

# **CITY OF WEST MELBOURNE**

## **ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**FOR THE  
FISCAL YEAR ENDED  
SEPTEMBER 30, 2024**



# **West Melbourne**

**FLORIDA**

Prepared by:  
THE FINANCE DEPARTMENT

# **CITY OF WEST MELBOURNE, FLORIDA**

## **CITY COUNCIL**

PAT BENTLEY, MAYOR

DIANA ADAMS, DEPUTY MAYOR

JOHN DITTMORE, COUNCIL MEMBER

DANIEL MCDOW, COUNCIL MEMBER

STEPHEN PHRAMPUS, COUNCIL MEMBER

HELEN VOLTZ, COUNCIL MEMBER

ANDREA YOUNG, COUNCIL MEMBER

## **CITY MANAGER**

TIMOTHY RHODE

## **CITY ATTORNEY**

JOHN CARY

## **FINANCE DIRECTOR**

CANDICE BLAKE

**City of West Melbourne, Florida**  
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MAYOR  
Andrea Young

DEPUTY MAYOR  
Pat Bentley

COUNCIL MEMBERS  
Diana Adams  
Austin Gaylord  
Alexis McGuire  
Stephen Phrampus  
Helen Voltz



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2240 Minton Road  
West Melbourne, FL 32904  
Phone: (321) 727-7700  
Fax: (321) 768-2390  
[www.westmelbourne.org](http://www.westmelbourne.org)

March 13, 2025

To the Honorable Mayor, Members of the City Council, and  
Citizens of the City of West Melbourne:

The Annual Comprehensive Financial Report of the City of West Melbourne, Florida (the “City”), for the fiscal year ended September 30, 2024 is hereby submitted pursuant to Florida Statutes Chapter 218.39 and Chapter 10.550 of the Rules of the Auditor General of the State of Florida.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Carr, Riggs & Ingram, LLC, Certified Public Accountants, have issued an unmodified (“clean”) opinion on the City of West Melbourne’s financial statements for the year ended September 30, 2024. The independent auditors’ report is located at the front of the financial section of this report.

Management’s discussion and analysis (MD&A) immediately follows the independent auditors’ report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

### ***Profile of the government***

The City of West Melbourne was founded in 1959 and incorporated on July 2, 1970, as a political subdivision of the State of Florida. It is located in east central Florida within Brevard County. It currently occupies 10.76 square miles and has an estimated population of 30,443. The City is empowered to levy a property tax on real property located within its boundaries, which the City has levied continuously since fiscal year 2006. It also is empowered by state statute to extend its corporate limits by annexation, which it has done from time to time.

The City of West Melbourne has operated under the council-manager form of government since 1970. Policy making and legislative authority are vested in the City Council consisting of the mayor and six other members, all elected on a non-partisan basis. Council members, since 2014, serve staggered four-year terms, and are elected to represent the City at large. The Council appoints the City Attorney and City Manager. The City Manager appoints the heads of various City departments. The City of West Melbourne provides a full range of services, including police protection services, street maintenance and construction, building inspections, parks and recreation amenities, and stormwater planning and construction. The City also operates a water distribution and sewer

collection and treatment system, both systems of which are a single legal enterprise and reported as a proprietary fund.

The annual budget serves as the foundation for the City's financial planning and control. Budgetary control is maintained to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. The city manager shall have the authority to transfer any unused and unencumbered appropriation or portion thereof between general classifications of expenditures within any office, department, or agency of the city, or may transfer any unused and unencumbered appropriation or portion thereof from one office, department or agency to another; provided however, that such transfer shall not authorize any increase in the total budget without prior approval of the city council. No officer, department or agency shall, during any budget year, expend or contract to expend any money or incur any liability, or enter into any contract which by its terms involves the expenditure of money for any purpose, in excess of the amounts appropriated for that general classification of expenditure pursuant to this Charter. The Council is required to hold two public hearings and adopt a final budget by no later than September 30th of each year.

Budget-to-actual comparisons are provided in this report for each governmental fund for which an appropriated annual budget has been adopted. This comparison is presented as part of the Required Supplementary Information.

### ***Local Economy***

The City of West Melbourne is located in east central Florida, approximately forty-five miles south of the Kennedy Space Center and encompassing an area of 10.76 square miles. The area is a major hub for technology driven industry such as RELM Wireless, Lockheed Martin, Confluent RF Systems, Mack Technologies, Terry Laboratories and USSI. Corporate headquarters, manufacturers, and technology-oriented companies are located within the City of West Melbourne limits. The City's diverse business community includes traditional businesses, which encompass retail and wholesale trade, transportation, the utilities sector, the professional and business services sector, real estate, finance, and the construction sector, both light manufacturing and military contractors. The City remains attractive to such a vibrant mix of businesses because it maintains one of the lowest tax rates in Brevard County, which has given the City an edge as a better place to do business. The City continues to pursue technology oriented manufacturing, warehousing/distribution, and professional service companies seeking a competitive advantage in the marketplace.

The City has established an economic enhancement district (WAVE District) to allow access to state and federal job creation incentives, has offered incentives to reduce expenses for manufacturers selecting West Melbourne, and has initiated a redevelopment and capital improvement program to focus public infrastructure improvements along its commercial corridors and business parks.

In 1970, West Melbourne's population was approximately 3,050. Since 2000, the City has experienced the highest population growth percentage of any municipality in Brevard County. The most recent State population estimate for the City is 30,443. The population in the City is relatively young and well-educated with over 45% of its population under the age of 45. With a comparatively high median household income, combined with a relatively young and well-educated population, the City has ideal market conditions for the continued development of high-technology, knowledge-based businesses, as well as traditional businesses and service providers.

As of September 30, 2024, the unemployment rate in the United States was 4.1%, an increase from 3.8% a year earlier. For Brevard County, the unemployment rate was 3.6%, up from 2.8% a year earlier as reported by the Florida Department of Economic Opportunity. It is expected that the unemployment rate for Brevard County will remain stable in 2025.

### ***Long-term financial planning and major initiatives***

The City's strategic plans for its long-term financial planning and budgeting are crafted with a strong foundational financial position that has been balanced with deliberate thought to our resources, while reducing already healthy levels of debt. The City Council and the City Manager understand the need for expansion to meet the City's increasing population, and the resultant demands that such expansion will place on City resources. The City has determined that it will maintain a minimum fund balance reserve of 20% of the annual general fund expenditures, a rate that management considers to be a prudent reserve level for meeting unanticipated expenditure requirements, a major revenue shortfall, or an emergency.

The City is also cognizant of other cities' financial challenges. At the end of the current fiscal year, the unrestricted fund balance (which is the total of the committed, assigned, and unassigned components of the fund balance) in the general fund, was 130% of total general fund expenditures. This is a strong position which reduces the need to borrow to finance future construction and expansion projects.

The next major strategic plan for the City of West Melbourne includes several smaller projects which tie together with the new \$52 million-dollar Reverse Osmosis (RO) potable water plant project. Improvements to the City's water distribution system, four well housing structures and key transmission lines between the raw water well sites and the new RO plant are in various levels of planning, bidding or construction at the time of this report. All these projects have a completion timeframe of January 1, 2027, when the City will begin selling water to our residents.

West Melbourne continues to be one of the fastest growing municipalities in Brevard County by percentage. The City is now over 30,000 residents and continues to have a healthy balance of both residential and commercial development, issuing over \$86 million dollars in new building permits in 2024. However, our growth will eventually conclude as we estimate we are close to 83% built out with under 20% developable land available.

The City Council has updated the Capital Improvements Element of the Comprehensive Plan in accordance with Florida Statutes 163.3177(3)(b), and management has projected the capital improvement program for the next five years as financially feasible. The 2025 to 2098 projection matches future sources of revenues with planned capital expenditures that incorporate long range plans of the City, with major water projects estimated at \$74.6 million, sewer projects estimated at \$28.1 million, stormwater system improvements at \$6.2 million, and transportation system improvements estimated at \$19.8 million. Combined capital improvements for all major and secondary projects are estimated at \$153.1 million over the five-year span.

The millage rate for the City of West Melbourne was 1.9948 for fiscal year 2023-2024. This was reduced from the fiscal year 2022-2023 millage rate of 2.1186.

The City was reviewed by Standard and Poors (S&P) on October 1, 2024. S&P rated the 2024D Florida Municipal Loan Council revenue bonds at AA-.

### ***Relevant Financial Policies***

The City of West Melbourne has a policy that requires the adoption of a balanced annual operating budget (i.e., estimated revenues equal to or in excess of appropriations). Due to increased taxes, public utility and telecommunication taxes, payment in lieu of taxes, franchise fees, shared revenues, unrestricted investment earnings, and miscellaneous revenues, actual General Fund revenues exceeded the final budget by approximately \$4.2 million. During fiscal year 2024, General Fund appropriations increased by \$1,255,190, while actual expenditures were below the final budgeted amount by \$3.4 million. Overall, operational activity resulted in an excess of revenues over expenditures by \$5.4 million.

### ***Awards and Acknowledgements***

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of West Melbourne for its annual comprehensive financial report (ACFR) for the fiscal year ended September 30, 2023. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized ACFR. This report must satisfy both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated service of the Finance department. We wish to also express our appreciation to members of other City departments for their assistance in providing the data necessary to prepare this report. Credit must also be given to the Mayor and the City Council for their consistent support for management as it seeks to prudently manage the City of West Melbourne's finances.

Respectfully submitted,



Timothy Rhode  
City Manager



Candice Blake  
Finance Director

**City of West Melbourne, Florida**  
**Principal Officials**  
**September 30, 2024**

**City Council**

|                  |                |
|------------------|----------------|
| Pat Bentley      | Mayor          |
| Diana Adams      | Deputy Mayor   |
| John Dittmore    | Council Member |
| Daniel McDow     | Council Member |
| Stephen Phrampus | Council Member |
| Helen Voltz      | Council Member |
| Andrea Young     | Council Member |

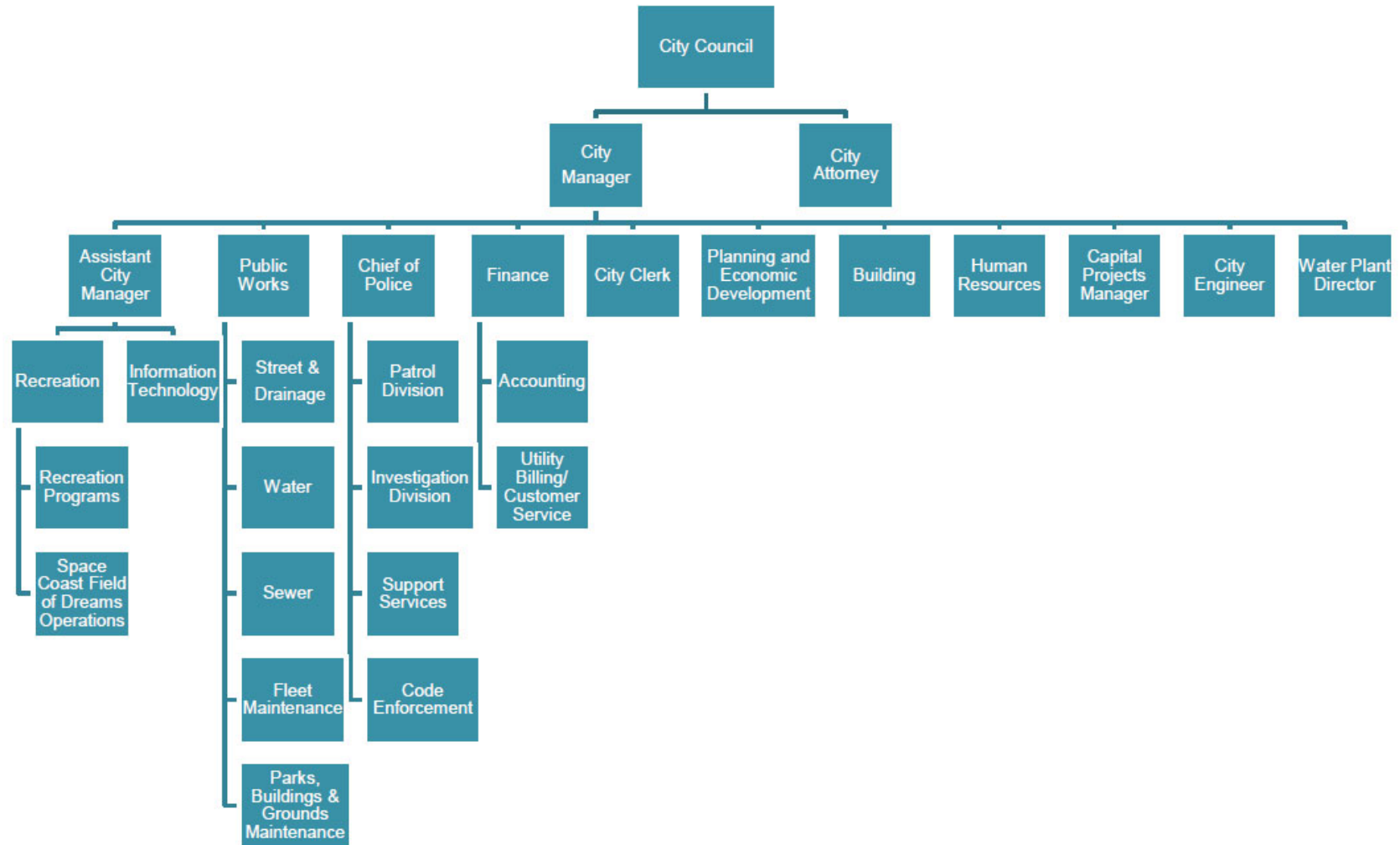


**Executive Management Team**

|                       |                                          |
|-----------------------|------------------------------------------|
| Tim Rhode             | City Manager                             |
| John Cary             | City Attorney                            |
| Greg Vesta            | Police Chief                             |
| Thomas Bradford       | Assistant City Manager                   |
| Mark Piccirillo       | Public Works Director                    |
| Candice Blake         | Finance Director                         |
| Meighan Alexander     | City Clerk                               |
| Dan Ferry             | Building Official                        |
| Christy Fischer, AICP | Planning & Economic Development Director |
| Erin Murphy           | Parks & Recreation Director              |
| Jennifer Curran       | Human Resources Director                 |

**As of September 30, 2024**

City of West Melbourne, Florida  
Organizational Chart  
September 30, 2024





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of West Melbourne  
Florida**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

September 30, 2023

*Christopher P. Morill*

Executive Director/CEO



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**CARR, RIGGS & INGRAM, L.L.C.**

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

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## **INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor and City Council  
City of West Melbourne, Florida

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of West Melbourne, Florida (the "City"), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Emphasis of Matter***

As described in Note 1 to the financial statements, in fiscal year 2024, the City adopted new accounting guidance, GASB Statement No. 100, *Accounting Changes and Error Corrections*. Our opinion is not modified with respect to this matter.

## ***Responsibilities of Management for the Financial Statements***

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

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

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

### ***Required Supplementary Information***

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

### ***Supplementary Information***

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

### ***Other Information***

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

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 13, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

Melbourne, Florida

March 13, 2025

**City of West Melbourne, Florida**  
**Management's Discussion and Analysis**  
**September 30, 2024**

As management of the City of West Melbourne ("the City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2024. 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 5-8 of this report.

**Financial Highlights**

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$156,618,193 (*net position*). Of this amount, \$53,911,263 represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$20,100,165 from fiscal year 2024 activities. The increase is largely due to increases in capital grants and contributions, payment in lieu of taxes, and unrestricted investment earnings.
- At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$44,324,699, an increase of \$8,751,265 in comparison with the prior year. Approximately 47% of this amount (\$20,858,678) is available for spending at the government's discretion (*assigned and unassigned fund balance*).
- At the end of the current fiscal year, unrestricted fund balance (the total of *committed, assigned, and unassigned* components of *fund balance*) for the general fund was \$20,858,678, or approximately 130% of total general fund expenditures.
- The City's total outstanding long-term debt decreased by \$669,694 during the current fiscal year, which includes lease liabilities.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements, which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to the financial statements. This report also includes supplementary information intended to furnish additional details to support the basic financial statements themselves.

**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 financial information on all of the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference 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 related cash flows. Thus, revenues and expenses are reported 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, public safety, public works, recreation, and community development. The business-type activities of the City include a Water and Sewer System. The government-wide financial statements can be found on pages 30-33 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 of the funds of the City 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 fund 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. Consequently, the governmental fund financial statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs.

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

The City maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the community redevelopment agency fund, the American Rescue Plan Act (ARPA) fund, and the stormwater fund, which are considered to be major funds. Data from the other three 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 of West Melbourne adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund, the community redevelopment agency fund, and the ARPA fund, to demonstrate compliance with their budgets.

The basic governmental fund financial statements can be found on pages 34-37 of this report.

**Proprietary funds.** The City maintains one type of proprietary fund—an enterprise fund. *Enterprise funds* are used to report on the same functions presented as *business-type activities* in the government-wide financial statements. The City uses an enterprise fund to account for its Water and Sewer System.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer System, which is considered to be a major fund. The basic proprietary fund financial statements can be found on pages 38-43 of this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reported 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 City maintains one type of fiduciary fund. The *Pension trust fund* is used to report resources held in trust for retirees and beneficiaries covered by the *Police Officers' Retirement Plan*.

The fiduciary fund financial statements can be found on pages 44-45 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to 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 47-99 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the City's budgetary compliance and pension and other post-employment benefits obligations. The City adopts an annual appropriated budget for its general fund, community redevelopment agency fund, special revenue funds (recreation and stormwater), and capital projects funds (capital projects and vehicle replacement). Budgetary comparison statements have been provided for each of these funds to demonstrate compliance with this budget. The required supplementary information can be found on pages 102-121 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 124-128 of this report.

The Statistical Section includes tables and schedules to provide a more detailed picture of the financial condition of the City than those presented in the financial statements. These include the schedule of bonded debt and interest to maturity and assorted multi-year financial and statistical information and can be found on pages 133-154 of this report.

**City of West Melbourne, Florida**  
**Management's Discussion and Analysis**  
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**Government-wide Overall Financial Analysis**

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the City of West Melbourne, Florida, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$156,618,193 at the close of the most recent fiscal year.

**City of West Melbourne's Net Position**

|                                  | Governmental Activities |               | Business-type Activities |               | Total          |                |
|----------------------------------|-------------------------|---------------|--------------------------|---------------|----------------|----------------|
|                                  | 2024                    | 2023          | 2024                     | 2023          | 2024           | 2023           |
| Current and other assets         | \$ 49,305,523           | \$ 44,939,718 | \$ 36,987,122            | \$ 32,313,124 | \$ 86,292,645  | \$ 77,252,842  |
| Capital assets                   | 30,481,897              | 30,094,080    | 56,046,789               | 50,784,871    | 86,528,686     | 80,878,951     |
| Total assets                     | 79,787,420              | 75,033,798    | 93,033,911               | 83,097,995    | 172,821,331    | 158,131,793    |
| Deferred outflows                | 2,380,274               | 5,022,481     | 426,480                  | 461,164       | 2,806,754      | 5,483,645      |
| Long-term liabilities            | 5,161,257               | 7,549,274     | 3,120,011                | 3,887,712     | 8,281,268      | 11,436,986     |
| Other liabilities                | 4,393,907               | 8,961,066     | 3,035,331                | 3,366,642     | 7,429,238      | 12,327,708     |
| Total liabilities                | 9,555,164               | 16,510,340    | 6,155,342                | 7,254,354     | 15,710,506     | 23,764,694     |
| Deferred inflows                 | 3,004,739               | 3,157,652     | 294,647                  | 175,064       | 3,299,386      | 3,332,716      |
| Net position:                    |                         |               |                          |               |                |                |
| Net investment in capital assets | 29,461,345              | 29,024,468    | 54,437,577               | 48,375,142    | 83,898,922     | 77,399,610     |
| Restricted                       | 18,393,841              | 15,365,646    | 414,167                  | 411,121       | 18,808,008     | 15,776,767     |
| Unrestricted                     | 21,752,605              | 15,998,173    | 32,158,658               | 27,343,478    | 53,911,263     | 43,341,651     |
| Total net position               | \$ 69,607,791           | \$ 60,388,287 | \$ 87,010,402            | \$ 76,129,741 | \$ 156,618,193 | \$ 136,518,028 |

By far the largest portion of the City's net position (54%) reflects its investment in capital assets (e.g., land, buildings, improvements other than buildings, machinery and equipment, and construction in progress), less any related outstanding debt that was used to acquire those assets. The City uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (12%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$53,911,263 is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.

At September 30, 2024, the City is able to report positive balances in all reported categories of net position, both for the government 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 West Melbourne, Florida**  
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**Statements of Activities**

The following table reflects the condensed Statements of Activities for the current and prior year:

|                                                       | Governmental Activities |                      | Business-type Activities |                      | Total                 |                       |
|-------------------------------------------------------|-------------------------|----------------------|--------------------------|----------------------|-----------------------|-----------------------|
|                                                       | 2024                    | 2023                 | 2024                     | 2023                 | 2024                  | 2023                  |
| Revenues:                                             |                         |                      |                          |                      |                       |                       |
| Program revenues:                                     |                         |                      |                          |                      |                       |                       |
| Charges for services                                  | \$ 3,215,042            | \$ 4,524,675         | \$ 15,722,534            | \$ 15,469,401        | \$ 18,937,576         | \$ 19,994,076         |
| Capital grants and contributions                      | 679,490                 | 6,102                | 4,730,452                | 3,345,442            | 5,409,942             | 3,351,544             |
| General revenues:                                     |                         |                      |                          |                      |                       |                       |
| Local option gas tax                                  | 945,708                 | 924,354              | -                        | -                    | 945,708               | 924,354               |
| Property taxes                                        | 5,367,760               | 5,144,938            | -                        | -                    | 5,367,760             | 5,144,938             |
| Public utility and telecommunication taxes            | 4,524,801               | 4,335,953            | -                        | -                    | 4,524,801             | 4,335,953             |
| Payment in lieu of taxes                              | 8,455,667               | 4,498,815            | -                        | -                    | 8,455,667             | 4,498,815             |
| Franchise fees                                        | 2,821,916               | 2,679,560            | -                        | -                    | 2,821,916             | 2,679,560             |
| Shared revenues                                       | 3,752,743               | 3,685,145            | -                        | -                    | 3,752,743             | 3,685,145             |
| Unrestricted investment earnings                      | 2,093,980               | 1,575,823            | 1,703,987                | 1,102,442            | 3,797,967             | 2,678,265             |
| Miscellaneous                                         | 274,568                 | 202,456              | -                        | -                    | 274,568               | 202,456               |
| Gain on disposition                                   | 25,147                  | 38,466               | -                        | -                    | 25,147                | 38,466                |
| Total revenues                                        | <u>32,156,822</u>       | <u>27,616,287</u>    | <u>22,156,973</u>        | <u>19,917,285</u>    | <u>54,313,795</u>     | <u>47,533,572</u>     |
| Expenses:                                             |                         |                      |                          |                      |                       |                       |
| General government                                    | 3,663,963               | 3,799,271            | -                        | -                    | 3,663,963             | 3,799,271             |
| Public safety                                         | 8,160,518               | 8,568,227            | -                        | -                    | 8,160,518             | 8,568,227             |
| Public works                                          | 3,617,172               | 3,496,500            | -                        | -                    | 3,617,172             | 3,496,500             |
| Recreation                                            | 1,973,542               | 1,942,055            | -                        | -                    | 1,973,542             | 1,942,055             |
| Community development                                 | 499,243                 | 651,245              | -                        | -                    | 499,243               | 651,245               |
| Economic environment                                  | 4,295                   | 2,795                | -                        | -                    | 4,295                 | 2,795                 |
| Interest on long term debt                            | 3,916                   | 6,599                | -                        | -                    | 3,916                 | 6,599                 |
| Water and sewer                                       | -                       | -                    | 16,290,981               | 15,285,349           | 16,290,981            | 15,285,349            |
| Total expenses                                        | <u>17,922,649</u>       | <u>18,466,692</u>    | <u>16,290,981</u>        | <u>15,285,349</u>    | <u>34,213,630</u>     | <u>33,752,041</u>     |
| Excess (deficiency) of revenues over (under) expenses | 14,234,173              | 9,149,595            | 5,865,992                | 4,631,936            | 20,100,165            | 13,781,531            |
| Other financing sources (uses)                        |                         |                      |                          |                      |                       |                       |
| Transfers in (out)                                    | (5,014,669)             | (3,873,827)          | 5,014,669                | 3,873,827            | -                     | -                     |
| Net other financing sources (uses)                    | <u>(5,014,669)</u>      | <u>(3,873,827)</u>   | <u>5,014,669</u>         | <u>3,873,827</u>     | <u>-</u>              | <u>-</u>              |
| Increase in net position                              | 9,219,504               | 5,275,768            | 10,880,661               | 8,505,763            | 20,100,165            | 13,781,531            |
| Net position - beginning of year                      | 60,388,287              | 55,112,519           | 76,129,741               | 67,623,978           | 136,518,028           | 122,736,497           |
| Net position - ending                                 | <u>\$ 69,607,791</u>    | <u>\$ 60,388,287</u> | <u>\$ 87,010,402</u>     | <u>\$ 76,129,741</u> | <u>\$ 156,618,193</u> | <u>\$ 136,518,028</u> |

**Governmental Activities.** During the current fiscal year, net position for governmental activities increased by \$9,219,504 from the prior fiscal year. Governmental revenues increased overall by approximately 16.4% due to increases in payment in lieu of taxes, unrestricted investment earnings, and miscellaneous revenues. Program revenues decreased by approximately 14%, primarily due to decreased applications for building permits, plan review fees, and recreation fees, with marginal counteracting increases in construction inspection fees, off-duty law enforcement services now processed in-house, and construction inspection fees.

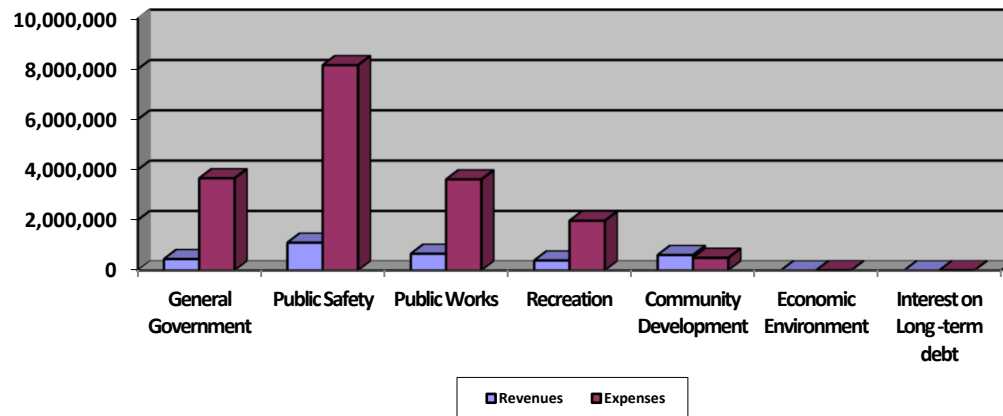
Governmental expenses decreased \$544,043 (2.9%) compared to the fiscal year ending September 30, 2023. The most significant decrease in expenses reflects the unrepeated class and compensation study and the prior year adjustment for Net Pension Liability.

The first chart that follows compares each program's expenses with the revenues generated by the program. The next chart displays the City's revenues by source. Public safety represents one of the

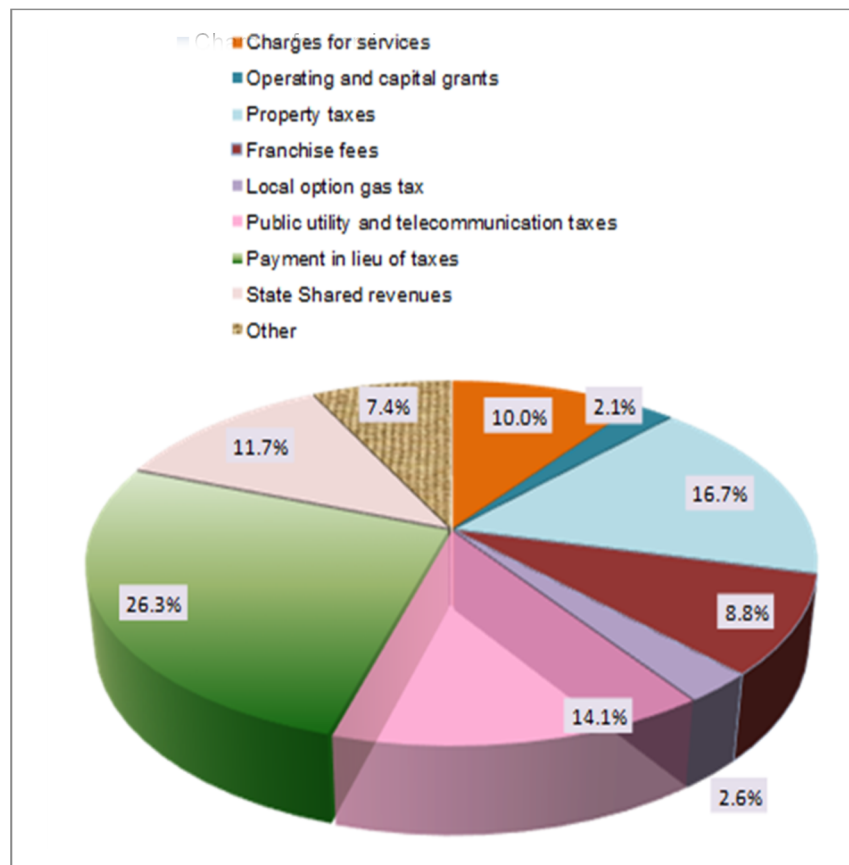
**City of West Melbourne, Florida**  
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City's major services and the majority of resources used to fund the service are not generated by the program. Revenues from taxes and other general resources provide the remaining funding necessary for public safety.

**Expenses and Program Revenues-Governmental Activities**



**Revenues by Source – Governmental Activities**



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**Business-type Activities.** Business-type activities increased the City's net position by \$10,880,661. Capital grants and contributions increased by approximately \$1.38 million, impacted by developer capital contributions which increased by \$3.5 million, and CDBG grants for water projects adding another \$750 thousand. These were, however, offset by combined decreases in water and sewer connection fees of \$3.3 million. Unrestricted investment earnings increased by \$601 thousand due to increased rates. Operating expenses of the Water and Sewer System increased by approximately \$1 million, due largely to continued infrastructural work on several large projects including Melbourne Estates and Henry Avenue water main replacement, Sheridan Road septic to sewer, wastewater treatment plant upgrades, water test production wells, and water production plant design.

**Financial Analysis of Governmental 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, unassigned fund balance may serve as a useful measure of a City's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$44,324,699, an increase of \$8,751,265 in comparison with the prior year. Approximately 47% of this total amount (\$20,858,678) constitutes unassigned fund balance, which has not been appropriated for a specific purpose and is available for spending at the government's discretion. The remainder of fund balances represents a legally restricted funding source, has been committed to a specific purpose by City action or is not in liquid form available for new spending. The \$180,584 of prepaid items represents funds that have been disbursed for future expenditures, such as insurance or maintenance agreements. The restricted funds also include funds of \$138,470 that can only be spent on law enforcement purposes. The \$1,570,847 in the Stormwater fund is restricted for stormwater projects. The \$693,077 in the ARPA Fund is restricted for American Rescue Plan Act projects. The \$5,340,310 in the General Fund and \$3,880,263 in Nonmajor funds are restricted for construction and maintenance of roads. The \$3,943,394 amount represents funds collected through permits and is restricted to enforcing the State's building code.

The committed fund balances totaling \$4,891,596 in two of the nonmajor funds are being expended for replacement vehicles and recreation purposes.

The Community Redevelopment Agency had minimal expenditures during the fiscal year ended September 30, 2024, and closed the year with a positive fund balance of \$2,827,480. Under a new stimulus bill, the American Rescue Plan Act was enacted on March 11, 2021, to provide ARPA funds to local governments in order to facilitate the ongoing recovery from the COVID-19 pandemic. ARPA became a major fund last year and closed the year with a \$693,077 positive fund balance.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$20,858,678, while total fund balance was \$30,458,351. As a measure of the General Fund's liquidity, it may be useful to compare both

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unassigned fund balance and total fund balance to total fund expenditures. Unassigned and assigned fund balance represents 130% of total General Fund expenditures, while total fund balance represents 190% of that same amount.

The fund balance of the City's General Fund increased by \$5,431,744 during the current fiscal year, compared to an increase of \$5,653,766 in the prior year. The City saw increased expenditures in the General Fund. Key factors in these results are as follows:

- Total revenues of the General Fund increased by \$990,038. While licenses and permits declined by \$1.05 million, increases in charges for services, donations from developers for infrastructure, investment income earned on higher levels of cash, and miscellaneous fees related to off-duty law enforcement services now in-house counteracted that decline for a positive overall increase.
- General Fund expenditures increased \$1,255,190 compared to the prior year. Increased payroll costs, road maintenance and repairs, capital outlay were the main contributing factors.

**Proprietary funds.** The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position of the Water and Sewer System at the end of the year amounted to \$32,158,658. The total increase in net position for this fund was \$10,880,661. Other factors concerning the finances of this fund have already been addressed in the discussion of the City's business-type activities.

### **General Fund Budgetary Highlights**

During the year ended September 30, 2024, significant budgetary variances between the final amended budget and actual results include the following:

- Revenues exceeded the budgeted amounts in most areas: taxes (\$1.24M), licenses and permits (\$278K), intergovernmental (\$621K), charges for services (\$595K), contributions and donations (\$702K), investment income (\$653K), and miscellaneous (141K) as the economy ticked upwards in home values, grant funding was received for construction projects, higher bank balances resulted in higher investment earnings, and consumer retail spending continued to increase;
- Executive and administration costs exceeded budget (\$99K) with the hiring of the capital projects manager to the management team.
- Finance costs fell below budget (\$90K) largely due to several open positions during the year.
- Other general services fell below budgeted amounts (\$1.3M) due to deferred construction for the council chambers.
- Protective inspections costs fell below budgeted amounts (\$2.1M) due to the delayed new building start, and staffing vacancies.
- Public works costs exceeded budgeted (\$456K) due to capital outlay increases for Greenleaf Estates developer cost.

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There were no revenue budget amendments during the year ended September 30, 2024. There were two budget amendments for expenditures totaling \$442,048 during the year ended September 30, 2024. These amendments were for vehicle purchases, and final infrastructural expenditures for the Field of Dreams pour-in-place surface replacement.

**Capital Assets and Debt Administration**

**Capital Assets.** The City's investment in capital assets for its governmental and business-type activities as of September 30, 2024, amounted to \$86,528,686 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, park facilities, roads, highways, other infrastructure items, and right-to-use lease assets. The percentage increase from prior year (fiscal year 2023) in the City's investment in capital assets was approximately 7%, due to several construction-in-progress projects started during the year.

**City of West Melbourne's Capital Assets**  
(net of depreciation)

|                                   | Governmental Activities |                      | Business-type Activities |                      | Total                |                      |
|-----------------------------------|-------------------------|----------------------|--------------------------|----------------------|----------------------|----------------------|
|                                   | 2024                    | 2023                 | 2024                     | 2023                 | 2024                 | 2023                 |
| Land                              | \$ 1,569,380            | \$ 1,574,591         | \$ 1,030,433             | \$ 807,376           | \$ 2,599,813         | \$ 2,381,967         |
| Construction in progress          | 362,037                 | 2,022,853            | 5,853,339                | 6,317,448            | 6,215,376            | 8,340,301            |
| Buildings                         | 7,450,805               | 7,652,135            | 430,039                  | 457,343              | 7,880,844            | 8,109,478            |
| Improvements other than buildings | 8,446,004               | 8,650,897            | 47,412,645               | 41,401,178           | 55,858,649           | 50,052,075           |
| Machinery and equipment           | 1,875,008               | 2,081,052            | 1,320,333                | 1,801,526            | 3,195,341            | 3,882,578            |
| Infrastructure                    | 10,742,238              | 8,051,460            | -                        | -                    | 10,742,238           | 8,051,460            |
| Right-to-use lease assets         | 36,425                  | 61,092               | -                        | -                    | 36,425               | 61,092               |
| Total                             | <u>\$ 30,481,897</u>    | <u>\$ 30,094,080</u> | <u>\$ 56,046,789</u>     | <u>\$ 50,784,871</u> | <u>\$ 86,528,686</u> | <u>\$ 80,878,951</u> |

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

- In the City's governmental activities, expenditures for Melbourne Estates drainage improvements, the Field of Dreams surface replacement, and vehicle and equipment purchases accounted for the increase during the year.
- In the City's business-type activities, infrastructural work continued on several large projects including Melbourne Estates and Henry Avenue water main replacement, Sheridan Road septic to sewer, water test production wells, and lift station upgrades. Capital asset additions overall increased by \$5.3 million in business-type activities in fiscal year 2023-2024.

Additional information on the City's capital assets can be found in Note 2 D on pages 71-72 of this report.

**Long-term Debt.** At the end of the current fiscal year, the City had total bonded debt and loans outstanding of \$918,900, which represents obligations secured by business-type activities revenue sources.

**City of West Melbourne, Florida**  
**Management's Discussion and Analysis**  
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**City of West Melbourne's Outstanding Debt**

|                              | Governmental Activities |                  | Business-type Activities |                     | Total               |                     |
|------------------------------|-------------------------|------------------|--------------------------|---------------------|---------------------|---------------------|
|                              | 2024                    | 2023             | 2024                     | 2023                | 2024                | 2023                |
| Lease liabilities            | \$ 38,574               | \$ 62,628        | \$ -                     | \$ -                | \$ 38,574           | \$ 62,628           |
| Revenue bonds                | -                       | -                | 918,900                  | 1,314,900           | 918,900             | 1,314,900           |
| Contract termination payable | -                       | -                | 750,000                  | 1,000,000           | 750,000             | 1,000,000           |
| Total                        | <u>\$ 38,574</u>        | <u>\$ 62,628</u> | <u>\$ 1,668,900</u>      | <u>\$ 2,314,900</u> | <u>\$ 1,707,474</u> | <u>\$ 2,377,528</u> |

Additional information on the City's outstanding debt can be found in Note 2 F on pages 74-78 of this report. The City's total debt was decreased by \$670,054 during the current fiscal year. Key factors in the City's fiscal year 2024 long term debt decrease include the following:

- The City continued to pay off the Water and Sewer Refunding Revenue Bond, Series 2014 as it fell due. Water and Sewer System revenue bond debt decreased by \$396 thousand.
- On June 1, 2013, the City entered into an agreement with the City of Melbourne for the sale and purchase of water services through December 31, 2026, with an early mutually agreed upon termination clause. City Council exercised the early termination clause during 2022, which triggered a discounted fee of \$1.25M. This liability is unsecured, utilizing unpledged revenue at a non-interest-bearing rate, paid in five equal installments through the year 2027. This debt was reduced by \$250 thousand during the fiscal year ended September 30, 2024.

