



ANNUAL COMPREHENSIVE FINANCIAL REPORT

CITY OF HIALEAH, FLORIDA
FOR FISCAL YEAR ENDED SEPTEMBER 30, 2021

CITY OF HIALEAH, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
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Prepared by:
Finance Department

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ANNUAL COMPREHENSIVE FINANCIAL REPORT
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INTRODUCTORY SECTION

Esteban Bovo, Jr.
Mayor

Carl Zogby
Council President

Monica Perez
Council Vice-President



Council Members
Bryan Calvo
Vivian Casáls-Muñoz
Jacqueline Garcia-Roves
Luis Rodriguez
Jesus Tundidor

City of Hialeah

June 30, 2022

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

It is our pleasure to submit the Annual Comprehensive Financial Report for the City of Hialeah, Florida, for the fiscal year ending September 30, 2021. The financial statements included in this report conform to generally accepted accounting principles (GAAP) in the United States of America 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, 2021, 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 220,000 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 essential infrastructure and services needed to maintain our citizen's quality of life, and at the same time attract the investments that provide growth and new revenue opportunities to the City. The City continues to emphasize the support of systems such as free public transit, public safety (police and fire), public housing, 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 on-going effects of the COVID-19 pandemic, supply chain challenges, and inflation on the overall economy. These aforementioned challenges have a significant negative impact on our citizens, businesses, and City operations. The large increases in prices of food and fuel along with the high unemployment rates has caused an increase in the financial hardships of 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 nine (9) years. The following discussion is intended to demonstrate the growth and vitality of the City and to address the challenges and concerns in the near future.

Annexation Area (known as Hialeah Heights) - 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 the City. The Annexation Area consists of 1,890 acres of land, of which one-third was designated for residential use, two-thirds have been designated for commercial and industrial use, and 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. The construction of 4,000 residential units with approximately 16,000 residents and 8,000,000 square feet of industrial development were completed. Construction has begun on the first phase of a 77-acre site mixed-use classification, which includes 211,000 square feet of retail / restaurant space and 244 multi-family residential units. Another three undeveloped industrial parcels are in the permitting process to build 1,000,000 square feet of distribution warehouses. Additionally, a new multifamily development comprised of 617 residential units is in the permitting process.

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 2021 is approximately \$38.5 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.

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 Water and Sewer Department for sewage transmission, and treatment and disposal fees.

In the City's southeast area there 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.

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 the first public budget hearing 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

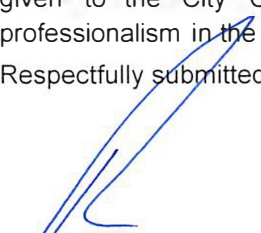
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Hialeah for its Annual Comprehensive Financial Report for the fiscal year ended September 30, 2020. The Certificate of Achievement 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 2021 Annual Comprehensive 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,



Esteban Bovo Jr.
Mayor



Jorge Blanco, CPA
Asst. Director of Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Hialeah
Florida**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2020

Christopher P. Morill

Executive Director/CEO

CITY OF HIALEAH, FLORIDA

List of Elected City Officials

September 30, 2021

Strong Mayor Form of Government

CITY COUNCIL

Esteban Bovo, Jr., Mayor

Carl Zogby, Council President

Monica Perez, Council Vice President

Bryan Calvo

Vivian Casáls-Muñoz

Jacqueline Garcia-Roves

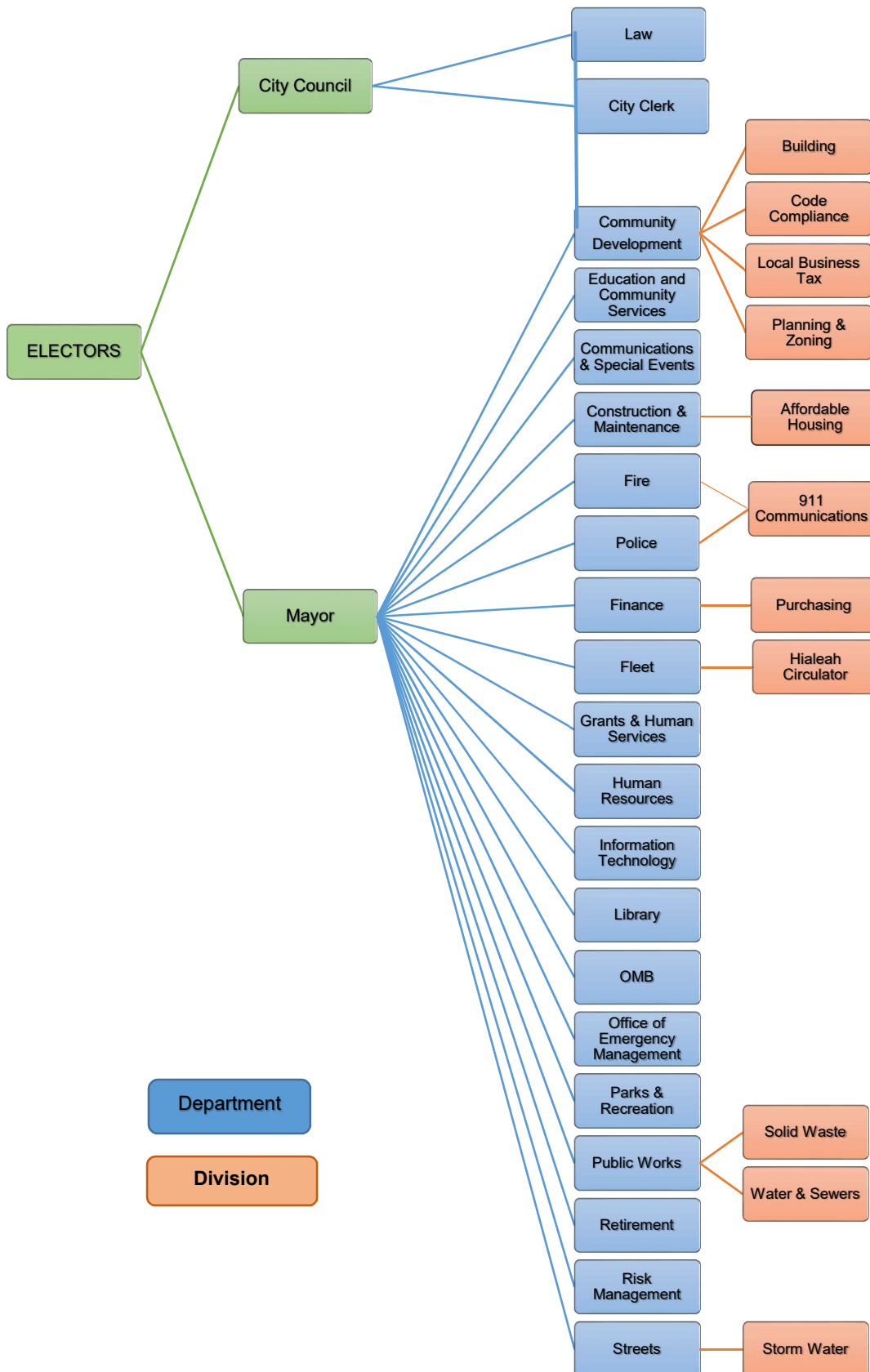
Luis Rodriguez

Jesus Tundidor

Prepared by:

Finance Department and Administration

CITY OF HIALEAH, FLORIDA
ORGANIZATIONAL CHART
SEPTEMBER 30, 2021



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, 2021, 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, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As described in Note 18 to the financial statements, in fiscal year 2021, the City recorded additional charges due by the City to a vendor for related fees associated with prior balances accumulated. The additional cost posed a significant adjustment to the balance resulting in the adjustment and restatement of prior year net position. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Schedules, 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, as listed in the table of contents on pages 3–23 and 85–94 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, budgetary comparison schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and budgetary comparison schedules 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 budgetary comparison schedules 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 30, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Caballero Fierman Llerena & Garcia, LLP

Caballero Fierman Llerena & Garcia, LLP
Miami, Florida
June 30, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

CITY OF HIALEAH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021

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, 2021.

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 \$284.1 million.
- Net position of the City's governmental activities decreased by \$28.4 million (8.9%) during the current fiscal year to a deficit of \$347.6 million. This was primarily due to increase in OPEB liability.
- Net position of the City's business-type activities decreased by \$8.9 million (12.2%) during the current fiscal year to \$63.5 million. This was primarily due to increases in OPEB liability and accounts payable and accrued liabilities. The prior year net position was restated by approximately \$4 million. (See Note 18 for further details).
- At the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$108.9 million, an increase of approximately \$3.5 million.
- At the close of the current fiscal year, the unassigned fund balance for the General Fund was approximately \$38.5 million, or 82% of the total fund balance of \$46.9 million. The non-spendable fund balance was \$7.5 million which represents long term receivables, inventory and prepaid expenses, which are amounts that are not spendable in nature. The restricted amount of \$86 thousand is lease proceeds from a creditor. The committed amount of \$784 thousand is for future expenditures determined by a formal action of the City Council. The \$38.5 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, 2021

Overview of the 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 24-25 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, the Building Fund and the Coronavirus State and Local Fiscal Recovery 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, 2021

Overview of the Financial Statements (Continued)

Governmental funds (Continued)

The City adopts annual appropriated budgets for its General Fund, Building Fund, Coronavirus State and Local Fiscal Recovery Fund, and other governmental funds. Budgetary comparison schedules have been provided for the General Fund, Building Fund, Coronavirus State and Local Fiscal Recovery 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 26-28 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 29-33 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 34-35 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 36-84 of this report.

Other information

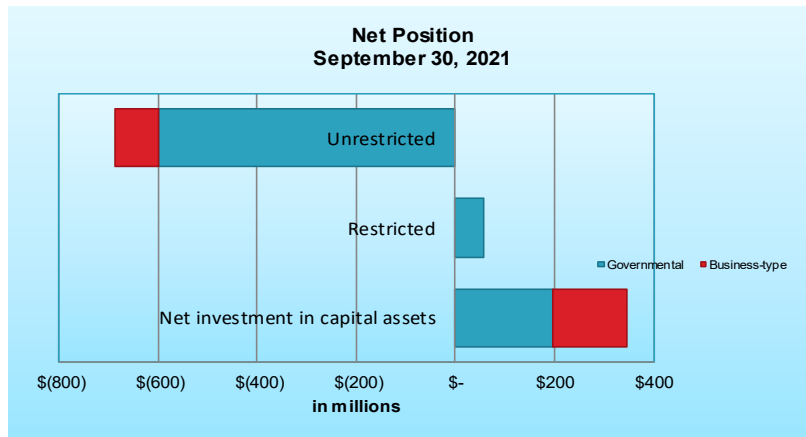
In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* including, but not limited to, budgetary comparison schedules of the General Fund, Building Fund, and the Coronavirus State and Local Fiscal Recovery Fund and information 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 85-94 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 95-128 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 \$284.1 million net position (deficit). This is an 17% increase compared to last year's net position (deficit) of \$246.8 million, as restated. This was due to an increase of the deficit by \$28.4 million in governmental activities and \$8.9 million in business-type activities respectively.

CITY OF HIALEAH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021

Government-wide Financial Analysis (Continued)



CITY OF HIALEAH - NET POSITION

	Governmental Activities	Business-type Activities	Total 2021	Governmental Activities	Business-type Activities	Total 2020
Current and other assets	\$ 152,233,959	\$ 67,131,907	\$ 219,365,866	\$ 118,972,990	\$ 66,965,553	\$ 185,938,543
Restricted assets	3,645,543	11,313,420	14,958,963	6,256,742	10,855,673	17,112,415
Capital assets, net	255,418,877	201,957,929	457,376,806	256,653,937	203,499,510	460,153,447
Total assets	411,298,379	280,403,256	691,701,635	381,883,669	281,320,736	663,204,405
Deferred outflow s of resources	143,238,893	22,080,204	165,319,097	153,745,412	26,237,883	179,983,295
Long-term liabilities	821,814,325	177,802,591	999,616,916	796,115,390	169,505,363	965,620,753
Other liabilities	51,902,814	56,879,762	108,782,576	17,561,173	54,895,241	72,456,414
Total liabilities	873,717,139	234,682,353	1,108,399,492	813,676,563	224,400,604	1,038,077,167
Deferred inflow s of resources	28,467,571	4,280,554	32,748,125	41,212,850	6,744,802	47,957,652
Net position						
Net investment in capital assets	195,636,843	150,193,207	345,830,050	193,868,493	150,166,669	344,035,162
Restricted	56,260,585	-	56,260,585	47,706,472	-	47,706,472
Unrestricted	(599,544,866)	(86,672,654)	(686,217,520)	(560,835,297)	(73,753,456)	(634,588,753)
Total net position	\$ (347,647,438)	\$ 63,520,553	\$ (284,126,885)	\$ (319,260,332)	\$ 76,413,213	\$ (242,847,119)

CITY OF HIALEAH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021

Government-wide Financial Analysis (Continued)

By far the largest portion of the City's net position \$345.8 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 \$56.3 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 \$686.2 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 8.9% (\$28.4 million) from \$319.3 million deficit for last fiscal year, compared to \$347.6 million deficit in the current fiscal year. See detailed explanation under Financial Highlights.

Net position of the City's business-type activities decreased 12.3% (\$8.9 million) from \$72.4 million, as restated for last fiscal year, compared to \$63.5 million in the current fiscal year.

CITY OF HIALEAH - CHANGES IN NET POSITION						
	Governmental Activities	Business-type Activities	Total 2021	Governmental Activities	Business-type Activities	Total 2020
Revenues:						
Program revenues:						
Charges for services	\$ 61,040,247	\$ 103,581,263	\$ 164,621,510	\$ 50,084,158	\$ 99,047,969	\$ 149,132,127
Operating grants & contributions	21,087,711	-	21,087,711	25,349,120	-	25,349,120
Capital grants & contributions	6,521,210	202,536	6,723,746	12,025,790	191,881	12,217,671
General Revenues:						
Property taxes	75,538,132	-	75,538,132	68,425,226	-	68,425,226
Utility taxes	22,493,687	-	22,493,687	22,299,867	-	22,299,867
Franchise fees on gross receipts	17,017,212	-	17,017,212	15,416,105	-	15,416,105
Intergovernmental revenue	34,558,205	-	34,558,205	35,442,925	-	35,442,925
Unrealized gain (loss) on investments	-	(113,739)	(113,739)	-	1,131,107	1,131,107
Gain on disposal of capital assets	954,345	-	954,345	163,985	-	163,985
Unrestricted interest	148,954	322,769	471,723	456,010	513,395	969,405
Total revenues	<u>239,359,703</u>	<u>103,992,829</u>	<u>343,352,532</u>	<u>229,663,186</u>	<u>100,884,352</u>	<u>330,547,538</u>
Expenses:						
General government	84,180,713	-	84,180,713	70,420,073	-	70,420,073
Police	83,705,377	-	83,705,377	88,654,519	-	88,654,519
Fire	63,772,003	-	63,772,003	58,349,093	-	58,349,093
Streets	17,195,034	-	17,195,034	17,440,016	-	17,440,016
Recreation and community services	14,880,885	-	14,880,885	12,018,687	-	12,018,687
Interest on long-term debt	2,966,368	-	2,966,368	3,165,907	-	3,165,907
Water & sewer	-	88,867,911	88,867,911	-	81,857,795	81,857,795
Solid waste	-	20,002,706	20,002,706	-	18,495,129	18,495,129
Stormwater	-	5,116,368	5,116,368	-	4,810,937	4,810,937
Total expenses	<u>266,700,380</u>	<u>113,986,985</u>	<u>380,687,365</u>	<u>250,048,295</u>	<u>105,163,861</u>	<u>355,212,156</u>
Increase (decrease) in net position before transfers	(27,340,677)	(9,994,156)	(37,334,833)	(20,385,109)	(4,279,509)	(24,664,618)
Transfers	(1,080,690)	1,080,690	-	(756,270)	756,270	-
Change in net position	<u>(28,421,367)</u>	<u>(8,913,466)</u>	<u>(37,334,833)</u>	<u>(21,141,379)</u>	<u>(3,523,239)</u>	<u>(24,664,618)</u>
Net position - beginning as previously reported	(319,260,332)	76,413,212	(242,847,120)	(298,118,953)	79,936,452	(218,182,501)
Prior period adjustment (Note 18)	34,261	(3,979,193)	(3,944,932)	-	-	-
Net position - beginning as restated	<u>(319,226,071)</u>	<u>72,434,019</u>	<u>(246,792,052)</u>	<u>(298,118,953)</u>	<u>79,936,452</u>	<u>(218,182,501)</u>
Net position - ending	<u>\$ (347,647,438)</u>	<u>\$ 63,520,553</u>	<u>\$ (284,126,885)</u>	<u>\$ (319,260,332)</u>	<u>\$ 76,413,213</u>	<u>\$ (242,847,119)</u>

CITY OF HIALEAH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021

Government-wide Financial Analysis (Continued)

Governmental activities

Governmental activities increased the City's deficit net position by \$28.4 million in the current fiscal year. The net change in fund balance for the governmental funds increased by \$3.5 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 \$7.1 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

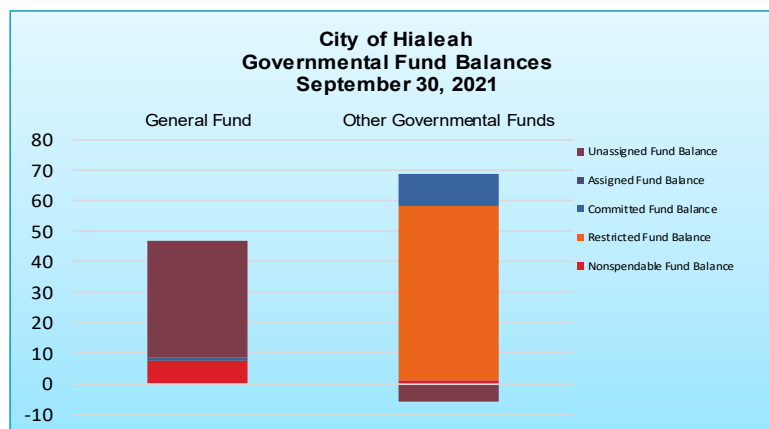
Net position of the City's business-type activities decreased by \$8.9 million in the current fiscal year. The Water and Sewer Utility fund decreased by \$8.9 million, the Solid Waste fund increased by \$368 thousand, and the Stormwater Utility fund decreased by \$378 thousand. See further explanation 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, 2021

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 \$21.8 million, a decrease of approximately \$1.6 million. The individual *statement of revenues, expenditures and changes in fund balances* for nonmajor governmental funds can be found on pages 101-105 of this report.

Unassigned fund balance in the amount of \$38.5 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.

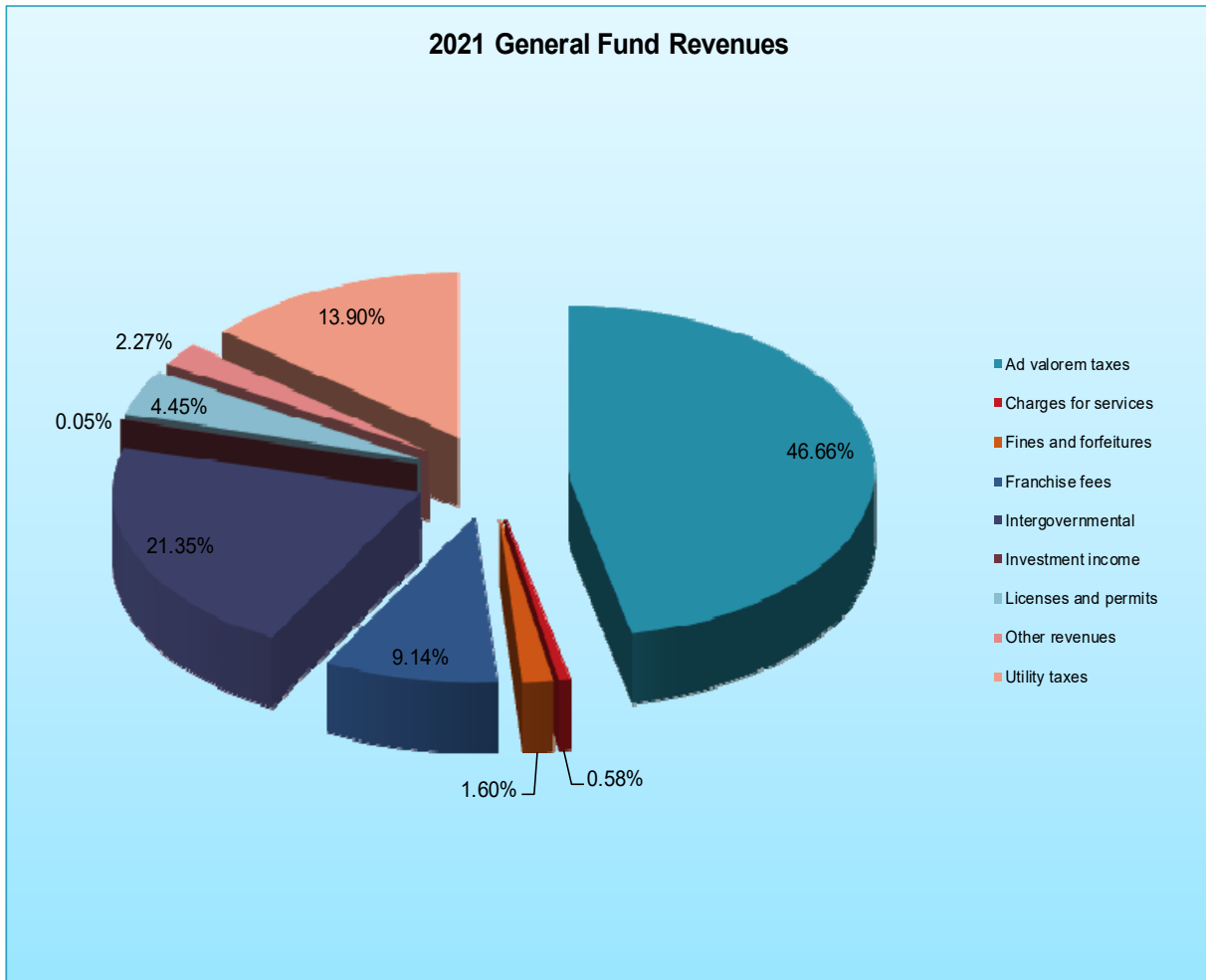
The amount of General Fund revenue from various sources, the percentage of the total and the amount of change compared to last fiscal year are shown in the following schedule:

<u>Revenue Sources</u>	2021		2020		Amount Incr (Decr) from Prior Year	Percent Incr -Decr from Prior Year
	<u>2021 Amount</u>	<u>Percent of Total</u>	<u>2020 Amount</u>	<u>Percent of Total</u>		
Ad valorem taxes	\$ 75,538,132	46.66%	\$ 68,425,226	44.80%	\$ 7,112,906	10.40%
Charges for services	946,673	0.58%	1,084,504	0.71%	(137,831)	-14.56%
Fines and forfeitures	2,589,778	1.60%	2,170,546	1.42%	419,232	19.31%
Franchise fees	14,797,110	9.14%	13,197,756	8.64%	1,599,354	12.12%
Intergovernmental	34,558,205	21.35%	35,442,925	23.20%	(884,720)	-2.56%
Investment income	81,049	0.05%	233,238	0.15%	(152,189)	-187.77%
Licenses and permits	7,205,884	4.45%	7,299,414	4.78%	(93,530)	-1.28%
Other revenues	3,672,656	2.27%	2,594,039	1.70%	1,078,617	29.37%
Utility taxes	22,493,687	13.90%	22,299,867	14.60%	193,820	0.87%
Total	<u>\$ 161,883,174</u>	<u>100%</u>	<u>\$ 152,747,515</u>	<u>100%</u>	<u>\$ 9,135,659</u>	<u>5.98%</u>

CITY OF HIALEAH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021

Financial Analysis of the City's Funds (Continued)

Governmental funds (Continued)



Total General Fund revenues increased by \$9.1 million or 6% in fiscal year 2021. Some of the larger increases in revenues include, increases of approximately \$7.1 million in ad valorem taxes, approximately \$1.6 million in franchise fees, and approximately \$1.0 million in other revenue. Many of the revenue decreases in charges for services, intergovernmental, investment income, and licenses and permits were due to less activity in those departments and a decrease in the interest received for investments.

CITY OF HIALEAH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021

Financial Analysis of the City's Funds (Continued)

Governmental funds (Continued)

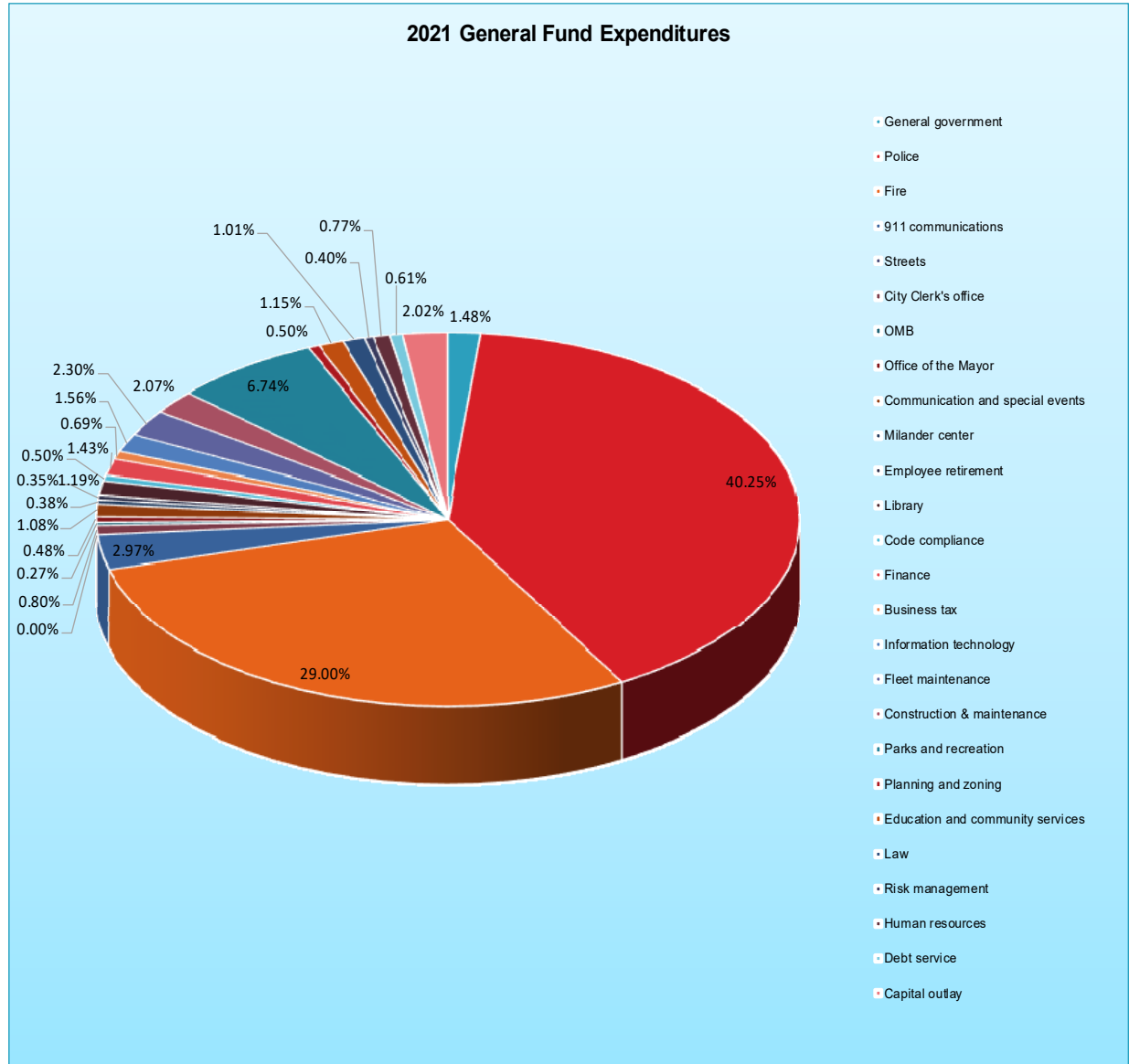
The amount of General Fund expenditures by department, the percentage of the total and the amount of change compared to last fiscal year are shown in the following schedule:

<u>Expenditures</u>	2021		2020		Amount Incr (Decr) from Prior Year	Percent Incr -Decr from Prior Year
	<u>2021</u>	<u>Percent of Total</u>	<u>2020</u>	<u>Percent of Total</u>		
General government	\$ 2,391,936	1.48%	\$ 4,790,476	3.21%	\$ (2,398,540)	-50.07%
Police	64,927,648	40.25%	58,330,841	39.07%	6,596,807	11.31%
Fire	46,783,705	29.00%	42,943,167	28.76%	3,840,538	8.94%
911 communications	4,793,041	2.97%	4,498,716	3.01%	294,325	6.54%
City Clerk's office	1,284,569	0.80%	1,910,174	1.28%	(625,605)	-32.75%
OMB	434,000	0.27%	367,253	0.25%	66,747	18.17%
Office of the Mayor	770,125	0.48%	681,812	0.46%	88,313	12.95%
Communication and special events	1,744,990	1.08%	1,216,691	0.81%	528,299	43.42%
Milander center	610,605	0.38%	660,817	0.44%	(50,212)	-8.22%
Employee retirement	569,442	0.35%	695,173	0.47%	(125,731)	-18.09%
Library	1,915,326	1.19%	1,725,573	1.16%	189,753	11.00%
Code compliance	810,978	0.50%	688,223	0.46%	122,755	17.84%
Finance	2,313,843	1.43%	2,083,325	1.40%	230,518	11.06%
Business tax	1,112,863	0.69%	1,770,814	1.19%	(657,951)	-37.16%
Information technology	2,516,168	1.56%	2,113,745	1.42%	402,423	19.04%
Fleet maintenance	3,707,116	2.30%	3,368,715	2.26%	338,401	10.05%
Construction & maintenance	3,343,392	2.07%	3,178,953	2.13%	164,439	5.17%
Parks and recreation	10,865,521	6.74%	9,745,227	6.53%	1,120,294	11.50%
Planning and zoning	807,635	0.50%	739,814	0.50%	67,821	9.17%
Education and community services	1,857,078	1.15%	1,758,005	1.18%	99,073	5.64%
Law	1,635,001	1.01%	1,538,458	1.03%	96,543	6.28%
Risk management	645,362	0.40%	517,884	0.35%	127,478	24.62%
Human resources	1,238,974	0.77%	1,072,759	0.72%	166,215	15.49%
Debt service	983,061	0.61%	983,061	0.66%	-	100.00%
Capital outlay	3,257,028	2.02%	1,926,827	1.29%	1,330,201	69.04%
Total	<u>\$ 161,319,407</u>	100.00%	<u>\$ 149,306,503</u>	100.00%	<u>\$ 12,012,904</u>	8.05%

CITY OF HIALEAH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021

Financial Analysis of the City's Funds (Continued)

Governmental funds (Continued)



Total General Fund expenditures increased by approximately \$12.0 million or 8% in fiscal year 2021. There was an increase in police of approximately \$6.6 million, an increase in fire of \$3.8 million, an increase in parks and recreation of approximately \$1.1 million, and also there was an increase in capital outlay of approximately \$1.3 million.

City Clerk's office (\$626 thousand) decrease in expenditures was due to election expenses, Business tax (\$658 thousand) decrease was due to reduction of personnel expenditures, and Employee retirement (\$125 thousand) decrease was due to custodial advisor fees.

CITY OF HIALEAH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021

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 \$10.6 million mainly from permit fees and expenditures of approximately \$5.1 million. The fund balance at year end was approximately \$40.2 million.

Coronavirus State and Local Fiscal Recovery Fund

This fund is used to account for all revenues and expenditures related to the American Rescue Plan Act of 2021. During the current fiscal year, the fund reported revenues of approximately \$4.5 from the resources allocated to the City, and expenditures of approximately \$4.5 million mainly for payments made to essential workers, and first responders.

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 \$86.7 million deficit; \$27 million for the Water and Sewer fund, \$59.3 million for the Solid Waste fund, and \$371 thousand 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:

- Intergovernmental revenues were greater than budgeted figures by \$3.9 million or 12.6%, primarily due to an increase in half cent tax collections.
- Utility tax revenues were greater than budgeted figures by \$1.7 million or 8.4%, primarily due to an increase in service tax collections.
- The 911 Communications division was less than budgeted figures by \$1.3 million or 21%, primarily due to vacancies and costs associated with personnel.
- The police department expenditures were greater than budgeted figures by \$3.1 million or 5% primarily due to vacancies and costs associated with personnel and the cost of liability insurance.
- General government expenditures were less than budgeted figures by \$2 million or 34%, primarily due to expenditures for alliance for aging grant being budgeted under general government but expensed in its own governmental fund during the fiscal year.

