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COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED SEPTEMBER 30, 2020

CITY OF HIALEAH, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

Prepared by:
Finance Department

CITY OF HIALEAH, FLORIDA

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CITY OF HIALEAH, FLORIDA

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INTRODUCTORY SECTION

Carlos Hernandez
Mayor

Jesus Tundidor
Council President

Monica Perez
Council Vice-President



Council Members
Katharine Cue-Fuente
Oscar De la Rosa
Jacqueline Garcia-Roves
Paul B. Hernandez
Carl Zogby

City of Hialeah

June 21, 2021

To the Members of the City Council and Residents of the City of Hialeah:

It is our pleasure to submit the Comprehensive Annual Financial Report for the City of Hialeah, Florida, for the fiscal year ending September 30, 2020. The financial statements included in this report conform to generally accepted accounting principles in the United States of America (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB).

The City of Hialeah's financial statements have been audited by Caballero Fierman Llerena & Garcia, LLP Certified Public Accountants. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Hialeah's financial statements for the fiscal year ended September 30, 2020, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

This report consists of management's representation concerning the finances of the City of Hialeah. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Hialeah has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Hialeah's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Hialeah's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects. GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A).

This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Hialeah's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE GOVERNMENT

The City of Hialeah was incorporated in 1925 by the laws of the State of Florida contained in Chapter 11516 Special Acts of 1925. The City of Hialeah occupies a land area of 23 square miles and serves a population of approximately 240,000 residents.

The City of Hialeah has operated under a strong mayor form of government since its inception. Policy making and legislative authority are vested in a governing council consisting of a seven member council. The council is responsible for, among other things, passing ordinances and adopting the budget.

The Mayor is responsible for carrying out the policies and ordinances of the council, overseeing the day-to-day operations of the government, and appointing the heads of various departments.

The City of Hialeah offers a wide range of services, including, public safety (police and fire), public works, streets, water and wastewater, sanitation, social services, cultural activities, public improvements, planning and zoning, building, libraries and educational services, and general administrative services.

ECONOMIC CONDITION AND OUTLOOK

Each fiscal year provides the City an opportunity to identify, address and resolve issues facing our community and our citizens. The City's major challenges are to provide the infrastructure and services needed to maintain the quality of life, which has attracted considerable growth to our economy. The City continues to emphasize the support of systems such as transit, public safety (police and fire), storm water management, potable (drinking) water, waste treatment and solid waste collection which must be balanced carefully with the quality of life amenities which include parks and recreation, entertainment and cultural opportunities to maintain the beauty and attractiveness of our community.

The biggest challenge facing the City in the coming year or longer is the concern of the effects of the COVID-19 pandemic on the overall economy. This pandemic has had a significant negative impact on businesses in our City and the high unemployment rates has caused financial hardships on many of our residents.

In the past year, taxable values in the City of Hialeah have increased approximately 8.9% based on the Miami Dade County Property Appraiser's Office assessments. The City continues to honor our commitment to the residents and has not increased the millage rate above the levels that have been set by the Administration for the last eight (8) years. The following discussion is intended to demonstrate the growth and vitality of the City and to address the challenges and concerns of the near future.

Annexation Area - In 2005 the City of Hialeah annexed from Miami Dade County an area located along the northwest corner of the City of Hialeah between Highway I-75 and the Florida Turnpike lying directly to the west of City. The Annexation Area consists of 1,890 acres of land, of which, a third has been designated for residential use, two-thirds have been designated for commercial and industrial use, and it includes a 30 acre passive park. As part of the inter-local agreement between the City and Miami-Dade County, the City will provide the necessary regional pre-development infrastructure, including: water and sewer services, road improvements, and regional recreational facilities. The Annexation Area will provide continued strong economic growth to the City of Hialeah by expanding its revenue base and maximizing the land use within its borders. To date, approximately 90% of the residential units and 8 million square feet of industrial/commercial have been completed in the annexation area. A 70 acre mixed use parcel completed its environmental review and is expected to start the first phase of development in fiscal year 2021. Other undeveloped land is advancing their environmental review and will be ready for multifamily residential, commercial, and industrial development starting in fiscal year 2022.

LONG TERM FINANCIAL PLAN

In fiscal year 2013, the City Council adopted a minimum fund balance policy for the General Fund. The policy requires that the unassigned fund balance at fiscal year-end be equal to 10% of the current fiscal year General Fund operating expenditures. This targeted reserve shall be in addition to all other reserves or designations of fund balance.

The total unassigned fund balance in the General Fund at the end of fiscal year 2020 is approximately \$32 million, which is approximately 20% of the General Fund budget.

The City is pursuing grant and other funding opportunities to provide needed infrastructure improvements to the City, including roadway projects, sidewalks, and improvements to City parks.

MAJOR INITIATIVES AND PROGRAMS

The City's emphasis has been to restore, maintain and expand urban and residential infrastructure through a program of major renovations and new improvements to City parks, streets, sidewalks, development of affordable housing projects and improving operational efficiencies.

Due to the increased activity in the annex area, the City of Hialeah has completed and continues additional roadway construction to provide streets for development and economic opportunities. Along with the roadway construction, water and sewer utility lines have been installed to support the annexed area development. Additionally, new production wells and pumps have been installed to handle the increased usage of the system.

In the City's southeast area are two Transit Oriented Districts created to increase redevelopment in the area. Envisioned as a mixed use urban setting for shopping, entertainment and recreational activities, the districts are within walking distance of various modes of transportation.

The City continues to repair and modernize sewer pump stations and sewer pipelines (City-wide) in accordance with the Miami Dade County Consent Order. These stations and pipelines are upgraded with the latest state-of-the-art systems enhancing an already efficient water and sewer operation. The City's Department of Public Works is also working on re-lining the City's sewer lines to avoid infiltration of ground water, decreasing the volume of waste water. Completion of these projects is expected to reduce expenses by decreasing the volume of sewage and payments by the City to Miami Dade County for sewage transmission, and treatment and disposal fees.

RELEVANT FINANCIAL POLICIES

Budgetary Controls – The annual budget serves as a foundation for the City of Hialeah financial planning and control. Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States. Annually the City adopts appropriated budgets for the General fund, special revenue funds (except for CDBG, Emergency Solutions, HOME, SHIP, the Law Enforcement Trust funds, and the Emergency Disaster funds), debt service funds and the capital projects funds. The City follows the procedures below in establishing the budgetary data reflected in the accompanying financial statements. Prior to September 1, the Mayor submits to the City Council a proposed operating budget for the ensuing fiscal year, commencing October 1. The operating budget includes proposed expenditures and the means of funding them. Public hearings are conducted to obtain taxpayer comments. Prior to October 1, the budget is legally enacted through passage of an ordinance. At any time, the Mayor may transfer any unencumbered appropriation balance or portion thereof between classifications of expenditures within a department. At the request of the Mayor and only after the first six months of the budget year have passed, the City Council, in the form of a resolution, may transfer any part of the unencumbered balance of an appropriation between departments.

At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the fund from which it was appropriated and shall be subject to future appropriations. The legal level of control is at the department level. The City Council approves supplemental appropriations. Budget-to-actual comparisons are provided in this report for each fund for which an appropriated annual budget has been adopted.

Risk Management – The City administers a self-insurance program for workers' compensation, general liability, and group health insurance programs, subject to certain stop-loss provisions. The health insurance program is administered by an independent administrator. The workers' compensation and liability programs are administered by a separate administrator. For group health insurance, the City funds the program on a pay as you go basis. Insurance coverage is maintained with independent carriers for property damage to City facilities. The City maintains stop-loss coverage with an independent carrier for the City's self-funded group health plan.

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Hialeah for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2019. The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting. This was the twelfth consecutive year that the City of Hialeah has achieved this prestigious award.

In order to be awarded a Certificate of Achievement, the City had to publish an easily readable and efficiently organized. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our 2020 Comprehensive Annual Financial Report continues to meet the high standards of the Certificate of Achievement Program's requirements and we are submitting it to the GFOA for consideration of the award certificate.

ACKNOWLEDGEMENTS

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department, the Office of Management and Budget and the City's audit firm, Caballero Fierman Llerena & Garcia, LLP. We would like to express our appreciation to all members of the departments who assisted and contributed to the preparation of this report. Credit also must be given to the City Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Hialeah's finances.

Respectfully submitted,



Carlos Hernandez
Mayor



Christopher Chiocca, CPA
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Hialeah
Florida**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

September 30, 2019

Christopher P. Morill

Executive Director/CEO

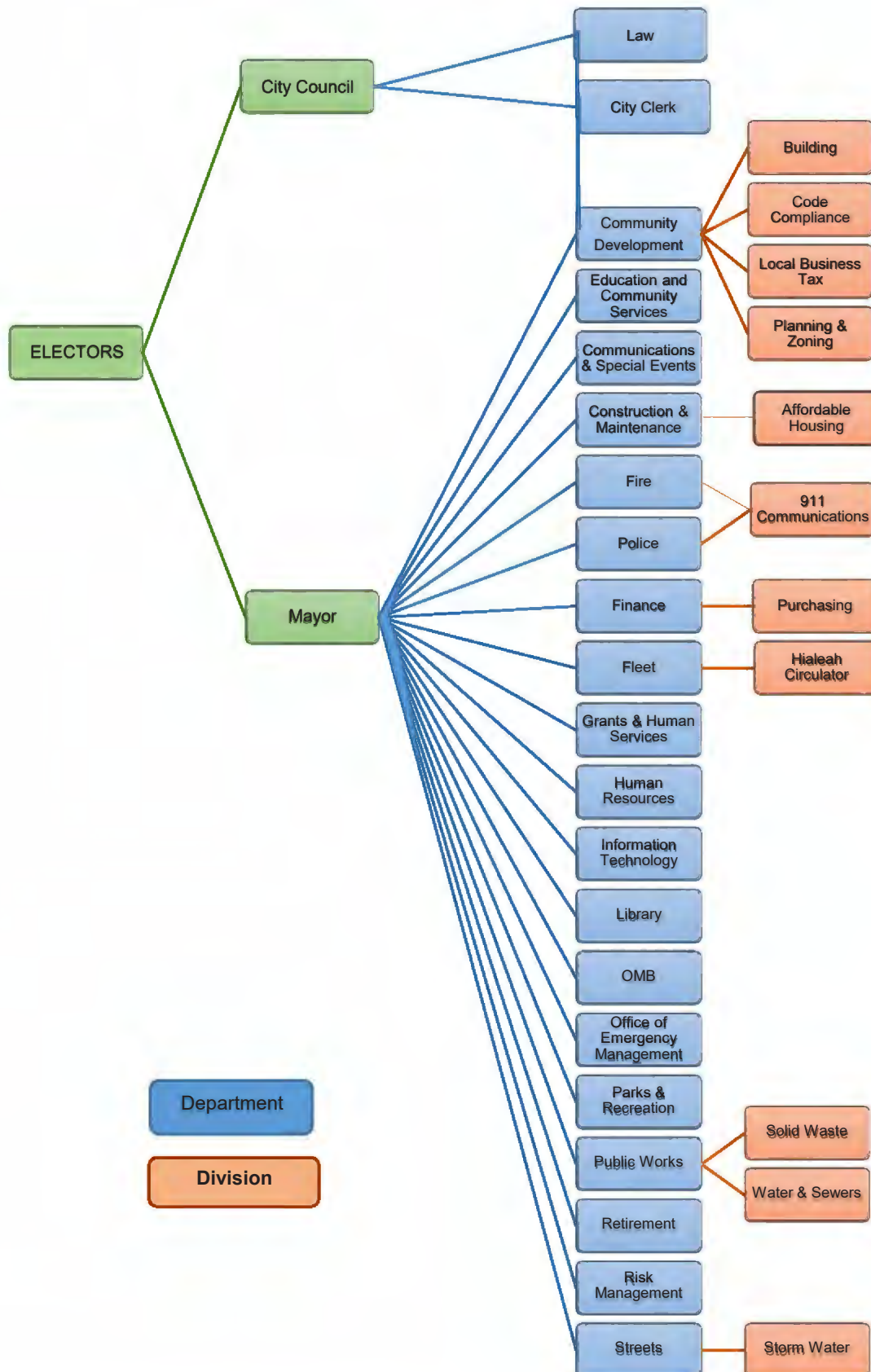
CITY OF HIALEAH, FLORIDA
List of Elected City Officials
September 30, 2020
Strong Mayor Form of Government

CITY COUNCIL

Carlos Hernandez, Mayor
Jesus Tundidor, Council President
Monica Perez, Council Vice President
Katharine Cue-Fuente
Oscar De la Rosa
Jacqueline Garcia-Roves
Paul B. Hernandez
Carl Zogby

Prepared by:
Finance Department and Administration

CITY OF HIALEAH, FLORIDA
ORGANIZATIONAL CHART
SEPTEMBER 30, 2020



FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT



CABALLERO FIERMAN
LLERENA + GARCIA LLP
accountants | advisors

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Hialeah, Florida (the "City") as of and for the fiscal year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2020, and the respective changes in financial position and, where applicable, cash flows for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 22 and the Budgetary Comparison Schedule, Schedule of Changes in the City's Net Pension Liability and Related Ratios – Employees' Retirement System, Schedule of City Contributions – Employees' Retirement System, Schedule of Investment Returns – Employees' Retirement System, Schedule of Changes in the City's Net Pension Liability and Related Ratios – Elected Officials' Retirement System, Schedule of City Contributions – Elected Officials' Retirement System, Schedule of Investment Returns – Elected Officials' Retirement System and the Schedule of Changes in the City's Total OPEB Liability and Related Ratios on pages 91 through 99, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and statistical section are presented for purpose of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by Title 2 U.S Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and Chapter 10.550 Rules of the Auditor General of the State of Florida and is also a required part of the basic financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Caballero Fierman Llerena & Garcia, LLP

Caballero Fierman Llerena & Garcia, LLP
Miami, Florida
June 21, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

CITY OF HIALEAH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020

As management of the City of Hialeah, Florida, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2020.

Financial Highlights

- The liabilities and deferred inflows of resources of the City of Hialeah's governmental and business-type activities exceed its assets and deferred outflows of resources at the close of the most recent fiscal year by a deficit of \$242.8 million.
- Net position of the City's governmental activities decreased by \$21.1 million (7%) during the current fiscal year to a deficit of \$319.0 million. This was primarily due to increases in net pension liability and OPEB liability
- Net position of the City's business-type activities decreased by \$3.5 million (4%) during the current fiscal year to \$76.4 million. This was primarily due to increases in net pension liability and OPEB liability
- At the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$105.3 million, an increase of approximately \$20.8 million.
- At the close of the current fiscal year, the unassigned fund balance for the General Fund was approximately \$32.2 million, or 68% of the total fund balance of \$47.1 million. The non-spendable fund balance was \$6.9 million which represents long term receivables, inventory and prepaid expenses, which are amounts that are not spendable in nature. The restricted amount of \$553 thousand is lease proceeds from a creditor. The committed amount of \$390 thousand is for future expenditures determined by a formal action of the City Council. The assigned amount of \$7.2 million is to be used in the FY 2021 budget year. The \$32.2 million of unassigned fund balance is considered undesignated at the closing of the year and are funds available for spending at the government's discretion. It is important for readers to understand that these funds available for spending are essential for long-term commitments and unanticipated contingencies and should not be considered superfluous.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. In addition to these basic financial statements, this report contains other supplementary information.

Government-wide financial statements

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

- The *statement of net position* presents information on all of the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources, 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 City is improving or deteriorating.

CITY OF HIALEAH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020

Overview of the Financial Statements (Continued)

Government-wide financial statements (Continued)

- The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported 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 and sick leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*).

The governmental activities of the City include police, fire, streets, grants, bus circulator and human services, state housing initiative, library, code compliance, licenses, fleet maintenance, construction and maintenance, recreation and community services, building, planning and development, and general and administrative services.

The business type activities of the City include solid waste, water and sewer and storm-water operations. The government-wide financial statements can be found on pages 23-24 of this report.

Fund financial statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the City'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, the reader may better understand the long-term impact of the City'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 City maintains several 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 Fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregate presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

CITY OF HIALEAH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020

Overview of the Financial Statements (Continued)

Governmental funds (Continued)

The City adopts an annual appropriated budget for its General Fund, Building Fund, and other governmental funds. Budgetary comparison statements have been provided for the General Fund, Building Fund, and governmental funds with legally adopted budgets to demonstrate compliance with these budgets. The basic governmental fund financial statements can be found on pages 25-27 of this report.

Proprietary funds

The City maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer, solid waste, and storm-water operations.

The proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer, solid waste, and storm-water operations, which are considered to be major funds of the City. The basic proprietary fund financial statements can be found on pages 28-32 of this report.

Fiduciary funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 33-34 of this report.

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 35-90 of this report.

Other information

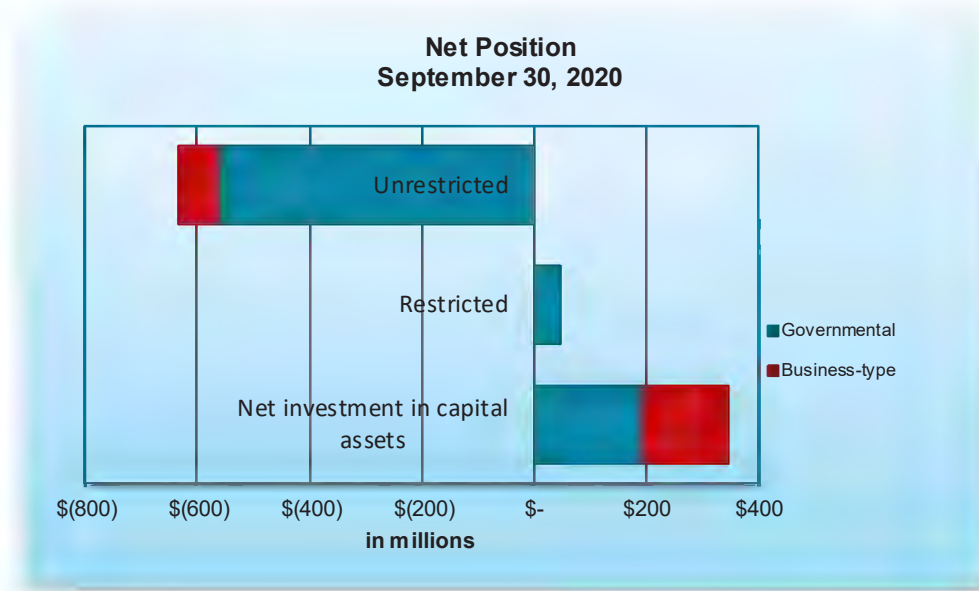
In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* including, but not limited to, budgetary comparison schedules of the General Fund and Building Fund, and information concerning the City's progress in funding its obligation to provide pension and other post-employment benefits to its employees. Required supplementary information can be found on pages 91-100 of this report. The combining statements referred to earlier in connection with non-major governmental funds is presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 101-128 of this report.

Government-wide Financial Analysis

Net position may serve over time as a useful indicator of the City's financial position. In the case of the City of Hialeah, the liabilities and deferred inflows of resources the City exceed its assets and deferred outflows of resources at the close of the most recent fiscal year by \$242.8 million net position (deficit). This is an 11% increase compared to last year's net position (deficit) of \$218.2 million. This was due to an increase of the deficit by \$21.1 million in governmental activities and \$3.5 million in business-type activities respectively.

CITY OF HIALEAH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020

Government-wide Financial Analysis (Continued)



CITY OF HIALEAH - NET POSITION

	Governmental Activities	Business-type Activities	Total 2020	Governmental Activities	Business-type Activities	Total 2019
Current and other assets	\$ 118,972,990	\$ 66,965,553	\$ 185,938,543	\$ 95,474,298	\$ 54,419,898	\$ 149,894,196
Restricted assets	6,256,742	10,855,673	17,112,415	2,832,088	16,699,837	19,531,925
Capital assets, net	256,653,937	203,499,510	460,153,447	257,719,919	204,235,312	461,955,231
Total assets	381,883,669	281,320,736	663,204,405	356,026,305	275,355,047	631,381,352
Deferred outflows of resources	153,745,412	26,237,883	179,983,295	99,638,720	19,319,415	118,958,135
Long-term liabilities	796,115,390	169,505,363	965,620,753	693,761,035	166,660,635	860,421,670
Other liabilities	17,561,173	54,895,241	72,456,414	13,415,193	40,089,455	53,504,648
Total liabilities	813,676,563	224,400,604	1,038,077,167	707,176,228	206,750,090	913,926,318
Deferred inflows of resources	41,212,850	6,744,802	47,957,652	46,607,750	7,987,920	54,595,670
Net position						
Net investment in capital assets	193,868,493	150,166,669	344,035,162	170,129,327	149,162,397	319,291,724
Restricted	47,706,472	-	47,706,472	2,914,351	-	2,914,351
Unrestricted	(560,835,297)	(73,753,456)	(634,588,753)	(471,162,631)	(69,225,945)	(540,388,576)
Total net position	\$ (319,260,332)	\$ 76,413,213	\$ (242,847,119)	\$ (298,118,953)	\$ 79,936,452	\$ (218,182,501)

CITY OF HIALEAH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020

Government-wide Financial Analysis (Continued)

By far the largest portion of the City's net position \$344.0 million reflects its investment in capital assets; less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to its citizens; consequently, they are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position \$47.6 million represents resources that are subject to external restrictions on how they may be used. The remaining balance is considered unrestricted net position and that amount is a \$634.6 million deficit. This figure illustrates that if all liabilities became due at this point in time, total assets would be insufficient to cover all of our obligations. Capital assets of the City would need to be sold in order to meet contingencies.

Net position of the City's governmental activities decreased by 7% (\$21.1 million) from \$298.1 million deficit for last fiscal year, compared to \$319.0 million deficit in the current fiscal year. See detailed explanation under Financial Highlights.

Net position of the City's business-type activities decreased 4% (\$3.5 million) from \$79.9 million for last fiscal year, compared to \$76.4 million in the current fiscal year.

CITY OF HIALEAH - CHANGES IN NET POSITION

	Governmental Activities	Business-type Activities	Total 2020	Governmental Activities	Business-type Activities	Total 2019
Revenues:						
Program revenues:						
Charges for services	\$ 50,084,158	\$ 99,047,969	\$ 149,132,127	\$ 35,404,224	\$ 95,343,844	\$ 130,748,068
Operating grants & contributions	25,349,120	-	25,349,120	32,754,665	-	32,754,665
Capital grants & contributions	12,025,790	191,881	12,217,671	15,769,053	9,781	15,778,834
General Revenues:						
Property taxes	68,425,226	-	68,425,226	62,743,620	-	62,743,620
Utility taxes	22,299,867	-	22,299,867	22,459,212	-	22,459,212
Franchise fees on gross receipts	15,416,105	-	15,416,105	16,021,179	-	16,021,179
Intergovernmental revenue	35,442,925	-	35,442,925	34,612,512	-	34,612,512
Unrealized gain (loss) on investments	-	1,131,107	1,131,107	-	492,097	492,097
Gain on disposal of capital assets	163,985	-	163,985	141,859	-	141,859
Unrestricted interest	456,010	513,395	969,405	640,840	2,143,229	2,784,069
Total revenues	<u>229,663,186</u>	<u>100,884,352</u>	<u>330,547,538</u>	<u>220,547,164</u>	<u>97,988,951</u>	<u>318,536,115</u>
Expenses:						
General government	70,420,073	-	70,420,073	61,455,024	-	61,455,024
Police	88,654,519	-	88,654,519	60,930,938	-	60,930,938
Fire	58,349,093	-	58,349,093	57,797,638	-	57,797,638
Streets	17,440,016	-	17,440,016	13,572,809	-	13,572,809
Recreation and community services	12,018,687	-	12,018,687	12,052,307	-	12,052,307
Interest on long-term debt	3,165,907	-	3,165,907	3,317,950	-	3,317,950
Water & sewer	-	81,857,795	81,857,795	-	71,136,712	71,136,712
Solid waste	-	18,495,129	18,495,129	-	15,261,866	15,261,866
Stormwater	-	4,810,937	4,810,937	-	4,494,713	4,494,713
Total expenses	<u>250,048,295</u>	<u>105,163,861</u>	<u>355,212,156</u>	<u>209,126,666</u>	<u>90,893,291</u>	<u>300,019,957</u>
Change in net position	(20,385,109)	(4,279,509)	(24,664,618)	11,420,498	7,095,660	18,516,158
Transfers	(756,270)	756,270	-	(1,269,139)	1,269,139	-
Net position-beginning	<u>(298,118,953)</u>	<u>79,936,452</u>	<u>(218,182,501)</u>	<u>(308,270,312)</u>	<u>71,571,653</u>	<u>(236,698,659)</u>
Net position-ending	<u>\$ (319,260,332)</u>	<u>\$ 76,413,213</u>	<u>\$ (242,847,119)</u>	<u>\$ (298,118,953)</u>	<u>\$ 79,936,452</u>	<u>\$ (218,182,501)</u>

CITY OF HIALEAH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020

Government-wide Financial Analysis (Continued)

Governmental activities

Governmental activities increased the City's deficit net position by \$21.1 million in the current fiscal year. The net change in fund balance for the governmental funds increased by \$20.8 million in the current fiscal year. These changes reported in the statement of activities do not require the use of current financial resources.

Revenues in ad valorem taxes increased by approximately \$5.7 million in the current fiscal year; this was due to an increase in the assessed property values within the City by the Miami-Dade County Property Appraisers' Office. Although ad valorem taxes increased it continues to be a challenge for the City to maintain the high level of services while the City's operational expenditures, such as salaries, health insurance and pension contributions continue to increase at a significant rate. Yet despite these issues, the City of Hialeah remains determined to maintain its promise not to raise taxes and in fact it maintained the City's millage rate of 6.3018 from the prior year and it will remain the same for the coming fiscal year.

Business-type activities

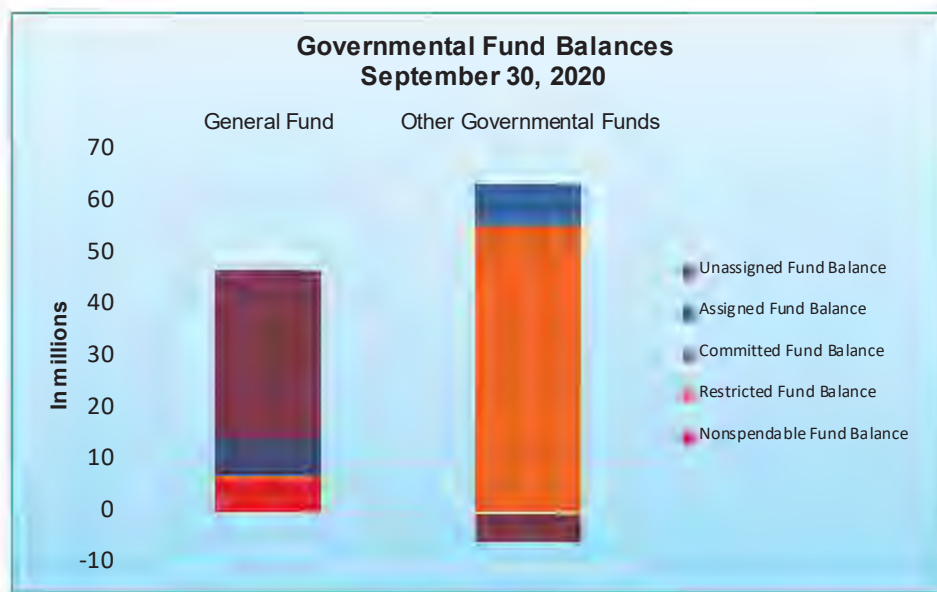
Net position of the City's business-type activities decreased by \$3.5 million in the current fiscal year. The Water and Sewer Utility fund decreased by \$4.5 million, the Solid Waste fund increased by \$1.3 million, and the Stormwater Utility fund decreased by \$302 thousand. See further explanation regarding the Solid Waste fund deficit in Note 1(D), item 18. See detailed explanation under Financial Highlights.

Financial Analysis of the City's Funds

As noted earlier, the City of Hialeah uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds

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



CITY OF HIALEAH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020

Financial Analysis of the City's Funds (Continued)

Governmental funds (Continued)

As of the end of the current fiscal year, the City's *other governmental funds* reported combined ending fund balances (restricted, committed and nonspendable) of \$23.4 million, an increase of approximately \$11.5 million. The individual *statement of revenues, expenditures and changes in fund balances* for nonmajor governmental funds can be found on pages 106-109 of this report.

Unassigned fund balance in the amount of \$32.2 million in the General Fund constitutes an amount which is available for spending as explained earlier under Financial Highlights. The remainder of fund balance is *non-spendable* to indicate it is not available for spending because they are in non-spendable form (i.e. inventory and prepaid expenses), restricted by creditors, assigned for specific purposes, and committed is for future expenditures determined by a formal action of the City Council.

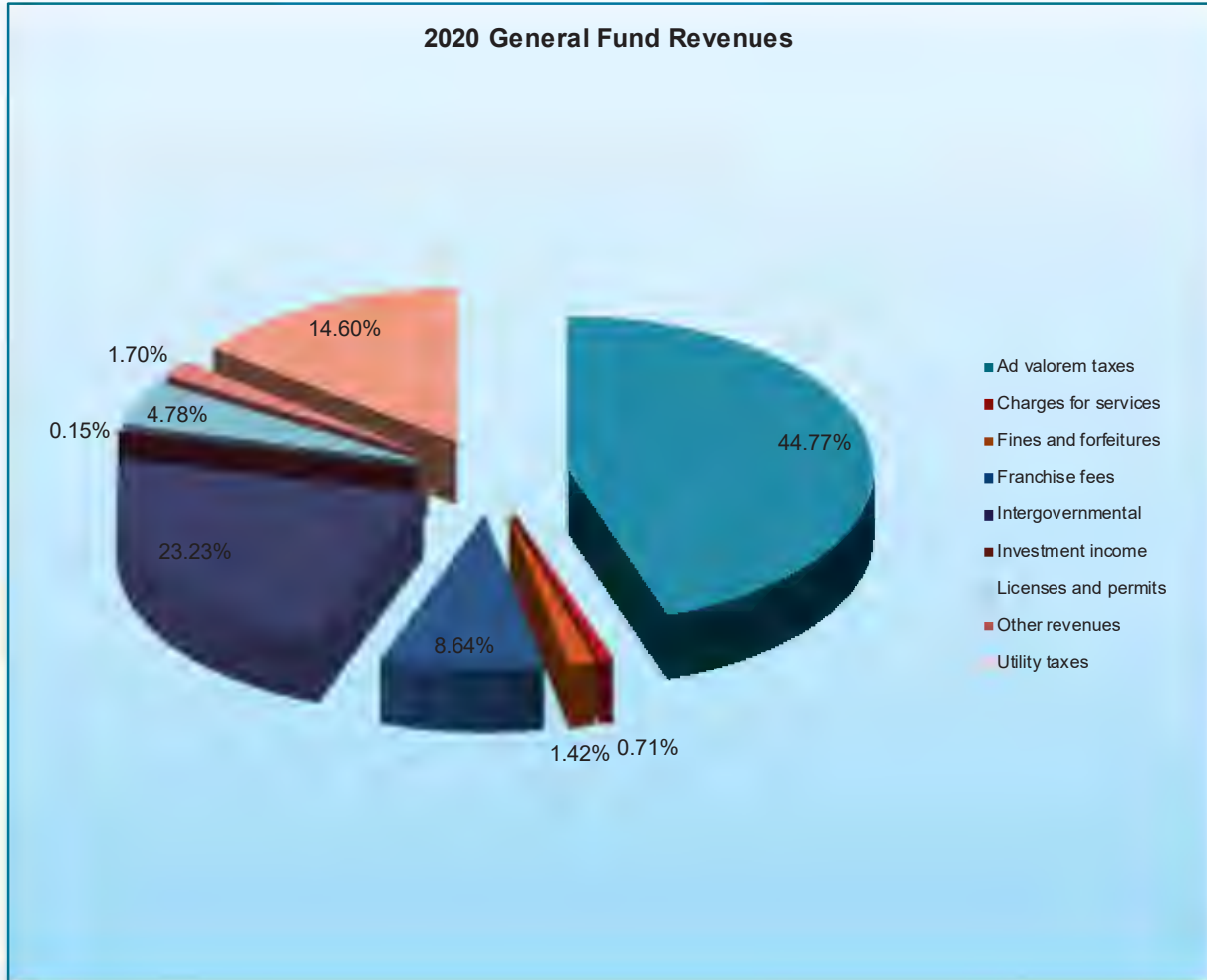
The General Fund is the chief operating fund of the City. General tax revenues and other receipts that are not allocated by law or contractual agreement to another fund are accounted for in this fund. General operating expenses, fixed charges and capital improvement costs not paid through other funds are paid from this fund.

The amount of General Fund revenue from various sources, the percentage of the total and the amount of change compared to last fiscal year are shown in the following schedule:

<u>Revenue Sources</u>	2020		2019		Amount Incr (Decr) from Prior Year	Percent Incr -Decr from Prior Year
	<u>2020 Amount</u>	<u>Percent of Total</u>	<u>2019 Amount</u>	<u>Percent of Total</u>		
Ad valorem taxes	\$ 68,425,226	44.80%	\$ 62,743,620	41.19%	\$ 5,681,606	9.06%
Charges for services	1,084,504	0.71%	1,758,977	1.15%	(674,473)	-62.19%
Fines and forfeitures	2,170,546	1.42%	3,218,408	2.11%	(1,047,862)	-32.56%
Franchise fees	13,197,756	8.64%	14,932,618	9.80%	(1,734,862)	-11.62%
Intergovernmental	35,442,925	23.20%	34,612,512	22.72%	830,413	2.34%
Investment income	233,238	0.15%	601,021	0.39%	(367,783)	-157.69%
Licenses and permits	7,299,414	4.78%	8,049,796	5.28%	(750,382)	-9.32%
Other revenues	2,594,039	1.70%	3,941,490	2.59%	(1,347,451)	-51.94%
Utility taxes	<u>22,299,867</u>	<u>14.60%</u>	<u>22,459,212</u>	<u>14.74%</u>	<u>(159,345)</u>	<u>-0.71%</u>
Total	<u>\$ 152,747,515</u>	<u>100%</u>	<u>\$ 152,317,654</u>	<u>100%</u>	<u>\$ 429,861</u>	<u>0.28%</u>

CITY OF HIALEAH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020

Financial Analysis of the City's Funds (Continued)
Governmental funds (Continued)



Total General Fund revenues increased by \$683 thousand or .4% in fiscal year 2020. Some of the larger increases in revenues include, increases of approximately \$5.7 million in ad valorem taxes, and approximately \$1.1 million in intergovernmental. Many of the revenue decreases in charges for services, fines and forfeitures, licenses and permits, and other revenues were due less activity in facility rentals, parks and recreation programs, after school childcare programs and other community programs impacted by the COVID-19 pandemic.

CITY OF HIALEAH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020

Financial Analysis of the City's Funds (Continued)

Governmental funds (Continued)

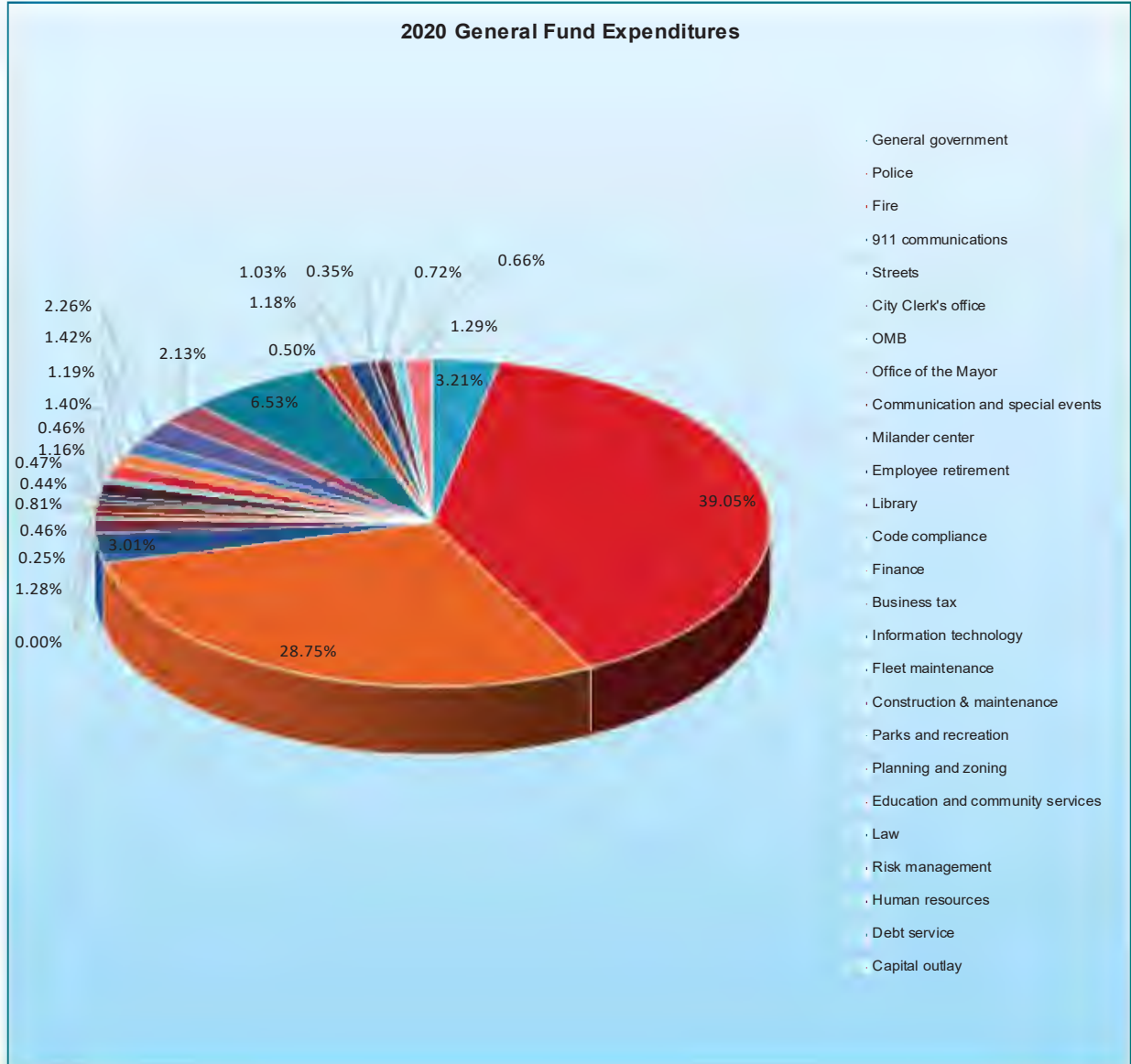
The amount of General Fund expenditures by department, the percentage of the total and the amount of change compared to last fiscal year are shown in the following schedule:

<u>Expenditures</u>	2020		2019		Amount Incr (Decr) from Prior Year	Percent Incr -Decr from Prior Year
	2020	Percent of Total	2019	Percent of Total		
General government	\$ 4,790,476	3.21%	\$ 4,360,947	2.77%	\$ 429,529	9.85%
Police	58,330,841	39.07%	57,470,534	36.55%	860,307	1.50%
Fire	42,943,167	28.76%	43,902,429	27.92%	(959,262)	-2.18%
911 communications	4,498,716	3.01%	4,170,423	2.65%	328,293	7.87%
City Clerk's office	1,910,174	1.28%	1,101,531	0.70%	808,643	73.41%
OMB	367,253	0.25%	410,968	0.26%	(43,715)	-10.64%
Office of the Mayor	681,812	0.46%	588,027	0.37%	93,785	15.95%
Communication and special events	1,216,691	0.81%	1,458,309	0.93%	(241,618)	-16.57%
Milander center	660,817	0.44%	833,206	0.53%	(172,389)	-26.09%
Employee retirement	695,173	0.47%	845,019	0.54%	(149,846)	-17.73%
Library	1,725,573	1.16%	1,744,384	1.11%	(18,811)	-1.08%
Code compliance	688,223	0.46%	715,168	0.45%	(26,945)	-3.77%
Finance	2,083,325	1.40%	1,992,167	1.27%	91,158	4.58%
Business tax	1,770,814	1.19%	1,259,585	0.80%	511,229	40.59%
Information technology	2,113,745	1.42%	2,201,323	1.40%	(87,578)	-3.98%
Fleet maintenance	3,368,715	2.26%	3,523,468	2.24%	(154,753)	-4.39%
Construction & maintenance	3,178,953	2.13%	3,163,088	2.01%	15,865	0.50%
Parks and recreation	9,745,227	6.53%	10,494,096	6.67%	(748,869)	-7.14%
Planning and zoning	739,814	0.50%	662,973	0.42%	76,841	11.59%
Education and community services	1,758,005	1.18%	1,958,762	1.25%	(200,757)	-10.25%
Law	1,538,458	1.03%	1,388,834	0.88%	149,624	10.77%
Risk management	517,884	0.35%	477,409	0.30%	40,475	8.48%
Human resources	1,072,759	0.72%	1,006,870	0.64%	65,889	6.54%
Debt service	983,061	0.66%	883,178	0.56%	99,883	100.00%
Capital outlay	1,926,827	1.29%	10,619,077	6.75%	(8,692,250)	-81.86%
Total	<u>\$ 149,306,503</u>	100.00%	<u>\$ 157,231,775</u>	100.00%	<u>\$ (7,925,272)</u>	-5.04%

CITY OF HIALEAH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020

Financial Analysis of the City's Funds (Continued)

Governmental funds (Continued)



Total General Fund expenditures decreased by approximately \$7.9 million or 5.0% in fiscal year 2020. There was an increase in police of approximately \$860 thousand, an increase in City Clerk's office of \$809 thousand, and an increase in business tax of approximately \$511 thousand.

Communications and special events (\$242 thousand), Milander Center (\$172 thousand), parks and recreation (\$749 thousand), and education and community services (\$201 thousand) experienced expenditures decreases due to less activities and programs due to the COVID-19 pandemic. Also there was a decrease in capital outlay of approximately \$8.7 million.

CITY OF HIALEAH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020

Financial Analysis of the City's Funds (Continued)

Building Fund

This fund is used to account for all revenues and expenditures related to building fund activities. During the current fiscal year the fund reported revenues of approximately \$12.3 million mainly from permit fees and expenditures of approximately \$4.6 million. The fund balance at year end was approximately \$34.8 million.

Proprietary funds

The City maintains three proprietary funds. *Enterprise funds* are used to provide the same type of information found in the government-wide financial statements, but in more detail. The City uses proprietary funds to account for its water and sewer, solid waste, and storm-water operations.

Unrestricted net position of all the enterprise funds at the end of the year amounted to a \$73.8 million deficit; \$13.1 million for the Water and Sewer fund, \$59.6 million for the Solid Waste fund, and \$1.0 million for the Stormwater Utility fund.

General Fund Budgetary Highlights

The differences in the *actual* revenues and expenditures as *compared* to the *budget* are summarized as follows:

- Ad valorem taxes were greater than budgeted figures by \$739 thousand or 1.1%, primarily due to taxable value changes and collections.
- Intergovernmental revenues were greater than budgeted figures by \$2.3 million or 7%, primarily due to MDC Cares Act funding.
- The 911 Communications was less than budgeted figures by \$1.2 million or 20%, primarily due to vacancies and costs associated with personnel.
- The police department expenditures were less than budgeted figures by \$1.7 million or 2.8%, primarily due to vacancies and costs associated with personnel.
- Communications and special events, Milander Center, parks and recreation, and education and community services experienced expenditures less than budget due to less activities and programs due to the COVID-19 pandemic.

