

City of Rockledge, Florida

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended September 30, 2019

City of Rockledge, Florida
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended September 30, 2019

Prepared by: Matthew Trine

City of Rockledge, Florida
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As of September 30, 2019

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**City of Rockledge, Florida
City Officials
As of September 30, 2019**

MAYOR

Thomas J. Price

CITY COUNCIL

Dr. Joe Lee Smith

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

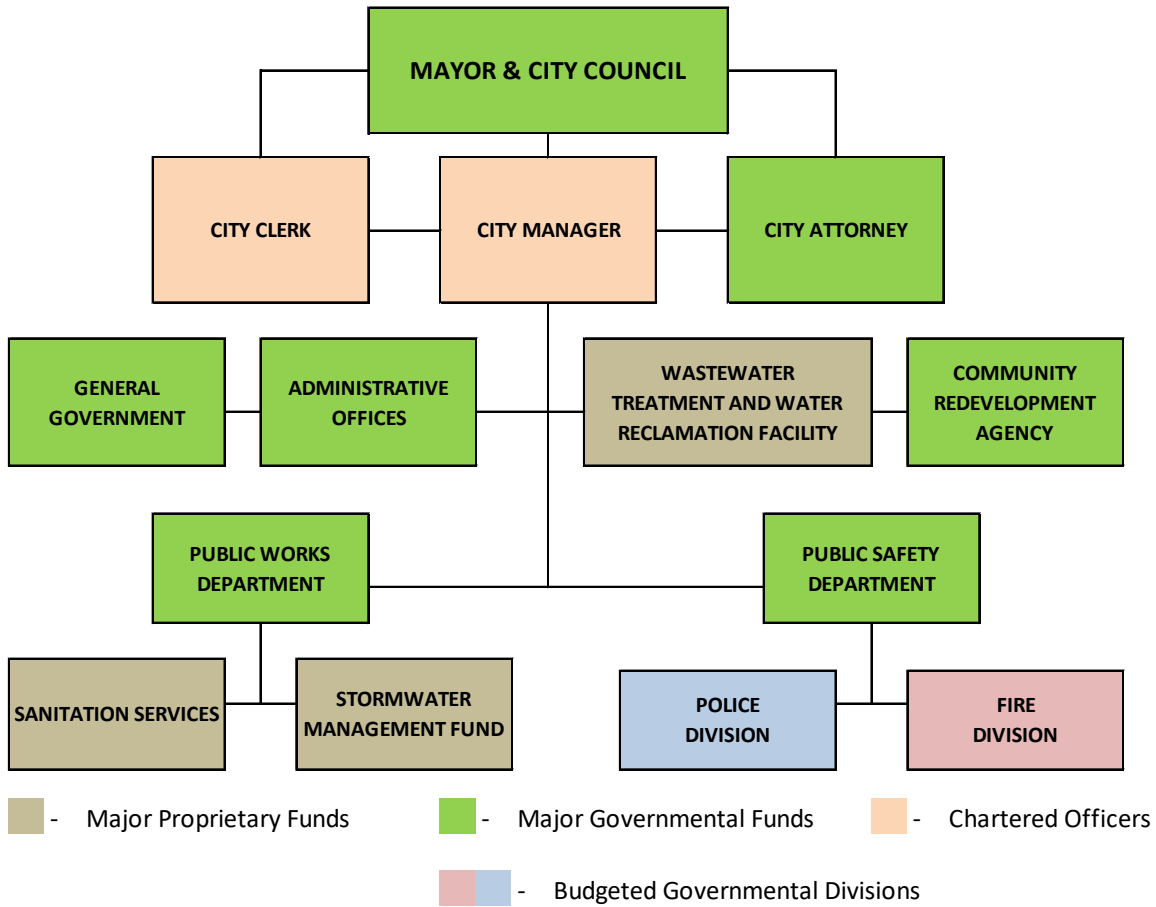
Joseph Miniclier

CITY CLERK/PUBLIC RELATIONS

Lisa C. Nicholas

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**City of Rockledge, Florida
 Organization Chart
 As of September 30, 2019**



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CITY OF ROCKLEDGE

March 11, 2020

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

**FIRE & EMERGENCY
SERVICES DEPT.**
1800 ROCKLEDGE BLVD.
ROCKLEDGE, FL 32955
TELEPHONE: 321-221-7540
FAX: 321-204-6386

POLICE DEPT.
1776 JACK OATES BLVD.
ROCKLEDGE, FL 32955
TELEPHONE: 321-690-3988
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
& RENTAL FACILITIES**
123 BARTON BLVD. - #103
ROCKLEDGE, FL 32955
TELEPHONE: 321-221-7540
FAX: 321-204-6385

www.cityofrockledge.org

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

The Comprehensive Annual Financial Report of the City of Rockledge, Florida, for the fiscal year ended September 30, 2019, 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. The administration, with the support of the elected officials, has established an internal framework 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). 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, 2019 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, 2019, are fairly presented in conformity with GAAP. The independent auditor's 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.

PROFILE OF THE CITY

Economic conditions continued to improve in 2019, as is evidenced in the overall value of building activity. Total permit value was up from \$58.2 million in 2018 to \$145.2 million in 2019. Total permits issued were 4,072, up 19.6 percent from 3,406 the previous year. New construction increased in residential units (72 new single family homes, 28 in 2018) and increased in commercial buildings (three new commercial buildings, one in 2018). Assessed value increased by 7.21 percent in 2019, which is the eighth consecutive year of increased values.

Under its Charter, the City operates as a Council-Manager form of government. The Mayor and City Council are elected at large on a non-partisan basis with staggered three-year terms. They are responsible for passing ordinances, adopting budgets, appointing committees, and hiring the City Manager, City Clerk, and City Attorney. The City Manager is responsible for carrying out the policies and ordinances of the Council, overseeing daily operations, and appointing department directors and hiring all other employees of the City. The City currently has 254 full-time equivalent positions and 11 part-time 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 three proprietary enterprise funds – wastewater treatment/reclaimed water, stormwater, and sanitation. 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 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 2019, unemployment dropped to 2.8 percent, continuing the downward trend that once reached double digits. The expansion of business in the city continues to be positive. Economic development on a comprehensive basis has been aided by redevelopment projects, public works projects, and public/private partnerships. The City marketing efforts continue in order to attract new business, support existing business, and in revitalization of vacant and underutilized properties.

The City of Rockledge has an adopted Business Plan, Investment Strategy, and comprehensive approach to financial matters as well as budgeting. Each budget reflects delivering service at the highest level that can be supported by available revenues. This focus includes personnel management, maintenance and operations, purchasing, and projects. Capital Projects are once again being completed, as well as the upgrade of vehicles and equipment. Emphasis for the future must be centered on maintenance of facilities and infrastructure.

As a top priority, the City continues to lessen the debt load for all budget funds. In nine years, the City has been able to lower the debt principal from \$14.16 million to \$3.33 million, or to \$122 per capita. The debt service includes:

- General Fund total debt stands at \$2,105,000 for the Police and Fire Station's new construction and technology upgrades (retiring in 2028). Also, the City purchased a 6.2-acre parcel from a private individual, and the balance is \$38,000 (retiring in 2019).
- The Wastewater Plant debt consists of the State Revolving Fund at \$446,000 and will be paid off in 2022.
- The Community Redevelopment Agency (CRA) tax-exempt loan for the Barton Boulevard Project has now been reduced to \$750,000 at a 1.60 percent interest rate, with payoff complete by 2022. In addition, the CRA has purchased a Barton Boulevard property for redevelopment purposes using the credit line with Community Bank of the South. As of September 30, 2019, this debt instrument was fully satisfied.

Major projects completed in Fiscal Year 2019 included the construction of the Civic Hub, as well as the construction of Fire Station #36 and the Master Headwall Outfall Structure, both damaged by Hurricane Irma. Other major accomplishments include:

- Continued implementation of the Compensation and Classification System for employees, including the increase of the City-Wide minimum wage
- Purchase of seven vehicles and two drones for the Police Department
- Purchase of 17 sets of structural fire gear and 6 V Strut vehicle stabilizers, for the Fire Department
- Purchase of 2 trucks for Public Works
- Purchase of a garbage packer for Sanitation
- Completion of 10 Façade improvement Grants through the Community Redevelopment Agency
- Installation of the Fernwood Baffle Box in Stormwater
- Completion of Phase I of the Bioactive Material application in the Stormwater System
- Restoration and repair of the lift station #3 seawall in Wastewater
- Repair of the air release valve at lift station #42 in Wastewater

Cash reserves have been maintained by the City as a “rainy day” fund. During times of emergency response and disaster mitigation, these fund reserves have allowed the City to respond in a timely and efficient manner. These reserves are invested in certificates of deposit, cash management sweep accounts, and money market accounts. Yields have started to rise, with longer-term investments (three to five years) providing more reasonable returns to the City. Risk Management includes insurance for workers’ compensation, general liability, property, vehicular, fiduciary, and public officials 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 2019, monthly City-wide trainings were continued to increase safety. These continued efforts have reduced the overall cost of worker’s compensation of the City. Liability, property and casualty insurance have also been maintained at reasonable cost levels.

City Council has continued to pay close attention to the funded status of the three pension plans provided for City employees. The unfunded liability continues to improve over the recessionary levels, with the 2019 market performance above investment objectives. The General, Fire, and Police Employees plans funded status improved in 2019. The funded status of each plan was calculated as follows as of September 30, 2019:

Police	95.49%	General	87.71%	Fire	80.06%
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The City continues to be in an overall positive position when compared with other pension plans statewide. As evidence, this fiscal year, the Fire Employees Retirement Plan’s funded status, has remained above 80 percent, which is considered the baseline for healthy pension plans. Monitoring of all three plans remains a priority, and benefit evaluation is ongoing.

ECONOMIC FACTORS, AND NEXT YEAR’S BUDGET AND RATES

When establishing priorities for the Fiscal Year 2019 Budget, the City considered many factors for setting tax rates and user fees for business-type activities. Most recently, the City has emphasized maintenance, replacement and renewal, and limited capital projects. City facilities, vehicles, equipment, etc., are in good order but continued evaluation is necessary. Maintaining adequate reserves is important to orderly services in the event of a catastrophic situation.

The nearly 12 square miles of the City is substantially developed, though there continues to be residential, commercial, and industrial development. The CRA has concentrated on attracting new business to the districts, property improvements, and removal of dilapidated structures. Since 2004, the City has funded 105 property improvement projects with matching grants totaling \$774,044 (\$10,000 limit on any one grant). The result has been to leverage over \$2.6 million in private investment to enhance the tax base. The State of Florida continues to make changes to revenue sources that fund the City budget, especially the General Fund. City Staff evaluates the budget on a monthly basis and recommendations are made to the City Council periodically to ensure financial responsibility.

While the budget uncertainties have become less problematic, the growth is expected to remain moderate at best, and potential changes to ad-valorem tax exemptions may reduce the City’s tax base. Diligence to detail is important in allocation of revenues moving forward. 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, and the stormwater utility, continue to meet financial requirements; although, the sanitation fund has been impacted by Hurricanes Matthew and Irma. Fee increases are evaluated each year based on need and expansion requirements. Federal and State requirements, especially unfunded mandates, will have a direct impact on all of these budgets. The gallonage and base service charges for sewer were increased for Fiscal Year 2019. Subsequently, the gallonage charge will increase effective October 1 of 2020 and 2021. Stormwater rate increases were enacted in Fiscal Year 2018 and Fiscal Year 2019. Sanitation rates were increased effective October 1, 2018. These rates were additionally increased, effective October 1, 2019, and will subsequently be increased effective October 1, 2020 and 2021. Stormwater and Sewer rates still remain among the lowest in Brevard County.

CONCLUSION

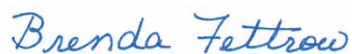
The preparation of this report would not have been possible without the excellent work of the Finance Division. An extensive amount of work occurs during the year, as well as during the audit, to ensure accuracy and appropriate evaluation of procedures. Other City departments contribute extensively to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

The 2019 Fiscal Year 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. City staff will continue to focus on quality service delivery to the citizens within budgetary allocations.

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

Sincerely,

CITY OF ROCKLEDGE, FLORIDA



Dr. Brenda Fettrow, City Manager



Matthew D. Trine, Assistant City Manager

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Rockledge, Florida, as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City of Rockledge, Florida's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Rockledge, Florida, as of September 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and other required supplementary information on pages 5-16 and 77-90 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The combining financial statements are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining financial statements are fairly stated in all material respects in relation to the financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 11, 2020 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Rockledge's internal control over financial reporting and compliance.

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

Melbourne, Florida
March 11, 2020

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City of Rockledge, Florida Management's Discussion and Analysis

As management of the City of Rockledge (the "City"), we offer readers of the City's financial statements this narrative overview of the financial activities of the City for the fiscal year ended September 30, 2019. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages vii to xi of this report.

FINANCIAL HIGHLIGHTS

- Total assets and liabilities of the City as of September 30, 2019, were \$113,703,864 and \$13,738,223, respectively. Deferred outflows related to pensions and post-employment benefits were \$2,613,112. Deferred inflows related to pensions, post-employment benefits, business tax revenue, and grant revenue were \$2,894,951.
- City-wide total revenues (\$30,734,267) consisted of \$10,561,800 of charges for services, \$1,133,011 in capital grants and contributions, \$66,015 in operating grants, and \$18,973,441 of general revenues. Total expenses were \$27,209,399. Revenues and expenses are net of \$396,000 of transfers in/out.
- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$99,684,802 (net position). Of this amount, \$15,747,436 (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 \$3,524,868 or 3.66 percent due to current year operations. The governmental net position increased by \$3,113,035, or 6.3 percent, and the business-type net position increased by \$411,833 or 0.88 percent. There were no transfers from the governmental funds to the proprietary funds during the year.
- At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$13,790,315, or 69.08 percent of the total expenditures and transfers out.
- Net positions of the General Employees, Police Employees, and Fire Employees' Pension Trust Funds increased by \$509,245, \$626,038, and \$23,492, respectively. These changes were primarily the result of plan contributions and an increase in fair value of investments offset by benefit payments. For the General and Fire Employees, benefit payments exceeded contributions in the current year.
- The Rockledge Heritage Foundation was a discretely presented component unit for fiscal year 2018. During 2019, the board members changed causing the Foundation to become a blended component unit.

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.

City of Rockledge, Florida Management's Discussion and Analysis

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).

Both of 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, city attorney, mayor and council, public works, planning and development, police, fire, community relations, and parks and recreation. The business-type activities of the City include wastewater system, stormwater utility, and sanitation services.

The government-wide financial statements can be found on pages 19 through 21 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 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 six 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 and Community Redevelopment

City of Rockledge, Florida Management's Discussion and Analysis

Agency (CRA), which are the City's only major governmental funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its General Fund and the CRA. Budgetary comparison schedules have been provided for the General Fund and CRA to demonstrate compliance with the budget and are presented as required supplementary information. The basic governmental funds' financial statements can be found on pages 22 and 24 of this report.

Proprietary funds. The City maintains three 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, stormwater utility, and sanitation services operations. 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.

The basic proprietary funds' financial statements can be found on pages 25 through 29 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 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 30 and 31 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 33 through 73 of this report.

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

The required supplementary information can be found on pages 77 through 90 of this report.

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

The combining statements can be found on pages 93 through 94 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 \$99,684,802 at the close of the most recent fiscal year.

Statement of Net Position

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 18,830,883	\$ 18,649,548	\$ 12,279,542	\$ 10,761,767	\$ 31,110,425	\$ 29,411,315
Capital assets	45,454,514	43,028,258	37,139,925	38,364,710	82,594,439	81,392,968
Total assets	<u>64,285,397</u>	<u>61,677,806</u>	<u>49,419,467</u>	<u>49,126,477</u>	<u>113,704,864</u>	<u>110,804,283</u>
Deferred outflows of resources	2,178,155	1,508,724	434,957	348,098	2,613,112	1,856,822
Long-term Liabilities	9,995,544	10,182,355	2,009,491	2,140,422	12,005,035	12,322,777
Other liabilities	1,515,954	1,045,424	217,234	78,991	1,733,188	1,124,415
Total liabilities	<u>11,511,498</u>	<u>11,227,779</u>	<u>2,226,725</u>	<u>2,219,413</u>	<u>13,738,223</u>	<u>13,447,192</u>
Deferred inflows of resources	2,395,388	2,891,006	499,563	538,859	2,894,951	3,429,865
Net Investment in Capital Assets	42,561,982	39,291,479	36,704,380	37,765,234	79,266,362	77,056,713
Restricted	1,876,846	3,227,111	2,794,158	2,399,508	4,671,004	5,626,619
Unrestricted	<u>8,117,838</u>	<u>6,549,155</u>	<u>7,629,598</u>	<u>6,551,561</u>	<u>15,747,436</u>	<u>13,100,716</u>
Total net assets	<u>\$ 52,556,666</u>	<u>\$ 49,067,745</u>	<u>\$ 47,128,136</u>	<u>\$ 46,716,303</u>	<u>\$ 99,684,802</u>	<u>\$ 95,784,048</u>

A significant portion of the City's net position (79.5 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. This category represented 80.4 percent of net position in the prior year. The increase in investment in capital assets totaled \$2,209,649 for the City as a whole, which is smaller in comparison to the overall increase in net position (\$3.9 million) sufficient to decrease the percentage of this category to total net position.

An additional portion of the City's net position (4.7 percent) represents resources that are subject to external restrictions on how they may be used. This includes unspent funds designated for CRA, transportation and other capital projects, unexpended impact fee collections required to be used for the renewal and replacement of the wastewater system, and amounts required to be set aside for debt service and the operation of the building department. The remaining balance (\$15,747,436 or 15.8 percent) represents unrestricted net position that may be used to meet the City's ongoing obligations to its citizens 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.

City of Rockledge, Florida
Management's Discussion and Analysis

Governmental activities. Governmental activities increased the City's net position by \$3,113,035, compared to an increase of \$2,573,613 in the prior year. Revenues increased by 7.7 percent or \$1,516,219 with the largest increases related to property taxes (\$639,079), investment earnings (\$283,508), tax increment fees (\$93,860), and charges for services (\$324,351) primarily for additional building permits. All revenue categories increased. Property taxes increased due to increased property values.

