



TOWN OF MEDLEY, FLORIDA
Financial Section, Required Supplementary Information,
Combining Fund Statements, and Compliance Section
September 30, 2024
With Independent Auditors' Reports



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INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Town Council
Town of Medley, Florida
Medley, 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 Town of Medley, Florida (Town) as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Town of Medley'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 Town, as of September 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 Town of Medley 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town'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.

Auditors' 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 GAAS 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 GAAS 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 Town'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 Town'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, schedules of changes in the net pension liability and related ratios, schedules of investment returns, the schedules of contributions for the general employees' and the police officers' pension plans, the schedule of changes in the total OPEB liability and related ratios, and the budgetary comparison information 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2025, on our consideration of the Town'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 Town of Medley'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 Town's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Naples, Florida
November 13, 2025

Town of Medley, Florida

Management's Discussion and Analysis

September 30, 2024

As management of the Town of Medley, Florida (the "Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended September 30, 2024.

This discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Town's financial activity, (c) identify changes in the Town's financial position (its ability to address the next and subsequent year challenges), (d) identify any material deviations from the financial plan (the approved budget), and (e) identify individual fund issues or concerns. The information contained within this section should be considered only a part of a greater whole.

FINANCIAL HIGHLIGHTS

- The Town annexed additional lands from Miami-Dade County. As a result of the annexation, the Town entered into an Interlocal Agreement with Miami-Dade County to annex tracts of land within Miami-Dade County. Under this agreement, the Town agrees to pay Miami-Dade County's remaining stormwater utility debt service payments for the property annexed by the Town. The annual payments are \$88,787 per year commencing March 1, 2024 through March 1, 2029. Additionally, the Town agrees to mitigate the lost revenue to Miami-Dade County for the property annexed by the Town. The Town shall make four annual payments to Miami-Dade County ranging from \$517,238 to \$565,231 commencing April 1, 2024. This agreement resulted in the Town recording a liability of \$1,899,607 in relation to these obligations.
- The assets and deferred outflows of the Town exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$198,659,672 (*net position*). Of this amount, \$33,493,222 (*unrestricted net position*) may be used to meet the government's ongoing obligations to residents and creditors.
- During the fiscal year, the Town's total net position increased by \$6,789,172 or by approximately 2.5%. This is comprised of an increase of \$4,051,834 in governmental activities and an increase of \$2,737,338 in business-type activities.
- The increase in governmental activities was attributable to the following factors: compared to last year, when there was an increase in net position of \$3,606,576, the current year's increase in net position was \$4,051,834. Total revenues increased by \$1,637,605 primarily due to increases from the following revenue sources:
 - An increase in investment earnings from the prior year by \$616,715 due to higher interest rates earned on balances held in investment accounts compared to the prior year.
 - An increase in Ad Valorem taxes from the prior year by \$4,917,064.
 - Total governmental expenses increased from the prior year by \$1,192,347 predominantly due to increases of \$549,128, \$332,736, and \$328,996 in General Government, Physical Environment, and Human Services, respectfully.
- Business-type activities-Compared to last year, when there was an increase in net position of \$3,015,212, the current year's increase in net position was \$2,737,338. Factors affecting these numbers include the following:
 - The water and wastewater utility fund incurred net income of \$638,567 in fiscal year 2023 and a net income of \$383,359 in fiscal year 2024. The decrease in revenue was primarily due to a decrease in user charges in the current year in addition to capital contribution of \$400,000 received in the prior year. User fee revenue decreased from the prior year, interest earned also increased as our

Town of Medley, Florida
Management's Discussion and Analysis
September 30, 2024

investments are earning at comparably higher rates. The decrease in revenue from user charges was offset by a decrease in salaries, wages and employee benefits expenses due to changes in OPEB and pension plan liabilities for the fund based on actuarially determined liability amounts allocated to the water and wastewater fund. Sewer treatment costs and repairs also decreased in fiscal year 2024.

- The stormwater utility fund increased its net position by \$2,353,979 as compared to \$2,376,645 the prior fiscal year. Interest earned increased \$108,048 as our investments are earning at comparably high rates. Additionally, salaries, wages and employee benefits decreased by \$634,208. The negative balance of (\$102,004) for salaries, wages, and employee benefits expenditures in FY24 is due to an adjustment in the OPEB liability amount year to year allocated to the stormwater utility fund.
- As of the close of the current fiscal year, the Town's general fund reported combined ending fund equity of \$28,156,292, an increase of \$5,071,859 in comparison with the prior year. No increase was budgeted; however, the following factors affected the variance:
 - Revenues were \$3,633,192 under budget. Intergovernmental revenues were under budget due to lower grant funding. Sources over budget include permits, fees, and licenses, other general taxes, and miscellaneous revenues.
 - Expenditures were \$7,592,377 under budget. Expenditures under budget were due to capital outlay.
 - Other financing sources include proceeds from the issuance of debt and operating transfers into the fund in the amount of \$828,403 and \$648,740, respectfully.
- The Town's total long-term obligations decreased by \$5,997,900, the net effect which is comprised of the new liabilities related to the Town's annexation mitigation obligations, principal payments on existing debt, and decrease in the net pension liability. The other post-employment benefits liability decreased because the Town does not fund the liability in a separate trust, rather it pays on a pay-as-you-go basis. The pension liability has decreased because of an improvement in investment performance.
- The total fair value of the Town's unrestricted cash and investments on September 30, 2024, was \$51,985,625, an increase of \$10,033,821 from the prior year.

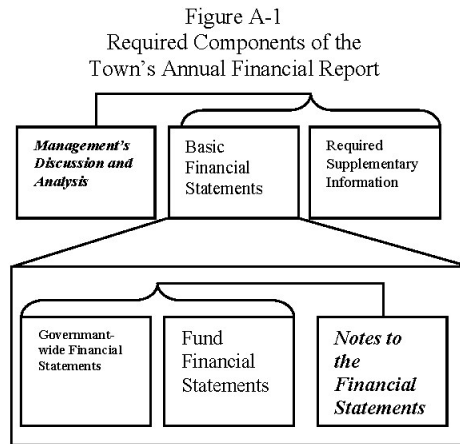
OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of five parts – management's discussion and analysis (this section), the basic financial statements, required supplementary information, combining statements for nonmajor proprietary funds, and supplementary financial reports compliance section. The basic financial statements include two kinds of statements that present different views of the Town:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the Town's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Town government, reporting the Town's operations in more detail than the government-wide statements.
- The governmental funds statements show how general government services such as public safety was financed in the short term as well as what remains for future spending.
- Proprietary fund statements offer short-term and long-term financial information about the activities the government operates like businesses, such as the water and wastewater and stormwater utilities.

Town of Medley, Florida
Management's Discussion and Analysis
September 30, 2024

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information which further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and are related to one another. In addition to these required elements, we have included a section with combining statements that provide details about our nonmajor proprietary funds, each of which is added together and presented in single columns in the basic financial statements.



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

The *statement of net position* presents information on all of the Town's assets and liabilities with the difference between the two 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 Town is improving or deteriorating.

The *statement of activities* presents information showing how the Town'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 in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of the Town include general government, public safety, physical environment, human services, and culture and recreation. The business-type activities of the Town include a water and wastewater utility, a stormwater utility, an age and income restricted mobile home retirement park, and a police gun range.

The government-wide financial statements can be found on pages 17 through 18 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 Town, 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 Town can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Town of Medley, Florida
Management's Discussion and Analysis
September 30, 2024

- **Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. 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 funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Town maintains four individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the general fund, and the building department fund, law enforcement trust fund and Town of Medley Foundation, Inc. which are considered to be special revenue funds.

The Town adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 19 through 22 of this report.

- **Proprietary funds.** The Town maintains two different types of proprietary or enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses enterprise funds to account for its water and wastewater fund and its stormwater utility fund.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and wastewater fund and for the stormwater utility fund, both of which are considered to be major funds of the Town. Data from the two other proprietary funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor proprietary funds is provided in the form of combining statements presented elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 23 through 27 of this report.

- **Fiduciary funds.** The fiduciary funds are used to account for resources held for the benefit of parties outside the government. The fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 28 and 29 of this report.

Notes to financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements can be found on pages 30 through 74 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning budget to actual comparisons for the Town's

**Town of Medley, Florida
Management's Discussion and Analysis
September 30, 2024**

general fund and the Town of Medley, Florida's progress in funding its obligations to provide pension benefits to its employees. Required supplementary information can be found on pages 75 through 83 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The table below summarizes the statements of net position:

| Town of Medley, Florida Net Position | | | | | | | | |
|--|--------------------------------|-----------------------|---------------------------------|----------------------|-------------------------------|-----------------------|--------------------------|---------------------|
| | <u>Governmental Activities</u> | | <u>Business-Type Activities</u> | | <u>Total</u> | | <u>Amount Change</u> | <u>% Change</u> |
| | <u>September 30, 2024</u> | <u>2023</u> | <u>September 30, 2024</u> | <u>2023</u> | <u>September 30, 2024</u> | <u>2023</u> | | |
| Current assets | \$ 35,887,597 | \$ 29,014,121 | \$ 21,494,429 | \$ 19,165,137 | \$ 57,382,026 | \$ 48,179,258 | \$ 9,202,768 | 19.1 % |
| Noncurrent assets | 3,804,918 | 947,635 | 541,294 | 860,494 | 4,346,212 | 1,808,129 | 2,538,083 | 140.4 |
| Capital assets, net | <u>145,472,726</u> | <u>147,560,531</u> | <u>35,077,190</u> | <u>35,329,993</u> | <u>180,549,916</u> | <u>182,890,524</u> | <u>(2,340,608)</u> | <u>(1.3)</u> |
| Total assets | <u>185,165,241</u> | <u>177,522,287</u> | <u>57,112,913</u> | <u>55,355,624</u> | <u>242,278,154</u> | <u>232,877,911</u> | <u>9,400,243</u> | <u>4.0</u> |
| Deferred outflows | <u>3,765,339</u> | <u>11,677,358</u> | <u>479,050</u> | <u>1,298,962</u> | <u>4,244,389</u> | <u>12,976,320</u> | <u>(8,731,931)</u> | <u>(67.3)</u> |
| Long-term obligations outstanding | 28,333,997 | 32,825,217 | 3,541,669 | 5,048,349 | 31,875,666 | 37,873,566 | (5,997,900) | (15.8) |
| Other liabilities | <u>3,169,142</u> | <u>1,832,128</u> | <u>3,153,533</u> | <u>2,875,976</u> | <u>6,322,675</u> | <u>4,708,104</u> | <u>1,614,571</u> | <u>34.3</u> |
| Total liabilities | <u>31,503,139</u> | <u>34,657,345</u> | <u>6,695,202</u> | <u>7,924,325</u> | <u>38,198,341</u> | <u>42,581,670</u> | <u>(4,383,329)</u> | <u>(10.3)</u> |
| Deferred inflows | <u>8,714,557</u> | <u>9,881,250</u> | <u>949,973</u> | <u>1,520,811</u> | <u>9,664,530</u> | <u>11,402,061</u> | <u>(1,737,531)</u> | <u>(15.2)</u> |
| Net position | | | | | | | | |
| Investment in capital assets, net of related debt | 131,037,746 | 133,250,596 | 33,161,010 | 33,154,595 | 164,198,756 | 166,405,191 | (2,206,435) | (1.3) |
| Restricted | 967,694 | 945,790 | - | - | 967,694 | 945,790 | 21,904 | 2.3 |
| Unrestricted | <u>16,707,444</u> | <u>10,464,664</u> | <u>16,785,778</u> | <u>14,054,855</u> | <u>33,493,222</u> | <u>24,519,519</u> | <u>8,973,703</u> | <u>36.6</u> |
| Total net position | <u>\$ 148,712,884</u> | <u>\$ 144,661,050</u> | <u>\$ 49,946,788</u> | <u>\$ 47,209,450</u> | <u>\$ 198,659,672</u> | <u>\$ 191,870,500</u> | <u>\$ 6,789,172</u> | <u>3.5 %</u> |

As noted earlier, net position may serve over time as a useful indicator of a government's financial position.

There are six basic transactions that will affect the comparability of the statement of net position summary presentation as reflected above:

- 1) **Net results of activities** will impact (increase/decrease) current assets and unrestricted net position.
- 2) **Borrowing for capital** will increase current assets and long-term debt.
- 3) **Spending borrowed proceeds** on new capital projects will reduce current assets and increase capital assets. There is a second impact, an increase in investment in capital assets and an increase in related net debt which will not change the net investment in capital assets.
- 4) **Spending of non-borrowed current assets** on new capital will reduce current assets and increase capital assets and will reduce unrestricted net position and will increase net investment in capital assets.
- 5) **Principal payment on debt** will reduce current assets and reduce long-term debt and reduce unrestricted net position and increase net investment in capital assets.
- 6) **Reduction of capital assets** through depreciation will reduce capital assets and net investment in capital assets.

The Town's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$198,659,672 at September 30, 2024.

Town of Medley, Florida
Management's Discussion and Analysis
September 30, 2024

The largest portion of the Town's net position, \$164,198,756, or 83%, reflects its investment in capital assets (e.g., land, infrastructure, buildings, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to residents; consequently, these assets are *not* available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The Town's restricted net position, \$967,694, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$33,493,222, may be used to meet the government's ongoing obligations to residents and creditors.

At the end of the current fiscal year, the Town is able to report positive balances in the three categories of net position for the government as a whole as well as for its separate business-type activities.

Governmental and business-type activities. Governmental activities increased the Town's net position by \$4,051,834 and business-type activities increased the Town's net position by \$2,737,338. This resulted in an increase in total net position of \$6,789,172.

**Town of Medley, Florida
Management's Discussion and Analysis
September 30, 2024**

The table below summarizes the statements of activities:

| | Governmental Activities | | Business-Type Activities | | Total | | Amount Change | % Change |
|---------------------------------------|-------------------------|-----------------------|--------------------------|----------------------|-----------------------|-----------------------|---------------------|--------------|
| | September 30, | | September 30, | | September 30, | | | |
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | | |
| Revenues | | | | | | | | |
| Program revenues | | | | | | | | |
| Fees, fines, and charges for services | \$ 8,680,510 | \$ 9,074,579 | \$ 10,173,594 | \$ 10,339,072 | \$ 18,854,104 | \$ 19,413,651 | \$ (559,547) | (2.9) % |
| Operating grants and contributions | 456,680 | 73,646 | - | - | 456,680 | 73,646 | 383,034 | 520.1 |
| Capital grants and contributions | 482,274 | 476,308 | - | 1,312,000 | 482,274 | 1,788,308 | (1,306,034) | (73.0) |
| General revenues | | | | | | | | |
| Ad valorem taxes | 14,826,157 | 9,909,093 | - | - | 14,826,157 | 9,909,093 | 4,917,064 | 49.6 |
| Special assessment | - | - | - | - | - | - | - | - |
| Utility taxes | 2,008,556 | 1,927,077 | - | - | 2,008,556 | 1,927,077 | 81,479 | 4.2 |
| Franchise fees | 1,971,527 | 2,073,554 | - | - | 1,971,527 | 2,073,554 | (102,027) | (4.9) |
| Other general taxes | 701,615 | 582,585 | - | - | 701,615 | 582,585 | 119,030 | 20.4 |
| Intergovernmental | 181,002 | 535,499 | - | - | 181,002 | 535,499 | (354,497) | (66.2) |
| Investment earnings | 1,315,897 | 699,182 | 818,088 | 547,709 | 2,133,985 | 1,246,891 | 887,094 | 71.1 |
| Miscellaneous | 348,038 | 258,288 | 72,992 | 6,976 | 421,030 | 265,264 | 155,766 | 58.7 |
| Transfers | 512,208 | - | (512,208) | - | - | - | - | - |
| Gain on sale of capital assets | 4,624 | 4,241,672 | - | - | 4,624 | 4,241,672 | (4,237,048) | - |
| Total revenues and transfers | <u>31,489,088</u> | <u>29,851,483</u> | <u>10,552,466</u> | <u>12,205,757</u> | <u>42,041,554</u> | <u>42,057,240</u> | <u>(15,686)</u> | <u>(0.0)</u> |
| Expenses | | | | | | | | |
| General government | 10,744,241 | 10,195,113 | - | - | 10,744,241 | 10,195,113 | 549,128 | 5.4 |
| Public safety | 10,475,807 | 10,689,023 | - | - | 10,475,807 | 10,689,023 | (213,216) | (2.0) |
| Physical environment | 2,114,033 | 1,781,297 | - | - | 2,114,033 | 1,781,297 | 332,736 | 18.7 |
| Human services | 2,462,977 | 2,133,981 | - | - | 2,462,977 | 2,133,981 | 328,996 | 15.4 |
| Culture and recreation | 1,497,697 | 1,293,064 | - | - | 1,497,697 | 1,293,064 | 204,633 | 15.8 |
| Interest | 142,500 | 152,429 | 40,776 | 49,184 | 183,276 | 201,613 | (18,337) | (9.1) |
| Mitigation Debt Service | - | - | - | - | - | - | - | - |
| Water and wastewater | - | - | 7,046,629 | 7,679,987 | 7,046,629 | 7,679,987 | (633,358) | (8.2) |
| Stormwater utility | - | - | 727,723 | 1,461,374 | 727,723 | 1,461,374 | (733,651) | (50.2) |
| Total expenses | <u>27,437,254</u> | <u>26,244,907</u> | <u>7,815,128</u> | <u>9,190,545</u> | <u>35,252,382</u> | <u>35,435,452</u> | <u>(183,070)</u> | <u>(0.5)</u> |
| Increase in net position | 4,051,834 | 3,606,576 | 2,737,338 | 3,015,212 | 6,789,172 | 6,621,788 | 167,384 | 2.5 |
| Net position, beginning of year | 144,661,050 | 141,054,474 | 47,209,450 | 44,194,238 | 191,870,500 | 185,248,712 | 6,621,788 | 3.6 |
| Net position, end of year | <u>\$ 148,712,884</u> | <u>\$ 144,661,050</u> | <u>\$ 49,946,788</u> | <u>\$ 47,209,450</u> | <u>\$ 198,659,672</u> | <u>\$ 191,870,500</u> | <u>\$ 6,789,172</u> | <u>3.5 %</u> |

Summary of changes in net position. The following information is presented to assist the reader in understanding the different types of normal impacts that can affect revenues:

- 1) Economic condition can reflect a declining, stable or growing environment and has a substantial impact on property, non-ad valorem assessments, sales, gas, or other tax revenues as well as consumer spending habits for building permits, user fees and consumption.
- 2) The Town Council has significant authority to set increases or decreases in Town's rates (taxes, stormwater, permitting, user fees, etc.).
- 3) Changing patterns in intergovernmental and grant revenues can significantly change and impact the annual comparisons.
- 4) Market impacts on investment income may cause investment revenues to fluctuate from the prior year.

Some other basic impacts on expenses are reflected below:

- 1) Introduction of new programs can have a substantial impact on the government's spending.

**Town of Medley, Florida
Management’s Discussion and Analysis
September 30, 2024**

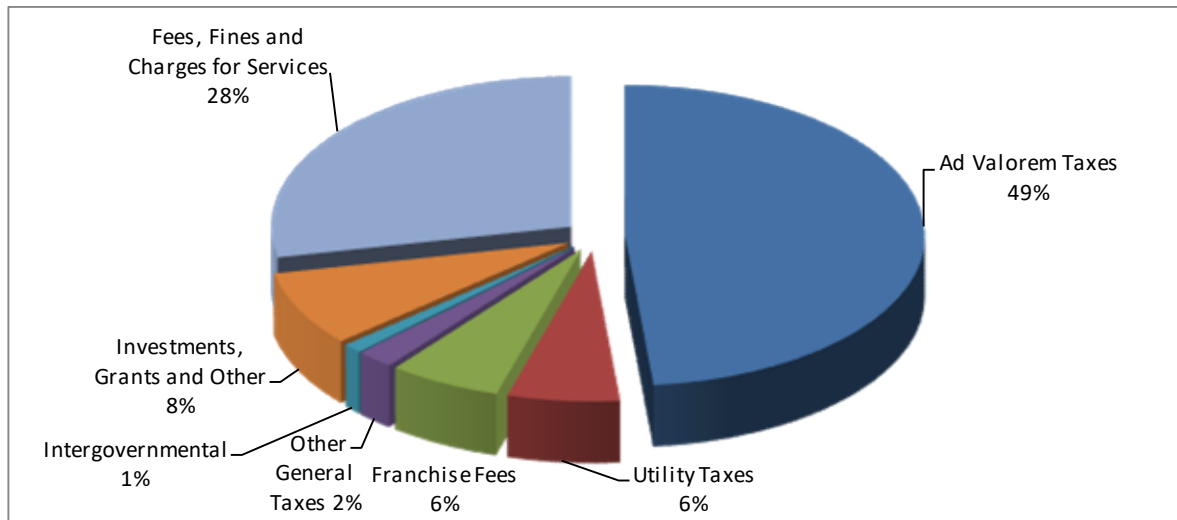
- 2) Changes in service demand levels can cause the Town to increase or decrease authorized staffing. Staffing costs (wages and related benefits) represent approximately 31% of the Town’s operating costs.
- 3) Salary increases such as cost of living, performance and contract impact personal service costs.
- 4) Until this year, inflation has been relatively low. The Town is a major consumer of certain commodities such as chemicals, supplies, fuels, and parts. Some functional expenses did experience unusually high commodity specific increases this past year, for example, food service costs, gasoline, operating supplies, and construction costs.
- 5) The Town’s two pension plans’ Annual Required Contributions (“ARC”) are based on actuarial valuations performed each year by an actuary. The ARCs are highly dependent on conditions over which the Town has almost no control. Although the pension boards determine the investment portfolio, the boards rely on money managers who recommend investments based on each board’s investment policy and goals. Even with a diversified portfolio and due diligence, market conditions can fluctuate materially from year to year which affects the net pension liability, which in turn affects the annual pension expense recognized on these financial statements.

Governmental activities. Governmental activities increased the Town’s net position by \$4,051,834.

- **Revenues.** The following charts show the sources of program and general revenues for fiscal years 2024 and 2023:

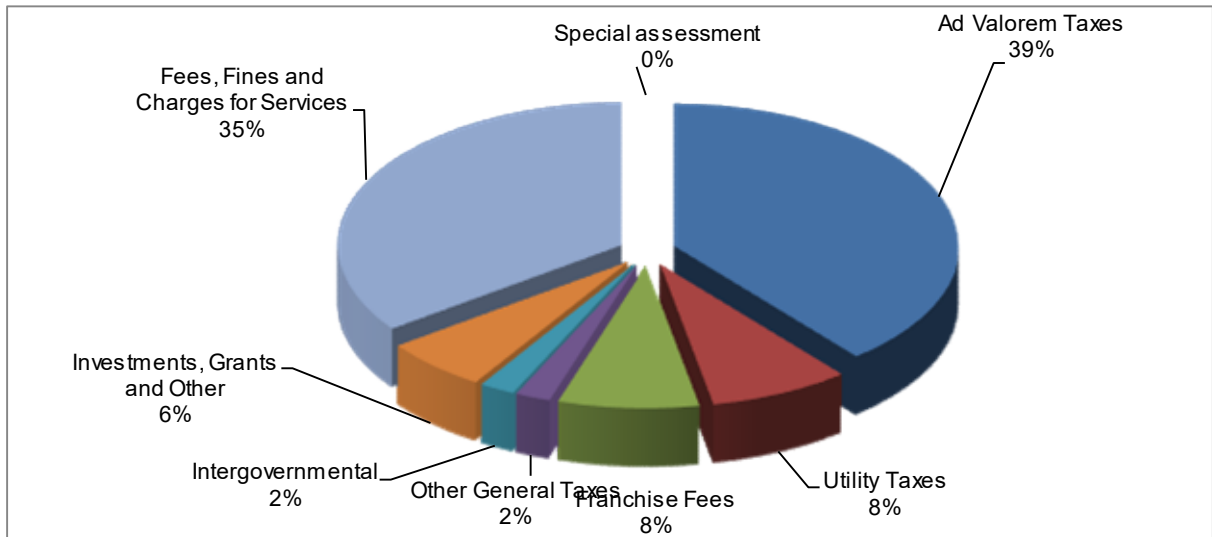
**Revenues by Source - Governmental Activities
For the Years Ended September 30, 2024 and 2023**

2024



**Town of Medley, Florida
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2023



The Town is heavily reliant on property taxes to support governmental functions. Property taxes provided 49% of the Town's total governmental activity revenues in fiscal year 2024 as compared to 39% in fiscal year 2023. Franchise fees and utility taxes combined provided 12% and 16% in fiscal years 2024 and 2023, respectively.