**Economic Factors and Next Year's Budgets and Rates**

The following economic factors currently affect the City of West Melbourne and were considered in developing the 2024-2025 fiscal year budget.

- As of the United States Census count of April 1, 2010, the City had an estimated population of 18,335 people residing within the City's then 9.9-square miles. The population estimate issued for 2022 by the State of Florida, Office of Economic and Demographic Research shows the City's population has increased to 30,443 within the City's now 10.76-square mile area.
- During fiscal year 2024, the City issued 3,531 building permits for construction on homes, largely due to hail damage on roofs. The City expects continued local economic conditions to slow down. The City has three large commercial centers, Hammock Landing, the West Melbourne Interchange Center, and Coastal Commerce, where interest in new commercial development continues.
- As of September 2024, the unemployment rate in the United States was 4.1%. For the State of Florida, unemployment was 3.3%, an increase from 2.8% a year earlier. For Brevard County, the unemployment rate was 3.6% as reported by the Florida Department of Economic Opportunity. It is expected that the unemployment rate for Brevard County will remain relatively stable in 2024-2025.

**City of West Melbourne, Florida**  
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- The City was founded in 1959, primarily to prevent property taxes from being imposed by a neighboring municipality. The City continues to pride itself on its low tax rate. The millage rate for the City of West Melbourne was 1.9948 for fiscal year 2023 - 2024. This was reduced from the fiscal year 2022 – 2023 millage rate of 2.1186.

All of these factors were considered in preparing the City's budget for the fiscal year ending September 30, 2024.

**Requests for Information**

This financial report is designed to provide a general overview of the City of West Melbourne, Florida's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of West Melbourne, Attention: Finance Director, 2240 Minton Road, West Melbourne, Florida, 32904.



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# **CITY OF WEST MELBOURNE, FLORIDA**

Basic Financial Statements

**City of West Melbourne, Florida**  
**Statement of Net Position**

| <i>September 30, 2024</i>                                      | Governmental<br>Activities | Business-type<br>Activities | Total         |
|----------------------------------------------------------------|----------------------------|-----------------------------|---------------|
| <b>ASSETS</b>                                                  |                            |                             |               |
| Cash and cash equivalents                                      | \$ 8,449,110               | \$ 4,796,315                | \$ 13,245,425 |
| Investments                                                    | 37,272,629                 | 27,386,547                  | 64,659,176    |
| Receivables, net                                               | 995,450                    | 2,042,642                   | 3,038,092     |
| Lease receivables                                              | 198,416                    | -                           | 198,416       |
| Due from other governments                                     | 1,649,728                  | 495,351                     | 2,145,079     |
| Inventory                                                      | -                          | 563,129                     | 563,129       |
| Prepaid items                                                  | 180,584                    | 127,364                     | 307,948       |
| Interfund balances                                             | (121,678)                  | 121,678                     | -             |
| Restricted assets:                                             |                            |                             |               |
| Cash and cash equivalents                                      | 471,739                    | 1,454,097                   | 1,925,836     |
| Net pension asset                                              | 209,546                    | -                           | 209,546       |
| Capital assets not being depreciated:                          |                            |                             |               |
| Land                                                           | 1,569,380                  | 1,030,433                   | 2,599,813     |
| Construction in progress                                       | 362,037                    | 5,853,339                   | 6,215,376     |
| Capital assets (net of accumulated depreciation/amortization): |                            |                             |               |
| Buildings                                                      | 7,450,804                  | 430,039                     | 7,880,843     |
| Improvements other than buildings                              | 8,446,004                  | 47,412,645                  | 55,858,649    |
| Machinery and equipment                                        | 1,875,008                  | 1,320,332                   | 3,195,340     |
| Infrastructure                                                 | 10,742,238                 | -                           | 10,742,238    |
| Right-to-use lease assets                                      | 36,425                     | -                           | 36,425        |
| Total assets                                                   | 79,787,420                 | 93,033,911                  | 172,821,331   |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                          |                            |                             |               |
| Deferred outflows related to pensions                          | 1,817,279                  | 330,547                     | 2,147,826     |
| Deferred outflows related to OPEB                              | 562,995                    | 95,274                      | 658,269       |
| Deferred amount on advanced refunding                          | -                          | 659                         | 659           |
| Total deferred outflows of resources                           | 2,380,274                  | 426,480                     | 2,806,754     |

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

| <i>September 30, 2024</i>                | Governmental<br>Activities | Business-type<br>Activities | Total          |
|------------------------------------------|----------------------------|-----------------------------|----------------|
| <b>LIABILITIES</b>                       |                            |                             |                |
| Accounts payable                         | 598,761                    | 1,117,065                   | 1,715,826      |
| Contracts payable                        | 838,644                    | 550,914                     | 1,389,558      |
| Retainage payable                        | 143,333                    | 140,056                     | 283,389        |
| Accrued expenses                         | -                          | 95,844                      | 95,844         |
| Accrued payroll and related liabilities  | 640,044                    | 80,955                      | 720,999        |
| Payable from restricted assets:          |                            |                             |                |
| Accrued interest payable                 | -                          | 10,567                      | 10,567         |
| Customer and developer escrow deposits   | 469,739                    | 1,039,930                   | 1,509,669      |
| Unearned revenues - ARPA                 | 1,703,386                  | -                           | 1,703,386      |
| Noncurrent liabilities:                  |                            |                             |                |
| Due within one year:                     |                            |                             |                |
| Revenue bonds payable                    | -                          | 403,600                     | 403,600        |
| Contract termination payable             | -                          | 250,000                     | 250,000        |
| Lease liabilities                        | 13,940                     | -                           | 13,940         |
| Other postemployment benefits (OPEB)     | 19,620                     | 3,715                       | 23,335         |
| Compensated absences                     | 406,857                    | 72,253                      | 479,110        |
| Due in more than one year:               |                            |                             |                |
| Revenue bonds payable                    | -                          | 515,300                     | 515,300        |
| Contract termination payable             | -                          | 500,000                     | 500,000        |
| Lease liabilities                        | 24,634                     | -                           | 24,634         |
| Other postemployment benefits (OPEB)     | 390,610                    | 68,005                      | 458,615        |
| Net pension liability                    | 4,203,881                  | 1,289,075                   | 5,492,956      |
| Compensated absences                     | 101,715                    | 18,063                      | 119,778        |
| Total liabilities                        | 9,555,164                  | 6,155,342                   | 15,710,506     |
| <b>DEFERRED INFLOWS OF RESOURCES</b>     |                            |                             |                |
| Deferred inflows related to pensions     | 1,800,114                  | 150,399                     | 1,950,513      |
| Deferred inflows related to OPEB         | 827,253                    | 144,248                     | 971,501        |
| Deferred revenue - business tax receipts | 197,387                    | -                           | 197,387        |
| Deferred revenue - leases                | 179,985                    | -                           | 179,985        |
| Total deferred inflows of resources      | 3,004,739                  | 294,647                     | 3,299,386      |
| <b>NET POSITION</b>                      |                            |                             |                |
| Net investment in capital assets         | 29,461,345                 | 54,437,577                  | 83,898,922     |
| Restricted for:                          |                            |                             |                |
| Stormwater                               | 1,570,847                  | -                           | 1,570,847      |
| Community development                    | 2,827,480                  | -                           | 2,827,480      |
| Debt service                             | -                          | 414,167                     | 414,167        |
| Transportation                           | 9,220,573                  | -                           | 9,220,573      |
| Law enforcement                          | 138,470                    | -                           | 138,470        |
| Building code enforcement                | 3,943,394                  | -                           | 3,943,394      |
| Infrastructure                           | 693,077                    | -                           | 693,077        |
| Unrestricted                             | 21,752,605                 | 32,158,658                  | 53,911,263     |
| Total net position                       | \$ 69,607,791              | \$ 87,010,402               | \$ 156,618,193 |

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

**City of West Melbourne, Florida**  
**Statement of Activities**

*For the year ended September 30, 2024*

Program Revenues

| Functions/Programs             | Expenses      | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions |
|--------------------------------|---------------|-------------------------|------------------------------------------|----------------------------------------|
| Primary Government             |               |                         |                                          |                                        |
| Governmental activities:       |               |                         |                                          |                                        |
| General government             | \$ 3,663,963  | \$ 450,292              | \$ -                                     | \$ -                                   |
| Public safety                  | 8,160,518     | 1,100,959               | -                                        | 11,923                                 |
| Public works                   | 3,617,172     | 658,949                 | -                                        | 667,567                                |
| Recreation                     | 1,973,542     | 392,874                 | -                                        | -                                      |
| Community development          | 499,243       | 611,968                 | -                                        | -                                      |
| Economic environment           | 4,295         | -                       | -                                        | -                                      |
| Interest on long-term debt     | 3,916         | -                       | -                                        | -                                      |
| Total governmental activities  | 17,922,649    | 3,215,042               | -                                        | 679,490                                |
| Business-type activities:      |               |                         |                                          |                                        |
| Water and sewer                | 16,290,981    | 15,722,534              | -                                        | 4,730,452                              |
| Total business-type activities | 16,290,981    | 15,722,534              | -                                        | 4,730,452                              |
| Total primary government       | \$ 34,213,630 | \$ 18,937,576           | \$ -                                     | \$ 5,409,942                           |

General revenues:

Taxes:

Property taxes

Franchise fees

Local option gas tax

Public utility and telecommunication taxes

Payment in lieu of taxes

Intergovernmental shared revenue - unrestricted

Investment earnings

Miscellaneous revenue

Gain on disposition

Transfers, net

Total general revenues

Change in net position

Net position, beginning of year

Net position, end of year

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

Net (Expense) Revenue  
and Changes in Net Position

| Governmental<br>Activities | Business-type<br>Activities | Total                 |
|----------------------------|-----------------------------|-----------------------|
| \$ (3,213,671)             | \$ -                        | \$ (3,213,671)        |
| (7,047,636)                | -                           | (7,047,636)           |
| (2,290,656)                | -                           | (2,290,656)           |
| (1,580,668)                | -                           | (1,580,668)           |
| 112,725                    | -                           | 112,725               |
| (4,295)                    | -                           | (4,295)               |
| (3,916)                    | -                           | (3,916)               |
| <u>(14,028,117)</u>        | <u>-</u>                    | <u>(14,028,117)</u>   |
| -                          | 4,162,005                   | 4,162,005             |
| -                          | 4,162,005                   | 4,162,005             |
| <u>(14,028,117)</u>        | <u>4,162,005</u>            | <u>(9,866,112)</u>    |
| 5,367,760                  | -                           | 5,367,760             |
| 2,821,916                  | -                           | 2,821,916             |
| 945,708                    | -                           | 945,708               |
| 4,524,801                  | -                           | 4,524,801             |
| 8,455,667                  | -                           | 8,455,667             |
| 3,752,743                  | -                           | 3,752,743             |
| 2,093,980                  | 1,703,987                   | 3,797,967             |
| 274,568                    | -                           | 274,568               |
| 25,147                     | -                           | 25,147                |
| (5,014,669)                | 5,014,669                   | -                     |
| <u>23,247,621</u>          | <u>6,718,656</u>            | <u>29,966,277</u>     |
| 9,219,504                  | 10,880,661                  | 20,100,165            |
| 60,388,287                 | 76,129,741                  | 136,518,028           |
| <u>\$ 69,607,791</u>       | <u>\$ 87,010,402</u>        | <u>\$ 156,618,193</u> |

**City of West Melbourne, Florida**  
**Balance Sheet - Governmental Funds**

|                                                                     |              | Community     |               |              |                | Total              |
|---------------------------------------------------------------------|--------------|---------------|---------------|--------------|----------------|--------------------|
|                                                                     | General      | Redevelopment | ARPA          | Stormwater   | Nonmajor Funds | Governmental Funds |
| <i>September 30, 2024</i>                                           |              |               |               |              |                |                    |
| <b>ASSETS</b>                                                       |              |               |               |              |                |                    |
| Cash and cash equivalents                                           | \$ 2,517,219 | \$ 1,813,180  | \$ 536,440    | \$ 772,487   | \$ 2,809,784   | \$ 8,449,110       |
| Investments                                                         | 18,612,690   | 1,114,300     | 11,227,092    | 332,843      | 5,985,704      | 37,272,629         |
| Accounts receivable, net                                            | 995,450      | -             | -             | -            | -              | 995,450            |
| Lease receivables, net                                              | 198,416      | -             | -             | -            | -              | 198,416            |
| Advance from other funds - current                                  | 100,000      | -             | -             | -            | -              | 100,000            |
| Due from other governments                                          | 501,037      | -             | -             | 1,148,691    | -              | 1,649,728          |
| Due from ARPA fund                                                  | 8,962,896    | -             | -             | -            | -              | 8,962,896          |
| Prepaid items                                                       | 177,499      | -             | -             | 3,085        | -              | 180,584            |
| Restricted cash and cash equivalents                                | 471,739      | -             | -             | -            | -              | 471,739            |
| Total assets                                                        | \$32,536,946 | \$ 2,927,480  | \$ 11,763,532 | \$ 2,257,106 | \$ 8,795,488   | \$ 58,280,552      |
| <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b> |              |               |               |              |                |                    |
| <b>Liabilities</b>                                                  |              |               |               |              |                |                    |
| Accounts payable                                                    | \$ 592,869   | \$ -          | \$ -          | \$ 7,663     | \$ (1,771)     | \$ 598,761         |
| Contracts payable                                                   | -            | -             | 282,495       | 530,749      | 25,400         | 838,644            |
| Retainage payable                                                   | -            | -             | -             | 143,333      | -              | 143,333            |
| Accrued payroll and related liabilities                             | 638,615      | -             | -             | 1,429        | -              | 640,044            |
| Deposits                                                            | 469,739      | -             | -             | -            | -              | 469,739            |
| Due to general fund                                                 | -            | -             | 8,962,896     | -            | -              | 8,962,896          |
| Due to water/sewer fund                                             | -            | -             | 121,678       | -            | -              | 121,678            |
| Advance to other funds - current                                    | -            | 100,000       | -             | -            | -              | 100,000            |
| Unearned revenue - ARPA                                             | -            | -             | 1,703,386     | -            | -              | 1,703,386          |
| Total liabilities                                                   | 1,701,223    | 100,000       | 11,070,455    | 683,174      | 23,629         | 13,578,481         |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                |              |               |               |              |                |                    |
| Deferred revenue - business tax receipts                            | 197,387      | -             | -             | -            | -              | 197,387            |
| Deferred revenue - leases                                           | 179,985      | -             | -             | -            | -              | 179,985            |
| Total deferred inflows of resources                                 | 377,372      | -             | -             | -            | -              | 377,372            |

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

| <i>September 30, 2024</i>                                                                                                                                                                                                                            | General      | Community<br>Redevelopment | ARPA          | Stormwater   | Nonmajor<br>Funds | Total<br>Governmental<br>Funds |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|----------------------------|---------------|--------------|-------------------|--------------------------------|
| <b>FUND BALANCES</b>                                                                                                                                                                                                                                 |              |                            |               |              |                   |                                |
| Nonspendable:                                                                                                                                                                                                                                        |              |                            |               |              |                   |                                |
| Prepaid items                                                                                                                                                                                                                                        | 177,499      | -                          | -             | 3,085        | -                 | 180,584                        |
| Restricted for:                                                                                                                                                                                                                                      |              |                            |               |              |                   |                                |
| Stormwater                                                                                                                                                                                                                                           | -            | -                          | -             | 1,570,847    | -                 | 1,570,847                      |
| Police education                                                                                                                                                                                                                                     | 26,241       | -                          | -             | -            | -                 | 26,241                         |
| Confiscated funds                                                                                                                                                                                                                                    | 112,229      | -                          | -             | -            | -                 | 112,229                        |
| Transportation                                                                                                                                                                                                                                       | 5,340,310    | -                          | -             | -            | 3,880,263         | 9,220,573                      |
| Building code enforcement                                                                                                                                                                                                                            | 3,943,394    | -                          | -             | -            | -                 | 3,943,394                      |
| Community development                                                                                                                                                                                                                                | -            | 2,827,480                  | -             | -            | -                 | 2,827,480                      |
| Infrastructure                                                                                                                                                                                                                                       | -            | -                          | 693,077       | -            | -                 | 693,077                        |
| Committed for:                                                                                                                                                                                                                                       |              |                            |               |              |                   |                                |
| Recreation                                                                                                                                                                                                                                           | -            | -                          | -             | -            | 2,021,096         | 2,021,096                      |
| Vehicle replacement                                                                                                                                                                                                                                  | -            | -                          | -             | -            | 2,870,500         | 2,870,500                      |
| Unassigned                                                                                                                                                                                                                                           | 20,858,678   | -                          | -             | -            | -                 | 20,858,678                     |
| Total fund balances                                                                                                                                                                                                                                  | 30,458,351   | 2,827,480                  | 693,077       | 1,573,932    | 8,771,859         | 44,324,699                     |
| Total liabilities, deferred inflows of resources<br>and fund balances                                                                                                                                                                                | \$32,536,946 | \$ 2,927,480               | \$ 11,763,532 | \$ 2,257,106 | \$ 8,795,488      | \$ 58,280,552                  |
| Capital assets used in governmental activities are not financial resources and,<br>therefore, are not reported in the funds.                                                                                                                         |              |                            |               |              |                   |                                |
| Governmental capital assets                                                                                                                                                                                                                          |              |                            |               |              | \$ 61,256,940     |                                |
| Less accumulated depreciation/amortization                                                                                                                                                                                                           |              |                            |               |              | (30,775,044)      | 30,481,896                     |
| Deferred outflows and deferred inflows of resources related to pensions and OPEB and related earnings<br>are not recognized in the governmental funds; however, they are recorded in the statement<br>of net position under full accrual accounting. |              |                            |               |              |                   |                                |
| Deferred outflows related to pensions                                                                                                                                                                                                                |              |                            |               |              | \$ 1,817,279      |                                |
| Deferred outflows related to OPEB                                                                                                                                                                                                                    |              |                            |               |              | 562,995           |                                |
| Deferred inflows related to pensions                                                                                                                                                                                                                 |              |                            |               |              | (1,800,114)       |                                |
| Deferred inflows related to OPEB                                                                                                                                                                                                                     |              |                            |               |              | (827,253)         | (247,093)                      |
| Long-term liabilities, including lease obligations, compensated absences, net pension<br>liability and the total OPEB liability are not due and payable in the current period<br>and therefore are not reported in the funds.                        |              |                            |               |              |                   |                                |
| Net pension liability                                                                                                                                                                                                                                |              |                            |               |              | \$ (3,994,335)    |                                |
| Compensated absences                                                                                                                                                                                                                                 |              |                            |               |              | (508,572)         |                                |
| Other postemployment benefits (OPEB)                                                                                                                                                                                                                 |              |                            |               |              | (410,230)         |                                |
| Lease liability                                                                                                                                                                                                                                      |              |                            |               |              | (38,574)          | (4,951,711)                    |
| Net position of governmental activities                                                                                                                                                                                                              |              |                            |               |              |                   | \$ 69,607,791                  |

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

**City of West Melbourne, Florida**  
**Statement of Revenues, Expenditures and Changes in Fund Balances -**  
**Governmental Funds**

| <i>For the year ended September 30, 2024</i>                         | General              | Community<br>Redevelopment | ARPA               | Stormwater          | Nonmajor<br>Funds   | Total<br>Governmental<br>Funds |
|----------------------------------------------------------------------|----------------------|----------------------------|--------------------|---------------------|---------------------|--------------------------------|
| <b>Revenues</b>                                                      |                      |                            |                    |                     |                     |                                |
| Taxes                                                                | \$ 12,714,477        | \$ 328,086                 | \$ -               | \$ 658,949          | \$ -                | \$ 13,701,512                  |
| Licenses and permits                                                 | 1,169,773            | -                          | -                  | -                   | -                   | 1,169,773                      |
| Intergovernmental                                                    | 4,710,374            | 328,086                    | 5,051,869          | 2,723,321           | -                   | 12,813,650                     |
| Charges for services                                                 | 904,986              | -                          | -                  | -                   | 273,488             | 1,178,474                      |
| Fines and forfeitures                                                | 108,588              | -                          | -                  | -                   | -                   | 108,588                        |
| Contributions and donations                                          | 712,567              | -                          | -                  | -                   | -                   | 712,567                        |
| Investment income                                                    | 1,103,597            | 58,992                     | 598,596            | 17,417              | 315,378             | 2,093,980                      |
| Miscellaneous                                                        | 202,725              | -                          | -                  | -                   | -                   | 202,725                        |
| <b>Total revenues</b>                                                | <b>21,627,087</b>    | <b>715,164</b>             | <b>5,650,465</b>   | <b>3,399,687</b>    | <b>588,866</b>      | <b>31,981,269</b>              |
| <b>Expenditures</b>                                                  |                      |                            |                    |                     |                     |                                |
| Current:                                                             |                      |                            |                    |                     |                     |                                |
| General government                                                   | 3,252,132            | -                          | -                  | -                   | -                   | 3,252,132                      |
| Public safety                                                        | 7,782,846            | -                          | -                  | -                   | -                   | 7,782,846                      |
| Public works                                                         | 1,618,627            | -                          | -                  | 177,546             | -                   | 1,796,173                      |
| Recreation                                                           | 1,312,628            | -                          | -                  | -                   | -                   | 1,312,628                      |
| Community development                                                | 494,876              | -                          | -                  | -                   | -                   | 494,876                        |
| Economic environment                                                 | -                    | 4,295                      | -                  | -                   | -                   | 4,295                          |
| Capital outlay                                                       | 1,529,505            | -                          | -                  | 1,996,984           | 199,050             | 3,725,539                      |
| Debt service:                                                        |                      |                            |                    |                     |                     |                                |
| Principal                                                            | 23,694               | -                          | -                  | -                   | -                   | 23,694                         |
| Interest                                                             | 1,999                | -                          | -                  | 1,917               | -                   | 3,916                          |
| <b>Total expenditures</b>                                            | <b>16,016,307</b>    | <b>4,295</b>               | <b>-</b>           | <b>2,176,447</b>    | <b>199,050</b>      | <b>18,396,099</b>              |
| <b>Excess (deficiency) of revenues over<br/>(under) expenditures</b> | <b>5,610,780</b>     | <b>710,869</b>             | <b>5,650,465</b>   | <b>1,223,240</b>    | <b>389,816</b>      | <b>13,585,170</b>              |
| <b>Other financing sources (uses)</b>                                |                      |                            |                    |                     |                     |                                |
| Transfers in                                                         | -                    | -                          | -                  | -                   | 397,000             | 397,000                        |
| Transfers out                                                        | (359,800)            | -                          | (5,051,869)        | -                   | -                   | (5,411,669)                    |
| Insurance proceeds                                                   | 150,406              | -                          | -                  | -                   | -                   | 150,406                        |
| Proceeds from sale of capital assets                                 | 30,358               | -                          | -                  | -                   | -                   | 30,358                         |
| <b>Net other financing sources (uses)</b>                            | <b>(179,036)</b>     | <b>-</b>                   | <b>(5,051,869)</b> | <b>-</b>            | <b>397,000</b>      | <b>(4,833,905)</b>             |
| <b>Net change in fund balances</b>                                   | <b>5,431,744</b>     | <b>710,869</b>             | <b>598,596</b>     | <b>1,223,240</b>    | <b>786,816</b>      | <b>8,751,265</b>               |
| <b>Fund balances, beginning</b>                                      | <b>25,026,607</b>    | <b>2,116,611</b>           | <b>94,481</b>      | <b>350,692</b>      | <b>7,985,043</b>    | <b>35,573,434</b>              |
| <b>Fund balances, ending</b>                                         | <b>\$ 30,458,351</b> | <b>\$ 2,827,480</b>        | <b>\$ 693,077</b>  | <b>\$ 1,573,932</b> | <b>\$ 8,771,859</b> | <b>\$ 44,324,699</b>           |

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

**City of West Melbourne, Florida**

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

*For the year ended September 30, 2024*

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**Net change in fund balances - total governmental funds** **\$ 8,751,265**

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

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

|                           |                    |                |
|---------------------------|--------------------|----------------|
| Capital outlay            | \$ 3,725,539       |                |
| Depreciation/amortization | <u>(3,332,512)</u> | <b>393,027</b> |

In the statement of activities, the gain (loss) on the disposal of capital assets is  
reported, whereas in the governmental funds, disposals are not reported.

Thus, the change in net position differs from the change in fund balance by the  
net book value of the disposed capital assets. **(5,211)**

The issuance of long-term debt (e.g., bonds, leases) provides current financial  
resources to governmental funds, while the repayment of the principal of long-  
term debt consumes the financial resources of governmental funds. Neither  
transaction, however, has any effect on net position. This is the net effect of  
these differences in the treatment of long-term debt and related items.

|                |  |               |
|----------------|--|---------------|
| Debt principal |  | <b>23,694</b> |
|----------------|--|---------------|

Under the modified accrual basis of accounting used in governmental funds,  
expenditures are not recognized for transactions that are not normally paid with  
expendable available financial resources. In the statement of activities, however,  
which is presented on the accrual basis, pension and OPEB expenses  
are reported regardless of when the financial resources are available.

|                                                                    |                |                |
|--------------------------------------------------------------------|----------------|----------------|
| FRS/HIS pension and related deferred outflows and inflows          | \$ (64,895)    |                |
| Police officers' pension and related deferred outflows and inflows | 255,157        |                |
| OPEB and related deferred outflows and inflows                     | <u>(4,932)</u> | <b>185,330</b> |

Compensated absences reported in the statement of activities do not require the  
use of current financial resources and, therefore, are not reported as  
expenditures in governmental funds. **(128,601)**

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**Change in net position of governmental activities** **\$ 9,219,504**

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

**City of West Melbourne, Florida**  
**Statement of Net Position - Proprietary Fund**

|                                                                    |                                                  |
|--------------------------------------------------------------------|--------------------------------------------------|
|                                                                    | Business-type<br>Activities -<br>Enterprise Fund |
| <i>September 30, 2024</i>                                          |                                                  |
| <b>ASSETS</b>                                                      |                                                  |
| Current assets:                                                    |                                                  |
| Cash and cash equivalents                                          | \$ 4,796,315                                     |
| Restricted current assets:                                         |                                                  |
| Cash and cash equivalents                                          | 1,454,097                                        |
| Investments                                                        | 27,386,547                                       |
| Accounts receivable, net                                           | 1,139,317                                        |
| Due from other funds                                               | 121,678                                          |
| Accounts receivable earned, but not billed                         | 828,712                                          |
| Assessments receivable                                             | 74,613                                           |
| Due from other governments                                         | 495,351                                          |
| Inventory                                                          | 563,129                                          |
| Prepaid items                                                      | 127,364                                          |
| Total current assets                                               | <b>36,987,123</b>                                |
| Noncurrent assets:                                                 |                                                  |
| Capital assets:                                                    |                                                  |
| Land                                                               | 1,030,433                                        |
| Buildings                                                          | 2,652,914                                        |
| Improvements other than buildings                                  | 101,669,584                                      |
| Machinery and equipment                                            | 6,263,683                                        |
| Construction in progress                                           | 5,853,339                                        |
| Less accumulated depreciation/amortization                         | (61,423,165)                                     |
| Total capital assets, net of accumulated depreciation/amortization | <b>56,046,788</b>                                |
| Total noncurrent assets                                            | <b>56,046,788</b>                                |
| <b>Total assets</b>                                                | <b>93,033,911</b>                                |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                              |                                                  |
| Deferred outflows related to pensions                              | 330,547                                          |
| Deferred outflows related to OPEB                                  | 95,274                                           |
| Deferred amount on advanced refunding                              | 659                                              |
| <b>Total deferred outflows of resources</b>                        | <b>426,480</b>                                   |

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

September 30, 2024

Business-type  
Activities -  
Enterprise Fund

**LIABILITIES**

Current liabilities (payable from current assets):

|                                          |           |
|------------------------------------------|-----------|
| Accounts payable                         | 1,117,065 |
| Contracts payable                        | 550,914   |
| Retainage payable                        | 140,056   |
| Accrued expenses                         | 95,844    |
| Accrued payroll and related liabilities  | 80,955    |
| Compensated absences                     | 72,253    |
| Current portion of revenue bonds payable | 403,600   |
| Contract termination payable, current    | 250,000   |
| Current portion of total OPEB liability  | 3,715     |

Current liabilities (payable from restricted assets):

|                                        |           |
|----------------------------------------|-----------|
| Accrued interest                       | 10,567    |
| Customer and developer escrow deposits | 1,039,930 |

---

|                           |           |
|---------------------------|-----------|
| Total current liabilities | 3,764,899 |
|---------------------------|-----------|

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Noncurrent liabilities:

|                              |           |
|------------------------------|-----------|
| Compensated absences         | 18,063    |
| Total OPEB liability         | 68,005    |
| Contract termination payable | 500,000   |
| Revenue bonds payable        | 515,300   |
| Net pension liability        | 1,289,075 |

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|                              |           |
|------------------------------|-----------|
| Total noncurrent liabilities | 2,390,443 |
|------------------------------|-----------|

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|                          |                  |
|--------------------------|------------------|
| <b>Total liabilities</b> | <b>6,155,342</b> |
|--------------------------|------------------|

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**DEFERRED INFLOWS OF RESOURCES**

|                                      |         |
|--------------------------------------|---------|
| Deferred inflows related to pensions | 150,399 |
| Deferred inflows related to OPEB     | 144,248 |

---

|                                            |                |
|--------------------------------------------|----------------|
| <b>Total deferred inflows of resources</b> | <b>294,647</b> |
|--------------------------------------------|----------------|

---

**NET POSITION**

|                                  |            |
|----------------------------------|------------|
| Net investment in capital assets | 54,437,577 |
|----------------------------------|------------|

Restricted for:

|              |         |
|--------------|---------|
| Debt service | 414,167 |
|--------------|---------|

|              |            |
|--------------|------------|
| Unrestricted | 32,158,658 |
|--------------|------------|

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|                           |                      |
|---------------------------|----------------------|
| <b>Total net position</b> | <b>\$ 87,010,402</b> |
|---------------------------|----------------------|

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



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**City of West Melbourne, Florida**  
**Statement of Revenues, Expenses and Changes in Fund Net Position -**  
**Proprietary Fund**

|                                                          |                                                  |
|----------------------------------------------------------|--------------------------------------------------|
|                                                          | Business-type<br>Activities -<br>Enterprise Fund |
| <i>For the year ended September 30, 2024</i>             |                                                  |
| <b>Operating revenues:</b>                               |                                                  |
| Charges for services                                     | \$ 15,560,303                                    |
| Other charges and fees                                   | 162,231                                          |
| <b>Total operating revenues</b>                          | <b>15,722,534</b>                                |
| <b>Operating expenses:</b>                               |                                                  |
| Personnel services                                       | 1,994,014                                        |
| Contractual services                                     | 2,368,781                                        |
| Supplies and other expenses                              | 7,246,376                                        |
| Depreciation/amortization                                | 4,303,448                                        |
| <b>Total operating expenses</b>                          | <b>15,912,619</b>                                |
| <b>Operating loss</b>                                    | <b>(190,085)</b>                                 |
| <b>Nonoperating revenues (expenses):</b>                 |                                                  |
| Intergovernmental revenue                                | 375,786                                          |
| Investment income                                        | 1,703,987                                        |
| Loss on disposal of capital assets                       | (351,698)                                        |
| Interest expense                                         | (26,664)                                         |
| <b>Total nonoperating revenues (expenses)</b>            | <b>1,701,411</b>                                 |
| <b>Income before capital contributions and transfers</b> | <b>1,511,326</b>                                 |
| Capital contributions                                    | 4,354,666                                        |
| Transfers in                                             | 5,051,869                                        |
| Transfers out                                            | (37,200)                                         |
| <b>Change in net position</b>                            | <b>10,880,661</b>                                |
| <b>Net position, beginning of year</b>                   | <b>76,129,741</b>                                |
| <b>Net position, end of year</b>                         | <b>\$ 87,010,402</b>                             |

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

**City of West Melbourne, Florida**  
**Statement of Cash Flows - Proprietary Fund**

|                                                                  |                                                  |
|------------------------------------------------------------------|--------------------------------------------------|
|                                                                  | Business-type<br>Activities -<br>Enterprise Fund |
| <i>For the year ended September 30, 2024</i>                     |                                                  |
| <b>Cash flows from operating activities:</b>                     |                                                  |
| Cash received from customers for sales and services              | \$ 15,202,916                                    |
| Cash payments to employees                                       | (1,343,124)                                      |
| Cash payments to suppliers for goods and services                | (11,153,984)                                     |
| Net cash provided by operating activities                        | 2,705,808                                        |
| <b>Cash flows from noncapital financing activities:</b>          |                                                  |
| Transfers from other funds                                       | 5,051,869                                        |
| Transfers to other funds                                         | (37,200)                                         |
| Net cash provided by noncapital financing activities             | 5,014,669                                        |
| <b>Cash flows from capital and related financing activities:</b> |                                                  |
| Acquisition and construction of capital assets                   | (9,958,836)                                      |
| Collections of special assessment revenue                        | 18,370                                           |
| Principal paid on revenue bonds                                  | (396,000)                                        |
| Grant revenues                                                   | 375,786                                          |
| Capital contributions                                            | 4,354,666                                        |
| Interest paid on long-term debt                                  | (30,242)                                         |
| Net cash used in capital and related financing activities        | (5,636,256)                                      |
| <b>Cash flows from investing activities:</b>                     |                                                  |
| Investment income                                                | 1,703,987                                        |
| Purchase of investments                                          | (1,450,409)                                      |
| Net cash provided by investing activities                        | 253,578                                          |
| <b>Net increase in cash and cash equivalents</b>                 | <b>2,337,799</b>                                 |
| <b>Cash and cash equivalents, beginning of year</b>              | <b>3,912,613</b>                                 |
| <b>Cash and cash equivalents, end of year</b>                    | <b>\$ 6,250,412</b>                              |
| Current assets:                                                  |                                                  |
| Cash and cash equivalents                                        | \$ 4,796,315                                     |
| Cash and cash equivalents, restricted                            | 1,454,097                                        |
| <b>Total cash and cash equivalents</b>                           | <b>\$ 6,250,412</b>                              |

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

For the year ended September 30, 2024

Business-type  
Activities -  
Enterprise Fund

**Reconciliation of operating loss to net**

**cash provided by operating activities:**

|                                                                                       |    |           |
|---------------------------------------------------------------------------------------|----|-----------|
| Operating loss                                                                        | \$ | (190,085) |
| Adjustments to reconcile operating loss to net cash provided by operating activities: |    |           |
| Depreciation/amortization expense                                                     |    | 4,303,448 |
| Provision for uncollectible accounts                                                  |    | 19,560    |
| Change in assets and liabilities:                                                     |    |           |
| (Increase) decrease in assets:                                                        |    |           |
| Accounts receivable                                                                   |    | 18,595    |
| Accounts receivable earned, but not billed                                            |    | (102,194) |
| Due from other governments                                                            |    | (428,534) |
| Inventory                                                                             |    | (351,110) |
| Prepaid items                                                                         |    | (60,478)  |
| Deferred outflows of resources related to pensions                                    |    | 27,708    |
| Deferred outflows of resources related to OPEB                                        |    | 6,000     |
| Increase (decrease) in liabilities:                                                   |    |           |
| Accounts and contracts payable                                                        |    | (274,031) |
| Accrued expenses                                                                      |    | (2,065)   |
| Accrued payroll and related liabilities                                               |    | 27,538    |
| Contract termination payable                                                          |    | (250,000) |
| Total OPEB liability                                                                  |    | (774)     |
| Net pension liability                                                                 |    | (130,308) |
| Customer and developer escrow deposits                                                |    | (27,045)  |
| Deferred inflows of resources related to pensions                                     |    | 123,681   |
| Deferred inflows of resources related to OPEB                                         |    | (4,098)   |
| Total adjustments                                                                     |    | 2,895,893 |
| Net cash provided by operating activities                                             | \$ | 2,705,808 |

**Noncash capital and related financing activities:**

|                                            |    |           |
|--------------------------------------------|----|-----------|
| Amortization of deferred loss on refunding | \$ | 976       |
| Net book value of asset disposals          | \$ | (351,698) |

**City of West Melbourne, Florida**  
**Statement of Fiduciary Net Position – Police Officers’ Pension Trust Fund**

|                           |                                              |
|---------------------------|----------------------------------------------|
|                           | Police<br>Officers'<br>Pension Trust<br>Fund |
| <i>September 30, 2024</i> |                                              |

**ASSETS**

|                                    |            |
|------------------------------------|------------|
| Investments at fair value:         |            |
| Money market mutual funds          | \$ 440,080 |
| Fixed income mutual funds          | 887,266    |
| Mutual funds - US stock            | 12,554,113 |
| Mutual funds - international stock | 1,718,878  |
| U.S. government obligations        | 2,024,508  |
| Mortgage-asset backed securities   | 2,395,250  |
| Corporate bonds                    | 299,870    |
| Alternative funds                  | 1,218,871  |
| Real estate                        | 1,378,446  |
| Contribution receivable            | 47,964     |
| Interest receivable                | 18,194     |
| Total assets                       | 22,983,440 |

**LIABILITIES**

|                   |        |
|-------------------|--------|
| Accounts payable  | 25,264 |
| Total liabilities | 25,264 |

**FIDUCIARY NET POSITION**

|                                 |               |
|---------------------------------|---------------|
| Restricted for pension benefits | \$ 22,958,176 |
|---------------------------------|---------------|

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

**City of West Melbourne, Florida**  
**Statement of Changes in Fiduciary Net Position - Police Officers' Pension**  
**Trust Fund**

Police  
Officers'  
Pension Trust  
Fund

*For the year ended September 30, 2024*

**ADDITIONS**

|                                                   |                  |
|---------------------------------------------------|------------------|
| Contributions:                                    |                  |
| City                                              | \$ 409,956       |
| Employees                                         | 245,748          |
| State                                             | 308,707          |
| Total contributions                               | 964,411          |
| Investment income:                                |                  |
| Net appreciation in the fair value of investments | 2,867,420        |
| Interest, dividends and other income              | 931,197          |
| Total investment gains                            | 3,798,617        |
| Less investment-related expense                   | (102,071)        |
| Net investment gains                              | 3,696,546        |
| <b>Total additions</b>                            | <b>4,660,957</b> |

**DEDUCTIONS**

|                                                  |                      |
|--------------------------------------------------|----------------------|
| Benefit payments                                 | 915,594              |
| Administrative expenses                          | 61,053               |
| Total deductions                                 | 976,647              |
| <b>Change in net position</b>                    | <b>3,684,310</b>     |
| <b>Fiduciary net position, beginning of year</b> | <b>19,273,866</b>    |
| <b>Fiduciary net position, end of year</b>       | <b>\$ 22,958,176</b> |

*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 West Melbourne, Florida (the “City”) was originally chartered as a Town on September 11, 1959. On July 2, 1970, the City was incorporated as a political subdivision of the State of Florida with a six-member Council, including a Mayor and Deputy-Mayor. In November 1989, a seventh Council member was added and the Mayor became a voting member. The Council appoints the City Manager, who in turn functions as the administrator for the everyday operations of the City. The Council also appoints the City Attorney and the City Manager appoints the Chief of Police. The City provides a full range of municipal services as directed by the City Charter including general government, public safety, public improvements, planning and zoning, water and sewer service, refuse collection, a recycling program and related general and administrative services to its residents.