There was no difference between the *original budget* and the *final amended budget* for expenditure accounts.

Capital Assets and Debt Administration

Capital assets

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2020 totals \$460 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, infrastructure, improvements other than buildings, and machinery and equipment. The total decrease in the City's investment in capital assets for the current fiscal year was approximately \$1.8 million.

CITY OF HIALEAH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020

Capital Assets and Debt Administration (Continued)

	September 30, 2020			September 30, 2019		
	Governmental	Business-Type	Total	Governmental	Business-Type	Total
Land	\$ 29,694,984	\$ 4,202,141	\$ 33,897,125	\$ 29,694,985	\$ 4,202,141	\$ 33,897,126
Construction in progress	7,954,340	6,049,564	14,003,904	3,171,374	4,351,714	7,523,088
Buildings and utility plants	89,155,123	57,695,077	146,850,200	91,316,894	58,478,976	149,795,870
Improvements other than buildings	5,190,976	26,469	5,217,445	4,696,839	28,119	4,724,958
Furniture, fixtures, machinery and equipment	20,263,013	67,380	20,330,393	21,744,933	186,534	21,931,467
Furniture, fixtures, machinery and equipment - Charter School	600,161	-	600,161	821,092	-	821,092
Infrastructure	103,795,340	135,458,879	239,254,219	106,273,802	136,987,828	243,261,630
Total capital assets	<u>\$ 256,653,937</u>	<u>\$ 203,499,510</u>	<u>\$ 460,153,447</u>	<u>\$ 257,719,919</u>	<u>\$ 204,235,312</u>	<u>\$ 461,955,231</u>

Additions and transfers to capital assets before depreciation for governmental activities equaled approximately \$18.9 million, including CIP of approximately \$5.8 million. The following additions and transfers include the following items:

- Additions to improvements for resurfacing and landscaping throughout the City streets totaling approximately \$1.3 million.
- Additions to infrastructure for construction and engineering services of several City street projects totaling approximately \$3.5 million and for enhancing the radio system totaling approximately \$2.6 million.
- Additions in the asset category of furniture, fixtures, machinery equipment were due primarily to the purchase of various equipment and vehicles for City departments, in the amount of approximately \$4.1 million for the current fiscal year.

Additions and transfers to capital assets before depreciation for business type activities equaled approximately \$10.4 million, including CIP of approximately \$4.4 million. The following additions and transfers include the following items:

- Additions and transfers to infrastructure include water lines and mains, sewer lines and sewer pump stations throughout the City totaling approximately \$5.1 million.
- Additions to the reverse osmosis treatment plant totaling approximately \$957 thousand.

Additional information on the City's capital assets can be found in Note 11, starting on page 58 of this report.

Long-term debt

The City's net outstanding debt increased by approximately \$112 million during the current fiscal year. The change was primarily due to an increase in OPEB liability of \$69.1 million, and an increase in net pension liability of \$40.5 million. Additional information on the City's long-term debt can be found in the notes to the financial statements. More in depth detail can be found in Note 12, starting on page 59 of this report.

	2020	2019
Bonds, loans and notes payable	\$ 131,364,205	\$ 137,056,374
Capital leases	8,609,579	8,107,033
Other long-term debt	<u>831,855,513</u>	<u>715,258,263</u>
Total	<u>\$ 971,829,297</u>	<u>\$ 860,421,670</u>

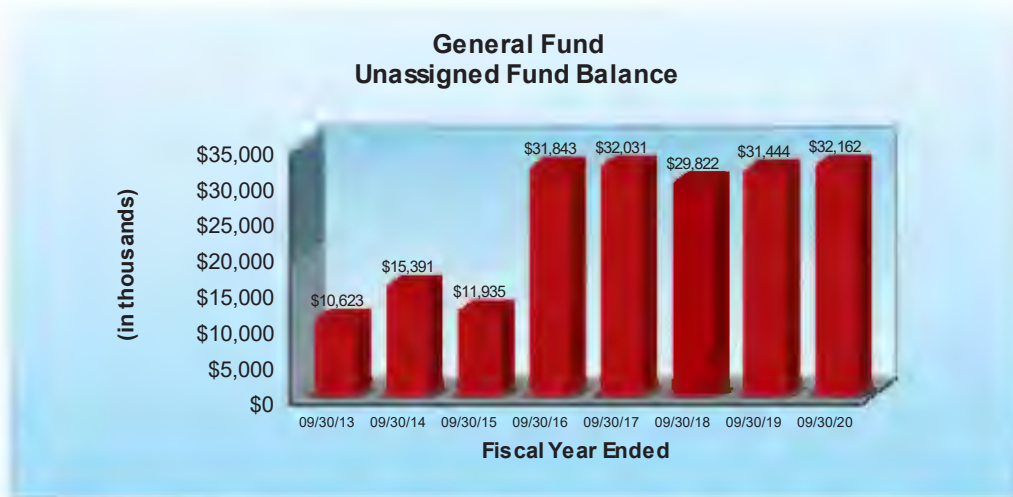
CITY OF HIALEAH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020

Economic Factors and Next Year's Budgets and Rates

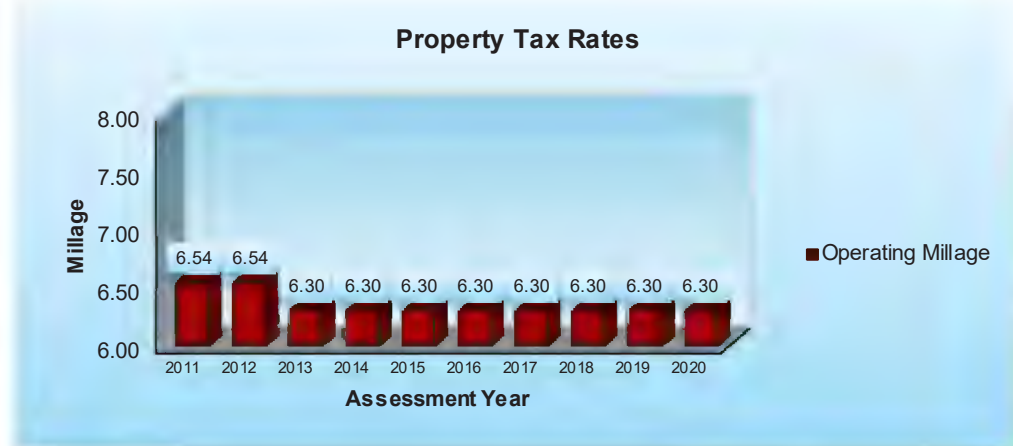
The City's local economy is primarily based upon industrial, light manufacturing and service related companies.

During the current fiscal year, unassigned fund balance in the General Fund increased to \$32.2 million. The unassigned fund balance of \$32.2 million is approximately equal to slightly under two and a half months of the General Fund budgeted expenditures for fiscal year 2020-2021.

The following graph shows the City's unassigned fund balance for the last eight years:



In 1995, the State of Florida limited all local governments' ability to raise homestead assessed property value in any given year by 3% or cost of living, whichever is lower. As the following graph indicates, the City's property tax rates were reduced by almost 1/4 of a mill in 2013. The City's operational expenditures, such as salaries, health insurance and pension contributions continue to increase while our revenue resources have not increased at the same rate and are more limited. During fiscal year 2019-2020, the City maintained the millage rate at 6.3018 mills, as it was in the previous fiscal year. The City has reduced the cost of government, while maintaining a full complement of municipal services (police, fire, parks, recreation, libraries, education, community services and affordable housing) at optimum levels without the need for additional voter approved debt.



CITY OF HIALEAH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020

2020 Fiscal Year Accomplishments

During the 2019-2020 fiscal year, the City of Hialeah, has invested its revenues from all sources in a manner that reflects a vision towards the future. This investment will be enjoyed by the current residents of the City as well as future generations. The following list illustrates a sampling of our major accomplishments this year.

- The City has annexed 1,890 acres of land located in the Northwest section of the City and construction is underway. The area is known as Hialeah Heights. The future land use for this area is as follows:
 - 4,395 Residential units
 - 1,651,680 Square Feet Retail/Commercial/Office
 - 7,623,000 Square Feet Industrial
 - 30 Acre Passive Park

The residential units are for the most part complete, the industrial park completed two phases, is developing Phase III and is at the planning stage of Phase IV (final phase). The industrial park is in operation while growing. Other industrial developments in the northwestern quadrant of the annexation area are currently in the planning phase of warehouse distribution development. A mixed use portion at the southwest quadrant of the area, stagnant for a while for environmental issues, has now resolved the environmental concerns and is under development. The park was completed in FY 2019.

- In October 2016, the City created two Transit Oriented Districts (Hialeah Market Station TOD and Hialeah Transfer Station TOD) in the SE area of the City. This area was envisioned as a strategic location for redevelopment due to its proximity to the Miami International Airport, Midtown, Downtown Miami and the Brickell area. The Hialeah Transfer Station currently links the existing Tri-rail and Metrorail services and in the near future will be the node that will link the new coastal link (Downtown Miami-Biscayne Boulevard Corridor-Orlando) to the existing service. The intent of this district is to promote and encourage mobility and connectivity within the district as well as to and from transit stations for pedestrians, bicycles and automobiles. The TOD district is envisioned as a mixed use urban setting where cars will not be the only transportation option to go to work, school, shop, or amuse and recreation, entertainment and retail will be available to residents within walking distance of their homes. There are two projects under advanced construction for multifamily developments and two new commercial developments have been completed. Other properties in the area got the proper land use and zoning designation to develop their sites as TODs.
- The City created an Arts District, now named the Leah Arts District. Artists gathering in the area are furiously reinventing and enlivening this old warehouse district with colorful murals and special events that showcase Hialeah's artistic creations. The oldest remaining Deli restaurant in Miami is within the district underwent significant renovations by the new owner who is a recognized entrepreneur in the food industry, and is now open and has been a great activator of the area.
- Since 2015, ordinances rezoning properties for infill development and redevelopment granted the entitlements to build 2,967 new multifamily units to serve the population growth and housing demand. At the time of this report approximately 900 units have been built.
- A former 8.92 acre trailer park site, on West 16th Avenue north of West Okeechobee Road is currently under construction with a portion of the commercial development complete. A mixed use development, Pura Vida including 260 apartments and 52,200 square feet of commercial is under construction.

CITY OF HIALEAH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020

2020 Fiscal Year Accomplishments (Continued)

- A former 5.24 acre shopping center site at the corner of East 4th Avenue and Hialeah Drive is currently under construction. A mixed use development, Shoma Village including 304 apartments and 32,780 square feet of commercial is under construction.
- An old industrial district, now renamed as Amelia District, located at the north end of West 4th Avenue, south of the Gratigny Expressway is rapidly being transformed into a live-work district with 3 multifamily developments completed and 4 others under construction including a mixed-use development. That will incorporate commercial uses to serve the residents in the adjacent area.
- The Hialeah Downtown Urban Center is in a redevelopment mode with one multifamily building completed, 3 under construction. A large vacant parcel in the area is in the planning phase for the construction of the headquarters of a local medical operation. Retrofit of old buildings is also underway.
- Construction and Maintenance
 - Impact windows/roofing and painting for affordable housing - 57 Units.
 - Impact windows for affordable housing buildings (32 Unit Annex/Villa Teresita).
 - Exterior painting for affordable housing buildings.
 - Remodeling and upgrades to restrooms at Fire Station #7.
 - Repair and replace street lighting.
 - Install barriers and safety measures for Covid 19 – Citywide.
- Grants and Human Services

U.S. HUD PROGRAMS

CDBG Microenterprise Assistance Program: Assisted nine (9) small businesses having 5 or less employees in the downtown area.

CDBG Street Improvements:

- Planning and design for street improvement SE 2-4 Street from E 6-8 Avenue.
- Construction on West 16th Avenue from 74-77 Street (Phase 2).

CDBG Public Services:

- Educational Community Services Therapeutics Enhancement Program: Assisted 49 special population persons.
- Educational Community Services Senior Enrichment Program: Assisted 1,302 elderly persons.
- Educational Community Services Step Ahead Enrichment Program: Assisted 55 youth and young adults.
- Citrus Health Network Primary Care Clinic: Assisted 553 persons.
- Spinal Cord Living Assistance Program (SCLAD): Assisted 66 persons.
- Health Council of South Florida: Provided services and outreach to 6,094 Hialeah residents.
- Hialeah Community Coalition: Provided services and outreach to 296,943 Hialeah residents.

CDBG Public Facility Improvements:

- Fire Station 7 Renovation: Planning and renovation of the station.
- Fire Equipment: Purchase fire hoses and air compressor for the City fire trucks City-wide.

CITY OF HIALEAH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020

2020 Fiscal Year Accomplishments (Continued)

- Grants and Human Services (Continued)

CDBG Community Environment Initiative: Tree planting project in selected low-moderate income areas throughout the City Phase I.

Coronavirus Aid, Relief, and Economic Security Act (CARES) CDBG –CV 1 and Pass-through from Miami Dade County:

- Business Assistance Grant Phase 1 (CDBG & CDBG CV 1): 306 business were assisted with rent arrears.
- Business Assistance Grant Phase 2 (County): 114 business were assisted with rent arrears
- Gift card Program and police event salaries (County): 4,907 persons issued \$250.00 gift cards.
- Landlord Tenant relief fund and outreach (County): 202 renter households were assisted with rent arrears, future rent and utilities.

CDBG-CV 3: Projects pending to be determined to assist our community through public services, business assistance and infrastructure projects to assist in the recovery from the Covid-19 pandemic.

HOME

- Construction of 83 units of Affordable Housing.
- Tenant Based Rental Assistance Program: Assisted 282 renter households.

ESG: Partner with Citrus Health Network and the Homeless Trust to assist individuals and families experiencing homelessness or were at risk for homelessness. Served a total of 63 homeless persons.

ESG CV-1: Partner with Citrus Health Network, other local communities and the Homeless Trust to assist individuals and families experiencing homelessness or were at risk for homelessness due to Covid-19.

ESG-CV-2: Received funds awarded to Citrus Health Network, program on hold pending the expiration of the CDC eviction moratorium for nonpayment of rent.

NON U.S. HUD PROGRAMS

SHIP: The City was able to renovate 11 owner occupied homes.

Coronavirus Relief Funds: Mortgage assistance to 143 households.

Elderly Meal Program: 259,512 meals were served to 1,075 our low income elderly participants.

Lead Hazard Reduction Grant: Completing the pre planning stages in order to RFP for the vendors needed to initiate this grant.

Job Growth Grant: Overall project work 28.7% complete for capital infrastructure improvements to the area of NW 102 and 162-170 Street.

Goodlet Adult Center Renovation: Continued efforts to renovate the recreational center and supply with new equipment.

CITY OF HIALEAH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020

2020 Fiscal Year Accomplishments (Continued)

- Grants and Human Services (Continued)

Emergency Rental Assistance Program: Received funds to assist Hialeah renter households with rent arrears, 3 months' future rent, Utility arrears and current bills (FPL, Water and Sewer and Solid Waste).

- Recreation Department

- Completed playground renovation projects at three recreational facilities (Veteran's Park, Goodlet Park and O'Quinn Park).
- Completed the addition/installation of two full court basketball courts at Milander Park.
- Developed a departmental policy and procedure manual.
- Developed a Virtual Recreation component for the City website.
- Received multiple awards for Departmental programming and service.
- Several members of the supervisory staff obtained and maintained the status of Certified Parks and Recreation Professional (CPRP) by accumulating educational credits.
- Completed a restoration project at Graham Park.
- Constructed City's first skate park at Bucky Dent Park.
- Opened two new outdoor fitness areas at Slade Park and Sparks Park.

- Street Department

- Resurfaced approximately 7.5 miles of roadway.
- Continued sidewalk restoration/repairs throughout the City.
- Restriped 12 locations throughout the City.
- Continued median beautification/maintenance throughout the City.
- Completed new sidewalks and guardrail improvements along W 28th Ave from 52nd to 84th St.
- Completed the roadway and drainage improvements along W 16th Ave from 68th to 74th St.
- Completed the final lift of asphalt of NW 97th Ave from 138th to 154th St.
- Substantially completed the construction of the west half of NW 97th Ave from 154th to 162nd St.
- Substantially completed the construction of NW 102nd Ave from 142nd to 145th Pl.

- Department of Public Works

- Fully implemented the 2019-2020 retail water and sewer rates as approved by the City Council.
- Continued with the proper training of departmental staff.
- Completed the 2019 Water Quality Report as required by Federal law and distributed the report both in English and Spanish to all customers by July 1, 2020.
- Continued improvements to the City's sewer system in accordance with the MDDERM Consent Order.
- Continued with sewer main lining program. These repairs and construction were completed using "trench-less" construction which is an extremely efficient and effective method of reconstructing sewer mains by not trenching or "digging" the streets of the city. By relining we decrease the amount of I/I that enters our system decreasing the amount of sewage that must be transported, treated and disposed and decreasing the demands on the Miami-Dade County regional system and treatment sewage plants.
- Continued with the full operation of the R.O. Water Treatment Plant to serve the annexation areas as well as other areas in the northwest quadrant of the county.

CITY OF HIALEAH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020

2020 Fiscal Year Accomplishments (Continued)

- Department of Public Works (Continued)
 - Completed construction of an additional 4 production wells for the R.O. Water Treatment Plant, buildings and appurtenances. Negotiated with the FDOT an agreement for the relocation of pipelines serving this wellfield due to the FDOT construction of an interchange in this area.
 - Completed construction for NW 142nd Street between NW 97th Avenue to NW 107 Avenue including the installation of water and sewer lines and pump stations.
 - Continue with the private operations of solid waste services citywide.

Future Outlook

- Construction and Maintenance:
 - Structural repairs to the City Hall parking garage.
 - Rehabilitation of the Goodlet Adult Center.
 - Bucky Dent Skate Park.
 - Southeast Park - re-roofing.
 - Repair and replace sports lighting at parks.
 - Install modular building and utilities for a new Fire Station #9 at Annex Area 30 Acre Park.
 - New metal canopy for police shoot house.
 - Repairs and renovations to Milander Center.
 - New roofs for parks and recreation facilities.
 - Rehabilitation to Babcock Park Recreation Center.
 - Elevator modernization at elderly housing buildings.
 - Elevator modernization at City Hall (loading dock).
 - Elevator modernization for Fire Administration.
 - Hialeah Educational Academy - addition and interior renovation.
 - Street lights and sports lighting conversion to LED.
 - New Annex Park.
 - Fire alarms - repairs and replacement Citywide.
 - Oversee the grants - Ship - Safe Home program.
- Grants and Human Services
 - Commence a new business assistance program Phase 3.
 - Initiate the Lead and Hazard Grant and Healthy Home Program in the City.
 - Complete Job Growth Program in the annexed area.
 - Initiate a Broadband project within the City parks and affordable housing units.
 - Complete Rehabilitation project of Goodlet Park Recreation building.
 - Create and Submit the City's Annual Action plan to U.S. HUD.
 - Complete planning and commence Construction to establish a temporary Fire Station 9 in the annex area.
 - Continue our Community Environment Initiative through a tree planting project.
 - Continue the two (2) open street projects.
 - Continue to work on CARES ACT funding projects to fund businesses adversely affected by Covid-19.
 - Continue to work on assistance to rental tenants that have been adversely affected by Covid-19.
 - Continue a Fire Equipment program.
 - Initiate and AED replacement program in support of Hialeah Housing Authority.

CITY OF HIALEAH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020

Future Outlook (Continued)

- Grants and Human Services (Continued)
 - Continue to work with Hialeah Housing Authority on our Elderly meal onsite and homebound meal program.
 - Commence a SHIP safe Home Program.
 - Commence (1) SHIP Owner occupied demolitions.
 - Complete the new 83 unit of Affordable Housing with Hialeah Housing Authority.
 - Continue rapid rehousing and homeless prevention efforts through our ESG grant, ESG CV 1 and ESG CV2.
 - Continue programs under the CDBG CV 3 program.
- Recreation Department
 - Remove slide and activity pool from Milander Aquatic Center.
 - Install a 5-tier bleacher system with shade structure as a viewing area at Milander Aquatic Center.
 - Renovate the Babcock Park recreation building.
 - Publish a facility rental booklet.
 - Create an additional Department social media account (Twitter or Facebook).
 - Acquire a new Parks and Recreation software.
 - Renovate the kitchen at Wilde Community Center.
 - Open the City's first E-Sports lounge at Babcock Park.
 - Establish an E-Sports Program.
 - Identify location and implement a plan to build a dog friendly facility.
 - Fully equip two or more recreational facilities with LED sports lighting.
- Streets Department
 - Continue roadway resurfacing throughout the City.
 - Continue sidewalk restoration/repairs throughout the City.
 - Continue roadway restriping throughout the City.
 - Continue median beautification/maintenance throughout the City.
 - Complete the roadway and drainage project along W 16th Ave from 74th to 77th St.
 - Complete the roadway and drainage project along SE 2nd and 3rd Pl from 6th to 8th Ave.
 - Finalize the roadway and drainage project along NW 102nd Ave from 162nd to 170th St.
 - Substantially complete the roadway and drainage project along NW 97th Ave from 162nd to 170th St.
 - Complete the final lift of asphalt of NW 102nd Ave from 142nd to 145th Pl.
 - Begin the construction of the roadway and drainage improvements along W 76th St from 20th to 24th Ave.
 - Construct additional stormwater drainage throughout the City.

CITY OF HIALEAH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020

Future Outlook (Continued)

- Department of Public Works
 - Complete rehabilitation of eight sewage pump stations, including new force mains, to comply with MDDERM consent order.
 - Continue with sewer main lining program. These repairs and construction are to be completed in the final eight basins using “trench-less” construction which an extremely efficient and effective method of reconstructing sewer mains by not trenching or “digging” the streets of the city. By relining we decrease the amount of I/I that enters our system decreasing the amount of sewage that must be transported, treated and disposed and decreasing the demands on the Miami-Dade County regional system and treatment sewage plants.
 - Continue with the full production operations of the R.O. Water Treatment Plant and expand the operation from 7.5 MGD to 10.0 MGD.
 - Complete relocation of water lines and power to accommodate the planned interchange at NW 170 Street and NW 107th Avenue. Place four new production wells into full operation.
 - Continue with the private operations of solid waste services citywide.

Requests for Information

This financial report is designed to provide a general overview of the City of Hialeah's finances for all those with an interest in the City's finances.

Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Christopher Chiocca, Finance Director, Finance Department, City of Hialeah, 501 Palm Avenue, Hialeah, Florida 33010. In addition, the City's Comprehensive Annual Financial Report may be obtained through the City's website at <http://www.hialeahfl.gov>.

BASIC FINANCIAL STATEMENTS

CITY OF HIALEAH, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2020

	Governmental Activities	Business- Type Activities	Total
<u>ASSETS</u>			
Cash and cash equivalents	\$ 50,604,321	\$ 25,710,651	\$ 76,314,972
Investments	-	15,401,798	15,401,798
Receivables, net	49,830,800	29,872,173	79,702,973
Notes receivable	2,822,625	-	2,822,625
Internal balances	8,438,938	(8,438,938)	-
Inventories	3,331,056	868,858	4,199,914
Prepays and other assets	1,066,773	3,551,011	4,617,784
Net pension asset	2,878,477	-	2,878,477
Restricted assets:			
Cash, cash equivalents and investments	6,256,742	10,853,573	17,110,315
Other assets	-	2,100	2,100
Capital assets:			
Non-depreciable	37,649,324	10,251,705	47,901,029
Depreciable, net of depreciation	219,004,613	193,247,805	412,252,418
Total assets	<u>381,883,669</u>	<u>281,320,736</u>	<u>663,204,405</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Pension	74,560,297	13,595,541	88,155,838
Advance contribution to pension	10,000,000	-	10,000,000
OPEB	69,185,115	12,642,342	81,827,457
Total deferred outflows of resources	<u>153,745,412</u>	<u>26,237,883</u>	<u>179,983,295</u>
<u>LIABILITIES</u>			
Accounts payable and other current liabilities	14,539,425	32,983,419	47,522,844
Accrued interest	417,656	-	417,656
Unearned revenue	2,604,092	35,000	2,639,092
Liabilities payable from restricted assets	-	15,668,778	15,668,778
Non-current liabilities:			
Due within one year	21,814,346	3,104,022	24,918,368
Due in more than one year	774,301,044	172,609,385	946,910,429
Total liabilities	<u>813,676,563</u>	<u>224,400,604</u>	<u>1,038,077,167</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Local business tax	3,950,792	-	3,950,792
Pension	351,181	-	351,181
OPEB	36,910,877	6,744,802	43,655,679
Total deferred inflows of resources	<u>41,212,850</u>	<u>6,744,802</u>	<u>47,957,652</u>
<u>NET POSITION</u>			
Net investment in capital assets	193,868,493	150,166,669	344,035,162
Restricted:			
Debt service	4,019,270	-	4,019,270
Human services	34,192,633	-	34,192,633
Public safety	1,850,248	-	1,850,248
Recreation and community services	7,392,975	-	7,392,975
Other	251,346	-	251,346
Unrestricted	(560,835,297)	(73,753,456)	(634,588,753)
Total net position	<u>\$ (319,260,332)</u>	<u>\$ 76,413,213</u>	<u>\$ (242,847,119)</u>

See notes to basic financial statements.

CITY OF HIALEAH, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- Type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 70,420,073	\$ 31,679,136	\$23,610,116	\$ 5,081,458	\$ (10,049,363)	\$ -	\$ (10,049,363)
Police	88,654,519	954,018	712,714	1,213,432	(85,774,355)	-	(85,774,355)
Fire	58,349,093	6,207,550	382,577	-	(51,758,966)	-	(51,758,966)
Streets	17,440,016	8,300,213	547,056	5,730,900	(2,861,847)	-	(2,861,847)
Recreation and community services	12,018,687	2,943,241	96,657	-	(8,978,789)	-	(8,978,789)
Interest on long term debt	3,165,907	-	-	-	(3,165,907)	-	(3,165,907)
Total governmental activities	250,048,295	50,084,158	25,349,120	12,025,790	(162,589,227)	-	(162,589,227)
Business-type activities:							
Water and sewer	81,857,795	75,565,212	-	191,881	-	(6,100,702)	(6,100,702)
Solid waste	18,495,129	19,746,834	-	-	-	1,251,705	1,251,705
Stormwater	4,810,937	3,735,922	-	-	-	(1,075,015)	(1,075,015)
Total business-type activities	105,163,861	99,047,969	-	191,881	-	(5,924,011)	(5,924,011)
	\$ 355,212,156	\$ 149,132,127	\$ 25,349,120	\$ 12,217,671	(162,589,227)	(5,924,011)	(168,513,239)
General revenues:							
Property taxes					68,425,226	-	68,425,226
Utility taxes					22,299,867	-	22,299,867
Franchise fees on gross receipts					15,416,105	-	15,416,105
Intergovernmental revenues not restricted to specific program					35,442,925	-	35,442,925
Unrealized gain on investments					-	1,131,107	1,131,107
Gain on disposal of capital assets					163,985	-	163,985
Unrestricted interest					456,010	513,395	969,405
Transfers					(756,270)	756,270	-
Total general revenues					141,447,848	2,400,772	143,848,620
Change in net position					(21,141,379)	(3,523,239)	(24,664,618)
Net position - beginning					(298,118,953)	79,936,452	(218,182,501)
Net position - ending					\$ (319,260,332)	\$ 76,413,213	\$ (242,847,119)

See notes to basic financial statements.

CITY OF HIALEAH, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020

	<u>General</u>	<u>Building Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>				
Cash and cash equivalents	\$ 47,847,315	\$ -	\$ 2,757,006	\$ 50,604,321
Receivables, net	24,618,597	32,952	25,179,251	49,830,800
Due from other funds	36,988,906	35,187,580	20,370,675	92,547,161
Inventories	3,331,056	-	-	3,331,056
Prepays	718,000	-	348,773	1,066,773
Notes receivable	2,822,625	-	-	2,822,625
Restricted cash, cash equivalents, and investments	553,447	-	5,703,295	6,256,742
Total assets	<u>\$ 116,879,946</u>	<u>\$ 35,220,532</u>	<u>\$ 54,359,000</u>	<u>\$ 206,459,478</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Advance contribution to pension	10,000,000	-	-	10,000,000
<u>LIABILITIES</u>				
Accounts payable and accrued liabilities	\$ 9,106,861	\$ 442,038	\$ 4,990,526	\$ 14,539,425
Compensated absences payable	1,637,343	-	-	1,637,343
Self-insurance claims payable	526,790	-	-	526,790
Due to other funds	62,304,710	-	21,803,513	84,108,223
Unearned revenue	2,825,911	-	2,600,806	5,426,717
Total liabilities	<u>76,401,615</u>	<u>442,038</u>	<u>29,394,845</u>	<u>106,238,498</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Local business tax	3,329,370	-	621,422	3,950,792
Unavailable revenues	-	-	932,516	932,516
Total deferred inflows of resources	<u>3,329,370</u>	<u>-</u>	<u>1,553,938</u>	<u>4,883,308</u>
<u>FUND BALANCES</u>				
Nonspendable	6,871,681	-	348,773	7,220,454
Restricted	553,447	34,751,626	21,019,967	56,325,040
Committed	390,193	26,868	7,435,795	7,852,856
Assigned	7,171,799	-	-	7,171,799
Unassigned	32,161,841	-	(5,394,318)	26,767,523
Total fund balances	<u>47,148,961</u>	<u>34,778,494</u>	<u>23,410,217</u>	<u>105,337,672</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 126,879,946</u>	<u>\$ 35,220,532</u>	<u>\$ 54,359,000</u>	
Amounts reported for governmental activities in the statement of net position are different because:				
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds				256,653,937
Long-term liabilities, including bonds payable, are not due and payable in the current period				(86,640,444)
Compensated absences				(28,639,653)
Claims payable				(49,673,669)
Accrued interest				(417,656)
Net pension asset				2,878,477
Net pension liability				(255,744,667)
Deferred outflows - pensions				74,560,297
Deferred inflows - pensions				(351,181)
Deferred outflows - OPEB				69,185,115
Deferred inflows - OPEB				(36,910,877)
Deferred inflows of resources in governmental funds are used to offset accounts receivable not expected to be received within 60 days of year end. These receivables are a component of net position in the statement of net position				932,516
Notes receivable-long term				2,822,625
OPEB liability				(373,252,824)
Net position of governmental activities				<u>\$ (319,260,332)</u>

See notes to basic financial statements.

CITY OF HIALEAH, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	<u>General</u>	<u>Building Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Ad valorem taxes	\$ 68,425,226	\$ -	\$ -	\$ 68,425,226
Charges for services	1,084,504	-	6,545,046	7,629,550
Fines and forfeitures	2,170,546	-	1,203,087	3,373,633
Franchise fees	13,197,756	-	2,218,349	15,416,105
Impact fees	-	-	3,445,036	3,445,036
Intergovernmental	35,442,925	-	47,262,595	82,705,520
Investment income	233,238	126,971	95,801	456,010
Licenses and permits	7,299,414	12,203,233	-	19,502,647
Other revenues	2,594,039	1,568	199,870	2,795,477
Utility taxes	22,299,867	-	-	22,299,867
Total revenues	<u>152,747,515</u>	<u>12,331,772</u>	<u>60,969,784</u>	<u>226,049,071</u>
Expenditures:				
Current:				
911 communications	4,498,716	-	978,385	5,477,101
Business tax division	1,770,814	-	-	1,770,814
City Clerk's office	1,910,174	-	-	1,910,174
Code compliance	688,223	-	-	688,223
Communications and special events	1,216,691	-	-	1,216,691
Construction and maintenance	3,178,953	-	-	3,178,953
Education and community services	1,758,005	-	-	1,758,005
Employee retirement	695,173	-	-	695,173
Finance	2,083,325	-	-	2,083,325
Fire	42,943,167	-	4,860,976	47,804,143
Fleet maintenance	3,368,715	-	-	3,368,715
General government	4,790,476	3,966,113	11,617,410	20,373,999
Grants and human services	-	-	5,031,212	5,031,212
Human resources	1,072,759	-	-	1,072,759
Information technology	2,113,745	-	-	2,113,745
Law	1,538,458	-	-	1,538,458
Library	1,725,573	-	-	1,725,573
Milander center	660,817	-	-	660,817
Office of Management and Budget	367,253	-	-	367,253
Office of the Mayor	681,812	-	-	681,812
Parks and recreation	9,745,227	-	35,765	9,780,992
Planning and zoning	739,814	-	-	739,814
Police	58,330,841	-	1,398,706	59,729,547
Public works	-	-	31,664	31,664
Risk management	517,884	-	-	517,884
State housing initiative program	-	-	1,250,044	1,250,044
Streets	-	-	5,630,912	5,630,912
Capital outlay	1,926,827	630,144	14,978,618	17,535,589
Debt service:				
Principal	890,230	-	3,900,213	4,790,443
Interest	92,831	-	3,416,316	3,509,147
Total expenditures	<u>149,306,503</u>	<u>4,596,257</u>	<u>53,130,221</u>	<u>207,032,981</u>
Excess of revenues over expenditures before other financing sources (uses)	<u>3,441,012</u>	<u>7,735,515</u>	<u>7,839,563</u>	<u>19,016,090</u>
Other financing sources (uses):				
Proceeds from disposal of capital assets	163,985	-	-	163,985
Issuance of debt	171,655	-	1,495,428	1,667,083
Transfers in	-	-	2,163,594	2,163,594
Transfers out	(2,163,594)	-	-	(2,163,594)
Total other financing sources (uses)	<u>(1,827,954)</u>	<u>-</u>	<u>3,659,022</u>	<u>1,831,068</u>
Net change in fund balances	1,613,058	7,735,515	11,498,585	20,847,158
Fund balances - beginning	45,535,903	27,042,979	11,911,632	84,490,514
Fund balances - ending	<u>\$ 47,148,961</u>	<u>\$ 34,778,494</u>	<u>\$ 23,410,217</u>	<u>\$ 105,337,672</u>

See notes to basic financial statements.

CITY OF HIALEAH, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

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

Net change in fund balances - total governmental funds (Page 26) \$ 20,847,158

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

The details of the difference are as follows:

Capital outlay	17,535,589	
Depreciation expense	<u>(18,881,912)</u>	
Net adjustment		(1,346,323)

The net effect of various transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase (decrease) net position.

Capital outlay which did not meet the threshold for capitalization	280,339	
Other adjustments	<u>48,904</u>	
Net adjustment		329,243

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

The details of the difference are as follows:

Unavailable revenue - CITT funds	<u>(23,011)</u>	
		(23,011)

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

The details of the differences are as follows:

Issuance of debt	<u>(1,667,083)</u>	
Principal payments:		
Notes payable	3,625,406	
Capital leases	<u>1,165,037</u>	
	<u>4,790,443</u>	
Net adjustment		3,123,360

Cash pension contributions reported in the funds were less than calculated pension expense on the statement of activities	(24,788,623)
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

The details of the difference are as follows:

Decrease in due to other governments	2,667,968	
Decrease due to OPEB	47,285,855	
Increase in OPEB liability	(61,245,294)	
Decrease in accrued interest	16,552	
Increase in claims payable	(3,587,643)	
Amortization of bond discount/premium	326,688	
Increase in compensated absences	<u>(4,747,309)</u>	
Net adjustment		<u>(19,283,183)</u>

Change in net position of governmental activities (Page 24)	<u><u>\$ (21,141,379)</u></u>
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See notes to basic financial statements.

CITY OF HIALEAH, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2020

	Water and Sewers Utility <u>System</u>	Solid Waste Utility <u>System</u>	Stormwater Utility <u>System</u>	<u>Total</u>
<u>ASSETS</u>				
Current assets:				
Cash and cash equivalents	\$ 24,521,949	\$ 1,188,702	\$ -	\$ 25,710,651
Investments	15,401,798	-	-	15,401,798
Customers accounts receivable, net	23,132,966	-	-	23,132,966
Other receivables	5,660,958	1,078,248	-	6,739,207
Due from other funds	896,868	4,645,668	6,425,539	11,968,075
Inventories	868,858	-	-	868,858
Prepays	3,551,011	-	-	3,551,011
Restricted assets:				
Cash, cash equivalents and investments	10,853,573	-	-	10,853,573
Other assets	2,100	-	-	2,100
Total current assets	<u>84,890,081</u>	<u>6,912,618</u>	<u>6,425,539</u>	<u>98,228,239</u>
Non-current assets:				
Interfund loan receivable	12,530,405	-	-	12,530,405
Capital assets, not being depreciated	9,807,636	444,069	-	10,251,705
Capital assets, net of accumulated depreciation	168,433,968	3,388,807	21,425,030	193,247,805
Total capital assets, net	<u>178,241,604</u>	<u>3,832,876</u>	<u>21,425,030</u>	<u>203,499,510</u>
Total non-current assets	<u>190,772,009</u>	<u>3,832,876</u>	<u>21,425,030</u>	<u>216,029,915</u>
Total assets	<u>275,662,090</u>	<u>10,745,494</u>	<u>27,850,569</u>	<u>314,258,154</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Pension	6,907,767	5,702,208	985,566	13,595,541
OPEB	6,423,455	5,302,419	916,468	12,642,342
Total deferred outflows of resources	<u>13,331,222</u>	<u>11,004,627</u>	<u>1,902,034</u>	<u>26,237,883</u>

See notes to basic financial statements.

CITY OF HIALEAH, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
(Continued)
SEPTEMBER 30, 2020

	Water and Sewers Utility System	Solid Waste Utility System	Stormwater Utility System	Total
<u>LIABILITIES</u>				
Current liabilities:				
Accounts payable and accrued liabilities	\$ 28,544,225	\$ 4,212,590	\$ 226,604	\$ 32,983,419
Current portion of self-insurance claims payable	613,888	243,452	20,317	877,657
Current portion of loans payable	1,252,695	-	526,000	1,778,695
Current portion of compensated absences	345,918	28,156	28,156	402,230
Due to other funds	7,233,205	7,981,059	-	15,214,264
	<u>37,989,931</u>	<u>12,465,257</u>	<u>801,077</u>	<u>51,256,265</u>
Current liabilities payable from restricted assets:				
DERM payable	5,376,369	-	-	5,376,369
Due to other funds	5,192,749	-	-	5,192,749
Other payables	17,617	-	-	17,617
Customer deposits	10,274,792	-	-	10,274,792
Total current liabilities payable from restricted assets	<u>20,861,527</u>	<u>-</u>	<u>-</u>	<u>20,861,527</u>
Total current liabilities	<u>58,851,458</u>	<u>12,465,257</u>	<u>801,077</u>	<u>72,117,792</u>
Non-current liabilities:				
Revolving loan	865,734	-	-	865,734
Loan payable	40,640,903	-	10,047,509	50,688,412
Interfund loan payable	-	12,530,405	-	12,530,405
Unearned revenues	-	35,000	-	35,000
Net pension liability	23,744,478	19,600,537	3,387,747	46,732,762
Self-insurance claims payable	2,521,384	1,341,657	119,142	3,982,183
OPEB liability	34,663,436	28,606,791	4,950,855	68,221,082
Compensated absences payable	1,860,229	158,168	146,255	2,164,652
Total non-current liabilities	<u>104,296,164</u>	<u>62,272,558</u>	<u>18,651,508</u>	<u>185,220,230</u>
Total liabilities	<u>163,147,622</u>	<u>74,737,815</u>	<u>19,452,585</u>	<u>257,338,022</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Pension	-	-	-	-
OPEB	3,426,970	2,828,888	488,944	6,744,802
Total deferred inflows of resources	<u>3,426,970</u>	<u>2,828,888</u>	<u>488,944</u>	<u>6,744,802</u>
<u>NET POSITION</u>				
Net investment in capital assets	135,482,272	3,832,876	10,851,521	150,166,669
Unrestricted	<u>(13,063,552)</u>	<u>(59,649,458)</u>	<u>(1,040,447)</u>	<u>(73,753,456)</u>
Total net position	<u>\$ 122,418,720</u>	<u>\$ (55,816,582)</u>	<u>\$ 9,811,074</u>	<u>\$ 76,413,213</u>

See notes to basic financial statements.

CITY OF HIALEAH, FLORIDA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Water and Sewers Utility <u>System</u>	Solid Waste Utility <u>System</u>	Stormwater Utility <u>System</u>	<u>Total</u>
Operating revenues:				
Metered water sales	\$ 23,760,813	\$ -	\$ -	\$ 23,760,813
Sanitary sewer service	47,886,981	-	-	47,886,981
Sanitation fees	-	19,089,141	-	19,089,141
Stormwater fees	-	-	3,735,922	3,735,922
Other	3,917,418	657,693	-	4,575,111
Total operating revenues	<u>75,565,212</u>	<u>19,746,834</u>	<u>3,735,922</u>	<u>99,047,969</u>
Operating expenses:				
Operating, administrative and maintenance (1)	73,777,112	17,959,254	1,841,371	93,577,737
Depreciation	5,826,393	172,953	2,507,513	8,506,859
Total operating expenses	<u>79,603,505</u>	<u>18,132,207</u>	<u>4,348,884</u>	<u>102,084,596</u>
Operating income (loss)	<u>(4,038,293)</u>	<u>1,614,627</u>	<u>(612,962)</u>	<u>(3,036,627)</u>
Non-operating revenues (expenses):				
Unrealized gain on investments	1,131,107	-	-	1,131,107
Investment Income	490,851	5,825	16,719	513,395
Interest expense	(2,254,290)	(362,922)	(462,053)	(3,079,265)
Net non-operating revenues (expenses)	<u>(632,332)</u>	<u>(357,097)</u>	<u>(445,334)</u>	<u>(1,434,763)</u>
Gain (loss) before contributions	(4,670,625)	1,257,530	(1,058,296)	(4,471,390)
Capital contributions	191,881	-	756,270	948,151
Change in net position	(4,478,744)	1,257,530	(302,026)	(3,523,239)
Net position, beginning	126,897,464	(57,074,112)	10,113,100	79,936,452
Net position, ending	<u>\$ 122,418,720</u>	<u>\$ (55,816,582)</u>	<u>\$ 9,811,074</u>	<u>\$ 76,413,213</u>

(1) - See Note 1, paragraph 18

See notes to basic financial statements.