The Town's millage rate was reduced from 3.2000 mills in fiscal year 2023 to 3.0000 mills in fiscal year 2024. This has been accomplished by increases in property valuation and assessments, new development, and implementing capital assessment districts. The millage rate was increased to 3.2000 mills for FY 2025.

- **Expenses.** The table below illustrates the costs placed on the Town's taxpayers by each of these governmental activity services.

| | Total Cost of Services | | Percentage Change |
|------------------------|-------------------------------|----------------------|--------------------------|
| | 2024 | 2023 | |
| General government | \$ 10,744,241 | \$ 10,195,113 | 5% |
| Public safety | 10,475,807 | 10,689,023 | (2%) |
| Physical environment | 2,114,033 | 1,781,297 | 19% |
| Human services | 2,462,977 | 2,133,981 | 15% |
| Culture and recreation | 1,497,697 | 1,293,064 | 16% |
| Interest | 142,500 | 152,429 | (7%) |
| | <u>\$ 27,437,254</u> | <u>\$ 26,244,907</u> | <u>5%</u> |

Expenses for governmental activities increased \$1,192,347 from the prior year. The increases consisted predominantly of physical environment activities, increasing 19% from last year, and human services activities, increasing 15% from last year.

**Town of Medley, Florida
Management's Discussion and Analysis
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Business-type activities. Business-type activities increased the Town's net position by \$2,737,338

- **Overall analysis of major funds.** The Town reports two major enterprise funds. The net income for each major enterprise fund was as follows for fiscal year 2024 and 2023:

| | Fiscal Year | |
|----------------------|---------------------|---------------------|
| | 2024 | 2023 |
| Water and wastewater | \$ 383,359 | \$ 638,567 |
| Stormwater utility | <u>2,353,979</u> | <u>2,376,645</u> |
| | <u>\$ 2,737,338</u> | <u>\$ 3,015,212</u> |

The following includes an analysis of the fiscal year 2024 financial activities for each fund:

- The water and wastewater fund had an increase in net position of \$383,359. Operating revenue decreased by \$501,345 while operating expenses decreased by \$633,358 from the prior year. Expenses decreasing was due to major sewer repair costs incurred in the prior year. As a result of these major repairs, the Town is expecting to see improvement in the sewer utility performance.
- The stormwater utility fund had an increase in net position of \$2,353,979. Operating revenues increased by \$401,883. Operating expenses decreased by \$730,376 from the prior year. It should be noted that a significant portion of stormwater utility expenditures are capitalized and not expensed in the current period.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the Town of Medley, Florida uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The table below summarizes the changes in the fund balances of the Town's governmental funds:

| | Governmental Funds | | | | Total |
|-------------------------|---------------------|----------------------------|--------------------------|---------------------------------|---------------------|
| | General Fund | Law Enforcement Trust Fund | Building Department Fund | Town of Medley Foundation, Inc. | |
| Revenue | \$ 27,984,090 | \$ 52,119 | \$ 2,951,322 | \$ 180,278 | \$ 31,167,809 |
| Expenditures | (24,389,374) | (34,841) | (2,100,376) | (81,218) | (26,605,809) |
| Other financing sources | <u>1,477,143</u> | <u>4,626</u> | <u>(136,532)</u> | <u>-</u> | <u>1,345,237</u> |
| | <u>\$ 5,071,859</u> | <u>\$ 21,904</u> | <u>\$ 714,414</u> | <u>\$ 99,060</u> | <u>\$ 5,907,237</u> |

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

The Town's governmental funds reported a combined ending fund balance of \$32,044,437, an increase of \$5,907,237 in comparison with the prior year. Key components increasing fund balance have been addressed earlier in this narrative.

Town of Medley, Florida Management's Discussion and Analysis September 30, 2024

The general fund is the chief operating fund of the Town. General tax revenues and other receipts that are not allocated to another fund by law or contractual commitment are accounted for in this fund. General operating expenditures and capital improvement costs not paid through another fund are paid from this fund.

At the end of the current fiscal year, assigned and unassigned fund balance of the general fund was \$28,126,140, consisting of assigned fund balance of \$9,748,877 and unassigned \$18,377,263. As a measure of the general fund's liquidity, it may be useful to compare this amount to total fund expenditures.

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

The total growth in net position for all enterprise fund statements was \$2,737,338. Other factors concerning the finances of these funds have already been addressed in the discussion of the Town's business-type activities.

Fiduciary funds. The General Employee Pension Fund funding requirement was \$1,175,881 which represents an increase of \$31,641 from the prior year. The increase is due to enhanced benefits for participants as approved by the Town Council. The plan is 100% funded by the Town of Medley which contributed \$1,272,881 to the plan in fiscal year 2024 and \$1,200,000 in fiscal year 2023. Pension plan assets are managed by the General Employee Pension Board of Trustees with the assistance of an investment advisor. The defined benefit plan has a blended multiplier of 2.75% for all full-time non police officers' employees.

The normal monthly benefit for the mayor is one-twelfth of \$8,500 for each year served after October 1, 2017. For years served prior to that date, the monthly retirement benefit is one-twelfth of \$5,500. The normal monthly benefit for Council persons is one-twelfth of \$3,800 for each year served after October 1, 2017. For years served prior to that date, the retirement benefit is one-twelfth of \$2,500.

Part-time employees earn benefits based on age and years of service. The maximum monthly benefit was \$530.

Elected officials' benefits are limited to 100% of monthly earnings, including cost of living adjustments. General employees' benefits are limited to 75% of monthly earnings, including cost of living benefits.

The Police Pension Fund is funded by Town, State and employee contributions. Employees contribute 5% of their pensionable wages to the plan. The annual contributions to the plan were \$1,403,317, an increase of \$181,632 from the prior year. The actual Town and State contribution was \$1,403,317 for the current fiscal year and \$1,221,685 for the prior year. Police officers contributed \$223,311 and \$190,124 for 2024 and 2023, respectively. The increase is partially attributable to a greater than expected increase in the required payment to amortize the unfunded actuarial accrued liability and a net favorable actuarial experience on the basis of the plan's other actuarial assumptions.

The plan is administered by the Police Pension Board of Trustees with the assistance of an investment advisor. The current pension multiplier is 3.25%. Police officers hired prior to October 1, 2008 are limited to 100% of pensionable earnings. Police officers hired after October 1, 2008 are limited to 75% of their pensionable earnings, increasing to 81.25% effective October 1, 2020.

Note 7, beginning on page 50, will provide more information regarding the Town's pension trust funds.

**Town of Medley, Florida
Management's Discussion and Analysis
September 30, 2024**

GENERAL FUND BUDGETARY HIGHLIGHTS

The following information is presented to assist the reader in comparing actual results with final budgetary amounts:

Actual revenues were lower than the final budget by \$3,633,192. This was primarily due to the net effects of the following variances:

- Intergovernmental revenues were below budget by \$4,821,501, due to lower grant funding received in the current year than budgeted
- Miscellaneous revenues were \$828,383 greater than budget. The Town was able to negotiate and received better/higher interest rates which resulted in an increased returns on cash balances and growth in interest income on short-term investments.
- Other general taxes were \$531,563 over budget primarily due to additional revenue generated from the recently annexed area.
- Permits, fees, and licenses revenues were \$360,011 over budget due to increases in electric franchise fees, landfill host fees, building permits, and collection of an impact fee from Miami-Dade County, budgeted for the prior year, but recognized in the current year. The Town is seeing continued growth and is experience strong development activity, driving increased permit and fee collections.
- Fines and forfeitures were \$879,875 below budget primarily because some of the Town's Red Light Cameras were either removed and or not operational during the year, resulting in lower citation revenue.

Actual expenditures were under budget by \$7,592,377. This was primarily due to lower than budgeted capital outlay costs of \$10,334,631 and higher than budgeted general government costs of \$1,959,574. Capital outlay was under budget due to several planned capital projects that were delayed or deferred due to issues such as right-of-way acquisitions, contractor procurement, and other project constraints.

Additional information on budgetary comparisons between the final budget and actual results can be found on page 75 of this report.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. The Town's investment in capital assets for its governmental and business-type activities as of September 30, 2024, amounts to \$180,549,916 (net of accumulated depreciation and amortization). This investment in capital assets includes land and improvements, buildings and improvements, roadways, water, wastewater, and stormwater utility systems, machinery and equipment, and park facilities.

The table below summarized the investment in capital assets:

| Town of Medley, Florida Capital Assets | | | | | | | | | |
|---|-------------------------|-----------------------|--------------------------|----------------------|-----------------------|-----------------------|-----------------------|---|--------------|
| | Governmental Activities | | Business-Type Activities | | Total | | Amount Change | % | Change |
| | 9/30/24 | 9/30/23 | 9/30/24 | 9/30/23 | 9/30/24 | 9/30/23 | | | |
| Land and improvements | \$ 13,757,170 | \$ 13,482,170 | \$ 521,638 | \$ 521,638 | \$ 14,278,808 | \$ 14,003,808 | \$ 275,000 | | 2.0% |
| Construction in progress | 8,273,106 | 8,075,900 | 8,027,131 | 7,206,808 | 16,300,237 | 15,282,708 | 1,017,529 | | 6.7% |
| Buildings and improvements | 16,252,627 | 16,252,627 | 1,109,136 | 1,109,136 | 17,361,763 | 17,361,763 | - | | 0.0% |
| Right-to-use lease asset-land | 1,814,925 | 1,814,925 | - | - | 1,814,925 | 1,814,925 | - | | 0.0% |
| Right-to-use lease assets-vehicles | 928,010 | 99,607 | 154,227 | 29,141 | 1,082,237 | 128,748 | 953,489 | | 0.0% |
| Infrastructure | 147,355,534 | 147,355,534 | - | - | 147,355,534 | 147,355,534 | - | | 0.0% |
| Machinery, equipment and vehicles | 6,241,750 | 6,145,941 | 3,303,799 | 3,195,011 | 9,545,549 | 9,340,952 | 204,597 | | 2.2% |
| Water and wastewater systems | - | - | 29,624,099 | 29,624,099 | 29,624,099 | 29,624,099 | - | | 0.0% |
| Stormwater systems | - | - | 17,850,549 | 17,850,549 | 17,850,549 | 17,850,549 | - | | 0.0% |
| Total | 194,623,122 | 193,226,704 | 60,590,579 | 59,536,382 | 255,213,701 | 252,763,086 | 2,450,615 | | 1.0% |
| Accumulated depreciation | (49,150,396) | (45,666,173) | (25,513,389) | (24,206,389) | (74,663,785) | (69,872,562) | (4,791,223) | | 6.9% |
| | <u>\$ 145,472,726</u> | <u>\$ 147,560,531</u> | <u>\$ 35,077,190</u> | <u>\$ 35,329,993</u> | <u>\$ 180,549,916</u> | <u>\$ 182,890,524</u> | <u>\$ (2,340,608)</u> | | <u>-1.3%</u> |

Additional information on the Town's capital assets can be found in Note 4 on page 46 of this report.

**Town of Medley, Florida
Management's Discussion and Analysis
September 30, 2024**

Long-term obligations. At year-end, the Town had \$9,836,425 in notes outstanding versus \$10,696,343 last year. Repayments of long term amounted to \$859,919. Included in long-term obligations of the governmental fund and proprietary fund types are \$1,673,070 and \$93,299 in accrued compensated absence liabilities, respectively, annexation mitigation obligations of \$1,899,607, as well as \$6,603,114 of lease liabilities. The following table reports long-term obligation balances at September 30, 2024 and 2023:

| | Governmental Activities | | | Balance September 30, 2024 |
|----------------------------------|--|---------------------|---------------------|---|
| | Balance October 1, 2023 | Additions | Reductions | |
| Notes payable | \$ 8,549,601 | \$ - | \$ 580,301 | \$ 7,969,300 |
| Annexation mitigation obligation | 2,362,896 | 374,111 | 837,400 | 1,899,607 |
| Lease liability | 5,760,335 | 802,667 | 97,322 | 6,465,680 |
| Compensated absences | <u>1,499,055</u> | <u>2,097,163</u> | <u>1,923,148</u> | <u>1,673,070</u> |
| | <u>\$ 18,171,887</u> | <u>\$ 3,273,941</u> | <u>\$ 3,438,171</u> | <u>\$ 18,007,657</u> |

| | Business-Type Activities | | | Balance September 30, 2024 |
|----------------------|--|-------------------|-------------------|---|
| | Balance October 1, 2023 | Additions | Reductions | |
| Notes payable | \$ 2,146,743 | \$ - | \$ 279,618 | \$ 1,867,125 |
| Lease liability | 28,655 | 108,779 | - | 137,434 |
| Compensated absences | <u>181,100</u> | <u>137,389</u> | <u>225,190</u> | <u>93,299</u> |
| | <u>\$ 2,356,498</u> | <u>\$ 246,168</u> | <u>\$ 504,808</u> | <u>\$ 2,097,858</u> |

Additional information on the Town's long-term obligations can be found in Notes 8 and 9 on pages 66 through 71 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The operating millage for the fiscal year ending September 30, 2025, is stated at 3.2000 mills. This represents a 12% increase over the rolled-back rate and an increase from the 2024 millage rate of 3.0000 mills. This adjustment was necessary to support additional personnel and resources required to provide services to the Town's expanded boundaries.

The general fund's total 2025 departmental expenditures are budgeted at \$24,175,042 which is \$2,199,576 more than fiscal 2024 actual expenditures. This is due to increases in wages, employee benefits, professional fees and program costs.

In fiscal year 2025, the Town has budgeted over \$2.7 million in capital projects: all in the General Fund. Major projects include various infrastructure improvements.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Charmaine Parchment, Finance Director, Town of Medley, Florida.

Town of Medley, Florida
Government-Wide Statement of Net Position
September 30, 2024

| | <u>Governmental Activities</u> | <u>Business-Type Activities</u> | <u>Total</u> |
|---|------------------------------------|-------------------------------------|-----------------------|
| Assets | | | |
| Cash and cash equivalents | \$ 22,310,476 | \$ 15,076,859 | \$ 37,387,335 |
| Investments | 6,981,175 | 7,617,115 | 14,598,290 |
| Receivables, net | 2,985,663 | 2,380,586 | 5,366,249 |
| Internal balances | 3,580,131 | (3,580,131) | - |
| Prepaid expenses | 30,152 | - | 30,152 |
| | <u>35,887,597</u> | <u>21,494,429</u> | <u>57,382,026</u> |
| Restricted assets | | | |
| Cash and cash equivalents | 969,539 | 541,294 | 1,510,833 |
| Net pension asset | 2,835,379 | - | 2,835,379 |
| Total restricted assets | <u>3,804,918</u> | <u>541,294</u> | <u>4,346,212</u> |
| Capital assets | | | |
| Capital assets not being depreciated | 119,045,145 | 8,548,769 | 127,593,914 |
| Capital assets being depreciated, net | 26,427,581 | 26,528,421 | 52,956,002 |
| Total capital assets | <u>145,472,726</u> | <u>35,077,190</u> | <u>180,549,916</u> |
| Total assets | <u>185,165,241</u> | <u>57,112,913</u> | <u>242,278,154</u> |
| Deferred Outflows of Resources | | | |
| Deferred outflows related to other post employment benefits | 1,666,366 | 229,831 | 1,896,197 |
| Deferred outflows related to pensions | 2,098,973 | 249,219 | 2,348,192 |
| Total deferred outflows of resources | <u>3,765,339</u> | <u>479,050</u> | <u>4,244,389</u> |
| Liabilities | | | |
| Liabilities | | | |
| Accounts payable and accrued liabilities | 1,248,646 | 2,171,238 | 3,419,884 |
| Unearned revenue | 1,920,496 | 443,254 | 2,363,750 |
| Liabilities payable from restricted assets | - | 429,520 | 429,520 |
| Unearned developer fees | - | 109,521 | 109,521 |
| Long-term obligations | | | |
| Due within one year | 2,945,911 | 318,843 | 3,264,754 |
| Due after one year | 15,061,746 | 1,779,015 | 16,840,761 |
| Other post employment benefits | 9,851,556 | 1,358,761 | 11,210,317 |
| Net pension liability | 474,784 | 85,050 | 559,834 |
| Total liabilities | <u>31,503,139</u> | <u>6,695,202</u> | <u>38,198,341</u> |
| Deferred Inflows of Resources | | | |
| Deferred inflows related to other post employment benefits | 3,489,093 | 481,228 | 3,970,321 |
| Deferred inflows related to pensions | 5,225,464 | 468,745 | 5,694,209 |
| Total deferred inflows of resources | <u>8,714,557</u> | <u>949,973</u> | <u>9,664,530</u> |
| Net Position | | | |
| Net investment in capital assets | 131,037,746 | 33,161,010 | 164,198,756 |
| Restricted for: | | | |
| Law enforcement | 967,694 | - | 967,694 |
| Unrestricted | 16,707,444 | 16,785,778 | 33,493,222 |
| Total net position | <u>\$ 148,712,884</u> | <u>\$ 49,946,788</u> | <u>\$ 198,659,672</u> |

The Notes to Financial Statements are an integral part of this statement.

Town of Medley, Florida
Government-Wide Statement of Activities
Year Ended September 30, 2024

| Functions/Programs | Total Expenses | Program Revenues | | | Net Revenue (Expense) 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 | \$ 10,744,241 | \$ 6,341,954 | \$ 282,613 | \$ 319,844 | \$ (3,799,830) | \$ - | \$ (3,799,830) |
| Public safety | 10,475,807 | 2,101,881 | 174,067 | 66,330 | (8,133,529) | - | (8,133,529) |
| Physical environment | 2,114,033 | - | - | 96,100 | (2,017,933) | - | (2,017,933) |
| Human services | 2,462,977 | 236,675 | - | - | (2,226,302) | - | (2,226,302) |
| Culture and recreation | 1,497,697 | - | - | - | (1,497,697) | - | (1,497,697) |
| Interest on long-term obligations | 142,500 | - | - | - | (142,500) | - | (142,500) |
| Total governmental activities | <u>27,437,254</u> | <u>8,680,510</u> | <u>456,680</u> | <u>482,274</u> | <u>(17,817,790)</u> | <u>-</u> | <u>(17,817,790)</u> |
| Business-type activities | | | | | | | |
| Water and wastewater utility | 7,051,182 | 7,102,317 | - | - | - | 51,135 | 51,135 |
| Stormwater utility | <u>763,946</u> | <u>3,071,277</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,307,331</u> | <u>2,307,331</u> |
| Total business-type activities | <u>7,815,128</u> | <u>10,173,594</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,358,466</u> | <u>2,358,466</u> |
| | <u>\$ 35,252,382</u> | <u>\$ 18,854,104</u> | <u>\$ 456,680</u> | <u>\$ 482,274</u> | <u>(17,817,790)</u> | <u>2,358,466</u> | <u>(15,459,324)</u> |
| General revenues | | | | | | | |
| Ad valorem taxes | | | | | 14,826,157 | - | 14,826,157 |
| Utility taxes | | | | | 2,008,556 | - | 2,008,556 |
| Other general taxes | | | | | 701,615 | - | 701,615 |
| Intergovernmental | | | | | 181,002 | - | 181,002 |
| Franchise fees | | | | | 1,971,527 | - | 1,971,527 |
| Investment earnings | | | | | 1,315,897 | 818,088 | 2,133,985 |
| Miscellaneous | | | | | 348,038 | 72,992 | 421,030 |
| Transfers, net | | | | | 512,208 | (512,208) | - |
| Gain on sale of capital assets | | | | | 4,624 | - | 4,624 |
| Total general revenues | | | | | <u>21,869,624</u> | <u>378,872</u> | <u>22,248,496</u> |
| Change in net position | | | | | 4,051,834 | 2,737,338 | 6,789,172 |
| Net position | | | | | | | |
| Beginning of year | | | | | <u>144,661,050</u> | <u>47,209,450</u> | <u>191,870,500</u> |
| End of year | | | | | <u>\$ 148,712,884</u> | <u>\$ 49,946,788</u> | <u>\$ 198,659,672</u> |

The Notes to Financial Statements are an integral part of this statement.

Town of Medley, Florida
Governmental Funds
Balance Sheet
September 30, 2024

| | <u>Major Funds</u> | | | <u>Non-Major Fund</u> | <u>Total Governmental Funds</u> |
|---|----------------------|---------------------------------|-----------------------------------|--|---------------------------------|
| | <u>General Fund</u> | <u>Building Department Fund</u> | <u>Law Enforcement Trust Fund</u> | <u>Town of Medley Foundation, Inc.</u> | |
| Assets | | | | | |
| Cash and cash equivalents | \$ 16,353,897 | \$ 5,755,727 | \$ - | \$ 200,852 | \$ 22,310,476 |
| Investments | 6,981,175 | - | - | - | 6,981,175 |
| Receivables, net | 2,985,663 | - | - | - | 2,985,663 |
| Due from other funds | 7,446,160 | - | - | 3,247 | 7,449,407 |
| Prepaid expenditures | 30,152 | - | - | - | 30,152 |
| Restricted assets: | | | | | |
| Cash and cash equivalents | - | - | 969,539 | - | 969,539 |
| Total assets | \$ 33,797,047 | \$ 5,755,727 | \$ 969,539 | \$ 204,099 | \$ 40,726,412 |
| Liabilities, Deferred Inflows, and Fund Equity | | | | | |
| Liabilities | | | | | |
| Accounts payable and accrued liabilities | \$ 1,070,048 | \$ 174,658 | \$ - | \$ 3,940 | \$ 1,248,646 |
| Due to other funds | 2,616,959 | 1,232,181 | 1,845 | 18,291 | 3,869,276 |
| Unearned revenue | 310,191 | 1,610,305 | - | - | 1,920,496 |
| Total liabilities | 3,997,198 | 3,017,144 | 1,845 | 22,231 | 7,038,418 |
| Deferred inflows - unavailable revenue | 1,643,557 | - | - | - | 1,643,557 |
| Fund equity | | | | | |
| Fund balance | | | | | |
| Nonspendable | 30,152 | - | - | - | 30,152 |
| Restricted | - | - | 967,694 | - | 967,694 |
| Committed | - | 2,738,583 | - | 181,868 | 2,920,451 |
| Assigned | 9,748,877 | - | - | - | 9,748,877 |
| Unassigned | 18,377,263 | - | - | - | 18,377,263 |
| Total fund equity | 28,156,292 | 2,738,583 | 967,694 | 181,868 | 32,044,437 |
| Total liabilities, deferred inflows, and fund equity | \$ 33,797,047 | \$ 5,755,727 | \$ 969,539 | \$ 204,099 | \$ 40,726,412 |

The Notes to Financial Statements are an integral part of this statement.

Town of Medley, Florida
Governmental Funds
Balance Sheet
September 30, 2024

Reconciliation of the balance sheet of governmental funds to the statement of net position

| | |
|--|---------------------------|
| Total fund balance - total governmental funds | \$ 32,044,437 |
| Amounts reported for governmental activities in the statement of net position are different because: | |
| Capital assets of \$194,623,122, net of accumulated and amortization depreciation of \$49,150,396, are not financial resources and, therefore, are not reported in the funds. | 145,472,726 |
| Long-term obligations of \$18,007,657 are not due and payable in the current period and are not reported in the funds. | (18,007,657) |
| On the statement of net position, the Town's special assessments are recorded on the full accrual method. However, the special assessments to be billed in future years are recorded as deferred inflows in the governmental funds. | 1,643,557 |
| On the statement of net position, the Town's other post employment benefit liability for the defined benefit plan of the Town is reported as a noncurrent liability. Additionally, deferred inflows of resources related to the plan are also reported. | |
| Other post employment benefits | (9,851,556) |
| Deferred outflows related to other post employment benefits | 1,666,366 |
| Deferred inflows related to other post employment benefits | (3,489,093) |
| On the statement of net position, the Town's net pension liability for the defined benefit pension plans of the Town is reported as a noncurrent liability. Additionally, deferred outflows and deferred inflows of resources related to pensions are also reported. | |
| Net pension asset | 2,835,379 |
| Net pension liability | (474,784) |
| Deferred outflows related to pensions | 2,098,973 |
| Deferred inflows related to pensions | <u>(5,225,464)</u> |
| Net position of governmental activities | <u>\$ 148,712,884</u> |

The Notes to Financial Statements are an integral part of this statement.