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, 2021 totals \$457 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 \$2.8 million.

CITY OF HIALEAH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021

Capital Assets and Debt Administration (Continued)

	September 30, 2021			September 30, 2020		
	Governmental	Business-Type	Total	Governmental	Business-Type	Total
Land	\$ 29,694,984	\$ 4,202,141	\$ 33,897,125	\$ 29,694,984	\$ 4,202,141	\$ 33,897,125
Construction in progress	854,853	2,084,157	2,939,010	7,954,340	6,049,564	14,003,904
Buildings and utility plants	94,030,802	56,689,989	150,720,791	89,155,123	57,695,077	146,850,200
Improvements other than buildings	4,466,692	24,819	4,491,511	5,190,976	26,469	5,217,445
Furniture, fixtures, machinery and equipment	23,197,603	389,718	23,587,321	20,263,013	67,380	20,330,393
Furniture, fixtures, machinery and equipment - Charter School	541,335	-	541,335	600,161	-	600,161
Infrastructure	102,632,608	138,567,105	241,199,713	103,795,340	135,458,879	239,254,219
Total capital assets	<u>\$ 255,418,877</u>	<u>\$ 201,957,929</u>	<u>\$ 457,376,806</u>	<u>\$ 256,653,937</u>	<u>\$ 203,499,510</u>	<u>\$ 460,153,447</u>

Additions and transfers to capital assets before depreciation for governmental activities equaled approximately \$18.1 million, including CIP of approximately \$190 thousand. The following additions and transfers include the following items:

- Additions to improvements for resurfacing and landscaping throughout the City streets totaling approximately \$71 thousand.
- Additions to infrastructure for construction and engineering services of several City street projects totaling approximately \$5.9 million and for enhancing the City's park infrastructure system totaling approximately \$1.6 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 \$8.7 million for the current fiscal year.

Additions and transfers to capital assets before depreciation for business type activities equaled approximately \$7.1 million, including CIP of approximately \$1.2 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 \$4.7 million.
- Additions to the reverse osmosis treatment plant totaling approximately \$764 thousand.

Additional information on the City's capital assets can be found in Note 11, starting on page 56 of this report.

Long-term debt

The City's net outstanding debt increased by approximately \$28 million during the current fiscal year. The change was primarily due to an increase in OPEB liability of \$27 million, and an increase in compensated absences of \$2.6 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 57 of this report.

	2021	2020
Bonds, loans and notes payable	\$ 126,703,723	\$ 131,364,205
Capital leases	7,518,033	8,609,579
Other long-term debt	865,395,160	831,855,513
Total	<u>\$ 999,616,916</u>	<u>\$ 971,829,297</u>

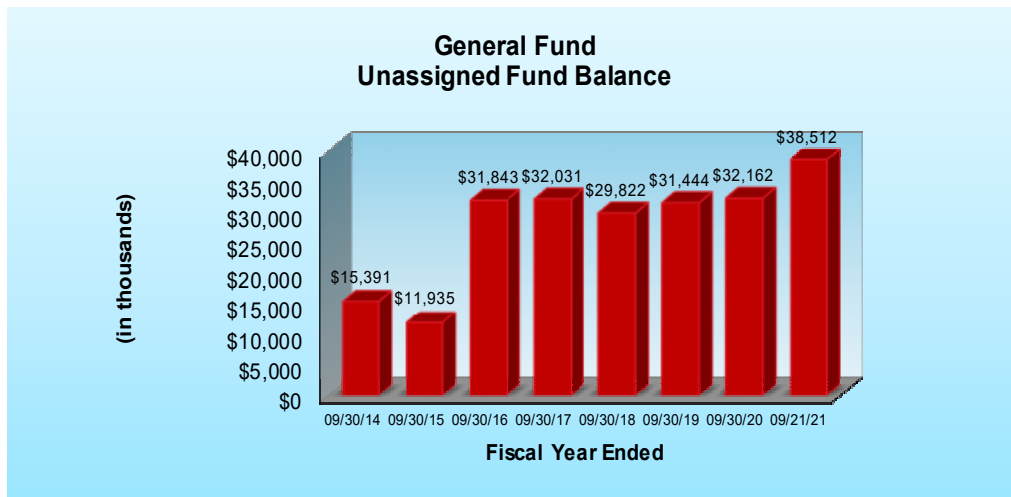
CITY OF HIALEAH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021

Economic Factors and Next Year's Budgets and Rates

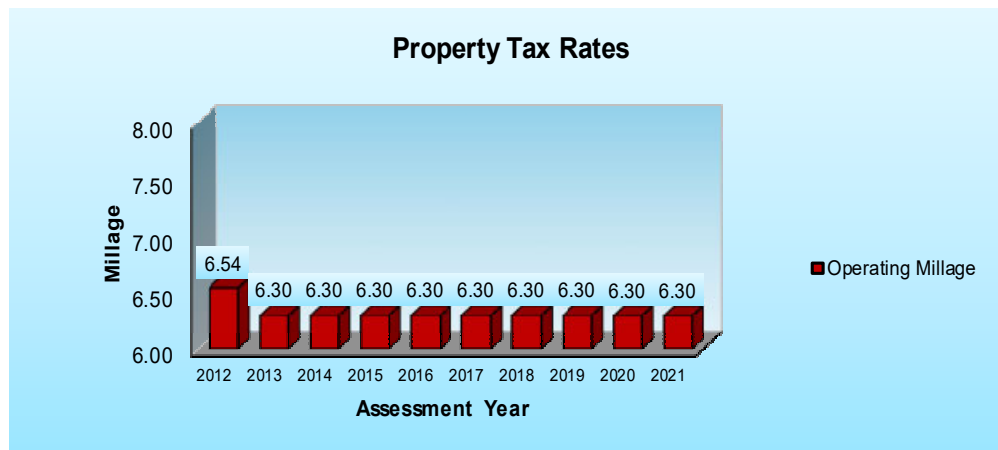
The City's local economy is primarily based upon industrial, light manufacturing and service related companies.

During the current fiscal year, unassigned fund balance in the General Fund increased to \$38.5 million. The unassigned fund balance of \$38.5 million is approximately equal to slightly over two and a half months of the General Fund budgeted expenditures for fiscal year 2021-2022.

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 2020-2021, 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, 2021

2021 Fiscal Year Accomplishments

During the 2020-2021 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.
- In order to serve the population growth and the housing demand, since 2015 the City has passed ordinances allowing rezoning for infill development and redevelopment granting entitlements to build 9,324 new multifamily units. At the time of this report the status of development and redevelopment of these units is as follows; 4,496 are completed; 3,821 are under permitting or construction and 1,007 are pending action.
- 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, 2021

2021 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 a 304-unit mixed use development almost completed, replacing an old shopping plaza, 118 units built among 6 sites are completed and 98 on 7 different sites are under the permitting process. A 1.55-acre vacant parcel in the area has been issued all the entitlements for the construction of the headquarters of a local medical operation including a 93,000 square feet, 5-story building with an attached parking garage. A private/public partnership for a new workforce and affordable housing development on City property is in the final entitlement process for the construction of an 8-story, 152- unit multifamily development
- Construction and Maintenance
 - Designed/Build New Fire Station #9-Trailer at Annex Area
 - Assisted Hialeah Housing Authority(HHA)/Seminola Development with construction management of the 64,000 SF building
 - Re-modeled the James Goodlet Adult Center Facility
 - Upgraded and modernized elevators at several elderly housing projects
 - Upgraded and modernized City Hall's loading dock elevator
 - Continuous 40-year re-certification of City-owned buildings
 - Demolished Sparks and Bucky Dent batting cages for new facilities
 - Designed Bucky Dent Skate Park
 - Build Sparks Park Exercise facility - Slab & Canopy
 - Milander Center Carpeting & Parking Garage Painting/Waterproofing
 - Constructed Hialeah Educational Academy (HEA) Charter School addition - Phase 3
 - Installed Don Quijote Sculpture
 - Renovated Entry Wall on Le-Jeune and Okeechobee Rd
 - Fabricated new Police Shoot House & Training Facility
 - Remodeled/Renovated the Police Virtual Training Center building
- Grants and Human Services
 - U.S. HUD PROGRAMS

CDBG Microenterprise Assistance Program: Assisted seven (7) small businesses having 5 or less employees in the downtown area.

CDBG Public Services:

- Educational Community Services Therapeutics Enhancement Program: Assisted 41 special population.
- Educational Community Services Senior Enrichment Program: Assisted 642 elderly residents.
- Educational Community Services Step Ahead Enrichment Program: Assisted 52 youth and young adults.
- Citrus Health Network Primary Care Clinic: Assisted 390 people.

CITY OF HIALEAH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021

2021 Fiscal Year Accomplishments (Continued)

- Grants and Human Services (Continued)

U.S. HUD PROGRAMS (Continued)

- Spinal Cord Living Assistance Program (SCLAD): Assisted 76 people.
- Health Council of South Florida: Provided services to 2,133 Hialeah residents.
- Hialeah Community Coalition: Provided services and outreach to 354,130 Hialeah residents.

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) was completed.

CDBG Public Facility Improvements:

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

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): 785 business were assisted with rent arrears.
- Business Assistance Grant Phase 2 (County): 611 business were assisted with rent arrears
- Landlord Tenant relief fund and outreach (County): 311 renter households were assisted with rent arrears, future rent and utilities.
- Small Business Stabilization Grant (County): 112 businesses were assisted with rent, utilities, and other expenses.

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.

- Arterial Defibrillator Project – 20 installed, benefited 1,635.

HOME

- Construction of 83 units of Affordable Housing was completed.
- 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 113 homeless people, and 35 at risk of homelessness.

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 serving a total of 19 homeless people, and 166 at risk of becoming homeless.

ESG-CV-2: 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.

CITY OF HIALEAH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021

2021 Fiscal Year Accomplishments (Continued)

- Grants and Human Services (Continued)

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: 183,600 meals were served to 765 low income elderly residents.

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 94.96% complete for capital infrastructure improvements to the area of NW 102 and 162-170 Street.

Goodlet Adult Center Renovation: Project to renovate the recreational center and supply with new equipment has been completed.

Emergency Rental Assistance Program: Provided Rental Assistance to 363 households.

- Recreation Department
 - Completed a rejuvenation project at Garden of the Arts
 - Constructed and open the City's first skate park.
 - Opened two new outdoor fitness areas – Sparks Park and Bucky Dent Park
 - Installed a new playground at Goodlet Park
 - Add a shade structure to Bucky Dent Park's playground
 - Installed two new basketball courts at Milander Park.
 - Acquired and install outdoor fitness machines at Hialeah Trail Park.
 - Installed new playground at O'Quinn Park
 - Installed new shade structures for the general field at Sparks Park.
 - Installed new shade structures for the basketball court area at Goodlet Park.
 - Added a Drama classes to the Performing Arts Program
 - Won state recognized award for Arts & Crafts in Virtual Recreation
 - Restarted recreation league sports during the pandemic
 - Installed new Variable Frequency Driver (VFD) pool pump, chemical equipment controller (BECSys5) and wireless communication device at Babcock poo.
 - Installed a new chemical equipment controller (BECSys7) with a hard-wired communication device to automate our existing filtration system at Milander Aquatic Center.
 - Renovated Milander Aquatic Center building and pool deck.
- Street Department
 - Resurfaced approximately 12 miles of roadway.
 - Continued sidewalk restoration/repairs throughout the City.
 - Restriped 26 locations throughout the City.
 - Continued median beautification/maintenance throughout the City.
 - Completed roadway and drainage improvements along SE 2nd & 3rd PI from SE 6th to 8th Ave.

CITY OF HIALEAH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021

2021 Fiscal Year Accomplishments (Continued)

- Street Department (Continued)
 - Completed the construction of W 40th Ave (NW 102nd Ave) from W 108th St (NW 162nd St) to W 116th St (NW 170th St).
 - Completed the final lift of asphalt of the west half of W 36th Ave (NW 97th Ave) from W 100th St (NW 154th St) to W 104th St (NW 158th St).
 - Substantially completed the construction of the west half of W 36th Ave (NW 97th Ave) from W 108th St (NW 162nd St) to W 113th Terr.
 - Finalized the construction of W 40th Ave (NW 102nd Ave) from W 88th St (NW 142nd St) to W 91st PI (NW 145th PI).
- Department of Public Works:
 - Fully implemented the 2020-2021 retail water and sewer rates approved by the City Council.
 - Continued repairs and rehabilitation of 12 major sewage pump stations to include new force mains.
 - Continued with the water quality sampling for the City's Stage 2 Disinfection By-Product Rules and FDOH.
 - Completed the 2021 Water Quality Report as required by Federal law and distributed the report both in English and Spanish to all customers by July 1, 2021.
 - Continued with sewer main lining program. These repairs and construction are to be completed 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.
 - Continued with the full production operations of the R.O. Water treatment Plant.
 - Continued with the private operations of solid waste services citywide.

Future Outlook

- Construction and Maintenance:
 - Remodel Babcock Park Recreation Building
 - Construct new Annex Park at Annex Area Right of Way
 - Build entry Walls at Annex Area NW 170 St and NW 138 St
 - Modernize for Fire Administration Building elevator
 - Waterproofing & Tile Work at Milander Center-Terrace
 - Demolition of existing structures at Milander Pool and Deck renovation
 - Renovate the Farmer's Market
 - Re-roof O'Quinn Park
 - Re-roof Construction and Maintenance Building
 - Repair water damaged façade at Parks & Recreation Warehouse
 - Upgrade sports lighting to light emitting diode (LED) at all major parks to save energy as part of the Green Initiative
 - Upgrade streets lighting to LED Citywide as part of Green Initiative
 - Assist FPL with energy conservation measures Citywide as part of the Green Initiative

CITY OF HIALEAH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021

Future Outlook (Continued)

- Grants and Human Services:
 - Complete the DEO-funded Job Growth Program serving NW 102nd Avenue from 162nd Street to 170th Street.
 - Initiate a Broadband project within the City parks and affordable housing units.
 - Complete Rehabilitation of Goodlet Park Recreation building.
 - Draft and Submit the City's Annual Action plan to U.S. HUD. Including the recapture of uncommitted prior year funds.
 - Completion of temporary Fire Station 9 in the annex area.
 - Complete street improvements on West 16th Avenue from 74th to 77th Streets.
 - Provide ongoing support to local area businesses through the Micro-Enterprise Business Assistance Program.
 - Provide ongoing rent and utility assistance to renters adversely impacted by Covid-19.
 - Provide ongoing financial support to Education and Community Services.
 - Purchase a new fire truck and firefighting equipment.
 - Fund the purchase of Automated External Defibrillators (AEDs) for community placement by the Hialeah Fire Department.
 - Support Hialeah Housing Authority's congregate meals and homebound meal program.
 - Submit and adopt the Local Housing Assistance Plan for FY 2022-25 and provide direct financial assistance to eligible residents while improving the City's housing stock.
 - Continue rapid rehousing of households facing homelessness and homeless prevention efforts through the City's ESG grant, ESG CV 1 and ESG CV2 funds.
 - Identify and engage a Community Housing Development Organization to access HOME Investment Partnership funds to develop and maintain affordable housing units.
 - Launch interdepartmental initiative to build grant writing capacity citywide.
 - Fund mental health services provided by Citrus Health Network.
 - Fund services for disabled residents provided by Spinal Cord Living Assistance Program.
- Recreation Department
 - Renovate the kitchen at Wilde Community Center.
 - Renovate the baseball/softball dugouts at seven (7) recreational facilities.
 - Repair damaged fence lines on all baseball/softball field locations.
 - Develop an after-school STEM program.
 - Join the Healthy People 2030 Club and create an adult program.
 - Provide activities/programming focusing on mental health and wellness.
 - Install new playground at Walker Community Center.
 - Install new fencing at Slade Park (baseball field #3)
 - Install outdoor restrooms at Goodlet Park.
 - Renovate the interior of Babcock Park's recreation building.
 - Repurpose the junior sized basketball court at Milander Park to be a fitness center.
 - Incorporate rental capabilities at the Skate Park.
 - Revitalize the Veterans Memorial at Triangle Park.
 - Install new playground at Sparks Park.
 - Resurface the tennis courts at Goodlet Tennis Center.
 - Install new walkway lights at Cotson Park.
 - Finalize Adult Basketball agreement and begin league play
 - Develop an E-Sports Program at the newly renovated Babcock Park
 - Create a street hockey program with the NHL Street Hockey organization
 - Install new activity pool at Bucky Dent Water Park.
 - Renovate the restrooms and showers at Bucky Dent Water Park.

CITY OF HIALEAH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021

Future Outlook (Continued)

- Recreation Department (Continued)
 - Expand the west side area (20-30 yards) of the activity pool at Bucky Dent Park and install an additional FUNbrella and an activity area for kids (outdoor ping pong table, shuffle board etc.)
 - Resurface and repair the main pool deck and wave pool flooring (Diamond Brite) at McDonald Water Park.
 - Remove existing water slide and activity pool structure at Milander Aquatic Center. Including, resurfacing the main pool deck with pavers, and replace existing concrete wall and chain-link fence.
 - Install new cantilever shade canopies and 4-5 row tier bleachers for the public at Milander Aquatic Center.
 - Enhance existing PA system at Milander Aquatic Center, McDonald Water Park and Bucky Dent Water Park.
 - Purchase new water play structure(s) for the splash pad at McDonald Water Park.
 - Create an affordable Lifeguard/CPR & AED certification program for the public.
 - Create an affordable City ran swim lesson program for the public.
 - Renovate the McDonald Park recreation building.
 - Identify location and implement a plan to build a dog friendly facility.
- Streets Department
 - Begin the American Rescue Plan Act roadway stormwater infrastructure improvement projects.
 - Continue road resurfacing projects.
 - Continue sidewalk restoration projects in the City's ongoing sidewalk restoration plan.
 - Continue citywide right-of-way landscaping enhancements.
 - Continue roadway restriping.
- Department of Public Works
 - Fully implement the 2021-2022 retail water and sewer rates recently approved by the City Council.
 - Continue the repairs and rehabilitation of 12 major sewage pump stations to include new force mains,
 - Continue with the water quality sampling for the City's Stage 2 Disinfection By-Product Rules and FDOH.
 - Complete the 2021 Water Quality Report as required by Federal law and distributed the report both in English and Spanish to all customers by July 1, 2021.
 - Continue with sewer main lining program. These repairs and construction are to be completed 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.
 - Refinancing of the Florida Municipal Loan Council Bonds, Series 2011D

CITY OF HIALEAH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021

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 Jorge Blanco, Assistant Director of Finance and Chief Accountant, Finance Department, City of Hialeah, 501 Palm Avenue, Hialeah, Florida 33010. In addition, the City's Annual Comprehensive 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, 2021

	Governmental Activities	Business- Type Activities	Total
<u>ASSETS</u>			
Cash and cash equivalents	\$ 94,400,971	\$ 26,166,492	\$ 120,567,463
Investments	-	15,261,734	15,261,734
Receivables, net	38,509,174	29,216,722	67,725,896
Notes receivable	2,822,625	-	2,822,625
Internal balances	7,081,561	(7,081,561)	-
Inventories	3,987,864	1,102,596	5,090,460
Prepays and other assets	1,693,722	2,465,924	4,159,646
Net pension asset	3,738,042	-	3,738,042
Restricted assets:			
Cash, cash equivalents and investments	3,645,543	11,311,320	14,956,863
Other assets	-	2,100	2,100
Capital assets:			
Non-depreciable	30,549,837	6,286,298	36,836,135
Depreciable, net of accumulated depreciation	224,869,040	195,671,631	420,540,671
Total assets	<u>411,298,379</u>	<u>280,403,256</u>	<u>691,701,635</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Pension	63,821,312	11,421,626	75,242,938
Advance contribution to pension	20,000,000	-	20,000,000
OPEB	59,417,581	10,658,578	70,076,159
Total deferred outflows of resources	<u>143,238,893</u>	<u>22,080,204</u>	<u>165,319,097</u>
<u>LIABILITIES</u>			
Accounts payable and other current liabilities	17,425,985	40,366,294	57,792,279
Accrued interest	332,942	-	332,942
Unearned revenue	34,143,886	35,000	34,178,886
Liabilities payable from restricted assets	-	16,478,468	16,478,468
Non-current liabilities:			
Due within one year	19,666,699	3,612,545	23,279,244
Due in more than one year	802,147,626	174,190,046	976,337,672
Total liabilities	<u>873,717,139</u>	<u>234,682,353</u>	<u>1,108,399,492</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Local business tax	4,027,236	-	4,027,236
Pension	5,782,204	933,576	6,715,780
OPEB	18,658,131	3,346,978	22,005,109
Total deferred inflows of resources	<u>28,467,571</u>	<u>4,280,554</u>	<u>32,748,125</u>
<u>NET POSITION</u>			
Net investment in capital assets	195,636,843	150,193,207	345,830,050
Restricted:			
Debt service	7,263,249	-	7,263,249
Human services	40,884,726	-	40,884,726
Public safety	925,534	-	925,534
Recreation and community services	7,068,951	-	7,068,951
Other	118,125	-	118,125
Unrestricted	<u>(599,544,866)</u>	<u>(86,672,654)</u>	<u>(686,217,520)</u>
Total net position	<u>\$ (347,647,438)</u>	<u>\$ 63,520,553</u>	<u>\$ (284,126,885)</u>

See notes to basic financial statements.

CITY OF HIALEAH, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

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	\$ 84,180,713	\$ 40,843,724	\$ 19,472,199	\$ 813,151	\$ (23,051,639)	\$ -	\$ (23,051,639)
Police	83,705,377	1,838,907	264,504	694,065	(80,907,901)	-	(80,907,901)
Fire	63,772,003	5,049,491	7,535	-	(58,714,977)	-	(58,714,977)
Streets	17,195,034	10,758,518	24,080	5,013,994	(1,398,442)	-	(1,398,442)
Recreation and community services	14,880,885	2,549,607	1,319,393	-	(11,011,885)	-	(11,011,885)
Interest on long term debt	2,966,368	-	-	-	(2,966,368)	-	(2,966,368)
Total governmental activities	266,700,380	61,040,247	21,087,711	6,521,210	(178,051,212)	-	(178,051,212)
Business-type activities:							
Water and sewer	88,867,911	79,562,678	-	202,536	-	(9,102,697)	(9,102,697)
Solid waste	20,002,706	20,367,889	-	-	-	365,183	365,183
Stormwater	5,116,368	3,650,696	-	-	-	(1,465,672)	(1,465,672)
Total business-type activities	113,986,985	103,581,263	-	202,536	-	(10,203,186)	(10,203,186)
	<u>\$ 380,687,365</u>	<u>\$ 164,621,510</u>	<u>\$ 21,087,711</u>	<u>\$ 6,723,746</u>	<u>(178,051,212)</u>	<u>(10,203,186)</u>	<u>(188,254,398)</u>
General revenues:							
Property taxes					75,538,132	-	75,538,132
Utility taxes					22,493,687	-	22,493,687
Franchise fees on gross receipts					17,017,212	-	17,017,212
Intergovernmental revenues not restricted to specific program					34,558,205	-	34,558,205
Unrealized gain (loss) on investments					-	(113,739)	(113,739)
Gain on disposal of capital assets					954,345	-	954,345
Unrestricted interest					148,954	322,769	471,723
Transfers					(1,080,690)	1,080,690	-
Total general revenues					149,629,845	1,289,720	150,919,565
Change in net position					(28,421,367)	(8,913,466)	(37,334,833)
Net position - beginning as previously reported					(319,260,332)	76,413,212	(242,847,120)
Prior period adjustment (Note 18)					34,261	(3,979,193)	(3,944,932)
Net position - beginning as restated					(319,226,071)	72,434,019	(246,792,052)
Net position - ending					<u>\$ (347,647,438)</u>	<u>\$ 63,520,553</u>	<u>\$ (284,126,885)</u>

See notes to basic financial statements.

CITY OF HIALEAH, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021

	General	Building Fund	Coronavirus State and Local Fiscal Recovery Fund	Other Governmental Funds	Total Governmental Funds
<u>ASSETS</u>					
Cash and cash equivalents	\$ 91,773,288	\$ -	\$ -	\$ 2,627,683	\$ 94,400,971
Receivables, net	20,580,308	29,189	-	17,899,677	38,509,174
Due from other funds	43,617,131	40,394,128	28,892,448	24,785,120	137,688,827
Inventories	3,987,864	-	-	-	3,987,864
Prepays	718,000	-	-	975,722	1,693,722
Notes receivable	2,822,625	-	-	-	2,822,625
Restricted cash, cash equivalents, and investments	86,417	-	-	3,559,126	3,645,543
Total assets	<u>\$ 163,585,633</u>	<u>\$ 40,423,317</u>	<u>\$ 28,892,448</u>	<u>\$ 49,847,328</u>	<u>\$ 282,748,726</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>					
Advance contribution to pension	20,000,000	-	-	-	20,000,000
<u>LIABILITIES</u>					
Accounts payable and accrued liabilities	\$ 11,022,569	\$ 202,802	\$ -	\$ 6,200,607	\$ 17,425,978
Compensated absences payable	2,227,282	-	-	-	2,227,282
Self-insurance claims payable	576,067	-	-	-	576,067
Due to other funds	116,620,945	-	-	13,986,321	130,607,266
Unearned revenue	2,825,911	-	28,892,448	5,248,152	36,966,511
Total liabilities	<u>133,272,774</u>	<u>202,802</u>	<u>28,892,448</u>	<u>25,435,080</u>	<u>187,803,104</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Local business tax	3,401,185	-	-	626,051	4,027,236
Unavailable revenues	-	-	-	2,003,669	2,003,669
Total deferred inflows of resources	<u>3,401,185</u>	<u>-</u>	<u>-</u>	<u>2,629,720</u>	<u>6,030,905</u>
<u>FUND BALANCES</u>					
Nonspendable	7,528,489	-	-	975,722	8,504,211
Restricted	86,417	39,704,078	-	17,035,113	56,825,608
Committed	784,325	516,437	-	9,858,575	11,159,337
Unassigned	38,512,443	-	-	(6,086,882)	32,425,561
Total fund balances	<u>46,911,674</u>	<u>40,220,515</u>	<u>-</u>	<u>21,782,528</u>	<u>108,914,717</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 183,585,633</u>	<u>\$ 40,423,317</u>	<u>\$ 28,892,448</u>	<u>\$ 49,847,328</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					255,418,871
Long-term liabilities, including bonds payable, are not due and payable in the current period					(82,457,034)
Compensated absences					(30,422,198)
Claims payable					(50,362,762)
Accrued interest					(332,942)
Unavailable revenue recognized					2,003,669
Net pension asset					3,738,042
Net pension liability					(255,766,849)
Deferred outflows - pensions					63,821,312
Deferred inflows - pensions					(5,782,204)
Deferred outflows - OPEB					59,417,581
Deferred inflows - OPEB					(18,658,132)
Notes receivable-long term					2,822,625
OPEB liability					(400,002,133)
Net position of governmental activities					<u>\$ (347,647,438)</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, 2021

	<u>General</u>	<u>Building Fund</u>	<u>Coronavirus State and Local Fiscal Recovery Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
Ad valorem taxes	\$ 75,538,132	\$ -	\$ -	\$ -	\$ 75,538,132
Charges for services	946,673	-	-	7,305,973	8,252,646
Fines and forfeitures	2,589,778	-	-	1,295,007	3,884,785
Franchise fees	14,797,110	-	-	2,220,102	17,017,212
Impact fees	-	-	-	2,490,178	2,490,178
Intergovernmental	34,558,205	-	4,524,679	45,300,772	84,383,656
Investment income	81,049	45,672	-	22,233	148,954
Licenses and permits	7,205,884	10,502,943	-	108,748	17,817,575
Other revenues	3,672,656	11,402	-	984,602	4,668,660
Utility taxes	22,493,687	-	-	-	22,493,687
Total revenues	161,883,174	10,560,017	4,524,679	59,727,615	236,695,485
Expenditures:					
Current:					
911 communications	4,793,041	-	73,202	819,131	5,685,374
Business tax division	1,112,863	-	-	-	1,112,863
City clerk's office	1,284,569	-	-	-	1,284,569
Code compliance	810,978	-	-	-	810,978
Communications and special events	1,744,990	-	-	-	1,744,990
Construction and maintenance	3,343,392	-	-	-	3,343,392
Education and community services	1,857,078	-	-	-	1,857,078
Employee retirement	569,442	-	-	-	569,442
Finance	2,313,843	-	-	-	2,313,843
Fire	46,783,705	-	1,902,850	5,461,207	54,147,762
Fleet maintenance	3,707,116	-	-	-	3,707,116
General government	2,391,936	4,710,841	604,524	14,630,940	22,338,241
Grants and human services	-	-	1,122	11,219,819	11,220,941
Human resources	1,238,974	-	-	-	1,238,974
Information technology	2,516,168	-	-	-	2,516,168
Law	1,635,001	-	-	-	1,635,001
Library	1,915,326	-	-	310,715	2,226,041
Milander center	610,605	-	-	-	610,605
Office of management and budget	434,000	-	-	-	434,000
Office of the mayor	770,125	-	-	-	770,125
Parks and recreation	10,865,521	-	236,199	2,541	11,104,261
Planning and zoning	807,635	-	-	-	807,635
Police	64,927,648	-	1,257,939	690,429	66,876,016
Public works	-	-	214,526	16,134	230,660
Risk management	645,362	-	-	-	645,362
State housing initiative program	-	-	5,337	1,992,953	1,998,290
Streets	-	-	228,980	5,383,352	5,612,332
Capital outlay	3,257,028	407,155	-	16,365,810	20,029,993
Debt service:					
Principal	884,051	-	-	3,989,172	4,873,223
Interest	99,010	-	-	3,278,761	3,377,771
Total expenditures	161,319,407	5,117,996	4,524,679	64,160,964	235,123,046
Excess of revenues over expenditures before other financing sources (uses)	563,767	5,442,021	-	(4,433,349)	1,572,439
Other financing sources (uses):					
Proceeds from disposal of capital assets	954,345	-	-	-	954,345
Proceeds of refunding bonds	-	-	-	22,720,000	22,720,000
Payments to bond refunding escrow agent	-	-	-	(21,704,000)	(21,704,000)
Transfers in	-	-	-	1,755,399	1,755,399
Transfers out	(1,755,399)	-	-	-	(1,755,399)
Total other financing sources (uses)	(801,054)	-	-	2,771,399	1,970,345
Net change in fund balances	(237,287)	5,442,021	-	(1,661,950)	3,542,784
Fund balances, as previously reported	47,148,961	34,778,494	-	23,410,217	105,337,672
Prior Period Adjustment (Note 18)	-	-	-	34,261	34,261
Fund balances, as restated	-	-	-	23,444,478	23,444,478
Fund balances, ending	\$ 46,911,674	\$ 40,220,515	\$ -	\$ 21,782,528	\$ 108,914,717

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, 2021

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

Net change in fund balances - total governmental funds (Page 27)	\$ 3,542,784
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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	20,029,993	
Depreciation expense	<u>(19,425,484)</u>	
Net adjustment		604,509

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	(1,839,569)	
Other adjustments	<u>(293,801)</u>	
Net adjustment		(2,133,370)

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>2,003,669</u>	
		2,003,669

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>(22,720,000)</u>	
Principal payments:		
Payment to refunded bond escrow agent	21,704,000	
Notes payable	3,781,676	
Capital leases	<u>1,091,546</u>	
	<u>26,577,222</u>	
Net adjustment		3,857,222

Cash pension contributions reported in the funds were less than calculated pension expense on the statement of activities	(15,332,626)
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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 due to OPEB	8,485,205	
Increase in OPEB liability	(26,749,309)	
Decrease in accrued interest	84,715	
Increase in claims payable	(738,370)	
Amortization of bond discount/premium	326,688	
Increase in compensated absences	<u>(2,372,484)</u>	
Net adjustment		<u>(20,963,555)</u>

Change in net position of governmental activities (Page 25)	<u>\$ (28,421,367)</u>
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See notes to basic financial statements.