CITY OF HIALEAH, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Water and Sewers Utility System	Solid Waste Utility System	Stormwater Utility System	Totals
Cash flows from operating activities:				
Cash received from customers	\$ 68,625,663	\$ 18,672,893	\$ 3,483,566	\$ 90,782,122
Cash received from others	2,643,418	1,783,430	-	4,426,848
Cash paid for interfund services used	(1,115,171)	-	(871,597)	(1,986,768)
Cash payments to suppliers	(54,063,453)	(14,268,958)	(335,097)	(68,667,508)
Cash payments to employees	(8,918,065)	(853,658)	(1,126,164)	(10,897,887)
Net cash provided by (used in) operating activities	<u>7,172,392</u>	<u>5,333,707</u>	<u>1,150,708</u>	<u>13,656,807</u>
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(6,649,169)	-	(204,375)	(6,853,543)
Proceeds from interfund note receivable	4,219,595	-	-	4,219,595
Interest paid	(2,254,290)	(362,922)	(462,053)	(3,079,265)
Capital contributions	191,881	-	-	191,881
Payments on interfund note payable	-	(4,219,595)	-	(4,219,595)
Payments on long-term debt	(1,180,472)	-	(501,000)	(1,681,472)
Net cash provided by (used in) capital and related financing activities	<u>(5,672,455)</u>	<u>(4,582,517)</u>	<u>(1,167,428)</u>	<u>(11,422,399)</u>
Cash flows from investing activities:				
Interest received on investments	<u>490,851</u>	<u>5,825</u>	<u>16,719</u>	<u>513,395</u>
Net cash provided by (used in) investing activities	<u>490,851</u>	<u>5,825</u>	<u>16,719</u>	<u>513,395</u>
Net increase (decrease) in cash and cash equivalents	1,990,788	757,015	-	2,747,803
Cash and cash equivalents, beginning	<u>33,384,734</u>	<u>431,687</u>	<u>-</u>	<u>33,816,421</u>
Cash and cash equivalents, ending	<u>\$ 35,375,522</u>	<u>\$ 1,188,702</u>	<u>\$ -</u>	<u>\$ 36,564,224</u>
Cash and cash equivalents per statement of net position:				
Unrestricted	\$ 24,521,949	\$ 1,188,702	\$ -	\$ 25,710,651
Restricted - current	<u>10,853,573</u>	<u>-</u>	<u>-</u>	<u>10,853,573</u>
	<u>\$ 35,375,522</u>	<u>\$ 1,188,702</u>	<u>\$ -</u>	<u>\$ 36,564,224</u>

See notes to basic financial statements.

CITY OF HIALEAH, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
(Continued)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Water and Sewers Utility <u>System</u>	Solid Waste Utility <u>System</u>	Stormwater Utility <u>System</u>	<u>Totals</u>
Reconciliation of operating loss to net cash provided by operating activities:				
Operating income (loss)	\$ (4,038,293)	\$ 1,614,627	\$ (612,962)	\$ (3,036,627)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	5,826,393	172,953	2,507,513	8,506,859
Amortization	13,162	-	(58,602)	(45,440)
Changes in operating assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	(3,022,119)	-	2,104	(3,020,015)
Other receivables	(1,274,001)	684,005	-	(589,996)
Due from other funds	(517,935)	25,479	(1,126,058)	(1,618,513)
Prepays	1,758,828	-	-	1,758,828
Inventories	192,785	-	-	192,785
Deferred outflows	(3,459,619)	(2,821,224)	(637,625)	(6,918,468)
Increase (decrease) in:				
Accounts payable and accrued liabilities	7,777,254	604,665	112,521	8,494,440
Self insurance claims payable	(486,801)	(905,100)	(84,113)	(1,476,014)
Compensated absences payable	87,224	27,628	28,993	143,845
OPEB liability	3,732,965	3,437,005	690,685	7,860,655
Deferred inflows	(668,010)	(502,286)	(72,822)	(1,243,118)
Net pension liability	1,973,199	1,890,087	401,073	4,264,359
Due to other funds	(825,928)	1,105,867	-	279,939
Customer deposits	103,288	-	-	103,288
Total adjustments	11,210,685	3,719,080	1,763,670	16,693,434
Net cash provided by (used in) operating activities	\$ 7,172,392	\$ 5,333,707	\$ 1,150,708	\$ 13,656,807
Schedule of non-cash capital and related financing activities:				
Contributions of capital assets from governmental activities	\$ -	\$ -	\$ 756,270	\$ 756,270
Increase in fair value of investments	1,131,107	-	-	1,131,107

See notes to basic financial statements.

CITY OF HIALEAH, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2020

	Pension Trust
<u>ASSETS</u>	
Cash and cash equivalents	\$ 34,728,766
Securities lending cash collateral	<u>75,125,598</u>
Receivables:	
Other receivables	259,906
Employer and employee contributions	-
Accrued interest and dividends	<u>1,567,586</u>
Total receivables	<u>1,827,492</u>
Investments, at fair value:	
U.S. Government	168,808,917
Real estate investment trusts	14,770,696
Corporate bonds	114,708,802
Foreign bonds	603,405
Limited partnerships	3,992,085
Mutual funds	21,562,908
ADRs	28,361,459
Foreign stocks	6,394,852
CIF - equity	1,800,545
Common stocks	<u>338,745,872</u>
Total investments	<u>699,749,541</u>
Loans to members	<u>7,748,416</u>
Total assets	<u>819,179,813</u>
<u>LIABILITIES AND NET POSITION</u>	
Obligations under securities lending	75,125,598
Investments purchased	5,464,957
Accounts payable and accrued liabilities	<u>370,001</u>
Total liabilities	<u>80,960,556</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Advance contribution from City	<u>10,000,000</u>
Net position restricted for pensions	<u>\$ 728,219,257</u>

See notes to basic financial statements.

CITY OF HIALEAH, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Pension Trust
<u>ADDITIONS</u>	
Contributions:	
Employer	\$ 33,336,745
Employee	7,582,178
State	<u>461,877</u>
Total contributions	<u>41,380,800</u>
Investment income:	
Net appreciation in fair value of investments	49,552,324
Investment earnings	<u>14,458,067</u>
Total investment income	64,010,391
Less investment expenses	<u>1,618,150</u>
Net investment income	<u>62,392,241</u>
Total additions	<u>103,773,041</u>
<u>DEDUCTIONS</u>	
Pension benefits	63,271,542
Refunds of contributions	11,860,599
DROP benefits	1,297,212
Administrative expenses	<u>934,308</u>
Total deductions	<u>77,363,661</u>
Net increase (decrease)	26,409,380
Net position restricted for pensions:	
Beginning of year	<u>701,809,877</u>
End of year	<u>\$ 728,219,257</u>

See notes to basic financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Hialeah, Florida (the "City") was incorporated in 1925. The City operates under a strong mayor form of government with the legislative function being vested in a seven-member council. The City provides the following services as authorized by its charter: public safety (police and fire), streets, water and wastewater, sanitation, social services, culture-recreation, public improvements, planning and zoning and general administrative services. The basic financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental and financial reporting principles. The more significant of the City's accounting policies are described below.

A. The Financial Reporting Entity

As required by generally accepted accounting principles, these basic financial statements present the reporting entity of the City. Component units are legally separate entities for which the government is considered to be financially accountable and for which the nature and significance of their relationship with the primary government are such that exclusion would cause the City's combined financial statements to be misleading or incomplete. The primary government is considered financially accountable if it appoints a voting majority of an organization's governing body and 1) it is able to impose its will on the organization or 2) there is a potential for the organization to provide specific financial benefit to or impose specific financial burden on the Board. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity financial statements to be misleading or incomplete.

Based on the application of the criteria set forth by the Governmental Accounting Standards Board, management has determined that the City of Hialeah Educational Academy, Inc. (the "HEA") met the definition for inclusion as a blended component unit. There were no discretely presented component units.

Blended Component Unit - HEA is a charter school operating as a charter-school-municipality through a school charter agreement between the School Board of Miami Dade County, Florida and the City. HEA is governed by oversight committee, which was established by City Ordinance 08-48, which is composed of the City's Mayor and council members. The members of the oversight committee also serve as the HEA Board of Directors. HEA is included as a blended component unit because the City, through the Board of Directors, approves the budget and oversees the HEA operations. Further, there is a direct financial benefit to the City. HEA has a fiscal year ending on June 30, 2020. The June 30, 2020 financial statements are reported as a special revenue fund of the City, and HEA issues separate financial statements.

Related Organization - The City Council is also responsible for appointing the members of the Board of the Hialeah Housing Authority, but the City's accountability for this organization does not extend beyond making the appointments. In fiscal year 2020, the City provided an operating grant of approximately \$165,000 to this organization.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the non-fiduciary 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.

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Government-Wide and Fund Financial Statements (Continued)

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 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*.

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

C. Measurement Focus, Basis of Accounting and Basis of 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 are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, insurance claims, pensions and other post-employment benefits are recorded only when payment is due or when the City has made a decision to fund these obligations with current available resources.

Property taxes, franchise fees, utility 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. All other revenue items are considered to be measurable and available only when the cash is received by the City.

The City reports the following major governmental funds:

General Fund

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

Building Division Fund

This fund is responsible for the safety and welfare of the general public by ensuring that the review and inspection of permitted activity is in compliance with the Florida Building Code, State Statutes, and local ordinances.

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The City reports the following major proprietary funds:

Water and Sewers Utility System Fund

This fund accounts for the activities of the water and sewers department. The Department operates the sewage treatment plan, sewage pumping stations and collection systems, and the water distribution system.

Solid Waste Utility System Fund

This fund accounts for providing solid waste services to customers of the City.

Stormwater Utility System Fund

This fund accounts for providing stormwater services to customers of the City.

The City reports the following nonmajor governmental funds:

Special Revenue Funds

These funds account for the proceeds of specific revenue sources (other than those for major capital projects) that are restricted legally to expenditures for specified purposes.

Debt Service Funds

These funds account for the financial resources that are restricted for the periodic payment of principal and interest expenditures on long-term debt of the governmental funds.

Capital Projects Funds

These funds account for the financial resources that are restricted or committed for the acquisition or construction of specific capital projects.

Additionally, the City reports the following fund type:

Pension Trust Funds

These funds account for the activities of the retirement plans for the Employees' Retirement System and Elected Officials' Retirement System, which accumulate resources for pension benefits to those qualified employees.

In the government-wide financial statements, amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

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

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

1. Deposits and Investments - The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

The City's retirement plans are authorized by its governing boards to invest in obligations of the U.S. Government, common stocks, corporate bonds, real estate, and other investment types allowed by Florida Statutes.

Investments in the City's Retirement Plans are governed by each of the Plans' investment policies.

Investments are reported at fair value, which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Certain investments are recorded at net asset value (NAV) per share. This method of determining fair value uses member units to which a proportionate share of net assets is attributed.

Investments are categorized according to the fair value hierarchy established by GASB Statement No. 72, Fair Value Measurement and Application, which requires the City to use valuation techniques which are appropriate under the circumstances and are either a market approach, a cost approach, or income approach. The Statement establishes a hierarchy of inputs used to measure fair value consisting of three levels. Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Level 2 inputs are inputs, other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs, and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability.

Unrealized gains and losses are presented as net appreciation (depreciation) in fair value of investments along with gains and losses realized on the sales of investments. Purchases and sales of investments are recorded on a trade-date basis.

2. Interfund Receivables, Payables, and Transfers - Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds.

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred as either "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".

3. Inventories and Prepaid Items - Inventories of the governmental funds are valued at cost determined on the first-in/first-out (FIFO) method, and consist of gasoline and expendable supplies available for consumption. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Inventories of the water and sewer fund are valued at cost and consist of pipe, valves, fittings and meters.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as an expenditure/expense when consumed (consumption method).

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

4. Capital Assets - Capital assets, which include property, plant and equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable government or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$2,500 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

Major 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 City are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Estimated Useful Lives (Years)</u>
Buildings	10-50
Improvements other than buildings	10-25
Furniture, fixtures, machinery and equipment	5-20
Public domain and system infrastructure	15-50

5. Deferred Outflows/Inflows of Resources - In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future periods and therefore will not be recognized as an outflow of resources (expense/expenditure) until then. The City has pension, advance contributions, and other post-employment benefits that qualify for reporting in this category in the amount of \$88,155,838, \$10,000,000, and \$81,827,457, respectively.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future periods and therefore will not be recognized as inflows of resources (revenue) until that time. The City has pension, other post-employment benefits, and local business tax receipts/fire prevention fees that qualify for reporting in this category in the amount of \$351,181, \$43,655,679 and \$3,950,792, respectively.

Unavailable revenues consists of CITT Surtax funds received after the period of availability.

6. Unearned Revenues - Unearned revenues represents grants and similar items received in advance for which the City has not all the eligibility requirements to allow for revenue recognition.

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

7. Compensated Absences - City employees are granted vacation and sick leave in varying amounts based on length of service and the department which the employee services. The City's vacation and sick leave policy is to permit employees to accumulate earned but unused vacation and sick benefits. Such leave is accrued and reported as a fund liability when it is probable that the City will compensate the employee with expendable available financial resources. All vacation and sick leave is accrued when incurred in the government-wide financial statements and in the proprietary fund financial statements as a fund liability. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.
8. 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. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable premium or discount. Issuance costs are expensed in the period incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing 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, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

9. Net Position – As of September 30, 2020, net position are categorized as follows:

- Net investment in capital assets
This category consists of capital assets (including restricted capital assets), net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, and improvements of those assets.
- Restricted net position
This category consists of net position restricted in their use by (1) external groups such as grantors, creditors or laws and regulations of other governments; or (2) law, through constitutional provisions or enabling legislation.
- Unrestricted net position
This category includes all of the remaining net position that does not meet the definition of the other two categories.

10. Net Position Flow Assumption - Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted-net position and unrestricted-net position in the government-wide financial statements, a flow assumption must be made about the order in which resources are considered to be applied. The City considers restricted net position to have been depleted before unrestricted net position is applied.

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

11. Fund Balance - As of September 30, 2020, fund balances of the governmental funds are classified as follows:

- Non-spendable
Amounts that cannot be spent either because they are in not in spendable form (e.g. inventories and prepaids) or are legally or contractually required to be maintained intact.
- Restricted
Amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- Committed
Amounts that can be used only for specific purposes determined by a formal action of the City Council. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the City Council. Ordinances and resolutions are equally binding and are the highest level of decision making authority.
- Assigned
Assigned fund balances are amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. Intent is established by the City Council who has the authority to assign, modify or rescind amounts to be used for specific purposes. This is delineated in the policy approved by the Council. This balance includes (a) all remaining amounts that are reported in governmental funds (other than the General Fund) that are not classified as nonspendable, restricted, or committed, and (b) amounts in the General Fund that are intended to be used for a specific purpose. Specific amounts that are not restricted or committed in a special revenue or capital projects fund are assigned for the purposes in accordance with the nature of their fund type. Assignment within the General Fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the City itself.
- Unassigned
Unassigned fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

11. Fund Balance (Continued)

	<u>General</u>	<u>Building Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund Balances:				
Nonspendable:				
Inventories	\$ 3,331,056	\$ -	\$ -	\$ 3,331,056
Prepays	718,000	-	348,773	\$ 1,066,773
Notes receivable	2,822,625	-	-	2,822,625
Restricted:				
General government	553,447	34,751,626	-	35,305,073
Human services	-	-	7,820,588	7,820,588
Parks and recreation	-	-	7,352,084	7,352,084
Public safety	-	-	3,083,339	3,083,339
Road improvements	-	-	2,763,956	2,763,956
Committed:				
General government	353,006	26,868	57,551	437,425
Human services	27,524	-	1,177,634	1,205,158
Parks and recreation	8,168	-	1,142,965	1,151,133
Public safety	1,495	-	2,321,081	2,322,576
Road improvements	-	-	2,736,564	2,736,564
Assigned:	7,171,799	-	-	7,171,799
Unassigned:	32,161,841	-	(5,394,318)	26,767,523
Total Fund Balances	<u>\$47,148,961</u>	<u>\$34,778,494</u>	<u>\$23,410,217</u>	<u>\$105,337,672</u>
Fund Balances:				
Nonspendable	\$ 6,871,681	\$ -	\$ 348,773	\$ 7,220,454
Restricted	553,447	34,751,626	21,019,967	56,325,040
Committed	390,193	26,868	7,435,795	7,852,856
Assigned	7,171,799	-	-	7,171,799
Unassigned	32,161,841	-	(5,394,318)	26,767,523
Total Fund Balances	<u>\$47,148,961</u>	<u>\$34,778,494</u>	<u>\$23,410,217</u>	<u>\$105,337,672</u>

12. Capital Contributions - Capital contributions in proprietary fund financial statements arise from grants or outside contributions of resources restricted to capital acquisition and construction.

13. Utility Billings – Utility customers are billed either monthly or bi-monthly on a cycle basis. Unbilled revenue is recognized in the accompanying financial statements based upon estimates of revenues for services rendered between billing cycle dates and fiscal year end.

14. Employee Benefit Plans - The City provides two separate defined benefit pension plans for its employees and elected officials. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the Employees' Retirement System and the Elected Officials' Retirement System are presented in the government-wide statement of net position. The net pension liability is a function of the annual required contributions, interest, adjustments to the annual required contribution, annual pension costs and actual employer's contributions made to the Plans. Please refer to Note 15 for further information.

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

15. Post-Employment Benefits Other Than Pensions (OPEB) - Pursuant to Section 112.0801, Florida Statutes, the City is mandated to permit participation in the health insurance program by retirees and their eligible dependents at a cost to the retiree that is no greater than the cost at which coverage is available for active employees. Retirees are required to pay 100% of the premium rates where premiums are determined based upon a blended rates used for active employees and retirees. These premium rates were adjusted to reflect differing utilization rates by age and gender and the impact of the Medicare program on claim costs. The blended rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees.

The City currently provides these benefits in accordance with the vesting and retirement requirement of the City of Hialeah Employees' Retirement System and Elected Officials Retirement Plan covering substantially all elected officials, regular full time general, police, and fire department employees of the City.

The plan is not accounted for as a trust fund and an irrevocable trust has not been established to fund this plan. The City is financing the post employee benefits on a pay-as-you go basis. The OPEB plan does not issue separate financial statements.

16. Risk Management - The City is self-insured for automobile liability, general liability, and property damage claims pursuant to Florida Statute Section 768.28 (*Waiver of Statute of Limitations; Exclusions: Indemnifications; Risk Management Programs*). The City is protected by Florida Statute 768.28, which limits losses to (a) \$100,000 per person / \$200,000 per occurrence for claims arising between October 1, 1981 and October 1, 2011; and (b) \$200,000 per person / \$300,000 per occurrence for claims arising after October 1, 2011. These limits do not apply, though, to action brought in federal courts or to claim relief bills approved by the Florida legislature. The City is also self-insured for worker's compensation claims. The City is self-insured for health claims and uses a commercial carrier as the administrator. The discounted accrued liability for estimated insurance claims represents an estimate of the ultimate cost of settling claims arising prior to year-end including claims incurred by not yet reported.
17. Use of Estimates - The financial statements and related disclosures are prepared in conformity with accounting principles generally accepted in the United States of America. Management is required to make estimates and assumptions that affect the reported amounts of assets and deferred outflows of resources and liabilities and deferred inflows of resources, the disclosure of contingent assets/deferred outflows and liabilities/deferred inflows at the date of the financial statements and revenue and expenditures/expenses during the period reported. These estimates include assessing the collectability of accounts receivable, the use and recoverability of inventory, pension and postretirement obligations, useful lives of capital assets, impairment of tangible assets, and the determination of the actuarially accrued liability for unpaid claims. Although these estimates are based on management's knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results.

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

18. Fund Deficits - The following fund had a deficit in the amount indicated as of September 30, 2020:

<u>Fund</u>	<u>Deficit</u>
Proprietary Fund:	
Solid Waste Utility System	\$ 55,816,582

The Solid Waste Utility System fund had a prior year ending fund deficit of \$57.1 million.

The City has completed the transition from municipal services to private services for Solid Waste, which began in November 2015, and amounts applicable for employee personnel expenses remain fairly consistent. For the fiscal year 2019-2020 the change in net position for the Solid Waste Utility System was approximately \$1.3 million. This change is inclusive of credits in expenses for reductions in workers compensation of approximately \$583 thousand, and other post-employment benefits of approximately \$248 thousand. The City's business-type activity funds continue to have significant fluctuations in operating income/losses due to adjustments and changes in actuarially determined long term liabilities. The City Council adjusted the monthly Solid Waste fee charged to customers from \$29.99 to \$31.99. Given the current monthly retail rate for solid waste services it is projected that additional adjustments in FY 2021-2022 are necessary to cover operating expenses. The City anticipates annual CPI adjustments to the residential monthly fees in FY 2022, including a fuel adjustment. Financial estimates, as adjusted by CPI, show the fund achieving a net operating surplus of an estimated amount of \$500 thousand during the period of FY 20-21, after accounting for debt service payments to the Water and Sewers fund.

19. Excess of Expenditures over Appropriations - For fiscal year ended September 30, 2020, expenditures exceeded appropriations in the following departments of the General Fund:

	Final <u>Budget</u>	<u>Actual</u>	Amount in Excess of Final Budget
Business tax division	\$ 1,500,568	\$ 1,989,207	\$ 488,639
General government	6,723,431	6,803,391	79,960
Office of the Mayor	659,247	681,812	22,565
Planning and zoning	699,621	739,814	40,193
Risk management	512,642	517,884	5,242

These excess of expenditures in those departments were funded with surpluses in other departments and excess revenues received in the current year.

20. Excess of Expenditures over Appropriations - For fiscal year ended September 30, 2020, expenditures exceeded appropriations in the following non-major governmental funds:

	Final <u>Budget</u>	<u>Actual</u>	Amount in Excess of Final Budget
Affordable Housing Fund	\$ 2,651,544	\$ 3,039,244	\$ 387,700
Law Enforcement Trust - Federal Fund	218,389	247,693	29,304
N.W. 142 St. Roadway Improvement (JPA) Fund	-	942	942

These excess expenditures were funded with excess revenues received in the current fiscal year or available fund balance.

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 2 - PROPERTY TAXES

Property taxes (ad valorem taxes) are assessed on January 1 and are billed and payable November 1, with discounts of one to four percent if paid prior to March 1 of the following calendar year. All unpaid taxes on real and personal property become delinquent on April 1 and accrue interest charges from April 1 until a tax sale certificate is sold at auction. Assessed values are established by the Miami-Dade County Property Appraiser at approximately fair market value. The County bills and collects all property taxes for the City.

Under Florida law, the assessment of all properties and the collection of all county, municipal, school district and special district property taxes are consolidated in the offices of the Miami Dade County Property Appraiser and County Tax Collector.

State statutes permit municipalities to levy property taxes at a rate of up to 10 mills (\$10 per \$1,000 of assessed valuation) for general governmental services (other than the payment of principal and interest on general obligation long-term debt). In addition, unlimited amounts may be levied for the payment of principal and interest on general obligation long-term debt, subject to a limitation on the amount of debt outstanding. The millage rate to finance general governmental services for the year ended September 30, 2020 was 6.3018 mills per \$1,000 of assessed valuation.

NOTE 3 - DEPOSITS AND INVESTMENTS

Deposits

In addition to insurance provided by the Federal Deposit Insurance Corporation, all deposits are held in banking institutions approved by the State Treasurer of the State of Florida to hold public funds. Under Florida Statutes Chapter 280, *Florida Security for Public Deposits Act*, the State Treasurer requires all Florida qualified public depositories to deposit with the Treasurer or another banking institution eligible collateral. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. Accordingly, all amounts reported as deposits are deemed as insured or collateralized with securities held by the entity or its agent in the entity's name.

Investments

As required by Florida Statutes, the City has adopted a written investment policy, which may, from time to time, be amended by the City. The administration is authorized to invest in those instruments authorized by the Florida statutes and the City's investment policy. Investments consist of the Florida Municipal Investment Trust administered by the Florida League of Cities, Inc., Vanguard funds, and investments held by the City's retirement funds. The investments held in the Plans' may be invested in obligations of the U.S. Government or its agencies, first mortgages or first mortgage bonds, corporate bonds, and common and preferred stock.

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 3 - DEPOSITS AND INVESTMENTS (Continued)

Investments - City

Interest Rate Risk - Interest rate risk refers to the portfolio's exposure to fair value losses arising from increasing interest rates. In accordance with its investment policy, the City places no limit on the amount that may be invested in securities of the U.S. Government or its agencies.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (In Years)</u>			
		<u>Less Than 1</u>	<u>1 to 5</u>	<u>6 to 10</u>	<u>More than 10</u>
Vanguard	\$ 6,649,368	\$ 5,095	\$ 1,190,400	\$ 5,453,873	\$ -
FMIT	8,752,430	751,177	8,001,253	-	-
Total	<u>\$ 15,401,798</u>	<u>\$ 756,272</u>	<u>\$ 9,191,653</u>	<u>\$ 5,453,873</u>	<u>\$ -</u>

Credit Risk - Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. The City has an investment policy that limits investments to the highest ratings by nationally recognized statistical rating organizations (NRSPO) – (Standard and Poor's, Moody's Investors Services and Fitch Ratings).

As of September 30, 2020, the City's investments consisted of the following:

		<u>Fitch Rating</u>
0-2 Year High Quality Bond	\$ 751,177	AAAf/S1
1-3 Year High Quality Bond	779,976	AAAf/S2
Intermediate High Quality Bond	3,539,201	AAAf/S3
Broad Market High Quality Fund	<u>3,682,076</u>	AAf/S4
Total	<u>\$ 8,752,430</u>	

		<u>Fitch Rating</u>
Inter-Term Bond Index Adm	\$ 4,399,645	AAA
Short-Term Corp Bnd lx Ad	1,190,400	BBB
Inter-Term Corp Bond	1,054,228	BBB
Prime Money Mkt Fund	<u>5,095</u>	A
Total	<u>\$ 6,649,368</u>	

Concentration Credit Risk - Disclosure of investments in any one issuer that represents 5% or more of the total of the City's investments is required. Conversely, investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds or pools are excluded from the concentration of credit risk disclosure requirement.

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 3 - DEPOSITS AND INVESTMENTS (Continued)

Investments - Pension Plans

The Board of Trustees has developed certain investment policies and has retained investment managers. The investment managers are expected to maximize the return on the investment portfolio and may make transactions consistent with that expectation within the Board's policies. The investment managers are compensated based on a percentage of their portfolio's market value.

The Plans' investment policies are determined by each Board who is responsible for directing the investment of the assets of the Plans' to ensure that there will be adequate monies for future benefits. The policies have been identified by each Board to conduct the operations of the Plans' in a manner so that the assets will provide the pension and other benefits provided under applicable laws, including City ordinances, preserving principal while maximizing the rate of return.

Employee Retirement System (PERS) - Investment in all equity securities shall be limited to those listed on a major U.S stock exchange or traded over-the-counter. The equity position in any one company shall not exceed 5% of the total cost of equity investments. Investments in stocks of foreign companies shall be limited to 10% of the manager's portfolio. Fixed income securities must be rated "BBB" or higher by a major rating agency. The average quality rating of the fixed income portfolio shall be "A" or better by a major rating agency.

Elected Officials' Retirement System (EORS) - Investment in all equity securities shall be limited to those listed on a major U.S stock exchange or traded over-the-counter. The equity position in any one company shall not exceed 5% of the total cost of equity investments. Fixed income securities must be rated "BBB" or higher by a major rating agency. The average quality rating of the fixed income portfolio shall be "A" or better by a major rating agency.

Types of Investments - Florida statutes and the Plans' investment policies authorize each Board to invest funds in various investments. The current target allocation of these investments at fair value is as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	
	<u>Employees'</u>	<u>Elected Officials'</u>
	<u>Retirement</u>	<u>Retirement</u>
	<u>System</u>	<u>System</u>
Domestic Equity	50%	45%
International Equity	5%	10%
Domestic Bonds	41%	30%
Alternatives - Other	4%	15%
	<hr/> 100%	<hr/> 100%

Rate of Return - For the year ended September 30, 2020 the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 8.88% and 9.93% for the PERS and EORS, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. Inputs to the internal rate of return calculations are determined on a monthly basis.

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 3 - DEPOSITS AND INVESTMENTS (Continued)

Investments - Pension Plans (Continued)

As of September 30, 2020, the Plans' had the following investments:

City of Hialeah Employees' Retirement System		Investment Maturities (In Years)			
<u>Investment Type</u>	<u>Fair Value</u>	<u>Less than 1</u>	<u>1 to 5</u>	<u>6 to 10</u>	<u>More than 10</u>
Corporate					
Asset backed	\$ 14,386,103	\$ -	\$ 10,839,188	\$ 3,546,915	\$ -
Bonds	90,132,408	7,507,418	41,053,968	37,575,052	3,995,970
Collateralized mortgage obligations	10,190,291	-	-	-	10,190,291
Foreign bonds	603,405	-	-	603,405	-
U.S. Government					
Collateralized mortgage obligations	\$ 6,351,352	\$ 215,507	\$ 1,076,338	\$ 3,239,582	\$ 1,819,925
Mortgage backed	78,047,382	-	10,405	752,830	77,284,147
TIPS	4,160,100	-	-	4,160,100	-
Treasuries, notes and bonds	80,250,083	14,731,108	37,290,900	28,228,075	-
Sub-total	<u>284,121,124</u>	<u>22,454,033</u>	<u>90,270,799</u>	<u>78,105,959</u>	<u>93,290,333</u>
Real estate investment trusts	13,924,823				
Limited partnerships	3,992,085				
Mutual funds	8,415,944				
American depository receipts	28,361,459				
Foreign stocks	6,394,852				
CIF - equity	1,800,545				
Common stocks	<u>338,745,872</u>				
Total Fair Value	<u>\$ 685,756,704</u>				
Elected Officials' Retirement Plan		Investment Maturities (In Years)			
<u>Investment Type</u>	<u>Fair Value</u>	<u>Less than 1</u>	<u>1 to 5</u>	<u>6 to 10</u>	<u>More than 10</u>
Vanguard-bond mutual funds	\$ 5,930,187	\$ -	\$ 5,930,187	\$ -	\$ -
Sub-total	<u>5,930,187</u>	<u>\$ -</u>	<u>\$ 5,930,187</u>	<u>\$ -</u>	<u>\$ -</u>
Vanguard-equity mutual funds	7,216,777				
Real estate investment trusts	<u>845,873</u>				
Total Fair Value	<u>\$ 13,992,837</u>				

Interest Rate Risk - Interest rate risk exists when there is possibility that changes in interest rates could adversely affect an investment's fair value. In accordance with its investment policy, the Plan places no limit on the amount that may be invested in securities of the U.S. Government or its agencies. Interest rate risk disclosures are required for all debt investments as well as investments in mutual funds, external investment pools, and other pooled investments that do not meet the definition of a 2a7-like pool.

Credit Risk - Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. The Plan's investment policy limits investments to the highest ratings by nationally recognized statistical rating organizations (NRSPO) – (Standard and Poor's, Moody's Investors Services and Fitch Ratings). Fixed income investments must be direct issues of the United States Treasury, United States Government Agencies, or Instrumentalities including Mortgage Backed Securities and their derivative products. Mortgage and Asset backed securities not issued by an agency of the Federal Government must be rated "A" or better by a NRSPO. Other than securities of the U.S. Government or its agencies the fixed income portfolio shall not exceed 5% of any one issuer.

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 3 - DEPOSITS AND INVESTMENTS (Continued)

Investments - Pension Plans (Continued)

As of September 30, 2020, the Plan's fixed income investments with credit ratings consisted of the following:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Credit Rating</u>
U.S. Government guaranteed *	\$ 87,063,548	N/A
Treasuries, notes and bonds *	80,250,083	Aaa
Collateralized mortgage obligations *	1,495,286	Aaa
Asset backed	2,022,374	Aaa
Bonds	2,665,048	Aaa
Collateralized mortgage obligations	6,358,089	Aaa
Asset backed	2,633,280	Aa1
Bonds	1,020,129	Aa1
Bonds	373,841	Aa2
Collateralized mortgage obligations	1,462,605	Aa3
Asset backed	1,985,210	A1
Bonds	13,335,915	A1
Bonds	15,749,573	A2
Bonds	14,239,984	A3
Bonds	39,799,133	Baa1
Bonds	603,405	Baa1
Asset backed	7,745,237	N/A
Bonds	2,948,787	N/A
Collateralized mortgage obligations	<u>2,369,597</u>	N/A
Total	<u>\$284,121,124</u>	

*Obligations of the U.S Government or obligations explicitly or implicitly guaranteed by the U.S Government are not considered to have credit risk and do not have purchase limitations.

Concentration Credit Risk - Disclosure of investments in any one issuer that represents 5% or more of the total of the City's investments is required. Conversely, investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds or pools are excluded from the concentration of credit risk disclosure requirement. As of September 30, 2020, no investments in any one issuer represented 5% or more of the total of the City's investments.

Custodial Credit Risk - Custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Consistent with the City of Hialeah Employees' Retirement System's (the "Plan") investment policy, the investments are held by the Plan's custodial bank and registered in the Plan's name.

Foreign Currency Risk - Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of the investment or a deposit. The investment policy of the Plan limits the foreign investments to no more than 5% of the Plan's investment balance. As of September 30, 2020, the Plan had no investments denominated in foreign currency.

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 4 - SECURITIES LENDING TRANSACTIONS

State statutes do not prohibit the Plan from participating in securities lending transactions. The City of Hialeah Employees' Retirement System (the "Plan"), pursuant to a Securities Lending Authorization Agreement, has authorized Comerica Bank ("Comerica") to act as the Plan's agent in lending the Plan's securities to approved borrowers. Comerica, as agent enters into Securities Loan Agreements with borrowers. Cash collateral received in respect to the Plan's securities lent to approved borrowers was invested at the direction of the Plan. Please note the following:

- a) Method for Determining Fair Value. The fair value of investments held by the Fund is based upon valuations provided by a recognized pricing service.
- b) Involuntary Participation. There was no involuntary participation in an external investment pool by the Plan for the Fiscal Year.
- c) Necessary Information. Not Applicable.
- d) Income Assignment. No income from one fund was assigned to another fund by Comerica during the fiscal year.

During the fiscal year, Comerica lent, on behalf of the Plan, certain securities of the Plan held by Comerica as custodian and received cash or other collateral including securities issued or guaranteed by the United States government. Comerica does not have the ability to pledge or sell collateral securities delivered absent a borrower default. Borrowers were required to deliver collateral for each loan equal to at least 100% of the market value of the loaned securities.

Pursuant to the Securities Lending Authorization Agreement, Comerica does not indemnify the Plan in the event of default by a borrower. There were no failures by any borrowers to return loaned securities or pay distributions thereon during the fiscal year that resulted in a declaration and notice of Default of the Borrower.

During the fiscal year, the Plan and the borrowers maintained the right to terminate securities lending transactions upon notice. The cash collateral received on each loan was invested, together with the cash collateral of other qualified tax-exempt plan lenders, in a collective investment pool.

GASB Statement No. 28, Accounting and Financial Reporting for Securities Lending Transactions, establishes accounting and financial reporting standards for securities lending transactions. The standard requires governmental entities to report securities lent as assets in their balance sheets unless the entity did not have the ability to pledge or sell collateral securities absent a borrower default as the case with the Plan. Cash received as collateral and investments made with that cash must also be reported as assets. The statement also requires the costs of the securities lending transactions to be reported as expenses separately from income received. In addition, the statement requires disclosures about the transactions and collateral related to them. On September 30, 2020, the Plan had no credit risk exposure to borrowers. The market values of collateral held and the market value (USD) of securities on loan for the Plan as of September 30, 2020, was \$75,125,598. The \$75,125,598 was cash and securities collateral and has been reported in the statement of fiduciary net position as an asset of the Plan along with the liability of \$75,125,598 for obligations under security lending.

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 5 - FAIR VALUE MEASUREMENTS

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The City does not have any investments that are categorized as Level 3.

As of September 30, 2020, the City had the following investments within the fair value hierarchy:

<u>Investments by fair value level</u>	<u>Total</u>	Quoted Prices in Active Markets for Identical Assets <u>Level 1</u>	Significant Other Observable Inputs <u>Level 2</u>
Bond Mutual Funds	\$ 8,752,430	\$ -	\$ 8,752,430
Total Investments by fair value level	<u>\$ 8,752,430</u>	<u>\$ -</u>	<u>\$ 8,752,430</u>

These funds invest mainly in US government and agency securities, asset-backed securities and corporate bonds and notes. The underlying securities have observable level 1 quoted pricing inputs or observable level 2 significant other observable pricing inputs. Most of the security prices were obtained from a pricing service, Interactive Data Corporation (IDC). While the underlying asset values are based on quoted prices or market- corroborated inputs, the net asset value of the portfolio is not publicly quoted. The City is reporting these shares as level 2, since the value is based on market-corroborated data.

As of September 30, 2020, the Elected Officials' Retirement System had the following investments within the fair value hierarchy:

<u>Investments by fair value level</u>	<u>Total</u>	Quoted Prices in Active Markets for Identical Assets <u>Level 1</u>	Significant Other Observable Inputs <u>Level 2</u>
Equity Mutual Funds	\$ 7,216,777	\$ 7,216,777	\$ -
Bond Mutual Funds	5,930,187	5,930,187	-
Real Estate Investment Trusts	845,873	-	845,873
Total Investments by fair value level	<u>\$ 13,992,837</u>	<u>\$ 13,146,964</u>	<u>\$ 845,873</u>

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 5 - FAIR VALUE MEASUREMENTS (Continued)

The fair value of investments are based on quoted market prices (Level 1). Real estate values are based upon independent appraisals performed for assets held by the open-end fund annually, with restricted-scope appraisals conducted on a quarterly basis for those assets not receiving a full appraisal. The fair value of real estate is determined as the price that the fund would expect to receive if the asset was sold to a market participant assuming the highest and best use of each asset at the date of the consolidated statement of net position.

As of September 30, 2020, the Employees' Retirement System had the following investments within the fair value hierarchy:

		Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs
<u>Investments by fair value level</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>
American depository receipts	\$ 28,361,459	\$ 28,361,459	\$ -
Common stocks	338,745,872	338,745,872	-
CIF - Equity	1,800,545	1,800,545	-
Foreign stocks	6,394,852	6,394,852	-
U.S. Treasuries, notes and bonds	80,250,083	80,250,083	-
Corporate bonds	90,132,408	-	90,132,408
Asset backed	14,386,103	-	14,386,103
Collateralized mortgage obligations	10,190,291	-	10,190,291
U.S. Government collateralized mortgage obligations	6,351,352	-	6,351,352
U.S. Government mortgage backed securities	78,047,382	-	78,047,382
U.S Government TIPS	4,160,100	-	4,160,100
Mutual funds	8,415,944	8,415,944	-
Foreign bonds	603,405	-	603,405
Real estate investment trusts	13,924,823	13,924,823	-
Sub total investments by fair value level	<u>681,764,619</u>	<u>477,893,578</u>	<u>203,871,041</u>
<u>Investments measured at the net asset value (NAV)*</u>			
Limited partnerships	<u>3,992,085</u>		
Total investments by fair value level	<u><u>\$ 685,756,704</u></u>		

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 5 - FAIR VALUE MEASUREMENTS (Continued)

*As required by GAAP, certain investments that are measured at net asset value have not been classified in the fair value hierarchy.

The following is a description of the fair value techniques for the Plan's investments. Level 1 and 2 prices are obtained from various pricing sources by the Plan's custodian:

Short-term investments, which consist of money market funds, are reported at cost, which is fair value.

Equity securities traded on national or international exchanges are valued at the last reported sales price or current exchange rates (Level 1). This included common stock, mutual funds, and REITs.

Debt securities are valued using pricing inputs that reflect the assumptions market participants would use to price an asset or liability and are developed based on market data obtained from sources independent of the reporting entity (Level 2). This includes U.S. Treasuries, mortgage backed and collateralized securities, municipal bonds and corporate obligations.

The Plan has investments in limited partnerships that are considered an alternative asset class which hold a variety of investment vehicles that do not have readily available market quotations. These investments are measured at net asset value based on their proportionate share of the value of the investments as determined by the fund managers and are valued according to methodologies, which include pricing models, discounted cash flow model and similar techniques.

The following table summarizes investments for which fair value is measured using the net asset value per share practical expedient, including their related unfunded commitments and redemption restrictions.

Investments measured at the NAV

	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Limited partnerships (1)	\$ 3,992,085	-	Quarterly	95 Days
Total investments measured at NAV	<u>\$ 3,992,085</u>			

(1) *Limited Partnerships*. Aims to invest in highly attractive, select investment opportunities by maintaining investments through private investment entities and/or separately managed accounts with investment management professionals specializing in various alternative investment strategies.

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 6 - RECEIVABLES

Receivables as of September 30, 2020 for the City's individual major funds and non-major funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Building</u>	<u>Water & Sewer</u>	<u>Solid Waste</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Receivables:						
Billed	\$ -	\$ -	\$ 16,462,563	\$ -	\$ 2,020,110	\$ 18,482,673
Unbilled	-	-	9,201,715	-	-	9,201,715
Franchise and utility	7,823,612	-	-	-	-	7,823,612
State and local shared	5,425,581	-	4,564,947	-	11,214,305	21,204,833
Grants	569,766	-	-	-	13,418,667	13,988,433
Other	8,275,414	32,952	1,096,011	1,078,248	3,095	10,485,720
Sales taxes	<u>2,524,224</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,524,224</u>
Gross receivables	24,618,597	32,952	31,325,236	1,078,248	26,656,177	83,711,210
Less: allowance for uncollectibles	<u>-</u>	<u>-</u>	<u>2,531,312</u>	<u>-</u>	<u>1,476,926</u>	<u>4,008,238</u>
Net total receivables	<u>\$24,618,597</u>	<u>\$ 32,952</u>	<u>\$ 28,793,924</u>	<u>\$ 1,078,248</u>	<u>\$ 25,179,251</u>	<u>\$ 79,702,972</u>

Governmental funds defer revenue recognition in connection with resources that have been received, but not yet earned.

Revenues of the Rescue Transportation fund are reported net of uncollectible amounts. The amount charged to the provision related to revenues of the current period was \$5,523,672.

At the end of the current fiscal year, *unearned revenue* reported in the governmental funds was as follows:

Grants and other unearned revenues	\$ 964,536
State Housing Initiative Program (SHIP)	1,639,556
Notes receivable (see note 7)	<u>2,822,625</u>
	<u>\$ 5,426,717</u>

NOTE 7 - NOTE RECEIVABLE

The Hialeah Housing Authority (the "Authority") assumed a Housing Development Grant ("HODAG Loan") awarded on July 12, 1989 to a developer through the City in the amount of \$2,843,097 through the purchase of the Palm Centre Project (the "Project"). The HODAG Loan bears interest at 10.125% and is payable in full, including interest, on December 1, 2036 unless the Project is sold or transferred, or due to a violation of the grant covenants with HUD. Interest does not accrue unless the Project's revenues exceed the sum of the Project's net operating income (after payment of debt service in the Palm Centre Bonds) plus a cumulative return to the Authority of twelve percent (12%) per annum on the Authority's equity contribution. The HODAG loan is secured by a Second Mortgage issued to the City and is subordinated to Hialeah Housing Authority Bonds.

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 7 - NOTE RECEIVABLE (Continued)

The Project was constructed on land leased from the City of Hialeah for a period of 49 years (starting December 26, 1985) with an option to renew for an additional 50 years. The Authority as part of the acquisition of the Project assumed the lease with the City. The lease agreement requires for lease payments to the City based on annual rent revenues generated by the property. In 2006, the City and the Authority amended the land lease agreement and the City accepted a payment of \$500,000 as payment in full of all past due rents due from the Authority.

The amended land lease agreement provides for the following terms:

- a. Provides free tenant selection services to the City for City owned housing units,
- b. Provides the City each year a minimum of six thousand five hundred (6,500) square feet of commercial space in the Palm Centre, free of charge, and
- c. Provides forty-two (42) affordable lower-income housing units to be rented at below market rents for the term of the HODAG loan.

The future long-term receivable as of September 30, 2020 was:

Long-term receivable	<u>\$ 2,822,625</u>
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In connection with the construction of the Hialeah Housing Project mentioned above, the United States Department of Housing and Urban Development ("HUD") has challenged the manner in which certain of the proceeds of the HODAG Loan were used. HUD has claimed that \$989,039 of the HODAG Loan was expended for nonqualified purposes (the "Claim"). The City has challenged the Claim.