**A. Reporting Entity**

The City is a municipal corporation governed by an elected power and seven-member governing council (the “Council”). The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Blended component units are, in substance, part of the primary government’s operations even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. The accounting policies of the City conform to generally accepted accounting principles (GAAP) as applied to governmental units. The more significant accounting policies used by the City are described below.

In evaluating the City as a reporting entity, management has considered all potential component units in accordance with Section 2100: *Defining the Financial Reporting Entity* of the Governmental Accounting Standards Board (GASB) Codification.

**Blended Component Unit**

The West Melbourne-Brevard County Joint Community Redevelopment Agency (the “CRA” or “Community Redevelopment”) was organized under Section 163 of the Florida Statutes pursuant to City Ordinance No. 2012-19 and formally came into existence during the fiscal year ended September 30, 2013. The Community Redevelopment Agency uses property tax incremental revenues derived from taxable real property within the geographic boundaries of the community redevelopment area to finance development within that area. Although legally separate, the CRA is reported as if it were part of the City as a special revenue fund, because it is governed by a board comprised primarily of the City’s elected Council members. Additionally, the services provided by the CRA create a financial benefit relationship with the City. The separate financial statements of the CRA can be obtained from the City of West Melbourne, Attn: Finance Director, 2240 Minton Road, West Melbourne, Florida 32904.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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 primary government and its component units. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *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. Taxes and other items properly excluded from program revenues are reported instead as *general revenues*.

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

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The 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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for federal, state, local or private grants or awards, for which the period is 4 months. Expenditures generally are recorded when a liability is incurred, as

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)**

under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under financed purchases are reported as other financing sources.

Property taxes, sales taxes, franchise fees, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues in the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 4 months of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 4 months of year end). All other revenue items are considered to be measurable and available only when cash is received by the City.

The proprietary and pension and other postemployment benefit trust funds are reported using the *economic resources measurement* focus and the *accrual basis of accounting*.

**Government-Wide Financial Statements**

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds, while the business-type activities column incorporates data from the City's enterprise funds. 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.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the City's water and sewer function and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. Amounts reported as *program revenues* include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)**

**Fund Financial Statements**

The fund financial statements provide information about the City's funds, including its fiduciary funds. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds. Major individual governmental funds are reported as separate columns in the fund financial statements. There are no nonmajor enterprise funds.

The City reports the following 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 *West Melbourne-Brevard County Joint Community Redevelopment Agency Fund ("Community Redevelopment")* is used to account for tax increment revenues derived from taxable real property within the geographic boundaries of the community redevelopment area to finance development within that area.
- The *American Rescue Plan Act (ARPA) Fund* is used to account for the funds received from the government for water & sewer infrastructure improvements of the City.
- The *Stormwater Fund* is used to operate and maintain the City's stormwater-management program.

The City reports the following major enterprise fund:

- The *Water and Sewer Fund* accounts for water and sewer operations financed and operated in a manner similar to a private business enterprise. The fund is intended to be predominantly self-supported from user charges.

Additionally, the City reports the following fiduciary fund type:

- The *Police Officers' Pension Trust Fund* accounts for the activities of the City's police pension and retirement system, which accumulates resources for pension benefit payments to qualified police officers.

The City's nonmajor governmental funds consist of a special revenue fund (Recreation) and two capital projects funds (Vehicle Replacement and Capital Projects).

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)**

**Fund Financial Statements (Continued)**

During the course of operations, the City has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column.

Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported as gross amounts as transfers in/out. While reported in the fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements.

Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

**Budgetary Information**

The City has elected, as permitted by Section 2400: *Budgetary Reporting* of the GASB Codification, to disclose all budgetary information in the notes to the required supplementary information.

**D. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position or Equity**

**1. Cash and Cash Equivalents**

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.

**2. Investments**

Deposits available within various funds, except pension trust funds, were consolidated for investment purposes. Substantially all deposits at September 30, 2024, were invested using the pooled investment concept. Interest earned was allocated monthly to the various funds based on their month-end cash and investment balances.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position or Equity (Continued)**

**2. Investments (Continued)**

Investments for the City are reported at fair value except for the positions in the Florida PRIME, Florida SAFE and the Florida Local Government Investment Trust (FTIP) Day to Day Fund external investment pools. The Florida PRIME, Florida SAFE and FTIP Day to Day Fund external investment pools meet all of the specified criteria in Section 150: *Investments* of the GASB Codification to qualify to elect to measure their investments at amortized cost. Accordingly, the fair value of the City's position in the pool is equal to the value of pooled shares.

The City of West Melbourne is empowered by statute to invest in the following instruments and may divest itself of such investments, at prevailing market prices or rates subject to the limitations of Section 218.415 – a) the Local Government Surplus Funds Trust Fund, administered by the Florida State Board of Administration or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1969, as provided in s. 163.01, Florida Statutes; b) Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency; c) savings accounts in state-certified qualified public depositories, as defined in Florida Statute 280.02; d) certificates of deposit and Repurchase Agreements in state-certified qualified public depositories, as defined in Florida Statute 280.02; e) direct obligations of the U.S. Treasury; and f) Federal agencies and instrumentalities.

The Police Officers' Pension Fund is authorized to invest surplus funds in a) equity investments (common stock, convertible bonds and preferred stock) in a corporation listed on one or more of the recognized international exchanges or electronic network; b) fixed income investments with a minimum rating of investment grade or higher as reported by a nationally recognized rating agency except that up to 5% of fixed income investments may be below investment grade; c) money market funds or short-term investment fund options provided by the Plan's custodian with a minimum rating of Standard & Poor's "A1" or Moody's "P1"; d) real estate investments; and e) pooled funds including, but not limited to, mutual funds, commingled funds, exchange-traded funds, limited partnerships and private equity.

Banks and savings and loans in which City funds are deposited must be classified as a qualified public depository as defined in the Florida Security for Public Deposits Act, Chapter 280, Florida Statutes, before any deposits are made with those institutions.

**3. Receivables and Payables**

Accounts receivable consists of trade receivables. Amounts due from other governments include due from the State of Florida. Program and capital grants are recorded as a receivable and revenues at the time reimbursable project costs are incurred. Revenues received in advance of project costs being incurred are reported as "unearned".

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position or Equity (Continued)**

**3. Receivables and Payables (Continued)**

Unbilled receivables – An amount for unbilled revenue is recorded in the Water and Sewer fund for services rendered, but not yet billed as of the end of the fiscal year. The receivable is derived from the cycle billings generated subsequent to fiscal year end and prorated for usage in September.

All account and tax receivables are shown net of allowance for uncollectible accounts.

Allowance for doubtful accounts – All account and tax receivables have been reported net of the allowance for doubtful accounts. Accounts receivable in excess of 180 days are subject to being considered as uncollectible.

As provided by law, the Brevard County Property Appraiser assesses all properties for ad valorem taxing purposes and the Brevard County Tax Collector collects and distributes all taxes. Ad valorem taxes are levied based on property valuation as of January 1. The fiscal year for which ad valorem taxes are levied begins on October 1. Taxes are due beginning November 1, delinquent on April 1, and lien on May 30. Property tax revenues are recognized in the fiscal year for which they are budgeted and also become due and payable. Virtually all unpaid taxes are collected via tax sale certificates sold on or prior to June 1; therefore, no material taxes are receivable at fiscal year end.

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

**4. Interfund Activities and Transactions**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" within the fund financial statements. Long-term borrowings between funds are classified as "advances to other funds" or "advances from other funds" in the fund financial statements. These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for any residual balance outstanding between the governmental and business-type activities at the end of the fiscal year, which are reported in the government-wide financial statements as internal balances.

Interfund transactions are reflected as services provided, reimbursements, or transfers. Services provided, deemed to be at or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when a fund incurs a cost, charges the appropriate benefitting fund, and reduces its related costs as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or business-type funds are netted as part of the reconciliation to the government-wide presentation.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position or Equity (Continued)**

**5. Inventories and Prepaid Items**

All inventories are valued at cost using the first-in, first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. The governmental funds did not have any inventories on hand at year end. Inventory in the proprietary fund consists of materials and supplies used in the production of goods and services.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

**6. Restricted Assets**

Certain assets of the City are classified as restricted assets on the statement of net position because their use is limited by law through constitutional provisions or enabling legislation; or by restrictions imposed externally by creditors, grantors, contributors or laws or regulations of other governments. Special restricted asset accounts have been established to account for the sources and uses of these limited use assets, as follows:

*Customer and Developer Deposit Escrow Accounts* - Deposited in non-interest bearing accounts and refunded upon termination of service with the City and satisfaction of all obligations due.

*Law Enforcement Fines and Confiscated Property Account* - Fines and property generated and applied toward further education and enhancement of the police department.

*Bond Debt Service* – Allocated funding for current debt service principal payments due on the revenue bond in the next fiscal period.

**7. Capital Assets**

Capital assets, which include property, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. The prior definition included assets with an initial cost of more than \$2,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major capital outlays for capital assets and improvements are capitalized as projects are constructed.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position or Equity (Continued)**

**7. Capital Assets (Continued)**

Land and construction in progress are not depreciated. The other property, plant, equipment and infrastructure are depreciated using the straight-line method over the following estimated useful lives:

| Capital asset classes             | Lives          |
|-----------------------------------|----------------|
| Buildings                         | 10 to 50 years |
| Improvements other than buildings | 2 to 50 years  |
| Machinery and equipment           | 5 to 10 years  |
| Infrastructure                    | 10 to 40 years |

**8. Unearned Revenues**

Unearned revenues include amounts collected before the eligibility criteria are met, and consists of grant funding from the American Rescue Plan Act.

**9. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represent a consumption of net assets that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

The City has three (3) items that qualify for reporting as deferred outflows of resources: the *deferred amount on advanced refunding*, the *deferred outflows related to pensions*, and the *deferred outflows related to OPEB*. All three are reported in the government-wide statement of net position and in the proprietary fund statement of net position. The deferred amount on refunding results from debt financing, whereby the reacquisition prices of the funding debt instruments exceed their net carrying amount. The deferred amount on refunding, in the amount of \$659 at September 30, 2024 is being amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows related to pensions are an aggregate of items related to pensions as calculated in accordance with GASB Codification Section P20: *Pension Activities – Reporting for Benefits Provided through Trusts That Meet Specified Criteria*. The deferred outflows related to pensions will be recognized as either pension expense or a reduction in the net pension liability in future reporting years. The *deferred outflows related to other postemployment benefits (OPEB)* are an aggregate of items related to OPEB as calculated in accordance with GASB Codification Section P52: *Postemployment Benefits Other than Pensions – Reporting Benefits Not Provided through Trusts That Meet Specified Criteria*. The deferred outflows related to OPEB will be recognized as either OPEB expense or a reduction in the total OPEB liability in future reporting years.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position or Equity (Continued)**

**9. Deferred Outflows/Inflows of Resources (Continued)**

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two (2) items that qualify for reporting as deferred inflows of resources in both the government wide and proprietary fund statements of net position. The *deferred inflows related to pensions* are an aggregate of items related to pensions as calculated in accordance with GASB Codification Section P20: *Pension Activities – Reporting for Benefits Provided through Trusts That Meet Specified Criteria*. The deferred inflows related to pensions will be recognized as a reduction to pension expense in future reporting years. The deferred inflows related to OPEB are an aggregate of items related to OPEB as calculated in accordance with GASB Codification Section P52: *Postemployment Benefits Other than Pensions – Reporting Benefits Not Provided through Trusts That Meet Specified Criteria*. The deferred inflows related to OPEB will be recognized as a reduction in OPEB expense in future reporting years.

*Deferred revenue-business tax receipts and leases* are amounts deferred in both the government-wide statement of net position and the governmental fund balance sheet and recognized as an inflow of resources in the period that the amounts become available in accordance with GASB Codification N50: *Nonexchange Transactions*. At September 30, 2024, the City recognized deferred revenue in the amount of \$377,372.

**10. Compensated Absences**

The City's policy permits employees to accumulate earned but unused vacation benefits, which are eligible upon separation from government service. The liability for such leave is reported as incurred in the government-wide and proprietary fund financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable. Accumulated sick leave lapses when employees leave the employ of the City and, accordingly upon separation of service, no monetary obligation exists.

**11. Long-Term Obligations**

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, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds and are recorded as an adjustment to interest expense. Bonds payable are reported net of the applicable bond premium and discount. In accordance with GASB Codification Section I30: *Interest Costs – Imputation*, bond issuance costs are expensed in the period incurred except for prepaid insurance costs.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position or Equity (Continued)**

**11. Long-Term Obligations (Continued)**

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing resources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

**12. Leases**

Lease contracts that provide the City with control of a non-financial asset, such as land, buildings or equipment, for a period of time in excess of twelve months are reported as a lease asset with a related lease liability. The lease liability is recorded at the present value of future lease payments, including fixed payments, variable payments based on an index or fixed rate and reasonably certain residual guarantees. The intangible lease asset is recorded for the same amount as the related lease liability plus any prepayments and initial direct cost to place the asset in service. Lease assets are amortized over the shorter of the useful life of the asset or lease term. The lease liability is reduced for lease payments made, less the interest portion of the lease payment.

**13. Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position of the City's Police Officers' pension trust fund and the Florida Retirement System Pension Plan and Health Insurance Subsidy Program and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

**14. Other Post-Employment Benefits (OPEB) Liability**

The City participates in a single employer, defined benefit, other post-employment plan. The City does not have a trust for the plan, and there is no actuarial determined contribution. The OPEB liability is determined in accordance with GASBC Section P52: *Postemployment Benefits Other Than Pensions – Reporting for Benefits Not Provided through Trusts That Meet Specified Criteria*.

The deferred outflows related to other postemployment benefits (OPEB) are an aggregate of items related to OPEB as calculated in accordance with GASBC Section P52: *Postemployment Benefits Other Than Pensions – Reporting for Benefits Not Provided through Trusts That Meet Specified Criteria*.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position or Equity (Continued)**

**15. Categories and Classification of Fund Equity**

*Net position flow assumption* – Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

*Fund balance flow assumptions* - Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance unless there are legal documents/contracts prohibiting this, such as grant agreements. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

*Fund balance policies* – Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, specifies the following classifications:

*Nonspendable Fund Balance* – Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. "Not in spendable form" includes items that are not expected to be converted to cash (inventories, prepaid expenditures) and items such as the long-term amount of interfund advances, property acquired for resale, as well as unrealized gains.

*Restricted Fund Balance* – Restricted fund balances are restricted when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position or Equity (Continued)**

**15. Categories and Classification of Fund Equity (Continued)**

*Committed Fund Balance* – The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City’s highest level of decision-making authority. The governing council is the highest level of decision-making authority for the City that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

*Assigned Fund Balance* – Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The authority to assign fund balance lies with the City Council and may occur through the budget process or formal action. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

*Unassigned Fund Balance* – Unassigned fund balance is the residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the General Fund. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those specific purposes. According to the City's Fund Balance policy, the General Fund shall maintain an unassigned, unappropriated fund balance equivalent to a minimum of twenty percent (20%) of the current fiscal year expenditures less capital outlay and transfers out. At September 30, 2024, this minimum balance is \$2,897,360.

**16. Revenues and Expenditures/Expenses**

*Program revenues* – Amounts reported as 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 (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than program revenues.

*Property taxes* - The City is permitted by State law to levy taxes up to 10 mills on assessed valuation. However, Chapter 74-430, Laws of Florida, a special act applicable only to governmental units in Brevard County, limits the annual increase to 10% of the prior year’s millage. During a Special Session in June 2007, the Florida Legislature adopted HB1B, which limits municipal property tax rates effective with the 2007-2008 fiscal year. This legislation establishes reductions in the millage rate based on a calculated growth in per capita taxes between the 2002 and 2007 fiscal years. The

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position or Equity (Continued)**

**16. Revenues and Expenditures/Expenses (Continued)**

Legislature did authorize local governments to use the rolled back millage rate if approved by a super majority vote of the governing body. The West Melbourne City Council levy for the fiscal year ended September 30, 2024 was 1.9948 mills, which is equal to the rolled back rate.

Franchise fees are based on gross receipts and are reported as general revenues on the statement of activities.

*Proprietary funds operating and nonoperating revenues and expenses* – 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 Water and Sewer Fund are charges to customers for sales and services and the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for the Water and Sewer Fund 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.

**17. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates. Estimates that are particularly susceptible to significant change in the near term are related to the pension liability and the OPEB liability.

**18. Subsequent Events**

Management has evaluated subsequent events through the date the financial statements were available to be issued, March 13, 2025. See Note 3.G. for relevant disclosures. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position or Equity (Continued)**

**19. Recently Issued and Implemented Accounting Pronouncements**

The City implemented the following standards during the current year.

GASB Statement No. 100, *Accounting Changes and Error Corrections*. This Statement establishes accounting and financial reporting requirements for (a) accounting changes and (b) the correction of an error in previously issued financial statements (error correction). This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reporting retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting the beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances restated. Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). There were no significant impacts of implementing this Statement.

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

GASB Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

GASB Statement No. 102, *Certain Risk Disclosures*. This Statement was issued in December 2023 to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This statement defines a concentration as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. Concentrations and constraints may limit a government's ability to acquire resources or control spending.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position or Equity (Continued)**

**19. Recently Issued and Implemented Accounting Pronouncements (Continued)**

This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact. Statement 102 will be effective for the fiscal year ending September 30, 2025.

GASB Statement 103, *Financial Reporting Model Improvements*. This Statement was issued April 2024 to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues.

This establishes new accounting and financial reporting requirements—or modifies existing requirements—related to Management's discussion and analysis (MD&A); unusual or infrequent items; presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position; information about major component units in basic financial statements; budgetary comparison information; and financial trends information in the statistical section. This Statement will supersede and amend portions of GASB Statements 34 and 37. This Statement further amends portions of GASB Statements 14, 41, 42, 44, 49, 56, 58, 61, 62 and 69. Related guidance will also be superseded or amended upon implementation. Statement 103 will be effective for the fiscal year ending September 30, 2026.

GASB Statement 104, *Disclosure of Certain Capital Assets*. This Statement was issued September 2024 to provide users of government financial statements with essential information about certain types of capital assets.

This requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, Leases, and intangible right-to-use assets recognized in accordance with Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, Subscription-Based Information Technology Arrangements, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. This Statement also requires additional disclosures for capital assets held for sale. A capital asset is a capital asset held for sale if (a) the government has decided to pursue the sale of the capital asset and (b) it is probable that the sale will

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position or Equity (Continued)**

**19. Recently Issued and Implemented Accounting Pronouncements (Continued)**

be finalized within one year of the financial statement date. Governments should consider relevant factors to evaluate the likelihood of the capital asset being sold within the established time frame. This Statement requires that capital assets held for sale be evaluated each reporting period. Governments should disclose (1) the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset. Statement 104 will be effective for the fiscal year ending September 30, 2026.

The City is currently evaluating the requirements of the above statements and the impact on reporting.

**Note 2: DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

At September 30, 2024, the City's carrying amount of cash deposits was \$15,167,161, not including petty cash and change accounts totaling \$4,100, and the bank balance was \$15,947,749. As of September 30, 2024, \$250,000 of the City's bank balance was covered by federal depository insurance (FDIC). Monies invested in amounts greater than the insurance coverage are secured by the qualified public depositories pledging securities with the State Treasurer in such amounts required by the Florida Security for Public Depositories Act. In the event of a default or insolvency of a qualified public depository, the State Treasurer will implement procedures for payment of losses according to the validated claims of the City pursuant to Section 280.08, Florida Statutes.

The investment program is established in accordance with the City's investment policy, pertinent bond resolutions and Section 218.45, Florida Statutes, which allows the City to invest in the Florida State Board of Administration intergovernmental investment pool or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1969, direct obligations of the United States Government, obligations of the different agencies of the Federal Government, registered money market funds and accounts of state qualified public depositories.

The investing of public funds with the Florida State Board of Administration (SBA) Local Government Surplus Funds Trust Fund ("Florida PRIME") is governed by Section 218.407, Florida Statutes. The SBA is under regulatory oversight of the State of Florida. The investment pool consists largely of corporate notes and commercial paper. On September 30, 2024, the City had \$22,077,961 invested in the SBA. The fair value of the City's position in the pool is equal to the value of the pooled shares.

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

**A. Deposits and Investments (Continued)**

The Florida Surplus Asset Fund Trust (Florida SAFE) is a common law trust organized under the laws of the State of Florida as an intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act, as provided in Section 163.01 of the Florida Statutes. The investment pool consists of obligations guaranteed by the full faith and credit of the United States, U.S. government agency obligations, commercial paper, bank obligations and other obligations permitted by applicable Florida Statutes. At September 30, 2024, the City's share of Florida SAFE was \$20,089,601. The fair value of the City's position in the pool is equal to the value of the pooled shares.

The Florida Local Government Investment Trust (FTIP) Day-to-Day Fund is a common law trust organized under the laws of the State of Florida as an intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act, as provided in Section 163.01 of the Florida Statutes.

The investment pool offers two open-ended managed funds available only to public entities in Florida. The investment pools consist of short-term to intermediate-term securities permitted by applicable Florida Statutes. At September 30, 2024, the City's share of the FTIP Day to Day Fund was \$22,491,614. The fair value of the City's position in the FTIP Day to Day Fund investment pool is equal to the value of the pooled shares.

Under GASB Codification 150: *Investments*, if a participant has an investment in a qualifying external investment pool that measures for financial reporting purposes all of its investments at amortized cost, it should disclose the presence of any limitations or restrictions on withdrawals (such as redemption notice periods, maximum transaction amounts, and the qualifying external investment pool's authority to impose liquidity fees or redemption gates) in notes to the financial statements. As of September 30, 2024, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit the City's access to 100 percent of their account value in the Florida PRIME, Florida SAFE or FTIP Day to Day fund external investment pools.

Cash with escrow and paying agents of \$414,167 accounted for in the Water/Sewer Fund represents reserves and balances to service outstanding bonds.

Deposits available within various funds, except pension trust funds, were consolidated for investment purposes. Interest earned was allocated monthly to the various funds based on their month-end cash and investment balances. The pension trust funds are authorized to invest in corporate bonds and stocks, money markets funds, mortgages and notes.

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

**A. Deposits and Investments (Continued)**

*Custodial credit risk* – Custodial credit risk for deposits is the risk in the event of the failure of a depository financial institution, a government may not be able to recover deposits. Monies placed on deposit with financial institutions in the form of demand deposits, time deposits or certificate of deposits are defined as public deposits. The financial institutions in which the City places its deposits are certified as “qualified public depositories,” as required under the Florida Security for Public Deposits Act. For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

As of September 30, 2024, the City’s pension investments are held in street name in the form of stock, debt securities and U.S. government bonds through financial brokerage firms segregated out from the assets and investments held by other clients of the investment firm and their own assets.

*Interest rate risk* – Interest rate risk is the possibility that interest rates will rise and reduce the fair value of an investment. The City’s investment policy limits interest rate risk by requiring that an attempt be made to match investment maturities with known cash needs and anticipated cash flow requirements. In addition, investments of current operating funds are required to have maturities of no longer than twelve months. The City’s Police Officers’ Pension Plan does not address interest rate risk.

The dollar weighted average days to maturity (WAM) of Florida PRIME on June 30, 2024 is 45 days. The weighted average maturity of the FTIP Day to Day fund is 10 days at September 30, 2024. The weighted average maturity of the Florida SAFE fund is no greater than 90 days at September 30, 2024.

*Credit risk* – Section 150: *Investments* of the GASB Codification requires that governments provide information about credit risk associated with their investments by disclosing the credit rating of investments in debt securities as described by nationally recognized statistical rating organizations. The City’s investment policy and the investment policy for the City’s Police Officers’ Pension Plan, limit investments to securities with specific ranking criteria.

*Foreign currency risk* – The City’s primary government’s investments are not exposed to foreign currency risk and the City’s investment policy does not address foreign currency risk. The City’s pension trust fund is exposed to foreign currency risk and the fund’s investment policy limits investments to a maximum of 25% of the plan’s market value. The pension trust fund currently holds approximately 7.50% of the plan’s market value in international mutual fund stocks.

**City of West Melbourne, Florida**  
**Notes to Financial Statements**

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

**A. Deposits and Investments (Continued)**

*Concentration risk* – Section 150: *Investments* of the GASB Codification requires disclosures of investments in any one issuer that represents five percent or more of total investments, excluding investments issued or explicitly guaranteed by the U.S government, investments in mutual funds, external investments pools and other pooled investments. The City's investment policy does not address concentration risk. The Police Officers' Pension Plan restricts the percentage of assets that may be held in the stock of any one company and the bonds issued by any one issuer.

At September 30, 2024, the City had the following investments:

|                                      |               | Investment Maturities (in years) |      |      |              |        |        |  |
|--------------------------------------|---------------|----------------------------------|------|------|--------------|--------|--------|--|
| Investment type                      | Fair Value    | Less than 1                      | 1-5  | 6-10 | More than 10 | Rating | Agency |  |
| Primary government:                  |               |                                  |      |      |              |        |        |  |
| State Board of Administration        |               |                                  |      |      |              |        |        |  |
| Florida Prime                        | \$ 22,077,961 | \$ 22,077,961                    | \$ - | \$ - | \$ -         | AAAm   | S&P    |  |
| Florida Trust Investment Pool        |               |                                  |      |      |              |        |        |  |
| Day to Day Fund                      | 22,491,614    | 22,491,614                       | -    | -    | -            | AAAm   | S&P    |  |
| Florida SAFE Investment Pool         | 20,089,601    | 20,089,601                       | -    | -    | -            | AAAm   | S&P    |  |
| Total primary government investments | \$ 64,659,176 | \$ 64,659,176                    | \$ - | \$ - | \$ -         |        |        |  |

| Investment type                  | Fair Value    | Investment Maturities (in years) |              |              |              | Rating    | Agency |
|----------------------------------|---------------|----------------------------------|--------------|--------------|--------------|-----------|--------|
|                                  |               | Less than 1                      | 1-5          | 6-10         | More than 10 |           |        |
| Pension trust funds:             |               |                                  |              |              |              |           |        |
| Money market funds               | \$ 440,080    | \$ 440,080                       | \$ -         | \$ -         | \$ -         | Not Rated |        |
| Mutual US stock fund             | 12,554,113    | 12,554,113                       |              |              |              | 3-4★      | MS*    |
| Mutual Int'l stock fund          | 1,718,878     | 1,718,878                        | -            | -            | -            | 3-4★      | MS*    |
| Corporate bonds                  | 299,870       | -                                | -            | 200,880      | 98,990       | A- & BBB+ | S&P    |
| Fixed income - mutual funds      | 887,266       | 887,266                          | -            | -            | -            | 3-5★      | MS*    |
| US government obligations        | 2,024,508     | -                                | -            | 2,024,508    | -            | Not Rated |        |
| Mortgage/asset backed securities |               |                                  |              |              |              |           |        |
|                                  | 2,395,250     | -                                | -            | -            | 2,395,250    | Not Rated |        |
| Alternative fund                 | 1,218,871     | -                                | 1,218,871    | -            | -            | Not Rated |        |
| Real estate                      | 1,378,446     | -                                | -            | -            | 1,378,446    | Not Rated |        |
| Total fiduciary fund investments |               |                                  |              |              |              |           |        |
|                                  | \$ 22,917,282 | \$ 15,600,337                    | \$ 1,218,871 | \$ 2,225,388 | \$ 3,872,686 |           |        |

\*MS = Morningstar

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

**A. Deposits and Investments (Continued)**

*Fair Value* - GASB Codification Section 3100: *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 three levels of the fair value hierarchy under the codification 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 City 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.

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.

**City of West Melbourne, Florida**  
**Notes to Financial Statements**

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

**A. 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, 2024:

|                                                               | Fair Value           | Quoted Prices<br>in Active<br>Markets for<br>Identical<br>Assets<br>(Level 1) | Observable<br>Inputs Other<br>than Quoted<br>Prices<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) |
|---------------------------------------------------------------|----------------------|-------------------------------------------------------------------------------|------------------------------------------------------------------|----------------------------------------------------|
| <b>Investments by fair value level:</b>                       |                      |                                                                               |                                                                  |                                                    |
| Fiduciary fund:                                               |                      |                                                                               |                                                                  |                                                    |
| Money market funds                                            | \$ 440,080           | \$ 440,080                                                                    | \$ -                                                             | \$ -                                               |
| Mutual funds - US stock                                       | 12,554,113           | 12,554,113                                                                    | -                                                                | -                                                  |
| Mutual funds - International stock                            | 1,718,878            | 1,718,878                                                                     | -                                                                | -                                                  |
| Corporate bonds                                               | 299,870              | -                                                                             | 299,870                                                          | -                                                  |
| Fixed income mutual funds                                     | 887,266              | -                                                                             | 887,266                                                          | -                                                  |
| US government obligations                                     | 2,024,508            | -                                                                             | 2,024,508                                                        | -                                                  |
| Mortgage/asset backed securities                              | 2,395,250            | -                                                                             | 2,395,250                                                        | -                                                  |
| <b>Total investments measured by<br/>fair value level</b>     | <b>20,319,965</b>    | <b>\$ 14,713,071</b>                                                          | <b>\$ 5,606,894</b>                                              | <b>\$ -</b>                                        |
| <b>Investments measured at the net asset<br/>value (NAV):</b> |                      |                                                                               |                                                                  |                                                    |
| Fiduciary fund:                                               |                      |                                                                               |                                                                  |                                                    |
| Alternative fund                                              | 1,218,871            |                                                                               |                                                                  |                                                    |
| Real estate                                                   | 1,378,446            |                                                                               |                                                                  |                                                    |
| <b>Total investments measured at NAV</b>                      | <b>2,597,317</b>     |                                                                               |                                                                  |                                                    |
| <b>Total investments measured at fair value</b>               | <b>\$ 22,917,282</b> |                                                                               |                                                                  |                                                    |

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, 2024.

*Debt and equity securities* – Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using quoted market prices for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique based on the price or yield of similar debt securities.

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

**A. Deposits and Investments (Continued)**

*Mutual funds* – Mutual funds classified in Level 1 of the fair value hierarchy are valued using quoted market prices for those investments. Mutual funds classified in Level 2 of the fair value hierarchy, while underlying securities have observable Level 1 pricing inputs or observable Level 2 significant other pricing inputs, are not publicly quoted and are based on market-corroborated data.

*Fixed income mutual funds* – Fixed income funds classified in Level 1 of the fair value hierarchy are valued using quoted market prices for those investments. Fixed income funds classified in Level 2 of the fair value hierarchy are not publicly quoted and are based on market-corroborated data.

*Real estate and alternative funds* – Real estate and alternative funds are valued at net asset value.

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.

*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, 2024:

|                   | Fair Value   | Unfunded<br>Commitments | Redemption<br>Frequency<br>(if currently eligible) | Redemption<br>Notice Period |
|-------------------|--------------|-------------------------|----------------------------------------------------|-----------------------------|
| Real estate funds | \$ 1,378,446 | N/A                     | Quarterly                                          | None stated                 |
| Alternative funds | \$ 1,218,871 | N/A                     | None stated                                        | None stated                 |

*Real estate funds* – The real estate funds invest primarily in U.S. commercial and multi-family residential real estate. Distributions from each fund will be received as the underlying investments of the funds are liquidated. The funds were formed as open-ended investments and will have perpetual existence unless terminated by the ownership (partners). Because it is not probable that any individual investment will be sold, the fair value of each individual investment has been determined using the NAV per share (or its equivalent) of the Police Officers Pension's ownership interest in partners' capital.

*Alternative funds* – The alternative funds invest primarily in U.S. and international long-term contracted agreements and regulated utilities. Distributions from each fund will be received as the underlying investments of the funds are liquidated. The funds were formed as open-ended investments and will have perpetual existence unless terminated by the ownership (partners). Because it is not probable that any individual investment will be sold, the fair value of each individual investment has been determined using the NAV per share (or its equivalent) of the Police Officers Pension's ownership interest in partners' capital.

**City of West Melbourne, Florida**  
**Notes to Financial Statements**

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

**B. Restricted Assets**

The balances of the restricted asset accounts in the governmental activities and business-type activities at September 30, 2024 are as follows:

|                                                        | Governmental<br>Activities | Business-type<br>Activities |
|--------------------------------------------------------|----------------------------|-----------------------------|
| Customer and developer deposit escrow accounts         | \$ 469,739                 | \$ 1,039,930                |
| Law enforcement fines and confiscated property account | 2,000                      | -                           |
| Bond debt service accounts - current                   | -                          | 414,167                     |
| <b>Total</b>                                           | <b>\$ 471,739</b>          | <b>\$ 1,454,097</b>         |

**C. Receivables**

For the Water and Sewer Fund, 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, 2024 (unbilled receivables), is estimated and accrued at year end. The City provides an allowance for water and sewer accounts receivable that may become uncollectible. At September 30, 2024, this allowance was \$98,356. No other allowances for doubtful accounts are maintained since all other accounts receivable are considered collectible at September 30, 2024.

Receivables as of fiscal year end for the individual major funds in the aggregate, including applicable allowances for uncollectible accounts, are as follows:

| Receivables:                               | Governmental<br>Activities | Business-type<br>Activities | Total               |
|--------------------------------------------|----------------------------|-----------------------------|---------------------|
| Taxes                                      | \$ 372,079                 | \$ -                        | \$ 372,079          |
| Lease receivables                          | 198,416                    | -                           | 198,416             |
| Solid waste                                | 188,885                    | -                           | 188,885             |
| Utilities                                  | -                          | 2,066,385                   | 2,066,385           |
| Franchise fees                             | 412,730                    | -                           | 412,730             |
| Special assessments                        | -                          | 74,613                      | 74,613              |
| Other                                      | 21,756                     | -                           | 21,756              |
| Gross receivables                          | 1,193,866                  | 2,140,998                   | 3,334,864           |
| Less: allowance for uncollectible accounts | -                          | (98,356)                    | (98,356)            |
| <b>Total receivables, net</b>              | <b>\$ 1,193,866</b>        | <b>\$ 2,042,642</b>         | <b>\$ 3,236,508</b> |

Property taxes are considered fully collected during and prior to the end of the fiscal year. Therefore, no material amounts of property taxes are receivable as of September 30, 2024. In addition, the City has \$501,037 due from other governments for balances related to grants, sales and other taxes. Lease receivables are fully collectible annually over the life of the lease at \$29,187 per year through 2031.

