

City of Rockledge, Florida

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Year Ended September 30, 2022

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City of Rockledge, Florida
ANNUAL COMPREHENSIVE FINANCIAL REPORT
Year Ended September 30, 2022

Prepared by: Matthew Trine

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City of Rockledge, Florida
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As of September 30, 2022

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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

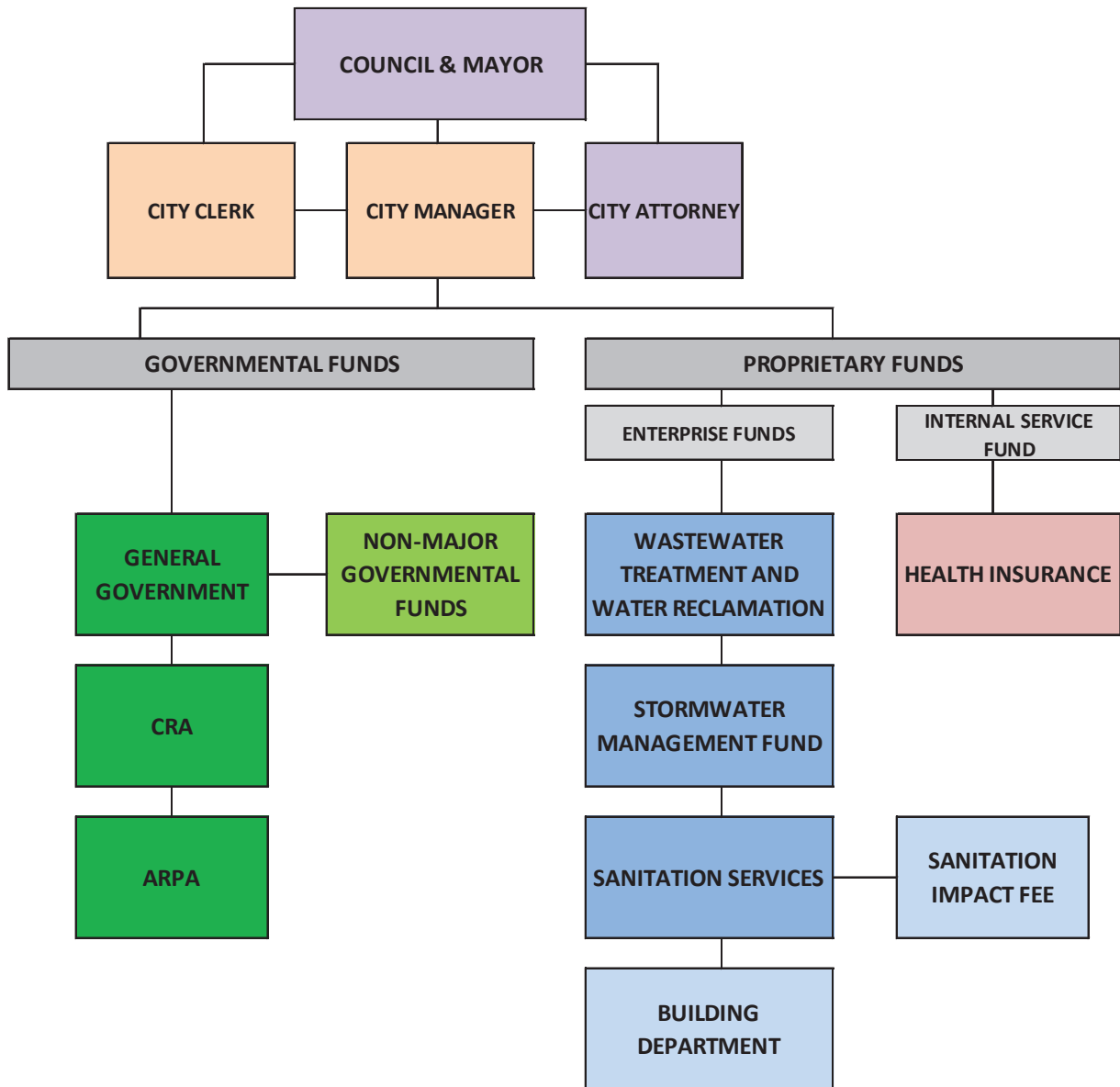
Joseph Miniclier

CITY CLERK/PUBLIC RELATIONS

Jennifer M. LeVasseur

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City of Rockledge, Florida
Organization Chart
As of September 30, 2022



- | | | |
|--|--|---|
| - 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 1, 2023

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, 2022, 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, 2022 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, 2022, 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 10 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 each subsequent submission, the most recent for this program was for the year ended September 30, 2021.

PROFILE OF THE CITY

Economic conditions for fiscal year 2022 remained strong in the context of recovery from 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 up from \$56.8 million in 2021 to \$102.5 million in 2022. Total permits issued were 2,821, down 2.1 percent from 2,881 the previous year. New construction in residential units increased significantly (114 new single-family homes, 12 in 2021) and maintained pace in commercial buildings (five new commercial buildings, five in 2021). Assessed (gross taxable) property values increased by 4.2 percent in 2022, which is the eleventh 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 implementing 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 263 full-time equivalent staff positions and 14 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 the 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 2022, unemployment was volatile, and ranged between 3.3 and 2.2 percent, but ultimately decreased to 2.3 percent from 3.7 percent in the previous year. The volatility was likely due to the continuing effects of the COVID-19 pandemic, ultimately continuing the downward trend from what started as 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's marketing efforts continue to attract new businesses, support existing businesses, and foster 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 twelve years, the City has been able to lower the debt principal from \$14.16 million to \$5.62 million, or to \$197 per capita. Of this, governmental debt is only \$1.39 million, or \$49 per capita. The debt service includes:

- General Fund total debt stands at \$1,387,811 for the Police and Fire Station's new construction and technology upgrades (retiring in 2028).
- The Wastewater Plant debt consists solely of the Series 2021 note to partially fund the construction of the equalization basin and biosolids projects. This note has an outstanding principal of \$4,231,686.
- The Community Redevelopment Agency (CRA) has a \$500,000 credit line with Community Bank of the South. As of September 30, 2022, this debt instrument was fully satisfied.

Efforts made towards major projects in Fiscal Year 2022 included the initial construction of the Wastewater Flow Equalization Basin and Biosolids combined project for the Wastewater and Water Reclamation Plant, the paving of the Don Griffin Trail around Lake Betsi, and the force main construction in the areas of Pluckebaum Road and the Pines Industrial Avenue. Additional projects within the year included:

- Continued implementation of the Compensation and Classification System for employees, including the increase of the City-Wide minimum wage. The implementation plan was modified for the new Florida State minimum wage changes through September 2026.
- Purchase of camera inspection trucks for the Stormwater and Wastewater and Water Reclamation Plant.
- Purchase of large slope mowers for both the Stormwater Department and Public Works Division.
- Purchase of a claw truck and a garbage packer for the Sanitation Department.
- Connection of the remaining fire stations to the city-wide infrastructure via fiber optic cable.
- Purchase of seven police interceptors and one crew cab responder truck 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, treasury bonds, cash management sweep accounts, and money market accounts. Yields have started to rise from historic lows, due to Federal Open Market Committee rate increases. 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 2022, City-wide trainings continued to increase safety, as allowable due to the COVID-19 pandemic, and a new City-wide safety manual was under development. 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. Furthermore, the City actively trains its employees on cybersecurity awareness and risk mitigation. 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. On average, the unfunded liability continues to improve over the recessionary levels. However, with the 2022 market performance well below investment objectives, the General, Fire, and Police Employees plans funded status declined in 2022. The calculated funded status of each plan as of September 30, 2022 was as follows:

General	84.26%	Police	89.12%	Fire	75.52%
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The City continues to be in an overall positive position when compared with other pension plans statewide. Furthermore, the City has maintained steady contributions to each plan in fiscal year 2022, despite the reduction in actuarially required contributions for each plan. As evidence, with the exception of the Fire Employees Retirement Plan's individual funded status, each plan has remained well above 80 percent, which is considered the baseline for healthy pension plans. Averaged together, the combined fiduciary net position of all three plans is 83.25% of the combined total pension liability. As the total pension liability of all three plans continues to grow, monitoring plan funded status remains a priority.

ECONOMIC FACTORS, AND NEXT YEAR'S BUDGET AND RATES

When establishing priorities for the Fiscal Year 2022 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, especially in light of population growth and service

delivery. Maintaining adequate reserves is key to the continued provision of orderly services in the event of a catastrophic situation.

With the inclusion of newly annexed property, the 13.22 square miles of the City is substantially developed, though there continues to be residential, commercial, and industrial development and redevelopment. The newly annexed property on the western side of the City provides opportunity for such development. The CRA has concentrated on attracting new business to the districts, property improvements, and removal of dilapidated structures. Since 2004, the City has funded 123 property improvement projects with matching grants totaling \$963,266.15 (\$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 the City Manager makes recommendations to City Council when appropriate and actionable 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. These include positive and negative economic effects on the City, such as State and Local Fiscal Recovery Funds providing one-time financial resources, while unfunded Federal and State mandates provide continuing financial obligations. 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. Fee increases are evaluated each year based on need and expansion requirements. Providing the same quality service with predictable long-term costs are the strategic goals that determine rates. To fund capital improvement projects and fund repairs and replacements on the aging system, the base service charges for sewer were increased for fiscal year 2019, and have increases starting each October 1st of 2022, 2023, and 2024. The gallonage charge was increased in fiscal year 2021, and has subsequent increases effective October 1st of 2022, 2023, and 2024. Stormwater rate increases were last enacted for fiscal year 2022, with no future increases enacted. Sanitation rates were increased in fiscal year 2022, and subsequent increases are effective October 1st of 2022 and 2023. 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, whereby each residential collection vehicle is staffed with a driver and crew.

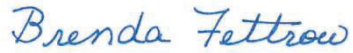
CONCLUSION

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 2022 Fiscal Year, despite the third 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, the proper investment of the State and Local Fiscal Recovery funds, 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, 2021

Christopher P. Morill

Executive Director/CEO

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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

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 (the "City") as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As described in Note 2 to the financial statements, in fiscal year 2022, the City adopted new accounting guidance, GASB Statement No. 87, *Leases*, and GASB Statement No. 101 *Compensated Absences*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Rockledge, Florida's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Rockledge, Florida's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Rockledge, Florida's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, the defined benefit pension plan information, and the other postemployment benefits information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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.

Supplementary 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 accompanying combining nonmajor fund financial statements, and schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 1, 2023, 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 the effectiveness of the City of Rockledge, Florida's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Rockledge, Florida's internal control over financial reporting and compliance.

Cam, Riggs & Ingram, L.L.C.

Melbourne, Florida
March 1, 2023

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, 2022. 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 xii of this report.

FINANCIAL HIGHLIGHTS

- Total assets and liabilities of the City as of September 30, 2022, were \$182,663,153 and \$33,334,232 respectively. Deferred outflows related to pensions and post-employment benefits were \$8,288,966. Deferred inflows related to pensions, post-employment benefits, leases, and deferred revenues were \$1,956,811.
- City-wide total revenues (\$37,414,918) consisted of \$12,018,980 of charges for services, \$12,843 in operating grants and contributions, \$3,181,530 in capital grants and contributions, and \$22,201,565 of general revenues. Total expenses were \$29,521,020.
- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$155,661,076 (net position). Of this amount, \$32,691,788 (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 \$7,893,898 or 5.34 percent due to current year operations. It should be noted that, of this amount, \$3,181,530 represents capital grants and contributions to the City within the fiscal year. The governmental net position increased by \$4,425,835 or 4.78 percent, and the business-type net position increased by \$3,468,063 or 6.28 percent. Transfers from the governmental funds to the proprietary funds during the year totaled \$1,484,758, 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 \$21,015,161 or 103.5 percent of the total expenditures and transfers out.
- Net positions of the General Employees, Police Employees, and Fire Employees Pension Trust Funds decreased by \$3,657,700, \$3,729,944, and \$2,754,384 respectively. These changes were primarily the result of net depreciation in the fair value of each plan's investments in excess of other investment income. For all except the General Employees plan, in which these amounts were nearly equivalent, benefit payments exceeded contributions in the current year. This factor continues to signal 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. The business-type activities of the City include wastewater system, stormwater 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 information presented for governmental activities in the government-wide financial statements. By

City of Rockledge, Florida Management's Discussion and Analysis

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.

The notes to the financial statements can be found on pages 41 through 87 of this report.

City of Rockledge, Florida Management's Discussion and Analysis

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 91 through 112 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 115 through 119 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 \$155,661,076 at September 30, 2022.

Statement of Net Position

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 44,507,199	\$ 37,350,244	\$ 24,254,194	\$ 22,815,117	\$ 68,761,393	\$ 60,165,361
Capital assets	72,191,079	72,955,727	41,710,681	39,502,817	113,901,760	112,458,544
Total assets	116,698,278	110,305,971	65,964,875	62,317,934	182,663,153	172,623,905
Deferred outflows of resources	6,719,150	859,189	1,569,816	154,100	8,288,966	1,013,289
Long-term liabilities	11,649,005	4,543,297	6,430,105	5,433,365	18,079,110	9,976,662
Other liabilities	13,247,219	1,190,925	2,007,903	388,658	15,255,122	1,579,583
Total liabilities	24,896,224	5,734,222	8,438,008	5,822,023	33,334,232	11,556,245
Deferred inflows of resources	1,521,355	12,744,784	435,456	1,425,757	1,956,811	14,170,541
Net investment in capital assets	70,686,599	71,072,994	38,824,913	34,738,386	109,511,512	105,811,380
Restricted	5,999,350	4,793,546	7,458,426	12,071,164	13,457,776	16,864,710
Unrestricted	20,313,900	16,819,614	12,377,888	8,414,704	32,691,788	25,234,318
Total net position	96,999,849	92,686,154	58,661,227	55,224,254	155,661,076	147,910,408
Prior period adjustment, (see Note 2)	-	(112,140)	-	(31,090)	-	(143,230)
Total net position, as restated	\$ 96,999,849	\$ 92,574,014	\$ 58,661,227	\$ 55,193,164	\$ 155,661,076	\$ 147,767,178

A significant portion of the City's net position (70.35 percent) reflects its investment in capital assets (e.g., land, buildings and facilities, equipment, vehicles, and transmission lines), less any balance of expended related debt used to acquire those assets that is still outstanding. This value is further reduced by any outstanding accounts and retainages payable related to the capital assets. 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 and other reconciling items, 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 71.54 percent of net position in the prior year. The increase in investment in capital assets totaled \$1,443,216 for the City as a

City of Rockledge, Florida Management's Discussion and Analysis

whole, which is an 18.27 percent of the overall increase in net position (\$7.90 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 (8.65 percent) represents resources that are subject to external restrictions on how they may be used, less any portion of unspent restricted debt proceeds. 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 (\$32,691,788 or 21.0% 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 \$4,425,835, compared to an increase of \$35,874,541 in the prior year. In the prior year, a significant grant of the Barnes Boulevard roadway and infrastructure represented the majority of this increase. Revenues decreased by 51.9 percent or \$27,298,268 with the largest decreases related to capital grants and contributions (\$27,882,840). Conversely, the largest increases in revenues occurred in property taxes (\$373,500) and franchise fees (\$307,014). It should be noted that, due to the implementation of GASB Statement 101, *Compensated Absences*, as further detailed in Note 2, a prior period adjustment to net position reduced the previously reported fiscal year 2022 ending net position by \$112,140.

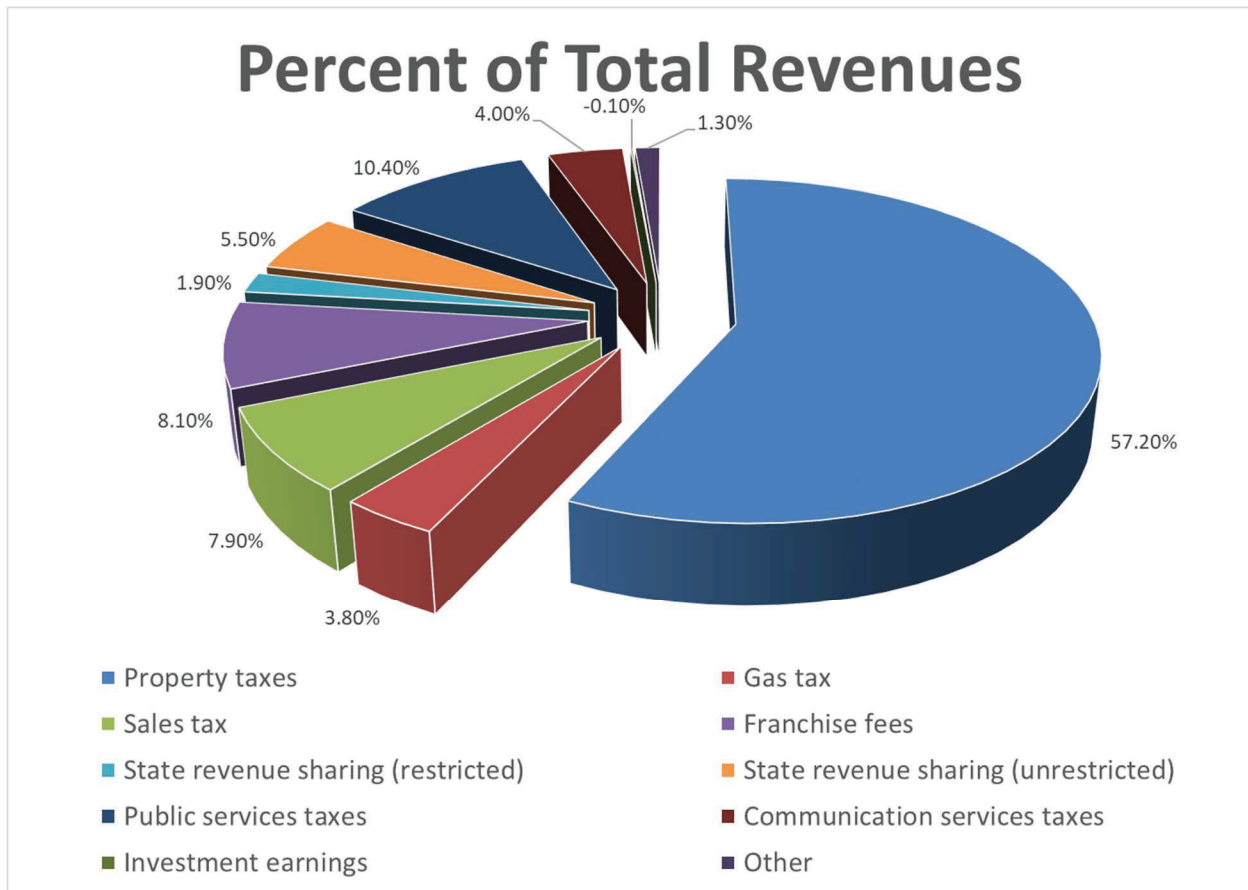
Expenses increased compared to 2021 by \$2,749,841 with the largest increases related to police (\$1,277,369) and public works (\$1,266,439). Although most categories increased, planning and development decreased (\$181,174), while general government expenses likewise decreased (\$182,028). Interest on long-term debt decreased \$9,854.