The Authority has agreed that the City will not be responsible for payment of any such challenged cost in the event it is required to fully indemnify the City for any payments to HUD regarding the claim. In a subordination agreement, the Authority and the City have agreed that, in the event that litigation is instituted by HUD regarding payment of the Claim, the City will fully cooperate with the Authority to resolve the litigation, and that the City will not foreclose on the second mortgage in the event the Claim is not paid on demand.

The City has recorded the note receivable in its governmental-wide financial statements as of September 30, 2020. No allowance against the note receivable is deemed necessary at September 30, 2020. The note receivable was also recorded in the City's general fund and offset by unearned revenues since the proceeds of the receivables are not considered to be available to liquidate liabilities of the current period.

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 8 - INTERFUND ACTIVITY

The amounts due to/from other funds at September 30, 2020 were as follows:

	<u>Receivables</u>	<u>Payables</u>
General Fund	\$ 36,988,906	\$ 62,304,710
Bulding Fund	35,187,580	-
Non-Major Governmental Funds	20,370,675	21,803,513
Major Proprietary Type Funds		
Water and Sewer	896,868	12,425,954
Solid Waste	4,645,668	7,981,059
Stormwater	6,425,539	-
Total Major Proprietary Type Funds	<u>11,968,075</u>	<u>20,407,013</u>
	<u>\$ 104,515,236</u>	<u>\$ 104,515,236</u>

- Amounts due from the non-major governmental funds to the general fund are for advances made to those funds to cover expenditures until the receivables on those funds are collected.
- Amounts due to the non-major governmental funds from the general fund are for amounts due to those funds for amounts collected on their behalf.
- Amounts due to the solid waste fund are for receivables collected by the water and sewer fund before year end which are owed to those funds.
- Amounts due from the water and sewer fund to the solid waste fund, stormwater fund and general fund are for waste fees collected and utility taxes collected at year end.

As of September 30, 2020, major fund and non-major fund activity was as follows:

	<u>Transfers in</u>	<u>Transfers out</u>
General Fund	\$ -	\$ 2,163,594
Non-Major Governmental Funds	<u>2,163,594</u>	<u>-</u>
	<u>\$ 2,163,594</u>	<u>\$ 2,163,594</u>

The general fund transfers to the non-major governmental funds were made to provide additional resources for current operations.

NOTE 9 - INTERFUND LOAN

On December 10, 2013 the Council approved the internal transfer of assets comprised of 35.438 acres improved with buildings located at 900 East 56 Street, Hialeah, Florida in the amount of \$19,000,000 from the City of Hialeah to its Department of Public Works. The City determined the fair market value of the assets, which includes the land and the CBS buildings, as the average of two asset appraisals by state-certified appraisers: (1) \$18,500,000 from Appraisal First Real Estate Appraisers, LLC; and (2) \$19,500,000 from Gallaher & Birch, Inc. The Department of Public Works utilized this asset transfer as part of the privatization of trash collection within the Solid Waste Fund, to lease a portion of the land and solid waste building to the private hauler for use of its contracted service, and to relocate and consolidate its fleet with the city fleet and to lease vacant land to a third party for a recycling/trash transfer station.

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 9 - INTERFUND LOAN (Continued)

On June 9, 2015 the Council approved an amended resolution approving the terms of the unsecured promissory note to memorialize the interfund loan from the Water & Sewer Fund of the Public Works Department (the "Lender") to the Solid Waste Fund of the Public Works Department (the "Borrower"), in the amount of \$19,000,000, for the purpose of financing the internal transfer of assets from the City's General Fund (the "Transferor") to the Solid Waste Fund (the "Transferee") of the Public Works Department. Whereas, the Water & Sewer Fund of the Public Works Department loaned the sum of \$19,000,000 to the Solid Waste Fund of the Public Works Department to pay the fair market value of the assets to the City's General Fund. The note calls for interest to accrue from January 1, 2014 to March 1, 2021 at an annual rate of 2.5%. The agreement calls for quarterly payments of principal and interest of \$395,893 commencing on March 1, 2021 and concluding on September 1, 2033.

Annual payments to maturity for the above interfund loan are as follows:

Fiscal Year End	Principal	Interest	Total
2021	565,230	302,685	867,914
2022	866,168	291,051	1,157,219
2023	888,026	269,193	1,157,219
2024	910,436	246,784	1,157,219
2025	933,411	223,808	1,157,219
2026-2030	5,032,494	753,602	5,786,096
2031-2033	3,334,641	137,017	3,471,657
	<u>12,530,405</u>	<u>2,224,140</u>	<u>14,754,544</u>

NOTE 10 - RESTRICTED ASSETS

Restricted assets consist of the cash restricted for debt service, capital projects, advances, public safety and customer deposits at September 30, 2020:

Water and Sewers Fund	
Customers' deposit - cash and investments	\$ 6,315,264
Derm Fees	4,170,701
Other restricted assets	<u>369,708</u>
Total restricted cash water and sewers fund	<u>10,855,673</u>
Governmental Funds	
General Fund	553,447
Special Revenue Funds	
Rescue Transportation	2,976,780
Fire Prevention	444,879
Law Enforcement Trust - State	974,313
Law Enforcement Trust - Federal	90,505
Affordable Housing	<u>1,216,818</u>
Total Governmental Funds	<u>6,256,742</u>
Total restricted assets	<u>\$ 17,112,415</u>

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 11 - CAPITAL ASSETS

A summary of the City's capital assets at September 30, 2020 is as follows:

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
<u>Governmental Activities:</u>					
Capital assets not being depreciated:					
Land	\$ 29,694,984	\$ -	\$ -	\$ -	\$ 29,694,984
Construction in Progress	3,171,375	5,757,832	-	(974,867)	7,954,340
Total capital assets not being depreciated	32,866,359	5,757,832	-	(974,867)	37,649,324
Capital assets being depreciated:					
Buildings	135,822,415	936,983	-	-	136,759,398
Improvements other than buildings	28,791,666	1,330,898	-	7,227	30,129,791
Furniture, fixtures, machinery and equipment - Charter School	2,452,136	60,705	(853,867)	-	1,658,974
Furniture, fixtures, machinery and equipment	69,986,462	4,057,376	(343,361)	-	73,700,477
Infrastructure	309,698,204	5,672,135	-	967,640	316,337,979
Total capital assets being depreciated	546,750,883	12,058,097	(1,197,228)	974,867	558,586,619
Less accumulated depreciation for:					
Buildings	44,505,521	3,098,754	-	-	47,604,275
Improvements other than buildings	24,094,827	843,988	-	-	24,938,815
Furniture, fixtures, machinery and equipment - Charter School	1,631,044	281,636	(853,867)	-	1,058,813
Furniture, fixtures, machinery and equipment	48,241,529	5,539,296	(343,361)	-	53,437,464
Infrastructure	203,424,402	9,118,237	-	-	212,542,639
Total accumulated depreciation	321,897,323	18,881,911	(1,197,228)	-	339,582,006
Total capital assets being depreciated, net	224,853,560	(6,823,814)	-	974,867	219,004,613
Governmental activities capital assets, net	\$ 257,719,919	\$ (1,065,982)	\$ -	\$ -	\$ 256,653,937
	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
<u>Business-type Activities:</u>					
Capital assets not being depreciated:					
Land	\$ 4,202,141	\$ -	\$ -	\$ -	\$ 4,202,141
Construction in progress	4,351,714	4,365,867	-	(2,668,017)	6,049,564
Total capital assets not being depreciated	8,553,855	4,365,867	-	(2,668,017)	10,251,705
Capital assets being depreciated:					
Buildings and utility plant	69,972,485	956,554	-	-	70,929,039
Improvements other than buildings	353,533	-	-	-	353,533
Machinery and equipment	10,301,857	36,533	(131,990)	-	10,206,400
Infrastructure	289,862,830	2,412,103	-	2,668,017	294,942,950
Total capital assets being depreciated	370,490,705	3,405,190	(131,990)	2,668,017	376,431,922
Less accumulated depreciation for:					
Buildings and utility plant	11,494,809	1,739,153	-	-	13,233,962
Improvements other than buildings	325,414	1,650	-	-	327,064
Machinery and equipment	10,115,323	155,687	(131,990)	-	10,139,020
Infrastructure	152,873,702	6,610,369	-	-	159,484,071
Total accumulated depreciation	174,809,248	8,506,859	(131,990)	-	183,184,117
Total capital assets being depreciated, net	195,681,457	(5,101,669)	-	2,668,017	193,247,805
Business-type activities capital assets, net	\$ 204,235,312	\$ (735,802)	\$ -	\$ -	\$ 203,499,510

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 11 - CAPITAL ASSETS (Continued)

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

Governmental activities:

General government	\$ 3,854,655
Police	1,083,812
Fire	1,789,503
Streets	10,339,895
Recreation	<u>1,814,046</u>
Total depreciation expense - governmental activities	<u>\$ 18,881,911</u>

Business-type activities:

Water and sewer	\$ 5,826,393
Solid waste	172,953
Stormwater	<u>2,507,513</u>
Total depreciation expense - business-type activities	<u>\$ 8,506,859</u>

NOTE 12 - LONG-TERM DEBT

Notes Payable

1. Florida Municipal Loan Council Revenue Bond Series 2012A- Loan Payable - On May 1, 2003, the City executed a loan agreement with the Florida Municipal Loan Council to borrow \$48,135,000 from the proceeds of the Florida Municipal Loan Council Revenue Bonds, Series 2003A, for major roadway improvements and infrastructure projects. The loan has an outstanding balance of \$35,745,000 and calls for annual payments due on May 1, commencing on May 1, 2004 through May 1, 2033 and bears interest at varying rates ranging from 2.0% to 5.25%.

On November 5, 2012, the City executed a loan agreement with the Florida Municipal Loan Council to borrow \$41,620,000 from the proceeds of the Florida Municipal Loan Council Revenue Bonds, Series 2012A, for the purpose of refinancing Florida Municipal Loan Council Revenue Bonds, Series 2003A. The transaction resulted in an economic gain (difference between the present value of the debt service on the old and the new bonds) of approximately \$4,090,000. The loan matures on May 1, 2033 and bears an interest rate of approximately 3.5%

Annual debt service requirements to maturity for the FMLC Revenue Bond Series 2012A loan payable are as follows:

Governmental Activities				Business - type Activities			
Fiscal Year End	Principal	Interest	Total	Fiscal Year End	Principal	Interest	Total
2021	\$ 1,436,000	\$ 1,042,490	\$ 2,478,490	2021	\$ 359,000	\$ 242,673	\$ 601,673
2022	1,508,000	970,690	2,478,690	2022	377,000	223,823	600,823
2023	1,584,000	895,290	2,479,290	2023	396,000	204,023	600,023
2024	1,664,000	816,090	2,480,090	2024	416,000	183,223	599,223
2025	1,744,000	732,890	2,476,890	2025	436,000	161,423	597,423
2026-2030	9,832,000	2,567,700	12,399,700	2026-2030	2,458,000	549,303	3,007,303
2031-2033	6,880,000	557,600	7,437,600	2031-2033	1,720,000	70,600	1,790,600
	<u>\$ 24,648,000</u>	<u>\$ 7,582,750</u>	<u>\$ 32,230,750</u>		<u>\$ 6,162,000</u>	<u>\$ 1,635,065</u>	<u>\$ 7,797,065</u>

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 12 - LONG-TERM DEBT (Continued)

Notes Payable (Continued)

2. Revolving Loan - On May 11, 2001, the City entered into a revolving loan agreement with the State of Florida Department of Environmental Protection for the purpose of providing financial assistance for planning and designing water and sewer system improvements. As of September 30, 2017, the project has been completed and the City has withdrawn \$2,779,844 for the project. The loan shall be repaid in 18 semiannual loan payments beginning September 15, 2007, which is based on the total amount owed. The amount due as of September 30, 2020 was \$865,733, which includes capitalized interest and other costs.

Annual debt service requirements to maturity for the revolving loan payable are as follows:

Fiscal Year End	Principal	Interest	Total
2021	\$ 147,695	\$ 23,280	\$ 170,975
2022	151,870	19,104	170,975
2023	156,164	14,810	170,975
2024	160,580	10,395	170,975
2025	165,121	5,854	170,975
2026	84,304	1,184	85,487
	<u>\$ 865,734</u>	<u>\$ 74,627</u>	<u>\$ 940,361</u>

3. Affordable Housing Note, Series 2011 - On March 23, 2011 City issued the City of Hialeah Affordable Housing Note, Series 2011 (the TD Bank Note) in the principal amount of \$14,489,840 to refund and extend the maturity of the Amended and Restated Bond Anticipation Refunding Note, Series 2010 and pay-off the mortgage payable due to the Miami-Dade Housing Agency. The transaction resulted in an economic gain of approximately \$115,740. The proceeds of the Series 2010 note were used for the purpose of financing the construction of a 300-unit affordable housing project in the City of Hialeah. The TD Bank Note is secured by a pledge of net rental income and a covenant to budget and appropriate non-ad valorem revenues sufficient to pay the principal and interest due on the note for the fiscal year. At September 30, 2020, the TD Bank Note had an outstanding balance of \$10,668,191.

Annual debt service requirements to maturity for the TD Bank Note are as follows:

Fiscal Year End	Principal	Interest	Total
2021	\$ 497,352	\$ 459,227	\$ 956,579
2022	519,496	437,083	956,579
2023	542,626	413,952	956,579
2024	566,787	389,792	956,579
2025	592,023	364,556	956,579
2026-2030	3,379,778	1,403,116	4,782,894
2031-2035	4,202,249	580,645	4,782,894
2036	367,881	6,774	374,655
	<u>\$ 10,668,191</u>	<u>\$ 4,055,146</u>	<u>\$ 14,723,337</u>

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 12 - LONG-TERM DEBT (Continued)

Notes Payable (Continued)

4. Florida Municipal Loan Council Revenue Bond Series 2011D- Loan Payable - On May 1, 2011, the City executed a loan agreement with the Florida Municipal Loan Council to borrow \$48,235,000 from the proceeds of the Florida Municipal Loan Council Revenue Bonds, Series 2011D, for construction, expansion and improvements of the City's sewer treatment plant. The loan has an outstanding balance of \$45,220,000 and calls for annual principal payments due on October 1, commencing on October 1, 2012 through October 1, 2041 and semi-annual interest payments commencing on October 1, 2011 at varying rates of interest ranging from 3.0% to 5.5%. The arbitrage rebate requirement generally requires issuers of tax-exempt debt to rebate to the U.S. Treasury that investment income arising from the proceeds of tax-exempt debt to the extent that such income results from investments yields in excess of the bond yield. The City has pledged the net revenues (gross revenues after reduction of the cost of operation and maintenance of the project). There is no arbitrage rebate liability in connection with the Revenue Bonds at September 30, 2020.

Annual debt service requirements to maturity for the Series 2011D note payable are as follows:

Fiscal Year End	Principal	Interest	Total
2021	\$ 1,105,000	\$ 2,200,700	\$ 3,305,700
2022	1,150,000	2,156,500	3,306,500
2023	1,195,000	2,110,500	3,305,500
2024	1,245,000	2,062,700	3,307,700
2025	1,295,000	2,009,788	3,304,788
2026-2030	7,545,000	8,997,625	16,542,625
2031-2035	9,760,000	6,807,850	16,567,850
2036-2040	12,735,000	3,865,400	16,600,400
2041-2042	6,140,000	511,225	6,651,225
	<u>\$ 42,170,000</u>	<u>\$ 30,722,288</u>	<u>\$ 72,892,288</u>

Revenue Bonds

Special Obligation Revenue Bonds Series 2015A and Special Obligation Refunding Revenue Bonds Series 2015B - On December 2, 2015, the City issued the Series 2015A and 2015B bonds in the amounts of \$25,000,000 and \$21,145,000 respectively. The Series 2015A bonds were issued to provide funds to finance a portion of the annual required contribution for fiscal years 2015 and 2016 with respect to the contributory defined benefit retirement plan known as the Employees' Retirement System ("ERS"). The Series 2015B bonds were issued to provide funds to pay the outstanding amount of a loan pursuant to a loan agreement between the City and the Florida Municipal Loan Council ("FMLC") dated February 1, 2005 (the "refunded bonds") and such funds will be used by FMLC to refund all of that portion of the outstanding Florida Municipal Loan Council Revenue Bonds, Series 2005A. The transaction resulted in an economic gain (difference between the present value of the debt service on the old and the new bonds) of approximately \$2,555,000. The 2015 Bonds are special limited obligations of the City payable solely from and secured by a lien upon pledged Franchise Fee Revenues. Franchise Fee Revenues are defined in the Bond Ordinance to mean franchise fees levied and collected by the City, pursuant to Ordinance No. 07-55 (the "Electric Franchise Ordinance").

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 12 - LONG-TERM DEBT (Continued)

Revenue Bonds (Continued)

The Series 2015A bonds have an outstanding balance of \$23,855,000 and calls for annual principal payments due on December 1, commencing on December 1, 2020 through December 2, 2035 and semi-annual interest payments commencing on June 1, 2016 at varying rates of interest ranging from 2.0% to 5.0%. The Series 2015B bonds has an outstanding balance of \$18,115,000 and calls for annual principal payments due on December 1, commencing on December 1, 2017 through December 1, 2035 and semi-annual interest payments commencing on June 1, 2016 at varying rates of interest ranging from 2.0% to 5.0%. The arbitrage rebate requirement generally requires issuers of tax-exempt debt to rebate to the U.S. Treasury that investment income arising from the proceeds of tax-exempt debt to the extent that such income results from investments yields in excess of the bond yield. There is no arbitrage rebate liability in connection with either of the Special Obligation Revenue Bonds at September 30, 2020.

Annual debt service requirements to maturity for the Series 2015A and B bonds payable are as follows:

Governmental Activities			
Fiscal Year End	Principal	Interest	Total
2021	\$ 1,180,000	\$ 1,040,102	\$ 2,220,102
2022	1,220,000	1,001,002	2,221,002
2023	1,265,000	957,150	2,222,150
2024	1,310,000	909,595	2,219,595
2025	1,360,000	858,099	2,218,099
2026-2030	7,725,000	3,366,261	11,091,261
2031-2034	7,630,000	1,249,661	8,879,661
2035	2,165,000	55,608	2,220,608
	<u>\$ 23,855,000</u>	<u>\$ 9,437,477</u>	<u>\$ 33,292,477</u>

Governmental Activities			
Fiscal Year End	Principal	Interest	Total
2021	\$ 668,000	\$ 707,900	\$ 1,375,900
2022	700,000	673,700	1,373,700
2023	736,000	637,800	1,373,800
2024	776,000	600,000	1,376,000
2025	812,000	560,300	1,372,300
2026-2030	4,736,000	2,131,000	6,867,000
2031-2035	6,064,000	788,400	6,852,400
	<u>\$ 14,492,000</u>	<u>\$ 6,099,100</u>	<u>\$ 20,591,100</u>

Business - type Activities			
Fiscal Year End	Principal	Interest	Total
2021	\$ 167,000	\$ 176,975	\$ 343,975
2022	175,000	168,425	343,425
2023	184,000	159,450	343,450
2024	194,000	150,000	344,000
2025	203,000	140,075	343,075
2026-2030	1,184,000	532,750	1,716,750
2031-2035	1,516,000	197,100	1,713,100
	<u>\$ 3,623,000</u>	<u>\$ 1,524,775</u>	<u>\$ 5,147,775</u>

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 12 - LONG-TERM DEBT (Continued)

Capital Leases

The City has entered into various lease agreements; a transit bus in the amount of \$340,400, a fire ladder truck in the amount of \$633,827, twenty (20) Zoll Series X manual defibrillators in the amount of \$423,920, computer software in the amount of \$1,305,606, radio tower equipment in the amount of \$3,517,760, radios in the amount of \$4,600,925, and computer equipment in the amount of \$171,655.

These lease agreements qualify as capital leases for accounting purposes and therefore, have been recorded at the present value of the future minimum lease payments as of the inception date in the capital assets section and the related liability in the governmental-wide financial statements.

Capital assets acquired through the issuance of capital leases are as follows:

	Governmental
	<u>Activities</u>
Equipment	\$ 6,502,106
Vehicles	974,227
Infrastructure	3,517,760
Less: accumulated depreciation	<u>(1,993,130)</u>
	<u>\$ 9,000,963</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2020 are as follows:

Fiscal Year End	Principal	Interest	Total
2021	1,094,093	125,831	1,219,924
2022	938,325	209,526	1,147,851
2023	906,280	181,567	1,087,848
2024	932,142	155,706	1,087,848
2025	958,757	129,091	1,087,848
2026-2030	3,779,983	238,497	4,018,479
	<u>\$ 8,609,579</u>	<u>\$ 1,040,218</u>	<u>\$ 9,649,797</u>

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 12 - LONG-TERM DEBT (Continued)

Changes in Long-Term Liabilities

The following is a summary of changes in the long-term debt for the year ended September 30, 2020:

	October 1, 2019	Additions	Reductions	September 30, 2020	Due Within One Year
Governmental Activities					
<i>Revenue Bonds:</i>					
FMLC 2012A	26,016,000	-	(1,368,000)	24,648,000	1,436,000
Special Obligation Revenue Bonds, Series 2015A	25,000,000	-	(1,145,000)	23,855,000	1,180,000
Special Obligation Refunding Revenue Bonds, Series 2015B	15,128,000	-	(636,000)	14,492,000	668,000
<i>Notes:</i>					
TD Bank (Refi Suntrust Loan)	11,144,597	-	(476,406)	10,668,191	497,352
Total bonds and notes payable	<u>77,288,597</u>	<u>-</u>	<u>(3,625,406)</u>	<u>73,663,191</u>	<u>3,781,352</u>
<i>Less deferred amounts:</i>					
Premium	1,306,406	-	(92,283)	1,214,123	92,283
Premium (2012A)	1,568,768	-	(120,674)	1,448,094	120,674
Premium (2015B)	1,819,688	-	(113,731)	1,705,957	113,731
	<u>4,694,862</u>	<u>-</u>	<u>(326,688)</u>	<u>4,368,174</u>	<u>326,688</u>
Bonds and notes payable net	<u>81,983,459</u>	<u>-</u>	<u>(3,952,094)</u>	<u>78,031,365</u>	<u>4,108,040</u>
<i>Capital leases</i>					
U.S. Bancorp. Govt. Leasing and Finance, Inc.	138,632	-	(68,413)	70,219	70,219
Leasing 2, Inc. (E-One Typhoon 78' Aerial)	139,630	-	(139,630)	-	-
Banc of America Public Capital (Radio equip)	3,227,846	-	(314,683)	2,913,163	324,867
Motorola Solutions Credit Company, LLC (radios)	4,600,925	-	(507,251)	4,093,674	507,251
Banc of America Public Capital (Fire equipment)	-	1,495,928	(75,057)	1,420,871	137,277
Hewlett-Packard (computer equip)	-	171,655	(60,003)	111,652	54,478
Total capital leases	<u>8,107,033</u>	<u>1,667,583</u>	<u>(1,165,037)</u>	<u>8,609,579</u>	<u>1,094,092</u>
Claims payable	46,612,816	21,722,722	(18,135,079)	50,200,459	11,867,809
Compensated absences	25,529,687	14,228,850	(9,481,541)	30,276,996	4,744,405
OPEB liability	312,007,531	61,245,293	-	373,252,824	-
Net pension liability	<u>219,520,509</u>	<u>36,224,158</u>	<u>-</u>	<u>255,744,667</u>	<u>-</u>
	<u>603,670,543</u>	<u>133,421,023</u>	<u>(27,616,620)</u>	<u>709,474,946</u>	<u>16,612,214</u>
Total Governmental activities	<u>693,761,035</u>	<u>135,088,606</u>	<u>(32,733,751)</u>	<u>796,115,890</u>	<u>21,814,346</u>
Business-Type Activities					
Revolving loan	1,009,368	-	(143,635)	865,733	147,695
FMLC 2011D	43,220,000	-	(1,050,000)	42,170,000	1,105,000
FMLC 2012A	6,504,000	-	(342,000)	6,162,000	359,000
Special Obligation Refunding Revenue Bonds, Series 2015B	3,782,000	-	(159,000)	3,623,000	167,000
Total bonds and loans payable	<u>54,515,368</u>	<u>-</u>	<u>(1,694,635)</u>	<u>52,820,733</u>	<u>1,778,695</u>
<i>Less deferred amounts:</i>					
Discount	(289,567)	-	13,162	(276,405)	(13,162)
Premium (2012A)	392,193	-	(30,169)	362,024	30,169
Premium (2015B)	454,921	-	(28,433)	426,488	28,433
	<u>557,547</u>	<u>-</u>	<u>(45,440)</u>	<u>512,107</u>	<u>45,440</u>
Bonds and loans payable net	<u>55,072,915</u>	<u>-</u>	<u>(1,740,075)</u>	<u>53,332,840</u>	<u>1,824,135</u>
Claims payable	6,335,853	744,297	(2,220,310)	4,859,840	877,657
Compensated absences	2,423,037	958,152	(814,307)	2,566,882	402,230
OPEB liability	60,360,427	7,860,655	-	68,221,082	-
Net pension liability	<u>42,468,403</u>	<u>4,264,360</u>	<u>-</u>	<u>46,732,763</u>	<u>-</u>
	<u>111,587,720</u>	<u>13,827,464</u>	<u>(3,034,617)</u>	<u>122,380,567</u>	<u>1,279,887</u>
Total Business-type activities	<u>166,660,635</u>	<u>13,827,464</u>	<u>(4,774,692)</u>	<u>175,713,407</u>	<u>3,104,022</u>

Claims and judgments, compensated absences, net pension and net OPEB obligations are generally liquidated by the General Fund for the governmental activities.

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 13 - RISK MANAGEMENT

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

The City is self-insured for general liability, automobile, workers' compensation, and health. The City also purchases stop loss coverage on its health insurance program. For all other coverage, the City carries commercial insurance. The City currently reports all of its risk management activities in its General Fund, except those related to Enterprise Funds, which are reported in those funds.

Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported (IBNR). Claims liabilities are actuarially determined using historical and recent claim settlement trends. There were no significant reductions in insurance coverage from coverage in the prior year, and there were no settlements that exceeded insurance coverage for each of the past three years.

The City only records the current portion of claims payable within the General Fund if there is a settled claim which is due and payable at year end and is outstanding. The long-term portion is reported in the statement of net position. Amounts payable from proprietary funds are accounted for within those funds.

The following is a summary of changes in claims payable for the year ended September 30, 2020:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Unpaid claims, beginning	\$ 52,948,669	\$ 53,398,137	\$ 54,761,956
Incurred claims (including IBNR)	22,467,019	14,559,564	14,602,199
Claims payments	<u>(20,355,389)</u>	<u>(15,009,032)</u>	<u>(15,966,018)</u>
Unpaid claims, ending	<u>\$ 55,060,299</u>	<u>\$ 52,948,669</u>	<u>\$ 53,398,137</u>

NOTE 14 - COMMITMENTS AND CONTINGENCIES

Grants

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

Hialeah Branch Courthouse Lease

On November 4, 1996, the City entered into a lease with Miami-Dade County for two parcels of land owned by the City and reimbursement of design, construction and financing of a courthouse. The lease was amended in fiscal year 2000 and extended to fiscal year 2030 with annual payments from the County of \$500,000.

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 14 - COMMITMENTS AND CONTINGENCIES (Continued)

Charter School Agreements

On April 17, 2008, the City executed a contract with the School Board of Miami-Dade County, Florida that provides for the City of Hialeah Education Academy (the "HEA") to (1) provide a high-quality career-oriented curriculum for 21st Century occupations; (2) prepare students for productive employment within a multilingual work environment; and (3) prepare students for successful progression into postsecondary studies. The contract ended in June 2014 and was subsequently renewed for a period of 15 years by a mutual agreement of both parties.

The City has entered into an agreement with Academica Dade LLC to provide administrative and educational services for HEA. The agreement began on July 1, 2018 and ends on June 30, 2021, with an option for renewal for two additional years.

Water and Sewers Fund- Agreements with Miami-Dade County

In 2008, the City Council approved a 20 year agreement with Miami-Dade County (the "County") providing for the rendition of water service to the City by the County and the purchase of treated water from the County until 2027. In 2011, the City of Hialeah entered into a 20 year agreement with the County to provide wastewater treatment and disposal services until 2029. Rates paid by the City of Hialeah vary depending and costs incurred by the County. The charges to operations under these agreements for the year ended September 30, 2020 were \$11,868,739 for water services and \$34,213,353 for wastewater treatment and disposal services.

Joint Participation Agreement- Reverse Osmosis Water Treatment Plant

On December 27, 2007, (as amended on August 2009) the City entered into a Joint Participation agreement with Miami-Dade County (the "County") for the design, construction and operation of a 17.5 MGD reverse osmosis water treatment plant (the "Plant"). The City and the County have equal 50% ownership of the Plant, inclusive of land, structures, facilities and appurtenances to be situated in the Annexation Area of the City, having an initial operational capacity of 10 MGD expandable to 17.5 MGD. The Plant is operating at 7.5 MGD supplying potable water to the Annexation Area of the City and adjacent areas of unincorporated Miami-Dade County and Hialeah. At all times during the operation of the Plant, the County and City each receive 50% of the water production produced; however, either party is able to purchase a portion of the other party's 50% share.

The County has and continues to contribute for 50% of the costs for the Plant, and the City has and continues to contribute for 50% of the costs of the Plant.

The County has provided in excess of \$55 million during the construction phase of the project. In 2011, the City issued the \$48,235,000 Florida Municipal Loan Council Revenue Bonds, Series 2011D (City of Hialeah Series) to fund its share of the costs to construct the Plant. The schedule below provides a reconciliation of the capital expenses as of September 30, 2020 and the total contributions from the County and the City.

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 14 - COMMITMENTS AND CONTINGENCIES (Continued)

Joint Participation Agreement- Reverse Osmosis Water Treatment Plant (Continued)

	October 1, <u>2019</u>	<u>Additions</u>	<u>Deletions</u>	September 30, <u>2020</u>
Land	\$ 3,300,000	\$ -	\$ -	\$ 3,300,000
RO Plant	<u>53,275,754</u>	<u>956,554</u>	<u>-</u>	<u>54,232,308</u>
	<u>\$ 56,575,754</u>	<u>\$ 956,554</u>	<u>\$ -</u>	<u>\$ 57,532,308</u>
Other Receivables - Miami Dade County	<u>\$ 3,725,850</u>	<u>\$ 3,695,520</u>	<u>\$ (2,856,423)</u>	<u>\$ 4,564,947</u>
Total Contributed by Miami Dade County				
Contributions to the City	\$ 47,586,171			
Due from Miami Dade County	4,564,947			
50% Share of interest income earned	731,190			
50% Share of value of the land	1,650,000			
50% Share of grants from SFWMD	<u>3,000,000</u>			
	<u>\$ 57,532,308</u>			

Construction Commitments

At September 30, 2020, the City had in process various construction projects that were not completed with a remaining balance totaling approximately \$7,200,000. Funding of these projects is to be made primarily through tax revenues, fees and grants.

Litigation

The City is a defendant in various lawsuits incidental to its operations. The outcome of these lawsuits is undeterminable as is an amount of range of potential loss.

Tax-Exempt Bonds

As disclosed in Note 12 Long-Term Debt; the City has issued tax-exempt bonds to fund capital projects and infrastructure. If the bonds were deemed to be taxable, then the City's interest costs would markedly rise; the potential increase in interest costs would only be determinable at the time such debt was deemed taxable. The City does not at this time; expect the tax-exempt status of the debt to change.

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 14 - COMMITMENTS AND CONTINGENCIES (Continued)

Board of Trustees Union-sponsored Health Plan

The City has been sued by the Trustees of the Board of a union-sponsored health plan that enrolls City retirees, among others, and individual retirees. The City Code provides that the City will pay the cost of health insurance coverage for City retirees under certain conditions and limitations. The Plaintiffs contend that the City has underpaid. The suit seeks back payments and an adjustment going forward. The Plaintiff has demanded damages in the approximate amount of \$1.2 million. The Court has set the matter for trial by the presiding judge for October 2021. It is probable that a final disposition of the matter will occur by summary judgment prior to trial upon a hearing of the parties' cross motions for summary judgment. As of the date of this disclosure, although the amount of loss cannot be reasonably estimated, an unfavorable outcome is reasonably possible.

DMG Properties, LLP

On December 4, 2014, the City received a notice of claim for compensation pursuant to the Bert J. Harris, Jr., Private Property Rights Protection Act (the "Harris Act"), alleging that the City's failure to designate a zoning classification for the property in question and its denial of the landowners vested right in continuing heavy industrial uses on the property have inordinately burdened the property reducing its fair market value in an estimated amount of \$5.7 million based on the initial appraisal submitted by the claimant as required by the Harris Act. Since annexation, the City adopted a comprehensive land use plan for the area allowing for less intense, light industrial uses. The Harris Act requires the notice and a 6-month settlement period preceding the filing of an action. The 6-month settlement period has expired, and the parties have failed to reach settlement. A complaint in the State Circuit Court for Miami-Dade County was filed on October 4, 2019 and amended on January 9, 2020. The City's position is that Plaintiff cannot establish a legal right to the uses claimed such that any action the City may have taken impinged upon the Plaintiff's right to those uses or impaired the property's value. Alternatively, the City's position is that the claim is time barred. The City intends to vigorously defend this case.

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 15 - EMPLOYEES' AND ELECTED OFFICIALS' RETIREMENT SYSTEMS

Employees' Retirement System

The following brief description of the Plan is provided for general information purposes only. Participants should refer to the City of Hialeah Employees' Retirement System Plan document for more complete information.

1. Plan Description - The City is the administrator of a single-employer Public Employee Retirement System (PERS) established to provide pension, annuity, death, and disability benefits through a defined benefit and a defined contribution pension plan that covers substantially all of the employees of the City. Cost of living adjustments of 2% annually (excluding beneficiaries and those members who are receiving a Deferred Retirement Allowance), are made to members for Basic and Service Pensions. The City of Hialeah Employees' Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Hialeah Employees' Retirement System, 501 Palm Avenue, Hialeah, Florida, 33010.

On May 22, 2012, the City passed Ordinance No. 2012-27, retroactively to April 1, 2012, closing membership to the Plan for all general employees hired after April 1, 2012. New employees will instead participate in a new defined contribution plan. The latest available actuarial valuation is as of October 1, 2019.

Membership in the Plan as of October 1, 2019 consisted of the following:

Inactive plan members:	
Beneficiaries currently receiving benefits	1,582
Entitled to benefits but not yet receiving them	282
Active plan members	<u>780</u>
Total	<u>2,644</u>

2. Loans to Members - The Employees' Retirement System Plan permits members to borrow from the Plan assets (subject to the rules of the Internal Revenue Service) at rates determined by the Plan Trustees. Interest charged on loans is 1.5% above the Wall Street Journal prime rate, (which was 4.75% as of September 30, 2020). Such loans are limited to and fully secured by the respective member's annuity savings account. Loan payments are deducted directly from the member's bi-weekly payroll.
3. Administrative Expenses - Administrative expenses incurred by the Plan is absorbed by the City.
4. Funding Requirements - The contribution requirements of the Plan members and the City are established and may be amended by the Employees' Retirement System Board of Trustees.
 - Plan Members Contribution
All members may contribute up to 7% of their compensation per year into the Annuity Savings Fund. All members not eligible for normal retirement on the date the ordinance took effect will also be required to make the following additional contributions:

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 15 - EMPLOYEES' AND ELECTED OFFICIALS' RETIREMENT SYSTEMS (Continued)

Employees' Retirement System (Continued)

- Plan Members Contribution – (Continued)

- Non-Police Officers and Firefighters must contribute 5.00% of pensionable compensation from May 15, 2014 to September 30, 2014 and 4.00% of pensionable compensation from October 1, 2014 forward except that it drops to 3.00% if the funded ratio is between 80% to 100% and 0% if it is 100% funded.
- Firefighters must contribute 5.00% of pensionable compensation from October 1, 2013 to September 30, 2014 (4.00% of pensionable compensation if hired on or after November 15, 2013) and 4.00% of pensionable compensation from October 1, 2014 forward except that it drops to 3.00% if the funded ratio is between 80% to 100% and 0% if it is 100% funded.
- Police Officers must contribute 5.00% of pensionable compensation from March 2, 2014 to September 30, 2014 (4.00% of pensionable compensation if hired on or after March 2, 2014) and 4.00% of pensionable compensation from October 1, 2014 forward except that it drops to 3.00% if the funded ratio is between 80% to 100% and 0% if it is 100% funded.

- City Contribution

On August 25, 2009, the City passed Ordinance 09-54, which established a minimum City contribution ("floor") to the Plan equal to 22% of the member payroll. Once every five years, the City may increase or decrease the floor up to 2% of member payroll, if supported by an actuarial study. The floor shall not be less than 16% or more than 28% of member payroll. The new provisions also indicate that the floor is subject to Section 70-168(b) which specifies the contribution shall be computed as a level percent of payroll in accordance with generally recognized actuarial principles and the provisions of Chapter 112 of the Florida Statutes. Provisions under Chapter 112 of the Florida Statutes will take precedence in the event the required City contribution calculated under Chapter 112 exceeds the 28% of member payroll.

The City contributes at actuarially determined rates that are designed to accumulate sufficient assets to pay benefits when due. Effective May 30, 2012, the Division of Retirement mandated that local governments confer with the Plan's actuary to select and maintain contribution method (percentage of payroll or fixed dollar contributions) that best fits the funding requirements of the Plan. The Plan determined to use the "percentage of payroll contribution" method for the fiscal year ended September 30, 2020.

5. Net Pension Liability - The City's net pension liability of \$302,477,430 was measured as of September 30, 2019, (GASB 68 measurement date).

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 15 - EMPLOYEES' AND ELECTED OFFICIALS' RETIREMENT SYSTEMS (Continued)

Employees' Retirement System (Continued)

6. Actuarial Assumptions - The total pension liability was determined using the following actuarial assumptions:

Measurement Date:	September 30, 2020	September 30, 2019
Actuarial Valuation:	October 1, 2019	October 1, 2018
Interest rates:		
Single Discount rate	7.6%	7.7%
Inflation rate	2.25%	2.3%
Salary Increases	Service Based	Service Based
Mortality table	<p><i>Mortality Rate Healthy Lives Police Officers and Firefighters:</i> Female: RP2000 Generational, 100% Combined Healthy White Collar, Scale BB. Male: RP2000 Generational, 10% Combined Healthy White Collar / 90% Combined Healthy Blue Collar, Scale BB.</p> <p><i>Mortality Rate Healthy Inactive Lives Police Officers and Firefighters:</i> Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB. Male: RP2000 Generational, 10% Annuitant White Collar / 90% Annuitant Blue Collar, Scale BB.</p> <p><i>Mortality Rate Disabled Lives Police Officers and Firefighters:</i> Female: 60% RP2000 Disabled Female set forward two years / 40% Annuitant White Collar with no setback, no projection scale. Male: 60% RP2000 Disabled Male setback four years / 40% Annuitant White Collar with no setback, no projection scale.</p> <p><i>Mortality Rate Healthy Active Lives General Employees:</i> Female: RP2000 Generational, 100% White Collar, Scale BB. Male: RP2000 Generational, 50% White Collar / 50% Blue Collar, Scale BB.</p> <p><i>Mortality Rate Healthy Inactive Lives General Employees:</i> Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB. Male: RP2000 Generational, 50% Annuitant White Collar / 50% Annuitant Blue Collar, Scale BB.</p> <p><i>Mortality Rate Disabled Lives General Employees:</i> Female: 100% RP2000 Disabled Female set forward two years. Male: 100% RP2000 Disabled Male setback four years.</p>	<p><i>Mortality Rate Healthy Lives Police Officers and Firefighters:</i> Female: RP2000 Generational, 100% Combined Healthy White Collar, Scale BB. Male: RP2000 Generational, 10% Combined Healthy White Collar / 90% Combined Healthy Blue Collar, Scale BB.</p> <p><i>Mortality Rate Healthy Inactive Lives Police Officers and Firefighters:</i> Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB. Male: RP2000 Generational, 10% Annuitant White Collar / 90% Annuitant Blue Collar, Scale BB.</p> <p><i>Mortality Rate Disabled Lives Police Officers and Firefighters:</i> Female: 60% RP2000 Disabled Female set forward two years / 40% Annuitant White Collar with no setback, no projection scale. Male: 60% RP2000 Disabled Male setback four years / 40% Annuitant White Collar with no setback, no projection scale.</p> <p><i>Mortality Rate Healthy Active Lives General Employees:</i> Female: RP2000 Generational, 100% White Collar, Scale BB. Male: RP2000 Generational, 50% White Collar / 50% Blue Collar, Scale BB.</p> <p><i>Mortality Rate Healthy Inactive Lives General Employees:</i> Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB. Male: RP2000 Generational, 50% Annuitant White Collar / 50% Annuitant Blue Collar, Scale BB.</p> <p><i>Mortality Rate Disabled Lives General Employees:</i> Female: 100% RP2000 Disabled Female set forward two years. Male: 100% RP2000 Disabled Male setback four years.</p>

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 15 - EMPLOYEES' AND ELECTED OFFICIALS' RETIREMENT SYSTEMS (Continued)

Employees' Retirement System (Continued)

7. Long-Term Expected Rate of Return - The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class.

These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2020 and 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>2020</u>	<u>2019</u>
Domestic Equity	50%	7.42%	7.42%
International Equity	5%	7.38%	7.38%
Domestic Bonds	41%	2.67%	3.00%
Other	<u>4%</u>	4.25%	4.50%
Total	<u>100%</u>		

8. Rate of Return - For the fiscal years ended September 30, 2020 and 2019, the annual money-weighted rate of return on Plan investments, net of investment expense, was 8.88% and 2.13%, respectively. The money-weighted rate of return expresses investment performance, net of investment manager and consultant expenses adjusted for the changing amounts actually invested. Inputs to the internal rate of return calculation are determined on a monthly basis.
9. Discount Rate - The discount rate used to measure the total pension liability as of September 30, 2020 and 2019 was 7.60% and 7.70% respectively. The projection of cash flows used to determine the discount rate assumed that plan members contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 15 - EMPLOYEES' AND ELECTED OFFICIALS' RETIREMENT SYSTEMS (Continued)

Employees' Retirement System (Continued)

10. Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Reporting period ending at September 30, 2019	\$ 978,102,042	\$ 716,113,130	\$ 261,988,912
Changes for the year:			
Service Cost	7,371,026	-	7,371,026
Interest	74,095,607	-	74,095,607
Change in Annuity Savings Fund	3,435,022	-	3,435,022
Differences between expected and actual experience	546,364	-	546,364
Changes of assumptions	8,141,313	-	8,141,313
Change of benefit terms	-	-	-
Changes of assumptions	-	-	-
Contributions - Employer	-	31,778,947	(31,778,947)
Contributions - State	-	461,877	(461,877)
Contributions - Employee	-	3,208,424	(3,208,424)
Contributions - Buy Back	915,261	915,261	-
Contributions - Annuity Savings Fund	-	3,435,022	(3,435,022)
Net investment income	-	14,893,168	(14,893,168)
Benefit payments, including refunds of employee contributions	(71,058,782)	(71,058,782)	-
Administrative expense	-	(676,624)	676,624
New changes	23,445,811	(17,042,707)	40,488,518
Reporting period ending at September 30, 2020	<u>\$ 1,001,547,853</u>	<u>\$ 699,070,423</u>	<u>\$ 302,477,430</u>
Plan fiduciary net position as a percentage of the total pension liability		69.80%	
Covered payroll		\$ 50,993,205	
Net pension liability as a percentage of covered payroll		593.17%	

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 15 - EMPLOYEES' AND ELECTED OFFICIALS' RETIREMENT SYSTEMS (Continued)

Employees' Retirement System (Continued)

10. Changes in Net Pension Liability (Continued)

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Reporting period ending at September 30, 2020	\$ 1,001,547,853	\$ 699,070,423	\$ 302,477,430
Changes for the year:			
Service Cost	7,021,824	-	7,021,824
Interest	74,884,189	-	74,884,189
Change in Annuity Savings Fund	3,445,364	-	3,445,364
Change of benefit terms	1,920,804	-	1,920,804
Differences between expected and actual experience	(9,206,862)	-	(9,206,862)
Changes of assumptions	22,132,420	-	22,132,420
Contributions - Employer	-	33,184,511	(33,184,511)
Contributions - State	-	461,877	(461,877)
Contributions - Employee	-	3,685,758	(3,685,758)
Contributions - Buy Back	434,794	434,794	-
Contributions - Annuity Savings Fund	-	3,445,364	(3,445,364)
Net investment income	-	60,504,254	(60,504,254)
Benefit payments, including refunds of employee contributions	(75,937,099)	(75,937,099)	-
Administrative expense	-	(254,016)	254,016
New changes	24,695,434	25,525,443	(830,009)
Reporting period ending at September 30, 2021	<u>\$ 1,026,243,287</u>	<u>\$ 724,595,866</u>	<u>\$ 301,647,421</u>
Plan fiduciary net position as a percentage of the total pension liability		70.61%	
Covered payroll		\$ 50,199,563	
Net pension liability as a percentage of covered payroll		600.90%	

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 15 - EMPLOYEES' AND ELECTED OFFICIALS' RETIREMENT SYSTEMS (Continued)

Employees' Retirement System (Continued)

11. Sensitivity of the Net Pension Liability to the Changes in the Discount Rate - The following presents the net pension liability of the City, calculated using the discount rate of 7.60% and 7.70% respectively, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher:

	1% Decrease 6.60%	Current Discount Rate 7.60%	1% Increase 8.60%
September 30, 2020	\$ 392,078,331	\$ 301,647,421	\$ 225,370,896
	6.70%	7.70%	8.70%
September 30, 2019	\$ 391,121,853	\$ 302,477,430	\$ 227,750,409

12. Pension Plan Fiduciary Net Position - Detailed information about the pension plan's fiduciary net position is available in a separately issued Plan financial report.
13. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - For the year ended September 30, 2020, the City will recognize pension expense of \$63,542,163. At September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Differences Between Expected and Actual Experience	\$ 15,251,669	\$ -
Changes of Assumptions	22,419,750	-
Net Difference Between Projected and Actual Earnings on the Pension Plan Investments	16,679,233	-
Employer and State Contributions subsequent to the measurement date	33,646,388	-
	<u>\$ 87,997,040</u>	<u>\$ -</u>

The deferred outflow of resources, resulting from the City's contribution to the Plan subsequent to the measurement date of September 30, 2019 in the amount of \$33,646,388 will be recognized as a reduction of the City's net pension liability in the fiscal year ended September 30, 2021. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended September 30,</u>	
2021	\$21,723,615
2022	18,297,258
2023	6,386,148
2024	7,943,631
2025	-
Thereafter	-
Total	<u>\$54,350,652</u>

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 15 - EMPLOYEES' AND ELECTED OFFICIALS' RETIREMENT SYSTEMS (Continued)

Employees' Retirement System (Continued)

14. DROP Plan - The City established a deferred retirement option plan (DROP) for General Employees on February 19, 2008, and for Police and Firefighters on March 1, 2007. An active participant of the City's retirement system may enter into the DROP, on the first day of the month following completion of 25 years of membership service credit, provided that the sum of the member's age and years of service is 70 points or more. Upon entry into the DROP, a member's monthly retirement benefits (basic plus service pension), based on final average earnings and service upon entering the DROP, which would have been payable had the member elected to cease employment and receive a normal retirement benefit, shall be paid into the member's DROP account. At the end of each fiscal year, interest will be credited to the DROP account at the same rate credited to the annuity savings account. Member contributions cease upon entering the DROP and the member shall be ineligible for disability benefits provided by the Plan. Upon termination of employment or death, the DROP account balance will be paid in a cash lump sum. The maximum duration for participation in the DROP shall not exceed thirty-six (36) months and members cannot buy service in order to be eligible for the DROP.

