

2022

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For Fiscal Year Ended September 30, 2022

CITY OF HALLANDALE BEACH, FLORIDA

CITY OF HALLANDALE BEACH, FLORIDA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2022**

PREPARED BY THE FINANCE DEPARTMENT

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**COVER PHOTO: 2000 Ocean – Taken April '22
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CITY OF HALLANDALE BEACH, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

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Hallandale Beach
PROGRESS. INNOVATION. OPPORTUNITY.

INTRODUCTORY SECTION



June 27, 2023

Office of the
City Manager

To the Honorable Mayor, City Commissioners, Citizens of the City of Hallandale Beach, Florida:

Dr. Jeremy Earle
City Manager
CRA Executive
Director

We are pleased to present the Annual Comprehensive Financial Report (ACFR) for the City of Hallandale Beach, Florida (the "City"), for the fiscal year ended September 30, 2022.

This report provides the City Commission, City staff, our citizens, our bondholders, and other interested parties with detailed information concerning the financial condition and activities of the City government. State law requires that all general-purpose local governments annually publish a complete set of financial statements within nine months of the close of each fiscal year. The financial statements are presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards and government auditing standards by an independent auditing firm.

JOY F. COOPER
Mayor

We believe that this report complies with these requirements and continues to present the City's strong tradition of full financial disclosure. This philosophy is reflected by the informative financial analysis provided by the City's Finance Department, and the exhibits and statistical tables included herein.

ANABELLE LIMA-TAUB
Vice Mayor

JOY ADAMS
Commissioner

MIKE BUTLER
Commissioner

The role of the financial report is to assist in making economic, social and political decisions, and to assist in assessing accountability to the citizenry by:

MICHELE LAZAROW
Commissioner

- Comparing actual financial results with the legally adopted budget, where appropriate;
- Assessing financial condition and results of operations;
- Assisting in determining compliance with finance related laws, rules, and regulations; and
- Assisting in evaluating the efficiency and effectiveness of City operations.

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Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the City. We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to present fairly the financial position and results of operations of the City; and that all disclosures necessary to enable the reader to gain an understanding of the City's financial activity have been included.

Mauldin & Jenkins LLC, independent auditors, have issued unmodified opinions on the City of Hallandale Beach's financial statements for the fiscal year ended September 30, 2022. The independent auditor's report is located at the front of

www.coHB.org

the financial section of this report. Separate auditors conducted the audit for the Police and Fire Pension Trust Fund.

The City's Financial Statements have been prepared using the reporting model in accordance with Governmental Accounting Standard Board (GASB) Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis (MD&A). MD&A immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements the letter of transmittal and should be read in conjunction with it.

THE CITY OF HALLANDALE BEACH

Profile of the City

The City of Hallandale Beach is a full-service city located on the south eastern coastline of Broward County, Florida. The City comprises 4.4 square miles including 0.81 linear miles of Atlantic Ocean beaches. The 2022 permanent population of the City is estimated to be 41,677 (Bureau of Economic and Business Research, University of Florida).

The City derives its governmental authority from a charter granted by the Legislature of the State of Florida formed in 1927. The City operates under the Commission-Manager form of government, including five elected officials. Four Commissioners and a Mayor are elected at large on a non-partisan basis for two-year terms.

The City Commission holds the responsibility for appointing the City Manager, who serves as the administrative head of the City, directing the operations and business across various departments. In addition to this, the City Commission is tasked with determining policy, adopting legislation, approving the City's budget, setting taxes and fees, and appointing the City Attorney, City Clerk, as well as members of various boards and committees.

Services Provided

The City provides a full range of municipal services. The public safety program includes police, emergency medical, fire protection, and fire prevention services. The City's extensive recreation program includes beaches, pools, tennis courts, neighborhood parks, and community centers. The Public Works Department provides essential traffic, municipal cemetery, facility and street maintenance, solid waste collection, water, sewer, and stormwater drainage services as well as other technical assistance to the City. The Sustainable Development Department provides local public transportation, code compliance, planning, zoning, and building permit and inspection services. The City's Human Services Department provides a wide array of comprehensive social services for the community that are funded by grants, contributions, and City tax dollars. Human services programs include senior social and wellness programs, after-school tutorial programs, an emergency food pantry, and a volunteer prekindergarten program. The City also provides general administrative services.

Reporting Entity

This report includes all of the funds of the City. In addition to general government activities, the Hallandale Beach Community Redevelopment Agency ("HBCRA") is included in the reporting entity. However, the Hallandale Beach Police Athletic League does not meet the established criteria for inclusion in the reporting entity, and, accordingly, is not included in this report.