Town of Medley, Florida
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended September 30, 2024

| | Major Funds | | | Non-Major Fund | Total Governmental Funds |
|--|----------------------|--------------------------|----------------------------|---------------------------------|--------------------------|
| | General Fund | Building Department Fund | Law Enforcement Trust Fund | Town of Medley Foundation, Inc. | |
| Revenues | | | | | |
| Ad valorem taxes | \$ 14,826,157 | \$ - | \$ - | \$ - | \$ 14,826,157 |
| Special assessment | 348,870 | - | - | - | 348,870 |
| Utility taxes | 2,008,556 | - | - | - | 2,008,556 |
| Other general taxes | 1,035,763 | - | - | - | 1,035,763 |
| Intergovernmental | 966,639 | - | - | - | 966,639 |
| Permits, fees, and licenses | 5,028,011 | 2,951,322 | - | - | 7,979,333 |
| Fines and forfeitures | 1,295,125 | - | 2,345 | - | 1,297,470 |
| User charges | 1,041,086 | - | - | - | 1,041,086 |
| Miscellaneous | 1,433,883 | - | 49,774 | 180,278 | 1,663,935 |
| Total revenues | <u>27,984,090</u> | <u>2,951,322</u> | <u>52,119</u> | <u>180,278</u> | <u>31,167,809</u> |
| Expenditures | | | | | |
| Current operating | | | | | |
| General government | 6,198,967 | 2,100,376 | - | - | 8,299,343 |
| Public safety | 10,432,267 | - | 530 | - | 10,432,797 |
| Physical environment | 1,720,313 | - | - | - | 1,720,313 |
| Human services | 2,289,768 | - | - | - | 2,289,768 |
| Culture and recreation | 1,334,151 | - | - | 81,218 | 1,415,369 |
| Capital outlay | 1,087,107 | - | 34,311 | - | 1,121,418 |
| Debt service | 1,326,801 | - | - | - | 1,326,801 |
| Total expenditures | <u>24,389,374</u> | <u>2,100,376</u> | <u>34,841</u> | <u>81,218</u> | <u>26,605,809</u> |
| Excess (deficiency) of revenues over expenditures | <u>3,594,716</u> | <u>850,946</u> | <u>17,278</u> | <u>99,060</u> | <u>4,562,000</u> |
| Other financing sources | | | | | |
| Proceeds from sale of capital assets | - | - | 4,626 | - | 4,626 |
| Proceeds from issuance of debt | 828,403 | - | - | - | 828,403 |
| Transfer Out | - | (136,532) | - | - | (136,532) |
| Transfer In | 648,740 | - | - | - | 648,740 |
| Total other financing sources | <u>1,477,143</u> | <u>(136,532)</u> | <u>4,626</u> | <u>-</u> | <u>1,345,237</u> |
| Excess of expenditures over revenues and other financing sources | 5,071,859 | 714,414 | 21,904 | 99,060 | 5,907,237 |
| Fund balances | | | | | |
| Beginning of year | <u>23,084,433</u> | <u>2,024,169</u> | <u>945,790</u> | <u>82,808</u> | <u>26,137,200</u> |
| End of year | <u>\$ 28,156,292</u> | <u>\$ 2,738,583</u> | <u>\$ 967,694</u> | <u>\$ 181,868</u> | <u>\$ 32,044,437</u> |

The Notes to Financial Statements are an integral part of this statement.

Town of Medley, Florida
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended September 30, 2024

**Reconciliation of the statement of revenues, expenditures, and changes in fund balances
of governmental funds to the statement of activities**

| | |
|---|---------------------|
| Net change in fund balances - total governmental funds | \$ 5,907,237 |
| Amounts reported for governmental activities in the statement of activities are different because: | |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense. This is the amount by which capital outlays of \$1,121,418 was exceeded by depreciation and amortization of \$3,484,223 in the current period. | (2,362,805) |
| Change in long-term compensated absences recognized in statement of activities, not recognized as expenditures. | (174,015) |
| Governmental funds report revenues only from the current year's special assessment levy. However, in the statement of activities, revenues are recorded on the full accrual basis and thus the revenues from the entire project the special assessment is funding are recorded. | (348,870) |
| Other post employment benefit obligations, net of payments made, is recorded in the statement of activities and change in net position, but not recorded in the fund balance of the governmental funds. The expense represents an actuarially determined amount. | 140,815 |
| Repayment of debt is reported as an expenditure in governmental funds and, thus, has an effect on fund balance because current financial resources have been used for the Town as a whole; however, the principal payments reduce liabilities in the statement of net position and do not result in expense in the statement of activities. | 1,184,301 |
| Payments on lease liabilities are reported as an expenditure in governmental funds and, thus, have an effect on fund balance because current financial resources have been used for the Town as a whole; however, the principal payments reduce liabilities in the statement of net position and do not result in expense in the statement of activities. | (204,716) |
| Contributions made to the pension plan are shown as an expenditure in governmental funds and, thus have an effect on fund balance because current financial resources have been used for the Town as a whole; however, the contributions reduce net pension liability in the statement of net position and do not result in expense in the statement of activities. | 1,802,598 |
| Contributions made to the Police Officers' Retirement Plan by the State of Florida are shown as revenue on the government-wide statement of activities because the contributions reduce net pension liability in the statement of net position. | 153,317 |
| Change in Pension Deferred Outflows and Deferred Inflows, differences between actual and expected experience. | 295,519 |
| Contributions of right-of-way (ROW) land from developers are reported as capital contributions (noncash) on the government-wide Statement of Activities because the transaction increases capital assets in the Statement of Net Position and does not provide current financial resources to the governmental funds. | 275,000 |
| In the statement of activities, pension expense is recorded for the collective pension expense of the defined benefit plans of the Town. Also included in pension expense are amounts required to be amortized from pension-related deferred inflows and outflows. | <u>(2,616,547)</u> |
| Change in net position of governmental activities | <u>\$ 4,051,834</u> |

The Notes to Financial Statements are an integral part of this statement.

**Town of Medley, Florida
Proprietary Funds
Statement of Net Position
September 30, 2024**

| | <u>Major Funds</u> | | |
|---|--|------------------------------------|-------------------|
| | <u>Water and Wastewater Fund</u> | <u>Stormwater Utility Fund</u> | <u>Total</u> |
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | \$ 10,547,492 | \$ 4,529,367 | \$ 15,076,859 |
| Investments | 4,037,116 | 3,579,999 | 7,617,115 |
| Receivables, net | 1,031,771 | 927,647 | 1,959,418 |
| Due from other governments | - | 421,168 | 421,168 |
| Due from other funds | <u>343,237</u> | <u>353,386</u> | <u>696,623</u> |
| Total current assets | <u>15,959,616</u> | <u>9,811,567</u> | <u>25,771,183</u> |
| Noncurrent assets | | | |
| Restricted assets | | | |
| Cash and cash equivalents | <u>390,837</u> | <u>150,457</u> | <u>541,294</u> |
| Total restricted assets | <u>390,837</u> | <u>150,457</u> | <u>541,294</u> |
| Non-restricted assets | | | |
| Capital assets, net | <u>16,693,454</u> | <u>18,383,736</u> | <u>35,077,190</u> |
| Total non-restricted assets | <u>16,693,454</u> | <u>18,383,736</u> | <u>35,077,190</u> |
| Total noncurrent assets | <u>17,084,291</u> | <u>18,534,193</u> | <u>35,618,484</u> |
| Total assets | <u>33,043,907</u> | <u>28,345,760</u> | <u>61,389,667</u> |
| Deferred Outflows of Resources | | | |
| Related to other post employment benefits | 201,427 | 28,404 | 229,831 |
| Related to pensions | <u>202,954</u> | <u>46,265</u> | <u>249,219</u> |
| Total deferred outflows of resources | <u>404,381</u> | <u>74,669</u> | <u>479,050</u> |

The Notes to Financial Statements are an integral part of this statement.

Town of Medley, Florida
Proprietary Funds
Statement of Net Position
September 30, 2024

| | <u>Major Funds</u> | | |
|--|--|------------------------------------|----------------------|
| | <u>Water and Wastewater Fund</u> | <u>Stormwater Utility Fund</u> | <u>Total</u> |
| Liabilities | | | |
| Current liabilities | | | |
| Accounts payable and accrued liabilities | \$ 2,131,207 | \$ 40,031 | \$ 2,171,238 |
| Unearned revenue | 443,254 | - | 443,254 |
| Due to other funds | 3,784,752 | 492,002 | 4,276,754 |
| Liabilities payable from restricted assets | | | |
| Utility deposits | 429,520 | - | 429,520 |
| Unearned developer fees | 109,521 | - | 109,521 |
| Current portion of lease liabilities | 10,500 | 16,837 | 27,337 |
| Current portion of notes payable | 47,750 | 150,457 | 198,207 |
| Compensated absences | <u>70,927</u> | <u>22,372</u> | <u>93,299</u> |
| Total current liabilities | <u>7,027,431</u> | <u>721,699</u> | <u>7,749,130</u> |
| Long-term obligations | | | |
| Lease liabilities, net of current portion | 38,555 | 71,542 | 110,097 |
| Notes payable, net of current portion | 264,964 | 1,403,954 | 1,668,918 |
| Other post employment benefits | 1,190,835 | 167,926 | 1,358,761 |
| Net pension liability | <u>69,261</u> | <u>15,789</u> | <u>85,050</u> |
| Total long-term debt | <u>1,563,615</u> | <u>1,659,211</u> | <u>3,222,826</u> |
| | | | |
| Total liabilities | <u>8,591,046</u> | <u>2,380,910</u> | <u>10,971,956</u> |
| | | | |
| Deferred Inflows of Resources | | | |
| Related to other post employment benefits | 421,754 | 59,474 | 481,228 |
| Related to pensions | <u>379,189</u> | <u>89,556</u> | <u>468,745</u> |
| Total deferred inflows of resources | <u>800,943</u> | <u>149,030</u> | <u>949,973</u> |
| | | | |
| Net Position | | | |
| Net investment in capital assets | 16,331,685 | 16,829,325 | 33,161,010 |
| Unrestricted | <u>7,724,614</u> | <u>9,061,164</u> | <u>16,785,778</u> |
| | | | |
| Total net position | <u>\$ 24,056,299</u> | <u>\$ 25,890,489</u> | <u>\$ 49,946,788</u> |

The Notes to Financial Statements are an integral part of this statement.

Town of Medley, Florida
Proprietary Funds
Statement of Revenues, Expenses, and Changes in Net Position
Year Ended September 30, 2024

| | <u>Major Funds</u> | | <u>Total</u> |
|--|--|------------------------------------|----------------------|
| | <u>Water and Wastewater Fund</u> | <u>Stormwater Utility Fund</u> | |
| Operating revenues | | | |
| User charges | \$ 6,999,727 | \$ 3,071,277 | \$ 10,071,004 |
| Service and hook-up charges | 102,590 | - | 102,590 |
| Miscellaneous other | <u>5,500</u> | <u>67,492</u> | <u>72,992</u> |
| Total operating revenues | <u>7,107,817</u> | <u>3,138,769</u> | <u>10,246,586</u> |
| Operating expenses | | | |
| Salaries, wages and employee benefits | 857,150 | (102,004) | 755,146 |
| Contractual services, materials, and supplies | 5,382,993 | 332,488 | 5,715,481 |
| Depreciation and amortization | <u>806,486</u> | <u>500,514</u> | <u>1,307,000</u> |
| Total operating expenses | <u>7,046,629</u> | <u>730,998</u> | <u>7,777,627</u> |
| Operating income (loss) | <u>61,188</u> | <u>2,407,771</u> | <u>2,468,959</u> |
| Non-operating revenues (expenses) | | | |
| Grants | - | - | - |
| Insurance settlement proceeds | - | - | - |
| Interest income | 524,999 | 293,089 | 818,088 |
| Interest expense | (4,553) | (36,223) | (40,776) |
| Loss on disposal of assets | - | 3,275 | 3,275 |
| Total non-operating revenues (expenses) | <u>520,446</u> | <u>260,141</u> | <u>780,587</u> |
| Income (loss) before contributions and transfers | 581,634 | 2,667,912 | 3,249,546 |
| Transfers-Out | <u>(198,275)</u> | <u>(313,933)</u> | <u>(512,208)</u> |
| Total transfers | (198,275) | (313,933) | (512,208) |
| Income before other revenues | <u>383,359</u> | <u>2,353,979</u> | <u>2,737,338</u> |
| Change in net position | 383,359 | 2,353,979 | 2,737,338 |
| Net position | | | |
| Beginning of year | <u>23,672,940</u> | <u>23,536,510</u> | <u>47,209,450</u> |
| End of year | <u>\$ 24,056,299</u> | <u>\$ 25,890,489</u> | <u>\$ 49,946,788</u> |

The Notes to Financial Statements are an integral part of this statement.

Town of Medley, Florida
Proprietary Funds
Statement of Cash Flows
Year Ended September 30, 2024

| | <u>Major Funds</u> | | |
|--|--|------------------------------------|--------------------|
| | <u>Water and Wastewater Fund</u> | <u>Stormwater Utility Fund</u> | <u>Total</u> |
| Operating activities | | | |
| Receipts from customers and users | \$ 7,211,207 | \$ 3,288,015 | \$ 10,499,222 |
| Payments to suppliers | (4,491,651) | (390,268) | (4,881,919) |
| Payments to employees | (1,454,813) | (387,100) | (1,841,913) |
| Deposit Refunds | (41,834) | - | (41,834) |
| Other receipts | <u>5,500</u> | <u>67,492</u> | <u>72,992</u> |
| Net cash provided by operating activities | <u>1,228,409</u> | <u>2,578,139</u> | <u>3,806,548</u> |
| Noncapital financing activities | | | |
| Change in Transfers to/from Other Funds | <u>1,715,634</u> | <u>757,370</u> | <u>2,473,004</u> |
| Net cash provided by noncapital financing activities | <u>1,517,359</u> | <u>443,437</u> | <u>1,960,796</u> |
| Capital and related financing activities | | | |
| Acquisition of capital assets | (67,206) | (1,363,654) | (1,430,860) |
| Proceeds from capital grants | - | - | - |
| Payments on lease liabilities | (8,408) | - | (8,408) |
| Principal reduction on notes payable | (132,053) | (147,565) | (279,618) |
| Interest paid on notes payable | <u>(14,999)</u> | <u>(36,223)</u> | <u>(51,222)</u> |
| Net cash used in capital and related financing activities | <u>(222,666)</u> | <u>(1,547,442)</u> | <u>(1,770,108)</u> |
| Investing activities | | | |
| Interest income received | <u>312,125</u> | <u>297,764</u> | <u>609,889</u> |
| Net cash provided by investing activities | <u>312,125</u> | <u>111,264</u> | <u>423,389</u> |

The Notes to Financial Statements are an integral part of this statement.

Town of Medley, Florida
Proprietary Funds
Statement of Cash Flows
Year Ended September 30, 2024

| | <u>Major Funds</u> | | |
|--|--|------------------------------------|----------------------|
| | <u>Water and Wastewater Fund</u> | <u>Stormwater Utility Fund</u> | <u>Total</u> |
| Net change in cash and cash equivalents | \$ 2,835,227 | \$ 1,585,398 | \$ 4,420,625 |
| Cash and cash equivalents | | | |
| Beginning of year | <u>8,103,102</u> | <u>3,094,426</u> | <u>11,197,528</u> |
| End of year | <u>\$ 10,938,329</u> | <u>\$ 4,679,824</u> | <u>\$ 15,618,153</u> |
| Reported as follows in the statement of net position | | | |
| Cash and cash equivalents | \$ 10,547,492 | \$ 4,529,367 | \$ 15,076,859 |
| Restricted cash and cash equivalents | <u>390,837</u> | <u>150,457</u> | <u>541,294</u> |
| | <u>\$ 10,938,329</u> | <u>\$ 4,679,824</u> | <u>\$ 15,618,153</u> |
| Reconciliation of operating income to net cash provided by operating activities | | | |
| Operating income (loss) | \$ 61,188 | \$ 2,407,771 | \$ 2,468,959 |
| Adjustments to reconcile operating income to net cash provided by operating activities | | | |
| Depreciation and amortization | 806,486 | 500,514 | 1,307,000 |
| Bad debt expense | - | - | - |
| Changes in | | | |
| Receivables | 108,890 | 216,738 | 325,628 |
| Due from other governments | - | - | - |
| Prepaid expenses | 3,300 | 3,300 | 6,600 |
| Deferred outflows of resources | 631,750 | 188,162 | 819,912 |
| Utility Deposits | (41,834) | - | (41,834) |
| Accounts payable and accrued liabilities | 888,042 | (61,080) | 826,962 |
| Compensated absences | (82,590) | (5,211) | (87,801) |
| Other post employment benefits | (185,928) | (321,529) | (507,457) |
| Deferred inflows of resources | (357,700) | (213,138) | (570,838) |
| Net pension liability | <u>(603,195)</u> | <u>(137,388)</u> | <u>(740,583)</u> |
| Net cash provided by operating activities | <u>\$ 1,228,409</u> | <u>\$ 2,578,139</u> | <u>\$ 3,806,548</u> |

Supplemental disclosure of noncash investing and financing activities

In the Proprietary Fund, the Town had \$108,779 of right-to-use lease assets obtained in exchange for new lease liabilities.

The Notes to Financial Statements are an integral part of this statement.

Town of Medley, Florida
Fiduciary Funds
Statement of Fiduciary Net Position
September 30, 2024

| | Pension Trust Funds |
|--|--------------------------------|
| | <u> </u> |
| Assets | |
| Accounts receivable | \$ 165,586 |
| Investments at fair value | <u>73,692,601</u> |
| Total assets | <u>73,858,187</u> |
| Liabilities | |
| Accounts payable | <u>68,759</u> |
| Total liabilities | <u>68,759</u> |
| Net position restricted for pension benefits | <u>\$ 73,789,428</u> |

The Notes to Financial Statements are an integral part of this statement.

Town of Medley, Florida
Fiduciary Funds
Statement of Changes in Fiduciary Net Position
Year Ended September 30, 2024

| | Pension Trust Funds |
|--|--------------------------------|
| Additions | |
| Contributions | |
| Town | \$ 2,522,881 |
| Plan members | 223,311 |
| State of Florida | <u>153,317</u> |
| Total contributions | 2,899,509 |
| | |
| Investment gains, including net unrealized gains on investments | <u>14,165,410</u> |
| Total additions | <u>17,064,919</u> |
| | |
| Deductions | |
| Benefit payments | 3,336,244 |
| Administrative expense | <u>102,437</u> |
| Total deductions | <u>3,438,681</u> |
| | |
| Change in fiduciary net position | 13,626,238 |
| | |
| Fiduciary net position restricted for pension benefits | |
| Beginning of year | <u>60,163,190</u> |
| | |
| End of year | <u>\$ 73,789,428</u> |

The Notes to Financial Statements are an integral part of this statement.

Town of Medley, Florida
Notes to Financial Statements
September 30, 2024

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Nature of Operations

The Town of Medley, Florida (the "Town") was incorporated under Chapter 165 of the Florida Statutes. The Town operates under a Council form of government and provides the following services as authorized by its charter: public safety, highways and streets, sanitation, health and social services, culture and recreation, public works, improvements, planning and zoning, and general administrative services.

The Town complies with accounting principles generally accepted in the United States of America. The Town's reporting entity applies all relevant Governmental Accounting Standards Board ("GASB") pronouncements. The accounting and reporting framework and the more significant accounting principles are discussed in subsequent sections of this note. The remainder of the notes is organized to provide explanations, including required disclosures, of the Town's financial activities for the fiscal year ended September 30, 2024.

B. Financial Reporting Entity

The Town is a Florida municipal corporation with a five-member Town Council comprised of the Mayor and four Council persons. As required by accounting principles generally accepted in the United States of America, these financial statements present the Town (the primary government) and its component unit (an entity for which the Town is considered to be financially accountable). Blended component units, although legally separate entities, are in substance part of the Town's operations, and the Town Council is its governing body. Therefore, data from these units are combined with data of the primary government. The Town has no component units that require discrete presentation. Using the criteria established, management determined the following component unit should be blended:

Town of Medley Foundation, Inc.

The Town of Medley Foundation, Inc. (the "Foundation") was established by the Town Council who still sits as the Foundation's Board of Directors. The Foundation received a 501(c)(3) classification from the Internal Revenue Service. The Foundation receives donations from residents or businesses and uses these funds as determined by the Board of Directors. The Town provides management and accounting services to the Foundation at no charge. The Foundation does not prepare an annual budget. The Foundation is accounted for as a special revenue fund in these financial statements.

C. Government-Wide and Fund Financial Statements

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

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

Town of Medley, Florida
Notes to Financial Statements
September 30, 2024

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.

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the *accrual basis of accounting*, as are the proprietary 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 to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures for claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been 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 government.

The government reports the following major governmental funds:

- The *general fund* is the government'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 *law enforcement trust fund* is a special revenue fund used to account for the resources accumulated from the sale of forfeited property and other public safety fines. All proceeds are to be used for law enforcement purposes only.
- The *building department fund* is a special revenue fund used to account for the resources accumulated from the services provided by the Town's building and permitting department.

The government reports the following major proprietary funds:

- The *water and wastewater fund* accounts for the activities of the Town's water and wastewater utility systems.
- The *stormwater utility fund* accounts for the activities of the stormwater utility system.

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Additionally, the government reports the following fund types:

- *Special revenue funds* are used to account for the proceeds of a specific revenue source that is legally restricted to expenditures for specific purposes. The Town uses these funds to account for the activities of the Town's building department, law enforcement trust fund, and the Town of Medley Foundation, Inc.
- The *pension trust funds* account for the activities of the Town's general employees' and police officers' defined benefit plans, which accumulate resources for pension benefit payments to qualified Town employees.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, 3) capital grants and contributions, including special assessments, and 4) traffic fines and forfeitures. 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 *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water and wastewater fund and the stormwater utility fund are charges to customers for sales and services. The Town also recognizes as operating revenue the option of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

E. Assets, Deferred Outflows/Inflows, Liabilities, and Net Position or Equity

(1) Deposits and Investments

(a) Cash and Cash Equivalents

Florida Statutes provide for risk sharing collateral pools by banks and savings and loan associations. These pools collateralize local government deposits and certificates of deposit with the participating depositories. The Town's demand deposits and certificates of deposit are placed in such authorized depositories.

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Custodial credit risk for deposits is the risk that in the event of a bank failure, the Town's deposits may not be returned or the Town will not be able to recover collateral securities in the possession of an outside party. At September 30, 2024, the carrying amount of the Town's deposits was \$38,898,169 and the bank balances of the Town's deposits were \$39,986,013. A portion of the bank balances was covered by federal deposit insurance and the remainder was covered by pledged collateral as required by Florida Statutes. All collateral is pledged in the Town's name and is held by a third-party financial institution.

Highly liquid financial instruments with an original maturity of three months or less at the time they are purchased by the Town are considered to be cash equivalents. The Town's certificates of deposit mature in fiscal year 2025.

(b) Restricted Assets - Cash and Cash Equivalents and Investments

Proceeds from forfeiture funds are classified as restricted in the general fund since these resources are specifically earmarked for law enforcement purposes only. Additionally, funds are classified as restricted which are held for customer utility deposits, unearned developer fees, and debt service since these resources may only be used for these specific items. For the year ended September 30, 2024, the balances of the restricted asset accounts in the Government-Wide Statement of Net Position for governmental activities and business-type activities, the Balance Sheet for governmental funds, and Statement of Net Position for proprietary funds were \$1,510,833 and \$969,539, and \$541,294 respectively.

(2) Town of Medley's Investment Policies

(a) Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation.

Investing is performed in accordance with investing policies prescribed by State Statutes, Town Charter, and Town Policies for nonpension investments. Funds may be invested in (1) direct obligations of the United States government, its agencies, or instrumentalities to the payment of which the full faith and credit of the government of the United States is pledged, (2) Florida local government surplus funds trust funds, and (3) collateralized or insured certificates of deposit and other evidence of deposits in financial institutions.

All of the Town's nonpension investments are certificates of deposit in regional or national financial institutions and Florida local government surplus funds and trust funds.

The Town's FLCLASS and FL SAFE pooled cash investments hold an AAAM credit rating from S&P Global Ratings. The Town's FLCLASS enhanced cash investments hold an AAAs/S1 credit rating from FitchRatings. The Town's Florida Local Government Investment Trust Day-to-Day Fund investments hold an AAAM credit rating from FitchRatings.