Currently both police officers and firefighters DROP Members have the option to extend their DROP period an additional two (2) years for a total DROP participation of five (5) years.

General employees who are members of the retirement system are prohibited from entering the DROP on or after April 2, 2012. As of September 30, 2020, there were forty seven (47) DROP participants and their fair value of DROP investment was \$9,754,511 which is included in the Plan's net position.

Elected Officials' Retirement System

1. Plan Description - The City of Hialeah Elected Officials' Retirement System (EORS) is a single employer defined benefit pension plan administered by the City of Hialeah. The EORS was established by City Ordinance effective June 1998. The Plan is considered part of the City's financial reporting entity and is included in the City's financial statements as a pension trust fund. All qualified elected officials and city attorneys are eligible to participate in the plan. The Plan does not issue a stand-alone financial report. Benefit and contribution provisions are established by City ordinance and may be amended only by the City Council. The latest available actuarial valuation is as of October 1, 2019.

Membership in the Plan as of October 1, 2019 consisted of the following:

Inactive plan members:	
Beneficiaries currently receiving benefits	9
Entitled to benefits but not yet receiving them	6
Active plan members	9
Total	<u>24</u>

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 15 - EMPLOYEES' AND ELECTED OFFICIALS' RETIREMENT SYSTEMS (Continued)

Elected Officials' Retirement System (Continued)

2. Pension Benefits - Participants earn one vesting credit for each year of service completed. A participant is considered fully vested after 8 years of credited service. After 8 years of credited service, the participant need not render any further service as an employee of the City, in order to begin receiving a pension benefit upon attaining eligibility.

A participant is eligible for normal retirement benefits when the participant has attained age 55 and 8 vesting credits or has attained 20 vesting credits regardless of age.

Normal retirement benefits are based on 3% of average final compensation multiplied by the years of service for each year of prior service.

3. Funding Requirements - Plan members are required to contribute 7% of their basic compensation. The City contributes at actuarially determined rates that are designed to accumulate sufficient assets to pay benefits when due. Effective May 30, 2012, the Division of Retirement mandated that local governments confer with the Plan's actuary to select and maintain a contribution method (percentage of payroll or fixed dollar contributions) that best fits the funding requirements of the Plan. The Plan determined to use the "percentage of payroll contribution" method for the fiscal year ended September 30, 2020.

The actual contribution from the City for active members were actuarially determined using the actuarial valuation as of October 1, 2018 for the year ended September 30, 2020.

4. Net Pension Asset - The Plan's net pension asset of \$2,878,477 was measured as of September 30, 2019 (GASB 68 measurement date).

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 15 - EMPLOYEES' AND ELECTED OFFICIALS' RETIREMENT SYSTEMS (Continued)

Elected Officials' Retirement System (Continued)

5. Actuarial Assumptions - The total pension liability was determined using the following actuarial assumptions:

Measurement Date:	September 30, 2020	September 30, 2019
Actuarial Valuation:	October 1, 2019	October 1, 2018
Interest rates:		
Single Discount rate	6.00%	6.00%
Inflation rate	2.75%	2.75%
Salary Increases	8.00%	8.00%
Mortality table	For healthy male participants during employment, RP 2000 Combined Male Healthy Participant Mortality Table, with 50% Blue Collar Adjustment / 50% White Collar Adjustment and fully generational mortality improvements projected to each future decrement date with Scale BB. For healthy female participants during employment, RP 2000 Combined Female Healthy Participant Mortality Table, with White Collar Adjustment and fully generational mortality improvements projected to each future decrement date with Scale BB.	For healthy male participants during employment, RP 2000 Combined Male Healthy Participant Mortality Table, with 50% Blue Collar Adjustment / 50% White Collar Adjustment and fully generational mortality improvements projected to each future decrement date with Scale BB. For healthy female participants during employment, RP 2000 Combined Female Healthy Participant Mortality Table, with White Collar Adjustment and fully generational mortality improvements projected to each future decrement date with Scale BB.
	For healthy male participants post employment, RP 2000 Annuitant Male Mortality Table, with 50% Blue Collar Adjustment / 50% White Collar Adjustment and fully generational mortality improvements projected to each future decrement date with Scale BB. For healthy female participants post employment, RP 2000 Annuitant Female Mortality Tables with White Collar Adjustment and fully generational mortality improvements projected to each future decrement date with Scale BB.	For healthy male participants post employment, RP 2000 Annuitant Male Mortality Table, with 50% Blue Collar Adjustment / 50% White Collar Adjustment and fully generational mortality improvements projected to each future decrement date with Scale BB. For healthy female participants post employment, RP 2000 Annuitant Female Mortality Tables with White Collar Adjustment and fully generational mortality improvements projected to each future decrement date with Scale BB.

6. Long-Term Expected Rate of Return - The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class.

These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2020 and 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>2020</u>	<u>2019</u>
Domestic Equity	45%	4.80%	9.73%
International Equity	10%	0.60%	5.13%
Fixed Income	30%	1.80%	6.03%
Cash	15%	0.40%	2.99%
	<u>100%</u>		

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 15 - EMPLOYEES' AND ELECTED OFFICIALS' RETIREMENT SYSTEMS (Continued)

Elected Officials' Retirement System (Continued)

7. Rate of Return - For the fiscal years ended September 30, 2020 and 2019, the annual money-weighted rate of return on Plan investments, net of investment expense, was 9.93% and 6.29%, respectively. The money-weighted rate of return expresses investment performance, net of investment manager and consultant expenses adjusted for the changing amounts actually invested. Inputs to the internal rate of return calculation are determined on a monthly basis.
8. Discount Rate - The discount rate used to measure the total pension liability as of September 30, 2020 and 2019 was 6.00 percent. The projection of cash flows used to determine the discount rate assumed that plan members contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.
9. Changes in Net Pension Asset

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Asset
	(a)	(b)	(a)-(b)
Reporting period ending at September 30, 2019	\$ 9,517,712	\$ 12,225,382	\$ (2,707,670)
Changes for the year:			
Service Cost	156,228	-	156,228
Interest	569,807	-	569,807
Differences between expected and actual experience	28,448	-	28,448
Contributions - Employer	-	171,793	(171,793)
Contributions - Employee	-	23,598	(23,598)
Net investment income	-	746,766	(746,766)
Benefit payments, including refunds of employee contributions	(411,218)	(411,218)	-
Administrative expense	-	(16,867)	16,867
New changes	343,265	514,072	(170,807)
Reporting period ending at September 30, 2020	<u>\$ 9,860,977</u>	<u>\$ 12,739,454</u>	<u>\$ (2,878,477)</u>
Plan fiduciary net position as a percentage of the total pension liability		129.19%	
Covered payroll		\$ 679,872	
Net pension asset as a percentage of covered payroll		-423.39%	

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 15 - EMPLOYEES' AND ELECTED OFFICIALS' RETIREMENT SYSTEMS (Continued)

Elected Officials' Retirement System (Continued)

9. Changes in Net Pension Asset (Continued)

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Asset
	(a)	(b)	(a)-(b)
Reporting period ending at September 30, 2020	\$ 9,860,977	\$ 12,739,454	\$ (2,878,477)
Changes for the year:			
Service Cost	153,299	-	153,299
Interest	573,480	-	573,480
Differences between expected and actual experience	18,209	-	18,209
Assumption Changes	(228,363)	-	(228,363)
Contributions - Employer	-	152,234	(152,234)
Contributions - Employee	-	16,262	(16,262)
Net investment income	-	1,246,894	(1,246,894)
Benefit payments, including refunds of employee contributions	(492,255)	(492,255)	-
Administrative expense	-	(39,200)	39,200
New changes	24,370	883,935	(859,565)
Reporting period ending at September 30, 2021	<u>\$ 9,885,347</u>	<u>\$ 13,623,389</u>	<u>\$ (3,738,042)</u>
Plan fiduciary net position as a percentage of the total pension liability		137.81%	
Covered payroll		\$ 558,182	
Net pension asset as a percentage of covered payroll		-669.68%	

10. Sensitivity of the Net Pension Asset to the Changes in the Discount Rate - The following presents the net pension asset of the Plan, calculated using the discount rate of 6.0%, as well as what the City's net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (5.00%) or 1-percentage-point higher (7.00%):

	Current Discount		
	1% Decrease 5.00%	Rate 6.00%	1% Increase 7.00%
September 30, 2020	\$ (2,615,411)	\$ (3,738,042)	\$ (4,669,785)
September 30, 2019	\$ (1,709,354)	\$ (2,878,477)	\$ (3,844,771)

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 15 - EMPLOYEES' AND ELECTED OFFICIALS' RETIREMENT SYSTEMS (Continued)

Elected Officials' Retirement System (Continued)

11. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources related to Pensions.

For the year ended September 30, 2020, the EORS will recognize pension expense of \$(50,459). At September 30, 2020, the EORS reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 6,565	\$ -
Changes of Assumptions	-	-
Net Difference Between Projected and Actual Earnings on the Pension Plan Investments	-	351,181
Employer Contributions subsequent to the measurement date	152,234	-
	<u>\$ 158,799</u>	<u>\$ 351,181</u>

The deferred outflow of resources, resulting from the City's contribution to the Plan subsequent to the measurement date of September 30, 2019 in the amount of \$152,234 will be recognized as an increase of the City's net pension asset in the fiscal year ended September 30, 2021. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended September 30.</u>	
2021	\$ (199,537)
2022	(117,845)
2023	(23,190)
2024	(4,044)
2025	-
Thereafter	-
Total	<u>\$ (344,616)</u>

The following is a summary of net pension liability/asset, deferred outflows/inflows, and pension expenses for the PERS and EORS:

	<u>Employee Retirement System</u>	<u>Elected Officials</u>	<u>Total</u>
Net Pension Liability	302,477,430	-	302,477,430
Net Pension Asset	-	2,878,477	2,878,477
Deferred Outflows of Resources	87,997,040	158,798	88,155,838
Deferred Inflows of Resources	-	351,181	351,181
Pension Expense	63,542,163	(50,459)	63,491,704

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 15 - EMPLOYEES' AND ELECTED OFFICIALS' RETIREMENT SYSTEMS (Continued)

Elected Officials' Retirement System (Continued)

12. Statement of net position and statement of changes in net position - The statement of net position and statement of changes in net position for the Elected Officials' Retirement System as of September 30, 2020 are presented below:

STATEMENT OF NET POSITION

<u>ASSETS</u>	
Cash and cash equivalents	\$ -
Investments, at fair value:	
Mutual funds	13,146,964
Real estate investment trusts	<u>845,873</u>
Total assets	<u>\$ 13,992,837</u>
 <u>LIABILITIES AND NET POSITION</u>	
Accounts payable and accrued liabilities	\$ 369,448
Net position restricted for pensions	<u>\$ 13,623,389</u>

STATEMENT OF CHANGES IN NET POSITION

ADDITIONS	
Contributions - City	\$ 152,234
Contributions - Member	16,262
Net investment income (loss)	<u>1,246,894</u>
Total additions	\$ 1,415,390
 DEDUCTIONS	
Pension benefits	492,255
Administrative Expenses	<u>39,200</u>
Total deductions	\$ 531,455
 Net increase	 883,935
 Net position restricted for pensions	
Beginning of year	<u>12,739,454</u>
Ending	<u>\$ 13,623,389</u>

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 16 - DEFINED CONTRIBUTION PLANS

The City of Hialeah has two defined contribution plans; the City of Hialeah Police Pension Fund and the City of Hialeah Firemen's Relief and Pension Fund. The Plans were created on March 27, 1984 by Ordinance 1781 as amended by Ordinance 84-43 and on May 26, 1981 by Ordinance 631 as amended by Ordinance 81-62, respectively. The purpose of these Plans is to provide a means whereby police officers and firefighters of the City may receive benefits from funds provided for that purpose by contributions of the City through state contributions provided by Chapter 175/185 of the Florida Statutes. The participants do not contribute to the Plans. These funds are a supplement to and in no way affect police officer and firefighter benefits under the City of Hialeah Employees' Retirement System. The City no longer receives passed-through State contributions for the police officers or firefighters. The City under Chapter 185 of the Florida Statutes has provided authorization to the State for the direct contribution of benefits to the Police Pension Fund. The City's Employment Retirement System received passed-through contributions from the two defined contribution plans totaling \$461,877 for the fiscal year ended September 30, 2020.

Both funds issue publicly available financial reports that include financial statements and required supplementary information. Those reports may be obtained by writing to Hialeah Employees' Retirement Department, 501 Palm Avenue, Hialeah, Florida, 33010.

The City created the City of Hialeah Employee's Retirement Plan on April 1, 2012. The City as a single-employer contributes to the Money Purchase Plan, which is a defined contribution plan created in accordance with Internal Revenue Code Section 401(a). The Plan is available to all full-time general employees hired after April 1, 2012, and the City contributes 7% of the employees' salary. Employees are required to contribute 7% of their salaries. Employer contributions for the fiscal year ended September 30, 2020 were approximately \$428,000.

NOTE 17 - OTHER POST EMPLOYMENT BENEFITS

Plan Description

The City of Hialeah sponsors a single-employer defined benefit OPEB plan. Retirees who meet certain age and service requirements may elect coverage for themselves and dependents. Self-funded and fully insured options are available. The employer currently charges no contribution for retirees with single coverage, and the single funding rate for double (employee plus spouse) coverage. Self-funded management retirees pay less for double coverage. Disabled contributions vary between plans. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Benefits Provided

Program Members

Current full-time, part-time employees hired prior to April 1, 2012 and scheduled to work in excess of an average of 29 hours per week along with eligible former employees (including eligible dependents) of the City of Hialeah.

Normal Retirement

Eligibility conditions for retiree health care benefits are as follows:

- Elected Officials - completion of eight (8) years of service.

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 17 - OTHER POST EMPLOYMENT BENEFITS (Continued)

Benefits Provided (Continued)

Normal Retirement (Continued)

- Members of the City of Hialeah Employees' Retirement System (defined benefit plan):
 1. Members hired before January 27, 1970, the earlier of (a) age 50 with at least 10 years of service and (b) completion of 20 years of service. – No longer applicable because all current actives are hired after January 1, 1974.
 2. Members hired on or after January 27, 1970 but before January 1, 1974, the earlier of (a) age 55 with at least 15 years of service and (b) completion of 20 years of service. – No longer applicable because all current actives are hired after January 1, 1974.
 3. Members hired on or after January 1, 1974, age plus service equal to at least 70 and completion of at least 20 years of service.
 4. Non-grandfathered General employees on or after December 1, 2017, age 62 with 20 years of service.
 5. Firefighter members hired on or after November 15, 2013, age plus service equal to at least 76 and completion of at least 20 years of service.
 6. Police Officer members hired on or after March 2, 2014, age plus service equal to at least 76 and completion of at least 20 years of service.
 7. Police Officer members classified as Tier 1E and Tier 1F as of October 1, 2018, the earlier of (a) age 55 with 10 years of service, (b) age 52 with 25 years of service or (c) completion of 27 years of service regardless of age.
 8. Police Officer members classified as Tier 1G and Tier 2 as of October 1, 2018, the earlier of (a) age 55 with 10 years of service or (b) age 52 with 25 years of service.

Members of the City of Hialeah Employees' Retirement Plan (money purchase plan) - attainment of age 59.5.

Early Retirement

Eligibility conditions for retiree health care benefits are as follows:

- General Employees, age 55 and completion of at least 10 years of service.
- Firefighters and Police Officers, age 50 and completion of at least 10 years of service.

Deferred Retirement

Members who terminate employment for reasons other than retirement, disability or death are not eligible for retiree health care benefits.

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 17 - OTHER POST EMPLOYMENT BENEFITS (Continued)

Benefits Provided (Continued)

Death in Service Retirement

Covered spouses and dependents of active members who die prior to retirement are eligible to continue coverage through COBRA - maximum 36 months.

Spouses of deceased Firefighters and Police Officers whose death was the result from a violent act in line of duty - benefit fully subsidized for life (or remarriage).

Disability Retirement

Member must be totally and permanently incapacitated for duty in member's classified position as an employee of the City. No age or service requirement for job related - at least ten years of service requirement for non-job related. For Firefighters, in service disability retirement includes the diagnoses of cancer or circumstances that arise out of the treatment of cancer.

Spouse and Dependent Coverage

Spouses and qualified dependents of retired employees are eligible to receive retiree health care benefits. In the event of the retiree's death, covered spouses and dependents may elect to continue coverage for as long as they would have been eligible had the retiree survived, by payment of the premium for such spouse or eligible dependent.

Retiree Contributions

- Members of the City of Hialeah Employees' Retirement Plan (money purchase plan) pay full cost for coverage for themselves and any eligible dependents.
- Elected Officials - City pays cost of health insurance premium for the retiree's individual coverage - retiree pays the difference between the active rate for any spouse and / or dependent coverage and the active employee only rate.
- Members of the City of Hialeah Employees' Retirement System (defined benefit plan):
 - Employees hired on or before October 10, 2006 - City pays health insurance premium for the retiree's individual coverage.
 - Employees hired after October 10, 2006 - City pays the same amount as active employees for individual coverage until age 65. At age 65 and thereafter, if member eligible and enrolled in Medicare Part A and Part B - City pays retiree's individual coverage for the retiree only.
 - Members may include coverage for spouse and / or other eligible dependents by payment of full premium for such spouse and / or other eligible dependents. However, retired Management employees pay the difference between the active rate for spouse and / or dependent coverage and the active employee only rate.
 - Notwithstanding the above, members (other than Police Officer and Firefighters members) who retire on or after March 25, 2014 prior to attaining eligibility for normal retirement pay premium for coverage for themselves and any eligible dependents.

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 17 - OTHER POST EMPLOYMENT BENEFITS (Continued)

Benefits Provided (Continued)

Retiree Contributions (Continued)

- Disabled retirees in the City of Hialeah Employees' Retirement System (defined benefit plan):
 - Disabled members hired on or before to October 10, 2006 - City pays the cost of individual health insurance coverage.
 - Disabled members hired after October 10, 2006 pay the same amount as active employees for individual coverage until age 65. At age 65 and thereafter, if member eligible and enrolled in Medicare Part A and Part B - City pays retiree's individual coverage for the retiree only.
 - Job related
 - Option (1): Retiree receives 75% of average compensation for three years of membership and pays full premium for spouse and / or other eligible dependents.
 - Option (2): Retiree receives 66-2/3% of average compensation for three years of membership and pays active rate for spouse and / or other eligible dependents.
 - Enhanced disability benefits: Retiree receives 75% of average compensation of three years of membership and pays active rate for spouse and / or other eligible dependents.
 - Retired Management employees pay difference between active rate for spouse and / or dependent coverage and active employee only rate.
 - Not job related
 - Retiree pays premium for spouse and / or other eligible dependents; however, retiree receives a credit towards payment of premium based on the following criteria:

Total monthly income from City	Credit amount
From zero (\$0) to \$2,000	75%
Greater than \$2,000 to \$3,250.	50%
Greater than \$3,250 to \$4,500.	25%

- Firefighters or Police Officers with a disability resulting from a catastrophic line of duty injury - benefit fully subsidized for life for member, spouse and eligible dependents.
- Any retirees who get the cost of individual health coverage paid for by the City pay difference between the Premier option premium and the Base option premium if they elect the Premier option in the self- insured plan.

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 17 - OTHER POST EMPLOYMENT BENEFITS (Continued)

Benefits Provided (Continued)

Medicare-Eligible Provisions

Retirees are not required to enroll in Medicare Part A or Part B, but coverage under the Program becomes secondary upon eligibility for Medicare. If an eligible retiree does not enroll for coverage under Medicare Part A or Part B, the Claims Administrator will calculate benefits as if the retiree were enrolled in both Medicare Part A and Part B and full claims for benefits have been paid.

The City offers a Medicare Advantage plan in lieu of the other health plans offered by the City. This plan is the default plan for members eligible for Medicare. Members must opt out of this plan to continue in another plan offered by the City. The City pays the full single premium for retirees who are covered under the Medicare Advantage plan.

Dental and Vision Coverage

Retired employees are eligible to continue dental and vision coverage by paying 100% of the premium. Claims do not vary significantly by age. Therefore, there is no City liability for dental and vision benefits under GASB requirements.

Life Insurance

The City provides the following life insurance benefits to all members who elect medical coverage.

	Under age 65	Age 65 and above
Management Employees – Retired on or after 7/1/2002	\$ 100,000	\$ 25,000
Management Employees – Retired 11/1/1980 – 6/30/2002	\$ 50,000	\$ 12,500
Other Employees	\$ 10,000	\$ 2,000

Changes in Provisions since Prior Valuation

Normal retirement eligibility conditions for retiree health care benefits for General and Police Officer members of the City of Hialeah Employees' Retirement System (defined benefit plan) were:

- Members hired on or after January 1, 1974, age plus service equal to at least 70 and completion of at least 20 years of service.
- Police Officer members hired on or after March 2, 2014, age plus service equal to at least 76 and completion of at least 20 years of service

For Firefighters, in service disability retirement did not include the diagnoses of cancer or circumstances that arise out of the treatment for cancer.

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 17 - OTHER POST EMPLOYMENT BENEFITS (Continued)

Employees Covered by Benefit Terms

As of October 1, 2019 actuarial valuation, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	1,351
Active plan members	<u>1,071</u>
Total	<u><u>2,422</u></u>

Total OPEB Liability

The City's total OPEB liability of \$441,473,906 was based on the measurement date of September 30, 2019, and was determined by an actuarial valuation on that date.

Actuarial Methods and Assumptions

The total OPEB liability was determined using the following actuarial methods and assumptions applied to all periods included in the measurement, unless otherwise specified:

Valuation date	10/1/2019
Inflation	2.30% - not explicitly used in valuation
Discount rate	2.74%
Salary increases	3.00% to 15.00%, depending on the member's employment group
Mortality	Healthy members based on various RP-2000 mortality tables with varying Collar adjustments and generational mortality improvements with Scale BB. Disabled Employees based on a RP-2000 Disabled mortality tables with varying setback years for males and females and no projected improvements.
Healthcare cost trend rates	Based on the Getzen Model starting at 6.0% gradually decreasing to an ultimate rate of 4.4% in 2040.
Retirees' share of benefit-related costs	Varies from 0% to 100% of blended health insurance premium rates.
Expenses	Administrative expenses are included in the per capita health costs.
Other information	Changes in assumptions and other inputs include the change in the discount rate from 3.83% as of the beginning of the measurement period to 2.74% as of September 30, 2020. This change is reflected in the schedule of changes in total OPEB liability.

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 17 - OTHER POST EMPLOYMENT BENEFITS (Continued)

Changes in the Total OPEB Liability:

	Total OPEB Liability
Service Cost	8,777,476
Interest	14,385,492
Benefit changes	(2,774,343)
Differences between expected and actual experience	(29,563,317)
Changes of assumptions	89,370,912
Benefit payments	(11,090,272)
Net change in total OPEB liability	69,105,948
Total OPEB liability - beginning	\$ 372,367,958
Total OPEB liability - ending	\$ 441,473,906

Covered payroll \$ 66,935,765

Total OPEB liability as a percentage of
covered payroll 659.55%

Sensitivity of the Total OPEB Liability to the Changes in the Discount Rate Assumption - The following presents the total OPEB liability of the City, calculated using the discount rate of 2.74%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.74%) or 1-percentage-point higher (3.74%):

Current Discount		
1% Decrease 1.74%	Rate 2.74%	1% Increase 3.74%
\$ 535,552,066	\$ 441,473,906	\$ 369,755,035

Sensitivity of the Total OPEB Liability to the Healthcare Cost Trend Rate Assumption - The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (5.00% decreasing to 3.40%) or 1-percentage-point higher (7.00% decreasing to 5.40%):

Current Healthcare Cost		
1% Decrease 5.00% to 3.40%	Trend Rate 6.00% to 4.40%	1% Increase 7.00% to 5.40%
\$ 367,411,291	\$ 441,473,906	\$ 539,068,817

For the year ended September 30, 2020, the City recognized OPEB expense of \$24,145,116. At September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$32,726,913
Changes of Assumptions	70,700,749	10,928,766
	\$ 70,700,749	\$43,655,679

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 17 - OTHER POST EMPLOYMENT BENEFITS (Continued)

Projected deferred outflow for amounts paid by the City for OPEB benefits and administrative expenses subsequent to the measurement date, will be recognized as OPEB expense in the fiscal year ended September 30, 2021:

Projected OPEB benefits	\$11,120,288
Projected administrative expenses	<u>6,420</u>
Total deferred outflow	<u><u>\$11,126,708</u></u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in future OPEB expenses as follows:

<u>Year ended</u> <u>September 30,</u>	
2021	\$ 3,752,629
2022	8,340,534
2023	14,951,907
2024	-
2025	-
Thereafter	<u>-</u>
Total	<u><u>\$ 27,045,070</u></u>

NOTE 18 – RISKS AND UNCERTAINTIES

During March 2020, the COVID-19 virus was declared a global pandemic as it continued to spread rapidly. Business continuity, including supply chains and consumer demand across a broad range of industries and countries, could continue to be severely impacted for months or beyond as governments and their citizens take significant and unprecedented measures to mitigate the consequences of the pandemic. The City is carefully monitoring the situation and is continuously evaluating its options during this time. No adjustments have been made to these financial statements as a result of this uncertainty.

REQUIRED SUPPLEMENTARY INFORMATION
(Other Than MD&A)

CITY OF HIALEAH, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	with Final Budget Positive (Negative)
Revenues:				
Ad valorem taxes	\$ 67,686,608	\$ 67,686,608	\$ 68,425,226	\$ 738,618
Charges for services	1,594,500	1,594,500	1,084,504	(509,996)
Fines and forfeitures	2,319,700	2,319,700	2,170,546	(149,154)
Franchise fees	13,740,000	13,740,000	13,197,756	(542,244)
Intergovernmental	33,366,322	33,366,322	35,442,925	2,076,603
Investment income	550,000	550,000	233,238	(316,762)
Licenses and permits	7,664,000	7,664,000	7,299,414	(364,586)
Other revenues	2,915,178	2,915,178	2,594,039	(321,139)
Utility taxes	21,773,000	21,773,000	22,299,867	526,867
Total revenues	151,609,308	151,609,308	152,747,515	1,138,207
Expenditures:				
Current:				
911 Communications division	5,652,287	5,652,287	4,498,716	1,153,571
Business tax division	1,500,568	1,500,568	1,989,207	(488,639)
City Clerk's office	1,899,238	1,926,801	1,910,174	16,627
Code compliance	727,119	727,119	688,223	38,896
Communications and special events	1,484,968	1,484,968	1,216,691	268,277
Construction and maintenance	3,401,060	3,401,060	3,183,973	217,087
Education and community services	2,470,848	2,470,848	1,758,005	712,843
Employee retirement	830,198	830,198	695,173	135,025
Finance	2,228,015	2,228,015	2,083,325	144,690
Fire	43,184,076	43,184,076	42,943,167	240,909
Fleet maintenance	3,939,693	3,939,693	3,387,661	552,032
General government	6,751,494	6,723,431	6,803,391	(79,960)
Human resources	1,097,447	1,097,447	1,072,759	24,688
Information technology	2,738,169	2,738,169	2,542,024	196,145
Law	1,812,318	1,812,318	1,538,458	273,860
Library	1,865,497	1,865,497	1,752,331	113,166
Milander center	979,915	979,915	674,056	305,859
Office of Management and Budget	405,667	405,667	367,253	38,414
Office of the Mayor	658,747	659,247	681,812	(22,565)
Parks and recreation	11,787,647	11,787,647	9,765,432	2,022,215
Planning and zoning	699,621	699,621	739,814	(40,193)
Police	60,206,766	60,206,766	58,496,974	1,709,792
Risk management	512,642	512,642	517,884	(5,242)
Total expenditures	156,834,000	156,834,000	149,306,503	7,527,497
Other financing sources (uses):				
Proceeds from disposal of capital assets	74,692	74,692	163,985	89,293
Issuance of debt	850,000	850,000	171,655	(678,345)
Transfers in	-	-	-	-
Transfers out	(800,000)	(800,000)	(2,163,594)	(1,363,594)
Appropriation of prior year fund balance	5,100,000	5,100,000	-	(5,100,000)
Total financing sources (uses)	5,224,692	5,224,692	(1,827,954)	(7,052,646)
Net change in fund balance	-	-	1,613,058	1,613,058
Fund balances - beginning	-	-	45,535,903	
Fund balances - ending	\$ -	\$ -	\$ 47,148,961	

See note to budgetary comparison schedule.

CITY OF HIALEAH, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
BUILDING FUND
FISCAL YEAR ENDED SEPTEMBER 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>with</u>
				<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
Investment income	\$ -	\$ -	\$ 126,971	\$ 126,971
Licenses and permits	6,125,000	6,125,000	12,203,233	6,078,233
Other revenues	-	-	1,568	1,568
Total revenues	<u>6,125,000</u>	<u>6,125,000</u>	<u>12,331,772</u>	<u>6,206,772</u>
Expenditures:				
Current:				
General government	5,275,000	5,230,000	3,966,113	1,263,887
Capital outlay	<u>850,000</u>	<u>895,000</u>	<u>630,144</u>	<u>264,856</u>
Total expenditures	<u>6,125,000</u>	<u>6,125,000</u>	<u>4,596,257</u>	<u>1,528,743</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>7,735,515</u>	<u>\$ 7,735,515</u>
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>27,042,979</u>	
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,778,494</u>	

See note to budgetary comparison schedule.

CITY OF HIALEAH, FLORIDA
NOTE TO BUDGETARY COMPARISON SCHEDULE
SEPTEMBER 30, 2020

NOTE 1 - BUDGETS AND BUDGETARY ACCOUNTING

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. The City follows the procedures below in establishing the budgetary data reflected in the accompanying financial statements.

- a. Prior to September 1, the Mayor submits to the City Council a proposed operating budget for the General Fund for the ensuing fiscal year, commencing October 1. The operating budget includes proposed expenditures and the means of funding them.
- b. Public hearings are conducted to obtain taxpayer comments.
- c. Prior to October 1, the budget is legally enacted through passage of an ordinance.
- d. At any time, the Mayor may transfer any unencumbered appropriation balance or portion thereof between classifications of expenditures within an office or department. At the request of the Mayor and within the last 6 months of the fiscal year, the City Council may transfer, by resolution, any unencumbered appropriation balance or portion thereof from one office or department to another. At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the fund from which it was appropriated and shall be subject to future appropriations. The legal level of control is at the department level for the general fund and at the fund level for all other funds.
- e. The reported budgetary data represents the final approved budget after amendments adopted by the City Council. Unencumbered appropriations lapse at fiscal year-end.
- f. The City Council may make supplemental appropriations during the fiscal year. Supplemental appropriations were \$34,282 for the Streets Fund, \$4,649,033 for the CDBG Fund, \$3,600,000 LEAD Hazard Reduction, \$281,114 for the Law Enforcement Trust - State Fund, \$352,302 for the Emergency Solutions Grant Fund, \$185,118 for the Fire Prevention Fund, \$1,495,428 for the Rescue Transportation Fund, \$4,888,147 for the Home Investment Partnership Fund, \$210,155 for the Park Impact Fees and Grants Fund, \$431,730 for the Police Grant Fund, \$2,790,881 for the S.H.I.P. Fund, \$27,488 for the E-911 Wireless Fund, \$218,389 for the Law Enforcement Trust – Federal Fund, \$44,977 for the ECS & Library Grants Fund, \$724,057 for the City of Hialeah Education Academy Fund, \$635,000 for the Elderly Housing 300 Unit Fund, \$2,664,961 for the N.W. 102 Ave. – 162 St. to 170 St. Fund \$100,000 for the N.W. 97 Ave. Road Improvement Fund – (JPA), and \$436,175 for the W. 28 Ave. 52 to 80 St. – (FDOT) Fund.

All governmental funds with legally adopted budgets have been included as either a budgetary comparison schedule in the required supplementary information section or as a schedule of revenues and expenditures and fund balance- budget vs actual in the combining fund statements section.

CITY OF HIALEAH, FLORIDA
EMPLOYEES' RETIREMENT SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS

Reporting period ending Measurement date	9/30/2020 9/30/2019	9/30/2019 9/30/2018	9/30/2018 9/30/2017	9/30/2017 9/30/2016	9/30/2016 9/30/2015	9/30/2015 9/30/2014
Total pension liability						
Service cost	\$ 7,371,026	\$ 7,202,768	\$ 8,302,554	\$ 8,887,641	\$ 9,104,164	\$ 8,982,779
Interest	74,095,607	70,617,995	65,295,454	62,786,218	61,082,848	60,285,831
Change in annuity savings fund	3,435,022	3,399,514	3,594,508	4,032,235	3,887,151	4,064,028
Change in annuity reserve fund	-	-	48,248,469	-	-	-
Change in benefit terms	-	(6,194,034)	(15,079,464)	-	-	-
Difference between actual & expected experience	546,364	21,250,857	17,047,994	13,256,782	10,359,527	-
Changes of assumptions	8,141,313	33,984,415	-	21,734,473	-	-
Contributions - buy back	915,261	3,658,285	2,569,143	907,919	975,579	1,182,367
Benefit payments, including refunds of employee contributions	(71,058,782)	(75,067,920)	(67,397,153)	(61,753,388)	(66,047,848)	(63,299,504)
Net change in total pension liability	23,445,811	58,851,880	62,581,505	49,851,880	19,361,421	11,215,501
Total pension liability - beginning	978,102,042	919,250,162	856,668,657	806,816,777	787,455,356	776,239,855
Total pension liability - ending (a)	<u>\$ 1,001,547,853</u>	<u>\$ 978,102,042</u>	<u>\$ 919,250,162</u>	<u>\$ 856,668,657</u>	<u>\$ 806,816,777</u>	<u>\$ 787,455,356</u>
Plan fiduciary net position						
Contributions - employer	\$ 31,778,947	\$ 40,432,760	\$ 29,197,532	\$ 26,327,799	\$ 27,382,906	\$ 25,769,253
Contributions - state	461,877	461,877	461,877	461,877	461,877	461,877
Contributions - member	3,208,424	2,792,321	2,152,895	2,433,031	2,132,259	1,587,095
Contributions - buy back	915,261	3,658,285	2,569,143	907,919	975,579	1,182,367
Contributions - annuity savings fund	3,435,022	3,399,514	3,594,508	4,032,235	3,887,151	4,064,028
Net investment income	14,893,168	61,184,032	70,077,666	48,674,393	2,881,487	58,702,102
Benefit payments, including refunds of employee contributions	(71,058,782)	(75,067,920)	(67,397,153)	(61,753,388)	(66,047,848)	(63,299,504)
Administrative expense	(676,624)	(734,099)	-	-	-	-
Revision to methodology to include annuity reserve fund	-	-	48,248,469	-	-	-
Net change in plan fiduciary net position	(17,042,707)	36,126,770	88,904,937	21,083,866	(28,326,589)	28,467,218
Plan fiduciary net position - beginning	716,113,130	679,986,360	591,081,423	569,997,557	598,324,146	569,856,928
Plan fiduciary net position - ending (b)	<u>\$ 699,070,423</u>	<u>\$ 716,113,130</u>	<u>\$ 679,986,360</u>	<u>\$ 591,081,423</u>	<u>\$ 569,997,557</u>	<u>\$ 598,324,146</u>
Net pension liability - ending (a) - (b)	\$ 302,477,430	\$ 261,988,912	\$ 239,263,802	\$ 265,587,234	\$ 236,819,220	\$ 189,131,210
Plan fiduciary net position as a percentage of total pension liability	69.80%	73.21%	73.97%	69.00%	70.65%	75.98%
Covered payroll	\$ 50,993,205	\$ 51,863,886	\$ 55,447,024	\$ 54,783,012	\$ 57,948,210	\$ 22,672,786
Net pension liability as a percentage of covered payroll	593.17%	505.15%	431.52%	484.80%	408.67%	834.18%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, pension plans should present information for those years for which information is available.

CITY OF HIALEAH, FLORIDA
EMPLOYEES' RETIREMENT SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY CONTRIBUTIONS

Fiscal Year Ending <u>September 30.</u>	Actuarially Determined <u>Contribution</u>	Actual <u>Contribution</u>	Contribution Deficiency <u>(Excess)</u>	Covered <u>Payroll*</u>	Actual Contribution as a % of <u>Covered Payroll</u>
2014	\$ 26,231,130	\$ 26,231,130	\$ -	\$ 22,672,786	115.69%
2015	26,210,070	27,844,783	(1,634,713)	57,948,210	48.05%
2016	26,477,463	26,789,676	(312,213)	54,783,012	48.90%
2017	29,659,409	29,659,409	-	55,447,024	53.49%
2018	30,894,637	40,894,637	(10,000,000)	51,863,886	78.85%
2019	32,240,824	32,240,824	-	50,993,205	63.23%
2020	33,646,385	33,646,388	(3)	50,199,563	67.03%

* Total covered payroll for fiscal year ending September 30.

Notes to the Schedule of Contributions

Valuation Date 10/1/2019

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method The entry age normal cost method was used to determine all liabilities, except that the liability associated with member contributions has been assumed to be equal to those contributions.

Amortization Method Beginning October 1, 2017, the method of amortizing all outstanding unfunded liability bases was changed to be a level dollar amount (0.0% increases).

Asset Valuation Method The actuarial value of assets (AVA) is equal to the market value of assets adjusted to reflect a five year phase-in of the difference between the expected versus actual return on the AVA. The AVA is limited to an 80%-120% corridor of the market value of assets.

Inflation 2.3% per year

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, pension plans should present information for those years for which information is available.

CITY OF HIALEAH, FLORIDA
EMPLOYEES' RETIREMENT SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF INVESTMENT RETURNS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return, net of investment expense	8.88%	2.13%	9.17%	11.22%	8.08%	0.46%	10.22%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, pension plans should present information for those years for which information is available.

