



WEST MIAMI *Florida*

**Basic Financial Statements
and
Independent Auditor's Report
September 30, 2024**



Serving our Citizens and
the Community since 1947

CITY OF WEST MIAMI, FLORIDA

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT



INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members
of the City Commission of the
City of West Miami, 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 Miami, 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 of West Miami, Florida, as of September 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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 Auditors' 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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.

GARCIA, ESPINOSA, MIYARES, RODRIGUEZ, TRUEBA & CO., LLP
CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

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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 auditors' 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 on pages 4 through 13, the budgetary comparison information on pages 51 through 64, and the pension schedules on pages 65 through 68 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of West Miami, Florida's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and Chapter 10.550, *Rules of the Auditor General*, 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 and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2025, on our consideration of the City of West Miami, Florida's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City'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 of West Miami, Florida's internal control over financial reporting and compliance.



Coral Gables, Florida

June 30, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS
MD&A

CITY OF WEST MIAMI, FLORIDA
Management Discussion and Analysis
For the Year Ended September 30, 2024

As management of the City of West Miami, Florida (the City”), we offer readers of the accompanying financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2024.

As the dedicated stewards of the City of West Miami, we take great pride in offering this MD&A for the fiscal year ending September 30, 2024. This narrative delivers a clear, comprehensive, and accessible overview of the City’s financial health, serving as a vital context for the data within the audited financial statements.

Throughout the fiscal year ended September 30, 2024, the City of West Miami remained focused on delivering essential, high-impact services that directly benefit residents. In addition to major financial strides such as a 132% increase in unassigned General Fund reserves and a stronger unrestricted net position the City advanced priorities like infrastructure modernization, and water system upgrades. Beyond financial progress, residents benefited from meaningful programs and amenities that reflect the City’s service-first approach. These included senior meal services, walkable park spaces, improved sidewalks that enhance accessibility, and continued access to the Freebee micro-transit service, offering on-demand rides within City limits.

This MD&A reflects how the City of West Miami is managing growth thoughtfully, investing in aging infrastructure, and maintaining prudent reserves to protect future generations. Our financial results speak not just to technical performance but to the strength of our leadership, staff, and community commitment. Through this analysis, we aim to provide the public with a clear and compelling picture of how West Miami is building a more resilient, well-governed, and forward-looking city rooted in the basics, but prepared for tomorrow.

Financial Highlights

The assets of the City of West Miami exceeded its liabilities at the close of the fiscal years ended September 30, 2024 and 2023 by \$21,809,959 and \$20,578,202 (net position), respectively. Of this amount, unrestricted net position, which may be used to meet the ongoing obligations to citizens and creditors, were \$(1,762,864) and \$(2,320,947), respectively. During the fiscal years ended September 30, 2024 and 2023, the City’s net position increased by \$1,231,756 and \$455,356, respectively.

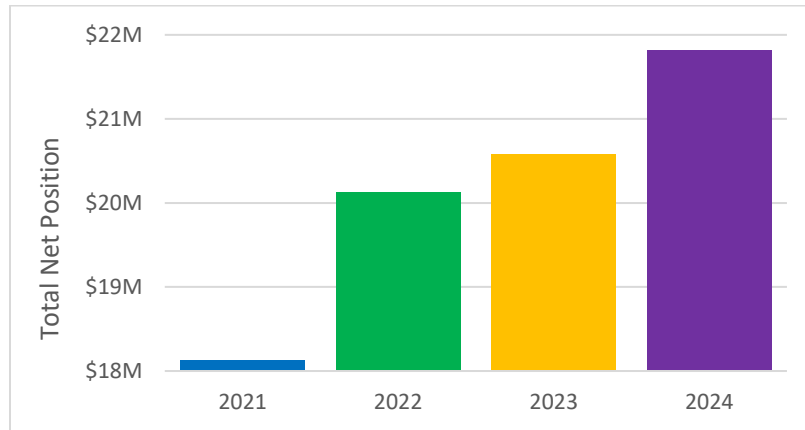
As of the close of the fiscal years ended September 30, 2024 and 2023, the City of West Miami’s governmental funds reported combined ending fund balances of \$8,154,439 and \$8,543,927, a decrease and increase of \$(389,488) and \$201,965 in comparison with the prior year, respectively.

At the end of the fiscal years ended September 30, 2024 and 2023, unassigned fund balance for governmental funds was \$2,973,869 and \$1,282,929, or 22.08% and 11.74% of total governmental fund expenditures and 30.61% and 16.39% of general fund expenditures, respectively.

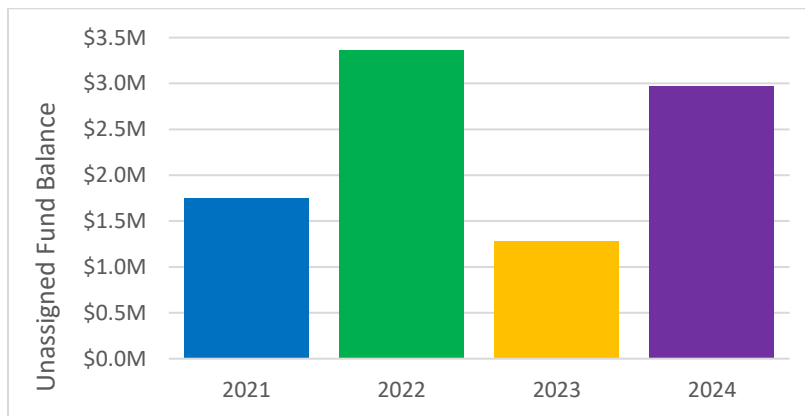
The City’s financial indicators have remained stable over the last several years. Improvements in previous years were achieved through rate increases in the business-type activities, increases in grant revenues, interest income, and reduction of costs where possible. Other points of interest are as follows.

- **Robust Net Position Growth:** The City’s total net position increased an impressive \$1,231,756 (5.9%) in net position. *(See graph below)*

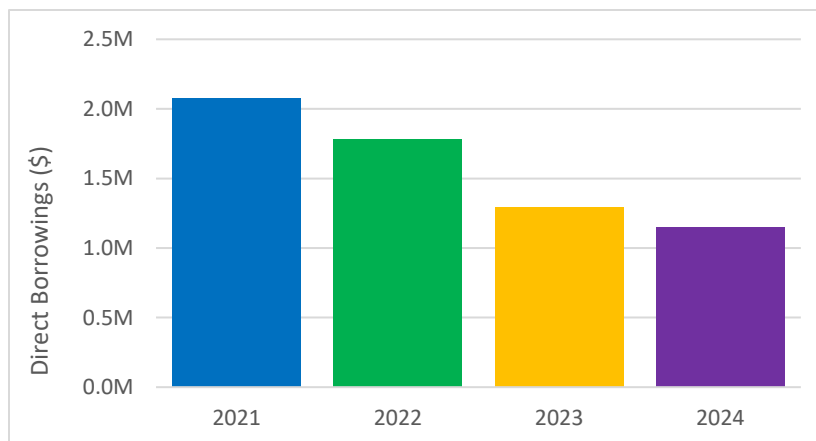
CITY OF WEST MIAMI, FLORIDA
Management Discussion and Analysis
 For the Year Ended September 30, 2024



- **Governmental Fund Strength:** The unassigned fund balance more than doubled from the prior year. (See graph below)



- **Revenue Innovation:** Our ad valorem tax base grew while continuing to reduce millage rates.
- **Investing in Our Community:** The City invested approximately \$2.49 million in capital improvements (primarily for the Multi-Generational Recreation Center) and \$210,000 for fleet modernization.
- **Debt Reduction and Fiscal Discipline:** In fiscal year ended September 30, 2024, the City of West Miami reduced its Direct Debt. (See graph below)



CITY OF WEST MIAMI, FLORIDA
Management Discussion and Analysis
For the Year Ended September 30, 2024

Strategic Achievements

1. **Thriving Real Estate Growth:** The City of West Miami is surging with vibrant growth, as developments fuel an 8.94% increase in taxable property values. These innovative projects, crafted for our unique footprint and backed by top-tier anchor tenants, are supercharging our tax base and revitalizing neighborhoods. With Miami-Dade County's thriving demographics, the City is poised for fiscal success, with a game-changing new development slated for late 2025.
2. **Fiscal Triumph in West Miami:** Despite leaner resources than larger neighbors, West Miami delivers exceptional services with financial discipline. The City's unassigned General Fund balance significantly increased, bringing the City closer to the GFOA's three-month reserve goal, showcasing our commitment to fiscal strength.
3. **Water System Revolution:** West Miami is transforming its utility infrastructure, ensuring top-tier, transparent, and cost-efficient water services. In fiscal year ended September 30, 2024, management tackled past calibration improvement opportunities and launched a forward-thinking utility rate adjustment, effective October 1, 2024, to fuel financial resilience. The fiscal year ending September 30, 2025 MuniLink platform and smart meters will improve tracking accuracy, internal controls, and customer trust, funded by grants for Phase IV water line improvements.
4. **Robust Fund Stability:** Governmental funds concluded the fiscal year ended September 30, 2024 with positive fund balances, and unassigned fund balances now exceed two months of expenditures, representing a significant advancement toward alignment with Government Finance Officers Association (GFOA) best practices. While enterprise funds such as Sewer, Sanitation, Stormwater, and Water continue to carry longstanding obligations, and totaling over \$9 million, these reflect challenges rooted in underinvestment and unsustainable fiscal practices. In response, the City has launched a comprehensive financial plan over the past two years, reducing structural imbalances and advancing compliance with Florida's statutory requirements for enterprise fund self-sufficiency. Notably, cost recovery measures, such as the \$93,715 secured through Ordinance 2010-02, paired with strategic rate adjustments, have accelerated progress in addressing interfund liabilities and reinforcing the long-term sustainability of utility services.
5. **Community Safety and Pride:** Public safety is our passion, with resources funding law enforcement, fleet upgrades, and the construction of our Muti-Generational Recreational Facility.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City of West Miami's basic financial statements. The City of West Miami's basic financial statements comprise three components:

- (1) government-wide financial statements,
- (2) fund financial statements, and
- (3) notes to the basic financial statements

Government-Wide Financial Statements: The *government-wide financial statements* were designed to provide readers with a broad overview of the City of West Miami's finances, in a manner similar to private-sector business.

The *statement of net position* presents information on all of the City of West Miami's assets, liabilities and deferred inflows/outflows of resources, with the difference between these categories 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 and serves as a key indicator of financial health.

CITY OF WEST MIAMI, FLORIDA
Management Discussion and Analysis
For the Year Ended September 30, 2024

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 7,197,944	\$ 7,736,464	\$ (1,106,411) *	\$ (642,869) *	\$ 6,091,533	\$ 7,093,595
Restricted assets	1,481,594	1,510,407	3,376,590	4,766,555	4,858,184	6,276,962
Capital assets	14,193,088	12,360,159	9,490,690	9,223,436	23,683,778	21,583,595
Total assets	<u>\$ 22,872,626</u>	<u>\$ 21,607,030</u>	<u>\$ 11,760,869</u>	<u>\$ 13,347,122</u>	<u>\$ 34,633,495</u>	<u>\$ 34,954,152</u>
Deferred outflows of resources related to pension	<u>\$ 2,419,661</u>	<u>\$ 1,952,139</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,419,661</u>	<u>\$ 1,952,139</u>
Current and other liabilities	\$ 525,099	702,944	\$ 4,411,155	\$ 4,841,594	\$ 4,936,254	\$ 5,544,538
Long-term liabilities	9,370,411	9,955,572	94,167	277,593	9,464,578	10,233,165
Total liabilities	<u>\$ 9,895,510</u>	<u>\$ 10,658,516</u>	<u>\$ 4,505,322</u>	<u>\$ 5,119,187</u>	<u>\$ 14,400,832</u>	<u>\$ 15,777,703</u>
Deferred inflows of resources related to pension	<u>\$ 842,365</u>	<u>\$ 550,386</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 842,365</u>	<u>\$ 550,386</u>
Net position	<u>\$ 14,554,412</u>	<u>\$ 12,350,267</u>	<u>\$ 7,255,547</u>	<u>\$ 8,227,935</u>	<u>\$ 21,809,959</u>	<u>\$ 20,578,202</u>
Net investment in capital assets	\$ 13,320,747	\$ 11,345,868	\$ 9,396,523	\$ 8,945,843	\$ 22,717,270	\$ 20,291,711
Restricted	855,553	2,333,722	-	273,716	855,553	2,607,438
Unrestricted	378,112	(1,329,323)	(2,140,976)	(991,624)	(1,762,864)	(2,320,947)
Total net position	<u>\$ 14,554,412</u>	<u>\$ 12,350,267</u>	<u>\$ 7,255,547</u>	<u>\$ 8,227,935</u>	<u>\$ 21,809,959</u>	<u>\$ 20,578,202</u>

* Negative balance resulting from internal balances

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). It distinguishes:

Governmental activities (general government, public safety, parks, transportation), funded by taxes and grants.

Business-type activities (water, sewer, stormwater, sanitation, code compliance), funded by user fees.

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Charges for services	\$ 1,787,290	\$ 1,725,622	\$ 2,603,234	\$ 2,951,604	\$ 4,390,524	\$ 4,677,226
Operating grants and contributions	13,635	391,541	-	-	13,635	391,541
Capital grants and contributions	574,768	130,816	1,612,169	1,104,573	2,186,937	1,235,389
General revenues:						
Taxes	8,286,255	8,378,863	-	-	8,286,255	8,378,863
Other	1,080,898	486,885	223,540	87,981	1,304,438	574,866
Total revenues	<u>11,742,846</u>	<u>11,113,727</u>	<u>4,438,943</u>	<u>4,144,158</u>	<u>16,181,789</u>	<u>15,257,885</u>
Expenses:						
General government	4,106,325	3,132,261	-	-	4,106,325	3,132,261
Public safety	3,391,494	4,195,170	-	-	3,391,494	4,195,170
Parks and recreational	1,623,370	1,893,674	-	-	1,623,370	1,893,674
Transportation, roads and streets	1,516,528	1,425,968	-	-	1,516,528	1,425,968
Interest on long-term debt	17,277	40,319	-	-	17,277	40,319
Water	-	-	984,868	1,015,738	984,868	1,015,738
Sewer	-	-	1,426,152	1,344,497	1,426,152	1,344,497
Stormwater	-	-	661,662	737,343	661,662	737,343
Sanitation	-	-	739,707	791,458	739,707	791,458
Building/Code Compliance	-	-	482,650	226,101	482,650	226,101
Total expenses	<u>10,654,994</u>	<u>10,687,392</u>	<u>4,295,039</u>	<u>4,115,137</u>	<u>14,950,033</u>	<u>14,802,529</u>
Excess (deficiency) before transfers	1,087,852	426,335	143,904	29,021	1,231,756	455,356
Transfers	<u>1,116,292</u>	<u>12,308</u>	<u>(1,116,292)</u>	<u>(12,308)</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	<u>\$ 2,204,144</u>	<u>\$ 438,643</u>	<u>\$ (972,388)</u>	<u>\$ 16,713</u>	<u>\$ 1,231,756</u>	<u>\$ 455,356</u>

CITY OF WEST MIAMI, FLORIDA
Management Discussion and Analysis
For the Year Ended September 30, 2024

Both of the government-wide financial statements distinguish functions of the City of West Miami 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 of West Miami include general government, public safety, parks and recreational, and transportation, roads and streets. The business-type activities of the City of West Miami include water, sewer, stormwater, sanitation, and building/code compliance operations. The government-wide financial statements can be found on pages 14-15 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 of West Miami, 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 of West Miami can be divided into two categories: *governmental funds*, which fuel essential services like the City's police force, and *proprietary funds*, which drive critical utility services.

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 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. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the 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 of West Miami maintains two governmental fund types. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and parks and recreation fund, which are the two governmental funds considered to be major funds. All of the remaining special revenue funds have been combined and are presented as non-major funds.

The City of West Miami adopts an annual appropriated budget for its general fund and most of the special revenue funds. A budgetary comparison statement has been provided for the general fund and parks and recreation fund to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 16-17 of this report.

Proprietary funds. The City of West Miami maintains one type of proprietary fund referred to as an enterprise fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements and are used to account for water, sewer, sanitation, and code compliance operations.

The proprietary fund provides 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, sewer, stormwater, sanitation, and building/code compliance operations, which are considered to be major funds of the City of West Miami. The basic proprietary fund financial statements can be found on pages 19-21 of this report.

CITY OF WEST MIAMI, FLORIDA
Management Discussion and Analysis
For the Year Ended September 30, 2024

Notes to the basic 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 provide detailed insight into accounting policies, capital assets, debt obligations, pension liabilities, and fund balances. The notes to the basic financial statements can be found on pages 22-50 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. In the case of the City of West Miami, total net position exceeded liabilities by \$21,809,959 and \$20,578,202 at the close of September 30, 2024 and 2023, respectively.

The largest portion of the City of West Miami's net position reflects its net investment in capital assets (e.g., land, buildings, infrastructure, and machinery and equipment). These capital assets include the Multi-Generational Recreation Center and modernized water systems, supporting essential services. The City of West Miami uses these capital assets to provide services to citizens; consequently, they are not available for future spending.

An additional portion of the City of West Miami's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the City's ongoing obligations to citizens and creditors.

At September 30, 2024 and 2023, the City of West Miami has positive balances in all categories of net position, except for unrestricted net position in its business-type activities. The deficit in business-type activities is caused by repairs and other expenses, and investments in water/sewer infrastructure. The City's net position increased by \$1,231,756 and \$455,356 during the fiscal years ended September 30, 2024 and 2023, respectively.

Governmental activities. Governmental activities increased the net position of the City of West Miami by \$2,204,144 and \$438,643 thereby accounting for a 17.85% and 3.68% increase in the governmental activities net position in 2024 and 2023, respectively. In fiscal year ended September 30, 2024, the increase in net position was attributed to increases in franchise, utility, and other taxes, interest income, and other miscellaneous revenues. The growth in 2024 reflects a visionary investment strategy, fueled by robust property tax revenues boosted by a rise in taxable property values, increased capital grant revenues, and tripled investment earnings. In fiscal year ended September 30, 2023, the increase in net position was attributed to increases in property tax revenues, and capital grant revenues.