CITY OF HIALEAH, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2021

	Water and Sewers Utility System	Solid Waste Utility System	Stormwater Utility System	Total
<u>ASSETS</u>				
Current assets:				
Cash and cash equivalents	\$ 25,893,135	\$ 273,357	\$ -	\$ 26,166,492
Investments	15,261,734	-	-	15,261,734
Customers accounts receivable, net	23,268,186	-	-	23,268,186
Other receivables	4,963,000	985,536	-	5,948,536
Due from other funds	1,067,292	3,361,033	7,220,790	11,649,115
Inventories	1,102,596	-	-	1,102,596
Prepays	2,242,102	-	223,822	2,465,924
Restricted assets:				
Cash, cash equivalents and investments	11,311,320	-	-	11,311,320
Other assets	2,100	-	-	2,100
Total current assets	<u>85,111,465</u>	<u>4,619,926</u>	<u>7,444,612</u>	<u>97,176,003</u>
Non-current assets:				
Interfund loan receivable	8,730,275	-	-	8,730,275
Capital assets, not being depreciated	5,842,229	444,069	-	6,286,298
Capital assets, net of accumulated depreciation	<u>172,252,077</u>	<u>3,372,475</u>	<u>20,047,079</u>	<u>195,671,631</u>
Total capital assets, net	<u>178,094,306</u>	<u>3,816,544</u>	<u>20,047,079</u>	<u>201,957,929</u>
Total non-current assets	<u>186,824,581</u>	<u>3,816,544</u>	<u>20,047,079</u>	<u>210,688,204</u>
Total assets	<u>271,936,046</u>	<u>8,436,470</u>	<u>27,491,691</u>	<u>307,864,207</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Pension	5,819,699	4,768,398	833,529	11,421,626
OPEB	<u>5,430,901</u>	<u>4,449,832</u>	<u>777,845</u>	<u>10,658,578</u>
Total deferred outflows of resources	<u>11,250,600</u>	<u>9,218,230</u>	<u>1,611,374</u>	<u>22,080,204</u>

See notes to basic financial statements.

CITY OF HIALEAH, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
(Continued)
SEPTEMBER 30, 2021

	Water and Sewers Utility System	Solid Waste Utility System	Stormwater Utility System	Total
<u>LIABILITIES</u>				
Current liabilities:				
Accounts payable and accrued liabilities	\$ 36,754,642	\$ 3,452,844	\$ 158,810	\$ 40,366,296
Current portion of self-insurance claims payable	585,636	542,846	40,663	1,169,145
Current portion of loans payable	1,301,870	-	552,000	1,853,870
Current portion of compensated absences	431,834	59,147	44,727	535,708
Due to other funds	6,742,919	7,633,803	-	14,376,722
	<u>45,816,901</u>	<u>11,688,640</u>	<u>796,200</u>	<u>58,301,741</u>
Current liabilities payable from restricted assets:				
DERM payable	5,756,776	-	-	5,756,776
Due to other funds	4,353,954	-	-	4,353,954
Other payables	28,210	-	-	28,210
Customer deposits	10,693,482	-	-	10,693,482
Total current liabilities payable from restricted assets	<u>20,832,422</u>	<u>-</u>	<u>-</u>	<u>20,832,422</u>
Total current liabilities	<u>66,649,323</u>	<u>11,688,640</u>	<u>796,200</u>	<u>79,134,163</u>
Non-current liabilities:				
Revolving loan	720,055	-	-	720,055
Loan payable	39,499,890	-	9,690,907	49,190,797
Interfund loan payable	-	8,730,275	-	8,730,275
Unearned revenues	-	35,000	-	35,000
Net pension liability	23,377,675	19,154,611	3,348,286	45,880,572
Self-insurance claims payable	2,643,702	1,683,111	141,055	4,467,868
OPEB liability	36,545,241	29,940,676	5,232,262	71,718,179
Compensated absences payable	2,033,227	84,327	148,840	2,266,394
Total non-current liabilities	<u>104,819,790</u>	<u>59,628,000</u>	<u>18,561,350</u>	<u>183,009,140</u>
Total liabilities	<u>171,469,113</u>	<u>71,316,640</u>	<u>19,357,550</u>	<u>262,143,303</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Pension	475,688	389,757	68,131	933,576
OPEB	1,705,397	1,397,324	244,257	3,346,978
Total deferred inflows of resources	<u>2,181,085</u>	<u>1,787,081</u>	<u>312,388</u>	<u>4,280,554</u>
<u>NET POSITION</u>				
Net investment in capital assets	136,572,491	3,816,544	9,804,172	150,193,207
Unrestricted	<u>(27,036,043)</u>	<u>(59,265,565)</u>	<u>(371,046)</u>	<u>(86,672,654)</u>
Total net position	<u>\$ 109,536,448</u>	<u>\$ (55,449,021)</u>	<u>\$ 9,433,126</u>	<u>\$ 63,520,553</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, 2021

	Water and Sewers Utility System	Solid Waste Utility System	Stormwater Utility System	Total
Operating revenues:				
Metered water sales	\$ 25,111,532	\$ -	\$ -	\$ 25,111,532
Sanitary sewer service	48,943,102	-	-	48,943,102
Sanitation fees	-	19,698,176	-	19,698,176
Stormwater fees	-	-	3,650,696	3,650,696
Other	5,508,044	669,713	-	6,177,757
Total operating revenues	<u>79,562,678</u>	<u>20,367,889</u>	<u>3,650,696</u>	<u>103,581,263</u>
Operating expenses:				
Operating, administrative and maintenance	80,761,816	19,595,757	2,087,009	102,444,582
Depreciation	5,902,199	148,172	2,557,174	8,607,545
Total operating expenses	<u>86,664,015</u>	<u>19,743,929</u>	<u>4,644,183</u>	<u>111,052,127</u>
Operating income (loss)	<u>(7,101,337)</u>	<u>623,960</u>	<u>(993,487)</u>	<u>(7,470,864)</u>
Non-operating revenues (expenses):				
Unrealized gain on investments	(113,739)	-	-	(113,739)
Investment income	313,357	2,378	7,034	322,769
Interest expense	(2,203,896)	(258,777)	(472,185)	(2,934,858)
Net non-operating revenues (expenses)	<u>(2,004,278)</u>	<u>(256,399)</u>	<u>(465,151)</u>	<u>(2,725,828)</u>
Gain (loss) before contributions	(9,105,615)	367,561	(1,458,638)	(10,196,692)
Capital contributions	202,536	-	1,080,690	1,283,226
Change in net position	(8,903,079)	367,561	(377,948)	(8,913,466)
Fund balances, as previously reported	122,418,720	(55,816,582)	9,811,074	76,413,212
Prior Period Adjustment (Note 18)	(3,979,193)	-	-	(3,979,193)
Fund balances, as restated	<u>118,439,527</u>	<u>(55,816,582)</u>	<u>9,811,074</u>	<u>72,434,019</u>
Fund balances, ending (1)	<u>\$ 109,536,448</u>	<u>\$ (55,449,021)</u>	<u>\$ 9,433,126</u>	<u>\$ 63,520,553</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, 2021

	Water and Sewers Utility System	Solid Waste Utility System	Stormwater Utility System	Totals
Cash flows from operating activities:				
Cash received from customers	\$ 74,729,103	\$ 20,982,811	\$ 2,855,445	\$ 98,567,359
Cash received from others	6,206,003	762,426	-	6,968,429
Cash paid for interfund services used	(1,499,501)	-	-	(1,499,501)
Cash payments to suppliers	(66,631,054)	(17,941,235)	(1,285,213)	(85,857,502)
Cash payments to employees	(6,108,488)	(530,980)	(675,946)	(7,315,414)
Net cash provided by (used in) operating activities	<u>6,696,063</u>	<u>3,273,022</u>	<u>894,286</u>	<u>10,863,371</u>
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(5,754,902)	(131,838)	(98,533)	(5,985,273)
Proceeds from interfund note receivable	3,800,130	-	-	3,800,130
Interest paid	(2,203,896)	(258,777)	(472,185)	(2,934,858)
Capital contributions	202,536	-	-	202,536
Payments on interfund note payable	-	(3,800,130)	-	(3,800,130)
Payments on long-term debt	(1,224,355)	-	(330,602)	(1,554,957)
Net cash provided by (used in) capital and related financing activities	<u>(5,180,487)</u>	<u>(4,190,745)</u>	<u>(901,320)</u>	<u>(10,272,552)</u>
Cash flows from investing activities:				
Interest received on investments	<u>313,357</u>	<u>2,378</u>	<u>7,034</u>	<u>322,769</u>
Net cash provided by (used in) investing activities	<u>313,357</u>	<u>2,378</u>	<u>7,034</u>	<u>322,769</u>
Net increase (decrease) in cash and cash equivalents	1,828,933	(915,345)	-	913,589
Cash and cash equivalents, beginning	<u>35,375,522</u>	<u>1,188,702</u>	<u>-</u>	<u>36,564,224</u>
Cash and cash equivalents, ending	<u>37,204,455</u>	<u>273,357</u>	<u>-</u>	<u>37,477,813</u>
Cash and cash equivalents per statement of net position:				
Unrestricted	25,893,135	273,357	-	26,166,492
Restricted - current	11,311,320	-	-	11,311,320
	<u>\$ 37,204,455</u>	<u>\$ 273,357</u>	<u>\$ -</u>	<u>\$ 37,477,812</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, 2021

	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)	\$ (7,101,337)	\$ 623,960	\$ (993,487)	\$ (7,470,864)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	5,902,199	148,172	2,557,174	8,607,545
Amortization	13,162	-	-	13,162
Changes in operating assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	(135,220)	-	-	(135,220)
Other receivables	697,959	92,713	-	790,672
Due from other funds	(170,425)	1,284,635	(795,252)	318,958
Prepays	1,308,909	-	(223,822)	1,085,087
Inventories	(233,739)	-	-	(233,739)
Deferred outflows	2,080,622	1,786,394	290,660	4,157,676
Increase (decrease) in:				
Accounts payable and accrued liabilities	4,622,221	(759,746)	(67,792)	3,794,683
Self insurance claims payable	94,066	640,848	42,259	777,173
Compensated absences payable	258,917	(42,850)	19,156	235,223
OPEB liability	1,881,805	1,333,885	281,407	3,497,097
Deferred inflows	(1,245,885)	(1,041,807)	(176,556)	(2,464,248)
Net pension liability	(366,803)	(445,926)	(39,461)	(852,190)
Due to other funds	(1,329,077)	(347,256)	-	(1,676,333)
Customer deposits	418,690	-	-	418,690
Total adjustments	13,797,400	2,649,062	1,887,773	18,334,235
Net cash provided by (used in) operating activities	\$ 6,696,063	\$ 3,273,022	\$ 894,286	\$ 10,863,371
Schedule of non-cash capital and related financing activities:				
Contributions of capital assets from governmental activities	\$ -	\$ -	\$ 1,080,690	\$ 1,080,690
Increase (decrease) in fair value of investments	(113,739)	-	-	(113,739)

See notes to basic financial statements.

CITY OF HIALEAH, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2021

	<u>Pension Trust</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$ 32,387,773
Securities lending cash collateral	<u>31,979,471</u>
Receivables:	
Other receivables	417,842
Accrued interest and dividends	<u>1,347,874</u>
Total receivables	<u>1,765,716</u>
Investments, at fair value:	
U.S. government	175,867,351
Real estate investment trusts	16,701,681
Corporate bonds	132,710,543
Foreign bonds	736,575
Limited partnerships	5,870,728
Mutual funds	24,451,241
ADRs	35,017,732
Foreign stocks	7,922,817
CIF - equity	1,203,827
Common stocks	<u>408,964,904</u>
Total investments	<u>809,447,399</u>
Loans to members	<u>7,195,349</u>
Total assets	<u>882,775,708</u>
<u>LIABILITIES AND NET POSITION</u>	
Obligations under securities lending	31,979,471
Investments purchased	490,035
Accounts payable and accrued liabilities	<u>43,493</u>
Total liabilities	<u>32,512,999</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Advance contribution from city	<u>20,000,000</u>
Net position restricted for pensions	<u>\$ 830,262,709</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, 2021

	Pension Trust
<u>ADDITIONS</u>	
Contributions:	
Employer	\$ 33,814,055
Employee	8,916,494
State	<u>461,877</u>
Total contributions	<u>43,192,426</u>
Investment income:	
Net appreciation in fair value of investments	121,794,512
Investment earnings	<u>15,289,051</u>
Total investment income	137,083,563
Less investment expenses	<u>2,046,492</u>
Net investment income	<u>135,037,071</u>
Total additions	<u>178,229,497</u>
<u>DEDUCTIONS</u>	
Pension benefits	64,714,291
Refunds of contributions	8,707,034
DROP benefits	1,823,105
Administrative expenses	<u>941,614</u>
Total deductions	<u>76,186,044</u>
Net increase	102,043,453
Net position restricted for pensions:	
Beginning of year	<u>728,219,256</u>
End of year	<u>\$ 830,262,709</u>

See notes to basic financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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, 2021. The June 30, 2021 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.

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.

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.

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. The fund's primary revenue sources are various permit fees.

Coronavirus State and Local Fiscal Recovery Fund

This fund accounts for the Coronavirus State and Local Fiscal Recovery Fund that congress has allocated to state, local, territorial, and Tribal governments, in order to support their response to and recovery from the COVID-19 public health emergency.

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.

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

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.

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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)

1. Deposits and Investments (Continued)

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 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).

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.

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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)

5. Capital Assets (Continued)

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

6. 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 \$75,242,937, \$20,000,000, and \$70,076,153, 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 \$6,715,780, \$22,005,110 and \$4,027,236, respectively.

Unavailable revenues consist of CITT Surtax funds, and the Emergency Assistance Program Fund received after the period of availability.

7. 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.
8. 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.
9. Long-Term Obligations - In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position. 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.

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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)

10. Net Position – As of September 30, 2021, net position is 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.

11. 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.

12. Fund Balance - As of September 30, 2021, fund balances of the governmental funds are classified as follows:

- Nonspendable
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, 2021

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	\$ 3,987,864	\$ -	\$ -	\$ 3,987,864
Prepays	718,000	-	975,722	1,693,722
Notes receivable	2,822,625	-	-	2,822,625
Restricted:				
General government	86,417	39,704,078	4,765,027	44,555,522
Human services	-	-	334,455	334,455
Parks and recreation	-	-	6,998,175	6,998,175
Public safety	-	-	2,450,200	2,450,200
Road improvements	-	-	2,487,256	2,487,256
Committed:				
General government	650,423	516,437	2,699,992	3,866,852
Human services	42,719	-	3,613,932	3,656,651
Parks and recreation	28,121	-	1,351,694	1,379,815
Public safety	63,062	-	932,547	995,609
Road improvements	-	-	1,260,410	1,260,410
Assigned:	-	-	-	-
Unassigned:	38,512,443	-	(6,086,882)	32,425,561
Total Fund Balances	\$ 46,911,674	\$ 40,220,515	\$ 21,782,528	\$108,914,717
Fund Balances:				
Nonspendable	\$ 7,528,489	\$ -	\$ 975,722	\$ 8,504,211
Restricted	86,417	39,704,078	17,035,113	56,825,608
Committed	784,325	516,437	9,858,575	11,159,337
Assigned	-	-	-	-
Unassigned	38,512,443	-	(6,086,882)	32,425,561
Total Fund Balances	\$ 46,911,674	\$ 40,220,515	\$ 21,782,528	\$108,914,717

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, 2021

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 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.
18. Fund Deficits - The following fund had a deficit in the amount indicated as of September 30, 2021

<u>Fund</u>	<u>Deficit</u>
Proprietary Fund:	
Solid Waste Utility System	\$ 55,449,021

The Solid Waste Utility System fund had a prior year ending fund deficit of \$55.8 million.

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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)

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 2020-2021 the change in net position for the Solid Waste Utility System was approximately \$368 thousand. This change is inclusive of expenses for increases in worker's compensation of approximately \$1.6 million, and other post-employment benefits of approximately \$1.0 million. 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 2022-2023 are necessary to cover operating expenses. The City anticipates annual CPI adjustments to the residential monthly fees in FY 2023, 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 21-22, after accounting for debt service payments to the Water and Sewers fund.

19. Excess of Expenditures over Appropriations - For fiscal year ended September 30, 2021, expenditures exceeded appropriations in the following departments of the General Fund:

	Final <u>Budget</u>	<u>Actual</u>	Amount in Excess of Final Budget
Code compliance	\$ 718,579	\$ 810,978	\$ 92,399
Communications and special events	1,367,838	1,744,990	377,152
Fire	46,173,536	46,783,705	610,169
Fleet maintenance	3,709,602	3,723,396	13,794
Human resources	1,107,692	1,241,919	134,227
Information technology	2,660,812	2,798,316	137,504
Library	1,921,304	1,948,850	27,546
Milander center	851,054	875,847	24,793
Office of management and budget	396,675	434,678	38,003
Office of the Mayor	724,833	770,859	46,026
Police	63,831,284	66,966,563	3,135,279
Risk management	536,943	645,362	108,419

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, 2021, expenditures exceeded appropriations in the following non-major governmental funds:

	Final <u>Budget</u>	<u>Actual</u>	Amount in Excess of Final Budget
Emergency Disaster COVID-19 Fund	\$ -	\$ 1,734,465	\$ 1,734,465
Emergency Disaster Fund	-	89,046	89,046
Affordable Housing Fund	2,700,458	3,197,731	497,273
Alliance for Aging Grant Fund	-	1,584,318	1,584,318
CITT Surtax transportation Fund	3,911,990	4,030,336	118,346
W. 76 St - 28 to 31 Ave JPA(MDC) Fund	10,000	149,278	139,278
W. 24 Ave 60 St to 68 St	-	191,558	191,558
Parks project Fund	-	40,891	40,891

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, 2021

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, 2021 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.

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 - Bond	\$ 6,621,983	\$ 5,096	\$ 1,059,654	\$ 5,557,233	\$ -
FMIT - Bond	8,639,751	751,252	7,888,499	-	-
Total	<u>\$ 15,261,734</u>	<u>\$ 756,348</u>	<u>\$ 8,948,153</u>	<u>\$ 5,557,233</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).

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 3 - DEPOSITS AND INVESTMENTS (Continued)

Investments - City

As of September 30, 2021, the City's investments consisted of the following:

		<u>Fitch Rating</u>
0-2 Year High Quality Bond	\$ 751,252	AAAf/S1
1-3 Year High Quality Bond	780,031	AAAf/S2
Intermediate High Quality Bond	3,511,873	AAAf/S3
Broad Market High Quality Fund	3,596,595	AAf/S4
Total	<u>\$ 8,639,751</u>	

		<u>Fitch Rating</u>
Inter-Term Bond Index Adm	\$ 4,346,197	AAA
Short-Term Corp Bnd Ix Ad	1,205,940	BBB
Inter-Term Corp Bond	1,064,750	BBB
Prime Money Mkt Fund	5,096	A
Total	<u>\$ 6,621,983</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.

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.

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 3 - DEPOSITS AND INVESTMENTS (Continued)

Investments - Pension Plans (Continued)

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 System</u>	<u>Retirement System</u>
Domestic Equity	50%	45%
International Equity	5%	10%
Domestic Bonds	41%	30%
Alternatives - Other	4%	15%
	100%	100%

Rate of Return - For the year ended September 30, 2021 the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 18.98% and 17.09% 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.

As of September 30, 2021, the Plans' had the following investments:

City of Hialeah Employees' Retirement System

<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>
Corporate					
Asset backed	\$ 27,234,152	\$ -	\$ 26,634,346	\$ 599,806	\$ -
Bonds	94,869,998	2,531,155	39,719,775	50,313,610	2,305,458
Collateralized mortgage obligations	10,606,393	-	-	-	10,606,393
Foreign bonds					
Bonds	736,575	-	736,575	-	-
U.S. Government					
Collateralized mortgage obligations	\$ 5,245,191	\$ -	\$ 1,046,757	\$ 3,102,874	\$ 1,095,560
Mortgage backed	85,420,182	2,599	5,862	489,690	84,922,031
Treasuries, notes and bonds	85,201,978	-	62,478,482	22,723,496	-
Sub-total	309,314,469	2,533,754	130,621,797	77,229,476	98,929,442
Real estate investment trusts	15,824,008				
Limited partnerships	5,870,728				
Mutual funds	9,815,396				
American depository receipts	35,017,732				
Foreign stocks	7,922,817				
CIF - equity	1,203,827				
Common stocks	408,964,904				
Total Fair Value	\$ 793,933,881				

Elected Officials' Retirement Plan

<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-bond mutual funds	\$ 6,586,130	\$ -	\$ 6,586,130	\$ -	\$ -
Sub-total	6,586,130	-	6,586,130	-	-
Vanguard-equity mutual funds	8,049,715				
Real estate investment trusts	877,673				
Total Fair Value	\$ 15,513,518				

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 3 - DEPOSITS AND INVESTMENTS (Continued)

Investments - Pension Plans (Continued)

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.

As of September 30, 2021, 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 *	\$ 85,420,182	N/A
Treasuries, notes and bonds *	85,201,978	Aaa
Collateralized mortgage obligations *	1,434,845	Aaa
Asset backed	17,819,975	Aaa
Bonds	1,865,448	Aaa
Collateralized mortgage obligations	5,824,813	Aaa
Bonds	1,988,024	Aa2
Collateralized mortgage obligations	1,448,390	Aa3
Asset backed	599,806	Aa3
Bonds	736,575	A1
Bonds	14,509,768	A1
Bonds	21,972,809	A2
Bonds	12,160,738	A3
Bonds	39,656,557	Baa1
Asset backed	8,814,371	N/A
Bonds	2,716,655	N/A
Collateralized mortgage obligations	3,333,191	N/A
Collateralized mortgage obligations	3,810,344	N/A
Total	<u>\$ 309,314,469</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, 2021, 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.

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 3 - DEPOSITS AND INVESTMENTS (Continued)

Investments - Pension Plans (Continued)

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, 2021, the Plan had no investments denominated in foreign currency.

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, 2021, 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, 2021, was \$31,979,471. The \$31,979,471 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 \$31,979,471 for obligations under security lending.

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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, 2021, the City had the following investments within the fair value hierarchy:

		Quoted Prices in Active Markets for Identical Assets <u>Level 1</u>	Significant Other Observable Inputs <u>Level 2</u>
<u>Investments by fair value level</u>	<u>Total</u>		
Bond Mutual Funds	\$ 15,261,734	\$ -	\$ 15,261,734
Total Investments by fair value level	<u>\$ 15,261,734</u>	<u>\$ -</u>	<u>\$ 15,261,734</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, 2021, the Elected Officials' Retirement System had the following investments within the fair value hierarchy:

		Quoted Prices in Active Markets for Identical Assets <u>Level 1</u>	Significant Other Observable Inputs <u>Level 2</u>
<u>Investments by fair value level</u>	<u>Total</u>		
Equity Mutual Funds	\$ 8,049,715	\$ 8,049,715	\$ -
Bond Mutual Funds	6,586,130	6,586,130	-
Real Estate Investment Trusts	877,673	-	877,673
Total Investments by fair value level	<u>\$ 15,513,518</u>	<u>\$ 14,635,845</u>	<u>\$ 877,673</u>

The fair value of investments is 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.

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 5 - FAIR VALUE MEASUREMENTS (Continued)

As of September 30, 2021, 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	\$ 35,017,732	\$ 35,017,732	\$ -
Common stocks	408,964,904	408,964,904	-
CIF - Equity	1,203,827	1,203,827	-
Foreign stocks	7,922,817	7,922,817	-
U.S. Treasuries, notes and bonds	85,201,978	85,201,978	-
Corporate bonds	94,869,998	-	94,869,998
Asset backed	27,234,152	-	27,234,152
Collateralized mortgage obligations	10,606,394	-	10,606,394
U.S. Government collateralized mortgage obligations	5,245,190	-	5,245,190
U.S. Government mortgage backed securities	85,420,182	-	85,420,182
Mutual funds	9,815,396	9,815,396	-
Foreign bonds	736,575	-	736,575
Real estate investment trusts	15,824,008	15,824,008	-
Sub total investments by fair value level	<u>788,063,153</u>	<u>563,950,662</u>	<u>224,112,491</u>
<u>Investments measured at the net asset value (NAV)*</u>			
Limited partnerships	<u>5,870,728</u>		
Total investments by fair value level	<u>\$ 793,933,881</u>		

*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.

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 5 - FAIR VALUE MEASUREMENTS (Continued)

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.

	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Limited partnerships (1)	\$ 5,870,728	-	Quarterly	95 Days
Total investments measured at NAV	<u>\$ 5,870,728</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.

NOTE 6 - RECEIVABLES

Receivables as of September 30, 2021 for the City's individual major funds and non-major funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General	Building	Water & Sewer	Solid Waste	Nonmajor Governmental Funds	Total
Receivables:						
Billed	\$ -	\$ -	\$ 17,717,553	\$ -	\$ 3,638,034	\$ 21,355,587
Unbilled	-	-	8,081,945	-	-	8,081,945
Franchise and utility	9,560,007	-	-	-	-	9,560,007
State and local shared	1,193,969	-	3,726,370	-	10,231,684	15,152,023
Grants	-	-	-	-	6,578,548	6,578,548
Other	6,429,353	29,189	1,236,630	985,536	4,832	8,685,540
Sales taxes	<u>3,396,979</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,396,979</u>
Gross receivables	20,580,308	29,189	30,762,498	985,536	20,453,098	72,810,629
Less: allowance for uncollectibles	<u>-</u>	<u>-</u>	<u>2,531,312</u>	<u>-</u>	<u>2,553,421</u>	<u>5,084,733</u>
Net total receivables	<u>\$ 20,580,308</u>	<u>\$ 29,189</u>	<u>\$ 28,231,186</u>	<u>\$ 985,536</u>	<u>\$ 17,899,677</u>	<u>\$ 67,725,896</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 \$5,440,178.

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

Grants and other unearned revenues	\$ 1,407,879
State Housing Initiative Program (SHIP)	1,020,934
Notes receivable (see note 7)	2,822,625
Coronavirus SLFR Fund	<u>28,892,448</u>
	<u>\$ 34,143,886</u>

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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.

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, 2021 was:

Long-term receivable	<u>\$ 2,822,625</u>
----------------------	---------------------

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, 2021. No allowance against the note receivable is deemed necessary at September 30, 2021. 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, 2021

NOTE 8 - INTERFUND ACTIVITY

The amounts due to/from other funds at September 30, 2021 were as follows:

	<u>Receivables</u>	<u>Payables</u>
General Fund	\$ 43,617,131	\$ 116,620,945
Building Fund	40,394,128	-
Coronavirus State and Local Fiscal Recovery Fund	28,892,448	-
Non-Major Governmental Funds	24,785,120	13,986,321
Major Proprietary Type Funds		
Water and Sewer	1,067,292	11,096,873
Solid Waste	3,361,033	7,633,803
Stormwater	7,220,790	-
Total Major Proprietary Type Funds	<u>11,649,115</u>	<u>18,730,676</u>
	<u>\$ 149,337,942</u>	<u>\$ 149,337,942</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, 2021, major fund and non-major fund activity was as follows:

	<u>Transfers in</u>	<u>Transfers out</u>
General Fund	\$ -	\$ 1,755,399
Non-Major Governmental Funds	1,755,399	-
	<u>\$ 1,755,399</u>	<u>\$ 1,755,399</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, 2021

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
2022	443,481	204,525	648,006
2023	663,022	200,986	864,009
2024	679,754	184,255	864,009
2025	696,908	167,101	864,009
2026	714,494	149,514	864,009
2027-2031	3,042,890	413,144	3,456,034
2032-2033	2,489,725	102,300	2,592,026
	<u>8,730,275</u>	<u>1,421,825</u>	<u>10,152,100</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, 2021:

Water and Sewers Fund	
Customers' deposit - cash and investments	\$ 6,736,462
Derm Fees	4,531,004
Other restricted assets	45,954
Total restricted cash water and sewers fund	<u>11,313,420</u>
Governmental Funds	
General Fund	86,417
Special Revenue Funds	
Rescue Transportation	704,238
Fire Prevention	563,210
Law Enforcement Trust - State	921,097
Law Enforcement Trust - Federal	9,633
Affordable Housing	1,360,948
Total Governmental Funds	<u>3,645,543</u>
Total restricted assets	<u>\$ 14,958,963</u>

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 11 - CAPITAL ASSETS

A summary of the City's capital assets at September 30, 2021 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	7,954,340	190,290	-	(7,289,777)	854,853
Total capital assets not being depreciated	37,649,324	190,290	-	(7,289,777)	30,549,837
Capital assets being depreciated:					
Buildings	136,759,398	2,098,758	-	5,883,304	144,741,460
Improvements other than buildings	30,129,791	71,400	-	-	30,201,191
Furniture, fixtures, machinery and equipment - Charter School	1,658,974	203,970	(558,283)	-	1,304,661
Furniture, fixtures, machinery and equipment	73,700,477	8,676,535	(1,459,822)	-	80,917,190
Infrastructure	316,337,979	6,949,471	-	1,406,473	324,693,923
Total capital assets being depreciated	558,586,619	18,000,134	(2,018,105)	7,289,777	581,858,425
Less accumulated depreciation for:					
Buildings	47,604,275	3,106,383	-	-	50,710,658
Improvements other than buildings	24,938,815	795,684	-	-	25,734,499
Furniture, fixtures, machinery and equipment - Charter School	1,058,813	262,796	(558,283)	-	763,326
Furniture, fixtures, machinery and equipment	53,437,464	5,741,945	(1,459,822)	-	57,719,587
Infrastructure	212,542,639	9,518,676	-	-	222,061,315
Total accumulated depreciation	339,582,006	19,425,484	(2,018,105)	-	356,989,385
Total capital assets being depreciated, net	219,004,613	(1,425,350)	-	7,289,777	224,869,040
Governmental activities capital assets, net	\$256,653,937	\$ (1,235,060)	\$ -	\$ -	\$255,418,877
<u>Business-type Activities:</u>					
Capital assets not being depreciated:					
Land	\$ 4,202,141	\$ -	\$ -	\$ -	\$ 4,202,141
Construction in progress	6,049,564	1,186,265	-	(5,151,672)	2,084,157
Total capital assets not being depreciated	10,251,705	1,186,265	-	(5,151,672)	6,286,298
Capital assets being depreciated:					
Buildings and utility plant	70,929,039	764,091	-	-	71,693,130
Improvements other than buildings	353,533	-	-	-	353,533
Machinery and equipment	10,206,400	418,074	(23,211)	-	10,601,263
Infrastructure	294,942,950	4,697,534	-	5,151,672	304,792,156
Total capital assets being depreciated	376,431,922	5,879,699	(23,211)	5,151,672	387,440,082
Less accumulated depreciation for:					
Buildings and utility plant	13,233,962	1,769,179	-	-	15,003,141
Improvements other than buildings	327,064	1,650	-	-	328,714
Machinery and equipment	10,139,020	95,736	(23,211)	-	10,211,545
Infrastructure	159,484,071	6,740,980	-	-	166,225,051
Total accumulated depreciation	183,184,117	8,607,545	(23,211)	-	191,768,451
Total capital assets being depreciated, net	193,247,805	(2,727,846)	-	5,151,672	195,671,631
Business-type activities capital assets, net	\$203,499,510	\$ (1,541,581)	\$ -	\$ -	\$201,957,929

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 11 - CAPITAL ASSETS (Continued)

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

Governmental activities:	
General government	\$ 3,965,623
Police	1,115,013
Fire	1,841,019
Streets	10,637,560
Recreation	1,866,269
Total depreciation expense - governmental activities	<u>\$ 19,425,484</u>
Business-type activities:	
Water and sewer	\$ 5,902,199
Solid waste	148,172
Stormwater	2,557,174
Total depreciation expense - business-type activities	<u>\$ 8,607,545</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 the proceeds of the Florida Municipal Loan Council Revenue Bonds, Series 2003A, were for major roadway improvements and infrastructure projects. The loan 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 the purpose of the proceeds of the Florida Municipal Loan Council Revenue Bonds, Series 2012A, were to refinance 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%

Governmental Activities				Business - type Activities			
Fiscal Year End	Principal	Interest	Total	Fiscal Year End	Principal	Interest	Total
2022	\$ 1,508,000	\$ 75,400	\$ 1,583,400	2022	\$ 377,000	\$ 18,850	\$ 395,850
	<u>\$ 1,508,000</u>	<u>\$ 75,400</u>	<u>\$ 1,583,400</u>		<u>\$ 377,000</u>	<u>\$ 18,850</u>	<u>\$ 395,850</u>

On September 22, 2021, the City executed a loan agreement with Truist Bank, to borrow \$28,400,000 taxable refunding revenue note, Series 2021. Proceeds of the bonds were used to refund the City's outstanding Florida Municipal Loan Council Revenue Bonds, Series 2012A. 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 \$2.7 million. The loan matures on May 1, 2033 and bears an interest rate of 1.98%.