CITY OF HIALEAH, FLORIDA
ELECTED OFFICIALS' RETIREMENT SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS

Reporting period ending Measurement date	9/30/2020 9/30/2019	9/30/2019 9/30/2018	9/30/2018 9/30/2017	9/30/2017 9/30/2016	9/30/2016 9/30/2015	9/30/2015 9/30/2014
Total Pension Liability						
Service cost	\$ 156,228	\$ 163,244	\$ 160,470	\$ 169,969	\$ 214,225	\$ 278,300
Interest	569,807	549,563	527,684	504,307	502,980	490,346
Difference between actual & expected experience	28,448	53,554	10,202	(332,714)	(237,890)	(76,666)
Changes of assumptions	-	-	80,686	-	-	-
Benefit payments, including refunds of employee contributions	(411,218)	(382,474)	(377,185)	(354,923)	(281,298)	(230,929)
Net change in total pension liability	343,265	383,887	401,857	(13,361)	198,017	461,051
Total pension liability - beginning	9,517,712	9,133,825	8,731,968	8,745,329	8,547,312	8,086,261
Total pension liability - ending (a)	<u>\$ 9,860,977</u>	<u>\$ 9,517,712</u>	<u>\$ 9,133,825</u>	<u>\$ 8,731,968</u>	<u>\$ 8,745,329</u>	<u>\$ 8,547,312</u>
Plan fiduciary net position						
Contributions - City	\$ 171,793	\$ 164,417	\$ 155,257	\$ 203,796	\$ 304,126	\$ 305,000
Contributions - member	23,598	23,118	22,297	21,718	21,453	15,655
Net investment income	746,766	788,367	1,112,500	1,030,248	(11,419)	918,376
Benefit payments, including refunds of employee contributions	(411,218)	(382,474)	(377,185)	(354,923)	(281,298)	(230,929)
Administrative expense	(16,867)	(19,085)	(30,780)	(25,428)	(5,925)	(9,718)
Net change in plan fiduciary net position	514,072	574,343	882,089	875,411	26,937	998,384
Plan fiduciary net position - beginning	12,225,382	11,651,039	10,768,950	9,893,539	9,866,602	8,868,218
Plan fiduciary net position - ending (b)	<u>\$ 12,739,454</u>	<u>\$ 12,225,382</u>	<u>\$ 11,651,039</u>	<u>\$ 10,768,950</u>	<u>\$ 9,893,539</u>	<u>\$ 9,866,602</u>
Net pension liability - ending (a) - (b)	\$ (2,878,477)	\$ (2,707,670)	\$ (2,517,214)	\$ (2,036,982)	\$ (1,148,210)	\$ (1,319,290)
Plan fiduciary net position as a percentage of total pension liability	129.19%	128.45%	127.56%	123.33%	113.13%	115.44%
Covered payroll	\$ 679,872	\$ 684,581	\$ 695,295	\$ 688,294	\$ 872,761	\$ 1,001,519
Net pension liability as a percentage of covered payroll	-423.39%	-395.52%	-362.04%	-295.95%	-131.56%	-131.73%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, pension plans should present information for those years for which information is available.

CITY OF HIALEAH, FLORIDA
ELECTED OFFICIALS' RETIREMENT SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY CONTRIBUTIONS

<u>Fiscal Year Ending September 30.</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll*</u>	<u>Actual Contribution as a % of Covered Payroll</u>
2010	356,028	500,000	(143,972)	1,206,773	41.43%
2011	313,841	313,841	-	1,113,794	28.18%
2012	280,405	280,405	-	1,048,795	26.74%
2013	312,403	312,403	-	1,085,310	28.78%
2014	288,521	305,000	(16,479)	1,001,519	30.45%
2015	304,126	304,126	-	872,761	34.85%
2016	203,796	203,796	-	688,294	29.61%
2017	155,257	155,257	-	695,295	22.33%
2018	164,417	164,417	-	684,581	24.02%
2019	171,793	171,793	-	679,872	25.27%
2020	152,234	152,234	-	679,871	22.39%

* Total covered payroll for fiscal year ending September 30.

Notes to the Schedule of Contributions

Valuation Date 10/1/2019

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Entry Age Normal
Method
Amortization Level dollar amount, closed
Method
Amortization 15 years
Period
Asset Valuation Smoothed market value
Method

Inflation 2.75%
Salary 8.00%

Increases
Investment 6.00%

Rate of Return

Retirement Age Experience-based table of rates that are specific to the type of eligibility condition.

Mortality For healthy male participants during employment, RP 2000 Combined Male Healthy Participant Mortality Table, with 50% Blue Collar Adjustment / 50% White Collar Adjustment and fully generational mortality improvements projected to each future decrement date with Scale BB. For healthy female participants during employment, RP 2000 Combined Female Healthy Participant Mortality Table, with White Collar Adjustment and fully generational mortality improvements projected to each future decrement date with Scale BB.
For healthy male participants post employment, RP 2000 Annuitant Male Mortality Table, with 50% Blue Collar Adjustment / 50% White Collar Adjustment and fully generational mortality improvements projected to each future decrement date with Scale BB. For healthy female participants post employment, RP 2000 Annuitant Female Mortality Tables with White Collar Adjustment and fully generational mortality improvements projected to each future decrement date with Scale BB.

CITY OF HIALEAH, FLORIDA
ELECTED OFFICIALS' RETIREMENT SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF INVESTMENT RETURNS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return, net of investment expense	9.93%	6.29%	7.09%	10.65%	10.66%	0.19%	10.4%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, pension plans should present information for those years for which information is available.

CITY OF HIALEAH, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS

Reporting period ending Measurement date	<u>9/30/2020</u> 10/1/2019	<u>9/30/2019</u> 10/1/2018	<u>9/30/2018</u> 10/1/2017
Total OPEB Liability			
Service cost	\$ 8,777,476	\$ 9,389,841	\$ 10,715,811
Interest	14,385,492	13,511,291	12,388,409
Benefit changes	(2,774,343)	-	-
Difference between actual & expected experience	(29,563,317)	-	(36,940,499)
Changes of assumptions	89,370,912	(21,857,532)	12,853,978
Benefit payments	<u>(11,090,272)</u>	<u>(10,554,522)</u>	<u>(12,098,132)</u>
Net change in total OPEB liability	<u>69,105,948</u>	<u>(9,510,922)</u>	<u>(13,080,433)</u>
Total OPEB liability - beginning	<u>372,367,958</u>	<u>381,878,880</u>	<u>394,959,313</u>
Total OPEB liability - ending	<u>\$ 441,473,906</u>	<u>\$ 372,367,958</u>	<u>\$ 381,878,880</u>
Covered payroll	\$ 66,935,765	\$ 66,225,515	\$ 64,886,940
Net pension liability as a percentage of covered payroll	659.55%	562.27%	588.53%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, pension plans should present information for those years for which information is available.

COMBINING AND INDIVIDUAL FUND STATEMENTS

GENERAL FUND

CITY OF HIALEAH, FLORIDA
GENERAL FUND
COMPARATIVE BALANCE SHEETS
SEPTEMBER 30, 2020
(WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2019)

	<u>2020</u>	<u>2019</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 47,847,315	\$ 40,075,482
Receivables, net	24,618,597	18,682,736
Due from other funds	36,988,906	31,264,879
Inventories	3,331,056	3,020,505
Prepays	718,000	718,000
Notes receivable	2,822,625	3,000,549
Restricted cash, cash equivalents and investments	553,447	856,950
Total assets	<u>\$ 116,879,946</u>	<u>\$ 97,619,102</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Advance contribution to pension	<u>10,000,000</u>	<u>10,000,000</u>
<u>LIABILITIES</u>		
Accounts payable and accrued liabilities	\$ 9,106,861	\$ 4,323,168
Compensated absences payable	1,637,343	1,654,698
Self-insurance claims payable	526,790	282,879
Due to other funds	62,304,710	48,612,188
Deferred revenue	2,825,911	3,003,839
Total liabilities	<u>76,401,615</u>	<u>57,876,772</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Business license tax	<u>3,329,370</u>	<u>4,206,427</u>
<u>FUND BALANCES</u>		
Nonspendable	6,871,681	6,739,054
Restricted	553,447	856,950
Committed	390,193	395,689
Assigned	7,171,799	6,100,000
Unassigned	32,161,841	31,444,210
Total fund balances	<u>47,148,961</u>	<u>45,535,903</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 126,879,946</u>	<u>\$ 107,619,102</u>

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for specific revenue that is legally restricted to expenditure for particular purposes.

Streets – This fund was established to account for revenues derived from Miami-Dade County's 5 cents and 6 cents gas tax. The City funds its Streets Department from these gas tax revenues and the expenditures include regular salaries for the department, major repairs and maintenance to the City streets and capital outlay for road resurfacing and construction.

Community Development Block Grant (CDBG) – This fund was established to account for expenditures and revenues derived from a Community Development Block Grant obtained from HUD. The grant was established to provide the following: Administration/Planning, Economic Development, Public Services, Housing Development, Commercial Improvement/ Urban Development, 1st Time Home Buyer Assistance, and Section 108 Loan Guarantees.

Law Enforcement Trust (State) – This fund is used to account monies received from state confiscated and forfeited property. These funds are to be used to purchase equipment for the Police Department and for improvements to the Police Department.

E-911 Non-Wireless Fund – This fund administers revenues collected by the phone companies for emergency 911 calls. Expenditures from this fund are mainly for salaries of dispatchers for the Police and Fire Departments and for capital improvements.

Emergency Solutions Grant – This fund administers revenues from the Emergency Shelter Grants Program from HUD. The program was designed to help improve the quality of existing emergency shelters, make available additional emergency shelters and meet the costs to operate the shelters for the homeless.

Fire Prevention – This fund administers revenues collected from fire re-inspection fees. Expenditures from this fund are mainly for salaries and operating expenses for the Fire Department.

Rescue Transportation – This fund administers revenues collected from fire rescue calls service billings. The main expenditures are for salaries and capital outlays for the Fire Department.

Emergency Disaster Fund – (COVID-19) – This fund was established to account for expenditures and revenues derived from funding received from the Federal Emergency Management Agency (FEMA) and other sources for the COVID-19 pandemic.

Emergency Disaster Fund – (FEMA) – This fund was established to account for expenditures and revenues derived from funding received from the Federal Emergency Management Agency (FEMA), as a result of natural disasters such as hurricanes, tropical storms, etc.

Home Investment Partnership Program (HOME) Fund – This fund was established to account for expenditures and revenues derived from grants obtained from the U.S. Department of Housing and Urban Development. The purpose of the grants is for the City of Hialeah (the City) to provide affordable housing for its citizens. The City manages the grant and obtains reimbursements from HUD after expenditures are incurred.

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

(Continued)

Park Impact Fees and Grants – This fund was established to account for revenues derived from Park Impact Fees established by Ordinance 92-145 collected from building permits for new units. Expenditures from this fund are mainly for park improvements and development of open spaces.

Children's Trust - This fund was established to account for revenues awarded by the Children's Trust to expand and enhance programs servicing the young community.

Urban Areas Security Grants – This fund was established to account for expenditures and revenues derived from an Inter-local Agreement entered into with Miami-Dade County, passed through from the State of Florida Department of Community Affairs. The purpose of the grant is for the City to carry out the Urban Areas Security Initiative (UASI) program objectives.

CITT Surtax – Transportation Fund – This fund was established to account for revenues derived from Miami-Dade County's cents gas tax. The City funds its Streets Department from these gas tax revenues and the expenditures which includes professional services, street lights, repair and maintenance of sidewalks and road construction.

Police Grant Fund – This fund is funded by various grants such JAG in which the program covers many activities that help to prevent or control crimes, including supporting law enforcement programs.

State Housing Initiative Program (SHIP) – This fund was established to account for revenues and expenditures derived from a grant obtained from the State of Florida (the State). The purpose of the grant is for the City of Hialeah to provide affordable housing for its citizens. The City manages the grant and obtains reimbursements from the State after expenditures are incurred.

E-911 Wireless Communication – This fund administers revenues collected from fire rescue calls service billings. The main expenditures are for salaries of billing clerks, one lieutenant, and capital outlays for the Fire Department.

Affordable Housing – Created to manage the building and revenues consisting of rental payments from the tenants and regular maintenance expenses as well as debt service payments on the mortgage.

Children's Trust Step Ahead – This fund was established to account for revenues awarded by the Children's Trust for the youth enrichment program that offers free after school activities for Miami-Dade County Public School (M-DCPS) high school students with special needs.

Law Enforcement Trust - Federal – This fund is used to account monies received from federal confiscated and forfeited property. These funds are to be used to purchase equipment for the Police Department and for improvements to the Police Department.

EMS County Grant Fund – This fund was created to account for revenues awarded by Miami Dade County to enhance training and acquire emergency medical equipment for the City's Fire Department.

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

(Continued)

CITT Surtax Hialeah Circulator – This fund was established to account for the revenues and expenditures of the City of Hialeah transit system. Funds for this fund are derived from the discretionary half cents sales tax as well as fees charged for fares on City's transportation.

Streets 3 Cent Optional Gas Tax – This fund was established to account for revenues derived from Miami-Dade County's cents gas tax. The City funds its Streets Department from these gas tax revenues and the expenditures include regular salaries for the department, and construction.

21st Century Steam Ahead – This fund was established to account for expenditures and revenues derived from a federal grant, passed through from the State of Florida Department of Education. The purpose of the grant is to provide academic enrichment opportunities for students in 6th through 8th grades during afterschool and summer camp.

ECS and Library Grant Fund – This fund administers revenues from different grants to provide a better environment for the libraries located on the city. The grants help improve the students achievement by focusing in available resources such as media centers.

City of Hialeah Education Academy – The school, which is reported as a special revenue fund for the City, is funded from public funds based on enrollment and is also eligible for grants in accordance with State and Federal guidelines, including food service and capital outlay.

NONMAJOR GOVERNMENTAL FUNDS

Debt Service Funds

Debt service funds are used to account for the resources accumulated and payments made for principal and interest on long term general obligation debt of governmental funds.

Revenue Bond Series 2015A – The City of Hialeah's Revenue Bond Series 2015A was created to account for the principal and interest costs, which is funded by franchise fees.

CITT Surtax Transportation Debt Service – The City of Hialeah's Debt Service Fund accounts for the revenue bonds and related costs, which is funded by discretionary ½ cent sales tax.

NONMAJOR GOVERNMENTAL FUNDS

Capital Project Funds

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary fund and trust funds.

Elderly Housing 300 Units Fund - This fund was established to account for revenues and expenditures from the State of Florida Department of Economic Opportunity ("DEO") grant for facility improvements to four (4) City-owned elderly housing buildings containing (300) units of elderly-occupied affordable housing.

N.W. 102nd Ave. from 162nd St. to 170th St. Fund – This fund was established to account for revenues and expenditures received from the Department of Economic Opportunity ("DEO") to design, permitting and construction of N.W. 102nd Avenue, from N.W. 162nd Street to N.W. 170th Street in the annexation area.

W. 76th St. from 28th to 31th Ave. MDC – (JPA) – This fund was established to account for revenues and expenditures for funds received from Miami Dade County, Florida through a Joint Participation Agreement (JPA) to construct road improvements to West 76th Avenue from 28th to 31th Avenue.

N.W. 97th Ave. Road Improvement Fund – (JPA) – This fund was established to account for revenues and expenditures for funds received for funds from Miami Dade County, Florida through a Joint Participation Agreement (JPA) to construct improvements to Northwest 97th Avenue from 154th Street to 170th Street.

W. 28 Ave. from 52nd St. to 80th St. Fund - This fund was established to account for revenues and expenditures for funds received from the Florida Department of Transportation, to construct road improvements to W. 28th Ave. from 52nd Street to 80th Street.

N.W. 142 St. Roadway Improvement Fund – (JPA) - This fund was established to account for revenues and expenditures for funds received from Miami Dade County, Florida through a Joint Participation Agreement (JPA) to construct roadway, water and sewer improvements to Northwest 142nd Street from 97th Avenue to 107th Avenue.

N.W. 102 Ave. from 138 St. to 145 Pl. Fund – (JPA) - This fund was established to account for revenues and expenditures for funds received from Miami Dade County, Florida through a Joint Participation Agreement (JPA) to construct road improvements to Northwest 102nd Avenue from 138th Street to 145th Place.

W. 24th St. from 60th to 68th ST. MDC – (JPA) – This fund was established to account for revenues and expenditures received from Miami Dade County, Florida through a Joint Participation Agreement (JPA) to construct road improvements to West 24th Street from 60th to 68th Street.

Goodlet Adult Center Fund - This fund was established to account for revenues and expenditures from the State of Florida Department of Elder Affairs ("DOEA") grant for improvements and renovations to the adult center at Goodlet Park.

Parks Project Fund - This fund was established to account for revenues and expenditures received from GOB to remodel a various parks located throughout the City.

CITY OF HIALEAH, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2020

	Special Revenue									
	Streets Fund	CDBG Fund	Law Enforcement Trust - State Fund	E-911 Non-Wireless Fund	Emergency Solutions Grant Fund	Fire Prevention Fund	Rescue Transportation Fund	Emergency Disaster Covid-19 Fund	Emergency Disaster Fund	
ASSETS										
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receivables, net	444,468	1,141,578	27,342	18,119	220,879	11,193	545,678	477,435		7,302,757
Due from other funds	1,817,123	-	44,229	-	-	876,167	-	-		-
Restricted cash and cash equivalents	-	-	974,313	-	-	444,879	2,976,780	-		-
Total assets	2,261,591	1,141,578	1,045,884	18,119	220,879	1,332,239	3,522,458	477,435		7,302,757
LIABILITIES										
Accounts payable and accrued liabilities	63,531	188,856	170,301	-	158,106	28,853	164,004	179,258		9,318
Due to other funds	-	327,441	-	14,351	62,655	-	306,325	2,024,298		7,293,439
Unearned revenues	735,418	60,926	-	-	118	-	-	-		-
Total liabilities	798,949	577,223	170,301	14,351	220,879	28,853	470,329	2,203,556		7,302,757
DEFERRED INFLOWS OF RESOURCES										
Local business tax	-	-	-	-	-	621,422	-	-		-
Total deferred inflows of resources	-	-	-	-	-	621,422	-	-		-
FUND BALANCES										
Fund balances:										
Restricted	1,328,545	-	722,572	3,768	-	681,612	1,531,061	-		-
Committed	134,097	659,459	153,011	-	56,694	352	1,521,068	57,549		-
Unassigned	-	(95,104)	-	-	(56,694)	-	-	(1,783,670)		-
Total fund balances	1,462,642	564,355	875,583	3,768	-	681,964	3,052,129	(1,726,121)		-
Total liabilities and fund balances	\$ 2,261,591	\$ 1,141,578	\$ 1,045,884	\$ 18,119	\$ 220,879	\$ 1,332,239	\$ 3,522,458	\$ 477,435	\$ 7,302,757	

CITY OF HIALEAH, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2020

	Special Revenue									
	Home Investment Partnership Fund	Park Impact Fees and Grants Fund	The Children's Trust Fund	Urban Area Security Grants Fund	CITT Surtax Fund	Police Grant Fund	S.H.I.P Fund	E-911 Wireless Fund	Affordable Housing Fund	The Children's Trust Step Ahead Fund
ASSETS										
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receivables, net	3,261,498	-	147,946	285,759	-	39,268	12,276	250,282	600	83,902
Due from other funds	-	8,623,877	-	-	240,897	-	2,377,493	79,693	-	-
Restricted cash and cash equivalents	-	-	-	-	-	-	-	-	1,216,818	-
Total assets	<u>3,261,498</u>	<u>8,623,877</u>	<u>147,946</u>	<u>285,759</u>	<u>240,897</u>	<u>39,268</u>	<u>2,389,769</u>	<u>329,975</u>	<u>1,217,418</u>	<u>83,902</u>
LIABILITIES										
Accounts payable and accrued liabilities	-	68,710	-	-	240,897	2,636	750,213	10,274	155,715	-
Due to other funds	3,196,043	-	147,946	285,759	-	7,304	-	-	1,061,703	83,902
Unearned revenues	65,455	60,118	-	-	-	29,328	1,639,556	-	-	-
Total liabilities	<u>3,261,498</u>	<u>128,828</u>	<u>147,946</u>	<u>285,759</u>	<u>240,897</u>	<u>39,268</u>	<u>2,389,769</u>	<u>10,274</u>	<u>1,217,418</u>	<u>83,902</u>
FUND BALANCES										
Fund balances:										
Restricted	-	7,352,084	-	-	-	-	-	77,951	-	-
Committed	14,940	1,142,965	-	394,900	190,290	-	122,143	241,750	35,650	-
Unassigned	(14,940)	-	-	(394,900)	(190,290)	-	(122,143)	-	(35,650)	-
Total fund balances	<u>-</u>	<u>8,495,049</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>319,701</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 3,261,498</u>	<u>\$ 8,623,877</u>	<u>\$ 147,946</u>	<u>\$ 285,759</u>	<u>\$ 240,897</u>	<u>\$ 39,268</u>	<u>\$ 2,389,769</u>	<u>\$ 329,975</u>	<u>\$ 1,217,418</u>	<u>\$ 83,902</u>

CITY OF HIALEAH, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2020

	Special Revenue						Debt Service
	Law Enforcement Trust - Federal Fund	EMS County Grant Fund	CITT - Surtax Hialeah Circulator Fund	Streets 3 Cents Optional Gas Tax Fund	ECS and Library Grant Fund	City of Hialeah Education Academy Fund	CITT Surtax Transportation Fund
ASSETS							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,757,006	\$ -
Receivables, net	-	-	803,869	145,803	-	96,685	1,659,418
Due from other funds	-	16,374	2,497,167	1,305,298	87,564	-	2,359,852
Prepays	-	-	-	-	-	348,773	-
Restricted cash and cash equivalents	90,505	-	-	-	-	-	-
Total assets	90,505	16,374	3,301,036	1,451,101	87,564	3,202,464	4,019,270
LIABILITIES							
Accounts payable and accrued liabilities	26,960	-	791,811	15,690	6,900	740,750	-
Due to other funds	3,544	-	-	-	-	-	-
Unearned revenues	-	-	-	-	9,887	-	-
Total liabilities	30,504	-	791,811	15,690	16,787	740,750	-
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenues	-	-	186,503	-	-	-	746,013
Total deferred inflows of resources	-	-	186,503	-	-	-	746,013
FUND BALANCES							
Fund balances:							
Nonspendable	-	-	-	-	-	348,773	-
Restricted	50,001	16,374	2,322,722	1,435,411	70,777	2,112,941	3,273,257
Committed	10,000	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balances	60,001	16,374	2,322,722	1,435,411	70,777	2,461,714	3,273,257
Total liabilities and fund balances	\$ 90,505	\$ 16,374	\$ 3,301,036	\$ 1,451,101	\$ 87,564	\$ 3,202,464	\$ 4,019,270

CITY OF HIALEAH, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2020

		Capital Projects										Total Non-Major Governmental Funds
		Elderly Housing 300 Units Fund	N.W. 102 Ave. 162 St. to 170 St. Florida (DEO) Fund	W. 76 St. 28 to 31 Ave. MDC (JPA) Fund	N.W. 97 Ave. Road Improvement (JPA) Fund	W. 28 Ave 52 to 80 St. (FDOT) Fund	N.W. 142 St. Roadway Improvement (JPA) Fund	N.W. 102 Ave. 138 St. to 145 Pl. MDC (JPA) Fund	W. 24 Ave 60 to 68 St. MDC (JPA) Fund	Goodlet Adult Center Fund	Parks Project Fund	
ASSETS												
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,757,006
Receivables, net		1,998,658	462,755	1,502,331	262,767	3,353,108	390,338	191,558	40,981	-	-	25,179,251
Due from other funds	4,050	-	-	-	-	-	-	-	-	40,891	-	20,370,675
Prepays	-	-	-	-	-	-	-	-	-	-	-	348,773
Restricted cash and cash equivalents	-	-	-	-	-	-	-	-	-	-	-	5,703,295
Total assets	4,050	1,998,658	462,755	1,502,331	262,767	3,353,108	390,338	191,558	40,981	40,891	-	54,359,000
LIABILITIES												
Accounts payable and accrued liabilities	4,050	1,065,518	50,929	56,265	-	-	-	-	40,981	-	-	4,990,526
Due to other funds	-	933,140	411,826	1,446,066	262,767	3,353,108	390,338	191,558	-	-	-	21,803,513
Unearned revenues	-	-	-	-	-	-	-	-	-	-	-	2,600,806
Total liabilities	4,050	1,998,658	462,755	1,502,331	262,767	3,353,108	390,338	191,558	40,981	-	-	29,394,845
DEFERRED INFLOWS OF RESOURCES												
Local business tax	-	-	-	-	-	-	-	-	-	-	-	621,422
Unavailable revenues	-	-	-	-	-	-	-	-	-	-	-	932,516
Total deferred inflows of resources	-	-	-	-	-	-	-	-	-	-	-	1,553,938
FUND BALANCES												
Fund balances:												
Nonspendable	-	-	-	-	-	-	-	-	-	-	-	348,773
Restricted	-	-	-	-	-	-	-	-	-	-	40,891	21,019,967
Committed	-	2,412,177	-	-	-	-	-	-	288,750	-	-	7,435,795
Unassigned	-	(2,412,177)	-	-	-	-	-	-	(288,750)	-	-	(5,394,318)
Total fund balances	-	-	-	-	-	-	-	-	-	-	40,891	23,410,217
Total liabilities and fund balances	\$ 4,050	\$ 1,998,658	\$ 462,755	\$ 1,502,331	\$ 262,767	\$ 3,353,108	\$ 390,338	\$ 191,558	\$ 40,981	\$ 40,891	\$ 40,891	\$ 54,359,000

CITY OF HIALEAH, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Special Revenue									
	Streets Fund	CDBG Fund	Law Enforcement Trust - State Fund	E-911 Non-Wireless Fund	Emergency Solutions Grant Fund	Fire Prevention Fund	Rescue Transportation Fund	Emergency Disaster Covid-19 Fund	Emergency Disaster Fund	
Revenues:										
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,735,985	\$ 2,434,706	\$ -	\$ -	
Fines and forfeitures	-	-	1,203,087	-	-	-	-	-	-	
Franchise fees	-	-	-	-	-	-	-	-	-	
Impact fees	-	-	-	-	-	-	532,913	-	-	
Intergovernmental	2,797,496	2,940,096	-	201,519	269,157	-	382,577	527,800	7,432,711	
Investment income	7,262	-	2,815	-	-	144	455	-	-	
Licenses and permits	-	-	-	-	-	-	-	-	-	
Other revenues	62,552	469	7,530	-	-	-	7,919	-	-	
Total revenues	2,867,310	2,940,565	1,213,432	201,519	269,157	1,736,129	3,358,570	527,800	7,432,711	
Expenditures:										
Current:										
911 communications	-	-	-	201,519	-	-	-	17,923	-	
Fire	-	-	-	-	-	1,502,417	2,321,548	1,037,011	-	
General government	-	-	-	-	-	-	-	236,306	131,610	
Grants and human services	-	2,847,652	-	-	269,157	-	-	-	-	
Parks and recreation	-	-	-	-	-	-	-	11,009	-	
Police	-	-	173,889	-	-	-	-	798,777	-	
Public works	-	-	-	-	-	-	-	31,664	-	
State housing initiative program	-	-	-	-	-	-	-	-	-	
Streets	2,708,664	-	-	-	-	-	-	8,324	817,696	
Capital outlay	246,094	377,151	721,713	-	-	205,106	280,064	112,907	-	
Debt service:										
Principal	-	-	-	-	-	-	206,394	-	-	
Interest	-	-	-	-	-	-	10,924	-	-	
Total expenditures	2,954,758	3,224,803	895,602	201,519	269,157	1,707,523	2,818,930	2,253,921	949,306	
Excess (deficiency) of revenues over expenditures	(87,448)	(284,238)	317,830	-	-	28,606	539,640	(1,726,121)	6,483,405	
Other financing sources (uses):										
Debt proceeds	-	-	-	-	-	-	1,495,428	-	-	
Transfers in	-	284,238	-	-	-	-	-	-	1,114,529	
Total other financing sources (uses)	-	284,238	-	-	-	-	1,495,428	-	1,114,529	
Net change in fund balance	(87,448)	-	317,830	-	-	28,606	2,035,068	(1,726,121)	7,597,934	
Fund balances, beginning	1,550,090	564,355	557,753	3,768	-	653,358	1,017,061	-	(7,597,934)	
Fund balances, ending	\$ 1,462,642	\$ 564,355	\$ 875,583	\$ 3,768	\$ -	\$ 681,964	\$ 3,052,129	\$ (1,726,121)	\$ -	

CITY OF HIALEAH, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Special Revenue									
	Home Investment Partnership Fund	Park Impact Fees and Grants Fund	The Children's Trust Fund	Urban Area Security Grants Fund	CITT Surtax Fund	Police Grant Surtax Fund	S.H.I.P. Fund	E-911 Wireless Fund	Affordable Housing Fund	The Children's Trust Step Ahead Fund
Revenues:										
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,342,755	\$ -
Fines and forfeitures	-	-	-	-	-	-	-	-	-	-
Franchise fees	-	-	-	-	-	-	-	-	-	-
Impact Fees	-	2,912,123	-	-	-	-	-	-	-	-
Intergovernmental	4,498,457	96,657	628,907	324,848	2,401,127	329,400	1,241,420	752,499	-	314,795
Investment income	799	31,118	-	-	-	-	8,624	-	3,661	-
Licenses and permits	-	-	-	-	-	-	-	-	-	-
Other revenues	-	-	-	-	-	-	-	-	-	-
Total revenues	<u>4,499,256</u>	<u>3,039,898</u>	<u>628,907</u>	<u>324,848</u>	<u>2,401,127</u>	<u>329,400</u>	<u>1,250,044</u>	<u>752,499</u>	<u>2,346,416</u>	<u>314,795</u>
Expenditures:										
Current:										
911 communications	-	-	-	-	-	-	-	758,943	-	-
Fire	-	-	-	-	-	-	-	-	-	-
General government	-	-	-	-	-	-	-	-	2,082,665	-
Grants and human services	613,951	-	660,204	-	-	-	-	-	-	314,795
Parks and recreation	-	24,756	-	-	-	-	-	-	-	-
Police	-	-	-	88,485	-	333,236	-	-	-	-
Public works	-	-	-	-	-	-	-	-	-	-
State housing initiative program	-	-	-	-	-	-	1,250,044	-	-	-
Streets	-	-	-	-	1,114,952	-	-	-	-	-
Capital outlay	3,890,731	441,578	-	248,540	1,286,175	-	-	27,488	-	-
Debt service:										
Principal	-	-	-	-	-	-	-	-	476,406	-
Interest	-	-	-	-	-	-	-	-	480,173	-
Total expenditures	<u>4,504,682</u>	<u>466,334</u>	<u>660,204</u>	<u>337,025</u>	<u>2,401,127</u>	<u>333,236</u>	<u>1,250,044</u>	<u>786,431</u>	<u>3,039,244</u>	<u>314,795</u>
Excess (deficiency) of revenues over expenditures	<u>(5,426)</u>	<u>2,573,564</u>	<u>(31,297)</u>	<u>(12,177)</u>	<u>-</u>	<u>(3,836)</u>	<u>-</u>	<u>(33,932)</u>	<u>(692,828)</u>	<u>-</u>
Other financing sources (uses):										
Transfers in	<u>5,426</u>	<u>-</u>	<u>31,297</u>	<u>12,177</u>	<u>-</u>	<u>3,836</u>	<u>-</u>	<u>-</u>	<u>692,828</u>	<u>-</u>
Total other financing sources (uses)	<u>5,426</u>	<u>-</u>	<u>31,297</u>	<u>12,177</u>	<u>-</u>	<u>3,836</u>	<u>-</u>	<u>-</u>	<u>692,828</u>	<u>-</u>
Net change in fund balance	-	2,573,564	-	-	-	-	-	(33,932)	-	-
Fund balances, beginning	-	5,921,485	-	-	-	-	-	353,633	-	-
Fund balances, ending	<u>\$ -</u>	<u>\$ 8,495,049</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 319,701</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF HIALEAH, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Special Revenue							Debt Service	
	Law Enforcement Trust - Federal Fund	EMS County Grant Fund	CITT - Surtax Hialeah Circulator Fund	Streets 3 Cents Optional Gas Tax Fund	21st Century Steam Ahead Grant Fund	ECS and Library Grant Fund	City of Hialeah Education Academy Fund	Revenue Bond Series 2015A Fund	CITT Surtax Transportation Fund
Revenues:									
Charges for services	\$ -	\$ -	\$ 15,124	\$ -	\$ -	\$ -	\$ 16,476	\$ -	\$ -
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Franchise fees	-	-	-	-	-	-	-	2,218,349	-
Impact fees	-	-	-	-	-	-	-	-	-
Intergovernmental	58,466	8,337	2,530,711	928,739	253,081	65,090	7,784,314	-	4,763,491
Investment income	-	-	9,011	4,711	-	-	18,686	-	8,515
Licenses and permits	-	-	-	-	-	-	-	-	-
Other revenues	-	-	90,536	-	-	-	30,864	-	-
Total revenues	58,466	8,337	2,645,382	933,450	253,081	65,090	7,850,340	2,218,349	4,772,006
Expenditures:									
Current:									
General government	-	-	1,673,372	-	-	-	7,472,676	-	20,781
Grants and human services	-	-	-	-	270,766	54,687	-	-	-
Parks and recreation	-	-	-	-	-	-	-	-	-
Police	4,319	-	-	-	-	-	-	-	-
Streets	-	-	-	981,276	-	-	-	-	-
Capital outlay	243,374	-	1,094,111	-	-	10,403	60,705	-	-
Debt service:	-	-	68,413	-	-	-	-	-	-
Principal	-	-	3,660	-	-	-	-	1,145,000	2,004,000
Interest	-	-	-	-	-	-	-	1,073,349	1,848,210
Total expenditures	247,693	-	2,839,556	981,276	270,766	65,090	7,533,381	2,218,349	3,872,991
Excess (deficiency) of revenues over expenditures	(189,227)	8,337	(194,174)	(47,826)	(17,685)	-	316,959	-	899,015
Other financing sources (uses):									
Transfers in	-	-	-	-	17,685	-	-	-	-
Total other financing sources (uses)	-	-	-	-	17,685	-	-	-	-
Net change in fund balance	(189,227)	8,337	(194,174)	(47,826)	-	-	316,959	-	899,015
Fund balances, beginning	249,228	8,037	2,516,896	1,483,237	-	70,777	2,144,755	-	2,374,242
Fund balances, ending	\$ 60,001	\$ 16,374	\$ 2,322,722	\$ 1,435,411	\$ -	\$ 70,777	\$ 2,461,714	\$ -	\$ 3,273,257

CITY OF HIALEAH, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Capital Projects										
	Elderly Housing 300 Units Fund	N.W. 102 Ave. 162 St. to 170 St. Florida (DEO) Fund	N.W. 97 Ave. Road Improvement (JPA) Fund	W. 28 Ave. 52 St. to 80 St. (FDOT) Fund	N.W. 142 St. Roadway Improvement (JPA) Fund	N.W. 102 Ave. 138 St. to 145 Pl. MDC (JPA) Fund	Goodlet Adult Center Fund	Parks Project Fund		Total Non-Major Governmental Funds	
Revenues:											
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 6,545,046	
Fines and forfeitures	-	-	-	-	-	-	-	-		1,203,087	
Franchise fees	-	-	-	-	-	-	-	-		2,218,349	
Impact Fees	-	-	-	-	-	-	-	-		3,445,036	
Intergovernmental	565,967	1,863,620	1,937,795	394,084	-	928,453	40,981	-		47,262,595	
Investment income	-	-	-	-	-	-	-	-		95,801	
Other revenues	-	-	-	-	-	-	-	-		199,870	
Total revenues	565,967	1,863,620	1,937,795	394,084	-	928,453	40,981	-		60,969,784	
Expenditures:											
Current:											
911 communications	-	-	-	-	-	-	-	-		978,385	
Fire	-	-	-	-	-	-	-	-		4,860,976	
General government	-	-	-	-	-	-	-	-		11,617,410	
Grants and human services	-	-	-	-	-	-	-	-		5,031,212	
Parks and recreation	-	-	-	-	-	-	-	-		35,765	
Police	-	-	-	-	-	-	-	-		1,398,706	
Public works	-	-	-	-	-	-	-	-		31,664	
State housing initiative program	-	-	-	-	-	-	-	-		1,250,044	
Streets	-	-	-	-	-	-	-	-		5,630,912	
Capital outlay	565,967	1,863,620	1,937,795	394,084	942	929,089	40,981	-		14,978,618	
Debt service:											
Principal	-	-	-	-	-	-	-	-		3,900,213	
Interest	-	-	-	-	-	-	-	-		3,416,316	
Total expenditures	565,967	1,863,620	1,937,795	394,084	942	929,089	40,981	-		53,130,221	
Excess (deficiency) of revenues over expenditures	-	-	-	-	(942)	(636)	-	-		7,839,563	
Other financing sources (uses):											
Issuance of debt	-	-	-	-	-	-	-	-		1,495,428	
Transfers in	-	-	-	-	942	636	-	-		2,163,594	
Total other financing sources (uses)	-	-	-	-	942	636	-	-		3,659,022	
Net change in fund balance	-	-	-	-	-	-	-	-		11,498,585	
Fund balances, beginning	-	-	-	-	-	-	-	40,891		11,911,632	
Fund balances, ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,891		\$ 23,410,217	

CITY OF HIALEAH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
FUND BALANCE-BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Streets Fund			CDBG Fund		
	Budgeted Amounts		Variance with Final Budget Positive (Negative)	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Original	Final	Actual	Original	Final	Actual
Revenues:						
Intergovernmental	\$ 2,701,282	\$ 2,735,564	\$ 2,797,496	\$ -	\$ 4,649,033	\$ 2,940,096
Investment income	-	-	7,262	-	-	-
Other revenues	25,000	25,000	62,552	-	-	469
Total revenues	2,726,282	2,760,564	2,867,310	-	4,649,033	2,940,565
						(1,708,468)
Other financing sources:						
Appropriation of prior year fund balance	1,068,197	1,068,197	-	-	-	-
Transfers in	-	-	-	-	-	284,238
Total other financing sources	1,068,197	1,068,197	-	-	-	284,238
Total revenues and other financing sources	3,794,479	3,828,761	2,867,310	-	4,649,033	3,224,803
						(1,424,230)
Expenditures:						
Grants and human services	-	-	-	-	1,857,733	2,847,652
Streets	2,965,079	2,965,079	2,708,664	-	-	-
Capital outlay	829,400	863,682	246,094	-	2,791,300	377,151
Total expenditures	3,794,479	3,828,761	2,954,758	-	4,649,033	3,224,803
						1,424,230
Net change in fund balance	-	-	(87,448)	-	-	-
						\$ -
Fund balances - beginning	-	-	1,550,090	-	-	564,355
Fund balances - ending	-	-	\$ 1,462,642	-	-	\$ 564,355

CITY OF HIALEAH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
FUND BALANCE-BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2020

	LEAD Hazard Reduction Fund				Law Enforcement Trust - State Fund			
	Budgeted Amounts		Variance with Final Budget Positive (Negative)		Budgeted Amounts		Variance with Final Budget Positive (Negative)	
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:								
Fines and forfeitures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,484,755	\$ 1,203,087	\$ (281,668)
Intergovernmental	-	3,600,000	-	(3,600,000)	-	-	-	-
Investment income	-	-	-	-	-	-	2,815	2,815
Other revenues	-	-	-	-	-	-	7,530	7,530
Total revenues	-	3,600,000	-	(3,600,000)	-	1,484,755	1,213,432	(271,323)
Other financing sources:								
Appropriation of prior year fund balance	-	-	-	-	-	150,239	-	(150,239)
Total other financing sources	-	-	-	-	-	150,239	-	(150,239)
Total revenues and other financing sources	-	3,600,000	-	(3,600,000)	-	1,634,994	1,213,432	(421,562)
Expenditures:								
Grants and human services	-	300,000	-	300,000	-	-	-	-
Police	-	-	-	-	-	281,114	173,889	107,225
Capital outlay	-	3,300,000	-	3,300,000	-	1,353,880	721,713	632,167
Total expenditures	-	3,600,000	-	3,600,000	-	1,634,994	895,602	739,392
Net change in fund balance	-	-	-	\$ -	-	-	317,830	\$ 317,830
Fund balances - beginning	-	-	-	-	-	-	557,753	-
Fund balances - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 875,583	\$ -

CITY OF HIALEAH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
FUND BALANCE-BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2020

	E-911 Non-Wireless Fund				Emergency Solutions Grant Fund			
	Budgeted Amounts		Variance with Final Budget Positive (Negative)		Budgeted Amounts		Variance with Final Budget Positive (Negative)	
	Original	Final	Actual		Original	Final	Actual	
Revenues:								
Intergovernmental	\$ 220,000	\$ 220,000	\$ 201,519	\$ (18,481)	\$ -	\$ 352,302	\$ 269,157	\$ (83,145)
Total revenues	220,000	220,000	201,519	(18,481)	-	352,302	269,157	(83,145)
Other financing sources:								
Appropriation of prior year fund balance	153,241	153,241	-	(153,241)	-	-	-	-
Total other financing sources	373,241	373,241	201,519	(171,722)	-	352,302	269,157	(83,145)
Expenditures:								
General government	373,241	373,241	201,519	171,722	-	-	-	-
Grants and human services	-	-	-	-	-	352,302	269,157	83,145
Total expenditures	373,241	373,241	201,519	171,722	-	352,302	269,157	83,145
Net change in fund balance	-	-	-	\$ -	-	-	-	\$ -
Fund balances - beginning	-	-	3,768		-	-	-	
Fund balances - ending	\$ -	\$ -	\$ 3,768		\$ -	\$ -	\$ -	

CITY OF HIALEAH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
FUND BALANCE-BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Fire Prevention Fund			Rescue Transportation Fund		
	Budgeted Amounts			Budgeted Amounts		
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Original</u>	<u>Final</u>	<u>Actual</u>
						Variance with Final Budget Positive (Negative)
Revenues:						
Charges for services	\$ 1,900,000	\$ 1,900,000	\$ 1,735,985	\$ 2,900,000	\$ 2,900,000	\$ 2,434,706
Impact fees	-	-	-	300,000	300,000	532,913
Intergovernmental	-	-	-	500,000	500,000	382,577
Investment income	-	-	144	-	-	455
Other revenues	-	-	-	5,000	5,000	7,919
Total revenues	<u>1,900,000</u>	<u>1,900,000</u>	<u>1,736,129</u>	<u>3,705,000</u>	<u>3,705,000</u>	<u>3,358,570</u>
						<u>(346,430)</u>
Other financing sources:						
Appropriation of prior year fund balance	-	185,118	-	-	-	-
Issuance of debt	-	-	-	-	1,495,428	1,495,428
Transfers in	-	-	-	245,345	245,345	-
Total other financing sources	<u>-</u>	<u>185,118</u>	<u>-</u>	<u>245,345</u>	<u>1,740,773</u>	<u>1,495,428</u>
						<u>(245,345)</u>
						<u>(245,345)</u>
Total revenues and other financing sources	<u>1,900,000</u>	<u>2,085,118</u>	<u>1,736,129</u>	<u>3,950,345</u>	<u>5,445,773</u>	<u>4,853,998</u>
						<u>(591,775)</u>
Expenditures:						
Fire	1,900,000	1,880,000	1,502,417	2,608,345	2,646,345	2,321,548
Capital outlay	-	205,118	205,106	1,134,000	2,591,428	280,064
Debt service:						
Principal	-	-	-	200,000	200,000	206,394
Interest	-	-	-	8,000	8,000	10,924
Total expenditures	<u>1,900,000</u>	<u>2,085,118</u>	<u>1,707,523</u>	<u>3,950,345</u>	<u>5,445,773</u>	<u>2,818,930</u>
						<u>(6,394)</u>
						<u>(2,924)</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>28,606</u>	<u>-</u>	<u>-</u>	<u>2,035,068</u>
						<u>\$ 2,035,068</u>
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>653,358</u>	<u>-</u>	<u>-</u>	<u>1,017,061</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 681,964</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,052,129</u>