Business-type activities. Business-type activities (decreased) increased the net position of the City of West Miami by \$(972,388) and \$16,713 in 2024 and 2023, respectively. In the fiscal year ended September 30, 2024, the decrease in the business-type activities net position was related to overall decreases in operating revenues, primarily due to calibration issues in the City's legacy utility billing software, and increases in payroll costs. A utility rate adjustment, effective October 1, 2024, strengthens long-term financial resilience, while the introduction of the MuniLink platform and smart meters is anticipated to enhance tracking precision, transparency and cost efficiency when introduced during fiscal year ending September 30, 2025. Improved oversight is helping the City avoid unbilled consumption and ensure that water usage is accurately reflected in customer accounts. Capital improvements included the grant-funded Phase IV water line upgrades. In the fiscal year ended September 30, 2023, the increase in the business-type activities net position was related to increases in capital grant revenues.

CITY OF WEST MIAMI, FLORIDA
Management Discussion and Analysis
For the Year Ended September 30, 2024

Financial Analysis of the City's Funds

Governmental funds. The focus of the City of West Miami'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 of West Miami's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year.

As of the end of the fiscal years ended September 30, 2024 and 2023, the City of West Miami's *governmental funds* reported combined ending fund balances of \$8,154,439 and \$8,543,927, a (decrease) increase of \$(389,488) and \$201,965 in comparison with the prior year, respectively. Approximately 36.5% and 15.0% of this total amount, \$2,973,869 and \$1,282,929, constitutes *unassigned fund balance*, which is available for spending at the City's discretion. The remainder of the fund balance is either *non-spendable*, *restricted*, *committed*, or *assigned* to indicate it is not available for new spending because it has already been restricted or committed for a variety of reasons, such as by external sources (creditors, grantors, laws or regulations, etc.) or the City Commission, or assigned for specific projects, capital improvements, and contingencies.

The general fund is the chief operating fund of the City. At the end of the fiscal years ended September 30, 2024 and 2023, unassigned fund balance of the general fund in the fund financial statements was \$2,973,869 and \$1,282,929, respectively. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 30.6% and 16.4% of total general fund expenditures at the end of each year, respectively.

The fund balance of the City of West Miami's general fund in the fund financial statements (decreased) increased by \$(145,912) and \$652,786 during the fiscal years ended in 2024 and 2023, respectively. The decrease in 2024 was attributed to increases in professional fees, salaries, and capital outlay expenditures, when compared to the prior year. The increase in 2023 was attributed to increases in property tax revenues and capital grant revenues, when compared to the prior year.

Proprietary funds. The City of West Miami's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Net position of the proprietary funds at the end of fiscal years ended September 30, 2024 and 2023 amounted to \$7,255,547 and \$8,227,935, respectively. The proprietary fund financial statements can be found on pages 19-21 of the financial statements.

Capital Assets and Debt Administration

Capital Assets. The City's capital assets, less accumulated depreciation, for its governmental and business-type activities as of September 30, 2024 and 2023 amounted to \$14,193,088 and \$12,360,159, and \$9,490,690 and \$9,223,436, respectively, and consist of land, land improvements, construction in progress, buildings, building improvements, infrastructure, machinery and equipment, and subscription-based information technology arrangements (SBITAs) software. A more detailed schedule can be found on page 36 of the notes to the financial statements.

Significant capital asset events during the current fiscal year included the acquisition of police vehicles and other equipment enhancements for approximately \$210,000 in fleet upgrades, and construction costs of approximately \$2.5 million for the Multi-Generational Recreation Center project and drainage improvements.

CITY OF WEST MIAMI, FLORIDA
Management Discussion and Analysis
For the Year Ended September 30, 2024

Debt. The City’s debt totaled approximately \$9.5 million and \$10.2 million at September 30, 2024 and 2023, respectively. The overall decrease is directly attributable to the City’s debt repayments. Debt management remains strong, with no new debt during 2024, keeping obligations sustainable and open to potential refinancing if rates decrease. Although a more detailed schedule can be found on page 38 of the notes to the financial statements, outstanding debt as of September 30, 2024 and 2023 consisted of the following. Notably, only \$966,508 of long-term liabilities represents direct borrowings tied to equipment obligations and tangible improvements, highlighting West Miami’s low debt exposure. The remaining long-term obligations primarily consist of pension liabilities required for reporting under GASB standards, which do not reflect cash owed or issued debt but rather represent the City’s participation in the Florida Retirement System (FRS).

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Promissory note payable -						
City National Bank	\$ 823,000	\$ 930,000	\$ -	\$ -	\$ 823,000	\$ 930,000
Mortgage note - State of Florida	-	-	94,167	277,593	94,167	277,593
Compensated absences	234,712	345,652	-	-	234,712	345,652
Workmen’s comp claims	69,754	754,481	-	-	69,754	754,481
Equipment installment obligations	49,341	84,292	-	-	49,341	84,292
SBITA Liability	184,474	-	-	-	184,474	-
Net pension liability	8,009,130	7,841,147	-	-	8,009,130	7,841,147
Total	\$ 9,370,411	\$ 9,955,572	\$ 94,167	\$ 277,593	\$ 9,464,578	\$ 10,233,165

Budgetary Highlights

The City provides in its Charter for the City Commission to authorize changes and transfers between departmental budgets as long as no appropriations are required from unassigned fund balances or unrestricted net position. During the fiscal year ended September 30, 2024, there were no budget amendments approved by the City Commission. During the fiscal year ended September 30, 2023, all budget amendments were approved by the City Commission in accordance with the City Code.

The City of West Miami’s budget process reflects management’s ongoing commitment to responsible stewardship, transparent governance, and continuous improvement—principles that earned the City the GFOA Distinguished Budget Presentation Award for the second consecutive year. In fiscal year ended September 30, 2024, some final budget amendments were adopted outside the 60-day window, primarily due to the rollout of the new accounting system. Importantly, these timing adjustments had no substantial impact on the City’s financial position, as rising property values and strong investment earnings provided support for expenditures.

During the fiscal year ended September 30, 2024, the City exceeded appropriations in the general fund in various departments as included on the following page, driven by key factors such as cost-of-living adjustments (COLAs), timing of capital spending for the Multi-Generational Recreation Center, and critical infrastructure upgrades. The overages were funded by available resources and reflect the City’s focus on delivering tangible improvements to residents. As with most municipalities, budget amendments and year-end adjusting journal entries are standard practice, and the City continues to refine its processes to reduce the number for post-closing adjusting journal entries over time.

CITY OF WEST MIAMI, FLORIDA
Management Discussion and Analysis
For the Year Ended September 30, 2024

	Budgeted	Actual	Variance with Final Budget Positive (Negative)
Legal	\$ 135,950	\$ 254,844	\$ (118,894)
Streets	618,431	920,871	(302,440)
Garbage	106,369	117,178	(10,809)
Facilities Maintenance	237,769	412,256	(174,487)
Capital Outlay	15,700	557,889	(542,189)

Economic Factors and Next Year's Budgets and Rates

The City of West Miami's main source of revenues are obtained from a combination of tax receipts from ad-valorem property taxes, state revenue sharing and other taxes, franchise fees, fines and forfeitures, and grant revenues. The budget for fiscal year ended September 30, 2025 is based on the City's best expectations of revenues from these sources and other smaller sources, and expenditures are based on historical data and known increases and expectations for the September 30, 2025 fiscal year.

The City of West Miami continues to exhibit sound fiscal management and long-term planning in its fiscal year ending September 30, 2025 adopted budget. The Commission approved a balanced General Fund budget totaling approximately \$9.25 million, aligning operational priorities with sustainable financial practices and positioning the City for continued service excellence. This budget won the Distinguished Budget Presentation Award from the Government Finance Officers Association (GFOA) for the second consecutive year. Highlights from the FY 2025 budget include:

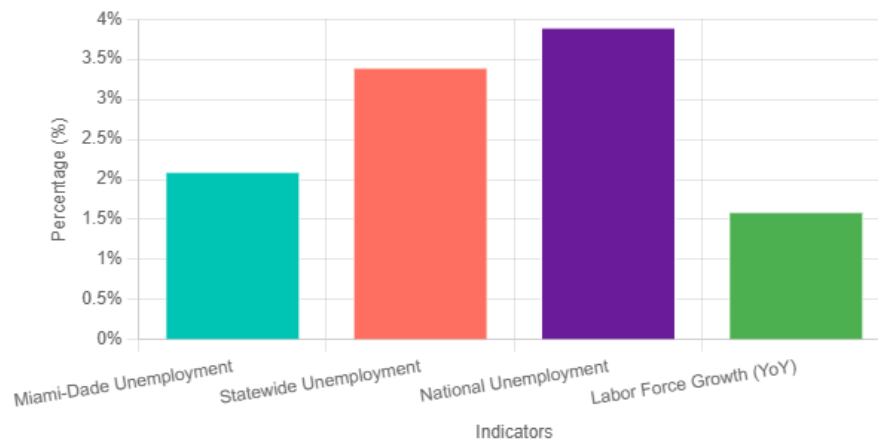
- **Millage Rate:** With a steadfast history of millage reductions, the City is thrilled to announce that its millage has now dropped to an impressive 5.9200, striking a dynamic balance between service needs and inflation. The City's overall taxable assessed value surged by 8.94%, fueled by robust private-sector investment, reinvestment in residential properties, and market appreciation. This remarkable growth in the tax base has unlocked enhanced revenue capacity without increasing the tax burden on individual property owners.
- **Taxable Value:** Up 8.94%.
- **Personnel:** Prioritized with cost-of-living adjustments and staffing for key services.
- **Utility Rates:** Competitively adjusted in FY 2025 to stabilize water/sewer funds, with early efficiency gains.
- **MuniLink:** New billing platform improves tracking and accuracy, enabling future rate reduction evaluations.
- **Capital Investments:** New police vehicle leases start late 2025.



CITY OF WEST MIAMI, FLORIDA
Management Discussion and Analysis
For the Year Ended September 30, 2024

Economic Context and Regional Strength

The City of West Miami's budget is supported by a remarkably strong regional economy. As part of the Miami–Fort Lauderdale–West Palm Beach metropolitan area, the region generated an estimated \$533.7 billion in GDP, placing it among the top 15 metro economies in the United States. This positions West Miami within a thriving economic engine that drives robust fiscal opportunity and long-term stability. The local labor market continues to outperform both state and national averages, contributing to healthy revenues across franchise fees, investment returns, and economically sensitive categories:



These figures reflect not only economic momentum but also West Miami's embedded resilience. Despite a high number of homestead exemptions, the City continues to maintain strong revenue performance, stable operations, and rising property valuations **while reducing the millage rate**.

Looking ahead, the City is actively exploring new economic development opportunities and expects to announce additional strategic investments or development initiatives later in calendar year 2025. These projects are anticipated to enhance local amenities, expand the commercial base, and generate long-term revenue growth, reinforcing the City's commitment to financial stewardship and quality of life.

Together, these highlights reflect a city that is fiscally disciplined, pro-growth, and strategically positioned in one of the most economically dynamic regions in the United States. West Miami's leadership continues to chart a steady course forward—balancing affordability for residents with the need to invest in core services, infrastructure, and technology that will benefit future generations.

Requests for Information

This financial report is designed to provide a general overview of the City of West Miami's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City Clerk, City of West Miami, 901 SW 62nd Avenue, West Miami, FL, 33144.

BASIC FINANCIAL STATEMENTS

City of West Miami, Florida

Statement of Net Position

September 30, 2024

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 2,167,240	\$ 194,220	\$ 2,361,460
Certificates of deposit	1,565,805	478,337	2,044,142
Receivables, net	670,297	924,905	1,595,202
Prepays	90,729	-	90,729
Internal balances	2,703,873	(2,703,873)	-
Restricted assets:			
Cash and cash equivalents	1,481,594	3,184,907	4,666,501
Certificates of deposit	-	191,683	191,683
Capital assets not being depreciated:			
Land	236,605	171,591	408,196
Construction in progress	2,393,747	1,993,394	4,387,141
Capital assets, net of accumulated depreciation	<u>11,562,736</u>	<u>7,325,705</u>	<u>18,888,441</u>
Total Assets	<u>22,872,626</u>	<u>11,760,869</u>	<u>34,633,495</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Pension	<u>2,419,661</u>	<u>-</u>	<u>2,419,661</u>
Total Deferred Outflows of Resources	<u>\$ 2,419,661</u>	<u>\$ -</u>	<u>\$ 2,419,661</u>
<u>LIABILITIES</u>			
Accounts payable and accrued liabilities	\$ 450,833	\$ 1,216,537	\$ 1,667,370
Customer deposits	-	323,360	323,360
Unearned revenue	74,266	2,871,258	2,945,524
Non-current liabilities:			
Due within one year	377,828	94,167	471,995
Due in more than one year	<u>8,992,583</u>	<u>-</u>	<u>8,992,583</u>
Total Liabilities	<u>9,895,510</u>	<u>4,505,322</u>	<u>14,400,832</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Pension	<u>842,365</u>	<u>-</u>	<u>842,365</u>
Total Deferred Inflows of Resources	<u>\$ 842,365</u>	<u>\$ -</u>	<u>\$ 842,365</u>
<u>NET POSITION</u>			
Net investment in capital assets	\$ 13,320,747	\$ 9,396,523	\$ 22,717,270
Restricted for:			
Transportation	321,203	-	321,203
Public Safety Initiatives	177,025	-	177,025
Capital Improvements	357,325	-	357,325
Unrestricted	<u>378,112</u>	<u>(2,140,976)</u>	<u>(1,762,864)</u>
Total Net Position	<u>\$ 14,554,412</u>	<u>\$ 7,255,547</u>	<u>\$ 21,809,959</u>

The notes to the financial statements are an integral part of this statement.

City of West Miami, Florida
Statement of Activities
For the Year Ended September 30, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ (4,106,325)	\$ 343,112	\$ -	\$ -	\$ (3,763,213)	\$ -	\$ (3,763,213)
Public safety	(3,391,494)	1,219,247	2,500	-	(2,169,747)	-	(2,169,747)
Parks and recreational	(1,623,370)	224,931	-	574,768	(823,671)	-	(823,671)
Transportation, roads and streets	(1,516,528)	-	11,135	-	(1,505,393)	-	(1,505,393)
Interest on long-term debt	(17,277)	-	-	-	(17,277)	-	(17,277)
Total governmental activities	(10,654,994)	1,787,290	13,635	574,768	(8,279,301)	-	(8,279,301)
Business-type activities:							
Water	(984,868)	874,411	-	1,612,169	-	1,501,712	1,501,712
Sewer	(1,426,152)	665,861	-	-	-	(760,291)	(760,291)
Stormwater	(661,662)	109,351	-	-	-	(552,311)	(552,311)
Sanitation	(739,707)	692,943	-	-	-	(46,764)	(46,764)
Building/Code Compliance	(482,650)	260,668	-	-	-	(221,982)	(221,982)
Total business-type activity	(4,295,039)	2,603,234	-	1,612,169	-	(79,636)	(79,636)
Total government	\$ (14,950,033)	\$ 4,390,524	\$ 13,635	\$ 2,186,937	\$ (8,279,301)	\$ (79,636)	\$ (8,358,937)
General revenues:							
Property taxes					\$ 5,049,439	\$ -	\$ 5,049,439
Franchise, utility and other taxes					2,003,931	-	2,003,931
Intergovernmental taxes					1,232,885	-	1,232,885
Interest earnings and investment income					327,027	223,540	550,567
Miscellaneous					753,871	-	753,871
Transfers					1,116,292	(1,116,292)	-
					<u>10,483,445</u>	<u>(892,752)</u>	<u>9,590,693</u>
Change in net position					2,204,144	(972,388)	1,231,756
Net position - beginning					12,350,268	8,227,935	20,578,203
Net position - ending					\$ 14,554,412	\$ 7,255,547	\$ 21,809,959

The notes to the financial statements are an integral part of this statement.

City of West Miami, Florida

Balance Sheet

Governmental Funds

September 30, 2024

	<u>General Fund</u>	<u>Parks & Recreation Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets				
Cash and Cash Equivalents	\$ 2,069,323	\$ 97,917	\$ -	\$ 2,167,240
Cash - Restricted	1,147,809	-	333,785	1,481,594
Certificates of Deposit	1,565,805	-	-	1,565,805
Receivables	147,966	414,501	107,830	670,297
Prepays	90,729	-	-	90,729
Due from Other Funds	4,620,249	1,515,919	228,755	6,364,923
Total Assets	<u><u>\$ 9,641,881</u></u>	<u><u>\$ 2,028,337</u></u>	<u><u>\$ 670,370</u></u>	<u><u>\$ 12,340,588</u></u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable and Accrued Expenses	\$ 338,706	\$ 111,127	\$ 1,000	\$ 450,833
Due to Other Funds	3,103,880	386,028	171,142	3,661,050
Unearned Revenue	74,266	-	-	74,266
Total Liabilities	<u>3,516,852</u>	<u>497,155</u>	<u>172,142</u>	<u>4,186,149</u>
Fund Balances				
Nonspendable				
Prepays	90,729	-	-	90,729
Restricted				
Restricted for Transportation	-	-	321,203	321,203
Restricted for Public Safety Initiatives	-	-	177,025	177,025
Restricted for Capital Improvements	357,325	-	-	357,325
Committed				
Committed for Emergencies and Cash Flow	2,103,501	-	-	2,103,501
Committed for Parks and Recreation	-	785,497	-	785,497
Assigned				
Assigned for Capital Outlay	15,605	745,685	-	761,290
Assigned for Specific Projects	20,000	-	-	20,000
Assigned for Comprehensive Plan	29,000	-	-	29,000
Assigned for Future Contingencies	500,000	-	-	500,000
Assigned for Potable Water Project	35,000	-	-	35,000
Unassigned				
General Fund	2,973,869	-	-	2,973,869
Total Fund Balances	<u>6,125,029</u>	<u>1,531,182</u>	<u>498,228</u>	<u>8,154,439</u>
Total Liabilities and Fund Balances	<u><u>\$ 9,641,881</u></u>	<u><u>\$ 2,028,337</u></u>	<u><u>\$ 670,370</u></u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds	14,193,088
Deferred outflows related to pension	2,419,661
Deferred inflows related to pension	(842,365)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds	<u>(9,370,411)</u>
Net position of governmental activities	<u><u>\$ 14,554,412</u></u>

The notes to the financial statements are an integral part of this statement.

