes for a year:			
Service cost	335,790	-	335,790
Interest	1,185,898	-	1,185,898
Changes of benefit terms	69,519	-	69,519
Differences between expected and actual experience	(12,533)	-	(12,533)
Changes of assumptions	(44,778)	-	(44,778)
Contributions - employer	-	459,417	(459,417)
Contributions - state	-	185,590	(185,590)
Contributions - employee	-	138,392	(138,392)
Net investment income	-	2,642,128	(2,642,128)
Benefit payments, including refunds of employee contributions	(1,037,051)	(1,037,051)	-
Administrative expense	-	(71,622)	71,622
Net changes	496,845	2,316,854	(1,820,009)
Balances at September 30, 2021	\$ 16,014,866	\$ 15,517,529	\$ 497,337

The sensitivity of the net pension liability to changes in the discount rate is shown below.

Fire Employees	1% Decrease	Current Discount Rate	1% Increase
		Rate	
City's net position liability (asset)	6.65%	7.65%	8.65%
	\$2,264,192	\$ 497,337	\$ (987,885)

Note 10 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

A. PLAN DESCRIPTION

The City of Rockledge administers a single-employer defined benefit healthcare plan (the “Plan”) that provides medical insurance to its employees and their eligible dependents. Pursuant to Section 112.0801 Florida Statutes, the City is required to provide eligible retirees (as defined in the City’s pension plans) the opportunity to participate in this Plan at the same cost that is applicable to active employees.

Note 10 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

A. PLAN DESCRIPTION (continued)

The City does not issue stand-alone financial statements for this Plan. All financial information related to the Plan is accounted for in the City's basic financial statements.

B. FUNDING POLICY

The City is funding the post employee benefits on a pay-as-you-go basis. Contribution rates for the Plan are established by City Council annually during the budget process. The City does not pay for health insurance premiums for retirees. Blended premium rates for active and retired employees combined provide an implicit subsidy for retirees because on an actual basis, their current and future claims are expected to result in higher costs to the Plan than those of active employees. The current year contributions are determined as annualized claims incurred based on the retiree age at the beginning of the fiscal year and the claims table used for liability determination offset by the annual premium paid by the retiree for such coverage. City contributions are assumed to be equal to benefits paid.

C. PLAN MEMBERSHIP

At October 1, 2021, OPEB membership consisted of the following:

	General Employees	Police	Firefighters
Inactive members	3	3	5
Active members	142	50	40
Total	145	51	45

D. ACTUARIAL ASSUMPTIONS AND OTHER INPUTS

In the September 30, 2021 measurement data, the actuarial assumptions and other inputs, applied include the following:

	General Employees'	Police Employees'	Fire Employees'
Inflation	2.00%	2.00%	2.00%
Salary increases (including inflation)			
0 - 10 years of service (0-12 for general employees)	5.50%	5.50%	6.00%
10+ years of service (12+ for general employees)	4.50%	4.50%	4.50%
Discount rate	2.26%	2.26%	2.26%
Ultimate healthcare cost trend rate	5.00%	5.00%	5.00%
Retirees' share of benefit-related costs	100.00%	100.00%	100.00%

Note 10 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

D. ACTUARIAL ASSUMPTIONS AND OTHER INPUTS (continued)

The discount rate was selected based on a 20-year tax-exempt high-quality general obligation municipal bond yield or index. The Bond Buyer 20-Bond General Obligation Index is the average rating of 20 bonds that are grade 'Aa2' (Moody's) or grade 'AA' (S&P 500). The Bond Buyer 20-Bond General Obligation Index at September 30, 2021 was 2.26%. The discount rate changed to 2.26% from 2.21% used on the prior valuation.

The mortality tables used for the OPEB Plan are the same as those for the pension plans. Namely, for members of the City of Rockledge General Employees Pension Plan is that used for NOT special risk employees in the valuation of the Florida Retirement System (FRS) as of July 1, 2019 and 20. The mortality table for members of the City of Rockledge Fire employees and Police Employees Pension Plans are that used for special risk employees in the valuation of FRS as of July 1, 2019 and 2020. Sex distinct disability rates are used for both special risk employees and regular employees.

The actuarial assumptions used in the October 1, 2021 valuation were not based on the results of an actuarial experience study.

At September 30, 2021 the City of Rockledge reported an OPEB liability of \$959,871. The GASB 75 information has been provided as of the September 30, 2021 measurement date.

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	OPEB Liability
	(a)	(b)	(a) - (b)
Change in OPEB Liability			
Balance at September 30, 2020	\$ 927,407	\$ -	\$ 927,407
Changes for the year:			
Service cost	75,862	-	75,862
Interest	21,531	-	21,531
Difference between expected and actual experience	(60,075)	-	(60,075)
Changes of assumptions	53,255	-	53,255
Contributions - employer	-	58,109	(58,109)
Benefit payments	(58,109)	(58,109)	-
Net changes	32,464	-	32,464
Balance at September 30, 2021	\$ 959,871	\$ -	\$ 959,871

There were no changes in assumptions and other inputs from the October 1, 2021 valuation, except the discount rate increased to 2.26% from 2.21%, and the retirement, disability, and salary growth rates were adjusted to those of the pension plan valuations. The methods, assumptions, and participant data used are detailed in the actuarial valuation report dated October 1, 2021. Furthermore, the expected trend from current cost trends to the ultimate healthcare cost trend rate was extended.

Note 10 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

D. ACTUARIAL ASSUMPTIONS AND OTHER INPUTS (continued)

Sensitivity of the OPEB Liability - The following table represents the City's total and OPEB liability calculated using the discount rate of 2.26%, as well as what the City's OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.26%) or one percentage point higher (3.26%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
	1.26%	2.26%	3.26%
OPEB liability	\$1,045,850	\$ 959,871	\$ 881,245

The following table represents the City's total and OPEB liability calculated using the health care cost trend rate of 5.00%, as well as what the City's OPEB liability would be if it were calculated using a health care cost trend rate that is one percentage point lower (4.00%) or one percentage point higher (6.00%) than the current rate:

	1% Decrease	Ultimate Trend Rate	1% Increase
	4.00%	5.00%	6.00%
OPEB liability	\$854,445	\$ 959,871	\$ 1,085,403

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the fiscal year ended September 30, 2021, the City of Rockledge recognized an aggregate OPEB expense of \$113,976. In addition the City reported deferred inflows and outflows of resources related to the OPEB plan from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 8,633	\$ 74,986
Changes of assumptions	137,556	-
Total	\$ 146,189	\$ 74,986

Note 10 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

D. ACTUARIAL ASSUMPTIONS AND OTHER INPUTS (continued)

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

Year Ending September 30:	
2022	\$ 16,583
2023	25,349
2024	22,539
2025	7,117
2026	(385)
	<u>\$ 71,203</u>

Note 11 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The City purchases separate commercial insurance coverage for workers' compensation, liability, and property damage. Coverage for workers' compensation and automobile claims are limited to the maximum liability exposure the City faces under Florida Statutes. Coverage for general liability claims is a maximum of \$1,000,000 combined single limit.

The commercial insurance carried is a claims incurred policy for which the City is covered for claims originating against the City during the policy period. The amount of coverage is dependent on the date of the liability-imposing event. The City has maintained continuous coverage and does not believe it has any exposure to events which occurred prior to the year ended September 30, 2021.

As of September 30, 2021, the City has an estimated \$391,339 in outstanding claims incurred but not reported. The employee medical insurance is a shared cost policy for which the City pays a recurring administrative fee and claims as asserted. The City's health insurance expenditure is based upon a carryforward experience level, whereby each month the City pays the benefit payments net of the specific stop loss, plus the in-month change in experience deficit, plus adjustments. Consequently, the City does not believe it has any future exposure for medical claims by its employees beyond this estimate, and \$22,135 of accounts payable.

Note 12 - COMMITMENTS AND CONTINGENCIES

During the ordinary course of its operation, the City is party to various claims, legal actions, and complaints. While the ultimate effect of such litigation cannot be ascertained at this time, in the opinion of the City Attorney, the liabilities which may arise from such actions would not result in losses which would exceed the liability insurance limits in effect at the time the claim arose or otherwise materially affect the financial condition of the City or results of activities.

Note 13 - COMMUNITY REDEVELOPMENT AGENCY

The purpose of the Rockledge CRA is to stimulate economic growth, promote private development opportunities, and maintain a safe, prosperous community while focusing on improving the quality of life of the citizens of Rockledge.

Pursuant to Chapter 163.387 (8) of the Florida Statutes, the following information is provided regarding the receipts and expenditures of the CRA.

	Actual Budgetary Basis
Resources (inflows):	
Property taxes	\$ 1,036,145
Income on investments	5,199
Other	2,472
Transfer in	1,450,098
Amounts available for appropriation	2,493,914
Personnel services	58,404
Administrative office	8,632
Legal and accounting	19,963
Planning, engineering, and design	34,609
Grants and capital acquisitions	962,183
Promotional expenses and events	5,138
Travel and training	40
Debt service	258,078
Total charges to appropriations	1,347,047
Excess of resources over charges to appropriations	1,146,866
Fund balance allocation	(1,146,866)
Excess (deficiency) of resources and fund balance allocation over charges to appropriations	\$ -

Note 13 - COMMUNITY REDEVELOPMENT AGENCY (Continued)

The accompanying schedule of revenues, expenditures, and change in the CRA fund balance- budget and actual, presents comparisons of the legally adopted budget with actual data on a budgetary basis. Because accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with generally accepted accounting principles, a reconciliation of resultant basis, timing, perspective, and entry differences in the net changes in fund balance for the year ended September 30, 2021, is presented below:

Net change in fund balance - budgetary basis	\$ 1,146,866
2020 differences in budget vs GAAP	5,018
2021 differences in budget vs GAAP	(15,729)
Allocation over charges to appropriations	\$ 1,136,155

Property taxes consisted of the incremental tax receipts provided by increased assessed values over 2001 levels. Planning, engineering, and design expenditures were for the Barton Boulevard corridor, as well as improvements to the Florida Avenue Gateway which feeds into U.S. Highway 1 just north of Barton.

Note 14 - SUBSEQUENT EVENTS

The City entered into a \$1.7 million cost share agreement with FEMA to harden two of its fire stations, in order to improve their resistance to disasters, such as hurricanes.

The City entered into several capital improvement projects, including an up to \$15.4 million agreement to construct an Equalization Basin and the structures needed for the Bio-solids project at the Wastewater Treatment and Water Reclamation Plant, an up to \$150,000 agreement for improvements to the Don Griffin Trail, and a \$204,450 agreement for the design of a multi-purpose center.

The City has considered subsequent events through March 8, 2022.

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**REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN
MANAGEMENT'S DISCUSSION AND ANALYSIS**

City of Rockledge, Florida Budgetary Comparison Schedule – General Fund

<i>Year ended September 30, 2021</i>	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Taxes	\$ 9,963,472	\$ 9,963,472	\$ 10,015,254	\$ 51,782
Other local taxes	4,406,527	4,406,527	5,147,735	741,208
Licenses, permits and fees	187,323	187,323	329,500	142,177
Intergovernmental	4,466,791	4,781,361	4,230,829	(550,532)
Charges for services	496,887	496,887	592,062	95,175
Fines and forfeitures	30,850	30,850	164,717	133,867
Miscellaneous revenue	166,406	179,406	483,567	304,161
Total revenues	19,718,256	20,045,826	20,963,664	917,838
Expenditures				
Category:				
Administrative:				
Personnel services	1,292,638	1,327,473	1,274,389	53,084
Operating expenditures	92,453	92,453	73,133	19,320
Capital improvement	62,000	62,000	60,747	1,253
Police:				
Personnel services	5,750,242	5,963,491	5,492,330	471,161
Operating expenditures	601,150	601,150	593,219	7,931
Capital improvement	66,000	66,000	41,893	24,107
Fire:				
Personnel services	4,197,562	4,328,114	3,790,029	538,085
Operating expenditures	270,950	270,950	228,687	42,263
Capital improvement	1,685,241	1,685,241	48,447	1,636,794
Public Works:				
Personnel services	2,402,709	2,539,099	2,402,746	136,353
Operating expenditures	1,244,830	1,244,830	935,519	309,311
Capital improvement	109,300	109,300	60,618	48,682
Mayor and City Council:				
Personnel services	48,120	48,120	48,120	-
Operating expenditures	14,090	14,090	6,543	7,547
City Attorney:				
Personnel services	144,532	156,532	155,203	1,329
Operating expenditures	3,500	4,500	2,540	1,960
General Government:				
Personnel services	292,907	292,907	279,264	13,643
Debt service	282,810	282,810	282,810	-
Operating expenditures	1,276,527	1,276,527	1,128,005	148,522
Total expenditures	19,837,561	20,365,587	16,904,242	3,461,345

The accompanying notes to required supplementary information are an integral part of this schedule.