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 12 - LONG-TERM DEBT (Continued)

Notes Payable (Continued)

Annual debt service requirements to maturity for the Truist Bank taxable refunding revenue note Series 2021 are as follows:

Governmental Activities			
Fiscal Year End	Principal	Interest	Total
2022	\$ 420,000	\$ 273,662	\$ 693,662
2023	1,836,000	441,540	2,277,540
2024	1,872,000	405,187	2,277,187
2025	1,904,000	368,122	2,272,122
2026	1,944,000	330,422	2,274,422
2027-2031	10,324,000	1,058,825	11,382,825
2032-2033	4,420,000	131,710	4,551,710
	<u>\$ 22,720,000</u>	<u>\$ 3,009,468</u>	<u>\$ 25,729,468</u>

Business - type Activities			
Fiscal Year End	Principal	Interest	Total
2022	\$ 105,000	\$ 68,416	\$ 173,416
2023	459,000	110,385	569,385
2024	468,000	101,297	569,297
2025	476,000	92,030	568,030
2026	486,000	82,606	568,606
2027-2031	2,581,000	264,706	2,845,706
2032-2033	1,105,000	32,927	1,137,927
	<u>\$ 5,680,000</u>	<u>\$ 752,367</u>	<u>\$ 6,432,367</u>

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, 2021 was \$720,055, 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
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	86,320	1,184	87,504
	<u>\$ 720,055</u>	<u>\$ 51,347</u>	<u>\$ 771,403</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, 2021, the TD Bank Note had an outstanding balance of \$10,170,515.

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 12 - LONG-TERM DEBT (Continued)

Notes Payable (Continued)

4. Affordable Housing Note, Series 2011 (Continued)

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

Fiscal Year End	Principal	Interest	Total
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	618,382	338,197	956,579
2027-2031	3,530,262	1,252,632	4,782,894
2032-2036	3,800,940	398,442	4,199,382
	<u>\$ 10,170,515</u>	<u>\$ 3,594,655</u>	<u>\$ 13,765,170</u>

5. 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, 2021.

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

Fiscal Year End	Principal	Interest	Total
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	1,365,000	1,941,800	3,306,800
2027-2031	7,935,000	8,611,750	16,546,750
2032-2036	10,285,000	6,290,050	16,575,050
2037-2041	13,440,000	3,164,975	16,604,975
2042	3,155,000	173,525	3,328,525
	<u>\$ 41,065,000</u>	<u>\$ 28,521,588</u>	<u>\$ 69,586,588</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.

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 12 - LONG-TERM DEBT (Continued)

Revenue Bonds(Continued)

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").

The Series 2015A bonds have an outstanding balance of \$22,675,000 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 \$13,824,000 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, 2021.

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
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	1,415,000	802,849	2,217,849
2027-2031	8,075,000	3,017,223	11,092,223
2032-2035	8,030,000	851,458	8,881,458
	<u>\$ 22,675,000</u>	<u>\$ 8,397,375</u>	<u>\$ 31,072,375</u>

Governmental Activities			
Fiscal Year End	Principal	Interest	Total
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	856,000	518,600	1,374,600
2027-2031	4,972,000	1,888,300	6,860,300
2032-2035	4,972,000	512,500	5,484,500
	<u>\$ 13,824,000</u>	<u>\$ 5,391,200</u>	<u>\$ 19,215,200</u>

Business - type Activities			
Fiscal Year End	Principal	Interest	Total
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	214,000	129,650	343,650
2027-2031	1,243,000	472,075	1,715,075
2032-2035	1,243,000	128,125	1,371,125
	<u>\$ 3,456,000</u>	<u>\$ 1,347,800</u>	<u>\$ 4,803,800</u>

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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 Activities
Equipment	\$ 6,502,106
Vehicles	974,227
Infrastructure	3,517,760
Less: accumulated depreciatio	<u>(3,076,982)</u>
	<u>\$ 7,917,111</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2021 are as follows:

Fiscal Year End	Principal	Interest	Total
2022	938,326	209,526	1,147,852
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	986,147	101,700	1,087,848
2027-2030	2,796,381	136,796	2,933,177
	<u>\$ 7,518,033</u>	<u>\$ 914,387</u>	<u>\$ 8,432,421</u>

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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, 2021:

	October 1, 2020	Additions	Reductions	September 30, 2021	Due Within One Year
Governmental Activities					
<i>Revenue Bonds:</i>					
FMLC 2012A	24,648,000	-	(23,140,000)	1,508,000	1,508,000
Special Obligation Revenue Bonds, Series 2015A	23,855,000	-	(1,180,000)	22,675,000	1,220,000
Special Obligation Refunding Revenue Bonds, Series 2015B	14,492,000	-	(668,000)	13,824,000	700,000
Refunding Revenue Note, Series 2021	-	22,720,000	-	22,720,000	420,000
<i>Notes:</i>					
TD Bank (Refi Suntrust Loan)	10,668,191	-	(497,676)	10,170,515	519,496
Total bonds and notes payable	<u>73,663,191</u>	<u>22,720,000</u>	<u>(25,485,676)</u>	<u>70,897,515</u>	<u>4,367,496</u>
Less deferred amounts:					
Premium	1,214,123	-	(92,283)	1,121,840	92,283
Premium (2012A)	1,448,094	-	(120,674)	1,327,420	120,674
Premium (2015B)	1,705,957	-	(113,731)	1,592,226	113,731
	<u>4,368,174</u>	<u>-</u>	<u>(326,688)</u>	<u>4,041,486</u>	<u>326,688</u>
 Bonds and notes payable net	 <u>78,031,365</u>	 <u>22,720,000</u>	 <u>(25,812,364)</u>	 <u>74,939,001</u>	 <u>4,694,184</u>
 <i>Capital leases</i>					
U.S. Bancorp. Govt. Leasing and Finance, Inc.	70,219	-	(70,219)	-	-
Banc of America Public Capital (Radio equip)	2,913,163	-	(322,321)	2,590,842	335,381
Motorola Solutions Credit Company, LLC (radios)	4,093,674	-	(507,251)	3,586,423	405,756
Banc of America Public Capital (Fire equipment)	1,420,871	-	(137,277)	1,283,594	140,015
Hewlett-Packard (computer equip)	111,652	-	(54,478)	57,174	57,174
Total capital leases	<u>8,609,579</u>	<u>-</u>	<u>(1,091,546)</u>	<u>7,518,033</u>	<u>938,326</u>
 Claims payable	50,200,459	18,421,979	(17,683,609)	50,938,829	8,918,015
Compensated absences	30,276,996	15,506,450	(13,133,966)	32,649,480	5,116,174
OPEB liability	373,252,824	26,749,309	-	400,002,133	-
Net pension liability	<u>255,744,667</u>	<u>22,182</u>	<u>-</u>	<u>255,766,849</u>	<u>-</u>
	<u>709,474,946</u>	<u>60,699,920</u>	<u>(30,817,575)</u>	<u>739,357,291</u>	<u>14,034,189</u>
 Total Governmental activities	 <u>796,115,890</u>	 <u>83,419,920</u>	 <u>(57,721,485)</u>	 <u>821,814,325</u>	 <u>19,666,699</u>

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 12 - LONG-TERM DEBT (Continued)

Changes in Long-Term Liabilities (Continued)

	October 1, 2020	Additions	Reductions	September 30, 2021	Due Within One Year
Business-Type Activities					
Revolving loan	865,733	-	(145,678)	720,055	151,870
FMLC 2011D	42,170,000	-	(1,105,000)	41,065,000	1,150,000
FMLC 2012A	6,162,000	-	(5,785,000)	377,000	377,000
Special Obligation Refunding Revenue Bonds, Series 2015B	3,623,000	-	(167,000)	3,456,000	175,000
Refunding Revenue Note, Series 2021	-	5,680,000	-	5,680,000	105,000
Total bonds and loans payable	<u>52,820,733</u>	<u>5,680,000</u>	<u>(7,202,678)</u>	<u>51,298,055</u>	<u>1,958,870</u>
Less deferred amounts:					
Discount	(276,405)	-	13,162	(263,243)	(13,162)
Premium (2012A)	362,024	-	(30,169)	331,855	30,169
Premium (2015B)	<u>426,488</u>	<u>-</u>	<u>(28,433)</u>	<u>398,055</u>	<u>28,433</u>
	<u>512,107</u>	<u>-</u>	<u>(45,440)</u>	<u>466,667</u>	<u>45,440</u>
Bonds and loans payable net	<u>53,332,840</u>	<u>5,680,000</u>	<u>(7,248,118)</u>	<u>51,764,722</u>	<u>2,004,310</u>
Claims payable	4,859,840	3,189,647	(2,412,474)	5,637,013	1,169,145
Compensated absences	2,566,882	951,971	(716,751)	2,802,102	535,708
OPEB liability	68,221,082	3,497,097	-	71,718,179	-
Net pension liability	<u>46,732,763</u>	<u>-</u>	<u>(852,191)</u>	<u>45,880,572</u>	<u>-</u>
	<u>122,380,567</u>	<u>7,638,715</u>	<u>(3,981,416)</u>	<u>126,037,866</u>	<u>1,704,853</u>
Total Business-type activities	<u>175,713,407</u>	<u>13,318,715</u>	<u>(11,229,534)</u>	<u>177,802,588</u>	<u>3,709,163</u>

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

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.

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 13 - RISK MANAGEMENT (Continued)

The following is a summary of changes in claims payable for the year ended September 30, 2021:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Unpaid claims, beginning	\$ 55,060,299	\$ 52,948,669	\$ 53,398,137
Incurred claims (including IBNR)	21,611,626	22,467,019	14,559,564
Claims payments	<u>(20,096,083)</u>	<u>(20,355,389)</u>	<u>(15,009,032)</u>
Unpaid claims, ending	<u>\$ 56,575,842</u>	<u>\$ 55,060,299</u>	<u>\$ 52,948,669</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.

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, 2021 and ends on June 30, 2022, 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, 2021 were \$11,920,537 for water services and \$39,116,426 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.

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 14 - COMMITMENTS AND CONTINGENCIES (Continued)

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

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, 2021 and the total contributions from the County and the City.

	October 1, 2020	Additions	Deletions	September 30, 2021
Land	\$ 3,300,000	\$ -	\$ -	\$ 3,300,000
RO Plant	54,232,308	766,984	-	54,999,292
	<u>\$ 57,532,308</u>	<u>\$ 766,984</u>	<u>\$ -</u>	<u>\$ 58,299,292</u>
Other Receivables - Miami Dade County	\$ 4,564,947	\$ 3,583,960	\$ (4,422,537)	\$ 3,726,370
Total Contributed by Miami Dade County				
Contributions to the City	\$ 48,353,155			
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	3,000,000			
	<u>\$ 58,299,292</u>			

Construction Commitments

At September 30, 2021, the City had in process various construction projects that were not completed with a remaining balance totaling approximately \$2,100,000. 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.

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 August 2022. 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.

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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, 2020.

Membership in the Plan as of October 1, 2020 consisted of the following:

Inactive plan members:	
Beneficiaries currently receiving benefits	1,603
Entitled to benefits but not yet receiving them	291
Active plan members	742
Total	<u>2,636</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, 2021). 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:

- 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 OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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

Employees' Retirement System (Continued)

- 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, 2021.

5. Net Pension Liability - The City's net pension liability of \$301,647,421 was measured as of September 30, 2020, (GASB 68 measurement date).

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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, 2021	September 30, 2020
Actuarial Valuation:	October 1, 2020	October 1, 2019
Interest rates:		
Single Discount rate	7.5%	7.6%
Inflation rate	2.30%	2.30%
Salary Increases	Service Based	Service Based
Mortality table	<p><i>Mortality Rate Healthy Lives Police Officers and Firefighters:</i> Female: PubS.H-2010 (Below Median) for Employees, set forward one year Male: PubS.H-2010 (Below Median) for Employees, set forward one year <i>Mortality Rate Healthy Inactive Lives Police Officers and Firefighters:</i> Female: PubS.H-2010 (Above Median) for Healthy Retirees, set forward one year Male: PubS.H-2010 (Above Median) for Healthy Retirees, set forward one year <i>Mortality Rate Disabled Lives Police Officers and Firefighters:</i> Female: 80% PubG.H-2010 for Disable Retirees / 20%PubS.H-2010 fro Disable Retirees Male: 80% PubG.H-2010 for Disable Retirees / 20%PubS.H-2010 fro Disable Retirees <i>Mortality Rate Healthy Active Lives General Employees:</i> Female: PubG.H-2010 for Employees Male: PubG.H-2010 for Employees <i>Mortality Rate Healthy Inactive Lives General Employees:</i> Female: PubG.H-2010 (Above Median) for Healthy Retirees Male: PubG.H-2010 for Healthy Retirees set back one year <i>Mortality Rate Disabled Lives General Employees:</i> Female: PubG.H-2010 for Disable Retirees, set forward three years Male: PubG.H-2010 for Disable Retirees, set forward three years</p>	<p><i>Mortality Rate Healthy Lives Police Officers and Firefighters:</i> Female: PubS.H-2010 (Below Median) for Employees, set forward one year, Scale MP-2018. Male: PubS.H-2010 (Below Median) for Employees, set forward one year, Scale MP-2018. <i>Mortality Rate Healthy Inactive Lives Police Officers and Firefighters:</i> Female: PubS.H-2010 (Above Median) for Healthy Retirees, set forward one year, Scale MP-2018. Male: PubS.H-2010 (Above Median) for Healthy Retirees, set forward one year, Scale MP-2018. <i>Mortality Rate Disabled Lives Police Officers and Firefighters:</i> Female: 80% PubG.H-2010 for Disable Retirees / 20%PubS.H-2010 fro Disable Retirees, Scale MP-2018. Male: 80% PubG.H-2010 for Disable Retirees / 20%PubS.H-2010 fro Disable Retirees, Scale MP-2018. <i>Mortality Rate Healthy Active Lives General Employees:</i> Female: PubG.H-2010 for Employees, Scale MP-2018. Male: PubG.H-2010 for Employees, Scale MP-2018. <i>Mortality Rate Healthy Inactive Lives General Employees:</i> Female: PubG.H-2010 (Above Median) for Healthy Retirees, set forward one year, Scale MP-2018. Male: PubG.H-2010 for Healthy Retirees set forward one year, Scale MP-2018. <i>Mortality Rate Disabled Lives General Employees:</i> Female: PubG.H-2010 for Disable Retirees, set forward three years, Scale MP-2018. Male: PubG.H-2010 for Disable Retirees, set forward three years, Scale MP-2018.</p>

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, 2021 and 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>2021</u>	<u>2020</u>
Domestic Equity	50%	7.42%	7.42%
International Equity	5%	7.25%	7.38%
Domestic Bonds	41%	2.27%	2.67%
Other	4%	4.96%	4.25%
Total	<u>100%</u>		

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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

Employees' Retirement System (Continued)

8. Rate of Return - For the fiscal years ended September 30, 2021 and 2020, the annual money-weighted rate of return on Plan investments, net of investment expense, was 18.60% and 8.88%, 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, 2021 and 2020 was 7.50% and 7.60% respectively. The projection of cash flows used to determine the discount rate assumed that plan member's 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.

10. Changes in Net Pension Liability

	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	\$ 1,026,243,287	\$ 724,595,866	\$ 301,647,421
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, 2021

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, 2021	\$ 1,026,243,287	\$ 724,595,866	\$ 301,647,421
Changes for the year:			
Service Cost	7,134,328	-	7,134,328
Interest	75,701,386	-	75,701,386
Change in Annuity Savings Fund	3,568,229	-	3,568,229
Change of benefit terms	-	-	-
Differences between expected and actual experience	787,690	-	787,690
Changes of assumptions	8,454,318	-	8,454,318
Contributions - Employer	-	43,667,040	(43,667,040)
Contributions - State	-	461,877	(461,877)
Contributions - Employee	-	4,723,287	(4,723,287)
Contributions - Buy Back	609,371	609,371	-
Contributions - Annuity Savings Fund	-	3,568,229	(3,568,229)
Net investment income	-	132,666,392	(132,666,392)
Benefit payments, including refunds of employee contributions	(74,613,487)	(74,613,487)	-
Administrative expense	-	(885,940)	885,940
New changes	21,641,835	110,196,769	(88,554,934)
Reporting period ending at September 30, 2022	\$ 1,047,885,122	\$ 834,792,635	\$ 213,092,487

Plan fiduciary net position as a percentage of
the total pension liability

79.66%

Covered payroll

\$ 51,911,720

Net pension liability as a percentage of
covered payroll

410.49%

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 7.50% and 7.60% 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 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
September 30, 2021	\$ 305,080,887	\$ 213,092,487	\$ 135,494,549
	6.60%	7.60%	8.60%
September 30, 2020	\$ 392,078,331	\$ 301,647,421	\$ 225,370,896

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.

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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

Employees' Retirement System (Continued)

13. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - For the year ended September 30, 2021, the City will recognize pension expense of \$52,340,968. At September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 5,494,835	\$ 6,137,908
Changes of Assumptions	25,964,821	-
Net Difference Between Projected and Actual Earnings on the Pension Plan Investments	9,504,315	-
Employer and State Contributions subsequent to the measurement date	44,128,917	-
	<u>\$ 85,092,888</u>	<u>\$ 6,137,908</u>

The deferred outflow of resources, resulting from the City's contribution to the Plan subsequent to the measurement date of September 30, 2020 in the amount of \$44,128,917 will be recognized as a reduction of the City's net pension liability measured as of 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:

Year ended September 30,	
2022	\$ 21,001,274
2023	9,090,164
2024	6,339,128
2025	(1,604,503)
2026	-
Thereafter	-
Total	<u>\$ 34,826,063</u>

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, 2021, there were fifty-three (53) DROP participants and their fair

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

value of DROP investment was \$11,908,622 which is included in the Plan's net position.

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

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, 2020.

Membership in the Plan as of October 1, 2020 consisted of the following:

Inactive plan members:	
Beneficiaries currently receiving benefits	12
Entitled to benefits but not yet receiving them	7
Active plan members	5
Total	<u>24</u>

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, 2021.

The actual contribution from the City for active members were actuarially determined using the actuarial valuation as of October 1, 2019 for the year ended September 30, 2021.

4. Net Pension Asset - The Plan's net pension asset of \$3,738,042 was measured as of September 30, 2020 (GASB 68 measurement date).

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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, 2021	September 30, 2020
Actuarial Valuation:	October 1, 2020	October 1, 2019
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, 2021 and 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>2021</u>	<u>2020</u>
Domestic Equity	45%	4.80%	4.80%
International Equity	10%	0.60%	0.60%
Fixed Income	30%	1.60%	1.80%
Cash	15%	0.40%	0.40%
	<u>100%</u>		

7. Rate of Return - For the fiscal years ended September 30, 2021 and 2020, the annual money-weighted rate of return on Plan investments, net of investment expense, was 17.09% and 9.93%, 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.

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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

Elected Officials' Retirement System (Continued)

8. Discount Rate - The discount rate used to measure the total pension liability as of September 30, 2021 and 2020 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, 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 liability as a percentage of covered payroll		-669.68%	

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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, 2021	\$ 9,885,347	\$ 13,623,389	\$ (3,738,042)
Changes for the year:			
Service Cost	105,265	-	105,265
Interest	580,910	-	580,910
Differences between expected and actual experience	6,687	-	6,687
Assumption Changes	-	-	-
Contributions - Employer	-	147,015	(147,015)
Contributions - Employee	-	15,607	(15,607)
Net investment income	-	2,332,612	(2,332,612)
Benefit payments, including refunds of employee contributions	(630,943)	(630,943)	-
Administrative expense	-	(17,606)	17,606
New changes	61,919	1,846,685	(1,784,766)
Reporting period ending at September 30, 2022	<u>\$ 9,947,266</u>	<u>\$ 15,470,074</u>	<u>\$ (5,522,808)</u>
Plan fiduciary net position as a percentage of the total pension liability		155.52%	
Covered payroll		\$ 499,025	
Net pension liability as a percentage of covered payroll		-1106.72%	

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, 2021	\$ (4,399,453)	\$ (5,522,808)	\$ (6,455,065)
September 30, 2020	\$ (2,615,411)	\$ (3,738,042)	\$ (4,669,785)

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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, 2021, the EORS will recognize pension expense of \$(477,110). At September 30, 2021, the EORS reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflow s of Resources	Deferred Inflow s of Resources
Differences Between Expected and Actual Experience on liabilities	\$ 3,035	\$ -
Changes of assumptions or other inputs	-	38,060
Net Difference Between Projected and Actual Earnings on the Pension Plan Investments	-	539,812
Employer Contributions subsequent to the measurement date	147,015	-
	<u>\$ 150,050</u>	<u>\$ 577,872</u>

The deferred outflow of resources, resulting from the City's contribution to the Plan subsequent to the measurement date of September 30, 2020 in the amount of \$147,015 will be recognized as an increase of the City's net pension asset measured as of 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:

Year ended September 30,	
2022	(251,553)
2023	(121,873)
2024	(102,727)
2025	(98,684)
2026	-
Thereafter	-
Total	<u>\$ (574,837)</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	301,647,421	-	301,647,421
Net Pension Asset	-	3,738,042	3,738,042
Deferred Outflow s of Resources	85,092,888*	150,050	85,242,938
Deferred Inflow s of Resources	6,137,908	577,872	6,715,780
Pension Expense	52,340,968	(477,110)	51,863,858

*The City increased the annual advanced contribution to the Employee Retirement System by \$10,000,000 during the fiscal year. The actuary elected to treat this increase as an employer contribution subsequent to the measurement date, however, the City intends to treat this as an advance and will recognize this increase as a contribution during fiscal year ended September 30, 2022.

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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, 2021 are presented below:

STATEMENT OF NET POSITION

<u>ASSETS</u>	
Cash and cash equivalents	\$ -
Investments, at fair value:	
Mutual funds	14,635,845
Real estate investment trusts	877,673
Total assets	<u>\$ 15,513,518</u>

<u>LIABILITIES AND NET POSITION</u>	
Accounts payable and accrued liabilities	\$ 43,443
Net position restricted for pensions	<u>\$ 15,470,075</u>

STATEMENT OF CHANGES IN NET POSITION

ADDITIONS	
Contributions - City	\$ 147,015
Contributions - Member	15,607
Net investment income (loss)	2,370,680
Total additions	<u>\$ 2,533,302</u>
DEDUCTIONS	
Pension benefits	630,943
Administrative Expenses	55,673
Total deductions	<u>\$ 686,616</u>
Net increase	1,846,686
Net position restricted for pensions	
Beginning of year	13,623,389
Ending	<u>\$ 15,470,075</u>

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, 2021.

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 16 - DEFINED CONTRIBUTION PLANS (Continued)

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, 2021 were approximately \$930,000.

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.
- 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.

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 17 - OTHER POST EMPLOYMENT BENEFITS (Continued)

Benefits Provided (Continued)

Normal Retirement (Continued)

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.

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.

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 17 - OTHER POST EMPLOYMENT BENEFITS (Continued)

Benefits Provided (Continued)

Retiree Contributions (Continued)

- 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.
- 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%

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 17 - OTHER POST EMPLOYMENT BENEFITS (Continued)

Benefits Provided (Continued)

Retiree Contributions (Continued)

- 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.

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

None

Employees Covered by Benefit Terms

As of October 1, 2020 actuarial valuation, the following employees were covered by the benefit terms:

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

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 17 - OTHER POST EMPLOYMENT BENEFITS (Continued)

Total OPEB Liability

The City's total OPEB liability of \$471,720,312 was based on the measurement date of September 30, 2020, 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	10/1/2020
Inflation	2.30% - not explicitly used in valuation
Discount rate	2.43%
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 2.74% as of the beginning of the measurement period to 2.43% as of September 30, 2021. This change is reflected in the schedule of changes in total OPEB liability.

Changes in the Total OPEB Liability:

	Total OPEB Liability
Service Cost	11,907,557
Interest	11,970,430
Benefit changes	-
Differences between expected and actual experience	-
Changes of assumptions	17,488,707
Benefit payments	(11,120,288)
Net change in total OPEB liability	30,246,406
Total OPEB liability - beginning	\$ 441,473,906
Total OPEB liability - ending	\$ 471,720,312
 Covered payroll	 \$ 68,880,594
 Total OPEB liability as a percentage of covered payroll	 684.84%

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 17 - OTHER POST EMPLOYMENT BENEFITS (Continued)

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 2.43%, 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 (1.43%) or 1-percentage-point higher (3.43%):

Current Discount		
1% Decrease	Rate	1% Increase
1.43%	2.43%	3.43%
<u>\$ 574,324,558</u>	<u>\$ 471,720,312</u>	<u>\$ 393,902,665</u>

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	Trend Rate	1% Increase
5.00% to 3.40%	6.00% to 4.40%	7.00% to 5.40%
<u>\$ 387,736,258</u>	<u>\$ 471,720,312</u>	<u>\$ 583,347,080</u>

For the year ended September 30, 2021, the City recognized OPEB expense of \$31,801,014. At September 30, 2021, 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	\$ -	\$ 16,540,726
Changes of Assumptions	58,622,279	5,464,384
	<u>\$ 58,622,279</u>	<u>\$ 22,005,110</u>

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	\$ 11,434,018
Projected administrative expense	19,856
Total deferred outflow	<u>\$ 11,453,874</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:

Year ended September 30,	
2022	\$ 12,504,520
2023	19,115,875
2024	4,163,977
2025	832,798
2026	-
Thereafter	-
Total	<u>\$ 36,617,170</u>

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 18 – PRIOR PERIOD ADJUSTMENT

The City recorded additional charges due by the City to Miami-Dade Water and Sewer for related fees associated with prior balances accumulated. The additional cost posed a significant adjustment to the balance resulting in the adjustment and restatement of prior year net position. Balances were restated to prior fiscal year end as follows:

<u>Enterprise Funds</u>	<u>Business-Type Activities</u>
Net position, September 30, 2020	\$ 76,413,212
Restatement:	
Accounts payable and accrued liabilities	<u>(3,979,193)</u>
Net position, as restated, September 30, 2020	<u>\$ 72,434,019</u>
	<u>Water and Sewers Utility</u>
Net position, September 30, 2020	\$ 122,418,720
Restatement:	
Accounts payable and accrued liabilities	<u>(3,979,193)</u>
Net position, as restated, September 30, 2020	<u>\$ 118,439,527</u>

During the fiscal year ended June 30, 2021, the City of Hialeah Education Academy School recorded a prior period adjustment to eliminate a liability of internal funds.

	<u>Government-Wide Financial Statements</u>
Net position, as previously reported	\$ (319,260,332)
Restatement due to removal of internal fund liability	<u>34,261</u>
Net position, as restated	<u>\$ (319,226,071)</u>
	<u>Fund Level Financial Statements</u>
Fund balance, as previously reported	\$ 2,461,714
Restatement due to removal of internal fund liability	<u>34,261</u>
Fund balance, as restated	<u>\$ 2,495,975</u>

NOTE 19 – SUBSEQUENT EVENT

Utility System Revenue Refunding Bonds, Series 2022

On May 11, 2022, the City approved the refinancing of the Florida Municipal Loan Council Bonds, Series 2011D which had an outstanding principal balance of \$41,065,000 as of September 30, 2021. The refunding transaction was executed on May 19, 2022 between the City and Morgan Stanley to borrow \$38,270,000 Utility System Revenue Refunding Bonds Series 2022. Based on current market conditions, the transaction resulted in an economic gain (difference between present value of the old debt and the new bonds) of approximately 3.5 million. The loan matures on October 1, 2041 and bears an interest rate of 5.0%.

REQUIRED SUPPLEMENTARY INFORMATION
(Other Than MD&A)

CITY OF HIALEAH, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final	Amounts	
Revenues:				
Ad valorem taxes	\$ 74,726,338	\$ 74,726,338	\$ 75,538,132	\$ 811,794
Charges for services	1,168,350	1,168,350	946,673	(221,677)
Fines and forfeitures	1,878,000	1,878,000	2,589,778	711,778
Franchise fees	13,265,000	13,265,000	14,797,110	1,532,110
Intergovernmental	30,684,450	30,684,450	34,558,205	3,873,755
Investment income	450,000	450,000	81,049	(368,951)
Licenses and permits	6,197,000	6,197,000	7,205,884	1,008,884
Other revenues	2,068,500	2,068,500	3,672,656	1,604,156
Utility taxes	20,750,000	20,750,000	22,493,687	1,743,687
Total revenues	<u>151,187,638</u>	<u>151,187,638</u>	<u>161,883,174</u>	<u>10,695,536</u>
Expenditures:				
Current:				
911 Communications division	6,059,441	6,059,441	4,796,688	1,262,753
Business tax division	1,735,466	1,735,466	1,195,567	539,899
City clerk's office	1,420,925	1,420,925	1,289,570	131,355
Code compliance	718,579	718,579	810,978	(92,399)
Communications and special events	1,409,838	1,367,838	1,744,990	(377,152)
Construction and maintenance	3,519,100	3,519,100	3,391,945	127,155
Education and community services	2,124,316	2,124,316	1,884,602	239,714
Employee retirement	802,619	802,619	569,442	233,177
Finance	2,411,266	2,411,266	2,313,843	97,423
Fire	46,173,536	46,173,536	46,783,705	(610,169)
Fleet maintenance	3,709,602	3,709,602	3,723,396	(13,794)
General government	5,746,054	5,788,435	3,797,012	1,991,423
Human resources	1,107,692	1,107,692	1,241,919	(134,227)
Information technology	2,660,812	2,660,812	2,798,316	(137,504)
Law	1,759,451	1,759,451	1,635,001	124,450
Library		1,921,304	1,948,850	(27,546)
Milander center	809,054	851,054	875,847	(24,793)
Office of management and budget	396,675	396,675	434,678	(38,003)
Office of the mayor	724,833	724,833	770,859	(46,026)
Parks and recreation	11,136,257	11,136,257	10,892,639	243,618
Planning and zoning	833,779	833,779	807,635	26,144
Police	62,841,895	63,831,284	66,966,563	(3,135,279)
Risk management	536,943	536,943	645,362	(108,419)
Total expenditures	<u>158,638,133</u>	<u>161,591,207</u>	<u>161,319,407</u>	<u>271,800</u>
Other financing sources (uses):				
Proceeds from disposal of capital assets	100,000	100,000	954,345	854,345
Transfers in	3,000,000	3,000,000	-	(3,000,000)
Transfers out	(900,000)	(802,505)	(1,755,399)	(952,894)
Appropriation of prior year fund balance	<u>7,171,799</u>	<u>8,106,074</u>	<u>-</u>	<u>(8,106,074)</u>
Total financing sources (uses)	<u>9,371,799</u>	<u>10,403,569</u>	<u>(801,054)</u>	<u>(11,204,623)</u>
Net change in fund balance	1,921,304	-	(237,287)	(237,287)
Fund balances - beginning	-	-	47,148,961	
Fund balances - ending	\$ 1,921,304	\$ -	\$ 46,911,674	

See note to budgetary comparison schedule.

CITY OF HIALEAH, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GOVERNMENTAL FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2021

	Coronavirus State and Local Fiscal Recovery Fund				Building Fund			
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final	Amounts		Original	Final	Amounts	
Revenues:								
Investment income	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ 45,672	\$ 45,672
Intergovernmental	-	33,305,194	4,524,679	(28,780,515)	-	-	-	-
Licenses and permits	-	-	-	-	5,365,000	5,365,000	10,502,943	5,137,943
Other revenues	-	-	-	-	-	-	11,402	11,402
Appropriation of prior year fund balance	-	-	-	-	62,881	1,081,063	-	(1,081,063)
Total revenues	-	33,305,194	4,524,679	(28,780,515)	5,427,881	6,446,063	10,560,017	4,113,954
Expenditures:								
Current:								
911 communications	-	73,202	73,202	-	-	-	-	-
Fire	-	1,902,849	1,902,849	-	-	-	-	-
General government	-	28,385,041	604,526	27,780,515	5,192,881	5,384,881	4,710,841	674,040
Grants and human services	-	1,122	1,122	-	-	-	-	-
Parks and recreation	-	236,199	236,199	-	-	-	-	-
Police	-	1,257,939	1,257,939	-	-	-	-	-
Public works	-	1,214,525	214,525	1,000,000	-	-	-	-
State housing initiative program	-	5,337	5,337	-	-	-	-	-
Streets	-	228,980	228,980	-	-	-	-	-
Capital outlay	28,780,516	-	-	-	235,000	1,061,182	407,155	654,027
Total expenditures	28,780,516	33,305,194	4,524,679	28,780,515	5,427,881	6,446,063	5,117,996	1,328,067
Net change in fund balance	(28,780,516)	-	-	\$ -	-	-	5,442,021	\$ 5,442,021
Fund balances - beginning	-	-	-		-	-	34,778,494	
Fund balances - ending	\$ -	\$ -	\$ -		\$ -	\$ -	\$ 40,220,515	

See note to budgetary comparison schedule.