Accounting and Internal Control

Management of the City is responsible for establishing and maintaining internal controls designed to ensure that the assets of the City are protected from loss, theft, or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Budgetary Controls

In addition, the City maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City's governing body. In accordance with state laws, the Approved Budget is posted on the City's website within 30 days of adoption. The activities of the General Fund, Special Revenue Funds, Debt Service Funds and Capital Project Funds are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the category (by fund) level. The City maintains an encumbrance accounting system, as one technique of accomplishing budgetary control. Encumbered amounts continue, to be a valid appropriation of a subsequent fiscal year without the need to be part of the following year's budget adoption. The City Manager is authorized and directed to cancel and close out any unexpended encumbrances after a reasonable amount of time. All expenditures for other than personnel services are controlled by a procurement system, which encumbers purchase orders against budgets prior to issuance to the vendors. Purchase orders are not issued until appropriations are made available.

Administrative budget transfers are permissible with the approval of the City Manager, provided that they do not involve contingencies or debt service, and do not result in an increase in the category budget within a fund. Any budget amendments must be submitted to the Commission for review. Furthermore, in compliance with state law, these amendments are required to be posted on the City's website within five days following their adoption.

Single Audit

As a recipient of federal, state and county financial assistance, the City is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management.

The City is periodically required to undergo an annual single audit performed under the provisions of the Single Audit Act, U.S. Office of Management and Budget Compliance Supplement ("Uniform Guidance") and Chapter 10.550, Rules of the Auditor General of the State of Florida. The information related to the Single Audit, including the schedule of expenditure of federal awards and state projects, schedule of findings and questioned costs, and auditor's reports on the internal control over compliance and compliance with applicable laws and regulations are included in a separate report (as applicable). The City was subject to an audit in accordance with the Uniform Guidance for the fiscal year ended September 30, 2022.

For the fiscal year ended September 30, 2022, the report revealed no material weaknesses in internal control over compliance, nor were there any significant violations of relevant laws and regulations. However, the report did identify a material weakness in internal control over financial reporting, which was attributed to adjustments made to prior periods. These adjustments were specifically related to capital assets and date back to fiscal year 2016. Management is confident that the current internal controls are sufficient to mitigate the risk of such adjustments arising in the future.

LOCAL ECONOMY

The City leverages its advantageous geographical position and relative affordability within the South Florida market. Serving as a nexus for several major activity generators, the City's distinctive business environment encompasses Gulfstream Park, Big Easy Casino, commercial hubs, and pristine beaches. Seasonal residency and tourism are vital economic drivers, with the population expanding to approximately 50,000 during the winter season. The economic disruptions induced by the COVID-19 pandemic were transient as the City's tourism sector demonstrated resilience and recovered swiftly.

Employment dynamics can be assessed through job growth and the unemployment rate. In this regard, the City of Hallandale Beach experienced a substantial reduction in the unemployment rate, from 5.9% in 2021 to 3.1% in 2022. Although the current rate remains marginally higher (0.4%) than the state average, the fiscal year 2021-22 experienced encouraging signs of economic rebound. This resurgence was primarily fueled by the sustained reopening of businesses, the injection of Federal, State, and Local stimulus packages, and the flourishing local real estate sector which acted as a magnet for newcomers seeking value.

Initial forecasts anticipated a 39.5% increase in job growth over the subsequent decade. However, present indicators suggest a more conservative trajectory. The Florida Department of Economic Opportunity projects an addition of 251,874 jobs in Broward County by 2030, translating into a projected job growth rate of 6.89%.

The City recorded its second year of revenue growth in the General Fund in fiscal year 2023, signaling an economy near full recovery from the worst of the pandemic. From this point forward, the City's near-term economic outlook is largely linked to the health of the national economy.

Over three years post-pandemic, formulating economic projections remains an arduous task due to the volatility in the economic landscape. In a survey conducted by the National Association for Business Economics (NABE) in February 2023, the respondents collectively expressed a subdued outlook for the U.S. economy. The survey results hinted at persistent inflation, decelerated economic growth, and a weaker labor market. Moreover, 60% of the participants estimated a likelihood of over 50% of a recession occurring within the next 12 months. Additionally, 82% of participants opined that the economic growth prospects for 2023 are skewed to the downside. The survey further highlighted that 51% of the respondents considered excessive monetary tightening as the primary downside risk through 2023. NABE economists expect unemployment to increase, but the majority doubt it will exceed 5%.

In fiscal year 2021-22, the City experienced an increase in taxable values for the eleventh straight year. Although mortgage rates are rising rapidly due to changes in monetary policy, current market conditions have not significantly impacted taxable values, and they are expected to remain stable in the near term. Additionally, the City has several approved developments underway which are expected to be reflected in future tax rolls. The City is also actively working on diversifying its revenue streams through the implementation of new non-ad valorem revenue initiatives. These initiatives are an essential part of the Fiscal Stabilization Plan, which is presented to the City Commission and updated annually as a component of the City's long-range financial planning. This diversification strategy is likely to cushion against any deceleration or retrenchment in the growth of taxable values.