City of West Miami, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2024

	<u>General Fund</u>	<u>Parks & Recreation Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues				
Taxes				
Property	\$ 4,246,396	\$ 803,043	\$ -	\$ 5,049,439
Franchise	723,707	-	-	723,707
Excise, Utility Service and Other	823,039	-	457,185	1,280,224
Licenses, Permits and Fees	23,137	-	-	23,137
Intergovernmental	1,232,885	-	-	1,232,885
Fines and Forfeitures	1,078,853	-	140,394	1,219,247
Grant Revenues/Contributions	2,500	574,768	11,135	588,403
Rent	24,777	61,200	-	85,977
Investment Earnings	309,334	66	17,627	327,027
Other	793,330	419,470	-	1,212,800
Total Revenues	<u>9,257,958</u>	<u>1,858,547</u>	<u>626,341</u>	<u>11,742,846</u>
Expenditures				
Current				
City Council	46,986	-	-	46,986
Legal	254,844	-	-	254,844
Executive	614,432	-	-	614,432
Finance and Administration	1,127,824	-	-	1,127,824
Law Enforcement	3,201,522	-	40,419	3,241,941
Transportation	-	-	321,592	321,592
Community Center	-	395,939	-	395,939
Streets	920,871	-	-	920,871
Garage	117,178	-	-	117,178
Recreation	-	1,060,529	-	1,060,529
Parks	-	-	-	-
Facilities Maintenance	412,256	-	-	412,256
Non-Departmental	2,268,537	-	-	2,268,537
Capital Outlay	557,889	1,443,996	489,059	2,490,944
Debt Service				
Principal Retirement	174,564	-	-	174,564
Interest	17,277	-	-	17,277
Total Expenditures	<u>9,714,180</u>	<u>2,900,464</u>	<u>851,070</u>	<u>13,465,714</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(456,222)</u>	<u>(1,041,917)</u>	<u>(224,729)</u>	<u>(1,722,868)</u>
Other Financing Sources (Uses)				
Proceeds from SBITAs financing	217,088	-	-	217,088
Operating Transfers In	93,222	1,070,454	-	1,163,676
Operating Transfers Out	-	-	(47,384)	(47,384)
Total Other Financing Sources (Uses)	<u>310,310</u>	<u>1,070,454</u>	<u>(47,384)</u>	<u>1,333,380</u>
Net Change in Fund Balances	(145,912)	28,537	(272,113)	(389,488)
Fund Balances at Beginning of Year *	<u>6,270,941</u>	<u>1,502,645</u>	<u>770,341</u>	<u>8,543,927</u>
Fund Balances at End of Year	<u>\$ 6,125,029</u>	<u>\$ 1,531,182</u>	<u>\$ 498,228</u>	<u>\$ 8,154,439</u>

* Fund balances at beginning of year have been restated to combine two funds into a single Parks & Recreation Fund, see Note I-D-16.

The notes to the financial statements are an integral part of this statement.

City of West Miami, 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

Net change in fund balances - total governmental funds (Page 17) **\$ (389,488)**

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 depreciated over their estimated useful lives and reported as depreciation expense.

The details of the difference are as follows:

Capital outlay	2,490,944	
Depreciation expense	(658,015)	
Net adjustment	1,832,929	1,832,929

Loan proceeds provide current financial resources to governmental funds but issuing debt increases long-term liabilities in the statement of net position. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount by which proceeds exceeded repayments.

The details of the differences are as follows:

Proceeds from SBITAs financing	(217,088)	
Principal payments	174,564	
Net adjustment	(42,524)	(42,524)

Some expenses 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.

The details of the difference are as follows:

Change in long-term compensated absences	110,940	
Change in long-term workers' compensation claims	684,727	
Net pension liability	7,560	803,227

Change in net position of governmental activities (Page 15) **\$ 2,204,144**

City of West Miami, Florida
Statement of Net Position
Enterprise Funds
September 30, 2024

Business-Type Activities - Enterprise Funds

Assets	Sewer System Fund	Water System Fund	Stormwater Utility Fund	Sanitation Fund	Building Department / Code Compliance Fund	Total
Current Assets						
Cash and Cash Equivalents	\$ 8,521	\$ -	\$ -	\$ 112,037	\$ 73,662	\$ 194,220
Cash - Restricted	58,706	3,126,201	-	-	-	3,184,907
Certificates of Deposit	478,337	-	-	-	-	478,337
Certificates of Deposit - Restricted	191,683	-	-	-	-	191,683
Receivables	231,813	455,676	29,069	208,347	-	924,905
Due From Other Funds	2,924,478	2,531,867	666,284	305,782	140,557	6,568,968
Total Current Assets	<u>3,893,538</u>	<u>6,113,744</u>	<u>695,353</u>	<u>626,166</u>	<u>214,219</u>	<u>11,543,020</u>
Capital Assets	<u>1,620,185</u>	<u>3,279,791</u>	<u>4,194,990</u>	<u>391,879</u>	<u>3,845</u>	<u>9,490,690</u>
Total Assets	<u><u>\$ 5,513,723</u></u>	<u><u>\$ 9,393,535</u></u>	<u><u>\$ 4,890,343</u></u>	<u><u>\$ 1,018,045</u></u>	<u><u>\$ 218,064</u></u>	<u><u>\$ 21,033,710</u></u>
Liabilities						
Current Liabilities						
Current Portion of Notes and Loans Payable	\$ 94,167	\$ -	\$ -	\$ -	\$ -	\$ 94,167
Accounts Payable and Accrued Expenses	320,335	561,852	275	57,103	276,972	1,216,537
Due To Other Funds	4,887,484	2,434,845	831,433	1,096,223	22,856	9,272,841
Unearned Revenue	-	2,871,258	-	-	-	2,871,258
Total Current Liabilities	<u>5,301,986</u>	<u>5,867,955</u>	<u>831,708</u>	<u>1,153,326</u>	<u>299,828</u>	<u>13,454,803</u>
Customer Deposits	<u>-</u>	<u>323,360</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>323,360</u>
Total Liabilities	<u>5,301,986</u>	<u>6,191,315</u>	<u>831,708</u>	<u>1,153,326</u>	<u>299,828</u>	<u>13,778,163</u>
Net Position						
Net Investment in Capital Assets	1,526,018	3,279,791	4,194,990	391,879	3,845	9,396,523
Unrestricted	<u>(1,314,281)</u>	<u>(77,571)</u>	<u>(136,355)</u>	<u>(527,160)</u>	<u>(85,609)</u>	<u>(2,140,976)</u>
Total Net Position	<u>211,737</u>	<u>3,202,220</u>	<u>4,058,635</u>	<u>(135,281)</u>	<u>(81,764)</u>	<u>7,255,547</u>
Total Liabilities and Net Position	<u><u>\$ 5,513,723</u></u>	<u><u>\$ 9,393,535</u></u>	<u><u>\$ 4,890,343</u></u>	<u><u>\$ 1,018,045</u></u>	<u><u>\$ 218,064</u></u>	<u><u>\$ 21,033,710</u></u>

The notes to the financial statements are an integral part of this statement.

City of West Miami, Florida
Statement of Revenues, Expenses
and Changes in Net Position
Enterprise Funds
For the Year Ended September 30, 2024

	Business-Type Activities - Enterprise Funds					
	Sewer System Fund	Water System Fund	Stormwater Utility Fund	Sanitation Fund	Building Department / Code Compliance Fund	Total
Operating Revenues						
Water Sales	\$ -	\$ 874,214	\$ -	\$ -	\$ -	\$ 874,214
Sewer Service	665,861	-	-	-	-	665,861
Sanitation Fees	-	-	-	672,068	-	672,068
Licenses, Permits and Fees	-	-	109,351	-	248,544	357,895
Other	-	197	-	20,875	12,124	33,196
Total Operating Revenues	<u>665,861</u>	<u>874,411</u>	<u>109,351</u>	<u>692,943</u>	<u>260,668</u>	<u>2,603,234</u>
Operating Expenses						
Water Purchased	-	842,182	-	-	-	842,182
Salaries and Wages	76,352	35,064	36,670	249,371	170,588	568,045
Waste Disposal and Recycling	-	-	-	395,450	-	395,450
Sewer Processing	1,087,135	-	-	-	-	1,087,135
Depreciation	201,093	40,419	591,648	27,051	427	860,638
Other	53,315	67,203	33,344	67,843	311,635	533,340
Total Operating Expenses	<u>1,417,895</u>	<u>984,868</u>	<u>661,662</u>	<u>739,715</u>	<u>482,650</u>	<u>4,286,790</u>
Operating Income (Loss)	(752,034)	(110,457)	(552,311)	(46,772)	(221,982)	(1,683,556)
Non-Operating Revenues (Expenses)						
Investment Income	37,019	186,188	-	175	166	223,548
Interest Expense	(8,257)	-	-	-	-	(8,257)
Total Non-Operating Revenues (Expenses)	<u>28,762</u>	<u>186,188</u>	<u>-</u>	<u>175</u>	<u>166</u>	<u>215,291</u>
Other Financing Sources (Uses)						
Capital Contributions	-	1,612,169	-	-	-	1,612,169
Operating Transfers In	10,876	-	-	-	-	10,876
Operating Transfers Out	(51,372)	(946,420)	(10,876)	(118,500)	-	(1,127,168)
Total Other Financing Sources (Uses)	<u>(40,496)</u>	<u>665,749</u>	<u>(10,876)</u>	<u>(118,500)</u>	<u>-</u>	<u>495,877</u>
Change in Net Position	(763,768)	741,480	(563,187)	(165,097)	(221,816)	(972,388)
Net Position at Beginning of Year	975,505	2,460,740	4,621,822	29,816	140,052	8,227,935
Net Position at End of Year	<u>\$ 211,737</u>	<u>\$ 3,202,220</u>	<u>\$ 4,058,635</u>	<u>(135,281)</u>	<u>\$ (81,764)</u>	<u>\$ 7,255,547</u>

The notes to the financial statements are an integral part of this statement.

City of West Miami, Florida
Statement of Cash Flows
Enterprise Funds
For the Year Ended September 30, 2024

	Business-Type Activities - Enterprise Funds					Total
	Sewer System	Water System	Stormwater Utility	Sanitation	Building Department / Code Compliance	
Cash Flows from Operating Activities						
Operating Income (Loss)	\$ (752,034)	\$ (110,457)	\$ (552,311)	\$ (46,772)	\$ (221,982)	\$ (1,683,556)
Adjustment to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:						
Depreciation	201,093	40,419	591,648	27,051	427	860,638
Decrease (Increase) in Receivables	(19,127)	143,434	(7,000)	10,380	-	127,687
Decrease (Increase) in Due To/From Other Funds	100,868	(302,066)	(21,461)	340,399	147,553	265,293
Decrease in Notes Receivable	22,551	-	-	-	-	22,551
Increase (Decrease) in Accounts Payable and Accrued Expenses	315,398	271,972	-	49,339	48,470	685,179
Increase in Customer Deposits	-	14,040	-	-	-	14,040
(Decrease) in Unearned Revenue	-	(1,129,658)	-	-	-	(1,129,658)
Net Cash Provided by (Used for) Operating Activities	<u>(131,251)</u>	<u>(1,072,316)</u>	<u>10,876</u>	<u>380,397</u>	<u>(25,532)</u>	<u>(837,826)</u>
Cash Flows from Noncapital Financing Activities						
Operating Transfers In (Out)	<u>(40,496)</u>	<u>(946,420)</u>	<u>(10,876)</u>	<u>(118,500)</u>	<u>-</u>	<u>(1,116,292)</u>
Cash Flows from Capital and Related Financing Activities						
Acquisition of Capital Assets	-	(949,183)	-	(174,437)	(4,272)	(1,127,892)
Capital Contributions	-	1,612,169	-	-	-	1,612,169
Interest Paid on Capital Debt	(8,257)	-	-	-	-	(8,257)
Principal Payments of Long-Term Debt	<u>(183,426)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(183,426)</u>
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(191,683)</u>	<u>662,986</u>	<u>-</u>	<u>(174,437)</u>	<u>(4,272)</u>	<u>292,594</u>
Cash Flows From Investing Activities						
Redemption and Interest on Investments	<u>2,517</u>	<u>299,954</u>	<u>-</u>	<u>175</u>	<u>166</u>	<u>302,812</u>
Net Cash Provided by Investing Activities	<u>2,517</u>	<u>299,954</u>	<u>-</u>	<u>175</u>	<u>166</u>	<u>302,812</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(360,913)	(1,055,796)	-	87,635	(29,638)	(1,358,712)
Cash, Cash Equivalents and Restricted Cash at Beginning of Year	<u>428,140</u>	<u>4,181,997</u>	<u>-</u>	<u>24,402</u>	<u>103,300</u>	<u>4,737,839</u>
Cash, Cash Equivalents and Restricted Cash at End of Year	<u>\$ 67,227</u>	<u>\$ 3,126,201</u>	<u>\$ -</u>	<u>\$ 112,037</u>	<u>\$ 73,662</u>	<u>\$ 3,379,127</u>

The notes to the financial statements are an integral part of this statement.

CITY OF WEST MIAMI, FLORIDA

Notes to Financial Statements

September 30, 2024

I. Summary of Significant Accounting Policies

The financial statements of the City of West Miami, Florida (the "City") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

The City was established under the laws of the State of Florida as a municipal corporation during 1947 and is governed by an elected mayor and a four-member commission. The City, under a Commission-Manager form of government, provides its residents with services including, but not limited to, public safety (police), parks and recreation, public works, water, sanitation, sewer service and stormwater management, building, zoning and code enforcement.

A. Reporting Entity

In accordance with GASB pronouncements, the City's financial statements include all funds, departments, agencies, boards, and other organizations over which City officials are considered to be financially accountable.

Financial accountability includes such aspects as the appointment of a component unit's governing body members, budget review, and approval of property tax levies, whether any of the component unit's outstanding debt is secured by the full faith credit of the City or its revenue stream, and the City's responsibility for funding deficits.

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth by the Governmental Accounting Standards Board. Based upon the application of these criteria, the City has no funds, agencies, boards, commissions and authorities considered potential component units.

B. Government-Wide and Fund Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or identifiable activity. 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 identifiable activity and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items that are not deemed to be program revenues are reported instead as general revenues.

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

I. Summary of Significant Accounting Policies - (continued)

C. Basis of Presentation and Measurement Focus

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.

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 available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers all revenues available if they are collected within 60 days after year end. Expenditures generally are recorded when a liability is incurred as required by accrual accounting, except for debt service expenditures and compensated absences, which are recorded when payment is due.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

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 ***parks & recreation fund*** is one of the City's special revenue funds. It accounts for the City's parks and recreational facilities, the community center facility and related activities, as well as recreational grant funds and community center grant funds awarded to the City.

The City also reports the following major *proprietary* funds:

The ***water and sewer funds*** are used to account for water and sewer utility operations, which are financed and operated in a manner similar to private business enterprises. The intent of the City is that the costs (expenses including depreciation) of providing services to the general public on a continuing basis be financed or recovered primarily through user charges.

The ***stormwater fund*** is used to account for stormwater utility operations, which are financed and operated in a manner similar to private business enterprises. The intent of the City is that the costs (expenses excluding depreciation) of providing services to the general public on a continuing basis be financed or recovered primarily through user charges. The City also accounts for grants related to stormwater drainage improvements through this fund.

CITY OF WEST MIAMI, FLORIDA

Notes to Financial Statements

September 30, 2024

I. Summary of Significant Accounting Policies - (continued)

C. Basis of Presentation and Measurement Focus - (continued)

The ***sanitation fund*** is used to account for waste operations and the collection and removal of garbage and recycling items, which are financed and operated in a manner similar to private business enterprises. The intent of the City is that the costs (expenses including depreciation) of providing services to the general public on a continuing basis be financed or recovered primarily through user charges.

The ***building department and code compliance fund*** is used to account for the City's code enforcement and permitting operations, which are financed and operated in a manner similar to private business enterprises. The intent of the City is that the costs (expenses excluding depreciation) of providing services to the general public on a continuing basis be financed or recovered primarily through fees.

The financial statements of the City have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard setting body for governmental accounting and financial reporting. The financial statements of the City follow the guidance of GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* for both the government-wide and proprietary fund 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 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. Interfund services provided and used are not eliminated in the process of consolidation.

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, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

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

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. Deposits and Investments

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. The City's cash and cash equivalents and deposits include cash on hand, demand deposits, and investments consisting of Certificates of Deposit with banking institutions (Note IV – A).

For the purpose of the statement of cash flows for the proprietary funds, cash equivalents mean short-term, highly liquid investments with an original maturity of three months or less.

CITY OF WEST MIAMI, FLORIDA

Notes to Financial Statements

September 30, 2024

I. Summary of Significant Accounting Policies - (continued)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance - (continued)

2. Interfund Receivables and Payables

During the course of its operations, the City has numerous transactions between funds to finance operations, provide services, construct assets, and service debt. To the extent that certain transactions between funds have not been paid or received, as of September 30th, balances of interfund amounts receivable or payable have been reflected. As the City does not have any lending or borrowing arrangements between funds, all outstanding balances between funds are reported as "due to/from other funds". All amounts receivable from or payable to other funds are to be settled with expendable, available financial resources. Transactions which are recurring annual transfers between two or more funds are recorded as transfers in and out. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

3. Receivables

Property Taxes

Under Florida Law, the assessment of all properties and the collection of all county, municipal and school board property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. The laws of the State regulating tax assessments are also designed to assure a consistent property valuation method statewide. State statutes permit municipalities to levy property taxes at a rate of up to 10.0 mils. The tax rate to finance general governmental services for the fiscal year ended September 30, 2024 was \$5.9500 per \$1,000 of assessed taxable property value. The rate of \$5.9500 is allocated to the General Fund and Parks & Recreation Fund, with the General Fund receiving \$4.9500, and the Parks & Recreation Fund receiving \$1.00.

The tax levy of the City is established by the City Council prior to October 1 each year, and the County Property Appraiser incorporates the millage into the total tax levy, which includes Miami-Dade County, Miami-Dade County School Board, and special taxing districts. All property is reassessed according to its fair market value as of January 1 each year, at which time taxes become an enforceable lien on property. Each assessment roll is submitted to the Executive Director of the State Department of Revenue for review to determine if the rolls meet all of the appropriate requirements of State Statutes. State of Florida Amendment #10 to the Florida Constitution known as "Save Our Homes" limits assessment increases on homestead property to the lessor of 3% or the Consumer Price Index.