City of Rockledge, Florida
Budgetary Comparison Schedule – General Fund

<i>Year Ended September 30, 2021</i>	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Excess (deficit) of revenues over expenditures	\$ (119,305)	\$ (319,761)	\$ 4,059,422	\$ 4,379,183
Transfers in	479,000	679,456	679,456	-
Transfers out	(1,448,568)	(1,448,568)	(1,448,568)	-
Net change in fund balance	(1,088,873)	(1,088,873)	3,290,310	4,379,183
Fund balances, beginning of the year,	16,925,927	16,925,927	16,925,927	-
Fund balance, end of year	<u>\$ 15,837,054</u>	<u>\$ 15,837,054</u>	<u>\$ 20,216,237</u>	<u>\$ 4,379,183</u>

Note that this schedule is prepared on a budgetary basis, but is not different from Generally Accepted Accounting Principles (GAAP) in the presentation.

The accompanying notes to required supplementary information are an integral part of this schedule.

City of Rockledge, Florida Budgetary Comparison Schedule – Community Redevelopment Agency

<i>Year ended September 30, 2021</i>	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Property taxes	\$ 1,004,245	\$ 1,094,245	\$ 1,036,145	\$ (58,100)
Interest	5,837	6,837	5,199	(1,638)
Miscellaneous revenue	8,890	8,890	2,472	(6,418)
Total revenues	1,018,972	1,109,972	1,043,816	(66,156)
Expenditures				
Planning and development:				
Infrastructure	960,849	90,849	89,134	1,715
Professional services	550,000	185,000	34,609	150,391
Land acquisition	200,000	801,000	800,122	878
Public/ private partnerships	200,000	-	-	-
Façade improvement grants	150,000	67,000	72,927	(5,927)
Salaries and benefits	64,891	59,891	58,404	1,487
Special events	40,000	4,000	3,146	854
Legal services	16,800	16,800	16,800	-
Promotional materials / recruitment	10,000	3,000	1,992	1,008
Insurances	5,200	5,200	5,279	(79)
Travel and training	5,000	1,000	40	960
Accounting and audit	3,500	3,500	3,163	337
Office supplies	2,300	2,300	1,680	620
Memberships and dues	1,000	2,000	1,450	550
Miscellaneous expenditures	-	2,662	223	2,439
Debt Service	258,000	259,000	258,078	922
Total expenditures	2,467,540	1,503,202	1,347,047	156,155
Excess (deficiency) of revenues over (under) expenditures	(1,448,568)	(393,230)	(303,231)	89,999
Other financing sources				
Transfers in	1,448,568	1,540,098	1,450,098	(90,000)
Other financing sources	1,448,568	1,540,098	1,450,098	(90,000)
Net change in fund balance	-	1,146,868	1,146,867	(1)
Fund balances, beginning of year	3,026,166	3,026,166	3,026,166	-
Fund balances, end of year	\$ 3,026,166	\$ 4,173,034	\$ 4,173,033	\$ (1)

The accompanying schedule of revenues, expenditures and change in the CRA fund balance- budget and actual, presents comparisons of the legally adopted budget with actual data on a budgetary basis. Because accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with generally accepted accounting principles, a reconciliation of resultant basis, timing, perspective, and entry differences in the net changes in fund balance for the year ended September 30, 2021, is presented below:

Net change in fund balance- budgetary basis	\$ 1,146,867
2020 differences in budget vs GAAP	5,018
2021 differences in budget vs GAAP	(15,730)
Net change in fund balance- GAAP basis	\$ 1,136,155

The accompanying notes to required supplementary information are an integral part of this schedule.

City of Rockledge, Florida
Budgetary Comparison Schedule – American Rescue Plan Act

<i>Year ended September 30, 2021</i>	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 286,147	\$ 286,147	\$ 286,147	\$ -
Miscellaneous revenue	222	222	222	-
Total revenues	286,369	286,369	286,369	-
Excess (deficit) of revenues over expenditures	\$ 286,369	\$ 286,369	\$ 286,369	\$ -
Transfers out	(286,147)	(286,147)	(286,147)	-
Net change in fund balance	222	222	222	-
Fund balances, beginning of the year,	-	-	-	-
Fund balance, end of year	\$ 222	\$ 222	\$ 222	\$ -

Note that this schedule is prepared on a budgetary basis, but is not different from Generally Accepted Accounting Principles (GAAP) in the presentation.

The accompanying notes to required supplementary information are an integral part of this schedule.

City of Rockledge, Florida
Budgetary Notes to Required Supplementary Information

Note A – BUDGETARY INFORMATION

The City adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

- a) Prior to the first day of August of each year, the City Manager prepares a proposed budget for the next succeeding fiscal year and submits it to the City Council. The recommended budget includes proposed expenditures and the sources of receipts to finance them.
- b) Complete copies of the proposed budget are made available for public inspection. Public hearings are conducted to obtain taxpayers' comments.
- c) The budget is enacted through passage of an ordinance and becomes the basis for the millage levied by the City Council.
- d) The City Manager is authorized to transfer budgeted amounts between line items within a department; however, any revisions that alter the total expenditures of any department must be approved by the City Council. Administrative and General Government are considered one department. Expenditures may not exceed legal appropriations at the department level. All appropriations conclude at year end.
- e) Formal budgetary integration is employed as a management control device during the year for the General Fund and all major, special revenue funds (if any). Formal budgetary integration is not employed for the Law Enforcement Education and Taylor Park Trust Funds, because effective budgetary control is alternatively achieved through expenditure eligibility provisions. Formal budget integration is also not employed for the Transportation Impact Fee Fund and Rockledge Heritage Foundation because projects are approved individually.
- f) Budgets are legally adopted on a basis consistent with GAAP for the General fund. The budgetary basis for the CRA fund is cash basis.
- g) The budgetary comparison schedule shown in the accompanying required supplementary information presents comparisons of the legally adopted budget, as amended, with actual results. The originally adopted budget is presented for purposes of comparison to the final, amended budget.

City of Rockledge, Florida

Schedules of Defined Benefit Pension Plans

The schedules presented in the following required supplementary information are intended to provide information that is essential to understanding trends and puts the current period information into historical perspective. The Government Accounting Standards Board (GASB) concludes that a period of ten years will provide information to identify cyclical factors and other trends in connection with defined benefit pension plans. GASB Statement No. 67 sets the requirements for the ten-year schedules to be implemented prospectively. Until a full ten years of data is compiled, the schedules will present data that is available. GASB Statement No. 68 (GASB 68) requires that governments providing defined benefit pensions recognize long-term obligations for pension benefits as a liability and to more comprehensibly and comparably measure the annual costs of pension benefits.

City of Rockledge, Florida
Schedules of Defined Benefit Pension Plans

SCHEDULE OF CHANGES IN NET POSITION LIABILITY AND RELATED RATIOS

Last Eight Fiscal Years

General Employees

	2021	2020	2019	2018
Total pension liability				
Service cost	\$ 621,801	\$ 652,595	\$ 605,932	\$ 605,875
Interest	1,540,540	1,548,052	1,488,277	1,448,433
Changes of benefit terms	-	-	(45,645)	-
Difference between expected and actual experience	277,065	(893,305)	(329,476)	(488,124)
Changes of assumptions	(134,302)	(218,604)	-	206,529
Benefit payments, including refunds of member contributions	(1,137,829)	(908,956)	(1,085,673)	(961,938)
Net change in total pension liability	1,167,275	179,782	633,415	810,775
Total pension liability - beginning	19,946,602	19,766,820	19,133,405	18,322,630
Total pension liability - ending (a)	\$ 21,113,877	\$ 19,946,602	\$ 19,766,820	\$ 19,133,405
 Plan fiduciary net position				
Contribution - employer	\$ 724,655	\$ 720,642	\$ 756,292	\$ 751,853
Contribution - employee	306,359	303,417	297,434	285,978
Net investment income	3,931,392	1,886,395	606,585	1,507,361
Benefit payments, including refunds of member contributions	(1,137,829)	(908,956)	(1,085,673)	(961,938)
Administrative expense	(63,270)	(67,175)	(65,394)	(60,095)
Net change in plan fiduciary net position	3,761,307	1,934,323	509,244	1,523,159
Plan fiduciary net position - beginning	19,271,267	17,336,944	16,827,700	15,304,541
Plan fiduciary net position - ending (b)	\$ 23,032,574	\$ 19,271,267	\$ 17,336,944	\$ 16,827,700
 Net pension liability (asset) - ending (a) - (b)	\$ (1,918,697)	\$ 675,335	\$ 2,429,876	\$ 2,305,705
 Plan fiduciary net position as a percentage of the total pension liability	109.09%	96.61%	87.71%	87.95%
 Covered payroll	\$ 5,105,988	\$ 5,056,951	\$ 4,957,236	\$ 4,766,306
 Net pension liability as a percentage of covered payroll	-37.58%	13.35%	49.02%	48.38%

Note 1: GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, the City is presenting information for only the years for which information is available.

City of Rockledge, Florida
Schedules of Defined Benefit Pension Plans

2017		2016		2015		2014	
\$	580,741	\$	502,300	\$	500,506	\$	490,047
	1,405,981		1,321,703		1,239,002		1,143,136
	-		-		-		-
	(163,308)		(211,999)		(132,223)		(24,739)
	32,034		840,843		23,782		22,355
	(1,727,630)		(753,910)		(429,686)		(438,263)
	127,818		1,698,937		1,201,381		1,192,536
	18,194,812		16,495,875		15,294,494		14,101,958
\$	18,322,630	\$	18,194,812	\$	16,495,875	\$	15,294,494
<hr/>							
\$	680,623	\$	561,465	\$	562,320	\$	443,171
	275,299		255,031		249,718		244,731
	1,710,431		1,227,300		(3,709)		1,129,042
	(1,727,630)		(753,910)		(429,686)		(438,263)
	(46,286)		(55,175)		(64,461)		(77,399)
	892,437		1,234,711		314,182		1,301,282
	14,412,104		13,177,393		12,863,211		11,561,929
\$	15,304,541	\$	14,412,104	\$	13,177,393	\$	12,863,211
<hr/>							
\$	3,018,089	\$	3,782,708	\$	3,318,482	\$	2,431,283
<hr/>							
	83.53%		79.21%		79.88%		84.10%
\$	4,573,157	\$	4,387,506	\$	3,864,720	\$	4,094,475
	66.00%		86.22%		85.87%		59.38%

City of Rockledge, Florida
Schedules of Defined Benefit Pension Plans

SCHEDULE OF CONTRIBUTIONS

Last Eight Fiscal Years

General Employees

	2021	2020	2019	2018
Actuarially determined contribution	\$ 724,655	\$ 720,642	\$ 756,292	\$ 751,853
Contributions in relation to the				
actuarially determined contributions	724,655	720,642	756,292	751,853
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 5,105,988	\$ 5,056,951	\$ 4,957,236	\$ 4,766,306
Contributions as a percentage of covered payroll	14.2%	14.3%	15.3%	15.8%

Notes to Schedule

Valuation Date: 10/1/21

Note 1: Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal in which contributions are reported.

Note 2: GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, the City is presenting information for only the years for which information is available.