**City of West Melbourne, Florida**  
**Notes to Financial Statements**

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

**D. Capital Assets**

The following is a summary of changes in capital assets during the year ended September 30, 2024:

|                                                              | Beginning<br>Balance | Increases /<br>Transfers | Decreases /<br>Transfers | Ending<br>Balance    |
|--------------------------------------------------------------|----------------------|--------------------------|--------------------------|----------------------|
| <b>Governmental activities:</b>                              |                      |                          |                          |                      |
| Capital assets, not being depreciated/amortized:             |                      |                          |                          |                      |
| Land                                                         | \$ 1,574,591         | \$ -                     | \$ (5,211)               | \$ 1,569,380         |
| Construction in progress                                     | 2,022,853            | 240,373                  | (1,901,189)              | 362,037              |
| <b>Total capital assets, not being depreciated/amortized</b> | <b>3,597,444</b>     | <b>240,373</b>           | <b>(1,906,400)</b>       | <b>1,931,417</b>     |
| Capital assets, being depreciated/amortized:                 |                      |                          |                          |                      |
| Buildings                                                    | 11,688,290           | 48,053                   | -                        | 11,736,343           |
| Improvements other than buildings                            | 15,666,983           | 784,613                  | (126,044)                | 16,325,552           |
| Machinery and equipment                                      | 8,434,755            | 543,510                  | (226,631)                | 8,751,634            |
| Infrastructure                                               | 18,399,010           | 4,010,179                | -                        | 22,409,189           |
| <b>Total capital assets being depreciated/amortized</b>      | <b>54,189,038</b>    | <b>5,386,355</b>         | <b>(352,675)</b>         | <b>59,222,718</b>    |
| Less accumulated depreciation/amortization for:              |                      |                          |                          |                      |
| Buildings                                                    | (4,036,155)          | (249,384)                | -                        | (4,285,539)          |
| Improvements other than buildings                            | (7,016,086)          | (989,506)                | 126,044                  | (7,879,548)          |
| Machinery and equipment                                      | (6,353,703)          | (749,554)                | 226,631                  | (6,876,626)          |
| Infrastructure                                               | (10,347,550)         | (1,319,401)              | -                        | (11,666,951)         |
| <b>Total accumulated depreciation/amortization</b>           | <b>(27,753,494)</b>  | <b>(3,307,845)</b>       | <b>352,675</b>           | <b>(30,708,664)</b>  |
| <b>Total capital assets being depreciated/amortized, net</b> | <b>26,435,544</b>    | <b>2,078,510</b>         | <b>-</b>                 | <b>28,514,054</b>    |
| Right-to-use lease assets, being amortized:                  |                      |                          |                          |                      |
| Vehicles                                                     | 50,778               | -                        | -                        | 50,778               |
| Equipment                                                    | 52,027               | -                        | -                        | 52,027               |
| <b>Total right-of use lease assets, being amortized</b>      | <b>102,805</b>       | <b>-</b>                 | <b>-</b>                 | <b>102,805</b>       |
| Less accumulated amortization for:                           |                      |                          |                          |                      |
| Vehicles                                                     | (33,719)             | (14,083)                 | -                        | (47,802)             |
| Equipment                                                    | (7,994)              | (10,584)                 | -                        | (18,578)             |
| <b>Total accumulated amortization</b>                        | <b>(41,713)</b>      | <b>(24,667)</b>          | <b>-</b>                 | <b>(66,380)</b>      |
| <b>Right-to-use lease assets, being amortized, net</b>       | <b>61,092</b>        | <b>(24,667)</b>          | <b>-</b>                 | <b>36,425</b>        |
| <b>Governmental activities capital assets, net</b>           | <b>\$ 30,094,080</b> | <b>\$ 2,294,216</b>      | <b>\$ (1,906,400)</b>    | <b>\$ 30,481,896</b> |

**City of West Melbourne, Florida**  
**Notes to Financial Statements**

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

**D. Capital Assets (Continued)**

|                                                              | Beginning<br>Balance | Increases /<br>Transfers | Decreases /<br>Transfers | Ending<br>Balance   |
|--------------------------------------------------------------|----------------------|--------------------------|--------------------------|---------------------|
| <b>Business-type activities:</b>                             |                      |                          |                          |                     |
| Capital assets, not being depreciated/amortized:             |                      |                          |                          |                     |
| Land                                                         | \$ 807,376           | \$ 223,057               | \$ -                     | \$ 1,030,433        |
| Construction in progress                                     | 6,317,448            | 3,063,979                | (3,528,088)              | 5,853,339           |
| <b>Total capital assets, not being depreciated/amortized</b> | <b>7,124,824</b>     | <b>3,287,036</b>         | <b>(3,528,088)</b>       | <b>6,883,772</b>    |
| Capital assets, being depreciated/amortized:                 |                      |                          |                          |                     |
| Buildings                                                    | 2,652,914            | -                        | -                        | 2,652,914           |
| Improvements other than buildings                            | 91,635,415           | 10,034,169               | -                        | 101,669,584         |
| Machinery and equipment                                      | 8,688,997            | 123,946                  | (2,549,260)              | 6,263,683           |
| <b>Total capital assets being depreciated/amortized</b>      | <b>102,977,326</b>   | <b>10,158,115</b>        | <b>(2,549,260)</b>       | <b>110,586,181</b>  |
| Less accumulated depreciation/amortization for:              |                      |                          |                          |                     |
| Buildings                                                    | (2,195,571)          | (27,304)                 | -                        | (2,222,875)         |
| Improvements other than buildings                            | (50,234,237)         | (4,022,702)              | -                        | (54,256,939)        |
| Machinery and equipment                                      | (6,887,471)          | (253,442)                | 2,197,562                | (4,943,351)         |
| <b>Total accumulated depreciation/amortization</b>           | <b>(59,317,279)</b>  | <b>(4,303,448)</b>       | <b>2,197,562</b>         | <b>(61,423,165)</b> |
| <b>Total capital assets being depreciated/amortized, net</b> | <b>43,660,047</b>    | <b>5,854,667</b>         | <b>(351,698)</b>         | <b>49,163,016</b>   |
| <b>Business-type activities capital assets, net</b>          | <b>\$50,784,871</b>  | <b>\$ 9,141,703</b>      | <b>\$ (3,879,786)</b>    | <b>\$56,046,788</b> |

Depreciation/amortization expense was charged to functions/programs of the City as follows:

**Governmental activities:**

|                                                                          |                     |
|--------------------------------------------------------------------------|---------------------|
| General government                                                       | \$ 269,324          |
| Public safety                                                            | 599,863             |
| Public works                                                             | 1,810,657           |
| Recreation                                                               | 652,668             |
| <b>Total depreciation/amortization expense - governmental activities</b> | <b>\$ 3,332,512</b> |

**Business-type activities:**

|                 |              |
|-----------------|--------------|
| Water and Sewer | \$ 4,303,448 |
|-----------------|--------------|

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

**E. Interfund Receivables, Payables and Transfers**

*Interfund balances* – The composition of interfund balances as of September 30, 2024, is as follows:

| Advances to other funds: |                              |              |    |            |
|--------------------------|------------------------------|--------------|----|------------|
| Receivable Fund          |                              | Payable Fund |    | Amount     |
| Current:                 |                              |              |    |            |
| General Fund             | Community Redevelopment Fund |              | \$ | 100,000    |
| Total current            |                              |              |    | 100,000    |
| Total                    |                              |              |    | \$ 100,000 |

Between the General Fund and the CRA Fund, the advance is an interfund loan used for working capital for the CRA to begin operations. The amount is being repaid to the General Fund over 10 years without interest, administration or service charges.

| Due to/from other funds: |              |        |              |
|--------------------------|--------------|--------|--------------|
| Receivable Fund          | Payable Fund | Amount |              |
| General Fund             | ARPA Fund    | \$     | 8,962,896    |
| Water and Sewer Fund     | ARPA Fund    |        | 121,678      |
| Total                    |              |        | \$ 9,084,574 |

As of September 30, 2024, the ARPA Fund owed \$8,962,896 to the General Fund because the General Fund covered a cash shortfall in the ARPA Fund. At September 30, 2024, the ARPA fund owed \$121,678 for contract payables and retainage due from a prior year.

**City of West Melbourne, Florida**  
**Notes to Financial Statements**

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

**E. Interfund Receivables, Payables and Transfers (Continued)**

*Interfund transfers* – The composition of interfund transfers as of September 30, 2024, is as follows:

| Description               | Total<br>Transfers<br>Out | Transfers In    |                                   |                         |
|---------------------------|---------------------------|-----------------|-----------------------------------|-------------------------|
|                           |                           | Governmental    |                                   | Proprietary             |
|                           |                           | General<br>Fund | Nonmajor<br>Governmental<br>Funds | Water and<br>Sewer Fund |
| Governmental funds:       |                           |                 |                                   |                         |
| General Fund              | \$ (359,800)              | \$ -            | \$ -                              | \$ -                    |
| ARPA Special Revenue Fund | (5,051,869)               |                 |                                   |                         |
| Nonmajor: Vehicle         |                           |                 |                                   |                         |
| Replacement Fund          | -                         | -               | 397,000                           | -                       |
| Total governmental funds  | (5,411,669)               | -               | 397,000                           | -                       |
| Proprietary funds:        |                           |                 |                                   |                         |
| Water and Sewer Fund      | (37,200)                  | -               | -                                 | 5,051,869               |
| Total proprietary funds   | (37,200)                  | -               | -                                 | 5,051,869               |
| Total                     | \$ (5,448,869)            | \$ -            | \$ 397,000                        | \$ 5,051,869            |

The transfers from the General Fund and the Water and Sewer Fund to the Vehicle Replacement Fund reflect the City's budgeted transfers to fund future replacement of City-owned vehicles and are based on a capital replacement schedule developed during the budgeting process. The transfers from the ARPA Special Revenue fund to the Water and Sewer Fund are to fund current year infrastructure improvements.

**F. Long-Term Debt and Liabilities**

**Revenue Bonds**

The City issues revenue bonds to pay the costs of constructing certain capital projects and to refund all or a portion of previously issued revenue bonds. The bonds are secured by and payable from the gross revenues of the City's water and sewer system. The bond resolutions provide that revenues in excess of debt service requirements may be used for general operating purposes. Debt service sinking fund requirements, where applicable, on outstanding bonds have been met or exceeded, in accordance with the bond resolutions.

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

**F. Long-Term Debt and Liabilities (Continued)**

**Revenue Bonds (Continued)**

Revenue bonds outstanding at year-end are as follows:

**Business-type activities:**

|                                                      |    |         |
|------------------------------------------------------|----|---------|
| Water and Sewer Revenue Refunding Bonds, Series 2014 | \$ | 918,900 |
| Total business-type activities                       | \$ | 918,900 |

*Water and Sewer Refunding Revenue Bonds, Series 2014* – On September 4, 2014, the City issued \$5,778,300 Water and Sewer Revenue Refunding Bonds, Series 2014 (\$918,900 remaining at September 30, 2024), a refunding bank loan. These bonds were sold to: (i) fully refund \$960,000 of outstanding Water and Sewer Revenue Refunding Bonds Series 1999, (ii) fully refund \$1,300,000 of outstanding Water and Sewer Revenue Refunding and Improvement Bonds, Series 2004, (iii) partially refund \$2,925,000 of outstanding Florida Municipal Loan Council Series 2005D, and (iv) partially refund \$1,200,000 of outstanding Water and Sewer Revenue Bonds, Series 2007. The Series 2014 bonds bear interest at 2.30% per annum, payable semi-annually on April 1 and October 1. Principal is due annually beginning October 1, 2014, in amounts that range from \$104,700 to \$1,039,500, until final maturity on October 1, 2026.

**Contract Termination Payable**

*Contract Termination Payable – Interlocal Agreement for the Sale and Purchase of Water* – On June 1, 2013, the City entered into an agreement with the City of Melbourne for the sale and purchase of water services through December 31, 2026 unless there is mutual agreement of both parties to terminate. During 2022, City Council notified the City of Melbourne of its intention to terminate the agreement effective December 31, 2026. Per the terms of the original agreement, the City is required to pay a termination fee in the amount of \$2 million. However, per the agreement, the foregoing \$2 million compensation is reduced by 4% of the total price of water sold by the City of Melbourne to the City of West Melbourne, not to exceed \$75,000 in any year for the years January 1, 2013 through December 31, 2021. Termination fees will be made in equal annual installments of one-fifth of the net amount of compensation remaining after the above annual reductions or annual increases have been applied. At September 30, 2022, the City of West Melbourne recognized a total contract termination liability in the amount of \$1,250,000 that is being paid in five equal installments of \$250,000 through the year 2027.

**City of West Melbourne, Florida**  
**Notes to Financial Statements**

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

**F. Long-Term Debt and Liabilities (Continued)**

**Annual Debt Service Requirements**

Annual debt service requirements to maturity for revenue bonds as of September 30, 2024 excluding premiums and discounts are as follows:

| <i>Year ending September 30,</i> | Business-type Activities |           |
|----------------------------------|--------------------------|-----------|
|                                  | Principal                | Interest  |
| 2025                             | \$ 403,600               | \$ 16,493 |
| 2026                             | 410,600                  | 7,130     |
| 2027                             | 104,700                  | 1,204     |
| Totals                           | \$ 918,900               | \$ 24,827 |

**Pledged Revenue**

The City has revenue notes outstanding at September 30, 2024, for which revenue of the City have been pledged for repayment. Revenues pledged to repay these obligations are as follows:

|                                 | Debt<br>issue | Term | Future<br>principal<br>and interest | Current<br>pledged<br>revenue | Current<br>principal<br>and interest | Current<br>percentage<br>of revenue |
|---------------------------------|---------------|------|-------------------------------------|-------------------------------|--------------------------------------|-------------------------------------|
| <b>Pledged Revenue</b>          |               |      |                                     |                               |                                      |                                     |
| Water and sewer<br>net revenues | 2014          | 2027 | \$ 523,634                          | \$ 5,865,992                  | \$ 420,093                           | 7%                                  |
| Total business-type activities  |               |      | \$ 523,634                          | \$ 5,865,992                  | \$ 420,093                           |                                     |

**Leases - Lessee**

The City has entered into lease agreements to obtain the right-to-use certain police vehicles and office equipment. The total annual rental for the leases that the City paid for in the fiscal year ended September 30, 2024 was \$25,693. The leases have remaining lease terms of 1 to 4 years, all of which include a purchase or termination option at the end of the lease. Annual payment amounts are between \$2,500 and \$8,500 for the police vehicles and between \$700 and \$1,600 for the office equipment.

**City of West Melbourne, Florida**  
**Notes to Financial Statements**

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

**F. Long-Term Debt and Liabilities (Continued)**

**Leases - Lessee (Continued)**

The following is a schedule of minimum future lease payments from lease agreements as of September 30:

| <i>For the years ending September 30,</i> | Principal<br>Payments | Interest<br>Expense | Total     |
|-------------------------------------------|-----------------------|---------------------|-----------|
| 2025                                      | \$ 13,940             | \$ 1,317            | \$ 15,257 |
| 2026                                      | 10,690                | 844                 | 11,534    |
| 2027                                      | 11,155                | 379                 | 11,534    |
| 2028                                      | 2,789                 | 30                  | 2,819     |
| Total                                     | \$ 38,574             | \$ 2,570            | \$ 41,144 |

**Leases - Lessor**

The City accounts for leases in accordance with GASB Statement No. 87, *Leases*. The City's operations consist of an agreement for use of a cell tower space. The agreement is made up of various non-cancelable agreements for cell tower space, which expire in the year 2031. The City recognized \$29,187 of lease revenue principal and \$6,521 of lease interest for the year ended September 30, 2024.

The following is a schedule by years of minimum future revenues from non-cancelable agreements as of September 30:

| <i>For the years ending September 30,</i> | Principal  | Interest  | Total<br>Future<br>Minimum Lease<br>Payments |
|-------------------------------------------|------------|-----------|----------------------------------------------|
| 2025                                      | \$ 23,399  | \$ 5,873  | \$ 29,272                                    |
| 2026                                      | 24,970     | 5,181     | 30,151                                       |
| 2027                                      | 26,613     | 4,441     | 31,054                                       |
| 2028                                      | 28,333     | 3,654     | 31,987                                       |
| 2029                                      | 30,131     | 2,815     | 32,946                                       |
| 2030-2031                                 | 64,970     | 2,899     | 67,869                                       |
| Total                                     | \$ 198,416 | \$ 24,863 | \$ 223,279                                   |

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

**F. Long-Term Debt and Liabilities (Continued)**

**Changes in Long-term Liabilities**

Long-term liability activity for the year ended September 30, 2024, was as follows for governmental activities:

|                                                  | Beginning<br>Balance | Additions  | Reductions   | Ending<br>Balance | Due Within<br>One Year |
|--------------------------------------------------|----------------------|------------|--------------|-------------------|------------------------|
| <b>Governmental activities:</b>                  |                      |            |              |                   |                        |
| Compensated absences                             | \$ 379,971           | \$ 462,821 | \$ (334,220) | \$ 508,572        | \$ 406,857             |
| Lease liabilities                                | 62,268               | -          | (23,694)     | 38,574            | 13,940                 |
| Governmental activities<br>long-term liabilities | \$ 442,239           | \$ 462,821 | \$ (357,914) | \$ 547,146        | \$ 420,797             |

Long-term liability activity for the year ended September 30, 2024, was as follows for business-type activities:

|                                                   | Beginning<br>Balance | Additions | Reductions   | Ending<br>Balance | Due Within<br>One Year |
|---------------------------------------------------|----------------------|-----------|--------------|-------------------|------------------------|
| <b>Business-type activities:</b>                  |                      |           |              |                   |                        |
| Contract termination payable:                     |                      |           |              |                   |                        |
| Contract termination payable                      | \$ 1,000,000         | \$ -      | \$ (250,000) | \$ 750,000        | \$ 250,000             |
| Total contract term payable                       | 1,000,000            | -         | (250,000)    | 750,000           | 250,000                |
| Bonds payable:                                    |                      |           |              |                   |                        |
| Revenue bonds payable                             | 1,314,900            | -         | (396,000)    | 918,900           | 403,600                |
| Compensated absences                              | 80,935               | 88,086    | (78,705)     | 90,316            | 72,253                 |
| Business-type activities<br>long-term liabilities | \$ 2,395,835         | \$ 88,086 | \$ (724,705) | \$ 1,759,216      | \$ 725,853             |

Compensated absences, other post-employment benefits, and net pension liabilities will be liquidated in future periods primarily by the General Fund for governmental activities. Business-type activities compensated absences, outstanding notes and revenue bonds will be liquidated by the respective enterprise fund.

**City of West Melbourne, Florida**  
**Notes to Financial Statements**

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

**G. Net Investment in Capital Assets**

The elements of this calculation are as follows:

|                                            | Governmental<br>Activities | Business-type<br>Activities | Total         |
|--------------------------------------------|----------------------------|-----------------------------|---------------|
| Capital assets (net)                       | \$ 30,445,471              | \$ 56,046,788               | \$ 86,492,259 |
| Right-of-use lease assets (net)            | 36,425                     | -                           | 36,425        |
| Lease liabilities                          | (38,574)                   | -                           | (38,574)      |
| Retainage payable                          | (143,333)                  | (140,056)                   | (283,389)     |
| Contracts payable                          | (838,644)                  | (550,914)                   | (1,389,558)   |
| Outstanding debt related to capital assets | -                          | (918,900)                   | (918,900)     |
| Deferred amount on advanced refunding      | -                          | 659                         | 659           |
| Net investment in capital assets           | \$ 29,461,345              | \$ 54,437,577               | \$ 83,898,922 |

**H. Employee Retirement Plans – Defined Contribution Plan**

**General Employees' Retirement Plan**

Plan description. The City of West Melbourne General Employees' Retirement Plan is a defined contribution plan administered by Mission Square Retirement. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. All full time general employees hired prior to July 1, 2008 are eligible to participate after six months of service. Employer contributions are vested according to the following schedule: 50% after three years of service; 75% after four years; 100% after five years. At September 30, 2024, there is one participant.

Funding policy. Contributions under the plan were established by the Plan & Trust adoption agreement with Mission Square Retirement and may be amended at the City's discretion. Required contributions are 2% and 8% of eligible earnings for employees and employer, respectively. Administrative costs are financed through investment earnings. Required and actual contributions for the year ended September 30, 2024 were \$2,297 from the employee and \$9,188 from the employer. Of the employer's portion, \$0 was paid from forfeitures remaining in the plan.

Participant loans. The Plan allows participants to borrow from their fund accounts the lesser of \$50,000 or 50% of their vested account balance. The loans are secured by the balance in the participant's account and bear interest at a fixed rate of prime plus 0.5%, as determined on the last day of the month preceding the month the loan is disbursed. Principal and interest are paid ratably through bi-weekly payroll deductions over a period not to exceed five years.

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

**I. Employee Retirement Plans – Defined Benefit Plans**

**Florida Retirement System**

*Plan description.* The City participates in two defined benefit pension plans that are administered by the State of Florida, Department of Management Services, Division of Retirement. The plans provide retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the plans. That report is available from the Florida Department of Management Services' website ([www.dms.myflorida.com](http://www.dms.myflorida.com)).

The Florida Retirement System (FRS) Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan with a Deferred Retirement Option Program (DROP) available for eligible employees. The FRS was established and is administered in accordance with Chapter 121, Florida Statutes. Retirees receive a lifetime pension benefit with joint and survivor payment options.

FRS membership is compulsory for employees filling regularly established positions in a state agency, county agency, state university, state college, or district school board, unless restricted from FRS membership under Sections 121.053 or 121.122, Florida Statutes, or allowed to participate in a defined contribution plan in lieu of FRS membership. Participation by cities, municipalities, special districts, charter schools and metropolitan planning organizations is optional.

The Retiree Health Insurance Subsidy (HIS) Program is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with Section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees and surviving beneficiaries of the state-administered retirement systems in paying their health insurance costs. To be eligible to receive a HIS benefit, a retiree under a state administered retirement system must provide proof of eligible health insurance coverage, which can include Medicare.

*Benefits provided.* Benefits under the FRS Pension Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned.

Eligible retirees and beneficiaries receive a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to Section 112.363, Florida Statutes.

**City of West Melbourne, Florida**  
**Notes to Financial Statements**

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

**I. Employee Retirement Plans – Defined Benefit Plans (Continued)**

**Florida Retirement System (Continued)**

Contributions. The contribution requirements of plan members and the employer are established and amended by the Florida Legislature. Employees are required to contribute 3.00% of their salary to the FRS. The employer's contribution rates as of September 30, 2024, were as follows:

|                                 | FRS    | HIS   |
|---------------------------------|--------|-------|
| Regular class                   | 11.63% | 2.00% |
| Senior management service class | 32.52% | 2.00% |
| DROP from FRS                   | 19.13% | 2.00% |

The employer's contractually required contributions for the year ended September 30, 2024, were \$664,120 to the FRS and \$102,533 to the HIS.

Pension liabilities and pension expense. In its financial statements for the year ended September 30, 2024, the City reported a liability for its proportionate share of the net pension liability of the FRS Pension Plan and its proportionate share of the net pension liability of the HIS Program. The net pension liabilities were measured as of June 30, 2024. The City's proportions of the net pension liabilities were based on its share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

|                                 | FRS          | HIS          |
|---------------------------------|--------------|--------------|
| Net pension liability           | \$ 3,711,606 | \$ 1,781,350 |
| Proportion at:                  |              |              |
| Current measurement date        | 0.0096%      | 0.0119%      |
| Prior measurement date          | 0.0103%      | 0.0122%      |
| Increase in proportionate share | (0.0007%)    | (0.0003%)    |
| Pension expense                 | \$ 629,711   | \$ 108,923   |

**City of West Melbourne, Florida**  
**Notes to Financial Statements**

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

**I. Employee Retirement Plans – Defined Benefit Plans (Continued)**

**Florida Retirement System (Continued)**

*Deferred outflows/inflows of resources related to pensions.* At September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|                                                                                                               | FRS                                  |                                     | HIS                                  |                                     |
|---------------------------------------------------------------------------------------------------------------|--------------------------------------|-------------------------------------|--------------------------------------|-------------------------------------|
|                                                                                                               | Deferred<br>Outflows<br>of Resources | Deferred<br>Inflows<br>of Resources | Deferred<br>Outflows<br>of Resources | Deferred<br>Inflows<br>of Resources |
| Differences between expected and actual experience                                                            | \$ 374,972                           | \$ -                                | \$ 17,200                            | \$ 3,420                            |
| Changes of assumptions                                                                                        | 508,710                              | -                                   | 31,526                               | 210,889                             |
| Difference between projected and actual earnings on pension plan investments                                  | -                                    | 246,693                             | -                                    | 644                                 |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 201,280                              | 173,198                             | 100,001                              | 44,523                              |
| Employer contributions subsequent to the measurement date                                                     | 130,620                              | -                                   | 24,265                               | -                                   |
| <b>Total</b>                                                                                                  | <b>\$ 1,215,582</b>                  | <b>\$ 419,891</b>                   | <b>\$ 172,992</b>                    | <b>\$ 259,476</b>                   |

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2024. Other pension-related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

| <i>Year ending September 30,</i> | FRS               | HIS                 |
|----------------------------------|-------------------|---------------------|
| 2025                             | (58,912)          | (17,967)            |
| 2026                             | 639,990           | (22,169)            |
| 2027                             | 46,654            | (32,294)            |
| 2028                             | 2,207             | (22,580)            |
| 2029                             | 35,132            | (12,303)            |
| Thereafter                       | -                 | (3,436)             |
| <b>Total</b>                     | <b>\$ 665,071</b> | <b>\$ (110,749)</b> |

*Actuarial assumptions.* The total pension liability for each of the defined benefit plans was measured as of June 30, 2024. The total pension liability for the FRS Pension Plan was determined by an actuarial valuation dated July 1, 2024. For the HIS Program, the total pension liability was determined by an actuarial valuation dated July 1, 2024.

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

**I. Employee Retirement Plans – Defined Benefit Plans (Continued)**

**Florida Retirement System (Continued)**

The individual entry age normal actuarial cost method was used for each plan, along with the following significant actuarial assumptions:

|                                     | FRS   | HIS   |
|-------------------------------------|-------|-------|
| Inflation                           | 2.40% | 2.40% |
| Payroll growth, including inflation | 3.50% | 3.50% |
| Investment rate of return           | 6.70% | N/A   |
| Discount rate                       | 6.70% | 3.93% |

Mortality assumptions for both the FRS and HIS Pension Plans were based on PUB-2010 base tables projected generationally with Scale MP-2021.

For both plans, the actuarial assumptions were based on the results of an actuarial experience study for the period July 1, 2018, through June 30, 2023.

The following changes in key actuarial assumptions occurred in 2024:

FRS and HIS: The payroll assumed growth rate, including inflation, increased from 3.25% to 3.5%.

HIS: The discount rate used in calculations of the pension liability increased from 3.65% to 3.93%.

The long-term expected investment rate of return assumption for the FRS Pension Plan was based on two building block components: 1) a long-term average annual inflation assumption of 2.40% and 2) an inferred real (in excess of inflation) return of 4.20%. Geometrically combining those building blocks using the formula  $(1 + .024) \times (1 + .042) - 1$  generates an expected nominal return of 6.70%. In the opinion of the FRS consulting actuary, both building block components and the overall 6.70% return assumption were determined reasonable and appropriate per Actuarial Standards of Practice. The 6.70% reported investment return assumption is the same as the investment return assumption chosen by the 2023 FRS Actuarial Assumption Conference for funding policy purposes. Each asset class assumption is based on a consistent set of underlying assumptions.

For the FRS Pension Plan, the table below summarizes the consulting actuary's assumptions based on the long-term target asset allocation. Each asset class assumption is based on a consistent set of underlying real return assumptions from the FRS consulting actuary's model combined with the FRS Actuarial Assumption Conference's 2.4% inflation assumption. The FRS consulting actuary's assumptions are not based on historical returns, but instead on a forward-looking capital market economic model.

**City of West Melbourne, Florida**  
**Notes to Financial Statements**

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

**I. Employee Retirement Plans – Defined Benefit Plans (Continued)**

**Florida Retirement System (Continued)**

| Asset Class                                             | Target Allocation | Annual Arithmetic Return | Compound Annual (Geometric) Return |
|---------------------------------------------------------|-------------------|--------------------------|------------------------------------|
| Cash                                                    | 1.0%              | 3.3%                     | 3.3%                               |
| Fixed income                                            | 29.0%             | 5.7%                     | 5.6%                               |
| Global equity                                           | 45.0%             | 8.6%                     | 7.0%                               |
| Real estate                                             | 12.0%             | 8.1%                     | 6.8%                               |
| Private equity                                          | 11.0%             | 12.4%                    | 8.8%                               |
| Strategic investments                                   | 2.0%              | 6.6%                     | 6.2%                               |
| <b>Total</b>                                            | <b>100%</b>       |                          |                                    |
| Assumed Inflation - Mean                                |                   |                          |                                    |
| (1) As outlined in the Pension Plan's investment policy |                   |                          | 2.40%                              |

**Discount rate.** The discount rate used to measure the total pension liability for the FRS Pension Plan was 6.70%. FRS' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Because the HIS Program is essentially funded on a pay-as-you-go basis, a municipal bond rate of 3.93% was used to determine the total pension liability for the program. The Bond Buyer General Obligation 20-Year Municipal Bond Index rate as of June 30, 2024 was used as the applicable municipal bond index.

**Sensitivity analysis.** The following tables demonstrate the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the employer's proportionate share of the net pension liability if the discount rate was 1.00% higher or 1.00% lower than the current discount rate.

|                                                             | FRS                    |                          |                        | HIS                    |                          |                        |
|-------------------------------------------------------------|------------------------|--------------------------|------------------------|------------------------|--------------------------|------------------------|
|                                                             | 1% Decrease<br>(5.70%) | Discount Rate<br>(6.70%) | 1% Increase<br>(7.70%) | 1% Decrease<br>(2.93%) | Discount Rate<br>(3.93%) | 1% Increase<br>(4.93%) |
| Employer's proportionate share of the net pension liability | \$ 6,528,585           | \$ 3,711,606             | \$ 1,351,789           | \$ 2,027,838           | \$ 1,781,350             | \$ 1,576,725           |

**Pension plans' fiduciary net position.** Detailed information about the pension plans' fiduciary net position is available in the State's separately issued financial reports.

**Payables to the pension plans.** As of September 30, 2024, the City had a FRS and HIS related payable of \$35,245.

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

**I. Employee Retirement Plans – Defined Benefit Plans (Continued)**

**Police Officers' Pension Plan**

The City maintains and administers a separate single-employer pension plan for all eligible police officers, which assets are included in the Police Officers' Retirement Trust Fund (the "Police Officers' Pension Plan" or the "Plan"). The plan does not issue stand-alone financial reports and is not included in any other retirement system's or entity's financial report.

Plan description. The City of West Melbourne Police Officers' Retirement Plan (the "Plan") is a single-employer defined benefit pension plan. The Plan is administered by a five-member Board of Trustees (two West Melbourne citizens appointed by the City Council, two plan participants selected by the plan membership, and a fifth board member selected by the other four board members and confirmed by the City Council as a ministerial action).

The Plan does not issue a stand-alone financial report. The Plan's financial statements as of September 30 are included in the City's Annual Comprehensive Financial Report. Pension plan data is provided from the respective actuarial reports as of September 30, 2024.

Basis of accounting. The Plan's 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 the Plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

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. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments.

Description of benefits. Benefits under the Plan are established in accordance with requirements of City Ordinance and Florida Statutes Chapter 185. Benefit provisions may be amended by the City Council but may not be reduced below the minimum specified by statute.

The Plan provides retirement, death and disability benefits to plan members and beneficiaries. Retirement benefits vest with the participants based on years of credited service at 20% per year after six years with full vesting provided after ten years. Employees qualifying for normal retirement are entitled to monthly benefits based on 3% of average final compensation times years of service. Employees hired prior to January 1, 2011 additionally receive \$10 per month per year of service. Generally, normal retirement occurs at attained age 55 and 10 years of credited service, or with 25 years of service, regardless of age. Early retirement benefits are available at attained age 50 and 10 years of service using reduced benefit formulas.

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

**I. Employee Retirement Plans – Defined Benefit Plans (Continued)**

**Police Officers' Pension Plan (Continued)**

Service incurred disability benefits are available to employees with no vesting period and provide monthly income (as defined by the plan payable until death or recovery). Non-service incurred disability benefits (available to employees with ten years of plan participation) provide monthly income (as defined by the Plan) payable until death or recovery. In the event of post-retirement death, benefits are payable to the beneficiary in accordance with the option selected at retirement.

Optional forms of benefits are available and may be elected by the employee as provided in the Plan.

Contribution requirements and funding policy. The employer, employee and State contribution requirements are actuarially determined on an annual basis. Most administrative costs of the Plan are financed through investment earnings of the Plan. Plan members hired on or after January 1, 2011 are required to contribute 8.44% of pensionable pay and Plan members hired before January 1, 2011 are required to contribute 8.54% of pensionable pay. The City recognized as revenues and expenditures on-behalf payments relating to contributions for its public safety employees that the State paid to the Plan in the amount of \$308,707. These contributions are funded by an excise tax levied on certain casualty and property insurance premiums. If the remittance from the State is less than estimated by the actuary, the City pays the balance required to fund the total actuarial requirement.

The City's contributions to the Plan for the year ended September 30, 2024 totaled \$718,663, which includes the amount contributed by the State. Plan members contributed \$245,748 for the same fiscal year. As of September, 30, 2024, the Plan had a contributions receivable for \$47,964 of which \$10,574 was due from employees and \$37,390 due from the City.

Plan administration. The Plan is administered by a Board of Trustees comprised of two (2) Council appointees, two (2) members of the Department elected by the Membership and a fifth member elected by the other four (4) members of the Board of Trustees and appointed by Council.

Plan membership as of October 1, 2023:

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|                                                                     |    |
|---------------------------------------------------------------------|----|
| Inactive plan members or beneficiaries currently receiving benefits | 21 |
| Inactive plan members entitled to but not yet receiving benefits    | 14 |
| Active plan members                                                 | 38 |
| Total plan members                                                  | 73 |

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**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

**I. Employee Retirement Plans – Defined Benefit Plans (Continued)**

**Police Officers' Pension Plan (Continued)**

Benefits provided. The Plan provides retirement, termination, disability and death benefits.

Normal retirement. Normal retirement is the earlier of: 1) Age 55 and 10 years of credited service, or 2) 25 years of credited service, regardless of age. Upon retirement, the member receives a monthly benefit equal to 3.0% of Average Final Compensation (AFC) for each year of credited service.

Early retirement. Members are eligible for early retirement upon attaining age 50 and completing 10 years of credited service. Accrued benefits are reduced by 3% for each year from the otherwise normal retirement date.

Vesting. Vesting begins after 6 years of credited service. The members vest at 20% after 6 years of credited service plus 20% per year thereafter up to 100% after 10 years. Each member will receive an unreduced benefit payable at the later of age 55 or when the member would have attained 10 years of service. Reduced benefits are payable at the later of age 50 or when the member would have attained 10 years of service.

Disability. Eligibility for a service incurred disability is covered from date of employment. Eligibility for a non-service incurred liability vests after 10 years of credited service. The benefit for a service incurred disability is the member's accrued benefit but not less than 42% of AFC and not less than 25% of AFC for a non-service incurred disability.

Pre-Retirement death benefits. Eligibility for pre-retirement death benefits vests after 10 years of credited service. The benefit is paid as 50% of what the member has accrued prior to death and 50% as a joint and survivor annuity form of benefit.

Cost of living adjustment. For Members hired before January 1, 2011, the base benefit is increased annually by a pro-rated portion of 2.0% each October 1 beginning 5 years after retirement. The pro-ration will be years of service prior to February 19, 2013 over total years of service at retirement. Minimum COLA for those hired before January 1, 2011 will be 1.0%.

Supplemental Benefit. Members hired before January 1, 2011 receive a monthly supplemental benefit equal to \$10 for each year of Credited Service. This supplemental benefit is not subject to cost-of-living adjustments, and is not provided to vested terminated members.

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

**I. Employee Retirement Plans – Defined Benefit Plans (Continued)**

**Police Officers' Pension Plan (Continued)**

Share Plan. Effective September 30, 2017, the individual share account of each active member who has accrued at least one complete year of credited service under the plan and who is not participating in the DROP will receive a one-time allocation equal to \$1,200 plus \$400 for each additional complete year of service in excess of one year, subject to a maximum allocation of \$5,200. This is funded by the existing Excess State Monies Reserve with any remaining amounts applied to reduce the UAAL as of September 30, 2017. Effective September 30, 2017 and each September 30 thereafter, the sum of \$600 plus three percent interest shall be allocated to the individual share account of each member hired on or after January 1, 2011 who has at least one year of credited service. The annual allocations will be funded solely by the annual state monies received with any remaining amounts applied to reduce the City's annual contribution requirement. At September 30, 2024, \$213,897 of state funds was allocated to the share plan.

Contributions. Remaining amount required in order to pay current costs and amortize unfunded past service cost, if any, as provided in Chapter 112, Florida Statutes.

Investment policy. The following was the Board's adopted asset allocation policy as of September 30, 2024:

| <b>Asset Class:</b>                    | <b>Target Allocation</b> |
|----------------------------------------|--------------------------|
| Domestic equity                        | 42.5%                    |
| Broad market fixed income              | 22.5%                    |
| International equity                   | 15.0%                    |
| Real estate                            | 10.0%                    |
| Global fixed income                    | 7.5%                     |
| Global tactical asset allocation funds | 2.5%                     |
| <b>Total</b>                           | <b>100.0%</b>            |

Concentrations. The Plan did not hold investments in any one organization that represents 5 percent or more of the Pension Plan's fiduciary net position.

Rate of return. For the year ended September 30, 2024, the annual money-weighted rate of return on Pension Plan investments, net of pension plan investment expense, was 19.10%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

**I. Employee Retirement Plans – Defined Benefit Plans (Continued)**

**Police Officers' Pension Plan (Continued)**

*Deferred Retirement Option Program (DROP).*

|                        |                                                                                                                                                                                    |
|------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <u>Eligibility:</u>    | Members who are eligible for Normal Retirement.                                                                                                                                    |
| <u>Participation:</u>  | Earlier of (a) 60 months in the DROP program, or (b) 31 years of employment with the City as a Police Officer.                                                                     |
| <u>Rate of Return:</u> | 6.5% per annum, compounded monthly and credited quarterly for those who entered DROP prior to February 19, 2013. 2.0% per annum for those who enter on or after February 19, 2013. |

The DROP balance on September 30, 2024 was \$0.

*Net pension liability (asset) of the sponsor.* The components of the net pension liability (asset) of the sponsor on September 30, 2024 were as follows:

|                                                                                   |                     |
|-----------------------------------------------------------------------------------|---------------------|
| Total pension liability                                                           | \$ 22,748,630       |
| Plan fiduciary net position                                                       | (22,958,176)        |
| <u>Sponsor's net pension liability (asset)</u>                                    | <u>\$ (209,546)</u> |
| Plan fiduciary net position as a percentage of<br>total pension liability (asset) | 100.92%             |

*Actuarial assumptions.* The total pension liability was determined by an actuarial valuation as of October 1, 2023 updated to September 30, 2024 using the following actuarial assumptions applied to the September 30, 2024 measurement period:

|                           |               |
|---------------------------|---------------|
| Inflation                 | 2.50%         |
| Salary increases          | Service based |
| Discount rate             | 6.45%         |
| Investment rate of return | 6.45%         |

Mortality assumptions were based on the PubS.H-2010 (Below Median) for employees set forward one year for both females and males with healthy active lives and PubS.H-2010 for healthy retirees, set forward one year, both males and females. For beneficiary lives, the mortality rates were based on PubG.H-2010 (Below Median) for healthy retirees for females and PubG.H-2010 for healthy retirees, set back one year for males. For disabled members, the mortality rates were based on 80% PubG.H-2010 for disabled retirees / 20% PubS.H-2010 for disabled retirees. All rates are projected generationally with Mortality Improvement Scale MP-2018.