All real and tangible personal property taxes are due and payable on November 1 each year or as soon as practicable thereafter as the assessment roll is certified by the County Property Appraiser. Miami-Dade County mails to each property owner on the assessment roll a notice of the taxes due and Miami-Dade County also collects the taxes for the City. Taxes may be paid upon receipt of such notice from Miami-Dade County, with discounts at a rate of four percent (4%) if paid in the month of November, three percent (3%) if paid in the month of December, two percent (2%) if paid in the month of January, and one percent (1%) if paid in the month of February. Taxes paid during the month of March are without discount, and all unpaid taxes on real and tangible personal property became delinquent and liens are placed on April 1 of the year following the year in which taxes were assessed. Procedures for the collection of delinquent taxes by Miami-Dade County are provided for in the laws of Florida. State law provides for enforcement of collection of personal property taxes by seizure of the property or by the sale of the property or by the sale of interest-bearing tax certificates to satisfy unpaid property taxes. The procedures result in the collection of essentially all taxes prior to June 30 of the year following the year of assessment.

CITY OF WEST MIAMI, FLORIDA

Notes to Financial Statements

September 30, 2024

I. Summary of Significant Accounting Policies - (continued)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance - (cont.)

3. Receivables - (continued)

Components of Accounts Receivable

The following are the significant components of the accounts receivable due to the City at September 30, 2024. The City considers all receivable amounts fully collectible; consequently, no allowance for doubtful accounts was estimated.

1. Water, Sewer and Waste Fees - This amount represents the unpaid, billed charges for various fines and municipal services;
2. Fines and Assessments - This amount represents the unpaid, billed charges for various fines and assessments levied for violations of various City code provisions;
3. Delinquent Taxes and Other Taxes Receivable - This amount represents the amount of levied but uncollected delinquent property taxes outstanding at September 30, 2024 and amounts due from governmental agencies at year end; and
4. Government Grants/Contributions - This amount represents amounts due from grantor agencies and/or governmental agencies at year end.

4. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements using the consumption method. Amounts, if any, reported in the governmental funds are offset by an equal nonspendable classification of fund balance in the fund financial statements. This is an indication that these components of current assets do not constitute available spending resources.

5. Restricted Assets

Resources set aside for the repayment of certain debt and for capital improvements are classified as restricted assets on the statements of net position or the balance sheet because they are retained in separate bank accounts and/or their use is limited by applicable loan covenants or grantor restrictions.

6. Capital Assets

Capital assets, which include property, equipment, and infrastructure assets (e.g., sidewalks and other 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 \$1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed.

CITY OF WEST MIAMI, FLORIDA

Notes to Financial Statements

September 30, 2024

I. Summary of Significant Accounting Policies - (continued)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance - (cont.)

6. Capital Assets - (continued)

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities), the government chose to include all such items regardless of their acquisition date or amount. The government was able to estimate the historical cost for the initial reporting of these assets through back-trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. In the case of donations, the government values these capital assets at acquisition value of the item at the date of its donation.

Land and construction in progress are not depreciated. The capital assets of the City are depreciated using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Governmental Activities:	
Land Improvements	15-25
Buildings	40
Building Improvements	25-40
Infrastructure - Drainage	25-40
Infrastructure - Roads	25-40
Machinery and Equipment	5-10
Business-type Activities:	
Sewer Systems	40
Water - Main and Extensions	40
Stormwater Improvements	25
Machinery and Equipment	5-10

7. Unearned Revenues

Resources that do not meet revenue recognition requirements (effectively “not earned”) are recorded as unearned revenue in the government-wide and fund financial statements. In addition, amounts related to governmental fund receivables that are measurable, but not available, are recorded as unearned revenue in the governmental fund financial statements (e.g., grant related reimbursements not yet collected). As of September 30, 2024, the City’s unearned revenues include approximately \$2.8 million in funding received from the American Rescue Plan Act that will be utilized for stormwater infrastructure improvements, recreation center construction, and other eligible expenses.

8. Leases

Leases are defined as the right to use an underlying asset. As a lessee, the City would recognize a lease liability and an intangible right-to-use (RTU) lease asset at the beginning of a lease unless the lease is considered a short-term lease or transfers ownership of the underlying asset. RTU lease assets are initially recorded at the initial measurement of the lease liability, plus lease payments made at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease, plus initial direct costs that are ancillary to place the asset into service. Lease assets are amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset. Remeasurement of a lease liability occurs when there is a change in the lease term and/or other changes that are likely to have a significant impact on the lease liability.

I. Summary of Significant Accounting Policies - (continued)**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance - (cont.)****8. Leases - (continued)**

The City calculates the amortization of the discount on the lease liability and reports that amount as outflows of resources. Leases that do not have implicit interest rates use the incremental borrowing rates (IBR). IBR are estimated rates the City would be charged for borrowing the lease payment amounts during the lease term. Payments are allocated first to accrued interest liability and then to the lease liability. Variable lease payments based on the usage of the underlying assets are not included in the lease liability calculations but are recognized as outflows of resources in the period in which the obligation was incurred. The City evaluated all leases and determined the City is not a lessee in any material transactions.

9. Subscription Based Information Technology Arrangements

Subscription based information technology arrangements (“SBITAs”) assets are defined by the general government as the right to use vendor-provided information technology (“IT”) with access to vendors’ IT assets. The City recognizes a subscription liability and an intangible subscription right-to-use asset at the beginning of the subscription term that have a term exceeding one year. A SBITA asset is measured based on the net present value of subscription payments expected to be made during the subscription term, using the incremental borrowing rate, and is amortized using the straight-line method over the shorter of the subscription term or the useful life of the underlying IT assets. Remeasurement of a subscription liability occurs when there is a change in the contract term and/or other changes that are likely to have a significant impact on the subscription liability.

10. Deferred Outflows/Inflows of Resources

In addition to assets, the balance sheet/statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of fund balance/net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports deferred outflows of resources related to pension benefits in this category in the statement of net position.

The deferred outflows of pensions arise from differences between projected and actual earnings on pension plan investments and are amortized to pension expense using a systematic and rational method over a closed five-year period, and also include differences between expected and actual experience with regard to economic or demographic factors that are amortized over the average expected remaining service lives of all employees that are provided with pensions through the pension plan. Employer contributions to the pension plan made subsequent to the measurement date are also deferred and reduce net pension liability in the subsequent year.

In addition to liabilities, the balance sheet/statement of net 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 fund balance/net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The City has deferred inflows of resources related to pensions in this category in the statement of net position.

Deferred inflows on pensions are recorded when investment return on pension plan assets exceeds actuarial assumptions and are amortized using a systematic and rational method over a closed five-year period. Deferred inflows of pensions also include the difference between expected and actual experience with regard to economic or demographic factors and changes of assumptions or other inputs. These are amortized over the average expected remaining service lives of all employees that are provided with pensions through the pension plan.

I. Summary of Significant Accounting Policies - (continued)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance - (cont.)

10. Deferred Outflows/Inflows of Resources - (continued)

Net pension is the residual of all other elements presented in a statement of financial position. It is the difference between (a) assets plus deferred outflow of resources and (b) liabilities and deferred inflows of resources.

11. Compensated Absences

The City's vacation and sick leave policies grant a specific number of days of vacation and sick leave with pay. In some instances, these policies also provide for paying an employee for accumulated, unused leave upon termination. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements and reported as a fund liability. Vacation that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the applicable governmental fund.

12. 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 activities, business-type activities or propriety fund type statement of net position. Loan discounts are deferred and amortized over the life of the loans using the effective interest method. Loan issuance costs, if any, except any portion related to prepaid insurance costs, are recognized as an expense in the period incurred. In the fund financial statements, governmental fund types recognize the face amount of debt issued as other financing sources. Payments of principal and interest are reported as debt service expenditures.

13. Net Position

Net position represents the residual interest in the City's assets and deferred outflows of resources after liabilities and deferred inflows of resources are deducted and consists of three components: net investment in capital assets, restricted, and unrestricted net position. Net investment in capital assets includes capital assets, net of accumulated depreciation, reduced by outstanding debt incurred to acquire, construct, or improve those capital assets, excluding unexpended proceeds. The restricted category represents the balance of assets restricted for general use by external parties (creditors, grantors, contributors, or laws or regulations of other governments) or imposed by law through constitutional provisions or enabling legislation. Unrestricted net position consists of the net position not meeting the definition of either of the other two components.

14. Fund Balance

In the fund financial statements, governmental funds report fund balance in classifications based on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed. When unrestricted resources are to be used, it is the City's policy to use the committed amounts first, followed by assigned and unassigned amounts.

The non-spendable fund balance classification, if any, includes amounts not spendable in form, such as inventories or prepaid amounts.

CITY OF WEST MIAMI, FLORIDA

Notes to Financial Statements

September 30, 2024

I. Summary of Significant Accounting Policies - (continued)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance - (cont.)

14. Fund Balance - (continued)

The restricted fund balance classification includes amounts with constraints imposed by external sources such as creditors, grantors, contributors, laws, or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.

The committed fund balance classification includes amounts limited to specific purposes by formal action imposed by the City Commission. The City Commission 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 remains in place until a similar action is taken to remove or revise the limitation.

The assigned fund balance classification includes amounts that are constrained by the City’s intent to be used for specific purposes, but are neither restricted nor committed. The City Commission, City Manager, and Finance Director are authorized to assign fund balance. All remaining governmental fund balances, except negative fund balances, which are reported in Special Revenue Funds that are not classified as non-spendable, restricted, or committed, are assigned.

The unassigned fund balance classification includes General Fund positive fund balances that are not otherwise classified. The General Fund is the only fund that reports a positive unassigned fund balance.

15. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Although these estimates are based on management’s knowledge of current, events and actions it may undertake in the future, actual results could differ from estimates.

16. Accounting Change

During the fiscal year ended September 30, 2024, the City combined the Recreation Fund and the Community Center Fund into a single Parks & Recreation Fund. This change was made to streamline financial reporting and improve the efficiency of fund management.

The combination of these funds was undertaken to enhance the clarity and usefulness of the financial statements. The Community Center Fund’s activities were closely aligned with those of the Recreation Fund and combining them provides a more comprehensive view of the City’s financial position and operations.

The following summarizes the adjustments made to the beginning balances of fund balance as a result of this change:

Fund	Beginning Balance (as previously reported)	Adjustment	Beginning Balance (as restated)
Recreation Fund	\$ 1,408,593	\$ (1,408,593)	\$ -
Community Center Fund	\$ 94,052	\$ (94,052)	\$ -
Parks & Recreation Fund	\$ -	\$ 1,502,645	\$ 1,502,645

CITY OF WEST MIAMI, FLORIDA

Notes to Financial Statements

September 30, 2024

I. Summary of Significant Accounting Policies - (continued)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance - (cont.)

16. Accounting Change - (continued)

The adjustments reflect the transfer of all assets, liabilities and fund balances from the Recreation Fund and Community Center Fund to the Parks & Recreation Fund.

17. New Accounting Pronouncements

In April 2022, GASB issued Statement No. 99, Omnibus 2022, the objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements related to financial guarantees and the practice issues related to classification and reporting of derivative instruments within the scope of Statement 53, Accounting and Financial Reporting for Derivative Instruments, were effective in fiscal year 2024. The implementation of these requirements did not have a material impact on the financial statements.

In June 2022, GASB issued Statement No. 100, Accounting Changes and Error Corrections. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This Statement did not have a material impact on the financial statements for fiscal year 2024.

II. Reconciliation of Government-Wide and Fund Financial Statements

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position

The governmental fund balance sheet includes a reconciliation between *fund balance-total governmental funds* and *net position-governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains, “capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.” The details of this \$14,193,088 difference are as follows:

Land	\$	236,605
Land Improvements		2,718,791
Construction in Progress		2,393,747
Buildings		3,489,545
Building Improvements		1,760,120
Infrastructure - Drainage		4,070,983
Infrastructure - Roads		9,378,888
Machinery and Equipment		3,406,158
Right to Use - SBITA Software		217,088
		<u>27,671,925</u>
Less: Accumulated Depreciation		<u>13,478,837</u>
	\$	<u>14,193,088</u>

CITY OF WEST MIAMI, FLORIDA

Notes to Financial Statements

September 30, 2024

II. Reconciliation of Government-Wide and Fund Financial Statements - (continued)

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

Another element of that reconciliation explains that “long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$9,370,411 difference are as follows:

Notes from direct borrowings and	
direct placements	\$ 872,342
SBITAs	184,474
Compensated absences	234,711
Workmen's comp. claims	69,754
Net pension liability	8,009,130
	<u>\$ 9,370,411</u>

Other elements of the reconciliation are amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions. The details of those amounts are included in Note IV – G.

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances - total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “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 and reported as depreciation expense. Another element that requires reconciliation is the principal payment of long-term liabilities, including notes payable, which are in part a reduction of notes payable in the government-wide financial statements, and not a use of financing resources in the current period. The details of the \$2,593,632 differences are in page 18 of the financial statements.

III. Stewardship, Compliance, and Accountability

A. Budgetary Information

By its nature as a local government unit, the City is subject to various federal, state, and local laws and contractual regulations. Budgets are legally adopted for the General Fund and most of the Special Revenue Funds. The budgets are prepared on a basis consistent with accounting principles generally accepted in the United States. The City has no material violations of finance-related legal and contractual obligations, except as disclosed directly below.

B. Excess of Expenditures over Appropriations

The General Fund’s legal expenditures exceeded appropriations by \$118,894. This unfavorable variance was due to legal expenses incurred that were not included in the original budget. The General Fund’s streets expenditures exceeded appropriations by \$302,440. The unfavorable variance was attributed to increases in salaries, and other costs related to repairs, supplies and fees that were not included in the original budget. The General Fund’s garbage expenditures exceeded appropriations by \$10,809. The unfavorable variance is due to additional repairs and maintenance on garbage trucks.

III. Stewardship, Compliance, and Accountability - (continued)

B. Excess of Expenditures over Appropriations - (continued)

The General Fund's facilities and maintenance expenditures exceeded appropriations by \$174,487. This unfavorable variance is due to increased salaries and cost-of-living adjustments, and repairs and maintenance to the City's main office. These excess expenditures were not included in the original budget as adopted by the City.

The General Fund's capital outlay expenditures exceeded appropriations by \$542,189. The unfavorable variance is due to various capital outlay expenditures approved by the City Commission such as improvements to parks, tree planting and improvements to fields, and building improvements to City Hall. Additionally, capital outlay expenditures exceeded appropriations due to the purchase of a new police vehicle. The City Commission approved the purchase of the replacement police vehicle which is funded by forfeited and seized properties awarded to the City. The unfavorable variance is also affected by reclassification adjustments to capital outlay. The negative variance is disclosed in the Budgetary Comparison Statements and Schedules – General Fund - page 51. The overall budget variance for the General Fund ends with a negative variance of \$145,912, when combined with revenue and interfund transfer variances.

The Parks & Recreation Fund capital outlay expenditures exceeded appropriations by \$1,422,496. Capital outlay expenditures exceeded appropriations due to the on-going construction project of the wellness center. The negative variance is disclosed in the Budgetary Comparison Statements and Schedules – Parks & Recreation Fund - page 62. The overall budget variance for the Parks & Recreation Fund ends with a positive variance of \$28,537, when combined with revenue and interfund transfer variances.

C. Deficit Fund Equity

The City's Sewer System Fund is reporting a deficit in unrestricted net position which has been caused by increases in operating expenses and repairs to the sewer system.

The City's Water System Fund is reporting a deficit in unrestricted net position which has been caused by increases in transfers to other funds.

The City's Stormwater Utility Fund are reporting a deficit in unrestricted net position which has been caused by operating deficits.

The City's Sanitation Fund is reporting a deficit in unrestricted net position which has been caused by continued increases in operating deficits and repairs for the Clean Street Initiative.

The City's Building Department/Code Compliance Fund is reporting a deficit in unrestricted net position which has been caused by increases in operating expenses.

The City's business-type activities is reporting a deficit in unrestricted net position as directly related to the unrestricted deficits in the Sewer System Fund, the Water System Fund, the Stormwater Utility Fund, the Sanitation Fund, and the Building Department/Code Compliance Fund.

CITY OF WEST MIAMI, FLORIDA

Notes to Financial Statements

September 30, 2024

IV. Detailed Notes on all Funds

A. Deposits and Investments

Generally accepted accounting principles are designed to inform financial statement users about deposit and investment risk that could affect a government’s ability to provide services and meet its obligations as they become due. Accordingly, the City addresses common deposit and investment risks related to credit risk, custodial credit risk, concentrations of credit risk, interest rate risk, and foreign currency risk and discloses deposit and investment policies related to the risk as follows.

Deposits

In addition to insurance provided by the Federal Depository Insurance Corporation, all deposits are held in banking institutions approved by the State Treasurer of the State of Florida to hold public funds. Under Florida Statutes Chapter 280, *Florida Security for Public Deposits Act*, the State Treasurer requires every qualified public depository to deposit with the Treasurer, or another institution, eligible collateral equal to or in excess of the required collateral of the depository. The Treasurer, by rule, shall establish minimum required collateral pledging levels and shall notify each qualified public depository of its required pledging level. Each qualified public depository shall calculate the amount of its required collateral based upon any one or any combination of the formulas allowable under this Chapter. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. Accordingly, all amounts reported as deposits are deemed as insured or collateralized. The City’s deposits include cash and cash equivalents with a total reported amount of \$7,027,961 and a bank balance of \$7,365,017, and certificates of deposit with a balance of \$2,235,825. The difference between the City's reported amount and the bank balance is due to outstanding checks and deposits in transit in these demand accounts.

Restricted Cash and Deposits

The City maintains separate bank accounts within the General Fund and for certain Special Revenue Funds. The City also maintains cash and deposit reserves required by the long-term debt covenants in the proprietary fund.

Restricted cash and deposit reserves at September 30, 2024 were as follows:

Note payable - State of Florida	\$ 191,683
American Rescue Plan funding	2,879,748
Federal and local forfeiture funds	306,980
Capital projects, improvements and impact fees	835,868
Utility deposits	246,453
Building deposits and other miscellaneous	319,900
Transportation and other grantor restrictions	77,552
Total restricted cash and deposit reserves	<u>\$ 4,858,184</u>

CITY OF WEST MIAMI, FLORIDA

Notes to Financial Statements

September 30, 2024

IV. Detailed Notes on all Funds

A. Deposits and Investments - (continued)

Investments

The City has adopted an ordinance designating the investments which are allowable of its cash management activities. The authorized investments include US obligations, fully insured or collateralized certificates of deposit, Security Exchange Commission (“SEC”) Registered Money Market Funds, Local Government Investment Pools and certain Mutual Funds registered with the SEC and the Local Government Surplus Trust Fund (administered by the State of Florida Board of Administration). The investments follow the investment rules defined in Florida Statutes, Chapter 215. The investment policy defined in the statutes attempts to promote, through state assistance, the maximization of net interest earnings on invested surplus funds of local units of governments while limiting the risk to which the funds are exposed.