City of Rockledge, Florida
Schedules of Defined Benefit Pension Plans

2017		2016		2015		2014	
\$	672,777	\$	561,465	\$	562,320	\$	443,171
	680,623		561,465		562,320		443,171
\$	(7,846)	\$	-	\$	-	\$	-
<hr/>							
\$	4,573,157	\$	4,387,506	\$	3,864,720	\$	4,094,475
	14.7%		12.8%		14.6%		10.8%

City of Rockledge, Florida
Schedules of Defined Benefit Pension Plans

SCHEDULE OF CHANGES IN NET POSITION LIABILITY AND RELATED RATIOS
Last Eight Fiscal Years
Police Employees

	2021	2020	2019	2018
Total pension liability				
Service cost	\$ 382,153	\$ 414,205	\$ 401,170	\$ 385,421
Interest	1,295,989	1,271,367	1,191,725	1,123,149
Changes of benefit terms	-	-	(12,487)	-
Difference between expected and actual experience	205,503	(76,767)	37,959	(132,738)
Changes of assumptions	132,191	(321,354)	-	321,084
Benefit payments, including refunds of member contributions	(1,085,578)	(798,029)	(457,662)	(453,905)
Net change in total pension liability	930,258	489,422	1,160,705	1,243,011
Total pension liability - beginning	16,818,163	16,328,741	15,168,036	13,925,025
Total pension liability - ending (a)	\$ 17,748,421	\$ 16,818,163	\$ 16,328,741	\$ 15,168,036
 Plan fiduciary net position				
Contribution - employer	\$ 214,932	\$ 223,878	\$ 238,901	\$ 259,625
Contribution - state	247,231	244,109	229,301	216,318
Contribution - employee	152,146	154,795	187,557	151,048
Net investment income	3,509,893	1,665,927	491,806	1,346,363
Benefit payments, including refunds of member contributions	(1,085,578)	(798,029)	(457,662)	(453,905)
Administrative expense	(67,589)	(66,077)	(63,865)	(62,778)
Net change in plan fiduciary net position	2,971,035	1,424,603	626,038	1,456,671
Plan fiduciary net position - beginning	17,016,469	15,591,866	14,965,828	13,509,157
Plan fiduciary net position - ending (b)	\$ 19,987,504	\$ 17,016,469	\$ 15,591,866	\$ 14,965,828
 Net pension liability (asset) - ending (a) - (b)	\$ (2,239,083)	\$ (198,306)	\$ 736,875	\$ 202,208
 Plan fiduciary net position as a percentage of the total pension liability	112.62%	101.18%	95.49%	98.67%
 Covered payroll	\$ 2,173,510	\$ 2,211,353	\$ 2,234,127	\$ 2,157,825
Net pension liability as a percentage of covered payroll	-103.02%	-8.97%	32.98%	9.37%

Note 1: GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, the City is presenting information for only the years for which information is available.

City of Rockledge, Florida
Schedules of Defined Benefit Pension Plans

2017		2016		2015		2014	
\$	427,707	\$	411,090	\$	424,738	\$	383,990
	1,047,395		961,067		900,239		828,134
	-		-		-		-
	(65,611)		(156,120)		(118,810)		10,982
	(3,883)		226,678		11,608		11,211
	(382,951)		(395,306)		(470,342)		(277,266)
	1,022,657		1,047,409		747,433		957,051
	12,902,368		11,854,959		11,107,526		10,150,475
\$	13,925,025	\$	12,902,368	\$	11,854,959	\$	11,107,526

\$	218,130	\$	214,124	\$	218,903	\$	175,170
	195,099		191,152		175,977		175,891
	155,403		162,989		158,642		158,054
	1,525,941		1,041,785		11,458		943,080
	(382,951)		(395,306)		(470,342)		(277,266)
	(63,054)		(52,859)		(70,435)		(69,739)
	1,648,568		1,161,885		24,203		1,105,190
	11,860,589		10,698,704		10,674,501		9,569,311
\$	13,509,157	\$	11,860,589	\$	10,698,704	\$	10,674,501

\$	415,868	\$	1,041,779	\$	1,156,255	\$	433,025
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97.01%	91.93%	90.25%	96.10%
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\$ 2,220,009	\$ 2,412,232	\$ 2,156,109	\$ 2,253,905
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18.73%	43.19%	53.63%	19.21%
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City of Rockledge, Florida
Schedules of Defined Benefit Pension Plans

SCHEDULE OF CONTRIBUTIONS

Last Eight Fiscal Years

Police Employees

	2021	2020	2019	2018
Actuarially determined contribution	\$ 197,002	\$ 196,087	\$ 204,699	\$ 234,459
Contributions in relation to the				
actuarially determined contributions	214,932	223,878	238,901	259,625
Contribution deficiency (excess)	\$ (17,930)	\$ (27,791)	\$ (34,202)	\$ (25,166)
<hr/>				
Covered payroll	\$ 2,173,510	\$ 2,211,353	\$ 2,234,127	\$ 2,157,825
Contributions as a percentage of				
covered payroll	9.1%	8.9%	9.2%	10.9%

Notes to Schedule

Valuation Date: 10/1/21

Note 1: Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal in which contributions are reported.

Note 2: GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, the City is presenting information for only the years for which information is available.

City of Rockledge, Florida
Schedules of Defined Benefit Pension Plans

2017		2016		2015		2014	
\$	210,378	\$	214,124	\$	218,903	\$	175,170
218,130		214,124		218,903		175,170	
\$	(7,752)	\$	-	\$	-	\$	-
\$ 2,220,009		\$ 2,412,232		\$ 2,156,109		\$ 2,253,905	
9.5%		8.9%		10.2%		7.8%	

City of Rockledge, Florida
Schedules of Defined Benefit Pension Plans

SCHEDULE OF CHANGES IN NET POSITION LIABILITY AND RELATED RATIOS
Last Eight Fiscal Years
Fire Employees

	2021	2020	2019	2018
Total pension liability				
Service cost	\$ 335,790	\$ 330,848	\$ 281,063	\$ 282,331
Interest	1,185,898	1,170,575	1,148,416	1,157,646
Changes of benefit terms	69,519	-	(12,971)	-
Difference between expected and actual experience	(12,533)	(8,335)	(194,742)	(306,100)
Changes of assumptions	(44,778)	(249,721)	-	154,133
Benefit payments, including refunds of member contributions	(1,037,051)	(866,650)	(1,107,999)	(1,315,062)
Net change in total pension liability	496,845	376,717	113,767	(27,052)
Total pension liability - beginning	15,518,021	15,141,304	15,027,537	15,054,589
Total pension liability - ending (a)	\$ 16,014,866	\$ 15,518,021	\$ 15,141,304	\$ 15,027,537
 Plan fiduciary net position				
Contribution - employer	\$ 459,417	\$ 459,690	\$ 498,650	\$ 479,284
Contribution - state	185,590	140,547	155,266	144,344
Contribution - employee	138,392	130,053	130,716	116,807
Net investment income	2,642,128	1,281,413	414,941	1,086,797
Benefit payments, including refunds of member contributions	(1,037,051)	(866,650)	(1,107,999)	(1,315,062)
Administrative expense	(71,622)	(67,126)	(68,082)	(65,512)
Net change in plan fiduciary net position	2,316,854	1,077,927	23,492	446,658
Plan fiduciary net position - beginning	13,200,675	12,122,748	12,099,256	11,652,598
Plan fiduciary net position - ending (b)	\$ 15,517,529	\$ 13,200,675	\$ 12,122,748	\$ 12,099,256
 Net pension liability - ending (a) - (b)	\$ 497,337	\$ 2,317,346	\$ 3,018,556	\$ 2,928,281
 Plan fiduciary net position as a percentage of the total pension liability	96.89%	85.07%	80.06%	80.51%
 Covered payroll	\$ 1,977,033	\$ 1,857,899	\$ 1,867,373	\$ 1,668,674
Net pension liability as a percentage of covered payroll	25.16%	124.73%	161.65%	175.49%

Note 1: GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, the City is presenting information for only the years for which information is available.

City of Rockledge, Florida
Schedules of Defined Benefit Pension Plans

	2017	2016	2015	2014
\$	274,692	\$ 246,725	\$ 250,317	\$ 229,390
	1,133,189	1,079,211	1,057,332	1,033,194
	-	-	-	-
	(103,605)	(66,127)	(223,951)	(123,099)
	(59)	307,379	12,388	11,756
	(675,538)	(815,013)	(806,383)	(936,323)
	628,679	752,175	289,703	214,918
	14,425,910	13,673,735	13,384,032	13,169,114
\$	15,054,589	\$ 14,425,910	\$ 13,673,735	\$ 13,384,032

\$	434,969	\$ 390,264	\$ 362,979	\$ 381,796
	138,409	154,239	173,333	185,014
	105,910	104,923	100,309	98,920
	1,267,423	884,745	23,097	824,985
	(675,538)	(815,013)	(806,383)	(936,323)
	(68,567)	(59,280)	(71,278)	(68,075)
	1,202,606	659,878	(217,943)	486,317
	10,449,992	9,790,114	10,008,057	9,521,740
\$	11,652,598	\$ 10,449,992	\$ 9,790,114	\$ 10,008,057

\$	3,401,991	\$ 3,975,918	\$ 3,883,621	\$ 3,375,975
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77.40%	72.44%	71.60%	74.78%
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\$ 1,513,002	\$ 1,554,319	\$ 1,366,711	\$ 1,424,542
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224.85%	255.80%	284.16%	236.99%
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City of Rockledge, Florida
Schedules of Defined Benefit Pension Plans

SCHEDULE OF CONTRIBUTIONS

Last Eight Fiscal Years

Fire Employees

	2021	2020	2019	2018
Actuarially determined contribution	\$ 429,093	\$ 459,690	\$ 481,793	\$ 479,284
Contributions in relation to the				
actuarially determined contributions	459,417	459,690	498,650	479,284
Contribution deficiency (excess)	\$ (30,324)	\$ -	\$ (16,857)	\$ -
Covered payroll	\$ 1,977,033	\$ 1,857,899	\$ 1,867,373	\$ 1,668,674
Contributions as a percentage of covered payroll	21.7%	24.7%	25.8%	28.7%

Notes to Schedule

Valuation Date: 10/1/21

Note 1: Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal in which contributions are reported.

Note 2: GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, the City is presenting information for only the years for which information is available.

Plan Changes in Benefit Terms

There have been no changes in benefits since the prior valuation of all three pension plans.

Changes of Assumptions

For all plans, the interest rate assumption is now 7.65%.

For all plans, a new experience review was performed for the 10-year period preceding October 1, 2020. Rates of termination were revised with the October 1, 2021 valuation.

For all plans, a change in assumed salary increases has been implemented:

	General Employees'	Police Employees'	Fire Employees'
Salary increases (including inflation)			
0 - 10 years of service (0-12 for general employees)	5.50%	5.50%	6.00%
10+ years of service (12+ for general employees)	4.50%	4.50%	4.50%

City of Rockledge, Florida
Schedules of Defined Benefit Pension Plans

2017		2016		2015		2014	
\$	434,969	\$	390,264	\$	362,979	\$	381,796
	434,969		390,264		362,979		381,796
\$	-	\$	-	\$	-	\$	-
<hr/>							
\$	1,513,002	\$	1,554,319	\$	1,366,711	\$	1,424,542
	28.7%		25.1%		26.6%		26.8%

City of Rockledge, Florida

Schedules of Defined Benefit Pension Plans

Methods and Assumptions Used To Determine Contribution Rates

	General Employees	Police Employees	Fire Employees
Actuarial cost method:	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization method:	Level dollar	Level dollar	Level dollar
Remaining amortization period:	25 Years (as of 10/1/2015)	25 Years (as of 10/1/2015)	25 Years (as of 10/1/2015)
Asset valuation method :	5 Year smoothed market	5 Year smoothed market	5 Year smoothed market
Inflation:	2.0%	2.0%	2.0%
Payroll increases :	Based on individual salary increase assumptions	Based on individual salary increase assumptions	Based on individual salary increase assumptions
Salary increases :			
0 - 10 years of service (0-12 for general employees)	5.50%	5.50%	6.00%
10+ years of service (12+ for general employees)	4.50%	4.50%	4.50%
*Interest rate:	7.65%	7.65%	7.65%
Retirement age:	Age 65 and 10 years of service	Age 52 and 10 years of service	Age 52 and 25 years or age 55 and 10 years.
Early retirement:	Age 55 and 10 years reduced at 5/9% per month first 60 months and 5/18% thereafter with a minimum benefit of 60% for employees with 25 years credited service.	Age 44 and 25 years or age 50 and 10 years reduced at 3/12% per month with a minimum of 50% for those with 25 years credited service.	Age 45 and 25 years or age 50 and 10 years reduced at 1/4% per month with a minimum of 50% for those with 25 years credited service.
Mortality:	7/01/19 and 20 FRS not special risk	7/01/19 and 20 FRS special risk	7/01/19 and 20 FRS special risk

*Interest rate is compounded annually, net of investment-related expenses, including inflation.

City of Rockledge, Florida

Schedules of Defined Benefit Pension Plans

Money-weighted Rate of Return

This schedule is intended to provide information about the actual performance of the pension plan's investment portfolio because it takes into account the effects of transactions that increase the amount of pension plan investments (such as contributions from employers, non-employer contributing entities, and plan members) and those that decrease the amount of pension plan investments (such as benefit payments).