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

**I. Employee Retirement Plans – Defined Benefit Plans (Continued)**

**Police Officers' Pension Plan (Continued)**

Plan changes. For the measurement period ended September 30, 2024, and since the prior valuation, there were no changes in plan provisions.

Actuarial assumption changes. For the measurement date ended September 30, 2024 as mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality reflect the rates used in the Milliman's July 1, 2021 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics. Additionally, the investment return assumption decreased from 6.65% to 6.45%, net of investment related expenses.

Discount rate. The discount rate used to measure the total pension liability was 6.45%.

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, the pension 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 total pension liability.

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 pension plan's target asset allocation as of September 30, 2024 are summarized in the following table:

| <b>Asset Class:</b>                    | <b>Long Term<br/>Expected Real<br/>Rate of Return</b> |
|----------------------------------------|-------------------------------------------------------|
| Domestic equity                        | 7.50%                                                 |
| Broad market fixed income              | 2.50%                                                 |
| International equity                   | 8.50%                                                 |
| Real estate                            | 4.50%                                                 |
| Global fixed income                    | 3.50%                                                 |
| Global tactical asset allocation funds | 3.50%                                                 |

**City of West Melbourne, Florida**  
**Notes to Financial Statements**

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

**I. Employee Retirement Plans – Defined Benefit Plans (Continued)**

**Police Officers' Pension Plan (Continued)**

*Sensitivity of the net pension liability (asset) to changes in the discount rate.* The following presents the net pension liability (asset) of the City, calculated using the discount rate, as well as what the City's net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

|                                         | 1% Decrease  | Current                  | 1% Increase    |
|-----------------------------------------|--------------|--------------------------|----------------|
|                                         | (5.45%)      | Discount Rate<br>(6.45%) | (7.45%)        |
| Sponsor's net pension liability (asset) | \$ 3,057,227 | \$ (209,546)             | \$ (2,872,738) |

*Net pension liability and changes in the net pension liability.* The net pension liability for the Plan was measured as of September 30, 2024 and the total pension liability used to calculate the net pension liability was also determined as of that date.

|                                                                  | Increase (Decrease)               |                                       |                                               |
|------------------------------------------------------------------|-----------------------------------|---------------------------------------|-----------------------------------------------|
|                                                                  | Total Pension<br>Liability<br>(a) | Plan Fiduciary<br>Net Position<br>(b) | Net Pension<br>Liability (Asset)<br>(a) - (b) |
| Reporting period ending September 30, 2023                       | \$ 21,362,272                     | \$ 19,273,866                         | \$ 2,088,406                                  |
| Changes for the year:                                            |                                   |                                       |                                               |
| Service cost                                                     | 618,308                           | -                                     | 618,308                                       |
| Interest                                                         | 1,388,220                         | -                                     | 1,388,220                                     |
| Share plan allocation                                            | 17,793                            | -                                     | 17,793                                        |
| Differences between expected and<br>actual experience            | 277,631                           | -                                     | 277,631                                       |
| Changes of assumptions                                           | -                                 | -                                     | -                                             |
| Changes of benefit terms                                         | -                                 | -                                     | -                                             |
| Contributions - employer                                         | -                                 | 409,956                               | (409,956)                                     |
| Contributions - state                                            | -                                 | 308,707                               | (308,707)                                     |
| Contributions - employee                                         | -                                 | 245,748                               | (245,748)                                     |
| Net investment income                                            | -                                 | 3,696,546                             | (3,696,546)                                   |
| Benefit payments, including refunds of<br>employee contributions | (915,594)                         | (915,594)                             | -                                             |
| Administrative expense                                           | -                                 | (61,053)                              | 61,053                                        |
| Net changes                                                      | 1,386,358                         | 3,684,310                             | (2,297,952)                                   |
| Reporting period ending September 30, 2024                       | \$ 22,748,630                     | \$ 22,958,176                         | \$ (209,546)                                  |

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

**I. Employee Retirement Plans – Defined Benefit Plans (Continued)**

**Police Officers' Pension Plan (Continued)**

*Pension expense and deferred outflows and deferred inflows of resources related to pensions.* For the year ended September 30, 2024, the City recognized pension expense of \$471,324 for the Police Officers' Pension Plan. At September 30, 2024, the City reported deferred outflows and deferred inflows of resources from the following sources:

|                                                                                   | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|-----------------------------------------------------------------------------------|--------------------------------------|-------------------------------------|
| Differences between expected and actual experience                                | \$ 308,918                           | \$ 325,151                          |
| Changes of assumptions                                                            | 450,334                              | -                                   |
| Net differences between projected and actual earnings on pension plan investments | -                                    | 945,995                             |
| <b>Total</b>                                                                      | <b>\$ 759,252</b>                    | <b>\$ 1,271,146</b>                 |

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

|                                  |                     |
|----------------------------------|---------------------|
| <i>Year ending September 30:</i> |                     |
| 2025                             | \$ 43,272           |
| 2026                             | 415,070             |
| 2027                             | (483,444)           |
| 2028                             | (486,792)           |
| Thereafter                       | -                   |
| <b>Total</b>                     | <b>\$ (511,894)</b> |

The Plans' fiduciary net position has been determined on the same basis used by the pension plans and is equal to the fair value of assets calculated under the accrual basis of accounting.

Required Supplementary Information (RSI) following the notes to financial statements provides multi-year trend data to help determine whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

*Fiduciary fund financial statements.* The City does not issue separate financial statements for the Police Officers' Pension Trust Fund. The basic financial statements of the City include a statement of fiduciary net position and a statement of changes in fiduciary net position for the pension trust fund.

*Payable to the pension plan.* As of September 30, 2024, the City had a payable to the police pension plan of \$19,928.

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

**J. Pension Expense Summary**

The total of the City's pension expense for the fiscal year ended September 30, 2024 is as follows:

| Plan Description               | Pension<br>Expense  |
|--------------------------------|---------------------|
| Defined contribution plan:     |                     |
| General Employees' plan - ICMA | \$ 9,544            |
| Defined benefit plans:         |                     |
| Florida Retirement System/HIS  | 738,634             |
| Police Officers' Pension Plan  | 471,324             |
| <b>Total pension expense</b>   | <b>\$ 1,219,502</b> |

Pension liabilities are liquidated by the respective funds that are obligated for the related costs. For governmental activities, pension liabilities are generally liquidated by the general fund.

**K. Post-Employment Benefits Other than Pensions (OPEB)**

The City follows Section P52: *Postemployment Benefits Other Than Pensions – Reporting for Benefits Not Provided through Trusts That Meet Specified Criteria* of the GASB Codification for certain post-employment health care benefits provided by the City.

**Plan description.** The OPEB plan is a single-employer benefit plan administered by the City. Medical insurance benefits are provided to employees and their eligible dependents through an employee group medical insurance plan. In accordance with Section 112.0801 of the Florida Statutes, because the City provides a medical plan to active employees and their eligible dependents, the City is also required to provide retirees with the opportunity to participate in this insurance. Benefit provisions for the insurance are established and may be amended by the City Council. The retirees pay the full group premium amount for health insurance with no explicit subsidy from the City.

**Funding policy.** Contribution rates for the insurance are established on an annual basis. Eligible retirees and their covered dependents receiving benefits contribute 100% of their premium costs for medical insurance. While the City does not directly contribute toward the costs of retiree premiums via an explicit subsidy, the ability of retirees to obtain health insurance coverage at a group rate which includes active employees constitutes a significant economic benefit to retirees, or an OPEB obligation of the City. The City is currently funding this OPEB obligation (estimated implied subsidy) on a pay-as-you-go basis, contributing only those amounts necessary to provide for its portion of current year benefit costs and expenses. OPEB liabilities are liquidated by the respective funds that are obligated for the related costs. For governmental activities, OPEB liabilities are generally liquidated by the general fund. The current year contribution represents an estimate of this implied subsidy.

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

**K. Post-Employment Benefits Other than Pensions (OPEB) (Continued)**

As of September 30, 2024, no trust has been established for the other post-employment benefits.

Plan membership. At September 30, 2023, OPEB membership consisted of the following:

|                                                             | Number of<br>covered individuals |
|-------------------------------------------------------------|----------------------------------|
| Inactive members currently receiving benefits               | 2                                |
| Inactive members entitled to but not yet receiving benefits | -                                |
| Active members                                              | 112                              |
| <b>Total</b>                                                | <b>114</b>                       |

Actuarial assumptions and other inputs. The total OPEB liability in the September 30, 2024 actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

|                              |                                        |
|------------------------------|----------------------------------------|
| Salary Increases             | 3.00% projected annual salary increase |
| Discount rate                | 3.88% investment rate of return        |
| Health care cost trend rates | 9.48% using Getzen Long-Term Model     |

Projections of benefits for financial reporting purposes are based on the substantive Plan (the Plan as understood by the employer and the Plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and Plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The actuarial assumptions included an annual healthcare cost trend rate of 6.00% initially for 2022, 5.75% for 2023, and then gradually decreasing to an ultimate trend rate of 4.00% after five years. The actuarial methods and assumptions used are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The September 30, 2023 actuarial valuation included changes in assumptions for the discount rate (decrease from 4.63% in the prior valuation to 3.88%), health care cost trend rates (increased from 5.75% in the prior valuation to 9.48%) and the mortality improvement scale (updated from Scale MP-2010 in the prior valuation to Scale MP-2018). The methods, assumptions, and participant data used are detailed in the actuarial valuation report dated September 30, 2024. These calculations are based on the Entry Age Normal Cost Method required by GASBC P52.

At September 30, 2024, the City reported a total OPEB liability of \$481,950. The other post-employment benefit information has been provided as of the September 30, 2024 measurement date.

**City of West Melbourne, Florida**  
**Notes to Financial Statements**

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

**K. Post-Employment Benefits Other than Pensions (OPEB) (Continued)**

|                                       | <u>Increase (Decrease)</u> |
|---------------------------------------|----------------------------|
|                                       | Total OPEB                 |
| <u>Change in total OPEB liability</u> | <u>Liability</u>           |
| Balance, September 30, 2023           | \$ 486,114                 |
| Changes for the year:                 |                            |
| Service cost                          | 37,187                     |
| Expected interest growth              | 23,990                     |
| Demographic experience                | (109,601)                  |
| Benefit payments and refunds          | 54,591                     |
| Assumption changes                    | (10,331)                   |
| Net changes                           | (4,164)                    |
| Balance, September 30, 2024           | \$ 481,950                 |

*Sensitivity of the OPEB Liability.* The following represents the City's total OPEB liability as if it were calculated using a discount rate that is one percentage point lower or higher than the current discount rate:

|                      | 1% Decrease<br>(2.88%) | Discount Rate<br>(3.88%) | 1% Increase<br>(4.88%) |
|----------------------|------------------------|--------------------------|------------------------|
| Total OPEB Liability | \$ 545,535             | \$ 481,950               | \$ 427,094             |

The following presents the City's total OPEB liability as if it were calculated using a healthcare trend rate that is one percentage-point lower or higher than the current trend rate:

|                      | 1% Decrease<br>(8.48%) | Healthcare Cost<br>Trend Rate<br>(9.48%) | 1% Increase<br>(10.48%) |
|----------------------|------------------------|------------------------------------------|-------------------------|
| Total OPEB Liability | \$ 408,435             | \$ 481,950                               | \$ 571,616              |

**City of West Melbourne, Florida**  
**Notes to Financial Statements**

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

**K. Post-Employment Benefits Other than Pensions (OPEB) (Continued)**

*OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB.*

For the fiscal year ended September 30, 2024, the City recognized an OPEB expense of \$16,391. At September 30, 2024, the City reported outflows and inflows of resources by source to be recognized in current OPEB expense as follows:

|                                                    | Outflows<br>of Resources | Inflows<br>of Resources |
|----------------------------------------------------|--------------------------|-------------------------|
| Differences between expected and actual experience | \$ 1,842                 | \$ 35,230               |
| Assumption changes                                 | 85,006                   | 96,404                  |
| <b>Total</b>                                       | <b>\$ 86,848</b>         | <b>\$ 131,634</b>       |

At September 30, 2024, the City reported deferred outflows and deferred inflows of resources by source to be recognized in future OPEB expense as follows:

|                                                    | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
|----------------------------------------------------|-----------------------------------|----------------------------------|
| Differences between expected and actual experience | \$ 10,630                         | \$ 314,616                       |
| Assumption changes                                 | 647,639                           | 656,885                          |
| <b>Total</b>                                       | <b>\$ 658,269</b>                 | <b>\$ 971,501</b>                |

Amounts reported as deferred outflows of resources and deferred inflows of resources by year to be recognized in future OPEB expenses:

| <u><i>Year ending September 30,</i></u> | Net Deferred Inflows<br>of Resources |
|-----------------------------------------|--------------------------------------|
| 2025                                    | \$ (44,786)                          |
| 2026                                    | (44,786)                             |
| 2027                                    | (44,786)                             |
| 2028                                    | (44,786)                             |
| 2029                                    | (44,786)                             |
| Thereafter                              | (89,302)                             |
| <b>Total</b>                            | <b>\$ (313,232)</b>                  |

**Note 3: OTHER INFORMATION**

**A. 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; worker's compensation and natural disasters.

In fiscal year 2023-2024, the City was a member of the Florida Municipal Insurance Trust (the "Trust"). The Trust is a self-insurance program established to provide worker's compensation, property, and casualty coverage to participating units of local government in Florida pursuant to various provisions of Florida Statutes. The Trust's underwriting and vote-setting policies are established after consultation with an independent actuary. The Trust is non-assessable and therefore, the City has no liability for future deficits of the Trust, if any. Only workers compensation is subject to audit, thus avoiding additional premium charges beyond policy expirations.

There have been no significant reductions in insurance coverage during the fiscal year 2024. Also, there have been no settlements that exceeded insurance coverage for each of the past three fiscal years.

**B. Concentration – Water Supply**

The City purchases all of its residents' water needs from the City of Melbourne, Florida under an agreement dated May 16, 2013, which is currently scheduled to expire December 31, 2026. During the year, approximately \$5.4 million (802,609,000 gallons) of water was purchased and management believes it will be able to continue purchasing water from the City of Melbourne, Florida, sufficient to meet all of its residents' water needs, for the foreseeable future.

**C. Litigation**

Various other suits in the ordinary course of operations are pending against the City. While the ultimate effect of such litigation cannot be ascertained at this time, in the opinion of counsel for the City, the liabilities that may arise from such actions would not result in losses that would exceed the liability insurance limits in effect at the time the claim arose or otherwise materially affect the financial position of the City or results of operations.

**D. Commitments and Contingencies**

On February 15, 2011, the City entered into a contract for the management, operation and maintenance of the wastewater treatment, collection and disposal facility. On July 7, 2020, the City Council approved a five-year extension of the contract. The term of the contract extension ends on April 30, 2026. The base fee for the first year was \$1,214,768 and is subject to annual adjustment. For fiscal year 2024, the City paid \$1,944,037 under this contract.

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally federal and state government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any,

**Note 3: OTHER INFORMATION (Continued)**

**D. Commitments and Contingencies (Continued)**

of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

The City has active construction projects as of September 30, 2024. At year-end, the City's commitments with contractors are as follows:

|                                                    |                     |
|----------------------------------------------------|---------------------|
| Sheridan Road - Septic to Sewer                    | \$ 7,570,530        |
| Melbourne Estates/Henry Ave Water Main Replacement | 220,527             |
| Melbourne Estates Drainage Improvement             | 349,418             |
| Design/Build-New Building for Bldg/Code            | 320,828             |
| <u>Total outstanding commitments</u>               | <u>\$ 8,461,303</u> |

The commitments are being financed by governmental and enterprise revenues and from awarded grants.

**E. Asset Retirement Obligations**

Asset retirement obligations generally apply to legal obligations associated with the retirement of a tangible long-lived asset that result from the acquisition, construction, or development and the normal operation of a long-lived asset. The City assesses asset retirement obligations on a periodic basis. If a reasonable estimate of fair value can be made, the fair value of a liability for an asset retirement obligation is recognized in the period in which it is incurred or a change in estimate occurs.

The City operates a wastewater treatment plant which is regulated by the Florida Department of Environmental Protection, and requires certain cleanup and remediation activities if use of the wastewater treatment plant is discontinued. The City Plans ongoing refurbishment to the plant as needed and has no plans to discontinue use of the plant. As such, the City is not able to readily estimate the fair value of the liability for discontinuing use of the plant and has not recorded an asset retirement obligation for this asset.

**G. Subsequent Events**

On October 1, 2024, City Council authorized the City Manager to execute a contract with Ring Power for the purchase of a generator for the water treatment plant being constructed in the amount of \$1,194,581.

On October 1, 2024, City Council voted to approve the purchase of a Police Department Armored Rescue Vehicle for a total purchase price of \$315,000.

**Note 3: OTHER INFORMATION (Continued)**

**G. Subsequent Events (Continued)**

On October 15, 2024, City Council authorized the City Manager to execute a contract with Asphalt Paving Systems, Inc, piggybacking off the City of Kissimmee contract for \$549,912 for the resurfacing of 12 City roads.

On October 16, 2024, the City executed a contract with the Florida Municipal Loan Council for Revenue Bond 2024D in the amount of \$54,055,000. The proceeds received from the revenue bond will be used toward the construction of the City's new water treatment plant.

On November 19, 2024, City Council approved the purchase of an electrical switch gear for the water treatment plant in an amount not to exceed \$976,385.

On December 17, 2024, City Council authorized the City Manager to execute a contract with Amcon Development Group, LLC not to exceed \$1,508,105 for the Westbrooke Flood Risk Reduction project.

On January 14, 2025, City Council awarded a construction contract to TLC Diversified for the construction of the City's new water treatment facility in an amount of \$52,484,250.

On February 4, 2025, City Council authorized the City Manager to execute a contract with Florida Design Drilling in the amount of \$4,238,325 for wellsite development related to the new water treatment plant project.

On February 18, 2025, City Council authorized the City Manager to execute a contract with Accurate Drilling Systems in the amount of \$7,915,184 for the construction of the raw water conveyance lines related to the water treatment plant construction project.

On March 4, 2025, City Council authorized the City Manager to execute a task order with Hazen Sawyer in the amount of \$1,160,494 for engineering services during the construction of the new water treatment plant project.



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

**City of West Melbourne, Florida**  
**Required Pension Supplementary Information**  
**Schedule of Proportionate Share of Net Pension Liability**  
**Last Ten Fiscal Years**

| <b><i>Florida Retirement System (FRS)</i></b>                                                              | <b>2024</b>         | 2023         | 2022         |
|------------------------------------------------------------------------------------------------------------|---------------------|--------------|--------------|
| Employer's proportion of the net pension liability (asset)                                                 | <b>0.0096%</b>      | 0.0103%      | 0.0100%      |
| Employer's proportionate share of the net pension liability (asset)                                        | <b>\$ 3,711,606</b> | \$ 4,090,235 | \$ 3,717,404 |
| Covered payroll <sup>(2)</sup>                                                                             | <b>\$ 5,031,155</b> | \$ 4,824,927 | \$ 4,303,672 |
| Employer's proportionate share of the net pension liability (asset) as a percentage of its covered payroll | <b>73.77%</b>       | 84.77%       | 86.38%       |
| Plan fiduciary net position as a percentage of the total pension liability                                 | <b>83.70%</b>       | 82.38%       | 82.89%       |
| <b><i>Health Insurance Subsidy Program (HIS)</i></b>                                                       | <b>2024</b>         | 2023         | 2022         |
| Employer's proportion of the net pension liability (asset)                                                 | <b>0.0119%</b>      | 0.0122%      | 0.0118%      |
| Employer's proportionate share of the net pension liability (asset)                                        | <b>\$ 1,781,350</b> | \$ 1,934,157 | \$ 1,250,214 |
| Covered payroll <sup>(2)</sup>                                                                             | <b>\$ 5,031,155</b> | \$ 4,824,927 | \$ 4,303,672 |
| Employer's proportionate share of the net pension liability (asset) as a percentage of its covered payroll | <b>35.41%</b>       | 40.09%       | 29.05%       |
| Plan fiduciary net position as a percentage of the total pension liability                                 | <b>4.80%</b>        | 4.12%        | 4.81%        |

**Notes to the schedule:**

- (1) The amounts presented for each fiscal year were determined as of the measurement date, which was June 30<sup>th</sup> of the current fiscal year.
- (2) GASB Statement No. 82, *Pension Issues - An Amendment of GASB Statements No. 67, No. 68 and No. 73*, was implemented during fiscal year 2017. Covered payroll shown includes the payroll for defined benefit plan actives, members in DROP and investment plan members.

| 2021         | 2020         | 2019         | 2018         | 2017         | 2016         | 2015         |
|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| 0.0092%      | 0.0088%      | 0.0085%      | 0.0080%      | 0.0077%      | 0.0076%      | 0.0076%      |
| \$ 695,083   | \$ 3,816,742 | \$ 2,931,379 | \$ 2,418,611 | \$ 2,276,922 | \$ 1,924,137 | \$ 981,132   |
| \$ 3,952,591 | \$ 3,891,666 | \$ 3,587,314 | \$ 3,221,038 | \$ 2,980,912 | \$ 2,866,110 | \$ 2,616,648 |
| 17.59%       | 98.07%       | 81.72%       | 75.09%       | 76.38%       | 67.13%       | 37.50%       |
| 96.40%       | 78.85%       | 82.61%       | 84.26%       | 83.89%       | 84.88%       | 92.00%       |
| 2021         | 2020         | 2020         | 2018         | 2018         | 2016         | 2015         |
| 0.0112%      | 0.0112%      | 0.0093%      | 0.0093%      | 0.0093%      | 0.0093%      | 0.0086%      |
| \$ 1,369,533 | \$ 1,369,034 | \$ 1,199,733 | \$ 1,043,790 | \$ 999,100   | \$ 1,082,043 | \$ 879,605   |
| \$ 3,952,591 | \$ 3,891,666 | \$ 3,587,314 | \$ 3,221,038 | \$ 2,980,912 | \$ 2,616,648 | \$ 2,616,648 |
| 34.65%       | 35.18%       | 33.44%       | 32.41%       | 33.52%       | 41.35%       | 33.62%       |
| 3.56%        | 3.00%        | 2.63%        | 2.15%        | 1.64%        | 0.97%        | 0.50%        |

**City of West Melbourne, Florida**  
**Required Pension Supplementary Information**  
**Schedule of Contributions – Florida Retirement System**  
**Last Ten Fiscal Years**

| <b><i>Florida Retirement System (FRS)</i></b>                        | <b>2024</b> |                  | <b>2023</b> |           | <b>2022</b>  |
|----------------------------------------------------------------------|-------------|------------------|-------------|-----------|--------------|
| Contractually required contribution                                  | \$          | <b>664,120</b>   | \$          | 521,206   | \$ 474,125   |
| Contributions in relation to the contractually required contribution |             | <b>664,120</b>   |             | 521,206   | 474,125      |
| Contribution deficiency (excess)                                     | \$          | -                | \$          | -         | \$ -         |
| Covered payroll <sup>(1)</sup>                                       | \$          | <b>5,118,648</b> | \$          | 4,690,995 | \$ 4,496,975 |
| Contributions as a percentage of covered payroll                     |             | <b>12.97%</b>    |             | 11.11%    | 10.54%       |
|                                                                      |             |                  |             |           |              |
| <b><i>Health Insurance Subsidy Program (HIS)</i></b>                 | <b>2024</b> |                  | <b>2023</b> |           | <b>2022</b>  |
| Contractually required contribution                                  | \$          | <b>102,533</b>   | \$          | 81,435    | \$ 74,529    |
| Contributions in relation to the contractually required contribution |             | <b>102,533</b>   |             | 81,435    | 74,529       |
| Contribution deficiency (excess)                                     | \$          | -                | \$          | -         | \$ -         |
| Covered payroll <sup>(1)</sup>                                       | \$          | <b>5,118,648</b> | \$          | 4,690,995 | \$ 4,496,975 |
| Contributions as a percentage of covered payroll                     |             | <b>2.00%</b>     |             | 1.74%     | 1.66%        |

**Notes to the schedule:**

- <sup>(1)</sup> Covered payroll includes defined benefit plan actives, investment plan members and members in DROP.

| 2021         | 2020         | 2019         | 2018         | 2017         | 2016         | 2015         |
|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| \$ 382,502   | \$ 309,974   | \$ 273,679   | \$ 236,670   | \$ 205,301   | \$ 199,039   | \$ 185,321   |
| 382,502      | 309,974      | 273,679      | 236,670      | 205,301      | 199,039      | 185,321      |
| \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         |
| \$ 3,946,312 | \$ 3,948,863 | \$ 3,704,208 | \$ 3,275,014 | \$ 3,048,186 | \$ 3,022,624 | \$ 2,654,154 |
| 9.69%        | 7.85%        | 7.39%        | 7.23%        | 6.74%        | 6.58%        | 6.98%        |

| 2021         | 2020         | 2019         | 2018         | 2017         | 2016         | 2015         |
|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| \$ 65,523    | \$ 65,563    | \$ 61,481    | \$ 54,377    | \$ 50,569    | \$ 50,187    | \$ 35,935    |
| 65,523       | 65,563       | 61,481       | 54,377       | 50,569       | 50,187       | 35,935       |
| \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         |
| \$ 3,946,312 | \$ 3,948,863 | \$ 3,704,208 | \$ 3,275,014 | \$ 3,048,186 | \$ 3,022,624 | \$ 2,654,154 |
| 1.66%        | 1.66%        | 1.66%        | 1.66%        | 1.66%        | 1.66%        | 1.35%        |

**City of West Melbourne, Florida**  
**Required Pension Supplementary Information**  
**Schedule of Changes in Net Pension Liability and Related Ratios**  
**Last Ten Fiscal Years**

| <b>Police Officers' Pension Plan</b>                                              |                      |                      |                      |
|-----------------------------------------------------------------------------------|----------------------|----------------------|----------------------|
| <i>For the year ended September 30,</i>                                           | <b>2024</b>          | <b>2023</b>          | <b>2022</b>          |
| <b>Total pension liability</b>                                                    |                      |                      |                      |
| Service cost                                                                      | \$ 618,308           | \$ 605,763           | \$ 675,050           |
| Interest                                                                          | 1,388,220            | 1,361,890            | 1,289,333            |
| Change in Excess State Money                                                      | -                    | -                    | -                    |
| Share plan allocation                                                             | 17,793               | 18,300               | 15,150               |
| Changes of benefit terms                                                          | -                    | -                    | -                    |
| Differences between expected and actual experience                                | 277,631              | (462,823)            | 152,695              |
| Changes of assumptions                                                            | -                    | 547,412              | -                    |
| Benefit payments, including refunds of employee contributions                     | (915,594)            | (1,164,115)          | (779,608)            |
| <b>Net change in total pension liability</b>                                      | <b>1,386,358</b>     | <b>906,427</b>       | <b>1,352,620</b>     |
| <b>Total pension liability - beginning</b>                                        | <b>21,362,272</b>    | <b>20,455,845</b>    | <b>19,103,225</b>    |
| <b>Total pension liability - ending (a)</b>                                       | <b>\$ 22,748,630</b> | <b>\$ 21,362,272</b> | <b>\$ 20,455,845</b> |
| <b>Plan fiduciary net position</b>                                                |                      |                      |                      |
| Contributions - employer                                                          | \$ 409,956           | \$ 374,213           | \$ 391,011           |
| Contributions - state                                                             | 308,707              | 252,691              | 212,265              |
| Contributions - employee                                                          | 245,748              | 229,886              | 232,219              |
| Net investment income                                                             | 3,696,546            | 1,575,557            | (2,775,811)          |
| Benefit payments, including refunds of employee contributions                     | (915,594)            | (1,164,115)          | (779,608)            |
| Administrative expense                                                            | (61,053)             | (57,272)             | (48,158)             |
| <b>Net change in plan fiduciary net position</b>                                  | <b>3,684,310</b>     | <b>1,210,960</b>     | <b>(2,768,082)</b>   |
| <b>Plan fiduciary net position - beginning</b>                                    | <b>19,273,866</b>    | <b>18,062,906</b>    | <b>20,830,988</b>    |
| <b>Plan fiduciary net position - ending (b)</b>                                   | <b>\$ 22,958,176</b> | <b>\$ 19,273,866</b> | <b>\$ 18,062,906</b> |
| <b>Net pension liability (asset) - ending (a) - (b)</b>                           | <b>\$ (209,546)</b>  | <b>\$ 2,088,406</b>  | <b>\$ 2,392,939</b>  |
| <b>Plan fiduciary net position as a percentage of the total pension liability</b> | <b>100.92%</b>       | <b>90.22%</b>        | <b>88.30%</b>        |
| <b>Covered payroll<sup>(1)</sup></b>                                              | <b>2,903,501</b>     | <b>2,715,557</b>     | <b>2,741,315</b>     |
| <b>Net pension liability as a percentage of covered payroll</b>                   | <b>-7.22%</b>        | <b>76.91%</b>        | <b>87.29%</b>        |

**Notes to the schedule:**

- <sup>(1)</sup> During fiscal year ending September 30, 2017, the City implemented GASB Statement No. 82, *Pension Issues - An Amendment of GASB Statements No. 67, No. 68 and No. 73*. The covered payroll amounts shown are in compliance with GASB Statement No. 82, except for the 9/30/2015, 9/30/2014 and 9/30/2013 measurement periods, which include DROP payroll.

| Police Officers' Pension Plan |               |               |               |               |               |               |
|-------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| 2021                          | 2020          | 2019          | 2018          | 2017          | 2016          | 2015          |
| \$ 681,707                    | \$ 618,389    | \$ 587,360    | \$ 545,010    | \$ 426,777    | \$ 431,817    | \$ 373,517    |
| 1,225,703                     | 1,155,063     | 1,105,163     | 985,384       | 917,986       | 881,847       | 852,748       |
| -                             | -             | -             | -             | (214,182)     | -             | -             |
| 18,150                        | 16,950        | 16,350        | 13,800        | 121,800       | -             | -             |
| -                             | -             | -             | -             | (5,606)       | -             | -             |
| (142,376)                     | 237,704       | (279,907)     | 748,684       | (129,422)     | 10,052        | (184,074)     |
| 356,654                       | 18,010        | -             | 364,891       | -             | (14,515)      | -             |
| (759,914)                     | (648,067)     | (835,995)     | (518,254)     | (493,963)     | (740,129)     | (652,537)     |
| 1,379,924                     | 1,398,049     | 592,971       | 2,139,515     | 623,390       | 569,072       | 389,654       |
| 17,723,301                    | 16,325,252    | 15,732,281    | 13,592,766    | 12,969,376    | 12,400,304    | 12,010,650    |
| \$ 19,103,225                 | \$ 17,723,301 | \$ 16,325,252 | \$ 15,732,281 | \$ 13,592,766 | \$ 12,969,376 | \$ 12,400,304 |
| \$ 423,945                    | \$ 434,572    | \$ 447,784    | \$ 559,041    | \$ 694,581    | \$ 573,560    | \$ 582,408    |
| 198,745                       | 184,880       | 169,767       | 157,737       | 141,328       | 138,223       | 119,977       |
| 243,748                       | 230,786       | 227,943       | 201,707       | 194,487       | 161,203       | 151,179       |
| 3,264,614                     | 1,653,669     | 497,586       | 1,199,335     | 1,463,500     | 1,078,301     | (67,763)      |
| (759,914)                     | (648,067)     | (835,995)     | (518,254)     | (493,963)     | (740,129)     | (652,537)     |
| (47,984)                      | (53,662)      | (56,825)      | (54,986)      | (46,693)      | (48,793)      | (46,398)      |
| 3,323,154                     | 1,802,178     | 450,260       | 1,544,580     | 1,953,240     | 1,162,365     | 86,866        |
| 17,507,834                    | 15,705,656    | 15,255,396    | 13,710,816    | 11,757,576    | 10,595,211    | 10,508,345    |
| \$ 20,830,988                 | \$ 17,507,834 | \$ 15,705,656 | \$ 15,255,396 | \$ 13,710,816 | \$ 11,757,576 | \$ 10,595,211 |
| \$ (1,727,763)                | \$ 619,596    | \$ 619,596    | \$ 476,885    | \$ (118,050)  | \$ 1,211,800  | \$ 1,805,093  |
| 109.04%                       | 98.78%        | 96.20%        | 96.97%        | 100.87%       | 90.66%        | 85.44%        |
| \$ 2,877,969                  | \$ 2,724,288  | \$ 2,689,396  | \$ 2,389,899  | \$ 2,304,347  | \$ 1,899,385  | \$ 1,938,150  |
| -60.03%                       | 23.04%        | 23.04%        | 19.95%        | -5.12%        | 63.80%        | 93.13%        |

**City of West Melbourne, Florida**  
**Required Pension Supplementary Information**  
**Schedule of Contributions**  
**Last Ten Fiscal Years**

| <b>Police Officers' Pension Plan</b>                                     |    |                  |              |              |
|--------------------------------------------------------------------------|----|------------------|--------------|--------------|
| <i>For the year ended September 30,</i>                                  |    | <b>2024</b>      | <b>2023</b>  | <b>2022</b>  |
| Actuarially determined contribution                                      | \$ | <b>580,410</b>   | \$ 523,559   | \$ 534,831   |
| Contributions in relation to the actuarially<br>determined contributions |    | <b>700,870</b>   | 608,604      | 588,126      |
| Contribution deficiency (surplus)                                        | \$ | <b>(120,460)</b> | \$ (85,045)  | \$ (53,295)  |
|                                                                          |    |                  |              |              |
| Covered payroll <sup>(1)</sup>                                           | \$ | <b>2,903,501</b> | \$ 2,715,557 | \$ 2,741,315 |
|                                                                          |    |                  |              |              |
| Contributions as a percentage of<br>covered payroll                      |    | <b>24.14%</b>    | 22.41%       | 21.45%       |

**Notes to the schedule:**

- <sup>(1)</sup> During fiscal year ending September 30, 2017, the City implemented GASB Statement No. 82, *Pension Issues - An Amendment of GASB Statements No. 67, No. 68 and No. 73*. The covered payroll amounts shown are in compliance with GASB Statement No. 82, except for the 9/30/2015, 9/30/2014 and 9/30/2013 measurement periods, which include DROP payroll.

**Police Officers' Pension Plan**

| 2021    |           | 2020    |           | 2019    |           | 2018    |           | 2017    |           | 2016    |           | 2015    |           |
|---------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|-----------|
| \$      | 581,638   | \$      | 546,765   | \$      | 505,875   | \$      | 494,231   | \$      | 539,217   | \$      | 502,767   | \$      | 532,371   |
| 604,540 |           | 602,502 |           | 614,358 |           | 708,974 |           | 824,509 |           | 725,050 |           | 702,385 |           |
| \$      | (22,902)  | \$      | (55,737)  | \$      | (108,483) | \$      | (214,743) | \$      | (285,292) | \$      | (222,283) | \$      | (170,014) |
| <hr/>   |           |         |           |         |           |         |           |         |           |         |           |         |           |
| \$      | 2,877,969 | \$      | 2,724,288 | \$      | 2,689,396 | \$      | 2,389,899 | \$      | 2,304,347 | \$      | 1,899,385 | \$      | 1,938,150 |
| <hr/>   |           |         |           |         |           |         |           |         |           |         |           |         |           |
| 21.01%  |           | 22.12%  |           | 22.84%  |           | 29.67%  |           | 35.78%  |           | 38.17%  |           | 36.24%  |           |

**City of West Melbourne, Florida**  
**Required Pension Supplementary Information**  
**Schedule of Investment Returns**  
**Last Ten Fiscal Years**

**Police Officers' Pension Plan**

| <i>For the year ended September 30,</i> | <b>2024</b>   | 2023  | 2022    | 2021   | 2020   | 2019  | 2018  | 2017   | 2016  | 2015   |
|-----------------------------------------|---------------|-------|---------|--------|--------|-------|-------|--------|-------|--------|
| Annual money-weighted rate of return    |               |       |         |        |        |       |       |        |       |        |
| net of investment expense               | <b>19.10%</b> | 8.80% | -13.30% | 18.68% | 10.51% | 3.17% | 8.75% | 12.36% | 9.80% | -0.65% |

**City of West Melbourne, Florida**  
**Required Pension Supplementary Information**  
**Police Officers' Pension Plan**  
**Notes to Schedule**

**Methods and assumptions used to determine contribution rates:**

|                                       |                                                                      |
|---------------------------------------|----------------------------------------------------------------------|
| <b>Actuarial Cost Method</b>          | Entry Age Normal Actuarial Cost Method.                              |
| <b>Amortization method:</b>           | Level dollar, closed.                                                |
| <b>Remaining amortization period:</b> | 20 years                                                             |
| <b>Asset Valuation Method</b>         | Five-year smoothed fair value; 20% corridor.                         |
| <b>Inflation:</b>                     | 2.50% per year.                                                      |
| <b>Investment Rate of Return</b>      | 6.45%                                                                |
| <b>Salary Increases</b>               | 6.00% to 10.00% per year, depending on service, including inflation. |

| Salary Scale   |             |
|----------------|-------------|
| <b>Service</b> | <b>Rate</b> |
| 0              | 10%         |
| 1-4            | 7%          |
| 5+             | 6%          |

These rates were developed in an August 9, 2018 experience study.

**Normal Retirement Rates:**

| <u>Number of Years after First<br/>Eligibility for Normal Retirement</u> | <u>Probability of Normal Retirement</u> |
|--------------------------------------------------------------------------|-----------------------------------------|
| 0                                                                        | 60%                                     |
| 1                                                                        | 40%                                     |
| 2                                                                        | 40%                                     |
| 3                                                                        | 40%                                     |
| 4                                                                        | 40%                                     |
| 5 or more                                                                | 100%                                    |

For those retiring with 25 or more years of service, members are assumed to retire at 25 years of service at a rate of 75% per year and 100% for all years thereafter. It was assumed that the probability of early retirement is 5% for every year of eligibility.