Credit Risk and Concentration of Credit Risk

Credit risk and concentration of credit risk disclosures exclude investments issued or explicitly guaranteed by the U.S. government. The City has no assets classified as investments; therefore, these disclosures are not applicable.

Interest Rate Risk

The City purchases investments with maturities of less than or equal to twelve months in length. This policy reduces the City’s exposure to fluctuations in interest rates over the life of the investments. In addition, it is the City’s policy to hold investments to maturity.

At year end, the City’s deposits balances were as follows:

	<u>Maturity Less Than 1 Year</u>	<u>Fair Value</u>
Deposits:		
Cash and cash equivalents	x	\$ 7,027,961
Certificates of deposit	x	2,235,825
		<u>\$ 9,263,786</u>

B. Receivables

Accounts receivable at September 30, 2024 are summarized as follows:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Enterprise Fund</u>	<u>Total</u>
Franchise and other taxes	\$ 147,966	\$ 107,830	\$ -	\$ 255,796
Government grants/contributions	-	414,501	349,121	763,622
Customers and other	-	-	575,784	575,784
	<u>\$ 147,966</u>	<u>\$ 522,331</u>	<u>\$ 924,905</u>	<u>\$ 1,595,202</u>

Notes Receivable

The City's notes receivable consisted of unsecured notes from commercial enterprises and residents that elected to finance the hook-up fees on the sewer system over periods ranging from twelve months to 15-year periods. The City received monthly installments of principal and interest, ranging from 2% to 5%. As of September 30, 2024, there was no outstanding balance.

CITY OF WEST MIAMI, FLORIDA

Notes to Financial Statements

September 30, 2024

IV. Detailed Notes on all Funds - (continued)

C. Capital Assets

Capital asset activity for the year ended September 30, 2024 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets, not being depreciated				
Land	\$ 236,605	\$ -	\$ -	\$ 236,605
Construction in progress	<u>1,012,712</u>	<u>1,381,035</u>	<u>-</u>	<u>2,393,747</u>
Total capital assets not being depreciated	<u>1,249,317</u>	<u>1,381,035</u>	<u>-</u>	<u>2,630,352</u>
Capital Assets, being depreciated				
Land improvements	2,399,790	319,001	-	2,718,791
Buildings	3,489,545	-	-	3,489,545
Building improvements	1,606,367	153,753	-	1,760,120
Infrastructure - Drainage	4,070,983	-	-	4,070,983
Infrastructure - Roads	9,256,802	122,086	-	9,378,888
Machinery and equipment	3,108,177	297,981	-	3,406,158
Right to Use - SBITA Software	<u>-</u>	<u>217,088</u>	<u>-</u>	<u>217,088</u>
Total capital assets being depreciated	23,931,664	1,109,909	-	25,041,573
Less accumulated depreciation for:				
Land improvements	856,570	119,257	-	975,827
Buildings	1,132,332	86,780	-	1,219,112
Building improvements	940,765	51,998	-	992,763
Infrastructure - Drainage	3,718,453	4,728	-	3,723,181
Infrastructure - Roads	3,954,250	126,178	-	4,080,428
Machinery and equipment	2,218,452	241,313	-	2,459,765
Subscription Assets	<u>-</u>	<u>27,761</u>	<u>-</u>	<u>27,761</u>
Total accumulated depreciation	<u>12,820,822</u>	<u>658,015</u>	<u>-</u>	<u>13,478,837</u>
Total capital assets, being depreciated, net	<u>11,110,842</u>	<u>451,894</u>	<u>-</u>	<u>11,562,736</u>
Governmental activities capital assets, net	<u>\$ 12,360,159</u>	<u>\$ 1,832,929</u>	<u>\$ -</u>	<u>\$ 14,193,088</u>
Business-type Activities:				
Capital Assets, not being depreciated				
Land	\$ 171,591	\$ -	\$ -	\$ 171,591
Construction in progress	<u>1,150,411</u>	<u>842,982</u>	<u>-</u>	<u>1,993,393</u>
Total capital assets not being depreciated	1,322,002	842,982	-	2,164,984
Capital Assets, being depreciated				
Sewer systems	7,833,465	-	-	7,833,465
Water - main and extensions	1,773,408	-	-	1,773,408
Stormwater improvements	14,699,261	-	-	14,699,261
Machinery and equipment	<u>1,117,834</u>	<u>284,910</u>	<u>-</u>	<u>1,402,744</u>
Total capital assets being depreciated	25,423,968	284,910	-	25,708,878
Less accumulated depreciation for:				
Sewer systems	6,120,498	195,838	-	6,316,336
Water - main and extensions	564,185	32,320	-	596,505
Stormwater improvements	10,098,926	587,970	-	10,686,896
Machinery and equipment	<u>738,925</u>	<u>44,510</u>	<u>-</u>	<u>783,435</u>
Total accumulated depreciation	<u>17,522,534</u>	<u>860,638</u>	<u>-</u>	<u>18,383,172</u>
Total capital assets, being depreciated, net	<u>7,901,434</u>	<u>(575,728)</u>	<u>-</u>	<u>7,325,706</u>
Business-type activities capital assets, net	<u>\$ 9,223,436</u>	<u>\$ 267,254</u>	<u>\$ -</u>	<u>\$ 9,490,690</u>

CITY OF WEST MIAMI, FLORIDA

Notes to Financial Statements

September 30, 2024

IV. Detailed Notes on all Funds - (continued)

C. Capital Assets - (continued)

Depreciation expense for the fiscal year ended September 30, 2024 was charged to functions/programs as follows:

Governmental Activities:

General Government	\$ 180,171
Public Safety	153,581
Parks and Recreational	166,902
Transportation, Roads and Streets	157,361
Total depreciation expense - governmental activities	<u>\$ 658,015</u>

Business-type Activities:

Sewer System	\$ 201,095
Water System	40,419
Sanitation	591,648
Stormwater Utility	27,476
Total depreciation expense - business-type activities	<u>\$ 860,638</u>

D. Interfund Receivables, Payables, and Transfers

Amounts due from and due to other funds at September 30, 2024 are summarized as follows:

	Due From Other Funds	Due To Other Funds
General Fund	\$ 4,620,249	\$ 3,103,880
Special Revenue Funds:		
Parks & Recreation	1,515,919	386,028
Transportation Surtax	228,755	43,524
Police Law Forfeiture	-	127,618
Enterprise Funds:		
Sewer System	2,924,478	4,887,484
Water System	2,531,867	2,434,845
Stormwater Utility	666,284	831,433
Sanitation	305,782	1,096,223
Building Dept./Code Compliance	140,557	22,856
	<u>\$ 12,933,891</u>	<u>\$ 12,933,891</u>

Interfund balances are resulting from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Interfund transfers for the year ended September 30, 2024 consisted of transfers used to move revenues or expenditures based on the City budget, to fund costs of the multi-purpose recreational facility in the parks and recreation fund (through grant funding), and forgiveness of interfund balances.

It is the City's practice to maintain interfund balances outstanding for more than a year. An analysis is prepared at year end to determine if any fund is unable to repay its interfund liabilities. If such determination is made, the City prepares the necessary adjustments to eliminate the interfund balance, if feasible.

CITY OF WEST MIAMI, FLORIDA

Notes to Financial Statements

September 30, 2024

IV. Detailed Notes on all Funds - (continued)

E. Long-Term Debt

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

	October 1, 2023	Additions	Reduction	September 30, 2024	Due Within One Year
Governmental Activities:					
Notes from direct borrowings and direct placements	\$ 1,014,292	\$ -	\$ 141,950	\$ 872,342	\$ 146,243
SBITAs	-	217,088	32,614	184,474	44,475
Other liabilities					
Compensated absences	345,652	477,232	588,173	234,711	117,356
Workmen's comp. claims	754,481	24,370	709,097	69,754	69,754
Net pension liability	7,841,147	1,130,746	962,763	8,009,130	-
Total other liabilities	8,941,280	1,632,348	2,260,033	8,313,595	187,110
Total governmental activities long-term debt	9,955,572	1,849,436	2,434,597	9,370,411	377,828
Business-Type Activities					
Notes from direct borrowings and direct placements	277,593	-	183,426	94,167	94,167
Total Long-Term Debt	\$ 10,233,165	\$ 1,849,436	\$ 2,618,023	\$ 9,464,578	\$ 471,995

Combined aggregate maturities for all notes from direct borrowings and direct placements, for each of the next five years and to maturity, are as follows:

Year Ending September 30,	Governmental Activities		Business-Type Activities		Total	
	Notes from Direct Borrowings and Direct Placements		Notes from Direct Borrowings and Direct Placements		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 146,243	\$ 19,226	\$ 94,167	\$ 1,675	\$ 240,410	\$ 20,901
2026	125,100	15,384	-	-	125,100	15,384
2027	114,999	12,228	-	-	114,999	12,228
2028	117,000	9,619	-	-	117,000	9,619
2029	120,000	6,953	-	-	120,000	6,953
2030 - 2031	249,000	5,636	-	-	249,000	5,636
	\$ 872,342	\$ 69,046	\$ 94,167	\$ 1,675	\$ 966,509	\$ 70,721

The City's total outstanding notes from direct borrowings and direct placements are \$872,341, as listed below.

Mortgage Note - State of Florida

The City has a revolving loan agreement with the State of Florida Department of Environmental Regulation for the construction of the Phase II wastewater collection and transmission facilities. The amount of the loan authorized was \$4,366,844 including capitalized interest of \$201,844. In September of 2004, the City Commission adopted a resolution authorizing the City Manager to execute an amendment to the mortgage note agreement with the State of Florida. The amendment and related promissory note was signed in October of 2004. Under the new terms, the existing aggregate principal amount outstanding of \$2,679,314 was to be repaid with semi-annual payments for 20 additional years. Each semi-annual payment shall be in the amount of \$95,842 and shall be received by the department beginning on April 15, 2005, and semiannually thereafter on October 15 and April 15 of each year until all amounts due have been paid. The rate of interest on the unpaid principal balance of the loan continued to be 3.57 percent per annum (except for \$180,000 which would be at the rate of 3.24 percent per annum) and may be adjusted, if appropriate, pursuant to the provisions of Section 17-503.430 of the Florida Administrative Code.

CITY OF WEST MIAMI, FLORIDA

Notes to Financial Statements

September 30, 2024

IV. Detailed Notes on all Funds - (continued)

E. Long-Term Debt - (continued)

Mortgage Note - State of Florida - (continued)

The debt repayment reserve account requirement was changed to a total required deposit of \$191,683. The City is required to pledge revenues equal to 1.15 times the sum of semi-annual payments due in any fiscal year. Revenues pledged, related to rates and charges for services furnished by the Sewer System as well as connection charges, are required to serve as sufficient collateral for purposes of the agreement underlying the mortgage note. The revolving loan debt service requirements to maturity for the year ending September 30, 2025 consist of principal payments of \$94,167 and interest payments of \$1,675.

The amount of long-term debt that can be incurred by the City is limited by state statute. Total outstanding long-term obligations during the year can be no greater than 15% of the assessed value of taxable property as of the beginning of the fiscal year. The City has not incurred debt in excess of the 15%.

Capital Improvement Revenue Note, Series 2016 – City National Bank

In August 2016 the City entered into an agreement with City National Bank for the purpose of financing certain capital improvements consisting of construction of a one-story 2,400 square foot Service Building used to house the Code Enforcement, Building and Zoning Department, and Public Works Department; construction of the Motor Pool Area which serves all departments; enhancement of the Front Office Expansion in City Hall which caters to passport services and all municipal functions of the City; and paying the costs of issuing the note. The amount of the Capital Improvement Revenue Note, Series 2016 was \$1,525,000. Commencing on February 1, 2017, interest accruing at a rate of 2.25% shall be due and payable semiannually on the first day of February and August of each year. Commencing on February 1, 2018, payments of principal shall be due and payable in annual installments through maturity on February 1, 2031. The note is secured by a covenant to budget and appropriate non-ad valorem revenues for the payment of principal and interest on the note. As such, the City covenants and agrees to appropriate, in its annual budget, sufficient amounts of non-ad valorem revenues for payments of the principal and interest on the note as required until all principal and interest has been budgeted, appropriated and actually paid.

An event of default is a failure to make a payment of principal and/or interest when due and payable, if the City becomes insolvent or requests financial assistance or relief from the State of Florida under Section 218.503, Florida Statutes, or if the City is determined to be in a financial emergency under Section 218.503, Florida Statutes. In the event of default, the holder of the note may declare all payments of principal and accrued interest to be immediately due and payable and may pursue any available remedy to enforce the payment of principal and interest then outstanding.

The annual debt service requirements to maturity are as follows:

Year Ending September 30,	Principal	Interest
2025	\$ 110,000	\$ 17,280
2026	112,000	14,783
2027	115,000	12,228
2028	117,000	9,619
2029	120,000	6,953
2030 - 2031	249,000	5,637
	\$ 823,000	\$ 66,500

CITY OF WEST MIAMI, FLORIDA

Notes to Financial Statements

September 30, 2024

IV. Detailed Notes on all Funds - (continued)

E. Long-Term Debt - (continued)

Equipment Installment Obligations

During fiscal year ended September 30, 2021, the City entered into an equipment purchase agreement for the amount of \$114,989. The purpose of the agreement was to finance the cost of a new tractor. The debt is secured by the tractor acquired with the proceeds of the financing. Commencing in December 2020, the equipment is payable in annual installments of \$24,490. After the initial payment, interest accrues at a rate of 3.19% per annum. The agreement matured in December 2024. As of September 30, 2024, the total outstanding principal balance amounted to \$23,721.

During fiscal year ended September 30, 2022, the City entered into an equipment purchase agreement for the amount of \$62,737. The purpose of the agreement was to finance equipment for the police department. The debt is secured by the equipment acquired with the proceeds of the financing. Commencing in August 2022, the equipment is payable in annual installments of \$13,699, with interest calculated at a rate of 4.50% per annum. The final payment is due in August 2026. As of September 30, 2024, the total outstanding principal balance amounted to \$25,621.

SBITAs

The City is currently committed under two SBITAs for the use of cloud-based accounting software and a cloud-based utility billing solution. As of September 30, 2024, the total cost of these SBITA assets for the City's governmental activities is \$217,088, less accumulated amortization of \$27,761.

The future payments under these SBITA arrangements are as follows:

Year Ending September 30,	<u>Principal</u>	<u>Interest</u>
2025	\$ 44,474	\$ 7,179
2026	35,103	5,342
2027	32,491	3,929
2028	33,936	2,484
2029	35,445	975
2030	3,025	11
	<u>\$ 184,474</u>	<u>\$ 19,920</u>

CITY OF WEST MIAMI, FLORIDA

Notes to Financial Statements

September 30, 2024

F. Segment Information for Enterprise Funds

The City maintains five enterprise funds. Segment information for the year ended September 30, 2024 is as follows:

	Sewer System Fund	Water System Fund	Stormwater Utility Fund	Sanitation Fund	Building Dept. / Code Compliance Fund	Total
Operating revenues	\$ 665,861	\$ 874,411	\$ 109,351	\$ 692,943	\$ 260,668	\$ 2,603,234
Depreciation and amortization	201,093	40,419	591,648	27,051	427	860,638
Operating income (loss)	(752,034)	(110,457)	(552,311)	(46,772)	(221,982)	(1,683,556)
Operating transfers						
In	10,876	(946,420)	-	-	-	(935,544)
(Out)	(51,372)	-	(10,876)	(118,500)	-	(180,748)
Change in net position	(763,768)	741,480	(563,187)	(165,097)	(221,816)	(972,388)
Capital assets						
Additions	-	949,183	-	174,437	4,272	1,127,892
Deletions	-	-	-	-	-	-
Net working capital	(1,408,448)	245,789	(136,355)	(527,160)	(85,609)	(1,911,783)
Total assets	5,513,723	9,393,535	4,890,343	1,018,045	218,064	21,033,710
Long-term debt payable from operating revenues	94,167	-	-	-	-	94,167
Total net position	\$ 211,737	\$ 3,202,220	\$ 4,058,635	\$ (135,281)	\$ (81,764)	\$ 7,255,547

G. Employee Retirement Plans

Florida Retirement System Plan

All budgeted City employees are eligible to participate in the Florida Retirement System (FRS). As provided by Chapters 121 and 112, Florida Statutes, the FRS provides two cost sharing, multiple-employer defined benefit pension plans administered by the Florida Department of Management Services, Division of Retirement, including the Pension Plan and the Retiree Health Insurance Subsidy (HIS Plan). Under Section 121.4501, Florida Statutes, the FRS also provides a defined contribution plan (Investment Plan) alternative to the Pension Plan, which is administered by the State Board of Administration (SBA). As a general rule, membership in the FRS is compulsory for all employees working in a regularly established position for a state agency, county government, district school board, state university, community college, or a participating city or special district within the State of Florida. The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The Florida Legislature establishes and may amend the contribution requirements and benefit terms of all FRS plans.

The plan administrator for the FRS prepares and publishes its own stand-alone comprehensive annual financial report, including financial statements and required supplementary information. Copies of this report can be obtained from the Department of Management Services, Division of Retirement, Bureau of Research and Member Communications or at the Division’s website.

Pension Plan

Plan Description and Benefits Provided

The Pension Plan is a multiple-employer cost sharing Public Employee Retirement System (“PERS”). All budgeted City employees are eligible to participate in the Pension Plan. The City’s covered payroll for employees covered by the System for the year ended September 30, 2024 was approximately \$5.412 million.

CITY OF WEST MIAMI, FLORIDA

Notes to Financial Statements

September 30, 2024

IV. Detailed Notes on all Funds - (continued)

G. Employee Retirement Plans - (continued)

Plan Description and Benefits Provided - (continued)

Normal retirement for members initially enrolled before July 1, 2011 is at 6 years of credited service and age 62 or at 30 years of credited service regardless of age for regular members. Normal retirement for special risk members (police) initially enrolled before July 1, 2011 is at 6 years of special risk service and age 55 or at 25 or 30 years of special risk or any creditable service regardless of age; these individuals are entitled to an annual retirement benefit equal to 2 to 3 percent for each year of credited service times their average final compensation.