(b) Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The Town's policy provides that to the extent practical investments are to be matched to cash flow requirements. The Town manages interest rate risks by purchasing certificates of deposit.

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Concentration of credit risk is the risk of loss attributed to the magnitude of the Town's investments in a single issuer.

(c) Foreign Currency Risk

Foreign currency risk is the risk that the change in exchange rates will adversely affect the fair value of an investment. The Town's general employees' pension fund and the police officers' retirement fund hold \$3,394,129 and \$3,912,447, respectively, in various foreign equities as of September 30, 2024. The foreign holdings account for approximately 10% and 10% of the Town's general employees' pension fund and the police officers' retirement fund investments, respectively. The pension plans have no investment policies that limit its investment choices as it relates to foreign equities.

(d) Defined Benefit Pension Trust Policy

The Town has established defined pension trust funds for the benefit of qualified Town employees. Investment policies provide for the investment managers, who have full discretion of assets allocated to them, to be subject to overall investment guidelines set out in the policies. Manager performance is reviewed by a consultant who provides reports to the governing boards. Overall investment guidelines provide for diversification and allow investment in domestic and international common stocks, fixed income securities, cash equivalents, index funds, collective trust funds, and mutual funds. The plans address custodial credit risk by providing for the engagement of custodians who accept possession of securities for safekeeping; collect and disburse income; collect principal of sold, matured, or called items; and provide a periodic accounting to the Town. The general employees' pension plan presently has allocated 27% of its investments in fixed income securities, 63% in domestic equity, and 10% in international stock. The police officers' retirement fund presently has allocated 29% of its investment in fixed income securities, 61% in domestic equity, and 10% in international equities.

For the year ended September 30, 2024, the annual money weighted rate of return on plan investments, net of investment expense, was 23.58% and 23.77% for the general employees' and police officers' plans, respectively. The money weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

The plans address credit risk and concentration of credit risk with a policy that prohibits investments of more than 5% of its assets in the securities of any one issuer with the exception of the U.S. government. The policy further prohibits investment of more than 20% in any one market sector. Fixed income securities must be rated at least A. Commercial paper must be rated A1, P1.

(e) Concentrations of Credit Risk

Investments which comprise 5% or more of the Town's total investments at September 30, 2024, are as follows:

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| | General Employees' Pension Plan | Police Officers' Retirement Fund | Town As A Whole |
|-------------------------------|--|---|----------------------------|
| Fidelity 500 IDX Instl Prem | \$ 4,944,614 | \$ 4,447,526 | \$ 9,392,140 |
| Dodge & Cox Income I DB | 2,760,072 | 5,924,426 | 8,684,498 |
| MFS Value R6 | 5,507,212 | - | 5,507,212 |
| Stable Asset Fund II | 6,543,685 | 5,608,285 | 12,151,969 |
| JP Morgan Large Cap Growth R6 | 5,595,263 | 4,403,543 | 9,998,806 |
| FLCLASS pooled cash | - | - | 9,188,811 |
| | <u>\$ 25,350,845</u> | <u>\$ 20,383,779</u> | <u>\$ 54,923,435</u> |

All of the investments in the pension funds are held by the Standard Insurance Company.

(f) Fair Value Measurements

The Town categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the relative inputs used to measure the fair value of the investments. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

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

- Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Town has the ability to access.
- Level 2: Inputs to the valuation methodology include:
 - Quoted prices for similar assets or liabilities in active markets;
 - Quoted prices for identical or similar assets or liabilities in inactive markets;
 - Inputs other than quoted prices that are observable for the asset or liability;
 - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement. Unobservable inputs reflect the Town's own assumptions about the inputs market participants would use in pricing the asset or liability (including assumption about risk). Unobservable inputs are developed based on the best information available in the circumstances and may include the Town's own data.

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

The determination of what constitutes observable inputs requires judgment by Town management. Town management considers observable data to be that market data, which is readily available, regularly distributed or updated, reliable, and verifiable, not proprietary, and provided by multiple independent sources that are actively involved in the relevant market.

The categorization of an investment or liability within the hierarchy is based upon the relative observability of the inputs to its fair value measurement and does not necessarily correspond to Town management's perceived risk of that investment or liability.

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The following is a description of the recurring valuation methods and assumptions used by the Town to estimate the fair value of its investments. The methods described may produce fair value calculation that may not be indicative of net realizable value or reflective of future fair values. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Stable Asset Fund: The investment is a fixed annuity contract invested in the Standard Insurance Company general account. Shares of the insurance company general account are valued at contract value, which represents the unit value assigned to the fund based on the fund's guaranteed interest rate and approximates fair value. The contract value is readily observable and associated fees charged for termination can be obtained resulting in a classification of Level 2 within the fair value hierarchy.

Pooled Separate Accounts ("PSA"): PSAs are valued at net assets value ("NAV") of shares held by the plan at year-end as reported by the fund managers. Each of the PSAs invests a wide variety of underlying investments such as equities, preferred stocks, bonds, real estate, and mutual funds. NAV is used as a practical expedient to estimate fair value. The PSAs are not required to be categorized within the fair value hierarchy.

Florida Local Government Investment Trust Day-to-Day Fund, FLCLASS Pooled Cash, FL SAFE Pooled Cash, FLCLASS Enhanced Cash: Valued at fair value. The fair value of the Town's position in these investments is equal to the value of the pool shares.

Certificates of Deposit: Valued at amortized cost, which approximates fair value given the instruments' duration of one year.

The following tables set forth additional disclosures for investments in which fair value is measured using the NAV per share practical expedient as of September 30, 2024, for the General Employees' Pension Fund, the Police Officers' Retirement Fund, and the Town as a whole:

| <u>Investment Type</u> | <u>General Employees' Pension Fund</u> | | | |
|------------------------------------|--|-----------------------------|-----------------------------|---------------------------------|
| | <u>Fair Value</u> | <u>Unfunded Commitments</u> | <u>Redemption Frequency</u> | <u>Redemption Notice Period</u> |
| Stable Asset Fund (a) | \$ 6,543,684 | \$ - | Daily | Daily |
| Pooled separate accounts | | | | |
| Fixed income securities (b) | 2,760,072 | - | Daily | Daily |
| Domestic equity securities (c) | 21,465,757 | - | Daily | Daily |
| International stock securities (d) | 3,394,128 | - | Daily | Daily |
| | <u>27,619,957</u> | <u>-</u> | | |
| | <u>\$ 34,163,641</u> | <u>\$ -</u> | | |

Town of Medley, Florida
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| Police Officers' Retirement Fund | | | | |
|---|----------------------|-----------------------------|-----------------------------|---------------------------------|
| <u>Investment Type</u> | <u>Fair Value</u> | <u>Unfunded Commitments</u> | <u>Redemption Frequency</u> | <u>Redemption Notice Period</u> |
| Stable Asset Fund (a) | \$ 5,608,285 | \$ - | Daily | Daily |
| Pooled separate accounts | | | | |
| Fixed income securities (b) | 5,924,426 | - | Daily | Daily |
| Domestic equity securities (c) | 24,083,803 | - | Daily | Daily |
| International stock securities (d) | <u>3,912,446</u> | <u>-</u> | Daily | Daily |
| | 33,920,675 | - | | |
| | <u>\$ 39,528,960</u> | <u>\$ -</u> | | |

Town of Medley, Florida
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| Town As A Whole | | | | | | | |
|-------------------------------------|----------------------|----------------------|----------------------|--------------------------|----------------------|-------------|----------------------|
| Investment Type | Fair Value | Unfunded Commitments | Redemption Frequency | Redemption Notice Period | Level 1 | Level 2 | NAV |
| Stable Asset Fund (a) | \$ 12,151,969 | \$ - | Daily | Daily | \$ - | \$ - | \$ 12,151,969 |
| Pooled separate accounts | | | | | | | |
| Fixed income securities (b) | 8,684,498 | - | Daily | Daily | - | - | 8,684,498 |
| Domestic equity securities (c) | 45,549,560 | - | Daily | Daily | - | - | 45,549,560 |
| International stock securities (d) | 7,306,574 | - | Daily | Daily | - | - | 7,306,574 |
| | <u>61,540,632</u> | <u>-</u> | | | | | <u>61,540,632</u> |
| Florida Local Government Investment | | | | | | | |
| Trust Day-to-Day Fund | 1,397,064 | - | Daily | Daily | 1,397,064 | - | - |
| FLCLASS pooled cash | 9,188,811 | - | Daily | Daily | 9,188,811 | - | - |
| FL SAFE pooled cash | 546,211 | - | Daily | Daily | 546,211 | - | - |
| FLCLASS enhanced cash | 1,664,119 | - | Daily | Daily | 1,664,119 | - | - |
| Certificates of deposit | 1,802,085 | - | N/A | N/A | 1,802,085 | - | - |
| | <u>14,598,290</u> | <u>-</u> | | | <u>14,598,290</u> | <u>-</u> | <u>-</u> |
| | <u>\$ 88,290,891</u> | <u>\$ -</u> | | | <u>\$ 14,598,290</u> | <u>\$ -</u> | <u>\$ 73,692,601</u> |

Reconciliation to basic financial statements. The investments as of September 30, 2024, are reported in the financial statements as follows:

Government-wide Statement of Net Position

| | |
|--------------------------|--------------|
| Governmental activities | \$ 6,981,175 |
| Business-type activities | 7,617,115 |

Fiduciary Funds Statement of Fiduciary Net Position

| | |
|----------------------------------|----------------------|
| General employees' pension fund | 34,163,641 |
| Police officers' retirement fund | <u>39,528,960</u> |
| Total investments | <u>\$ 88,290,891</u> |

- (a) The fund is best suited for investors seeking competitive intermediate term returns and preservation of capital. The fund invests in a portfolio of publicly traded bonds plus small commercial mortgage loans within Standard Insurance Company's general account. The guaranteed annualized net crediting rate is declared in advance and is reset quarterly. The declared crediting rate will never be below 1%. Contract charges may reduce this return.
- (b) The investment seeks total return. The fund invests at least 80% of its net assets, plus borrowings for investment purposes, in a diversified portfolio of fixed income instruments, which may be represented by forwards or derivatives such as options, futures contracts or swap agreements. Its average duration, as calculated by the subadvisor, is normally equal to that of its benchmark, plus or minus two years. The fund may invest up to 30% of its total assets in non-U.S. dollar-denominated securities and may invest without limit in U.S. dollar-denominated securities of foreign issuers.
- (c) The investment seeks long-term capital growth through investments in stocks. The fund will normally invest at least 80% of its net assets (including any borrowings for investment purposes) in the common stocks of a diversified group of growth companies. While most assets will typically be invested in U.S. common stocks, the fund may invest in foreign stocks in keeping with the fund's objective.
- (d) The investment seeks long-term growth of capital. The funds invest primarily in common stocks of issuers that the investment advisor believes have the potential for growth.

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(3) Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.” See Note 12 for details of interfund transactions, including receivables and payables at year-end.

All trade and property tax receivables are shown net of an allowance for uncollectibles.

(4) Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at acquisition cost if purchased or constructed, except for intangible right-to-use lease assets, the measurement of which is discussed in Note 1.H below. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of ordinary maintenance and repairs that do not add to the value of the asset or materially extend assets’ lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Capital assets of the primary government are depreciated using the straight-line method over the following estimated useful lives:

| | <u>Governmental Activities</u> | <u>Business-Type Activities</u> |
|---|---|--|
| Land and land improvements | N/A | 30-40 years |
| Buildings and improvements | 7-40 years | 10-40 years |
| Infrastructure | 50 years | N/A |
| Water, wastewater, and stormwater utility systems | N/A | 12-50 years |
| Transportation equipment | 5 years | 5-10 years |
| Machinery and equipment | 5-10 years | 5-10 years |

(5) Deferred Outflows of Resources

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

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The Town has two items that qualify for reporting as deferred outflows of resources, reported in both the government-wide statement of financial position and the proprietary funds statement of financial position. The items are the deferred outflows related to pensions and deferred outflows related to other post-employment benefits. The deferred outflows related to pensions will be recognized as either pension expense or a reduction in the net pension liability in future reporting years. The deferred outflows related to other post-employment benefits will be recognized as either health insurance expenses or a reduction in the other post-employment benefit liability in future reporting years. Details on the composition of deferred in outflows related to pensions and other post- employment benefits are reported in a subsequent note.

(6) Unearned Revenue and Unearned Developer Fees

In the governmental funds, unearned revenue includes amounts collected before the revenue recognition criteria are met and receivables that, under the modified accrual basis of accounting, are measurable but not yet earned. Unearned revenue will be recognized as revenue in the fiscal year they are earned or become available. The governmental funds report unearned revenue related to fees received prior to September 30, 2024, that are for fiscal year 2025 local business tax receipts and other licenses and fees, and future building permit fees. The proprietary funds report unearned revenues from refundable advances and unearned developer fees. Refundable advances are related to advances of grant proceeds and customer charges. Unearned developer fees consist of amounts collected from Town property owners for the reimbursement to developers for the construction of water and wastewater and drainage systems. These amounts will be remitted to the developers.

(7) Deferred Inflows of Resources

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. The amounts are deferred and recognized as an inflow of resources in the period that amounts become available. The deferred inflows related to special assessment revenues will be recognized to revenue as billed in future years. The deferred inflows related to pensions will be recognized as a reduction to pension expense in future reporting years. The deferred inflows related to other post-employment benefits will be recognized as a reduction to health insurance expenses in future reporting years. Details on the composition of deferred inflows related to pensions and other post-employment benefits are reported in a subsequent note.

(8) Compensated Absences

The policy of the Town is to allow vesting of employee leave benefits with the right to receive compensation under certain conditions. The liability for accrued compensated absences in the enterprise funds is accrued in those funds. The liability for employees of governmental funds is reported only as a general long-term obligation in the government-wide statement of net position and represents a reconciling item between the fund and government-wide presentations.

(9) 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 proprietary fund type statement of net position. Debt issuance costs are expensed when paid.

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

(10) Net Position

For government-wide reporting as well as in proprietary funds, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

- Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.
- Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.
- Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

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

(11) Fund Balances – Governmental Funds

As of September 30, 2024, fund balances of the governmental funds are classified as follows:

- Nonspendable fund balance – amounts that cannot be spent because of their nature (such as prepaid items) or are required to be maintained intact.
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed fund balance – amounts constrained to specific purposes by the Town itself, using its highest level of decision-making authority (i.e., Town Council). To be reported as committed, amounts cannot be used for any other purpose unless the Town takes the same highest-level action to remove or change the constraint.

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- Assigned fund balance – amounts the Town intends to use for a specific purpose. Intent can be expressed by the Town Council or by an official or body to which the Town Council delegates the authority.
- Unassigned fund balance – amounts that are available for any purpose.

The Town Council establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the Town Council through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the Town considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Town Council has provided otherwise in its commitment or assignment actions.

In the general fund, the Town strives to maintain an unassigned fund balance to be used for unanticipated emergencies of approximately 10% - 20% of the actual expenditures in accordance with U.S. generally accepted accounting principles (“GAAP”) and other financing sources and uses.

Town Ordinance C-358 requires the Town maintain during each fiscal year an unrestricted reserve fund balance equal to a minimum of 25% of total general fund expenditures. At September 30, 2024, the Town maintained an unrestricted reserve fund balance equal to 101% of general fund expenditures. The Town considers that assigned and unassigned fund equity balances makeup the total unrestricted reserve fund balance.

F. Employee Benefit Plans

(1) Employee Benefit Plans and Net Pension Assets and Liabilities

The Town provides separate defined benefit pension plans for general employees and for uniformed police officers, as well as a defined contribution plan created in accordance with Internal Revenue Code Section 401(a) for certain employees. The Town also offers an optional deferred compensation plan created in accordance with Internal Revenue Code Section 457. These plans are not included in the Town’s financial statements.

At September 30, 2024, the Town recorded a net pension asset related to both the General Employees’ Pension Plan and to the Police Officers’ Retirement Plan in its government-wide statement of net position in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. Please refer to Note 7 for further information.

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(2) Post-Employment Benefits Other Than Pensions (“OPEB”)

The Town provides post-employment benefit options for health care and dental insurance to eligible retirees, terminated employees, and their dependents. The benefits are provided in accordance with Town ordinances, collective bargaining agreements, and the Consolidated Omnibus Budget Reconciliation Act of 1985 (“COBRA”). The criteria to determine eligibility include years of service, employee age, disability due to line of duty, and whether the employee has vested in the respective retirement plan. The Town pays the entire premium for eligible employees and spouses and coverage expires upon Medicare eligibility.

The Town is financing the post-employment benefits on a pay-as-you-go basis. As determined by an actuarial valuation, the Town records a net OPEB obligation in its government-wide financial statements related to the benefits in accordance with GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. Please refer to Note 7 for further information.

G. Stewardship, Compliance, and Accountability

Budgetary Information

The following procedures are used by the Town in legally adopting the budget for the general fund:

Legally Adopted Appropriated Budgets

- Prior to August 1, the Mayor submits to the Town Council a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are held to obtain taxpayer comments.
- Prior to October 1, the budget is legally enacted through the passage of an ordinance.
- The budget for the general fund is adopted on a basis consistent with GAAP.

There are no encumbrances outstanding at year-end. All outstanding purchase orders are canceled, and appropriations lapse at that time. Therefore, the Town did not report any fund balances reserved for encumbrances at year-end.

The Town does not budget for the special revenue funds which account for the law enforcement trust fund, building department fund, and the Town of Medley Foundation, Inc.

The appropriated budget is prepared by fund, function, and department. The government’s department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the Town Council. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level.

Legally Authorized Nonappropriated Budgets

A legally authorized nonappropriated budget is prepared for the enterprise funds.

Town of Medley, Florida
Notes to Financial Statements
September 30, 2024

H. Leases

The Town is a lessee for a noncancellable ground lease and has several vehicle leases. The Town recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The Town recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the Town initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life. Key estimates and judgments related to leases include how the Town determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

The Town uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Town generally uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the Town is reasonably certain to exercise. The Town monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with other capital assets and lease liabilities are reported with long term debt on the statement of net position.

I. Estimates

The preparation of basic financial statements in accordance with the bases of accounting described in the previous paragraphs requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets or liabilities at the date of the basic financial statements and the reported amounts of revenue and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Town of Medley, Florida
Notes to Financial Statements
September 30, 2024

2. CASH, CASH EQUIVALENTS, AND INVESTMENTS

Cash and cash equivalents at September 30, 2024 consist of the following:

| | Governmental Fund Types | | | Proprietary Fund Type | Total All Funds | Financial Institution Balance |
|---------------------------------|-------------------------|-----------------------|------------------------|---------------------------------|----------------------|-------------------------------|
| | General Fund | Special Revenue Funds | Total Government Funds | Enterprise Funds | | |
| Unrestricted | | | | | | |
| Demand deposits | \$ 5,247,659 | \$ 5,816,880 | \$ 11,064,539 | \$ 59,530 | \$ 11,124,069 | \$ 11,724,645 |
| Money market funds | 11,106,238 | 139,699 | 11,245,937 | 15,017,329 | 26,263,266 | 26,434,336 |
| | <u>16,353,897</u> | <u>5,956,579</u> | <u>22,310,476</u> | <u>15,076,859</u> | <u>37,387,335</u> | <u>38,158,981</u> |
| Restricted | | | | | | |
| Demand deposits | - | 13,114 ³ | 13,114 | - | 13,114 | 13,133 |
| Money market funds | - | 956,425 ³ | 956,425 | 541,294 ^{1, 2 & 4} | 1,497,719 | 1,347,262 |
| | <u>-</u> | <u>969,539</u> | <u>969,539</u> | <u>541,294</u> | <u>1,510,833</u> | <u>1,360,395</u> |
| Total cash and cash equivalents | <u>\$ 16,353,897</u> | <u>\$ 6,926,118</u> | <u>\$ 23,280,015</u> | <u>\$ 15,618,153</u> | <u>\$ 38,898,168</u> | <u>\$ 39,519,376</u> |

¹ Restricted for customer utility deposits

² Restricted for debt service

³ Restricted for law enforcement

⁴ Restricted for unearned developer fees

Investments at September 30, 2024 consist of the following:

| | Governmental Fund Type | Proprietary Fund Type | Fiduciary Fund Type | | Total All Funds | Financial Institution Balance |
|---|------------------------|-----------------------|---------------------------------|----------------------------------|----------------------|-------------------------------|
| | General Fund | Enterprise Funds | General Employees' Pension Fund | Police Officers' Retirement Fund | | |
| Certificates of deposit | | | | | | |
| Unrestricted | \$ 1,219,969 | \$ 582,116 | \$ - | \$ - | \$ 1,802,085 | \$ 1,802,085 |
| FLCLASS pooled cash | | | | | | |
| Unrestricted | 3,263,225 | 5,925,586 | - | - | 9,188,811 | 9,188,811 |
| FLCLASS enhanced cash | | | | | | |
| Unrestricted | 554,706 | 1,109,413 | - | - | 1,664,119 | 1,664,119 |
| FL SAFE pooled cash | | | | | | |
| Unrestricted | 546,211 | - | - | - | 546,211 | 546,211 |
| Florida Local Government Investment Trust Day-to-Day Fund | | | | | | |
| Unrestricted | 1,397,064 | - | - | - | 1,397,064 | 1,397,064 |
| Stable Asset Fund | - | - | 6,543,684 | 5,608,285 | 12,151,969 | 12,151,969 |
| Pooled separate accounts | - | - | 27,619,957 | 33,920,675 | 61,540,632 | 61,540,632 |
| Total investments | <u>\$ 6,981,175</u> | <u>\$ 7,617,115</u> | <u>\$ 34,163,641</u> | <u>\$ 39,528,960</u> | <u>\$ 88,290,891</u> | <u>\$ 88,290,891</u> |

Town of Medley, Florida
Notes to Financial Statements
September 30, 2024

3. RECEIVABLES AND DUE FROM OTHER GOVERNMENTS

Receivables and due from other governments consist of the following at September 30, 2024:

| | Governmental Funds | | Enterprise Funds | | | Total |
|--|---------------------|------------------------|----------------------|---------------------|---------------------|---------------------|
| | General Fund | Total Government Funds | Water and Wastewater | Stormwater Utility | Total Enterprise | |
| Receivables | | | | | | |
| User charges | \$ 91,491 | \$ 91,491 | \$ 890,918 | \$ 131,085 | \$ 1,022,003 | \$ 1,113,494 |
| Special assessment | 1,641,502 | 1,641,502 | 270,231 | 927,647 | 1,197,878 | 2,839,380 |
| Interest | 4,906 | 4,906 | - | - | - | 4,906 |
| Utility taxes | - | - | - | - | - | - |
| Franchise fees | - | - | - | - | - | - |
| Host fees | - | - | - | - | - | - |
| Other | 1,120,075 | 1,120,075 | - | - | - | 1,120,075 |
| Total receivables | <u>2,857,974</u> | <u>2,857,974</u> | <u>1,161,149</u> | <u>1,058,732</u> | <u>2,219,881</u> | <u>5,077,855</u> |
| Due from other governments | | | | | | |
| State of Florida | - | - | - | 421,168 | 421,168 | 421,168 |
| Other | 168,209 | 168,209 | - | - | - | 168,209 |
| Total due from other governments | <u>168,209</u> | <u>168,209</u> | <u>-</u> | <u>421,168</u> | <u>421,168</u> | <u>589,377</u> |
| Allowance for doubtful accounts | (40,520) | (40,520) | (129,378) | (131,085) | (260,463) | (300,983) |
| | <u>\$ 2,985,663</u> | <u>\$ 2,985,663</u> | <u>\$ 1,031,771</u> | <u>\$ 1,348,815</u> | <u>\$ 2,380,586</u> | <u>\$ 5,366,249</u> |
| Bad debt expense for the year ended September 30, 2024 | \$ 150 | \$ 150 | \$ - | \$ - | \$ - | \$ 150 |