**City of West Melbourne, Florida**  
**Required Pension Supplementary Information**  
**Police Officers' Pension Plan**  
**Notes to Schedule**

|                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|---------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Retirement Age</b>     | Commencing upon eligibility for Early Retirement, Members are assumed to retire with an immediate benefit at the rate of 5.0% per year. These rates were confirmed in an August 9, 2018 experience study.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Termination rates:</b> | See table below.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Disability rates:</b>  | See table below.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Mortality rate:</b>    | <p><i>Healthy Active Lives:</i></p> <p><b>Female:</b> Pre-Retirement Pub-2010 Table, Scale MP-2018 - Headcount Weighted Safety Employee Female Table, set forward 1 year.</p> <p><b>Male:</b> Pre-Retirement Pub-2010 Table, Scale MP-2018 - Headcount Weighted Safety Below Median Male Table, set forward 1 year.</p> <p><i>Healthy Retiree Lives:</i></p> <p><b>Female:</b> Post-Retirement Pub-2010 Table, Scale MP-2018 - Headcount Weighted Safety Healthy Retiree Female Table, set forward 1 year.</p> <p><b>Male:</b> Post-Retirement Pub-2010 Table, Scale MP-2018 - Headcount Weighted Safety Below Median Healthy Retiree Male Table, set forward 1 year.</p> <p><i>Disabled Lives</i></p> <p><b>Female:</b> Post-Retirement Pub-2010 Table, Scale MP-2018 - 80% Headcount Weighted General Disabled Retiree Female Table; 20% Headcount Weighted Safety Disabled Retiree Female Table.</p> <p><b>Male:</b> Post-Retirement Pub-2010 Table, Scale MP-2018 - 80% Headcount Weighted General Disabled Retiree Male Table; 20% Headcount Weighted Safety Disabled Retiree Male Table.</p> <p><i>Beneficiary Lives</i></p> <p><b>Previous assumptions (Female):</b> PubG. (Below Median) for Healthy Retirees.</p> <p><b>Previous assumptions (Male):</b> PubG. (Below Median) for Healthy Retirees, set back one year.</p> |

**City of West Melbourne, Florida**  
**Required Pension Supplementary Information**  
**Police Officers' Pension Plan**  
**Notes to Schedule**

**Experience Studies**

The most recent experience study was completed August 9, 2018. Based on the results of this experience study, certain assumption/method changes were implemented effective in the October 1, 2018 valuation.

**Mortality**

The same versions of Pub-2010 Headcount-Weighted Mortality Tables as used by the Florida Retirement System (FRS) for Special Risk Class members in their July 1, 2022 actuarial valuation (with mortality improvements projected to all future years after 2010 using Scale MP-2018). Florida Statutes Chapter 112.63(1)(f) mandates the use of mortality tables from one of the two most recently published FRS actuarial valuation reports.

Terminating Rate Table

| Age | % Terminating During<br>the Year |
|-----|----------------------------------|
| 25  | 11.7%                            |
| 30  | 10.5%                            |
| 35  | 8.3%                             |
| 40  | 5.7%                             |
| 45  | 3.5%                             |
| 50  | 1.5%                             |
| 55  | 0.6%                             |

This rate assumption measures the probabilities of members separating from employment for reasons other than death, disability, or retirement (rates do not apply to members eligible to retire and do not include separation on account of death or disability).

Disability Rate Table

| Age | % Becoming Disabled<br>During the Year |
|-----|----------------------------------------|
| 25  | 0.15%                                  |
| 30  | 0.18%                                  |
| 35  | 0.23%                                  |
| 40  | 0.30%                                  |
| 45  | 0.51%                                  |
| 50  | 1.00%                                  |
| 55  | 1.55%                                  |

*It is assumed that 75% of disablements and active Member deaths are service connected.*

**City of West Melbourne, Florida**  
**Required Pension Supplementary Information**  
**Police Officers' Pension Plan**  
**Notes to Schedule**

**Changes of benefit terms:**

During the fiscal year ended September 30, 2017, Ordinance No. 2017-10 implemented the following changes:

\* Provided clarification that the pre-retirement death benefit shall be reduced by 3% per year for each year that commencement precedes the Normal Retirement Date, with a maximum reduction of 15%.

\* Provided details regarding the treatment of the existing Excess State Monies Reserve and how future annual State Monies will be allocated between the City and the Share Plan.

\* Provided that members hired on or after January 2, 2011 will be able to participate in the Deferred Retirement Option Plan (DROP).

**Changes of assumptions:**

As approved by the Board of Trustees at the April 24, 2024 meeting, effective in this valuation, the investment return assumption was lowered from 6.45% to 6.35%. The impact of this revision in actuarial assumptions was an increase in the required employer contribution by 1.37% of covered payroll.

**City of West Melbourne, Florida**  
**Required Other Postemployment Benefits Supplementary Information**  
**Schedule of Changes in OPEB Liability and Related Ratios**  
**Last Seven Fiscal Years**

| <i>September 30,</i>                                             | <b>2024</b>         | 2023         | 2022         | 2021         | 2020         | 2019         | 2018         |
|------------------------------------------------------------------|---------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Service cost                                                     | \$ <b>37,187</b>    | \$ 41,509    | \$ 148,936   | \$ 141,844   | \$ 59,383    | \$ 44,485    | \$ 29,429    |
| Expected interest growth                                         | <b>23,990</b>       | 21,325       | 32,930       | 22,320       | 13,853       | 11,494       | 10,007       |
| Demographic experience                                           | <b>(109,601)</b>    | -            | -            | (314,315)    | -            | 21,682       | -            |
| Benefit payments and refunds                                     | <b>54,591</b>       | (13,558)     | (12,975)     | (15,421)     | (14,792)     | (11,503)     | (5,255)      |
| Assumption changes                                               | <b>(10,331)</b>     | (13,097)     | (931,667)    | 593,928      | 130,609      | 246,863      | -            |
| Net change in total OPEB liability                               | <b>(4,164)</b>      | 36,179       | (762,776)    | 428,356      | 189,053      | 313,021      | 34,181       |
| Total OPEB liability - beginning                                 | <b>486,114</b>      | 449,935      | 1,212,711    | 784,355      | 595,302      | 282,281      | 248,100      |
| Total OPEB liability - ending                                    | <b>\$ 481,950</b>   | \$ 486,114   | \$ 449,935   | \$ 1,212,711 | \$ 784,355   | \$ 595,302   | \$ 282,281   |
|                                                                  |                     |              |              |              |              |              |              |
| Covered-employee payroll                                         | \$ <b>6,786,181</b> | \$ 7,580,760 | \$ 5,986,840 | \$ 5,914,595 | \$ 5,280,225 | \$ 5,280,225 | \$ 4,992,342 |
|                                                                  |                     |              |              |              |              |              |              |
| Total OPEB liability as a percentage of covered-employee payroll | 7.10%               | 6.41%        | 7.52%        | 20.50%       | 14.85%       | 11.27%       | 5.65%        |

**Notes to the schedule:**

<sup>(1)</sup> 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 which information is available.

<sup>(2)</sup> There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the pension/OPEB plan.

<sup>(3)</sup> The following discount rate was used in each period:

9/30/2018 - 3.64%  
9/30/2019 - 3.58%  
9/30/2020 - 2.14%  
9/30/2021 - 2.43%  
9/30/2022 - 4.40%  
9/30/2023 - 4.63%  
9/30/2024 - 3.88%

**City of West Melbourne, Florida**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - General Fund**

| <i>For the year ended September 30, 2024</i>                                                                                      | Original<br>Budget   | Final<br>Budget      | Actual<br>(Budgetary<br>Basis) | Variance with<br>Final Budget |
|-----------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|--------------------------------|-------------------------------|
| <b>Revenues</b>                                                                                                                   |                      |                      |                                |                               |
| Taxes                                                                                                                             | \$ 11,473,900        | \$ 11,473,900        | \$ 12,714,477                  | \$ 1,240,577                  |
| Licenses and permits                                                                                                              | 891,800              | 891,800              | 1,169,773                      | 277,973                       |
| Intergovernmental                                                                                                                 | 4,089,000            | 4,089,000            | 4,710,374                      | 621,374                       |
| Charges for services                                                                                                              | 309,600              | 309,600              | 904,986                        | 595,386                       |
| Fines and forfeitures                                                                                                             | 120,650              | 120,650              | 108,588                        | (12,062)                      |
| Contributions and donations                                                                                                       | 10,000               | 10,000               | 712,567                        | 702,567                       |
| Investment income                                                                                                                 | 450,000              | 450,000              | 1,103,597                      | 653,597                       |
| Miscellaneous                                                                                                                     | 62,000               | 62,000               | 202,725                        | 140,725                       |
| Total revenues                                                                                                                    | 17,406,950           | 17,406,950           | 21,627,087                     | 4,220,137                     |
| <b>Expenditures</b>                                                                                                               |                      |                      |                                |                               |
| General government:                                                                                                               |                      |                      |                                |                               |
| City Council and Clerk                                                                                                            | 438,750              | 438,750              | 390,349                        | 48,401                        |
| Executive and administration                                                                                                      | 712,050              | 712,050              | 811,192                        | (99,142)                      |
| Finance                                                                                                                           | 456,750              | 456,750              | 366,205                        | 90,545                        |
| Legal counsel                                                                                                                     | 364,700              | 364,700              | 346,961                        | 17,739                        |
| Information technology                                                                                                            | 705,000              | 705,000              | 648,015                        | 56,985                        |
| Other general services                                                                                                            | 1,939,350            | 1,914,350            | 646,993                        | 1,267,357                     |
| Total general government                                                                                                          | 4,616,600            | 4,591,600            | 3,209,715 *                    | 1,381,885                     |
| Public Safety:                                                                                                                    |                      |                      |                                |                               |
| Law enforcement                                                                                                                   | 7,489,460            | 7,710,601            | 7,419,921                      | 290,680                       |
| Protective inspections                                                                                                            | 3,048,900            | 3,048,900            | 968,761                        | 2,080,139                     |
| Total public safety                                                                                                               | 10,538,360           | 10,759,501           | 8,388,682 *                    | 2,370,819                     |
| Public works                                                                                                                      | 1,889,500            | 1,889,500            | 2,345,506 *                    | (456,006)                     |
| Recreation                                                                                                                        | 1,431,800            | 1,677,707            | 1,551,835 *                    | 125,872                       |
| Community development                                                                                                             | 555,250              | 555,250              | 494,876                        | 60,374                        |
| Debt service:                                                                                                                     |                      |                      |                                |                               |
| Principal                                                                                                                         | -                    | -                    | 23,694                         | (23,694)                      |
| Interest                                                                                                                          | -                    | -                    | 1,999                          | (1,999)                       |
| Total expenditures                                                                                                                | 19,031,510           | 19,473,558           | 16,016,307                     | 3,457,251                     |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b>                                                              | <b>(1,624,560)</b>   | <b>(2,066,608)</b>   | <b>5,610,780</b>               | <b>7,677,388</b>              |
| <b>Other financing sources (uses)</b>                                                                                             |                      |                      |                                |                               |
| Transfers out                                                                                                                     | (359,800)            | (359,800)            | (359,800)                      | -                             |
| Insurance proceeds                                                                                                                | 49,500               | 49,500               | 150,406                        | 100,906                       |
| Proceeds from sale of capital assets                                                                                              | 35,000               | 35,000               | 30,358                         | (4,642)                       |
| Net other financing sources (uses)                                                                                                | (275,300)            | (275,300)            | (179,036)                      | 96,264                        |
| <b>Excess (deficiency) of revenues and<br/>other financing sources over<br/>(under) expenditures and other<br/>financing uses</b> | <b>(1,899,860)</b>   | <b>(2,341,908)</b>   | <b>5,431,744</b>               | <b>7,773,652</b>              |
| <b>Fund balances, beginning of year</b>                                                                                           | <b>25,026,607</b>    | <b>25,026,607</b>    | <b>25,026,607</b>              | <b>-</b>                      |
| <b>Fund balances, end of year</b>                                                                                                 | <b>\$ 23,126,747</b> | <b>\$ 22,684,699</b> | <b>\$ 30,458,351</b>           | <b>\$ 7,773,652</b>           |

\* The City budgets for capital outlay at the departmental level.

**City of West Melbourne, Florida**

**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual – Community Redevelopment**

| <i>For the year ended September 30, 2024</i>    | Original<br>Budget | Final<br>Budget | Actual       | Variance with<br>Final Budget |
|-------------------------------------------------|--------------------|-----------------|--------------|-------------------------------|
| <b>Revenues</b>                                 |                    |                 |              |                               |
| Taxes                                           | \$ 328,100         | \$ 328,100      | \$ 328,086   | \$ (14)                       |
| Intergovernmental                               | 328,100            | 328,100         | 328,086      | (14)                          |
| Investment income                               | 8,000              | 8,000           | 58,992       | 50,992                        |
| Total revenues                                  | 664,200            | 664,200         | 715,164      | 50,964                        |
| <b>Expenditures</b>                             |                    |                 |              |                               |
| Current:                                        |                    |                 |              |                               |
| Economic environment                            | 6,550              | 6,550           | 4,295        | 2,255                         |
| Debt service:                                   |                    |                 |              |                               |
| Principal                                       | 100,000            | 100,000         | -            | 100,000                       |
| Total expenditures                              | 106,550            | 106,550         | 4,295        | 102,255                       |
| <b>Excess of revenues over<br/>expenditures</b> | 557,650            | 557,650         | 710,869      | 153,219                       |
| <b>Fund balances, beginning of year</b>         | 2,116,611          | 2,116,611       | 2,116,611    | -                             |
| <b>Fund balances, end of year</b>               | \$ 2,674,261       | \$ 2,674,261    | \$ 2,827,480 | \$ 153,219                    |

**City of West Melbourne, Florida**

**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual – American Rescue Plan Act (ARPA)**

| <i>For the year ended September 30, 2024</i>                                                                                      | Original<br>Budget | Final<br>Budget | Actual       | Variance with<br>Final Budget |
|-----------------------------------------------------------------------------------------------------------------------------------|--------------------|-----------------|--------------|-------------------------------|
| <b>Revenues</b>                                                                                                                   |                    |                 |              |                               |
| Intergovernmental                                                                                                                 | \$ -               | \$ -            | \$ 5,051,869 | \$ 5,051,869                  |
| Investment income                                                                                                                 | 80,000             | 80,000          | 598,596      | 518,596                       |
| Total revenues                                                                                                                    | 80,000             | 80,000          | 5,650,465    | 5,570,465                     |
| <b>Expenditures</b>                                                                                                               |                    |                 |              |                               |
| Capital outlay                                                                                                                    | 630,500            | 630,500         | -            | 630,500                       |
| Total expenditures                                                                                                                | 630,500            | 630,500         | -            | 630,500                       |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b>                                                              | (550,500)          | (550,500)       | 5,650,465    | 6,200,965                     |
| <b>Other financing sources (uses)</b>                                                                                             |                    |                 |              |                               |
| Transfers out                                                                                                                     | (3,340,000)        | (3,340,000)     | (5,051,869)  | (1,711,869)                   |
| Net other financing sources (uses)                                                                                                | (3,340,000)        | (3,340,000)     | (5,051,869)  | (1,711,869)                   |
| <b>Excess (deficiency) of revenues and<br/>other financing sources over<br/>(under) expenditures and other<br/>financing uses</b> | (3,890,500)        | (3,890,500)     | 598,596      | 4,489,096                     |
| Fund balances, beginning of year                                                                                                  | 94,481             | 94,481          | 94,481       | -                             |
| Fund balances, end of year                                                                                                        | \$ (3,796,019)     | \$ (3,796,019)  | \$ 693,077   | \$ 4,489,096                  |

**City of West Melbourne, Florida**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual – Stormwater**

| <i>For the year ended September 30, 2024</i>                         | Original<br>Budget | Final<br>Budget | Actual       | Variance with<br>Final Budget |
|----------------------------------------------------------------------|--------------------|-----------------|--------------|-------------------------------|
| <b>Revenues</b>                                                      |                    |                 |              |                               |
| Taxes                                                                | \$ 634,000         | \$ 634,000      | \$ 658,949   | \$ 24,949                     |
| Intergovernmental                                                    | 2,226,000          | 2,226,000       | 2,723,321    | 497,321                       |
| Investment income                                                    | 12,150             | 12,150          | 17,417       | 5,267                         |
| Total revenues                                                       | 2,872,150          | 2,872,150       | 3,399,687    | 527,537                       |
| <b>Expenditures</b>                                                  |                    |                 |              |                               |
| Current:                                                             |                    |                 |              |                               |
| Public works                                                         | 303,450            | 303,450         | 177,546      | 125,904                       |
| Capital outlay                                                       | 2,469,800          | 2,469,800       | 1,996,984    | 472,816                       |
| Debt service:                                                        |                    |                 |              |                               |
| Principal                                                            | 96,950             | 96,950          | -            |                               |
| Interest                                                             | 1,950              | 1,950           | 1,917        | 33                            |
| Total expenditures                                                   | 2,872,150          | 2,872,150       | 2,176,447    | 598,753                       |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | -                  | -               | 1,223,240    | 1,223,240                     |
| <b>Fund balance, beginning of year</b>                               | 350,692            | 350,692         | 350,692      | -                             |
| <b>Fund balance, end of year</b>                                     | \$ 350,692         | \$ 350,692      | \$ 1,573,932 | \$ 1,223,240                  |

## City of West Melbourne, Florida

### Budgetary Notes to Required Supplementary Information

#### A. Budgetary information

An annual budget is prepared for all funds of the City except for the Pension Trust Fund, which is effectively controlled through governing agreements and related City ordinances. The annual operating budgets are prepared on a basis consistent with generally accepted accounting principles except for the Enterprise Fund, uses a modified basis that includes debt proceeds, capital contributions, capital outlay and debt service principal.

Budgets are adopted by the City Council pursuant to City Charter using the following procedures:

- Budget preparation begins with the formulation of a budget calendar by the City Manager, which is distributed generally during April of each year.
- Workshops with the City Council are then held regarding budget priorities.
- Budget instructions containing City Council priorities are then distributed to department heads along with forms and worksheets.
- Each department of the City submits an initial expenditure budget proposal to the Finance Director during May of each year. The Finance Director prepares a proposed budget showing each fund, organization unit (department), program activity, purpose or object of expenditure for the past three years, the current years actual to date and budget, and the next year's proposed budget.
- The City Manager reviews the departmental request, and then meets with department heads, where proposed departmental budgets are amended.
- The City Manager and Finance Director prepare their final revenue estimates, which contain comparative and estimated data for each fund and revenue source, during June.
- The proposed budget is presented to the City Council during July each year. At this time, the City Clerk advertises the public hearing on the proposed budget.
- The City Council holds a series of budget workshops and public hearings on the proposed budget, and adopts the official annual budget of the City during September of each year.
- When the budget is formally approved, budget documents are distributed to departments for budget implementation on October 1. During the fiscal year, the Finance Director monitors and reviews budgetary activities and prepares projections to be used to determine year-end cash balance and to prepare for the upcoming fiscal year budget.

Budgetary integration is established in the accounting records for management control purposes at the object of expenditure level; however, the City Charter establishes the level at which expenditures may not legally exceed the total City-wide appropriations. Therefore, the City Manager may, at any time, transfer appropriation amounts between line items, expenditure classifications, departments and funds without formal approval by City Council. However, any revisions that increase the total appropriations at the fund level of the City must be approved through amendment by the City Council. The Council approved several budgetary amendments during the year.

**City of West Melbourne, Florida**  
**Budgetary Notes to Required Supplementary Information**

**B. Encumbrances**

Open purchase orders and other commitments are recognized as expenditures in the period in which the actual goods or services are received and a liability is incurred. Encumbrances (e.g., purchase order, contracts) outstanding at year end for unfulfilled obligations are cancelled and reappropriated in the succeeding year's budget. Accordingly, there were no encumbrances outstanding at year end.



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# CITY OF WEST MELBOURNE, FLORIDA

## Nonmajor Governmental Funds

### Special Revenue Funds

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Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

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**Recreation** – The Recreation Special Revenue Fund was established to ensure that impact-generating development bear a proportionate share of the cost of improvements to the City’s recreation system.

The recreation fee paid to the City is based upon the appraised value of the land, prior to development (per acre value), multiplied by the required recreation acreage on site, less any approved recreational improvements (dollar value of acreage value).

### Capital Projects Funds

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Capital project funds are used to account for the acquisition of capital assets or the construction of major capital projects.

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**Vehicle Replacement** – The Vehicle Replacement Fund is used to account for vehicle replacement resources which are derived from periodic charges to operations to ensure timely replacement of vehicles.

**Capital Projects** – The Capital Projects Fund accounts for the acquisition and construction of the City’s major capital facilities, other than those financed by proprietary funds.

**City of West Melbourne, Florida**  
**Combining Balance Sheet – Nonmajor Governmental Funds**

|                                     | <u>Special Revenue</u> | <u>Capital Projects</u> |                     | Total                             |
|-------------------------------------|------------------------|-------------------------|---------------------|-----------------------------------|
|                                     |                        | Recreation              | Capital<br>Projects | Vehicle<br>Replacement            |
| <i>September 30, 2024</i>           |                        |                         |                     | Nonmajor<br>Governmental<br>Funds |
| <b>ASSETS</b>                       |                        |                         |                     |                                   |
| Cash and cash equivalents           | \$                     | 982,795                 | \$ 70,789           | \$ 1,756,200                      |
| Investments                         |                        | 1,063,701               | 3,807,703           | 1,114,300                         |
| Total assets                        | \$                     | 2,046,496               | \$ 3,878,492        | \$ 2,870,500                      |
| <b>LIABILITIES</b>                  |                        |                         |                     |                                   |
| Accounts payable                    | \$                     | -                       | \$ (1,771)          | \$ -                              |
| Contracts payable                   |                        | 25,400                  | -                   | -                                 |
| Total liabilities                   |                        | 25,400                  | (1,771)             | -                                 |
| <b>FUND BALANCES</b>                |                        |                         |                     |                                   |
| Restricted                          |                        | -                       | 3,880,263           | -                                 |
| Committed                           |                        | 2,021,096               | -                   | 2,870,500                         |
| Unassigned                          |                        | -                       | -                   | -                                 |
| Total fund balances                 |                        | 2,021,096               | 3,880,263           | 2,870,500                         |
| Total liabilities and fund balances | \$                     | 2,046,496               | \$ 3,878,492        | \$ 2,870,500                      |

**City of West Melbourne, Florida**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**

|                                                                      | <u>Special Revenue</u> | <u>Capital Projects</u> |                        | Total<br>Nonmajor<br>Governmental<br>Funds |
|----------------------------------------------------------------------|------------------------|-------------------------|------------------------|--------------------------------------------|
| <i>For the year ended September 30, 2024</i>                         | Recreation             | Capital<br>Projects     | Vehicle<br>Replacement |                                            |
| <b>REVENUES</b>                                                      |                        |                         |                        |                                            |
| Charges for services                                                 | \$ 273,488             | \$ -                    | \$ -                   | \$ 273,488                                 |
| Investment income                                                    | 56,233                 | 200,153                 | 58,992                 | 315,378                                    |
| Total revenues                                                       | 329,721                | 200,153                 | 58,992                 | 588,866                                    |
| <b>EXPENDITURES</b>                                                  |                        |                         |                        |                                            |
| Capital outlay                                                       | 161,435                | 37,615                  | -                      | 199,050                                    |
| Total expenditures                                                   | 161,435                | 37,615                  | -                      | 199,050                                    |
| <b>Excess (deficiency) of revenues over<br/>(under) expenditures</b> | 168,286                | 162,538                 | 58,992                 | 389,816                                    |
| <b>Other financing sources</b>                                       |                        |                         |                        |                                            |
| Transfers in                                                         | -                      | -                       | 397,000                | 397,000                                    |
| <b>Net change in fund balances</b>                                   | 168,286                | 162,538                 | 455,992                | 786,816                                    |
| <b>Fund balances, beginning of year</b>                              | 1,852,810              | 3,717,725               | 2,414,508              | 7,985,043                                  |
| <b>Fund balances, end of year</b>                                    | \$ 2,021,096           | \$ 3,880,263            | \$ 2,870,500           | \$ 8,771,859                               |

**City of West Melbourne, Florida**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual – Recreation Fund**

| <i>For the year ended September 30, 2024</i>                         | Original<br>Budget | Final<br>Budget | Actual       | Variance with<br>Final Budget |
|----------------------------------------------------------------------|--------------------|-----------------|--------------|-------------------------------|
| <b>Revenues</b>                                                      |                    |                 |              |                               |
| Charges for services                                                 | \$ 300,000         | \$ 300,000      | \$ 273,488   | \$ (26,512)                   |
| Investment income                                                    | 10,000             | 10,000          | 56,233       | 46,233                        |
| Total revenues                                                       | 310,000            | 310,000         | 329,721      | 19,721                        |
| <b>Expenditures</b>                                                  |                    |                 |              |                               |
| Current:                                                             |                    |                 |              |                               |
| Capital outlay                                                       | 325,000            | 325,000         | 161,435      | 163,565                       |
| Total expenditures                                                   | 325,000            | 325,000         | 161,435      | 163,565                       |
| <b>Excess (deficiency) of revenues over<br/>(under) expenditures</b> | (15,000)           | (15,000)        | 168,286      | 183,286                       |
| <b>Fund balances, beginning of year</b>                              | 1,852,810          | 1,852,810       | 1,852,810    | -                             |
| <b>Fund balances, end of year</b>                                    | \$ 1,837,810       | \$ 1,837,810    | \$ 2,021,096 | \$ 183,286                    |

**City of West Melbourne, Florida**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual – Capital Projects Fund**

| <i>For the year ended September 30, 2024</i>                 | Original<br>Budget | Final<br>Budget | Actual       | Variance with<br>Final Budget |
|--------------------------------------------------------------|--------------------|-----------------|--------------|-------------------------------|
| <b>Revenues</b>                                              |                    |                 |              |                               |
| Investment income                                            | \$ 40,000          | \$ 40,000       | \$ 200,153   | \$ 160,153                    |
| Total revenues                                               | 40,000             | 40,000          | 200,153      | 160,153                       |
| <b>Expenditures</b>                                          |                    |                 |              |                               |
| Current:                                                     |                    |                 |              |                               |
| Capital outlay                                               | 830,000            | 830,000         | 37,615       | 792,385                       |
| Total expenditures                                           | 830,000            | 830,000         | 37,615       | 792,385                       |
| Excess (deficiency) of revenues<br>over (under) expenditures | (790,000)          | (790,000)       | 162,538      | 952,538                       |
| Fund balances, beginning of year                             | 3,717,725          | 3,717,725       | 3,717,725    | -                             |
| Fund balances, end of year                                   | \$ 2,927,725       | \$ 2,927,725    | \$ 3,880,263 | \$ 952,538                    |

**City of West Melbourne, Florida**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual – Vehicle Replacement Fund**

| <i>For the year ended September 30, 2024</i>                         | Original<br>Budget  | Final<br>Budget     | Actual              | Variance with<br>Final Budget |
|----------------------------------------------------------------------|---------------------|---------------------|---------------------|-------------------------------|
| <b>Revenues</b>                                                      |                     |                     |                     |                               |
| Investment income                                                    | \$ -                | \$ -                | \$ 58,992           | \$ 58,992                     |
| Total revenues                                                       | -                   | -                   | 58,992              | 58,992                        |
| <b>Expenditures</b>                                                  |                     |                     |                     |                               |
| Current:                                                             |                     |                     |                     |                               |
| Capital outlay                                                       | 409,000             | 409,000             | -                   | 409,000                       |
| Total expenditures                                                   | 409,000             | 409,000             | -                   | 409,000                       |
| <b>Excess (deficiency) of revenues over<br/>(under) expenditures</b> | <b>(409,000)</b>    | <b>(409,000)</b>    | <b>58,992</b>       | <b>467,992</b>                |
| <b>Other financing sources</b>                                       |                     |                     |                     |                               |
| Transfers in                                                         | 397,000             | 397,000             | 397,000             | -                             |
| <b>Net change in fund balance</b>                                    | <b>(12,000)</b>     | <b>(12,000)</b>     | <b>455,992</b>      | <b>467,992</b>                |
| <b>Fund balances, beginning of year</b>                              | <b>2,414,508</b>    | <b>2,414,508</b>    | <b>2,414,508</b>    | <b>-</b>                      |
| <b>Fund balances, end of year</b>                                    | <b>\$ 2,402,508</b> | <b>\$ 2,402,508</b> | <b>\$ 2,870,500</b> | <b>\$ 467,992</b>             |

## **STATISTICAL SECTION**



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## STATISTICAL SECTION

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

### Table of Contents

#### A. Financial Trends

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

**Schedule A1** Net Position by Component

**Schedule A2** Changes in Net Position – Governmental Activities

**Schedule A3** Changes in Net Position – Business-Type Activities

**Schedule A4** Changes in Net Position – Total Government

**Schedule A5** Fund Balances – Governmental Funds

**Schedule A6** 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** Assessed Value and Estimated Actual Value of Taxable Property

**Schedule B2** Tax Revenues by Source - Governmental Funds

**Schedule B3** Other Non-source Governmental Revenues

**Schedule B4** Water and Sewer Consumption - Rates and Revenues

**Schedule B5** Direct and Overlapping Property Tax Rates

**Schedule B6** Principal Property Taxpayers

**Schedule B7** 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

**Schedule C4** Ratios of General Bonded Debt Outstanding

**Schedule C5** Legal Debt Margin Information

## **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 West Melbourne, Florida**  
**Net Position by Component**  
**Last Ten Fiscal Years**

**Schedule A1**

|                                       | 2024           | 2023           | 2022           | 2021           | 2020           | 2019           | 2018          | 2017          | 2016          | 2015          |
|---------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|---------------|---------------|---------------|---------------|
| <b>Governmental activities</b>        |                |                |                |                |                |                |               |               |               |               |
| Net investment in                     |                |                |                |                |                |                |               |               |               |               |
| capital assets                        | \$ 29,461,345  | \$ 29,024,468  | \$ 30,209,676  | \$ 31,404,826  | \$ 32,164,344  | \$ 34,205,606  | \$ 29,479,624 | \$ 21,230,403 | \$ 18,758,700 | \$ 17,684,340 |
| Restricted                            | 18,393,841     | 15,365,646     | 14,236,875     | 13,832,705     | 13,445,602     | 8,866,081      | 7,821,633     | 7,214,372     | 6,076,253     | 4,874,993     |
| Unrestricted                          | 21,752,605     | 15,998,173     | 10,665,968     | 7,567,381      | 4,235,982      | 2,249,840      | 2,775,398     | 7,619,082     | 7,002,945     | 7,174,709     |
| <b>Total governmental activities</b>  |                |                |                |                |                |                |               |               |               |               |
| <b>net position</b>                   | 69,607,791     | 60,388,287     | 55,112,519     | 52,804,912     | 49,845,928     | 45,321,527     | 40,076,655    | 36,063,857    | 31,837,898    | 29,734,042    |
| <b>Business-type activities</b>       |                |                |                |                |                |                |               |               |               |               |
| Net investment in                     |                |                |                |                |                |                |               |               |               |               |
| capital assets                        | 54,437,577     | 48,375,142     | 47,140,389     | 46,096,924     | 39,269,577     | 36,760,884     | 35,497,462    | 33,382,704    | 30,394,742    | 29,978,165    |
| Restricted                            | 414,167        | 411,121        | 407,482        | -              | 2,471,922      | 523,257        | 511,487       | 508,640       | 504,046       | 797,698       |
| Unrestricted                          | 32,158,658     | 27,343,478     | 20,076,107     | 20,082,256     | 19,450,194     | 19,488,583     | 13,943,960    | 10,983,628    | 8,608,312     | 6,276,583     |
| <b>Total business-type activities</b> |                |                |                |                |                |                |               |               |               |               |
| <b>net position</b>                   | 87,010,402     | 76,129,741     | 67,623,978     | 66,179,180     | 61,191,693     | 56,772,724     | 49,952,909    | 44,874,972    | 39,507,100    | 37,052,446    |
| <b>Primary government</b>             |                |                |                |                |                |                |               |               |               |               |
| Net investment in                     |                |                |                |                |                |                |               |               |               |               |
| capital assets                        | 83,898,922     | 77,399,610     | 77,350,065     | 77,501,750     | 71,433,921     | 70,966,490     | 64,977,086    | 54,613,107    | 49,153,442    | 47,662,505    |
| Restricted                            | 18,808,008     | 15,776,767     | 14,644,357     | 13,832,705     | 15,917,524     | 9,389,338      | 8,333,120     | 7,723,012     | 6,580,299     | 5,672,691     |
| Unrestricted                          | 53,911,263     | 43,341,651     | 30,742,075     | 27,649,637     | 23,686,176     | 21,738,423     | 16,719,358    | 18,602,710    | 15,611,257    | 13,451,292    |
| <b>Total primary government</b>       |                |                |                |                |                |                |               |               |               |               |
| <b>net position</b>                   | \$ 156,618,193 | \$ 136,518,028 | \$ 122,736,497 | \$ 118,984,092 | \$ 111,037,621 | \$ 102,094,251 | \$ 90,029,564 | \$ 80,938,829 | \$ 71,344,998 | \$ 66,786,488 |

**Notes:**

Accounting standards require that net position be reported in three components in the financial statements: net investment in capital assets; restricted; and unrestricted. Net position is considered restricted only (a) when an external party, (b) a constitutional provision, (c) or enabling legislation imposes legally enforceable limits on how they may be used.