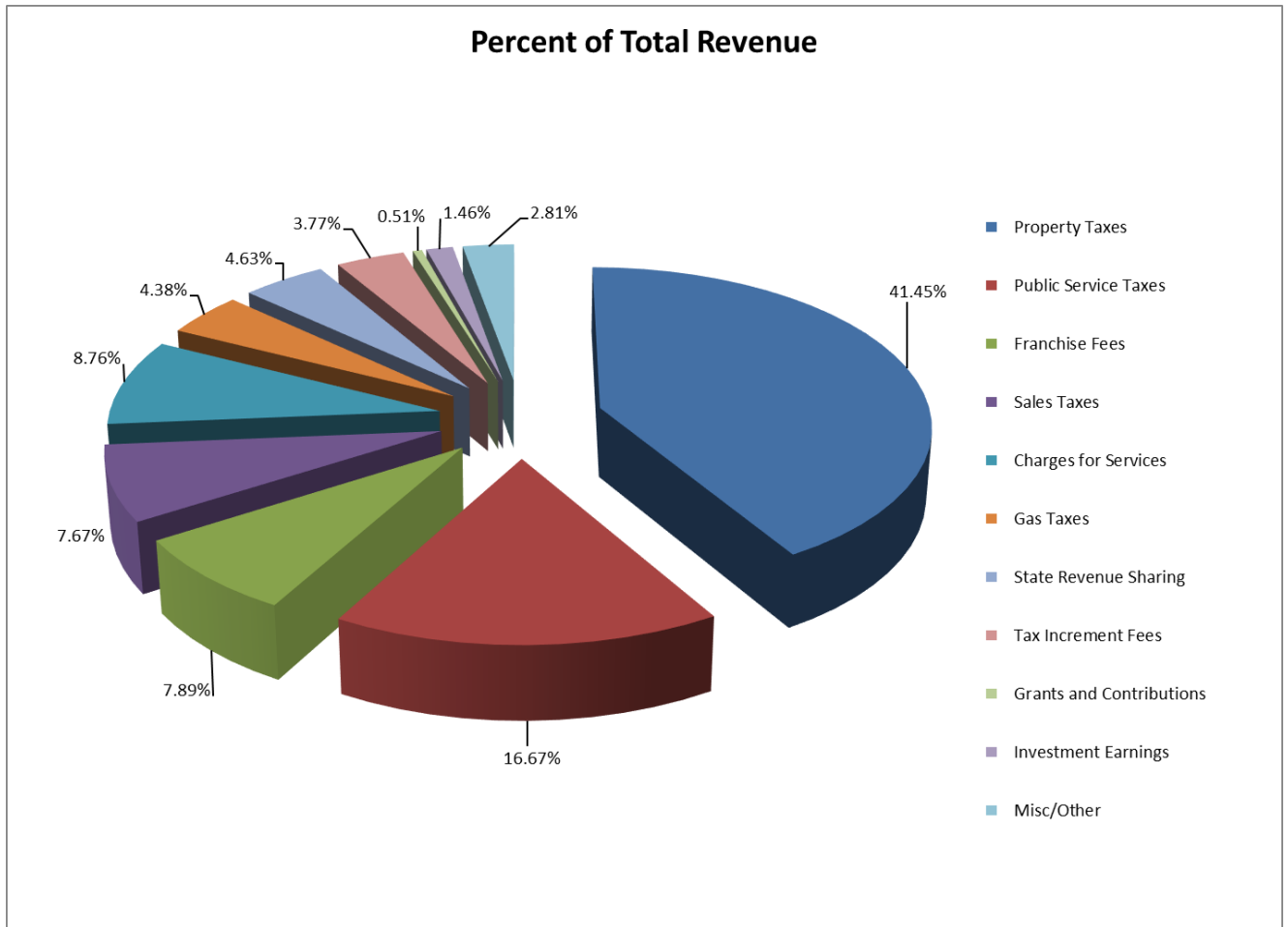
Expenditures increased compared to 2018 by \$976,797, with the largest increases related to general government (\$331,223) and police (\$484,260) primarily due to salaries. Although most categories increased, fire, interest on long-term debt, and other expenditures decreased an aggregate of \$156,480. Interest on long-term debt decreased \$11,846.

Schedule of Changes in Net Position

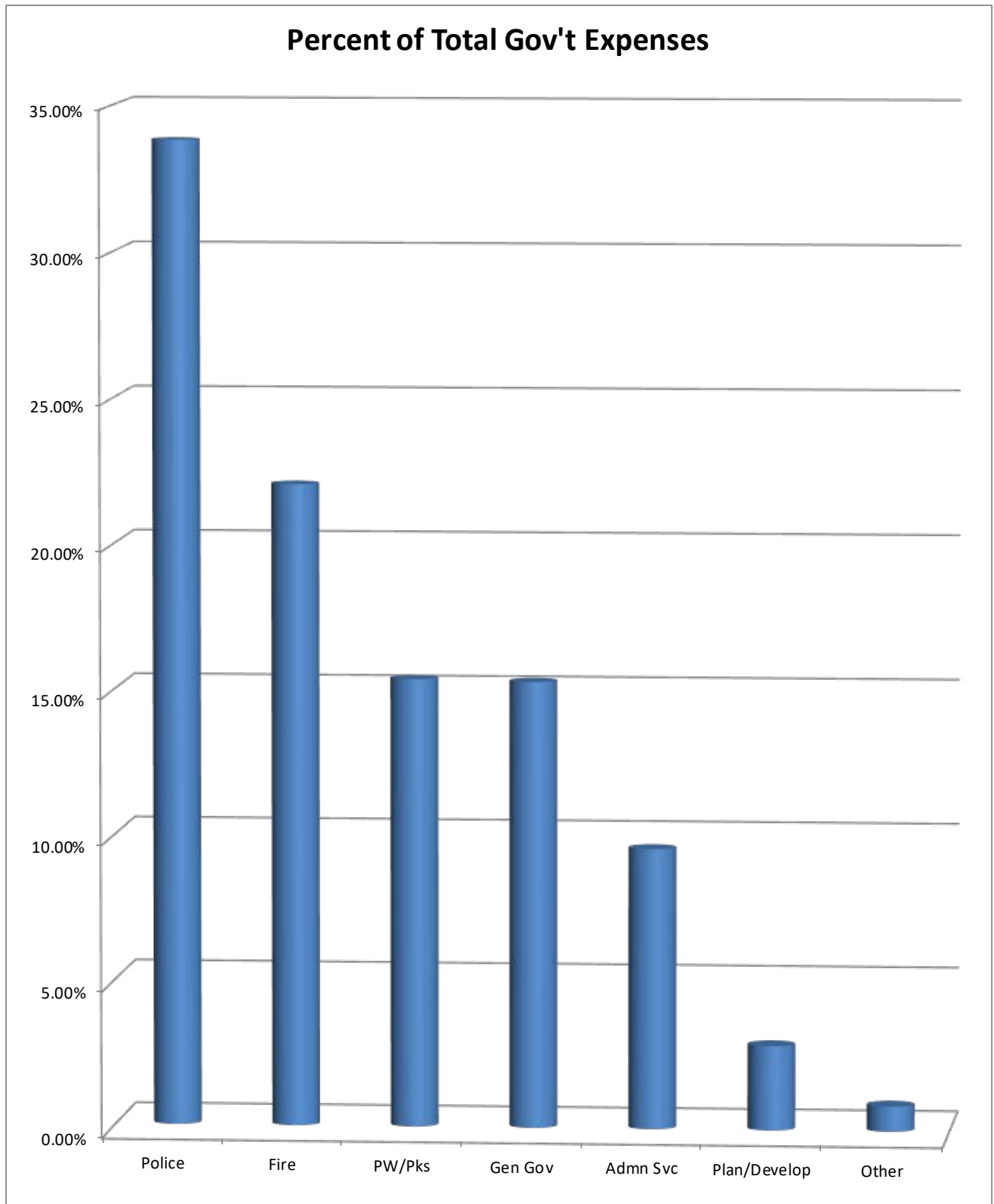
	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Programs revenues:						
Charges for services	\$ 1,857,689	\$ 1,533,338	\$ 8,704,111	\$ 8,457,353	\$ 10,561,800	\$ 9,990,691
Grants and contributions	107,756	105,821	1,091,270	2,739,968	1,199,026	2,845,789
General revenues:						
Property taxes	8,792,132	8,153,053	-	-	8,792,132	8,153,053
Tax increment fees	800,584	706,724	-	-	800,584	706,724
Gas taxes	928,929	843,109	-	-	928,929	843,109
Sales tax	1,626,160	1,625,531	-	-	1,626,160	1,625,531
Franchise fees	1,673,118	1,607,366	-	-	1,673,118	1,607,366
State revenue sharing	982,855	935,071	-	-	982,855	935,071
Public services taxes	3,537,037	3,507,282	-	-	3,537,037	3,507,282
Investment earnings	310,740	27,232	118,625	19,248	429,365	46,480
Other	596,421	652,675	2,840	-	599,261	652,675
Total revenues	21,213,421	19,697,202	9,916,846	11,216,569	31,130,267	30,913,771
Expenses:						
General government	2,699,481	2,368,258	-	-	2,699,481	2,368,258
Administrative services	1,743,873	1,651,826	-	-	1,743,873	1,651,826
Mayor and council	56,341	54,390	-	-	56,341	54,390
City attorney	100,544	98,685	-	-	100,544	98,685
Police	6,120,622	5,636,362	-	-	6,120,622	5,636,362
Fire	3,992,360	4,136,215	-	-	3,992,360	4,136,215
Public works	2,786,969	2,570,645	-	-	2,786,969	2,570,645
Planning and development	526,010	520,397	-	-	526,010	520,397
Other	-	779	-	-	-	779
Interest on long-term debt	74,186	86,032	-	-	74,186	86,032
Wastewater system	-	-	5,238,962	4,056,288	5,238,962	4,056,288
Sanitation services	-	-	2,930,127	3,048,296	2,930,127	3,048,296
Stormwater utility	-	-	1,335,924	750,642	1,335,924	750,642
Total expenses	18,100,386	17,123,589	9,505,013	7,855,226	27,605,399	24,978,815
Increase (decrease) in net position	3,113,035	2,573,613	411,833	3,361,343	3,524,868	5,934,956
Net position, beginning	49,443,631	46,494,132	46,716,303	43,354,960	96,159,934	89,849,092
Net position, ending	\$ 52,556,666	\$ 49,067,745	\$ 47,128,136	\$ 46,716,303	\$ 99,684,802	\$ 95,784,048

City of Rockledge, Florida Management's Discussion and Analysis

Revenue by Source - Governmental Activities



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

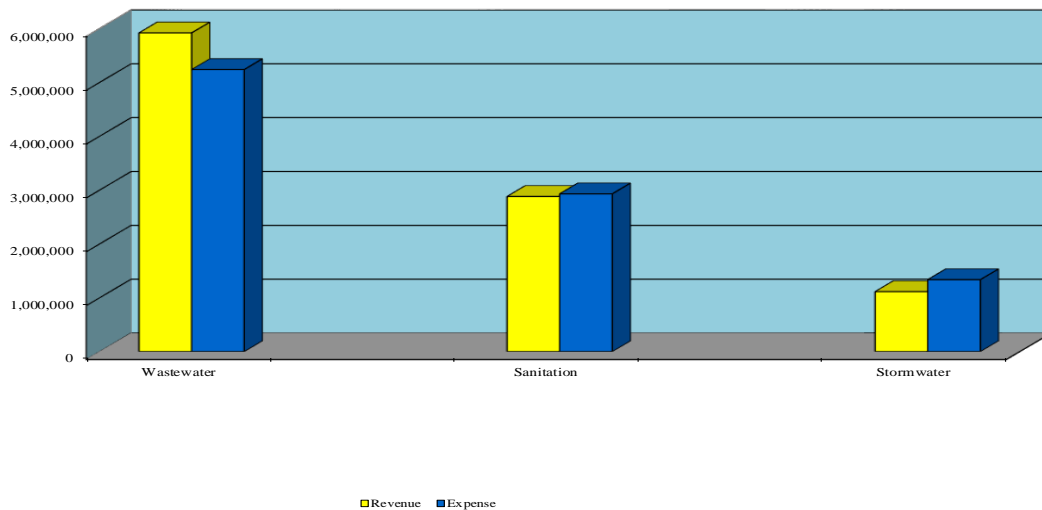


City of Rockledge, Florida Management's Discussion and Analysis

Business-type activities. Business-type activities increased the City's net position by \$411,833, compared to an increase of \$3,361,343 in the prior year. On the statement of net position, capital asset balances decreased \$1,224,785. Liabilities increased \$7,312 reflecting an aggregate increase of accounts payable and accrued liabilities of \$138,243, an increase in net pension liability of \$49,113, and an increase in post-employment benefits of \$20,090. These increases were more than offset by a \$36,203 decrease in compensated absences, and principal payments on enterprise fund indebtedness of \$163,931.

On the statement of activities, total revenues decreased by 11.6 percent over the prior year. A decrease in grants and contributions of \$1,648,698 was partially offset by an increase in charges for services of \$246,758. Interest income increased roughly \$99,000. The decrease in revenue is primarily from a decrease in FEMA grants. Expenses increased a total of \$1,649,787, with an increase in the Wastewater Fund of \$1,182,674, an increase in the Stormwater Fund of \$585,282, and a decrease in the Sanitation Fund of \$118,169. The increase in expenses is primarily due to repairs and maintenance on lift stations.

Expenses and Program Revenues - 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 \$16,283,920, a decrease of \$108,251 when compared to the prior year. Of this total amount, \$13,790,315 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 \$2,376,846. A portion of governmental fund balance (\$500,000) is assigned to reflect that management has designated a future use for these amounts. The remaining fund balance is nonspendable because it has already been committed to inventories (\$116,505) or prepaid expenses (\$254).

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 \$13,790,315, while total fund balance reached \$14,833,291. 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 69.1 percent of total expenditures and transfers out for recurring operational costs reported in other funds, while total fund balance represents 74.3 percent of that same amount. The General Fund's fund balance increased by \$418,475 during the current fiscal year.

In its 17th year of existence, the CRA fund balance decreased by \$537,030 after increasing \$582,919 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 to the area, funds were expended primarily on the construction of the Civic Hub, debt service, façade grants, neighborhood improvements, and acquisition of a parcel of land. A transfer of \$1,062,308, consisting of taxes generated by the "incremental" growth between the current value and the base year value, was made from the General Fund to the CRA pursuant to an interlocal agreement with Brevard County.

Expenditures for ongoing development projects and debt service were \$1,819,758 and \$598,121, respectively, for a total of \$2,417,879 in the current year. Increased operating cash inflows were more than offset by an increase in expenditures for the year, reducing the CRA fund balance to \$1,365,667 as of September 30, 2019. This represents an decrease from the fund balance of \$1,902,697 of the prior year.

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

**City of Rockledge, Florida
Management's Discussion and Analysis**

Schedule of Changes in Net Position

	Wastewater System	Sanitation Services	Stormwater Utility
Unrestricted net position, September 30, 2018	\$ 3,941,778	\$ 1,323,189	\$ 1,286,594
Increase (decrease) in net position	682,760	(48,906)	(222,021)
Decrease in net position net investment in capital assets	821,801	7,123	231,930
Increase in net position restricted for renewal and replacement	(394,547)	-	-
Increase in net position restricted for debt service	(103)	-	-
Increase (decrease) in unrestricted net position	1,109,911	(41,783)	9,909
Unrestricted net position, September 30, 2019	\$ 5,051,689	\$ 1,281,406	\$ 1,296,503

GENERAL FUND BUDGETARY HIGHLIGHTS

Budgeted expenditures for the General Fund increased by \$101,000 from the original budget to the final budget. These increases can be summarized as follows:

- General Government \$ 50,000
- Fire Department \$ 51,000

Expenditures in all general fund departments were within budgeted amounts for the year ended September 30, 2019. The most significant reason for expenditures remaining under budget was watchful management by the City Manager, the Department Heads, and the Finance Director. The increase in the budget for General Government and the Fire Department are related to increases in general insurance expenditures and maintenance contracts and a mid-year wage negotiation with the fire department personnel.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. The City's investment in capital assets for its governmental and business-type activities as of September 30, 2019, amounts to \$82,594,439 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, infrastructure, vehicles, furniture and equipment, transmission lines and facilities, and streets and drainage.

The total increase in the City's investment in capital assets for the current fiscal year was \$827,688 or 1.01 percent, excluding \$373,783 of the Foundation's capital assets as of September 31, 2018. This overall change between fiscal years is the result of capital asset purchases offset by disposals and depreciation expense for the year. The larger increase in capital asset categories relate to the final construction of Fire Station 36 (\$1,616,524) for General Fund operations. Investments in capital assets also included a garbage truck and compactor for Sanitation Services (\$196,949), the final construction of the Civic Hub for the CRA (\$1,574,854), lift station monitoring units (\$99,953) for Wastewater. These increases in capital assets were offset by depreciation expense for the current year of approximately \$3.5 million. Capital assets are discussed more fully in Note 3 of the financial statements.

City of Rockledge, Florida
Management's Discussion and Analysis

Schedule of Capital Assets (Net)

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 14,477,046	\$ 14,472,047	\$ 3,703,226	\$ 3,677,911	\$ 18,180,272	\$ 18,149,958
Buildings	11,978,715	10,149,520	13,539,499	13,560,459	25,518,214	23,709,979
Improvements	4,909,919	2,207,615	-	-	4,909,919	2,207,615
Equipment	6,522,931	6,244,981	8,833,251	7,784,425	15,356,182	14,029,406
Vehicles	4,753,005	4,462,987	5,228,993	5,011,224	9,981,998	9,474,211
Infrastructure	26,016,279	26,016,279	39,197,988	34,723,511	65,214,267	60,739,790
Construction-in-progress	-	911,139	176,886	5,302,875	176,886	6,214,014
	68,657,895	64,464,568	70,679,843	70,060,405	139,337,738	134,524,973
Accumulated depreciation	(23,203,381)	(21,436,310)	(33,539,918)	(31,695,695)	(56,743,299)	(53,132,005)
Total	\$ 45,454,514	\$ 43,028,258	\$ 37,139,925	\$ 38,364,710	\$ 82,594,439	\$ 81,392,968

Long-term debt. At the end of the current fiscal year, the City owed \$435,545 under the State of Florida revolving loan program for the construction of a reclaimed water project. The indebtedness is also backed by the revenues of the wastewater system.

On July 22, 2005, the City, through its CRA, borrowed \$4,000,000 for the acquisition and construction of additions and improvements to Barton Boulevard in the City of Rockledge Redevelopment Area. Pursuant to the loan agreement (the Series 2005 Note), the excess of income, fees, and earnings over the costs of operation and maintenance of the CRA are irrevocably pledged to the payment of principal and interest on the Series 2005 Note. The Series 2005 Note does not constitute a general obligation or indebtedness of the CRA, and the lender shall never have the right to require or compel the levy of taxes for the payment of principal or interest, nor does it constitute a lien on any property of the CRA other than the pledged funds noted above. There is a balance of \$750,000 on the note as of September, 30, 2019.

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 pumper and fund the raze and rebuild of Fire Station 36. The debt is secured with a pledge of utility tax revenues and franchise fees. There is a balance of \$2,105,032 on the note as of September 30, 2019.

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, 2019.

In 2015, the City purchased 6.3 acres of vacant property that will be used primarily for recreational purposes. A \$180,000 non-interest bearing note was used to finance this purchase. There exists one annual installment due of \$37,500 to pay off the remainder of this note.

City of Rockledge, Florida
Management's Discussion and Analysis

See Note 4 for more information on the City's debt obligations.