4. CAPITAL ASSETS

A. Changes in Capital Assets

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

Town of Medley, Florida
Notes to Financial Statements
September 30, 2024

| | Balance, October 1, 2023 | Additions | Dispositions | Transfers | Balance, September 30, 2024 |
|--|---|-----------------------|---------------------|------------------|--|
| Governmental activities | | | | | |
| Capital assets not being depreciated | | | | | |
| Land | \$ 11,310,144 | \$ 275,000 | \$ - | \$ - | \$ 11,585,144 |
| Infrastructure | 99,186,895 | - | - | - | 99,186,895 |
| Construction in progress | 8,075,900 | 197,206 | - | - | 8,273,106 |
| Total capital assets not being depreciated | <u>118,572,939</u> | <u>472,206</u> | <u>-</u> | <u>-</u> | <u>119,045,145</u> |
| Capital assets being depreciated and amortized | | | | | |
| Buildings and improvements | 16,252,627 | - | - | - | 16,252,627 |
| Land improvements | 2,172,026 | - | - | - | 2,172,026 |
| Right-to-use lease asset-land | 1,814,925 | - | - | - | 1,814,925 |
| Right-to-use lease assets-vehicles | 99,607 | 828,403 | - | - | 928,010 |
| Infrastructure | 48,168,639 | - | - | - | 48,168,639 |
| Transportation equipment | 2,734,988 | 39,893 | - | - | 2,774,881 |
| Machinery and equipment | 3,410,953 | 55,916 | - | - | 3,466,869 |
| Total capital assets being depreciated and amortized | 74,653,765 | 924,212 | - | - | 75,577,977 |
| Accumulated depreciation and amortization | <u>(45,666,173)</u> | <u>(3,484,223)</u> | <u>-</u> | <u>-</u> | <u>(49,150,396)</u> |
| Capital assets being depreciated, net | <u>28,987,592</u> | <u>(2,560,011)</u> | <u>-</u> | <u>-</u> | <u>26,427,581</u> |
| Governmental activities – capital assets, net | <u>\$ 147,560,531</u> | <u>\$ (2,087,805)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 145,472,726</u> |
| | Balance, October 1, 2023 | Additions | Dispositions | Transfers | Balance, September 30, 2024 |
| Business-type activities | | | | | |
| Capital assets not being depreciated | | | | | |
| Land | | | | | |
| Water and wastewater fund | \$ 521,638 | \$ - | \$ - | \$ - | \$ 521,638 |
| | <u>521,638</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>521,638</u> |
| Construction in progress | | | | | |
| Water and wastewater fund | 1,986,804 | 67,205 | - | - | 2,054,009 |
| Stormwater utility fund | 5,220,005 | 753,117 | - | - | 5,973,122 |
| | <u>7,206,809</u> | <u>820,322</u> | <u>-</u> | <u>-</u> | <u>8,027,131</u> |
| Total capital assets not being depreciated | <u>7,728,447</u> | <u>820,322</u> | <u>-</u> | <u>-</u> | <u>8,548,769</u> |
| Water, wastewater, and stormwater utility systems | | | | | |
| Water and wastewater fund | 29,624,099 | - | - | - | 29,624,099 |
| Stormwater utility fund | 17,850,549 | - | - | - | 17,850,549 |
| | <u>47,474,648</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>47,474,648</u> |
| Buildings and improvements | | | | | |
| Water and wastewater fund | 837,252 | - | - | - | 837,252 |
| Stormwater utility fund | 271,884 | - | - | - | 271,884 |
| | <u>1,109,136</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,109,136</u> |

Town of Medley, Florida
Notes to Financial Statements
September 30, 2024

| | Balance, October 1, 2023 | Additions | Dispositions | Transfers | Balance, September 30, 2024 |
|---|--------------------------------|---------------------|--------------|-------------|-----------------------------------|
| Transportation equipment | | | | | |
| Water and wastewater fund | \$ 312,173 | \$ - | \$ - | \$ - | \$ 312,173 |
| Stormwater utility fund | 390,568 | 108,788 | - | - | 499,356 |
| | <u>702,741</u> | <u>108,788</u> | <u>-</u> | <u>-</u> | <u>811,529</u> |
| Right-to-use lease asset-vehicles | | | | | |
| Water and wastewater fund | 29,141 | 28,808 | - | - | 57,949 |
| Stormwater utility fund | - | 96,277 | - | - | 96,277 |
| | <u>29,141</u> | <u>125,085</u> | <u>-</u> | <u>-</u> | <u>154,226</u> |
| Machinery and equipment | | | | | |
| Water and wastewater fund | 1,589,040 | - | - | - | 1,589,040 |
| Stormwater utility fund | 903,230 | - | - | - | 903,230 |
| | <u>2,492,270</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,492,270</u> |
| Total capital assets being depreciated | | | | | |
| Water and wastewater fund | 32,391,705 | 28,808 | - | - | 32,420,513 |
| Stormwater utility fund | 19,416,231 | 205,065 | - | - | 19,621,296 |
| | <u>51,807,936</u> | <u>233,873</u> | <u>-</u> | <u>-</u> | <u>52,041,809</u> |
| Accumulated depreciation | | | | | |
| Water and wastewater fund | (17,496,220) | (806,486) | - | - | (18,302,706) |
| Stormwater utility fund | (6,710,168) | (500,514) | - | - | (7,210,682) |
| Total accumulated depreciation | <u>(24,206,388)</u> | <u>(1,307,000)</u> | <u>-</u> | <u>-</u> | <u>(25,513,388)</u> |
| Capital assets being depreciated, net | <u>27,601,548</u> | <u>(1,073,127)</u> | <u>-</u> | <u>-</u> | <u>26,528,421</u> |
| Business-type activities - capital assets, net | <u>\$ 35,329,995</u> | <u>\$ (252,805)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 35,077,190</u> |

B. Depreciation and Amortization Expense

Depreciation and amortization expense was charged to functions of the primary government as follows:

Governmental activities

| | |
|------------------------|---------------------|
| General government | \$ 2,525,788 |
| Public safety | 462,638 |
| Physical environment | 293,396 |
| Human services | 142,423 |
| Culture and recreation | 59,978 |
| | <u>\$ 3,484,223</u> |

Business-type activities

| | |
|------------------------------|-------------------|
| Water and wastewater utility | \$ 806,486 |
| Stormwater utility | <u>\$ 500,514</u> |

Town of Medley, Florida
Notes to Financial Statements
September 30, 2024

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consist of the following at September 30, 2024:

| | Governmental Funds | | | Enterprise Funds | | | | Total |
|-----------------------|---------------------|--------------------------|---------------------------------|---------------------|----------------------|--------------------|---------------------|---------------------|
| | General Fund | Building Department Fund | Town of Medley Foundation, Inc. | Total Governmental | Water and Wastewater | Stormwater Utility | Total Enterprise | |
| Payables | | | | | | | | |
| Vendors | \$ 699,207 | \$ 174,658 | \$ 3,940 | \$ 877,805 | \$ 1,726,997 | \$ 32,489 | \$ 1,759,486 | \$ 2,637,291 |
| Salaries and benefits | 370,841 | - | - | 370,841 | 32,786 | 6,136 | 38,922 | 409,763 |
| Interest | - | - | - | - | 3,550 | 1,406 | 4,956 | 4,956 |
| DERM taxes | - | - | - | - | 367,874 | - | 367,874 | 367,874 |
| Total payables | <u>\$ 1,070,048</u> | <u>\$ 174,658</u> | <u>\$ 3,940</u> | <u>\$ 1,248,646</u> | <u>\$ 2,131,207</u> | <u>\$ 40,031</u> | <u>\$ 2,171,238</u> | <u>\$ 3,419,884</u> |

6. AD VALOREM TAX REVENUES

Property values are assessed as of January 1 of each year, at which time taxes become an enforceable lien on property. Tax bills are mailed for the Town by Miami-Dade County on or about October 1 of each year and are payable with discounts of up to 4% offered for early payment. Taxes become delinquent on April 1 of the year following the year of assessment and state law provides for enforcement of collection of property taxes by seizure of the personal property or by the sale of interest-bearing tax certificates to satisfy unpaid property taxes.

Assessed values are established by the Miami-Dade County Property Appraiser. In November 1992, a Florida constitutional amendment was approved by the voters, which provides for limiting the increases in homestead property valuations for ad valorem tax purposes to a maximum of 3% annually and provides for reassessment of market values upon changes in ownership. The County bills and collects all property taxes and remits them to the Town. State statutes permit municipalities to levy property taxes at a rate of up to 10 mills (\$10 per \$1,000 of assessed taxable valuation). The tax levy of the Town is established by the Town Council and the Miami-Dade County Property Appraiser incorporates the Town's millage into the total tax levy, which includes the County and the County School Board tax requirements. The millage rate assessed by the Town for the year ended September 30, 2024, was 3.0000 mills (\$3.0000 per \$1,000 of taxable assessed valuation). The Town levied a millage rate of 3.2000 mills for fiscal year 2025.

Town of Medley, Florida
Notes to Financial Statements
September 30, 2024

7. EMPLOYEE BENEFIT PLANS

A. Single Employer Defined Benefit Plans

(1) The Town’s reporting entity participates in two single employer, defined benefit, public employee retirement systems. Assets are held separately and may be used only for the payment of the members of the respective plans as follows:

- **General Employees’ Pension Plan:** The Town of Medley’s General Employees’ Pension Plan provides retirement benefits for substantially all nonsworn police officers and elected officials of the Town. General Employees’ Pension Plan information in this note is provided as of the latest actuarial valuation, October 1, 2023.
- **Police Officers’ Retirement Plan:** The Town of Medley’s Police Officers’ Retirement Plan provides retirement benefits to sworn police officers. Police Officers’ Retirement Plan information in this note is provided as of the latest actuarial valuation, October 1, 2023.

Actuarial valuations are performed annually for the General Employees’ Pension Plan and the Police Officers’ Retirement Plan. For additional information relating to investment policy, basis of accounting, and reported investment values, see Note 1. The Town Council is responsible for establishing benefits and approving all plan amendments.

(2) Memberships of the plans are as follows as of the most recent actuarial valuation:

| | General Employees’ Pension Plan | Police Officers’ Retirement Plan | Total |
|--|--|---|--------------|
| Active members | 93 | 40 | 133 |
| Retirees and beneficiaries currently receiving benefits | 56 | 27 | 83 |
| Terminated plan members entitled to but not yet receiving benefits | 16 | 5 | 21 |
| | <u>165</u> | <u>72</u> | <u>237</u> |

Town of Medley, Florida
Notes to Financial Statements
September 30, 2024

(3) The following is a summary of the funding policies, contribution methods, and benefit provisions:

| | <u>General Employees' Pension Plan</u> | <u>Police Officers' Retirement Plan</u> |
|--|---|---|
| Year established and governing authority | 2003 Town Resolution | 2005 Town Ordinance |
| Determination of contribution requirements | Actuarially | Actuarially |
| Employer | Actuarially determined | Actuarially determined |
| Plan members | Noncontributory | 5% of covered payrolls |
| Funding of administrative costs | Investment earnings | Investment earnings |
| Eligibility for plan membership | All employees with the exception of police officers are eligible after reaching the age of 21 and one year of service. Elected officials are eligible to enter the plan on the first April 1 or October 1 and commencement of service in their elected positions. | Employees who are classified as full-time sworn police officers shall participate in the Police Officers' Retirement Plan as a condition of employment. |
| Period required to vest | 5 years for general employees; immediate for elected officials; part time employees upon attainment of normal retirement eligibility requirements. | 10 years |
| Post-retirement benefit increases | Increases must be approved by Town Council. | Increases must be approved by the Town Council. |
| Eligibility for distributions | 30 years of credited service or age 62 for general employees hired before January 1, 2011; 35 years of credited service or age 62 for general employees hired after January 1, 2011; 8 years of credited service and age 55 for elected officials. | 25 years of credited service and age 52 or 10 years of credited service and age 55. |
| Death benefits | Survivor benefit based on normal retirement date and vested account balance. | Survivor benefit based on normal retirement date and vested account balance. |
| Plan administration | Management of the plan is vested in the plan's Board of Trustees, which consists of five members. The Mayor is an ex-officio member with the other four appointed by the Mayor. | Management of the plan is vested in the Board of Trustees of the Town of Medley Police Officers' Retirement Plan. |

Town of Medley, Florida
Notes to Financial Statements
September 30, 2024

For the year ended September 30, 2024, the General Employees' Pension Fund's statement of fiduciary net position was as follows:

| | General Employees' Pension Fund |
|--|--|
| Assets | |
| Accounts receivable | \$ 3,046 |
| Investments at fair value | <u>34,163,641</u> |
| Total assets | <u>34,166,687</u> |
| Liabilities | |
| Accounts payable | <u>46,024</u> |
| Total liabilities | <u>46,024</u> |
| Net position restricted for pension benefits | <u>\$ 34,120,663</u> |

For the year ended September 30, 2024, the General Employees' Pension Fund's statement of changes in fiduciary net position was as follows:

| | General Employees' Pension Fund |
|---|--|
| Additions | |
| Contributions | |
| Town | <u>1,272,881</u> |
| Total contributions | 1,272,881 |
| Investment gains, including net unrealized gains on investments | <u>6,543,338</u> |
| Total additions | <u>7,816,219</u> |
| Deductions | |
| Benefit payments | 1,532,622 |
| Administrative expense | <u>62,107</u> |
| Total deductions | <u>1,594,729</u> |
| Change in fiduciary net position | 6,221,490 |
| Fiduciary net position restricted for pension benefits | |
| Beginning of year | <u>27,899,173</u> |
| End of year | <u>\$ 34,120,663</u> |

Town of Medley, Florida
Notes to Financial Statements
September 30, 2024

For the year ended September 30, 2024, the Police Officers' Retirement Fund's statement of fiduciary net position was as follows:

| | Police Officers' Retirement Fund |
|--|---|
| Assets | |
| Accounts receivable | \$ 162,540 |
| Investments at fair value | <u>39,528,960</u> |
| Total assets | <u>39,691,500</u> |
| Liabilities | |
| Accounts payable | <u>22,735</u> |
| Total liabilities | <u>22,735</u> |
| Net position restricted for pension benefits | <u>\$ 39,668,765</u> |

Town of Medley, Florida
Notes to Financial Statements
September 30, 2024

For the year ended September 30, 2024, the Police Officers' Retirement Fund's statement of changes in fiduciary net position was as follows:

| | Police Officers' Retirement Fund |
|---|---|
| Additions | |
| Contributions | |
| Town | \$ 1,250,000 |
| Plan members | 223,311 |
| State of Florida | 153,317 |
| Total contributions | <u>1,626,628</u> |
| Investment gains, including net unrealized gains on investments | <u>7,622,072</u> |
| Total additions | <u>9,248,700</u> |
| Deductions | |
| Benefit payments | 1,803,622 |
| Administrative expense | 40,330 |
| Total deductions | <u>1,843,952</u> |
| Change in fiduciary net position | 7,404,748 |
| Fiduciary net position restricted for pension benefits | |
| Beginning of year | <u>32,264,017</u> |
| End of year | <u>\$ 39,668,765</u> |

(4) Net Pension Liability

The components of the net pension liability at September 30, 2024 are as follows:

| | General Employees' Pension Plan | Police Officers' Retirement Plan |
|--|--|---|
| Total pension liability | \$ 34,680,497 | \$ 36,833,386 |
| Less: Plan fiduciary net position | <u>(34,120,663)</u> | <u>(39,668,765)</u> |
| Net pension liability (asset) | <u>\$ 559,834</u> | <u>\$ (2,835,379)</u> |
| Plan fiduciary net position as a percentage of total pension liability | <u>98.39%</u> | <u>107.70%</u> |

Town of Medley, Florida
Notes to Financial Statements
September 30, 2024

The total pension liability was determined by actuarial valuations as of October 1, 2023 and a measurement date of September 30, 2024, using the actuarial assumptions as described below and applied to all prior periods included in the measurement:

| | <u>General Employees’ Pension Plan</u> | <u>Police Officers’ Retirement Plan</u> |
|-----------------------------------|---|--|
| Provision for | | |
| Disability benefits | Yes | Yes |
| Death benefits | Yes | Yes |
| Valuation date | October 1, 2023 | October 1, 2023 |
| Actuarial cost method | Entry age | Entry age |
| Amortization method | Level percentage of pay, closed | Level percentage of pay, closed |
| Amortization period | 20 years | 30 years |
| Actuarial asset valuation method | Market value with an adjustment to uniformly spread actuarial investment gains and losses (as measured by actual market value investment return against expected market value investment return) over a five-year period. | All assets are valued at market value with an adjustment to uniformly spread actuarial investment gains and losses (as measured by actual market value investment return against expected market value investment return) over a five-year period. |
| Actuarial assumptions: | | |
| Mortality rate | <p><i>Healthy Active Lives</i> Female: PubG.H-2010 for Employees. Male: PubG.H-2010 for Employees, set back one year.</p> <p><i>Healthy Retiree Lives</i> Female: PubG.H-2010 (Below Median) for Healthy Retirees. Male: PubG.H-2010 for Healthy Retirees, set back one year.</p> <p><i>Beneficiary Lives</i> Female: PubG.H-2010 for Healthy Retirees. Male: PubG.H-2010 (Below Median) for Healthy Retirees, set back one year.</p> <p><i>Disabled Lives</i> PubG.H-2010 for Disabled Retirees, set forward three years.</p> | <p><i>Healthy Active Lives</i> Female: PubS.H-2010 for Employees, set forward one year. Male: PubS.H-2010 for Employees, set forward one year.</p> <p><i>Healthy Retiree Lives</i> Female: PubS.H-2010 for Healthy Retirees, set forward one year. Male: PubS.H-2010 (Below Median) for Healthy Retirees, set forward one year.</p> <p><i>Beneficiary Lives</i> Female: PubG.H-2010 (Below Median) for Healthy Retirees. Male: PubG.H-2010 (Below Median) for Healthy Retirees, set back one year.</p> <p><i>Disabled Lives:</i> 80% PubG.H-2010 for Disabled Retirees / 20% PubS.H-2010 for Disabled Retirees.</p> |
| Investment rate of return | 6.50% | 7.25% |
| Discount rate | 6.50% | 7.25% |
| Projected salary increases | Service based | Service based |
| Post retirement benefit increases | N/A | N/A |
| Inflation | 2.50% | 2.50% |
| Cost-of-living adjustments | 2.50% per year | 1% until age 62 |

Town of Medley, Florida
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The long-term expected rate of return on 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. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2024 (see the discussion of the pension plan's investment policy), are summarized in the following table:

| <u>Asset Class</u> | <u>General Employees' Pension Plan</u> | | <u>Police Officers' Retirement Plan</u> | |
|----------------------|--|---|---|---|
| | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
| Fixed income | 10% | 3.00% | 10% | 3.00% |
| Domestic equity | 60% | 4.75% | 60% | 4.75% |
| International equity | 10% | 5.00% | 10% | 5.00% |
| Cash | 20% | 50.00% | 20% | 0.50% |
| | <u>100%</u> | | <u>100%</u> | |

The discount rate used to measure the total pension liability was 6.5% and 7.25% for the general employees' pension and police officers' retirement plans, respectively. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Town of Medley, Florida
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The following presents the net pension liability (asset) of the Town calculated using the aforementioned discount rate, as well as what the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rate:

| | <u>General Employees' Pension Plan</u> | | <u>Police Officers' Retirement Plan</u> | |
|-----------------------|--|--------------------------------------|---|--------------------------------------|
| | <u>Discount Rate</u> | <u>Net Pension Liability (Asset)</u> | <u>Discount Rate</u> | <u>Net Pension Liability (Asset)</u> |
| 1% decrease | 5.50% | \$ 4,664,872 | 6.25% | \$ 1,274,688 |
| Current discount rate | 6.50% | \$ 559,834 | 7.25% | \$ (2,835,379) |
| 1% increase | 7.50% | \$ (2,868,906) | 8.25% | \$ (6,287,314) |

For the year ended September 30, 2024, the annual money-weighted rate of return on each pension plan investments, net of pension plan investment expense, was as follows:

| | <u>General Employees' Pension Plan</u> | <u>Police Officers' Retirement Plan</u> |
|--------------------------------------|--|---|
| Annual money-weighted rate of return | 23.58% | 23.77% |

Town of Medley, Florida
Notes to Financial Statements
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(5) Reserves

There are no assets legally reserved for purposes other than the payment of plan members' benefits for either plan. See Note 1 for individual investments whose market value exceeds 5% or more of net position available for benefits. There are no long-term contracts for contributions.

(6) Change in Net Pension Liability

The schedule of changes in the net pension liability below provides an aggregate view of these plans for both the general employees' and police officers' retirement plans:

| | General Employees' Pension Plan | | | Police Officers' Retirement Plan | | |
|---|---------------------------------|-----------------------------|--------------------------------|----------------------------------|-----------------------------|--------------------------------|
| | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability/ (Asset) | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability/ (Asset) |
| Balance at September 30, 2023 | \$ 32,205,876 | \$ 27,899,173 | \$ 4,306,703 | \$ 35,023,165 | \$ 32,264,017 | \$ 2,759,148 |
| Changes in the year | | | | | | |
| Service cost | 817,153 | - | 817,153 | 966,508 | - | 966,508 |
| Interest | 2,098,044 | - | 2,098,044 | 2,532,059 | - | 2,532,059 |
| Differences between actual and expected | 1,092,046 | - | 1,092,046 | 115,276 | - | 115,276 |
| Changes in benefits | - | - | - | - | - | - |
| Contributions – employer | - | 1,272,881 | (1,272,881) | - | 1,250,000 | (1,250,000) |
| Contributions – State | - | - | - | - | 153,317 | (153,317) |
| Contributions – employee | - | - | - | - | 223,311 | (223,311) |
| Net investment earnings | - | 6,543,338 | (6,543,338) | - | 7,622,072 | (7,622,072) |
| Benefit payments | (1,532,622) | (1,532,622) | - | (1,803,622) | (1,803,622) | - |
| Administrative expenses | - | (62,107) | 62,107 | - | (40,330) | 40,330 |
| Net change | 2,474,621 | 6,221,490 | (3,746,869) | 1,810,221 | 7,404,748 | (5,594,527) |
| Balance at September 30, 2024 | \$ 34,680,497 | \$ 34,120,663 | \$ 559,834 | \$ 36,833,386 | \$ 39,668,765 | \$ (2,835,379) |

(7) Pension Expense

For the year ended September 30, 2024, the Town will recognize pension expense of \$829,048 and \$551,420 for the general employees' and police officers' pension plans, respectively.

The information below provides an aggregate view of the development of the pension expense for both the general employees' and police officers' retirement plans:

| | General Employees' Pension Plan | Police Officers' Retirement Plan |
|-------------------------------------|---------------------------------|----------------------------------|
| Service cost incurred | \$ 817,153 | \$ 966,508 |
| Interest on total pension liability | 2,098,044 | 2,532,059 |
| Employee paid contribution | - | (223,311) |
| Plan amendment | - | - |
| Projected earnings on investments | (1,803,790) | (2,327,585) |
| Administrative expenses | 62,107 | 40,330 |
| Recognition of deferred inflows | (344,466) | (436,581) |
| Total pension expense | \$ 829,048 | \$ 551,420 |

Town of Medley, Florida
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(8) Deferred Inflows and Outflows

On September 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | General Employees' Pension Plan | | Police Officers' Retirement Plan | | Total | |
|--|---------------------------------|-----------------------|----------------------------------|-----------------------|---------------------|-----------------------|
| | Deferred Outflows | Deferred Inflows | Deferred Outflows | Deferred Inflows | Deferred Outflows | Deferred Inflows |
| Differences between expected and actual experience | \$ 1,564,166 | \$ (345,555) | \$ 356,360 | \$ (70,635) | \$ 1,920,526 | \$ (416,190) |
| Changes in assumptions | 76,282 | (70,573) | 351,384 | (97,877) | 427,666 | (168,450) |
| Net difference between projected and actual earnings on pension plan investments | - | (2,649,809) | - | (2,459,760) | - | (5,109,569) |
| | <u>\$ 1,640,448</u> | <u>\$ (3,065,937)</u> | <u>\$ 707,744</u> | <u>\$ (2,628,272)</u> | <u>\$ 2,348,192</u> | <u>\$ (5,694,209)</u> |

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the pension expense as follows for years ending September 30:

| | General Employees' Pension Plan | Police Officers' Retirement Plan |
|------------|---------------------------------|----------------------------------|
| 2025 | \$ (254,857) | \$ (398,679) |
| 2026 | 528,436 | 588,734 |
| 2027 | (1,022,091) | (1,130,859) |
| 2028 | (703,739) | (979,724) |
| 2029 | 26,762 | - |
| Thereafter | - | - |
| | <u>\$ (1,425,489)</u> | <u>\$ (1,920,528)</u> |

(9) Calculation of Retirement Benefits

Amount of Retirement Benefit

(a) General Employees' Pension Plan

The participant's normal retirement benefit is determined based on the participant's job classification as follows:

General Employees - Union and Non-Union

The normal retirement benefit is determined as a percentage of basic monthly earnings. The percent is based on the number of years of benefit service at calculation date. Benefit service is limited to 30 years. The applicable percent, based on the following table, is multiplied by all years of service at the time the benefit is determined.