Annual money-weighted rate of return
net of investment expense

General Employees							
2021	2020	2019	2018	2017	2016	2015	2014
20.17%	10.59%	3.27%	9.52%	12.40%	9.28%	-0.50%	9.37%
Police Employees							
2021	2020	2019	2018	2017	2016	2015	2014
20.74%	10.47%	2.90%	9.59%	12.39%	9.23%	-0.56%	9.20%
Fire Employees							
2021	2020	2019	2018	2017	2016	2015	2014
19.85%	10.19%	3.03%	9.17%	12.01%	9.04%	-0.87%	9.00%

Note 1: GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, the City is presenting information for only the years for which information is available.

City of Rockledge, Florida

Schedules of Other Postemployment Benefits

Year Ending September 30,	2021	2020	2019	2018
Total OPEB liability				
Service Cost	\$ 75,862	\$ 63,212	\$ 45,450	\$ 44,639
Interest	21,531	21,677	28,740	30,469
Differences between expected and actual experience	(60,075)	13,711	(22,953)	(66,390)
Changes of assumptions	53,255	99,743	72,699	-
Benefit payments	(58,109)	(45,297)	(45,223)	(60,258)
Net change in total OPEB liability	32,464	153,046	78,713	(51,540)
Total OPEB liability - beginning	927,407	774,361	695,648	747,188
Total OPEB liability - ending	\$ 959,871	\$ 927,407	\$ 774,361	\$ 695,648
Plan fiduciary net position				
Contributions - employer	\$ 58,109	\$ 45,297	\$ 45,223	\$ 60,258
Contributions - employee	-	-	-	-
Net investment income	-	-	-	-
Benefit payments	(58,109)	(45,297)	(45,223)	(60,258)
Administrative expense	-	-	-	-
Net change in plan fiduciary net position	-	-	-	-
Plan fiduciary net position - beginning	-	-	-	-
Plan fiduciary net position - ending	\$ -	\$ -	\$ -	\$ -
OPEB liability	\$ 959,871	\$ 927,407	\$ 774,361	\$ 695,648
Plan fiduciary net position as a percentage of total OPEB liability	0.00%	0.00%	0.00%	0.00%
Covered employee payroll	\$ 10,799,549	\$ 9,556,748	\$ 9,750,596	\$ 9,183,488
OPEB liability as a percentage of covered employee payroll	8.89%	9.70%	7.94%	7.57%

Note 1: GASB 75 requires an employer to disclose a 10-year history. However, until a full 10-year trend is compiled, information will be presented only for those years for which information is available.

Note 2: The following rates were used for each period	9/30/2021	9/30/2020	9/30/2019	9/30/2018
Discount	2.26%	2.21%	2.66%	4.00%
Inflation	2.00%	2.00%	2.00%	2.50%

OTHER SUPPLEMENTARY INFORMATION

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City of Rockledge, Florida
Combining Balance Sheet - Nonmajor Governmental Funds

	Special Revenue Funds					
	Law Enforcement Education	Transportation Impact Fee	Taylor Park Trust	Rockledge Heritage Foundation	Total Nonmajor Governmental funds	
September 30, 2021						
ASSETS						
Cash and cash equivalents	\$ 44,778	\$ 100,042	\$ 330	\$ 1,865	\$ 147,015	
Total assets	\$ 44,778	\$ 100,042	\$ 330	\$ 1,865	\$ 147,015	
LIABILITIES						
Accounts payable	\$ -	\$ 20,762	\$ -	\$ -	\$ 20,762	
Total liabilities	-	20,762	-	-	20,762	
FUND BALANCES						
Restricted	44,778	79,280	330	1,865	126,253	
Total fund balances	44,778	79,280	330	1,865	126,253	
Total liabilities and fund balances	\$ 44,778	\$ 100,042	\$ 330	\$ 1,865	\$ 147,015	

City of Rockledge, Florida

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
– Nonmajor Governmental Funds

<i>Year Ended September 30, 2021</i>	Special Revenue Funds				Total Nonmajor Governmental Funds
	Law Enforcement Education	Transportation Impact Fee	Taylor Park Trust	Rockledge Heritage Foundation	
Revenues					
Intergovernmental	\$ -	\$ 95,270	\$ -	\$ -	\$ 95,270
Fines and forfeitures	3,302	-	-	-	3,302
Interest and other	40	19	1	-	60
Total revenues	3,342	95,289	1	-	98,632
Expenditures					
Public works	-	24,265	-	-	24,265
General government	-	-	-	61	61
Total expenditures	-	24,265	-	61	24,326
Excess (deficiency) of revenues over (under) expenditures	3,342	71,024	1	(61)	74,306
Fund balances, beginning of year	41,436	8,256	329	1,926	51,947
Fund balances, end of year	\$ 44,778	\$ 79,280	\$ 330	\$ 1,865	\$ 126,253

City of Rockledge, Florida

Combining Statement of Net Position - Nonmajor Proprietary Funds

<i>September 30, 2021</i>	Nonmajor Sanitation		Nonmajor		
	Impact Fee		Building		Total
ASSETS					
Current assets:					
Cash and cash equivalents	\$	84,771	\$	185,681	\$ 270,452
Prepaid items		-		1,737	1,737
Total current assets		84,771		187,418	272,189
Noncurrent assets:					
Net pension asset		-		86,649	86,649
Total noncurrent assets		-		86,649	86,649
Total assets		84,771		274,067	358,838
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflow of OPEB expense		-		144	144
Deferred outflow of pension expense		-		1,488	1,488
Total deferred outflow of resources		-		1,632	1,632
LIABILITIES					
Current liabilities (payable from current assets):					
Accounts payable		-		75,035	75,035
Accrued payroll and related liabilities		-		6,167	6,167
Compensated absences		-		1,709	1,709
Total current liabilities		-		82,911	82,911
Noncurrent liabilities:					
OPEB liability		-		550	550
Total noncurrent liabilities		-		550	550
Total liabilities		-		83,461	83,461
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows of pension earnings		-		50,319	50,319
Deferred inflows of OPEB earnings		-		540	540
Total deferred inflows of resources		-		50,859	50,859
NET POSITION					
Restricted for:					
Public Safety		-		54,730	54,730
Pension Benefits		-		86,649	86,649
Capital projects		84,771		-	84,771
Total net position	\$	84,771	\$	141,379	\$ 226,150

City of Rockledge, Florida

**Combining Statement of Revenues, Expenses, and Changes in Fund Net Position –
Nonmajor Proprietary Funds**

<i>Year ended September 30, 2021</i>	Nonmajor Sanitation Impact Fee	Nonmajor Building	Total
Operating revenues:			
Charges for services	\$ 37,590	\$ 488,119	\$ 525,709
Miscellaneous revenue	-	1,292	1,292
Total operating revenues	37,590	489,411	527,001
Operating expenses:			
Salaries, wages and employee benefits	-	165,193	165,193
Contractual, materials, and supplies	-	101,332	101,332
Repairs and maintenance	-	102	102
Total operating expenses	-	266,627	266,627
Operating income	37,590	222,784	260,374
Nonoperating revenues (expenses):			
Interest income	53	65	118
Total nonoperating revenues (expenses)	53	65	118
Income before contributions and transfers	37,643	222,849	260,492
Transfers in	-	1,530	1,530
Transfers out	-	(83,000)	(83,000)
Change in net position	37,643	141,379	179,022
Net position, beginning of year	47,128	-	47,128
Net position, end of year	\$ 84,771	\$ 141,379	\$ 226,150

City of Rockledge, Florida

Combining Statement of Cash Flows - Nonmajor Proprietary Funds

<i>Year Ended September 30, 2021</i>	Nonmajor Sanitation Impact Fee	Nonmajor Building	Total
Cash flows from operating activities:			
Cash received from customers for sales and services	\$ 37,590	\$ 489,411	\$ 527,001
Cash payments to employees	-	(194,189)	(194,189)
Cash payments to suppliers for goods and services	-	(28,136)	(28,136)
Net cash provided by operating activities	37,590	267,086	304,676
Cash flows from noncapital financing activities:			
Cash transfers in from other funds	-	1,530	1,530
Cash transfers out to other funds	-	(83,000)	(83,000)
Net cash used in noncapital financing activities	-	(81,470)	(81,470)
Cash flows from investing activities:			
Investment income	53	65	118
Net cash provided by investing activities	53	65	118
Net increase in cash and cash equivalents	37,643	185,681	223,324
Cash and cash equivalents, beginning of year	47,128	-	47,128
Cash and cash equivalents, end of year	\$ 84,771	\$ 185,681	\$ 270,452

	Business-type Activities - Enterprise Funds		
<i>Year Ended September 30, 2021</i>	Nonmajor Sanitation Impact Fee	Nonmajor Building	Total
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ 37,590	\$ 222,784	\$ 260,374
Adjustments to reconcile operating income to net cash provided by operating activities:			
Change in assets and liabilities:			
(Increase) decrease in assets:			
Due from other governments	-	(1,737)	(1,737)
Net Pension Asset	-	(86,649)	(86,649)
Deferred outflows of OPEB expense	-	(144)	(144)
Deferred outflows of pension expense	-	(1,488)	(1,488)
Increase (decrease) in liabilities:			
Accounts payable	-	75,035	75,035
Accrued payroll and related liabilities	-	7,876	7,876
OPEB obligation	-	550	550
Deferred inflows of pension earnings	-	50,319	50,319
Deferred inflows of OPEB earnings	-	540	540
Total adjustments	-	44,302	44,302
Net cash provided by operating activities	\$ 37,590	\$ 267,086	\$ 304,676

STATISTICAL SECTION

This part of the City of Rockledge, Florida's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Table of Contents

A. Financial Trends

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

Schedule A1 Net Position by Component

Schedule A2 Changes in Net Position

Schedule A2.2 General Revenues and Other Changes in Net Position

Schedule A3 Fund Balances – Governmental Funds

Schedule A4 Changes in Fund Balances – Governmental Funds

B. Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local own-source revenues - ad valorem property taxes, occupational license taxes, and building permits revenues.

Schedule B1 Value of Taxable Property

Schedule B2 Direct and Overlapping Property Tax Rates

Schedule B3 Principle Property Taxpayers

Schedule B4 Property Tax Levies and Collections

C. Debt Capacity

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

Schedule C1 Ratios of Outstanding Debt by Type

Schedule C2 Direct and Overlapping Governmental Activities Debt

Schedule C3 Pledged Revenue Coverage

D. Demographic and Economic Information Financial Trends

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

Schedule D1 Demographic and Economic Statistics

Schedule D2 Principal Employers

E. Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Schedule E1 Employees by Function/Program

Schedule E2 Operating Indicators by Function/Program

Schedule E3 Capital Asset Statistics by Function/Program

Additional Notes

Unless otherwise noted, the information in these schedules is derived from the City's Annual Comprehensive Financial Report for the relevant year.

City of Rockledge, Florida
Net Position by Component
Last Ten Fiscal Years

Schedule A-1

City of Rockledge, Florida
Net Position by Component
Last Ten Fiscal Years
Schedule A-1

	2012	2013	2014	2015
Governmental activities				
Net investment in capital assets	\$37,611,369	\$38,040,455	\$38,708,247	\$39,504,354
Restricted	1,254,552	1,280,171	1,341,926	1,353,697
Unrestricted	<u>8,384,297</u>	<u>8,535,708</u>	<u>9,166,534</u>	<u>3,048,697</u>
Total governmental activities net position	<u><u>\$47,250,218</u></u>	<u><u>\$47,856,334</u></u>	<u><u>\$49,216,707</u></u>	<u><u>\$43,906,748</u></u>
Business-type activities				
Net investment in capital assets	\$32,970,132	\$32,549,989	\$32,636,857	\$33,479,991
Restricted	1,626,789	1,913,250	2,012,130	2,412,369
Unrestricted	<u>6,000,114</u>	<u>6,627,522</u>	<u>6,589,285</u>	<u>4,043,179</u>
Total business-type activities net position	<u><u>\$40,597,035</u></u>	<u><u>\$41,090,761</u></u>	<u><u>\$41,238,272</u></u>	<u><u>\$39,935,539</u></u>
Primary government				
Net investment in capital assets	\$70,581,501	\$70,590,444	\$71,345,104	\$72,984,345
Restricted	2,881,341	3,193,421	3,354,056	3,766,066
Unrestricted	<u>14,384,411</u>	<u>15,163,230</u>	<u>15,755,819</u>	<u>7,091,876</u>
Total primary government activities net position	<u><u>\$87,847,253</u></u>	<u><u>\$88,947,095</u></u>	<u><u>\$90,454,979</u></u>	<u><u>\$83,842,287</u></u>

Notes: 1. Accrual Basis of Accounting

2. Accounting standards require that net position be reported in three (3) components in the financial statements: net investment in capital assets, restricted and unrestricted.