CITY OF HIALEAH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
FUND BALANCE-BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Emergency Disaster Covid -19 Fund				Emergency Disaster Fund			
	Budgeted Amounts		Variance with Final Budget Positive (Negative)		Budgeted Amounts		Variance with Final Budget Positive (Negative)	
	<u>Original</u>	<u>Final</u>	<u>Actual</u>		<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:								
Intergovernmental	\$ -	\$ -	\$ 527,800	\$ 527,800	\$ -	\$ -	\$ 7,432,711	\$ 7,432,711
Total revenues	-	-	527,800	527,800	-	-	7,432,711	7,432,711
Other financing sources:								
Transfers in	-	-	-	-	-	-	1,114,529	1,114,529
Total other financing sources	-	-	-	-	-	-	1,114,529	1,114,529
Total revenues and other financing sources	-	-	527,800	527,800	-	-	8,547,240	8,547,240
Expenditures:								
911 Communications	-	-	17,923	(17,923)	-	-	-	-
Fire	-	-	1,037,011	(1,037,011)	-	-	-	-
General government	-	-	236,306	(236,306)	-	-	131,610	(131,610)
Parks and recreation	-	-	11,009	(11,009)	-	-	-	-
Police	-	-	798,777	(798,777)	-	-	-	-
Public Works	-	-	31,664	(31,664)	-	-	-	-
Streets	-	-	8,324	(8,324)	-	-	817,696	(817,696)
Capital outlay	-	-	112,907	(112,907)	-	-	-	-
Total Expenditures	-	-	2,253,921	(2,253,921)	-	-	949,306	(949,306)
Net change in fund balance	-	-	(1,726,121)	\$ (1,726,121)	-	-	7,597,934	\$ 7,597,934
Fund balances - beginning	-	-	-	-	-	-	(7,597,934)	-
Fund balances - ending	\$ -	\$ -	\$ (1,726,121)	\$ (1,726,121)	\$ -	\$ -	\$ -	\$ -

CITY OF HIALEAH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
FUND BALANCE-BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Home Investment Partnership Fund				Park Impact Fees and Grants Fund			
	Budgeted Amounts		Actual		Budgeted Amounts		Actual	
	Original	Final	Actual	Variance with Final Budget Positive (Negative)	Original	Final	Actual	Variance with Final Budget Positive (Negative)
Revenues:								
Impact fees	\$ -	\$ -	\$ -	\$ -	\$ 1,500,000	\$ 1,558,700	\$ 2,912,123	\$ 1,353,423
Intergovernmental	-	4,888,147	4,498,457	(389,690)	-	120,863	96,657	(24,206)
Investment income	-	-	799	799	-	-	31,118	31,118
Other revenues	-	-	-	-	-	30,592	-	(30,592)
Total revenues	-	4,888,147	4,499,256	(388,891)	1,500,000	1,710,155	3,039,898	1,329,743
Other financing sources:								
Transfers in	-	-	5,426	5,426	-	-	-	-
Total other financing sources	-	-	5,426	5,426	-	-	-	-
Total revenues and other financing sources	-	4,888,147	4,504,682	(383,465)	1,500,000	1,710,155	3,039,898	1,329,743
Expenditures:								
Parks and recreation	-	-	-	-	-	-	24,756	(24,756)
Grants and human services	-	4,508,401	4,300,747	207,654	-	113,936	-	113,936
Capital outlay	-	379,746	203,935	175,811	1,500,000	1,596,219	441,578	1,154,641
Total expenditures	-	4,888,147	4,504,682	383,465	1,500,000	1,710,155	466,334	1,243,821
Net change in fund balance	-	-	-	\$ -	-	-	2,573,564	\$ 2,573,564
Fund balances - beginning	-	-	-	-	-	-	5,921,485	-
Fund balances - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,495,049	\$ -

CITY OF HIALEAH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
FUND BALANCE-BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2020

	The Children's Trust Fund			Urban Area Security Grants Fund		
	Budgeted Amounts		Variance with Final Budget Positive (Negative)	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Original	Final		Original	Final	
Revenues:						
Intergovernmental	\$ 905,998	\$ 905,998	\$ 628,907	\$ 437,945	\$ 437,945	\$ 324,848
Total revenues	905,998	905,998	628,907	437,945	437,945	324,848
Other financing sources:						
Transfers in	62,418	62,418	31,297	86,367	86,367	12,177
Total other financing sources	62,418	62,418	31,297	86,367	86,367	12,177
Total revenues and other financing sources	968,416	968,416	660,204	524,312	524,312	337,025
Expenditures:						
Grants and human services	968,416	968,416	660,204	-	-	-
Police	-	-	-	338,272	161,367	88,485
Capital outlay	-	-	-	186,040	362,945	248,540
Total expenditures	968,416	968,416	660,204	524,312	524,312	337,025
Net change in fund balance	-	-	-	-	-	\$ -
Fund balances - beginning	-	-	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

CITY OF HIALEAH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
FUND BALANCE-BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2020

	CITT Surfax Fund				Police Grant Fund			
	Budgeted Amounts		Variance with Final Budget Positive (Negative)		Budgeted Amounts		Variance with Final Budget Positive (Negative)	
	<u>Original</u>	<u>Final</u>	<u>Actual</u>		<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:								
Intergovernmental	\$ 3,979,853	\$ 3,979,853	\$ 2,401,127	\$ (1,578,726)	\$ -	\$ 396,547	\$ 329,400	\$ (67,147)
Total revenues	<u>3,979,853</u>	<u>3,979,853</u>	<u>2,401,127</u>	<u>(1,578,726)</u>	<u>-</u>	<u>396,547</u>	<u>329,400</u>	<u>(67,147)</u>
Other financing sources:								
Appropriation of prior year fund balance	500,000	500,000	-	(500,000)	-	-	-	-
Transfers in	-	-	-	-	-	35,183	3,836	(31,347)
Total other financing sources	<u>500,000</u>	<u>500,000</u>	<u>-</u>	<u>(500,000)</u>	<u>-</u>	<u>35,183</u>	<u>3,836</u>	<u>(31,347)</u>
Total revenues and other financing sources	<u>4,479,853</u>	<u>4,479,853</u>	<u>2,401,127</u>	<u>(2,078,726)</u>	<u>-</u>	<u>431,730</u>	<u>333,236</u>	<u>(98,494)</u>
Expenditures:								
Police	-	-	-	-	-	431,730	333,236	98,494
Streets	1,600,000	1,600,000	1,114,952	485,048	-	-	-	-
Capital outlay	2,879,853	2,879,853	1,286,175	1,593,678	-	-	-	-
Total expenditures	<u>4,479,853</u>	<u>4,479,853</u>	<u>2,401,127</u>	<u>2,078,726</u>	<u>-</u>	<u>431,730</u>	<u>333,236</u>	<u>98,494</u>
Total expenditures and other financing (uses)	<u>4,479,853</u>	<u>4,479,853</u>	<u>2,401,127</u>	<u>2,078,726</u>	<u>-</u>	<u>431,730</u>	<u>333,236</u>	<u>98,494</u>
Net change in fund balance	-	-	-	\$ -	-	-	-	\$ -
Fund balances - beginning	-	-	-	-	-	-	-	-
Fund balances - ending	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF HIALEAH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
FUND BALANCE-BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2020

	S.H.I.P. Fund				E-911 Wireless Fund			
	Budgeted Amounts		Variance with Final Budget Positive (Negative)		Budgeted Amounts		Variance with Final Budget Positive (Negative)	
	Original	Final	Actual		Original	Final	Actual	
Revenues:								
Intergovernmental	\$ -	\$ 2,790,881	\$ 1,241,420	\$ (1,549,461)	\$ 743,100	\$ 743,100	\$ 752,499	\$ 9,399
Investment income	-	-	8,624	\$ 8,624	-	-	-	-
Total revenues	-	2,790,881	1,250,044	(1,540,837)	743,100	743,100	752,499	9,399
Other financing sources:								
Appropriation of prior year fund balance	-	-	-	-	29,068	56,556	-	(56,556)
Total other financing sources	-	-	-	-	29,068	56,556	-	(56,556)
Total revenues and other financing sources	-	2,790,881	1,250,044	(1,540,837)	772,168	799,656	752,499	(47,157)
Expenditures:								
911 communications	-	-	-	-	772,168	772,168	758,943	13,225
State housing initiative program	-	2,790,881	1,250,044	1,540,837	-	-	-	-
Capital outlay	-	-	-	-	-	27,488	27,488	-
Total expenditures	-	2,790,881	1,250,044	1,540,837	772,168	799,656	786,431	13,225
Net change in fund balance	-	-	-	\$ -	-	-	(33,932)	\$ (33,932)
Fund balances - beginning	-	-	-	-	-	-	353,633	-
Fund balances - ending	-	\$ -	\$ -	-	\$ -	\$ -	\$ 319,701	-

CITY OF HIALEAH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
FUND BALANCE-BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Affordable Housing Fund				The Children's Trust Step Ahead Fund			
	Budgeted Amounts		Variance with Final Budget Positive (Negative)		Budgeted Amounts		Variance with Final Budget Positive (Negative)	
	<u>Original</u>	<u>Final</u>	<u>Actual</u>		<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:								
Charges for services	\$ 2,298,500	\$ 2,298,500	\$ 2,342,755	\$ 44,255	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	375,000	375,000	314,795	(60,205)
Investment income	-	-	3,661	3,661	-	-	-	-
Total revenues	2,298,500	2,298,500	2,346,416	47,916	375,000	375,000	314,795	(60,205)
Other financing sources:								
Transfers in	353,044	353,044	692,828	339,784	9,043	9,043	-	(9,043)
Total other financing sources	353,044	353,044	692,828	339,784	9,043	9,043	-	(9,043)
Total revenues and other financing sources	2,651,544	2,651,544	3,039,244	387,700	384,043	384,043	314,795	(69,248)
Expenditures:								
General government	1,694,965	1,694,965	2,082,665	(387,700)	-	-	-	-
Grants and human services	-	-	-	-	384,043	384,043	314,795	69,248
Debt Service								
Principal	476,151	476,151	476,406	(255)	-	-	-	-
Interest	480,428	480,428	480,173	255	-	-	-	-
Total expenditures	2,651,544	2,651,544	3,039,244	(387,700)	384,043	384,043	314,795	69,248
Net change in fund balance	-	-	-	\$ -	-	-	-	\$ -
Fund balances - beginning	-	-	-	-	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -	-

CITY OF HIALEAH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
FUND BALANCE-BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Law Enforcement Trust - Federal Fund				EMS County Grant Fund			
	Budgeted Amounts		Variance with Final Budget Positive (Negative)		Budgeted Amounts		Variance with Final Budget Positive (Negative)	
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:								
Intergovernmental	\$ -	\$ 94,289	\$ 58,466	\$ (35,823)	\$ -	\$ -	\$ 8,337	\$ 8,337
Total revenues	-	94,289	58,466	(35,823)	-	-	8,337	8,337
Other financing sources:								
Appropriation of prior year fund balance	-	124,100	-	(124,100)	-	-	-	-
Total other financing sources	-	124,100	-	(124,100)	-	-	-	-
Total revenues and other financing sources	-	218,389	58,466	(159,923)	-	-	8,337	8,337
Expenditures:								
Police	-	-	4,319	(4,319)	-	-	-	-
Capital outlay	-	218,389	243,374	(24,985)	-	-	-	-
Total expenditures	-	218,389	247,693	(29,304)	-	-	-	-
Net change in fund balance	-	-	(189,227)	\$ (189,227)	-	-	8,337	\$ 8,337
Fund balances - beginning	-	-	249,228		-	-	8,037	
Fund balances - ending	\$ -	\$ -	\$ 60,001		\$ -	\$ -	\$ 16,374	

CITY OF HIALEAH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
FUND BALANCE-BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2020

	CITT - Surtax Hialeah Circulator Fund				Streets 3 Cents Optional Gas Tax Fund			
	Budgeted Amounts		Variance with Final Budget Positive (Negative)		Budgeted Amounts		Variance with Final Budget Positive (Negative)	
	Original	Final	Actual		Original	Final	Actual	
Revenues:								
Charges for services	\$ 60,000	\$ 60,000	\$ 15,124	\$ (44,876)	\$ -	\$ -	\$ -	\$ -
Intergovernmental	3,400,000	3,400,000	2,530,711	(869,289)	976,229	976,229	928,739	(47,490)
Investment income	-	-	9,011	9,011	-	-	4,711	4,711
Other revenues	30,000	30,000	90,536	60,536	-	-	-	-
Total revenues	3,490,000	3,490,000	2,645,382	(844,618)	976,229	976,229	933,450	(42,779)
Other financing sources:								
Appropriation of prior year fund balance	1,321,788	1,321,788	-	(1,321,788)	971,970	971,970	-	(971,970)
Total other financing sources	1,321,788	1,321,788	-	(1,321,788)	971,970	971,970	-	(971,970)
Total revenues and other financing sources	4,811,788	4,811,788	2,645,382	(2,166,406)	1,948,199	1,948,199	933,450	(1,014,749)
Expenditures:								
General government	2,159,715	2,159,715	1,673,372	486,343	-	-	-	-
Streets	-	-	-	-	1,416,631	1,416,631	981,276	435,355
Capital outlay	2,580,000	2,580,000	1,094,111	1,485,889	531,568	531,568	-	531,568
Debt Service:								
Principal	66,653	66,653	68,413	(1,760)	-	-	-	-
Interest	5,420	5,420	3,660	1,760	-	-	-	-
Total expenditures	4,811,788	4,811,788	2,839,556	1,972,232	1,948,199	1,948,199	981,276	966,923
Net change in fund balance	-	-	(194,174)	\$ (194,174)	\$ -	\$ -	\$ (47,826)	\$ (47,826)
Fund balances - beginning	-	-	2,516,896		-	-	1,483,237	
Fund balances - ending	-	\$ -	\$ 2,322,722		\$ -	\$ -	\$ 1,435,411	

CITY OF HIALEAH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
FUND BALANCE-BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2020

	21st Century Steam Ahead Grant Fund				ECS & Library Grant Fund			
	Budgeted Amounts		Variance with Final Budget Positive (Negative)		Budgeted Amounts		Variance with Final Budget Positive (Negative)	
	Original	Final	Actual		Original	Final	Actual	
Revenues:								
Intergovernmental	\$ 699,360	\$ 367,524	\$ 253,081	\$ (114,443)	\$ 127,000	\$ 171,977	\$ 65,090	\$ (106,887)
Total revenues	699,360	367,524	253,081	(114,443)	127,000	171,977	65,090	(106,887)
Other financing sources:								
Transfers in	38,816	-	17,685	17,685	-	-	-	-
Total other financing sources	38,816	-	17,685	17,685	-	-	-	-
Total revenues and other financing sources	738,176	367,524	270,766	(96,758)	127,000	171,977	65,090	(106,887)
Expenditures:								
Grants and human services	738,176	367,524	270,766	96,758	97,000	161,574	54,687	106,887
Capital outlay	-	-	-	-	30,000	10,403	10,403	-
Total expenditures	738,176	367,524	270,766	96,758	127,000	171,977	65,090	106,887
Net change in fund balance	-	-	-	\$ -	-	-	-	\$ -
Fund balances - beginning	-	-	-	-	-	-	70,777	-
Fund balances - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 70,777	\$ -

CITY OF HIALEAH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
FUND BALANCE-BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2020

City of Hialeah Education Academy Fund				
Budgeted Amounts			Variance with Final Budget Positive (Negative)	
	Original	Final	Actual	
Revenues:				
Charges for services	\$ 13,100	\$ 26,100	\$ 16,476	\$ (9,624)
Intergovernmental	6,951,155	7,755,585	7,784,314	28,729
Licenses and permits	-	-	-	-
Investment income	30,000	30,000	18,686	(11,314)
Other revenues	19,479	19,479	30,864	11,385
Total revenues	<u>7,013,734</u>	<u>7,831,164</u>	<u>7,850,340</u>	<u>19,176</u>
Expenditures:				
Grants and human services	6,794,412	7,538,469	7,472,676	65,793
Capital outlay	85,000	65,000	60,705	4,295
Total expenditures	<u>6,879,412</u>	<u>7,603,469</u>	<u>7,533,381</u>	<u>70,088</u>
Net change in fund balance	<u>134,322</u>	<u>227,695</u>	<u>316,959</u>	<u>\$ 89,264</u>
Fund balances - beginning	-	-	2,144,755	
Fund balances - ending	<u>\$ 134,322</u>	<u>\$ 227,695</u>	<u>\$ 2,461,714</u>	

CITY OF HIALEAH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
FUND BALANCE-BUDGET AND ACTUAL
DEBT SERVICE FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Revenue Bond Series 2015A Fund				CITT Surtax Transportation Fund			
	Budgeted Amounts		Actual		Budgeted Amounts		Actual	
	Original	Final	Actual	Variance with Final Budget Positive (Negative)	Original	Final	Actual	Variance with Final Budget Positive (Negative)
Revenues:								
Franchise fees	\$ 2,218,349	\$ 2,218,349	\$ 2,218,349	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	3,411,041	3,411,041	4,763,491	1,352,450
Investment income	-	-	-	-	-	-	8,515	8,515
Other revenues	-	-	-	-	500,000	500,000	-	(500,000)
Total revenues	2,218,349	2,218,349	2,218,349	-	3,911,041	3,911,041	4,772,006	860,965
Expenditures:								
General government	-	-	-	-	58,831	58,831	20,781	38,050
Debt Service:								
Principal	1,073,349	1,073,349	1,145,000	(71,651)	2,004,000	2,004,000	2,004,000	-
Interest	1,145,000	1,145,000	1,073,349	71,651	1,848,210	1,848,210	1,848,210	-
Total expenditures	2,218,349	2,218,349	2,218,349	-	3,911,041	3,911,041	3,872,991	38,050
Net change in fund balance	-	-	-	\$ -	-	-	899,015	\$ 899,015
Fund balances, beginning	-	-	-	-	-	-	2,374,242	-
Fund balances, ending	-	-	-	-	-	-	\$ 3,273,257	\$ -

CITY OF HIALEAH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
FUND BALANCE-BUDGET AND ACTUAL
CAPITAL PROJECT FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Elderly Housing 300 Units Fund				N.W. 102 Ave. 162 St. to 170 St. (DEO) Fund			
	Budgeted Amounts		Variance with Final Budget Positive (Negative)		Budgeted Amounts		Variance with Final Budget Positive (Negative)	
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:								
Intergovernmental	\$ -	\$ 635,000	\$ 565,967	\$ (69,033)	\$ 1,200,000	\$ 1,200,000	\$ 1,863,620	\$ 663,620
Total revenues	-	635,000	565,967	(69,033)	1,200,000	1,200,000	1,863,620	663,620
Other financing sources:								
Appropriation of prior year fund balance	-	-	-	-	-	2,664,961	-	(2,664,961)
Total other financing sources	-	-	-	-	-	2,664,961	-	(2,664,961)
Total revenues and other financing sources	-	635,000	565,967	(69,033)	1,200,000	3,864,961	1,863,620	(2,001,341)
Expenditures:								
General government	-	-	-	-	-	293,600	-	293,600
Capital outlay	-	635,000	565,967	69,033	1,200,000	3,571,361	1,863,620	1,707,741
Total expenditures	-	635,000	565,967	69,033	1,200,000	3,864,961	1,863,620	2,001,341
Net change in fund balance	-	-	-	\$ -	-	-	-	\$ -
Fund balances, beginning	-	-	-	-	-	-	-	-
Fund balances, ending	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -	\$ -

CITY OF HIALEAH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
FUND BALANCE-BUDGET AND ACTUAL
CAPITAL PROJECT FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2020

	W. 24 Ave. & 76 St. Drainage - MDC. (JPA) Fund				N.W. 97 Ave. Road Improvement Fund - (JPA) Fund			
	Budgeted Amounts		Variance with Final Budget Positive (Negative)		Budgeted Amounts		Variance with Final Budget Positive (Negative)	
	Original	Final	Actual		Original	Final	Actual	
Revenues:								
Intergovernmental	\$ 1,446,543	\$ 1,446,543	\$ -	\$ (1,446,543)	\$ 4,094,559	\$ 4,194,559	\$ 1,937,795	\$ (2,256,764)
Total revenues	1,446,543	1,446,543	-	(1,446,543)	4,094,559	4,194,559	1,937,795	(2,256,764)
Expenditures:								
General government	-	-	-	-	1,268,314	1,268,314	-	1,268,314
Capital outlay	1,446,543	1,446,543	-	1,446,543	2,826,245	2,926,245	1,937,795	988,450
Total expenditures	1,446,543	1,446,543	-	1,446,543	4,094,559	4,194,559	1,937,795	2,256,764
Net change in fund balance	-	-	-	\$ -	-	-	-	\$ -
Fund balances, beginning	-	-	-		-	-	-	
Fund balances, ending	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	

CITY OF HIALEAH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
FUND BALANCE-BUDGET AND ACTUAL
CAPITAL PROJECT FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2020

	W. 28 Ave. 52 to 80 St. - (FDOT) Fund				N.W. 142 St. Roadway Improvement - (JPA) Fund			
	Budgeted Amounts		Variance with Final Budget Positive (Negative)		Budgeted Amounts		Variance with Final Budget Positive (Negative)	
	<u>Original</u>	<u>Final</u>	<u>Actual</u>		<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:								
Intergovernmental	\$ -	\$ 436,175	\$ 394,084	\$ (42,091)	\$ -	\$ -	\$ -	\$ -
Total revenues	-	436,175	394,084	(42,091)	-	-	-	-
Other financing sources:								
Transfers in	-	-	-	-	-	-	942	942
Total other financing sources	-	-	-	-	-	-	942	942
Total revenues and other financing sources	-	436,175	394,084	(42,091)	-	-	942	942
Expenditures:								
Streets	-	39,656	-	39,656	-	-	-	-
Capital outlay	-	396,519	394,084	2,435	-	-	942	(942)
Total expenditures	-	436,175	394,084	42,091	-	-	942	(942)
Net change in fund balance	-	-	-	\$ -	-	-	-	\$ -
Fund balances, beginning	-	-	-	-	-	-	-	-
Fund balances, ending	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -	-

CITY OF HIALEAH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
FUND BALANCE-BUDGET AND ACTUAL
CAPITAL PROJECT FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2020

	N.W. 102 Ave. 138 St. to 145 Pl. Fund				Goodlet Adult Center			
	Budgeted Amounts		Variance with Final Budget Positive (Negative)		Budgeted Amounts		Variance with Final Budget Positive (Negative)	
	Original	Final	Actual		Original	Final	Actual	
Revenues:								
Intergovernmental	\$ 2,734,752	\$ 2,734,752	\$ 928,453	\$ (1,806,299)	\$ -	\$ 500,000	\$ 40,981	\$ (459,019)
Total revenues	<u>2,734,752</u>	<u>2,734,752</u>	<u>928,453</u>	<u>(1,806,299)</u>	<u>-</u>	<u>500,000</u>	<u>40,981</u>	<u>(459,019)</u>
Other financing sources:								
Transfers in	-	-	636	636	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>636</u>	<u>636</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues and other financing sources	<u>2,734,752</u>	<u>2,734,752</u>	<u>929,089</u>	<u>(1,805,663)</u>	<u>-</u>	<u>500,000</u>	<u>40,981</u>	<u>(459,019)</u>
Expenditures:								
Streets	-	-	-	-	-	-	-	-
Capital outlay	2,734,752	2,734,752	929,089	1,805,663	-	500,000	40,981	459,019
Total expenditures	<u>2,734,752</u>	<u>2,734,752</u>	<u>929,089</u>	<u>1,805,663</u>	<u>-</u>	<u>500,000</u>	<u>40,981</u>	<u>459,019</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>
Fund balances, beginning	-	-	-	-	-	-	-	-
Fund balances, ending	<u>-</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>

FIDUCIARY FUNDS

CITY OF HIALEAH, FLORIDA
FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2020

	Employees' Retirement <u>System</u>	Elected Officials' Retirement <u>System</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 34,728,766	\$ -	\$ 34,728,766
Securities lending cash collateral	75,125,598	-	75,125,598
Receivables:			
Accrued interest	1,330,642	-	1,330,642
Accrued dividends	236,944	-	236,944
Other receivables	259,906	-	259,906
Total receivables	1,827,492	-	1,827,492
Investments, at fair value:			
U.S. Government	168,808,917	-	168,808,917
Real estate investment trusts	13,924,823	845,873	14,770,696
Corporate bonds	114,708,802	-	114,708,802
Foreign bonds	603,405	-	603,405
Limited partnerships	3,992,085	-	3,992,085
Mutual funds	8,415,944	13,146,964	21,562,908
ADRs	28,361,459	-	28,361,459
Foreign stocks	6,394,852	-	6,394,852
CIF - equity	1,800,545	-	1,800,545
Common stocks	338,745,872	-	338,745,872
Total investments	685,756,704	13,992,837	699,749,541
Loans to members	7,748,416	-	7,748,416
Total assets	805,186,976	13,992,837	819,179,813
<u>LIABILITIES AND NET POSITION</u>			
Obligations under securities lending	75,125,598	-	75,125,598
Investments purchased	5,464,957	-	5,464,957
Accounts payable and accrued liabilities	553	369,448	370,001
Total liabilities	80,591,108	369,448	80,960,556
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Advance contribution from City	10,000,000	-	10,000,000
Net position restricted for pensions	\$ 714,595,868	\$ 13,623,389	\$ 728,219,257

CITY OF HIALEAH, FLORIDA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Employees' Retirement <u>System</u>	Elected Officials' Retirement <u>System</u>	<u>Total</u>
ADDITIONS			
Contributions:			
Employer	\$ 33,184,511	\$ 152,234	\$ 33,336,745
Employee	7,565,916	16,262	7,582,178
State	461,877	-	461,877
Total contributions	<u>41,212,304</u>	<u>168,496</u>	<u>41,380,800</u>
Investment income:			
Net appreciation in fair value of investments	48,600,416	951,908	49,552,324
Investment income	<u>14,121,862</u>	<u>336,205</u>	<u>14,458,067</u>
Total investment income	62,722,278	1,288,113	64,010,391
Less investment expenses	<u>1,576,931</u>	<u>41,219</u>	<u>1,618,150</u>
Net investment income	<u>61,145,347</u>	<u>1,246,894</u>	<u>62,392,241</u>
Total additions	<u>102,357,651</u>	<u>1,415,390</u>	<u>103,773,041</u>
DEDUCTIONS			
Pension benefits	62,779,288	492,255	63,271,542
Refunds of contributions	11,860,599	-	11,860,599
DROP benefits	1,297,212	-	1,297,212
Administrative expenses	<u>895,108</u>	<u>39,200</u>	<u>934,308</u>
Total deductions	<u>76,832,207</u>	<u>531,455</u>	<u>77,363,661</u>
Net increase (decrease)	25,525,444	883,935	26,409,380
Net position restricted for pensions:			
Beginning of year	<u>689,070,423</u>	<u>12,739,454</u>	<u>701,809,877</u>
End of year	<u>\$ 714,595,867</u>	<u>\$ 13,623,389</u>	<u>\$ 728,219,257</u>

STATISTICAL SECTION

STATISTICAL SECTION

This part of the City of Hialeah's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends <i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time. These schedules include:</i>	131-134
Revenue Capacity <i>These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.</i>	135-138
Debt Capacity <i>These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.</i>	139-141
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	142-143
Operating Information <i>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.</i>	144-146

CITY OF HIALEAH, FLORIDA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Governmental activities:										
Net investment in capital assets	\$ 212,133,537	\$ 194,882,428	\$ 211,571,226	\$ 200,596,082	\$ 200,597,075	\$ 190,609,888	\$ 186,457,794	\$ 186,890,190	\$ 170,129,327	\$ 193,868,493
Restricted	12,466,327	4,187,495	7,703,518	5,526,978	8,735,410	18,654,864	23,084,772	2,289,412	2,914,351	47,706,472
Unrestricted	(133,288,201)	(138,778,621)	(157,186,806)	(152,392,602)	(262,072,904)	(270,877,972)	(293,625,452)	(497,449,914)	(471,162,631)	(560,835,297)
Total governmental activities net position	<u>91,311,663</u>	<u>60,291,302</u>	<u>62,087,938</u>	<u>53,730,458</u>	<u>(52,740,419)</u>	<u>(61,613,220)</u>	<u>(84,082,886)</u>	<u>(308,270,312)</u>	<u>(298,118,953)</u>	<u>(319,260,332)</u>
Business-type activities:										
Net investment in capital assets	75,538,974	121,429,175	116,770,648	107,240,971	124,884,318	126,879,211	133,579,865	145,315,155	149,162,397	150,166,669
Restricted	40,562,646	5,213,862	-	-	-	-	-	-	-	-
Unrestricted	30,136,654	44,149,697	45,934,610	47,347,915	(8,636,198)	(17,762,837)	(21,403,478)	(73,743,502)	(69,225,945)	(73,753,456)
Total business-type activities net position	<u>146,238,274</u>	<u>170,792,734</u>	<u>162,705,258</u>	<u>154,588,886</u>	<u>116,248,120</u>	<u>109,116,374</u>	<u>112,176,387</u>	<u>71,571,653</u>	<u>79,936,452</u>	<u>76,413,213</u>
Total government:										
Net investment in capital assets	287,672,511	316,311,603	328,341,874	307,837,053	325,481,393	317,489,099	320,037,659	332,205,345	319,291,724	344,035,162
Restricted	53,028,973	9,401,357	7,703,518	5,526,978	8,735,410	18,654,864	23,084,772	2,289,412	2,914,351	47,706,472
Unrestricted	(103,151,547)	(94,628,924)	(111,252,196)	(105,044,687)	(270,709,102)	(288,640,809)	(315,028,930)	(571,193,416)	(540,388,576)	(634,588,753)
Total government net position	<u>\$ 237,549,937</u>	<u>\$ 231,084,036</u>	<u>\$ 224,793,196</u>	<u>\$ 208,319,344</u>	<u>\$ 63,507,701</u>	<u>\$ 47,503,154</u>	<u>\$ 28,093,501</u>	<u>\$ (236,698,659)</u>	<u>\$ (218,182,501)</u>	<u>\$ (242,847,119)</u>

CITY OF HIALEAH, FLORIDA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses:										
Governmental activities:										
General government										
Police	\$ 66,589,887	\$ 66,409,608	\$ 68,219,791	\$ 72,876,508	\$ 53,294,065	\$ 55,341,792	\$ 59,957,217	\$ 55,258,339	\$ 61,455,026	\$ 70,420,073
Fire	47,628,629	43,670,286	43,377,962	43,375,725	53,872,287	54,508,455	58,240,949	53,485,325	60,930,938	88,654,519
Streets	43,122,832	39,712,334	39,443,585	38,604,552	43,511,619	49,035,406	46,936,520	54,381,049	57,797,638	58,349,093
Recreation and community services	14,965,763	12,935,264	11,985,507	11,842,353	12,459,595	14,054,634	15,961,337	13,202,250	13,572,809	17,440,016
Interest on long-term debt	10,765,871	10,441,684	10,665,547	10,239,608	11,540,708	12,336,667	13,703,389	11,652,746	12,052,307	12,018,687
Total government activities	5,155,170	3,081,789	4,538,607	3,179,787	2,924,134	5,448,282	3,766,967	4,025,439	3,317,950	3,165,907
Total governmental activities	188,228,151	176,249,956	178,230,999	180,118,513	177,602,408	190,725,236	206,010,909	184,560,619	209,128,686	250,048,295
Business-type activities:										
Water & sewer	45,302,229	52,462,058	45,991,989	49,789,756	57,129,636	72,874,604	71,567,982	73,079,627	71,136,712	81,857,795
Solid waste	15,632,635	15,415,099	18,232,547	15,552,864	13,310,272	21,314,937	19,795,686	7,316,709	15,261,866	16,495,129
Hialeah circulator	-	-	-	-	-	-	-	-	-	-
Stormwater	-	4,816,638	4,672,609	5,299,992	5,877,241	2,248,357	4,987,399	5,495,126	4,494,713	4,810,937
Total business-type activities	61,134,864	72,695,795	68,897,145	70,642,612	76,317,149	96,437,898	96,351,049	85,893,462	90,893,291	105,163,861
Total government expenses	\$ 249,363,015	\$ 248,945,751	\$ 247,128,144	\$ 250,761,125	\$ 253,919,557	\$ 287,163,134	\$ 302,361,958	\$ 270,454,081	\$ 300,019,959	\$ 355,212,156
Program revenues:										
Governmental activities:										
Charges for services:										
General government	\$ 15,711,906	\$ 17,233,277	\$ 20,356,002	\$ 18,589,161	\$ 21,314,845	\$ 27,892,420	\$ 24,217,921	\$ 25,618,187	\$ 22,743,654	\$ 31,679,136
Police	1,467,723	1,058,390	889,365	918,205	772,604	685,253	745,403	677,410	542,614	954,018
Fire	3,779,316	4,762,904	4,468,584	4,775,600	4,428,659	5,615,993	4,696,059	4,748,781	10,168,498	6,207,550
Streets	3,697,364	-	209,436	120,024	428,722	377,105	766,087	2,345,404	699,617	8,300,213
Recreation and community services	1,118,475	2,042,914	655,795	584,852	640,787	1,103,371	1,968,593	1,347,900	1,228,840	2,943,241
Operating grants and contributions	24,069,595	22,096,593	21,651,822	24,576,496	22,839,837	21,747,532	26,795,367	22,478,063	32,754,665	25,349,120
Capital grants and contributions	15,486,278	27,170,059	26,000,214	9,019,257	13,347,879	12,214,891	9,475,840	14,519,811	15,789,053	12,025,790
Total governmental activities program revenue	65,330,659	74,364,133	74,252,218	58,583,595	63,770,333	69,636,565	68,665,270	71,736,556	83,927,941	87,459,068
Business-type activities:										
Charges for services:										
Water & sewer	45,036,544	48,361,859	49,939,574	54,905,792	59,707,525	65,545,712	66,468,227	70,388,195	73,026,518	75,565,212
Solid waste	13,997,390	14,952,300	15,002,838	14,969,410	15,379,986	16,655,394	17,356,664	18,218,239	18,595,914	19,746,834
Hialeah circulator	-	-	-	-	-	-	-	-	-	-
Stormwater	-	3,550,573	3,633,314	3,296,440	3,644,229	4,098,166	3,849,779	3,670,891	3,721,412	3,735,922
Operating grants and contributions	9,004,831	1,163,560	538,297	502,578	172,378	429,279	591,188	33,188	9,781	191,881
Capital grants and contributions	68,038,765	68,033,292	69,114,023	73,674,220	78,904,128	86,728,551	88,265,858	92,310,493	95,353,625	99,239,849
Total business-type activities program revenue	\$ 133,369,424	\$ 142,397,425	\$ 143,366,241	\$ 132,257,815	\$ 142,674,461	\$ 156,365,116	\$ 156,931,128	\$ 164,047,049	\$ 179,281,566	\$ 186,698,917
Total program revenues										
Net (expense) revenue:										
Governmental activities	\$ (122,897,492)	\$ (101,885,823)	\$ (103,978,781)	\$ (121,534,918)	\$ (113,632,075)	\$ (121,088,671)	\$ (137,345,639)	\$ (112,824,063)	\$ (125,198,727)	\$ (162,589,227)
Business-type activities	6,903,901	(4,662,503)	216,878	3,031,608	2,886,979	(9,709,347)	(8,085,191)	6,417,031	4,460,334	(5,924,012)
Total net expense	\$ (115,993,591)	\$ (106,548,326)	\$ (103,761,903)	\$ (118,503,310)	\$ (111,245,096)	\$ (130,798,018)	\$ (145,430,830)	\$ (106,407,032)	\$ (120,738,393)	\$ (168,513,239)
General revenues:										
Governmental activities:										
Taxes:										
Property taxes	\$ 48,550,595	\$ 44,867,987	\$ 41,887,822	\$ 41,424,199	\$ 43,735,370	\$ 47,012,819	\$ 51,435,680	\$ 57,462,494	\$ 62,743,620	\$ 68,425,226
Utility taxes	22,212,359	22,181,374	21,909,541	22,487,398	22,248,582	22,628,827	22,345,725	22,883,815	22,459,212	22,299,867
Franchise fees on gross receipts	10,500,154	10,478,381	10,277,964	15,370,782	16,584,895	15,182,525	16,180,210	16,190,910	16,021,179	15,416,105
Intergovernmental revenue	21,521,902	21,873,813	23,733,372	25,094,317	26,939,103	27,687,192	28,200,503	33,823,674	34,612,512	35,442,925
Gain on disposal of capital assets	-	6,254	163,973	(1,434,185)	55,529	69,910	77,140	165,426	141,860	163,985
Unrestricted interest	22,944	-	14,745	7,600	17,666	9,597	128,600	224,407	640,840	456,010
Transfers	-	-	-	15,033,525	-	-	(1,296,159)	(366,407)	(1,269,139)	(756,210)
Total governmental activities	102,807,954	99,409,809	97,787,417	117,983,636	109,581,135	112,590,870	117,072,699	130,384,319	135,350,084	141,447,848
Business-type activities:										
Unrealized gain (loss) on investments	-	-	(401,464)	414,486	504,463	185,370	(121,594)	(215,998)	492,097	1,131,107
Unrestricted interest	720,906	672,616	85,110	475,934	669,909	2,392,231	543,642	347,074	2,143,229	513,395
Gain on disposal of capital assets	-	-	-	-	-	-	-	43,575	-	-
Transfers	-	-	-	(15,033,525)	-	-	1,296,159	366,407	1,269,139	756,210
Total business-type activities	720,906	672,616	(316,354)	(14,143,105)	1,174,372	2,577,601	1,716,207	541,068	3,904,465	2,400,772
Total general revenues	\$ 103,528,860	\$ 100,082,425	\$ 97,471,063	\$ 103,840,531	\$ 110,755,507	\$ 115,168,471	\$ 118,790,906	\$ 130,925,377	\$ 139,254,549	\$ 143,848,620
Change in net position:										
Governmental activities	\$ (20,089,538)	\$ (2,476,014)	\$ (6,191,364)	\$ (3,551,282)	\$ (4,250,940)	\$ (8,497,801)	\$ (20,272,940)	\$ 17,560,256	\$ 10,151,359	\$ (21,141,379)
Business-type activities	7,624,807	(3,989,887)	(99,476)	(11,111,497)	3,761,351	(7,131,746)	(6,366,984)	6,958,089	8,364,799	(3,523,239)
Total change in net position	\$ (12,464,731)	\$ (6,465,901)	\$ (6,290,840)	\$ (14,662,779)	\$ (488,589)	\$ (15,629,447)	\$ (26,639,924)	\$ 24,518,345	\$ 18,516,158	\$ (24,684,618)

Note: In fiscal year 2012 the Stormwater Fund was converted from a Special Revenue Fund to an Enterprise

CITY OF HIALEAH, FLORIDA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General fund:										
Nonspendable	* \$ 1,429,186	\$ 1,678,708	\$ 2,175,058	\$ 2,174,224	\$ 2,164,713	\$ 2,206,606	\$ 5,304,957	\$ 5,897,782	\$ 6,739,054	\$ 6,871,681
Restricted	* -	-	-	-	-	-	-	3,517,760	856,950	553,447
Committed	* 192,686	82,338	105,440	-	-	99,606	2,116,128	1,770,751	395,689	390,193
Assigned	* -	-	-	-	-	-	-	5,600,000	6,100,000	7,171,799
Unassigned	* 12,368,373	12,234,370	10,622,538	15,391,325	12,199,265	35,133,349	32,030,706	29,821,802	31,444,210	32,161,841
Total general fund	\$ 13,990,245	\$ 13,995,416	\$ 12,903,036	\$ 17,565,549	\$ 14,363,978	\$ 37,439,561	\$ 39,451,791	\$ 46,608,095	\$ 45,535,903	\$ 47,148,961
All other governmental funds:										
Nonspendable	* \$ 43,221	\$ 1,002,607	\$ 29,785	\$ 977,963	\$ 984,876	\$ 1,199,528	\$ 1,240,869	\$ 1,654,611	\$ 579,995	\$ 348,773
Restricted	* 12,466,327	4,187,495	7,703,518	7,643,865	8,554,067	18,654,864	23,108,042	31,055,772	44,122,677	55,771,593
Committed	* 174,865	997,467	-	1,985,353	997,128	805,666	6,073,476	3,875,091	2,220,822	7,462,663
Unassigned	* (618,391)	20,131	(2,129,354)	(1,586,881)	20,032	(466,364)	(6,496,712)	(10,112,582)	(7,968,883)	(5,394,318)
Total all other governmental funds	\$ 12,066,022	\$ 6,207,700	\$ 5,603,949	\$ 9,020,300	\$ 10,556,103	\$ 20,193,694	\$ 23,925,675	\$ 26,472,892	\$ 38,954,611	\$ 58,188,711

* During Fiscal Year 2011 the City implemented the new fund balance classifications.