**City of West Melbourne, Florida**  
**Changes in Net Position – Governmental Activities**  
**Last Ten Fiscal Years**

**Schedule A2**

|                                                 | 2024                | 2023                | 2022                | 2021                | 2020                | 2019                | 2018                | 2017                | 2016                | 2015                |
|-------------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Expenses:</b>                                |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| General government                              | \$ 3,663,963        | \$ 3,799,271        | \$ 3,257,853        | \$ 2,548,202        | \$ 2,808,023        | \$ 2,697,267        | \$ 2,487,264        | \$ 2,369,589        | \$ 2,129,445        | \$ 2,021,970        |
| Public safety                                   | 8,160,518           | 8,568,227           | 8,393,278           | 7,491,665           | 7,886,503           | 7,668,450           | 6,833,193           | 5,968,523           | 5,548,176           | 5,403,754           |
| Public works                                    | 3,617,172           | 3,496,500           | 3,283,583           | 2,844,827           | 2,993,822           | 2,344,923           | 2,785,278           | 2,037,325           | 1,997,169           | 2,035,490           |
| Recreation                                      | 1,973,542           | 1,942,055           | 1,652,078           | 1,511,384           | 1,492,810           | 2,255,949           | 988,794             | 746,068             | 1,714,308           | 2,859,495           |
| Community development                           | 499,243             | 651,245             | 388,660             | 339,433             | 373,339             | 339,529             | 323,027             | 311,233             | 260,560             | 263,056             |
| Economic environment                            | 4,295               | 2,795               | 4,295               | 5,795               | 420                 | 175                 | 420                 | 176                 | 6,956               | 15,000              |
| Interest on long term debt                      | 3,916               | 6,599               | 5,667               | 7,476               | 9,250               | 8,146               | 2,326               | 4,603               | 6,832               | 9,014               |
| <b>Total Expenses</b>                           | <b>17,922,649</b>   | <b>18,466,692</b>   | <b>16,985,414</b>   | <b>14,748,782</b>   | <b>15,564,167</b>   | <b>15,314,439</b>   | <b>13,420,302</b>   | <b>11,437,517</b>   | <b>11,663,446</b>   | <b>12,607,779</b>   |
| <b>Program Revenues:</b>                        |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Charges for services:                           |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| General government                              | 450,292             | 404,364             | 460,356             | 317,023             | 413,540             | 404,171             | 414,793             | 386,096             | 412,040             | 375,474             |
| Public safety                                   | 1,100,959           | 2,062,322           | 620,225             | 1,045,815           | 1,359,462           | 2,358,536           | 1,759,180           | 1,645,309           | 1,492,599           | 956,302             |
| Public works                                    | 658,949             | 645,365             | 634,697             | 848,702             | 584,807             | 578,993             | 373,159             | 366,577             | 362,326             | 360,351             |
| Recreation                                      | 392,874             | 928,902             | 413,255             | 243,399             | 78,064              | 704,031             | 428,879             | 177,282             | 351,800             | 69,165              |
| Community development                           | 611,968             | 483,722             | 232,173             | 106,891             | 109,984             | 184,144             | 178,248             | 237,847             | 202,729             | 344,996             |
| Capital grants and contributions                | 679,490             | 6,102               | 598,478             | 635,004             | 4,000,996           | 961,801             | 2,473,014           | 2,036,754           | 4,273               | 404,657             |
| <b>Total Program Revenues</b>                   | <b>3,894,532</b>    | <b>4,530,777</b>    | <b>2,959,184</b>    | <b>3,196,834</b>    | <b>6,546,853</b>    | <b>5,191,676</b>    | <b>5,627,273</b>    | <b>4,849,865</b>    | <b>2,825,767</b>    | <b>2,510,945</b>    |
| <b>Net (Expense) Revenue</b>                    | <b>(14,028,117)</b> | <b>(13,935,915)</b> | <b>(14,026,230)</b> | <b>(11,551,948)</b> | <b>(9,017,314)</b>  | <b>(10,122,763)</b> | <b>(7,793,029)</b>  | <b>(6,587,652)</b>  | <b>(8,837,679)</b>  | <b>(10,096,834)</b> |
| <b>General Revenues:</b>                        |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Property taxes                                  | 5,367,760           | 5,144,938           | 5,018,367           | 4,630,429           | 4,421,186           | 3,990,738           | 3,310,658           | 2,990,353           | 2,685,306           | 2,406,066           |
| Franchise taxes                                 | 2,821,916           | 2,679,560           | 2,347,604           | 2,025,159           | 1,886,888           | 1,870,513           | 1,798,337           | 1,671,784           | 1,639,785           | 1,611,017           |
| Local option gas tax                            | 945,708             | 924,354             | 849,894             | 811,636             | 728,699             | 672,626             | 608,754             | 601,336             | 578,739             | 523,989             |
| Public utility taxes                            | 4,524,801           | 4,335,953           | 3,835,698           | 3,583,192           | 3,407,499           | 3,340,164           | 3,212,103           | 3,058,189           | 3,006,729           | 2,926,332           |
| Payment in lieu of taxes                        | 8,455,667           | 4,498,815           | 2,014,790           | 518,214             | 426,386             | 344,588             | 377,318             | 295,743             | 1,155,353           | 2,542,187           |
| Intergovernmental shared revenue - unrestricted | 3,752,743           | 3,685,145           | 3,253,257           | 2,618,119           | 2,142,428           | 2,219,476           | 2,123,578           | 1,981,183           | 1,810,749           | 1,704,254           |
| Investment income                               | 2,093,980           | 1,575,823           | 210,221             | 32,713              | 182,884             | 337,852             | 224,140             | 128,282             | 45,184              | 86,879              |
| Miscellaneous revenue                           | 274,568             | 202,456             | 91,231              | 229,404             | 287,820             | 145,939             | 149,163             | 80,641              | 19,690              | 6,787               |
| Gain on disposition                             | 25,147              | 38,466              | 63,693              | 24,866              | 23,525              | -                   | -                   | -                   | -                   | -                   |
| Transfers, net                                  | (5,014,669)         | (3,873,827)         | (1,350,918)         | 37,200              | 34,400              | 34,400              | 18,900              | 6,100               | -                   | -                   |
| <b>Total General Revenues</b>                   | <b>23,247,621</b>   | <b>19,211,683</b>   | <b>16,333,837</b>   | <b>14,510,932</b>   | <b>13,541,715</b>   | <b>12,956,296</b>   | <b>11,822,951</b>   | <b>10,813,611</b>   | <b>10,941,535</b>   | <b>11,807,511</b>   |
| Special item:                                   |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Donation - Field of Dreams                      | -                   | -                   | -                   | -                   | -                   | 2,411,339           | -                   | -                   | -                   | -                   |
| <b>Change in Net Position</b>                   | <b>\$ 9,219,504</b> | <b>\$ 5,275,768</b> | <b>\$ 2,307,607</b> | <b>\$ 2,958,984</b> | <b>\$ 4,524,401</b> | <b>\$ 5,244,872</b> | <b>\$ 4,029,922</b> | <b>\$ 4,225,959</b> | <b>\$ 2,103,856</b> | <b>\$ 1,710,677</b> |

**City of West Melbourne, Florida**  
**Changes in Net Position – Business-Type Activities**  
**Last Ten Fiscal Years**

**Schedule A3**

|                                  | 2024          | 2023          | 2022          | 2021          | 2020          | 2019          | 2018          | 2017          | 2016          | 2015          |
|----------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>Expenses:</b>                 |               |               |               |               |               |               |               |               |               |               |
| Water and sewer                  | \$ 16,290,981 | \$ 15,285,349 | \$ 15,331,914 | \$ 13,370,387 | \$ 12,521,238 | \$ 11,454,304 | \$ 11,667,879 | \$ 11,139,291 | \$ 10,686,656 | \$ 10,925,645 |
| <b>Total Expenses</b>            | 16,290,981    | 15,285,349    | 15,331,914    | 13,370,387    | 12,521,238    | 11,454,304    | 11,667,879    | 11,139,291    | 10,686,656    | 10,925,645    |
| <b>Program Revenues:</b>         |               |               |               |               |               |               |               |               |               |               |
| Charges for services:            |               |               |               |               |               |               |               |               |               |               |
| Water and sewer                  | 15,560,303    | 15,003,029    | 13,921,644    | 13,554,441    | 12,542,774    | 12,085,048    | 11,589,300    | 11,155,390    | 10,449,117    | 9,843,569     |
| Other charges and fees           | 162,231       | 466,372       | 243,536       | 1,265,521     | 1,094,408     | 242,512       | 11,378        | 30,175        | 11,280        | 61,599        |
| Capital grants and contributions | 4,730,452     | 3,345,442     | 1,156,901     | 3,554,771     | 3,115,488     | 5,685,218     | 5,032,423     | 5,253,638     | 2,653,015     | 3,918,895     |
| <b>Total Program Revenues</b>    | 20,452,986    | 18,814,843    | 15,322,081    | 18,374,733    | 16,752,670    | 18,012,778    | 16,633,101    | 16,439,203    | 13,113,412    | 13,824,063    |
| <b>Net (Expense) Revenue</b>     | 4,162,005     | 3,529,494     | (9,833)       | 5,004,346     | 4,231,432     | 6,558,474     | 4,965,222     | 5,299,912     | 2,426,756     | 2,898,418     |
| <b>General Revenues:</b>         |               |               |               |               |               |               |               |               |               |               |
| Interest income                  | 1,703,987     | 1,102,442     | 103,713       | 20,341        | 221,937       | 295,741       | 134,591       | 74,060        | 27,898        | 25,238        |
| Transfers, net                   | 5,014,669     | 3,873,827     | 1,350,918     | (37,200)      | (34,400)      | (34,400)      | (18,900)      | (6,100)       | -             | -             |
| <b>Total General Revenues</b>    | 6,718,656     | 4,976,269     | 1,454,631     | (16,859)      | 187,537       | 261,341       | 115,691       | 67,960        | 27,898        | 25,238        |
| <b>Change in Net Position</b>    | \$ 10,880,661 | \$ 8,505,763  | \$ 1,444,798  | \$ 4,987,487  | \$ 4,418,969  | \$ 6,819,815  | \$ 5,080,913  | \$ 5,367,872  | \$ 2,454,654  | \$ 2,923,656  |

**City of West Melbourne, Florida**  
**Changes in Net Position – Total Government**  
**Last Ten Fiscal Years**

**Schedule A4**

|                               | 2024                 | 2023                 | 2022                | 2021                | 2020                | 2019                 | 2018                | 2017                | 2016                | 2015                |
|-------------------------------|----------------------|----------------------|---------------------|---------------------|---------------------|----------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Expenses:</b>              |                      |                      |                     |                     |                     |                      |                     |                     |                     |                     |
| Governmental activities       | \$ 17,922,649        | \$ 18,466,692        | \$ 16,985,414       | \$ 14,748,782       | \$ 15,564,167       | \$ 15,314,439        | \$ 13,420,302       | \$ 11,437,517       | \$ 11,663,446       | \$ 12,607,779       |
| Business-type activities      | 16,290,981           | 15,285,349           | 15,331,914          | 13,370,387          | 12,521,238          | 11,454,304           | 11,667,879          | 11,139,291          | 10,686,656          | 10,925,645          |
| <b>Total Expenses</b>         | <b>34,213,630</b>    | <b>33,752,041</b>    | <b>32,317,328</b>   | <b>28,119,169</b>   | <b>28,085,405</b>   | <b>26,768,743</b>    | <b>25,088,181</b>   | <b>22,576,808</b>   | <b>22,350,102</b>   | <b>23,533,424</b>   |
| <b>Program Revenues:</b>      |                      |                      |                     |                     |                     |                      |                     |                     |                     |                     |
| Governmental activities       | 3,894,532            | 4,530,777            | 2,959,184           | 3,196,834           | 6,546,853           | 5,191,676            | 5,627,273           | 4,849,865           | 2,825,767           | 2,510,945           |
| Business-type activities      | 20,452,986           | 18,814,843           | 15,322,081          | 18,374,733          | 16,752,670          | 18,012,778           | 16,633,101          | 16,439,203          | 13,113,412          | 13,824,063          |
| <b>Total Program Revenues</b> | <b>24,347,518</b>    | <b>23,345,620</b>    | <b>18,281,265</b>   | <b>21,571,567</b>   | <b>23,299,523</b>   | <b>23,204,454</b>    | <b>22,260,374</b>   | <b>21,289,068</b>   | <b>15,939,179</b>   | <b>16,335,008</b>   |
| <b>Net (Expense) Revenue</b>  | <b>(9,866,112)</b>   | <b>(10,406,421)</b>  | <b>(14,036,063)</b> | <b>(6,547,602)</b>  | <b>(4,785,882)</b>  | <b>(3,564,289)</b>   | <b>(2,827,807)</b>  | <b>(1,287,740)</b>  | <b>(6,410,923)</b>  | <b>(7,198,416)</b>  |
| <b>General Revenues:</b>      |                      |                      |                     |                     |                     |                      |                     |                     |                     |                     |
| Governmental activities       | 23,247,621           | 19,211,683           | 16,333,837          | 14,510,932          | 13,541,715          | 15,367,635           | 11,822,951          | 10,813,611          | 10,941,535          | 11,807,511          |
| Business-type activities      | 6,718,656            | 4,976,269            | 1,454,631           | (16,859)            | 187,537             | 261,341              | 115,691             | 67,960              | 27,898              | 25,238              |
| <b>Total General Revenues</b> | <b>29,966,277</b>    | <b>24,187,952</b>    | <b>17,788,468</b>   | <b>14,494,073</b>   | <b>13,729,252</b>   | <b>15,628,976</b>    | <b>11,938,642</b>   | <b>10,881,571</b>   | <b>10,969,433</b>   | <b>11,832,749</b>   |
| <b>Change in Net Position</b> | <b>\$ 20,100,165</b> | <b>\$ 13,781,531</b> | <b>\$ 3,752,405</b> | <b>\$ 7,946,471</b> | <b>\$ 8,943,370</b> | <b>\$ 12,064,687</b> | <b>\$ 9,110,835</b> | <b>\$ 9,593,831</b> | <b>\$ 4,558,510</b> | <b>\$ 4,634,333</b> |

**City of West Melbourne, Florida**  
**Fund Balances – Governmental Funds**  
**Last Ten Fiscal Years**

**Schedule A5**

|                                           | 2024                 | 2023                 | 2022                 | 2021                 | 2020                 | 2019                 | 2018                 | 2017                 | 2016                 | 2015                 |
|-------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>General Fund</b>                       |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Nonspendable                              | \$ 177,499           | \$ 200,094           | \$ 336,599           | \$ 494,486           | \$ 687,495           | \$ 876,636           | \$ 1,190,472         | \$ 1,105,899         | \$ 1,398,180         | \$ 894,365           |
| Restricted                                | 9,422,174            | 9,087,575            | 7,840,870            | 7,961,753            | 7,736,924            | 7,374,642            | 6,132,806            | 5,248,234            | 4,133,311            | 3,258,871            |
| Assigned                                  | -                    | -                    | -                    | -                    | -                    | -                    | -                    | 2,894                | 51,623               | 155,779              |
| Unassigned                                | 20,858,678           | 15,738,938           | 11,195,372           | 7,763,105            | 5,435,930            | 3,980,665            | 3,644,615            | 7,191,066            | 6,895,802            | 7,594,271            |
| <b>Total General Fund</b>                 | <b>\$ 30,458,351</b> | <b>\$ 25,026,607</b> | <b>\$ 19,372,841</b> | <b>\$ 16,219,344</b> | <b>\$ 13,860,349</b> | <b>\$ 12,231,943</b> | <b>\$ 10,967,893</b> | <b>\$ 13,548,093</b> | <b>\$ 12,478,916</b> | <b>\$ 11,903,286</b> |
| <b>All other governmental funds</b>       |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Non-spendable                             | \$ 3,085             | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 |
| Restricted                                | 8,971,667            | 6,279,509            | 6,396,005            | 5,870,952            | 5,025,352            | 617,639              | 570,297              | 939,073              | 645,006              | 804,328              |
| Committed                                 | 4,891,596            | 4,267,318            | 2,788,261            | 2,108,451            | 2,006,173            | 1,496,257            | 824,204              | 2,587,460            | 2,502,820            | 2,333,426            |
| Unassigned                                | -                    | -                    | -                    | -                    | (150,612)            | (527,471)            | (640,670)            | -                    | -                    | -                    |
| <b>Total all other governmental funds</b> | <b>\$ 13,866,348</b> | <b>\$ 10,546,827</b> | <b>\$ 9,184,266</b>  | <b>\$ 7,979,403</b>  | <b>\$ 6,880,913</b>  | <b>\$ 1,586,425</b>  | <b>\$ 753,831</b>    | <b>\$ 3,526,533</b>  | <b>\$ 3,147,826</b>  | <b>\$ 3,137,754</b>  |

**City of West Melbourne, Florida**  
**Changes in Fund Balances – Governmental Funds**  
**Last Ten Fiscal Years**

**Schedule A6**

|                                                                  | 2024                | 2023                | 2022                | 2021                | 2020                | 2019                | 2018                  | 2017                | 2016              | 2015              |
|------------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-----------------------|---------------------|-------------------|-------------------|
| <b>Revenues:</b>                                                 |                     |                     |                     |                     |                     |                     |                       |                     |                   |                   |
| Taxes                                                            | \$ 13,701,512       | \$ 13,092,035       | \$ 12,161,277       | \$ 11,148,957       | \$ 10,300,380       | \$ 9,780,408        | \$ 8,694,257          | \$ 8,086,903        | \$ 7,694,146      | \$ 7,303,766      |
| Licenses and permits                                             | 1,169,773           | 2,221,000           | 794,080             | 1,020,178           | 1,231,899           | 2,142,236           | 1,766,648             | 1,714,142           | 1,589,162         | 1,007,632         |
| Intergovernmental                                                | 12,813,650          | 8,811,388           | 6,391,508           | 4,148,123           | 7,298,509           | 3,621,726           | 4,169,003             | 2,919,512           | 3,549,114         | 4,772,241         |
| Charges for services                                             | 1,178,474           | 1,542,391           | 759,744             | 712,207             | 273,261             | 636,592             | 715,832               | 500,737             | 658,953           | 507,942           |
| Fines and forfeits                                               | 108,588             | 107,002             | 104,100             | 171,969             | 367,646             | 468,765             | 244,705               | 172,536             | 168,169           | 184,607           |
| Developer contributions                                          | 712,567             | -                   | 500                 | 162,875             | 22,000              | 1,310,840           | 1,036,007             | 1,995,504           | -                 | -                 |
| Investment income                                                | 2,093,980           | 1,575,823           | 210,221             | 32,713              | 182,884             | 361,181             | 224,140               | 128,282             | 45,184            | 86,879            |
| Miscellaneous                                                    | 202,725             | 95,933              | 79,735              | 172,863             | 265,762             | 126,658             | 100,142               | 64,187              | 47,077            | 455,389           |
| <b>Total Revenues</b>                                            | <b>31,981,269</b>   | <b>27,445,572</b>   | <b>20,501,165</b>   | <b>17,569,885</b>   | <b>19,942,341</b>   | <b>18,448,406</b>   | <b>16,950,734</b>     | <b>15,581,803</b>   | <b>13,751,805</b> | <b>14,318,456</b> |
| <b>Expenditures:</b>                                             |                     |                     |                     |                     |                     |                     |                       |                     |                   |                   |
| General government                                               | 3,252,132           | 3,066,671           | 2,905,969           | 2,387,235           | 2,240,023           | 2,173,463           | 1,982,479             | 1,915,566           | 1,765,503         | 1,687,452         |
| Public safety                                                    | 7,782,846           | 6,935,927           | 7,089,738           | 7,039,582           | 7,022,168           | 6,836,498           | 6,363,198             | 6,114,550           | 5,340,909         | 5,051,196         |
| Public works                                                     | 1,796,173           | 2,009,984           | 1,858,024           | 1,482,282           | 1,566,385           | 1,736,719           | 1,640,772             | 1,208,491           | 1,235,765         | 1,299,929         |
| Recreation                                                       | 1,312,628           | 1,212,426           | 986,390             | 926,820             | 853,610             | 832,786             | 724,950               | 549,453             | 1,541,003         | 2,611,184         |
| Community development                                            | 494,876             | 589,417             | 377,863             | 343,124             | 350,457             | 320,094             | 313,823               | 303,003             | 257,482           | 278,462           |
| Economic environment                                             | 4,295               | 2,795               | 4,295               | 5,795               | 420                 | 175                 | 420                   | 176                 | 6,956             | 15,000            |
| Capital outlay                                                   | 3,725,539           | 2,978,296           | 1,706,715           | 2,124,811           | 1,134,315           | 4,556,852           | 11,313,665            | 4,035,502           | 2,923,358         | 3,032,901         |
| Debt service:                                                    |                     |                     |                     |                     |                     |                     |                       |                     |                   |                   |
| Principal retired                                                | 23,694              | 40,537              | -                   | -                   | -                   | -                   | 108,298               | 106,021             | 103,792           | 101,609           |
| Interest                                                         | 3,916               | 6,599               | 5,667               | 7,476               | 9,250               | 8,146               | 2,326                 | 4,603               | 6,832             | 9,014             |
| <b>Total Expenditures</b>                                        | <b>18,396,099</b>   | <b>16,842,652</b>   | <b>14,934,661</b>   | <b>14,317,125</b>   | <b>13,176,628</b>   | <b>16,464,733</b>   | <b>22,449,931</b>     | <b>14,237,365</b>   | <b>13,181,600</b> | <b>14,086,747</b> |
| <b>Excess (deficiency) of revenues over (under) expenditures</b> | <b>13,585,170</b>   | <b>10,602,920</b>   | <b>5,566,504</b>    | <b>3,252,760</b>    | <b>6,765,713</b>    | <b>1,983,673</b>    | <b>(5,499,197)</b>    | <b>1,344,438</b>    | <b>570,205</b>    | <b>231,709</b>    |
| <b>Other Financing Sources (Uses)</b>                            |                     |                     |                     |                     |                     |                     |                       |                     |                   |                   |
| Insurance proceeds                                               | 150,406             | 132,249             | 79,081              | 75,815              | 88,302              | 42,819              | 101,991               | 75,573              | -                 | -                 |
| Capital lease proceeds                                           | -                   | 102,805             | -                   | -                   | -                   | -                   | -                     | -                   | -                 | -                 |
| Transfers in                                                     | 397,000             | 546,600             | 616,400             | 566,500             | 493,400             | 402,900             | 223,650               | 97,800              | 65,900            | -                 |
| Transfers out                                                    | (5,411,669)         | (4,420,427)         | (1,967,318)         | (529,300)           | (459,000)           | (368,500)           | (204,750)             | (91,700)            | (65,900)          | -                 |
| Proceeds from sale of capital assets                             | 30,358              | 52,180              | 63,693              | 91,710              | 34,479              | 35,752              | 25,404                | 21,773              | 15,497            | 30,224            |
| <b>Net other financing sources (uses)</b>                        | <b>(4,833,905)</b>  | <b>(3,586,593)</b>  | <b>(1,208,144)</b>  | <b>204,725</b>      | <b>157,181</b>      | <b>112,971</b>      | <b>146,295</b>        | <b>103,446</b>      | <b>15,497</b>     | <b>30,224</b>     |
| <b>Net Change in Fund Balances</b>                               | <b>\$ 8,751,265</b> | <b>\$ 7,016,327</b> | <b>\$ 4,358,360</b> | <b>\$ 3,457,485</b> | <b>\$ 6,922,894</b> | <b>\$ 2,096,644</b> | <b>\$ (5,352,902)</b> | <b>\$ 1,447,884</b> | <b>\$ 585,702</b> | <b>\$ 261,933</b> |
| <b>Debt Service as a % of Noncapital Expenditures</b>            | <b>0.19%</b>        | <b>0.34%</b>        | <b>0.04%</b>        | <b>0.06%</b>        | <b>0.08%</b>        | <b>0.07%</b>        | <b>1.00%</b>          | <b>1.10%</b>        | <b>1.10%</b>      | <b>1.02%</b>      |

City of West Melbourne, Florida

Assessed Value and Estimated Actual Value of Taxable Property

Last Ten Fiscal Years

Schedule B1

| Fiscal Year<br>Ended<br>September 30 | Real<br>Property | Personal<br>Property | Less:<br>Tax-Exempt<br>Property | Total Taxable<br>Assessed<br>Value | Total<br>Direct<br>Tax Rate | Estimated<br>Actual<br>Taxable Value | Taxable<br>Assessed<br>Value as a<br>Percentage of<br>Actual Taxable<br>Value |
|--------------------------------------|------------------|----------------------|---------------------------------|------------------------------------|-----------------------------|--------------------------------------|-------------------------------------------------------------------------------|
| 2024                                 | \$ 2,918,928,636 | \$ 145,946,431       | \$ 729,732,159                  | \$ 2,335,142,908                   | \$ 1.9948                   | \$ 3,791,135,133                     | 61.59%                                                                        |
| 2023                                 | 2,787,564,294    | 129,858,598          | 704,985,991                     | 2,212,436,901                      | 2.1186                      | 3,815,881,301                        | 57.98%                                                                        |
| 2022                                 | 2,563,536,450    | 126,248,591          | 541,909,001                     | 2,147,876,040                      | 2.4228                      | 3,558,425,931                        | 60.36%                                                                        |
| 2021                                 | 2,321,880,290    | 117,943,699          | 527,068,844                     | 1,912,755,145                      | 2.5087                      | 2,592,587,887                        | 73.78%                                                                        |
| 2020                                 | 2,138,960,240    | 108,937,190          | 486,568,262                     | 1,761,329,168                      | 2.6017                      | 2,361,833,617                        | 74.57%                                                                        |
| 2019                                 | 1,924,744,240    | 102,312,218          | 440,020,275                     | 1,587,036,183                      | 2.6017                      | 2,166,783,115                        | 73.24%                                                                        |
| 2018                                 | 1,708,466,860    | 91,455,621           | 406,728,438                     | 1,393,194,043                      | 2.4633                      | 1,967,838,460                        | 70.80%                                                                        |
| 2017                                 | 1,543,748,475    | 98,537,137           | 383,216,930                     | 1,259,068,682                      | 2.4633                      | 1,712,215,741                        | 73.53%                                                                        |
| 2016                                 | 1,405,729,894    | 94,515,457           | 369,581,311                     | 1,130,664,040                      | 2.4633                      | 1,490,776,551                        | 75.84%                                                                        |
| 2015                                 | 1,321,519,510    | 79,727,214           | 357,842,747                     | 1,043,403,977                      | 2.3850                      | 1,303,447,014                        | 80.05%                                                                        |

Source: Brevard County Property Appraiser

**City of West Melbourne, Florida**  
**Tax Revenues by Source – Governmental Funds**  
**Last Ten Fiscal Years**

**Schedule B2**

| <b>Fiscal Year</b> | <b>Property Taxes</b> | <b>Utility Taxes<br/>and<br/>Franchise<br/>Fees</b> | <b>Inter-<br/>Governmental<sup>(1)</sup></b> | <b>Other Inter-<br/>Governmental<sup>(2)</sup></b> | <b>Totals</b> |
|--------------------|-----------------------|-----------------------------------------------------|----------------------------------------------|----------------------------------------------------|---------------|
| 2024               | \$ 5,367,760          | \$ 7,385,252                                        | \$ 4,237,228                                 | \$ 37,443                                          | \$ 17,027,683 |
| 2023               | 5,144,938             | 7,660,877                                           | 5,148,245                                    | 38,335                                             | 17,992,395    |
| 2022               | 5,018,367             | 6,817,999                                           | 4,608,307                                    | 36,933                                             | 16,481,606    |
| 2021               | 4,630,429             | 6,207,053                                           | 3,911,419                                    | 38,208                                             | 14,787,109    |
| 2020               | 4,421,186             | 5,879,196                                           | 3,264,288                                    | 43,220                                             | 13,607,891    |
| 2019               | 3,990,738             | 5,789,670                                           | 3,585,623                                    | 36,104                                             | 13,402,135    |
| 2018               | 3,310,658             | 5,383,599                                           | 4,136,639                                    | 32,364                                             | 12,863,260    |
| 2017               | 2,990,353             | 5,096,550                                           | 2,887,943                                    | 31,569                                             | 11,006,415    |
| 2016               | 2,685,306             | 4,646,514                                           | 2,510,672                                    | 31,020                                             | 9,873,512     |
| 2015               | 2,406,066             | 4,897,700                                           | 2,282,524                                    | 31,985                                             | 9,618,275     |

<sup>(1)</sup> Includes half-cent sales taxes, cigarette and motor fuel taxes, local option gas taxes and police pension premium taxes.

<sup>(2)</sup> Includes mobile home taxes, alcohol beverage licenses, and municipal fuel rebate taxes. Amounts do not include non-recurring grants or contributions.

Note: Includes General, Special Revenue, Capital Projects and Debt Service Funds, as applicable.

Source: Financial Statements and records, City of West Melbourne.

**City of West Melbourne, Florida**  
**Other Non-Source Governmental Revenues**  
**Last Ten Fiscal Years**

**Schedule B3**

| <b>Fiscal Year ended<br/>September 30,</b> | <b>Business Tax<br/>Receipts</b> | <b>Building<br/>Permits</b> | <b>Total Revenues</b> |
|--------------------------------------------|----------------------------------|-----------------------------|-----------------------|
| 2024                                       | \$ 291,887                       | \$ 877,886                  | \$ 1,169,773          |
| 2023                                       | 284,240                          | 1,935,300                   | 2,219,540             |
| 2022                                       | 277,955                          | 516,125                     | 794,080               |
| 2021                                       | 146,331                          | 873,847                     | 1,020,178             |
| 2020                                       | 240,628                          | 991,271                     | 1,231,899             |
| 2019                                       | 252,659                          | 1,889,577                   | 2,142,236             |
| 2018                                       | 253,218                          | 1,513,430                   | 1,766,648             |
| 2017                                       | 242,099                          | 1,472,043                   | 1,714,142             |
| 2016                                       | 264,587                          | 1,324,575                   | 1,589,162             |
| 2015                                       | 236,257                          | 771,375                     | 1,007,632             |

**City of West Melbourne, Florida**  
**Water and Sewer Consumption – Rates and Revenue**  
**Last Ten Fiscal Years**

**Schedule B4**

| Fiscal Year | Gallons of<br>Water<br>Consumed | Water<br>Revenue <sup>(2)</sup> | Total Direct Rate     |                        | Gallons of<br>Sewer<br>Treated | Sewer<br>Revenue <sup>(1)</sup> | Total Direct Rate     |                        |
|-------------|---------------------------------|---------------------------------|-----------------------|------------------------|--------------------------------|---------------------------------|-----------------------|------------------------|
|             |                                 |                                 | Water<br>Base<br>Rate | Water<br>Usage<br>Rate |                                |                                 | Sewer<br>Base<br>Rate | Sewer<br>Usage<br>Rate |
| 2024        | 738,000,600                     | \$ 8,709,353                    | 15.75                 | 7.10                   | 502,179,472                    | \$ 6,850,948                    | 14.45                 | 5.00                   |
| 2023        | 723,946,100                     | 8,341,993                       | 15.75                 | 7.10                   | 497,207,398                    | 6,661,036                       | 14.45                 | 5.00                   |
| 2022        | 687,392,700                     | 7,447,908                       | 14.35                 | 6.20                   | 475,660,000                    | 6,473,736                       | 14.45                 | 5.00                   |
| 2021        | 661,022,610                     | 7,286,484                       | 14.35                 | 6.20                   | 608,000,000                    | 6,267,957                       | 14.45                 | 5.00                   |
| 2020        | 615,717,900                     | 6,808,728                       | 13.88                 | 6.25                   | 694,000,000                    | 5,734,047                       | 14.45                 | 5.00                   |
| 2019        | 572,459,500                     | 6,819,384                       | 13.88                 | 6.25                   | 623,400,000                    | 5,265,664                       | 13.87                 | 4.93                   |
| 2018        | 560,679,460                     | 6,448,955                       | 13.88                 | 6.25                   | 655,310,000                    | 5,140,345                       | 13.87                 | 4.93                   |
| 2017        | 542,695,780                     | 6,135,825                       | 13.88                 | 6.25                   | 639,000,000                    | 5,019,565                       | 13.87                 | 4.93                   |
| 2016        | 526,709,790                     | 5,746,972                       | 13.88                 | 6.25                   | 633,100,000                    | 4,702,145                       | 13.87                 | 4.93                   |
| 2015        | 505,787,700                     | 5,428,686                       | 13.90                 | 5.93                   | 574,240,000                    | 4,414,883                       | 12.75                 | 4.86                   |

<sup>(1)</sup> Revenues are not adjusted for bad debt.

**City of West Melbourne, Florida**  
**Direct and Overlapping Property Tax Rates**  
**Last Ten Fiscal Years**

**Schedule B5**

| Fiscal Year | City Direct<br>Rate  | Overlapping Rates |                              |                      |                      | Total<br>Overlapping<br>and Direct |
|-------------|----------------------|-------------------|------------------------------|----------------------|----------------------|------------------------------------|
|             | Operating<br>Millage | Brevard<br>County | Brevard<br>County<br>Schools | Special<br>Districts | Total<br>Overlapping |                                    |
| 2024        | 1.9948               | 4.3777            | 6.3830                       | 0.3147               | 11.0754              | 13.0702                            |
| 2023        | 2.1186               | 5.1782            | 5.3830                       | 0.2081               | 10.7693              | 12.8879                            |
| 2022        | 2.4228               | 5.2255            | 5.4950                       | 0.2294               | 10.9499              | 13.3727                            |
| 2021        | 2.5087               | 6.2161            | 5.8500                       | 0.2509               | 12.3170              | 14.8257                            |
| 2020        | 2.6017               | 6.2049            | 5.9420                       | 0.2607               | 12.4076              | 15.0093                            |
| 2019        | 2.6017               | 6.3833            | 6.0860                       | 0.2734               | 12.7427              | 15.3444                            |
| 2018        | 2.4633               | 5.3540            | 6.2990                       | 0.3759               | 12.0289              | 14.4922                            |
| 2017        | 2.4633               | 6.0802            | 6.5680                       | 0.3981               | 13.0463              | 15.5096                            |
| 2016        | 2.4633               | 6.4626            | 6.9160                       | 0.6953               | 14.0739              | 16.5372                            |
| 2015        | 2.3850               | 6.4568            | 7.2750                       | 0.4412               | 14.1730              | 16.5580                            |

**Source:** Brevard County Property Appraiser website  
Brevard County Tax Collector website

**City of West Melbourne, Florida**  
**Principal Property Taxpayers**  
**Current Year and Nine Years Prior**

**Schedule B6**

| Taxpayer                                                             | 2024                      |      |                                             | 2015                  |    |               |
|----------------------------------------------------------------------|---------------------------|------|---------------------------------------------|-----------------------|----|---------------|
|                                                                      | Taxable<br>Assessed Value | Rank | Percentage<br>of Total<br>Assessed<br>Value |                       |    |               |
| MBF Owner LLC                                                        | \$ 64,320,570             | 1    | 2.75%                                       |                       |    |               |
| VR Luminary LP                                                       | 61,232,830                | 2    | 2.62%                                       |                       |    |               |
| Haven SPE LLC                                                        | 57,681,040                | 3    | 2.47%                                       |                       |    |               |
| VR Hammock LP                                                        | 49,489,250                | 4    | 2.12%                                       |                       |    |               |
| Integra Station LLC                                                  | 43,536,270                | 5    | 1.86%                                       |                       |    |               |
| The Reserves of MelbourneE LLC                                       | 36,376,230                | 6    | 1.56%                                       |                       |    |               |
| PRCP-FL Lakesidw LLC                                                 | 34,900,930                | 7    | 1.49%                                       |                       |    |               |
| Grand Oaks Pennington LLC                                            | 33,482,490                | 8    | 1.43%                                       | 14,500,000            | 3  | 1.28%         |
| Mahaffey Associates West Melbourne LLC                               | 33,249,710                | 9    | 1.42%                                       |                       |    |               |
| Passco Aventine DST                                                  | 30,808,431                | 10   | 1.32%                                       | 12,700,000            | 6  | 1.12%         |
| The Haven at Riviera, LLC                                            |                           |      |                                             | 18,500,000            | 1  | 1.64%         |
| WE Reserves of Melbourne LLC                                         |                           |      |                                             | 18,000,000            | 2  | 1.59%         |
| Northland Lakeside LLC                                               |                           |      |                                             | 13,000,000            | 4  | 1.15%         |
| ARC SMWMBFL001 LLC                                                   |                           |      |                                             | 13,000,000            | 4  | 1.15%         |
| Wal-Mart Stores East Inc.                                            |                           |      |                                             | 8,900,000             | 7  | 0.79%         |
| Target Corporation                                                   |                           |      |                                             | 5,900,000             | 8  | 0.52%         |
| Sam's East, Inc.                                                     |                           |      |                                             | 5,725,000             | 9  | 0.51%         |
| West Melbourne Associates LLC                                        |                           |      |                                             | 5,650,000             | 10 | 0.50%         |
| <b>Total taxable assessed value for principal property taxpayers</b> | <b>\$ 445,077,751</b>     |      | <b>19.06%</b>                               | <b>\$ 115,875,000</b> |    | <b>10.25%</b> |

**Sources:**

Brevard County Property Appraiser  
Brevard County Tax Collector  
Florida Department of Revenue

**City of West Melbourne, Florida**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**

**Schedule B7**

| Fiscal Year<br>Ended<br>September 30, | Total Tax<br>Levy for<br>Fiscal Year | Collected Within the Fiscal<br>Year of the Levy |                       | Collections in<br>Subsequent<br>Years | Total Collections to Date |                       |
|---------------------------------------|--------------------------------------|-------------------------------------------------|-----------------------|---------------------------------------|---------------------------|-----------------------|
|                                       |                                      | Amount<br>Collected                             | Percentage<br>of Levy |                                       | Amount<br>Collected       | Percentage<br>of Levy |
| 2024                                  | \$ 5,261,400                         | \$ 5,367,760                                    | 102.0%                | \$ -                                  | \$ 5,367,760              | 102.0%                |
| 2023                                  | 5,125,100                            | 5,144,938                                       | 100.4%                | -                                     | 5,144,938                 | 100.4%                |
| 2022                                  | 4,962,500                            | 5,018,367                                       | 101.1%                | -                                     | 5,018,367                 | 101.1%                |
| 2021                                  | 4,551,800                            | 4,630,429                                       | 101.7%                | -                                     | 4,630,429                 | 101.7%                |
| 2020                                  | 4,555,153                            | 4,421,186                                       | 97.1%                 | -                                     | 4,421,186                 | 97.1%                 |
| 2019                                  | 4,099,877                            | 3,990,738                                       | 97.3%                 | -                                     | 3,990,738                 | 97.3%                 |
| 2018                                  | 3,433,258                            | 3,310,658                                       | 96.4%                 | -                                     | 3,310,658                 | 96.4%                 |
| 2017                                  | 3,095,920                            | 2,990,353                                       | 96.6%                 | -                                     | 2,990,353                 | 96.6%                 |
| 2016                                  | 2,771,935                            | 2,685,306                                       | 96.9%                 | -                                     | 2,685,306                 | 96.9%                 |
| 2015                                  | 2,488,332                            | 2,406,066                                       | 96.7%                 | 640                                   | 2,406,706                 | 96.7%                 |

**Source:** City cash receipt source documents  
Brevard County Tax Collector  
Brevard County Property Appraiser

**City of West Melbourne, Florida**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

**Schedule C1**

| Fiscal Year | Governmental Activities                          |                               | Business-type Activities |  | Total Outstanding Debt <sup>(2)</sup> | Personal Income <sup>(1)</sup> | Percentage of Personal Income |        | Debt per Capita |
|-------------|--------------------------------------------------|-------------------------------|--------------------------|--|---------------------------------------|--------------------------------|-------------------------------|--------|-----------------|
|             | Lease Liabilities/ Capital Leases <sup>(3)</sup> | Water and Sewer Revenue Bonds | Notes and Loans Payable  |  |                                       |                                | Population                    |        |                 |
| 2024        | \$ 38,574                                        | \$ 918,900                    | \$ -                     |  | \$ 957,474                            | 577,043,840                    | 0.17%                         | 30,443 | \$ 31           |
| 2023        | 62,268                                           | 1,314,900                     | -                        |  | 1,377,168                             | 575,317,886                    | 0.24%                         | 30,682 | 45              |
| 2022        | -                                                | 1,851,206                     | -                        |  | 1,851,206                             | 573,597,095                    | 0.32%                         | 28,857 | 64              |
| 2021        | -                                                | 3,021,028                     | -                        |  | 3,021,028                             | 571,311,848                    | 0.53%                         | 28,127 | 107             |
| 2020        | -                                                | 4,420,028                     | 2,414,916                |  | 6,834,944                             | 570,741,107                    | 1.20%                         | 25,385 | 269             |
| 2019        | -                                                | 5,964,068                     | 2,581,616                |  | 8,545,684                             | 582,388,884                    | 1.47%                         | 23,607 | 362             |
| 2018        | -                                                | 7,673,850                     | 2,750,275                |  | 10,424,125                            | 573,782,152                    | 1.82%                         | 21,990 | 474             |
| 2017        | 108,298                                          | 9,531,900                     | 2,913,845                |  | 12,554,043                            | 562,862,617                    | 2.23%                         | 21,360 | 588             |
| 2016        | 214,319                                          | 11,623,400                    | 3,085,000                |  | 14,922,719                            | 557,289,720                    | 2.68%                         | 20,640 | 723             |
| 2015        | 318,111                                          | 12,414,000                    | 3,455,829                |  | 16,187,940                            | 535,855,500                    | 3.02%                         | 20,250 | 799             |

<sup>(1)</sup> Personal income represents Brevard County since municipal data is not tracked.

<sup>(2)</sup> All debt presented above is net of applicable discounts, premiums, and losses on refundings, as applicable.

<sup>(3)</sup> The City became subject to GASB 87 as of fiscal year 2022 which required the City to record and recognize lease liabilities for lease assets. Prior to 2022, debt associated with leases was recognized as "Capital Leases".