Normal retirement for members initially enrolled on or after July 1, 2011 is at 8 years of credited service and age 65 or at 33 years of credited service regardless of age for regular members. Normal retirement for special risk members (police) initially enrolled on or after July 1, 2011 is at 8 years of special risk service and age 60 or at 30 or 33 years of special risk or any creditable service regardless of age; these individuals are entitled to an annual retirement benefit equal to 2 to 3 percent for each year of credited service times their average final compensation.

Benefits vest after six or eight years of credited service. Early retirement may be taken any time after vesting; however, there is a five percent benefit reduction for each year prior to normal retirement age or date. The System also provides disability and survivor benefits. Benefits are established by State statute.

Contributions and Funding Policy

The City required contribution rates are established by the Florida Legislature. Employees within 5 years of retirement may elect to participate in the DROP. The City contributes 19.13% of salaries for participants of the DROP. During 2024, the City had five employees participating in this program.

Commencing on July 1, 2011, employees are required to contribute 3% of salaries to the System. Prior to that date, employees could not contribute to the System. The employer contribution rates for regular employees, senior management, and special risk members applicable to the last three fiscal years are as follows:

Employer Contribution Rates	Regular Employees	Senior Management	Special Risk Members
Effective 7/1/22	10.19%	29.85%	36.93%
Effective 7/1/23	11.51%	32.46%	37.76%
Effective 7/1/24	11.57%	32.46%	37.76%

The City's contribution to the FRS for the last three years are as follows:

	2024	2023	2022
Employer contribution	\$ 1,168,595	\$ 906,087	\$ 751,118
Percentage contributed	100%	100%	100%

CITY OF WEST MIAMI, FLORIDA

Notes to Financial Statements

September 30, 2024

IV. Detailed Notes on all Funds - (continued)

G. Employee Retirement Plans - (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions

At September 30, 2024, the City reported a liability of \$6,162,848 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the Pension Plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2024, the City's proportion was approximately 0.0159%, which was an increase of approximately 0.008% from its proportion measured as of June 30, 2023.

For the year ended September 30, 2024, the City recognized pension expense of \$912,804. At September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to the Pension Plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 622,613	\$ -
Changes of assumptions	844,675	-
Net difference between projected and actual earnings on pension plan investments		409,615
Changes in proportion and differences between City contributions and proportionate share of contributions	494,711	184,081
City contributions subsequent to the measurement date	211,818	-
	<u>\$ 2,173,817</u>	<u>\$ 593,696</u>

The \$211,818 reported as deferred outflows of resources related to the Pension Plan resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

Year Ended September 30:	
2025	\$ (97,357)
2026	\$ 1,109,841
2027	\$ 206,359
2028	\$ 78,092
2029	\$ 71,368
Thereafter	\$ -

CITY OF WEST MIAMI, FLORIDA

Notes to Financial Statements

September 30, 2024

IV. Detailed Notes on all Funds - (continued)

G. Employee Retirement Plans - (continued)

Actuarial Assumptions

The total pension liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Actuarial cost method	Individual entry age
Salary increases	3.50% average, including inflation
Investment rate of return	6.70%, net of pension plan investment expense

Mortality rates were based on the PUB-2010 base table as varies by member category and sex, and projected generationally with Scale MP-2021.

The actuarial assumptions used to determine the total pension liability as of June 30, 2024 were based on the results of an actuarial experience study for the period July 1, 2018 - June 30, 2023. The discount rate and long-term expected rate of return remained unchanged from the prior valuation as of July 1, 2023, 6.70%. The 2024 FRS Actuarial Assumption Conference also adopted a 20-year amortization period for bases established on or after July 1, 2021.

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 expense and inflation) are developed for each major asset class. Each asset class assumption is based on a consistent set of underlying assumptions. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model. 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. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>
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%
Total	<u>100.0%</u>		

CITY OF WEST MIAMI, FLORIDA

Notes to Financial Statements

September 30, 2024

IV. Detailed Notes on all Funds - (continued)

G. Employee Retirement Plans - (continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.70%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions from participating employers will be made at contractually required rates, actuarially determined. 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 active and inactive plan members. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the City’s proportionate share of the net pension liability calculated using the discount rate of 6.70%, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (5.70%) or one percentage-point higher (7.70%) than the current rate:

	1% Decrease (5.70%)	Current Discount Rate (6.70%)	1% Increase (7.70%)
City's proportionate share of the net pension liability	\$ 10,840,234	\$ 6,162,848	\$ 2,244,545

Pension Plan Fiduciary Net Position

Detailed information about the Pension Plan’s fiduciary net position is available in the separately issued Florida Retirement System Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report.

HIS Plan

Plan Description and Benefits Provided

The HIS Plan is a multiple-employer cost-sharing defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement. For the fiscal year ended September 30, 2024, eligible retirees and beneficiaries received a monthly HIS payment of \$7.50 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$45 and a maximum HIS payment of \$225 per month. To be eligible to receive these benefits, a retiree under a State administered retirement system must provide proof of health insurance coverage, which may include Medicare.

CITY OF WEST MIAMI, FLORIDA

Notes to Financial Statements

September 30, 2024

IV. Detailed Notes on all Funds - (continued)

G. Employee Retirement Plans - (continued)

Contributions and Funding Policy

The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. The employer contributions are a percentage of gross compensation for all active FRS members. The employer contribution rates for all classes through September 30, 2024 were 2.00%. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy to all participants, benefits may be reduced or cancelled.

The City's contribution to the HIS Plan for the last three years are as follows:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Employer contribution	\$ 114,318	\$ 88,638	\$ 73,478
Percentage contributed	100%	100%	100%

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions

At September 30, 2024, the City reported a liability of \$1,846,282 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the Pension Plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2024, the City's proportion was approximately 0.0123%, which was an increase of approximately 0.0008% from its proportion measured as of June 30, 2023.

For the year ended September 30, 2024, the City recognized pension expense of \$106,940. At September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to the HIS Plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 17,827	\$ 3,545
Changes of assumptions	32,675	218,576
Net difference between projected and actual earnings on pension plan investments	-	668
Changes in proportion and differences between City contributions and proportionate share of contributions	170,087	25,880
City contributions subsequent to the measurement date	25,255	-
	<u>\$ 245,844</u>	<u>\$ 248,669</u>

CITY OF WEST MIAMI, FLORIDA

Notes to Financial Statements

September 30, 2024

IV. Detailed Notes on all Funds - (continued)

G. Employee Retirement Plans - (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions - (cont.)

The \$25,255 reported as deferred outflows of resources related to the HIS Plan resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

Year Ended September 30:		
2025	\$	(4,555)
2026	\$	(10,052)
2027	\$	(17,593)
2028	\$	(1,189)
2029	\$	4,721
Thereafter	\$	588

Actuarial Assumptions

The total pension liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Actuarial cost method	Individual entry age
Salary increases	3.50% average, including inflation
Investment rate of return	6.70%

Mortality rates were based on the PUB-2010 base table as varies by member category and sex, and projected generationally with Scale MP-2021.

The actuarial assumptions used to determine the total pension liability as of June 30, 2024 were based on the results of an actuarial experience study for the period July 1, 2018 - June 30, 2023. The discount rate used was increased from 3.65% to 3.93%, reflecting the change during the fiscal year in the Bond Buyer General Obligation 20-year Bond Municipal Bond Index.

Discount Rate

The discount rate used to measure the total pension liability was 3.93%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

IV. Detailed Notes on all Funds - (continued)

G. Employee Retirement Plans - (continued)

Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the City’s proportionate share of the net pension liability calculated using the discount rate of 3.93%, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (2.93%) or one percentage-point higher (4.93%) than the current rate:

	1% Decrease (2.93%)	Current Discount Rate (3.93%)	1% Increase (4.93%)
City's proportionate share of the net pension liability	\$ 2,101,754	\$ 1,846,282	\$ 1,634,197

Section 457 Deferred Compensation Plan

The City established a deferred compensation plan for the employees and elected officials of the City. The adopted deferred compensation plan was created in accordance with Internal Revenue Code Section 457. The plan is available for all employees and officials who elect to participate. The purpose of the plan is to provide additional benefits to City employees and officials who elect to voluntarily set aside and invest portions of their current income to meet future financial requirements and to supplement existing retirement programs. The plan is administered by an independent plan administrator through an administrative service agreement. The City’s administrative involvement is limited to transmitting amounts withheld from payroll to the Plan Administrator, who performs investing functions. The City does not make any contributions to the plan. The plan is considered as an other employee benefit plan in accordance with GASB No. 97, and is not considered as a fiduciary activity of the City under the provisions of GASB No. 84. The Plan assets are held in trust for the benefit of the participants and their beneficiaries. The assets will not be diverted for any other purpose.

H. Fund Equity

Restrictions/Commitments/Assignments of Fund Balance include the following:

1. Restricted for Transportation - This amount represents the amount of fund equity in the transportation surtax fund which is to be used (externally imposed) only for specific transportation related expenditures (CITT transportation and transit).
2. Restricted for Public Safety Initiatives - This amount represents the amount of fund equity in the police law forfeiture fund which is to be used (externally imposed) only for specific expenditures.
3. Restricted for Capital Improvements - This amount represents the amount of fund equity, including unspent impact fees, in the general fund which is to be used (externally imposed) only for specific capital related improvements and projects.

CITY OF WEST MIAMI, FLORIDA

Notes to Financial Statements

September 30, 2024

IV. Detailed Notes on all Funds - (continued)

H. Fund Equity - (continued)

4. Committed for Emergencies and Cash Flow - This amount represents the amount of fund equity in the general fund which is set aside to maintain a minimum of three months of budgeted expenditures for cash flow, litigation, assets, and declared reserves as follows.

Operating Cash Flow Reserves	\$	653,501
Litigation Reserves		200,000
Assets Reserves		1,000,000
Declared Reserves		250,000
Committed for Emergencies and Cash Flow	\$	<u>2,103,501</u>

5. Committed for Parks and Recreation - This amount represents the amount of fund equity in the recreation fund which is to be used (commission imposed) only for specific expenditures for the parks and recreation department.
6. Assigned for Capital Outlay - This amount represents the amount of fund equity in the general fund and parks and recreation fund which is to be used, as assigned by management, for specific capital outlay expenditures.
7. Assigned for Future Contingencies - This amount represents the amount of fund equity in the general fund, as assigned by management, for general liability and pending claims which the City believes may not be covered by its insurance policies, and other amounts assigned by management for litigation and retirement.
8. Assigned for Specific Projects - This amount represents the amount of fund equity in the general fund which is to be used, as assigned by management, for records destruction and community growth.
9. Assigned for Comprehensive Plan - This amount represents the amount of fund equity in the general fund which is to be used, as assigned by management, for the City's comprehensive plan.
10. Assigned for Potable Water Projects - This amount represents the amount of fund equity in the general fund, as assigned by management, for funding as related to the City's potable water project.

I. Risk Management

The City is exposed to various risks of losses related to torts, theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the City carries commercial insurance. There were no significant reductions in insurance coverage from the prior year and there were no settlements that exceeded insurance coverage for each of the past three years.

The City is self-insured for workers' compensation claims. The total liability for reported claims and the incurred but not reported claims (IBNR), is accrued when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated based on estimates provided by the claims administrator, Miami-Dade County. During fiscal years ended September 30, 2024 and 2023, the City estimated a portion of the liability for reported claims as long-term debt.

	<u>2024</u>	<u>2023</u>
Unpaid Claims, beginning	\$ 754,481	\$ 728,981
Incurred Claims (including IBNR)	24,370	125,500
Estimated Claim Reductions	<u>(709,097)</u>	<u>(100,000)</u>
Unpaid Claims, ending	<u>\$ 69,754</u>	<u>\$ 754,481</u>

IV. Detailed Notes on all Funds - (continued)

J. Commitments and Contingencies

1. The City is involved in various proceedings involving certain claims which the City believes it may not to be covered by its general liability insurance policies. In the opinion of management and its legal counsel, the outcome of these claims should not have a significant impact on the City's financial condition. Proceedings involving workmen's compensation claims are also closely monitored by the City's management and legal counsel. The City has assigned \$200,000 of fund balance for various possible future contingencies including retirement, general liability claims, and other contingencies.
2. The City receives several grants from governmental agencies that require compliance with certain provisions stated in the grant agreements. Failure to comply with the provisions could result in the return of funds to the grantors. Although that is a possibility, the City deems the contingency remote since, in management's opinion, the City has complied in all material respects with the provisions of the grants.
3. At September 30, 2024, the City had various construction projects in progress with remaining balances totaling approximately \$2,000,000.

K. Subsequent Events

On October 15, 2024, the City entered into a revolving line of credit agreement with a financial institution for borrowings up to \$1,500,000. The line of credit matures on October 15, 2025, at which point the entire outstanding balance of principal and unpaid accrued interest shall be due. Interest accrues at a rate of 4.5% per annum. Beginning on November 15, 2024, the City shall make monthly payments of accrued interest. The line of credit is collateralized by a deposit account executed between the City and the financial institution.

REQUIRED SUPPLEMENTARY INFORMATION (OTHER THAN MD&A)

City of West Miami, Florida
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
General Fund
For the Year Ended September 30, 2024

	General Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Real Estate Taxes	\$ 4,245,969	\$ 4,245,969	\$ 4,246,396	\$ 427
Franchise Taxes	623,600	623,600	723,707	100,107
Excise, Utility Service and Other Taxes	693,000	693,000	823,039	130,039
Licenses, Permits and Fees	24,500	24,500	23,137	(1,363)
Intergovernmental Revenue	1,290,300	1,290,300	1,232,885	(57,415)
Fines and Forfeitures	1,225,000	1,225,000	1,078,853	(146,147)
Grant Revenues	-	-	2,500	2,500
Rent	85,000	85,000	24,777	(60,223)
Interest	1,000	1,000	309,334	308,334
Other	397,100	397,100	793,330	396,230
Total Revenues	<u>8,585,469</u>	<u>8,585,469</u>	<u>9,257,958</u>	<u>672,489</u>
Expenditures				
Current				
City Council	74,722	74,722	46,986	27,736
Legal	135,950	135,950	254,844	(118,894)
Executive	632,032	632,032	614,432	17,600
Finance and Administration	1,129,628	1,129,628	1,127,824	1,804
Law Enforcement	3,370,040	3,370,040	3,201,522	168,518
Streets	618,431	618,431	920,871	(302,440)
Garbage	106,369	106,369	117,178	(10,809)
Facilities Maintenance	237,769	237,769	412,256	(174,487)
Non-Departmental	2,463,001	2,463,001	2,268,537	194,464
Capital Outlay	15,700	15,700	557,889	(542,189)
Balance Carried Forward	<u>\$ 8,783,642</u>	<u>\$ 8,783,642</u>	<u>\$ 9,522,339</u>	<u>\$ (738,697)</u>

See accompanying notes to budgetary comparison schedules.

City of West Miami, Florida
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
General Fund
For the Year Ended September 30, 2024
(Continued)

	General Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Balance Brought Forward	8,783,642	8,783,642	9,522,339	(738,697)
Debt Service				
Principal Retirement	147,105	147,105	174,564	(27,459)
Interest	19,722	19,722	17,277	2,445
Total Expenditures	8,950,469	8,950,469	9,714,180	(763,711)
Excess (Deficiency) of Revenues and Over (Under) Expenditures	(365,000)	(365,000)	(456,222)	(91,222)
Other Financing Sources (Uses)				
Proceeds from SBITAs financing	-	-	217,088	217,088
Operating Transfers In	495,000	495,000	-	(495,000)
Operating Transfers (Out)	(130,000)	(130,000)	93,222	223,222
Total Other Financing Sources (Uses)	365,000	365,000	310,310	(54,690)
Net Change in Fund Balances	\$ -	\$ -	\$ (145,912)	\$ (145,912)

See accompanying notes to budgetary comparison schedules.

City of West Miami, Florida
Schedule of Revenues - Budget and Actual
General Fund
For the Year Ended September 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Real Estate Taxes	\$ 4,245,969	\$ 4,246,396	\$ 427
Franchise Taxes			
Electricity	430,000	473,857	43,857
Telecommunications	173,000	221,740	48,740
Gas	15,000	-	(15,000)
Bus Benches	5,600	28,110	22,510
	<u>623,600</u>	<u>723,707</u>	<u>100,107</u>
Excise, Utility Service and Other Taxes			
Excise	535,000	640,623	105,623
Utility Service	150,000	133,421	(16,579)
Local Business Tax	8,000	48,995	40,995
	<u>693,000</u>	<u>823,039</u>	<u>130,039</u>
Licenses, Permits, and Fees			
Building Permits	7,000	4,997	(2,003)
Alarm Permits	16,000	14,940	(1,060)
Miscellaneous Permits	1,500	3,200	1,700
	<u>24,500</u>	<u>23,137</u>	<u>(1,363)</u>
Intergovernmental			
Sales Tax	825,000	753,833	(71,167)
Revenue Sharing	345,000	382,208	37,208
Fuel Tax	120,000	96,844	(23,156)
Mobile Homes	300	-	(300)
	<u>1,290,300</u>	<u>1,232,885</u>	<u>(57,415)</u>
Fines and Forfeitures			
Red Light Camera	1,130,000	835,572	(294,428)
Collected by Metro-Dade	95,000	243,281	148,281
	<u>1,225,000</u>	<u>1,078,853</u>	<u>(146,147)</u>
Grant Revenues	-	2,500	2,500
Rent	85,000	24,777	(60,223)
Interest	1,000	309,334	308,334
Other			
Accident Reports	6,000	5,270	(730)
Sanitation Fees	-	35	35
Zoning Fees and Certificates of Use	-	14,738	14,738
Passport	285,000	275,155	(9,845)
Miscellaneous	106,100	498,132	392,032
	<u>397,100</u>	<u>793,330</u>	<u>396,230</u>
Total Revenues	<u>\$ 8,585,469</u>	<u>\$ 9,257,958</u>	<u>\$ 672,489</u>

See accompanying notes to budgetary comparison schedules.