City of Rockledge, Florida Management's Discussion and Analysis

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program Revenues						
Charges for services	\$ 740,990	\$ 1,089,581	\$ 11,277,990	\$ 10,429,680	\$ 12,018,980	\$ 11,519,261
Operating grants and contributions	10,122	309,146	2,721	-	12,843	309,146
Capital grants and contributions	2,297,816	30,180,656	883,714	3,866,277	3,181,530	34,046,933
General Revenues						
Property taxes	\$ 11,424,899	11,051,399	-	-	11,424,899	11,051,399
Gas tax	958,034	909,502	-	-	958,034	909,502
Sales tax	2,005,609	1,769,809	-	-	2,005,609	1,769,809
Franchise fees	2,040,696	1,733,682	-	-	2,040,696	1,733,682
State revenue sharing (restricted)	472,317	439,562	-	-	472,317	439,562
State revenue sharing (unrestricted)	1,378,325	1,088,956	-	-	1,378,325	1,088,956
Public services taxes	2,625,698	2,448,302	-	-	2,625,698	2,448,302
Communication services taxes	1,009,147	965,750	-	-	1,009,147	965,750
Investment earnings	(25,004)	33,748	(36,532)	12,340	(61,536)	46,088
Other	337,867	554,691	10,509	-	348,376	554,691
Total revenues	25,276,516	52,574,784	12,138,402	14,308,297	37,414,918	66,883,081
Expenses:						
General government	\$ 1,338,018	1,520,046	-	-	1,338,018	1,520,046
Administrative services	1,698,464	1,397,781	-	-	1,698,464	1,397,781
Mayor and City Council	67,140	54,663	-	-	67,140	54,663
City attorney	183,817	174,780	-	-	183,817	174,780
Police	7,348,836	6,071,467	-	-	7,348,836	6,071,467
Fire	4,546,332	4,289,440	-	-	4,546,332	4,289,440
Public works	4,193,975	2,927,536	-	-	4,193,975	2,927,536
Planning and development	426,397	607,571	-	-	426,397	607,571
Interest on long-term debt	41,944	51,798	-	-	41,944	51,798
Wastewater system	-	-	4,954,911	4,419,510	4,954,911	4,419,510
Sanitation services	-	-	3,304,774	2,819,006	3,304,774	2,819,006
Stormwater utility	-	-	931,708	914,229	931,708	914,229
Building department	-	-	484,704	266,627	484,704	266,627
Total expenses	19,844,923	17,095,082	9,676,097	8,419,372	29,521,020	25,514,454
Excess (deficiency) of revenues over expenses	5,431,593	35,479,702	2,462,305	5,888,925	7,893,898	41,368,627
Transfers in (out)	(1,005,758)	394,839	1,005,758	(394,839)	-	-
Increase (decrease) in net position	4,425,835	35,874,541	\$ 3,468,063	5,494,086	\$ 7,893,898	41,368,627
Net position, beginning	92,574,014	56,811,613	55,193,164	49,730,168	147,767,178	106,541,781
Net position, ending	\$ 96,999,849	\$ 92,686,154	\$ 58,661,227	\$ 55,224,254	\$ 155,661,076	\$ 147,910,408
Prior period adjustment (see Note 2)	-	(112,140)	-	(31,090)	-	(143,230)
Net position, ending, as restated	\$ 96,999,849	\$ 92,574,014	\$ 58,661,227	\$ 55,193,164	\$ 155,661,076	\$ 147,767,178

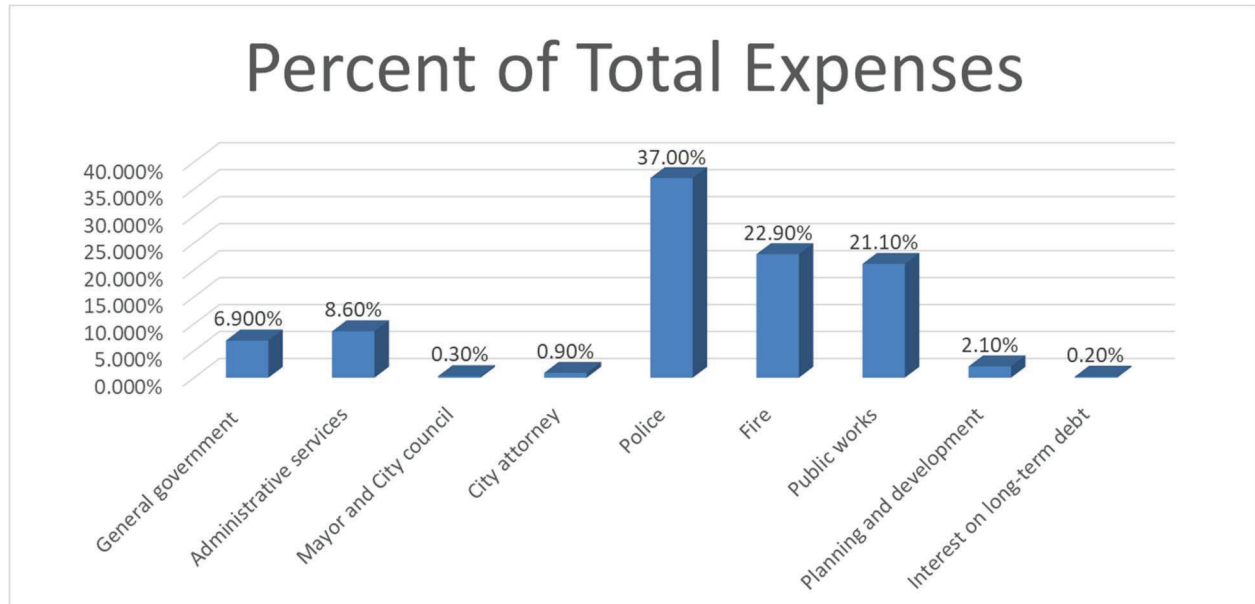
City of Rockledge, Florida
Management's Discussion and Analysis

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

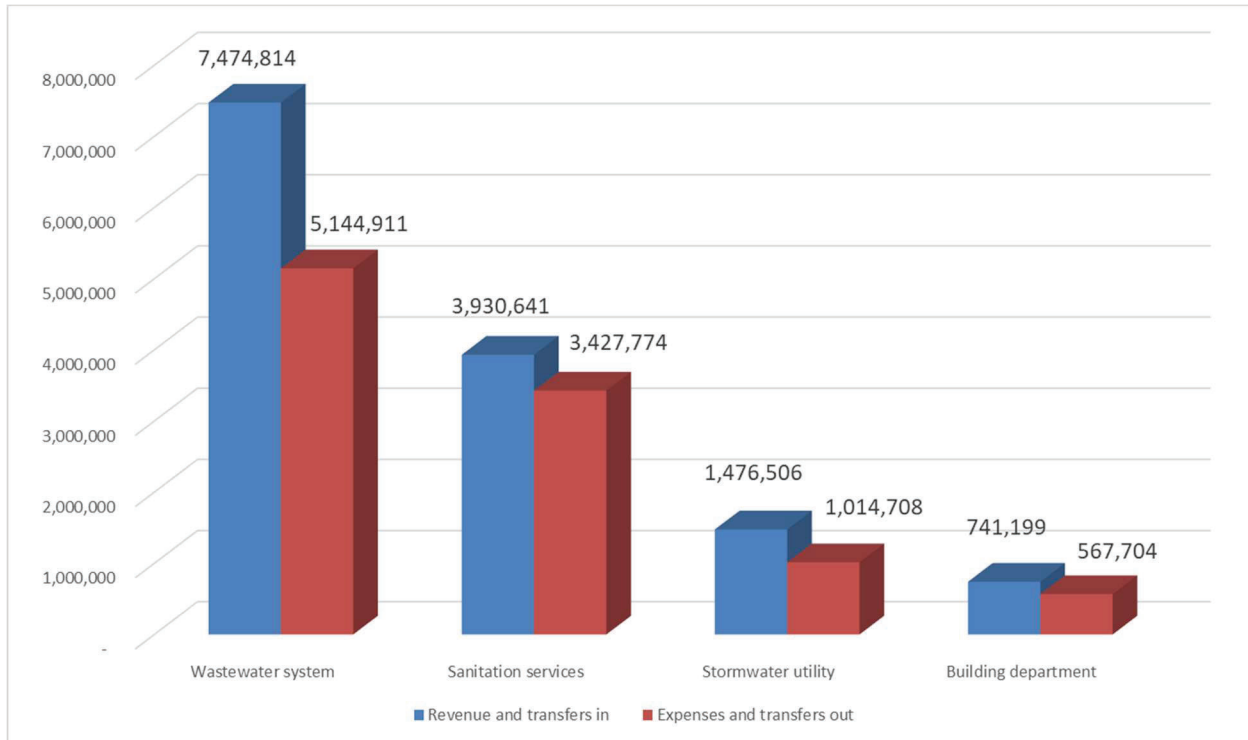


Business-type activities. Business-type activities increased the City's net position by \$3,468,063, compared to an increase of \$5,494,086 in the prior year. On the statement of net position, current and other assets increased \$1,439,077, and long-term liabilities increased \$996,740, with the increase in assets offsetting the increase in liabilities, improving the City's net position. Capital assets increased \$2,207,864 and deferred outflows of resources increased \$1,415,716, both increasing the City's net position. Other liabilities increased \$1,619,245 and deferred inflows of resources decreased \$990,301, with the increase in assets and deferred outflows offsetting the increase in long-term liabilities and deferred inflows, increasing the City's net position. A prior period net position restatement of \$31,090 was the result of a change in accounting principle for the early implementation of GASB 101.

On the statement of activities, total revenues decreased by 15.17 percent over the prior year. Decreased capital grants and contributions of \$2,982,563 were partially offset by an increase in charges for services of \$848,310. Expenses increased a total of \$1,256,725, mainly due to increases in the wastewater system, with expense increases of \$535,401, and sanitation of \$485,768. The building department expenses increased \$218,077, and stormwater utility expenses increased \$17,479.

City of Rockledge, Florida Management's Discussion and Analysis

Program Revenues and Expenses - Business-type Activities



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 \$28,653,839, an increase of \$4,129,121 when compared to the prior year's restated ending balance. Of this total amount, \$21,015,161 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 \$5,999,350. A portion of governmental fund balance (\$1,277,145) 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 (\$118,244) or prepaid expenses (\$243,939).

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 \$21,015,161, while total fund balance reached

City of Rockledge, Florida Management's Discussion and Analysis

\$22,993,372. 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 103.5 percent of total expenditures and transfers out for recurring operational costs reported in other funds, while total fund balance represents 112.9 percent of that same amount. The General Fund's fund balance increased by \$2,777,135 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 and amended by City Council. The City's original 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 \$56,951 more than those budgeted. This represented 2.05% of the increase in fund balance. Therefore, the majority of the difference in budgeted versus actual changes in fund balance were through aggregate actual expenditures below the amounts budgeted. 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 \$3,258,892, \$699,455, \$543,574, and \$283,460, 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, along with savings on capital improvements. 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 primarily in the area of operating expenditures.

CRA. In its 19th year of existence, the CRA fund balance increased by \$1,401,738 after increasing \$1,136,155 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, funds were expended primarily on land acquisition, debt service, infrastructure, and façade improvement grants. A transfer of \$1,508,564, consisting of taxes generated by the incremental growth between the current value and the 2001 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 infrastructure construction, professional service, and façade improvement grants were \$5,051,179, \$377,595, and \$151,628, respectively, for a total of \$5,580,402 of the \$5,654,050 in aggregate expenditures below budget in the current year. Increased operating cash inflows due to property value increases were partnered with slightly reduced expenditures for the year, increasing the CRA fund balance to \$5,583,744 as of September 30, 2022. This represents an increase from the beginning of year fund balance of \$4,182,006.

City of Rockledge, Florida Management's Discussion and Analysis

Proprietary funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Below are the net position changes in the major proprietary funds.

	Wastewater System	Sanitation Services	Stormwater Utility
Unrestricted net position, September 30, 2021	\$ 3,647,809	\$ 2,405,887	\$ 2,361,008
Prior period adjustment (see Note 2)	(18,677)	(10,066)	(2,216)
Unrestricted net position, September 30, 2021, restated	<u>3,629,132</u>	<u>2,395,821</u>	<u>2,358,792</u>
Increase (decrease) in net position	2,329,903	459,490	461,798
Decrease (increase) in net position net investment in capital assets	(4,303,266)	14,156	202,583
Decrease (increase) in net position restricted for renewal and replacement	335,372	-	-
Decrease (increase) in net position restricted for capital improvements	3,545,074	-	-
Decrease (increase) in net position restricted for pension benefits	385,719	425,683	44,325
Decrease (increase) in net position restricted for debt service	<u>93,306</u>	<u>-</u>	<u>-</u>
Increase (decrease) in unrestricted net position	2,386,108	899,329	708,706
Unrestricted net position, September 30, 2022	<u>\$ 6,015,240</u>	<u>\$ 3,295,150</u>	<u>\$ 3,067,498</u>

GENERAL FUND BUDGETARY HIGHLIGHTS

Budgeted expenditures for the General Fund were increased by \$651,500 from the original budget to the final budget. In summary, the General Fund budget was increased within certain departments as follows:

• Police	\$ 210,000
• Public Works	\$ 300,000
• Fire	\$ 20,000
• General Government	\$ 106,000
• City Attorney	\$ 14,500

Expenditures in all general fund departments were within budgeted amounts for the year ended September 30, 2022. 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 and assigned fund balance allowing and accommodating for inflationary pressures on operating costs, and the use of additional State and Local Fiscal Recovery Funds to offset inflating costs of qualified capital projects, respectively.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. The City's total investment in capital assets for its governmental and business-type activities as of September 30, 2022, amounts to \$113,901,760 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, infrastructure, vehicles, furniture and equipment, and transmission lines and facilities.

City of Rockledge, Florida Management's Discussion and Analysis

The total increase in the City's investment in capital assets for the current fiscal year was \$1,443,216 or 1.28 percent. This overall change between fiscal years is mainly the result of investments in construction projects outpacing depreciation on assets in operational use. These costs and other investments in capital assets were partially offset by disposals and depreciation expense for the year. Larger investments in capital asset categories relate to the construction of a flow equalization tank and biosolids infrastructure (\$1,498,444), the Northeast force main rerouting engineering (\$98,684), the Northeast force main reroute (\$390,308), Pines Industrial Ave. force main construction (\$232,605), and the Pluckebaum Rd. force main improvement (\$637,482) for the Wastewater Treatment and Water Reclamation Plant. These and other increases in capital assets were offset by depreciation expense for the current year of approximately \$4.4 million. Capital assets are discussed more fully in Note 3 of the financial statements.

Schedule of Capital Assets (Net)

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 26,407,146	\$ 26,291,706	\$ 3,677,911	\$ 3,703,226	\$ 30,085,057	\$ 29,994,932
Buildings	10,606,669	10,609,704	13,578,901	13,578,901	24,185,570	24,188,605
Improvements	5,005,054	4,358,786	-	-	5,005,054	4,358,786
Equipment	3,955,925	3,984,264	9,570,375	9,385,459	13,526,300	13,369,723
Vehicles	4,442,813	4,323,607	5,526,807	4,841,288	9,969,620	9,164,895
Infrastructure (combined)	46,279,320	46,280,620	42,989,203	42,961,524	89,268,523	89,242,144
Construction in progress	258,375	204,771	4,197,316	1,460,202	4,455,691	1,664,973
Total capital asset cost	96,955,302	96,053,458	79,540,513	75,930,600	176,495,815	171,984,058
Accumulated depreciation	(24,764,223)	(23,097,731)	(37,829,832)	(36,427,783)	(62,594,055)	(59,525,514)
Total	<u>\$ 72,191,079</u>	<u>\$ 72,955,727</u>	<u>\$ 41,710,681</u>	<u>\$ 39,502,817</u>	<u>\$ 113,901,760</u>	<u>\$ 112,458,544</u>

Long-term debt. 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 \$1,387,811 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, 2022.

City of Rockledge, Florida
Management's Discussion and Analysis

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 Wastewater Treatment Fund. At the end of the current fiscal year, the City owed \$4,231,686 on this note.

See Notes 5, 6, and 7 for more information on the City's debt obligations and related pledged revenues.

Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Notes payable	\$ 1,387,811	\$ 1,882,733	\$ 4,231,686	\$ 4,764,431	\$ 5,619,497	\$ 6,647,164
Total indebtedness	<u>\$ 1,387,811</u>	<u>\$ 1,882,733</u>	<u>\$ 4,231,686</u>	<u>\$ 4,764,431</u>	<u>\$ 5,619,497</u>	<u>\$ 6,647,164</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

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CITY OF ROCKLEDGE, FLORIDA
Basic Financial Statements

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City of Rockledge, Florida
Statement of Net Position

September 30, 2022	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 36,298,999	\$ 10,025,453	\$ 46,324,452
Certificates of deposit	6,753,796	952,854	7,706,650
Bonds	117,964	-	117,964
Receivables	891,309	1,165,741	2,057,050
Accrued interest and other	9,021	449	9,470
Prepaid items	243,939	94,623	338,562
Notes and assessments	-	1,252	1,252
Due from other governments	312,853	914,744	1,227,597
Internal balances	(762,941)	762,941	-
Leases Receivable	179,080	-	179,080
Inventories	118,244	321,815	440,059
Restricted assets:			
Cash and cash equivalents	344,935	9,894,553	10,239,488
Certificates of deposit	-	119,769	119,769
Capital assets:			
Non-depreciable	26,665,521	7,875,227	34,540,748
Depreciable (net)	45,525,558	33,835,454	79,361,012
Total assets	116,698,278	65,964,875	182,663,153
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of OPEB expense	72,476	28,938	101,414
Deferred outflows of pension expense	6,646,674	1,540,878	8,187,552
Total deferred outflow of resources	6,719,150	1,569,816	8,288,966
LIABILITIES			
Accounts payable	929,452	1,847,568	2,777,020
Accrued liabilities	578,192	160,335	738,527
Deposits from others	2,000	-	2,000
Contribution payable - pension trust fund	26,283	-	26,283
Unearned grant revenue	11,711,292	-	11,711,292
Non-current liabilities:			
Due within one year:			
Compensated absences	1,198,102	383,792	1,581,894
Notes payable	250,986	449,167	700,153
Due in more than one year:			
Compensated absences	300,572	60,512	361,084
Net OPEB liability	557,266	218,703	775,969
Net pension liability	8,205,254	1,535,412	9,740,666
Notes payable	1,136,825	3,782,519	4,919,344
Total liabilities	24,896,224	8,438,008	33,334,232
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of deferred revenue	197,158	16,920	214,078
Deferred inflows of leases receivable	179,080	-	179,080
Deferred inflows of pension earnings	971,993	349,911	1,321,904
Deferred inflows of OPEB earnings	173,124	68,625	241,749
Total deferred inflows of resources	1,521,355	435,456	1,956,811
NET POSITION			
Net investment in capital assets	70,686,599	38,824,913	109,511,512
Restricted for:			
Capital projects	5,600,658	4,185,476	9,786,134
Heritage Foundation	1,854	-	1,854
Renewal and replacement	-	2,958,207	2,958,207
Public safety	338,452	314,743	653,195
Transportation	22,735	-	22,735
Recreation	35,651	-	35,651
Unrestricted	20,313,900	12,377,888	32,691,788
Total net position	\$ 96,999,849	\$ 58,661,227	\$ 155,661,076

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

City of Rockledge, Florida
Statement of Activities

Year ended September 30, 2022

Program Revenues

Functions/Programs	Expenses	Charges for Services and Fines	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities:				
General government	\$ 1,379,962	\$ 92,213	\$ 50	\$ 1,864,733
Administrative services	1,698,464	-	-	-
Mayor and City Council	67,140	-	-	-
City attorney	183,817	-	-	-
Police	7,348,836	276,599	10,072	412,729
Fire	4,546,332	2,900	-	20,354
Public works	4,193,975	144,242	-	-
Planning and development	426,397	225,036	-	-
Total governmental activities	19,844,923	740,990	10,122	2,297,816
Business-type activities:				
Wastewater system	4,954,911	5,344,838	-	883,714
Sanitation services	3,304,774	3,903,423	2,721	-
Stormwater utility	931,708	1,247,926	-	-
Sanitation Impact Fee	-	43,305	-	-
Building Department	484,704	738,498	-	-
Total business-type activities	9,676,097	11,277,990	2,721	883,714
Total primary government	\$ 29,521,020	\$ 12,018,980	\$ 12,843	\$ 3,181,530

General revenues:

Taxes:

Property taxes

Gas tax

Sales tax

Franchise fees

State revenue sharing (restricted)

State revenue sharing (unrestricted)