CITY OF HIALEAH, FLORIDA
NOTE TO BUDGETARY COMPARISON SCHEDULE
SEPTEMBER 30, 2021

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 \$117,934 for the Streets Fund, \$11,113,844 for the CDBG Fund, \$80,000 LEAD Hazard Reduction, \$2,172,954 for the Law Enforcement Trust - State Fund, \$3,786,416 for the Emergency Solutions Grant Fund, \$528,117 for the Fire Prevention Fund, \$103,229 for the Rescue Transportation Fund, \$1,486,799 for the Home Investment Partnership Fund, \$1,394,849 for the Park Impact Fees and Grants Fund, \$190,290 for the CITT Surtax Fund, \$51,610 for the Police Grant Fund, \$4,286,058 for the S.H.I.P. Fund, \$64,810 for the E-911 Wireless Fund, \$265,877 for the Law Enforcement Trust – Federal Fund, \$4,202,188 for the COVID – 19 Assistance MDC – Grant Fund, \$7,045,832 for the Emergency Assistance Program Grant Fund, \$1,220,697 for the City of Hialeah Education Academy Fund, \$10,000 for the W. 76 St. – 28 to 31 Ave. JPA (MDC) Fund, \$1,191,796 for the W. 24 Ave. & 76 St. Drainage – MDC (JPA) Fund, and \$2,905,997 for the N.W. 97 Ave. Road Improvement Fund – (JPA).

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	<u>9/30/2021</u> 9/30/2020	<u>9/30/2020</u> 9/30/2019	<u>9/30/2019</u> 9/30/2018	<u>9/30/2018</u> 9/30/2017	<u>9/30/2017</u> 9/30/2016	<u>9/30/2016</u> 9/30/2015	<u>9/30/2015</u> 9/30/2014
Total pension liability							
Service cost	7,021,824	\$ 7,371,026	\$ 7,202,768	\$ 8,302,554	\$ 8,887,641	\$ 9,104,164	\$ 8,982,779
Interest	74,884,189	74,095,607	70,617,995	65,295,454	62,786,218	61,082,848	60,285,831
Change in annuity savings fund	3,445,364	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	1,920,804	-	(6,194,034)	(15,079,464)	-	-	-
Difference between actual & expected experience	(9,206,862)	546,364	21,250,857	17,047,994	13,256,782	10,359,527	-
Changes of assumptions	22,132,420	8,141,313	33,984,415	-	21,734,473	-	-
Contributions - buy back	434,794	915,261	3,658,285	2,569,143	907,919	975,579	1,182,367
Benefit payments, including refunds of employee contributions	(75,937,099)	(71,058,782)	(75,067,920)	(67,397,153)	(61,753,388)	(66,047,848)	(63,299,504)
Net change in total pension liability	24,695,434	23,445,811	58,851,880	62,581,505	49,851,880	19,361,421	11,215,501
Total pension liability - beginning	<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>	<u>776,239,855</u>
Total pension liability - ending (a)	<u>\$ 1,026,243,287</u>	<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	\$ 33,184,511	\$ 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	461,877
Contributions - member	3,685,758	3,208,424	2,792,321	2,152,895	2,433,031	2,132,259	1,587,095
Contributions - buy back	434,794	915,261	3,658,285	2,569,143	907,919	975,579	1,182,367
Contributions - annuity savings fund	3,445,364	3,435,022	3,399,514	3,594,508	4,032,235	3,887,151	4,064,028
Net investment income	60,504,254	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	(75,937,099)	(71,058,782)	(75,067,920)	(67,397,153)	(61,753,388)	(66,047,848)	(63,299,504)
Administrative expense	(254,016)	(676,624)	(734,099)	-	-	-	-
Revision to methodology to include annuity reserve fund	-	-	-	48,248,469	-	-	-
Net change in plan fiduciary net position	25,525,443	(17,042,707)	36,126,770	88,904,937	21,083,866	(28,326,589)	28,467,218
Plan fiduciary net position - beginning	<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>	<u>569,856,928</u>
Plan fiduciary net position - ending (b)	<u>\$ 724,595,866</u>	<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)	\$ 301,647,421	\$ 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	70.61%	69.80%	73.21%	73.97%	69.00%	70.65%	75.98%
Covered payroll	\$ 50,199,563	\$ 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	600.90%	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%
2021	34,128,917	44,128,917	(10,000,000)	51,911,720	85.01%

* 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>2021</u>	<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	18.98%	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	9/29/2021 9/29/2020	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	\$ 153,299	\$ 156,228	\$ 163,244	\$ 160,470	\$ 169,969	\$ 214,225	\$ 278,300
Interest	573,480	569,807	549,563	527,684	504,307	502,980	490,346
Difference between actual & expected experience	18,209	28,448	53,554	10,202	(332,714)	(237,890)	(76,666)
Changes of assumptions	(228,363)	-	-	80,686	-	-	-
Benefit payments, including refunds of employee contributions	<u>(492,255)</u>	<u>(411,218)</u>	<u>(382,474)</u>	<u>(377,185)</u>	<u>(354,923)</u>	<u>(281,298)</u>	<u>(230,929)</u>
Net change in total pension liability	24,370	343,265	383,887	401,857	(13,361)	198,017	461,051
Total pension liability - beginning	<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>	<u>8,086,261</u>
Total pension liability - ending (a)	<u>\$ 9,885,347</u>	<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	152,234	\$ 171,793	\$ 164,417	\$ 155,257	\$ 203,796	\$ 304,126	\$ 305,000
Contributions - member	16,262	23,598	23,118	22,297	21,718	21,453	15,655
Net investment income	1,246,894	746,766	788,367	1,112,500	1,030,248	(11,419)	918,376
Benefit payments, including refunds of employee contributions	(492,255)	(411,218)	(382,474)	(377,185)	(354,923)	(281,298)	(230,929)
Administrative expense	<u>(39,200)</u>	<u>(16,867)</u>	<u>(19,085)</u>	<u>(30,780)</u>	<u>(25,428)</u>	<u>(5,925)</u>	<u>(9,718)</u>
Net change in plan fiduciary net position	883,935	514,072	574,343	882,089	875,411	26,937	998,384
Plan fiduciary net position - beginning	<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>	<u>8,868,218</u>
Plan fiduciary net position - ending (b)	<u>13,623,389</u>	<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)	(3,738,042)	\$ (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	137.81%	129.19%	128.45%	127.56%	123.33%	1	1
Covered payroll	558,182	\$ 679,872	\$ 684,581	\$ 695,295	\$ 688,294	\$ 872,761	\$ 1,001,519
Net pension liability as a percentage of covered payroll	-669.68%	-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

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>
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%
2021	147,015	147,015	-	499,025	29.46%

* Total covered payroll for fiscal year ending September 30.

Notes to the Schedule of Contributions

Valuation Date 10/1/2020

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

Mortality For healthy participants during employment, PUB-2010 headcount weighted general below median employee mortality table, separate rates for males and females, set back 1 year for males, with fully generational mortality improvements projected to each future decrement date with scale MP-2018

For healthy participants post employment, PUB-2010 headcount weighted general below median employee mortality table, separate rates for males and females, set back 1 year for males, with fully generational mortality improvements projected to each future decrement with scale MP-2018

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

	<u>2021</u>	<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	17.09%	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>9/29/2021</u> 9/30/2020	<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	\$ 11,907,557	\$ 8,777,476	\$ 9,389,841	\$ 10,715,811
Interest	11,970,430	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	17,488,707	89,370,912	(21,857,532)	12,853,978
Benefit payments	<u>(11,120,288)</u>	<u>(11,090,272)</u>	<u>(10,554,522)</u>	<u>(12,098,132)</u>
Net change in total OPEB liability	<u>30,246,406</u>	<u>69,105,948</u>	<u>(9,510,922)</u>	<u>(13,080,433)</u>
Total OPEB liability - beginning	<u>441,473,906</u>	<u>372,367,958</u>	<u>381,878,880</u>	<u>394,959,313</u>
Total OPEB liability - ending	<u>471,720,312</u>	<u>\$441,473,906</u>	<u>\$372,367,958</u>	<u>\$381,878,880</u>
Covered payroll	\$ 68,880,594	\$ 66,935,765	\$ 66,225,515	\$ 64,886,940
Net pension liability as a percentage of covered payroll	684.84%	659.55%	562.27%	588.53%

Note: There are no assets accumulated in a trust to pay related benefits for the OPEB plan.

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, 2021
(WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2020)

	<u>2021</u>	<u>2020</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 91,773,288	\$ 47,847,315
Receivables, net	20,580,308	24,618,597
Due from other funds	43,617,131	36,988,906
Inventories	3,987,864	3,331,056
Prepays	718,000	718,000
Notes receivable	2,822,625	2,822,625
Restricted cash, cash equivalents and investments	86,417	553,447
Total assets	<u>\$ 163,585,633</u>	<u>\$ 116,879,946</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Advance contribution to pension	<u>20,000,000</u>	<u>10,000,000</u>
<u>LIABILITIES</u>		
Accounts payable and accrued liabilities	\$ 11,022,569	\$ 9,106,861
Compensated absences payable	2,227,282	1,637,343
Self-insurance claims payable	576,067	526,790
Due to other funds	116,620,945	62,304,710
Deferred revenue	2,825,911	2,825,911
Total liabilities	<u>133,272,774</u>	<u>76,401,615</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Business license tax	<u>3,401,185</u>	<u>3,329,370</u>
<u>FUND BALANCES</u>		
Nonspendable	7,528,489	6,871,681
Restricted	86,417	553,447
Committed	784,325	390,193
Assigned	-	7,171,799
Unassigned	38,512,443	32,161,841
Total fund balances	<u>46,911,674</u>	<u>47,148,961</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 183,585,633</u>	<u>\$ 126,879,946</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)

COVID-19 Assistance MDC Grant Fund – This fund was established to account for Covid-19 revenues and expenditures of the City of Hialeah. Funds for this fund were distributed by the County as part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act, a Federal economic relief package to protect the American people from the public health and economic impact of COVID-19.

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.

Emergency Assistance Grant Fund – This fund was established to account for revenues and expenditures related to COVID-19 emergency rental assistance for City of Hialeah residents. This fund is being funded by allocation of the Emergency Solutions Grant (ESG) funds from the United States Department of Housing and Urban Development (HUD) as a result of the Coronavirus Aid, Relief, and Economic Security (CARES) Act.

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.

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.

HEA Charter School Expansion Fund – This fund was established to account for revenues and expenditures for funds received from the State of Florida Department of Education and the City of Hialeah Educational Academy for the charter school expansion project.

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, 2021

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
<u>ASSETS</u>							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receivables, net	521,753	1,312,456	-	17,875	139,666	18,176	1,135,953
Due from other funds	1,516,111	-	-	-	65,026	1,109,393	-
Prepays	-	-	-	-	-	-	-
Restricted cash and cash equivalents	-	-	921,097	-	-	563,210	704,238
Total assets	<u>2,037,864</u>	<u>1,312,456</u>	<u>921,097</u>	<u>17,875</u>	<u>204,692</u>	<u>1,690,779</u>	<u>1,840,191</u>
<u>LIABILITIES</u>							
Accounts payable and accrued liabilities	80,893	315,987	130,145	-	204,574	152,390	327,186
Due to other funds	-	396,704	11,725	6,016	-	-	385,444
Unearned revenues	666,647	35,410	-	11,859	118	-	-
Total liabilities	<u>747,540</u>	<u>748,101</u>	<u>141,870</u>	<u>17,875</u>	<u>204,692</u>	<u>152,390</u>	<u>712,630</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>							
Local business tax	-	-	-	-	-	626,051	-
Unavailable revenues	-	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>626,051</u>	<u>-</u>
<u>FUND BALANCES</u>							
Fund balances:							
Nonspendable	-	-	-	-	-	-	-
Restricted	1,194,423	263,680	685,286	-	-	481,210	934,239
Committed	95,901	300,675	93,941	48	3,207,605	431,128	193,322
Unassigned	-	-	-	(48)	(3,207,605)	-	-
Total fund balances	<u>1,290,324</u>	<u>564,355</u>	<u>779,227</u>	<u>-</u>	<u>-</u>	<u>912,338</u>	<u>1,127,561</u>
Total liabilities and fund balances	<u>\$ 2,037,864</u>	<u>\$ 1,312,456</u>	<u>\$ 921,097</u>	<u>\$ 17,875</u>	<u>\$ 204,692</u>	<u>\$ 1,690,779</u>	<u>\$ 1,840,191</u>

CITY OF HIALEAH, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2021

Special Revenue

	Emergency Disaster Covid-19 <u>Fund</u>	Emergency Disaster Fund	Home Investment Partnership <u>Fund</u>	Park Impact Fees and Grants <u>Fund</u>	The Children's Trust <u>Fund</u>	Urban Area Security Grants <u>Fund</u>	CITT Surtax <u>Fund</u>
<u>ASSETS</u>							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receivables, net	-	2,088,070	92,074	20,390	254,621	412,790	-
Due from other funds	-	-	267,670	8,884,648	-	6,131	231,325
Prepays	-	-	-	-	-	-	-
Restricted cash and cash equivalents	-	-	-	-	-	-	-
Total assets	<u>-</u>	<u>2,088,070</u>	<u>359,744</u>	<u>8,905,038</u>	<u>254,621</u>	<u>418,921</u>	<u>231,325</u>
<u>LIABILITIES</u>							
Accounts payable and accrued liabilities	211,657	9,322	-	491,417	3,521	-	231,325
Due to other funds	3,113,923	2,167,794	-	-	251,100	418,921	-
Unearned revenues	-	-	359,744	63,753	-	-	-
Total liabilities	<u>3,325,580</u>	<u>2,177,116</u>	<u>359,744</u>	<u>555,170</u>	<u>254,621</u>	<u>418,921</u>	<u>231,325</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>							
Local business tax	-	-	-	-	-	-	-
Unavailable revenues	-	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCES</u>							
Fund balances:							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	6,998,174	-	-	-
Committed	101,726	-	-	1,351,694	-	127,484	1,106,556
Unassigned	(3,427,306)	(89,046)	-	-	-	(127,484)	(1,106,556)
Total fund balances	<u>(3,325,580)</u>	<u>(89,046)</u>	<u>-</u>	<u>8,349,868</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 2,088,070</u>	<u>\$ 359,744</u>	<u>\$ 8,905,038</u>	<u>\$ 254,621</u>	<u>\$ 418,921</u>	<u>\$ 231,325</u>

CITY OF HIALEAH, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2021

Special Revenue

	Police Grant Fund	S.H.I.P Fund	E-911 Wireless Fund	Affordable Housing Fund	The Children's Trust Step Ahead Fund	Law Enforcement Trust - Federal Fund	EMS County Grant Fund	COVID - 19 Assistance MDC - Grant Fund
<u>ASSETS</u>								
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receivables, net	120,035	-	604,464	4,832	119,939	-	-	1,082,885
Due from other funds	-	1,071,795	-	-	-	100,206	23,909	-
Prepays	-	-	-	-	-	-	-	-
Restricted cash and cash equivalents	-	-	-	1,360,948	-	9,633	-	-
Total assets	<u>120,035</u>	<u>1,071,795</u>	<u>604,464</u>	<u>1,365,780</u>	<u>119,939</u>	<u>109,839</u>	<u>23,909</u>	<u>1,082,885</u>
<u>LIABILITIES</u>								
Accounts payable and accrued liabilities	27,535	50,861	158,503	189,060	10,660	2,880	-	-
Due to other funds	60,599	-	140,852	1,176,720	109,279	-	-	1,082,885
Unearned revenues	31,901	1,020,934	-	-	-	-	-	-
Total liabilities	<u>120,035</u>	<u>1,071,795</u>	<u>299,355</u>	<u>1,365,780</u>	<u>119,939</u>	<u>2,880</u>	<u>-</u>	<u>1,082,885</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>								
Local business tax	-	-	-	-	-	-	-	-
Unavailable revenues	-	-	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCES</u>								
Fund balances:								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	218,598	-	-	106,959	23,909	-
Committed	-	105,872	86,511	144,408	-	-	-	-
Unassigned	-	(105,872)	-	(144,408)	-	-	-	-
Total fund balances	<u>-</u>	<u>-</u>	<u>305,109</u>	<u>-</u>	<u>-</u>	<u>106,959</u>	<u>23,909</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 120,035</u>	<u>\$ 1,071,795</u>	<u>\$ 604,464</u>	<u>\$ 1,365,780</u>	<u>\$ 119,939</u>	<u>\$ 109,839</u>	<u>\$ 23,909</u>	<u>\$ 1,082,885</u>

CITY OF HIALEAH, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2021

	Special Revenue							Debt Service	
	CITT - Surtax Hialeah Circulator Fund	Emergency Assistance Program Grant Fund	Streets 3 Cents Optional Gas Tax Fund	21st Century Grant Fund	Alliance For Aging Grant Fund	ECS and Library Grant Fund	City of Hialeah Education Academy Fund	Revenue Bond Series 2015A Fund	CITT Surtax Transportation Fund
ASSETS									
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,627,683	\$ -	\$ -
Receivables, net	815,915	-	169,255	54,244	416,040	-	750,909	-	2,297,357
Due from other funds	2,442,777	3,475,653	1,215,953	-	157,142	146,779	-	-	4,070,602
Prepays	-	-	-	-	-	-	80,432	-	895,290
Restricted cash and cash equivalents	-	-	-	-	-	-	-	-	-
Total assets	<u>3,258,692</u>	<u>3,475,653</u>	<u>1,385,208</u>	<u>54,244</u>	<u>573,182</u>	<u>146,779</u>	<u>3,459,024</u>	<u>-</u>	<u>7,263,249</u>
LIABILITIES									
Accounts payable and accrued liabilities	1,149,547	619,120	69,365	180	515,784	33,546	476,865	-	-
Due to other funds	-	-	-	54,064	-	-	-	-	-
Unearned revenues	-	2,856,533	-	-	57,398	42,456	-	-	-
Total liabilities	<u>1,149,547</u>	<u>3,475,653</u>	<u>69,365</u>	<u>54,244</u>	<u>573,182</u>	<u>76,002</u>	<u>476,865</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES									
Local business tax	-	-	-	-	-	-	-	-	-
Unavailable revenues	400,734	-	-	-	-	-	-	-	1,602,935
Total deferred inflows of resources	<u>400,734</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,602,935</u>
FUND BALANCES									
Fund balances:									
Nonspendable	-	-	-	-	-	-	80,432	-	895,290
Restricted	-	-	1,292,834	-	-	70,777	-	-	4,765,024
Committed	2,453,572	-	23,009	179	-	-	-	-	-
Unassigned	(745,161)	-	-	(179)	-	-	2,901,727	-	-
Total fund balances	<u>1,708,411</u>	<u>-</u>	<u>1,315,843</u>	<u>-</u>	<u>-</u>	<u>70,777</u>	<u>2,982,159</u>	<u>-</u>	<u>5,660,314</u>
Total liabilities and fund balances	<u>\$ 3,258,692</u>	<u>\$ 3,475,653</u>	<u>\$ 1,385,208</u>	<u>\$ 54,244</u>	<u>\$ 573,182</u>	<u>\$ 146,779</u>	<u>\$ 3,459,024</u>	<u>\$ -</u>	<u>\$ 7,263,249</u>

CITY OF HIALEAH, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2021

Capital Projects

	N.W. 102 Ave. 162 St. to 170 St. Florida (DEO) <u>Fund</u>	W. 76 St. 28 to 31 Ave. MDC (JPA) <u>Fund</u>	N.W. 97 Ave. Road Improvement (JPA) <u>Fund</u>	HEA Charter School Expansion <u>Fund</u>	N.W. 142 St. Roadway Improvement (JPA) <u>Fund</u>	N.W. 102 Ave. 138 St. to 145 Pl. MDC (JPA) <u>Fund</u>	W. 24 Ave 60 to 68 St. MDC (JPA) <u>Fund</u>	Goodlet Adult Center <u>Fund</u>	Parks Project <u>Fund</u>	Total Non-Major Governmental <u>Funds</u>
ASSETS										
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,627,683
Receivables, net	425,968	313,477	3,107,922	720,729	350,522	531,360	-	-	-	17,899,677
Due from other funds	-	-	-	-	-	-	-	-	-	24,785,120
Prepays	-	-	-	-	-	-	-	-	-	975,722
Restricted cash and cash equivalents	-	-	-	-	-	-	-	-	-	3,559,126
Total assets	<u>425,968</u>	<u>313,477</u>	<u>3,107,922</u>	<u>720,729</u>	<u>350,522</u>	<u>531,360</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>49,847,328</u>
LIABILITIES										
Accounts payable and accrued liabilities	15,845	50,928	466,852	90,834	-	113,825	-	-	-	6,200,607
Due to other funds	390,698	252,549	2,569,096	629,895	350,522	417,535	-	-	-	13,986,321
Unearned revenues	19,425	10,000	71,974	-	-	-	-	-	-	5,248,152
Total liabilities	<u>425,968</u>	<u>313,477</u>	<u>3,107,922</u>	<u>720,729</u>	<u>350,522</u>	<u>531,360</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,435,080</u>
DEFERRED INFLOWS OF RESOURCES										
Local business tax	-	-	-	-	-	-	-	-	-	626,051
Unavailable revenues	-	-	-	-	-	-	-	-	-	2,003,669
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,629,720</u>
FUND BALANCES										
Fund balances:										
Nonspendable	-	-	-	-	-	-	-	-	-	975,722
Restricted	-	-	-	-	-	-	-	-	-	17,035,113
Committed	-	-	-	34,944	-	-	-	-	-	9,858,575
Unassigned	-	-	-	(34,944)	-	-	-	-	-	(6,086,882)
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,782,528</u>
Total liabilities and fund balances	<u>\$ 425,968</u>	<u>\$ 313,477</u>	<u>\$ 3,107,922</u>	<u>\$ 720,729</u>	<u>\$ 350,522</u>	<u>\$ 531,360</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,847,328</u>

CITY OF HIALEAH, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FISCAL YEAR ENDED SEPTEMBER 30, 2021

	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
Revenues:								
Charges for services	\$ 48,651	\$ -	\$ -	\$ -	\$ -	\$ 1,976,766	\$ 2,786,238	\$ -
Fines and forfeitures	-	-	1,295,007	-	-	-	-	-
Franchise fees	-	-	-	-	-	-	-	-
Impact fees	-	-	-	-	-	-	281,561	-
Intergovernmental	2,782,284	3,133,093	-	189,610	700,093	-	453,650	135,006
Investment income	-	-	1,684	-	-	924	3,499	-
Licenses and permits	107,418	1,330	-	-	-	-	-	-
Other revenues	-	-	20	-	-	68	4,668	-
Total revenues	<u>2,938,353</u>	<u>3,134,423</u>	<u>1,296,711</u>	<u>189,610</u>	<u>700,093</u>	<u>1,977,758</u>	<u>3,529,616</u>	<u>135,006</u>
Expenditures:								
Current:								
911 communications	-	-	-	-	-	-	-	609
Fire	-	-	-	-	-	1,656,127	2,997,844	807,236
General government	-	1,482,433	-	193,378	9,036	-	-	344,186
Grants and human services	-	-	-	-	798,014	-	-	-
Library	-	-	-	-	-	-	-	310,715
Parks and recreation	-	-	-	-	-	-	-	2,541
Police	-	-	203,557	-	-	-	-	118,883
Public works	-	-	-	-	-	-	-	16,134
State housing initiative program	-	-	-	-	-	-	-	-
Streets	2,788,033	-	-	-	-	-	-	518
Capital outlay	322,638	1,943,035	1,189,510	-	-	91,257	2,291,551	133,643
Debt service:								
Principal	-	-	-	-	-	-	137,277	-
Interest	-	-	-	-	-	-	27,512	-
Total expenditures	<u>3,110,671</u>	<u>3,425,468</u>	<u>1,393,067</u>	<u>193,378</u>	<u>807,050</u>	<u>1,747,384</u>	<u>5,454,184</u>	<u>1,734,465</u>
Excess (deficiency) of revenues over expenditures	<u>(172,318)</u>	<u>(291,045)</u>	<u>(96,356)</u>	<u>(3,768)</u>	<u>(106,957)</u>	<u>230,374</u>	<u>(1,924,568)</u>	<u>(1,599,459)</u>
Other financing sources (uses):								
Debt proceeds	-	-	-	-	-	-	-	-
Transfers in	-	291,045	-	-	106,957	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Proceeds of refunding bonds	-	-	-	-	-	-	-	-
Payment to bond refunding escrow agent	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>291,045</u>	<u>-</u>	<u>-</u>	<u>106,957</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>(172,318)</u>	<u>-</u>	<u>(96,356)</u>	<u>(3,768)</u>	<u>-</u>	<u>230,374</u>	<u>(1,924,568)</u>	<u>(1,599,459)</u>
Fund balances, as previously reported	<u>1,462,642</u>	<u>564,355</u>	<u>875,583</u>	<u>3,768</u>	<u>-</u>	<u>681,964</u>	<u>3,052,129</u>	<u>(1,726,121)</u>
Prior Period Adjustment (Note 18)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, as restated	<u>1,462,642</u>	<u>564,355</u>	<u>875,583</u>	<u>3,768</u>	<u>-</u>	<u>681,964</u>	<u>3,052,129</u>	<u>(1,726,121)</u>
Fund balances, ending	<u>\$ 1,290,324</u>	<u>\$ 564,355</u>	<u>\$ 779,227</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 912,338</u>	<u>\$ 1,127,561</u>	<u>\$ (3,325,580)</u>

CITY OF HIALEAH, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FISCAL YEAR ENDED SEPTEMBER 30, 2021

	Special Revenue							
	Emergency Disaster Fund	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
Revenues:								
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-	-	-	-	-
Franchise fees	-	-	-	-	-	-	-	-
Impact fees	-	-	2,208,617	-	-	-	-	-
Intergovernmental	-	92,074	6,885	692,552	506,817	2,447,216	253,682	1,986,872
Investment income	-	-	10,034	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Other revenues	-	-	62,131	80	-	-	-	-
Total revenues	-	92,074	2,287,667	692,632	506,817	2,447,216	253,682	1,986,872
Expenditures:								
Current:								
911 communications	-	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-	-
General government	89,046	-	-	-	-	-	-	-
Grants and human services	-	86,978	68,816	764,755	-	-	-	-
Library	-	-	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-	-	-
Police	-	-	-	-	103,871	-	246,416	-
Public works	-	-	-	-	-	-	-	-
State housing initiative program	-	-	-	-	-	-	-	1,992,953
Streets	-	-	-	-	-	1,261,340	-	-
Capital outlay	-	14,940	2,364,032	-	422,350	1,185,876	7,266	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total expenditures	89,046	101,918	2,432,848	764,755	526,221	2,447,216	253,682	1,992,953
Excess (deficiency) of revenues over expenditures	(89,046)	(9,844)	(145,181)	(72,123)	(19,404)	-	-	(6,081)
Other financing sources (uses):								
Debt proceeds	-	-	-	-	-	-	-	-
Transfers in	-	9,844	-	72,123	19,404	-	-	6,081
Transfers out	-	-	-	-	-	-	-	-
Proceeds of refunding bonds	-	-	-	-	-	-	-	-
Payment to bond refunding escrow agent	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	9,844	-	72,123	19,404	-	-	6,081
Net change in fund balance	(89,046)	-	(145,181)	-	-	-	-	-
Fund balances, as previously reported	-	-	8,495,049	-	-	-	-	-
Prior Period Adjustment (Note 18)	-	-	-	-	-	-	-	-
Fund balances, as restated	-	-	8,495,049	-	-	-	-	-
Fund balances, ending	\$ (89,046)	\$ -	\$ 8,349,868	\$ -	\$ -	\$ -	\$ -	\$ -

CITY OF HIALEAH, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FISCAL YEAR ENDED SEPTEMBER 30, 2021

Special Revenue

	<u>E-911 Wireless Fund</u>	<u>Affordable Housing Fund</u>	<u>The Children's Trust Step Ahead Fund</u>	<u>Law Enforcement Trust - Federal Fund</u>	<u>EMS County Grant Fund</u>	<u>COVID - 19 Assistance MDC - Grant Fund</u>	<u>CITT - Surtax Hialeah Circulator Fund</u>	<u>Emergency Assistance Program Grant Fund</u>
Revenues:								
Charges for services	\$ -	\$ 2,353,338	\$ -	\$ -	\$ -	\$ -	\$ 6,534	\$ -
Fines and forfeitures	-	-	-	-	-	-	-	-
Franchise fees	-	-	-	-	-	-	-	-
Impact fees	-	-	-	-	-	-	-	-
Intergovernmental	962,432	-	307,493	178,666	7,535	3,174,786	2,372,030	4,191,399
Investment income	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Other revenues	-	1,292	-	-	-	-	37,230	-
Total revenues	<u>962,432</u>	<u>2,354,630</u>	<u>307,493</u>	<u>178,666</u>	<u>7,535</u>	<u>3,174,786</u>	<u>2,415,794</u>	<u>4,191,399</u>
Expenditures:								
Current:								
911 communications	818,522	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-	-
General government	-	2,205,952	-	-	-	-	1,855,569	-
Grants and human services	-	-	308,186	-	-	3,236,647	-	4,191,399
Library	-	-	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-	-	-
Police	-	-	-	17,702	-	-	-	-
Public works	-	-	-	-	-	-	-	-
State housing initiative program	-	-	-	-	-	-	-	-
Streets	-	-	-	-	-	-	-	-
Capital outlay	158,502	35,200	-	114,006	-	-	1,102,463	-
Debt service:								
Principal	-	497,676	-	-	-	-	70,219	-
Interest	-	458,903	-	-	-	-	1,854	-
Total expenditures	<u>977,024</u>	<u>3,197,731</u>	<u>308,186</u>	<u>131,708</u>	<u>-</u>	<u>3,236,647</u>	<u>3,030,105</u>	<u>4,191,399</u>
Excess (deficiency) of revenues over expenditures	<u>(14,592)</u>	<u>(843,101)</u>	<u>(693)</u>	<u>46,958</u>	<u>7,535</u>	<u>(61,861)</u>	<u>(614,311)</u>	<u>-</u>
Other financing sources (uses):								
Debt proceeds	-	-	-	-	-	-	-	-
Transfers in	-	843,101	693	-	-	61,861	-	-
Transfers out	-	-	-	-	-	-	-	-
Proceeds of refunding bonds	-	-	-	-	-	-	-	-
Payment to bond refunding escrow agent	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>843,101</u>	<u>693</u>	<u>-</u>	<u>-</u>	<u>61,861</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(14,592)	-	-	46,958	7,535	-	(614,311)	-
Fund balances, as previously reported	<u>319,701</u>	<u>-</u>	<u>-</u>	<u>60,001</u>	<u>16,374</u>	<u>-</u>	<u>2,322,722</u>	<u>-</u>
Prior Period Adjustment (Note 18)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, as restated	<u>319,701</u>	<u>-</u>	<u>-</u>	<u>60,001</u>	<u>16,374</u>	<u>-</u>	<u>2,322,722</u>	<u>-</u>
Fund balances, ending	<u>\$ 305,109</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 106,959</u>	<u>\$ 23,909</u>	<u>\$ -</u>	<u>\$ 1,708,411</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, 2021