Outstanding Debt

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Notes payable	\$ 2,892,532	\$ 3,736,779	\$ 435,545	\$ 599,476	\$ 3,328,077	\$ 4,336,255
Total indebtedness	\$ 2,892,532	\$ 3,736,779	\$ 435,545	\$ 599,476	\$ 3,328,077	\$ 4,336,255

REQUESTS FOR INFORMATION

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

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

CITY OF ROCKLEDGE, FLORIDA
Basic Financial Statements

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City of Rockledge, Florida
Statement of Net Position

<i>September 30, 2019</i>	Primary Government		Total
	Governmental Activities	Business-type Activities	
ASSETS			
Cash and cash equivalents	\$ 9,208,545	\$ 3,176,968	\$ 12,385,513
Certificates of deposit	8,293,330	760,460	9,053,790
Receivables	542,484	1,026,554	1,569,038
Accrued interest and other	15,501	233	15,734
Prepaid items	254	-	254
Due from other governments	499,734	779,476	1,279,210
Inventories	116,505	292,373	408,878
Restricted assets:			
Cash and cash equivalents	154,530	5,043,229	5,197,759
Certificates of deposit	-	1,200,249	1,200,249
Capital assets:			
Non-depreciable	14,477,046	3,880,112	18,357,158
Depreciable (net)	30,977,468	33,259,813	64,237,281
Total assets	64,285,397	49,419,467	113,704,864
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of OPEB expense	43,928	15,054	58,982
Deferred outflows of pension expense	2,134,227	419,903	2,554,130
Total deferred outflow of resources	2,178,155	434,957	2,613,112
LIABILITIES			
Accounts payable	401,957	144,473	546,430
Accrued liabilities	863,229	72,761	935,990
Contribution payable - pension trust fund	242,744	-	242,744
Accrued interest	6,964	-	6,964
Unearned revenue	1,060	-	1,060
Non-current liabilities:			
Due within one year:			
Compensated absences	721,333	198,563	919,896
Notes payable	520,210	174,363	694,573
Due in more than one year:			
Compensated absences	665,537	131,857	797,394
Net OPEB liability	566,646	207,715	774,361
Net pension liability	5,149,496	1,035,811	6,185,307
Notes payable	2,372,322	261,182	2,633,504
Total liabilities	11,511,498	2,226,725	13,738,223
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of unearned revenue	122,072	-	122,072
Deferred inflows of grant revenue	38,663	-	38,663
Deferred inflows of pension earnings	2,190,528	483,728	2,674,256
Deferred inflows of OPEB earnings	44,125	15,835	59,960
Total deferred inflows of resources	2,395,388	499,563	2,894,951
NET POSITION			
Net investment in capital assets	42,561,982	36,704,380	79,266,362
Restricted for:			
Capital projects	1,432,210	-	1,432,210
Heritage Foundation	1,987	-	1,987
Debt services	-	100,686	100,686
Renewal and replacement	-	2,693,472	2,693,472
Public safety	434,401	-	434,401
Transportation	8,248	-	8,248
Unrestricted	8,117,838	7,629,598	15,747,436
Total net position	\$ 52,556,666	\$ 47,128,136	\$ 99,684,802

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

City of Rockledge, Florida
Statement of Activities

Year ended September 30, 2019

Program Revenues

Functions/Programs	Expenses	Charges for Services and Fines	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities:				
General government	\$ 2,773,667	\$ 161,062	\$ -	\$ -
Administrative services	1,743,873	26,055	-	-
Mayor and city council	56,341	-	-	-
City attorney	100,544	-	-	-
Police	6,120,622	300,701	-	65,622
Fire	3,992,360	165,202	-	42,134
Public works	2,786,969	9,009	-	-
Planning and development	526,010	814,838	-	-
Parks and recreation	-	107,822	-	-
Community relations	-	273,000	-	-
Total governmental activities	18,100,386	1,857,689	-	107,756
Business-type activities:				
Wastewater systems	5,048,962	4,716,016	66,015	1,025,255
Sanitation services	2,807,127	2,875,388	-	-
Stormwater utility	1,252,924	1,112,707	-	-
Total business-type activities	9,109,013	8,704,111	66,015	1,025,255
Total primary government	\$ 27,209,399	\$ 10,561,800	\$ 66,015	\$ 1,133,011

General revenues and transfers:

Taxes:

 Property taxes, levied for general purposes

 Gas tax

 Sales tax

 Franchise fees

 State revenue sharing

 Other taxes

Investment earnings

Miscellaneous

Gain on sale of capital assets

Transfers, net

Total general revenues

Change in net position

Net position, beginning of year

Net position, end of year

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (2,612,605)	\$ -	\$ (2,612,605)
(1,717,818)	-	(1,717,818)
(56,341)	-	(56,341)
(100,544)	-	(100,544)
(5,754,299)	-	(5,754,299)
(3,785,024)	-	(3,785,024)
(2,777,960)	-	(2,777,960)
288,828	-	288,828
107,822	-	107,822
273,000	-	273,000
(16,134,941)	-	(16,134,941)
-	758,324	758,324
-	68,261	68,261
-	(140,217)	(140,217)
-	686,368	686,368
(16,134,941)	686,368	(15,448,573)
9,592,716	-	9,592,716
928,929	-	928,929
1,626,160	-	1,626,160
1,673,118	-	1,673,118
982,855	-	982,855
3,537,037	-	3,537,037
310,740	118,625	429,365
200,421	-	200,421
-	2,840	2,840
396,000	(396,000)	-
19,247,976	(274,535)	18,973,441
3,113,035	411,833	3,524,868
49,443,631	46,716,303	96,159,934
\$ 52,556,666	\$ 47,128,136	\$ 99,684,802

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

City of Rockledge, Florida
Balance Sheet - Governmental Funds

<i>September 30, 2019</i>	General	CRA	Nonmajor Funds	Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 6,347,073	\$ 1,390,370	\$ 86,904	\$ 7,824,347	
Certificates of deposit	8,293,330	-	-	8,293,330	
Restricted cash and cash equivalents	154,530	-	-	154,530	
Accounts receivable	542,484	-	-	542,484	
Accrued interest and other	15,501	-	-	15,501	
Due from other governments	499,734	-	-	499,734	
Inventories	116,505	-	-	116,505	
Prepaid items	254	-	-	254	
Total assets	\$ 15,969,411	\$ 1,390,370	\$ 86,904	\$ 17,446,685	
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 377,714	\$ 22,301	\$ 1,942	\$ 401,957	
Accrued payroll and related liabilities	321,858	1,342	-	323,200	
Contributions payable - pension trust fund	242,744	-	-	242,744	
Compensated absences	33,069	-	-	33,069	
Unearned revenue	-	1,060	-	1,060	
Total liabilities	975,385	24,703	1,942	1,002,030	
Deferred inflows of resources:					
Deferred inflows of unavailable revenue	160,735	-	-	160,735	
Total deferred inflows of resources	160,735	-	-	160,735	
Fund balances:					
Nonspendable:					
Inventories and prepaids	116,759	-	-	116,759	
Restricted for:					
Public safety	396,707	-	37,694	434,401	
Heritage Foundation	-	-	1,987	1,987	
Capital improvements	29,510	1,365,667	37,033	1,432,210	
Transportation impact	-	-	8,248	8,248	
Assigned for subsequent years budget	500,000	-	-	500,000	
Unassigned	13,790,315	-	-	13,790,315	
Total fund balances	14,833,291	1,365,667	84,962	16,283,920	
Total liabilities, deferred inflows of resources, and fund balances	\$ 15,969,411	\$ 1,390,370	\$ 86,904	\$ 17,446,685	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Governmental capital assets	\$ 68,657,895	
Less accumulated depreciation	<u>(23,203,381)</u>	45,454,514

Deferred outflow of resources related to pension earnings are not recognized in the governmental funds; however, they are recorded in the statement of net position under full accrual accounting. 2,134,227

Deferred outflow of resources related to OPEB earnings are not recognized in the governmental funds; however, they are recorded in the statement of net position under full accrual accounting. 43,928

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. (2,190,528)

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. (44,125)

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. 844,169

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	\$ (5,149,496)	
Notes payable	(2,892,532)	
Compensated absences	(1,353,801)	
Other postemployment benefits	(566,646)	
Accrued interest	<u>(6,964)</u>	(9,969,439)

Net position of governmental activities **\$ 52,556,666**

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, 2019</i>	General	CRA	Nonmajor Funds	Total Governmental Funds
Revenues				
Property taxes	\$ 8,792,132	\$ 800,584	\$ -	\$ 9,592,716
Other local taxes	3,537,037	-	-	3,537,037
Licenses, permits and fees	2,487,956	-	-	2,487,956
Intergovernmental	4,333,589	-	-	4,333,589
Charges for services	329,910	-	-	329,910
Fines and forfeitures	22,089	-	2,963	25,052
Interest and other	303,728	6,929	83	310,740
Miscellaneous revenue	180,078	11,028	9,315	200,421
Total revenues	19,986,519	818,541	12,361	20,817,421
Expenditures				
Current:				
General government	2,193,633	-	116	2,193,749
Administrative services	1,758,350	-	-	1,758,350
Mayor and city council	56,341	-	-	56,341
City attorney	100,544	14,700	-	115,244
Police	6,036,279	-	-	6,036,279
Fire	5,609,609	-	-	5,609,609
Public works	2,826,670	-	-	2,826,670
Planning and development	-	1,805,058	-	1,805,058
Recreation	-	-	1,941	1,941
Debt service	320,310	598,121	-	918,431
Total expenditures	18,901,736	2,417,879	2,057	21,321,672
Excess (deficiency) of revenues over (under) expenditures	1,084,783	(1,599,338)	10,304	(504,251)
Other financing sources (uses)				
Transfers in	396,000	1,062,308	-	1,458,308
Transfers out	(1,062,308)	-	-	(1,062,308)
Net other financing sources (uses)	(666,308)	1,062,308	-	396,000
Net change in fund balances	418,475	(537,030)	10,304	(108,251)
Fund balances, beginning of year	14,414,816	1,902,697	74,658	16,392,171
Fund balances, end of year	\$ 14,833,291	\$ 1,365,667	\$ 84,962	\$ 16,283,920

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, 2019

Net change in fund balances - total governmental funds		\$ (108,251)
Amounts reported for governmental activities in the statement of activities are different because:		
<p>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 capital outlay exceed depreciation in the current period.</p>		
Expenditures for capital assets	\$ 3,727,710	
Less current year depreciation	<u>(1,675,237)</u>	2,052,473
<p>Repayment of note principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.</p>		
		844,247
<p>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.</p>		
		7,153
<p>Other postemployment benefit obligation reported in the statement of activities does not require the use of current financial resources; therefore, is not reported as an expenditure in governmental funds.</p>		
		(19,235)
<p>Cash pensions contributions reported in the funds were greater than the calculated pension expense on the statement of activities and therefore increase net position.</p>		
		371,509
<p>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.</p>		
		(34,861)
<hr/>		
Change in net position of governmental activities		\$ 3,113,035
<hr/>		

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

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

<i>September 30, 2019</i>	Business-type Activities - Enterprise Funds				Governmental
	Wastewater System	Sanitation Services	Stormwater Utility	Total	Activities - Internal Service Fund
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 564,681	\$ 1,531,705	\$ 1,080,582	\$ 3,176,968	\$ 1,384,198
Certificates of deposit	760,460	-	-	760,460	-
Accounts receivable	541,948	339,842	124,398	1,006,188	-
Assessments receivable	300	-	20,066	20,366	-
Due from other governments	462,437	228,020	89,019	779,476	-
Inventory	183,768	19,920	88,685	292,373	-
Total current assets	2,513,594	2,119,487	1,402,750	6,035,831	1,384,198
Noncurrent assets:					
Restricted noncurrent assets:					
Cash and cash equivalents	5,043,229	-	-	5,043,229	-
Certificates of deposit	1,200,249	-	-	1,200,249	-
Accrued interest and other	233	-	-	233	-
Total restricted assets	6,243,711	-	-	6,243,711	-
Capital assets:					
Land	776,414	30,516	2,896,296	3,703,226	-
Construction in progress	176,886	-	-	176,886	-
Buildings and facilities	17,615,962	-	-	17,615,962	-
Equipment	7,620,305	627,447	585,499	8,833,251	-
Vehicles	1,155,080	3,803,527	270,386	5,228,993	-
Wastewater and stormwater lines	14,527,284	-	11,209,989	25,737,273	-
Reuse lines	9,384,252	-	-	9,384,252	-
	51,256,183	4,461,490	14,962,170	70,679,843	-
Less accumulated depreciation	(25,188,618)	(2,758,924)	(5,592,376)	(33,539,918)	-
Total capital assets, net of accumulated depreciation	26,067,565	1,702,566	9,369,794	37,139,925	-
Total noncurrent assets	32,311,276	1,702,566	9,369,794	43,383,636	-
Total assets	34,824,870	3,822,053	10,772,544	49,419,467	1,384,198
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflow of OPEB expense	6,170	8,144	740	15,054	-
Deferred outflow of pension expenses	188,821	210,505	20,577	419,903	-
Total deferred outflow of resources	194,991	218,649	21,317	434,957	-

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

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

<i>September 30, 2019</i>	Business-type Activities - Enterprise Funds				Governmental
	Wastewater System	Sanitation Services	Stormwater Utility	Total	Activities - Internal Service Fund
LIABILITIES					
Current liabilities (payable from current assets):					
Accounts payable	117,202	9,848	17,423	144,473	-
Accrued payroll and related liabilities	32,499	36,616	3,646	72,761	-
Compensated absences	84,948	110,267	3,348	198,563	-
Claims payable	-	-	-	-	540,029
Current portion of note payable	174,363	-	-	174,363	-
Total current liabilities	409,012	156,731	24,417	590,160	540,029
Noncurrent liabilities:					
Compensated absences	97,963	13,091	20,803	131,857	-
Net OPEB liability	83,471	114,623	9,621	207,715	-
Net pension liability	467,254	522,136	46,421	1,035,811	-
Note payable due after one year	261,182	-	-	261,182	-
Total noncurrent liabilities	909,870	649,850	76,845	1,636,565	-
Total liabilities	1,318,882	806,581	101,262	2,226,725	540,029
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows of pension earnings	217,282	240,870	25,576	483,728	-
Deferred inflows of OPEB earnings	5,830	9,279	726	15,835	-
Total deferred inflows of resources	223,112	250,149	26,302	499,563	-
NET POSITION					
Net investment in capital assets	25,632,020	1,702,566	9,369,794	36,704,380	-
Restricted for:					
Debt service	100,686	-	-	100,686	-
Renewal and replacement	2,693,472	-	-	2,693,472	-
Unrestricted	5,051,689	1,281,406	1,296,503	7,629,598	844,169
Total net position	\$ 33,477,867	\$ 2,983,972	\$ 10,666,297	\$ 47,128,136	\$ 844,169

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, 2019</i>	Business-type Activities - Enterprise Funds				Governmental
	Wastewater System	Sanitation Services	Stormwater Utility	Total	Activities - Internal Service Fund
Operating revenues:					
Charges for services	\$ 4,340,956	\$ 2,875,388	\$ -	\$ 7,216,344	\$ 2,697,081
Intergovernmental	66,015	-	-	66,015	-
Fees	375,060	-	1,112,707	1,487,767	-
Total operating revenues	4,782,031	2,875,388	1,112,707	8,770,126	2,697,081
Operating expenses:					
Salaries, wages and employee benefits	1,430,503	1,801,547	169,025	3,401,075	-
Contractual, materials, and supplies	1,985,747	474,403	186,237	2,646,387	-
Depreciation	1,291,407	238,826	313,990	1,844,223	-
Repairs and maintenance	318,589	292,351	583,672	1,194,612	-
Total operating expenses	5,026,246	2,807,127	1,252,924	9,086,297	2,731,942
Operating income (loss)	(244,215)	68,261	(140,217)	(316,171)	(34,861)
Nonoperating revenues (expenses):					
Capital grants	39,630	-	-	39,630	-
Interest income	111,596	5,833	1,196	118,625	-
Interest expense	(22,716)	-	-	(22,716)	-
Gain on sale of capital assets	2,840	-	-	2,840	-
Total nonoperating revenues (expenses)	131,350	5,833	1,196	138,379	-
Income (loss) before contributions	(112,865)	74,094	(139,021)	(177,792)	(34,861)
Capital contributions	985,625	-	-	985,625	-
Transfers out	(190,000)	(123,000)	(83,000)	(396,000)	-
Change in net position	682,760	(48,906)	(222,021)	411,833	(34,861)
Net position, beginning of year	32,795,107	3,032,878	10,888,318	46,716,303	879,030
Net position, end of year	\$ 33,477,867	\$ 2,983,972	\$ 10,666,297	\$ 47,128,136	\$ 844,169

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, 2019</i>	Business-type Activities - Enterprise Funds				Governmental
	Wastewater System	Sanitation Services	Stormwater Utility	Total	Activities - Internal Service Fund
Cash flows from operating activities:					
Cash received from customers for sales and services	\$ 4,731,317	\$ 3,582,622	\$ 1,101,325	\$ 9,415,264	\$ 2,697,645
Cash payments to employees	(1,028,151)	(1,304,560)	(126,015)	(2,458,726)	(10,026)
Cash payments to suppliers for goods and services	(2,639,534)	(1,176,836)	(795,225)	(4,611,595)	-
Cash payments for insurance and claims expenses	-	-	-	-	(2,605,296)
Net cash provided by operating activities	1,063,632	1,101,226	180,085	2,344,943	82,323
Cash flows from noncapital financing activities:					
Cash transfers out to other funds	(190,000)	(123,000)	(83,000)	(396,000)	-
Net cash used in noncapital financing activities	(190,000)	(123,000)	(83,000)	(396,000)	-
Cash flows from capital and related financing activities:					
Acquisition of capital assets	(336,435)	(231,703)	(82,060)	(650,198)	-
Proceeds for capital grants and contributions	1,025,255	-	-	1,025,255	-
Proceeds from sale of capital assets	33,600	-	-	33,600	-
Principal paid on note payable	(163,931)	-	-	(163,931)	-
Interest paid on long-term debt, net of subsidy	(22,716)	-	-	(22,716)	-
Net cash provided by (used in) capital and related financing activities	535,773	(231,703)	(82,060)	222,010	-
Cash flows from investing activities:					
Investment income	111,596	5,833	1,196	118,625	-
Proceeds from sale/maturity of investments	660,886	253,855	-	914,741	-
Net cash provided by investing activities	772,482	259,688	1,196	1,033,366	-
Net increase in cash and cash equivalents	2,181,887	1,006,211	16,221	3,204,319	82,323
Cash and cash equivalents, beginning of year	3,426,023	525,494	1,064,361	5,015,878	1,301,875
Cash and cash equivalents, end of year	\$ 5,607,910	\$ 1,531,705	\$ 1,080,582	\$ 8,220,197	\$ 1,384,198

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

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

<i>Year Ended September 30, 2019</i>	Business-type Activities - Enterprise Funds				Governmental
	Wastewater System	Sanitation Services	Stormwater Utility	Total	Activities - Internal Service Fund
Reconciliation of operating income (loss) to net cash provided by operating activities:					
Operating income (loss)	\$ (244,215)	\$ 68,261	\$ (140,217)	\$ (316,171)	\$ (34,861)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	1,291,407	238,826	313,990	1,844,223	-
Change in assets and liabilities:					
(Increase) decrease in assets:					
Accounts receivable	62,384	6,512	8,800	77,696	564
Due from other governments	(140,109)	732,630	(20,182)	572,339	-
Inventory	(7,770)	48,869	8,060	49,159	-
Assessments receivable	10,500	-	-	10,500	-
Prepaid items	32,268	45,238	-	77,506	-
Accrued interest receivable	24	-	-	24	-
Deferred outflows of OPEB expense	(6,170)	(8,144)	(740)	(15,054)	-
Deferred outflows of pension expenses	(32,485)	(35,852)	(3,468)	(71,805)	-
Increase (decrease) in liabilities:					
Accounts payable	93,687	5,011	13,231	111,929	-
Accrued payroll and related liabilities	(24,985)	15,949	(853)	(9,889)	-
Accrued claims payable	-	-	-	-	116,620
Due to other funds	16,487	(31,908)	-	(15,421)	-
Due to other governments	-	-	-	-	-
Net OPEB obligation	8,234	10,868	988	20,090	-
Net pension liability	22,219	24,522	2,372	49,113	-
Deferred inflows of pension earnings	(18,482)	(20,398)	(1,973)	(40,853)	-
Deferred inflows of OPEB earnings	638	842	77	1,557	-
Total adjustments	1,307,847	1,032,965	320,302	2,661,114	117,184
Net cash provided by operating activities	\$ 1,063,632	\$ 1,101,226	\$ 180,085	\$ 2,344,943	\$ 82,323

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, 2019</i>	Employee Pension Trust Funds
<hr/>	
ASSETS	
Cash and cash equivalents	\$ 654,432
Contributions receivable	229,301
Due from police employees plan	1,266
Interest receivable	52,596
Investments, at fair value	44,115,229
Total assets	<hr/> 45,052,824
 LIABILITIES	
Due to general employees plan	<hr/> 1,266
 NET POSITION	
Restricted for pension benefits	<hr/> \$ 45,051,558 <hr/>

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, 2019</i>	Employee Pension Trust Funds
ADDITIONS	
Contributions:	
State	\$ 384,567
Employer	1,493,843
Employees	615,707
Total contributions	2,494,117
Investment income:	
Net appreciation in the fair value of investments	714,902
Interest and dividends	935,131
	1,650,033
Less: investment related expense	(136,701)
Net investment income	1,513,332
Total additions	4,007,449
DEDUCTIONS	
Benefits paid	2,651,334
Administrative expenses	197,340
Total deductions	2,848,674
Change in net position	1,158,775
Net position held in trust for pension benefits, beginning of year	43,892,783
Net position held in trust for pension benefits, end of year	\$ 45,051,558

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 1963, 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 three enterprise funds: Wastewater System, Sanitation Services, and Stormwater Utility, 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 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.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Major Governmental Funds

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

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

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 departments on a cost-reimbursement basis.