**Source:** Space Coast Economic Development Commission ([www.spacecoastedc.org](http://www.spacecoastedc.org))

**City of West Melbourne, Florida**  
**Direct and Overlapping Governmental Activities Debt**  
**As of September 30, 2024**

**Schedule C2**

| <b>Governmental Unit</b>                           | <b>Net Debt<br/>Outstanding</b> | <b>Percentage of<br/>Debt<br/>Applicable to<br/>the City <sup>(1)</sup></b> | <b>City's Share<br/>of<br/>Debt</b> |
|----------------------------------------------------|---------------------------------|-----------------------------------------------------------------------------|-------------------------------------|
| <b>Debt repaid with property taxes</b>             |                                 |                                                                             |                                     |
| Brevard County General Obligation Debt             |                                 |                                                                             |                                     |
| South Brevard Recreation Special District, Limited |                                 |                                                                             |                                     |
| Ad Valorem Tax Bonds, Series 2016                  | 6,620,000                       | 3.82%                                                                       | 252,884                             |
| Subtotal, overlapping debt                         |                                 |                                                                             | 252,884                             |
| City of West Melbourne direct debt                 |                                 |                                                                             | -                                   |
| <b>Total direct and overlapping debt</b>           |                                 |                                                                             | <b>\$ 252,884</b>                   |

**Sources:**

- (a) Net general obligation debt data was provided by Brevard County Finance
- (b) The taxable assessed values for City and the County were provided by the Brevard County Property Appraiser

**Note:** Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of Brevard County's net general obligation debt that is borne by the residents and businesses of the City of West Melbourne. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

- <sup>(1)</sup> The percentage of overlapping debt applicable is estimated using the taxable assessed value of properties located within the City of West Melbourne divided by the County's total taxable assessed value. FY2024 total taxable assessed value for City of West Melbourne is \$4,520,867,292 and the total County taxable assessed value is \$118,384,802,188

**City of West Melbourne, Florida**  
**Pledged Revenue Coverage**  
**Last Ten Fiscal Years**

**Schedule C3**

| Fiscal Year | Gross Revenues <sup>(a)</sup> | Less: Direct Operating Expense <sup>(b)</sup> | Net Revenue Available for Debt Service | Debt Service Requirements |           |            | Coverage <sup>(c)</sup> | Coverage <sup>(d)</sup> |
|-------------|-------------------------------|-----------------------------------------------|----------------------------------------|---------------------------|-----------|------------|-------------------------|-------------------------|
|             |                               |                                               |                                        | Principal                 | Interest  | Total      |                         |                         |
| 2024        | \$ 17,853,681                 | \$ 11,609,171                                 | \$ 6,244,510                           | \$ 396,000                | \$ 25,688 | \$ 421,688 | 14.81                   | 12.79                   |
| 2023        | 19,917,285                    | 11,178,506                                    | 8,738,779                              | 536,306                   | 33,568    | 569,874    | 15.33                   | 9.46                    |
| 2022        | 14,437,908                    | 11,074,667                                    | 3,363,241                              | 1,169,822                 | 69,534    | 1,239,356  | 2.71                    | 2.58                    |
| 2021        | 17,032,680                    | 10,384,421                                    | 6,648,259                              | 3,814,000                 | 132,739   | 3,946,739  | 1.68                    | 1.13                    |
| 2020        | 15,968,882                    | 8,337,029                                     | 7,631,853                              | 1,246,200                 | 291,334   | 1,537,534  | 4.96                    | 3.59                    |
| 2019        | 16,911,038                    | 7,238,370                                     | 9,672,668                              | 1,879,783                 | 434,204   | 2,313,987  | 4.18                    | 2.33                    |
| 2018        | 15,070,110                    | 7,708,734                                     | 7,361,375                              | 2,023,050                 | 465,440   | 2,488,490  | 2.96                    | 1.62                    |
| 2017        | 13,663,993                    | 7,261,494                                     | 6,402,499                              | 2,251,500                 | 519,689   | 2,771,189  | 2.31                    | 1.44                    |
| 2016        | 12,839,769                    | 6,968,263                                     | 5,871,506                              | 1,175,600                 | 527,208   | 1,702,808  | 3.45                    | 2.36                    |
| 2015        | 11,269,847                    | 7,383,777                                     | 3,886,070                              | 559,300                   | 514,131   | 1,073,431  | 3.62                    | 2.55                    |

**Notes:**

<sup>(a)</sup> Includes operating, non-operating revenue and connection fees.

<sup>(b)</sup> Excludes depreciation expense, interest expense, amortization and non-recurring losses.

<sup>(c)</sup> & <sup>(d)</sup> Coverage ratio required by most restrictive bond document is at least 1.1 without connection fees and 1.25 including connection fees. The 2024 coverage of 14.81 includes the connection fees and the coverage without connection fees was 12.79. Both requirements were met.

**Schedule C4**

**City of West Melbourne, Florida  
Ratios of General Bonded Debt Outstanding  
Last Ten Fiscal Years**

**The City of West Melbourne has no general bonded debt.**

**Schedule C5**

**City of West Melbourne, Florida  
Legal Debt Margin Information  
Last Ten Fiscal Years**

**The City of West Melbourne has no Legal debt limit.**

**City of West Melbourne, Florida**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**

**Schedule D1**

| <b>Year</b> | <b>Population <sup>(a)</sup></b> | <b>Personal<br/>Income</b> | <b>Per Capita<br/>Income <sup>(b)</sup></b> | <b>Public School<br/>Enrollment <sup>(c)</sup></b> | <b>Unemployment<br/>Rate <sup>(d)</sup></b> |
|-------------|----------------------------------|----------------------------|---------------------------------------------|----------------------------------------------------|---------------------------------------------|
| 2024        | 30,443                           | 577,043,840                | 79,520                                      | 4,293                                              | 3.6%                                        |
| 2023        | 30,682                           | 575,317,886                | 77,961                                      | 4,296                                              | 2.8%                                        |
| 2022        | 28,857                           | 573,597,095                | 75,552                                      | 4,289                                              | 2.5%                                        |
| 2021        | 28,127                           | 571,311,848                | 55,330                                      | 4,276                                              | 4.5%                                        |
| 2020        | 25,385                           | 570,741,107                | 46,486                                      | 3,163                                              | 6.4%                                        |
| 2019        | 23,607                           | 582,388,884                | 45,425                                      | 3,405                                              | 2.8%                                        |
| 2018        | 21,990                           | 573,782,152                | 36,188                                      | 3,405                                              | 2.9%                                        |
| 2017        | 21,360                           | 562,862,617                | 26,351                                      | 3,431                                              | 3.6%                                        |
| 2016        | 20,640                           | 557,289,720                | 27,000                                      | 3,314                                              | 4.3%                                        |
| 2015        | 20,250                           | 535,855,500                | 26,462                                      | 3,497                                              | 5.6%                                        |

**Sources:**

- <sup>(a)</sup> University of Florida Bureau of Economic and Business Research
- <sup>(b)</sup> Space Coast Economic Development Commission and U.S. Census Bureau.
- <sup>(c)</sup> Meadowlane Elementary School, Central Junior High School and West Melbourne Elementary School of Science called Brevard County Schools within municipal boundaries.
- <sup>(d)</sup> U.S. Bureau of Labor Statistics

**Notes:**

- <sup>(b)</sup> Per capita income is for Brevard County, statistics aren't maintained for the City of West Melbourne.
- <sup>(d)</sup> Unemployment rates are for Brevard County, statistics aren't maintained for the City of West Melbourne.

## Schedule D2

## City of West Melbourne, Florida Principal Employers For the Current Year and Nine Years Prior

| Employer                          | 2024                | 2015 |                            |
|-----------------------------------|---------------------|------|----------------------------|
|                                   | Number of Employees | Rank | Number of Employees Rank # |
| L3Harris Technologies Inc         | 500                 |      |                            |
| Publix Stores - New Haven #1353   | 212                 |      | 155 5                      |
| Publix Stores - Palm Bay Rd. #695 | 195                 |      | 155 5                      |
| Harris Sanitation Inc             | 160                 |      |                            |
| Home Depot USA Inc.               | 133                 |      | 128 7                      |
| City of West Melbourne            | 129                 |      |                            |
| The Olive Garden                  | 124                 |      | 116 8                      |
| Buena Vida Estates Inc            | 122                 |      |                            |
| Cinemaworld Of Florida Inc        | 110                 |      | 191 3                      |
| USSI Global                       | 110                 |      |                            |
|                                   | 1,795               |      |                            |
| Harris Corporation                |                     |      | 469 1                      |
| P.D.Q Pizza, Inc. Db              |                     |      | 318 2                      |
| Mack Technologies                 |                     |      | 163 4                      |
| Profile (FI) Usa, Inc.            |                     |      | 115 9                      |
| United Service Source             |                     |      | 113 10                     |
|                                   |                     |      | 1,923                      |

<sup>(1)</sup> Data unavailable for this year.

### Source:

Principal employers in City of West Melbourne were determined by discussions with management, Economic Development Commission of Florida's Space Coast, or phone calls were made to the employers for employment numbers.

**City of West Melbourne, Florida**  
**Employees by Function/Program**  
**Last Ten Fiscal Years**

**Schedule E1**

| <i>Function</i>                   | <b>2024</b>  | <b>2023</b>  | <b>2022</b>  | <b>2021</b>  | <b>2020</b> | <b>2019</b>  | <b>2018</b> | <b>2017</b> | <b>2016</b> | <b>2015</b> |
|-----------------------------------|--------------|--------------|--------------|--------------|-------------|--------------|-------------|-------------|-------------|-------------|
| <b>General Government</b>         |              |              |              |              |             |              |             |             |             |             |
| City Council/City Clerk           | 9            | 9            | 9            | 9            | 9           | 9            | 7           | 7           | 9           | 9           |
| City Administration               | 6            | 5            | 5            | 4            | 4           | 4            | 4           | 4           | 3           | 3           |
| Legal                             | 2            | 2            | 2            | 2            | 2           | 2            | 2           | 2           | 2           | 2           |
| Finance                           | 13.5         | 12.5         | 12.5         | 11.5         | 11.5        | 11.5         | 11.5        | 11          | 14          | 14          |
| Information Technology            | 3.5          | 3.5          | 3.5          | 2.5          | 2.5         | 2.5          | 2.5         | 2           | 2           | 2           |
| <b>Total General Government</b>   | <b>34</b>    | <b>32</b>    | <b>32</b>    | <b>29</b>    | <b>29</b>   | <b>29</b>    | <b>27</b>   | <b>26</b>   | <b>30</b>   | <b>30</b>   |
| <b>Public Safety</b>              |              |              |              |              |             |              |             |             |             |             |
| Police                            | 61           | 50           | 60           | 49.5         | 60          | 56.5         | 51          | 51          | 52          | 48          |
| Code Enforcement                  | 5            | 10           | 11           | 11           | 13          | 13           | 12          | 12          | 12          | 9           |
| <b>Total Public Safety</b>        | <b>66</b>    | <b>60</b>    | <b>71</b>    | <b>60.5</b>  | <b>73</b>   | <b>69.5</b>  | <b>63</b>   | <b>63</b>   | <b>64</b>   | <b>57</b>   |
| <b>Highways and Streets</b>       |              |              |              |              |             |              |             |             |             |             |
| Public Works                      | 12           | 14           | 12           | 12           | 12          | 10           | 11          | 11          | 11          | 12          |
| Public Works - Water              | 12           | 10           | 10           | 10           | 10          | 10           | 8           | 9           | 8           | 8           |
| <b>Total Highways and Streets</b> | <b>24</b>    | <b>24</b>    | <b>22</b>    | <b>22</b>    | <b>22</b>   | <b>20</b>    | <b>19</b>   | <b>20</b>   | <b>19</b>   | <b>20</b>   |
| <b>Recreation and Parks</b>       | <b>15</b>    | <b>14</b>    | <b>12.5</b>  | <b>13</b>    | <b>15</b>   | <b>13</b>    | <b>9</b>    | <b>9</b>    | <b>9</b>    | <b>9</b>    |
| <b>Community Development</b>      | <b>5</b>     | <b>4</b>     | <b>4.5</b>   | <b>3</b>     | <b>4</b>    | <b>4</b>     | <b>4</b>    | <b>3</b>    | <b>3</b>    | <b>4</b>    |
| <b>Total Employees</b>            | <b>144.0</b> | <b>134.0</b> | <b>142.0</b> | <b>127.5</b> | <b>143</b>  | <b>135.5</b> | <b>122</b>  | <b>121</b>  | <b>125</b>  | <b>120</b>  |

**Source:** City payroll report

**City of West Melbourne, Florida**  
**Operating Indicators by Function/Program**  
**Last Ten Fiscal Years**

**Schedule E2**

| <i>Function</i>                          | <b>2024</b> | <b>2023</b> | <b>2022</b> | <b>2021</b> | <b>2020</b> | <b>2019</b> | <b>2018</b> | <b>2017</b> | <b>2016</b> | <b>2015</b> |
|------------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>Police/Code Enforcement</b>           |             |             |             |             |             |             |             |             |             |             |
| Dispatched calls                         | 45,077      | 44,473      | 47,174      | 49,728      | 38,475      | 40,256      | 37,929      | 24,763      | 26,463      | 24,751      |
| Alarms                                   | 1,037       | 1,184       | 1,075       | 528         | 1,071       | 1,082       | 1,633       | 743         | 921         | 862         |
| Physical arrests                         | 665         | 520         | 519         | 560         | 563         | 860         | 731         | 565         | 471         | 462         |
| Traffic accidents                        | 1,394       | 1,384       | 1,405       | 1,415       | 1,243       | 1,386       | 1,220       | 1,072       | 1,334       | 1,051       |
| Traffic citations                        | 3,446       | 2,373       | 2,442       | 3,564       | 2,923       | 4,500       | 3,851       | 2,932       | 2,008       | 2,363       |
| <b>Finance</b>                           |             |             |             |             |             |             |             |             |             |             |
| Purchase orders issued                   | 463         | 499         | 570         | 572         | 692         | 496         | 665         | 592         | 590         | 682         |
| Accounts payable checks                  | 4,238       | 4,410       | 4,654       | 4,577       | 4,678       | 4,812       | 4,873       | 4,530       | 4,806       | 4,644       |
| <b>Highways and streets</b>              |             |             |             |             |             |             |             |             |             |             |
| Street resurfacing (miles)               | 3.51        | 6.40        | 5.40        | 5.24        | 4.89        | 4.15        | 6.12        | 6.00        | 2.07        | 1.80        |
| <b>Culture and Recreation</b>            |             |             |             |             |             |             |             |             |             |             |
| Recreation fees                          | \$ 273,488  | \$ 868,556  | \$ 370,200  | \$ 223,800  | \$ 15,600   | \$ 264,534  | \$ 363,927  | \$ 94,298   | \$ 271,483  | \$ -        |
| <b>Building</b>                          |             |             |             |             |             |             |             |             |             |             |
| Permits issued (construction)            | 3,531       | 333         | 97          | 189         | 222         | 284         | 263         | 307         | 375         | 147         |
| Licenses issued/renewed                  | 2,065       | 2,188       | 1,999       | 1,868       | 1,667       | 1,670       | 1,806       | 1,248       | 1,132       | 1,802       |
| Building Inspections                     | 13,556      | 16,632      | 8,186       | 15,693      | 14,591      | 14,078      | 16,191      | 17,867      | 13,094      | 14,488      |
| <b>Municipal Water Department</b>        |             |             |             |             |             |             |             |             |             |             |
| New connections                          | 10          | 120         | 17          | 416         | 503         | 1,161       | 284         | 398         | 282         | 135         |
| Average daily consumption <sup>(1)</sup> | 2,021,919   | 1,934,349   | 1,873,161   | 1,791,698   | 1,674,407   | 1,556,190   | 1,520,316   | 1,486,838   | 1,443,205   | 1,385,720   |
| <b>Wastewater</b>                        |             |             |             |             |             |             |             |             |             |             |
| Average daily sewage treatment           | 2,190,000   | 2,180,000   | 2,000,000   | 1,940,000   | 1,830,000   | 1,890,000   | 1,780,000   | 1,700,000   | 1,700,000   | 1,570,000   |

**Notes:**

<sup>(1)</sup> Average daily consumption is calculated using total gallons sold for year divided by 365 days in a year

**Source:** Various City Departments

**City of West Melbourne, Florida**  
**Capital Asset Statistics by Function/Program**  
**Last Ten Fiscal Years**

**Schedule E3**

| Function/Program                             | 2024      | 2023      | 2022      | 2021      | 2020      | 2019      | 2018      | 2017      | 2016<br>2024 | 2016      | 2015      |
|----------------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|--------------|-----------|-----------|
| <b>General Government:</b>                   |           |           |           |           |           |           |           |           |              |           |           |
| General government buildings                 | 1         | 1         | 1         | 1         | 1         | 1         | 1         | 1         | 1            | 1         | 1         |
| <b>Public Safety:</b>                        |           |           |           |           |           |           |           |           |              |           |           |
| Police Stations                              | 1         | 1         | 1         | 1         | 1         | 1         | 1         | 1         |              | 1         | 1         |
| <b>Public Works:</b>                         |           |           |           |           |           |           |           |           |              |           |           |
| Public works buildings                       | 3         | 3         | 3         | 3         | 3         | 3         | 3         | 3         | 3            | 3         | 1         |
| Paved streets (lane miles)                   | 104.4     | 104.4     | 104.4     | 104.4     | 103       | 103       | 99        | 99        | 99           | 99        | 98        |
| Unpaved streets (lane miles)                 | 0.625     | 0.625     | 0.625     | 0.625     | 0.65      | 0.65      | 0.65      | 0.65      | 0.65         | 0.65      | 3         |
| <b>Recreation and Community Development:</b> |           |           |           |           |           |           |           |           |              |           |           |
| Parks acreage                                | 53        | 53        | 53        | 53        | 53        | 53        | 53        | 53        |              | 50        | 50        |
| Parks                                        | 7         | 7         | 7         | 7         | 7         | 7         | 7         | 7         | 7            | 7         | 7         |
| Tennis courts                                | 4         | 4         | 4         | 4         | 4         | 4         | 4         | 4         | 4            | 4         | 4         |
| Racquet ball courts                          | 2         | 2         | 2         | 2         | 2         | 2         | 2         | 2         | 2            | 2         | 2         |
| Exercise Trail                               | 1         | 1         | 1         | 1         | 1         | 1         | 1         | 1         |              | 1         | 1         |
| <b>Water</b>                                 |           |           |           |           |           |           |           |           |              |           |           |
| Potable Water lines (linear miles)           | 157.1     | 157.1     | 157.1     | 157.1     | 125       | 125       | 124       | 118       | 118          | 118       | 118       |
| <b>Sewer</b>                                 |           |           |           |           |           |           |           |           |              |           |           |
| Sanitary sewer lines (linear miles)          | 105.5     | 105.5     | 105.5     | 105.5     | 111       | 111       | 110       | 100       | 100          | 100       | 100       |
| Permitted sewer capacity(gallons)            | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000    | 3,000,000 | 3,000,000 |
| Lift stations                                | 82        | 82        | 82        | 82        | 78        | 78        | 73        | 73        | 63           | 63        | 63        |

**Source:** Various city departments



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

Honorable Mayor and Members of the City Council  
City of West Melbourne, 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 West Melbourne, Florida (the "City"), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 13, 2025.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs (2024-001 and 2024-002), that we consider to be significant deficiencies.

## **Report on Compliance and Other Matters**

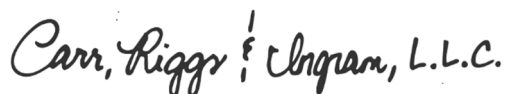
As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect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

## **City of West Melbourne, Florida's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the City's responses to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

## **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.



Melbourne, Florida  
March 13, 2025



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Honorable Mayor and Members of the City Council  
City of West Melbourne, Florida

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the City of West Melbourne, Florida's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City of West Melbourne, Florida's major federal programs for the year ended September 30, 2024. City of West Melbourne, Florida's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, City of West Melbourne, Florida complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended September 30, 2024.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the

requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to City of West Melbourne, Florida's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

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

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

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

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

### **Other Matters**

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2024-003. Our opinion of each major federal program is not modified with respect to these matters.

*Government Auditing Standards* requires the auditor to perform limited procedures on the City of West Melbourne, Florida's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The City of West

Melbourne, Florida's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Report on Internal Control over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be a significant deficiency.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses.

*A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-003, to be a significant deficiency.

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

*Government Auditing Standards* requires the auditor to perform limited procedures on the City of West Melbourne, Florida's response to internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The City's of West Melbourne, Florida's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

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

Melbourne, Florida  
March 13, 2025

**City of West Melbourne, Florida**  
**Schedule of Findings and Questioned Costs**  
**Fiscal Year Ended September 30, 2024**

**Section I—Summary of Auditor’s Results**

***Financial Statements***

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

- |                                           |         |                |
|-------------------------------------------|---------|----------------|
| • Material weakness(es) identified?       | ___ yes | _X_ no         |
| • Significant deficiency(ies) identified? | _X_ yes | ___ none noted |

|                                                       |         |        |
|-------------------------------------------------------|---------|--------|
| Noncompliance material to financial statements noted? | ___ yes | _X_ no |
|-------------------------------------------------------|---------|--------|

***Federal Awards***

Internal control over major federal programs:

- |                                           |         |                |
|-------------------------------------------|---------|----------------|
| • Material weakness(es) identified?       | ___ yes | _X_ no         |
| • Significant deficiency(ies) identified? | _X_ yes | ___ none noted |

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

\_\_\_                      \_\_\_

Identification of major federal programs:

| <u>Federal ALN</u> | <u>Federal Program or Cluster</u>                                                      |
|--------------------|----------------------------------------------------------------------------------------|
| 21.027             | COVID-19 Coronavirus State and Local Fiscal Recovery Funds                             |
| 14.228             | Community Development Block Grant/State’s Program and Non-entitlement Grants in Hawaii |

Dollar threshold used to distinguish between type A and B programs was \$750,000 for major federal programs.

|                                                               |         |        |
|---------------------------------------------------------------|---------|--------|
| Auditee qualified as a low-risk auditee for federal purposes? | _X_ yes | ___ no |
|---------------------------------------------------------------|---------|--------|

**City of West Melbourne, Florida**  
**Schedule of Findings and Questioned Costs**  
**Fiscal Year Ended September 30, 2024**

**Section II—Financial Statement Findings**

**2024-001 Proper Cutoff**

**Condition:** Grant expenditures in both prior year and current year were not properly recognized in the SEFA. In addition, grant revenues were not properly recognized in the current year.

**Criteria:** Per 2 CFR Part 200, Subpart F – Uniform Guidance, recipients of federal funds are required to accurately report expenditures in the SEFA to ensure proper accountability and compliance with grant reporting requirements. Furthermore, Generally Accepted Accounting Principles (GAAP) require that grant revenues be recognized in the correct period when earned.

**Cause:** The understatement was primarily due to untimely submission of grant reimbursement requests to the granting agencies.

**Effect:** The prior year SEFA was understated by \$87,925 and the current year SEFA was understated by \$275,410. Additionally, grant revenues were understated by \$220,564 in the financial statements. This could lead to inaccurate reporting to federal agencies, which may impact compliance with Uniform Guidance requirements and future grant funding. The understatement of grant revenues could lead to financial misstatements and potential misrepresentation of the City's financial position.

**Recommendation:** We recommend that management implement stronger reconciliation procedures between grant records, SEFA reporting, and financial statements. This should include periodic reconciliations, improved review processes, and enhanced coordination between the finance and grant management teams to ensure that all federal expenditures and revenues are accurately recorded.

**Management Response:** The City recognizes the need for stronger reconciliation procedures related to grant expenditures and revenues and has recently added a Grants Administrator position to the Finance Department who has created internal processes to ensure proper reconciliation.

**2024-002 Inventory Management**

**Condition:** Inventory was overstated by \$58,358 at September 30, 2024. In addition, inventory was not properly organized or secured.

**Criteria:** Per Generally Accepted Accounting Principles (GAAP) and internal control best practices, inventory should be accurately recorded based on periodic counts and properly safeguarded to prevent unauthorized access, loss or misstatement. Proper inventory management ensures the reliability of financial reporting and protects assets from misappropriation.

**Cause:** The overstatement resulted from the delayed or infrequent physical inventory counts, lack of proper reconciliation between physical counts and recorded amounts, and inadequate controls over inventory security and organization.

**City of West Melbourne, Florida**  
**Schedule of Findings and Questioned Costs**  
**Fiscal Year Ended September 30, 2024**

**Effect:** Inventory overstatement could lead to inaccurate financial statement presentation. The lack of security controls increases the risk of misappropriation, theft and errors. Disorganization in inventory storage may lead to inefficiencies, difficulties in tracking items, and additional reconciliation challenges.

**Recommendation:** We recommend that management implement the following corrective actions:

- Timely inventory counts - Establish a structured schedule for conducting physical inventory counts at regular intervals and reconcile variances promptly.
- Inventory security - Ensure that inventory storage areas are locked and access is restricted to authorized personnel only.
- Improved organization - Implement clear labeling, categorization, and structure storage practices to enhance inventory tracking to reduce discrepancies.
- Internal controls - Strengthen inventory controls by requiring dual verification during counts and implementing proper documentation procedures.

**Management Response:** The City recognizes the need for stronger inventory controls and has taken several steps toward implementing new processes including scheduling routine inventory counts, employing additional reviews, ordering shelving for better organization, and is researching inventory management software.

**Section III—Federal Award Findings and Questioned Costs**

**2024-003 Timely Report Submission**

**ALN 14.228 Community Development Block Grant/State's Program and Non-entitlement Grants in Hawaii**

**Department of Housing and Urban Development**

**Passed through Florida Department of Economic Opportunity**

**Fiscal Year 2024 Funding**

**Criteria:** Per 2 CFR Part 200.303, requires non-federal entities to establish and maintain effective internal controls. Reports should be subject to independent review to verify completeness, validity and timeliness of submission.

The CDBG award agreement requires quarterly performance reporting within 10 days of the end of the fiscal quarter, monthly progress reports and due 10 days after month end, annual compliance certification is due 60 days after year end, and HUD-2516 is due every April 15<sup>th</sup> and October 15<sup>th</sup>.

**Condition:** Six of the eight CDBG reports tested were not submitted by the required deadlines.

**Cause of the condition:** The City does not have established procedures to prompt management or City Officials to submit reports by the required deadlines.

**Potential effect of condition:** The granting agency could rescind funding for continued noncompliance.

**City of West Melbourne, Florida**  
**Schedule of Findings and Questioned Costs**  
**Fiscal Year Ended September 30, 2024**

**Questioned Costs:** None noted.

**Recommendation:** The City should create a process to alert/remind management and City officials to meet the reporting requirements and deadlines.

**Management Response:** The City recognizes the need for timely grant reporting and has recently added a Grants Administrator position to the Finance Department who has created a grant report tracking process.

**Section IV- Prior Findings and Questioned Costs for Federal Awards**

| Finding                           | Status  |
|-----------------------------------|---------|
| 2023-001 Proper Lease Recognition | Cleared |

## City of West Melbourne, Florida

### Schedule of Expenditures of Federal Awards

| Federal Agency<br>Pass-through Entity<br>Federal Program/State Project                     | Assistance<br>Listing<br>No. | Contract/<br>Grant<br>No. | Expenditures | Transfers to<br>Subrecipients |
|--------------------------------------------------------------------------------------------|------------------------------|---------------------------|--------------|-------------------------------|
| <b>US Department of the Treasury</b>                                                       |                              |                           |              |                               |
| Direct Programs:                                                                           |                              |                           |              |                               |
| COVID-19 Coronavirus State and Local Fiscal Recovery Funds                                 | 21.027                       | Y5314                     | \$ 5,051,869 | \$ -                          |
| <b>US Department of the Treasury</b>                                                       |                              |                           |              |                               |
| <b>Passed Through</b>                                                                      |                              |                           |              |                               |
| <b>Florida Department of Environmental Protection</b>                                      |                              |                           |              |                               |
| COVID-19 Coronavirus State and Local Fiscal Recovery Funds                                 | 21.027                       | WG053                     | 293,008      | -                             |
| COVID-19 Coronavirus State and Local Fiscal Recovery Funds                                 | 21.027                       | WG107                     | 170,704      | -                             |
| Subtotal Passed Through Florida Department of Environmental Protection                     |                              |                           | 463,712      | -                             |
| Total US Department of the Treasury                                                        |                              |                           | 5,515,581    | -                             |
| <b>Department of Housing and Urban Development</b>                                         |                              |                           |              |                               |
| <b>Passed Through</b>                                                                      |                              |                           |              |                               |
| <b>Florida Department of Economic Opportunity</b>                                          |                              |                           |              |                               |
| Community Development Block Grant/<br>State's Program and Non-entitlement Grants in Hawaii | 14.228                       | IR011                     | 2,723,321    | -                             |
| Community Development Block Grant/<br>State's Program and Non-entitlement Grants in Hawaii | 14.228                       | H2440                     | 750,000      | -                             |
| Total Department of Housing and Urban Development                                          |                              |                           | 3,473,321    | -                             |
| <b>United States Department of Homeland Security</b>                                       |                              |                           |              |                               |
| <b>Passed Through</b>                                                                      |                              |                           |              |                               |
| <b>Florida Division of Emergency Management</b>                                            |                              |                           |              |                               |
| Disaster Grants - Public Assistance (Presidentially Declared Disasters)                    | 97.036                       | Z3675                     | 59,793       | -                             |
| Total United States Department of Homeland Security                                        |                              |                           | 59,793       | -                             |
| Total Expenditures of Federal Awards                                                       |                              |                           | \$ 9,048,695 | -                             |

#### NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

##### A. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City of West Melbourne, Florida, under programs of the federal government for the year ended September 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles*. Because the Schedule presents only a selected portion of the operations of the City of West Melbourne, Florida, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City of West Melbourne, Florida.

**City of West Melbourne, Florida**  
**Schedule of Expenditures of Federal Awards**

**B. Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable, or are limited as to reimbursement.

**C. Subrecipients**

The City of West Melbourne, Florida had no subrecipients of federal awards in the fiscal year ended September 30, 2024.

**D. Indirect Cost Rate**

The City of West Melbourne, Florida has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**E. Noncash Awards**

The City of West Melbourne, Florida received no non-cash awards in the fiscal year ended September 30, 2024.



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MAYOR  
Andrea Young

DEPUTY MAYOR  
Pat Bentley

COUNCIL MEMBERS  
Diana Adams  
Austin Gaylord  
Alexis McGuire  
Stephen Phrampus  
Helen Voltz



Finance Department  
Candice Blake, Finance Director  
City Hall  
2240 Minton Road  
West Melbourne, FL 32904  
Phone: (321) 837-7775  
Fax: (321) 768-2390  
[www.westmelbourne.gov](http://www.westmelbourne.gov)

## **CORRECTIVE ACTION PLAN**

March 13, 2025

The City of West Melbourne, Florida respectfully submits the following corrective action plan for the year ended September 30, 2024.

Name and address of independent public accounting firm:

Carr, Riggs & Ingram, LLC

7506 Lynx Way

Suite 201

Melbourne, Florida 32940

Audit Period: Fiscal Year October 1, 2023 – September 30, 2024

The finding from the Schedule of Findings and Questioned Costs is discussed below. The finding number corresponds to the number assigned in the schedule.

### **2024-001 Proper Cutoff**

**Recommendation:** We recommend that management implement stronger reconciliation procedures between grant records, SEFA reporting, and financial statements. This should include periodic reconciliations, improved review processes, and enhanced coordination between the finance and grant management teams to ensure that all federal expenditures and revenues are accurately recorded.

**Corrective Action:** The City recognizes the need for stronger reconciliation procedures related to grant expenditures and revenues and has recently added a Grants Administrator position to the Finance Department who has created internal processes to ensure proper reconciliation.

**Responsible Parties:** Candice Blake, Finance Director

**Anticipated Completion Date:** September 30, 2025

### **2024-002 Inventory Management**

**Recommendation:** We recommend that management implement the following corrective actions:

- Timely inventory counts - Establish a structured schedule for conducting physical inventory counts at regular intervals and reconcile variances promptly.
- Inventory security - Ensure that inventory storage areas are locked and access is restricted to authorized personnel only.
- Improved organization - Implement clear labeling, categorization, and structure storage practices to enhance inventory tracking to reduce discrepancies.
- Internal controls - Strengthen inventory controls by requiring dual verification during counts and implementing proper documentation procedures.

**Corrective Action:** The City recognizes the need for stronger inventory controls and has taken several steps towards implementing new processes including scheduling routine inventory counts, employing additional reviews, ordering shelving for better organization, and is researching inventory management software.

**Responsible Parties:** Candice Blake, Finance Director

**Anticipated Completion Date:** December 31, 2025

#### **2024-003 Timely Report Submission**

**Recommendation:** The City should create a process to alert/remind management and City officials to meet the reporting requirements and deadlines.

**Corrective Action:** The City recognizes the need for timely grant reporting and has recently added a Grants Administrator position to the Finance Department who has created a grant report tracking process.

**Responsible Parties:** Candice Blake, Finance Director

**Anticipated Completion Date:** September 30, 2025



**CARR, RIGGS & INGRAM, L.L.C.**

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

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## **INDEPENDENT AUDITOR'S MANAGEMENT LETTER**

Honorable Mayor and Members of City Council  
City of West Melbourne, Florida

### **Report on the Financial Statements**

We have audited the financial statements of the City of West Melbourne, Florida (the "City") as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated March 13, 2025.

### **Auditor's Responsibility**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200. *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General.

### **Other Reporting Requirements**

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Florida Auditor General. Disclosures in those reports and schedules, which are dated March 13, 2025, should be considered in conjunction with this management letter.

## Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. The status of each finding and recommendation made in the preceding annual financial audit report noted below is described in the Schedule of Findings and Questioned Costs:

| <u>Prior Year Management Letter Comments:</u>      | <u>Status</u>        |
|----------------------------------------------------|----------------------|
| MC 2024-004* Unexpended Balance – Building Permits | Repeated and Revised |

\*The finding listed above originated in the fiscal year 2019 audit.

## Official Title and Legal Authority

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

| <u>Component Unit:</u>                                                          | <u>Established by:</u>                         |
|---------------------------------------------------------------------------------|------------------------------------------------|
| City of West Melbourne – Brevard County Joint Community<br>Redevelopment Agency | City Ordinance 2012-<br>19 dated July 17, 2012 |

## Financial Condition and Management

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

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we have the following recommendations:

#### **2024-004 Unexpended Balance – Building Permits (Repeated in FY2024)**

**Criteria:** Section 553.80(7)(a) of Florida Statutes has been updated to limit the amount of unexpended building permit funds carried forward to future fiscal years to no more than the City's average operating budget for enforcing the Florida Building Code for the previous four (4) fiscal years. A local government must use any funds in excess of this limitation to rebate or reduce fees.

**Condition:** While the City has begun to spend down building permit funds and has plans to further reduce this balance, the City's unexpended building permit funds at September 30, 2024 exceeded the City's average operating budget for enforcing the Florida Building Code for the previous four (4) fiscal years by \$1,063,932.

**Cause:** Prior to July 1, 2019, there was no provision in the Florida Statutes limiting the amount of carryforward of unexpended building permit funds. In prior fiscal years, the annual revenue derived from building permit fees exceeded anticipated amounts.

**Effect:** The City has excess unexpended balances at September 30, 2024 resulting in noncompliance with Florida Statutes.

**Recommendation:** The City should identify how it intends to reduce the amount of unexpended building code balances in order to comply with Section 553.80(7)(a) of Florida Statutes. Such action may require the City to modify its fiscal year 2024-25 budget.

**Management Response:** The City recognizes the requirement to reduce the excess fund balance restricted for Building Code Enforcement. In fiscal years 2020 and 2021, the City Council approved resolutions that waived and reduced certain building plan check and inspection fees. While these reductions did indeed reduce the excess, it has not reduced them to the level required by Statute. During fiscal year 2022, the City reduced the fund balance by \$499,099 due to operating expenses. In fiscal year 2023, the City contracted with an architectural firm to create a Building Design Criteria Package and in fiscal year 2024, the City entered into a Design/Build contract with W&J Construction to develop a new building to house the Building Department. In April 2025, City staff will request City Council approval on the construction price and agreement.

#### **2024-005 Fund Balance – Building Code Enforcement (Control Deficiency)**

**Criteria:** Per Generally Accepted Accounting Principles (GAAP), financial statements should accurately reflect revenues and expenditures to ensure a true and fair representation of an entity's financial position. Additionally, proper reconciliation and review procedures should be in place to prevent errors in financial calculations.

**Condition:** The Building Code Enforcement restricted fund balance was understated by \$61,118 due to the double counting of certain expenses in the year-end restricted fund balance calculation. Capital outlay expenditures were inadvertently included twice when determining the restricted final fund balance.

**Cause:** The understatement result from a miscalculation in the year-end restricted fund balance determination, where capital outlay expenditures were counted twice, leading to an artificially lower ending restricted fund balance. This may have also been due to errors in manual calculations, lack of proper review, or incorrect adjustments during the year-end closing process.

**Effect:** The restricted fund balance would be inadvertently understated, leading to a misrepresentation of the financial position of the Building Code Enforcement fund, which could also impact budgeting, financial planning, and compliance with regulatory reporting requirements. This misstatement highlights a weakness in financial review and reconciliation controls, potentially increasing the risk of similar errors in the future.

**Recommendation:** City management should establish a secondary review process to verify year-end fund balance calculations are accurate before finalizing fund balance reports and require regular reconciliation of expenses to prevent duplicate reporting and ensure accuracy in financial reporting.

**Management Response:** The City recognizes the need to review year-end journal entries and underlying support to ensure accuracy. The City will provide a more thorough review in the future.

#### **2024-006 Loss on Disposal of Fixed Assets (Improvement Point)**

**Criteria:** According to Governmental Accounting Standards Board (GASB) standards, specifically GASB Statement No. 34, when a government entity disposes of capital assets without receiving proceeds, the asset's net book value should be recognized as a loss on disposal rather than as revenue. Recording the disposal as revenue misrepresents the financial statements.

**Condition:** A \$351,698 adjustment was erroneously recorded as asset proceeds in revenue instead of being classified as a loss on disposal of fixed assets. The equipment was disposed due to obsolescence, and no money was exchanged in the transaction.

**Cause:** The misclassification appears to have been caused by an error in the journal entry to record the asset disposal that was not identified during the review of the journal entry.

**Effect:** The impact could have led to an overstatement of revenue by \$351,698, which could mislead financial statement users and stakeholders. It could also lead to misclassification of financial statement line items, affecting financial statement accuracy and transparency as well as potential noncompliance with GASB standards.

**Recommendation:** The City should apply proper accounting treatment for fixed asset disposals under GASB guidelines to ensure proper classification of disposal transactions.

**Management Response:** The City recognizes the need to apply proper accounting treatment for fixed asset disposals and will provide a more thorough review of the accounts used in the future.

### **Special District Component Units**

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

### **Additional Matters**

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

### **Purpose of this Letter**

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

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

Melbourne, Florida

March 13, 2025



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## INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH LOCAL GOVERNMENT INVESTMENT POLICIES

Honorable Mayor and Members of City Council  
City of West Melbourne, Florida

We have examined the City of West Melbourne, Florida's (the "City") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2024. Management of the City of West Melbourne, Florida is responsible for the City's compliance with the specified 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 we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

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*, during the year ended September 30, 2024.

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

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

Melbourne, Florida

March 13, 2025