CITY OF HIALEAH, FLORIDA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues:										
Ad valorem taxes	\$48,550,595	\$44,867,987	\$41,687,822	\$41,424,199	\$ 43,735,370	\$47,012,819	\$ 51,435,680	\$ 57,462,494	\$62,743,620	\$68,425,226
Charges for services	-	-	-	-	-	-	-	8,827,351	14,545,199	7,629,550
Fines and forfeitures	1,860,247	3,350,685	1,942,897	2,025,007	2,331,192	2,304,780	1,737,726	2,538,165	4,063,952	3,373,633
Franchise fees	10,500,154	10,478,381	10,277,964	15,370,782	16,584,895	15,182,525	16,180,210	16,190,910	16,021,179	15,416,105
Impact fees	-	-	-	1,087,068	214,629	2,553,949	2,189,892	970,464	3,231,644	3,445,036
Intergovernmental	-	-	-	-	-	-	-	67,905,904	71,275,728	82,705,520
Investment income	22,944	6,254	14,745	7,600	17,656	9,597	-	224,407	640,840	456,010
Licenses and permits	7,051,641	7,629,552	8,236,427	9,316,526	9,512,980	16,370,723	16,161,820	17,559,440	19,799,005	19,502,647
Other revenues	-	-	-	-	-	-	-	5,630,835	4,526,786	2,795,477
Utility taxes	25,909,723	22,181,374	21,909,541	22,487,398	22,248,582	22,628,827	22,345,725	22,883,815	22,459,212	22,299,867
State and local shared revenues	33,595,019	34,760,063	37,373,455	40,112,007	42,982,914	46,141,008	45,606,789	-	-	-
Government grants and other revenues	40,648,290	50,301,393	50,432,811	31,137,305	35,667,721	27,361,310	29,667,244	-	-	-
Total revenues	168,138,613	173,575,689	171,875,662	162,967,892	173,295,939	179,565,538	185,325,086	200,193,785	219,307,165	226,049,071
Expenditures:										
Current:										
General government	27,517,406	32,464,271	35,476,738	38,938,330	15,113,548	13,259,022	13,649,002	16,334,508	13,636,616	20,373,999
Police	41,846,335	40,470,429	38,871,981	40,484,346	51,854,659	50,189,926	50,050,644	54,303,171	57,918,213	59,729,547
Fire	35,432,307	34,244,222	33,527,289	34,611,104	41,284,251	44,566,208	46,111,359	46,950,299	52,823,642	47,804,143
911 communications	3,057,095	2,877,722	2,842,064	3,432,867	3,692,776	3,894,582	4,448,217	4,393,395	4,927,182	5,477,101
Streets	4,286,467	3,144,097	2,781,994	3,201,821	3,516,447	4,433,977	5,680,107	4,947,200	4,417,626	5,630,912
Grants and human services	6,923,729	5,170,883	5,326,027	6,104,005	7,317,707	8,228,432	9,889,816	8,828,260	9,079,879	5,031,212
State housing initiative programs	1,133,537	664,604	107,769	343,353	246,754	116,248	402,050	734,948	337,470	1,250,044
Work investment act programs	2,044,010	2,295,878	2,021,437	1,657,136	685,851	-	-	-	-	-
City Clerk's office	813,123	1,074,523	676,279	658,140	1,071,420	1,233,250	962,794	1,386,980	1,101,531	1,910,174
Office of Management and Budget	576,663	551,784	494,087	461,476	560,939	388,095	402,949	419,851	410,968	367,253
Office of the Mayor	532,856	416,047	441,278	927,025	699,883	646,944	588,766	593,914	588,027	681,812
Communications and special events	747,618	-	47,427	221,436	304,392	387,083	523,637	699,089	1,458,309	1,216,691
Milander center	-	-	-	-	-	-	-	1,014,757	833,206	660,817
Employee retirement	463,361	501,114	636,543	632,686	604,903	596,528	834,417	591,734	845,019	695,173
Library	1,364,642	1,158,859	1,124,518	1,241,652	1,495,749	1,560,224	1,379,576	1,572,147	1,744,384	1,725,573
Code compliance	447,585	310,669	392,052	447,571	658,107	644,566	642,804	691,122	715,168	688,223
Finance	879,174	932,222	880,172	1,032,730	1,352,174	1,417,428	1,486,450	1,673,282	1,992,167	2,083,325
Business tax division	286,569	248,847	392,421	429,010	589,707	807,971	951,992	1,058,538	1,259,585	1,770,814
Information technology	1,608,553	1,405,939	1,358,607	1,532,664	1,615,686	1,871,939	1,845,314	1,944,261	2,201,323	2,113,745
Fleet maintenance	1,966,394	1,984,209	2,052,285	2,286,994	2,352,456	3,060,804	3,117,172	3,426,246	3,523,468	3,368,715
Construction and maintenance	3,268,194	2,169,116	2,178,352	2,034,251	2,409,265	3,053,215	2,981,198	2,836,215	3,163,088	3,178,953
Parks and recreation	8,402,552	8,480,480	8,504,481	8,442,246	9,712,104	10,015,340	10,528,719	10,506,083	10,494,096	9,780,992
Public works	-	-	-	-	-	-	253,306	667,832	-	31,664
Planning and zoning	1,909,454	476,241	484,169	528,781	695,584	716,244	657,440	613,696	662,973	739,814
Education and community services	1,750,844	2,166,341	2,171,059	2,451,185	4,058,687	2,851,902	2,802,476	1,781,983	1,958,762	1,758,005
Law	730,159	805,255	768,888	1,216,909	1,291,022	1,311,626	1,150,714	1,238,551	1,388,834	1,538,458
Risk management	877,824	976,285	819,238	826,743	428,350	322,813	318,996	414,915	477,409	517,884
Human resources	752,723	572,277	513,118	731,129	700,530	763,201	735,666	948,150	1,006,870	1,072,759
Debt service:										
Principal	33,809,421	4,364,337	36,744,137	4,407,029	6,568,225	22,689,871	4,884,376	4,704,962	4,861,268	4,790,443
Interest	5,007,310	3,408,154	4,932,024	3,420,976	3,200,422	3,964,006	3,866,525	3,712,445	3,652,173	3,509,147
Debt issuance cost	-	-	630,913	-	-	-	-	-	-	-
Capital outlay	14,650,952	22,198,021	23,867,900	8,586,286	10,935,638	9,095,668	8,511,541	15,184,916	25,161,167	17,535,589
Total expenditures	203,086,857	175,532,826	211,065,247	171,289,881	175,017,236	192,087,113	179,658,023	194,173,450	212,640,423	207,032,981
Excess (deficiency) of revenues over expenditures	(34,948,244)	(1,957,137)	(39,189,585)	(8,321,989)	(1,721,297)	(12,521,575)	5,667,063	6,020,335	6,666,742	19,016,090
Other financing sources (uses):										
Transfers in	67,768	3,258,319	38,555	19,781,358	2,147,066	776,762	611,165	1,240,730	900,856	2,163,594
Transfers out	(67,768)	(7,477,992)	(38,555)	(4,747,833)	(2,147,066)	(776,762)	(611,165)	(1,240,730)	(900,856)	(2,163,594)
Issuance of debt	-	-	-	-	-	45,164,839	-	3,517,760	4,600,925	1,667,083
Proceeds from disposal of capital assets	-	-	163,973	4,076,089	55,529	69,910	77,140	165,426	141,860	163,985
Issuance of debt	31,252,400	323,659	37,329,481	423,920	-	-	-	-	-	-
Total other financing sources (uses)	31,252,400	(3,896,014)	37,493,454	19,533,534	55,529	45,234,749	77,140	3,683,186	4,742,785	1,831,068
Net change in fund balances	\$ (3,695,844)	\$ (5,853,151)	\$ (1,696,131)	\$11,211,545	\$ (1,665,768)	\$32,713,174	\$ 5,744,203	\$ 9,703,521	\$11,409,527	\$20,847,158
Debt service as a percentage of non-capital expenditures	20.60%	5.07%	22.34%	4.81%	5.95%	14.57%	5.11%	4.70%	4.54%	4.38%

CITY OF HIALEAH, FLORIDA
NET ASSESSED VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

<u>Fiscal Year Ended September 30.</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>Centrally Assessed</u>	<u>Total Net Assessed Value</u>	<u>Total Direct Tax Rate</u>
2011	\$ 7,222,367,199	520,988,608	7,357,864	7,750,713,671	6.5400
2012	6,744,572,176	531,432,543	10,363,835	7,286,368,554	6.5400
2013	6,695,064,915	523,612,469	5,972,673	7,224,650,057	6.3018
2014	6,416,539,571	549,698,400	5,474,876	6,971,712,847	6.3018
2015	6,755,960,917	544,953,380	6,117,639	7,307,031,936	6.3018
2016	7,304,727,801	546,751,824	7,304,728	7,858,784,353	6.3018
2017	7,973,545,871	552,723,556	7,380,269	8,533,649,696	6.3018
2018	8,928,454,641	564,251,782	7,643,215	9,500,349,638	6.3018
2019	9,762,587,984	610,266,017	8,030,715	10,380,884,716	6.3018
2020	10,700,357,621	597,759,406	7,943,936	11,306,060,963	6.3018

Note: Property in the City is reassessed each year. Property is assessed at actual value, therefore, the assessed values are equal to actual value. Tax rates are per \$1,000 of assessed value.

Source: Miami-Dade County Property Appraiser's Office.

CITY HIALEAH, FLORIDA
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

Fiscal Year	Direct Rate	Overlapping Rates (1)														Total Direct and Overlapping Rates
	City of Hialeah	Miami-Dade County				Miami-Dade County School Board				Water Management District		Special District	Okeechobee Basin	Children's Trust	Everglades C.P.	
	Operating Millage	Operating Millage	Service Millage	Debt Total	Operating Millage	Service Millage	Debt Total	Operating Millage	Service Millage	Debt Total	District	District	District	District	District	
2011	6.5400	4.8050	0.2850	5.0900	7.7650	0.2400	8.0050	0.3739	0.0345	0.0000	0.5000	0.0624	20.6058			
2012	6.5400	4.7035	0.2850	4.9885	7.7650	0.2330	7.9980	0.3676	0.0345	0.0000	0.5000	0.0613	20.4899			
2013	6.3018	4.7035	0.4220	5.1255	7.6440	0.3330	7.9770	0.3523	0.0345	0.0000	0.5000	0.0587	20.3498			
2014	6.3018	4.6669	0.4500	5.1169	7.7750	0.1990	7.9740	0.1577	0.0345	0.1717	0.5000	0.0548	20.3114			
2015	6.3018	4.6669	0.4500	5.1169	7.4130	0.1990	7.6120	0.1459	0.0320	0.1586	0.5000	0.0506	19.9178			
2016	6.3018	4.6669	0.4000	5.0669	7.1380	0.1840	7.3220	0.1359	0.0320	0.1477	0.5000	0.0471	19.5534			
2017	6.3018	4.6669	0.4000	5.0669	6.7740	0.2200	6.9940	0.1275	0.0320	0.1384	0.4673	0.0441	19.1720			
2018	6.3018	4.6669	0.4644	5.1313	6.5040	0.2290	6.7330	0.1209	0.0320	0.1310	0.4415	0.0417	18.9332			
2019	6.3018	4.6669	0.4780	5.1449	7.0250	0.1230	7.1480	0.1152	0.0320	0.1246	0.4680	0.0397	19.3742			
2020	6.3018	4.6669	0.4780	5.1449	6.9360	0.1930	7.1290	0.1103	0.0320	0.1192	0.4507	0.0380	19.3259			

Note: All millage rates are based on \$1 for every \$1,000 of assessed value.

Sources: City of Hialeah Office of Management & Budget and Miami-Dade County Property Appraiser's Office.

(1) Overlapping rates are those of local and county governments that apply to property owners within the City of Hialeah. Not all overlapping rates apply to all City of Hialeah property owners (i.e. the rates for special districts apply only to the proportion of the government's property owners whose property is located within the geographic boundaries of the special district).

CITY OF HIALEAH, FLORIDA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

2020				2011			
<u>Taxpayer</u>	<u>Net Assessed Value</u>	<u>Rank</u>	<u>Percent of Total City Net Assessed Value</u>	<u>Taxpayer</u>	<u>Net Assessed Value</u>	<u>Rank</u>	<u>Percent of Total City Net Assessed Value</u>
Florida Power & Light CO	\$ 210,723,751	1	2.92%	Florida Power & Light CO	\$ 110,275,980	1	1.42%
Palm Springs Mile Assoc LTD	125,624,080	2	1.74%	Mall on the Mile LLC	100,254,796	2	1.29%
Westland Mall LLC	87,834,894	3	1.22%	Lifemark Hospitals Inc.	99,123,253	3	1.28%
Lifemark Hospitals Inc.	65,856,143	4	0.91%	WH Hialeah Investors V LLC	97,560,106	4	1.26%
PRII Centergate 1 LLC	59,463,600	5	0.82%	Westland Mall LLC	71,100,000	5	0.92%
Two Lakes Lennar LLC	55,300,725	6	0.77%	Hialeah Speedway Limited	69,049,069	6	0.89%
Duke 108th Building 3 LLC	48,717,066	7	0.67%	Palm Springs Mile Associates LTD	63,935,331	7	0.82%
Duke 104th Building 1 and 2 LLC	47,549,400	8	0.66%	Hialeah Investors LLC	47,516,771	8	0.61%
Bonterra Multifamily Re Inc.	38,520,000	9	0.53%	Tenet Hialeah Health System INC	36,354,433	9	0.47%
PRII Centergate 2 LLC	37,238,987	10	0.52%	114 Acres Hialeah LLC	34,446,391	10	0.44%
	<u>\$ 776,828,646</u>		<u>10.76%</u>		<u>\$ 729,616,130</u>		<u>9.40%</u>

Source: Miami-Dade County Property Appraisers Office.

CITY OF HIALEAH, FLORIDA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ended September 30,	Total Taxes Levied for Fiscal Year	Levied Taxes Collected within the Fiscal Year		Delinquent Tax Collections	Total Tax Collections	
		Amount	Percent of Levy		Amount	Percent of Levy
2011	\$ 48,499,075	\$ 46,209,687	95.28%	\$ 2,008,135	\$ 48,217,821	99.42%
2012	47,652,850	43,747,005	91.80%	1,120,983	44,867,987	94.16%
2013	45,528,300	40,894,173	89.82%	793,648	41,687,821	91.56%
2014	43,934,340	39,589,518	90.11%	1,467,597	41,057,115	93.45%
2015	46,047,454	43,735,370	94.98%	1,351,690	45,087,060	97.91%
2016	49,524,487	47,012,819	94.93%	296,084	47,308,903	95.53%
2017	53,777,354	51,435,680	95.65%	1,516,908	52,952,588	98.47%
2018	59,869,303	57,462,494	95.98%	615,338	58,077,832	97.01%
2019	65,418,259	62,743,620	95.91%	1,976,246	64,719,866	98.93%
2020	71,248,535	68,425,226	96.04%	2,450,762	70,875,988	99.48%

Source: City of Hialeah Office of Management & Budget.

CITY OF HIALEAH, FLORIDA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year Ended September 30,	Governmental Activities				Business-Type Activities					Percentage of Personal Income (1)	Per Capita (1)
	Revenue Bonds	Notes Payable	Capital Leases	Mortgage Payable	Revenue Bonds	Notes Payable	Revolving Loan	Capital Leases	Total		
2011	\$ 1,672,177	\$ 100,102,352	\$ 596,872	\$ 117,969	\$ -	\$ -	\$52,070,567	\$ -	\$ 154,559,937	2.14%	678
2012	1,471,927	88,242,884	143,267	-	-	57,668,324	1,910,149	-	149,436,551	2.09%	650
2013	-	79,970,161	72,425	-	-	64,620,036	1,791,969	-	146,454,591	1.93%	631
2014	-	75,661,198	398,279	-	-	63,097,659	1,670,450	-	140,827,586	2.14%	603
2015	-	70,719,903	1,252,121	-	-	61,572,579	1,545,497	-	135,090,100	1.91%	573
2016	-	90,403,639	1,323,955	-	-	59,261,246	1,417,014	-	152,405,854	2.20%	643
2017	75,610,191	15,829,760	743,891	-	57,101,430	947,934	1,284,901	-	151,518,107	2.19%	641
2018	73,163,174	13,521,306	3,990,521	-	55,606,990	479,999	1,149,054	-	147,911,044	2.01%	623
2019	70,838,862	11,144,597	8,107,033	-	54,063,547	-	1,009,368	-	145,163,407	1.83%	608
2020	67,363,174	10,668,191	8,609,579	-	52,467,107	-	865,733	-	139,973,784	1.67%	584

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Demographic and Economic Statistics for personal income and population data.

CITY OF HIALEAH, FLORIDA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
SEPTEMBER 30, 2020
(amounts expressed in thousands)

<u>Government Unit</u>	2020		
	<u>Net Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Amount Applicable to the City of Hialeah</u>
Miami-Dade County School Board	\$ 3,188,281	3.66%	\$ 116,691
Miami-Dade County	<u>4,336,800</u>	3.66%	<u>158,727</u>
Subtotal, Overlapping Debt	7,525,081		275,418
City of Hialeah Direct Debt	<u>86,641</u>	100%	<u>86,641</u>
Total Direct and Overlapping Debt	<u>\$ 7,611,722</u>		<u>\$ 362,059</u>

Sources: Data provided by the Miami-Dade County Finance Department and the Miami-Dade County School Board, Finance Department.

(1) The percentage of overlapping debt applicable is estimated using net taxable assessed property values. Applicable percentages were estimated by determining the portion of the County's taxable assessed value that is within the City's boundaries and dividing it by the County's total taxable assessed value.

CITY OF HIALEAH, FLORIDA
PLEGDED REVENUE COVERAGE
LAST TEN FISCAL YEARS

Fiscal Year Ended September 30,	Series 2015 A&B					FMLC Bond Series 2011D					Rescue Transportation 2007 Revenue Bond				
	Fees (d)	Debt Service			Coverage	Utility Charges and Other	Less Operating Expenses	Net Available Revenue	Debt Service			Rescue Transportation Fees	Debt Service		Coverage
		Principal	Interest	Coverage					Principal	Interest	Coverage				
2011	-	-	-	N/A	47,536,277	48,531,832	(995,555)	-	-	N/A	2,956,713	270,570	78,674	8.47	
2012	-	-	-	N/A	48,361,859	45,883,620	2,478,239	310,000	2,401,538	0.91	3,658,191	200,250	70,320	13.52	
2013	-	-	-	N/A	49,265,671	41,497,509	7,768,162	320,000	2,392,088	2.86	4,051,551	-	-	N/A	
2014	-	-	-	N/A	55,381,726	40,035,129	15,346,597	580,000	2,387,288	5.17	4,369,019	-	-	N/A	
2015	-	-	-	N/A	60,377,434	42,610,682	17,766,752	850,000	2,369,888	5.52	3,252,298	-	-	N/A	
2016	10,352,230	725,000	2,086,361	3.68	67,937,943	56,210,678	11,727,265	955,000	2,344,388	3.55	4,551,882	-	-	N/A	
2017	10,615,985	740,000	2,068,011	3.78	67,011,869	59,071,095	7,940,774	985,000	2,315,738	2.41	4,628,672	-	-	N/A	
2018	10,397,532	770,000	2,041,511	3.70	70,722,238	59,966,423	10,755,815	1,015,000	2,286,188	3.26	3,667,458	-	-	N/A	
2019	10,642,766	1,940,000	1,994,999	2.70	75,145,136	58,096,971	17,048,165	1,050,000	2,253,200	5.16	4,290,584	-	-	N/A	
2020	10,291,013	2,015,000	1,924,977	2.61	76,056,063	69,015,124	7,040,939	1,105,000	2,200,700	2.13	3,358,570	-	-	N/A	

Source: City of Hialeah Finance Department

Note (b): Rescue transportation fees are net of related uncollectible accounts.

Note (c): During 2011, the City issued Florida Municipal Loan Council Revenue Bond Series 2011D for which the City has pledged Project Revenues, see Note 12.

Note (d): During 2016, the City issued Special Obligation Revenue Bonds Series 2015A and Special Obligation Refunding Revenue Bonds Series 2015B for which the City has pledged franchise fee revenues, see Note 12.

CITY OF HIALEAH, FLORIDA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

<u>Year</u>	<u>Population (1)</u>	<u>Total Personal Income (Amounts Expressed in Thousands) (1)</u>	<u>Per Capita Personal Income (1)</u>	<u>Median Age (2)</u>	<u>School Enrollment (3)</u>	<u>Unemployment Rate (4)</u>
2011	227,962	7,227,763	31,706	38	34,194	12.6%
2012	229,969	7,151,116	31,096	41	38,794	9.2%
2013	231,941	7,606,737	32,796	43	28,912	10.3%
2014	233,394	6,571,208	28,155	42	25,239	5.6%
2015	235,563	7,057,703	29,961	42	25,623	6.3%
2016	237,069	6,934,031	29,249	43	25,348	5.7%
2017	236,387	6,914,083	29,249	43	29,437	5.1%
2018	237,523	7,366,063	31,012	44	30,214	3.9%
2019	238,942	7,923,556	33,161	44	30,251	3.1%
2020	239,722	8,406,571	35,068	45	26,542	9.6%

Sources:

(1) *United States Census Bureau*

(2) *Florida-demographics.com*

(3) *Miami-Dade County School Board Budget Office*

(4) *U.S. Department of Labor*

Note: Population, median age and education level information are based on surveys conducted during the last quarter of the calendar year. Personal income information is a total for the year. Unemployment rate information is an adjusted yearly average. School enrollment is based on the census at the start of the school year. School enrollment appears to have decreased, and fewer schools responded due to COVID-19 pandemic.

CITY OF HIALEAH, FLORIDA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

<u>Employer</u>	<u>2020</u>			<u>2011</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Palmetto General Hospital	1,674	1	1.67%	1,648	1	1.74%
City of Hialeah	1,558	2	1.56%	1,295	2	1.36%
United Parcel Service	1,352	3	1.35%	1,162	3	1.22%
Hialeah Hospital	900	4	0.90%	1,075	4	1.13%
Publix Super Markets	873	5	0.87%	827	6	0.87%
Larkin Community Hospital Palm Springs Campus	727	6	0.73%	618	7	0.65%
Winn Dixie Super Markets	515	7	0.52%	1,031	5	1.09%
Leon Medical Centers	411	8	0.41%	-	-	-
Sedano's Super Markets	399	9	0.40%	547	8	0.58%
Conviva	352	10	0.35%	-	-	-
Bank of America	-	-	-	391	10	0.41%
Yellow Stone Group	-	-	-	414	9	0.44%
Total	<u>8,761</u>		<u>8.76%</u>	<u>9,008</u>		<u>9.49%</u>

Sources: City of Hialeah Office of Management & Budget and Business Tax Division.

CITY OF HIALEAH, FLORIDA
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Number of employees:										
Mayor's office	8	5	3	3	4	5	6	6	7	6
Communications & special events	1	-	-	-	-	-	-	-	-	-
Information systems	14	12	12	12	10	9	9	9	9	10
Community development:										
Planning and zoning	10	9	7	7	7	6	5	5	5	6
Building	19	22	19	19	22	25	21	27	30	39
License	5	8	8	8	9	9	10	11	13	14
Code compliance	7	9	9	9	10	10	10	10	10	8
Office of Management & Budget	12	20	3	3	3	3	3	4	4	3
City Clerk's office	3	5	4	4	4	4	17	16	16	17
Law	11	10	10	9	8	10	9	11	12	13
Risk management	14	3	3	3	3	3	4	4	4	4
Police:										
Police officers	327	303	290	276	264	251	284	272	266	275
Civilians	105	75	56	70	67	75	87	86	91	93
Fire:										
Firefighters	199	254	245	235	238	229	229	236	231	216
Civilians	44	35	19	28	18	18	18	21	20	20
911 Communications	47	44	38	39	41	43	29	50	50	43
Milander	-	-	-	-	-	-	4	6	6	8
Special events	-	-	-	-	-	-	7	10	7	6
Education & community services	27	35	29	29	34	45	78	85	78	55
Library	17	15	15	15	17	17	23	24	22	23
Recreation and community services	76	79	71	70	75	70	131	142	135	124
Streets	34	19	17	17	28	31	25	29	25	27
Stormwater	13	9	9	9	9	13	12	13	11	12
Fleet	33	35	37	37	31	30	29	29	31	30
Circulator	5	-	-	-	-	-	-	-	-	-
Construction and maintenance	30	36	39	39	33	35	31	34	34	33
Solid waste	74	68	62	62	42	26	23	11	9	10
Human resources	7	8	8	9	7	7	8	8	11	9
Finance	16	13	19	19	15	26	20	22	25	21
Retirement	3	4	4	4	4	3	4	5	5	5
Grants and human services	35	33	32	32	8	4	4	9	7	4
Water and sewer	50	60	55	54	64	68	64	59	62	54
Water division	30	32	32	32	26	30	23	34	31	28
Sewer division	19	19	17	17	16	18	12	12	11	9
Total number of employees	<u>1,295</u>	<u>1,279</u>	<u>1,172</u>	<u>1,170</u>	<u>1,117</u>	<u>1,123</u>	<u>1,239</u>	<u>1,300</u>	<u>1,278</u>	<u>1,225</u>

Source: City of Hialeah Human Resources Department

Note: Communication & Special Events and Education & Community Services, which were established in fiscal-year 2006, as well as 911 Communications which was established in fiscal-year 2010. Furthermore, the Planning and Development department was divided into the Planning and Zoning and Building divisions of the newly created Community and Development department along with the Code Compliance and License departments, which are now a division of Community and Development.

CITY OF HIALEAH, FLORIDA
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

<u>Function/Program</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Public safety										
Police:										
Police calls for service	203,401	215,200	245,463	245,230	251,731	239,662	215,390	245,098	268,253	253,925
Parking violations	2,915	3,510	3,301	2,987	3,372	4,674	4,130	5,023	6,505	5,497
Traffic violations	73,423	77,900	78,751	77,253	85,141	83,050	71,252	79,113	120,572	90,996
Fire:										
Number of calls answered	32,992	33,755	35,455	42,250	43,494	43,850	43,195	40,709	39,726	31,631
Inspections	11,136	12,235	12,235	8,500	12,035	13,400	13,789	14,204	14,533	14,530
Planning and development:										
Business permits issued	9,205	8,815	8,716	6,421	7,583	15,022	9,402	16,083	18,484	17,538
Occupational licenses issued	18,318	18,449	18,915	19,019	19,041	19,575	21,420	23,272	25,112	24,223
Streets:										
Street resurfacing (miles)	7.4	10.1	11.5	12.0	7.9	13.7	19.7	6.8	6.1	17.1
Potholes repaired	310	295	285	208	154	294	215	227	184	122
Culture and recreation:										
Registrations for library programs	110,663	56,642	56,642	46,042	50,759	38,364	22,172	22,338	23,153	25,566
Athletic field permits issued	41	65	63	134	90	76	47	26	98	54
Water and sewer:										
Active accounts - water and sewer	54,523	54,392	54,554	55,401	55,008	55,568	56,400	57,101	57,841	57,904
Average daily water consumption (thousands of gallons)	20,519	21,837	20,878	19,959	18,656	18,556	18,068	18,027	16,969	17,079
Average daily sewage treatment (thousands of gallons)	16,670	19,184	19,308	19,458	19,986	24,502	25,215	25,118	24,641	26,139
New connections	4,931	5,368	1,020	920	2,052	981	997	427	486	567
Water main breaks	177	193	195	200	57	108	248	847	252	253
Solid waste:										
Residential accounts	35,591	35,303	35,285	35,101	36,502	36,502	37,433	37,681	36,823	37,651
Commercial accounts	446	449	441	436	440	-	-	-	-	-
Refuse collected (tons/day)	358.0	365.0	225.0	193.0	141.6	254.0	324.0	211.1	206.6	227.0
Recyclables collected (tons/day)	14.2	14.9	21.0	27.0	45.2	45.2	29.0	21.3	19.6	20.5

Sources: Various City departments

Note: Indicators are not available for the general government function.

CITY OF HIALEAH, FLORIDA
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

<u>Function/Program</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General government:										
General government buildings	1	1	1	1	1	1	1	1	1	1
Public safety:										
Police:										
Police stations	5	5	5	5	5	5	5	5	5	5
Patrol units	398	402	229	238	215	225	218	214	304	309
Fire:										
Fire stations	8	8	8	8	8	8	8	8	8	8
Fire apparatus vehicles	15	15	14	15	15	15	15	17	17	16
Emergency rescue vehicles	10	12	14	14	14	14	14	12	12	15
Streets:										
Miles of streets	493.1	493.1	450.6	455.0	475.6	475.6	475.6	475.6	478.1	479.2
Culture and recreation:										
Parks	27	27	27	27	27	27	27	27	27	27
Parks acreage	223.5	223.5	223.5	223.5	223.5	223.5	223.5	223.5	253.5	232.0
Community center	3	3	3	3	3	3	3	3	3	3
Swimming pools	7	7	7	7	7	7	7	7	7	7
Tennis courts	26	26	26	26	26	26	26	26	26	21
Water and sewer:										
Water and sewer buildings	1	2	2	2	2	2	2	2	2	2
Water mains (miles)	492	492	492	496	496	519	519	519	519	537
Fire hydrants	2,772	2,772	2,772	2,812	3,008	3,008	3,093	3,116	3,116	3,116
Storm sewers (miles)	88.2	88.2	88.2	92.3	84.3	84.3	84.3	95.2	96.6	98.1
Solid waste:										
Collection trucks	46	46	46	46	12	-	-	-	-	-
Recycle trucks	-	-	-	-	-	6	6	-	-	-

Sources: Various City departments

Note: Solid waste collection and recycling were outsourced during fiscal years 2016 and 2018 respectively.

COMPLIANCE SECTION



CABALLERO FIERMAN
LLERENA + GARCIA LLP
accountants | advisors

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

Honorable Mayor and Members of the City Council
City of Hialeah, 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 City of Hialeah, Florida (the "City"), as of and for the fiscal year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 21, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, as described in the accompanying schedule of findings and questioned cost that we consider to be a significant deficiency. The item is presented as item 2015-02.

Compliance and Other Matters

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

City's Response to Finding

The City's response to the finding identified in our audit are described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Caballero Fierman Llerena & García, LLP

Caballero Fierman Llerena & García, LLP

Miami, Florida

June 21, 2021



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT, AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL

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

Report on Compliance for Each Major Federal Program and State Project

We have audited the City of Hialeah, Florida's (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the requirements described in the Department of Financial Services' State Projects Compliance Supplement that could have a direct and material effect on each of the City's major federal programs and state projects for the fiscal year ended September 30, 2020. The City's major federal programs and state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the federal and state statutes, regulations, contracts, and grants applicable to its federal programs and state projects.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs and state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General. Those standards and the Uniform Guidance and Chapter 10.550, Rules of the Auditor General require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program and state project occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program and state project. However, our audit does not provide a legal determination of City's compliance.

Opinion on Each Major Federal Program and State Project

In our opinion, the City of Hialeah, Florida, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the fiscal year ended September 30, 2020.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program and state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and state project and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

Report on Internal Control over Compliance (Continued)

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

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

Caballero Fierman Llerena & Garcia, LLP

Caballero Fierman Llerena & Garcia, LLP
Miami, Florida
June 21, 2021

CITY OF HIALEAH, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FISCAL YEAR ENDED SEPTEMBER 30, 2020

<u>Federal Agency/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Grant Number</u>	<u>Passed Through to Recipients</u>	<u>Expenditures</u>
<i>U.S. Department of Housing and Urban Development</i>				
Community Development Block Grant	14.218	B-16-MC-12-0008	628,977	628,977
Community Development Block Grant	14.218	B-17-MC-12-0008	81,979	81,979
Community Development Block Grant	14.218	B-18-MC-12-0008	3,782	117,585
Community Development Block Grant	14.218	B-19-MC-12-0008	381,394	769,232
Community Development Block Grant	14.218	B-20-MW-12-0008	1,304,014	1,304,014
			<u>2,400,147</u>	<u>2,901,787</u>
HOME Investment Partnership	14.239	M-14-MC-12-0207	5,389	5,389
HOME Investment Partnership	14.239	M-15-MC-12-0207	155,396	155,396
HOME Investment Partnership	14.239	M-16-MC-12-0207	957,070	957,070
HOME Investment Partnership	14.239	M-17-MC-12-0207	1,018,456	1,018,456
HOME Investment Partnership	14.239	M-18-MC-12-0207	1,294,144	1,336,052
HOME Investment Partnership	14.239	M-19-MC-12-0207	1,000,223	1,000,223
HOME Investment Partnership	14.239	M-20-MC-12-0207	26,669	26,669
			<u>4,457,346</u>	<u>4,499,255</u>
Emergency Solutions Grant	14.231	E-18-MC-12-0008	109,166	122,206
Emergency Solutions Grant	14.231	E-19-MC-12-0008	145,830	146,951
			<u>254,996</u>	<u>269,157</u>
<i>Total U.S. Department of Housing and Urban Development</i>			<u>7,112,489</u>	<u>7,670,199</u>
<i>U.S. Department of Justice</i>				
Equitable Sharing Funds	16.922	N/A	-	247,694
COVID - 19 Coronavirus Emergency Supplemental Funding Program	16.034	2020-VD-BX-0151	-	140,977
Edward Byrne Memorial Grant Program - 2018	16.738	2018-DJ-BX-0797	-	215
<i>Total U.S. Department of Justice</i>			<u>-</u>	<u>388,886</u>
<i>Subtotal Direct Programs</i>			<u>7,112,489</u>	<u>8,059,085</u>
<i>Executive Office of the President</i>				
Pass-Through Program Monroe County Sheriff's Office				
High Intensity Drug Trafficking Areas Program (HIDTA)	95.001	G17MI0001A	-	19,200
<i>Total Executive Office of the President</i>			<u>-</u>	<u>19,200</u>

(Continued)

CITY OF HIALEAH, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
(continued)
FISCAL YEAR ENDED SEPTEMBER 30, 2020

<u>Federal Agency/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Grant Number</u>	<u>Passed Through to Surecipients</u>	<u>Expenditures</u>
Pass- Through Program from:				
State of Florida Department of Education				
21st Century Community Learning Centers - Steam Ahead	84.287	13B-2449B-9CCC1	-	253,081
Total U.S. Department of Education - Through the State of Florida Department of Education			-	253,081
Pass-Through Program from:				
Florida Department of Transportation - Highway Planning and Construction				
University of North Florida	20.205	G1B36	-	1,218
Highway Planning and Construction (LAP)	20.205	G0B78	-	394,804
Total U.S. Department of Transportation - Through the Florida Department of Transportation			-	396,022
Pass-Through Program from:				
Florida Division of Emergency Management				
Urban Areas Security Initiatives (UASI) (2018)	97.067	19-DS-04-11-23-02-319	-	189,970
Urban Areas Security Initiatives (UASI) (2019)	97.067	R0075	-	134,878
Hurricane Irma - DR-4337	97.036	Z1122	-	8,050,849
Federal Public Assistance - DR 4486 (COVID-19)	97.036	Z2115	-	458,128
Total U.S. Department of Homeland Security - Through the Florida Division of Emergency Management			-	8,833,825
Pass-Through Program from:				
State of Florida Office of the Attorney General				
Victims of Crimes Act (VOCA)	16.575	VOCA-2019-City of Hialeah-00021	-	139,439
Total U.S. Department of Justice - Through the State of Florida Office of the Attorney General			-	139,439
Pass-Through Program from:				
Miami Dade County				
COVID -19 Coronavirus Relief Fund - Cares Act	21.019	N/A	-	4,139,881
COVID -19 - Cares Act	21.019	N/A	-	19,307
Total U.S. Department of Treasury - Through Miami Dade County			-	4,159,188
Pass-Through Program from:				
U.S. Department of Health & Human Services				
Coronavirus Relief Fund - Fire	21.019	N/A	-	50,365
Total U.S. Department of Health & Human Services			-	50,365
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 7,112,489	\$ 21,910,205

CITY OF HIALEAH, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
(continued)
FISCAL YEAR ENDED SEPTEMBER 30, 2020

<u>State Agency/Pass-Through Grantor/Program Title</u>	<u>State CSFA Number</u>	<u>State Grant Number</u>	<u>Passed Through to Recipients</u>	<u>Expenditures</u>
Florida Housing Finance Corporation				
State Housing Initiative Partnership Program	40.901	N/A	-	1,250,043
Total Florida Housing Finance Corporation			-	1,250,043
Florida Department of State - Division of Libraries and Information Services				
State Aid to Libraries (2017-18)	45.030	19-ST-32	-	29,349
Total Florida Department of State - Division of Libraries and Information Services			-	29,349
Florida Department of Elder Affairs				
Alliance for Aging - Meals for the Elderly	65.009	2019-2020 LSP-KL-1934	1,223,610	1,223,610
Alliance for Aging - Meals for the Elderly	65.009	2020-2021 LSP-KL-2034	552,235	552,235
Alliance for Aging - Meals for the Elderly	65.009	2019-2020 LSP-KL-1934	-	38,778
Goodlet Adult Center Facility Improvements	65.013	XQ902	-	40,981
Total Florida Department of Elder Affairs			1,775,845	1,855,604
Florida Department of Economic Opportunity				
Elderly Housing Renovation	40.038	HL102	-	565,967
Florida Job Growth Infrastructure Grant	40.043	G0027	-	1,863,620
Total Florida Department of Economic Opportunity			-	2,429,587
Florida Department of Transportation				
County Incentive Grant Program (CIGP) (Six New Buses)	55.008	G0o50	-	547,056
Total Florida Department of Transportation			-	547,056
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			\$ 1,775,845	\$ 6,111,639

CITY OF HIALEAH, FLORIDA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FISCAL YEAR ENDED SEPTEMBER 30, 2020

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards and state financial assistance includes the federal and state grant activity of the City of Hialeah ("the City") for the fiscal year ended September 30, 2020. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and Chapter 10.550, Rules of the Auditor General. Because the schedule presents only a selected portion of the operations of the City, it's not intended to and does not present the financial position, changes in net position/fund balance or cash flows of the City.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the modified accrual basis of accounting for grants which are accounted for in the governmental fund types and on the accrual basis of accounting for grants which are accounted for in the proprietary fund types. Such expenditures are recognized following the cost principles contained in the Title 2 U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the Florida Single Audit Act, wherein certain types of expenditures are not allowable or are limited as to reimbursement, except for the Equitable Sharing programs for Justice and Treasury which follow, *Guide to Equitable Sharing for Foreign Countries and Federal, State, and Local Law Enforcement Agencies*. Pass-through entity identifying numbers are presented where available.

NOTE 3 - INDIRECT COST RATE

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

NOTE 4 - SUBRECIPIENTS

The City of Hialeah provided federal awards to subrecipients as follows:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Provided</u>
Community Development Block Grant	14.218	\$ 2,400,147
HOME Investment Partnership	14.239	\$ 4,457,346
Emergency Shelter Grant	14.231	\$ 254,996

The City of Hialeah provided state projects to subrecipients as follows:

<u>Program Title</u>	<u>State CSDA Number</u>	<u>Provided</u>
Alliance for Aging - Meals for the Elderly	65.009	\$ 1,775,845

NOTE 5 - CONTINGENCY

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

CITY OF HIALEAH, FLORIDA
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

PRIOR YEAR COMMENTS AND STATUS

FINANCIAL STATEMENTS

The following addresses the status of financial statement findings reported in the fiscal year ended September 30, 2019 schedule of findings and questioned costs.

Matters that are not repeated in the accompanying schedule of findings and questioned costs:

- None

Matters that are repeated in the accompanying schedule of findings and questioned costs:

- 2015-02 Storm Water Fund Deficit (revised and repeated-originally reported as 2014-02)

FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

- None

STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS

- None

CITY OF HIALEAH, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FISCAL YEAR ENDED SEPTEMBER 30, 2020

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued:

Unmodified Opinion

Internal control over financial reporting:

Material weakness(es) identified?

_____ yes X no

Significant deficiencies identified not considered to be material weakness?

X yes _____ None reported

Non-compliance material to financial statements noted?

_____ yes X no

Federal Awards and State Financial Assistance

Internal control over major programs:

Material weakness(es) identified?

_____ yes X no

Significant deficiency(ies) identified not considered to be material weakness?

_____ yes X None reported

Type of auditors' report issued on compliance for major federal programs and state projects:

Unmodified Opinion

Any audit findings disclosed that are required to be reported in accordance with CFR 200.516(a) or Chapter 10.557, Rules of the Auditor General?

_____ yes X no

Identification of major programs:

Federal Awards Program

Federal CFDA No.

Hurricane Irma - DR-4337

97.036

COVID – 19 Coronavirus Relief Fund - Cares Act

21.019

State Financial Assistance Project

State CFSA No.

Florida Job Growth Infrastructure Grant

40.043

Alliance for Aging – Meals for the Elderly

65.009

Dollar threshold used to distinguish between Type A and Type B programs:

Federal \$750,000

State \$750,000

Auditee qualified as low risk auditee pursuant to the Uniform Guidance?

X yes _____ no

CITY OF HIALEAH, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

SECTION II – FINANCIAL STATEMENT FINDINGS

SIGNIFICANT DEFICIENCY

2015-02 Water and Sewer Utility Fund, Solid Waste Utility Fund, and Stormwater Utility Fund Unrestricted Net Position.

Criteria:

Governments are required to maintain positive unrestricted fund net position.

Condition:

During our testing of the enterprise funds we noted that the Water and Sewer utility fund, Solid Waste utility fund, and the Stormwater utility fund reported negative unrestricted net position amounts of \$13,063,552, \$59,649,458, and \$1,040,447, respectively. However, the Solid Waste Utility Fund reported a positive change in net position during fiscal year 2020.

Cause:

The deficit is a result historical operating losses as well as continued investment in capital assets.

Effect:

The three enterprise funds unrestricted net position are at a deficit and the City is required to submit a deficit elimination plan.

Recommendation:

We recommend that the City review its current rates for Water and Sewer utility, Solid Waste utility, and Stormwater utility funds to ensure the fees cover the costs of operations and reduce the deficit unrestricted net position while maintaining the quality of service. In addition, the department should develop a deficit elimination plan that is reviewed and approved by those charged with governance.

View of Responsible Officials and Planned Corrective Actions:

The following three bullets explain the increased costs in Water and Sewer Utility system operating costs:

- The City attributes the increase in operating expenses in fiscal year 2020 in part due to increased sewer treatment costs paid to Miami Dade Water & Sewer (WASD) during the fiscal year. The sewer treatment price per million gallons increased by 4% while sewer flows treated increased by approximately 20% in FY 2020.
- Sewer treatment expenses may be affected in subsequent years due to potential overcharges by WASD related to the routing of other municipalities' sewer flows through the City's facilities over the past five years. These overcharges are estimated to be \$9 million plus from FY 2016 through FY 2020. This issue and its ramifications are currently being addressed with WASD by the City's outside attorneys.
- Payments in lieu of franchise fees that have been paid to the City annually over the past six years have had a direct effect upon operating expenses over this period. (Average \$4.9 million per year). A financial study of the effects and reasonability of the fees has been completed and is awaiting presentation to the City Council for their consideration and approval.

The Solid Waste Utility system has had two consecutive operating surpluses and has improved the fund net position. This is expected to continue due to the privatization efforts in prior years. In addition, the City is continuing its review the current charges for the Stormwater Utility services and is looking to enhance efficiencies in operations.

CITY OF HIALEAH, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

- None

SECTION IV – STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS

- None



CABALLERO FIERMAN
LLERENA + GARCIA LLP
accountants | advisors

MANAGEMENT LETTER IN ACCORDANCE WITH THE RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

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

Report on the Financial Statements

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Hialeah, Florida (the "City"), as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated June 21, 2021.

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; Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors' Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated June 21, 2021, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There was one recommendation made in the preceding annual financial audit report that is being repeated. Item 2015-02 (originally reported in 2014) has been revised and repeated.

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. This information has been disclosed 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 City has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify of the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Financial Condition and Management (continued)

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

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

Additional Matters

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

Purpose of this Letter

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

Caballero Fierman Llerena & Garcia, LLP

Caballero Fierman Llerena & Garcia, LLP
Miami, Florida
June 21, 2021



CABALLERO FIERMAN
LLERENA + GARCIA LLP
accountants | advisors

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH THE REQUIREMENTS OF SECTION
218.415 FLORIDA STATUTES**

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

We have examined City of Hialeah's (the "City") compliance with the requirements of Section 218.415 Florida Statutes during the period of October 1, 2019 to September 30, 2020. Management of the City is responsible for the City's compliance with the specified requirements. Our responsibility is to express an opinion on City of Hialeah's compliance with the specified requirements based on our examination.

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

Our examination does not provide a legal determination on City's compliance with specified requirements. In our opinion, the City complied, in all material respects, with the requirements of Section 218.415 Florida Statutes during the period of October 1, 2019 to September 30, 2020.

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

Caballero Fierman Llerena & Garcia, LLP

Caballero Fierman Llerena & Garcia, LLP
Miami, Florida
June 21, 2021

IMPACT FEE AFFIDAVIT

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

1. I am the Director of Finance of the City of Hialeah, Florida, which is a local governmental entity of the State of Florida;
2. The City of Hialeah, Florida adopted (Ordinance No. 2021-059 and 2007-24) implementing an impact fee ; and
3. To my knowledge, the City of Hialeah, Florida has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

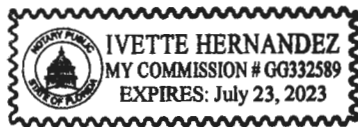
FURTHER AFFIANT SAYETH NAUGHT.

C. Chiocca

Director of Finance of the City of Hialeah,
Florida

STATE OF FLORIDA
COUNTY OF MIAMI-DADE

SWORN TO AND SUBSCRIBED before me this 24th day of September, 2021.



Ivette Hernandez

NOTARY PUBLIC

Print Name Ivette Hernandez

Personally known ☒ or produced identification _____

Type of identification produced: _____

My Commission Expires:

July 23, 2023