Public services taxes

Communication services taxes

Fines and forfeitures

Investment earnings

Miscellaneous

Gain (loss) on sale of capital assets

Transfers, net

Total general revenues

Change in net position

Net position, beginning of year

Prior period adjustment (see Note 2)

Net position, beginning of year as restated

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
\$ 577,034	\$ -	\$ 577,034
(1,698,464)	-	(1,698,464)
(67,140)	-	(67,140)
(183,817)	-	(183,817)
(6,649,436)	-	(6,649,436)
(4,523,078)	-	(4,523,078)
(4,049,733)	-	(4,049,733)
(201,361)	-	(201,361)
(16,795,995)	-	(16,795,995)
-	1,273,641	1,273,641
-	601,370	601,370
-	316,218	316,218
-	43,305	43,305
-	253,794	253,794
-	2,488,328	2,488,328
(16,795,995)	2,488,328	(14,307,667)
11,424,899	-	11,424,899
958,034	-	958,034
2,005,609	-	2,005,609
2,040,696	-	2,040,696
472,317	-	472,317
1,378,325	-	1,378,325
2,625,698	-	2,625,698
1,009,147	-	1,009,147
42,358	-	42,358
(25,004)	(36,532)	(61,536)
221,020	2,027	223,047
74,489	8,482	82,971
(1,005,758)	1,005,758	-
21,221,830	979,735	22,201,565
4,425,835	3,468,063	7,893,898
92,686,154	55,224,254	147,910,408
(112,140)	(31,090)	(143,230)
92,574,014	55,193,164	147,767,178
\$ 96,999,849	\$ 58,661,227	\$ 155,661,076

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

City of Rockledge, Florida

Balance Sheet – Governmental Funds

						Total				
	General		CRA	ARPA	Nonmajor Funds	Governmental Funds				
September 30, 2022										
ASSETS										
Cash and cash equivalents	\$	15,205,504	\$	5,695,374	\$	12,692,455	\$	71,957	\$	33,665,290
Certificates of deposit		6,753,796		-		-		-		6,753,796
Bonds		117,964		-		-		-		117,964
Restricted cash and cash equivalents		344,935		-		-		-		344,935
Accounts receivable		888,369		-		-		-		888,369
Accrued interest and other		9,021		-		-		-		9,021
Due from other funds		228,861		-		7,800		-		236,661
Due from other governments		312,853		-		-		-		312,853
Leases receivable		179,080		-		-		-		179,080
Inventories		118,244		-		-		-		118,244
Prepaid items		237,887		6,052		-		-		243,939
Total assets	\$	24,396,514	\$	5,701,426	\$	12,700,255	\$	71,957	\$	42,870,152
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES										
Liabilities:										
Accounts payable	\$	405,324	\$	117,382	\$	-	\$	-	\$	522,706
Accrued payroll and related liabilities		578,192		-		-		-		578,192
Due to other funds		-		300		999,302		-		999,602
Deposits from others		2,000		-		-		-		2,000
Contributions payable - pension trust fund		26,283		-		-		-		26,283
Unearned grant revenue		15,105		-		11,696,187		-		11,711,292
Total liabilities		1,026,904		117,682		12,695,489		-		13,840,075
Deferred inflows of resources:										
Deferred inflows of deferred revenue		197,158		-		-		-		197,158
Deferred inflows of leases receivable		179,080		-		-		-		179,080
Total deferred inflows of resources		376,238		-		-		-		376,238
Fund balances:										
Nonspendable:										
Inventories and prepaids		356,131		6,052		-		-		362,183
Restricted for:										
Public safety		291,414		-		-		47,038		338,452
Heritage Foundation		-		-		-		1,854		1,854
Capital improvements		18,200		5,577,692		4,766		-		5,600,658
Transportation impact		-		-		-		22,735		22,735
Recreation		35,321		-		-		330		35,651
Assigned for subsequent years budget		1,277,145		-		-		-		1,277,145
Unassigned		21,015,161		-		-		-		21,015,161
Total fund balances		22,993,372		5,583,744		4,766		71,957		28,653,839
Total liabilities, deferred inflows of resources, and fund balances										
	\$	24,396,514	\$	5,701,426	\$	12,700,255	\$	71,957	\$	42,870,152

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, 2022

Total fund balance of governmental funds			\$ 28,653,839
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			
	Governmental capital assets	\$ 96,955,302	
	Less accumulated depreciation	<u>(24,764,223)</u>	72,191,079
Deferred outflow of resources related to pension expense are not recognized in the governmental funds; however, they are recorded in the statement of net position under full accrual accounting.			6,646,674
Deferred outflow of resources related to OPEB expense are not recognized in the governmental funds; however, they are recorded in the statement of net position under full accrual accounting.			72,476
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.			(971,993)
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.			(173,124)
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 is included in governmental activities in the statement of net position.			2,229,903
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	\$ (8,205,254)	
	Notes payable	(1,387,811)	
	Compensated absences	(1,498,674)	
	Other postemployment benefits	<u>(557,266)</u>	(11,649,005)
Net position of governmental activities			<u>\$ 96,999,849</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, 2022</i>	General	CRA	ARPA	Nonmajor Funds	Total Governmental Funds
Revenues					
Property taxes	\$ 10,370,818	\$ 1,054,081	\$ -	\$ -	\$ 11,424,899
Utility taxes	2,625,698	-	-	-	2,625,698
Communication Service taxes	1,009,147	-	-	-	1,009,147
Franchise fees	2,040,696	-	-	-	2,040,696
Licenses, permits and fees	224,961	-	-	-	224,961
Intergovernmental	4,875,859	-	2,155,262	50	7,031,171
Charges for services	491,641	-	-	-	491,641
Fines and forfeitures	40,130	-	-	2,228	42,358
Interest and other	107,057	3,687	4,544	53	115,341
Net increase (decrease) in the fair value of investments	(141,982)	-	-	-	(141,982)
Miscellaneous revenue	219,385	1,635	-	-	221,020
Total revenues	21,863,410	1,059,403	2,159,806	2,331	25,084,940
Expenditures					
Current:					
General government	1,590,117	-	-	61	1,590,178
Administrative services	1,649,361	-	-	-	1,649,361
Mayor and City Council	67,140	-	-	-	67,140
City attorney	166,946	16,800	-	-	183,746
Police	6,897,038	-	-	-	6,897,038
Fire	4,361,710	-	-	-	4,361,710
Public works	3,790,140	-	-	56,566	3,846,706
Planning and development	-	895,564	-	-	895,564
Debt service	282,810	254,056	-	-	536,866
Total expenditures	18,805,262	1,166,420	-	56,627	20,028,309
Excess (deficiency) of revenues over (under) expenditures	3,058,148	(107,017)	2,159,806	(54,296)	5,056,641
Other financing sources (uses)					
Transfers in	1,149,313	1,508,755	-	-	2,658,068
Transfers out	(1,508,564)	-	(2,155,262)	-	(3,663,826)
Sale of capital assets	78,238	-	-	-	78,238
Net other financing sources (uses)	(281,013)	1,508,755	(2,155,262)	-	(927,520)
Net change in fund balances	2,777,135	1,401,738	4,544	(54,296)	4,129,121
Fund balances, beginning of year	20,216,237	4,182,006	222	126,253	24,524,718
Fund balances, end of year	\$ 22,993,372	\$ 5,583,744	\$ 4,766	\$ 71,957	\$ 28,653,839

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, 2022

Net change in fund balances - total governmental funds **\$ 4,129,121**

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 depreciation expense. This is the amount by which depreciation exceeds capital outlay in the current period.

Expenditures for capital assets	\$ 1,502,221	
Capital Assets granted to City	115,440	
Less current year depreciation	<u>(2,378,560)</u>	(760,899)

In the statement of activities, only the gain or loss on the sale of capital assets are 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	\$ (715,817)	
Depreciation and amortization expense	<u>712,068</u>	(3,749)

Repayment of note principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. **494,922**

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. **68,206**

Other postemployment benefit obligations 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. **(11,464)**

Cash pension contributions reported in the funds were less than the calculated pension expense on the statement of activities and therefore increase the net position. **(227,818)**

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. **737,516**

Change in net position of governmental activities \$ 4,425,835

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

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

<i>September 30, 2022</i>	Business-type Activities - Enterprise Funds			
	Wastewater System	Sanitation Services	Stormwater Utility	Nonmajor Funds
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 3,971,477	\$ 2,910,616	\$ 2,568,654	\$ 574,706
Certificates of deposit	703,854	249,000	-	-
Accrued interest	-	449	-	-
Accounts receivable	627,902	402,662	135,177	-
Assessments receivable	-	-	1,252	-
Prepaid items	49,794	41,173	1,494	2,162
Due from other governments	582,495	254,167	78,082	-
Due from other funds	540,141	-	230,300	-
Inventory	177,629	18,070	126,116	-
Total current assets	6,653,292	3,876,137	3,141,075	576,868
Noncurrent assets:				
Restricted noncurrent assets:				
Cash and cash equivalents	9,894,553	-	-	-
Certificates of deposit	119,769	-	-	-
Total restricted assets	10,014,322	-	-	-
Capital assets:				
Land	776,414	5,201	2,896,296	-
Construction in progress	4,197,316	-	-	-
Buildings	13,569,799	9,102	-	-
Infrastructure	60,352	-	2,836,358	-
Machinery and equipment	8,050,795	624,406	895,174	-
Vehicles	1,332,865	3,690,813	503,129	-
Wastewater and transmission lines and facilities	28,435,307	-	11,657,186	-
	56,422,848	4,329,522	18,788,143	-
Less accumulated depreciation	(28,286,478)	(2,914,179)	(6,629,175)	-
Total capital assets, net of accumulated depreciation	28,136,370	1,415,343	12,158,968	-
Total noncurrent assets	38,150,692	1,415,343	12,158,968	-
Total assets	44,803,984	5,291,480	15,300,043	576,868
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflow of OPEB expense	11,070	15,623	1,231	1,014
Deferred outflow of pension expenses	574,339	764,232	21,423	180,884
Total deferred outflow of resources	585,409	779,855	22,654	181,898

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

	Governmental Activities - Internal Service Total	Fund
\$ 10,025,453	\$ 2,633,709	
952,854	-	
449		
1,165,741	2,940	
1,252	-	
94,623	-	
914,744	-	
770,441	-	
321,815	-	
14,247,372	2,636,649	
9,894,553	-	
119,769	-	
10,014,322	-	
3,677,911	-	
4,197,316	-	
13,578,901	-	
2,896,710	-	
9,570,375	-	
5,526,807	-	
40,092,493	-	
79,540,513	-	
(37,829,832)	-	
41,710,681	-	
51,725,003	-	
65,972,375	2,636,649	
28,938	-	
1,540,878	-	
1,569,816	-	

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			
<i>September 30, 2022</i>	Wastewater System	Sanitation Services	Stormwater Utility	Nonmajor Funds
LIABILITIES				
Current liabilities (payable from current assets):				
Accounts payable	1,216,747	196,839	292,469	141,513
Accrued payroll and related liabilities	71,856	76,169	8,231	4,079
Due to other funds	-	6,900	-	600
Compensated absences	188,312	148,290	31,475	15,715
Claims payable	-	-	-	-
Current portion of note payable	449,167	-	-	-
Total current liabilities	1,926,082	428,198	332,175	161,907
Noncurrent liabilities:				
Compensated absences	60,512	-	-	-
Net OPEB liability	84,156	117,332	9,455	7,760
Net pension liability	613,702	785,249	33,746	102,715
Note payable due after one year	3,782,519	-	-	-
Total noncurrent liabilities	4,540,889	902,581	43,201	110,475
Total liabilities	6,466,971	1,330,779	375,376	272,382
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of deferred revenue	16,920	-	-	-
Deferred inflows of pension earnings	130,424	173,546	4,865	41,076
Deferred inflows of OPEB earnings	26,743	36,334	3,131	2,417
Total deferred inflows of resources	174,087	209,880	7,996	43,493
NET POSITION				
Net investment in capital assets	25,717,560	1,235,526	11,871,827	-
Restricted for:				
Public Safety	-	-	-	314,743
Renewal and replacement	2,958,207	-	-	-
Capital projects	4,057,328	-	-	128,148
Unrestricted	6,015,240	3,295,150	3,067,498	-
Total net position	\$ 38,748,335	\$ 4,530,676	\$ 14,939,325	\$ 442,891

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

	Governmental Activities - Internal Service
Total	Fund
1,847,568	-
160,335	-
7,500	-
383,792	-
-	406,746
449,167	-
2,848,362	406,746
60,512	-
218,703	-
1,535,412	-
3,782,519	-
5,597,146	-
8,445,508	406,746
16,920	-
349,911	-
68,625	-
435,456	-
38,824,913	-
314,743	-
2,958,207	-
4,185,476	-
12,377,888	2,229,903
\$ 58,661,227	\$ 2,229,903

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, 2022</i>	Business-type Activities - Enterprise Funds			
	Wastewater System	Sanitation Services	Stormwater Utility	Nonmajor Funds
Operating revenues:				
Charges for services	\$ 4,940,263	\$ 3,903,423	\$ -	\$ 781,803
Intergovernmental	-	2,721	-	-
Fees	404,575	-	1,247,926	-
Miscellaneous revenue	-	-	-	2,027
Total operating revenues	5,344,838	3,906,144	1,247,926	783,830
Operating expenses:				
Salaries, wages and employee benefits	1,971,948	2,089,717	210,899	148,256
Contractual, materials, and supplies	974,276	721,559	102,025	332,518
Insurance claims and expense	-	-	-	-
Depreciation	1,401,851	187,760	429,174	-
Repairs and maintenance	530,667	305,738	189,610	3,930
Total operating expenses	4,878,742	3,304,774	931,708	484,704
Operating income (loss)	466,096	601,370	316,218	299,126
Nonoperating revenues (expenses):				
Interest income	27,975	2,362	1,715	255
Net increase (decrease) in the fair value of investments	(68,839)	-	-	-
Interest expense	(76,169)	-	-	-
Gain(loss) on sale of capital assets	38,106	(25,315)	(4,309)	-
Total nonoperating revenues (expenses)	(78,927)	(22,953)	(2,594)	255
Income (loss) before contributions	387,169	578,417	313,624	299,381
Capital contributions	883,714	-	-	-
Transfers in	1,249,020	4,073	231,174	491
Transfers out	(190,000)	(123,000)	(83,000)	(83,000)
Change in net position	2,329,903	459,490	461,798	216,872
Net position, beginning of year as previously reported	36,437,109	4,081,252	14,479,743	226,150
Prior period adjustment (see Note 2)	(18,677)	(10,066)	(2,216)	(131)
Net position, beginning of year (as restated)	36,418,432	4,071,186	14,477,527	226,019
Net position, end of year	\$ 38,748,335	\$ 4,530,676	\$ 14,939,325	\$ 442,891

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

	Governmental
	Activities -
	Internal
Total	Service Fund
\$ 9,625,489	\$ 2,927,799
2,721	-
1,652,501	-
2,027	-
11,282,738	2,927,799
4,420,820	-
2,130,378	-
-	2,191,920
2,018,785	-
1,029,945	-
9,599,928	2,191,920
1,682,810	735,879
32,307	1,637
(68,839)	-
(76,169)	-
8,482	-
(104,219)	1,637
1,578,591	737,516
883,714	-
1,484,758	-
(479,000)	-
3,468,063	737,516
55,224,254	1,492,387
(31,090)	-
55,193,164	1,492,387
\$ 58,661,227	\$ 2,229,903

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

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

<i>Year Ended September 30, 2022</i>	Business-type Activities - Enterprise Funds			
	Wastewater System	Sanitation Services	Stormwater Utility	Nonmajor Funds
Cash flows from operating activities:				
Cash received from customers for sales and services	\$ 5,227,360	\$ 3,888,074	\$ 1,543,235	\$ 783,830
Cash payments to employees	(1,965,014)	(2,063,145)	(208,375)	(127,527)
Cash payments to suppliers for goods and services	(449,951)	(851,620)	(4,640)	(270,395)
Cash payments for insurance and claims expenses	-	-	-	-
Net cash provided by operating activities	2,812,395	973,309	1,330,220	385,908
Cash flows from noncapital financing activities:				
Cash transfers in from other funds	708,879	10,973	874	1,091
Cash transfers out to other funds	(190,000)	(123,000)	(83,000)	(83,000)
Net cash provided by (used in) noncapital financing activities	518,879	(112,027)	(82,126)	(81,909)
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(3,359,497)	(378,736)	(518,041)	-
Proceeds for capital grants and contributions	883,714	-	-	-
Proceeds from sale of capital assets	38,106	-	-	-
Principal paid on note payable	(532,745)	-	-	-
Interest paid on long-term debt, net of subsidy	(76,169)	-	-	-
Net cash provided by (used in) capital and related financing activities	(3,046,591)	(378,736)	(518,041)	-
Cash flows from investing activities:				
Investment income	(40,864)	1,913	1,715	255
Proceeds from sale/maturity of investments	521,841	-	-	-
Purchase of investments	-	(249,000)	-	-
Net cash provided by (used in) investing activities	480,977	(247,087)	1,715	255
Net increase in cash and cash equivalents	765,660	235,459	731,768	304,254
Cash and cash equivalents, beginning of year	13,100,370	2,675,157	1,836,886	270,452
Cash and cash equivalents, end of year	\$ 13,866,030	\$ 2,910,616	\$ 2,568,654	\$ 574,706

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

		Governmental Activities - Internal Service Fund
Total		
\$ 11,559,977	\$	2,926,479
(4,364,061)		(9,800)
(1,576,606)		-
-		(2,188,848)
5,501,832		727,831
721,817		-
(479,000)		-
242,817		-
(4,256,274)		-
883,714		-
38,106		-
(532,745)		-
(76,169)		-
(3,943,368)		-
(36,981)		1,637
521,841		-
(249,000)		-
235,860		1,637
2,037,141		729,468
17,882,865		1,904,241
\$ 19,920,006	\$	2,633,709

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, 2022</i>				
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	\$ 466,096	\$ 601,370	\$ 316,218	\$ 299,126
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	1,401,851	187,760	429,174	-
Change in assets and liabilities:				
(Increase) decrease in assets:				
Accounts receivable	(83,131)	(35,279)	(17,015)	-
Due from other governments	(36,627)	17,209	312,324	-
Inventory	(2,151)	6,074	(3,074)	-
Prepaid items	(5,814)	(5,555)	(299)	(425)
Deferred outflows of OPEB expense	5,312	6,830	569	(870)
Deferred outflows of pension expenses	(517,572)	(713,825)	(16,764)	(179,396)
Increase (decrease) in liabilities:				
Accounts payable	1,062,957	175,158	290,368	66,478
Accrued payroll and related liabilities	(243)	17,671	1,882	11,787
Accrued claims payable	-	-	-	-
Net OPEB obligation	(21,064)	(27,545)	(2,430)	7,210
Net pension liability	999,421	1,210,932	78,071	189,364
Deferred inflows of pension earnings	(478,021)	-	(61,008)	(9,243)
Deferred inflows of OPEB earnings	19,101	24,978	2,204	1,877
Deferred inflows of deferred revenue	2,280	(492,469)	-	-
Total adjustments	2,346,299	371,939	1,014,002	86,782
Net cash provided by operating activities	\$ 2,812,395	\$ 973,309	\$ 1,330,220	\$ 385,908

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

	Governmental Activities - Internal Service Fund
Total	
<u>\$ 1,682,810</u>	<u>\$ 735,879</u>
2,018,785	-
(135,425)	(1,320)
292,906	-
849	-
(12,093)	-
11,841	-
(1,427,557)	-
1,594,961	-
31,097	-
-	(6,728)
(43,829)	-
2,477,788	-
(548,272)	-
48,160	-
(490,189)	-
<u>3,819,022</u>	<u>(8,048)</u>
<u>\$ 5,501,832</u>	<u>\$ 727,831</u>

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

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

<i>September 30, 2022</i>	Employee Pension Trust Funds
ASSETS	
Cash and cash equivalents	\$ 1,053,519
Contributions receivable	13,811
Due from police employees plan	1,266
Interest receivable	24,550
Investments, at fair value:	
U.S. government obligations	3,094,130
Domestic corporate bonds	549,196
Government agency notes	1,371,180
Domestic stocks	30,607,086
Infrastructure	6,278,637
Real estate	5,743,678
Total investments	47,643,907
Total assets	48,737,053
LIABILITIES	
Prepaid contributions	340,208
Due to general employees plan	1,266
Total liabilities	341,474
NET POSITION	
Restricted for pension benefits	\$ 48,395,579

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

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

<i>Year ended September 30, 2022</i>	Employee Pension Trust Funds
ADDITIONS	
Contributions:	
State	\$ 465,744
Employer	1,058,796
Employees	638,566
Total contributions	2,163,106
Investment income:	
Net depreciation in the fair value of investments	(9,393,025)
Interest and dividends	1,358,656
	(8,034,369)
Less: investment related expense	(206,044)
Net investment income	(8,240,413)
Total additions (reductions)	(6,077,307)
DEDUCTIONS	
Benefits paid	3,840,493
Administrative expenses	224,228
Total deductions	4,064,721
Change in net position	(10,142,028)
Net position held in trust for pension benefits, beginning of year	58,537,607
Net position held in trust for pension benefits, end of year	\$ 48,395,579

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, Building Department, 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 \$36,295,978, and \$1,854, respectively, its deposits in the CRA and ARPA escrow accounts of \$4,200,236 and \$12,692,455, its extensive investment in insured bank deposits of \$3,372,767, certificates of deposits of \$7,826,419, and treasury bonds of \$117,964, 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. 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, 2022.