City of West Miami, Florida
Schedule of Expenditures - Budget and Actual
General Fund
For the Year Ended September 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
City Council			
Salaries	\$ 2,600	\$ 10,295	\$ (7,695)
Council Expense	6,000	5,427	573
Other Insurance Costs	500	-	500
Telephone	3,500	2,106	1,394
Postage	-	23	(23)
Office Supplies	8,500	3,545	4,955
Computer Service	3,000	-	3,000
Commission Representation	27,400	-	27,400
Other Miscellaneous	1,000	25,590	(24,590)
Contributions	22,222	-	22,222
	<u>\$ 74,722</u>	<u>\$ 46,986</u>	<u>\$ 27,736</u>
Legal			
Salaries	\$ 115,450	\$ 45,642	\$ 69,808
Medical and Life Insurance	-	1,952	(1,952)
Training and Conference	1,000	-	1,000
Miscellaneous Legal	1,000	198,198	(197,198)
Legal Advertising	7,500	4,770	2,730
Office Supplies	1,000	-	1,000
Telephone Services	1,000	-	1,000
Postage	1,500	-	1,500
Computer Service	2,500	-	2,500
Miscellaneous	5,000	1,528	3,472
Payroll Taxes	-	2,754	(2,754)
	<u>\$ 135,950</u>	<u>\$ 254,844</u>	<u>\$ (118,894)</u>

See accompanying notes to budgetary comparison schedules.

City of West Miami, Florida
Schedule of Expenditures - Budget and Actual
General Fund
For the Year Ended September 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Executive			
Salaries	\$ 404,293	\$ 418,722	\$ (14,429)
Payroll Taxes	30,929	31,673	(744)
Retirement	100,022	114,332	(14,310)
Medical and Life Insurance	3,500	2,340	1,160
Conferences and Training	3,500	7,042	(3,542)
Printed Forms	2,500	-	2,500
Car Allowance	6,000	7,631	(1,631)
Telephone Service	5,800	3,083	2,717
City Manager's Expenses	7,100	6,208	892
Other Insurance Costs	1,000	-	1,000
Election Costs	20,000	-	20,000
Other Miscellaneous	9,500	10,925	(1,425)
Dues and Subscriptions	-	4,656	(4,656)
Fuel and Gas	-	7,529	(7,529)
Postage	3,500	120	3,380
Computer Service	8,000	171	7,829
ICMA	26,138	-	26,138
Uniforms	250	-	250
	<u>\$ 632,032</u>	<u>\$ 614,432</u>	<u>\$ 17,600</u>
Finance and Administration			
Salaries	\$ 860,529	\$ 804,268	\$ 56,261
Payroll Taxes	65,946	62,270	3,676
Retirement	115,353	88,950	26,403
Medical and Life Insurance	-	132	(132)
Office Supplies	7,500	16,102	(8,602)
Telephone Service	6,000	2,165	3,835
Postage	9,500	11,505	(2,005)
Printed Forms	7,500	2,891	4,609
Other Insurance Costs	1,500	-	1,500
Repairs to Equipment	3,000	2,885	115
Rental of Equipment	4,500	3,234	1,266
Other Miscellaneous	27,800	1,052	26,748
Computer Service	20,500	71,094	(50,594)
Dues and Subscriptions	-	4,398	(4,398)
Other Professional Services	-	53,110	(53,110)
Car Allowance	-	3,768	(3,768)
	<u>\$ 1,129,628</u>	<u>\$ 1,127,824</u>	<u>\$ 1,804</u>

See accompanying notes to budgetary comparison schedules.

City of West Miami, Florida
Schedule of Expenditures - Budget and Actual
General Fund
For the Year Ended September 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Law Enforcement			
Salaries	\$ 2,185,294	\$ 2,196,795	\$ (11,501)
Other Personal Services	65,000	-	65,000
Payroll Taxes	157,340	178,931	(21,591)
Retirement	686,235	516,211	170,024
Medical and Life Insurance	-	223	(223)
Training & Conference	-	8,132	(8,132)
Printed Forms	2,000	5,607	(3,607)
GPS Annual Service	67,000	-	67,000
Fuel and Lubricants	120,000	114,760	5,240
Vehicle Repair Parts and Labor	25,000	52,877	(27,877)
Operating Equipment Repair Parts	7,000	-	7,000
Uniform Purchases	12,000	22,361	(10,361)
Telephone Services	3,000	10,610	(7,610)
Travel Allowance	-	133	(133)
Other Insurance Costs	1,000	-	1,000
Repairs to Equipment	4,000	12,243	(8,243)
Other Miscellaneous	1,000	8,389	(7,389)
Office Supplies	4,000	4,867	(867)
Cleaning Supplies	1,000	-	1,000
Building and Maintenance Supplies	3,000	3,332	(332)
Other Supplies	-	209	(209)
Small Tools and Minor Equipment	2,000	1,459	541
Postage	600	1,011	(411)
Dues and Subscriptions	6,500	1,773	4,727
Plaques, Awards, Recognition	1,000	640	360
Other Professional Services	2,500	60,505	(58,005)
Computer Service	10,571	-	10,571
Court Costs and Investigations	2,000	-	2,000
Information Expense	1,000	-	1,000
Rental Machine and Equipment	-	454	(454)
	<u>\$ 3,370,040</u>	<u>\$ 3,201,522</u>	<u>\$ 168,518</u>

See accompanying notes to budgetary comparison schedules.

City of West Miami, Florida
Schedule of Expenditures - Budget and Actual
General Fund
For the Year Ended September 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Streets			
Salaries	\$ 357,722	\$ 466,393	\$ (108,671)
Payroll Taxes	27,366	35,752	(8,386)
Retirement	47,322	52,083	(4,761)
Fuel and Lubricants	15,000	6,593	8,407
Protective Clothing	5,000	13,420	(8,420)
Building Materials and Supplies	22,500	41,709	(19,209)
Small Tools and Minor Equipment	3,000	38,730	(35,730)
Vehicle Repair Parts and Labor	8,000	23,060	(15,060)
Operating Equipment Repair Parts	22,000	5,287	16,713
Telephone Service	2,000	-	2,000
Street Lighting Electricity	62,000	9,371	52,629
Repairs to Equipment	-	35,565	(35,565)
Computer Service	3,521	3,868	(347)
Landscape Maintenance	18,500	9,354	9,146
Other Miscellaneous	10,000	170,200	(160,200)
Office Supplies	3,000	6,486	(3,486)
Postage	500	3,000	(2,500)
Conference and Training Costs	1,000	-	1,000
Uniform Rental	10,000	-	10,000
	<u>\$ 618,431</u>	<u>\$ 920,871</u>	<u>\$ (302,440)</u>

See accompanying notes to budgetary comparison schedules.

City of West Miami, Florida
Schedule of Expenditures - Budget and Actual
General Fund
For the Year Ended September 30, 2024

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Garage			
Salaries	\$ 69,950	\$ 63,743	\$ 6,207
Payroll Taxes	6,198	4,999	1,199
Retirement	9,221	8,466	755
Cleaning Supplies	1,500	629	871
Fuel and Lubricants	1,500	9,750	(8,250)
Protective Clothing	-	454	(454)
Small Tools and Minor Equipment	4,000	1,078	2,922
Vehicle Repair Parts	4,000	22,646	(18,646)
Operating Equipment Repair Parts	4,500	3,109	1,391
Uniform Rental	1,500	-	1,500
Hazardous Waste Disposal	1,000	-	1,000
Other Miscellaneous	2,000	2,304	(304)
Special Permit Fees	1,000	-	1,000
	<u>\$ 106,369</u>	<u>\$ 117,178</u>	<u>\$ (10,809)</u>

See accompanying notes to budgetary comparison schedules.

City of West Miami, Florida
Schedule of Expenditures - Budget and Actual
General Fund
For the Year Ended September 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Facilities Maintenance			
Salaries	\$ 105,940	\$ 177,726	\$ (71,786)
Payroll Taxes	8,104	11,866	(3,762)
Retirement	14,125	25,468	(11,343)
Medical and Life Insurance	-	1,227	(1,227)
Horticultural Supplies	10,000	-	10,000
Cleaning and Sanitation Supplies	5,000	-	5,000
Fuel and Lubricants	1,000	12,638	(11,638)
Household and Institutional Supplies	7,000	-	7,000
Protective Clothing	600	4,389	(3,789)
Building Material and Supplies	35,000	53,907	(18,907)
Small Tools and Minor Equipment	1,000	4,898	(3,898)
Vehicle Repair Parts	2,500	833	1,667
Installed Building Equipment Repair Parts	1,500	-	1,500
Electricity	25,000	18,478	6,522
Water	5,500	1,519	3,981
Repairs to Building	-	57,756	(57,756)
Other Miscellaneous	11,500	9,740	1,760
Uniform Rental	2,000	-	2,000
Telephone Service	1,000	-	1,000
Other Insurance Building	1,000	-	1,000
Repairs to Equipment	-	10,176	(10,176)
Other Professional Services	-	21,635	(21,635)
	<u>\$ 237,769</u>	<u>\$ 412,256</u>	<u>\$ (174,487)</u>

See accompanying notes to budgetary comparison schedules.

City of West Miami, Florida
Schedule of Expenditures - Budget and Actual
General Fund
For the Year Ended September 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Non-Departmental			
Payroll Taxes	\$ -	\$ 1,176	\$ (1,176)
Retirement	-	163,331	(163,331)
Unemployment Compensation	8,000	-	8,000
Workers' Compensation	140,000	-	140,000
Medical and Life Insurance	1,400,000	1,308,724	91,276
Allowance to Board Members	1,000	600	400
Auditing Services	45,000	79,000	(34,000)
Engineer Services	35,000	-	35,000
Other Professional Services	155,000	153,847	1,153
Code Enforcement Allowance	1,000	1,571	(571)
General Liability Insurance	410,000	321,653	88,347
Dues and Subscriptions	5,000	10,259	(5,259)
Contingency Fund	75,000	-	75,000
Real Estate Taxes	18,000	14,684	3,316
Office Supplies	2,000	11,815	(9,815)
Telephone	-	42,328	(42,328)
Postage	-	5,370	(5,370)
Office Uniforms	-	457	(457)
Computer Service	25,000	41,177	(16,177)
Bank Charges	10,000	8,607	1,393
Reserve	123,001	-	123,001
Hurricane National Disaster	10,000	20,000	(10,000)
Other Miscellaneous	-	59,642	(59,642)
Repairs and Maintenance	-	14,454	(14,454)
Electricity	-	9,842	(9,842)
	<u>\$ 2,463,001</u>	<u>\$ 2,268,537</u>	<u>\$ 194,464</u>

See accompanying notes to budgetary comparison schedules.

City of West Miami, Florida
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Parks & Recreation Fund
For the Year Ended September 30, 2024

	Parks & Recreation Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Real Estate Taxes	\$ 850,402	\$ 850,402	\$ 803,043	\$ (47,359)
Grant Revenues	386,365	386,365	574,768	188,403
Interest	-	-	66	66
Other	511,100	511,100	480,670	(30,430)
Total Revenues	<u>1,747,867</u>	<u>1,747,867</u>	<u>1,858,547</u>	<u>110,680</u>
Expenditures				
Current				
Parks and Recreation	1,538,704	1,538,704	1,456,468	82,236
Capital Outlay	21,500	21,500	1,443,996	(1,422,496)
Total Expenditures	<u>1,560,204</u>	<u>1,560,204</u>	<u>2,900,464</u>	<u>(1,340,260)</u>
Excess (Deficiency) of Revenues and Over (Under) Expenditures	187,663	187,663	(1,041,917)	(1,229,580)
Other Financing Sources (Uses)				
Appropriation of Fund Balance	(7,663)	(7,663)	-	7,663
Operating Transfers In	(180,000)	(180,000)	1,070,454	1,250,454
Total Other Financing Sources (Uses)	<u>(187,663)</u>	<u>(187,663)</u>	<u>1,070,454</u>	<u>1,258,117</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,537</u>	<u>\$ 28,537</u>

See accompanying notes to budgetary comparison schedules.

CITY OF WEST MIAMI, FLORIDA
Notes to Budgetary Comparison Schedules
September 30, 2024

Note 1. Budgets and Budgetary Accounting

The City legally adopts annual budgets for the General Fund and most of the Special Revenue Funds. The budgets are prepared on a basis consistent with accounting principles generally accepted in the United States. The following procedures are used by the City in establishing the budgetary data reflected in the financial statements.

- a) At least 45 days prior to the close of the fiscal year, the City Commission is presented with a proposed budget including proposed expenditures and the means of financing them.
- b) After Commission review and public hearings, the budget is adopted prior to October 1st of each year.
- c) Budgets are approved on a fund-by-fund basis and management may transfer amounts between line items or departments as long as the transfer does not result in an increase in total fund budget. Expenditures may not legally exceed appropriations at the departmental level.

Budgets are considered a management control and planning tool and as such are incorporated into the accounting system of the City. Appropriations not encumbered lapse at year-end. The Commission did not make supplemental budgetary appropriations during the year.

Note 2. Excess of Expenditures over Appropriations

The General Fund's legal expenditures exceeded appropriations by \$118,894. This unfavorable variance was due to legal expenses incurred that were not included in the original budget. The General Fund's streets expenditures exceeded appropriations by \$302,440. The unfavorable variance was attributed to increases in salaries, and other costs related to repairs, supplies and fees that were not included in the original budget. The General Fund's garbage expenditures exceeded appropriations by \$10,809. The unfavorable variance is due to additional repairs and maintenance on garbage trucks.

The General Fund's facilities and maintenance expenditures exceeded appropriations by \$174,487. This unfavorable variance is due to increased salaries and cost-of-living adjustments, and repairs and maintenance to the City's main office. These excess expenditures were not included in the original budget as adopted by the City.

The General Fund's capital outlay expenditures exceeded appropriations by \$542,189. The unfavorable variance is due to various capital outlay expenditures approved by the City Commission such as improvements to parks, tree planting and improvements to fields, and building improvements to City Hall. Additionally, capital outlay expenditures exceeded appropriations due to the purchase of a new police vehicle. The City Commission approved the purchase of the replacement police vehicle which is funded by forfeited and seized properties awarded to the City. The unfavorable variance is also affected by reclassification adjustments to capital outlay. The negative variance is disclosed in the Budgetary Comparison Statements and Schedules – General Fund - page 51. The overall budget variance for the General Fund ends with a negative variance of \$145,912, when combined with revenue and interfund transfer variances.

The Parks & Recreation Fund capital outlay expenditures exceeded appropriations by \$1,422,496. Capital outlay expenditures exceeded appropriations due to the on-going construction project of the wellness center. The negative variance is disclosed in the Budgetary Comparison Statements and Schedules – Parks & Recreation Fund - page 62. The overall budget variance for the Parks & Recreation Fund ends with a positive variance of \$28,537, when combined with revenue and interfund transfer variances.

CITY OF WEST MIAMI, FLORIDA
Notes to Budgetary Comparison Schedules
September 30, 2024

Note 3. Budget/GAAP Reconciliation

There are no differences to be reconciled between the budgetary comparison schedules and the statement of revenues, expenditures and changes in fund balances - governmental funds.

City of West Miami, Florida
 Required Supplementary Information
 Schedule of the Proportionate Share of the Net Pension Liability
 Florida Retirement System Pension Plan
 Last 10 Fiscal Years*

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
City's proportion of the net pension liability (asset)	0.01593097%	0.01507133%	0.01364482%	0.01348166%	0.01463264%	0.01632755%	0.01719487%	0.01666302%	0.01686092%	0.01493958%
City's proportionate share of the net pension liability (asset)	\$ 6,162,848	\$ 6,005,449	\$ 5,076,971	\$ 1,018,386	\$ 6,342,003	\$ 5,622,982	\$ 5,179,185	\$ 4,928,811	\$ 4,257,396	\$ 1,929,647
City's covered payroll	\$ 5,264,041	\$ 4,582,268	\$ 3,936,628	\$ 3,796,929	\$ 3,763,343	\$ 3,833,099	\$ 3,798,323	\$ 3,471,017	\$ 3,367,100	\$ 3,141,772
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	117.07%	131.06%	128.97%	26.82%	168.52%	146.70%	136.35%	142.00%	126.44%	61.42%
Plan fiduciary net position as a percentage of the total pension liability	83.70%	82.38%	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%

* The amounts presented for each fiscal year were determined as of 6/30 (measurement date of the collective net pension liability).

City of West Miami, Florida
Required Supplementary Information
Schedule of Contributions
Florida Retirement System Pension Plan
Last 10 Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 1,168,595	\$ 906,087	\$ 751,118	\$ 663,520	\$ 610,686	\$ 672,501	\$ 629,615	\$ 584,053	\$ 531,919	\$ 430,873
Contributions in relation to the contractually required contribution	<u>\$ (1,168,595)</u>	<u>\$ (906,087)</u>	<u>\$ (751,118)</u>	<u>\$ (663,520)</u>	<u>\$ (610,686)</u>	<u>\$ (672,501)</u>	<u>\$ (629,615)</u>	<u>\$ (584,053)</u>	<u>\$ (531,919)</u>	<u>\$ (430,873)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 5,411,834	\$ 4,575,848	\$ 4,075,872	\$ 3,838,362	\$ 3,702,409	\$ 3,854,435	\$ 3,781,302	\$ 3,592,483	\$ 3,392,770	\$ 3,226,000
Contributions as a percentage of covered payroll	21.59%	19.80%	18.43%	17.29%	16.49%	17.45%	16.65%	16.26%	15.68%	13.36%

City of West Miami, Florida
 Required Supplementary Information
 Schedule of the Proportionate Share of the Net Pension Liability
 Florida Retirement System Health Insurance Subsidy Pension Plan
 Last 10 Fiscal Years*

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
City's proportion of the net pension liability (asset)	0.01230774%	0.01155883%	0.01080212%	0.01072515%	0.01078398%	0.01135858%	0.01162931%	0.01088950%	0.01087716%	0.01035583%
City's proportionate share of the net pension liability (asset)	\$ 1,846,281	\$ 1,835,697	\$ 1,144,117	\$ 1,315,601	\$ 1,316,706	\$ 1,270,911	\$ 1,230,859	\$ 1,164,356	\$ 1,267,687	\$ 1,056,132
City's covered payroll	\$ 5,264,041	\$ 4,582,268	\$ 3,936,628	\$ 3,796,929	\$ 3,763,343	\$ 3,833,099	\$ 3,798,323	\$ 3,471,017	\$ 3,367,100	\$ 3,141,772
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	35.07%	40.06%	29.06%	34.65%	34.99%	33.16%	32.41%	33.55%	37.65%	33.62%
Plan fiduciary net position as a percentage of the total pension liability	4.80%	4.12%	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%

* The amounts presented for each fiscal year were determined as of 6/30 (measurement date of the collective net pension liability).