There are no nonmajor proprietary funds.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. DEPOSITS AND INVESTMENTS (continued)

Deposits

The City's and component unit's pooled cash deposits, with a carrying amount of \$17,582,572 and extensive investment in certificates of deposits of \$10,254,039, are covered by federal depository insurance and by deposits held in banks that are members of the State of Florida's collateral pool. In addition, the City holds \$700 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, which are held to maturity and are nonparticipating interest-earning investment contracts. The certificates of deposits are valued at fair value per GASB 72.

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.
- (2) *Credit Risk* - To mitigate credit risk, the City primarily invests in U.S. Government securities.
- (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. None of the City's funds will be invested beyond five years in any security.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. DEPOSITS AND INVESTMENTS (continued)

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.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. DEPOSITS AND INVESTMENTS (continued)

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, 2019.

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 commingled 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.

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.

City of Rockledge, Florida
Notes to Financial Statements

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, 2019:

	Maturity Date		Fair Value	Rating	Level
	1-5 Years	Over Five Years			
Primary government:					
Certificates of Deposit	\$ 10,254,039	\$ -	\$ 10,254,039	Not rated	L2
Total Investments	\$ 10,254,039	\$ -	\$ 10,254,039		
	Maturity Date		Fair Value	Rating	Level
	1-5 Years	Over Five Years			
General employees:					
U.S. Government securities	\$ 1,908,726	\$ 33,109	\$ 1,941,835	Not rated	L2
Federal agencies	-	42,541	42,541	AAA	L2
Corporate bonds and notes	983,909	220,011	1,203,920	Baa - AAA	L2
Total	\$ 2,892,635	\$ 295,661	3,188,296		
Investments not subject to categorization:					
Real Estate			1,688,704	Not rated	-
Common stocks			12,159,194	Not rated	L1
Total investments			\$ 17,036,194		
Police officers:					
U.S. Government securities	\$ 894,054	\$ 717,622	\$ 1,611,676	Not rated	L2
Federal agencies	4,215	51,989	56,204	AAA	L2
Corporate bonds and notes	868,818	162,242	1,031,060	Baa - AAA	L2
Total	\$ 1,767,087	\$ 931,853	2,698,940		
Investments not subject to categorization:					
Real Estate			1,470,432	Not rated	-
Common stocks			10,967,737	Not rated	L1
Total investments			\$ 15,137,109		
Firefighter employees:					
U.S. Government securities	\$ 679,259	\$ 623,094	\$ 1,302,353	Not rated	L2
Federal agencies	4,047	40,437	44,484	AAA	L2
Corporate bonds and notes	792,723	114,187	906,910	Baa - AAA	L2
Total	\$ 1,476,029	\$ 777,718	2,253,747		
Investments not subject to categorization:					
Real Estate			1,171,736	Not rated	-
Common stocks			8,516,443	Not rated	L1
Total investments			\$ 11,941,926		

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, 2019.

	Fair Value	Unfunded Commitments	Redemption Frequency (if currently eligible)	Redemption Notice Period
Real Estate	\$4,330,872	N/A	Quarterly	30 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, 2019 (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.

All accounts receivables are deemed collectible; therefore, no allowance for doubtful accounts is recorded for governmental funds.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. PROPERTY TAXES

Under Florida law, the assessment of all properties and the collection of all City property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. The laws of the State of Florida regulating tax assessment are also designed to assure a consistent property valuation method statewide. State statutes permit cities to levy property taxes at a rate of up to ten mills. The operating millage rate in effect for the fiscal year ended September 30, 2019, was 6.15 mills.

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

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

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

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

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

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. PROPERTY TAXES (continued)

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

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

I. INVENTORIES

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

J. CAPITAL ASSETS

Property, plant, and equipment purchased or acquired are carried at historical cost or estimated historical cost. Contributed assets are recorded at fair market value as of the date received. The City defines capital assets as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year. 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.

Property, plant, and equipment are depreciated using the straight-line method over the following useful lives:

<u>Years</u>	
7 – 40	Buildings
10 – 40	Improvements other than buildings
3 – 20	Machinery and furniture
4 – 20	Vehicles (including heavy equipment)
40	Infrastructure
20 – 40	Waste and transmission lines and facilities

K. UNEARNED REVENUE

Unearned revenue totaling \$1,060 includes deposits from participants in an art show held semi-annually by the City.

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, 2019. 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 a consumption of net position that applies to a future period and will not be recognized as an expense until then. The City currently has deferred outflows of pension expenses and OPEB expenses that meet this criteria. Deferred outflows of pension expenses and OPEB expenses represent differences between actual pension experiences and actuarial assumptions. These will be charged to pension and OPEB expense over the actuarial assumption's timeline.

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 statement of net position.

O. 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.

P. 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.

Q. PENSION PLANS

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Q. PENSION PLANS (continued)

General employees, police officers, and firefighters are enrolled in separate, defined benefit pension plans restated October 1, 1999 with subsequent amendments. Annual costs of the pension plans are actuarially computed using the entry age normal actuarial cost method as described in Note 9.

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

R. DEFERRED INFLOWS OF RESOURCES

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

S. NET POSITION

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

T. FUND EQUITY

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

T. FUND EQUITY (continued)

Fund balance is reported in the following five components:

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

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

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

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

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

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

U. NET POSITION RESTRICTED BY ENABLING LEGISLATION

In the government-wide financial statements, governmental activities report restricted net position of \$1,876,846. Management has determined that, of this amount, \$434,401 is restricted for law enforcement purposes by enabling legislation.

NOTE 2 – ACCOUNTS RECEIVABLE

The accounts receivable and allowance for uncollectible accounts at September 30, 2019, were as follows:

	Accounts Receivable	Unbilled Receivable	Allowance for Uncollectible	Net
General Fund	\$ 542,484	\$ -	\$ -	\$ 542,484
Enterprise Funds:				
Wastewater System Fund	428,727	113,221	-	541,948
Sanitation Services Fund	262,242	77,600	-	339,842
Stormwater Utility Fund	95,220	29,178	-	124,398
Totals	\$ 1,328,673	\$ 219,999	\$ -	\$ 1,548,672

Property taxes are considered fully collected (96% of the levy) during and prior to the end of the fiscal year. Therefore, no material amounts of property taxes are receivable as of September 30, 2019. There are no other reserves for receivables recorded by the City as of September 30, 2019.

NOTE 3 - CAPITAL ASSETS

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

Governmental activities:	
General government (infrastructure)	\$ 467,229
Administrative services	117,819
Police	419,488
Fire	273,525
Public works	72,774
Planning and development	324,402
Total depreciation expense - governmental activities	\$ 1,675,237
Business-type activities:	
Wastewater system	\$ 1,291,407
Sanitation services	238,826
Stormwater utility	313,990
Total depreciation expense - business-type activities	\$ 1,844,223

City of Rockledge, Florida
Notes to Financial Statements

NOTE 3 - CAPITAL ASSETS (Continued)

The following is a summary of changes in capital assets during the year ended September 30, 2019:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 14,472,047	\$ 4,999	\$ -	\$ 14,477,046
Construction-in-progress	911,139	3,211,328	(4,122,467)	-
Total capital assets, not being depreciated	15,383,186	3,216,327	(4,122,467)	14,477,046
Capital assets, being depreciated:				
Buildings	10,149,520	1,829,195	-	11,978,715
Improvements other than buildings *	2,673,232	2,236,687	-	4,909,919
Furniture and equipment	6,244,981	277,950	-	6,522,931
Vehicles	4,462,987	290,018	-	4,753,005
Infrastructure	26,016,279	-	-	26,016,279
Total capital assets, being depreciated	49,546,999	4,633,850	-	54,180,849
Less accumulated depreciation for:				
Buildings	(2,968,147)	(296,030)	-	(3,264,177)
Improvements other than buildings *	(465,733)	(116,109)	-	(581,842)
Furniture and equipment	(4,297,145)	(300,063)	-	(4,597,208)
Vehicles	(3,285,293)	(310,237)	-	(3,595,530)
Infrastructure	(10,511,826)	(652,798)	-	(11,164,624)
Total accumulated depreciation	(21,528,144)	(1,675,237)	-	(23,203,381)
Total capital assets, being depreciated, net	28,018,855	2,958,613	-	30,977,468
Governmental activities capital assets, net	\$ 43,402,041	\$ 6,174,940	\$ (4,122,467)	\$ 45,454,514
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 3,677,911	\$ 25,315	\$ -	\$ 3,703,226
Construction-in-progress	5,302,875	63,047	(5,189,036)	176,886
Total capital assets, not being depreciated	8,980,786	88,362	(5,189,036)	3,880,112
Capital assets, being depreciated:				
Buildings	13,560,459	9,800	(30,760)	13,539,499
Machinery and equipment	7,784,425	1,048,826	-	8,833,251
Vehicles	5,011,224	217,769	-	5,228,993
Waste and transmission lines and facilities	34,723,511	4,474,477	-	39,197,988
Total capital assets, being depreciated	61,079,619	5,750,872	(30,760)	66,799,731
Less accumulated depreciation for:				
Buildings	(6,509,094)	(282,804)	-	(6,791,898)
Machinery and equipment	(4,547,366)	(347,889)	-	(4,895,255)
Vehicles	(3,142,731)	(260,497)	-	(3,403,228)
Waste and transmission lines and facilities	(17,496,504)	(953,033)	-	(18,449,537)
Total accumulated depreciation	(31,695,695)	(1,844,223)	-	(33,539,918)
Total capital assets, being depreciated, net	29,383,924	3,906,649	(30,760)	33,259,813
Business-type activities capital assets, net	\$ 38,364,710	\$ 3,995,011	\$ (5,219,796)	\$ 37,139,925

* - Beginning balances were changed due to the Foundation becoming a blended component unit.

NOTE 4 – NOTES PAYABLE

On April 1, 2009, the City borrowed \$2,000,000 through a local bank for the purpose of constructing a police facility. As of September 30, 2010, the City owed \$1,763,069 on this note. Principal of \$14,932 was paid in October 2010 bringing the outstanding balance on the note to \$1,748,137. On November 1, 2010, the City borrowed an additional \$500,000 at the same interest rate of 3.95% bringing the monthly payments to \$25,983. The City obtained a second loan modification on this note, effective August 12, 2011, at an effective interest rate of 2.87% and payments of \$24,924 per month. This interest rate and payment amount remained in effect for five years, at which time the interest rate increased to 3.37% with monthly payments of \$25,076 through May 1, 2019. However, on December 7, 2017, the City refinanced the note, borrowing an additional amount of \$2,061,468, which carried a new interest rate of 2.50%. Interest of \$56,207 was paid on this note during the year ended September 30, 2019. The note is secured with a pledge of utility tax revenues and franchise fees collected by the City. As of September 30, 2019, the principal outstanding on the note was \$2,105,032.

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 \$16,033 was paid on this note during the year ended September 30, 2019. As of September 30, 2019, the remaining principal outstanding on the note was \$750,000.

On October 7, 2013, the City, through its Community Redevelopment Agency (CRA), opened a \$750,000 line of credit through a local bank in order to facilitate short-term financing needs. In 2013 and 2015, the City drew \$500,000 and \$350,000 from the line of credit, which was used with other funds to purchase parcels of land and buildings. On September 30, 2016, the City increased the line of credit to \$1,000,000 and drew \$200,000 to purchase land. On October 4, 2017, the City increased the line of credit to \$2,000,000 and drew \$396,996 to purchase land and a commercial building. On December 7, 2017, the City decreased the line of credit to \$1,000,000. As of September 30, 2019, 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 5.0% on September 30, 2019.

City of Rockledge, Florida
Notes to Financial Statements

NOTE 4 – NOTES PAYABLE (Continued)

In July 2015, the City purchased a vacant 6.3 acre piece of property that will be used primarily for recreational purposes. The purchase price was \$190,000 and was partially funded by a \$180,000 promissory note with a private third party, bearing no interest. Payments of \$37,500 are due annually on October 15th. As of September 30, 2019, the principal outstanding on the note was \$37,500.

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 \$17,483 was paid on this note during the year ended September 30, 2019. As of September 30, 2019, the principal outstanding on the note was \$446,009.

The following is a summary of governmental activities direct borrowings for the year ended September 30, 2019:

Year Ending September 30,	Governmental Activities									
	Redevelopment Agency		CRA Malloy LOC		Capital Improvement Note		6.3 Acre Property		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 250,000	\$ 12,000	\$ -	\$ -	\$ 232,710	\$ 50,100	\$ 37,500	\$ -	\$ 520,210	\$ 62,100
2021	250,000	8,000	-	-	238,734	44,076	-	-	488,734	52,076
2022	250,000	4,000	-	-	244,771	38,089	-	-	494,771	42,089
2023	-	-	-	-	250,961	31,849	-	-	250,961	31,849
2024	-	-	-	-	257,236	25,574	-	-	257,236	25,574
2025-2028	-	-	-	-	880,620	37,094	-	-	880,620	37,094
Total	750,000	24,000	-	-	2,105,032	226,782	37,500	-	2,892,532	250,782
Current portion	(250,000)	(12,000)	-	-	(232,710)	(50,100)	(37,500)	-	(520,210)	(62,100)
Payable after one year	\$ 500,000	\$ 12,000	\$ -	\$ -	\$ 1,872,322	\$ 176,682	\$ -	\$ -	\$ 2,372,322	\$ 188,682

City of Rockledge, Florida
Notes to Financial Statements

NOTE 4 – NOTES PAYABLE (Continued)

The following is a summary of business-type activities direct borrowings for the year ended September 30, 2019:

Year Ending September 30,	Business-type Activities			
	Wastewater System - SRF		Total	
	Principal	Interest	Principal	Interest
2020	\$ 174,363	\$ 12,284	\$ 174,363	\$ 12,284
2021	179,722	6,925	179,722	6,925
2022	91,924	701	91,924	701
Total	446,009	19,910	446,009	19,910
Unamortized issue discount	(10,464)	-	(10,464)	-
Carrying value	435,545	19,910	435,545	19,910
Current portion	(174,363)	(12,284)	(174,363)	(12,284)
Payable after one year	\$ 261,182	\$ 7,626	\$ 261,182	\$ 7,626

City of Rockledge, Florida
Notes to Financial Statements

NOTE 5 - CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended September 30, 2019, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Notes payable:					
Community Redevelopment Agency Note, Series 2005	\$ 1,000,000	\$ -	\$ (250,000)	\$ 750,000	\$ 250,000
CRA LOC	330,143	-	(330,143)	-	-
Capital Improvement Note	2,331,636	-	(226,604)	2,105,032	232,710
6.3 Acre Property Note	75,000	-	(37,500)	37,500	37,500
Total notes payable	3,736,779	-	(844,247)	2,892,532	520,210
Other postemployment benefits	508,023	109,400	(50,777)	566,646	-
Compensated absences	1,488,056	734,327	(835,513)	1,386,870	721,333
Net pension liability	4,449,497	4,497,687	(3,797,688)	5,149,496	-
Governmental activity long-term liabilities	\$ 10,182,355	\$ 5,341,414	\$ (5,528,225)	\$ 9,995,544	\$ 1,241,543
Business-type activities:					
Notes payable:					
State Revolving Fund Note	\$ 599,476	\$ -	\$ (163,931)	\$ 435,545	\$ 174,363
Total notes payable	599,476	-	(163,931)	435,545	174,363
Other postemployment benefits	187,625	37,489	(17,399)	207,715	-
Compensated absences	366,623	209,037	(245,240)	330,420	198,563
Net pension liability	986,697	854,196	(805,082)	1,035,811	-
Business-type activity long-term liabilities	\$ 2,140,421	\$ 1,100,722	\$ (1,231,652)	\$ 2,009,491	\$ 372,926

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.

City of Rockledge, Florida
Notes to Financial Statements

NOTE 6 - PLEDGED REVENUES

The City has revenue notes outstanding at September 30, 2019, for which revenues of the City have been pledged for repayment. Revenues pledged to repay these obligations are as follows:

	Amount Issued	Principal Outstanding	Total Pledged Revenue (1)	Total Pledged Revenue Over Debt Service Required (2)	Current Year Debt Service Paid	Current Year Total Revenue
Governmental Activities:						
Revenue Notes:						
Community Redevelopment Agency Revenue Note, Series 2005 (3) Maturity: 2022, Interest rate: 3.495% Purpose: Improvements to Barton Blvd. Pledged revenue: Net revenues of the CRA	\$ 4,000,000	\$ 750,000	N/A	N/A	\$ 266,033	N/A
Capital Improvement Note, Series 2009 Maturity: 2028, Interest rate: 2.50% Purpose: Construction of new police facility Pledged revenue: Utility taxes and franchise fees	\$ 2,500,000	\$ 2,105,032	\$ 2,105,032	2147.9%	\$ 282,810	\$ 4,049,682

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

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

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

NOTE 7 - TRANSFERS TO/FROM OTHER FUNDS

Operating Transfers	Transfers		Net
	In	Out	
Major Funds:			
General Fund	\$ 396,000	\$ (1,062,308)	\$ (666,308)
Community Redevelopment Agency	1,062,308	-	1,062,308
Wastewater System	-	(190,000)	(190,000)
Sanitation Services	-	(123,000)	(123,000)
Stormwater Utility	-	(83,000)	(83,000)
Total	\$ 1,458,308	\$ (1,458,308)	\$ -

The transfer from the General Fund to the Community Redevelopment Agency Fund provides reimbursement for budgeted capital improvements within the redevelopment district. The transfers from the Wastewater System, Sanitation Services, and Stormwater Utility Funds to the General Fund were to provide reimbursement for administrative expenses.