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, 2022:

	Maturity Date				
	1-5	Over			
	Years	Five Years	Fair Value	Rating	Level
Primary government:					
Certificates of Deposit	\$ 7,826,419	\$ -	\$ 7,826,419	Not rated	L2
Bonds - U.S. Government	117,964	-	117,964	Not rated	L2
Total Investments	\$ 7,944,383	\$ -	\$ 7,944,383		
	Maturity Date				
	1-5	Over			
	Years	Five Years	Fair Value	Rating	Level
General employees:					
U.S. Government securities	\$ 1,196,140	\$ -	\$ 1,196,140	Not rated	L2
Federal agencies	733,673	-	733,673	AAA	L2
Corporate bonds and notes	223,566	-	223,566	Baa - AAA	L2
Total	\$ 2,153,379	\$ -	2,153,379		
Investments not subject to categorization:					
Real Estate			2,239,592	Not rated	L3
Infrastructure			2,469,171	Not rated	L3
Common stocks			12,290,171	Not rated	L1
Total investments			\$ 19,152,313		
Police officers:					
U.S. Government securities	\$ 271,188	\$ 892,687	\$ 1,163,875	Not rated	L2
Federal agencies	-	307,129	307,129	AAA	L2
Corporate bonds and notes	-	144,871	144,871	Baa - AAA	L2
Total	\$ 271,188	\$ 1,344,687	1,615,875		
Investments not subject to categorization:					
Real Estate			1,950,120	Not rated	L3
Infrastructure			2,156,038	Not rated	L3
Common stocks			10,157,944	Not rated	L1
Total investments			\$ 15,879,977		
Firefighter employees:					
U.S. Government securities	\$ 9,453	\$ 724,662	\$ 734,115	Not rated	L2
Federal agencies	-	330,378	330,378	AAA	L2
Corporate bonds and notes	53,983	126,776	180,759	Baa - AAA	L2
Total	\$ 529,940	\$ 2,131,586	1,245,252		
Investments not subject to categorization:					
Real Estate			1,553,966	Not rated	L3
Infrastructure			1,653,428	Not rated	L3
Common stocks			8,158,971	Not rated	L1
Total investments			\$ 12,611,617		

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, 2022.

	Fair Value	Unfunded Commitments	Redemption Frequency (if currently eligible)	Redemption Notice Period
Real Estate	\$5,743,678	N/A	Quarterly	30 days
Infrastructure	\$6,278,637	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, 2022 (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. LEASE RECEIVABLES

The City's lease receivables are measured at the present value of lease payments expected to be received during the lease term. Under the lease agreement, the City may receive variable lease payments that are dependent upon the lessee's revenue or other factors. The variable payments are recorded as an inflow of resources in the period the payment is received.

I. 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, 2022, was 5.99 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)

I. 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.

J. 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.

K. 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)

L. PREPAID ITEMS

Prepaid items represent payments to vendors for services that will benefit the City beyond September 30, 2022. These payments are recorded as expenditures or expenses when utilized rather than when cash is paid to the respective vendor.

M. 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 consumption of net assets that applies to future periods. 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.

N. 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. Funds held for debt issued to fund capital assets that has not expended are reported as restricted cash, and are a component of restricted net position. As of September 30, 2022, the Wastewater System held \$2,998,787 of debt proceeds received, but not expended.

O. ACCRUED LIABILITIES

The City records accrued liabilities at year end based upon the amounts of incurred but not paid payroll due to the City's employees due to the timing of payroll periods.

P. UNEARNED REVENUE

Unearned revenue includes amounts collected before the revenue recognition criteria are met. The unearned items consist primarily of grant funds received that have not yet been expended for the required purpose.

Q. 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.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

R. 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.

S. 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.

General employees, police officers, and firefighters are enrolled in separate, defined benefit pension plans. Each plan was 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 10.

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.

T. DEFERRED INFLOWS OF RESOURCES

This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The City currently has deferred inflows of pension and OPEB earnings, leases receivable, 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. The deferred inflows related to leases are associated with amounts owed to the City, as lessor, by entities leasing the City's capital assets.

U. 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.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

V. 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.

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.

W. NET POSITION RESTRICTED BY ENABLING LEGISLATION

In the government-wide financial statements, governmental activities report restricted net position of \$5,999,350. Management has determined that, of this amount, \$338,452 is restricted for public safety purposes by enabling legislation.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

X. IMPLEMENTATION OF GASB PRONOUNCEMENTS

During the fiscal year ended September 30, 2022, the City adopted the following new GASB pronouncements:

GASB Statement 87, *Leases*. This statement was issued June 2017 to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments and increases the usefulness of governments' financial statements. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The City is a party to several lease agreements involving land and buildings in the City's possession. In implementing this pronouncement, the City recognized assets of leases receivable and deferred inflows of leases receivable, as described in Note 2.

GASB Statement 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This statement was issued June 2018 to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period. Implementation of this pronouncement is prospective, and the City has and will continue to record interest incurred during construction as an expense.

GASB Statement 91, *Conduit Debt Obligations*. This statement was issued May 2019 to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The City implemented this pronouncement early, but its guidance has no significant impact on the City's financial statements or its current accounting practices.

GASB Statement 92, *Omnibus 2020*. This statement was issued January 2020 to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This clarification guidance has no significant impact on the City's financial statements or its current accounting practices.

GASB Statement 93, *Replacement of Interbank Offered Rates*. This statement was issued March 2020 to address accounting and financial reporting implications that result from the replacement of an Interbank Offered Rate (IBOR) in agreements in which variable payments made or received depend on an IBOR. The City has no agreements which are reliant upon an IBOR, and therefore, there were no impacts from the implementation of this pronouncement.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

X. IMPLEMENTATION OF GASB PRONOUNCEMENTS (continued)

GASB Statement 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GASB Statements 14 and 84, and a supersession of GASB Statement 32*. This statement was issued June 2020 to provide for more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans. The statement will also enhance the relevance, consistency, and comparability of (1) the information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans. The City's section 457 plan does not meet the definition of a pension plan, therefore, no plan accounting will be recognized on the City's financial statements.

GASB Statement 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*. This statement was issued June 2022 to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. In implementing this statement, the City utilized its guidance to properly facilitate those other statements implemented which had an effect on the City's financial statements, namely GASB Statements 87 and 101.

GASB Statement 101, *Compensated Absences*. This statement was issued June 2022 to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The City has certain salary-related payments, namely Social Security and Medicare taxes, which were previously not accrued as a part of the compensated absences liability. In implementing this statement, the City recognized an increase to its previously reported compensated absences liability to include these salary-related payments, as described in Note 2.

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Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Y. FUTURE ADOPTION OF NEW GASB PRONOUNCEMENTS

The Governmental Accounting Standards Board has issued statements that will become effective in future years. These statements are as follows:

GASB Statement 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. This statement was issued March 2020 to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. Statement 94 will be effective for the fiscal year ending September 30, 2023.

GASB Statement 96, *Subscription-Based Information Technology Arrangements*. This statement was issued May 2020 to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs). Statement 96 will be effective for the fiscal year ending September 30, 2023.

GASB Statement 99, Omnibus 2022. This statement was issued April 2022 to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. While certain requirements were effective upon issuance, other requirements of GASB Statement 99 will be effective for the fiscal years ending September 30, 2023 and 2024.

The City of Rockledge will implement new GASB pronouncements no later than the required effective date. The City is currently evaluating whether or not the above listed new GASB pronouncements will have a significant impact to the City's financial statements and component unit.

Note 2 – CHANGES OF ACCOUNTING PRINCIPLE

In fiscal year 2022, the City implemented GASB Statement 87, *Leases*. In accordance with generally accepted accounting principles, the implementation of these statements did not require the restatement of the September 30, 2021 net position or fund balance in the statements of activities or statement of revenues, expenditures, and changes in fund balance, as the cumulative effect of recording the \$121,151 of leases receivable and associated and equally valued deferred inflows of leases receivable made no net impact. Leases receivable and deferred inflows were recorded in the general fund and governmental activities. The City implemented GASB Statement 101, *Compensated Absences*. In accordance with generally accepted accounting principles, the implementation of this statement required the restatement of the September 30, 2021 net position in the statements of activities and statement of revenues, expenditures, and changes in fund balance to record the cumulative effect of recording the increased liability associated with salary-related payments. These changes in accounting principle resulted in adjustments to and restatements of beginning net position and fund net position, as follows:

	9/30/2021 As Previously Reported	Change in Accounting Principle GASB 101, <i>Compensated Absences</i>	9/30/2021 As Restated
Government-Wide			
Governmental Activities	\$ 92,686,154	\$ (112,140)	\$ 92,574,014
Business-Type Activities	55,224,254	(31,090)	55,193,164
Total Primary Government	<u>\$ 147,910,408</u>	<u>\$ (143,230)</u>	<u>\$ 147,767,178</u>
Proprietary Funds			
Major Funds:			
Wastewater System	\$ 36,437,109	\$ (18,677)	\$ 36,418,432
Sanitation Services	4,081,252	(10,066)	4,071,186
Stormwater Utility	14,479,743	(2,216)	14,477,527
Nonmajor Funds:	226,150	(131)	226,019
Total Proprietary Funds	<u>\$ 55,224,254</u>	<u>\$ (31,090)</u>	<u>\$ 55,193,164</u>

Note 3 – ACCOUNTS RECEIVABLE

The accounts receivable and allowance for uncollectible accounts at September 30, 2022, were as follows:

	Accounts Receivable	Unbilled Receivable	Allowance for Uncollectible	Net
General Fund	\$ 888,369	\$ -	\$ -	\$ 888,369
Enterprise Funds:				
Wastewater System Fund	497,323	130,579	-	627,902
Sanitation Services Fund	309,159	93,503	-	402,662
Stormwater Utility Fund	103,727	31,450	-	135,177
Internal Service Fund	2,940	-	-	2,940
Totals	<u>\$ 1,801,518</u>	<u>\$ 255,532</u>	<u>\$ -</u>	<u>\$ 2,057,050</u>

Note 3 – ACCOUNTS RECEIVABLE (Continued)

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, 2022. There are no other reserves for receivables recorded by the City as of September 30, 2022.

Note 4 - CAPITAL ASSETS

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

Governmental activities:		
General government	\$	493,219
Administrative services		96,201
Police		658,284
Fire		226,556
Public works		595,592
Planning and development		308,708
Total depreciation expense - governmental activities	\$	2,378,560
Business-type activities:		
Wastewater system	\$	1,401,851
Sanitation services		187,760
Stormwater utility		429,174
Total depreciation expense - business-type activities	\$	2,018,785

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City of Rockledge, Florida
Notes to Financial Statements

Note 4 - CAPITAL ASSETS (Continued)

The following is a summary of changes in capital assets during the year ended September 30, 2022:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 26,291,706	\$ 115,440	\$ -	\$ -	\$ 26,407,146
Construction-in-progress	204,771	805,481	-	(751,877)	258,375
Total capital assets, not being depreciated	26,496,477	920,921	-	(751,877)	26,665,521
Capital assets, being depreciated:					-
Buildings	10,609,704	-	(3,035)	-	10,606,669
Improvements other than buildings	4,358,786	9,224	(7,235)	644,279	5,005,054
Furniture and equipment	3,984,264	359,547	(495,484)	107,598	3,955,925
Vehicles	4,323,607	327,969	(208,763)	-	4,442,813
Infrastructure	46,280,620	-	(1,300)	-	46,279,320
Total capital assets, being depreciated	69,556,981	696,740	(715,817)	751,877	70,289,781
Less accumulated depreciation for:					-
Buildings	(3,499,864)	(263,532)	3,035	-	(3,760,361)
Improvements other than buildings	(753,452)	(138,289)	7,235	-	(884,506)
Furniture and equipment	(2,492,951)	(519,815)	491,735	-	(2,521,031)
Vehicles	(3,383,393)	(311,843)	208,763	-	(3,486,473)
Infrastructure	(12,968,071)	(1,145,081)	1,300	-	(14,111,852)
Total accumulated depreciation	(23,097,731)	(2,378,560)	712,068	-	(24,764,223)
Total capital assets, being depreciated, net	46,459,250	(1,681,820)	(3,749)	751,877	45,525,558
Governmental activities capital assets, net	\$ 72,955,727	\$ (760,899)	\$ (3,749)	\$ -	\$ 72,191,079
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 3,703,226	\$ -	\$ (25,315)	\$ -	\$ 3,677,911
Construction-in-progress	1,460,202	2,777,008	-	(39,894)	4,197,316
Total capital assets, not being depreciated	5,163,428	2,777,008	(25,315)	(39,894)	7,875,227
Capital assets, being depreciated:					
Buildings	13,578,901	-	-	-	13,578,901
Infrastructure	2,895,508	-	-	1,202	2,896,710
Machinery and equipment	9,385,459	448,666	(275,965)	12,215	9,570,375
Vehicles	4,841,287	1,030,600	(345,080)	-	5,526,807
Waste and transmission lines and facilities	40,066,016	-	-	26,477	40,092,493
Total capital assets, being depreciated	70,767,171	1,479,266	(621,045)	39,894	71,665,286
Less accumulated depreciation for:					
Buildings	(7,355,431)	(276,328)	-	-	(7,631,759)
Infrastructure	(72,092)	(72,116)	-	-	(144,208)
Machinery and equipment	(5,143,707)	(410,504)	275,965	-	(5,278,246)
Vehicles	(3,441,621)	(277,317)	340,771	-	(3,378,167)
Waste and transmission lines and facilities	(20,414,932)	(982,520)	-	-	(21,397,452)
Total accumulated depreciation	(36,427,783)	(2,018,785)	616,736	-	(37,829,832)
Total capital assets, being depreciated, net	34,339,388	(539,519)	(4,309)	39,894	33,835,454
Business-type activities capital assets, net	\$ 39,502,816	\$ 2,237,489	\$ (29,624)	\$ -	\$ 41,710,681

Note 5 – 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 \$37,888 was paid on this note during the year ended September 30, 2022. The note is secured with a pledge of utility tax revenues and franchise fees collected by the City. As of September 30, 2022, the principal outstanding on the note was \$1,387,811.

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 \$4,056 was paid on this note during the year ended September 30, 2022. As of September 30, 2022, this debt instrument was fully satisfied.

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, 2022, 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 6.25% on September 30, 2022.

Note 5 – 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 \$1,402 was paid on this note during the year ended September 30, 2022. As of September 30, 2022, this debt instrument was fully satisfied.

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 \$74,768 was paid on this note during the year ended September 30, 2022. As of September 30, 2022, the remaining principal outstanding on the note was \$4,231,686.

The following is a summary of governmental activities direct borrowings for the year ended September 30, 2022:

Year Ending September 30,	Governmental Activities			
	Capital Improvement Note		Total	
	Principal	Interest	Principal	Interest
2023	\$ 250,986	\$ 31,824	\$ 250,986	\$ 31,824
2024	257,261	25,548	257,261	25,548
2025	263,839	18,971	263,839	18,971
2026	270,511	12,299	270,511	12,299
2027	277,352	5,458	277,352	5,458
2028	67,862	277	67,862	277
Total	1,387,811	132,410	1,387,811	132,410
Current portion	(250,986)	(31,824)	(250,986)	(31,824)
Payable after one year	\$ 1,136,825	\$ 62,553	\$ 1,136,825	\$ 62,553

City of Rockledge, Florida
Notes to Financial Statements

Note 5 – NOTES PAYABLE (Continued)

The following is a summary of business-type activities direct borrowings for the year ended September 30, 2022:

Year Ending September 30,	Business-type Activities			
	Wastewater System - Series 2021		Total	
	Principal	Interest	Principal	Interest
2023	\$ 449,167	\$ 66,424	\$ 449,167	\$ 66,424
2024	456,469	59,122	456,469	59,122
2025	464,223	51,367	464,223	51,367
2026	471,941	43,649	471,941	43,649
2027	479,788	35,803	479,788	35,803
2028-2031	1,910,098	62,264	1,910,098	62,264
Total	4,231,686	318,629	4,231,686	318,629
Current portion	(449,167)	(66,424)	(449,167)	(66,424)
Payable after one year	\$ 3,782,519	\$ 252,205	\$ 3,782,519	\$ 252,205

Note 6 - CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended September 30, 2022, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Notes payable:					
Community Redevelopment Agency Note, Series 2005	\$ 250,000	\$ -	\$ (250,000)	\$ -	\$ -
Capital Improvement Note	1,632,733	-	(244,922)	1,387,811	250,986
Total notes payable	1,882,733	-	(494,922)	1,387,811	250,986
Other postemployment benefits	697,339	77,579	(217,652)	557,266	-
Compensated absences (1)	1,578,028 *	-	(79,354)	1,498,674	1,198,102
Net pension liability and asset	(2,718,067)	12,684,552	(1,761,231)	8,205,254	-
Governmental activity long-term liabilities	\$ 1,440,033	\$ 12,762,131	\$ (2,553,159)	\$ 11,649,005	\$ 1,449,088
Business-type activities:					
Notes payable:					
State Revolving Fund Note	\$ 91,922	\$ -	\$ (91,922)	\$ -	\$ -
Series 2021 Note	4,672,509	-	(440,823)	4,231,686	449,167
Total notes payable	4,764,431	-	(532,745)	4,231,686	449,167
Other postemployment benefits	262,532	24,274	(68,103)	218,703	-
Compensated absences (1)	437,492 *	6,812	-	444,304	383,792
Net pension liability and asset	(942,376)	2,879,662	(401,874)	1,535,412	-
Business-type activity long-term liabilities	\$ 4,522,079	\$ 2,910,748	\$ (1,002,722)	\$ 6,430,105	\$ 832,959

(1) due to a change in accounting principle, the beginning value of compensated absences has been restated, see note 2

* the change in compensated absences liability is presented as a net change.