City of West Miami, Florida
Required Supplementary Information
Schedule of Contributions
Florida Retirement System Health Insurance Subsidy Pension Plan
Last 10 Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 114,318	\$ 88,638	\$ 73,478	\$ 63,043	\$ 60,271	\$ 65,787	\$ 61,592	\$ 57,135	\$ 53,820	\$ 50,552
Contributions in relation to the contractually required contribution	<u>\$ (114,318)</u>	<u>\$ (88,638)</u>	<u>\$ (73,478)</u>	<u>\$ (63,043)</u>	<u>\$ (60,271)</u>	<u>\$ (65,787)</u>	<u>\$ (61,592)</u>	<u>\$ (57,135)</u>	<u>\$ (53,820)</u>	<u>\$ (50,552)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 5,411,834	\$ 4,575,848	\$ 4,075,872	\$ 3,838,362	\$ 3,702,409	\$ 3,854,435	\$ 3,781,302	\$ 3,592,483	\$ 3,392,770	\$ 3,226,000
Contributions as a percentage of covered payroll	2.11%	1.94%	1.80%	1.64%	1.63%	1.71%	1.63%	1.59%	1.59%	1.57%

COMBINING FINANCIAL STATEMENTS

City of West Miami, Florida
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2024

	<u>Special Revenue Funds</u>		<u>Total Nonmajor Governmental Funds</u>
	<u>Transportation Surtax Fund</u>	<u>Police Law Forfeiture Fund</u>	
Assets			
Cash - Restricted	\$ 29,142	\$ 304,643	\$ 333,785
Receivables	107,830	-	107,830
Due From Other Funds	228,755	-	228,755
Total Assets	<u>\$ 365,727</u>	<u>\$ 304,643</u>	<u>\$ 670,370</u>
 Liabilities and Fund Balances			
Liabilities			
Accounts Payable and Accrued Expenses	\$ 1,000	\$ -	\$ 1,000
Due To Other Funds	43,524	127,618	171,142
Total Liabilities	<u>44,524</u>	<u>127,618</u>	<u>172,142</u>
 Fund Balances			
Restricted for Public Safety Initiatives	-	177,025	177,025
Restricted for Transportation	321,203	-	321,203
Total Fund Balances	<u>321,203</u>	<u>177,025</u>	<u>498,228</u>
 Total Liabilities and Fund Balances	 <u>\$ 365,727</u>	 <u>\$ 304,643</u>	 <u>\$ 670,370</u>

The notes to the financial statements are an integral part of this statement.

City of West Miami, Florida
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2024

	Special Revenue Funds		Total Nonmajor Governmental Funds
	Transportation Surtax Fund	Police Law Forfeiture Fund	
Revenues			
Government Grants/Contributions	\$ 11,135	\$ -	\$ 11,135
Surtax	457,185	-	457,185
Fines and Forfeitures	-	140,394	140,394
Interest	5,212	12,415	17,627
Total Revenues	<u>473,532</u>	<u>152,809</u>	<u>626,341</u>
Expenditures			
Other	321,592	40,419	362,011
Capital Outlay	370,960	118,099	489,059
Total Expenditures	<u>692,552</u>	<u>158,518</u>	<u>851,070</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(219,020)	(5,709)	(224,729)
Other Financing Sources (Uses)			
Operating Transfers Out	-	(47,384)	(47,384)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(47,384)</u>	<u>(47,384)</u>
Net Change in Fund Balances	(219,020)	(53,093)	(272,113)
Fund Balances at Beginning of Year	<u>540,223</u>	<u>230,118</u>	<u>770,341</u>
Fund Balances at End of Year	<u>\$ 321,203</u>	<u>\$ 177,025</u>	<u>\$ 498,228</u>

The notes to the financial statements are an integral part of this statement.

COMPLIANCE SECTION



GARCIA | ESPINOSA | MIYARES | RODRIGUEZ | TRUEBA

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 Commission
City of West Miami, 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, business-type activities, each major fund, and the aggregate remaining fund information of the City of West Miami, 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 June 30, 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2024-01, that we consider to be a material weakness.

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*.

GARCIA, ESPINOSA, MIYARES, RODRIGUEZ, TRUEBA & CO., LLP
CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

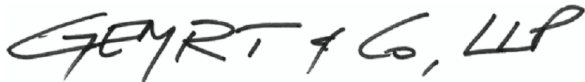
2600 Douglas Road, Suite 800 Coral Gables, FL 33134 | P 305 529 5440 | F 305 529 5441 | www.gemrtcpa.com

City of West Miami, Florida's Response to Findings

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

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 City'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.

Handwritten signature in black ink that reads "GEMRT & Co, LLP". The signature is written in a cursive, slightly slanted style.

Coral Gables, Florida
June 30, 2025



GARCIA | ESPINOSA | MIYARES | RODRIGUEZ | TRUEBA

**Independent Accountant’s Report on Compliance with the Requirements of
Section 218.415, Florida Statutes, in Accordance with Chapter 10.550,
Rules of the Auditor General of the State of Florida**

Honorable Mayor and
Members of the City Commission
City of West Miami, Florida

We have examined the City of West Miami, Florida’s (the “City”) compliance with the requirements of Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2024. Management of the City is responsible for the City’s compliance with those 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 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.

An examination does not provide a legal determination of the City’s compliance with specified requirements. In our opinion, the City of West Miami, Florida complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2024.

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

Coral Gables, Florida
June 30, 2025

Management Letter Required by Section 10.550 of the Rules of the Auditor General of the State of Florida

Honorable Mayor, City Commission, and City Manager
City of West Miami, Florida

Report on the Financial Statements

We have audited the financial statements of the City of West Miami, Florida (the “City”), as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated June 30, 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 State Project and Report on Internal Control Over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant’s Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated June 30, 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. There were no findings or recommendations made in the preceding annual financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The City of West Miami was established by Section 14 of Article I, Laws of Florida 1949, Ch. 26301. There were no component units related to the City of West Miami, Florida.

Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the City 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 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. The assessment was completed as of the fiscal year end. It is management’s responsibility to monitor the City’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, see recommendations included in the schedule of findings and questioned costs.

Property Assessed Clean Energy (PACE) Program

Section 10.554(1)(i)6.a., Rules of the Auditor General, requires a statement as to whether a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, did/did not operate within the City’s geographical boundaries during the fiscal year under audit. There was a PACE Program operating within the City’s geographical boundaries during the fiscal year under audit.

As required by Section 10.554(1)(i)6.b., Rules of the Auditor General, if a PACE program was operating within the geographical areas of the City, below is a list of the third-party administrator that administered the program.

As required by Section 10.554(1)(i)6.c., Rules of the Auditor General, if a PACE program was operating within the geographical areas of the City, the full name and contact information of such third-party administrator is provided below.

Type of Administrator	Entity Name	Contact Information		
		Name	Title	Phone No.
Third-Party	Ygrene Energy Fund Florida LLC	Mark Scheffel	Vice President, Government Affairs	305-569-0015

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 fraud, waste, or abuse, that has occurred or is likely to have occurred, that has an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

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

Coral Gables, Florida
June 30, 2025



Independent Auditor’s Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control Over Compliance Required by Uniform Guidance and Chapter 10.550, Rules of the Auditor General

Honorable Mayor and
Members of the City Commission
City of West Miami, Florida

Report on Compliance for Each Major Federal Program and State Project

Opinion on Each Major Federal Program and State Project

We have audited City of West Miami, Florida’s (the “City”) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement*, and the requirements described in the Department of Financial Services’ *State Projects Compliance Supplement*, that could have a direct and material effect on each of City of West Miami, Florida’s major federal programs and state projects for the fiscal year ended September 30, 2024. The City’s major federal programs and state projects 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 Miami, Florida complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2024.

Basis for Our Opinion on Each Major Federal Program and State Project

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; 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. Our responsibilities under those standards, and the Uniform Guidance and Chapter 10.550, Rules of the Auditor General, are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City of West Miami, 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 and state project. Our audit does not provide a legal determination of City of West Miami, 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 requirement of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City’s federal programs and state projects.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on City of West Miami, Florida's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance and Chapter 10.550, Rules of the Auditor General 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 Miami, Florida's compliance with the requirements of each major federal program and state project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance and Chapter 10.550, Rules of the Auditor General, 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 Miami, 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 Miami, 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 and Chapter 10.550, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

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


Report on Internal Control over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.550, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

Handwritten signature in black ink that reads "GEMRT & Co, LLP". The signature is written in a cursive, slightly slanted style.

Coral Gables, Florida
June 30, 2025

City of West Miami, Florida
Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Year Ended September 30, 2024

Federal/State Agency Pass-through Entity Federal Program/State Project	Assistance Listing Number / CSFA No.	Contract/ Grant Number	Expenditures
<u>FEDERAL AGENCY NAME</u>			
U.S. Department of Justice			
Equitable Sharing Program	16.922	Not applicable	\$ 58,275
<i>Pass-through Florida Department of Law Enforcement</i>			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-22-GG-00656-MUMU	2,784
TOTAL U.S. DEPARTMENT OF JUSTICE			<u>61,059</u>
U.S. Department of Treasury			
<i>Pass-through Florida Division of Emergency Management</i>			
Coronavirus State and Local Fiscal Recovery Funds Program	21.027	Y5315	1,129,740
U.S. Department of Health and Human Services			
Aging Cluster			
<i>Pass-through Alliance for the Aging</i>			
American Rescue Plan for Congregate Meals, Title III, Part C-1 of the Older Americans Act	93.045	RP 2143.2	79,974
Special Programs for the Aging, Title III, Part C-2, Home Delivered Meals	93.045	AA 2443 & 2343	1,599
			<u>81,573</u>
<i>Pass-through Alliance for the Aging</i>			
Nutrition Services Incentive Program	93.053	AA 2443 & 2343	33,195
Total Aging Cluster			<u>114,768</u>
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>114,768</u>
U.S. Department of Environmental Protection			
Congressionally Mandated Projects	66.202	02D48423	305,121
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 1,610,688</u>
<u>STATE AGENCY NAME</u>			
Florida Department of Elder Affairs			
<i>Pass-through Alliance for Aging</i>			
Local Services Program - Alliance for the Aging	65.009	KL 2443 & 2343	\$ 251,848
Florida Department of Commerce			
Division of Housing and Community Development	40.038	HL295	352,720
Florida Department of Environmental Protection			
Statewide Water Quality Restoration Projects	37.039	LPA0052	133,308
Resilient Florida Program	37.098	22PLN54	44,000
TOTAL FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION			<u>177,308</u>
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			<u>\$ 781,876</u>

The accompanying notes are an integral part of this schedule

CITY OF WEST MIAMI, FLORIDA
*Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Year Ended September 30, 2024*

Note 1. General

The accompanying schedule of expenditures of federal awards and state financial assistance (the “schedule”) includes the federal and state grant activity of the City of West Miami, Florida (the “City”). The City’s reporting entity is defined in Note I-A of the City’s basic financial statements. For purposes of this schedule, federal and state awards include federal and state assistance received directly from a federal and state agency, as well as federal and state funds received indirectly by the City from non-federal or non-state organizations.

Note 2. Basis of Presentation

The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.550, Rules of the Auditor General. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

The expenditures in the accompanying schedule are presented using the modified accrual basis of accounting. Under the modified accrual basis of accounting, expenditures are recognized when the City becomes obligated for a payment as a result of the receipt of the related goods or services.

Note 3. Contingency

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

Note 4. Indirect Cost Rate

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

CITY OF WEST MIAMI, FLORIDA
*Schedule of Findings and Questioned Costs
 For the Year Ended September 30, 2024*

PART I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	Yes
Significant deficiencies identified?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards and State Projects

Internal control over major Federal program and State projects:	
Material weakness(es) identified?	No
Significant deficiencies identified?	None reported
Type of auditors' report issued on compliance for major Federal program and State projects:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with CFR 200.516(a) or Chapter 10.557, Rules of the Auditor General of the State of Florida?	No

Identification of major Federal program and State projects:

<u>Federal Program</u>	<u>Federal ALN</u>
Coronavirus State and Local Fiscal Recovery Funds Program	21.027
Dollar threshold used to distinguish between Type A and Type B Federal programs:	\$750,000
<u>State Project</u>	<u>State CSFA No.</u>
Department of Environmental Protection – Statewide Surface Water Restoration and Wastewater Projects Program	37.039
Division of Housing and Community Development Program	40.038
Dollar threshold used to distinguish between Type A and Type B State projects:	\$300,000
Auditor qualified as low-risk auditee pursuant to the Uniform Guidance?	No

CITY OF WEST MIAMI, FLORIDA
*Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2024*

PART II. FINDINGS – FINANCIAL STATEMENTS

Finding 2024-01

Material Weakness: Audit Journal Entries

Criteria or Specific Requirement

Management is responsible for establishing and maintaining effective internal control over financial reporting. The Auditing Standards Board issued clarified auditing standards which include AU-C Section 265, Communicating Internal Control Related Matters Identified in an Audit. This section includes terms, definitions and guidance for identifying and evaluating control deficiencies and communicating significant deficiencies and material weaknesses. Under AU-C Section 265, a deficiency exists if the governmental unit does not have effective controls to prevent, detect and correct misstatements in the financial statements and auditors are required to communicate in writing any significant deficiencies and material weaknesses in internal control over financial reporting identified during an audit. Under these guidelines, in the current year the number of audit adjustments required resulted in the condition to be deemed as a material weakness.

Condition

The City's financial statements required several material audit adjustments to prepare GAAP financial statements. The financial statements are required to be the product of a financial reporting system that offers reasonable assurance that management is able to produce financial statements in accordance with GAAP. This creates an absence of an internal process to report deficiencies in internal control to management on a timely basis.

Cause

The City implemented a new accounting system during the year. Due to the focus on implementation and other software initiatives, there was a lack of timely review and analysis being completed to prevent, or detect and correct, errors in the accounting. The City's year-end procedures did not identify adjustments to correct the misstatements.

Effect or Potential Effect

Throughout the year, certain transactions were recorded to incorrect accounts, interfund balances were not being properly reconciled, and audit journal entries were proposed as certain accounts were misstated on the unadjusted financial statements.

Context

During testing and analysis completed for revenues, capital outlays, and interfund balances, it was noted that amounts were being recorded to incorrect accounts and/or were not being properly recorded. The issues were noted throughout various governmental and enterprise funds.

CITY OF WEST MIAMI, FLORIDA
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2024

PART II. FINDINGS – FINANCIAL STATEMENTS – (continued)

Recommendation

Management should assess the risk associated with these conditions and identify any processes that can be incorporated into their existing controls to improve the deficiencies; such as, minimizing the likelihood of material audit adjustments through reviews of transactions and balances on a monthly basis for general propriety and accuracy. Follow-up can then be made on significant and unusual items and verification of supporting documents to resolve exceptions.

View of Responsible Officials and Planned Corrective Action

Management accepts the finding and recommendation. During the year, the finance department was understaffed and dealing with the implementation of a new accounting system, as well as other software and technology initiatives. The City has made efforts to increase staff in the finance department and has hired individuals that have the technical expertise to improve these conditions. The City's finance director will meet with the independent auditors prior to closing the books of the City and try to identify possible adjustments and circumstances that would prevent this finding in the following year. The independent auditors assist the City with the preparation of the financial statements; however, the City staff is making an effort to improve the efficiency of year-end closings and posting adjustments so that the financial statements are in accordance with GAAP prior to commencement of the audit.

Finding 2024-02

Control Deficiency: Budget Process

Criteria or Specific Requirement

Florida Statutes require each municipality to adopt a budget for which available revenues, including balances brought forward from prior fiscal years, equal total appropriations for expenditures and reserves. As required by law and sound financial practices, the adopted budget must regulate expenditures of the municipality and it may not expend or contract for expenditures in any fiscal year except pursuant to the adopted budget. The governing body of each municipality at any time within the fiscal year or within 60 days following the end of the fiscal year may amend a budget for that year in accordance with Florida Statutes.

Condition

Management failed to appropriate sufficient funds to meet actual general fund expenditures for various departments. In addition, the City Commission was not presented with a final amended budget for approval. This event created unfavorable variances in several departments. The actual deficit was absorbed by unassigned fund balance.

Cause

Due to issues in timely internal reporting and the issues noted in Finding 2024-01, management was not able to properly amend the budget in accordance with Florida Statutes.

CITY OF WEST MIAMI, FLORIDA
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2024

PART II. FINDINGS – FINANCIAL STATEMENTS – (continued)

Effect or Potential Effect

The absence of proper controls and monitoring of the budget process have the potential of resulting in declining financial conditions if not identified in a timely manner and if expenditures are consistently exceeding appropriations.

Context

During inquiry, testing and analysis of expenditures and the budget process, and reading of minutes, it was noted that there were no formal budget amendments completed throughout the year and/or subsequent to year-end in accordance with Florida Statutes.

Recommendation

Management should propose, and the legislative body of the City should approve, a budget amendment as soon as it is prudent to do so in order to comply with Florida Statutes related to appropriation of funds to meet budgeted expenditures.

View of Responsible Officials and Planned Corrective Action

Management agrees with the finding and will reinforce proper procedures, emphasizing the budget process. Throughout the year and subsequent to year-end, management was involved with, and focused on, multiple initiatives including the implementation of a new accounting system and the implementation of a new utility billing system. This resulted in oversight of proper adherence to the budget process and execution of formal amendments.

PART III. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL PROGRAMS AND STATE PROJECTS

None.

PART IV. OTHER ISSUES

No summary schedule of prior audit findings is required because there were no prior audit findings related to Federal programs or State projects.

IMPACT FEE AFFIDAVIT

BEFORE ME, the undersigned authority, personally appeared Cody McCall, who being duly sworn, deposes and says on oath that:

1. I am the Finance Director of the City of West Miami which is a local governmental entity of the State of Florida;
2. The governing body of the City of West Miami adopted Ordinance No. 2024-09, 2007-02, 2023-03, and 2013-05 implementing impact fees; and
3. The City of West Miami has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

FURTHER AFFIANT SAYETH NAUGHT.

Cody McCall

Cody McCall, Finance Director
City of West Miami

STATE OF FLORIDA
COUNTY OF Miami-Dade

SWORN TO AND SUBSCRIBED before me this 30 day of June, 2025.

Yanara Modrono

NOTARY PUBLIC

Print Name Yanara Modrono

Personally known or produced identification _____

Type of identification produced: Florida DL

My Commission Expires:

4/29/2029