3. Net position is considered restricted only when an external party, such as the state or federal government, places a restriction on how the resources may be used or through enabling legislation enacted by the

City of Rockledge, Florida
Net Position by Component
Last Ten Fiscal Years

Schedule A-1

2016	2017	2018	2019	2020	2021
\$40,091,387	\$40,126,774	\$39,291,479	\$42,561,982	\$41,969,062	\$71,072,994
1,258,914	2,628,476	3,227,111	1,876,846	3,613,628	4,793,546
3,368,006	3,769,243	6,549,155	8,117,838	11,228,923	16,819,614
<u>\$44,718,307</u>	<u>\$46,524,493</u>	<u>\$49,067,745</u>	<u>\$52,556,666</u>	<u>\$56,811,613</u>	<u>\$92,686,154</u>
\$35,445,283	\$37,817,923	\$37,765,234	\$36,704,380	\$36,828,163	\$34,738,386
2,564,919	2,701,663	2,399,508	2,794,158	7,129,738	12,071,164
3,003,660	2,846,325	6,551,561	7,629,598	5,772,267	8,414,704
<u>\$41,013,862</u>	<u>\$43,365,911</u>	<u>\$46,716,303</u>	<u>\$47,128,136</u>	<u>\$49,730,168</u>	<u>\$55,224,254</u>
\$75,536,670	\$77,944,697	\$77,056,713	\$79,266,362	\$78,797,225	\$105,811,380
3,823,833	5,330,139	5,626,619	4,671,004	10,743,366	16,864,710
6,371,666	6,615,568	13,100,716	15,747,436	17,001,190	25,234,318
<u>\$85,732,169</u>	<u>\$89,890,404</u>	<u>\$95,784,048</u>	<u>\$99,684,802</u>	<u>\$106,541,781</u>	<u>\$147,910,408</u>

Schedule A-2.1

City of Rockledge, Florida Changes in Net Position Last Ten Fiscal Years

Changes in Net Position Last Ten Fiscal Years Schedule A-2.1				
	2012	2013	2014	2015
Program expenses				
Governmental activities:				
General government	\$1,404,687	\$1,644,207	\$1,838,034	\$1,826,913
Administrative services	1,428,570	1,493,480	1,392,686	1,581,902
Mayor and City Council	36,363	42,737	47,344	42,879
City attorney	101,960	80,806	111,120	102,736
Police	5,486,232	5,488,927	5,054,733	5,832,043
Fire	4,047,687	3,686,492	3,569,439	3,774,553
Public Works	2,249,919	2,544,905	2,383,547	2,738,873
Planning and Development	881,247	556,577	705,539	735,678
Parks and Recreation	83,170	4,987	4,987	5,909
Community Relations	42,859	41,324	35,924	66,997
Total governmental activities	<u>\$15,762,694</u>	<u>\$15,584,442</u>	<u>\$15,143,353</u>	<u>\$16,708,483</u>
Business-type activities:				
Wastewater systems	\$4,117,258	\$4,118,552	\$4,184,270	\$4,349,694
Sanitation services	2,340,410	2,375,107	2,561,345	2,622,133
Stormwater utility	842,316	753,281	789,057	1,158,358
Building Department	-	-	-	-
Total business-type activities	<u>\$7,299,984</u>	<u>\$7,246,940</u>	<u>\$7,534,672</u>	<u>\$8,130,185</u>
Total primary government activities	<u>\$23,062,678</u>	<u>\$22,831,382</u>	<u>\$22,678,025</u>	<u>\$24,838,668</u>
Program revenues				
Governmental activities:				
General government	-	-	-	-
Administrative services	443,738	734,562	723,088	734,426
Police	221,271	237,025	230,097	168,618
Fire	-	-	-	-
Public Works	131,369	113,710	125,962	122,783
Planning and Development	-	-	-	-
Parks and Recreation	-	-	-	-
Community Relations	13,038	-	-	-
Operating grants and contributions	11,376	-	-	3,692
Capital grants and contributions	175,138	469,642	194,347	356,095
Total governmental activities	<u>\$995,930</u>	<u>\$1,554,939</u>	<u>\$1,273,494</u>	<u>\$1,385,614</u>
Business-type activities:				
Wastewater systems	\$3,785,645	\$4,142,307	\$4,071,262	\$4,497,101
Sanitation services	2,549,332	2,543,104	2,529,306	2,537,637
Stormwater utility	792,621	763,278	785,466	907,419
Sanitation Impact Fee	-	-	-	-
Building Department	-	-	-	-
Operating grants and contributions	-	-	-	-
Capital grants and contributions	145,651	319,820	256,012	(64,204)
Total business-type activities	<u>\$7,273,249</u>	<u>\$7,768,509</u>	<u>\$7,642,046</u>	<u>\$7,877,953</u>
Total primary government activities	<u>\$8,269,179</u>	<u>\$9,323,448</u>	<u>\$8,915,540</u>	<u>\$9,263,567</u>

City of Rockledge, Florida
Changes in Net Position
Last Ten Fiscal Years

Schedule A-2.1

2016	2017	2018	2019	2020	2021
\$1,772,664	\$2,021,945	\$2,368,258	\$2,773,667	\$1,662,696	\$1,520,046
1,722,151	1,698,634	1,651,826	1,743,873	1,631,846	1,397,781
46,318	52,352	54,390	56,341	52,452	54,663
99,409	91,552	98,685	100,544	109,935	174,780
5,868,157	5,800,342	5,683,051	6,120,622	6,179,375	6,071,467
3,938,926	3,800,922	4,136,215	3,992,360	3,779,001	4,333,160
2,483,383	2,615,109	2,570,645	2,786,969	3,376,741	2,927,536
1,061,529	632,251	559,740	526,010	512,019	615,649
2,715	-	779	-	-	-
-	-	-	-	-	-
<u>\$16,995,252</u>	<u>\$16,713,107</u>	<u>\$17,123,589</u>	<u>\$18,100,386</u>	<u>\$17,304,065</u>	<u>\$17,095,082</u>
\$4,252,809	\$3,855,516	\$3,866,288	\$5,048,962	\$4,486,995	\$4,419,510
2,524,783	3,160,303	2,925,296	2,807,127	2,884,179	2,819,006
795,707	680,307	667,642	1,252,924	739,102	914,229
-	-	-	-	-	266,627
<u>\$7,573,299</u>	<u>\$7,696,126</u>	<u>\$7,459,226</u>	<u>\$9,109,013</u>	<u>\$8,110,276</u>	<u>\$8,419,372</u>
<u>\$24,568,551</u>	<u>\$24,409,233</u>	<u>\$24,582,815</u>	<u>\$27,209,399</u>	<u>\$25,414,341</u>	<u>\$25,514,454</u>
\$213,798	\$144,198	\$161,795	\$161,062	\$171,252	\$211,454
2,321	23,792	29,765	26,055	23,798	325
250,380	269,334	301,647	300,701	290,838	387,378
157,712	144,480	150,086	165,202	150,203	3,700
3,756	36,315	4,905	9,009	7,719	176,987
306,058	433,762	652,222	814,838	913,433	115,746
98,284	61,276	52,778	107,822	76,470	94,292
99,800	91,750	180,140	273,000	266,250	99,699
-	-	-	-	-	309,146
153,330	245,209	105,821	107,756	173,257	30,180,656
<u>\$1,285,439</u>	<u>\$1,450,116</u>	<u>\$1,639,159</u>	<u>\$1,965,445</u>	<u>\$2,073,220</u>	<u>\$31,579,383</u>
\$4,454,505	\$4,475,489	\$4,613,243	\$4,716,016	\$4,883,363	\$5,103,545
2,511,449	2,673,077	2,771,980	2,875,388	3,414,958	3,621,703
894,919	932,025	1,072,130	1,112,707	1,163,377	1,177,431
-	-	-	-	47,128	37,590
-	-	-	-	-	489,411
-	-	-	66,015	51,060	-
739,193	2,332,128	2,739,968	1,025,255	1,503,789	3,866,277
<u>\$8,600,066</u>	<u>\$10,412,719</u>	<u>\$11,197,321</u>	<u>\$9,795,381</u>	<u>\$11,063,675</u>	<u>\$14,295,957</u>
<u>\$9,885,505</u>	<u>\$11,862,835</u>	<u>\$12,836,480</u>	<u>\$11,760,826</u>	<u>\$13,136,895</u>	<u>\$45,875,340</u>

City of Rockledge, Florida
General Revenues and Other Changes in Net Position
Last Ten Fiscal Years

Schedule A-2.2

General Revenues and Other Changes in Net Position
Last Ten Fiscal Years
Schedule A-2.2

	2012	2013	2014	2015
Net (expense) revenue				
Governmental activities	(\$14,766,764)	(\$14,029,502)	(\$13,869,859)	(\$15,322,869)
Business-type activities	(26,735)	521,569	107,374	(252,232)
Total primary government net expense	(\$14,793,499)	(\$13,507,933)	(\$13,762,485)	(\$15,575,101)
General revenues and other changes in net position				
Governmental activities:				
General revenues:				
Taxes:				
Property taxes, levied for general purposes	\$6,632,241	\$6,634,289	\$6,895,640	\$7,313,823
Gas Tax	701,506	703,974	728,245	772,807
Sales Tax	1,153,347	1,209,295	1,269,330	1,352,324
Franchise fees	1,564,771	1,527,080	1,640,774	1,676,139
Other taxes	3,509,039	3,615,255	3,676,335	3,698,333
State revenue sharing	633,465	625,958	732,881	794,957
Investment earnings	97,959	127,515	17,540	76,450
Miscellaneous	305,504	192,252	269,487	423,839
Gain on sale of capital assets	-	-	-	-
Transfers, net	-	-	-	-
Total government activities	\$14,597,832	\$14,635,618	\$15,230,232	\$16,108,672
Business-type activities:				
Investment earnings	\$72,374	\$7,350	\$40,137	\$52,921
Transfers, net	-	-	-	-
Miscellaneous	-	-	-	-
Gain on sale of capital assets	-	-	-	-
Total business-type activities	\$72,374	\$7,350	\$40,137	\$52,921
Total primary government activities	\$14,670,206	\$14,642,968	\$15,270,369	\$16,161,593
Changes in net position				
Governmental activities	(\$168,932)	\$606,116	\$1,360,373	\$785,803
Business-type activities	45,639	528,919	147,511	(199,311)
Total primary government net expense	(\$123,293)	\$1,135,035	\$1,507,884	\$586,492

City of Rockledge, Florida
General Revenues and Other Changes in Net Position
Last Ten Fiscal Years

Schedule A-2.2

2016	2017	2018	2019	2020	2021
(\$15,709,813)	(\$15,262,991)	(\$15,484,430)	(\$16,134,941)	(\$15,230,845)	\$14,484,301
1,026,767	2,716,593	3,738,095	686,368	2,906,271	5,876,585
(\$14,683,046)	(\$12,546,398)	(\$11,746,335)	(\$15,448,573)	(\$12,324,574)	\$20,360,886
\$7,715,035	\$8,227,077	\$8,859,777	\$9,592,716	\$10,212,787	\$11,051,399
852,134	890,542	843,109	928,929	875,842	885,741
1,420,502	1,537,609	1,625,531	1,626,160	1,557,760	1,769,809
1,614,889	1,629,519	1,607,366	1,673,118	1,637,012	1,733,682
3,334,088	3,262,780	3,507,282	3,537,037	3,472,293	3,994,554
828,610	895,795	935,071	982,855	895,558	1,067,049
123,346	83,813	27,232	310,740	261,618	33,748
478,158	146,042	256,675	200,421	176,922	459,419
-	-	-	-	-	-
-	396,000	396,000	396,000	396,000	394,839
\$16,366,762	\$17,069,177	\$18,058,043	\$19,247,976	\$19,485,792	\$21,390,240
\$51,556	\$31,456	\$19,248	\$118,625	\$91,070	\$12,340
-	(396,000)	(396,000)	(396,000)	(396,000)	(394,839)
-	-	-	2,840	-	-
-	-	-	-	691	-
\$51,556	(\$364,544)	(\$376,752)	(\$274,535)	(\$304,239)	(\$382,499)
\$16,418,318	\$16,704,633	\$17,681,291	\$18,973,441	\$19,181,553	\$21,007,741
\$656,949	\$1,806,186	\$2,573,613	\$3,113,035	\$4,254,947	\$35,874,541
1,078,323	2,352,049	3,361,343	411,833	2,602,032	5,494,086
\$1,735,272	\$4,158,235	\$5,934,956	\$3,524,868	\$6,856,979	\$41,368,627

City of Rockledge, Florida
Fund Balances – Governmental Funds
Last Ten Fiscal Years

Schedule A-3

Fund Balances, Governmental Funds
Last Ten Fiscal Years
Schedule A-3

	2012	2013	2014	2015
General Fund				
Nonspendable	512,239	300,053	221,197	189,189
Restricted	253,334	235,359	256,826	259,999
Committed	-	-	-	-
Assigned	538,936	146,459	575,978	549,463
Unassigned	<u>8,414,212</u>	<u>9,268,601</u>	<u>8,977,409</u>	<u>9,302,830</u>
Total General Fund	<u><u>\$9,718,721</u></u>	<u><u>\$9,950,472</u></u>	<u><u>\$10,031,410</u></u>	<u><u>\$10,301,481</u></u>
All Other Governmental Funds				
Nonspendable	-	-	4,376	4,413
Restricted	1,001,218	1,044,812	1,080,724	1,089,285
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total All Other Governmental Funds	<u><u>\$1,001,218</u></u>	<u><u>\$1,044,812</u></u>	<u><u>\$1,085,100</u></u>	<u><u>\$1,093,698</u></u>

Notes: 1. Modified accrual basis of accounting.