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| <u>Hired Prior to January 1, 2011</u> | | <u>Hired On or After January 1, 2011</u> | |
|---------------------------------------|----------------|--|----------------|
| <u>Benefit Service</u> | <u>Percent</u> | <u>Benefit Service</u> | <u>Percent</u> |
| 0 to 10 | 2.00% | 0 to 15 | 2.00% |
| 10 to 15 | 2.25% | 15 to 20 | 2.25% |
| 15 to 30 | 2.75% | 20 to 30 | 2.75% |

Basic monthly earnings means the average monthly compensation paid for service performed during the five-consecutive plan year period within the most recent ten years which will produce the highest average, provided the participant received compensation in each of the consecutive whole months.

Mayor

The normal retirement benefit earned is equal to one-twelfth of \$8,500 multiplied by the number of years of credited benefit service as mayor.

Elected Council Members

The normal retirement benefit earned is equal to one-twelfth of \$3,800 multiplied by the number of years of credited benefit service as council member.

Part-Time Employees

The normal retirement benefit is determined based on age and years of service. There is no vesting until eligibility to retire is attained, and there is no pre-retirement benefit.

| <u>Age</u> | <u>Years of Service</u> | <u>Monthly Benefit</u> |
|------------|-------------------------|------------------------|
| 65 | 20 | \$470 |
| 65 | 25 | \$490 |
| 70 | 15 | \$450 |
| 70 | 20 | \$510 |
| 70 | 25 | \$530 |

Benefit Limits

Council Members' and Mayor benefits are limited to 100% of basic monthly earnings, including cost of living adjustments. General employees' benefits are limited to 75% of basic monthly earnings, including cost of living adjustments.

Normal Retirement

For elected officials, normal retirement date is the later of (1) age 55 or (2) eight completed years of vesting service as an elected official. Notwithstanding the above, an elected official who retires from services on or after August 3, 2010, and who has completed at least eight years of service and attained the age of 50, shall be eligible to receive an unadjusted early retirement benefit. For general employees hired before January 1, 2011, normal retirement date is the earlier of (1) age 62 or (2) 30 completed years of vesting service. For general employees hired after January 1, 2011, normal retirement date is the earlier of (1) age 62 or (2) 35 completed years of service. For part-time employees, the normal retirement date is the earlier of (1) age 62 or (2) 35 completed years of service.

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(b) Police Officers' Retirement Plan

Normal Retirement Date

Earlier of: (1) age 55 and 10 years of credited service, or (2) age 52 and 25 years of credited service. Benefit: 3.25% of average final compensation times credit service (maximum 81.25% for those hired on and after October 1, 2008).

Early Retirement

Eligibility: Age 50 and 10 years of credited service. Benefit: Accrued benefit reduced 3% for each year prior to normal retirement.

DROP Program

On June 5, 2017, the General Employees Retirement Plan and Police Officers' Retirement Plan adopted a Deferred Retirement Option Program ("DROP") for participants who are eligible to receive normal retirement. Eligible members may participate by applying to the Board of each plan.

Upon a member's election to participate in the DROP, that member shall cease to be a member of his or her respective plan and shall be precluded from receiving any additional benefits under their respective plan; accordingly, that member shall be considered retired. The maximum duration of DROP participation shall not exceed three years and participation shall end if the participant resigns, dies, becomes disabled or is terminated from employment for any reason prior to completion of said three years. A participant who has entered DROP shall be required to terminate employment, at the latest, upon completion of the maximum DROP participation period as specified.

A participant may participate in the DROP only once and thereafter such participant shall not again have the right to be a contributing member of the retirement system. A participant who enters DROP shall be considered retired for all purposes under the plans except that the participant may continue to work for the Town of Medley until the end of his or her DROP participation period.

Monthly retirement benefits that would have been payable had the member retired and elected to receive monthly pension payments shall be credited to the member's DROP account for the duration of his or her DROP participation. DROP participants shall not have any access to the funds in their respective DROP account until such time as they have terminated service.

DROP account assets shall not be segregated from plan assets and shall remain commingled for investment purposes but shall be accounted for separately on a bookkeeping basis only. DROP assets will earn the same return as earned by the remainder of the plan assets.

Upon termination of employment, participants in the DROP have the option of receiving the balance of their account either in a lump sum distribution or in any other form of payment selected by the participant conforming to applicable laws.

B. Money Purchase Plan

All of the Town's full-time employees, except police officers, are required to participate in a money purchase plan and trust established under Section 401(a) of the Internal Revenue Code. The Town Council has designated The Standard Insurance Company ("Standard") as administrator of the plan, to hold the trust assets and to perform all nondiscretionary functions necessary for the administration of the plan with respect to assets in the plans deposited with the trust.

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Employees and executives are eligible to participate from the date of their employment; Council persons are eligible when they begin to serve their elected term, regardless of hire date.

As of September 30, 2024, there were 67 active participants in the money purchase plan.

Funding Provisions – Participating plan members can voluntarily contribute a percentage of their annual compensation to the plan, and the Town is required to match 7.50%, regardless of employee contributions.

Vesting Provision of Town's Contributions – Under the provisions of the defined contribution money purchase plan, benefits attributable to the Town's contributions vest immediately as of the entry date into the plan. Employees, executives, and Council persons are always 100% vested as to benefits attributable to their contributions to their accounts.

Under the provisions of each plan, employees, executives, and Council persons are eligible for normal retirement at the age of 55.

During the year, the Town contributed \$354,509 to the money purchase plan.

C. Deferred Compensation Plan

The Town offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Town employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseen non-reimbursed emergency. The assets of the plan are held in trust by Standard and, as such, are not recorded in the financial statements.

D. Post-Employment Benefits Other Than Pension

(1) Plan Description

The Town provides single employer post-employment benefit options for health care and dental insurance to eligible retirees, terminated employees, and their dependents. The benefits are provided in accordance with Town ordinances, collective bargaining agreements, and the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA"). The criteria to determine eligibility include years of service, employee age, disability due to line of duty, and whether the employee has vested in the respective retirement plan. Eligible employees must retire from the Town and have 30 years of employment regardless of age, 20 years of employment and be at least 55 years old or 10 years of employment and be at least 62 years old. The Town pays the entire premium for these eligible employees and spouses and coverage expires upon Medicare eligibility.

Town of Medley, Florida
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At September 30, 2024, the following employees were covered by the benefit terms:

| | |
|--|------------|
| Inactive plan members, or beneficiaries currently receiving benefits | 22 |
| Inactive plan members entitled to but not yet receiving benefits | - |
| Active plan members | 115 |
| Covered spouses | <u>9</u> |
| | <u>146</u> |

(2) Funding Policy

For the OPEB plan, contribution requirements of the Town are established and may be amended through action of the Town Council. Currently the OPEB's benefits are unfunded and, as such, the Town recorded \$756,470 in OPEB benefit payments. The required contributions are based on a pay-as-you-go financing requirement and, therefore, ultimate subsidies are provided over time, and financed directly by the general assets of the Town, which are invested in accordance with the Town's investment policy. The discount rate used to calculate the present values and costs of OPEB must be the long-range expected return on those investments. The Town selected a discount rate of 4.06% for this purpose.

(3) OPEB Liability

The Town's total OPEB liability of \$11,210,317 was measured as of September 30, 2024, and was determined by an actuarial valuation as of September 30, 2023.

Town of Medley, Florida
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Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of September 30, 2024, using the following actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date as of September 30, 2024:

| | |
|---|--|
| Valuation date | September 30, 2022 |
| Actuarial cost method | Entry Age |
| Amortization method | Level percentage of pay, closed |
| Amortization period | 30 years |
| Actuarial asset valuation method | N/A |
| Actuarial assumptions | |
| Mortality rate - General Pension Plan Employees | <p><i>Healthy Active Lives</i> Female: PubG.H-2010 for Employees. Male: PubG.H-2010 for Employees, set back one year.</p> <p><i>Healthy Retiree Lives</i> Female: PubG.H-2010 (Below Median) for Healthy Retirees. Male: PubG.H-2010 for Healthy Retirees, set back one year.</p> <p><i>Beneficiary Lives</i> Female: PubG.H-2010 for Healthy Retirees. Male: PubG.H-2010 (Below Median) for Healthy Retirees, set back one year.</p> <p><i>Disabled Lives</i> PubG.H-2010 for Disabled Retirees, set forward three years.</p> |
| Mortality rate - Police Pension Plan Employees | <p><i>Healthy Active Lives</i> Female: PubS.H-2010 for Employees, set forward one year. Male: PubS.H-2010 for Employees, set forward one year.</p> <p><i>Healthy Retiree Lives</i> Female: PubS.H-2010 for Healthy Retirees, set forward one year. Male: PubS.H-2010 (Below Median) for Healthy Retirees, set forward one year.</p> <p><i>Beneficiary Lives</i> Female: PubG.H-2010 (Below Median) for Healthy Retirees. Male: PubG.H-2010 (Below Median) for Healthy Retirees, set back one year.</p> <p><i>Disabled Lives:</i> 80% PubG.H-2010 for Disabled Retirees / 20% PubS.H-2010 for Disabled Retirees.</p> |
| Inflation | 2.50% |
| Rate of growth in real income | 3.50% for General Pension Plan Employees. For Police Pension Plan Employees, increases vary based on age - 6.68% at age 25, 6.07% at age 30, 5.22% at age 40, and 4.62% at age 50 |
| Discount rate | 4.06% |
| Healthcare cost trend rate | 4.00%-7.25% |

Town of Medley, Florida
Notes to Financial Statements
September 30, 2024

Changes in the Total OPEB Liability

| | |
|--|----------------------|
| Balance at September 30, 2023 | <u>\$ 10,279,331</u> |
| Changes for the year | |
| Service cost | 460,084 |
| Interest | 504,808 |
| Differences between expected and actual experience | - |
| Changes of assumptions | 722,564 |
| Benefit payments | <u>(756,470)</u> |
| Net changes | <u>930,986</u> |
| Balance at September 30, 2024 | <u>\$ 11,210,317</u> |

The discount rate used to determine the liabilities under GASB 75 depends upon the Town's funding policy. The discount rate for governments that do not prefund benefits is based on 20-year general obligation bond ("GO bond") rates.

The discount rate assumption for disclosure purposes for fiscal year 2024 is 4.06%, the 20-year GO bond index as of September 30, 2024. The rate at the beginning of the year was 4.87%, the 20-year GO bond index as of October 1, 2023.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rate:

| | <u>Discount Rate</u> | <u>Net OPEB Liability</u> |
|-----------------------|--------------------------|-------------------------------|
| 1% decrease | 3.06% | \$ 12,185,699 |
| Current discount rate | 4.06% | \$ 11,210,317 |
| 1% increase | 5.06% | \$ 10,326,510 |

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one-percentage-point lower or one-percentage-point higher:

| | <u>Healthcare Trend Rates</u> | <u>Net OPEB Liability</u> |
|-------------------------------------|-----------------------------------|-------------------------------|
| 1% decrease | 3.00%-6.25% | \$ 9,920,048 |
| Current healthcare cost trend rates | 4.00%-7.25% | \$ 11,210,317 |
| 1% increase | 5.00%-8.25% | \$ 12,720,694 |

Town of Medley, Florida
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OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2024, the Town recognized OPEB expense of \$485,083. At September 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|--|---|--|
| Differences between expected and actual experience | \$ 537,782 | \$ (22,194) |
| Changes in assumptions | <u>1,358,415</u> | <u>(3,948,127)</u> |
| | <u>\$ 1,896,197</u> | <u>\$ (3,970,321)</u> |

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the pension expense as follows for the years ending September 30:

| | |
|------------|-----------------------|
| 2025 | \$ (482,459) |
| 2026 | (482,457) |
| 2027 | (412,367) |
| 2028 | (235,263) |
| 2029 | (414,297) |
| Thereafter | <u>(47,281)</u> |
| | <u>\$ (2,074,124)</u> |

8. LEASES

As Lessor

The Town subleases mobile home sites to qualified individuals in the Town's mobile home park on a monthly basis. Tenants of the mobile home park are required to be qualified low-income individuals. In the fiscal year ended September 30, 2024, the Town received \$236,675 in lease income from these sites.

As Lessee

The Town leases approximately five acres of land from Lowell Dunn Company for the site of the police gun range on a year-to-year basis for \$10 a year.

The Town entered into a ground lease with Our Security Corporation on April 1, 1989. The land was subsequently improved for a mobile home park. The lease has an initial term of 20 years with options to renew for three successive periods of 20 years each, at fair rental value on the date of renewal and the initial term was extended to March 2049. The lease agreement provides for rental increases annually based on the Consumer Price Index U.S. ("CPI-U") City Average for All Urban Consumers (CPI-U 1982-84 = 100).

The Town's right-to-use ground lease asset consists of the following at September 30, 2024:

| | <u>Gross Asset Balance</u> | <u>Accumulated Amortization</u> | <u>Net Asset Balance</u> |
|--------------|--------------------------------|-------------------------------------|------------------------------|
| Ground lease | <u>\$ 1,814,925</u> | <u>\$ 1,042,667</u> | <u>\$ 772,258</u> |

Town of Medley, Florida
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The following is a schedule of future payments under this lease (using an estimated 3% CPI-U rate increase each year):

| <u>Year Ending September 30,</u> | <u>Principal/ (Accretion)</u> | <u>Interest</u> | <u>Total</u> |
|----------------------------------|-----------------------------------|---------------------|----------------------|
| 2025 | \$ (87,889) | \$ 375,477 | \$ 287,588 |
| 2026 | (78,587) | 380,842 | 302,255 |
| 2027 | (67,888) | 385,558 | 317,670 |
| 2028 | (55,658) | 389,530 | 333,872 |
| 2029 | (41,754) | 392,653 | 350,899 |
| 2030 – 2034 | 70,051 | 1,971,847 | 2,041,898 |
| 2035 – 2039 | 775,032 | 1,843,439 | 2,618,471 |
| 2040 – 2044 | 1,941,384 | 1,416,465 | 3,357,849 |
| 2045 – 2049 | <u>3,466,434</u> | <u>515,508</u> | <u>3,981,942</u> |
| | <u>\$ 5,921,125</u> | <u>\$ 7,671,319</u> | <u>\$ 13,592,444</u> |

The discount rate of the lease liability is based upon the Town's estimated borrowing rate of 6.50%. Amortization expense on the right-to-use asset was \$30,249 for the year ended September 30, 2024. Variable lease expense for the year ended September 30, 2024 was \$202,257. As of September 30, 2024, the remaining life of the lease was 24.5 years.

The Town entered into a lease agreement for a fleet of vehicles. The lease has a term of 5 years, ending in June 2029. The discount rate of the lease liability is based upon the Town's estimated borrowing rate of 8.50%. As of September 30, 2024, the remaining life of the lease was 4.5 years. As of September 30, 2024, two of the vehicles being leased are used by the water and wastewater fund and two other vehicles leased are used by the stormwater fund; therefore, the related lease assets and liabilities are recorded to those funds respectively.

The Town's right-to-use vehicle asset consists of the following at September 30, 2024:

| | <u>Gross Asset Balance</u> | <u>Accumulated Amortization</u> | <u>Net Asset Balance</u> |
|--|--------------------------------|-------------------------------------|------------------------------|
| Vehicles - governmental fund type activities | <u>\$ 928,010</u> | <u>\$ 19,921</u> | <u>\$ 908,089</u> |
| | <u>Gross Asset Balance</u> | <u>Accumulated Amortization</u> | <u>Net Asset Balance</u> |
| Vehicles - proprietary fund type activities | <u>\$ 57,949</u> | <u>\$ 10,635</u> | <u>\$ 47,314</u> |

Town of Medley, Florida
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The following is a schedule of future payments under this lease recorded under governmental fund type obligations:

| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|---|-------------------|-------------------|-------------------|
| <u>Year Ending September 30,</u> | | | |
| 2025 | \$ 166,403 | \$ 60,268 | \$ 226,671 |
| 2026 | 181,087 | 45,585 | 226,672 |
| 2027 | 197,065 | 29,606 | 226,671 |
| 2028 | - | 12,243 | 12,243 |
| 2029 | - | 559 | 559 |
| | <u>\$ 544,555</u> | <u>\$ 148,261</u> | <u>\$ 692,816</u> |

The following is a schedule of future payments under this lease recorded under proprietary fund type obligations:

| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|---|------------------|-----------------|------------------|
| <u>Year Ending September 30,</u> | | | |
| 2025 | \$ 4,919 | \$ 2,204 | \$ 7,123 |
| 2026 | 5,354 | 1,770 | 7,124 |
| 2027 | 5,828 | 1,296 | 7,124 |
| 2028 | 6,343 | 781 | 7,124 |
| 2029 | 6,211 | 225 | 6,436 |
| | <u>\$ 28,655</u> | <u>\$ 6,276</u> | <u>\$ 34,931</u> |

9. LONG-TERM OBLIGATIONS

A. Governmental Fund Type Long-Term Obligations

Changes in governmental fund type long-term obligations for the year ended September 30, 2024 are as follows:

| | <u>Balance October 1, 2023</u> | <u>Additions</u> | <u>Reductions</u> | <u>Balance September 30, 2024</u> | <u>Amount Due Within One Year</u> |
|---------------------------------|--|---------------------|---------------------|---|---|
| Notes payable | \$ 8,549,601 | \$ - | \$ 580,301 | \$ 7,969,300 | \$ 589,300 |
| Annexation mitigation liability | 2,362,896 | 374,111 | 837,400 | 1,899,607 | 453,367 |
| Lease liabilities (Note 8) | 5,760,335 | 802,667 | 97,322 | 6,465,680 | 230,174 |
| Compensated absences | 1,499,055 | 2,097,163 | 1,923,148 | 1,673,070 | 1,673,070 |
| | <u>\$ 18,171,887</u> | <u>\$ 3,273,941</u> | <u>\$ 3,438,171</u> | <u>\$ 18,007,657</u> | <u>\$ 2,945,911</u> |

The Town's note payable (TD Bank Capital Improvement Revenue Refunding Note, Series 2021) requires monthly principal payments ranging from \$47,600 to \$60,000 plus interest fixed at 1.72%, commencing February 1, 2022 through maturity on December 1, 2036, when a principal payment of \$105,000 and all accrued interest is due. The note is collateralized by all non-ad valorem revenues of the Town.

Town of Medley, Florida
Notes to Financial Statements
September 30, 2024

A summary of debt service (annual principal and interest) requirements to maturity for all governmental fund type outstanding notes payable obligations are as follows:

| <u>Fiscal Year</u> | <u>Governmental Fund Type</u> | | |
|--------------------|-------------------------------|-------------------|---------------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Total Debt Service</u> |
| 2025 | \$ 589,300 | \$ 131,597 | \$ 720,897 |
| 2026 | 599,300 | 121,365 | 720,665 |
| 2027 | 610,600 | 110,950 | 721,550 |
| 2028 | 621,000 | 100,353 | 721,353 |
| 2029 – 2033 | 3,269,700 | 336,295 | 3,605,995 |
| 2034 – 2037 | <u>2,279,400</u> | <u>63,019</u> | <u>2,342,419</u> |
| | <u>\$ 7,969,300</u> | <u>\$ 863,579</u> | <u>\$ 8,832,879</u> |

On April 5, 2023, the Town entered into an Interlocal Agreement with Miami-Dade County to annex tracts of land within Miami-Dade County. Under this agreement, the Town agrees to pay Miami-Dade County's remaining stormwater utility debt service payments for the property annexed by the Town. The annual payments are \$88,787 per year commencing March 1, 2024 through March 1, 2029. Additionally, the Town agrees to mitigate the lost revenue to Miami-Dade County for the property annexed by the Town. The Town shall make four annual payments to Miami-Dade County ranging from \$517,238 to \$565,231 commencing April 1, 2024.

A summary of debt service (annual principal and interest) requirements to maturity for the Town's annexation mitigation obligations are as follows:

| <u>Fiscal Year</u> | <u>Governmental Fund Type</u> | | |
|--------------------|-------------------------------|-------------------|---------------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Total Debt Service</u> |
| 2025 | \$ 453,367 | \$ 79,417 | \$ 532,784 |
| 2026 | 693,953 | 41,869 | 735,822 |
| 2027 | 752,287 | - | 752,287 |
| Total | <u>\$ 1,899,607</u> | <u>\$ 121,286</u> | <u>\$ 2,020,893</u> |

Compensated absences and other post-employment benefits are not included in the above tables as the maturities are indeterminable.

Town of Medley, Florida
Notes to Financial Statements
September 30, 2024

B. Proprietary Fund Type Long-Term Obligations

Promissory notes and other long-term obligations directly related to and intended to be paid from the proprietary funds are included in the accounts of such funds.

Changes in proprietary fund type long-term obligations for the year ended September 30, 2024 are as follows:

| | <u>Balance</u> <u>October 1,</u> <u>2023</u> | <u>Additions</u> | <u>Reductions</u> | <u>Balance,</u> <u>September 30,</u> <u>2024</u> | <u>Amount</u> <u>Due Within</u> <u>One Year</u> |
|----------------------------|--|-------------------|-------------------|--|---|
| Notes payable | \$ 2,146,743 | \$ - | \$ 279,618 | \$ 1,867,125 | \$ 198,207 |
| Lease liabilities (Note 8) | 28,655 | 108,779 | - | 137,434 | 27,337 |
| Compensated absences | <u>181,100</u> | <u>137,389</u> | <u>225,190</u> | <u>93,299</u> | <u>93,299</u> |
| | <u>\$ 2,356,498</u> | <u>\$ 246,168</u> | <u>\$ 504,808</u> | <u>\$ 2,097,858</u> | <u>\$ 318,843</u> |

Description of proprietary fund type long-term obligations:

Revolving Fund Loan – Florida Department of Environmental Protection,

interest of 2.05% per annum (Phase 1) and 2.54% per annum (Phase 2), payable in semi-annual principal and interest payments of \$28,218 on October 15 and April 15 through April 15, 2030, collateralized by water and wastewater user charges.

\$ 312,714

Revolving Fund Loan – Florida Department of Environmental Protection,

interest of 1.95% per annum, payable in semi-annual principal and interest payments of \$90,019 on March 15 and September 15 through March 15, 2034, collateralized by stormwater user charges.

1,554,411
\$ 1,867,125

Town of Medley, Florida
Notes to Financial Statements
September 30, 2024

A summary of debt service (annual principal and interest) requirements to maturity for all proprietary fund type outstanding obligations are as follows:

| <u>Fiscal Year</u> | <u>Proprietary Fund Type</u> | | |
|--------------------|------------------------------|-------------------|---------------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Total Debt Service</u> |
| 2025 | \$ 198,207 | \$ 37,069 | \$ 235,276 |
| 2026 | 203,579 | 32,894 | 236,473 |
| 2027 | 207,842 | 28,631 | 236,473 |
| 2028 | 212,197 | 24,276 | 236,473 |
| 2029 – 2033 | 954,935 | 86,342 | 1,041,277 |
| 2034 – 2038 | <u>90,365</u> | <u>852</u> | <u>91,217</u> |
| | <u>\$ 1,867,125</u> | <u>\$ 210,064</u> | <u>\$ 2,077,189</u> |

10. RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town has obtained insurance from commercial underwriters for all the aforementioned risks, including workers' compensation, for the year ended September 30, 2024.

In the event that the federal government declares a disaster for an event which causes damages in the Town, the federal government, in conjunction with the State of Florida, will reimburse the Town for eligible and approved expenses in excess of any applicable insurance reimbursements.

The Town has not paid any settlements in excess of insurance coverage for each of the past three years. Furthermore, the Town has no significant reduction in insurance coverage from the prior year.

11. COMMITMENTS AND CONTINGENCIES

A. Litigation and Other Matters

During the ordinary course of its operations, the Town is party to various claims, legal actions, and complaints. Some of these matters are covered by the Town's insurance program. Those which are not covered are handled by various law firms and professionals retained by the Town. Management does not believe that any such matters would have a material impact on the Town's financial statements.

B. Capital Asset Acquisition Commitments and Comprehensive Infrastructure Plan

The Town hired an engineer in 2013 to amend its comprehensive plan including capital improvement elements. The installation of necessary stormwater, drainage, and other infrastructure projects is an ongoing process. Town management has identified approximately 4 projects estimated to cost \$2.7 million in 2024 dollars over the next five years.