	Special Revenue					Debt Service	
	Streets 3 Cents Optional Gas Tax Fund	21st Century Grant Fund	Alliance For Aging 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	\$ -	\$ -	\$ -	\$ -	\$ 134,446	\$ -	\$ -
Fines and forfeitures	-	-	-	-	-	-	-
Franchise fees	-	-	-	-	-	2,220,102	-
Impact fees	-	-	-	-	-	-	-
Intergovernmental	973,930	177,514	1,584,318	26,863	8,805,447	-	5,401,393
Investment income	-	-	-	-	6,092	-	-
Licenses and permits	-	-	-	-	-	-	-
Other revenues	106,505	-	-	-	51,879	-	-
Total revenues	1,080,435	177,514	1,584,318	26,863	8,997,864	2,220,102	5,401,393
Expenditures:							
Current:							
911 communications	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-
General government	-	-	-	-	8,275,394	-	175,946
Grants and human services	-	177,514	1,584,318	3,192	-	-	-
Library	-	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-	-
Police	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-
State housing initiative program	-	-	-	-	-	-	-
Streets	951,734	-	-	-	-	-	-
Capital outlay	248,269	-	-	23,671	236,286	-	-
Debt service:							
Principal	-	-	-	-	-	1,180,000	2,104,000
Interest	-	-	-	-	-	1,040,102	1,750,390
Total expenditures	1,200,003	177,514	1,584,318	26,863	8,511,680	2,220,102	4,030,336
Excess (deficiency) of revenues over expenditures	(119,568)	-	-	-	486,184	-	1,371,057
Other financing sources (uses):							
Debt proceeds	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Proceeds of refunding bonds	-	-	-	-	-	-	22,720,000
Payment to bond refunding escrow agent	-	-	-	-	-	-	(21,704,000)
Total other financing sources (uses)	-	-	-	-	-	-	1,016,000
Net change in fund balance	(119,568)	-	-	-	486,184	-	2,387,057
Fund balances, as previously reported	1,435,411	-	-	70,777	2,461,714	-	3,273,257
Prior Period Adjustment (Note 18)	-	-	-	-	34,261	-	-
Fund balances, as restated	1,435,411	-	-	70,777	2,495,975	-	3,273,257
Fund balances, ending	\$ 1,315,843	\$ -	\$ -	\$ 70,777	\$ 2,982,159	\$ -	\$ 5,660,314

CITY OF HIALEAH, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FISCAL YEAR ENDED SEPTEMBER 30, 2021

	Capital Projects								
	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	HEA Charter School Expansion 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	Total Non-Major Governmental Funds
Revenues:									
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,305,973
Fines and forfeitures	-	-	-	-	-	-	-	-	1,295,007
Franchise fees	-	-	-	-	-	-	-	-	2,220,102
Impact fees	-	-	-	-	-	-	-	-	2,490,178
Intergovernmental	1,576,917	-	1,549,098	-	219,884	-	411,233	-	45,300,772
Investment income	-	-	-	-	-	-	-	-	22,233
Licenses and permits	-	-	-	-	-	-	-	-	108,748
Other revenues	-	-	-	720,729	-	-	-	-	984,602
Total revenues	<u>1,576,917</u>	<u>-</u>	<u>1,549,098</u>	<u>720,729</u>	<u>219,884</u>	<u>-</u>	<u>411,233</u>	<u>-</u>	<u>59,727,615</u>
Expenditures:									
Current:									
911 communications	-	-	-	-	-	-	-	-	819,131
Fire	-	-	-	-	-	-	-	-	5,461,207
General government	-	-	-	-	-	-	-	-	14,630,940
Grants and human services	-	-	-	-	-	-	-	-	11,219,819
Library	-	-	-	-	-	-	-	-	310,715
Parks and recreation	-	-	-	-	-	-	-	-	2,541
Police	-	-	-	-	-	-	-	-	690,429
Public works	-	-	-	-	-	-	-	-	16,134
State housing initiative program	-	-	-	-	-	-	-	-	1,992,953
Streets	-	149,278	-	-	-	191,558	-	40,891	5,383,352
Capital outlay	1,576,917	-	1,549,098	720,729	219,884	-	414,687	-	16,365,810
Debt service:									
Principal	-	-	-	-	-	-	-	-	3,989,172
Interest	-	-	-	-	-	-	-	-	3,278,761
Total expenditures	<u>1,576,917</u>	<u>149,278</u>	<u>1,549,098</u>	<u>720,729</u>	<u>219,884</u>	<u>191,558</u>	<u>414,687</u>	<u>40,891</u>	<u>64,160,964</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(149,278)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(191,558)</u>	<u>(3,454)</u>	<u>(40,891)</u>	<u>(4,433,349)</u>
Other financing sources (uses):									
Debt proceeds	-	-	-	-	-	-	-	-	-
Transfers in	-	149,278	-	-	-	191,558	3,454	-	1,755,399
Transfers out	-	-	-	-	-	-	-	-	-
Proceeds of refunding bonds	-	-	-	-	-	-	-	-	22,720,000
Payment to bond refunding escrow agent	-	-	-	-	-	-	-	-	(21,704,000)
Total other financing sources (uses)	<u>-</u>	<u>149,278</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>191,558</u>	<u>3,454</u>	<u>-</u>	<u>2,771,399</u>
Net change in fund balance	-	-	-	-	-	-	-	(40,891)	(1,661,950)
Fund balances, as previously reported	-	-	-	-	-	-	-	40,891	23,410,217
Prior Period Adjustment (Note 18)	-	-	-	-	-	-	-	-	34,261
Fund balances, as restated	-	-	-	-	-	-	-	-	23,444,478
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,782,528</u>

CITY OF HIALEAH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
FUND BALANCE-BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2021

	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:								
Charges for services	\$ -	\$ -	\$ 48,651	\$ 48,651	\$ -	\$ -	\$ -	\$ -
Intergovernmental	2,505,357	2,578,552	2,782,284	203,732	-	8,031,678	3,133,093	(4,898,585)
Investment income	-	-	-	-	-	-	-	-
Other revenues	25,000	25,000	107,418	82,418	-	-	1,330	1,330
Total revenues	<u>2,530,357</u>	<u>2,603,552</u>	<u>2,938,353</u>	<u>334,801</u>	<u>-</u>	<u>8,031,678</u>	<u>3,134,423</u>	<u>(4,897,255)</u>
Other financing sources:								
Appropriation of prior year fund balance	797,994	842,732	-	(842,732)	-	3,082,166	-	(3,082,166)
Transfers in	-	-	-	-	-	-	291,045	291,045
Total other financing sources	<u>797,994</u>	<u>842,732</u>	<u>-</u>	<u>(842,732)</u>	<u>-</u>	<u>3,082,166</u>	<u>291,045</u>	<u>(2,791,121)</u>
Total revenues and other financing sources	<u>3,328,351</u>	<u>3,446,285</u>	<u>2,938,353</u>	<u>(507,932)</u>	<u>-</u>	<u>11,113,844</u>	<u>3,425,468</u>	<u>(7,688,376)</u>
Expenditures:								
Grants and human services	-	-	-	-	-	7,350,673	1,482,433	5,868,240
Streets	2,977,820	3,026,791	2,788,033	238,758	-	-	-	-
Capital outlay	350,531	419,493	322,638	96,855	-	3,763,171	1,943,035	1,820,136
Total expenditures	<u>3,328,351</u>	<u>3,446,285</u>	<u>3,110,671</u>	<u>335,614</u>	<u>-</u>	<u>11,113,844</u>	<u>3,425,468</u>	<u>7,688,376</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>(172,318)</u>	<u>\$ (172,318)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>1,462,642</u>		<u>-</u>	<u>-</u>	<u>564,355</u>	
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,290,324</u>		<u>\$ -</u>	<u>\$ -</u>	<u>\$ 564,355</u>	

CITY OF HIALEAH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
FUND BALANCE-BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2021

	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>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:								
Fines and forfeitures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,385,521	\$ 1,295,007	\$ (90,514)
Investment income	-	-	-	-	-	-	1,684	1,684
Other revenues	-	-	-	-	-	-	20	20
Total revenues	-	-	-	-	-	1,385,521	1,296,711	(88,810)
Other financing sources:								
Appropriation of prior year fund balance	-	80,000	-	(80,000)	-	787,433	-	(787,433)
Total other financing sources	-	80,000	-	(80,000)	-	787,433	-	(787,433)
Total revenues and other financing sources	-	80,000	-	(80,000)	-	2,172,954	1,296,711	(876,243)
Expenditures:								
Grants and human services	-	80,000	-	80,000	-	-	-	-
Police	-	-	-	-	-	244,659	203,557	41,102
Capital outlay	-	-	-	-	-	1,928,295	1,189,510	738,785
Total expenditures	-	80,000	-	80,000	-	2,172,954	1,393,067	779,887
Net change in fund balance	-	-	-	\$ -	-	-	(96,356)	\$ (96,356)
Fund balances - beginning	-	-	-		-	-	875,583	
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		<u>\$ -</u>	<u>\$ -</u>	<u>\$ 779,227</u>	

CITY OF HIALEAH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
FUND BALANCE-BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2021

	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	\$ 200,000	\$ 200,000	\$ 189,610	\$ (10,390)	\$ -	\$ 3,786,416	\$ 700,093	\$ (3,086,323)
Total revenues	200,000	200,000	189,610	(10,390)	-	3,786,416	700,093	(3,086,323)
Other financing sources:								
Transfers in	-	-	-	-	-	-	106,957	106,957
Total other financing sources	200,000	200,000	189,610	(10,390)	-	3,786,416	807,050	(2,979,366)
Total revenues and other financing sources	400,000	400,000	379,220	(20,780)	-	7,572,832	1,507,143	(6,065,689)
Expenditures:								
General government	200,000	200,000	193,378	6,622	-	-	9,036	(9,036)
Grants and human services	-	-	-	-	-	3,786,416	798,014	2,988,402
Total expenditures	200,000	200,000	193,378	6,622	-	3,786,416	807,050	2,979,366
Net change in fund balance	-	-	(3,768)	\$ (3,768)	-	-	-	\$ -
Fund balances - beginning	-	-	3,768		-	-	-	
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, 2021

	Fire Prevention Fund				Rescue Transportation 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	\$ 1,692,100	\$ 1,695,702	\$ 1,976,766	\$ 281,064	\$ 1,854,331	\$ 1,854,331	\$ 2,786,238	\$ 931,907
Impact fees	-	-	-	-	300,000	300,000	281,561	(18,439)
Intergovernmental	-	-	-	-	682,000	682,000	453,650	(228,350)
Investment income	-	-	924	924	-	-	3,499	3,499
Other revenues	-	-	68	68	2,500	2,500	4,668	2,168
Total revenues	<u>1,692,100</u>	<u>1,695,702</u>	<u>1,977,758</u>	<u>282,056</u>	<u>2,838,831</u>	<u>2,838,831</u>	<u>3,529,616</u>	<u>690,785</u>
Other financing sources:								
Appropriation of prior year fund balance	314,742	839,257	-	(839,257)	2,980,856	3,084,085	-	(3,084,085)
Total other financing sources	<u>314,742</u>	<u>839,257</u>	<u>-</u>	<u>(839,257)</u>	<u>2,980,856</u>	<u>3,084,085</u>	<u>-</u>	<u>(3,084,085)</u>
Total revenues and other financing sources	<u>2,006,842</u>	<u>2,534,959</u>	<u>1,977,758</u>	<u>(557,201)</u>	<u>5,819,687</u>	<u>5,922,916</u>	<u>3,529,616</u>	<u>(2,393,300)</u>
Expenditures:								
Fire	2,006,842	2,270,198	1,656,127	614,071	3,195,471	3,354,448	2,997,844	356,604
Capital outlay	-	264,761	91,257	173,504	2,459,427	2,403,679	2,291,551	112,128
Debt service:								
Principal	-	-	-	-	138,639	138,639	137,277	1,362
Interest	-	-	-	-	26,150	26,150	27,512	(1,362)
Total expenditures	<u>2,006,842</u>	<u>2,534,959</u>	<u>1,747,384</u>	<u>787,575</u>	<u>5,819,687</u>	<u>5,922,916</u>	<u>5,454,184</u>	<u>468,732</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>230,374</u>	<u>\$ 230,374</u>	<u>-</u>	<u>-</u>	<u>(1,924,568)</u>	<u>\$ (1,924,568)</u>
Fund balances - beginning	-	-	681,964		-	-	3,052,129	
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 912,338</u>		<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,127,561</u>	

CITY OF HIALEAH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
FUND BALANCE-BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2021

	Emergency Disaster Covid -19 Fund				Emergency Disaster 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	\$ -	\$ -	\$ 135,006	\$ 135,006	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	135,006	135,006	-	-	-	-
Total revenues and other financing sources	-	-	135,006	135,006	-	-	-	-
Expenditures:								
911 Communications	-	-	609	(609)	-	-	-	-
Fire	-	-	807,236	(807,236)	-	-	-	-
General government	-	-	343,586	(343,586)	-	-	89,046	(89,046)
Library	-	-	310,715	(310,715)	-	-	-	-
Milander center	-	-	600	(600)	-	-	-	-
Parks and recreation	-	-	2,541	(2,541)	-	-	-	-
Police	-	-	118,883	(118,883)	-	-	-	-
Public works	-	-	16,134	(16,134)	-	-	-	-
Streets	-	-	518	(518)	-	-	-	-
Capital outlay	-	-	133,643	(133,643)	-	-	-	-
Total expenditures	-	-	1,734,465	(1,734,465)	-	-	89,046	(89,046)
Net change in fund balance	-	-	(1,599,459)	\$ (1,599,459)	-	-	(89,046)	\$ (89,046)
Fund balances - beginning	-	-	(1,726,121)		-	-	-	
Fund balances - ending	\$ -	\$ -	\$ (3,325,580)		\$ -	\$ -	\$ (89,046)	

CITY OF HIALEAH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
FUND BALANCE-BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2021

	Home Investment Partnership Fund				Parks Impact Fees and Grants Fund			
	Budgeted Amounts			Variance with Final Budget Positive (Negative)	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual		Original	Final	Actual	
Revenues:								
Impact fees	\$ -	\$ -	\$ -	\$ -	\$ 2,000,000	\$ 2,000,000	\$ 2,208,617	\$ 208,617
Intergovernmental	-	1,486,799	92,074	(1,394,725)	31,850	26,750	6,885	(19,865)
Investment income	-	-	-	-	-	-	10,034	10,034
Other revenues	-	-	-	-	30,592	30,592	21,240	(9,352)
Total revenues	-	1,486,799	92,074	(1,394,725)	2,062,442	2,057,342	2,246,776	189,434
Other financing sources:								
Appropriation of prior year fund balance	-	-	-	-	1,000,000	2,399,949	-	(2,399,949)
Transfers in	-	-	9,844	9,844	-	-	40,891	40,891
Total other financing sources	-	-	9,844	9,844	1,000,000	2,399,949	40,891	(2,359,058)
Total revenues and other financing sources	-	1,486,799	101,918	(1,384,881)	3,062,442	4,457,291	2,287,667	(2,169,624)
Expenditures:								
Parks and recreation	-	-	-	-	52,032	165,547	68,816	96,731
Grants and human services	-	1,486,799	86,978	1,399,821	-	-	-	-
Capital outlay	-	-	14,940	(14,940)	3,010,410	4,291,744	2,364,032	1,927,712
Total expenditures	-	1,486,799	101,918	1,384,881	3,062,442	4,457,291	2,432,848	2,024,443
Net change in fund balance	-	-	-	\$ -	-	-	(145,181)	\$ (145,181)
Fund balances - beginning	-	-	-		-	-	8,495,049	
Fund balances - ending	\$ -	\$ -	\$ -		\$ -	\$ -	\$ 8,349,868	

CITY OF HIALEAH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
FUND BALANCE-BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2021

	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	Actual		Original	Final	Actual	
Revenues:								
Intergovernmental	\$ 905,998	\$ 905,998	\$ 692,552	\$ (213,446)	\$ 813,375	\$ 813,375	\$ 506,817	\$ (306,558)
Other revenues	-	-	80	80	-	-	-	-
Total revenues	905,998	905,998	692,632	(213,366)	813,375	813,375	506,817	(306,558)
Other financing sources:								
Transfers in	32,292	32,292	72,123	39,831	179,035	179,035	19,404	(159,631)
Total other financing sources	32,292	32,292	72,123	39,831	179,035	179,035	19,404	(159,631)
Total revenues and other financing sources	938,290	938,290	764,755	(173,535)	992,410	992,410	526,221	(466,189)
Expenditures:								
Grants and human services	938,290	938,290	764,755	173,535	-	-	-	-
Police	-	-	-	-	92,290	92,290	103,871	(11,581)
Capital outlay	-	-	-	-	900,120	900,120	422,350	477,770
Total expenditures	938,290	938,290	764,755	173,535	992,410	992,410	526,221	466,189
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, 2021

	CITT Surtax Fund				Police Grant Surtax 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	\$ 4,000,000	\$ 4,000,000	\$ 2,447,216	\$ (1,552,784)	\$ 291,932	\$ 339,792	\$ 253,682	\$ (86,110)
Total revenues	<u>4,000,000</u>	<u>4,000,000</u>	<u>2,447,216</u>	<u>(1,552,784)</u>	<u>291,932</u>	<u>339,792</u>	<u>253,682</u>	<u>(86,110)</u>
Other financing sources:								
Appropriation of prior year fund balance	-	190,290	-	(190,290)	-	3,750	-	(3,750)
Total other financing sources	<u>-</u>	<u>190,290</u>	<u>-</u>	<u>(190,290)</u>	<u>-</u>	<u>3,750</u>	<u>-</u>	<u>(3,750)</u>
Total revenues and other financing sources	<u>4,000,000</u>	<u>4,190,290</u>	<u>2,447,216</u>	<u>(1,743,074)</u>	<u>291,932</u>	<u>343,542</u>	<u>253,682</u>	<u>(89,860)</u>
Expenditures:								
Police	-	-	-	-	256,866	292,476	246,416	46,060
Streets	1,800,212	1,801,612	1,261,340	540,272	-	-	-	-
Capital outlay	2,199,788	2,388,678	1,185,876	1,202,802	35,066	51,066	7,266	43,800
Total expenditures	<u>4,000,000</u>	<u>4,190,290</u>	<u>2,447,216</u>	<u>1,743,074</u>	<u>291,932</u>	<u>343,542</u>	<u>253,682</u>	<u>89,860</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	<u>-</u>	<u>-</u>	<u>-</u>		<u>-</u>	<u>-</u>	<u>-</u>	
Fund balances - ending		<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, 2021

	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	\$ -	\$ 4,286,058	\$ 1,986,872	\$(2,299,186)	\$ 755,000	\$ 755,000	\$ 962,432	\$ 207,432
Total revenues	-	4,286,058	1,986,872	(2,299,186)	755,000	755,000	962,432	207,432
Other financing sources:								
Appropriation of prior year fund balance	-	-	-	-	224,624	289,434	-	(289,434)
Transfers in	-	-	6,081	6,081	-	-	-	-
Total other financing sources	-	-	6,081	6,081	224,624	289,434	-	(289,434)
Total revenues and other financing sources	-	4,286,058	1,992,953	(2,293,105)	979,624	1,044,434	962,432	(82,002)
Expenditures:								
911 communications	-	-	-	-	737,874	797,684	818,522	(20,838)
State housing initiative program	-	4,286,058	1,992,953	2,293,105	-	-	-	-
Capital outlay	-	-	-	-	241,750	246,750	158,502	88,248
Total expenditures	-	4,286,058	1,992,953	2,293,105	979,624	1,044,434	977,024	67,410
Net change in fund balance	-	-	-	\$ -	-	-	(14,592)	\$ (14,592)
Fund balances - beginning	-	-	-		-	-	319,701	
Fund balances - ending	\$ -	\$ -	\$ -		-	-	305,109	

CITY OF HIALEAH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
FUND BALANCE-BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2021

	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)
	Original	Final	Actual		Original	Final	Actual	
Revenues:								
Charges for services	\$ 2,288,500	\$ 2,288,500	\$ 2,353,338	\$ 64,838	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	375,000	375,000	307,493	(67,507)
Other revenues	-	-	1,292	1,292	-	-	-	-
Total revenues	<u>2,288,500</u>	<u>2,288,500</u>	<u>2,354,630</u>	<u>66,130</u>	<u>375,000</u>	<u>375,000</u>	<u>307,493</u>	<u>(67,507)</u>
Other financing sources:								
Transfers in	411,958	411,958	843,101	431,143	-	-	693	693
Total other financing sources	<u>411,958</u>	<u>411,958</u>	<u>843,101</u>	<u>431,143</u>	<u>-</u>	<u>-</u>	<u>693</u>	<u>693</u>
Total revenues and other financing sources	<u>2,700,458</u>	<u>2,700,458</u>	<u>3,197,731</u>	<u>497,273</u>	<u>375,000</u>	<u>375,000</u>	<u>308,186</u>	<u>(66,814)</u>
Expenditures:								
General government	1,743,879	1,743,879	2,205,952	(462,073)	-	-	-	-
Grants and human services	-	-	-	-	375,000	375,000	308,186	66,814
Capital outlay	-	-	35,200	(35,200)	-	-	-	-
Debt Service								
Principal	497,352	497,352	497,676	(324)	-	-	-	-
Interest	459,227	459,227	458,903	324	-	-	-	-
Total expenditures	<u>2,700,458</u>	<u>2,700,458</u>	<u>3,197,731</u>	<u>(497,273)</u>	<u>375,000</u>	<u>375,000</u>	<u>308,186</u>	<u>66,814</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>	

CITY OF HIALEAH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
FUND BALANCE-BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2021

	Law Enforcement Trust - Federal Fund				EMS County Grants 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	\$ -	\$ 208,217	\$ 178,666	\$ (29,551)	\$ -	\$ -	\$ 7,535	\$ 7,535
Total revenues	-	208,217	178,666	(29,551)	-	-	7,535	7,535
Other financing sources:								
Appropriation of prior year fund balance	-	57,660	-	(57,660)	-	-	-	-
Total other financing sources	-	57,660	-	(57,660)	-	-	-	-
Total revenues and other financing sources	-	265,877	178,666	(87,211)	-	-	7,535	7,535
Expenditures:								
Police	-	21,510	17,702	3,808	-	-	-	-
Capital outlay	-	244,367	114,006	130,361	-	-	-	-
Total expenditures	-	265,877	131,708	134,169	-	-	-	-
Net change in fund balance	-	-	46,958	\$ 46,958	-	-	7,535	\$ 7,535
Fund balances - beginning	-	-	60,001		-	-	16,374	
Fund balances - ending	\$ -	\$ -	\$ 106,959		\$ -	\$ -	\$ 23,909	

CITY OF HIALEAH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
FUND BALANCE-BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2021

	COVID - 19 Assistance MDC - Grant Fund				CITT - Surtax Hialeah Circulator 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	\$ -	\$ -	\$ -	\$ -	\$ 30,000	\$ 30,000	\$ 6,534	\$ (23,466)
Intergovernmental	-	4,202,188	3,174,786	(1,027,402)	2,837,000	2,837,000	2,372,030	(464,970)
Other revenues	-	-	-	-	29,706	29,706	37,230	7,524
Total revenues	-	4,202,188	3,174,786	(1,027,402)	2,896,706	2,896,706	2,415,794	(480,912)
Other financing sources:								
Appropriation of prior year fund balance	-	-	-	-	830,018	830,018	-	(830,018)
Transfers in	-	-	61,861	61,861	-	-	-	-
Total other financing sources	-	-	61,861	61,861	830,018	830,018	-	(830,018)
Total revenues and other financing sources	-	4,202,188	3,236,647	(965,541)	3,726,724	3,726,724	2,415,794	(1,310,930)
Expenditures:								
General government	-	-	-	-	2,140,651	2,140,651	1,855,569	285,082
Grants and humans services	-	4,202,188	3,236,647	965,541	-	-	-	-
Capital outlay	-	-	-	-	1,514,000	1,514,000	1,102,463	411,537
Debt Service:								
Principal	-	-	-	-	70,219	70,219	70,219	-
Interest	-	-	-	-	1,854	1,854	1,854	-
Total expenditures	-	4,202,188	3,236,647	965,541	3,726,724	3,726,724	3,030,105	696,619
Net change in fund balance	-	-	-	\$ -	-	-	(614,311)	\$ (614,311)
Fund balances - beginning	-	-	-		-	-	2,322,722	
Fund balances - ending	\$ -	\$ -	\$ -		\$ -	\$ -	\$ 1,708,411	

CITY OF HIALEAH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
FUND BALANCE-BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2021

	Emergency Assitance Program Grant Fund				Streets 3 Cent 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:								
Intergovernmental	\$ -	\$ 7,045,832	\$ 4,191,399	\$ (2,854,433)	\$ 890,000	\$ 890,000	\$ 973,930	\$ 83,930
Other revenues	-	-	-	-	-	-	106,505	106,505
Total revenues	-	7,045,832	4,191,399	(2,854,433)	890,000	890,000	1,080,435	190,435
Other financing sources:								
Appropriation of prior year fund balance	-	-	-	-	1,062,063	1,062,063	-	(1,062,063)
Total other financing sources	-	-	-	-	1,062,063	1,062,063	-	(1,062,063)
Total revenues and other financing sources	-	7,045,832	4,191,399	(2,854,433)	1,952,063	1,952,063	1,080,435	(871,628)
Expenditures:								
Grants and human services	-	7,045,832	4,191,399	2,854,433	-	-	-	-
Street	-	-	-	-	1,162,063	1,162,063	951,734	210,329
Capital outlay	-	-	-	-	790,000	790,000	248,269	541,731
Total expenditures	-	7,045,832	4,191,399	2,854,433	1,952,063	1,952,063	1,200,003	752,060
Net change in fund balance	-	-	-	\$ -	-	-	(119,568)	\$ (119,568)
Fund balances - beginning	-	-	-		-	-	1,435,411	
Fund balances - ending	\$ -	\$ -	\$ -		\$ -	\$ -	\$ 1,315,843	

CITY OF HIALEAH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
FUND BALANCE-BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2021

	21st Century Grant Fund				Alliance for Aging Grant Fund			
	Budgeted Amounts		Actual	Variance Budget (Negative)	Budgeted Amounts		Actual	Variance Budget (Negative)
	Original	Final			Original	Final		
Revenues:								
Intergovernmental	\$ 584,100	\$ 584,100	\$ 177,514	\$ (406,586)	\$ -	\$ -	\$ 1,584,318	\$ 1,584,318
Total revenues	<u>584,100</u>	<u>584,100</u>	<u>177,514</u>	<u>(406,586)</u>	<u>-</u>	<u>-</u>	<u>1,584,318</u>	<u>1,584,318</u>
Expenditures:								
Grants and humans services	<u>584,100</u>	<u>584,100</u>	<u>177,514</u>	<u>406,586</u>	<u>-</u>	<u>-</u>	<u>1,584,318</u>	<u>(1,584,318)</u>
Total expenditures	<u>584,100</u>	<u>584,100</u>	<u>177,514</u>	<u>406,586</u>	<u>-</u>	<u>-</u>	<u>1,584,318</u>	<u>(1,584,318)</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	<u>-</u>	<u>-</u>	<u>-</u>		<u>-</u>	<u>-</u>	<u>-</u>	
Fund balances - ending	<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, 2021

	ECS and Library Grant Fund				City of Hialeah Education Academy 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	\$ -	\$ -	\$ -	\$ -	\$ 95,000	\$ 133,524	\$ 134,446	\$ 922
Intergovernmental	174,750	157,079	26,863	(130,216)	7,532,427	8,801,266	8,805,447	4,181
Investment income	-	-	-	-	-	-	6,092	6,092
Other revenues	-	-	-	-	65,500	49,560	51,879	2,319
Total revenues	<u>174,750</u>	<u>157,079</u>	<u>26,863</u>	<u>(130,216)</u>	<u>7,692,927</u>	<u>8,984,350</u>	<u>8,997,864</u>	<u>13,514</u>
Expenditures:								
Grants and human services	174,750	133,408	3,192	130,216	7,063,811	8,321,576	8,275,394	46,182
Capital outlay	-	23,671	23,671	-	279,500	242,432	236,286	6,146
Total expenditures	<u>174,750</u>	<u>157,079</u>	<u>26,863</u>	<u>130,216</u>	<u>7,343,311</u>	<u>8,564,008</u>	<u>8,511,680</u>	<u>52,328</u>
Net change in fund balance	<u>174,750</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>	<u>349,616</u>	<u>420,342</u>	<u>486,184</u>	<u>\$ 65,842</u>
Fund balances - beginning	-	-	70,777		-	-	2,461,714	
Prior Period Adjustment (Note 8)	-	-	-		-	-	34,261	
Fund balances - beginning	-	-	70,777		-	-	2,495,975	
Fund balances - ending	<u>\$ 174,750</u>	<u>\$ -</u>	<u>\$ 70,777</u>		<u>\$ 349,616</u>	<u>\$ 420,342</u>	<u>\$ 2,982,159</u>	

CITY OF HIALEAH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
FUND BALANCE-BUDGET AND ACTUAL
DEBT SERVICE FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2021

	Revenue Bond Series 2015A Fund				CITT Surtax Transportation Fund			
	Budgeted Amounts			Variance with Final Budget Positive (Negative)	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual		Original	Final	Actual	
Revenues:								
Franchise fees	\$ 2,220,102	\$ 2,220,102	\$ 2,220,102	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	3,911,990	3,911,990	5,401,393	1,489,403
Investment income	-	-	-	-	-	-	-	-
Other revenues	-	-	-	-	-	-	-	-
Total revenues	<u>2,220,102</u>	<u>2,220,102</u>	<u>2,220,102</u>	<u>-</u>	<u>3,911,990</u>	<u>3,911,990</u>	<u>5,401,393</u>	<u>1,489,403</u>
Expenditures:								
General government	-	-	-	-	57,600	57,600	175,946	(118,346)
Debt Service:								
Principal	1,180,000	1,180,000	1,180,000	-	2,104,000	2,104,000	2,104,000	-
Interest	-	1,040,102	1,040,102	-	1,750,390	1,750,390	1,750,390	-
Total expenditures	<u>1,180,000</u>	<u>2,220,102</u>	<u>2,220,102</u>	<u>-</u>	<u>3,911,990</u>	<u>3,911,990</u>	<u>4,030,336</u>	<u>(118,346)</u>
Other financing uses (sources)								
Payments to refund debt	-	-	-	-	-	-	21,704,000	(21,704,000)
Refunding debt issued	-	-	-	-	-	-	(22,720,000)	22,720,000
Total other financing uses (sources)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,016,000)</u>	<u>1,016,000</u>
Total expenditures and other financing uses	<u>1,180,000</u>	<u>2,220,102</u>	<u>2,220,102</u>	<u>-</u>	<u>3,911,990</u>	<u>3,911,990</u>	<u>3,014,336</u>	<u>897,654</u>
Net change in fund balance	<u>1,040,102</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>2,387,057</u>	<u>\$ 2,387,057</u>
Fund balances, beginning	-	-	-		-	-	3,273,257	
Fund balances, ending	<u>\$ 1,040,102</u>	<u>\$ -</u>	<u>\$ -</u>		<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,660,314</u>	

CITY OF HIALEAH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
FUND BALANCE-BUDGET AND ACTUAL
CAPITAL PROJECT FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2021

	N.W. 102 Ave. 162 St. to 170 St. (DEO) Fund				W. 76 St - 28 to 31 Ave JPA (MDC) 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	\$ 3,073,141	\$ 3,073,141	\$ 1,576,917	\$ (1,496,224)	\$ -	\$ 10,000	\$ -	\$ (10,000)
Total revenues	<u>3,073,141</u>	<u>3,073,141</u>	<u>1,576,917</u>	<u>(1,496,224)</u>	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>(10,000)</u>
Other financing sources:								
Transfers in	-	-	-	-	-	-	149,278	149,278
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>149,278</u>	<u>149,278</u>
Total revenues and other financing sources	<u>3,073,141</u>	<u>3,073,141</u>	<u>1,576,917</u>	<u>(1,496,224)</u>	<u>-</u>	<u>10,000</u>	<u>149,278</u>	<u>139,278</u>
Expenditures:								
Streets	-	-	-	-	-	-	149,278	(149,278)
Capital outlay	<u>3,073,141</u>	<u>3,073,141</u>	<u>1,576,917</u>	<u>1,496,224</u>	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Total expenditures		<u>3,073,141</u>	<u>1,576,917</u>	<u>1,496,224</u>	<u>-</u>	<u>10,000</u>	<u>149,278</u>	<u>(139,278)</u>
Net change in fund balance	<u>3,073,141</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>
Fund balances, beginning	<u>-</u>	<u>-</u>	<u>-</u>		<u>-</u>	<u>-</u>	<u>-</u>	
Fund balances, ending	<u>\$ 3,073,141</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
CAPITAL PROJECT FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2021