NOTE 8 - NET INVESTMENT IN CAPITAL ASSETS

The elements of this calculation are as follows:

	Governmental Activities	Business-type Activities	Total
Capital assets (net)	\$ 45,454,514	\$ 37,139,925	\$ 82,594,439
Outstanding debt related to capital assets	(2,892,532)	(435,545)	(3,328,077)
	\$ 42,561,982	\$ 36,704,380	\$ 79,266,362

NOTE 9 - RETIREMENT PLANS

A. DESCRIPTION OF PLANS

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

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

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 \$155,266 and \$229,301 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, 2019.

NOTE 9 - 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 2019, employee contributions to the plan totaled \$297,434, while City contributions were \$756,292 or 15.3% of covered payroll.

Florida Statutes, Chapters 175 and 185, require members to contribute not less than .5% of their annual salary. 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 required rate is 9.2% of annual covered payroll for police officers and 25.8% of covered payroll for firefighters. The City contributed \$238,901 and \$498,650 for Police Employees and Fire Employees plans, respectively, for the year ended September 30, 2019. 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 \$384,567 for the year ended September 30, 2019.

NOTE 9 - RETIREMENT PLANS (Continued)

C. PLAN MEMBERSHIP AND BENEFITS

The makeup of plan participants as of the October 1, 2019 valuation was as follows:

Plan Membership	General Employees	Police Employees	Fire Employees
Inactive plan members or beneficiaries currently receiving benefits	57	21	24
Inactive plan members entitled to, but not yet receiving benefits	7	6	5
Active plan members	133	43	36
	197	70	65

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. Benefit equals 2.75% x Avg Monthly Comp x credited service.	Age 52 and 10 years of 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).	Age 52 and 25 years or age 55 and 10 years of service. 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.	Age 44 and 25 years or age 50 and 10 years of service, reduced at 1/4% per month with a minimum of 50% for those with 25 years credited service.	Age 45 and 25 years or age 50 and 10 years of service, reduced at 1/4% per month with a minimum of 50% for those with 25 years credited service.

NOTE 9 - RETIREMENT PLANS (Continued)

C. PLAN MEMBERSHIP AND BENEFITS (continued)

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

NOTE 9 - RETIREMENT PLANS (Continued)

D. PENSION PLAN INVESTMENTS

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

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

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

For the year ended September 30, 2019, the annual money-weighted rate of return on the plans’ investments, net of pension investment expense, was 3.27% for General, 2.90% for Police, and 3.03% 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	3.27%	2.90%	3.03%

NOTE 9 - RETIREMENT PLANS (Continued)

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

The components of the net pension liability of the City as of September 30, 2019, were as follows:

General Employees:		
Total pension liability	\$	19,766,820
Plan fiduciary net position		(17,336,944)
City's net pension liability	\$	2,429,876
Plan fiduciary net position as a percentage of the total pension liability		
		87.71%
Police Employees:		
Total pension liability	\$	16,328,741
Plan fiduciary net position		(15,591,866)
City's net pension liability	\$	736,875
Plan fiduciary net position as a percentage of the total pension liability		
		95.49%
Fire Employees:		
Total pension liability	\$	15,141,304
Plan fiduciary net position		(12,122,748)
City's net pension liability	\$	3,018,556
Plan fiduciary net position as a percentage of the total pension liability		
		80.06%

The total pension liability was determined by an actuarial valuation as of October 1, 2019 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)	6.00%	6.00%	6.00%
Investment rate of return (net of investment expense, including inflation)	7.80%	7.80%	7.80%
Discount rate	7.80%	7.80%	7.80%

NOTE 9 - RETIREMENT PLANS (Continued)

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

Mortality rates were based on the July 1, 2018 FRS special risk actuarial valuation for the Police and Fire Employees plans and the July 1, 2018 FRS not special risk actuarial valuation for the General Employees plan. Disabled tables were used for disabled lives.

For the Fire Employees and Police Employees plans, actuarial assumptions used in the October 1, 2019 valuation were based on the results of an actuarial experience study for the period October 1, 1999 to September 30, 2005. The actuarial assumptions used for General Employees plan were not based upon a known comprehensive experience review.

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, 2019, are summarized in the following table:

Asset Class	General Employees		Police Employees		Fire Employees	
	Target Allocation	Long-term Expected	Target Allocation	Long-term Expected	Target Allocation	Long-term Expected
		Rate of Return		Rate of Return		Rate of Return
Domestic equity	47.50%	7.50%	47.50%	7.50%	47.50%	7.50%
International equity	15.00%	8.50%	15.00%	8.50%	15.00%	8.50%
Domestic bonds	22.50%	2.50%	22.50%	2.50%	22.50%	2.50%
International bonds	5.00%	3.50%	5.00%	3.50%	5.00%	3.50%
Real estate	10.00%	4.50%	10.00%	4.50%	10.00%	4.50%

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

NOTE 9 - RETIREMENT PLANS (Continued)

F. PENSION PLAN FINANCIAL STATEMENTS

The following tables present the statement of net position - fair value, and statement of changes in net position - fair value, of all the trusts' investments as of and for the year ended September 30, 2019.

	Employee Benefit Funds			
	General Employees	Police Employees	Fire Employees	Totals
ASSETS				
Cash and cash equivalents	\$ 281,558	\$ 205,971	\$ 166,903	\$ 654,432
Contributions receivable	-	229,301	-	229,301
Due from other plan	-	1,266	-	1,266
Accrued interest and prepaid expenses	20,458	18,219	13,919	52,596
Total current assets	302,016	454,757	180,822	937,595
Investments, at fair value	17,036,194	15,137,109	11,941,926	44,115,229
Total assets	17,338,210	15,591,866	12,122,748	45,052,824
LIABILITIES				
Due to other plan	1,266	-	-	1,266
Net position held in trust for pension benefits	\$ 17,336,944	\$ 15,591,866	\$ 12,122,748	\$ 45,051,558

City of Rockledge, Florida
Notes to Financial Statements

NOTE 9 - RETIREMENT PLANS (Continued)

F. PENSION PLAN FINANCIAL STATEMENTS (continued)

	Employee Benefit Funds			<u>Totals</u>
	<u>General Employees</u>	<u>Police Employees</u>	<u>Fire Employees</u>	
Additions:				
Contributions:				
Employer	\$ 756,292	\$ 238,901	\$ 498,650	\$ 1,493,843
State	-	229,301	155,266	384,567
Employees	297,434	187,557	130,716	615,707
Total contributions	<u>1,053,726</u>	<u>655,759</u>	<u>784,632</u>	<u>2,494,117</u>
Investment income:				
Net appreciation in fair value of investments	293,258	216,781	204,863	714,902
Interest and dividends	362,927	320,462	251,742	935,131
	656,185	537,243	456,605	1,650,033
Less: investment related expense	<u>(49,600)</u>	<u>(45,437)</u>	<u>(41,664)</u>	<u>(136,701)</u>
Net investment income	<u>606,585</u>	<u>491,806</u>	<u>414,941</u>	<u>1,513,332</u>
Total additions	<u>1,660,311</u>	<u>1,147,565</u>	<u>1,199,573</u>	<u>4,007,449</u>
Deductions:				
Benefits	1,085,673	457,662	1,107,999	2,651,334
Administrative expense	65,393	63,865	68,082	197,340
Total deductions	<u>1,151,066</u>	<u>521,527</u>	<u>1,176,081</u>	<u>2,848,674</u>
Change in net position	509,245	626,038	23,492	1,158,775
Net position held in trust for pension benefits:				
Balance at beginning of year	<u>16,827,699</u>	<u>14,965,828</u>	<u>12,099,256</u>	<u>43,892,783</u>
Balance at end of year	<u>\$ 17,336,944</u>	<u>\$ 15,591,866</u>	<u>\$ 12,122,748</u>	<u>\$ 45,051,558</u>

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

For the year ended September 30, 2019, the City recognized a pension expense of \$595,635 for the General Employees plan; \$401,625 for the Police Employees plan; and \$446,096 for the Fire Employees plan. On September 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

City of Rockledge, Florida
Notes to Financial Statements

NOTE 9 - RETIREMENT PLANS (Continued)

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

	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	\$ -	\$ 774,873	\$ 32,898	\$ 267,394	\$ -	\$ 447,483
Changes of assumptions	438,336	-	357,282	2,389	194,150	26
Net difference between projected and actual earnings	574,500	441,716	541,486	426,650	415,478	313,725
Total	\$ 1,012,836	\$ 1,216,589	\$ 931,666	\$ 696,433	\$ 609,628	\$ 761,234

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>	General	Police	Fire
	<u>Employees</u>	<u>Employees</u>	<u>Employees</u>
2020	(105,275)	(53,621)	(118,389)
2021	(58,667)	(15,873)	(74,182)
2022	(34,249)	99,531	(6,704)
2023	39,884	157,210	55,161
2024	(45,446)	23,267	(7,492)
2025	-	22,187	-
2026	-	2,532	-
	\$ (203,753)	\$ 235,233	\$ (151,606)

City of Rockledge, Florida
Notes to Financial Statements

NOTE 9 - RETIREMENT PLANS (Continued)

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

General Employees

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at September 30, 2018	\$ 19,133,405	\$ 16,827,700	\$ 2,305,705
Changes for a year:			
Service cost	605,932	-	605,932
Interest	1,488,277	-	1,488,277
Differences between expected and actual experience	(329,476)	-	(329,476)
Changes of benefit terms	(45,645)	-	(45,645)
Contributions - employer	-	756,292	(756,292)
Contributions - employee	-	297,434	(297,434)
Net investment income	-	606,585	(606,585)
Benefit payments, including refunds of employee contributions	(1,085,673)	(1,085,673)	-
Administrative expense	-	(65,394)	65,394
Net changes	633,415	509,244	124,171
Balances at September 30, 2019	\$ 19,766,820	\$ 17,336,944	\$ 2,429,876

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	6.80% \$4,754,171	7.80% \$ 2,429,876	8.80% \$ 473,570

City of Rockledge, Florida
Notes to Financial Statements

NOTE 9 - RETIREMENT PLANS (Continued)

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

Police Employees

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at September 30, 2018	\$ 15,168,036	\$ 14,965,828	\$ 202,208
Changes for a year:			
Service cost	401,170	-	401,170
Interest	1,191,725	-	1,191,725
Differences between expected and actual experience	37,959	-	37,959
Changes of benefit terms	(12,487)	-	(12,487)
Contributions - employer	-	238,901	(238,901)
Contributions - state	-	229,301	(229,301)
Contributions - employee	-	187,557	(187,557)
Net investment income	-	491,806	(491,806)
Benefit payments, including refunds of employee contributions	(457,662)	(457,662)	-
Administrative expense	-	(63,865)	63,865
Net changes	1,160,705	626,038	534,667
Balances at September 30, 2019	\$ 16,328,741	\$ 15,591,866	\$ 736,875

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 liability	6.80% \$2,627,981	7.80% \$ 736,875	8.80% \$ (842,272)

NOTE 9 - RETIREMENT PLANS (Continued)

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

Fire Employees

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at September 30, 2018	\$ 15,027,537	\$ 12,099,256	\$ 2,928,281
Changes for a year:			
Service cost	281,063	-	281,063
Interest	1,148,416	-	1,148,416
Differences between expected and actual experience	(194,742)	-	(194,742)
Changes of benefit terms	(12,971)	-	(12,971)
Contributions - employer	-	498,650	(498,650)
Contributions - state	-	155,266	(155,266)
Contributions - employee	-	130,716	(130,716)
Net investment income	-	414,941	(414,941)
Benefit payments, including refunds of employee contributions	(1,107,999)	(1,107,999)	-
Administrative expense	-	(68,082)	68,082
Net changes	113,767	23,492	90,275
Balances at September 30, 2019	\$ 15,141,304	\$ 12,122,748	\$ 3,018,556

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	6.80% \$4,758,725	7.80% \$ 3,018,556	8.80% \$ 1,564,121

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

A. PLAN DESCRIPTION

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

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

A. PLAN DESCRIPTION (continued)

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, 2019, OPEB membership consisted of the following:

	General Employees	Police	Firefighters
Inactive members	2	2	7
Active members	140	52	39
Total	142	54	46

D. ACTUARIAL ASSUMPTIONS AND OTHER INPUTS

In the September 30, 2019 measurement data, the actuarial assumptions and other inputs, applied include the following:

Inflation	2.50 percent
Salary increases	6.00 percent including inflation
Discount rate	4.00 percent investment rate of return
Ultimate healthcare cost trend rate	5.00 percent
Retirees' share of benefit-related costs	100.00 percent of projected health insurance premiums

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, 2019 was 2.66%. The discount rate is changed to 2.66% from 4.0% used in the prior valuation.

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

D. ACTUARIAL ASSUMPTIONS AND OTHER INPUTS (continued)

The mortality table 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, 2018. 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, 2018. Sex distinct disability rates are used for both special risk employees and regular employees.

The actuarial assumptions used in the October 1, 2019 valuation were not based on the results of an actuarial experience study.

At September 30, 2019 the City of Rockledge reported a Net OPEB liability of \$774,361. The GASB 75 information has been provided as of the September 30, 2019 measurement date.

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Change in Net OPEB Liability			
Balance at September 30, 2019	\$ 695,648	\$ -	\$ 695,648
Changes for the year:			
Service cost	45,450	-	45,450
Interest	28,740	-	28,740
Changes of assumptions	72,699	-	72,699
Difference between expected and actual experience	(22,953)	-	(22,953)
Contributions - employer	-	45,223	(45,223)
Benefit payments	(45,223)	(45,223)	-
Net changes	78,713	-	78,713
Balance at September 30, 2019	\$ 774,361	\$ -	\$ 774,361

There were no changes in assumptions and other inputs from the October 1, 2018 valuation, except that the assumed inflation rate decreased to 2.0% from 2.5%, and the discount rate decreased to 2.66% from 4.00%. The methods, assumptions, and participant data used are detailed in the actuarial valuation report dated October 1, 2019.

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

D. ACTUARIAL ASSUMPTIONS AND OTHER INPUTS (continued)

Sensitivity of the Net OPEB Liability - The following table represents the City’s total and net OPEB liability calculated using the discount rate of 2.66%, as well as what the City’s net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.66%) or one percentage point higher (3.66%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Net OPEB liability	1.66%	2.66%	3.66%
	\$833,736	\$ 774,361	\$ 719,374

The following table represents the City’s total and net OPEB liability calculated using the health care cost trend rate of 5.00%, as well as what the City’s net 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%	5.00%	6.00%
	\$698,192	\$ 774,361	\$ 864,111

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

For the fiscal year ended September 30, 2019, the City of Rockledge recognized an OPEB expense of \$71,050. In addition the City reported deferred inflows 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	\$ -	\$ 59,960
Changes of assumptions	58,982	-
Total	\$ 58,982	\$ 59,960

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

D. ACTUARIAL ASSUMPTIONS AND OTHER INPUTS (continued)

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

Year Ending September 30:	
2020	\$ (3,140)
2021	(3,140)
2022	(3,140)
2023	5,626
2024	2,816
	<u>\$ (978)</u>

NOTE 11 - RISK MANAGEMENT

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

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

The commercial insurance carried is a claims incurred policy for which the City is covered for claims originating against the City during the policy period. The amount of coverage is dependent on the date of the liability-imposing event. The City has maintained continuous coverage and does not believe it has any exposure to events which occurred prior to the year ended September 30, 2019.

As of September 30, 2019, the City has an estimated \$520,499 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.

NOTE 12 - COMMITMENTS AND CONTINGENCIES

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

NOTE 13 - COMMUNITY REDEVELOPMENT AGENCY

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

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

	Actual Budgetary Basis
<hr/>	
Resources (inflows):	
Property taxes	\$ 800,584
Income on investments	6,929
Other	39,756
Transfer in	1,062,308
<hr/>	
Amounts available for appropriation	1,909,577
<hr/>	
Personal services	71,055
Administrative office	6,975
Legal and accounting	17,441
Planning, engineering, and design	3,850
Grants and capital acquisitions	1,791,473
Promotional expenses and events	14,772
Travel and training	2,849
Debt service	598,123
<hr/>	
Total charges to appropriations	2,506,538
<hr/>	
Excess of resources over charges to appropriations	(596,961)
<hr/>	
Fund balance allocation	596,961
<hr/>	
Excess (deficiency) of resources and fund balance allocation over charges to appropriations	\$ -
<hr/>	

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, 2019, is presented below:

NOTE 13 - COMMUNITY REDEVELOPMENT AGENCY (Continued)

Net change in fund balance- budgetary basis	\$	(596,961)
2018 differences in budget vs GAAP		84,634
2019 differences in budget vs GAAP		(24,703)
Net change in fund balance- GAAP basis	\$	(537,030)

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

NOTE 14 - SUBSEQUENT EVENTS

Subsequent to September 30, 2019, the City of Rockledge amended its Land Development regulations, adding a new Sanitation Impact Fee for new residential and commercial construction. In accordance with Florida Statutes, these impact fees, when collected, will be accounted for in a separate enterprise fund.

The City of Rockledge approved voluntary annexations, including a six parcel 12.53 acre property, zoned industrial, a six parcel 246 acre property, and a ten parcel 621 acre property, the latter two properties were zoned a mixture of residential and agricultural. These properties are currently governed by the provisions of City of Rockledge Land Development Regulations Section 31.34 “Recently Annexed Property.” This allows a 24 month period whereby the land shall functionally continue its previous Brevard County zoning.

The City of Rockledge restated each of its three defined benefit pension plans, to provide clarifying language. Furthermore, the plans were amended to provide for continuity by staggering the terms of their respective Board Trustees. Additionally, each of the three plans were amended to reduce the interest crediting on non-vested employee contributions to 1.5% from 5%. Finally, each of the Police and Fire Employees Retirement Plans were amended to allow for the purchase of prior service.

The City has considered subsequent events through March 11, 2020.