Town of Medley, Florida
Notes to Financial Statements
September 30, 2024

C. Annexation

The Town annexed of additional lands from Miami-Dade County. As a result of the annexation, the Town entered into an Interlocal Agreement with Miami-Dade County to annex tracts of land within Miami-Dade County. Under this agreement, the Town agrees to pay Miami-Dade County's remaining stormwater utility debt service payments for the property annexed by the Town (Note 9).

D. Grant Expenditures

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although management expects such amounts, if any, to be immaterial.

12. OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

Accounting principles generally accepted in the United States of America require disclosure, as part of the financial statements, of certain information concerning individual funds including:

Interfund Transactions and Balances

Individual fund interfund receivable and payable balances at September 30, 2024 were:

| | <u>Interfund Receivable</u> | <u>Interfund Payable</u> |
|---------------------------------|---------------------------------|------------------------------|
| Government Funds | | |
| General Fund | \$ 7,446,160 | \$ 2,616,959 |
| Building department fund | - | 1,232,181 |
| Law Enforcement Trust Fund | - | 1,845 |
| Town of Medley Foundation, Inc. | 3,247 | 18,291 |
| Total Government Funds | <u>7,449,407</u> | <u>3,869,276</u> |
| Proprietary Funds | | |
| Water and wastewater fund | 343,237 | 3,784,752 |
| Stormwater utility fund | 353,386 | 492,002 |
| Total Proprietary Funds | <u>696,623</u> | <u>4,276,754</u> |
| | <u>\$ 8,146,030</u> | <u>\$ 8,146,030</u> |

Interfund balances are used as short-term financing of cash flow shortfalls and to account for allocations of expenses between funds.

Interfund transfers for the fiscal year ended September 30, 2024 are as follows:

| | <u>Transfers In</u> | <u>Transfers Out</u> |
|---------------------------|---------------------|----------------------|
| Government Funds | | |
| General Fund | \$ 648,740 | \$ - |
| Building department fund | - | 136,532 |
| Proprietary Funds | - | - |
| Water and wastewater fund | - | 198,275 |
| Stormwater utility fund | - | 313,933 |
| | <u>\$ 648,740</u> | <u>\$ 648,740</u> |

Town of Medley, Florida
Notes to Financial Statements
September 30, 2024

13. FUND BALANCES

The Town's fund balances are as follows at September 30, 2024:

| | <u>General Fund</u> | <u>Building Department Fund</u> | <u>Law Enforcement Trust Fund</u> | <u>Town of Medley Foundation, Inc.</u> | <u>Total</u> |
|--------------------------------|-------------------------|---|---|--|----------------------|
| Nonspendable | | | | | |
| Prepays | \$ 30,152 | \$ - | \$ - | \$ - | \$ 30,152 |
| Total nonspendable | <u>30,152</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>30,152</u> |
| Restricted | | | | | |
| Law enforcement | - | - | 967,694 | - | 967,694 |
| Total restricted | <u>-</u> | <u>-</u> | <u>967,694</u> | <u>-</u> | <u>967,694</u> |
| Committed | | | | | |
| Building department activities | - | 2,738,583 | - | - | 2,738,583 |
| Foundation activities | - | - | - | 181,868 | 181,868 |
| Total committed | <u>-</u> | <u>2,738,583</u> | <u>-</u> | <u>181,868</u> | <u>2,920,451</u> |
| Assigned | | | | | |
| Pension | 4,192,017 | - | - | - | 4,192,017 |
| Capital projects | 2,534,708 | - | - | - | 2,534,708 |
| Working capital | 2,437,219 | - | - | - | 2,437,219 |
| Debt service | 584,933 | - | - | - | 584,933 |
| Total assigned | <u>9,748,877</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>9,748,877</u> |
| Unassigned | | | | | |
| Total fund balances | <u>\$ 28,156,292</u> | <u>\$ 2,738,583</u> | <u>\$ 967,694</u> | <u>\$ 181,868</u> | <u>\$ 32,044,437</u> |

14. SPECIAL ASSESSMENT

In December 2019, the Town passed a special assessment levy of \$2,445,968 to fund capital improvements. The special assessment is to be billed every year for eight years commencing in 2021. Proceeds from the special assessment are split between the general fund and stormwater utility fund.

In September 2021, the Town passed an additional special assessment levy of \$2,794,216 to fund capital improvements. The special assessment is to be billed every year for ten years commencing in 2022. Proceeds from the special assessment are split between the general fund, water and wastewater fund, and stormwater utility fund.

At September 30, 2024, the total special assessment receivable balances were \$1,641,502, \$270,231, and \$927,647 in the general fund, water and wastewater fund, and stormwater utility fund, respectively.

At September 30, 2024, total accumulated capital outlay expenditures funded by the special assessment were \$348,870 in the general fund.

Town of Medley, Florida
Notes to Financial Statements
September 30, 2024

15. SUBSEQUENT EVENTS

Subsequent to September 30, 2024, the Town Council of Medley, Florida, approved and executed several resolutions resulting in financial obligations. On March 3, 2025, the Town authorized the payment of \$206,663 in back pay and emoluments to a former employee of the Town.

Additionally, the Town settled legal fees and costs related to the defense in the amount of \$270,997. On July 7, 2025, the Town entered into a settlement agreement with another former employee, resulting in a payment of \$70,000 and modification of pension terms. The total financial impact of these subsequent events is \$547,660, which will be recognized in the period in which the resolutions were adopted and agreements executed.

Management has evaluated these events and determined that disclosure is necessary due to their material nature and impact on the Town's financial position.



REQUIRED SUPPLEMENTARY INFORMATION

Town of Medley, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - General Fund
Year Ended September 30, 2024

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance (Unaudited)</u> |
|---|----------------------------|----------------------|----------------------|---------------------------------|
| Revenues | | | | |
| Ad valorem taxes | \$ 14,798,911 | \$ 14,798,911 | \$ 14,826,157 | \$ 27,246 |
| Special assessment district | 351,531 | 351,531 | 348,870 | (2,661) |
| Utility taxes | 1,970,000 | 1,970,000 | 2,008,556 | 38,556 |
| Other general taxes | 504,200 | 504,200 | 1,035,763 | 531,563 |
| Intergovernmental | 5,788,140 | 5,788,140 | 966,639 | (4,821,501) |
| Permits, fees, and licenses | 4,668,000 | 4,668,000 | 5,028,011 | 360,011 |
| Fines and forfeitures | 2,175,000 | 2,175,000 | 1,295,125 | (879,875) |
| User charges | 756,000 | 756,000 | 1,041,086 | 285,086 |
| Miscellaneous | <u>605,500</u> | <u>605,500</u> | <u>1,433,883</u> | <u>828,383</u> |
| Total revenues | <u>31,617,282</u> | <u>31,617,282</u> | <u>27,984,090</u> | <u>(3,633,192)</u> |
| Expenditures | | | | |
| Current operating | | | | |
| General government | 4,239,393 | 4,239,393 | 6,198,967 | 1,959,574 |
| Public safety | 9,909,554 | 9,909,554 | 10,432,267 | 522,713 |
| Physical environment | 1,966,637 | 1,966,637 | 1,720,313 | (246,324) |
| Human services | 2,053,520 | 2,053,520 | 2,289,768 | 236,248 |
| Culture and recreation | 1,149,882 | 1,149,882 | 1,334,151 | 184,269 |
| Capital outlay | 11,421,738 | 11,421,738 | 1,087,107 | (10,334,631) |
| Debt service | <u>1,241,027</u> | <u>1,241,027</u> | <u>1,326,801</u> | <u>85,774</u> |
| Total expenditures | <u>31,981,751</u> | <u>31,981,751</u> | <u>24,389,374</u> | <u>(7,592,377)</u> |
| Excess of revenues over expenditures | <u>(364,469)</u> | <u>(364,469)</u> | <u>3,594,716</u> | <u>3,959,185</u> |
| Other financing sources (uses) | | | | |
| Proceeds from Issuance of Debt | - | - | 828,403 | 828,403 |
| Capital contributions | - | - | - | - |
| Operating transfers- in | 561,982 | 561,982 | 648,740 | 86,758 |
| Operating transfers - out | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total other financing sources (uses) | <u>561,982</u> | <u>561,982</u> | <u>1,477,143</u> | <u>915,161</u> |
| Excess of revenues over expenditures and other financing sources | 197,513 | 197,513 | 5,071,859 | 4,874,346 |
| Fund balances | | | | |
| Beginning of year | <u>23,084,433</u> | <u>23,084,433</u> | <u>23,084,433</u> | <u>-</u> |
| End of year | <u>\$ 23,281,946</u> | <u>\$ 23,281,946</u> | <u>\$ 28,156,292</u> | <u>\$ 4,874,346</u> |

**Town of Medley, Florida
Defined Benefit Pension Trust Funds
Schedules of Funding Progress
Year Ended September 30, 2024**

Schedules of Funding Progress

Additional information will be provided annually until ten years of data is presented.

| | Total Pension Liability ("TPL") | Plan Fiduciary Position ("PFP") | Net Pension Liability (Asset) ("NPL")/("NPA") | PFP as % of TPL | Covered Payroll | NPL/NPA as % of Covered Payroll |
|--|--|--|--|--------------------------------|----------------------------|--|
| General Employees' Pension Fund | | | | | | |
| September 30, 2024 | \$ 34,680,497 | \$ 34,120,663 | \$ 559,834 | 98.39% | \$ 4,084,952 | 13.70% |
| September 30, 2023 | 32,205,876 | 27,899,173 | 4,306,703 | 86.63% | 4,158,628 | 103.56% |
| September 30, 2022 | 31,057,967 | 25,046,091 | 6,011,876 | 80.64% | 4,272,034 | 140.73% |
| September 30, 2021 | 28,807,415 | 30,348,164 | (1,540,749) | 105.35% | 4,439,572 | -34.70% |
| September 30, 2020 | 27,474,310 | 25,102,291 | 2,372,019 | 91.37% | 4,131,904 | 57.41% |
| September 30, 2019 | 25,395,277 | 22,310,167 | 3,085,110 | 87.85% | 3,519,216 | 87.66% |
| September 30, 2018 | 23,942,631 | 21,681,472 | 2,261,159 | 90.56% | 3,194,438 | 70.78% |
| September 30, 2017 | 22,170,598 | 19,815,441 | 2,355,157 | 89.38% | 3,158,747 | 74.56% |
| September 30, 2016 | 20,149,876 | 17,300,687 | 2,849,189 | 85.86% | 2,845,353 | 100.13% |
| September 30, 2015 | 20,063,307 | 15,759,710 | 4,303,597 | 78.55% | 2,594,629 | 165.87% |

| | Total Pension Liability ("TPL") | Plan Fiduciary Position ("PFP") | Net Pension Liability (Asset) ("NPL")/("NPA") | PFP as % of TPL | Covered Payroll | NPL/NPA as % of Covered Payroll |
|---|--|--|--|--------------------------------|----------------------------|--|
| Police Officers' Retirement Fund | | | | | | |
| September 30, 2024 | \$ 36,833,386 | \$ 39,668,765 | \$ (2,835,379) | 107.70% | \$ 4,261,949 | -66.53% |
| September 30, 2023 | 35,023,165 | 32,264,017 | 2,759,148 | 92.12% | 3,743,861 | 73.70% |
| September 30, 2022 | 33,281,494 | 29,330,889 | 3,950,605 | 88.13% | 3,512,371 | 112.48% |
| September 30, 2021 | 31,344,812 | 35,646,535 | (4,301,723) | 113.72% | 3,471,561 | -123.91% |
| September 30, 2020 | 28,975,498 | 29,377,891 | (402,393) | 101.39% | 3,186,602 | -12.63% |
| September 30, 2019 | 28,504,354 | 27,929,291 | 575,063 | 97.98% | 3,017,614 | 19.06% |
| September 30, 2018 | 27,031,597 | 27,381,317 | (349,720) | 101.29% | 3,038,288 | -11.51% |
| September 30, 2017 | 25,771,614 | 25,211,787 | 559,827 | 97.83% | 3,044,367 | 18.39% |
| September 30, 2016 | 24,281,295 | 22,147,952 | 2,133,343 | 91.21% | 2,956,688 | 72.15% |
| September 30, 2015 | 22,596,242 | 19,954,478 | 2,641,764 | 88.31% | 2,885,418 | 91.56% |

Town of Medley, Florida
Defined Benefit Pension Trust Funds
Schedule of Change in Net Pension Liability and Related Ratios -
General Employees' Pension Fund
Year Ended September 30, 2024

| | September 30, | | | | | | | | | |
|---|---------------|---------------|---------------|----------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
| Total pension liability | | | | | | | | | | |
| Service cost | \$ 817,153 | \$ 713,277 | \$ 721,987 | \$ 638,309 | \$ 589,840 | \$ 557,035 | \$ 579,607 | \$ 487,726 | \$ 534,369 | \$ 449,137 |
| Interest on total pension liability | 2,098,044 | 2,017,787 | 1,900,480 | 1,798,230 | 1,687,626 | 1,531,213 | 1,509,225 | 1,313,621 | 1,254,523 | 1,247,292 |
| Differences between expected and actual experience | 1,092,046 | (376,465) | 746,045 | (83,077) | 349,349 | 497,745 | (328,364) | 331,458 | (1,077,646) | 816,952 |
| Changes in assumption | - | - | (101,701) | - | (21,029) | 305,126 | - | 744,029 | - | - |
| Changes in benefits | - | 250,030 | 433,762 | 125,261 | 483,483 | (446,649) | 925,718 | - | 185,340 | - |
| Benefit payments, including refunds of employee contributions | (1,532,622) | (1,456,720) | (1,450,021) | (1,145,618) | (1,010,236) | (991,824) | (914,153) | (856,112) | (810,015) | (746,172) |
| Net change in total pension liability | 2,474,621 | 1,147,909 | 2,250,552 | 1,333,105 | 2,079,033 | 1,452,646 | 1,772,033 | 2,020,722 | 86,571 | 1,767,209 |
| Total pension liability, beginning | 32,205,876 | 31,057,967 | 28,807,415 | 27,474,310 | 25,395,277 | 23,942,631 | 22,170,598 | 20,149,876 | 20,063,305 | 18,296,096 |
| Total pension liability, ending (a) | \$ 34,680,497 | \$ 32,205,876 | \$ 31,057,967 | \$ 28,807,415 | \$ 27,474,310 | \$ 25,395,277 | \$ 23,942,631 | \$ 22,170,598 | \$ 20,149,876 | \$ 20,063,305 |
| Plan fiduciary net position | | | | | | | | | | |
| Contributions - employer | \$ 1,272,881 | \$ 1,200,000 | \$ 1,250,000 | \$ 1,100,000 | \$ 1,250,000 | \$ 1,000,000 | \$ 1,000,000 | \$ 1,000,000 | \$ 1,000,000 | \$ 900,000 |
| Net investment income (loss) | 6,543,338 | 3,155,826 | (5,051,584) | 5,340,073 | 2,596,192 | 650,837 | 1,800,515 | 2,379,107 | 1,376,386 | (217,632) |
| Benefit payments, including refunds of employee contributions | (1,532,622) | (1,456,720) | (1,450,021) | (1,145,618) | (1,010,236) | (991,824) | (914,153) | (856,112) | (810,015) | (746,172) |
| Administrative expense | (62,107) | (46,024) | (50,468) | (48,582) | (43,832) | (30,318) | (20,331) | (8,241) | (25,394) | (22,481) |
| Net change in plan fiduciary net position | 6,221,490 | 2,853,082 | (5,302,073) | 5,245,873 | 2,792,124 | 628,695 | 1,866,031 | 2,514,754 | 1,540,977 | (86,285) |
| Plan fiduciary net position, beginning | 27,899,173 | 25,046,091 | 30,348,164 | 25,102,291 | 22,310,167 | 21,681,472 | 19,815,441 | 17,300,687 | 15,759,710 | 15,845,995 |
| Plan fiduciary net position, ending (b) | \$ 34,120,663 | \$ 27,899,173 | \$ 25,046,091 | \$ 30,348,164 | \$ 25,102,291 | \$ 22,310,167 | \$ 21,681,472 | \$ 19,815,441 | \$ 17,300,687 | \$ 15,759,710 |
| Net pension liability (asset), ending (a)-(b) | \$ 559,834 | \$ 4,306,703 | \$ 6,011,876 | \$ (1,540,749) | \$ 2,372,019 | \$ 3,085,110 | \$ 2,261,159 | \$ 2,355,157 | \$ 2,849,189 | \$ 4,303,595 |
| Plan fiduciary net position as a percentage the total pension (asset)/liability | 98.39% | 86.63% | 80.64% | 105.35% | 91.37% | 87.85% | 90.56% | 89.38% | 85.86% | 78.55% |
| Covered employee payroll | \$ 4,084,952 | \$ 4,158,628 | \$ 4,272,034 | \$ 4,439,572 | \$ 4,131,904 | \$ 3,519,216 | \$ 3,194,438 | \$ 3,158,747 | \$ 2,845,353 | \$ 2,594,629 |
| Net pension (asset)/liability as a percentage of covered employee payroll | 13.70% | 103.56% | 140.73% | -34.70% | 57.41% | 87.66% | 70.78% | 74.56% | 100.13% | 165.87% |

Town of Medley, Florida
Defined Benefit Pension Trust Funds
Schedule of Change in Net Pension Liability and Related Ratios -
General Employees' Pension Fund
Year Ended September 30, 2024

Notes to Schedule:

Additional information will be provided annually until ten years of data is presented.

Changes of benefit terms:

For measurement date September 30, 2024, no change to the retirement plan.

For measurement date September 30, 2023, Resolution C-468 amended the plan to provide for the following change: Early retirement with no penalty is being offered to any full-time employee with at least 20 years of credited service and who are age 55 or above. The special early retirement benefit is only available for full-time employees who retire within a 90-day window starting October 3, 2023.

For measurement date September 30, 2022, Resolution C-1968 amended the plan to provide for the following changes:

- 1) Early retirement with no penalty is being offered to any employee with at least 24 years of full-time service. The special early retirement benefit will only be available for eligible employees with at least 24 years of full-time service. The special early retirement benefit will only be available for eligible employees who retire within a 90-day window starting with the date the resolution is passed.
- 2) For part-time employees hired full-time between the period of 30 days before September 30, 2019 and 31 days after September 30, 2019, grant 1 month of full-time credit for every 4 months of part-time service.
- 3) Increase the benefit rates for all part-time employees retiring after the effective date by \$200 per month under all categories. Additionally, Resolution C-2004 amended the plan so that when calculating Average Monthly Compensation, the years of Compensation averaged no longer need to be consecutive.

For measurement date September 30, 2021, amounts reported as changes of benefit terms, resulted from Resolution No. C-1926. This Resolution was adopted on September 7, 2021 and changed the plan language to clarify that Employees who are enrolled and receiving short term disability benefits payable from the Employer shall receive commensurate Hours of Service pension credit for the period which the Employee received short term disability benefits from the Employer.

For measurement date September 30, 2020, the plan was amended with the following benefit changes:

- 1) Increasing the benefit rate for Members hired prior to January 1, 2011 with 15 to 30 Years of Benefit Service from 2.50% per year to 2.75% per year.
- 2) Increasing the benefit rate for Members hired between January 1, 2011 and June 30, 2014 with 20 to 30 Years of Benefit Service from 2.50% per year to 2.75% per year.
- 3) Elimination of the "Tier 3" benefit structure: Members hired after June 30, 2014 are entitled to the same benefits as Members hired between January 1, 2011 and June 30, 2014, including the enhanced benefit multiplier described in item 2 above.
- 4) Members hired on or after January 1, 2011 are eligible for Normal Retirement at the earlier of attainment of age 62 (previously 65) or completion of 35 Years of Service.

Town of Medley, Florida
Defined Benefit Pension Trust Funds
Schedule of Change in Net Pension Liability and Related Ratios -
General Employees' Pension Fund
Year Ended September 30, 2024

For measurement date September 30, 2019, amounts reported as changes of benefit terms were outlined in the August 6, 2019 Actuarial Impact Statement.

For measurement date September 30, 2018, amounts reported as changes of benefit terms resulted from Ordinances C-1598 and C-1599, the following changes were implemented:

- 1) Increase the benefit rate for benefits accrued as the Mayor from \$5,500 to \$8,500 for all Mayor service. Applies to Mayors actively serving on and after October 1, 2017.
- 2) Increase the benefit rate for benefits accrued as a Council person from \$2,500 to \$3,800 for all Council service. Applies to Council persons actively serving on or after October 1, 2017.
- 3) Change benefits for Part Time Employees to the following structure. Benefit amounts at other combinations of age and Periods of Service are eliminated.

| <u>Age</u> | <u>Periods of Service</u> | <u>Benefit</u> |
|------------|---------------------------|----------------|
| 65 | 20 | \$270 |
| 65 | 25 | \$290 |
| 70 | 15 | \$250 |
| 70 | 20 | \$310 |
| 70 | 25 | \$330 |

Changes of assumptions:

For measurement date September 30, 2022, amounts reported as changes of assumptions resulted from an Experience Study dated May 31, 2022, the Board approved the following changes:

- 1) Salary Increases - Increased for all years of service to align with actual plan experience.
- 2) Retirement Rates - Generally reduced to reflect the fact that these employee groups tended to delay retirement beyond first.
- 3) Withdrawal Rates - Adjusted for all employee groups to align with actual plan experience.

For measurement date September 30, 2020, as mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in the July 1, 2019 actuarial valuation for non-special-risk lives, with appropriate risk and collar adjustments made based on plan demographics.

For measurement date September 30, 2019, amounts reported as changes of assumptions resulted from the following changes:

- Elected officials are now assumed to retire at first eligibility for early retirement, rather than at first eligibility for normal retirement.
- Benefits valued for inactive participants now reflect the cost-of-living adjustment following the valuation date in order to more accurately reflect the benefits that will be paid during the majority of the fiscal year.

Town of Medley, Florida
Defined Benefit Pension Trust Funds
Schedule of Change in Net Pension Liability and Related Ratios -
General Employees' Pension Fund
Year Ended September 30, 2024

Previously, benefits valued for these inactives were based on those in effect at the valuation date, without consideration of the COLA effective the following January.

For measurement date September 30, 2017, as required by Chapter 2015-157, Laws of Florida, the assumed rates of mortality have been changed from 2008+ IRS Combined Static Table to those used in the July 1, 2016 FRS valuation report.