City of Rockledge, Florida
Fund Balances – Governmental Funds
Last Ten Fiscal Years

Schedule A-3

2016	2017	2018	2019	2020	2021
217,064	241,429	269,353	116,759	269,427	305,010
312,964	329,903	332,270	426,217	779,458	490,344
-	-	-	-	-	-
464,150	497,239	2,145,518	500,000	1,050,621	1,115,015
9,765,203	10,980,108	11,667,675	13,790,315	14,826,421	18,305,868
<u>\$10,759,381</u>	<u>\$12,048,679</u>	<u>\$14,414,816</u>	<u>\$14,833,291</u>	<u>\$16,925,927</u>	<u>\$20,216,237</u>
6,022	6,246	6,091	-	5,583	5,279
945,950	1,372,893	1,969,161	1,450,629	3,092,215	4,303,202
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$951,972</u>	<u>\$1,379,139</u>	<u>\$1,975,252</u>	<u>\$1,450,629</u>	<u>\$3,097,798</u>	<u>\$4,308,481</u>

City of Rockledge, Florida
Changes in Fund Balances – Governmental Funds
Last Ten Fiscal Years

Schedule A-4

Changes in Fund Balances, Governmental Funds				
Last Ten Fiscal Years				
Schedule A-4				
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Revenues				
Property Taxes	\$6,632,241	\$6,634,289	\$6,895,640	\$7,313,823
Other Local Taxes	3,156,910	3,265,308	3,315,430	3,349,023
Licenses, permits and fees	1,708,147	1,820,960	1,892,566	1,917,529
Intergovernmental revenues	3,069,692	3,483,558	3,410,296	3,754,153
Charges for services	468,178	609,755	642,835	598,710
Fines and forfeitures	43,247	59,927	46,524	51,921
Investment earnings	97,959	127,514	17,539	76,449
Miscellaneous revenues	340,887	229,245	322,897	474,677
Total Revenues	<u>\$15,517,261</u>	<u>\$16,230,556</u>	<u>\$16,543,727</u>	<u>\$17,536,285</u>
Expenditures				
General government	\$1,506,745	\$1,549,116	\$1,654,701	\$2,056,793
Administrative offices	1,346,386	1,428,411	1,414,050	1,457,193
Mayor and Council	36,363	42,737	47,344	42,879
City Attorney	101,898	80,246	110,782	102,366
Police	5,180,776	5,227,604	5,310,575	5,280,704
Fire	3,563,326	3,538,027	3,831,257	4,254,664
Public Works	2,167,028	2,376,387	2,555,203	2,582,095
Planning and development	690,229	1,094,193	1,282,820	1,205,316
Parks and recreation	1,683	-	-	852
Community relations	42,859	41,324	35,924	66,997
Debt service				
Principal	492,369	500,421	618,231	694,839
Interest	170,345	76,748	61,614	52,910
Total Expenditures	<u>\$15,300,007</u>	<u>\$15,955,214</u>	<u>\$16,922,501</u>	<u>\$17,797,608</u>
Excess of revenues over (under) expenditures	<u>\$217,254</u>	<u>\$275,342</u>	<u>(\$378,774)</u>	<u>(\$261,323)</u>
Other financing sources (uses)				
Transfers in	\$519,122	\$500,815	\$533,097	\$559,152
Transfers out	(519,122)	(500,815)	(533,097)	(559,152)
Issuance of debt	-	-	500,000	540,000
Total other financing sources	<u>\$0</u>	<u>\$0</u>	<u>\$500,000</u>	<u>\$540,000</u>
Net change in fund balances	<u>\$217,254</u>	<u>\$275,342</u>	<u>\$121,226</u>	<u>\$278,677</u>
Expenditure for capital assets	\$484,751	\$1,075,384	\$1,810,461	\$1,904,388
Debt service as a percentage of non-capital expenditures	4.473%	3.879%	4.499%	4.705%

Notes:

1. Modified accrual basis of accounting.
2. Rise of debt service percentage in Fiscal Year 2017 is attributed to increased borrowing on the CRA Line of Credit for Barton Boulevard property and the maturation of the loan on a 6.3 acre parcel.

City of Rockledge, Florida
Changes in Fund Balances – Governmental Funds
Last Ten Fiscal Years

Schedule A-4

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$7,727,291	\$8,239,607	\$8,890,607	\$9,592,716	\$10,212,787	\$11,051,399
3,317,832	3,245,825	3,472,502	3,537,037	3,472,293	5,147,735
1,889,132	2,022,603	2,236,311	2,487,956	2,415,302	329,500
3,610,175	3,944,106	4,028,147	4,333,589	4,184,316	4,612,246
654,636	281,740	328,744	329,910	410,037	592,062
16,330	19,848	27,832	25,052	38,838	168,019
121,068	80,843	23,570	310,740	261,618	32,101
315,737	308,721	293,488	200,421	141,579	459,419
<u>\$17,652,201</u>	<u>\$18,143,293</u>	<u>\$19,301,201</u>	<u>\$20,817,421</u>	<u>\$21,136,770</u>	<u>\$22,392,481</u>
\$1,883,114	\$1,857,301	\$1,875,292	\$2,193,749	\$1,483,154	\$1,407,330
1,716,038	1,669,364	1,982,491	1,758,350	1,643,164	1,408,269
46,318	52,352	54,390	56,341	52,452	54,663
99,409	91,552	112,185	115,244	125,835	174,543
5,718,226	5,638,668	6,126,901	6,036,279	6,229,320	6,127,442
3,710,317	3,600,565	4,560,822	5,609,609	3,940,178	4,067,163
2,708,520	2,639,781	2,752,508	2,826,670	3,531,402	3,423,148
1,025,952	814,595	335,428	1,805,058	168,410	1,082,881
-	-	-	1,941	36,707	-
-	-	-	-	-	-
732,418	808,686	910,370	844,247	520,710	489,090
50,334	46,960	86,032	74,184	61,633	51,798
<u>\$17,690,646</u>	<u>\$17,219,824</u>	<u>\$18,796,419</u>	<u>\$21,321,672</u>	<u>\$17,792,965</u>	<u>\$18,286,327</u>
(\$38,445)	\$923,469	\$504,782	(\$504,251)	\$3,343,805	\$4,106,154
\$616,138	\$1,140,375	\$1,389,415	\$1,458,308	\$1,614,215	\$2,129,554
(616,138)	(744,375)	(993,415)	(1,062,308)	(1,218,215)	(1,734,715)
200,000	396,996	2,061,468	-	-	-
<u>\$200,000</u>	<u>\$792,996</u>	<u>\$2,457,468</u>	<u>\$396,000</u>	<u>\$396,000</u>	<u>\$394,839</u>
<u>\$161,555</u>	<u>\$1,716,465</u>	<u>\$2,962,250</u>	<u>(\$108,251)</u>	<u>\$3,739,805</u>	<u>\$4,500,993</u>
\$1,416,473	\$1,074,417	\$1,852,671	\$3,727,710	\$587,722	\$1,074,769
4.810%	5.300%	5.881%	5.220%	3.385%	3.143%

Schedule B-1

City of Rockledge, Florida Value of Taxable Property Last Ten Fiscal Years

Value of Taxable Property Last Ten Fiscal Years Schedule B-1

Fiscal Year	Taxable Value Real Property for Operating Purposes	Personal Property for Operating Purposes	Gross Taxable Value
2012	951,912,198	75,934,338	1,027,846,536
2013	931,540,140	80,374,563	1,011,914,703
2014	964,779,040	85,341,696	1,050,120,736
2015	1,024,828,597	84,232,542	1,109,061,139
2016	1,092,295,133	86,668,652	1,178,963,785
2017	1,181,388,833	84,202,819	1,265,591,652
2018	1,273,798,195	80,889,186	1,354,687,381
2019	1,384,585,365	85,268,246	1,469,853,611
2020	1,491,446,597	85,903,588	1,577,350,185
2021	1,610,301,451	97,305,597	1,707,607,048

Source: Brevard County Property Appraiser (Form DR-420)

Notes: * Final taxable value determined after Valuation Board rulings.

** The rate used in the calculation for property taxes. One mil equals \$1 per \$1,000 of taxable value. A millage of 6.05, which is the current (Fiscal Year 2021) rate in effect for the City of Rockledge is equal to \$6.05 for each \$1,000 of taxable value on real property.

Property is assessed at actual value and therefore a separate table for assessed and actual data is not presented.

City of Rockledge, Florida
Value of Taxable Property
Last Ten Fiscal Years

Schedule B-1

<u>New Construction Taxable Value</u>	<u>Adjusted Taxable Value</u>	<u>Final Taxable Value*</u>	<u>Millage Rate**</u>
7,694,670	1,020,151,866	1,020,672,082	6.2500
12,681,800	999,232,903	1,009,645,129	6.3658
6,763,020	1,043,357,716	1,050,146,848	6.3658
13,695,080	1,095,366,059	1,112,610,814	6.3500
16,846,130	1,162,117,655	1,177,107,782	6.3400
12,376,670	1,253,214,982	1,262,671,589	6.2500
12,836,643	1,341,850,738	1,357,786,274	6.2000
17,433,678	1,452,419,933	1,471,291,549	6.1500
25,257,644	1,552,092,541	1,580,096,556	6.1000
32,224,704	1,675,382,344	1,713,846,865	6.0500

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City of Rockledge, Florida
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

Schedule B-2

Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

Schedule B-2

City Direct Rates		Overlapping Rates				
Fiscal Year	Basic Rate *	Brevard County	Brevard County Schools		Other **	Total Millage
			Operating	Capital Outlay		
2012	6.2500	6.3895	6.6120	1.5000	0.3658	21.1173
2013	6.3658	6.3895	6.5960	1.5000	0.3658	21.2171
2014	6.3658	6.2566	6.1060	1.5000	0.3628	20.5912
2015	6.3500	6.1815	5.8390	1.5000	0.3509	20.2214
2016	6.3400	6.0973	5.7750	1.5000	0.3343	20.0466
2017	6.2500	5.9748	5.4160	1.5000	0.3205	19.4613
2018	6.2000	5.7139	5.0680	1.5000	0.3044	18.7863
2019	6.1500	5.4432	4.7990	1.5000	0.2882	18.1804
2020	6.1000	5.2553	4.5860	1.5000	0.2734	17.7147
2021	6.0500	5.0381	4.4420	1.5000	0.2607	17.2908

Source: Brevard County Property Appraiser website.

Notes: * The rate used in the calculation for property taxes. One mil equals \$1 per \$1,000 of taxable value.
The tax rate on real property is based on \$1 per \$1,000 of assessed property value.

** "Other" includes Florida Inland Navigation District and St. John's River Water Management District.

Overlapping rates are those of local and county governments that apply to property owners within the City of Rockledge.

The total millage column applies to all property owners within the City limits.