Note 6 - CHANGES IN LONG-TERM LIABILITIES (Continued)

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 7 - PLEDGED REVENUES

The City has revenue notes outstanding at September 30, 2022, 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:						
Capital Improvement Note, Series 2009						
Maturity: 2028, Interest rate: 2.50%	\$ 2,500,000	\$ 1,387,811	\$ 1,520,221	10,312.56%	\$ 282,810	\$ 4,666,394
Purpose: Construction of new public safety facilities						
Pledged revenue: Utility taxes and franchise fees						
Business Activities:						
Revenue Notes:						
Capital Improvement Note, Series 2021 (3)						
Maturity: 2031, Interest rate: 1.65%	\$ 4,750,000	\$ 4,231,686	\$ 4,550,315	4,443.59%	\$ 515,590	\$ 2,329,903
Purpose: Construction of wastewater facility improvements						
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 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 8 - TRANSFERS TO/FROM OTHER FUNDS

Operating Transfers	Transfers		Net
	In	Out	
Major Funds:			
General Fund	\$ 1,149,313	\$ (1,508,564)	\$ (359,251)
Community Redevelopment Agency	1,508,755	-	1,508,755
ARPA		(2,155,262)	(2,155,262)
Wastewater System	1,249,020	(190,000)	1,059,020
Sanitation Services	4,073	(123,000)	(118,927)
Stormwater Utility	231,174	(83,000)	148,174
Non-Major Funds:			
Building	491	(83,000)	(82,509)
Total	\$ 4,142,826	\$ (4,142,826)	\$ -

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 \$1,508,564 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.

The following table details the interfund balances as of September 30, 2022:

	Interfund balances	
	Receivables	Payables
Major Funds:		
General Fund	\$ 228,861	\$ -
Community Redevelopment Agency	-	300
ARPA	7,800	999,302
Wastewater System	540,141	-
Sanitation Services	-	6,900
Stormwater Utility	230,300	-
Non-Major Funds:		
Building	-	600
Total	\$ 1,007,102	\$ 1,007,102

Note 9 - NET INVESTMENT IN CAPITAL ASSETS

The elements of this calculation are as follows:

	Governmental Activities	Business-type Activities	Total
Capital assets (net)	\$ 72,191,079	\$ 41,710,681	\$ 113,901,760
Outstanding debt related to capital assets	(1,387,811)	(4,231,686)	(5,619,497)
Unexpended debt proceeds related to capital assets	-	2,998,787	2,998,787
Accounts payable related to capital assets	(116,669)	(1,652,869)	(1,769,538)
	\$ 70,686,599	\$ 38,824,913	\$ 109,511,512

Note 10 - 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)

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 \$195,911 and \$269,833 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, 2022.

Note 10 - RETIREMENT PLANS (Continued)

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

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 2022, employee contributions to the plan totaled \$323,243, while recognized City contributions were \$574,800 or 10.7% of covered payroll.

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 17.70% of annual covered payroll for police officers and 31.20% of covered payroll for firefighters. The City made recognized contributions of \$94,500 and \$389,496 for Police Employees and Fire Employees plans, respectively, for the year ended September 30, 2022.

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 \$465,744 for the year ended September 30, 2022.

Note 10 - RETIREMENT PLANS (Continued)

C. PLAN MEMBERSHIP AND BENEFITS

The makeup of plan participants as of the October 1, 2022 valuation was as follows:

Plan Membership	General Employees	Police Employees	Fire Employees
Inactive plan members or beneficiaries currently receiving benefits	66	25	26
Inactive plan members entitled to, but not yet receiving benefits	8	7	5
Active plan members	125	42	39
Total	199	74	70

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 or age 55 and 25 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 10 - 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 10 - 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, 2022, the annual money-weighted rate of return on the plans' investments, net of pension investment expense, was (14.52)% for General, (14.56)% for Police, and (14.74)% 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	(14.52)%	(14.56)%	(14.74)%

Note 10 - 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, 2022, were as follows:

General Employees:	
Total pension liability	\$ 22,993,134
Plan fiduciary net position	(19,374,874)
City's net pension liability	\$ 3,618,260
Plan fiduciary net position as a percentage of the total pension liability	84.26%
Police Employees:	
Total pension liability	\$ 18,243,075
Plan fiduciary net position	(16,254,560)
City's net pension liability	\$ 1,985,515
Plan fiduciary net position as a percentage of the total pension liability	89.12%
Fire Employees:	
Total pension liability	\$ 16,900,036
Plan fiduciary net position	(12,763,145)
City's net pension liability	\$ 4,136,891
Plan fiduciary net position as a percentage of the total pension liability	75.52%

The total pension liability (asset) was determined by an actuarial valuation as of October 1, 2022 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)	7.55%	7.55%	7.55%
Discount rate	7.55%	7.55%	7.55%

Note 10 - RETIREMENT PLANS (Continued)

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

Mortality rates were based on the July 1, 2019, 2020, and 2021 Florida Retirement System (FRS) special risk actuarial valuation for the Police and Fire Employees plans and the July 1, 2019, 2020, and 2021 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, 2022 valuation were based on the results of an actuarial experience study for the 10-year period preceding 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, 2022, are summarized in the following table:

Asset Class	General Employees		Police Employees		Fire Employees	
	Target Allocation	Long-term Expected Rate of Return	Target Allocation	Long-term Expected Rate of Return	Target Allocation	Long-term Expected 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	7.50%	2.50%	7.50%	2.50%	7.50%	2.50%
International bonds	5.00%	3.50%	5.00%	3.50%	5.00%	3.50%
Real estate & Infrastructure	25.00%	4.50%	25.00%	4.50%	25.00%	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 10 - 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, 2022.

	Employee Benefit Funds			
	General	Police	Fire	Totals
ASSETS	Employees	Employees	Employees	
Cash and cash equivalents	\$ 352,420	\$ 487,754	\$ 213,345	\$ 1,053,519
Contributions receivable	12,141	-	1,670	13,811
Due from other plan	-	1,266	-	1,266
Interest receivable	9,121	8,995	6,434	24,550
Total current assets	373,682	498,015	221,449	1,093,146
Investments, at fair value	19,152,313	15,879,977	12,611,617	47,643,907
Total assets	19,525,995	16,377,992	12,833,066	48,737,053
LIABILITIES				
Prepaid contribution	149,855.00	120,432	69,921	340,208
Due to other plan	1,266	-	-	1,266
Total liabilities	151,121	120,432	69,921	341,474
Net position held in trust for pension benefits	\$ 19,374,874	\$ 16,257,560	\$ 12,763,145	\$ 48,395,579

Note 10 - RETIREMENT PLANS (Continued)

F. PENSION PLAN FINANCIAL STATEMENTS (continued)

	Employee Benefit Funds			
	<u>General Employees</u>	<u>Police Employees</u>	<u>Fire Employees</u>	<u>Totals</u>
Additions:				
Contributions:				
Employer	\$ 574,800	\$ 94,500	\$ 389,496	\$ 1,058,796
State	-	269,833	195,911	465,744
Employees	323,243	170,855	144,468	638,566
Total contributions	898,043	535,188	729,875	2,163,106
Investment income:				
Net depreciation in fair value of investments	(3,746,220)	(3,168,142)	(2,478,663)	(9,393,025)
Interest and dividends	543,368	453,798	361,490	1,358,656
	(3,202,852)	(2,714,344)	(2,117,173)	(8,034,369)
Less: investment related expense	(79,926)	(65,774)	(60,344)	(206,044)
Net investment income	(3,282,778)	(2,780,118)	(2,177,517)	(8,240,413)
Total additions	(2,384,735)	(2,244,930)	(1,447,642)	(6,077,307)
Deductions:				
Benefits	1,198,693	1,295,701	1,232,133	3,726,527
Administrative expense	74,272	189,313	74,609	338,194
Total deductions	1,272,965	1,485,014	1,306,742	4,064,721
Change in net position	(3,657,700)	(3,729,944)	(2,754,384)	(10,142,028)
Net position held in trust for pension benefits:				
Balance at beginning of year	23,032,574	19,987,504	15,517,529	58,537,607
Balance at end of year	\$ 19,374,874	\$ 16,257,560	\$ 12,763,145	\$ 48,395,579

Note 10 - RETIREMENT PLANS (Continued)

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

For the year ended September 30, 2022, the City recognized a pension expense of (\$596,008) for the General Employees plan; (\$562,505) for the Police Employees plan; and (\$603,334) for the Fire Employees plan. The total aggregate pension expense for all plans is (\$1,761,847). On September 30, 2022, 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	\$ 663,036	\$ 589,654	\$ 179,845	\$ 137,638	\$ 342,748	\$ 79,036
Changes of assumptions	228,172	183,926	399,669	195,400	155,609	136,250
Net difference between projected and actual earnings	2,515,348	-	2,036,676	-	1,666,449	-
Total	\$3,406,556	\$ 773,580	\$2,616,190	\$ 333,038	\$2,164,806	\$ 215,286

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>
2023	\$ 463,689	\$ 503,360	\$ 376,873
2024	378,358	369,417	314,220
2025	628,019	461,045	423,533
2026	1,162,910	883,056	771,383
2027	-	48,545	63,511
2028	-	17,729	-
	<u>\$ 2,632,976</u>	<u>\$ 2,283,152</u>	<u>\$ 1,949,520</u>

Note 10 - 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, 2021	\$ 21,113,877	\$ 23,032,574	\$ (1,918,697)
Changes for a year:			
Service cost	609,575	-	609,575
Interest	1,606,471	-	1,606,471
Differences between expected and actual experience	617,162	-	617,162
Changes of assumptions	244,741	-	244,741
Contributions - employer	-	574,800	(574,800)
Contributions - employee	-	323,243	(323,243)
Net investment income	-	(3,282,778)	3,282,778
Benefit payments, including refunds of member contributions	(1,198,693)	(1,198,693)	-
Administrative expense	-	(74,272)	74,272
Net changes	1,879,256	(3,657,700)	5,536,956
Balances at September 30, 2022	\$ 22,993,133	\$ 19,374,874	\$ 3,618,259

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

General Employees	1% Decrease	Current Discount Rate	1% Increase
City's net position liability (asset)	6.55%	7.55%	8.55%
	\$6,317,672	\$ 3,618,259	\$ (1,354,601)

Note 10 - 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, 2021	\$ 17,748,421	\$ 19,987,504	\$ (2,239,083)
Changes for a year:			
Service cost	368,486	-	368,486
Interest	1,328,370	-	1,328,370
Differences between expected and actual experience	17,203	-	17,203
Changes of assumptions	190,262	-	190,262
Contributions - employer	-	94,500	(94,500)
Contributions - state	-	269,833	(269,833)
Contributions - employee	-	170,855	(170,855)
Net investment income	-	(2,780,118)	2,780,118
Benefit payments, including refunds of employee contributions	(1,409,667)	(1,409,667)	-
Administrative expense	-	(75,347)	75,347
Net changes	494,654	(3,729,944)	4,224,598
Balances at September 30, 2022	\$ 18,243,075	\$ 16,257,560	\$ 1,985,515

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

Police Employees	1% Decrease	Current Discount Rate	1% Increase
City's net position asset	6.55%	7.55%	8.55%
	\$ 4,110,617	\$ 1,985,515	\$ 207,905

Note 10 - 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, 2021	\$ 16,014,866	\$ 15,517,529	\$ 497,337
Changes for a year:			
Service cost	324,358	-	324,358
Interest	1,200,149	-	1,200,149
Differences between expected and actual experience	417,259		417,259
Changes of assumptions	175,537	-	175,537
Contributions - employer	-	389,496	(389,496)
Contributions - state	-	195,911	(195,911)
Contributions - employee	-	144,468	(144,468)
Net investment income	-	(2,177,517)	2,177,517
Benefit payments, including refunds of employee contributions	(1,232,133)	(1,232,133)	-
Administrative expense	-	(74,609)	74,609
Net changes	885,170	(2,754,384)	3,639,554
Balances at September 30, 2021	\$ 16,900,036	\$ 12,763,145	\$ 4,136,891

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
City's net position liability (asset)	6.55%	7.55%	8.55%
	\$6,081,191	\$ 4,136,891	\$ 2,507,006

Note 11 – 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.

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, 2022, OPEB membership consisted of the following:

	General Employees	Police	Firefighters
Inactive members	3	4	5
Active members	134	47	41
Total	137	51	46

Note 11 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

D. ACTUARIAL ASSUMPTIONS AND OTHER INPUTS

In the September 30, 2022 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 (13+ for general employees)	4.50%	4.50%	4.50%
Discount rate	4.02%	4.02%	4.02%
Ultimate healthcare cost trend rate	5.00%	5.00%	5.00%
Retirees' share of benefit-related costs	100.00%	100.00%	100.00%

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, 2022 was 4.02%. The discount rate changed to 4.02% from 2.26% 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, 20, and 21. 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, 20, and 21. Sex distinct disability rates are used for both special risk employees and regular employees.

The actuarial assumptions used in the October 1, 2022 valuation were not based on the results of an actuarial experience study.

Note 11 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

D. ACTUARIAL ASSUMPTIONS AND OTHER INPUTS (continued)

At September 30, 2022 the City of Rockledge reported an OPEB liability of \$775,969. The GASB 75 information has been provided as of the September 30, 2022 measurement date.

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a) - (b)
Change in Net OPEB Liability			
Balance at September 30, 2021	\$ 959,871	\$ -	\$ 959,871
Changes for the year:			
Service cost	78,867	-	78,867
Interest	22,986	-	22,986
Difference between expected and actual experience	(114,144)	-	(114,144)
Changes of assumptions	(128,361)	-	(128,361)
Contributions - employer	-	43,250	(43,250)
Benefit payments	(43,250)	(43,250)	-
Net changes	(183,902)	-	(183,902)
Balance at September 30, 2022	\$ 775,969	\$ -	\$ 775,969

There were no changes in assumptions and other inputs from the October 1, 2021 valuation, except the discount rate increased to 4.02% from 2.26%. Furthermore, the mortality tables were updated with the July 2021 iteration of the Florida Retirement System, remaining consistent with those of the pension plans. The methods, assumptions, and participant data used are detailed in the actuarial valuation report dated October 1, 2022.

Note 11 – 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 4.02%, 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 (3.02%) or one percentage point higher (5.02%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Net OPEB liability	3.02% \$846,275	4.02% \$ 775,969	5.02% \$ 712,273

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
Net OPEB liability	4.00% \$693,737	5.00% \$ 775,969	6.00% \$ 873,630

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

For the fiscal year ended September 30, 2022, the City of Rockledge recognized an aggregate OPEB expense of \$70,886. 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	\$ 6,094	\$ 138,557
Changes of assumptions	95,320	103,192
Total	\$ 101,414	\$ 241,749

Note 11 – 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:	
2023	\$ (22,201)
2024	(25,011)
2025	(40,433)
2026	(47,935)
2027	(4,755)
	<u>\$ (140,335)</u>

Note 12 - 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, 2022.

As of September 30, 2022, the City has an estimated \$387,701 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 \$19,045 of accounts payable.

Note 13 - 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 14 - 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	\$ 1,054,081
Income on investments	3,687
Other	1,635
Proceeds from loan	-
Transfer in	1,509,055
Amounts available for appropriation	2,568,458
Salaries and benefits	50,545
Office supplies	1,519
Legal services	16,800
Professional services	72,405
Façade improvement grants	48,372
Promotional materials / recruitment	632
Travel and training	3,367
Memberships and dues	1,450
Miscellaneous expenditures	375
Debt Service	254,056
Insurances	6,052
Infrastructure	608,079
Special events	800
Accounting and audit	6,368
Total charges to appropriations	1,070,820
Excess of resources over charges to appropriations	1,497,638
Fund balance allocation	(1,497,638)
Excess (deficiency) of resources and fund balance allocation over charges to appropriations	\$ -

Note 14 - 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, 2022, is presented below:

Net change in fund balance - budgetary basis	\$ 1,497,638
2021 differences in budget vs GAAP	15,730
2022 differences in budget vs GAAP	(111,630)
<u>allocation over charges to appropriations</u>	<u>\$ 1,401,738</u>

Property taxes consisted of the incremental tax receipts provided by increased assessed values over 2001 levels.

Note 15 - SUBSEQUENT EVENTS

During the immediate period following the end of the fiscal year, the City began responding to Hurricane Ian, which made impact on Brevard County on September 29, 2022. Similarly, Hurricane Nicole made landfall in Vero Beach, Florida on November 10, 2022. The full economic impact of these storms cannot be reasonably estimated at this time, but the majority of related costs are expected to impact the Sanitation Services Fund. The City has submitted a request for public assistance through the Department of Homeland Security's Disaster Grants – Public Assistance (Presidentially Declared Disasters) program administered by the Federal Emergency Management Agency, and expects costs to be largely offset by this program.

The City entered into several capital improvement and acquisition projects, including an up to \$1.27 million agreement to begin the sitework to construct a Multipurpose Center at the McKnight Family Sports Complex.

Rockledge City Council ratified an agreement for a private construction of a sewer system for property on the northwest corner of the City. Costs of construction are estimated to exceed \$750,000 will be offset by a reduction in wastewater connection fees generally payable to the City through the building permitting process. The City has not implemented GASB Statement number 94, but will monitor this transaction for potential availability payment arrangement accounting upon implementation.

The City has considered subsequent events through March 1, 2023.

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

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City of Rockledge, Florida

Budgetary Comparison Schedule – General Fund

<i>Year ended September 30, 2022</i>	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Property taxes	\$ 10,338,116	\$ 10,370,116	\$ 10,370,818	\$ 702
Other local taxes	4,868,406	4,905,406	5,675,541	770,135
Licenses, permits and fees	256,604	256,604	224,961	(31,643)
Intergovernmental	5,706,278	5,706,278	4,875,859	(830,419)
Charges for services	463,890	463,890	491,641	27,751
Fines and forfeitures	33,873	33,873	40,130	6,257
Miscellaneous revenue	99,530	148,530	262,698	114,168
Total revenues	21,766,697	21,884,697	21,941,648	56,951
Expenditures				
Category:				
Administrative:				
Personnel services	1,594,640	1,594,640	1,476,970	117,670
Operating expenditures	116,217	116,217	95,437	20,780
Capital improvement	117,153	117,153	76,954	40,199
Police:				
Personnel services	6,132,468	6,132,468	5,769,852	362,616
Operating expenditures	616,125	676,125	613,881	62,244
Capital improvement	637,900	787,900	513,305	274,595
Fire:				
Personnel services	4,171,194	4,171,194	3,987,381	183,813
Operating expenditures	306,340	326,340	265,246	61,094
Capital improvement	3,123,068	3,123,068	109,083	3,013,985
Public works:				
Personnel services	2,565,346	2,565,346	2,329,555	235,791
Operating expenditures	1,414,368	1,414,368	1,145,185	269,183
Capital improvement	54,000	354,000	315,400	38,600
Mayor and City Council:				
Personnel services	53,287	53,287	53,287	-
Operating expenditures	13,694	14,694	13,853	841
City attorney:				
Personnel services	154,282	164,282	159,471	4,811
Operating expenditures	3,500	8,000	7,475	525
General government:				
Personnel services	319,282	390,282	376,530	13,752
Operating expenditures	1,448,295	1,448,295	1,179,073	269,222
Capital Improvement	-	35,000	34,514	486
Debt service	282,810	282,810	282,810	-
Total expenditures	23,123,969	23,775,469	18,805,262	4,970,207

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, 2022</i>	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Excess (deficit) of revenues over expenditures	\$ (1,357,272)	\$ (1,890,772)	\$ 3,136,386	\$ 5,027,158
Transfers in	1,706,662	2,156,662	1,149,313	(1,007,349)
Transfers out	(1,508,564)	(1,508,564)	(1,508,564)	-
Net change in fund balance	(1,159,174)	(1,242,674)	2,777,135	4,019,809
Fund balances, beginning of the year,	19,828,034	19,828,034	20,216,237	388,203
Fund balance, end of year	\$ 18,668,860	\$ 18,585,360	\$ 22,993,372	\$ 4,408,012

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, 2022</i>	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Property taxes	\$ 1,100,000	\$ 1,100,000	\$ 1,054,081	\$ (45,919)
Miscellaneous revenue	14,587	14,587	5,322	(9,265)
Total revenues	1,114,587	1,114,587	1,059,403	(55,184)
Expenditures				
Planning and development:				
Infrastructure	1,559,258	5,659,258	608,079	5,051,179
Professional services	450,000	450,000	72,405	377,595
Façade improvement grants	200,000	200,000	48,372	151,628
Salaries and benefits	71,137	71,137	50,545	20,592
Special events	40,000	40,000	800	39,200
Legal services	16,800	16,800	16,800	-
Promotional materials / recruitment	10,000	10,000	632	9,368
Insurances	5,675	5,675	6,052	(377)
Travel and training	5,000	5,000	3,367	1,633
Accounting and audit	6,500	6,500	6,368	132
Office supplies	3,000	3,000	1,519	1,481
Memberships and dues	2,000	2,000	1,450	550
Miscellaneous expenditures	500	500	375	125
Debt Service	255,000	255,000	254,056	944
Total expenditures	2,624,870	6,724,870	1,070,820	5,654,050
Excess (deficiency) of revenues over (under) expenditures	(1,510,283)	(5,610,283)	(11,417)	5,598,866
Other financing sources				
Transfers in	1,510,283	1,510,283	1,509,055	(1,228)
Other financing sources	1,510,283	1,510,283	1,509,055	(1,228)
Net change in fund balance	-	(4,100,000)	1,497,638	5,597,638
Fund balances, beginning of year	4,197,735	4,197,735	4,173,033	(24,702)
Fund balances, end of year	\$ 4,197,735	\$ 97,735	\$ 5,670,671	\$ 5,572,936

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, 2022, is presented below:

Net change in fund balance- budgetary basis	\$ 1,497,638
2021 differences in budget vs GAAP	15,730
2022 differences in budget vs GAAP	(111,630)
Net change in fund balance- GAAP basis	<u>\$ 1,401,738</u>

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, 2022</i>	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 5,930,000	\$ 9,799,414	\$ 2,155,262	\$ (7,644,152)
Miscellaneous revenue	-	-	4,544	4,544
Total revenues	5,930,000	9,799,414	2,159,806	(7,639,608)
Excess (deficit) of revenues over expenditures	\$ 5,930,000	\$ 9,799,414	\$ 2,159,806	\$ (7,639,608)
Transfers out	(5,930,000)	(9,799,636)	(2,155,262)	7,644,374
Net change in fund balance	-	(222)	4,544	4,766
Fund balances, beginning of the year,	222	222	222	-
Fund balance, end of year	\$ -	\$ -	\$ 4,766	\$ 4,766

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

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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.