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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, 2019</i>	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Taxes	\$ 8,625,220	\$ 8,726,220	\$ 8,792,132	\$ 65,912
Other local taxes	4,797,441	3,351,697	3,537,037	185,340
Permits and fees	599,360	2,055,204	2,487,956	432,752
Intergovernmental	4,069,264	4,079,804	4,333,589	253,785
Charges for services	197,000	285,050	329,910	44,860
Fines and forfeitures	17,500	17,500	22,089	4,589
Miscellaneous revenue	191,340	169,500	483,806	314,306
Total revenues	18,497,125	18,684,975	19,986,519	1,301,544
Expenditures				
Category:				
Administrative:				
Personal services	1,682,899	1,682,899	1,426,762	256,137
Operating expenditures	139,205	139,205	179,464	(40,259)
Capital Improvement	261,450	261,450	152,124	109,326
Police:				
Personal services	5,456,674	5,456,674	5,290,830	165,844
Operating expenditures	584,900	584,900	451,625	133,275
Capital Improvement	288,500	288,500	293,824	(5,324)
Fire:				
Personal services	3,417,004	3,468,004	3,601,618	(133,614)
Operating expenditures	420,533	420,533	205,867	214,666
Capital Improvement	2,028,768	2,028,768	1,802,124	226,644
Public works:				
Personal services	2,189,615	2,189,615	2,135,600	54,015
Operating expenditures	660,070	660,070	606,334	53,736
Capital Improvement	114,000	114,000	84,736	29,264
Mayor and City Council:				
Personal services	48,120	48,120	48,120	-
Operating expenditures	13,860	13,860	8,221	5,639
City attorney:				
Personal services	131,400	131,400	100,544	30,856
Operating expenditures	3,500	3,500	-	3,500
General government:				
Personal services	354,500	354,500	320,862	33,638
Debt service	320,310	320,310	320,310	-
Operating expenditures	1,015,339	1,065,339	1,230,282	(164,943)
Capital Improvement	678,171	678,171	642,489	35,682
Total expenditures	19,808,818	19,909,818	18,901,736	1,008,082

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, 2019</i>	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Excess of revenues over expenditures	\$ (1,311,693)	\$ (1,224,843)	\$ 1,084,783	\$ 2,309,626
Transfers in	396,000	416,000	396,000	(20,000)
Transfers out	1,186,464	1,186,464	(1,062,308)	(2,248,772)
Net change in fund balance	270,771	377,621	418,475	40,854
Fund balances, beginning of the year,	14,414,816	14,414,816	14,414,816	-
Fund balance, end of year	\$ 14,685,587	\$ 14,792,437	\$ 14,833,291	\$ 40,854

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, 2019</i>	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Property taxes	\$ 726,500	\$ 726,500	\$ 800,584	\$ 74,084
Interest	-	-	6,929	6,929
Miscellaneous revenue	10,000	10,000	39,756	29,756
Total revenues	736,500	736,500	847,269	110,769
Expenditures				
Planning and development:				
Personnel services	72,956	73,456	71,055	2,401
Administrative office	8,075	10,075	6,975	3,100
Legal and accounting	17,483	17,983	17,441	542
Planning, engineering, and design	265,000	271,000	3,850	267,150
Grants and capital acquisitions	950,000	2,610,241	1,791,473	818,768
Promotional expenses and events	15,000	15,000	14,772	228
Travel and training	5,000	5,000	2,849	2,151
Demolition	-	-	-	-
Public/ private partnerships	165,000	165,000	-	165,000
Debt Service	286,800	618,889	598,123	20,766
Contingencies	-	-	-	-
Total expenditures	1,785,314	3,786,644	2,506,538	1,280,106
Excess (deficiency) of revenues over (under) expenditures	(1,048,814)	(3,050,144)	(1,659,269)	1,390,875
Other financing sources				
Transfers in	1,048,814	1,062,813	1,062,308	(505)
Other financing sources	1,048,814	1,062,813	1,062,308	(505)
Net change in fund balance	-	(1,987,331)	(596,961)	1,390,370
Fund balances, beginning of year	1,987,331	1,987,331	1,987,331	-
Fund balances, end of year	\$ 1,987,331	\$ -	\$ 1,390,370	\$ 1,390,370

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, 2019, is presented below:

Net change in fund balance- budgetary basis	\$ (596,961)
2018 differences in budget vs GAAP	84,634
2019 differences in budget vs GAAP	(24,703)
Net change in fund balance- GAAP basis	\$ (537,030)

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 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 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 Council. Administrative and general government are considered one department. Expenditures may not exceed legal appropriations at the department level. All appropriations lapse at year end.
- e) Formal budgetary integration is employed as a management control device during the year for the General Fund and all major, special revenue funds (if any). Formal budgetary integration is not employed for the Law Enforcement Education and Taylor Park Trust Funds, because effective budgetary control is alternatively achieved through expenditure eligibility provisions. Formal budget integration is also not employed for the Transportation Impact Fee Fund and Rockledge Heritage Foundation because projects are approved individually.
- f) Budgets are legally adopted on a basis consistent with GAAP for the General fund. The budgetary basis for the CRA fund is cash basis.
- g) The budgetary comparison schedule shown in the accompanying required supplementary information presents comparisons of the legally adopted budget, as amended, with actual results. The originally adopted budget is presented for purposes of comparison to the final, amended budget.

City of Rockledge, Florida **Schedules of Defined Benefit Pension Plans**

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

City of Rockledge, Florida
Schedules of Defined Benefit Pension Plans

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
Last Six Fiscal Years
General Employees

	2019	2018	2017	2016	2015	2014
Total pension liability						
Service cost	\$ 605,932	\$ 605,875	\$ 580,741	\$ 502,300	\$ 500,506	\$ 490,047
Interest	1,488,277	1,448,433	1,405,981	1,321,703	1,239,002	1,143,136
Changes of benefit terms	(45,645)	-	-	-	-	-
Difference between expected and actual experience	(329,476)	(488,124)	(163,308)	(211,999)	(132,223)	(24,739)
Changes of assumptions	-	206,529	32,034	840,843	23,782	22,355
Benefit payments, including refunds of member contributions	(1,085,673)	(961,938)	(1,727,630)	(753,910)	(429,686)	(438,263)
Net change in total pension liability	633,415	810,775	127,818	1,698,937	1,201,381	1,192,536
Total pension liability - beginning	19,133,405	18,322,630	18,194,812	16,495,875	15,294,494	14,101,958
Total pension liability - ending (a)	\$ 19,766,820	\$ 19,133,405	\$ 18,322,630	\$ 18,194,812	\$ 16,495,875	\$ 15,294,494
Plan fiduciary net position						
Contribution - employer	\$ 756,292	\$ 751,853	\$ 680,623	\$ 561,465	\$ 562,320	\$ 443,171
Contribution - employee	297,434	285,978	275,299	255,031	249,718	244,731
Net investment income	606,585	1,507,361	1,710,431	1,227,300	(3,709)	1,129,042
Benefit payments, including refunds of member contributions	(1,085,673)	(961,938)	(1,727,630)	(753,910)	(429,686)	(438,263)
Administrative expense	(65,394)	(60,095)	(46,286)	(55,175)	(64,461)	(77,399)
Net change in plan fiduciary net position	509,244	1,523,159	892,437	1,234,711	314,182	1,301,282
Plan fiduciary net position - beginning	16,827,700	15,304,541	14,412,104	13,177,393	12,863,211	11,561,929
Plan fiduciary net position - ending (b)	\$ 17,336,944	\$ 16,827,700	\$ 15,304,541	\$ 14,412,104	\$ 13,177,393	\$ 12,863,211
Net pension liability - ending (a) - (b)	\$ 2,429,876	\$ 2,305,705	\$ 3,018,089	\$ 3,782,708	\$ 3,318,482	\$ 2,431,283
Plan fiduciary net position as a percentage of the total pension liability	87.71%	87.95%	83.53%	79.21%	79.88%	84.10%
Covered payroll	\$ 4,957,236	\$ 4,766,306	\$ 4,573,157	\$ 4,387,506	\$ 3,864,720	\$ 4,094,475
Net pension liability as a percentage of covered payroll	49.02%	48.38%	66.00%	86.22%	85.87%	59.38%

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

City of Rockledge, Florida
Schedules of Defined Benefit Pension Plans

SCHEDULE OF CONTRIBUTIONS
Last Six Fiscal Years
General Employees

	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 756,292	\$ 751,853	\$ 672,777	\$ 561,465	\$ 562,320	\$ 443,171
Contributions in relation to the actuarially determined contributions	756,292	751,853	680,623	561,465	562,320	443,171
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 4,957,236	\$ 4,766,306	\$ 4,573,157	\$ 4,387,506	\$ 3,864,720	\$ 4,094,475
Contributions as a percentage of covered payroll	15.3%	15.8%	14.7%	12.8%	14.6%	10.8%

Notes to Schedule

Valuation Date: 10/1/19

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

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

City of Rockledge, Florida
Schedules of Defined Benefit Pension Plans

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
Last Six Fiscal Years
Police Employees

	2019	2018	2017	2016	2015	2014
Total pension liability						
Service cost	\$ 401,170	\$ 385,421	\$ 427,707	\$ 411,090	\$ 424,738	\$ 383,990
Interest	1,191,725	1,123,149	1,047,395	961,067	900,239	828,134
Changes of benefit terms	(12,487)	-	-	-	-	-
Difference between expected and actual experience	37,959	(132,738)	(65,611)	(156,120)	(118,810)	10,982
Changes of assumptions	-	321,084	(3,883)	226,678	11,608	11,211
Benefit payments, including refunds of member contributions	(457,662)	(453,905)	(382,951)	(395,306)	(470,342)	(277,266)
Net change in total pension liability	1,160,705	1,243,011	1,022,657	1,047,409	747,433	957,051
Total pension liability - beginning	15,168,036	13,925,025	12,902,368	11,854,959	11,107,526	10,150,475
Total pension liability - ending (a)	\$ 16,328,741	\$ 15,168,036	\$ 13,925,025	\$ 12,902,368	\$ 11,854,959	\$ 11,107,526
Plan fiduciary net position						
Contribution - employer	\$ 238,901	\$ 259,625	\$ 218,130	\$ 214,124	\$ 218,903	\$ 175,170
Contribution - state	229,301	216,318	195,099	191,152	175,977	175,891
Contribution - employee	187,557	151,048	155,403	162,989	158,642	158,054
Net investment income	491,806	1,346,363	1,525,941	1,041,785	11,458	943,080
Benefit payments, including refunds of member contributions	(457,662)	(453,905)	(382,951)	(395,306)	(470,342)	(277,266)
Administrative expense	(63,865)	(62,778)	(63,054)	(52,859)	(70,435)	(69,739)
Net change in plan fiduciary net position	626,038	1,456,671	1,648,568	1,161,885	24,203	1,105,190
Plan fiduciary net position - beginning	14,965,828	13,509,157	11,860,589	10,698,704	10,674,501	9,569,311
Plan fiduciary net position - ending (b)	\$ 15,591,866	\$ 14,965,828	\$ 13,509,157	\$ 11,860,589	\$ 10,698,704	\$ 10,674,501
Net pension liability - ending (a) - (b)	\$ 736,875	\$ 202,208	\$ 415,868	\$ 1,041,779	\$ 1,156,255	\$ 433,025
Plan fiduciary net position as a percentage of the total pension liability	95.49%	98.67%	97.01%	91.93%	90.25%	96.10%
Covered payroll	\$ 2,234,127	\$ 2,157,825	\$ 2,220,009	\$ 2,412,232	\$ 2,156,109	\$ 2,253,905
Net pension liability as a percentage of covered payroll	32.98%	9.37%	18.73%	43.19%	53.63%	19.21%

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

SCHEDULE OF CONTRIBUTIONS
Last Six Fiscal Years
Police Employees

	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 204,699	\$ 234,459	\$ 210,378	\$ 214,124	\$ 218,903	\$ 175,170
Contributions in relation to the actuarially determined contributions	238,901	259,625	218,130	214,124	218,903	175,170
Contribution deficiency (excess)	\$ (34,202)	\$ (25,166)	\$ (7,752)	\$ -	\$ -	\$ -
Covered payroll	\$ 2,234,127	\$ 2,157,825	\$ 2,220,009	\$ 2,412,232	\$ 2,156,109	\$ 2,253,905
Contributions as a percentage of covered payroll	9.2%	10.9%	9.5%	8.9%	10.2%	7.8%

Notes to Schedule

Valuation Date: 10/1/19

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

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

City of Rockledge, Florida
Schedules of Defined Benefit Pension Plans

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
Last Six Fiscal Years
Fire Employees

	2019	2018	2017	2016	2015	2014
Total pension liability						
Service cost	\$ 281,063	\$ 282,331	\$ 274,692	\$ 246,725	\$ 250,317	\$ 229,390
Interest	1,148,416	1,157,646	1,133,189	1,079,211	1,057,332	1,033,194
Changes of benefit terms	(12,971)	-	-	-	-	-
Difference between expected and actual experience	(194,742)	(306,100)	(103,605)	(66,127)	(223,951)	(123,099)
Changes of assumptions	-	154,133	(59)	307,379	12,388	11,756
Benefit payments, including refunds of member contributions	(1,107,999)	(1,315,062)	(675,538)	(815,013)	(806,383)	(936,323)
Net change in total pension liability	113,767	(27,052)	628,679	752,175	289,703	214,918
Total pension liability - beginning	15,027,537	15,054,589	14,425,910	13,673,735	13,384,032	13,169,114
Total pension liability - ending (a)	\$ 15,141,304	\$ 15,027,537	\$ 15,054,589	\$ 14,425,910	\$ 13,673,735	\$ 13,384,032
Plan fiduciary net position						
Contribution - employer	\$ 498,650	\$ 479,284	\$ 434,969	\$ 390,264	\$ 362,979	\$ 381,796
Contribution - state	155,266	144,344	138,409	154,239	173,333	185,014
Contribution - employee	130,716	116,807	105,910	104,923	100,309	98,920
Net investment income	414,941	1,086,797	1,267,423	884,745	23,097	824,985
Benefit payments, including refunds of member contributions	(1,107,999)	(1,315,062)	(675,538)	(815,013)	(806,383)	(936,323)
Administrative expense	(68,082)	(65,512)	(68,567)	(59,280)	(71,278)	(68,075)
Net change in plan fiduciary net position	23,492	446,658	1,202,606	659,878	(217,943)	486,317
Plan fiduciary net position - beginning	12,099,256	11,652,598	10,449,992	9,790,114	10,008,057	9,521,740
Plan fiduciary net position - ending (b)	\$ 12,122,748	\$ 12,099,256	\$ 11,652,598	\$ 10,449,992	\$ 9,790,114	\$ 10,008,057
Net pension liability - ending (a) - (b)	\$ 3,018,556	\$ 2,928,281	\$ 3,401,991	\$ 3,975,918	\$ 3,883,621	\$ 3,375,975
Plan fiduciary net position as a percentage of the total pension liability	80.06%	80.51%	77.40%	72.44%	71.60%	74.78%
Covered payroll	\$ 1,867,373	\$ 1,668,674	\$ 1,513,002	\$ 1,554,319	\$ 1,366,711	\$ 1,424,542
Net pension liability as a percentage of covered payroll	161.65%	175.49%	224.85%	255.80%	284.16%	236.99%

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

SCHEDULE OF CONTRIBUTIONS
Last Six Fiscal Years
Fire Employees

	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 481,793	\$ 479,284	\$ 434,969	\$ 390,264	\$ 362,979	\$ 381,796
Contributions in relation to the actuarially determined contributions	498,650	479,284	434,969	390,264	362,979	381,796
Contribution deficiency (excess)	\$ (16,857)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 1,867,373	\$ 1,668,674	\$ 1,513,002	\$ 1,554,319	\$ 1,366,711	\$ 1,424,542
Contributions as a percentage of covered payroll	25.8%	28.7%	28.7%	25.1%	26.6%	26.8%

Notes to Schedule

Valuation Date: 10/1/19

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

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

Plan Changes in Benefit Terms

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

Changes of Assumptions

For the Police Employees', and Fire Employees' Plans: Mortality rates are based on those used for the special risk Florida Retirement System as of July 1, 2018. For the General Employees' Plan: Mortality rates are based on those used for the not special risk Florida Retirement System as of July 1, 2018. In the previous year, the Police and Fire Employees' Plans mortality rates were based on those used for the special risk Florida Retirement System as of July 1, 2016. For the General Employees' Plan, mortality rates were based on those used for the not special risk Florida Retirement System as of July 1, 2016.

For the General Employees' Plan, the payroll growth assumption uses level dollar amortization to amortize the Unfunded Accrued Liability. In the previous year, an assumption of 0.9% as a percent of pay was used.

For all three plans the interest rate assumption is now 7.8%. In the previous year, the interest rate was 7.9% for the General and Fire Employees' Plans and 8.0% for the Police Employees' Plan.

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	Entry Age	Entry Age
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:	6% per year	6% per year	6% per year
Salary increases:	6% per year	6% per year	6% per year
*Interest rate:	7.8%	7.8%	7.8%
Retirement age:	Age 65 and 10 years of service	Age 52 and 10 years of service	Age 52 and 25 years or age 55 and 10 years.
Early retirement:	Age 55 and 10 years reduced at 5/9% per month first 60 months and 5/18% thereafter.	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 0.25% per month with a minimum of 50% for those with 25 years credited service.
Mortality:	7/01/18 FRS not special risk	7/01/18 FRS special risk	7/01/18 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					
2019	2018	2017	2016	2015	2014
3.3%	9.5%	12.4%	9.3%	-0.5%	9.4%
Police Employees					
2019	2018	2017	2016	2015	2014
2.9%	9.6%	12.4%	9.2%	-0.6%	9.2%
Fire Employees					
2019	2018	2017	2016	2015	2014
3.0%	9.2%	12.0%	9.0%	-0.9%	9.0%

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,	2019		2018	
Total OPEB liability				
Service Cost	\$	45,450	\$	44,639
Interest		28,740		30,469
Changes of benefit terms		-		-
Differences between expected and actual experience		(22,953)		(66,390)
Changes of assumptions		72,699		-
Benefit payments		(45,223)		(60,258)
Net change in total OPEB liability		78,713		(51,540)
Total OPEB liability - beginning		695,648		747,188
Total OPEB liability - ending	\$	774,361	\$	695,648
Plan fiduciary net position				
Contributions - employer	\$	45,223	\$	60,258
Contributions - employee		-		-
Net investment income		-		-
Benefit payments		(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	\$	774,361	\$	695,648
Plan fiduciary net position as a percentage of total OPEB liability		0.00%		0.00%
Covered payroll	\$	9,750,596	\$	9,183,488
Net OPEB liability as a percentage of covered payroll		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

	Inflation	Discount
9/30/2018	2.50%	4.00%
9/30/2019	2.00%	2.66%

OTHER SUPPLEMENTARY INFORMATION

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

Special Revenue Funds

<i>September 30, 2019</i>	Law Enforcement Education	Transportation Impact Fee	Taylor Park Trust	Rockledge Heritage Foundation	Total Nonmajor Governmental funds
ASSETS					
Cash and cash equivalents	\$ 37,694	\$ 8,248	\$ 38,975	\$ 1,987	\$ 86,904
Total assets	\$ 37,694	\$ 8,248	\$ 38,975	\$ 1,987	\$ 86,904
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ 1,942	\$ -	\$ 1,942
Total liabilities	-	-	1,942	-	1,942
FUND BALANCES					
Restricted	37,694	8,248	37,033	1,987	84,962
Total fund balances	37,694	8,248	37,033	1,987	84,962
Total liabilities and fund balances	\$ 37,694	\$ 8,248	\$ 38,975	\$ 1,987	\$ 86,904

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

<i>Year Ended September 30, 2019</i>	Special Revenue Funds				Rockledge Heritage Foundation	Total Nonmajor Governmental Funds
	Law Enforcement Education	Transportation Impact Fee	Taylor Park Trust			
Revenues						
Fines and forfeitures	\$ 2,963	\$ -	\$ -	\$ -	\$ -	\$ 2,963
Interest and other	37	13	33	-	-	83
Miscellaneous revenue	-	-	9,315	-	-	9,315
Total revenues	3,000	13	9,348	-	-	12,361
Expenditures						
Current:						
General government	-	-	-	116	-	116
Recreation	-	-	1,941	-	-	1,941
Total expenditures	-	-	1,941	116	-	2,057
Excess (deficiency) of revenues over (under) expenditures	3,000	13	7,407	(116)	-	10,304
Fund balances, beginning of year	34,694	8,235	29,626	2,103	-	74,658
Fund balances, end of year	\$ 37,694	\$ 8,248	\$ 37,033	\$ 1,987	\$ -	\$ 84,962