Schedule B-3

City of Rockledge, Florida Principal Property Taxpayers Current Year and Nine Years Prior

City of Rockledge, Florida Principle Property Taxpayers Current Year and Nine Years Ago Schedule B-3

Taxpayer	2021		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
MPT of Rockledge-Steward LLC (Rockledge Regional Medical Center)	\$47,691,090	1	2.78%
Rockledge Apartments LLC (Southgate Apartments)	11,313,500	2	0.66%
Ventura at Turtle Creek LLC (Lexmark Ln)	9,685,430	3	0.57%
Fountain Development LLC (Fountain Villas)	9,680,000	4	0.56%
Ventura at Turtle Creek LLC (Alafaya Ln)	9,328,730	5	0.54%
Hammock Harbor LLLP	8,110,000	6	0.47%
Lowe's Home Centers Inc	8,106,570	7	0.47%
Woodhaven Properties LLC (Woodhaven Apartments)	7,327,810	8	0.43%
Aquarius Equity LLC	6,406,760	9	0.37%
23-25 First Realty Corp	6,292,000	10	0.37%
Rockledge Properties LLC	5,704,490	11	0.33%
Rockledge Station LLC (Rockledge Square)	4,909,710	12	0.29%
Hydro Aluminum Automotive Inc	4,821,810	13	0.28%
Publix Super Markets Inc (Publix on Barnes & Murrell)	4,814,660	14	0.28%
Rockledge HMA LLC (Wuesthoff Health System-Rockledge)	-	-	-
PMAT Melbourne LLC (Rockledge Square)	-	-	-
Commerce Properties International (Professional Building)	-	-	-
PMAT Rockledge LLC	-	-	-
TOTALS	<u>\$144,192,560</u>		<u>8.40%</u>
Total City final taxable value	<u>\$1,713,846,865</u>		

Source: Brevard County Property Appraiser

Multiple properties may be included in some taxable assessed value totals

City of Rockledge, Florida
Principal Property Taxpayers
Current Year and Nine Years Prior

Schedule B-3

2012		
<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>
-	-	-
5,464,160	5	0.54%
-	-	-
8,003,620	2	0.78%
-	-	-
-	-	-
6,479,640	4	0.63%
6,528,940	3	0.64%
-	-	-
-	-	-
-	-	-
-	-	-
3,537,700	9	0.35%
4,295,840	6	0.42%
35,345,370	1	3.46%
3,670,530	8	0.36%
3,721,700	7	0.36%
3,354,610	10	0.33%
<u>\$80,402,110</u>		<u>7.88%</u>
<u><u>\$1,020,672,082</u></u>		

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City of Rockledge, Florida
Property Tax Levies and Collections
Last Ten Fiscal Years

Schedule B-4

Property Tax Levies and Collections
Last Ten Fiscal Years
Schedule B-4

Fiscal Year	Gross Tax Levy (1)	Collected Within the Fiscal Year of the Levy		Current Year Collections for Prior Years	Total Collections	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2012	6,379,201	6,152,223	96.44%	16,729	6,168,952	96.70%
2013	6,427,199	6,155,123	95.77%	39,737	6,194,860	96.39%
2014	6,676,834	6,433,128	96.35%	7,166	6,440,294	96.46%
2015	7,065,079	6,662,284	94.30%	160,388	6,822,672	96.57%
2016	7,462,863	7,058,154	94.58%	146,217	7,204,371	96.54%
2017	7,891,697	7,443,985	94.33%	170,698	7,614,683	96.49%
2018	8,418,275	7,999,369	95.02%	143,463	8,142,832	96.73%
2019	9,048,443	8,598,026	95.02%	194,106	8,792,132	97.17%
2020	9,638,589	9,091,146	94.32%	225,794	9,316,940	96.66%
2021	10,368,774	9,830,738	94.81%	194,296	10,025,034	96.68%

Source: (1) Form DR-420 Final Taxable Value Line 7, multiplied by millage rate, less allowance for adjustments and discounts.

Notes: Reference the Financial Statement, Note 1.H.
Current Year Collections includes prior year taxes and penalties collected.

City of Rockledge, Florida
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Schedule C-1

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
Schedule C-1

Fiscal Year	Governmental Activities			
	CRA Barton Boulevard Loan	Public Safety Capital Improvement Loan	CRA Malloy LOC	6.3 Acre Property
2012	2,500,000	1,813,280	-	-
2013	2,250,000	1,562,859	-	-
2014	2,000,000	1,304,353	390,275	-
2015	1,750,000	1,039,514	560,275	180,000
2016	1,500,000	767,452	579,919	150,000
2017	1,250,000	486,266	736,915	112,500
2018	1,000,000	2,331,636	330,143	75,000
2019	750,000	2,105,032	-	37,500
2020	500,000	1,871,823	-	-
2021	250,000	1,632,733	-	-

Notes: Percentage of personal income and per capita amounts calculated from information in Table D-1*.

See Note 4 for a detailed discussion of each outstanding note.

* Data for percentage of personal income and per capita columns are calculated from the Economic Development Commission of Florida's Space Coast 2020 report data; 2021 data not available at time of report.

City of Rockledge, Florida
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Schedule C-1

Business-Type Activities						
Sewer Refunding Revenue Bonds Series 2001	State of Florida Revolving Fund	Storm Water Huntington Lakes Loan	Wastewater Series 2021 Note	Total Debt of Primary Government	Debt as Percentage of Personal Income	Debt Per Capita
3,095,000	1,529,351	350,691	-	9,288,322	1.23%	372
2,608,000	1,388,278	200,000	-	8,009,137	1.09%	318
2,109,000	1,242,873	100,000	-	7,146,501	0.96%	281
1,599,000	1,092,999	100,000	-	6,321,788	0.84%	245
1,080,000	922,373	103,042	-	5,102,786	0.66%	195
547,000	779,293	-	-	3,911,974	0.47%	148
-	599,475	-	-	4,336,254	0.50%	162
-	435,545	-	-	3,328,077	0.38%	122
-	266,414	-	-	2,638,237	0.28%	94
-	91,922	-	4,672,509	6,647,164	* 0.71%	* 236

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Schedule C-2

City of Rockledge, Florida Direct and Overlapping Governmental Activities Debt As of September 30, 2021

Direct and Overlapping Governmental Activities Debt As of September 30, 2021 Schedule C-2

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
City Direct Debt (governmental activities) (a)	\$1,882,733	100.00%	\$1,882,733
Overlapping Debt			
Brevard County:			
Governmental activities debt (b)	<u>168,846,903</u>	3.8243%	<u>6,457,223</u>
Total Direct and Overlapping Debt	<u><u>\$170,729,636</u></u>		<u><u>\$8,339,956</u></u>

Sources: (a) City of Rockledge ACFR Fiscal Year 2021 Statistical Table C-1.

(b) Brevard County Finance Department - ACFR Fiscal Year 2020, Table 7 and 11.

Notes: Percentage based on the 2020 final taxable assessed City and County valuation.

City of Rockledge, Florida
Pledged Revenue Coverage
Last Ten Fiscal Years

Schedule C-3

Pledged Revenue Coverage
Last Ten Fiscal Years
Schedule C-3, Part 1

Capital Improvement Note, Series 2009

Fiscal Year	Utility Taxes and Franchise Fees	Debt Service		Coverage
		Principal	Interest	
2012	3,381,131	242,369	56,719	11.30
2013	3,486,266	250,421	48,666	11.66
2014	3,750,218	258,506	40,581	12.54
2015	3,734,126	264,839	34,248	12.49
2016	4,087,002	272,062	27,025	13.66
2017	3,822,767	281,186	17,901	12.78
2018	3,963,903	216,098	46,689	15.08
2019	4,049,682	226,604	56,207	14.32
2020	4,013,755	233,210	49,600	14.19
2021	4,181,985	239,090	43,720	14.79

Notes: (1) On December 7, 2017, a loan modification was made to lower the interest rate on the note to 2.50%, and to borrow an additional \$2,061,468 to fund the reconstruction of Fire Station 36, after the damaging effects of Hurricane Irma.

Community Redevelopment Agency Revenue Note, Series 2005

Fiscal Year	CRA Revenues (3)	Operating Expenses	Net Revenues	Debt Service		Coverage
				Principal	Interest	
2012	1,046,195	590,754	455,441	250,000	96,338	1.32
2013	947,988	630,305	317,683	250,000	10,793	1.22
2014	1,010,328	1,092,547	(82,219)	250,000	9,675	(0.32)
2015	1,121,899	978,105	143,794	250,000	8,591	0.56
2016	1,135,550	1,019,259	116,291	250,000	7,519	0.45
2017	1,360,796	814,595	546,201	250,000	6,438	2.13
2018	1,627,962	348,928	1,279,034	250,000	19,997	4.74
2019	1,880,849	1,819,758	61,091	250,000	16,033	0.23
2020	2,126,527	184,310	1,942,217	250,000	12,033	7.41
2021	2,493,914	1,357,759	1,136,155	250,000	8,078	4.40

Notes: (1) The note's interest rate is the 5-year U.S. Treasury rate minus 30 basis points, initially 3.49%, adjustable on January 31, 2012 and every five years thereafter.

(2) Effective interest rates for the note were 3.49% (issuance to 2012), 0.43% (2012 to 2017), and 16% (2017 to 2022, the maturity date).

(3) CRA revenues includes transfers in.

City of Rockledge, Florida
Pledged Revenue Coverage (Continued)
Last Ten Fiscal Years

Schedule C-3

Capital Improvement Note, Series 2021

Fiscal Year	Sewer System Net Revenues	Debt Service		Coverage
		Principal	Interest	
2021	1,471,161	77,491	8,441	17.12

Notes: (1) The Net Revenues, after deduction of the cost of operation and maintenance received from the City's Wastewater Enterprise Fund and the moneys and investment income therefrom are irrevocably pledged to the payment of principal and interest on the Series 2021 note. However, the note does not constitute a general obligation or indebtedness of the City nor does it constitute a lien on any property of the City.

Sewer Revenue Bonds, Series 2001 and Series 2011

Fiscal Year	Sewer System Revenues	Operating Expenses	Net Revenues	Debt Service		Coverage
				Principal	Interest	
2012	3,785,645	2,934,976	850,669	481,000	75,006	1.53
2013	4,142,307	2,953,282	1,189,025	487,000	64,536	2.16
2014	4,071,262	3,028,178	1,043,084	499,000	53,903	1.89
2015	4,423,101	3,114,638	1,308,463	510,000	43,009	2.37
2016	4,454,505	3,045,867	1,408,638	519,000	31,899	2.56
2017	4,482,292	2,611,081	1,871,211	533,000	20,561	3.38
2018	4,613,243	2,675,336	1,937,907	547,000	8,687	3.49
2019	-	-	-	-	-	-
2020	-	-	-	-	-	-
2021	-	-	-	-	-	-

Notes: (1) Operating expenses exclude depreciation and amortization.

(2) Interest reported is actual interest expenses paid, exclusive of any amortization of defeased refunded bond cost(s) and issuance discount(s).

(3) The final payment on the Sewer Revenue Bonds, Series 2011 was made on September 12, 2018.

City of Rockledge, Florida
Demographic and Economic Statistics
Last Ten Fiscal Years

Schedule D-1

Demographic and Economic Statistics
Last Ten Fiscal Years
Schedule D-1

Year	Population	Personal Income	Per Capita Personal Income	Median Age	Unemployment Rate	School Enrollment
	(1)	(2)	(3)	(4)	(5)	(6)
2012	25,000	754,425,000	30,177	45.0	7.5%	3,994
2013	25,202	733,932,644	29,122	44.8	6.7%	3,879
2014	25,477	748,310,444	29,372	45.7	8.3%	3,828
2015	25,798	756,706,936	29,332	45.5	6.9%	3,879
2016	26,144	772,267,616	29,539	46.1	5.7%	3,868
2017	26,497	831,926,309	31,397	46.6	4.4%	3,930
2018	26,860	862,152,280	32,098	46.0	3.0%	3,882
2019	27,292	889,500,864	32,592	46.6	2.4%	3,298
2020	28,142	940,646,350	33,425	46.8	4.7%	3,646
2021	28,142	* 940,646,350 *	33,425 *	46.8 *	4.5%	3,890

Sources: (1) Economic Development Commission of Florida's Space Coast

(2) Estimate (1) x (3)

(3) Economic Development Commission of Florida's Space Coast

(4) Economic Development Commission of Florida's Space Coast

(5) Economic Development Commission of Florida's Space Coast

(6) Brevard County Public Schools Include: Rockledge High School

Kennedy Middle School / McNair Middle School

Golfview Elementary School / Andersen Elementary School

* Data for columns 1 through 4 are from the Economic Development Commission of Florida's Space Coast 2020 reports; 2021 data not available.