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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 Nine Fiscal Years
General Employees

	2022	2021	2020	2019
Total pension liability				
Service cost	\$ 609,575	\$ 621,801	\$ 652,595	\$ 605,932
Interest	1,606,471	1,540,540	1,548,052	1,488,277
Changes of benefit terms	-	-	-	(45,645)
Difference between expected and actual experience	617,162	277,065	(893,305)	(329,476)
Changes of assumptions	244,741	(134,302)	(218,604)	-
Benefit payments, including refunds of member contributions	(1,198,693)	(1,137,829)	(908,956)	(1,085,673)
Net change in total pension liability	1,879,256	1,167,275	179,782	633,415
Total pension liability - beginning	21,113,877	19,946,602	19,766,820	19,133,405
Total pension liability - ending (a)	\$ 22,993,133	\$ 21,113,877	\$ 19,946,602	\$ 19,766,820
 Plan fiduciary net position				
Contribution - employer	\$ 574,800	\$ 724,655	\$ 720,642	\$ 756,292
Contribution - employee	323,243	306,359	303,417	297,434
Net investment income	(3,282,778)	3,931,392	1,886,395	606,585
Benefit payments, including refunds of member contributions	(1,198,693)	(1,137,829)	(908,956)	(1,085,673)
Administrative expense	(74,272)	(63,270)	(67,175)	(65,394)
Net change in plan fiduciary net position	(3,657,700)	3,761,307	1,934,323	509,244
Plan fiduciary net position - beginning	23,032,574	19,271,267	17,336,944	16,827,700
Plan fiduciary net position - ending (b)	\$ 19,374,874	\$ 23,032,574	\$ 19,271,267	\$ 17,336,944
 Net pension liability (asset) - ending (a) - (b)	\$ 3,618,259	\$ (1,918,697)	\$ 675,335	\$ 2,429,876
 Plan fiduciary net position as a percentage of the total pension liability	84.26%	109.09%	96.61%	87.71%
 Covered payroll	\$ 5,387,387	\$ 5,105,988	\$ 5,056,951	\$ 4,957,236
 Net pension liability as a percentage of covered payroll	67.16%	-37.58%	13.35%	49.02%

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

2018	2017	2016	2015	2014
\$ 605,875	\$ 580,741	\$ 502,300	\$ 500,506	\$ 490,047
1,448,433	1,405,981	1,321,703	1,239,002	1,143,136
-	-	-	-	-
(488,124)	(163,308)	(211,999)	(132,223)	(24,739)
206,529	32,034	840,843	23,782	22,355
(961,938)	(1,727,630)	(753,910)	(429,686)	(438,263)
810,775	127,818	1,698,937	1,201,381	1,192,536
18,322,630	18,194,812	16,495,875	15,294,494	14,101,958
\$ 19,133,405	\$ 18,322,630	\$ 18,194,812	\$ 16,495,875	\$ 15,294,494
<hr/>				
\$ 751,853	\$ 680,623	\$ 561,465	\$ 562,320	\$ 443,171
285,978	275,299	255,031	249,718	244,731
1,507,361	1,710,431	1,227,300	(3,709)	1,129,042
(961,938)	(1,727,630)	(753,910)	(429,686)	(438,263)
(60,095)	(46,286)	(55,175)	(64,461)	(77,399)
1,523,159	892,437	1,234,711	314,182	1,301,282
15,304,541	14,412,104	13,177,393	12,863,211	11,561,929
\$ 16,827,700	\$ 15,304,541	\$ 14,412,104	\$ 13,177,393	\$ 12,863,211
<hr/>				
\$ 2,305,705	\$ 3,018,089	\$ 3,782,708	\$ 3,318,482	\$ 2,431,283
<hr/>				
87.95%	83.53%	79.21%	79.88%	84.10%
\$ 4,766,306	\$ 4,573,157	\$ 4,387,506	\$ 3,864,720	\$ 4,094,475
48.38%	66.00%	86.22%	85.87%	59.38%

City of Rockledge, Florida
Schedules of Defined Benefit Pension Plans

SCHEDULE OF CONTRIBUTIONS

Last Nine Fiscal Years

General Employees

	2022	2021	2020	2019
Actuarially determined contribution	\$ 574,800	\$ 724,655	\$ 720,642	\$ 756,292
Contributions in relation to the actuarially determined contributions	574,800	724,655	720,642	756,292
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
<hr/>				
Covered payroll	\$5,387,387	\$5,105,988	\$5,056,951	\$4,957,236
Contributions as a percentage of covered payroll	10.7%	14.2%	14.3%	15.3%

Notes to Schedule

Valuation Date: 10/1/22

Note 1: Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year 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

2018	2017	2016	2015	2014
\$ 751,853	\$ 672,777	\$ 561,465	\$ 562,320	\$ 443,171
751,853	680,623	561,465	562,320	443,171
\$ -	\$ (7,846)	\$ -	\$ -	\$ -
\$4,766,306	\$4,573,157	\$4,387,506	\$3,864,720	\$4,094,475
15.8%	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 Nine Fiscal Years

Police Employees

	2022	2021	2020	2019
Total pension liability				
Service cost	\$ 368,486	\$ 382,153	\$ 414,205	\$ 401,170
Interest	1,328,370	1,295,989	1,271,367	1,191,725
Changes of benefit terms	-	-	-	(12,487)
Difference between expected and actual experience	17,203	205,503	(76,767)	37,959
Changes of assumptions	190,262	132,191	(321,354)	-
Benefit payments, including refunds of member contributions	(1,409,667)	(1,085,578)	(798,029)	(457,662)
Net change in total pension liability	494,654	930,258	489,422	1,160,705
Total pension liability - beginning	17,748,421	16,818,163	16,328,741	15,168,036
Total pension liability - ending (a)	\$ 18,243,075	\$ 17,748,421	\$ 16,818,163	\$ 16,328,741
 Plan fiduciary net position				
Contribution - employer	\$ 94,500	\$ 214,932	\$ 223,878	\$ 238,901
Contribution - state	269,833	247,231	244,109	229,301
Contribution - employee	170,855	152,146	154,795	187,557
Net investment income	(2,780,118)	3,509,893	1,665,927	491,806
Benefit payments, including refunds of member contributions	(1,409,667)	(1,085,578)	(798,029)	(457,662)
Administrative expense	(75,347)	(67,589)	(66,077)	(63,865)
Net change in plan fiduciary net position	(3,729,944)	2,971,035	1,424,603	626,038
Plan fiduciary net position - beginning	19,987,504	17,016,469	15,591,866	14,965,828
Plan fiduciary net position - ending (b)	\$ 16,257,560	\$ 19,987,504	\$ 17,016,469	\$ 15,591,866
 Net pension liability (asset) - ending (a) - (b)	\$ 1,985,515	\$ (2,239,083)	\$ (198,306)	\$ 736,875
 Plan fiduciary net position as a percentage of the total pension liability	89.12%	112.62%	101.18%	95.49%
 Covered payroll	\$ 2,440,793	\$ 2,173,510	\$ 2,211,353	\$ 2,234,127
Net pension liability as a percentage of covered payroll	81.35%	-103.02%	-8.97%	32.98%

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

2018	2017	2016	2015	2014
\$ 385,421	\$ 427,707	\$ 411,090	\$ 424,738	\$ 383,990
1,123,149	1,047,395	961,067	900,239	828,134
-	-	-	-	-
(132,738)	(65,611)	(156,120)	(118,810)	10,982
321,084	(3,883)	226,678	11,608	11,211
(453,905)	(382,951)	(395,306)	(470,342)	(277,266)
1,243,011	1,022,657	1,047,409	747,433	957,051
13,925,025	12,902,368	11,854,959	11,107,526	10,150,475
<u>\$ 15,168,036</u>	<u>\$ 13,925,025</u>	<u>\$ 12,902,368</u>	<u>\$ 11,854,959</u>	<u>\$ 11,107,526</u>
\$ 259,625	\$ 218,130	\$ 214,124	\$ 218,903	\$ 175,170
216,318	195,099	191,152	175,977	175,891
151,048	155,403	162,989	158,642	158,054
1,346,363	1,525,941	1,041,785	11,458	943,080
(453,905)	(382,951)	(395,306)	(470,342)	(277,266)
(62,778)	(63,054)	(52,859)	(70,435)	(69,739)
1,456,671	1,648,568	1,161,885	24,203	1,105,190
13,509,157	11,860,589	10,698,704	10,674,501	9,569,311
<u>\$ 14,965,828</u>	<u>\$ 13,509,157</u>	<u>\$ 11,860,589</u>	<u>\$ 10,698,704</u>	<u>\$ 10,674,501</u>
<u>\$ 202,208</u>	<u>\$ 415,868</u>	<u>\$ 1,041,779</u>	<u>\$ 1,156,255</u>	<u>\$ 433,025</u>
98.67%	97.01%	91.93%	90.25%	96.10%
\$ 2,157,825	\$ 2,220,009	\$ 2,412,232	\$ 2,156,109	\$ 2,253,905
9.37%	18.73%	43.19%	53.63%	19.21%

City of Rockledge, Florida
Schedules of Defined Benefit Pension Plans

SCHEDULE OF CONTRIBUTIONS

Last Nine Fiscal Years

Police Employees

	2022	2021	2020	2019
Actuarially determined contribution	\$ 94,500	\$ 197,002	\$ 196,087	\$ 204,699
Contributions in relation to the				
actuarially determined contributions	94,500	214,932	223,878	238,901
Contribution deficiency (excess)	\$ -	\$ (17,930)	\$ (27,791)	\$ (34,202)
<hr/>				
Covered payroll	\$ 2,440,793	\$ 2,173,510	\$ 2,211,353	\$ 2,234,127
Contributions as a percentage of covered payroll	3.9%	9.1%	8.9%	9.2%

Notes to Schedule

Valuation Date: 10/1/22

Note 1: Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year 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

2018		2017		2016		2015		2014	
\$	234,459	\$	210,378	\$	214,124	\$	218,903	\$	175,170
	259,625		218,130		214,124		218,903		175,170
\$	(25,166)	\$	(7,752)	\$	-	\$	-	\$	-
<hr/>									
\$	2,157,825	\$	2,220,009	\$	2,412,232	\$	2,156,109	\$	2,253,905
	10.9%		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 Nine Fiscal Years
Fire Employees

	2022	2021	2020	2019
Total pension liability				
Service cost	\$ 324,358	\$ 335,790	\$ 330,848	\$ 281,063
Interest	1,200,149	1,185,898	1,170,575	1,148,416
Changes of benefit terms	-	69,519	-	(12,971)
Difference between expected and actual experience	417,259	(12,533)	(8,335)	(194,742)
Changes of assumptions	175,537	(44,778)	(249,721)	-
Benefit payments, including refunds of member contributions	(1,232,133)	(1,037,051)	(866,650)	(1,107,999)
Net change in total pension liability	885,170	496,845	376,717	113,767
Total pension liability - beginning	16,014,866	15,518,021	15,141,304	15,027,537
Total pension liability - ending (a)	\$ 16,900,036	\$ 16,014,866	\$ 15,518,021	\$ 15,141,304
 Plan fiduciary net position				
Contribution - employer	\$ 389,496	\$ 459,417	\$ 459,690	\$ 498,650
Contribution - state	195,911	185,590	140,547	155,266
Contribution - employee	144,468	138,392	130,053	130,716
Net investment income	(2,177,517)	2,642,128	1,281,413	414,941
Benefit payments, including refunds of member contributions	(1,232,133)	(1,037,051)	(866,650)	(1,107,999)
Administrative expense	(74,609)	(71,622)	(67,126)	(68,082)
Net change in plan fiduciary net position	(2,754,384)	2,316,854	1,077,927	23,492
Plan fiduciary net position - beginning	15,517,529	13,200,675	12,122,748	12,099,256
Plan fiduciary net position - ending (b)	\$ 12,763,145	\$ 15,517,529	\$ 13,200,675	\$ 12,122,748
 Net pension liability - ending (a) - (b)	\$ 4,136,891	\$ 497,337	\$ 2,317,346	\$ 3,018,556
 Plan fiduciary net position as a percentage of the total pension liability	75.52%	96.89%	85.07%	80.06%
 Covered payroll	\$ 2,063,835	\$ 1,977,033	\$ 1,857,899	\$ 1,867,373
Net pension liability as a percentage of covered payroll	200.45%	25.16%	124.73%	161.65%

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

	2018	2017	2016	2015	2014
\$	282,331	\$ 274,692	\$ 246,725	\$ 250,317	\$ 229,390
	1,157,646	1,133,189	1,079,211	1,057,332	1,033,194
	-	-	-	-	-
	(306,100)	(103,605)	(66,127)	(223,951)	(123,099)
	154,133	(59)	307,379	12,388	11,756
	(1,315,062)	(675,538)	(815,013)	(806,383)	(936,323)
	(27,052)	628,679	752,175	289,703	214,918
	15,054,589	14,425,910	13,673,735	13,384,032	13,169,114
\$	15,027,537	\$ 15,054,589	\$ 14,425,910	\$ 13,673,735	\$ 13,384,032
<hr/>					
\$	479,284	\$ 434,969	\$ 390,264	\$ 362,979	\$ 381,796
	144,344	138,409	154,239	173,333	185,014
	116,807	105,910	104,923	100,309	98,920
	1,086,797	1,267,423	884,745	23,097	824,985
	(1,315,062)	(675,538)	(815,013)	(806,383)	(936,323)
	(65,512)	(68,567)	(59,280)	(71,278)	(68,075)
	446,658	1,202,606	659,878	(217,943)	486,317
	11,652,598	10,449,992	9,790,114	10,008,057	9,521,740
\$	12,099,256	\$ 11,652,598	\$ 10,449,992	\$ 9,790,114	\$ 10,008,057
<hr/>					
\$	2,928,281	\$ 3,401,991	\$ 3,975,918	\$ 3,883,621	\$ 3,375,975
<hr/>					
	80.51%	77.40%	72.44%	71.60%	74.78%
\$	1,668,674	\$ 1,513,002	\$ 1,554,319	\$ 1,366,711	\$ 1,424,542
	175.49%	224.85%	255.80%	284.16%	236.99%

City of Rockledge, Florida
Schedules of Defined Benefit Pension Plans

SCHEDULE OF CONTRIBUTIONS
Last Nine Fiscal Years
Fire Employees

	2022	2021	2020	2019
Actuarially determined contribution	\$ 389,796	\$ 429,093	\$ 459,690	\$ 481,793
Contributions in relation to the actuarially determined contributions	389,796	459,417	459,690	498,650
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ (30,324)</u>	<u>\$ -</u>	<u>\$ (16,857)</u>
 Covered payroll	 \$ 2,063,835	 \$ 1,977,033	 \$ 1,857,899	 \$ 1,867,373
Contributions as a percentage of covered payroll	18.9%	21.7%	24.7%	25.8%

Notes to Schedule

Valuation Date: 10/1/22

Note 1: Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year 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 7.55%.

City of Rockledge, Florida
Schedules of Defined Benefit Pension Plans

2018	2017	2016	2015	2014
\$ 479,284	\$ 434,969	\$ 390,264	\$ 362,979	\$ 381,796
479,284	434,969	390,264	362,979	381,796
\$ -	\$ -	\$ -	\$ -	\$ -
\$ 1,668,674	\$ 1,513,002	\$ 1,554,319	\$ 1,366,711	\$ 1,424,542
28.7%	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:	7.55%	7.55%	7.55%
Retirement age:	Age 65 and 10 years of service or 55 and 25 years of service, whichever produces the higher liability	Age 52 and 10 years of service	Age 52 and 25 years or age 55 and 10 years of service.
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:	7/01/21 FRS not special risk	7/01/21 FRS special risk	7/01/21 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								
2022	2021	2020	2019	2018	2017	2016	2015	2014
-14.52%	20.17%	10.59%	3.27%	9.52%	12.40%	9.28%	-0.50%	9.37%
Police Employees								
2022	2021	2020	2019	2018	2017	2016	2015	2014
-14.56%	20.74%	10.47%	2.90%	9.59%	12.39%	9.23%	-0.56%	9.20%
Fire Employees								
2022	2021	2020	2019	2018	2017	2016	2015	2014
-14.74%	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,	2022	2021	2020	2019	2018
Total OPEB liability					
Service Cost	\$ 78,867	\$ 75,862	\$ 63,212	\$ 45,450	\$ 44,639
Interest	22,986	21,531	21,677	28,740	30,469
Differences between expected and actual experience	(114,144)	(60,075)	13,711	(22,953)	(66,390)
Changes of assumptions	(128,361)	53,255	99,743	72,699	-
Benefit payments	(43,250)	(58,109)	(45,297)	(45,223)	(60,258)
Net change in total OPEB liability	(183,902)	32,464	153,046	78,713	(51,540)
Total OPEB liability - beginning	959,871	927,407	774,361	695,648	747,188
Total OPEB liability - ending	\$ 775,969	\$ 959,871	\$ 927,407	\$ 774,361	\$ 695,648
Plan fiduciary net position					
Contributions - employer	\$ 43,250	\$ 58,109	\$ 45,297	\$ 45,223	\$ 60,258
Contributions - employee	-	-	-	-	-
Net investment income	-	-	-	-	-
Benefit payments	(43,250)	(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	\$ -	\$ -	\$ -	\$ -	\$ -
Net OPEB liability	\$ 775,969	\$ 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%	0.00%
Covered payroll	\$11,196,740	\$10,799,549	\$ 9,556,748	\$ 9,750,596	\$ 9,183,488
Net OPEB liability as a percentage of covered payroll	6.93%	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	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018
Discount	4.02%	2.26%	2.21%	2.66%	4.00%
Inflation	2.00%	2.00%	2.00%	2.00%	2.50%

Note 3: There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related OPEB benefits.