	W. 24 Ave. & 76 St. Drainage - MDC (JPA) Fund				N.W. 97 Ave Road Improvement 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	\$ 1,147,547	\$ 1,147,547	\$ -	\$ (1,147,547)	\$ 4,232,288	\$ 7,138,285	\$ 1,549,098	\$ (5,589,187)
Total revenues	<u>1,147,547</u>	<u>1,147,547</u>	<u>-</u>	<u>(1,147,547)</u>	<u>4,232,288</u>	<u>7,138,285</u>	<u>1,549,098</u>	<u>(5,589,187)</u>
Other financing sources:								
Appropriation of prior year fund balance	-	1,191,796	-	(1,191,796)	-	-	-	-
Total other financing sources	<u>-</u>	<u>1,191,796</u>	<u>-</u>	<u>(1,191,796)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues and other financing sources	<u>1,147,547</u>	<u>2,339,343</u>	<u>-</u>	<u>(2,339,343)</u>	<u>4,232,288</u>	<u>7,138,285</u>	<u>1,549,098</u>	<u>(5,589,187)</u>
Expenditures:								
General government	-	-	-	-	43,894	43,894	-	43,894
Capital outlay	<u>1,147,547</u>	<u>2,339,343</u>	<u>-</u>	<u>2,339,343</u>	<u>4,188,394</u>	<u>7,094,391</u>	<u>1,549,098</u>	<u>5,545,293</u>
Total expenditures		<u>2,339,343</u>	<u>-</u>	<u>2,339,343</u>	<u>4,232,288</u>	<u>7,138,285</u>	<u>1,549,098</u>	<u>5,589,187</u>
Net change in fund balance	<u>1,147,547</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>
Fund balances, beginning	<u>-</u>	<u>-</u>	<u>-</u>		<u>-</u>	<u>-</u>	<u>-</u>	
Fund balances, ending	<u>\$ 1,147,547</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
CAPITAL PROJECT FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2021

	HEA Charter School Expansion Fund				N.W. 102 Ave 138 St. to 145 Pl. MDC (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	\$ -	\$ -	\$ -	\$ -	\$ 1,994,706	\$ 1,994,706	\$ 219,884	\$ (1,774,822)
Other revenues	-	748,000	720,729	(27,271)	-	-	-	-
Total revenues	-	748,000	720,729	(27,271)	1,994,706	1,994,706	219,884	(1,774,822)
Expenditures:								
General government	-	-	-	-	7,345	7,345	-	7,345
Capital outlay	-	748,000	720,729	27,271	1,987,361	1,987,361	219,884	1,767,477
Total expenditures	-	748,000	720,729	27,271	1,994,706	1,994,706	219,884	1,774,822
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, 2021

	W. 24 Ave 60 to 68 St. MDC (JPA) Fund				Goodlet Adult Center 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	\$ -	\$ -	\$ -	\$ -	\$ 500,000	\$ 500,000	\$ 411,233	\$ (88,767)
Total revenues	-	-	-	-	500,000	500,000	411,233	(88,767)
Other financing sources:								
Transfers in	-	-	191,558	191,558	-	-	3,454	3,454
Total other financing sources	-	-	191,558	191,558	-	-	3,454	3,454
Total revenues and other financing sources	-	-	191,558	191,558	500,000	500,000	414,687	(85,313)
Expenditures:								
Streets	-	-	191,558	(191,558)	-	-	-	-
Capital outlay	-	-	-	-	500,000	500,000	414,687	85,313
Total expenditures	-	-	191,558	(191,558)	500,000	500,000	414,687	85,313
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, 2021

	Parks Project Fund			
	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures:				
Streets	-	-	40,891	(40,891)
Total expenditures		-	40,891	(40,891)
Net change in fund balance	-	-	(40,891)	<u>\$ (40,891)</u>
Fund balances, beginning	-	-	40,891	
Fund balances, ending	\$ -	\$ -	\$ -	

FIDUCIARY FUNDS

CITY OF HIALEAH, FLORIDA
FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2021

	Employees' Retirement System	Elected Officials' Retirement System	Total
<u>ASSETS</u>			
Cash and cash equivalents	\$ 32,387,773	\$ -	\$ 32,387,773
Securities lending cash collateral	31,979,471	-	31,979,471
Receivables:			
Accrued interest	1,081,653	-	1,081,653
Accrued dividends	266,221	-	266,221
Other receivables	417,842	-	417,842
Total receivables	1,765,716	-	1,765,716
Investments, at fair value:			
U.S. government	175,867,351	-	175,867,351
Real estate investment trusts	15,824,008	877,673	16,701,681
Corporate bonds	132,710,543	-	132,710,543
Foreign bonds	736,575	-	736,575
Limited partnerships	5,870,728	-	5,870,728
Mutual funds	9,815,396	14,635,845	24,451,241
ADRs	35,017,732	-	35,017,732
Foreign stocks	7,922,817	-	7,922,817
CIF - equity	1,203,827	-	1,203,827
Common stocks	408,964,904	-	408,964,904
Total investments	793,933,881	15,513,518	809,447,399
Loans to members	7,195,349	-	7,195,349
Total assets	867,262,190	15,513,518	882,775,708
<u>LIABILITIES AND NET POSITION</u>			
Obligations under securities lending	31,979,471	-	31,979,471
Investments purchased	490,035	-	490,035
Accounts payable and accrued liabilities	50	43,443	43,493
Total liabilities	32,469,556	43,443	32,512,999
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Advance contribution from city	20,000,000	-	20,000,000
Net position restricted for pensions	\$ 814,792,634	\$ 15,470,075	\$ 830,262,709

CITY OF HIALEAH, FLORIDA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	Employees' Retirement <u>System</u>	Elected Officials' Retirement <u>System</u>	<u>Total</u>
ADDITIONS			
Contributions:			
Employer	\$ 33,667,040	\$ 147,015	\$ 33,814,055
Employee	8,900,887	15,607	8,916,494
State	461,877	-	461,877
Total contributions	<u>43,029,804</u>	<u>162,622</u>	<u>43,192,426</u>
Investment income:			
Net appreciation in fair value of investments	119,766,388	2,028,124	121,794,512
Investment income	14,939,221	349,830	15,289,051
Total investment income	134,705,609	2,377,954	137,083,563
Less investment expenses	2,039,218	7,274	2,046,492
Net investment income	132,666,391	2,370,680	135,037,071
Total additions	<u>175,696,195</u>	<u>2,533,302</u>	<u>178,229,497</u>
DEDUCTIONS			
Pension benefits	64,083,348	630,943	64,714,291
Refunds of contributions	8,707,034	-	8,707,034
DROP benefits	1,823,105	-	1,823,105
Administrative expenses	885,941	55,673	941,614
Total deductions	<u>75,499,428</u>	<u>686,616</u>	<u>76,186,044</u>
Net increase (decrease)	100,196,767	1,846,686	102,043,453
Net position restricted for pensions:			
Beginning of year	714,595,867	13,623,389	728,219,256
End of year	<u>\$ 814,792,634</u>	<u>\$ 15,470,075</u>	<u>\$ 830,262,709</u>

STATISTICAL SECTION

STATISTICAL SECTION

This part of the City of Hialeah's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the 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>	129-132
Revenue Capacity <i>These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.</i>	133-136
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>	137-139
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>	140-142
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>	143-144

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

	<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>	<u>2021</u>
Governmental activities:										
Net investment in capital assets	\$ 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	\$ 195,636,843
Restricted	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	56,260,585
Unrestricted	<u>(138,778,621)</u>	<u>(157,186,806)</u>	<u>(152,392,602)</u>	<u>(262,072,904)</u>	<u>(270,877,972)</u>	<u>(293,625,452)</u>	<u>(497,449,914)</u>	<u>(471,162,631)</u>	<u>(560,835,297)</u>	<u>(599,544,866)</u>
Total governmental activities net position	<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>	<u>(347,647,438)</u>
Business-type activities:										
Net investment in capital assets	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	150,193,207
Restricted	5,213,862	-	-	-	-	-	-	-	-	-
Unrestricted	<u>44,149,697</u>	<u>45,934,610</u>	<u>47,347,915</u>	<u>(8,636,198)</u>	<u>(17,762,837)</u>	<u>(21,403,478)</u>	<u>(73,743,502)</u>	<u>(69,225,945)</u>	<u>(73,753,456)</u>	<u>(82,672,654)</u>
Total business-type activities net position	<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>	<u>67,520,553</u>
Total government:										
Net investment in capital assets	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	345,830,050
Restricted	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	56,260,585
Unrestricted	<u>(94,628,924)</u>	<u>(111,252,196)</u>	<u>(105,044,687)</u>	<u>(270,709,102)</u>	<u>(288,640,809)</u>	<u>(315,028,930)</u>	<u>(571,193,416)</u>	<u>(540,388,576)</u>	<u>(634,588,753)</u>	<u>(682,217,520)</u>
Total government net position	<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>	<u>\$ (280,126,885)</u>

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses:										
Governmental activities:										
General government	\$ 66,408,608	\$ 68,219,791	\$ 72,876,508	\$ 53,294,065	\$ 55,341,792	\$ 59,957,217	\$ 55,258,339	\$ 61,455,026	\$ 70,420,073	\$ 84,180,713
Police	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	83,705,377
Fire	39,712,334	39,443,585	38,604,552	43,511,619	49,035,406	54,381,049	46,936,520	57,797,638	58,349,093	63,772,003
Streets	12,935,254	11,985,507	11,842,353	12,459,595	14,054,634	15,961,337	13,202,250	13,572,809	17,440,016	17,195,034
Recreation and community services	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	14,880,885
Interest on long-term debt	3,081,789	4,538,607	3,179,767	2,924,134	5,448,282	3,766,967	4,025,439	3,317,950	3,165,907	2,966,368
Total governmental activities	<u>176,249,956</u>	<u>178,230,999</u>	<u>180,118,513</u>	<u>177,602,408</u>	<u>190,725,236</u>	<u>206,010,909</u>	<u>184,560,619</u>	<u>209,126,668</u>	<u>250,048,295</u>	<u>266,700,380</u>
Business-type activities:										
Water & sewer	52,462,058	45,991,989	49,789,756	57,129,636	72,874,604	71,567,962	73,079,627	71,136,712	81,857,795	88,867,911
Solid waste	15,415,099	18,232,547	15,552,864	13,310,272	21,314,937	19,795,688	7,318,709	15,261,866	18,495,129	20,002,706
Hialeah circulator	-	-	-	-	-	-	-	-	-	-
Stormwater	<u>4,818,638</u>	<u>4,672,609</u>	<u>5,299,992</u>	<u>5,877,241</u>	<u>2,248,357</u>	<u>4,987,399</u>	<u>5,495,126</u>	<u>4,494,713</u>	<u>4,810,937</u>	<u>5,116,368</u>
Total business-type activities	<u>72,695,795</u>	<u>68,897,145</u>	<u>70,642,612</u>	<u>76,317,149</u>	<u>96,437,898</u>	<u>96,351,049</u>	<u>85,893,462</u>	<u>90,893,291</u>	<u>105,163,861</u>	<u>113,986,985</u>
Total government expenses	<u>\$ 248,945,751</u>	<u>\$ 247,128,144</u>	<u>\$ 250,761,125</u>	<u>\$ 253,919,557</u>	<u>\$ 287,163,134</u>	<u>\$ 302,361,958</u>	<u>\$ 270,454,081</u>	<u>\$ 300,019,959</u>	<u>\$ 355,212,156</u>	<u>\$ 380,687,365</u>
Program revenues:										
Governmental activities:										
Charges for services:										
General government	\$ 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	\$ 40,843,724
Police	1,058,390	889,365	918,205	772,604	685,253	745,403	677,410	542,614	954,018	1,838,907
Fire	4,762,900	4,489,584	4,775,600	4,425,659	5,615,993	4,696,059	4,749,781	10,189,498	6,207,550	5,049,491
Streets	-	209,436	120,024	428,722	377,105	766,087	2,345,404	699,617	8,300,213	10,758,518
Recreation and community services	2,042,914	655,795	584,852	640,787	1,103,371	1,968,593	1,347,900	1,228,840	2,943,241	2,549,607
Operating grants and contributions	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	21,087,711
Capital grants and contributions	<u>27,170,059</u>	<u>26,000,214</u>	<u>9,019,257</u>	<u>13,347,879</u>	<u>12,214,891</u>	<u>9,475,840</u>	<u>14,519,811</u>	<u>15,769,053</u>	<u>12,025,790</u>	<u>6,521,210</u>
Total governmental activities program revenues	<u>74,364,133</u>	<u>74,252,218</u>	<u>58,583,595</u>	<u>63,770,333</u>	<u>69,636,565</u>	<u>68,665,270</u>	<u>71,736,556</u>	<u>83,927,941</u>	<u>87,459,068</u>	<u>88,649,168</u>
Business-type activities:										
Charges for services:										
Water & sewer	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	79,562,678
Solid waste	14,952,300	15,002,838	14,969,410	15,379,996	16,655,394	17,356,664	18,218,239	18,595,914	19,746,834	20,367,889
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	3,650,696
Capital grants and contributions	<u>1,168,560</u>	<u>538,297</u>	<u>502,578</u>	<u>172,378</u>	<u>429,279</u>	<u>591,188</u>	<u>33,168</u>	<u>9,781</u>	<u>191,881</u>	<u>202,536</u>
Total business-type activities program revenues	<u>68,033,292</u>	<u>69,114,023</u>	<u>73,674,220</u>	<u>78,904,128</u>	<u>86,728,551</u>	<u>88,265,858</u>	<u>92,310,493</u>	<u>95,353,625</u>	<u>99,239,849</u>	<u>103,783,799</u>
Total program revenues	<u>\$ 142,397,425</u>	<u>\$ 143,366,241</u>	<u>\$ 132,257,815</u>	<u>\$ 142,674,461</u>	<u>\$ 156,365,116</u>	<u>\$ 156,931,128</u>	<u>\$ 164,047,049</u>	<u>\$ 179,281,566</u>	<u>\$ 186,698,917</u>	<u>\$ 192,432,967</u>
Net (expense) revenue:										
Governmental activities	\$ (101,885,823)	\$ (103,978,781)	\$ (121,534,918)	\$ (113,832,075)	\$ (121,088,671)	\$ (137,345,639)	\$ (112,824,063)	\$ (125,198,727)	\$ (162,589,227)	\$ (178,051,212)
Business-type activities	(4,662,503)	216,878	3,031,608	2,586,979	(9,709,347)	(8,085,191)	6,417,031	4,460,334	(5,924,012)	(10,203,186)
Total net expense	<u>\$ (106,548,326)</u>	<u>\$ (103,761,903)</u>	<u>\$ (118,503,310)</u>	<u>\$ (111,245,096)</u>	<u>\$ (130,798,018)</u>	<u>\$ (145,430,830)</u>	<u>\$ (106,407,032)</u>	<u>\$ (120,738,393)</u>	<u>\$ (168,513,239)</u>	<u>\$ (188,254,398)</u>
General revenues:										
Governmental activities:										
Taxes:										
Property taxes	\$ 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	\$ 75,538,132
Utility taxes	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	22,493,687
Franchise fees on gross receipts	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	17,017,212
Intergovernmental revenue	21,875,813	23,733,372	25,094,317	26,939,103	27,687,192	28,200,503	33,823,674	34,612,512	35,442,925	34,558,205
Gain on disposal of capital assets	-	163,973	(1,434,185)	55,529	69,910	77,140	165,426	141,860	163,985	954,345
Unrestricted interest	6,254	14,745	7,600	17,656	9,597	129,600	224,407	640,840	456,010	148,954
Transfers	-	-	15,033,525	-	-	(1,296,159)	(366,407)	(1,269,139)	(756,270)	(1,080,690)
Total governmental activities	<u>99,409,809</u>	<u>97,787,417</u>	<u>117,983,636</u>	<u>109,581,135</u>	<u>112,590,870</u>	<u>117,072,699</u>	<u>130,384,319</u>	<u>135,350,084</u>	<u>141,447,848</u>	<u>149,629,845</u>
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	(113,739)
Unrestricted interest	672,616	85,110	475,934	669,909	2,392,231	543,642	347,074	2,143,229	513,395	322,769
Gain on disposal of capital assets	-	-	-	-	-	-	43,575	-	-	-
Transfers	-	-	(15,033,525)	-	-	1,296,159	366,407	1,269,139	756,270	1,080,690
Total business-type activities	<u>672,616</u>	<u>(316,354)</u>	<u>(14,143,105)</u>	<u>1,174,372</u>	<u>2,577,601</u>	<u>1,718,207</u>	<u>541,058</u>	<u>3,904,465</u>	<u>2,400,772</u>	<u>1,289,720</u>
Total general revenues	<u>\$ 100,082,425</u>	<u>\$ 97,471,063</u>	<u>\$ 103,840,531</u>	<u>\$ 110,755,507</u>	<u>\$ 115,168,471</u>	<u>\$ 118,790,906</u>	<u>\$ 130,925,377</u>	<u>\$ 139,254,549</u>	<u>\$ 143,848,620</u>	<u>\$ 150,919,565</u>
Change in net position:										
Governmental activities	\$ (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)	\$ (28,421,367)
Business-type activities	(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)	(8,913,466)
Total change in net position	<u>\$ (6,465,901)</u>	<u>\$ (6,290,840)</u>	<u>\$ (14,662,779)</u>	<u>\$ (489,589)</u>	<u>\$ (15,629,547)</u>	<u>\$ (26,639,924)</u>	<u>\$ 24,518,345</u>	<u>\$ 18,516,158</u>	<u>\$ (24,664,618)</u>	<u>\$ (37,334,833)</u>

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

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

	<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>	<u>2021</u>
General fund:										
Nonspendable	\$ 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	\$ 7,528,489
Restricted	-	-	-	-	-	-	3,517,760	856,950	553,447	86,417
Committed	82,338	105,440	-	-	99,606	2,116,128	1,770,751	395,689	390,193	784,325
Assigned	-	-	-	-	-	-	5,600,000	6,100,000	7,171,799	-
Unassigned	<u>12,234,370</u>	<u>10,622,538</u>	<u>15,391,325</u>	<u>12,199,265</u>	<u>35,133,349</u>	<u>32,030,706</u>	<u>29,821,802</u>	<u>31,444,210</u>	<u>32,161,841</u>	<u>38,512,443</u>
Total general fund	<u>\$ 13,995,416</u>	<u>\$ 12,903,036</u>	<u>\$ 17,565,549</u>	<u>\$ 14,363,978</u>	<u>\$ 37,439,561</u>	<u>\$ 39,451,791</u>	<u>\$ 46,608,095</u>	<u>\$ 45,535,903</u>	<u>\$ 47,148,961</u>	<u>\$ 46,911,674</u>
All other governmental funds:										
Nonspendable	\$ 1,002,607	\$ 29,785	\$ 977,963	\$ 984,876	\$ 1,199,528	\$ 1,240,869	\$ 1,654,611	\$ 579,995	\$ 348,773	\$ 975,722
Restricted	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	56,739,191
Committed	997,467	-	1,985,353	997,128	805,666	6,073,476	3,875,091	2,220,822	7,462,663	10,375,012
Unassigned	<u>20,131</u>	<u>(2,129,354)</u>	<u>(1,586,881)</u>	<u>20,032</u>	<u>(466,364)</u>	<u>(6,496,712)</u>	<u>(10,112,582)</u>	<u>(7,968,883)</u>	<u>(5,394,318)</u>	<u>(6,086,882)</u>
Total all other governmental funds	<u>\$ 6,207,700</u>	<u>\$ 5,603,949</u>	<u>\$ 9,020,300</u>	<u>\$ 10,556,103</u>	<u>\$ 20,193,694</u>	<u>\$ 23,925,675</u>	<u>\$ 26,472,892</u>	<u>\$ 38,954,611</u>	<u>\$ 58,188,711</u>	<u>\$ 62,003,043</u>

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues:										
Ad valorem taxes	\$ 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	\$ 75,538,132
Charges for services	-	-	-	-	-	-	8,827,351	14,545,199	7,629,550	8,252,646
Fines and forfeitures	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	3,884,785
Franchise fees	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	17,017,212
Impact fees	-	-	1,087,068	214,629	2,553,949	2,189,892	970,464	3,231,644	3,445,036	2,490,178
Intergovernmental	-	-	-	-	-	-	67,905,904	71,275,728	82,705,520	84,383,656
Investment income	6,254	14,745	7,600	17,656	9,597	-	224,407	640,840	456,010	148,954
Licenses and permits	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	17,817,575
Other revenues	-	-	-	-	-	-	5,630,835	4,526,786	2,795,477	4,668,660
Utility taxes	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	22,493,687
State and local shared revenues	34,760,063	37,373,455	40,112,007	42,982,914	46,141,008	45,606,789	-	-	-	-
Government grants and other revenues	50,301,393	50,432,811	31,137,305	35,667,721	27,361,310	29,667,244	-	-	-	-
Total revenues	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	236,695,485
Expenditures:										
Current:										
General government	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	22,338,241
Police	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	66,876,016
Fire	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	54,147,762
911 communications	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	5,685,374
Streets	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	5,612,332
Grants and human services	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	11,220,941
State housing initiative programs	664,604	107,769	343,353	246,754	116,248	402,050	734,948	337,470	1,250,044	1,998,290
Work investment act programs	2,295,878	2,021,437	1,657,136	685,851	-	-	-	-	-	-
City Clerk's office	1,074,523	676,279	658,140	1,071,420	1,233,250	962,794	1,386,980	1,101,531	1,910,174	1,284,569
Office of Management and Budget	551,784	494,087	461,476	560,939	388,095	402,949	419,851	410,968	367,253	434,000
Office of the Mayor	416,047	441,278	927,025	699,883	646,944	588,766	593,914	588,027	681,812	770,125
Communications and special events	-	47,427	221,436	304,392	387,083	523,637	699,089	1,458,309	1,216,691	1,744,990
Milander center	-	-	-	-	-	-	1,014,757	833,206	660,817	610,605
Employee retirement	501,114	636,543	632,686	604,903	596,528	834,417	591,734	845,019	695,173	569,442
Library	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	2,226,041
Code compliance	310,669	392,052	447,571	658,107	644,566	691,122	715,168	688,223	810,978	810,978
Finance	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	2,313,843
Business tax division	248,847	392,421	429,010	589,707	807,971	1,058,538	1,259,585	1,259,585	1,770,814	1,112,863
Information technology	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	2,516,168
Fleet maintenance	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	3,707,116
Construction and maintenance	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	3,343,392
Parks and recreation	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	11,104,261
Public works	-	-	-	-	-	253,306	667,832	-	31,664	230,660
Planning and zoning	476,241	484,169	528,781	695,584	716,244	657,440	613,696	662,973	739,814	807,635
Education and community services	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	1,857,078
Law	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	1,635,001
Risk management	976,285	819,238	826,743	428,350	322,813	318,996	414,915	477,409	517,884	645,362
Human resources	572,277	513,118	731,129	700,530	763,201	735,666	948,150	1,006,870	1,072,759	1,238,974
Debt service:										
Principal	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	4,873,223
Interest	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	3,377,771
Debt issuance cost	-	630,913	-	-	-	-	-	-	-	-
Capital outlay	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	20,029,993
Total expenditures	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	235,123,046
Excess (deficiency) of revenues over expenditures	(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	1,572,439
Other financing sources (uses):										
Transfers in	3,258,319	38,555	19,781,358	2,147,066	776,762	611,165	1,240,730	900,856	2,163,594	1,755,399
Transfers out	(7,477,992)	(38,555)	(4,747,833)	(2,147,066)	(776,762)	(611,165)	(1,240,730)	(900,856)	(2,163,594)	(1,755,399)
Proceeds of refunding bonds	-	-	-	-	45,164,839	-	3,517,760	4,600,925	1,667,083	22,720,000
Payments to bond refunding escrow agent	-	-	-	-	-	-	-	-	-	(21,704,000)
Proceeds from disposal of capital assets	-	163,973	4,076,089	55,529	69,910	77,140	165,426	141,860	163,985	954,345
Issuance of debt	323,659	37,329,481	423,920	-	-	-	-	-	-	-
Total other financing sources (uses)	(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	1,970,345
Net change in fund balances	\$ (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	\$ 3,542,784
Debt service as a percentage of non-capital expenditures	5.07%	22.34%	4.81%	5.95%	14.57%	5.11%	4.70%	4.54%	4.38%	3.84%

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>
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
2021	11,784,320,757	689,514,163	8,202,443	12,482,037,363	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											
		Miami-Dade County			County School Board			Water Management District	Special District	Okeechobee Basin	Children's Trust	Everglades C.P.	
		Operating Millage	Debt Service Millage	Total County Millage	Operating Millage	Debt Service Millage	Total School Millage						
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
2021	6.3018	4.6669	0.5075	5.1744	6.8290	0.1800	7.0090	0.1061	0.0320	0.1146	0.5000	0.0365	19.2744

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

Sources: 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

2021				2012			
<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	\$ 237,898,698	1	1.91%	Florida Power & Light CO	\$ 108,070,461	1	1.48%
Rreef Cpif Centergate At	99,828,992	2	0.80%	Mall on the Mile LLC	99,252,248	2	1.36%
Westland Mall LLC	80,415,162	3	0.64%	Lifemark Hospitals Inc.	97,140,788	3	1.33%
Avalon Bonterra LLC	70,107,482	4	0.56%	WH Hialeah Investors V LLC	94,633,303	4	1.30%
Lifemark Hospitals Inc.	67,251,699	5	0.54%	Westland Mall LLC	68,967,000	5	0.95%
Duke 108th Building 3 LLC	53,588,772	6	0.43%	Hialeah Speedway Limited	68,358,579	6	0.94%
Duke 104th Buildings 1 and 2 LLC	47,889,531	7	0.38%	Palm Springs Mile Associates LTD	62,656,625	7	0.86%
Centerpoint Countyline LLC	43,430,608	8	0.35%	Hialeah Investors LLC	46,091,268	8	0.63%
Two Lakes Lennar LLC	39,401,434	9	0.32%	Tenet Hialeah Health System INC	35,990,888	9	0.49%
SC Westland Promenade Ltd Prtshp	35,943,329	10	0.29%	114 Acres Hialeah LLC	33,757,463	10	0.46%
	<u>\$ 775,755,707</u>		<u>6.22%</u>		<u>\$ 714,918,623</u>		<u>9.80%</u>

Source: Miami-Dade County Property Appraisers Office.

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

Fiscal Year Ended <u>September 30,</u>	Total Taxes Levied for <u>Fiscal Year</u>	Levied Taxes Collected within the Fiscal Year		Delinquent <u>Tax Collections</u>	Total Tax Collections	
		<u>Amount</u>	<u>Percent of Levy</u>		<u>Amount</u>	<u>Percent of Levy</u>
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%
2021	78,659,303	75,538,132	96.03%	2,066,463	77,604,595	98.66%

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 <u>September 30.</u>	Governmental Activities				Business-Type Activities				<u>Total</u>	Percentage of Personal <u>Income (1)</u>	Per <u>Capita (1)</u>
	<u>Revenue Bonds</u>	<u>Notes Payable</u>	<u>Capital Leases</u>	<u>Mortgage Payable</u>	<u>Revenue Bonds</u>	<u>Notes Payable</u>	<u>Revolving Loan</u>	<u>Capital Leases</u>			
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
2021	64,768,486	10,170,515	7,518,033	-	51,044,667	-	720,055	-	134,221,756	1.49%	574

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, 2021
(amounts expressed in thousands)

<u>Government Unit</u>	2021		
	Net Debt <u>Outstanding</u>	Estimated Percentage <u>Applicable (1)</u>	Amount Applicable to the City of Hialeah
Miami-Dade County School Board	\$ 4,656,773	3.72%	\$ 173,039
Miami-Dade County	<u>3,330,170</u>	3.72%	<u>123,745</u>
Subtotal, Overlapping Debt	7,986,943		296,784
City of Hialeah Direct Debt	<u>82,457</u>	100%	<u>82,457</u>
Total Direct and Overlapping Debt	<u>\$ 8,069,400</u>		<u>\$ 379,241</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
PLEDGED 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			Utility Charges and Other	Less Operating Expenses	Net Available Revenue	Debt Service			Rescue Transportation Fees	Debt Service		
		Principal	Interest	Coverage				Principal	Interest	Coverage		Principal	Interest	Coverage
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
2021	10,877,027	2,095,000	1,843,127	2.76	79,876,035	75,167,893	4,708,143	1,150,000	2,156,500	1.42	3,529,616	-	-	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>
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%
2021	233,876	8,997,444	38,471	45	27,108	4.9%

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>2021</u>			<u>2012</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	1,700	1	1.70%	1,648	2	1.74%
City of Hialeah	1,592	2	1.59%	1,279	1	1.35%
United Parcel Service	1,119	3	1.12%	1,162	3	1.22%
Hialeah Hospital	1,032	4	1.03%	1,075	4	1.13%
Publix Super Markets	940	5	0.94%	827	6	0.87%
Larkin Community Hospital Palm Springs Campus	686	6	0.69%	618	7	0.65%
Sedano's Super Markets	624	7	0.62%	547	8	0.58%
Fresco y Mas Super Markets	511	8	0.51%	1,031	5	1.09%
Bullet Line	450	9	0.45%	-	-	-
Bank of America	406	10	0.41%	391	10	0.41%
Yellow Stone Group	-	-	-	414	9	0.44%
Total	<u>9,060</u>		<u>9.06%</u>	<u>8,992</u>		<u>9.48%</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>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>	<u>2021</u>
Number of employees:										
Mayor's office	5	3	3	4	5	6	6	7	6	5
Communications & special events	-	-	-	-	-	-	-	-	-	-
Information systems	12	12	12	10	9	9	9	9	10	9
Community development:										
Planning and zoning	9	7	7	7	6	5	5	5	6	5
Building	22	19	19	22	25	21	27	30	39	41
License	8	8	8	9	9	10	11	13	14	12
Code compliance	9	9	9	10	10	10	10	10	8	9
Office of Management & Budget	20	3	3	3	3	3	4	4	3	3
City Clerk's office	5	4	4	4	4	17	16	16	17	15
Law	10	10	9	8	10	9	11	12	13	12
Risk management	3	3	3	3	3	4	4	4	4	5
Police:										
Police officers	303	290	276	264	251	284	272	266	275	269
Civilians	75	56	70	67	75	87	86	91	93	95
Fire:										
Firefighters	254	245	235	238	229	229	236	231	216	226
Civilians	35	19	28	18	18	18	21	20	20	31
911 Communications	44	38	39	41	43	29	50	50	43	40
Milander	-	-	-	-	-	4	6	6	8	6
Special events	-	-	-	-	-	7	10	7	6	9
Education & community services	35	29	29	34	45	78	85	78	55	56
Library	15	15	15	17	17	23	24	22	23	25
Recreation and community services	79	71	70	75	70	131	142	135	124	126
Streets	19	17	17	28	31	25	29	25	27	26
Stormwater	9	9	9	9	13	12	13	11	12	12
Fleet	35	37	37	31	30	29	29	31	30	29
Circulator	-	-	-	-	-	-	-	-	-	-
Construction and maintenance	36	39	39	33	35	31	34	34	33	35
Solid waste	68	62	62	42	26	23	11	9	10	8
Human resources	8	8	9	7	7	8	8	11	9	12
Finance	13	19	19	15	26	20	22	25	21	22
Retirement	4	4	4	4	3	4	5	5	5	6
Grants and human services	33	32	32	8	4	4	9	7	4	9
Water and sewer	60	55	54	64	68	64	59	62	54	54
Water division	32	32	32	26	30	23	34	31	28	27
Sewer division	19	17	17	16	18	12	12	11	9	8
Total number of employees	<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>	<u>1,247</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>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>	<u>2021</u>
Public safety										
Police:										
Police calls for service	215,200	245,463	245,230	251,731	239,662	215,390	245,098	268,253	253,925	234,619
Parking violations	3,510	3,301	2,987	3,372	4,674	4,130	5,023	6,505	5,497	3,916
Traffic violations	77,900	78,751	77,253	85,141	83,050	71,252	79,113	120,572	90,996	60,763
Fire:										
Number of calls answered	33,755	35,455	42,250	43,494	43,850	43,195	40,709	39,726	31,631	32,827
Inspections	12,235	12,235	8,500	12,035	13,400	13,789	14,204	14,533	14,530	13,156
Planning and development:										
Business permits issued	8,815	8,716	6,421	7,583	15,022	9,402	16,083	18,484	17,538	4,794
Occupational licenses issued	18,449	18,915	19,019	19,041	19,575	21,420	23,272	25,112	24,223	23,085
Streets:										
Street resurfacing (miles)	10.1	11.5	12.0	7.9	13.7	19.7	6.8	6.1	17.1	12.0
Potholes repaired	295	285	208	154	294	215	227	184	122	266
Culture and recreation:										
Registrations for library programs	56,642	56,642	46,042	50,759	38,364	22,172	22,338	23,153	25,566	12,269
Athletic field permits issued	65	63	134	90	76	47	26	98	54	89
Water and sewer:										
Active accounts - water and sewer	54,392	54,554	55,401	55,008	55,568	56,400	57,101	57,841	57,904	59,036
Average daily water consumption (thousands of gallons)	21,837	20,878	19,959	18,656	18,556	18,068	18,027	16,969	17,079	17,235
Average daily sewage treatment (thousands of gallons)	19,184	19,308	19,458	19,986	24,502	25,215	25,118	24,641	26,139	23,378
New connections	5,368	1,020	920	2,052	981	997	427	486	567	1,480
Water main breaks	193	195	200	57	108	248	847	252	253	290
Solid waste:										
Residential accounts	35,303	35,285	35,101	36,502	36,502	37,433	37,681	36,823	37,651	37,920
Commercial accounts	449	441	436	440	-	-	-	-	-	-
Refuse collected (tons/day)	365.0	225.0	193.0	141.6	254.0	324.0	211.1	206.6	227.0	239.8
Recyclables collected (tons/day)	14.9	21.0	27.0	45.2	45.2	29.0	21.3	19.6	20.5	20.7

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>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>	<u>2021</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	402	229	238	215	225	218	214	304	309	250
Fire:										
Fire stations	8	8	8	8	8	8	8	8	8	9
Fire apparatus vehicles	15	14	15	15	15	15	17	17	16	13
Emergency rescue vehicles	12	14	14	14	14	14	12	12	15	15
Streets:										
Miles of streets	493.1	450.6	455.0	475.6	475.6	475.6	475.6	478.1	479.2	356.7
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	253.5	232.0	253.5
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	21	23
Water and sewer:										
Water and sewer buildings	2	2	2	2	2	2	2	2	2	2
Water mains (miles)	492	492	496	496	519	519	519	519	537	541
Fire hydrants	2,772	2,772	2,812	3,008	3,008	3,093	3,116	3,116	3,116	3,210
Storm sewers (miles)	88.2	88.2	92.3	84.3	84.3	84.3	95.2	96.6	98.1	98.4
Solid waste:										
Collection trucks	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

**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 the City of Hialeah, Florida (the "City"), as of and for the fiscal year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 30, 2022.