Schedule D-2

For the Current Year and Nine Years Prior

Principal Employers
Current Year and Nine Years Ago
Schedule D-2

Employer	2021			2012		
	Number of Employees (Range)	Rank	Percentage of Total County Employment	Number of Employees	Rank	Percentage of Total County Employment
Brevard Public Schools	9,000 - 9,999	1	3.84%	9,400	2	5.01%
Health First Medical Group LLC	8,000 - 8,999	2	3.55%	9,700	1	5.18%
L3Harris Technologies Inc	7,000 - 7,999	3	3.20%	6,000	3	3.20%
Publix Super Markets Inc	3,000 - 3,999	4	1.74%	3,100	5	1.65%
Wal-Mart Associates Inc	3,000 - 3,999	5	1.55%	3,400	4	1.81%
Northrop Grumman Systems Corporation	3,000 - 3,999	6	1.54%	1,300	9	0.69%
Brevard County Government	2,000 - 2,999	7	1.21%	2,200	6	1.17%
National Aeronautics and Space Administration	2,000 - 2,999	8	0.95%	2,100	7	1.12%
Teletech Services Corporation	1,000 - 1,999	9	0.74%	-	-	-
Space Command (45th Space Wing DOD)	1,000 - 1,999	10	0.69%	2,100	7	1.12%
Lockheed Martin Corporation	1,000 - 1,999	11	0.68%	640	12	0.34%
Steward Medical Group Inc	1,000 - 1,999	12	0.65%	1,100	11	0.59%
Florida Institute of Technology Inc	1,000 - 1,999	13	0.62%	1,200	10	0.64%
New Rockwell Collins Inc.	1,000 - 1,999	14	0.62%	1,500	8	0.80%
Brevard County Sheriff Office	1,000 - 1,999	15	0.58%	1,200	10	0.64%
Eastern Florida State College	1,000 - 1,999	16	0.47%	1,500	8	0.80%
TOTALS	N/A		22.63%	46,440		24.76%

Sources: Department of Economic Opportunity, Data 2021Q2 (most recent available)
Bureau of Labor Statistics.

Notes: Employers include retail operations.
Employment figures are for Brevard County.
Exact employment numbers are no longer available as of 2016 for security reasons per the EDC.

Schedule E-1

Employees by Function/Program
Last Ten Fiscal Years
Schedule E-1

Function/Program	Full-Time Equivalent Employees as of September 30			
	2012	2013	2014	2015
General Government	18.00	18.00	16.00	16.00
Police	72.50	72.50	72.50	72.00
Fire	40.00	40.00	39.00	39.00
Public Works	39.00	39.00	38.00	38.00
Planning and Development	2.00	2.00	2.00	2.00
Building	-	-	-	-
Sanitation	41.00	41.00	41.00	41.00
Stormwater	3.00	3.00	3.00	3.00
Wastewater	27.00	27.00	27.00	27.00
TOTALS	242.50	242.50	238.50	238.00

Source:

City Finance and Personnel Departments.

Notes:

Refers to the number of personnel authorized for an accounting period, including part-time personnel converted to the decimal equivalent of a full-time position based on 2,080 hours per year. For example, a part-time Crossing Guard working 20 hours per week for 52 weeks a year equals one-half of a full-time position. Elected officials are carried as General Government employees for payroll purposes, but are excluded from the figures above.

Staffing Notes:

Decreases from 2012 to 2015 were cost saving efforts in light of economic recession.

Increases from 2015 to 2021 were due to restaffing adjustments in light of economic recovery.

Planning and Development includes the CRA staffing, with a right sizing of force in 2018.

Building was created due to new enterprise requirements in 2021.

City of Rockledge, Florida
Employees by Function/Program
Last Ten Fiscal Years

Schedule E-1

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
16.00	16.00	18.00	21.00	20.00	18.00
73.50	80.50	77.50	77.50	79.00	81.50
39.00	39.00	39.00	41.00	40.00	41.00
38.00	39.00	39.00	41.00	41.00	41.00
2.00	2.00	1.00	1.00	1.00	1.00
-	-	-	-	-	4.00
41.00	41.00	41.00	41.00	41.00	42.00
3.00	3.00	3.00	3.00	3.00	3.00
<u>27.00</u>	<u>27.00</u>	<u>28.00</u>	<u>29.00</u>	<u>29.00</u>	<u>29.00</u>
<u><u>239.50</u></u>	<u><u>247.50</u></u>	<u><u>246.50</u></u>	<u><u>254.50</u></u>	<u><u>254.00</u></u>	<u><u>260.50</u></u>

City of Rockledge, Florida
Operating Indicators by Function/Program
Last Ten Fiscal Years

Schedule E-2

Operating Indicators by Function/Program
Last Ten Fiscal Years
Schedule E-2

Function/Program	2012	2013	2014	2015
Police				
Physical arrests	257	265	376	580
Parking violations	8	3	0	0
Traffic violations	3303	3970	2380	1478
Fire				
Emergency responses (incidents)	2502	2380	2408	2647
Fires extinguished	3	10	76	91
Inspections				
Public Works				
Street resurfacing (miles)	1.4	3.1	6.0	2.4
Pothole repair / patching (square yards)		28	56	56
Sanitation				
Total tonnage collection (refuse/garbage)	13,326	13,670	13,902	14,325
Total tonnage collection (recyclables)	1,972	2,087	2,162	2,301
Total tonnage collection (yard waste)	4,827	5,053	5,062	5,474
Wastewater				
Average daily sewage treatment (thousands of gallons)	2,110	2,080	2,390	2,210
Reclaimed water				
Average daily water delivered (thousands of gallons)	1,630	1,510	1,290	1,350

Source: Data provided by City of Rockledge

Note: City of Rockledge began tracking pothole repair data in 2013.

City of Rockledge, Florida
Operating Indicators by Function/Program
Last Ten Fiscal Years

Schedule E-2

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
658	838	858	579	350	404
0	1	48	24	12	8
1144	2330	2287	1597	1271	1247
2801	2800	2912	3596	3382	4316
99	99	61	40	64	58
			52	277	324
2.5	3.4	7.5	3.2	3.2	0.0
56	84	84	84	52.5	51
14,859	15,297	15,408	15,819	12,121	16,705
2,308	2,384	2,378	2,215	1,512	2,110
7,342	4,866	4,927	4,919	4,131	5,156
2,190	2,270	2,180	2,360	2,290	2,240
1,640	1,620	1,740	2,050	1,940	1,480

City of Rockledge, Florida
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Schedule E-3

Capital Asset Statistics by Function/Program
Last Ten Fiscal Years
Schedule E-3

Function/Program	2012	2013	2014	2015
Schools (1)				
Elementary	2	2	2	2
Junior High	2	2	2	2
Senior High	1	1	1	1
Police				
Stations	1	1	1	1
Police Officers (2)	37	41	42	46
Fire				
Stations	3	3	3	3
Firefighters (3)	24	25	28	31
Public Works				
Streets (linear miles)	231	231	231	231
Streetlights	2,559	2,559	2,562	2,582
Parks and Recreation				
Parks and playgrounds (4)	5	5	5	5
Tennis courts (5)	6	6	6	6
Swimming pools	1	1	1	1
Skateboard park	1	1	1	1
Lakes (6)	4	4	4	4
Utilities				
Wastewater:				
Reclaimed water (miles)	26	26	26	26
Gravity sewer (miles)	92	92	92	92
Force main sewer (miles)	23	23	23	23
Stormwater sewers (miles) (7)	76	76	76	76

Notes:

(1) Schools owned and operated by Brevard County School Board

(2) Sworn officers

(3) Firefighters and 1 Deputy Chief

(4) City and County parks in City limits

(5) 2 courts at McLarty and 4 courts at McKnight

(6) Open to the public: Lake Betsi, Lake Gilliard, Jimmy Weaver Lake, Anderson Park Lake and Huntington Lake

(7) 20.48 miles of canals and ditches maintained

City of Rockledge, Florida
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Schedule E-3

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
2	2	2	2	2	2
2	2	2	2	2	2
1	1	1	1	1	1
1	1	1	1	1	1
49	54	54	54	54	54
3	3	3	3	3	3
35	37	35	39	39	40
232	233	234	234	234	240
2,623	2,633	2,633	2,633	2,633	2,670
5	5	5	5	5	5
6	6	6	6	6	6
1	1	1	1	1	1
1	1	1	1	1	1
4	5	5	5	5	5
26	26	26	26	26	26
92	93	94	94	94	95
23	23	25	25	25	25
76	77	77	77	77	79

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Mayor and Members of the City Council
City of Rockledge, 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, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Rockledge, Florida, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City of Rockledge, Florida's basic financial statements, and have issued our report thereon dated March 8, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Rockledge, Florida's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Rockledge, Florida's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Rockledge, Florida's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal controls described below we consider a significant deficiency.

2021-001 DONATED ASSETS

Criteria: The City should record donated assets at the estimated acquisition value in accordance with GASB and only record revenue in governmental funds when it provides current financial resources.

Condition: The City recorded a donated asset at a slightly higher value in the general ledger than what the support indicated. Secondly, a contribution was recorded as revenue in the general fund, however, it does not provide current financial resources.

Cause: The City received a donated asset during the year and the recorded value higher than the support the City maintained for the value of the asset. In addition, the City received an additional donated asset and recorded it as revenue in the general fund.

Effect: The fixed asset for governmental activities was overestimated by approximately \$107,000, which is less than 1% of the value of the asset. Additionally, revenue and expenditures in the general fund were overstated in the general fund by approximately \$25,000.

Recommendation: We recommend that the City record any donated assets at acquisition value supported by documentation, and not record revenue in governmental funds for contributions that do not provide current financial resources.

Management's Response: The City agrees with the comment, with the following explanation and corrective actions. The City was aware that it would receive the first referenced donated asset (Barnes Boulevard), and endeavored to obtain documentation delineating the cost to construct the asset from the government body that previously held ownership thereof. Upon inspection, the documentation received was not fully reconciled, and delineated several assets, once configured into the City's fund, department, and activity structure. Furthermore, components of costs included within the documentation represented assets not transferred to the City, or represented assets already owned by the City. This situation required calculations and estimates to determine the value and allocation of value amongst the new assets received. Upon a second review of these calculations, City staff derived a slightly more conservative estimate of one component's value, and the City determined to employ that value, resulting in the above comment. In the rare future event of the donation of such an asset, or group of assets, the City will implement additional levels of initial documentation review, ensuring the primary recorded value is final. Secondly, the City received the donation of protective equipment from another local government, of which, one component met the threshold for capitalization. The initial receipt of these items was recorded as a revenue in the General Fund, following procedures in place for grants. Subsequently the asset component was capitalized through the City's processes and procedures for identifying capital assets. However, the initial revenue recognition was not removed from the fund level activity. The City has modified its procedures so that donations of capital assets in the governmental funds are not recognized as revenues at the fund level.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Rockledge, Florida's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could

have a direct and material effect on the determination of financial statement amounts. 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*.

City of Rockledge, Florida's Response to Findings

City of Rockledge, Florida's response to the findings identified in our audit is described above. City of Rockledge, Florida's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this 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.

Carr, Rigg & Ingram, L.L.C.

Melbourne, Florida

March 8, 2022

INDEPENDENT AUDITORS' MANAGEMENT LETTER

Honorable Mayor and Members of the City Council
The City of Rockledge, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Rockledge, Florida (the "City") as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated March 8, 2022.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 8, 2022, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding audit report. However, no recommendations were made in the preceding audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The legal authorities for the City of Rockledge, Florida and its component unit are disclosed in the notes to the financial statements.

Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require that we apply appropriate procedures and communicate the results of our determination as to whether or not the City of Rockledge, Florida has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify of the specific condition(s) met. In connection with our audit, we determined that the City of Rockledge, Florida did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the City of Rockledge, Florida. It is management's responsibility to monitor the City of Rockledge, Florida's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any recommendations.

Special District Component Units

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Council members and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Carr, Riggs & Ingram, L.L.C.

Melbourne, Florida

March 8, 2022

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH LOCAL GOVERNMENT INVESTMENT POLICIES

Honorable Mayor and Members of the City Council
The City of Rockledge, Florida

We have examined the City of Rockledge, Florida's compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2021. Management is responsible for the City of Rockledge, Florida's compliance with the specified requirements. Our responsibility is to express an opinion on the City of Rockledge, Florida's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2021.

This report is intended solely for the information and use of management and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

Carr, Riggs & Ingram, L.L.C.

Melbourne, Florida
March 8, 2022