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, 2022							
ASSETS							
Cash and cash equivalents	\$ 47,038	\$ 22,735	\$ 330	\$ 1,854	\$ 71,957		
Total assets	\$ 47,038	\$ 22,735	\$ 330	\$ 1,854	\$ 71,957		
FUND BALANCES							
Restricted	47,038	22,735	330	1,854	71,957		
Total fund balances	47,038	22,735	330	1,854	71,957		
Total liabilities and fund balances	\$ 47,038	\$ 22,735	\$ 330	\$ 1,854	\$ 71,957		

City of Rockledge, Florida

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

<i>Year Ended September 30, 2022</i>	Special Revenue Funds				Total Nonmajor Governmental Funds
	Law Enforcement Education	Transportation Impact Fee	Taylor Park Trust	Rockledge Heritage Foundation	
Revenues					
Intergovernmental	\$ -	\$ -	\$ -	\$ 50	\$ 50
Fines and forfeitures	2,228	-	-	-	2,228
Interest and other	32	21	-	-	53
Total revenues	2,260	21	-	50	2,331
Expenditures					
Public works	-	56,566	-	-	56,566
General government	-	-	-	61	61
Total expenditures	-	56,566	-	61	56,627
Excess (deficiency) of revenues over (under) expenditures	2,260	(56,545)	-	(11)	(54,296)
Fund balances, beginning of year	44,778	79,280	330	1,865	126,253
Fund balances, end of year	\$ 47,038	\$ 22,735	\$ 330	\$ 1,854	\$ 71,957

City of Rockledge, Florida

Combining Statement of Net Position - Nonmajor Proprietary Funds

<i>September 30, 2022</i>	Nonmajor Sanitation Impact Fee		Nonmajor Building		Total
ASSETS					
Current assets:					
Cash and cash equivalents	\$	128,148	\$	446,558	\$ 574,706
Prepaid items		-		2,162	2,162
Total current assets		128,148		448,720	576,868
Total assets		128,148		448,720	576,868
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflow of OPEB expense		-		1,014	1,014
Deferred outflow of pension expenses		-		180,884	180,884
Total deferred outflow of resources		-		181,898	181,898
LIABILITIES					
Current liabilities (payable from current assets):					
Accounts payable		-		141,513	141,513
Accrued payroll and related liabilities		-		4,079	4,079
Due to other funds		-		600	600
Compensated absences		-		15,715	15,715
Total current liabilities		-		161,907	161,907
Noncurrent liabilities:					
Net OPEB liability		-		7,760	7,760
Net pension liability		-		102,715	102,715
Total noncurrent liabilities		-		110,475	110,475
Total liabilities		-		272,382	272,382
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows of pension earnings		-		41,076	41,076
Deferred inflows of OPEB earnings		-		2,417	2,417
Total deferred inflows of resources		-		43,493	43,493
NET POSITION					
Restricted for:					
Public Safety		-		314,743	314,743
Capital projects		128,148		-	128,148
Total net position	\$	128,148	\$	314,743	\$ 442,891

City of Rockledge, Florida

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

<i>Year ended September 30, 2022</i>	Nonmajor Sanitation Impact Fee	Nonmajor Building	Total
Operating revenues:			
Charges for services	\$ 43,305	\$ 738,498	\$ 781,803
Miscellaneous revenue	-	2,027	2,027
Total operating revenues	43,305	740,525	783,830
Operating expenses:			
Salaries, wages and employee benefits	-	148,256	148,256
Contractual, materials, and supplies	-	332,518	332,518
Repairs and maintenance	-	3,930	3,930
Total operating expenses	-	484,704	484,704
Operating income (loss)	43,305	255,821	299,126
Nonoperating revenues (expenses):			
Interest income	72	183	255
Total nonoperating revenues (expenses)	72	183	255
Income (loss) before contributions	43,377	256,004	299,381
Transfers in	-	491	491
Transfers out	-	(83,000)	(83,000)
Change in net position	43,377	173,495	216,872
Net position, beginning of year as previously reported	84,771	141,379	226,150
Prior period adjustment (see Note 2)	-	(131)	(131)
Net position, beginning of year	84,771	141,248	226,019
Net position, end of year	\$ 128,148	\$ 314,743	\$ 442,891

City of Rockledge, Florida

Combining Statement of Cash Flows - Nonmajor Proprietary Funds

<i>Year Ended September 30, 2022</i>	Business-type Activities - Enterprise Funds		
	Nonmajor Sanitation Impact Fee	Nonmajor Building	Total
Cash flows from operating activities:			
Cash received from customers for sales and services	\$ 43,305	\$ 740,525	\$ 783,830
Cash payments to employees	-	(127,527)	(127,527)
Cash payments to suppliers for goods and services	-	(270,395)	(270,395)
Net cash provided by operating activities	43,305	342,603	385,908
Cash flows from noncapital financing activities:			
Cash transfers in from other funds	-	1,091	1,091
Cash transfers out to other funds	-	(83,000)	(83,000)
Net cash used in noncapital financing activities	-	(81,909)	(81,909)
Cash flows from investing activities:			
Investment income	72	183	255
Net cash provided by investing activities	72	183	255
Net increase in cash and cash equivalents	43,377	260,877	304,254
Cash and cash equivalents, beginning of year	84,771	185,681	270,452
Cash and cash equivalents, end of year	\$ 128,148	\$ 446,558	\$ 574,706

<i>Year Ended September 30, 2022</i>	Business-type Activities - Enterprise Funds		
	Nonmajor Sanitation Impact Fee	Nonmajor Building	Total
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	\$ 43,305	\$ 255,821	\$ 299,126
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Change in assets and liabilities:			
(Increase) decrease in assets:			
Prepaid items	-	(425)	(425)
Deferred outflows of OPEB expense	-	(870)	(870)
Deferred outflows of pension expenses	-	(179,396)	(179,396)
Increase (decrease) in liabilities:			
Accounts payable	-	66,478	66,478
Contracts payable	-	-	-
Accrued payroll and related liabilities	-	11,787	11,787
Net OPEB obligation	-	7,210	7,210
Net pension liability	-	189,364	189,364
Deferred inflows of pension earnings	-	(9,243)	(9,243)
Deferred inflows of OPEB earnings	-	1,877	1,877
Total adjustments	-	86,782	86,782
Net cash provided by operating activities	\$ 43,305	\$ 342,603	\$ 385,908

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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.

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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 Principal 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.

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Schedule A-1

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

City of Rockledge, Florida Net Position by Component Last Ten Fiscal Years Schedule A-1				
	2013	2014	2015	2016
Governmental activities				
Net investment in capital assets	\$38,040,455	\$38,708,247	\$39,504,354	\$40,091,387
Restricted	1,280,171	1,341,926	1,353,697	1,258,914
Unrestricted	<u>8,535,708</u>	<u>9,166,534</u>	<u>3,048,697</u>	<u>3,368,006</u>
Total governmental activities net position	<u>\$47,856,334</u>	<u>\$49,216,707</u>	<u>\$43,906,748</u>	<u>\$44,718,307</u>
Business-type activities				
Net investment in capital assets	\$32,549,989	\$32,636,857	\$33,479,991	\$35,445,283
Restricted	1,913,250	2,012,130	2,412,369	2,564,919
Unrestricted	<u>6,627,522</u>	<u>6,589,285</u>	<u>4,043,179</u>	<u>3,003,660</u>
Total business-type activities net position	<u>\$41,090,761</u>	<u>\$41,238,272</u>	<u>\$39,935,539</u>	<u>\$41,013,862</u>
Primary government				
Net investment in capital assets	\$70,590,444	\$71,345,104	\$72,984,345	\$75,536,670
Restricted	3,193,421	3,354,056	3,766,066	3,823,833
Unrestricted	<u>15,163,230</u>	<u>15,755,819</u>	<u>7,091,876</u>	<u>6,371,666</u>
Total primary government activities net position	<u>\$88,947,095</u>	<u>\$90,454,979</u>	<u>\$83,842,287</u>	<u>\$85,732,169</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.

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

Schedule A-1

2017	2018	2019	2020	2021	2022
\$40,126,774	\$39,291,479	\$42,561,982	\$41,969,062	\$71,072,994	\$70,686,599
2,628,476	3,227,111	1,876,846	3,613,628	4,793,546	5,999,350
<u>3,769,243</u>	<u>6,549,155</u>	<u>8,117,838</u>	<u>11,228,923</u>	<u>16,707,474</u>	<u>20,313,900</u>
<u>\$46,524,493</u>	<u>\$49,067,745</u>	<u>\$52,556,666</u>	<u>\$56,811,613</u>	<u>\$92,574,014</u>	<u>\$96,999,849</u>
\$37,817,923	\$37,765,234	\$36,704,380	\$36,828,163	\$34,738,386	\$38,824,913
2,701,663	2,399,508	2,794,158	7,129,738	12,071,164	7,458,426
<u>2,846,325</u>	<u>6,551,561</u>	<u>7,629,598</u>	<u>5,772,267</u>	<u>8,383,614</u>	<u>12,377,888</u>
<u>\$43,365,911</u>	<u>\$46,716,303</u>	<u>\$47,128,136</u>	<u>\$49,730,168</u>	<u>\$55,193,164</u>	<u>\$58,661,227</u>
\$77,944,697	\$77,056,713	\$79,266,362	\$78,797,225	\$105,811,380	\$109,511,512
5,330,139	5,626,619	4,671,004	10,743,366	16,864,710	13,457,776
<u>6,615,568</u>	<u>13,100,716</u>	<u>15,747,436</u>	<u>17,001,190</u>	<u>25,091,088</u>	<u>32,691,788</u>
<u>\$89,890,404</u>	<u>\$95,784,048</u>	<u>\$99,684,802</u>	<u>\$106,541,781</u>	<u>\$147,767,178</u>	<u>\$155,661,076</u>

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

Schedule A-2.1

Changes in Net Position
Last Ten Fiscal Years
Schedule A-2.1

	2013	2014	2015	2016
Program expenses				
Governmental activities:				
General government	\$1,644,207	\$1,838,034	\$1,826,913	\$1,772,664
Administrative services	1,493,480	1,392,686	1,581,902	1,722,151
Mayor and City Council	42,737	47,344	42,879	46,318
City attorney	80,806	111,120	102,736	99,409
Police	5,488,927	5,054,733	5,832,043	5,868,157
Fire	3,686,492	3,569,439	3,774,553	3,938,926
Public Works	2,544,905	2,383,547	2,738,873	2,483,383
Planning and Development	556,577	705,539	735,678	1,061,529
Parks and Recreation	4,987	4,987	5,909	2,715
Community Relations	41,324	35,924	66,997	-
Total governmental activities	<u>\$15,584,442</u>	<u>\$15,143,353</u>	<u>\$16,708,483</u>	<u>\$16,995,252</u>
Business-type activities:				
Wastewater systems	\$4,118,552	\$4,184,270	\$4,349,694	\$4,252,809
Sanitation services	2,375,107	2,561,345	2,622,133	2,524,783
Stormwater utility	753,281	789,057	1,158,358	795,707
Building Department	-	-	-	-
Total business-type activities	<u>\$7,246,940</u>	<u>\$7,534,672</u>	<u>\$8,130,185</u>	<u>\$7,573,299</u>
Total primary government activities	<u>\$22,831,382</u>	<u>\$22,678,025</u>	<u>\$24,838,668</u>	<u>\$24,568,551</u>
Program revenues				
Governmental activities:				
General government	-	-	-	\$213,798
Administrative services	734,562	723,088	734,426	2,321
Police	237,025	230,097	168,618	250,380
Fire	-	-	-	157,712
Public Works	113,710	125,962	122,783	3,756
Planning and Development	-	-	-	306,058
Parks and Recreation	-	-	-	98,284
Community Relations	-	-	-	99,800
Operating grants and contributions	-	-	3,692	-
Capital grants and contributions	469,642	194,347	356,095	153,330
Total governmental activities	<u>\$1,554,939</u>	<u>\$1,273,494</u>	<u>\$1,385,614</u>	<u>\$1,285,439</u>
Business-type activities:				
Wastewater systems	\$4,142,307	\$4,071,262	\$4,497,101	\$4,454,505
Sanitation services	2,543,104	2,529,306	2,537,637	2,511,449
Stormwater utility	763,278	785,466	907,419	894,919
Sanitation Impact Fee	-	-	-	-
Building Department	-	-	-	-
Operating grants and contributions	-	-	-	-
Capital grants and contributions	319,820	256,012	(64,204)	739,193
Total business-type activities	<u>\$7,768,509</u>	<u>\$7,642,046</u>	<u>\$7,877,953</u>	<u>\$8,600,066</u>
Total primary government activities	<u>\$9,323,448</u>	<u>\$8,915,540</u>	<u>\$9,263,567</u>	<u>\$9,885,505</u>

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

Schedule A-2.1

2017	2018	2019	2020	2021	2022
\$2,021,945	\$2,368,258	\$2,773,667	\$1,662,696	\$1,520,046	\$1,379,962
1,698,634	1,651,826	1,743,873	1,631,846	1,397,781	1,698,464
52,352	54,390	56,341	52,452	54,663	67,140
91,552	98,685	100,544	109,935	174,780	183,817
5,800,342	5,683,051	6,120,622	6,179,375	6,071,467	7,348,836
3,800,922	4,136,215	3,992,360	3,779,001	4,333,160	4,546,332
2,615,109	2,570,645	2,786,969	3,376,741	2,927,536	4,193,975
632,251	559,740	526,010	512,019	615,649	426,397
-	779	-	-	-	-
-	-	-	-	-	-
<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>	<u>\$19,844,923</u>
\$3,855,516	\$3,866,288	\$5,048,962	\$4,486,995	\$4,419,510	\$4,954,911
3,160,303	2,925,296	2,807,127	2,884,179	2,819,006	3,304,774
680,307	667,642	1,252,924	739,102	914,229	931,708
-	-	-	-	266,627	484,704
<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>\$9,676,097</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>	<u>\$29,521,020</u>
\$144,198	\$161,795	\$161,062	\$171,252	\$211,454	\$92,213
23,792	29,765	26,055	23,798	325	-
269,334	301,647	300,701	290,838	387,378	276,599
144,480	150,086	165,202	150,203	3,700	2,900
36,315	4,905	9,009	7,719	176,987	144,242
433,762	652,222	814,838	913,433	115,746	225,036
61,276	52,778	107,822	76,470	94,292	-
91,750	180,140	273,000	266,250	99,699	-
-	-	-	-	309,146	10,122
245,209	105,821	107,756	173,257	30,180,656	2,297,816
<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>	<u>\$3,048,928</u>
\$4,475,489	\$4,613,243	\$4,716,016	\$4,883,363	\$5,103,545	\$5,344,838
2,673,077	2,771,980	2,875,388	3,414,958	3,621,703	3,903,423
932,025	1,072,130	1,112,707	1,163,377	1,177,431	1,247,926
-	-	-	47,128	37,590	43,305
-	-	-	-	489,411	738,498
-	-	66,015	51,060	-	2,721
2,332,128	2,739,968	1,025,255	1,503,789	3,866,277	883,714
<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>\$12,164,425</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>	<u>\$15,213,353</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

	2013	2014	2015	2016
Net (expense) revenue				
Governmental activities	(\$14,029,502)	(\$13,869,859)	(\$15,322,869)	(\$15,709,813)
Business-type activities	521,569	107,374	(252,232)	1,026,767
Total primary government net expense	(\$13,507,933)	(\$13,762,485)	(\$15,575,101)	(\$14,683,046)
General revenues and other changes in net position				
Governmental activities:				
General revenues:				
Taxes:				
Property taxes, levied for general purposes	\$6,634,289	\$6,895,640	\$7,313,823	\$7,715,035
Gas Tax	703,974	728,245	772,807	852,134
Sales Tax	1,209,295	1,269,330	1,352,324	1,420,502
Franchise fees	1,527,080	1,640,774	1,676,139	1,614,889
Other taxes	3,615,255	3,676,335	3,698,333	3,334,088
State revenue sharing	625,958	732,881	794,957	828,610
Fines and Forfeitures	-	-	-	-
Investment earnings	127,515	17,540	76,450	123,346
Miscellaneous	192,252	269,487	423,839	478,158
Gain (loss) on sale of capital assets	-	-	-	-
Transfers, net	-	-	-	-
Total government activities	\$14,635,618	\$15,230,232	\$16,108,672	\$16,366,762
Business-type activities:				
Investment earnings	\$7,350	\$40,137	\$52,921	\$51,556
Transfers, net	-	-	-	-
Miscellaneous	-	-	-	-
Gain (loss) on sale of capital assets	-	-	-	-
Total business-type activities	\$7,350	\$40,137	\$52,921	\$51,556
Total primary government activities	\$14,642,968	\$15,270,369	\$16,161,593	\$16,418,318
Changes in net position				
Governmental activities	\$606,116	\$1,360,373	\$785,803	\$656,949
Business-type activities	528,919	147,511	(199,311)	1,078,323
Total primary government net expense	\$1,135,035	\$1,507,884	\$586,492	\$1,735,272

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

Schedule A-2.2

2017	2018	2019	2020	2021	2022
(\$15,262,991)	(\$15,484,430)	(\$16,134,941)	(\$15,230,845)	\$14,484,301	(\$16,795,995)
2,716,593	3,738,095	686,368	2,906,271	5,876,585	2,488,328
(\$12,546,398)	(\$11,746,335)	(\$15,448,573)	(\$12,324,574)	\$20,360,886	(\$14,307,667)
\$8,227,077	\$8,859,777	\$9,592,716	\$10,212,787	\$11,051,399	\$11,424,899
890,542	843,109	928,929	875,842	885,741	958,034
1,537,609	1,625,531	1,626,160	1,557,760	1,769,809	2,005,609
1,629,519	1,607,366	1,673,118	1,637,012	1,733,682	2,040,696
3,262,780	3,507,282	3,537,037	3,472,293	3,994,554	3,634,845
895,795	935,071	982,855	895,558	1,067,049	1,850,642
-	-	-	-	-	42,358
83,813	27,232	310,740	261,618	33,748	(25,004)
146,042	256,675	200,421	176,922	459,419	299,258
-	-	-	-	-	(3,749)
396,000	396,000	396,000	396,000	394,839	(1,005,758)
\$17,069,177	\$18,058,043	\$19,247,976	\$19,485,792	\$21,390,240	\$21,221,830
\$31,456	\$19,248	\$118,625	\$91,070	\$12,340	(\$36,532)
(396,000)	(396,000)	(396,000)	(396,000)	(394,839)	1,005,758
-	-	2,840	-	-	2,027
-	-	-	691	-	8,482
(\$364,544)	(\$376,752)	(\$274,535)	(\$304,239)	(\$382,499)	\$979,735
\$16,704,633	\$17,681,291	\$18,973,441	\$19,181,553	\$21,007,741	\$22,201,565
\$1,806,186	\$2,573,613	\$3,113,035	\$4,254,947	\$35,874,541	\$4,425,835
2,352,049	3,361,343	411,833	2,602,032	5,494,086	3,468,063
\$4,158,235	\$5,934,956	\$3,524,868	\$6,856,979	\$41,368,627	\$7,893,898

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

	2013	2014	2015	2016
General Fund				
Nonspendable	\$ 300,053	\$ 221,197	\$ 189,189	\$ 217,064
Restricted	235,359	256,826	259,999	312,964
Committed	-	-	-	-
Assigned	146,459	575,978	549,463	464,150
Unassigned	9,268,601	8,977,409	9,302,830	9,765,203
Total General Fund	<u>\$ 9,950,472</u>	<u>\$ 10,031,410</u>	<u>\$ 10,301,481</u>	<u>\$ 10,759,381</u>
All Other Governmental Funds				
Nonspendable	-	\$ 4,376	\$ 4,413	\$ 6,022
Restricted	1,044,812	1,080,724	1,089,285	945,950
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total All Other Governmental Funds	<u>\$ 1,044,812</u>	<u>\$ 1,085,100</u>	<u>\$ 1,093,698</u>	<u>\$ 951,972</u>

Notes: 1. Modified accrual basis of accounting.