Internal Control over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2018-03 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompany schedule of findings and questioned costs as item 2015-02 to be a significant deficiency.

Compliance and Other Matters

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

Response to Findings

The City's response to the findings identified in our audit is 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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Caballero Fierman Llerena & Garcia, LLP

Caballero Fierman Llerena & Garcia, LLP
Miami, Florida
June 30, 2022

CITY OF HIALEAH, FLORIDA
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

PRIOR YEAR COMMENTS AND STATUS

- **FINANCIAL STATEMENTS**

The following addresses the status of financial statement findings reported in the fiscal year ended September 30, 2020 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)
- 2018-03 Internal Control over Benefit payments (revised and repeated)

- **FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

None

- **STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS**

None

CITY OF HIALEAH, FLORIDA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

SECTION II - FINANCIAL STATEMENT FINDINGS

MATERIAL WEAKNESS

2018-03 Internal Control over Benefit Payments

Criteria

Accurate calculation of benefit payments is crucial to ensure the proper use of Plan assets.

Condition

During the course of our benefit payment testing, we identified the following conditions:

- Certain participants were receiving a benefit that was overstated.
- The Plan has not recovered the temporary overstatements identified in the preceding bullet point.
- The average salary utilized for retirement calculations included pay periods that contained retroactive adjustments which would result in higher benefit payments.

Cause

Improper controls over the processing of benefit payments.

Effect

Benefit payments are potentially overstated resulting in improper use of Plan assets.

Recommendation

We recommend that a detailed review be performed of benefit payments to ensure accurate calculation. In addition, management should review the system report generated to provide the top pay periods utilized for benefit calculation as pay periods including additional compensation above regular salary should be adjusted to exclude the additional compensation.

View of responsible officials and planned corrective actions.

The City's new administration has reviewed existing retirement benefit calculation process and audit findings. The City has implemented new internal payroll review procedures that will ensure correct payroll data is provided to the actuaries. The City's Human Resource Department, Retirement Department, Finance Department, and the Retirement Board are collaborating on process improvements and data integrity.

CITY OF HIALEAH, FLORIDA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

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 \$27,036,043, \$59,265,565, and \$371,046, respectively. However, the Solid Waste Utility Fund reported a positive change in net position during fiscal year 2021.

Cause:

The deficits are a result of 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 increase costs in Water and Sewer Utility system operating Costs:

- The City attributes the increase in operating expenses in FY 2021 in part due to increased sewer treatment costs paid to MDWASD during the fiscal year. The sewer treatment price per million gallons increased 5.37% while sewer flows increased by approximately 10.06% in FY 2021.
- Sewer cost expenses may be affected in subsequent years due to potential overcharges by MDWASD related to the routing of other municipalities' sewer flows through the City's facilities over the past six years. These overcharges are estimated to be \$12.6 million from FY 2016 to FY 2021.
- Payments in lieu of franchise fees that have been paid to the City annually over the past seven years have had a direct effect upon operating expenses over this period. (Average \$4.9 million per year). A financial study has been completed and was approved by the City Council in FY 2021 adjusting the franchise fee rate range from 10%-7.5% to 6%-3% for FY 2021 and beyond.

Solid Waste Utility System had an operating surplus of \$623 thousand in FY 2021. This is expected to continue due to privatization efforts in prior years. In addition, the City is considering extending the existing solid waste contracts currently schedule to expire in FY 2023, with these efforts the City will be able to operate the fund at a surplus and continue to reduce the negative net position in this fund.

Stormwater Utility fund will continue to reduce its capital expenses without impacting the level of services in order to reduce operating losses and will continue its efforts to adjust the Stormwater Utility rates and use all available resources and technology to enhance the efficiency of its financial operations.



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 City of Hialeah, Florida (the "City"), as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated June 30, 2022.

Auditors' Responsibility

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

Other Reporting Requests

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Schedule of Findings and Responses; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated June 30, 2022, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were two recommendations made in the preceding annual financial report that are being repeated. Item 2018-03 and Item 2015-02 (originally reported in 2014) have 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. The City was incorporated in 1925 by the laws of the State of Florida contained in Chapter 11516 Special Acts of 1925.

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 the specific conditions met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the City. 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. This assessment was done 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 warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and State awarding agencies, the Mayor, Members of the City Council and management of the City 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 30, 2022



**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 the City of Hialeah (the "City"), Florida, compliance with the requirements of Section 218.415 Florida Statutes during the period of October 1, 2020 to September 30, 2021. Management of the City is responsible for the City's compliance with those specified requirements. Our responsibility is to express an opinion on the City's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing, and extent of 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 the City's compliance with specified requirements. In our opinion, the City complied, in all material respects, with the requirements of Section 218.415 Florida Statutes during the period of October 1, 2020 to September 30, 2021.

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

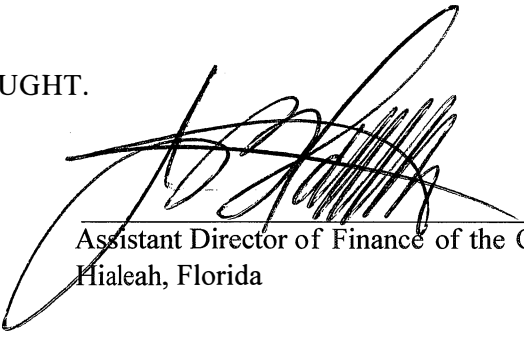
Caballero Fierman Llerena & Garcia, LLP
Miami, Florida
June 30, 2022

IMPACT FEE AFFIDAVIT

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

1. I am the Assistant 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
2. 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.


Assistant Director of Finance of the City of
Hialeah, Florida

STATE OF FLORIDA
COUNTY OF MIAMI-DADE

SWORN TO AND SUBSCRIBED before me this 30th day of June, 2022.


NOTARY PUBLIC
Print Name Ivette Hernandez



Personally known ☒ or produced identification _____

Type of identification produced: _____

My Commission Expires:

July 23, 2023

CITY OF HIALEAH, FLORIDA
FEDERAL AND STATE SINGLE AUDIT REPORTS REQUIRED BY THE UNIFORM
GUIDANCE AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

CITY OF HIALEAH, FLORIDA
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**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 the City of Hialeah, Florida (the "City"), as of and for the fiscal year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 30, 2022.

Internal Control over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2018-03 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompany schedule of findings and questioned costs as item 2015-02 to be a significant deficiency.

Compliance and Other Matters

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

City's Response to Findings

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

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 & Garcia, LLP

Caballero Fierman Llerena & Garcia, LLP
Miami, Florida
June 30, 2022

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, 2021. 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 statutes, regulations, and the terms and conditions of its awards 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 of the State of Florida. Those standards, 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 or 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 the City's compliance.

Opinion on Each Major Federal Program and State Project

In our opinion, the City, 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, 2021.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and Chapter 10.550, Rules of the Auditor General, and which are described in the accompanying schedule of findings and questioned costs as items 2021-04 and 2021-05. Our opinion on each major federal program and state project is not modified with respect to these matters.

The City's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2021-01 to be a material weakness.

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 or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2021-02 and 2021-03 to be significant deficiencies.

The City's responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Schedule of Expenditures of Federal Awards and State Financial Assistance Required by the Uniform Guidance and Chapter 10.550, Rules of the Auditor General

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, as of and for the fiscal year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated June 30, 2022, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by the Uniform Guidance and Chapter 10.550, Rules of the Auditor General, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditures of federal awards and state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

July 22, 2022, except for our report on the Schedule of

Expenditures of Federal Awards and State Financial

Assistance for which the date is June 30, 2022

CITY OF HIALEAH, FLORIDA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

<u>Federal Agency/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Total Federal Expenditures</u>
CDBG - Entitlement Grants-Cluster				
U.S. Department of Housing and Urban Development				
Community Development Block Grant	14.218	B14MC120008	\$ 10,611	\$ 10,611
Community Development Block Grant	14.218	B16MC120008	87,027	87,027
Community Development Block Grant	14.218	B17MC120008	190,870	190,870
Community Development Block Grant	14.218	B18MC120008	1,201,777	1,201,777
Community Development Block Grant	14.218	B19MC120008	3,000	25,445
Community Development Block Grant	14.218	B20MC120008	-	1,618,692
Total CDBG - Entitlement Grants-Cluster			<u>1,493,285</u>	<u>3,134,422</u>
Other Programs				
U.S. Department of Housing and Urban Development				
HOME Investment Partnership	14.239	M18MC120207	14,939	92,074
Total Home Investment Partnerships Program			<u>14,939</u>	<u>92,074</u>
Emergency Solutions Grant	14.231	E20MV120008	681,093	699,093
Total Emergency Solutions Grant Program			<u>681,093</u>	<u>699,093</u>
Total U.S. Department of Housing and Urban Development			<u>696,032</u>	<u>791,167</u>
U.S. Department of Justice				
Equitable Sharing Funds	16.922	N/A	-	131,708
Edward Byrne Memorial Grant Program - 2019	16.738	2019-DJ-BX-0383	-	43,755
			<u>-</u>	<u>175,463</u>
Pass-Through Program from:				
State of Florida Office of the Attorney General				
Victims of Crimes Act (VOCA)	16.575	VOCA-2020-City of Hialeah-00527	-	142,427
Total Through the State of Florida Office of the Attorney General			<u>-</u>	<u>142,427</u>
Total U.S. Department of Justice			<u>-</u>	<u>317,890</u>
U.S. Department of Treasury				
Coronavirus State and Local Fiscal Recovery Funds (CSLFRF)	21.027	N/A	-	4,524,679
Emergency Rental Assistance Program (ERA)	21.023	N/A	-	4,191,399
Total U.S. Department of Treasury			<u>-</u>	<u>8,716,078</u>
Executive Office of the President				
Pass-Through Program Monroe County Sherriff's Office				
High Intensity Drug Trafficking Areas Program (HIDTA)	95.001	G20MI0001A	-	19,200
Total Executive Office of the President			<u>-</u>	<u>19,200</u>

(Continued)

CITY OF HIALEAH, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
(CONTINUED)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

<u>Federal Agency/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Total Federal Expenditures</u>
U.S. Department of Education				
Pass- Through Program from:				
State of Florida Department of Education				
21st Century Community Learning Centers - Academic Achievers	84.287	13B-2441B-1CCC1	\$ -	\$ 123,271
21st Century Community Learning Centers - Academic Achievers	84.287	13B-2442B-2CCC1	-	54,243
Total U.S. Department of Education - Through the State of Florida Department of Education			-	177,514
U.S. Department of Homeland Security				
Pass-Through Program from:				
The Florida Department of Law Enforcement				
Edward Byrne Memorial Grant - County	16.738	2021-JAGC-DADE-4-5R-098	-	16,000
Total Through the Florida Department of Law Enforcement			-	16,000
Pass-Through Program from:				
Florida Division of Emergency Management				
Urban Areas Security Initiatives (UASI) (2018)	97.067	19-DS-04-11-23-02-319	-	228,905
Urban Areas Security Initiatives (UASI) (2019)	97.067	R0075	-	277,912
Hurricane Irma - DR-4337	97.036	Z1122	-	89,046
Federal Public Assistance - DR 4486 (COVID-19)	97.036	Z2115	-	1,734,467
Total Through the Florida Division of Emergency Management			-	2,330,330
Total U.S. Department of Homeland Security			-	2,346,330
U.S. Department of Treasury -				
Pass-Through Program from:				
Miami-Dade County				
Coronavirus Relief Fund - Cares Act	21.019	N/A	-	253,279
Miami Dade County Rental Assistance (CRF)	21.019	N/A		70,070
Small Business Stabilization Grant (CRF)	21.019	N/A		1,032,822
Miami Dade County Business Assistance (CRF)	21.019	N/A		819,719
Miami Dade County Gift Card Program and Salary (CRF)	21.019	N/A	-	1,249,938
Total U.S. Department of Treasury - Through Miami-Dade County			-	3,425,828
Pass-Through Program from:				
Florida Housing Finance Corporation	21.019	N/A	1,173,736	1,173,736
Total Florida Housing Finance Corporation			1,173,736	1,173,736
Total U.S. Department of Treasury			1,173,736	4,599,564
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 3,363,053	\$ 20,102,165

See notes to schedule of federal awards and state financial assistance.

CITY OF HIALEAH, FLORIDA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
(CONTINUED)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

<u>State Agency/Pass-Through Grantor/Program Title</u>	<u>CSFA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Total State Expenditures</u>
Florida Housing Finance Corporation				
State Housing Initiative Partnership Program	40.901	N/A	\$ -	\$ 813,137
Total Florida Housing Finance Corporation			-	<u>813,137</u>
Florida Department of State - Division of Libraries and Information Services				
State Aid to Libraries - (2020)	45.030	20-ST-32	-	2,296
State Aid to Libraries - (2021)	45.030	21-ST-32	-	<u>24,557</u>
Total Florida Department of State - Division of Libraries and Information Services			-	<u>26,853</u>
Florida Department of Elder Affairs				
Alliance for Aging - Meals for the Elderly	65.009	2019-2020 LSP-KL-1934	-	12
Alliance for Aging - Meals for the Elderly	65.009	2020-2021 LSP-KL-2034	1,027,633	1,068,521
Alliance for Aging - Meals for the Elderly	65.009	2021-2022 LSP-KL-2134	515,785	515,785
Goodlet Adult Center Facility Improvements	65.013	XQ902	-	<u>411,233</u>
Total Florida Department of Elder Affairs			<u>1,543,418</u>	<u>1,995,551</u>
Florida Department of Economic Opportunity				
Florida Job Growth Infrastructure Grant	40.043	G0027	-	<u>1,560,277</u>
Total Florida Department of Economic Opportunity			-	<u>1,560,277</u>
Florida Department of Transportation				
County Incentive Grant Program (CIGP) (Six New Buses)	55.008	G0o50	-	157,648
County Incentive Grant Program (CIGP) (FREEBEE)	55.008	G1T49	-	<u>24,730</u>
Total Florida Department of Transportation			-	<u>182,378</u>
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			\$ <u>1,543,418</u>	\$ <u>4,578,196</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE			\$ <u>4,906,471</u>	\$ <u>24,680,361</u>

See notes to schedule of federal awards and state financial assistance.

CITY OF HIALEAH, FLORIDA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (the "Schedule") includes the federal and state grant activity of the City of Hialeah (the "City") for the fiscal year ended September 30, 2021. 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 Uniform Guidance and the Rules of the Department of Financial Services, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

NOTE 3 – INDIRECT COST RECOVERY

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

NOTE 4 – SUBRECIPIENTS

The City provided federal awards to subrecipients as follows:

<u>Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Provided</u>
Community Development Block Grant	14.218	\$ 1,493,285
HOME Investment Partnership	14.239	\$ 14,939
Emergency Shelter Grant	14.231	\$ 681,093
Coronavirus Relief Fund	21.019	\$ 1,173,736

The City provided state assistance projects to subrecipients as follows:

<u>Program Title</u>	<u>State CSFA Number</u>	<u>Provided</u>
Alliance for Aging - Meals for the Elderly	65.009	\$ 1,543,418

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 AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

PRIOR YEAR FINDINGS AND STATUS

- **FINANCIAL STATEMENTS**

The following addresses the status of financial statement findings reported in the fiscal year ended September 30, 2020 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)
- 2018-03 Internal Control over Benefit payments (revised and repeated)

- **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
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued:	<i>Unmodified Opinion</i>
Internal control over financial reporting:	
Material weakness(es) identified?	<u> X </u> yes <u> </u> no
Significant deficiencies identified?	<u> X </u> yes <u> </u> None reported
Non-compliance material to financial statements noted?	<u> </u> yes <u> X </u> no

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	<u> X </u> yes <u> </u> no
Significant deficiencies identified?	<u> X </u> yes <u> </u> None reported
Type of auditors' report issued on compliance for major federal programs:	<i>Unmodified Opinion</i>
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	<u> X </u> yes <u> </u> no
Identification of major programs:	

<u>Federal Assistance Listing Number</u>	<u>Name of Federal Awards Program or Cluster</u>
14.218	Community Development Block Grant Cluster
21.019	Coronavirus Relief Fund
21.023	Emergency Rental Assistance Fund
21.027	Coronavirus State and Local Fiscal Recovery Funds

State Financial Assistance

Internal control over major programs:	
Material weakness(es) identified?	<u> </u> yes <u> X </u> no
Significant deficiencies identified?	<u> X </u> yes <u> </u> None reported
Type of auditors' report issued on compliance for major state projects:	<i>Unmodified Opinion</i>
Any audit findings disclosed that are required to be reported in accordance with Chapter 10.550, Rules of the Auditor General?	<u> X </u> yes <u> </u> no
Identification of major projects:	

<u>CSFA Number</u>	<u>State Project</u>
40.043	Florida Job Growth Infrastructure Grant
40.901	State Housing Initiative Partnership Program

Dollar threshold used to distinguish between Type A and Type B programs:	Federal \$750,000 State \$750,000
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Auditee qualified as low risk auditee for audit of federal awards programs?	<u> </u> yes <u> X </u> no
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CITY OF HIALEAH, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

SECTION II - FINANCIAL STATEMENT FINDINGS

MATERIAL WEAKNESS

2018-03 Internal Control over Benefit Payments

Criteria

Accurate calculation of benefit payments is crucial to ensure the proper use of Plan assets.

Condition

During the course of our benefit payment testing, we identified the following conditions:

- Certain participants were receiving a benefit that was overstated.
- The Plan has not recovered the temporary overstatements identified in the preceding bullet point.
- The average salary utilized for retirement calculations included pay periods that contained retroactive adjustments which would result in higher benefit payments.

Cause

Improper controls over the processing of benefit payments.

Effect

Benefit payments are potentially overstated resulting in improper use of Plan assets.

Recommendation

We recommend that a detailed review be performed of benefit payments to ensure accurate calculation. In addition, management should review the system report generated to provide the top pay periods utilized for benefit calculation as pay periods including additional compensation above regular salary should be adjusted to exclude the additional compensation.

View of responsible officials and planned corrective actions.

The City's new administration has reviewed existing retirement benefit calculation process and audit findings. The City has implemented new internal payroll review procedures that will ensure correct payroll data is provided to the actuaries. The City's Human Resource Department, Retirement Department, Finance Department, and the Retirement Board are collaborating on process improvements and data integrity.

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 \$27,036,043, \$59,265,565, and \$371,046, respectively. However, the Solid Waste Utility Fund reported a positive change in net position during fiscal year 2021.

Cause:

The deficits are a result of 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.

CITY OF HIALEAH, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

SIGNIFICANT DEFICIENCY (CONTINUED)

2015-02 Water and Sewer Utility Fund, Solid Waste Utility Fund, and Stormwater Utility Fund Unrestricted Net Position. (continued)

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 increase costs in Water and Sewer Utility system operating Costs:

- The City attributes the increase in operating expenses in FY 2021 in part due to increased sewer treatment costs paid to MDWASD during the fiscal year. The sewer treatment price per million gallons increased 5.37% while sewer flows increased by approximately 10.06% in FY 2021.
- Sewer cost expenses may be affected in subsequent years due to potential overcharges by MDWASD related to the routing of other municipalities' sewer flows through the City's facilities over the past six years. These overcharges are estimated to be \$12.6 million from FY 2016 to FY 2021.
- Payments in lieu of franchise fees that have been paid to the City annually over the past seven years have had a direct effect upon operating expenses over this period. (Average \$4.9 million per year). A financial study has been completed and was approved by the City Council in FY 2021 adjusting the franchise fee rate range from 10%-7.5% to 6%-3% for FY 2021 and beyond.

Solid Waste Utility System had an operating surplus of \$623 thousand in FY 2021. This is expected to continue due to privatization efforts in prior years. In addition, the City is considering extending the existing solid waste contracts currently schedule to expire in FY 2023, with these efforts the City will be able to operate the fund at a surplus and continue to reduce the negative net position in this fund.

Stormwater Utility fund will continue to reduce its capital expenses without impacting the level of services in order to reduce operating losses and will continue its efforts to adjust the Stormwater Utility.

CITY OF HIALEAH, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

SECTION III - FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS

A. Internal Control Over Compliance

**Questioned
Costs**

Federal Awards

Material Weakness

U.S. Department of Housing and Urban Development:

2021-01 Community Development Block Grant – Assistance Listing No. 14.218; Grant No. B20MC120008|B19MC120008; Grant period – fiscal year ended September 30, 2021

Condition: During our testing, management had difficulties providing certain grant agreements specific to the programs. These grant agreements are crucial in understanding the use of funds and the parameters for which activities and costs can be allowed. In addition, several transactions lacked sufficient supporting documentation for the costs included within the expenditures detailed by the City.

Criteria: Management needs to provide the auditor all contracts and grant agreements, and any other correspondence relevant to the programs subject to the compliance audit.

Cause: Lack of maintenance of a repository with all relevant grant agreements for all members of the grants department, changes in staffing, and lack of succession planning.

Effect: The City could be found to be out of compliance with the requirements of the grant. As a result, the federal or state awarding agency could potentially withhold funds until the deficiency is remedied, completely suspend or terminate the award, or withhold further awards for the program.

Context: A sample of 43 transactions totaling \$1,597,522 was selected from a population of 1,153 transactions totaling \$2,889,297. The test found 3 transactions that were not in compliance with questioned costs totaling \$73,704. Our sample was a statistically valid sample.

\$73,704

Recommendation: We recommend that a repository for grant documents be maintained for all members of the grants department. In addition, we recommend that management implement a succession plan to be followed when there are changes in staffing.

View of Responsible Officials and Planned Corrective Actions: The current Administration has recruited professional staff and undertaken a diligent schedule of training to ensure that compliance is embedded in all aspects of department administration including the drafting of funding agreements and an active monitoring schedule for all sub-recipients to ensure adherence to federal program requirements. In addition, financial controls have been added to ensure that at least two people (Grant Specialist and the Controller or Assistant Director or Director) review and approve all financial transactions utilizing federal or state funds. More so, staff has been advised of the importance of safeguarding all public documents including the creation of appropriate project files and the securing of said files when the office closes for the day. All documents pertaining to expenditures are kept within the project file with copies attached to the payment invoice enabling easy cross-reference and verification. In addition, digital files are maintained of key project documents to ensure ready access and reference and the minimal handling of paper files to safeguard their integrity.

CITY OF HIALEAH, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

SECTION III - FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS (CONTINUED)

A. Internal Control Over Compliance (Continued)

**Questioned
Costs**

Federal Awards (Continued)

Significant Deficiencies

U.S. Department of Treasury Pass-Through Miami-Dade County:

2021-02 Small Business Stability Grant Coronavirus Relief Fund – Assistance Listing No. 21.019; Grant period – fiscal year ended September 30, 2021

Condition: During the course of our testing, we noted one business awarded funds with a filing date with the State of Florida of July 19, 2020, per Sunbiz.org.

Criteria: Per the City's Small Business Stabilization Grant Program Rules and Requirements, one of the eligibility criteria to be determined an "Eligible Business" is that the business must be registered with the State of Florida prior to March 2020.

Cause: This error was the result of an oversight by the Grants Department.

Effect: This particular business was awarded \$10,000 by the City resulting in costs for an ineligible small business per the guidelines established by the City for the use of funds specific to the Small Business Stabilization Grant (Coronavirus Relief Fund).

Context: A sample of 40 transactions totaling \$326,648 was selected from a population of 120 transactions totaling \$1,032,822. The test found 1 transaction that was not in compliance with questioned costs totaling \$10,000. Our sample was a statistically valid sample.

\$10,000

Recommendation: Written policies and procedures should be reviewed and adhered to in order to ensure proper eligibility determination. Controls to ensure that the criteria specified by the City should be developed to mitigate misuse or funding to ineligible participants.

View of Responsible Officials and Planned Corrective Actions: The current Administration has recruited professional staff and undertaken a diligent schedule of training to ensure that compliance is embedded in all aspects of department administration including eligibility for assistance through the various programs administered by the Department. Fidelity checklists have been created for file reviews enabling staff to review eligibility standards against application submissions and ensure compliance with program requirements.

CITY OF HIALEAH, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

SECTION III - FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS (CONTINUED)

A. Internal Control Over Compliance (Continued)

**Questioned
Costs**

State Financial Assistance

Significant Deficiencies

Florida Housing Finance Corporation:

2021-03 State Housing Initiative Partnership Program – CSFA No. 40.901; Grant period – fiscal year ended September 30, 2021

Condition: During our testing, we noted that certain required reports were not submitted by the City to the Florida Housing Finance Corporation for applicable periods.

Criteria: Per the compliance supplement for the state project for fiscal year 2020-2021, an annual report is required to be completed and submitted to Florida Housing by September 15th of each year pursuant to Section 420.9071(4).

Cause: The Grants Department has experienced delays in construction for two outstanding projects leading to delays in closing prior fiscal years and compiling reports for grants specific to individual grant requirements.

Effect: The City can be found to be out of compliance per individual granting agencies. As a result, the state awarding agency could potentially withhold funds until the deficiency is remedied, completely suspend or terminate the award, or withhold further awards for the program.

Context: We reviewed the prepared SHIP Annual Report for 2018/2019 which was submitted beyond the September 15, 2019 deadline but was accepted by the State. Reports for the 2019/2020 and 2020/2021 fiscal years were not completed and presented by the City to the Florida Housing Finance Corporation.

Recommendation: We recommend that the City complete the cases holding the preparation and submission of the 2019/2020 and 2020/2021 reports and submit the reports to become compliant with award requirements. We recommend timely completion of budgeted deliverables and adherence to reporting requirements as set forth by the granting agency.

View of Responsible Officials and Planned Corrective Actions: The current Administration has recruited professional staff and undertaken a diligent schedule of training to ensure that compliance is embedded in all aspects of department administration including the drafting of funding agreements and an active monitoring. A staff member has been assigned as program monitor and the Department has been working with Florida Housing Finance Corporation and Florida Housing Coalition to ensure that past due reports are submitted and that the City's SHIP-funded programs can resume operations.

CITY OF HIALEAH, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

SECTION III - FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS (CONTINUED)

B. Compliance

**Questioned
Costs**

Federal Awards

Material Noncompliance

Federal Audit Clearinghouse:

2021-04 Schedule of Expenditures of Federal Awards; Grant period – fiscal year ended September 30, 2021

Condition: The data collection form was not submitted within the required timeframe.

Criteria: Audited compliance package and completion of the federal single audit is required to be submitted timely to the Federal Audit Clearinghouse (the FAC). The package must be electronically submitted through the FAC website within the earlier of 30 days after receipt of the auditors' report or nine months after the end of the audit period.

Cause: Changes in personnel and delays in accessing components required for testing purposes did not allow for the completion of the federal single audit within the required timeframe. The City Finance Department and Grants Department has experienced delays in closing the fiscal year and compiling reports affecting the single audit process.

Effect: The City can be found to be out of compliance by individual granting agencies. As a result, the federal or state awarding agency could potentially withhold funds until the deficiency is remedied, completely suspend or terminate the award, or withhold further awards for the program.

Recommendation: We recommend that the City remedy remaining audit findings reported during the course of the federal single audit and timely prepare expenditure reports and support for purposes of being subject to a federal single audit.

View of Responsible Officials and Planned Corrective Actions: The current Administration is aware of the needs of the department and has taken the necessary actions to ensure proper staffing with qualified professionals. Changes of the internal processes have been made to ensure that compliance, transparency, accountability and timeliness are embedded in all aspects of department administration including financial controls to review and approve all grant related transactions within the required time frames, and to prepare and provide all required reports and documentation in a timely manner.

CITY OF HIALEAH, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

SECTION III - FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS (CONTINUED)

B. Compliance

**Questioned
Costs**

State Financial Assistance

Material Noncompliance

Florida Auditor General –

2021-05 Schedule of Expenditures of State Financial Assistance; Grant period – fiscal year ended September 30, 2021

Condition: The compliance package for the City was not submitted within the required timeframe.

Criteria: Pursuant to section 10.558(4) of Chapter 10.550, Rules of the Auditor General, require submission of the completed audit report, including the auditee's responses and corrective action plans Audited compliance package. Copies of the audit report required by Section 163.387(8), Florida Statutes, and copies of the audit report required to be submitted pursuant to Sections 215.97 and 218.39, Florida Statutes, including the auditee's responses thereto, and the corrective action plans required for the Federal awards and Florida Single Audit Act audits, shall be submitted to the Auditor General and State awarding agencies (if applicable) within 45 days after delivery of the audit report to the local governmental entity but no later than 9 months after the end of the fiscal year of the local governmental entity

Cause: Changes in personnel and delays in accessing components required for testing purposes did not allow for the completion of the federal single audit within the required timeframe. The City Finance Department and Grants Department has experienced delays in closing the fiscal year and compiling reports affecting the single audit process.

Effect: The City can be found to be out of compliance by individual granting agencies. As a result, the federal or state awarding agency could potentially withhold funds until the deficiency is remedied, completely suspend or terminate the award, or withhold further awards for the program.

Recommendation: We recommend that the City remedy remaining audit findings reported during the course of the state single audit and timely prepare expenditure reports and support for purposes of being subject to a state single audit.

View of Responsible Officials and Planned Corrective Actions: The current Administration is aware of the needs of the department and has taken the necessary actions to ensure proper staffing with qualified professionals. Changes of the internal processes have been made to ensure that compliance, transparency, accountability and timeliness are embedded in all aspects of department administration including financial controls to review and approve all grant related transactions within the required time frames, and to prepare and provide all required reports and documentation in a timely manner.



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 City of Hialeah, Florida (the "City"), as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated June 30, 2022.

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; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, and the Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General, which are dated June 30, 2022, should be considered in conjunction with this management letter. We have also issued our Independent Auditors' Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance and the Schedule of Findings and Questioned Costs. Disclosures in the report and schedule, which are dated July 22, 2022, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were two recommendations made in the preceding annual financial report that are being repeated. Item 2018-03 and item 2015-02 (originally reported in 2014) have 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 is disclosed in Note 1 of the City's 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 the specific conditions met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the City. 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. This assessment was done 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 warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and State awarding agencies, the Mayor, Members of the City Council and management of the City 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 30, 2022, except for our report on compliance of each major federal program and state project and the report on internal control over compliance, for which the date is July 22, 2022

**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 the City of Hialeah (the "City"), Florida, compliance with the requirements of Section 218.415 Florida Statutes during the period of October 1, 2020 to September 30, 2021. Management of the City is responsible for the City's compliance with those specified requirements. Our responsibility is to express an opinion on the City's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing, and extent of 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 the City's compliance with specified requirements. In our opinion, the City complied, in all material respects, with the requirements of Section 218.415 Florida Statutes during the period of October 1, 2020 to September 30, 2021.

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 30, 2022