STATISTICAL SECTION

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

Table of Contents

A. Financial Trends

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

Schedule A1 Net Position by Component

Schedule A2 Changes in Net Position

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

Schedule A3 Fund Balances – Governmental Funds

Schedule A4 Changes in Fund Balances – Governmental Funds

B. Revenue Capacity

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

Schedule B1 Value of Taxable Property

Schedule B2 Direct and Overlapping Property Tax Rates

Schedule B3 Principle Property Taxpayers

Schedule B4 Property Tax Levies and Collections

C. Debt Capacity

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

Schedule C1 Ratios of Outstanding Debt by Type

Schedule C2 Direct and Overlapping Governmental Activities Debt

Schedule C3 Pledged Revenue Coverage

D. Demographic and Economic Information Financial Trends

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

Schedule D1 Demographic and Economic Statistics

Schedule D2 Principal Employers

E. Operating Information

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

Schedule E1 Employees by Function/Program

Schedule E2 Operating Indicators by Function/Program

Schedule E3 Capital Asset Statistics by Function/Program

Additional Notes

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

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

Schedule A-1

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities										
Net investment in capital assets	\$35,402,052	\$37,699,701	\$37,611,369	\$38,040,455	\$38,708,247	\$39,504,354	\$40,091,387	\$40,126,774	\$39,291,479	\$42,561,982
Restricted	2,301,301	1,210,967	1,254,552	1,280,171	1,341,926	1,353,697	1,258,914	2,628,476	3,227,111	1,876,846
Unrestricted	10,467,241	8,508,482	8,384,297	8,535,708	9,166,534	3,048,697	3,368,006	3,769,243	6,549,155	8,117,838
Total governmental activities net position	<u>\$48,170,594</u>	<u>\$47,419,150</u>	<u>\$47,250,218</u>	<u>\$47,856,334</u>	<u>\$49,216,707</u>	<u>\$43,906,748</u>	<u>\$44,718,307</u>	<u>\$46,524,493</u>	<u>\$49,067,745</u>	<u>\$52,556,666</u>
Business-type activities										
Net investment in capital assets	\$29,788,120	\$32,432,274	\$32,970,132	\$32,549,989	\$32,636,857	\$33,479,991	\$35,445,283	\$37,817,923	\$37,765,234	\$36,704,380
Restricted	3,036,689	1,736,203	1,626,789	1,913,250	2,012,130	2,412,369	2,564,919	2,701,663	2,399,508	2,794,158
Unrestricted	7,464,871	6,382,919	6,000,114	6,627,522	6,589,285	4,043,179	3,003,660	2,846,325	6,551,561	7,629,598
Total business-type activities net position	<u>\$40,289,680</u>	<u>\$40,551,396</u>	<u>\$40,597,035</u>	<u>\$41,090,761</u>	<u>\$41,238,272</u>	<u>\$39,935,539</u>	<u>\$41,013,862</u>	<u>\$43,365,911</u>	<u>\$46,716,303</u>	<u>\$47,128,136</u>
Primary government										
Net investment in capital assets	\$65,190,172	\$70,131,975	\$70,581,501	\$70,590,444	\$71,345,104	\$72,984,345	\$75,536,670	\$77,944,697	\$77,056,713	\$79,266,362
Restricted	5,337,990	2,947,170	2,881,341	3,193,421	3,354,056	3,766,066	3,823,833	5,330,139	5,626,619	4,671,004
Unrestricted	17,932,112	14,891,401	14,384,411	15,163,230	15,755,819	7,091,876	6,371,666	6,615,568	13,100,716	15,747,436
Total primary government activities net position	<u>\$88,460,274</u>	<u>\$87,970,546</u>	<u>\$87,847,253</u>	<u>\$88,947,095</u>	<u>\$90,454,979</u>	<u>\$83,842,287</u>	<u>\$85,732,169</u>	<u>\$89,890,404</u>	<u>\$95,784,048</u>	<u>\$99,684,802</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
Changes in Net Position
Last Ten Fiscal Years

Schedule A-2.1

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Program expenses										
Governmental activities:										
General government	\$1,670,758	\$1,631,488	\$1,404,687	\$1,644,207	\$1,838,034	\$1,826,913	\$1,772,664	\$2,021,945	\$2,368,258	\$2,773,667
Administrative services	1,282,779	1,424,257	1,428,570	1,493,480	1,392,686	1,581,902	1,722,151	1,698,634	1,651,826	1,743,873
Mayor and City Council	35,013	36,168	36,363	42,737	47,344	42,879	46,318	52,352	54,390	56,341
City attorney	95,315	85,238	101,960	80,806	111,120	102,736	99,409	91,552	98,685	100,544
Police	5,149,270	5,404,891	5,486,232	5,488,927	5,054,733	5,832,043	5,868,157	5,800,342	5,683,051	6,120,622
Fire	3,601,838	3,202,706	4,047,687	3,686,492	3,569,439	3,774,553	3,938,926	3,800,922	4,136,215	3,992,360
Public Works	2,540,805	2,360,194	2,249,919	2,544,905	2,383,547	2,738,873	2,483,383	2,615,109	2,570,645	2,786,969
Planning and Development	743,916	2,117,091	881,247	556,577	705,539	735,678	1,061,529	632,251	559,740	526,010
Parks and Recreation	9,160	16,853	83,170	4,987	4,987	5,909	2,715	-	779	-
Community Relations	119,073	57,355	42,859	41,324	35,924	66,997	-	-	-	-
Total governmental activities	\$15,247,927	\$16,336,241	\$15,762,694	\$15,584,442	\$15,143,353	\$16,708,483	\$16,995,252	\$16,713,107	\$17,123,589	\$18,100,386
Business-type activities:										
Wastewater systems	\$4,244,592	\$4,588,471	\$4,117,258	\$4,118,552	\$4,184,270	\$4,349,694	\$4,252,809	\$3,855,516	\$3,866,288	\$5,048,962
Sanitation services	2,215,824	2,167,594	2,340,410	2,375,107	2,561,345	2,622,133	2,524,783	3,160,303	2,925,296	2,807,127
Stormwater utility	1,281,186	808,557	842,316	753,281	789,057	1,158,358	795,707	680,307	667,642	1,252,924
Total business-type activities	\$7,741,602	\$7,564,622	\$7,299,984	\$7,246,940	\$7,534,672	\$8,130,185	\$7,573,299	\$7,696,126	\$7,459,226	\$9,109,013
Total primary government activities	\$22,989,529	\$23,900,863	\$23,062,678	\$22,831,382	\$22,678,025	\$24,838,668	\$24,568,551	\$24,409,233	\$24,582,815	\$27,209,399
Program revenues										
Governmental activities:										
General government	-	-	-	-	-	-	\$213,798	\$144,198	\$161,795	\$161,062
Administrative services	420,679	452,521	443,738	734,562	723,088	734,426	2,321	23,792	29,765	26,055
Police	243,877	275,456	221,271	237,025	230,097	168,618	250,380	269,334	301,647	300,701
Fire	-	-	-	-	-	-	157,712	144,480	150,086	165,202
Public Works	74,058	100,014	131,369	113,710	125,962	122,783	3,756	36,315	4,905	9,009
Planning and Development	-	-	-	-	-	-	306,058	433,762	652,222	814,838
Parks and Recreation	-	-	-	-	-	-	98,284	61,276	52,778	107,822
Community Relations	-	-	13,038	-	-	-	99,800	91,750	180,140	273,000
Operating grants and contributions	51,253	21,176	11,376	-	-	3,692	-	-	-	-
Capital grants and contributions	363,163	118,532	175,138	469,642	194,347	356,095	153,330	245,209	105,821	107,756
Total governmental activities	\$1,153,030	\$967,699	\$995,930	\$1,554,939	\$1,273,494	\$1,385,614	\$1,285,439	\$1,450,116	\$1,639,159	\$1,965,445
Business-type activities:										
Wastewater systems	\$3,800,157	\$3,809,678	\$3,785,645	\$4,142,307	\$4,071,262	\$4,497,101	\$4,454,505	\$4,475,489	\$4,613,243	\$4,716,016
Sanitation services	2,598,569	2,578,167	2,549,332	2,543,104	2,529,306	2,537,637	2,511,449	2,673,077	2,771,980	2,875,388
Stormwater utility	822,979	769,320	792,621	763,278	785,466	907,419	894,919	932,025	1,072,130	1,112,707
Operating grants and contributions	-	-	-	-	-	-	-	-	-	66,015
Capital grants and contributions	746,572	557,102	145,651	319,820	256,012	(64,204)	739,193	2,332,128	2,739,968	1,025,255
Total business-type activities	\$7,968,277	\$7,714,267	\$7,273,249	\$7,768,509	\$7,642,046	\$7,877,953	\$8,600,066	\$10,412,719	\$11,197,321	\$9,795,381
Total primary government activities	\$9,121,307	\$8,681,966	\$8,269,179	\$9,323,448	\$8,915,540	\$9,263,567	\$9,885,505	\$11,862,835	\$12,836,480	\$11,760,826

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

Schedule A-2.2

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Net (expense) revenue										
Governmental activities	(\$14,094,897)	(\$15,368,542)	(\$14,766,764)	(\$14,029,502)	(\$13,869,859)	(\$15,322,869)	(\$15,709,813)	(\$15,262,991)	(\$15,484,430)	(\$16,134,941)
Business-type activities	226,675	149,645	(26,735)	521,569	107,374	(252,232)	1,026,767	2,716,593	3,738,095	686,368
Total primary government net expense	<u>(\$13,868,222)</u>	<u>(\$15,218,897)</u>	<u>(\$14,793,499)</u>	<u>(\$13,507,933)</u>	<u>(\$13,762,485)</u>	<u>(\$15,575,101)</u>	<u>(\$14,683,046)</u>	<u>(\$12,546,398)</u>	<u>(\$11,746,335)</u>	<u>(\$15,448,573)</u>
General revenues and other changes in net position										
Governmental activities:										
General revenues:										
Taxes:										
Property taxes, levied for general purposes	\$7,415,837	\$6,828,461	\$6,632,241	\$6,634,289	\$6,895,640	\$7,313,823	\$7,715,035	\$8,227,077	\$8,859,777	\$9,592,716
Gas Tax	548,534	559,543	701,506	703,974	728,245	772,807	852,134	890,542	843,109	928,929
Sales Tax	1,111,947	1,133,924	1,153,347	1,209,295	1,269,330	1,352,324	1,420,502	1,537,609	1,625,531	1,626,160
Franchise fees	1,709,518	1,638,880	1,564,771	1,527,080	1,640,774	1,676,139	1,614,889	1,629,519	1,607,366	1,673,118
State revenue sharing	582,816	613,734	633,465	625,958	732,881	794,957	828,610	895,795	935,071	982,855
Other taxes	3,669,609	3,556,761	3,509,039	3,615,255	3,676,335	3,698,333	3,334,088	3,262,780	3,507,282	3,537,037
Investment earnings	193,148	108,510	97,959	127,515	17,540	76,450	123,346	83,813	27,232	310,740
Miscellaneous	219,647	177,285	305,504	192,252	269,487	423,839	478,158	146,042	256,675	200,421
Transfers, net	-	-	-	-	-	-	-	396,000	396,000	396,000
Total government activities	<u>\$15,451,056</u>	<u>\$14,617,098</u>	<u>\$14,597,832</u>	<u>\$14,635,618</u>	<u>\$15,230,232</u>	<u>\$16,108,672</u>	<u>\$16,366,762</u>	<u>\$17,069,177</u>	<u>\$18,058,043</u>	<u>\$19,247,976</u>
Business-type activities:										
Investment earnings	\$162,689	\$112,071	\$72,374	\$7,350	\$40,137	\$52,921	\$51,556	\$31,456	\$19,248	\$118,625
Transfers	-	-	-	-	-	-	-	(396,000)	(396,000)	(396,000)
Miscellaneous	-	-	-	-	-	-	-	-	-	2,840
Total business-type activities	<u>\$162,689</u>	<u>\$112,071</u>	<u>\$72,374</u>	<u>\$7,350</u>	<u>\$40,137</u>	<u>\$52,921</u>	<u>\$51,556</u>	<u>(\$364,544)</u>	<u>(\$376,752)</u>	<u>(\$274,535)</u>
Total primary government activities	<u>\$15,613,745</u>	<u>\$14,729,169</u>	<u>\$14,670,206</u>	<u>\$14,642,968</u>	<u>\$15,270,369</u>	<u>\$16,161,593</u>	<u>\$16,418,318</u>	<u>\$16,704,633</u>	<u>\$17,681,291</u>	<u>\$18,973,441</u>
Changes in net position										
Governmental activities	\$1,356,159	(\$751,444)	(\$168,932)	\$606,116	\$1,360,373	\$785,803	\$656,949	\$1,806,186	\$2,573,613	\$3,113,035
Business-type activities	389,364	261,716	45,639	528,919	147,511	(199,311)	1,078,323	2,352,049	3,361,343	411,833
Total primary government net expense	<u>\$1,745,523</u>	<u>(\$489,728)</u>	<u>(\$123,293)</u>	<u>\$1,135,035</u>	<u>\$1,507,884</u>	<u>\$586,492</u>	<u>\$1,735,272</u>	<u>\$4,158,235</u>	<u>\$5,934,956</u>	<u>\$3,524,868</u>

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

Schedule A-3

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Reserved	\$4,706,933	-	-	-	-	-	-	-	-	-
Unreserved	7,703,185	-	-	-	-	-	-	-	-	-
Nonspendable	-	648,702	512,239	300,053	221,197	189,189	217,064	241,429	269,353	116,759
Restricted	-	306,455	253,334	235,359	256,826	259,999	312,964	329,903	332,270	426,217
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	307,224	538,936	146,459	575,978	549,463	464,150	497,239	2,145,518	500,000
Unassigned	-	8,335,792	8,414,212	9,268,601	8,977,409	9,302,830	9,765,203	10,980,108	11,667,675	13,790,315
Total General Fund	\$12,410,118	\$9,598,173	\$9,718,721	\$9,950,472	\$10,031,410	\$10,301,481	\$10,759,381	\$12,048,679	\$14,414,816	\$14,833,291
All Other Governmental Funds										
Reserved, reported in:										
Taylor Park Trust Fund	\$2,500	-	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Community Redevelopment Agency	329,056	-	-	-	-	-	-	-	-	-
Law Enforcement Education	5,123	-	-	-	-	-	-	-	-	-
Rockledge Designated Trust	366,617	-	-	-	-	-	-	-	-	-
Transportation Impact Fee	159,613	-	-	-	-	-	-	-	-	-
U.S.1 Corridor	1,527,955	-	-	-	-	-	-	-	-	-
Taylor Park Trust Fund	11,725	-	-	-	-	-	-	-	-	-
Nonspendable	-	-	-	-	4,376	4,413	6,022	6,246	6,091	-
Restricted	-	904,512	1,001,218	1,044,812	1,080,724	1,089,285	945,950	1,372,893	1,969,161	1,450,629
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	\$2,402,589	\$904,512	\$1,001,218	\$1,044,812	\$1,085,100	\$1,093,698	\$951,972	\$1,379,139	\$1,975,252	\$1,450,629

Notes:

1. Modified accrual basis of accounting.
2. The City implemented GASB #54 for the fiscal year ended September 30, 2011.
See Note 1.T to the financial statements for details.

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

Schedule A-4

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
Property Tax	\$7,415,837	\$6,828,461	\$6,632,241	\$6,634,289	\$6,895,640	\$7,313,823	\$7,727,291	\$8,239,607	\$8,890,607	\$9,592,716
Other Local Taxes	3,344,006	3,220,605	3,156,910	3,265,308	3,315,430	3,349,023	3,317,832	3,245,825	3,472,502	3,537,037
Licenses and permits	1,921,762	1,834,708	1,708,147	1,820,960	1,892,566	1,917,529	1,889,132	2,022,603	2,236,311	2,487,956
Intergovernmental revenues	3,106,592	2,902,667	3,069,692	3,483,558	3,410,296	3,754,153	3,610,175	3,944,106	4,028,147	4,333,589
Charges for services	349,411	405,863	468,178	609,755	642,835	598,710	654,636	281,740	328,744	329,910
Fines and forfeitures	49,358	100,285	43,247	59,927	46,524	51,921	16,330	19,848	27,832	25,052
Investment earnings	193,148	108,510	97,959	127,514	17,539	76,449	121,068	80,843	23,570	310,740
Miscellaneous revenues	223,972	183,698	340,887	229,245	322,897	474,677	315,737	308,721	293,488	200,421
Total Revenues	\$16,604,086	\$15,584,797	\$15,517,261	\$16,230,556	\$16,543,727	\$17,536,285	\$17,652,201	\$18,143,293	\$19,301,201	\$20,817,421
Expenditures										
General government	\$1,570,912	\$1,434,190	\$1,506,745	\$1,549,116	\$1,654,701	\$2,056,793	\$1,883,114	\$1,857,301	\$1,875,292	\$2,193,749
Administrative offices	1,338,642	1,380,342	1,346,386	1,428,411	1,414,050	1,457,193	1,716,038	1,669,364	1,982,491	1,758,350
Mayor and Council	35,013	36,168	36,363	42,737	47,344	42,879	46,318	52,352	54,390	56,341
City attorney	94,785	85,176	101,898	80,246	110,782	102,366	99,409	91,552	112,185	115,244
Police	5,961,682	8,933,607	5,180,776	5,227,604	5,310,575	5,280,704	5,718,226	5,638,668	6,126,901	6,036,279
Fire	3,322,946	3,484,145	3,563,326	3,538,027	3,831,257	4,254,664	3,710,317	3,600,565	4,560,822	5,609,609
Public Works	2,300,159	2,133,974	2,167,028	2,376,387	2,555,203	2,582,095	2,708,520	2,639,781	2,752,508	2,826,670
Planning and Development	745,905	2,075,708	690,229	1,094,193	1,282,820	1,205,316	1,025,952	814,595	335,428	1,805,058
Parks and Recreation	1,543	9,236	1,683	-	-	852	-	-	-	1,941
Community Relations	119,073	57,355	42,859	41,324	35,924	66,997	-	-	-	-
Debt service										
Principal	528,306	565,384	492,369	500,421	618,231	694,839	732,418	808,686	910,370	844,247
Interest	213,034	199,534	170,345	76,748	61,614	52,910	50,334	46,960	86,032	74,184
Total Expenditures	\$16,232,000	\$20,394,819	\$15,300,007	\$15,955,214	\$16,922,501	\$17,797,608	\$17,690,646	\$17,219,824	\$18,796,419	\$21,321,672
Excess of revenues over (under) expenditures	\$372,086	(4,810,022.00)	\$217,254	\$275,342	(\$378,774)	(\$261,323)	(\$38,445)	\$923,469	\$504,782	(\$504,251)
Other financing sources (uses)										
Transfers in	\$911,314	\$705,257	\$519,122	\$500,815	\$533,097	\$559,152	\$616,138	\$1,140,375	\$1,389,415	\$1,458,308
Transfers out	(911,314)	(705,257)	(519,122)	(500,815)	(533,097)	(559,152)	(616,138)	(744,375)	(993,415)	(1,062,308)
Issuance of debt	-	500,000	-	-	500,000	540,000	200,000	396,996	2,061,468	-
Total other financing sources	\$0	\$500,000	\$0	\$0	\$500,000	\$540,000	\$200,000	\$792,996	\$2,457,468	\$396,000
Net change in fund balances	\$372,086	(\$4,310,022)	\$217,254	\$275,342	\$121,226	\$278,677	\$161,555	\$1,716,465	\$2,962,250	(\$108,251)
Debt service as a percentage of non-capital expenditures	4.989%	3.845%	4.496%	3.879%	4.499%	4.705%	4.809%	5.299%	5.880%	5.22%

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.