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

Schedule A-3

2017	2018	2019	2020	2021	2022
\$ 241,429	\$ 269,353	\$ 116,759	\$ 269,427	\$ 305,010	\$ 356,131
329,903	332,270	426,217	779,458	490,344	344,935
-	-	-	-	-	-
497,239	2,145,518	500,000	1,050,621	1,115,015	1,277,145
10,980,108	11,667,675	13,790,315	14,826,421	18,305,868	21,015,161
<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>	<u>\$ 22,993,372</u>
\$ 6,246	\$ 6,091	-	\$ 5,583	\$ 5,279	\$ 6,052
1,372,893	1,969,161	1,450,629	3,092,215	4,303,202	5,654,415
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<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>	<u>\$ 5,660,467</u>

Schedule A-4

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

Changes in Fund Balances, Governmental Funds Last Ten Fiscal Years Schedule A-4				
	2013	2014	2015	2016
Revenues				
Property Taxes	\$6,634,289	\$6,895,640	\$7,313,823	\$7,727,291
Other Local Taxes	3,265,308	3,315,430	3,349,023	3,317,832
Licenses, permits and fees	1,820,960	1,892,566	1,917,529	1,889,132
Intergovernmental revenues	3,483,558	3,410,296	3,754,153	3,610,175
Charges for services	609,755	642,835	598,710	654,636
Fines and forfeitures	59,927	46,524	51,921	16,330
Investment earnings	127,514	17,539	76,449	121,068
Miscellaneous revenues	229,245	322,897	474,677	315,737
Total Revenues	<u>\$16,230,556</u>	<u>\$16,543,727</u>	<u>\$17,536,285</u>	<u>\$17,652,201</u>
Expenditures				
General government	\$1,549,116	\$1,654,701	\$2,056,793	\$1,883,114
Administrative offices	1,428,411	1,414,050	1,457,193	1,716,038
Mayor and Council	42,737	47,344	42,879	46,318
City Attorney	80,246	110,782	102,366	99,409
Police	5,227,604	5,310,575	5,280,704	5,718,226
Fire	3,538,027	3,831,257	4,254,664	3,710,317
Public Works	2,376,387	2,555,203	2,582,095	2,708,520
Planning and development	1,094,193	1,282,820	1,205,316	1,025,952
Parks and recreation	-	-	852	-
Community relations	41,324	35,924	66,997	-
Debt service				
Principal	500,421	618,231	694,839	732,418
Interest	76,748	61,614	52,910	50,334
Total Expenditures	<u>\$15,955,214</u>	<u>\$16,922,501</u>	<u>\$17,797,608</u>	<u>\$17,690,646</u>
Excess of revenues over (under) expenditures	\$275,342	(\$378,774)	(\$261,323)	(\$38,445)
Other financing sources (uses)				
Transfers in	\$500,815	\$533,097	\$559,152	\$616,138
Transfers out	(500,815)	(533,097)	(559,152)	(616,138)
Sale of capital assets	-	-	-	-
Issuance of debt	-	500,000	540,000	200,000
Total other financing sources	<u>\$0</u>	<u>\$500,000</u>	<u>\$540,000</u>	<u>\$200,000</u>
Net change in fund balances	<u>\$275,342</u>	<u>\$121,226</u>	<u>\$278,677</u>	<u>\$161,555</u>
Expenditure for capital assets	\$1,075,384	\$1,810,461	\$1,904,388	\$1,416,473
Debt service as a percentage of non-capital expenditures	3.879%	4.499%	4.705%	4.810%

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

2017	2018	2019	2020	2021	2022
\$8,239,607	\$8,890,607	\$9,592,716	\$10,212,787	\$11,051,399	\$11,424,899
3,245,825	3,472,502	3,537,037	3,472,293	5,147,735	5,675,541
2,022,603	2,236,311	2,487,956	2,415,302	329,500	224,961
3,944,106	4,028,147	4,333,589	4,184,316	4,612,246	7,031,171
281,740	328,744	329,910	410,037	592,062	491,641
19,848	27,832	25,052	38,838	168,019	42,358
80,843	23,570	310,740	261,618	32,101	(26,641)
308,721	293,488	200,421	141,579	459,419	221,020
<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>	<u>\$25,084,950</u>
\$1,857,301	\$1,875,292	\$2,193,749	\$1,483,154	\$1,407,330	\$1,590,178
1,669,364	1,982,491	1,758,350	1,643,164	1,408,269	1,649,361
52,352	54,390	56,341	52,452	54,663	67,140
91,552	112,185	115,244	125,835	174,543	183,746
5,638,668	6,126,901	6,036,279	6,229,320	6,127,442	6,897,038
3,600,565	4,560,822	5,609,609	3,940,178	4,067,163	4,361,710
2,639,781	2,752,508	2,826,670	3,531,402	3,423,148	3,846,706
814,595	335,428	1,805,058	168,410	1,082,881	895,564
-	-	1,941	36,707	-	-
-	-	-	-	-	-
808,686	910,370	844,247	520,710	489,090	494,922
46,960	86,032	74,184	61,633	51,798	41,944
<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>	<u>\$20,028,309</u>
\$923,469	\$504,782	(\$504,251)	\$3,343,805	\$4,106,154	\$5,056,641
\$1,140,375	\$1,389,415	\$1,458,308	\$1,614,215	\$2,129,554	\$2,658,068
(744,375)	(993,415)	(1,062,308)	(1,218,215)	(1,734,715)	(3,663,826)
-	-	-	-	-	78,238
396,996	2,061,468	-	-	-	-
<u>\$792,996</u>	<u>\$2,457,468</u>	<u>\$396,000</u>	<u>\$396,000</u>	<u>\$394,839</u>	<u>(\$927,520)</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>	<u>\$4,129,121</u>
\$1,074,417	\$1,852,671	\$3,727,710	\$587,722	\$1,448,160	\$1,502,221
5.300%	5.881%	5.220%	3.385%	3.212%	2.898%

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
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
2022	1,680,982,486	104,868,398	1,785,850,884

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 5.99, which is the current (Fiscal Year 2022) rate in effect for the City of Rockledge is equal to \$5.99 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.

Schedule B-1

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

New Construction Taxable Value		Adjusted Taxable Value		Final Taxable Value*		Millage Rate**	
\$	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
	15,873,774		1,769,977,110		1,789,281,182		5.9900

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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		
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
2022	5.9900	4.8700	4.3500	1.5000	0.2509	16.9609

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	2022		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
MPT of Rockledge-Steward LLC (Rockledge Regional Medical Center)	\$47,231,150	1	2.64%
Rockledge Apartments LLC (Southgate Apartments)	11,370,000	2	0.64%
Fountain Development LLC (Fountain Villas)	10,648,000	3	0.60%
Ventura at Turtle Creek LLC (Lexmark Ln)	10,388,000	4	0.58%
Ventura at Turtle Creek LLC (Alafaya Ln)	9,951,000	5	0.56%
Lowe's Home Centers Inc	8,148,010	6	0.46%
Woodhaven Properties LLC (Woodhaven Apartments)	8,060,590	7	0.45%
Hammock Harbor LLLP	7,630,000	8	0.43%
Aquarius Equity LLC	6,885,170	9	0.38%
Rockledge Properties LLC	5,442,450	10	0.30%
23-25 First Realty Corp	5,140,000	11	0.29%
Hydro Aluminum Automotive Inc	4,840,680	12	0.27%
Publix Super Markets Inc (Publix on Barnes & Murrell)	4,814,660	13	0.27%
Roswell US LLC	4,721,390	14	0.26%
Rockledge HMA LLC (Wuesthoff Health System-Rockledge)	-	-	-
PMAT Melbourne LLC (Rockledge Square)	-	-	-
Gateway Monroe Inc	-	-	-
Salem Rockledge LLC	-	-	-
TOTALS	<u>\$145,271,100</u>		<u>8.13%</u>
Total City final taxable value	<u>\$1,789,281,182</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

2013		
<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>
-	-	-
4,040,000	5	0.40%
5,747,500	2	0.57%
-	-	-
-	-	-
5,225,000	3	0.52%
4,225,000	4	0.42%
-	-	-
-	-	-
-	-	-
-	-	-
3,200,000	9	0.32%
3,515,000	6	0.35%
-	-	-
35,039,860	1	3.47%
3,400,000	8	0.34%
3,500,000	7	0.35%
2,787,450	10	0.28%
<u>\$70,679,810</u>		<u>7.00%</u>
 <u>\$1,009,645,129</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
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%
2022	10,717,794	10,208,443	95.25%		185,425	10,393,868	96.98%

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

Governmental Activities					
Fiscal Year	CRA Barton Boulevard Loan	Public Safety Capital Improvement Loan	CRA Malloy LOC	6.3 Acre Property	
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	-	-	
2022	-	1,387,811	-	-	

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 report data.

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	
\$ 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	
-	-	-	4,231,686	5,619,497	0.55%	196	

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Schedule C-2

City of Rockledge, Florida Direct and Overlapping Governmental Activities Debt As of September 30, 2022

Direct and Overlapping Governmental Activities Debt As of September 30, 2022 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)	\$1,387,811	100.00%	\$1,387,811
Overlapping Debt			
Brevard County:			
Governmental activities debt (b)	<u>150,399,150</u>	4.0402%	<u>6,076,476</u>
Total Direct and Overlapping Debt	<u><u>\$151,786,961</u></u>		<u><u>\$7,464,287</u></u>

Sources: (a) City of Rockledge ACFR Fiscal Year 2022 Statistical Table C-1.
(b) Brevard County Finance Department - ACFR Fiscal Year 2021, Table 7 and 11.

Notes: Percentage based on the 2021 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	
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
2022		4,666,394	244,922	37,888	16.50

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	
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
2022	2,568,158	1,166,420	1,401,738	250,000	4,056	5.52

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 1.6% (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
2022	2,329,903	440,823	74,768	4.52

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	
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	-	-	-	-	-	-
2022	-	-	-	-	-	-

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)
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	28,316	940,657,520	33,220	46.8	4.5%	3,890
2022	28,490	1,016,751,120	35,688	46.2	2.3%	3,628

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

Schedule D-2

For the Current Year and Nine Years Prior

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

Employer	2022			2013		
	Number of Employees	Rank	Percentage of Total County Employment	Number of Employees	Rank	Percentage of Total County Employment
	(Range)					
Brevard Public Schools	8,000 - 8,999	1	3.77%	8,915	1	4.79%
Health First Medical Group LLC	8,000 - 8,999	2	3.67%	7,800	2	4.12%
L3Harris Technologies Inc	8,000 - 8,999	3	3.58%	6,065	3	3.26%
Publix Super Markets Inc	3,000 - 3,999	4	1.59%	3,180	5	1.71%
Wal-Mart Associates Inc	3,000 - 3,999	5	1.45%	3,230	4	1.74%
Northrop Grumman Systems Corporation	3,000 - 3,999	6	1.44%	1,350	10	0.73%
Brevard County Government	2,000 - 2,999	7	0.98%	2,360	6	1.27%
National Aeronautics and Space Administration	2,000 - 2,999	8	0.93%	2,090	8	1.12%
Teletex Services Corporation	1,000 - 1,999	9	0.81%	-	-	-
Blue Origin Florida LLC	1,000 - 1,999	10	0.68%	-	-	-
Space Command (45th Space Wing DOD)	1,000 - 1,999	11	0.67%	2,178	7	1.12%
New Rockwell Collins Inc.	1,000 - 1,999	12	0.66%	1,400	9	0.75%
Lockheed Martin Corporation	1,000 - 1,999	13	0.59%	-	-	-
SpaceX	1,000 - 1,999	14	0.55%	-	-	-
Florida Institute of Technology Inc	1,000 - 1,999	15	0.54%	1,145	12	0.62%
Brevard County Sheriff Office	1,000 - 1,999	16	0.54%	1,185	11	0.64%
TOTALS	N/A		22.45%	40,898		21.87%

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.

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

Schedule E-1

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

Function/Program	Full-Time Equivalent Employees as of September 30			
	2013	2014	2015	2016
General Government	18.00	16.00	16.00	16.00
Police	72.50	72.50	72.00	73.50
Fire	40.00	39.00	39.00	39.00
Public Works	39.00	38.00	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	238.50	238.00	239.50

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 fund requirements in 2021.

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

Schedule E-1

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
16.00	18.00	21.00	20.00	18.00	17.50
80.50	77.50	77.50	79.00	81.50	68.00
39.00	39.00	41.00	40.00	41.00	42.50
39.00	39.00	41.00	41.00	41.00	37.00
2.00	1.00	1.00	1.00	1.00	-
-	-	-	-	4.00	2.00
41.00	41.00	41.00	41.00	42.00	33.00
3.00	3.00	3.00	3.00	3.00	3.00
<u>27.00</u>	<u>28.00</u>	<u>29.00</u>	<u>29.00</u>	<u>29.00</u>	<u>26.00</u>
<u>247.50</u>	<u>246.50</u>	<u>254.50</u>	<u>254.00</u>	<u>260.50</u>	<u>229.00</u>

Schedule E-2

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

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

Function/Program	2013	2014	2015	2016
Police				
Physical arrests	265	376	580	658
Parking violations	3	0	0	0
Traffic violations	3970	2380	1478	1144
Fire				
Emergency responses (incidents)	2380	2408	2647	2801
Fires extinguished	10	76	91	99
Inspections				
Public Works				
Street resurfacing (miles)	3.1	6.0	2.4	2.5
Pothole repair / patching (square yards)	28	56	56	56
Sanitation				
Total tonnage collection (refuse/garbage)	13,670	13,902	14,325	14,859
Total tonnage collection (recyclables)	2,087	2,162	2,301	2,308
Total tonnage collection (yard waste)	5,053	5,062	5,474	7,342
Wastewater				
Average daily sewage treatment (thousands of gallons)	2,080	2,390	2,210	2,190
Reclaimed water				
Average daily water delivered (thousands of gallons)	1,510	1,290	1,350	1,640

Source: Data provided by City of Rockledge

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

Schedule E-2

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

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
838	858	579	350	404	474
1	48	24	12	8	2
2330	2287	1597	1271	1247	1017
2800	2912	3596	3382	4316	4540
99	61	40	64	58	61
		52	277	324	276
3.4	7.5	3.2	3.2	0.0	2.2
84	84	84	52.5	51	78.5
15,297	15,408	15,819	12,121	16,705	16,624
2,384	2,378	2,215	1,512	2,110	2,030
4,866	4,927	4,919	4,131	5,156	5,466
2,270	2,180	2,360	2,290	2,240	2,170
1,620	1,740	2,050	1,940	1,480	1,840

Schedule E-3

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

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

Function/Program	2013	2014	2015	2016
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)	41	42	46	49
Fire				
Stations	3	3	3	3
Firefighters (3)	25	28	31	35
Public Works				
Streets (linear miles)	231	231	231	232
Streetlights	2,559	2,562	2,582	2,623
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

2017	2018	2019	2020	2021	2022
2	2	2	2	2	2
2	2	2	2	2	2
1	1	1	1	1	1
1	1	1	1	1	1
54	54	54	54	54	55
3	3	3	3	3	3
37	35	39	39	40	41
233	234	234	234	240	240
2,633	2,633	2,633	2,633	2,670	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
5	5	5	5	5	5
26	26	26	26	26	26
93	94	94	94	95	96
23	25	25	25	25	26
77	77	77	77	79	79

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COMPLIANCE SECTION

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City of Rockledge, Florida

Schedule of Expenditures of Federal Awards

Grantor / Pass-Through Grantor / Program or Cluster Title	Assistance Listing Number	Identification Number	Federal Expenditures	Transfers to Subrecipients
FEDERAL AWARDS:				
<u>United States Department of the Treasury</u>				
Direct Program:				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	Y5279 FL0272	\$ 2,155,262	\$ -
Total Department of Treasury			2,155,262	-
<u>United States Department of Homeland Security</u>				
Passed through Florida Division of Emergency Management				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	DR 4337	2,721	-
Total Department of Homeland Security			2,721	-
<u>United States Department of Justice</u>				
Passed through Florida Department of Law Enforcement				
Bulletproof Vest Partnership Program	16.607		3,705	-
Total Department of Justice			3,705	-
Total Expenditures of Federal Awards			\$ 2,161,688	\$ -

City of Rockledge, Florida
Notes to Schedule of
Expenditures of Federal Awards

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of the City of Rockledge, Florida (the City) under programs of the Federal government for the fiscal year ended September 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards (Uniform Guidance) and Chapter 69I-5, Compliance Supplement. Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cashflows of the City.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and Chapter 69I-5, Compliance Supplement, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. Indirect Cost Rate

The City has not elected to use the 10 percent de minimis cost rate allowed under the Uniform Guidance.

4. Non-cash items received

The City did not receive any noncash items associated with any federal awards during the fiscal year ended September 30, 2022.

5. Payments to Subrecipients

There were no payments made to subrecipients.

6. Contingency

The grant revenue amounts received are subject to audit and adjustment. If any expenditures are disallowed by a grantor agency as a result of such an audit, any claim for reimbursement to the grantor agencies would become a liability of the City. In the opinion of management, all grant expenditures are in compliance with the terms of the grant agreements and applicable federal laws and regulations.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited City of Rockledge, Florida's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of City of Rockledge, Florida's major federal programs for the year ended September 30, 2022. City of Rockledge, Florida's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, City of Rockledge, Florida complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of City of Rockledge, Florida and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of City of Rockledge, Florida's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to City of Rockledge, Florida's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on City of Rockledge, Florida's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about City of Rockledge, Florida's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding City of Rockledge, Florida's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of City of Rockledge, Florida's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of City of Rockledge, Florida's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

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

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

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

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

Melbourne, Florida
March 1, 2023

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THE CITY OF ROCKLEDGE, FLORIDA
Schedule of Findings and Questioned Costs
Fiscal Year Ended September 30, 2022

Section I—Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weaknesses identified? No
- Significant deficiencies identified? None noted
- Noncompliance material to financial statements noted? No

Federal Awards

Type of auditors' report issued: Unmodified

Internal control over major federal awards:

- Material weaknesses identified? No
- Significant deficiencies identified? None noted

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 of OMB Compliance Supplement?

No

Identification of major federal programs:

<u>Federal Assistance Listings Numbers</u>	<u>Federal Programs</u>
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between type A and B programs was \$750,000 for major Federal programs. The City was not a low-risk auditee.

THE CITY OF ROCKLEDGE, FLORIDA
Schedule of Findings and Questioned Costs (Continued)
Fiscal Year Ended September 30, 2022

Section II—Financial Statement Findings

No matters to report.

Section III—Federal Programs Findings and Questioned Costs

No matters to report.

Section IV—Prior Findings and Questioned Costs for Federal Awards

2021-001 is cleared.

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, 2022, 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 1, 2023.

Report on 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Rockledge, Florida's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this reports 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.

Cam, Riggs & Ingram, L.L.C.

Melbourne, Florida

March 1, 2023

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, 2022, and have issued our report thereon dated March 1, 2023.

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; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance); and 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*, Independent Auditor's Report on Compliance for Each Major Federal Program, and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's 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 and schedule, which are dated March 1, 2023, 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 financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. Finding 2021-001 is cleared. The finding originated in fiscal year 2021.

Official Title and Legal Authority

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

Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, requires us to apply appropriate procedures and communicate the results of our determination as to whether or not the City of Rockledge, Florida met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify 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 address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have the any such 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 218.30(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 have any such findings.

Purpose of this Letter

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

Cam, Riggs & Ingram, L.L.C.

Melbourne, Florida

March 1, 2023

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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, 2022. 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 of Rockledge, Florida complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City of Rockledge, Florida 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.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

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

In our opinion, the City of Rockledge, Florida complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2022.

This report is intended solely for the information and use of the City Council, 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, LLC

Melbourne, Florida
March 1, 2023