**Town of Medley, Florida
Defined Benefit Pension Trust Funds
Schedule of Change in Net Pension Liability and Related Ratios -
Police Officers' Retirement Fund
Year Ended September 30, 2024**

Schedule of Change in Net Pension Liability and Related Ratios - Police Officers' Retirement Fund

Additional information will be provided annually until ten years of data is presented:

| | September 30, | | | | | | | | | |
|--|----------------|---------------|---------------|----------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
| Total pension liability | | | | | | | | | | |
| Service cost | \$ 966,508 | \$ 761,657 | \$ 799,802 | \$ 773,184 | \$ 697,573 | \$ 646,013 | \$ 667,394 | \$ 658,122 | \$ 618,350 | \$ 610,822 |
| Interest on total pension liability | 2,532,059 | 2,403,827 | 2,344,504 | 2,242,316 | 2,121,518 | 2,019,279 | 1,947,214 | 1,828,417 | 1,704,592 | 1,638,723 |
| Differences between expected and actual experience | 115,276 | 349,405 | (141,271) | 65,287 | 56,651 | 315,249 | (226,019) | 124,820 | (362,464) | (413,419) |
| Changes in assumption | - | - | 702,770 | - | (574,563) | - | - | - | 697,984 | - |
| Changes in benefits | - | - | - | 1,009,199 | - | - | 176,287 | - | - | - |
| Benefit payments, including refunds of employee contributions | (1,803,622) | (1,776,149) | (1,769,123) | (1,720,672) | (1,830,035) | (1,507,784) | (1,304,893) | (1,121,040) | (973,409) | (957,396) |
| Net change in total pension liability | 1,810,221 | 1,738,740 | 1,936,682 | 2,369,314 | 471,144 | 1,472,757 | 1,259,983 | 1,490,319 | 1,685,053 | 878,730 |
| Total pension liability, beginning | 35,020,234 | 33,281,494 | 31,344,812 | 28,975,498 | 28,504,354 | 27,031,597 | 25,771,614 | 24,281,295 | 22,596,242 | 21,717,512 |
| Total pension liability, ending (a) | \$ 36,833,386 | \$ 35,020,234 | \$ 33,281,494 | \$ 31,344,812 | \$ 28,975,498 | \$ 28,504,354 | \$ 27,031,597 | \$ 25,771,614 | \$ 24,281,295 | \$ 22,596,242 |
| Plan fiduciary net position | | | | | | | | | | |
| Contributions - employer | \$ 1,250,000 | \$ 1,000,000 | \$ 987,082 | \$ 1,012,918 | \$ 1,250,000 | \$ 1,000,000 | \$ 1,000,000 | \$ 1,011,680 | \$ 1,050,000 | \$ 1,300,027 |
| Contributions - state | 153,317 | 221,685 | 225,067 | 153,526 | 149,540 | 198,747 | 262,555 | - | 110,857 | 120,321 |
| Contributions - employee | 223,311 | 190,124 | 176,772 | 173,578 | 159,330 | 150,881 | 151,915 | 152,218 | 147,835 | 141,670 |
| Net investment income (loss) | 7,622,072 | 3,347,702 | (5,884,173) | 6,692,899 | 1,764,762 | 754,218 | 2,092,303 | 3,045,917 | 1,892,371 | (50,344) |
| Benefit payments, including refunds of employee contributions | (1,803,622) | (1,776,149) | (1,769,123) | (1,720,672) | (1,830,035) | (1,507,784) | (1,304,893) | (1,121,040) | (973,409) | (957,396) |
| Administrative expense | (40,330) | (50,234) | (51,271) | (43,605) | (44,997) | (48,088) | (32,350) | (24,940) | (34,180) | (35,551) |
| Net change in plan fiduciary net position | 7,404,748 | 2,933,128 | (6,315,646) | 6,268,644 | 1,448,600 | 547,974 | 2,169,530 | 3,063,835 | 2,193,474 | 518,727 |
| Plan fiduciary net position, beginning | 32,264,017 | 29,330,889 | 35,646,535 | 29,377,891 | 27,929,291 | 27,381,317 | 25,211,787 | 22,147,952 | 19,954,478 | 19,435,751 |
| Plan fiduciary net position, ending (b) | \$ 39,668,765 | \$ 32,264,017 | \$ 29,330,889 | \$ 35,646,535 | \$ 29,377,891 | \$ 27,929,291 | \$ 27,381,317 | \$ 25,211,787 | \$ 22,147,952 | \$ 19,954,478 |
| Net pension (asset)/liability, ending (a)-(b) | \$ (2,835,379) | \$ 2,756,217 | \$ 3,950,605 | \$ (4,301,723) | \$ (402,393) | \$ 575,063 | \$ (349,720) | \$ 559,827 | \$ 2,133,343 | \$ 2,641,764 |
| Plan fiduciary net position as a percentage of the total pension (asset)/liability | 107.70% | 92.13% | 88.13% | 113.72% | 101.39% | 97.98% | 101.29% | 97.83% | 91.21% | 88.31% |
| Covered payroll | \$ 4,261,949 | \$ 3,743,861 | \$ 3,512,371 | \$ 3,471,561 | \$ 3,186,602 | \$ 3,017,614 | \$ 3,038,288 | \$ 3,044,367 | \$ 2,956,688 | \$ 2,885,418 |
| Net pension (asset)/liability as a percentage of covered payroll | -66.53% | 73.62% | 112.48% | -123.91% | -12.63% | 19.06% | -11.51% | 18.39% | 72.15% | 91.56% |

Notes to schedule:

Changes of benefit terms:

For measurement date September 30, 2021, amounts reported as changes of benefit terms, resulted from Ordinance No. C-449. This ordinance was adopted on May 3, 2021 and provided the following benefit changes:

- 1) Increase the benefit accrual rate from 3.00% to 3.25% of Average Final Compensation for each year of Credited Service. This improvement is for all years of service but only affects Members who terminate or enter DROP after May 3, 2021.
- 2) Increase the maximum benefit from 75% to 81.25% of Average Final Compensation for those Members hired on or after October 1, 2008.

Town of Medley, Florida
Defined Benefit Pension Trust Funds
Schedule of Change in Net Pension Liability and Related Ratios -
Police Officers' Retirement Fund
Year Ended September 30, 2024

- 3) Provide a 90-day window beginning May 3, 2021 for Police Officers who attain 20 years of Credited Service to allow them to retire immediately with no Early Retirement Reduction Factor. These Members will not be allowed to participate in the DROP and their first Cost of Living Adjustment will be when they would have reached their original Normal Retirement Date.
- 4) Change the minimum age that distributions need to begin from age 70 ½ to age 72.

For measurement date September 30, 2018, amounts reported as changes of benefit terms resulted from Ordinance C-426, adopted on May 7, 2018 and provided for an Early Retirement Incentive Program.

Changes of assumptions:

For measurement date September 30, 2022, amounts reported as changes of assumptions resulted from an Experience Study dated May 31, 2022, the following changes were made:

- 1) Investment Return - Reduced from 7.50% to 7.25%, net of related expenses.
- 2) Salary Increases - Changed from an age-based table to a service-based table.
- 3) Normal Retirement - The assumption that Members eligible for Normal Retirement on the valuation date will work one more year was eliminated. Additionally, the assumption that Members who are at least age 55 with between 10 and 25 years of service will retire with a 100% probability was changed to 50% at first eligibility, and then 100% one year later.
- 4) Withdrawal Rates - Increased by 25% for Members below age 30.

For measurement date September 30, 2020, as mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in the July 1, 2019 actuarial valuation for special risk lives.

For measurement date September 30, 2016, amounts reported as changes of assumptions resulted from the following changes:

- 5) The assumed rates of mortality were changed to match those used by the FRS for special risk employees in their July 1, 2015 valuation report.
- 6) The withdrawal rates were increased 10%, based on results of the September 1, 2016 experience study.

Town of Medley, Florida
Defined Benefit Pension Trust Funds
Schedule of Change in Total OPEB Liability and Related Ratios
Year Ended September 30, 2024

Schedule of Change in Total OPEB Liability and Related Ratios

Additional information will be provided annually until ten years of data is presented:

| | <u>2024</u> | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Total OPEB Liability | | | | | | | |
| Service cost | \$ 460,084 | \$ 441,134 | \$ 686,288 | \$ 765,748 | \$ 571,345 | \$ 599,191 | \$ 650,769 |
| Interest | 504,808 | 492,583 | 302,463 | 315,321 | 428,720 | 571,341 | 480,589 |
| Differences between expected and actual experience | - | (28,536) | - | 599,084 | - | 614,878 | - |
| Changes in assumption | 722,564 | (173,378) | (2,189,394) | (2,659,037) | 1,611,301 | (2,208,794) | (630,808) |
| Benefit payments | <u>(756,470)</u> | <u>(724,692)</u> | <u>(572,338)</u> | <u>(687,783)</u> | <u>(601,848)</u> | <u>(650,639)</u> | <u>(547,890)</u> |
| Net change in total OPEB liability | 930,986 | 7,111 | (1,772,981) | (1,666,667) | 2,009,518 | (1,074,023) | (47,340) |
| Total OPEB liability, beginning | <u>10,279,331</u> | <u>10,272,220</u> | <u>12,045,201</u> | <u>13,711,868</u> | <u>11,702,350</u> | <u>12,776,373</u> | <u>12,823,713</u> |
| Total OPEB liability, ending | <u>\$ 11,210,317</u> | <u>\$ 10,279,331</u> | <u>\$ 10,272,220</u> | <u>\$ 12,045,201</u> | <u>\$ 13,711,868</u> | <u>\$ 11,702,350</u> | <u>\$ 12,776,373</u> |
| | | | | | | | |
| Covered employee payroll | \$ 7,930,331 | \$ 7,622,387 | \$ 7,594,479 | \$ 7,300,980 | \$ 7,396,769 | \$ 7,106,129 | \$ 5,998,463 |
| | | | | | | | |
| Total OPEB liability as a percentage of covered employee payroll | 141.36% | 134.86% | 135.26% | 164.98% | 185.38% | 164.68% | 212.99% |

Notes to Schedule:

No assets are being accumulated in a trust to pay for plan benefits.

Changes of assumptions:

The following discount rates are those used for each measurement date:

| | |
|---------|-------|
| FY 2024 | 4.06% |
| FY 2023 | 4.87% |
| FY 2022 | 4.77% |
| FY 2021 | 2.43% |
| FY 2020 | 2.14% |
| FY 2019 | 3.58% |

Town of Medley, Florida
Defined Benefit Pension Trust Funds
Schedule of Contributions - General Employees' Pension Fund
Year Ended September 30, 2024

Schedule of Contributions - General Employees' Pension Fund

Additional information will be provided annually until ten years of data is presented:

| | <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> |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Actuarially determined contribution | \$ 1,175,881 | \$ 1,144,240 | \$ 1,064,275 | \$ 1,016,334 | \$ 990,974 | \$ 878,609 | \$ 900,745 | \$ 980,532 | \$ 985,108 | \$ 908,902 |
| Contributions in relation to the actuarially determined contributions | <u>1,272,881</u> | <u>1,200,000</u> | <u>1,250,000</u> | <u>1,100,000</u> | <u>1,250,000</u> | <u>1,000,000</u> | <u>1,000,000</u> | <u>1,000,000</u> | <u>1,000,000</u> | <u>900,000</u> |
| Contribution deficiency (excess) | \$ <u>(97,000)</u> | \$ <u>(55,760)</u> | \$ <u>(185,725)</u> | \$ <u>(83,666)</u> | \$ <u>(259,026)</u> | \$ <u>(121,391)</u> | \$ <u>(99,255)</u> | \$ <u>(19,468)</u> | \$ <u>(14,892)</u> | \$ <u>8,902</u> |
| Covered employee payroll | \$ <u>4,084,952</u> | \$ <u>4,158,628</u> | \$ <u>4,272,034</u> | \$ <u>4,439,572</u> | \$ <u>4,131,904</u> | \$ <u>3,519,216</u> | \$ <u>3,194,438</u> | \$ <u>3,158,747</u> | \$ <u>2,845,353</u> | \$ <u>2,594,629</u> |
| Contributions as a percentage of covered employee payroll | <u>31.16%</u> | <u>28.86%</u> | <u>29.26%</u> | <u>24.78%</u> | <u>30.25%</u> | <u>28.42%</u> | <u>31.30%</u> | <u>31.66%</u> | <u>35.15%</u> | <u>34.69%</u> |

Town of Medley, Florida
Defined Benefit Pension Trust Funds
Schedule of Contributions - Police Officers' Retirement Fund
Year Ended September 30, 2024

Schedule of Contributions - Police Officers' Retirement Fund

Additional information will be provided annually until ten years of data is presented:

| | <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> |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Actuarially determined contribution | \$ 869,438 | \$ 677,639 | \$ 835,944 | \$ 1,166,444 | \$ 1,112,124 | \$ 950,548 | \$ 929,716 | \$ 946,798 | \$ 1,014,144 | \$ 1,076,688 |
| Contributions in relation to the actuarially determined contributions | <u>1,403,317</u> | <u>1,221,685</u> | <u>1,212,149</u> | <u>1,166,444</u> | <u>1,399,540</u> | <u>1,198,747</u> | <u>1,262,555</u> | <u>1,011,680</u> | <u>1,160,857</u> | <u>1,420,348</u> |
| Contribution excess | <u>\$ (533,879)</u> | <u>\$ (544,046)</u> | <u>\$ (376,205)</u> | <u>\$ -</u> | <u>\$ (287,416)</u> | <u>\$ (248,199)</u> | <u>\$ (332,839)</u> | <u>\$ (64,882)</u> | <u>\$ (146,713)</u> | <u>\$ (343,660)</u> |
| Covered employee payroll | <u>\$ 4,261,949</u> | <u>\$ 3,743,861</u> | <u>\$ 3,512,371</u> | <u>\$ 3,471,561</u> | <u>\$ 3,186,602</u> | <u>\$ 3,017,614</u> | <u>\$ 3,038,288</u> | <u>\$ 3,044,367</u> | <u>\$ 2,956,688</u> | <u>\$ 2,885,418</u> |
| Contributions as a percentage of covered employee payroll | <u>32.93%</u> | <u>32.63%</u> | <u>34.51%</u> | <u>33.60%</u> | <u>43.92%</u> | <u>39.72%</u> | <u>41.55%</u> | <u>33.23%</u> | <u>39.26%</u> | <u>49.23%</u> |

Town of Medley, Florida
Defined Benefit Pension Trust Funds
Notes to Required Supplementary Information
Year Ended September 30, 2024

Notes to Required Supplementary Information

| | General Employees' Pension Fund | Police Officers' Retirement Fund | Other Post-Employment Benefits |
|----------------------------------|---|--|---|
| Valuation date | October 1, 2023 | October 1, 2023 | September 30, 2023 |
| Actuarial cost method | Entry age | Entry age | Entry age |
| Amortization method | Level percentage of pay, closed | Level percentage of pay, closed | Level percentage of pay, closed |
| Amortization period | 20 years | 30 years | 30 years |
| Actuarial asset valuation method | Market value with an adjustment to uniformly spread actuarial investment gains and losses (as measured by actual market value investment return against expected market value investment return) over a five-year period. | All assets are valued at market value with an adjustment to uniformly spread actuarial investment gains and losses (as measured by actual market value investment return against expected market value investment return) over a five-year period. | N/A |
| Actuarial assumptions | | | |
| Investment rate of return | 6.50% | 7.25% | 4.06% |
| Projected salary increases | Service based | Service based | 3.50% for General Pension Plan Employees. For Police Pension Plan Employees, increases vary based on age - 6.68% at age 25, 6.07% at age 30, 5.22% at age 40, and 4.62% at age 50 |
| Inflation | 2.50% | 2.50% | 2.50% |
| Cost-of-living adjustments | 2.50% per year | 1% until age 62 | N/A |

Town of Medley, Florida
Defined Benefit Pension Trust Funds
Schedules of Investment Returns
Year Ended September 30, 2024

Money Weighted Rate of Return - Pension Funds

Additional information will be provided annually until ten years of data is presented:

| | General Employees' Pension Fund | Police Officers' Retirement Fund |
|--------------------|--|---|
| September 30, 2024 | 23.58% | 23.77% |
| September 30, 2023 | 12.65% | 11.48% |
| September 30, 2022 | -16.61% | -16.52% |
| September 30, 2021 | 21.19% | 22.84% |
| September 30, 2020 | 11.44% | 6.33% |
| September 30, 2019 | 2.98% | 2.75% |
| September 30, 2018 | 9.03% | 8.26% |
| September 30, 2017 | 13.73% | 13.78% |
| September 30, 2016 | 8.69% | 9.31% |
| September 30, 2015 | -1.35% | -0.25% |



COMPLIANCE SECTION



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

Honorable Mayor and Town Council
Town of Medley, Florida
Medley, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Medley, Florida (Town), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Town of Medley's basic financial statements, and have issued our report thereon dated November 13, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town'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 Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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.

We consider the deficiencies described in the accompanying schedule of findings and responses as items 2024-001 and 2024-002 to be material weaknesses.

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. We consider the deficiencies described in the accompanying schedule of findings and responses as items 2024-003, 2024-004, and 2024-005 to be significant deficiencies.

Report on Compliance and Other Matters


As part of obtaining reasonable assurance about whether the Town’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*.

Town of Medley’s Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Town’s response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Town’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 entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Naples, Florida
November 13, 2025

Town of Medley, Florida
Schedule of Findings and Responses
Year Ended September 30, 2024

MATERIAL WEAKNESSES

2024-001 Material Audit Adjustments

Type of Finding: Material Weakness in Internal Control Over Financial Reporting.

Criteria of Specific Requirement: The Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control Framework states that control activities are a component of internal control. Control activities are policies and procedures established to ensure that management directives are carried out, and consist of two elements, a policy that establishes what should be done and the procedure that implements the policy. COSO Framework states that control activities must be in place for there to be adequate internal control procedures over financial reporting. Internal control procedures affect the Town's ability to ensure financial transactions are authorized and accurate. The Town's management is responsible for establishing and maintaining internal controls for the proper recording of all the Town's transactions in the financial statements.

Condition: As part of the audit, we proposed audit adjustments to correct the Town's financial statements at year-end. These adjustments included the recording of accruals, reclassifications of revenues and disbursements to the proper accounts, and fund balance reclassifications.

Effect: The Town's financial records were misstated, and we proposed adjusting entries to management to correct the Town's financial records. The proposed adjustments were recorded by management to correct the financial statements.

Cause: The Town's internal controls did not prevent or detect the errors.

Repeat Finding: No

Recommendation: We recommend that management enhance its review over financial records to ensure information is accurately recorded.

View Responsible Official and Planned Corrective Actions: The Finance Department has added and will be adding additional personnel to ensure better internal controls, month reconciliations in a timely manner, and quarterly budget reporting. The timing of the prior year audit report resulted in a delay in entering adjusting journal entries prior to closing the fiscal year. In order to provide the quarterly budget reports, staff will be working with our financial software provider to be able to generate these reports on a regular basis.

2024-002 Capital Assets

Type of Finding: Material Weakness in Internal Control Over Financial Reporting

Criteria: Effective internal control of capital assets requires that a physical count be performed on a periodic basis to ensure that assets reported on the financial statements are accounted for.

Condition: The Town has numerous pump station sites in its boundaries that have not been dedicated nor have easement language contained in their plats to conclusively establish proper dedication in accordance with Florida Statute 177.081.

Cause: Although the Town is currently pursuing the conveyance of pump stations, the programs to convey the pump stations were not complete as of September 30, 2024.

Town of Medley, Florida
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Effect: Pump stations with estimated values totaling approximately \$2.8 million are not included in the Town's capital assets.

Recommendation: The Town should continue to vigorously pursue the conveyance of completed Town infrastructure constructed by third parties.

Views of responsible officials and planned corrective actions: This is ongoing. Conveyance of pump stations and acquisition of right of ways are long-term programs that require a number of years to complete. The Town's attorneys are vigorously pursuing the conveyance of both pump stations and right of ways. In the past four years the Town has expended over \$6 million in acquisition costs. The utility director is now responsible for coordinating the conveyance of all non-dedicated infrastructure.

SIGNIFICANT DEFICIENCIES
2024-003 Purchasing Procedures

Type of Finding: Significant Deficiency in Internal Control

Criteria: Chapter 212.08(6) of the Florida Statutes specifically exempts political subdivisions, including municipalities, from paying sales tax when payment is made directly to the dealer. This exemption does not inure to any transaction when payment is made by a government employee by any means when that employee is subsequently reimbursed by the government agency. Furthermore, Ordinance C-357 defines the Town's purchasing procedures including when quotes or competitive bids are required.

Condition: During our testing of purchasing procedures, we noted several discrepancies and internal control weaknesses as follows:

1. The Town has issued a number of credit cards in the name of the Town to various employees to give them the flexibility of buying items that would otherwise be purchased by a check issued by the Town. Additionally, charges made to these credit cards are not always supported by documentary evidence of a reasonable business purpose.
2. Purchases did not always follow the procurement methodology enumerated under Section 7 of Ordinance C-357 related to obtaining quotes or competitive bids.

Cause: There is no centralized purchasing system in place. Instead, departments have the ability to make their own purchases which leads to circumvention of the Town's ordinance.

Effect: Substantial savings are not realized by the Town that would be if purchases were made more consistently in accordance with the Town's ordinance, or by using a Town check instead of credit cards. Additionally, purchases could potentially be made using the Town's credit cards that are not for reasonable business purposes of the Town.

Recommendation: The Town should review its policies over credit card purchases and implement strict guidelines to follow its ordinance when purchases meet the requirements of obtaining quotes or competitive bids.

Views of responsible officials and planned corrective actions: This finding was corrected during the current year. The Town does not have a centralized purchasing system as it would not be cost effective; however, the Town did acquire a purchase order/encumbrance software which should have improve the internal control over the procurement process and facilitate compliance with Ordinance C-357. Ordinance C-357 was updated and includes restriction on the use of credit cards and reduced the number of employees who have credit cards,

Town of Medley, Florida
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Year Ended September 30, 2024

updated the \$ amount that requires administrative approval, and when services need to procure. The have embarked on a centralized procurement process. Policy on the use of credit cards is in development and each cardholder is required to sign a cardholder agreement. The Town provided training, and continue to provide training, to all department head on the procurement rules and guidelines.

2024-004 Building Permit Fees

Type of Finding: Significant Deficiency in Internal Control

Criteria: The Town charges building permit fees in accordance with its Schedule of Fees effective August 3, 2015. Additionally, Chapter 553.721 of the Florida Statutes states that the surcharge fee on building permits be charged at 1% of the permit fee.

Condition: During our review of building permits, several instances where the surcharge fee pursuant to Chapter 553.721 of the Florida Statutes was being charged at 1.5% of the total permit fee, rather than the correct charge of 1%.

Cause: There is no standardized process in place to ensure that permit fees charged to businesses are being reviewed for accuracy.

Effect: The Town could potentially over or under-charge residents and businesses in the Town for permit fees.

Recommendation: The Town should standardize its procedures for reviewing and approving the calculations used in charging permit fees.

Views of responsible officials and planned corrective actions: This finding was corrected during the year. The Town recently embarked on upgrading its BS&A software to a cloud/online system. We believe it will improve the internal control over the fee schedule and overall efficiency of the department.

2024-005 Water Purchase Losses

Type of Finding: Significant Deficiency in Internal Control

Criteria: The Town purchases water from Miami-Dade Water and Sewer Department to be distributed and billed to residents and businesses of the Town.

Condition: The Town experienced an estimated unaccounted for loss rate of 21% of water purchased while management standards require such loss to be below 10%.

Cause: There is no water loss audit program or leak detection program implemented by the Town to detect and prevent water loss.

Effect: The Town could potentially experience significant financial impacts through overspending on water purchases due to excessive losses.

Recommendation: The Town should continue its efforts to find the causes of this problem and implement a system to reduce the amount of manual adjustments to the billing system for meter misreading.

Town of Medley, Florida
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Views of responsible officials and planned corrective actions: This is ongoing. The Town continue efforts to address water losses by continuing its water loss audit program. The independent consultant continues to review all aspects of the Town's water and sewer system. The water meters review is ongoing. Meters are replaced as needed, meter sizes addressed, and detected defected system were repaired or replaced.



MANAGEMENT LETTER

Honorable Mayor and Town Council
Town of Medley, Florida
Medley, Florida

Report on the Financial Statements

We have audited the financial statements of the Town of Medley, Florida (Town) as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated November 13, 2025.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated November 13, 2025, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. See Exhibit A for the status of findings and recommendations made in the preceding 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 Town discloses this information in the notes to the financial statements.

Financial Condition and Management

Sections 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 Town 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 Town 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 Town. It is management's responsibility to monitor the Town's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same.

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

Property Assessed Clean Energy (PACE) Programs

As required by Section 10.554(1)(i)6.a., Rules of the Auditor General, 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 Town's geographical boundaries during the fiscal year under audit. A PACE program did not operate within the Town's geographical boundaries during the fiscal year under audit.

Special District Component Units

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

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.

Honorable Mayor and Town Council
Town of Medley, Florida

Purpose of this Letter

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

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Naples, Florida
November 13, 2025

**TOWN OF MEDLEY, FLORIDA
MANAGEMENT LETTER
EXHIBIT A
SEPTEMBER 30, 2024**

| <u>Prior Year Findings</u> | <u>Prior Year Reference Number</u> | <u>Current Year Status</u> | <u>Present in Second Preceding Year Report</u> |
|----------------------------|------------------------------------|----------------------------|--|
| Capital Assets | 2023-01 | Partially corrected | Yes – Item 2022-001 |
| Purchasing Procedures | 2023-02 | Partially corrected | Yes – Item 2022-002 |
| Building Permit Fees | 2023-03 | Partially corrected | Yes – Item 2022-003 |
| Water Purchase Losses | 2023-04 | Partially corrected | Yes – Item 2022-004 |
| General Fund Budget | 2023-05 | Corrected | No |



INDEPENDENT ACCOUNTANTS' REPORT

Honorable Mayor and Town Council
Town of Medley, Florida
Medley, Florida

We have examined the Town of Medley, Florida's (Town) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2024. Management of the Town is responsible for the Town's compliance with the specified requirements. Our responsibility is to express an opinion on the Town'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 Town complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Town complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

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

In our opinion, the Town complied, in all material respects, with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2024.

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Naples, Florida
November 13, 2025



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