Schedule B1

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

Fiscal Year	Taxable Value Real Property for Operating Purposes	Personal Property for Operating Purposes	Gross Taxable Value	New Construction Taxable Value	Adjusted Taxable Value	Final Taxable Value*	Millage Rate**
2010	\$1,204,109,685	\$94,452,407	\$1,298,562,092	\$28,733,010	\$1,269,829,082	\$1,297,204,130	5.3500
2011	1,065,004,910	82,747,676	1,147,752,586	10,478,821	1,137,273,765	1,140,142,323	5.6500
2012	951,912,198	75,934,338	1,027,846,536	7,694,670	1,020,151,866	1,020,672,082	6.2500
2013	931,540,140	80,374,563	1,011,914,703	12,681,800	999,232,903	1,009,645,129	6.3658
2014	964,779,040	85,341,696	1,050,120,736	6,763,020	1,043,357,716	1,050,146,848	6.3658
2015	1,024,828,597	84,232,542	1,109,061,139	13,695,080	1,095,366,059	1,112,610,814	6.3500
2016	1,092,295,133	86,668,652	1,178,963,785	16,846,130	1,162,117,655	1,177,107,782	6.3400
2017	1,181,388,833	84,202,819	1,265,591,652	12,376,670	1,253,214,982	1,262,671,589	6.2500
2018	1,273,798,195	80,889,186	1,354,687,381	12,836,643	1,341,850,738	1,357,786,274	6.2000
2019	1,384,585,365	85,268,246	1,469,853,611	17,433,678	1,452,419,933	1,471,291,549	6.1500

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

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

** The rate used in the calculation for property taxes. One mil equals \$1 per \$1,000 of taxable value. A millage of 6.15, which is the current (Fiscal Year 2019) rate in effect for the City of Rockledge is equal to \$6.15 for each \$1,000 of taxable value on real property.

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

City of Rockledge, Florida
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			Total Millage
			Operating	Capital Outlay	Other **	
2010	5.3500	4.8936	6.1870	1.5000	0.4503	18.3809
2011	5.6500	5.6371	6.1530	1.5000	0.4503	19.3904
2012	6.2500	6.3895	6.6120	1.5000	0.3658	21.1173
2013	6.3658	6.3895	6.5960	1.5000	0.3658	21.2171
2014	6.3658	6.2566	6.1060	1.5000	0.3628	20.5912
2015	6.3500	6.1815	5.8390	1.5000	0.3509	20.2214
2016	6.3400	6.0973	5.7750	1.5000	0.3343	20.0466
2017	6.2500	5.9748	5.4160	1.5000	0.3205	19.4613
2018	6.2000	5.7139	5.0680	1.5000	0.3044	18.7863
2019	6.1500	5.4432	4.7990	1.5000	0.2882	18.1804

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.

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

Schedule B3

Taxpayer	2019			2010		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
MPT of Rockledge-Steward LLC (Rockledge Regional Medical Center)	\$41,764,450	1	2.84%	-	-	-
Rockledge Apartments LLC (Southgate Apartments)	9,350,000	2	0.64%	6,726,200	5	0.52%
Fountain Development LLC (Fountain Villas)	8,000,000	3	0.54%	10,190,840	2	0.79%
Lowe's Home Centers Inc	6,923,310	4	0.47%	8,952,270	3	0.69%
Hammock Harbor LLLP	6,792,500	5	0.46%	-	-	-
Woodhaven Properties LLC (Woodhaven Apartments)	6,056,050	6	0.41%	7,960,030	4	0.61%
Rockledge Properties LLC	5,156,010	7	0.35%	-	-	-
Rockledge Station LLC (Rockledge Square)	4,681,410	8	0.32%	-	-	-
Publix Super Markets Inc (Publix on Barnes & Murrell)	4,588,590	9	0.31%	5,881,420	6	0.45%
Hydro Aluminum Automotive Inc	4,030,960	10	0.27%	4,576,020	9	0.35%
Rockledge HMA LLC (Wuesthoff Health System-Rockledge)	-	-	-	51,715,490	1	3.99%
PMAT Melbourne LLC (Rockledge Square)	-	-	-	4,773,460	7	0.37%
Commerce Properties International (Professional Building)	-	-	-	4,605,360	8	0.36%
Barnes Rockledge LLC	-	-	-	4,480,580	10	0.35%
TOTALS	\$97,343,280		6.62%	\$109,861,670		8.47%
Total City final taxable value	<u>\$1,471,291,549</u>			<u>\$1,297,204,130</u>		

Source: Brevard County Property Appraiser

Multiple properties may be included in some taxable assessed value totals

City of Rockledge, Florida
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
2010	\$6,940,042	\$6,623,747	95.44%	\$73,377	\$6,697,124	96.50%
2011	6,441,804	6,206,509	96.35%	19,244	6,225,753	96.65%
2012	6,379,201	6,152,223	96.44%	16,729	6,168,952	96.70%
2013	6,427,199	6,155,123	95.77%	39,737	6,194,860	96.39%
2014	6,676,834	6,433,128	96.35%	7,166	6,440,294	96.46%
2015	7,065,079	6,662,284	94.30%	160,388	6,822,672	96.57%
2016	7,462,863	7,058,154	94.58%	146,217	7,204,371	96.54%
2017	7,891,697	7,443,985	94.33%	170,698	7,614,683	96.49%
2018	8,418,275	7,999,369	95.02%	143,463	8,142,832	96.73%
2019	9,048,443	8,598,026	95.02%	194,106	8,792,132	97.17%

Source: (1) Form 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

Fiscal Year	Governmental Activities					Business-Type Activities			Total Debt of Primary Government	Debt as Percentage of Personal Income	Debt Per Capita
	South Rockledge Park Loan	CRA Barton Boulevard Loan	Public Safety Capital Improvement Loan	CRA Malloy LOC	6.3 Acre Property	Sewer Refunding Revenue Bonds Series 2001	State of Florida Revolving Fund	Storm Water Huntington Lakes Loan			
2010	\$107,964	\$3,000,000	\$1,763,069	\$ -	\$ -	\$6,750,000	\$1,798,993	\$742,754	\$14,162,780	1.99%	\$578
2011	-	2,750,000	2,055,649	-	-	3,576,000	1,666,206	548,479	10,596,334	1.45%	429
2012	-	2,500,000	1,813,280	-	-	3,095,000	1,529,351	350,691	9,288,322	1.23%	372
2013	-	2,250,000	1,562,859	-	-	2,608,000	1,388,278	200,000	8,009,137	1.09%	318
2014	-	2,000,000	1,304,353	390,275	-	2,109,000	1,242,873	100,000	7,146,501	0.96%	281
2015	-	1,750,000	1,039,514	560,275	180,000	1,599,000	1,092,999	100,000	6,321,788	0.84%	245
2016	-	1,500,000	767,452	579,919	150,000	1,080,000	922,373	103,042	5,102,786	0.66%	195
2017	-	1,250,000	486,266	736,915	112,500	547,000	779,293	-	3,911,974	0.47%	148
2018	-	1,000,000	2,331,636	330,143	75,000	-	599,475	-	4,336,254	0.50%	162
2019	-	750,000	2,105,032	-	37,500	-	435,545	-	3,328,077	0.38%	122

Notes: Percentage of personal income and per capita amounts calculated from information in Table D-1.
See Note 6 for a detailed discussion of each outstanding note.

City of Rockledge, Florida
Direct and Overlapping Governmental Activities Debt
As of September 30, 2019

Schedule C2

<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)	\$2,892,532	100.00%	\$2,892,532
Overlapping Debt			
Brevard County:			
Governmental activities debt (b)	<u>208,432,164</u>	3.6014%	<u>7,506</u>
Total Direct and Overlapping Debt	<u><u>\$211,324,696</u></u>		<u><u>\$2,900,038</u></u>

Sources: (a) City of Rockledge CAFR Fiscal Year 2019 Statistical Table C-1.
(b) Brevard County Finance Department - CAFR Fiscal Year 2018, Table 7 and 11.

Notes: Percentage based on the 2018 final taxable assessed City and County valuation.

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

Schedule C3

Capital Improvement Note, Series 2009

Fiscal Year	Utility Taxes and Franchise Fees	Debt Service		Coverage
		Principal	Interest	
2010	\$3,557,849	\$170,763	\$73,317	14.58
2011	3,450,692	207,420	71,693	12.36
2012	3,381,131	242,369	56,719	11.30
2013	3,486,266	250,421	48,666	11.66
2014	3,750,218	258,506	40,581	12.54
2015	3,734,126	264,839	34,248	12.49
2016	4,087,002	272,062	27,025	13.66
2017	3,822,767	281,186	17,901	12.78
2018	3,963,903	216,098	46,689	15.08
2019	4,049,682	226,604	56,206	14.32

- Notes: (1) On November 1, 2010, the City borrowed an additional \$500,000 on the note, at the same interest rate of 3.95%, raising monthly payments to \$25,983.
- (2) On August 12, 2011, a loan modification was made to lower interest on the note to 2.87%, reducing payments to \$24,924.
- (3) 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.

Fiscal Year	CRA Revenues (3)	Operating Expenses	Net Revenues	Debt Service		Coverage
				Principal	Interest	
2010	\$1,620,804	\$661,847	\$958,957	\$250,000	\$113,328	2.64
2011	1,309,332	447,149	862,183	250,000	104,506	2.43
2012	1,046,195	590,754	455,441	250,000	96,338	1.32
2013	947,988	630,305	317,683	250,000	10,793	1.22
2014	1,010,328	1,092,547	(82,219)	250,000	9,675	(0.32)
2015	1,121,899	978,105	143,794	250,000	8,591	0.56
2016	1,135,550	1,019,259	116,291	250,000	7,519	0.45
2017	1,360,796	814,595	546,201	250,000	6,438	2.13
2018	1,627,962	348,928	1,279,034	250,000	19,997	4.74
2019	1,880,849	1,819,758	61,091	250,000	16,033	0.23

- 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 1.7% (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 C3

Sewer Revenue Bonds, Series 2001 and Series 2011

Fiscal Year	Sewer System Revenues	Operating Expenses	Net Revenues	Debt Service		Coverage
				Principal	Interest	
2010	\$3,800,157	\$2,805,298	\$994,859	\$265,000	\$352,432	1.61
2011	3,809,678	3,147,397	662,281	275,000	356,037	1.05
2012	3,785,645	2,934,976	850,669	481,000	75,006	1.53
2013	4,142,307	2,953,282	1,189,025	487,000	64,536	2.16
2014	4,071,262	3,028,178	1,043,084	499,000	53,903	1.89
2015	4,423,101	3,114,638	1,308,463	510,000	43,009	2.37
2016	4,454,505	3,045,867	1,408,638	519,000	31,899	2.56
2017	4,482,292	2,611,081	1,871,211	533,000	20,561	3.38
2018	4,613,243	2,675,336	1,937,907	547,000	8,687	3.49
2019	-	-	-	-	-	-

- 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) On July 22, 2011, the City issued \$3,670,000 in Sewer Refunding Revenue Bonds with an interest rate of 2.17%, along with \$3,291,443, was utilized to pay off the outstanding bonds and new issuance costs.
 - (4) All bond covenants, inclusive of pledged revenues, were carried forward with the Series 2011 issuance.
 - (5) The amounts for fiscal year 2011 are indicative of the previously scheduled debt service exclusive of the defeasance.
 - (6) 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 D1

Year	Population	Personal Income	Per Capita Personal Income	Median Age	Unemployment Rate	School Enrollment
2009	24,383	\$707,107,000	\$29,000	43.8	5.0%	3,734
2010	24,503	712,792,270	29,090	44.1	5.0%	3,879
2011	24,707	732,315,480	29,640	43.7	6.3%	3,944
2012	25,000	754,425,000	30,177	45.0	7.5%	3,994
2013	25,202	733,932,644	29,122	44.8	6.7%	3,879
2014	25,477	748,310,444	29,372	45.7	8.3%	3,828
2015	25,798	756,706,936	29,332	45.5	6.9%	3,879
2016	26,144	772,267,616	29,539	46.1	5.7%	3,868
2017	26,497	831,926,309	31,397	46.6	4.4%	3,930
2018	26,860	862,152,280	32,098	46.0	3.0%	3,882
2019	27,292	889,500,864	32,592	46.6	2.4%	3,298

- 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 D2

Employer	2019			2010		
	Number of Employees (Range)	Rank	Percentage of Total County Employment	Number of Employees	Rank	Percentage of Total County Employment
Brevard County Schools	9,000 - 9,999	1	3.46% - 3.85%	8,800	1	3.30%
Health First, Inc.	8,000 - 8,999	2	3.08% - 3.46%	6,420	3	2.41%
Harris Corporation	6,000 - 6,999	3	2.31% - 2.69%	6,550	2	2.46%
Northrop Grumman Corporation	2,000 - 2,999	4	0.77% - 1.15%	-	-	0.00%
Brevard County Government	2,000 - 2,999	5	0.77% - 1.15%	2,720	7	1.02%
45th Space Wing DOD	2,000 - 2,999	6	0.77% - 1.15%	1,870	10	0.70%
NASA at Kennedy Space Center	1,000 - 1,999	7	0.38% - 0.77%	2,170	9	0.81%
New Rockwell Collins Inc.	1,000 - 1,999	8	0.38% - 0.77%	-	-	0.00%
Steward Medical Group (Wuesthoff Health Systems)	1,000 - 1,999	9	0.38% - 0.77%	2,440	8	0.91%
Eastern Florida State College	1,000 - 1,999	10	0.38% - 0.77%	-	-	0.00%
Brevard County Sheriff Office	1,000 - 1,999	11	0.38% - 0.77%	-	-	0.00%
Florida Institute of Technology	1,000 - 1,999	12	0.38% - 0.77%	-	-	0.00%
United Space Alliance	-	-	-	6,000	4	0.00%
Publix	-	-	-	2,820	6	0.00%
Walmart	-	-	-	3,140	5	0.00%
TOTALS	N/A		N/A	42,930		11.61%

Source: Economic Development Commission of Florida's Space Coast.
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.
Total average employment for Brevard County in Fiscal Year 2010 was 266,711.
Total average employment for Brevard County in Fiscal Year 2019 was 277,800.

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

Schedule E1

Function/Program	Full-Time Equivalent Employees as of September 30									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government	19.00	19.00	18.00	18.00	16.00	16.00	16.00	16.00	18.00	21.00
Police	74.00	73.50	72.50	72.50	72.50	72.00	73.50	80.50	77.50	77.50
Fire	40.00	40.00	40.00	40.00	39.00	39.00	39.00	39.00	39.00	41.00
Public Works	41.00	39.00	39.00	39.00	38.00	38.00	38.00	39.00	39.00	41.00
Planning and Development	-	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.00	1.00
Sanitation	41.00	41.00	41.00	41.00	41.00	41.00	41.00	41.00	41.00	41.00
Stormwater	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Wastewater	27.00	27.00	27.00	27.00	27.00	27.00	27.00	27.00	28.00	29.00
Totals	245.00	244.50	242.50	242.50	238.50	238.00	239.50	247.50	246.50	254.50

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 2010 to 2015 were cost saving efforts in light of economic recession.
Increases from 2015 to 2019 were due to restaffing adjustments in light of economic recovery.
Planning and Development includes the start of the CRA staffing in 2011, and a right sizing of force in 2018.

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

Schedule E2

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Police										
Physical arrests	311	318	257	265	376	580	658	838	858	579
Parking violations	25	7	8	3	0	0	0	1	48	24
Traffic violations	4388	3806	3303	3970	2380	1478	1144	2330	2287	1597
Fire										
Emergency responses (incidents)	2193	2192	2502	2380	2408	2647	2801	2800	2912	3596
Fires extinguished	93	96	3	10	76	91	99	99	61	40
Inspections										52
Public Works										
Street resurfacing (miles)	1.7	2.2	1.4	3.1	6.0	2.4	2.5	3.4	7.5	3.2
Pothole repair / patching (square yards)	-	-	-	28	56	56	56	84	84	84
Sanitation										
Total tonnage collection (refuse/garbage)	7,213	14,419	13,326	13,670	13,902	14,325	14,859	15,297	15,408	15,819
Total tonnage collection (recyclables)	544	1,293	1,972	2,087	2,162	2,301	2,308	2,384	2,378	2,215
Total tonnage collection (yard waste)	2,132	5,163	4,827	5,053	5,062	5,474	7,342	4,866	4,927	4,919
Wastewater										
Average daily sewage treatment (thousands of gallons)	2,380	2,380	2,110	2,080	2,390	2,210	2,190	2,270	2,180	2,360
Reclaimed water										
Average daily water delivered (thousands of gallons)	1,730	1,750	1,630	1,510	1,290	1,350	1,640	1,620	1,740	2,050

Source: Data provided by City of Rockledge

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

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

Schedule E-3

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Schools (1)										
Elementary	2	2	2	2	2	2	2	2	2	2
Junior High	2	2	2	2	2	2	2	2	2	2
Senior High	1	1	1	1	1	1	1	1	1	1
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Police Officers (2)	34	36	37	41	42	46	49	54	54	54
Fire										
Stations	3	3	3	3	3	3	3	3	3	3
Firefighters (3)	22	19	24	25	28	31	35	37	35	39
Public Works										
Streets (linear miles)	231	231	231	231	231	231	232	233	234	234
Streetlights	2,187	2,333	2,559	2,559	2,562	2,582	2,623	2,633	2,633	2,633
Parks and Recreation										
Parks and playgrounds (4)	5	5	5	5	5	5	5	5	5	5
Tennis courts (5)	6	6	6	6	6	6	6	6	6	6
Swimming pools	1	1	1	1	1	1	1	1	1	1
Skateboard park	1	1	1	1	1	1	1	1	1	1
Lakes (6)	4	4	4	4	4	4	4	5	5	5
Utilities										
Wastewater:										
Reclaimed water (miles)	26	26	26	26	26	26	26	26	26	26
Gravity sewer (miles)	92	92	92	92	92	92	92	93	94	94
Force main sewer (miles)	23	23	23	23	23	23	23	23	25	25
Stormwater sewers (miles) (7)	76	76	76	76	76	76	76	77	77	77

- Notes:
- (1) Schools owned and operated by Brevard County School Board
 - (2) Sworn officers
 - (3) Firefighters and 1 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

**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 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, 2019, 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 11, 2020.

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) to determine the 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 the City of Rockledge, Florida's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Carly Riggs & Ingram, L.L.C.

Melbourne, Florida

March 11, 2020

INDEPENDENT AUDITORS’ MANAGEMENT LETTER

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

Report on the Financial Statements

We have audited the financial statements of the City of Rockledge, Florida, as of and for the fiscal year ended September 30, 2019, and have issued our report thereon dated March 11, 2020.

Auditors’ Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors’ Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards and Independent 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 11, 2020, 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 finding and recommendations made in the preceding audit report. The status of each finding and recommendations made in the preceding financial audit report, is noted below:

Prior Year Management Letter Comments:

IC 2018-001 Revenue Recognition	Cleared
IC 2018-002 Inventory	Cleared
IC 2018-003 Review of Grant Report	Cleared

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed

in this management letter, unless disclosed in the notes to the financial statements. The legal authorities for the City of Rockledge, Florida and its component unit are disclosed in the footnotes.

Financial Condition and Management

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

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

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

Additional Matters

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

Purpose of this Letter

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

Carri Riggs & Ingram, L.L.C.

Melbourne, Florida
March 11, 2020



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INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH LOCAL GOVERNMENT INVESTMENT POLICIES

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

We have examined City of Rockledge, Florida's (the "City") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2019. Management of the City is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance with the specified requirements based on our examination.

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

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

In our opinion, the City complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2019.

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

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

Melbourne, Florida
March 11, 2020