MAJOR INITIATIVES

For the Year

In August 2019, the City Commission adopted a strategic plan with goals and priorities focusing on financial stability, organizational capacity, infrastructure improvements, development, redevelopment,

and economic development. Although the COVID-19 pandemic, war in Ukraine, and recent period of inflation has created new and complicated challenges for the City, the completion and start of major initiatives during the fiscal year demonstrates the City's commitment to providing those core services that ensure and promote public safety and a vibrant quality of life for its residents, visitors, and businesses.

During the current year, the following major developments with significant future fiscal impact were completed or in progress:

Completed

- 2000 S Ocean – A 38-story luxury condo tower with 64 units.
- 100 Diplomat Tower – A 27-story tower that includes 250 luxury rental apartments with access to resort amenities.
- Optima Onyx – A 28-story office building with 285,377 square feet of offices and deluxe amenities.

In Progress

- Village of Atlantic Shores Phase III – A two to six story commercial center with a total of 116,122 square feet in building area (51,814 square feet for retail business and restaurants and 64,308 square feet of office use).
- Oasis Hallandale – two 22-25 story towers offering 59,219 square feet of retail and restaurant space, 34,691 square feet of office space and luxury residential units.
- Leisure Apartments – a 3-story 24-unit residential apartment building.
- Solaris Apartments - An 8-story 78-unit residential apartment building.
- West Hallandale Shoppes – A 11,825 square feet commercial retail center.
- Hallandale City Center - 26,530 square feet commercial, retail, and office space and a total of 89 residential apartments in 3 buildings.

In the past year, the HBCRA has worked to continue implementing initiatives that greatly enhance the quality of life in Hallandale Beach. These initiatives include the creation of new, quality, sustainable affordable and market rate housing; social equity programs related to economic development, including business development, and workforce development programs; and promotion of economic development programs that not only support our existing businesses and encourages them to grow, but also serves to attract vibrant new businesses to the City. During the current year, the HBCRA accomplished the following major activities in the redevelopment district:

- Assisted 187 residents with approximately \$1.9 million in residential programs such as the First Time Homebuyer Program, the Neighborhood Improvement Program, Senior Mini Grant Program, Senior Rental-Utility Assistance Program, Hurricane Shutter Program, Replacement Home Program, and the Enhanced Paint Program
- Approved commercial improvements to Café Landwer representing approximately \$900,000 in façade and interior renovations (\$39,900 in grant assistance).
- Approved commercial improvements to GoBistro representing approximately \$100,000 grant funding for property improvements to include the installation of a decorative mural.
- Construction completion of Kao Sushi Bar and Grill – Broward County's first shipping container restaurant creating a major attraction for the Fashion Art & Design District (\$490,000 in grant assistance).
- Partnered with the South Beach Wine & Food Festival to host the third annual Food & Groove event at Gulfstream Park to continue our strategic focus on promoting Hallandale Beach as a cultural destination. The signature event was sold out and raised \$25,000 for the Hallandale Beach Police Athletic League.
- Continued the design and construction of various public improvements funded by \$20 million in Redevelopment Revenue Notes, including but not limited to:
 - Sidewalks, art trail/bikeways/greenways projects, landscaping, canopy planting, bike paths, crosswalks, bioswales, roadway construction;

- Storm water projects, streetscape projects, lighting projects, and
- Other public projects throughout the redevelopment district.

During the current year, the City focused on the following major initiatives relating to organizational capacity and fiscal stability:

- Implemented a centralized contracts management module to enable centralized review of revenue generating contracts for compliance with collection.
- Adopted Phase I of our utility rate study, which will help fund an estimated \$230 million in utility infrastructure needs city-wide over the next 10 years.
- Shifted most of our general capital projects to the Capital Projects Fund, ensuring that the General Fund's focus remains on annual operating costs, significantly reducing the need for "one-time" capital expenditures in the General Fund.
- Ordered and received thirteen (13) Tesla vehicles for the Police Department marking a major milestone for our Fleet Electrification Plan.
- Adopted and implemented an updated Cost Allocation Plan for central services of the General Fund which resulted in an additional \$1.0 million in recovered cost to the General Fund incurred by other funds in FY2022.
- Implemented a full year of the City-wide Parking Management Program. Gross revenues for FY2021-22 were approximately \$1.1 million including both parking and citation revenues representing a 111.1% increase from the prior year. Net revenues to the City were approximately \$530,000.
- Improved monitoring of billed fire inspections and reinspections currently performed by BSO. Total inspection/reinspections billed increased from 2,232 in FY2021 to 3,650 in FY2022, an increase of \$143,000 or 46.1% in the amount billed from the prior year.
- Established a Renewal Replacement Fund for general city assets. This involves setting aside reserves for the replacement of city-wide assets.
- Expanded the Grants Division and its operations/capacity to include pre-award and post-award services. To date, the Office has secured approximately \$32.7 million in new and competitive grant awards to support Public Safety Capacity and Equipment, Sewer and Stormwater Infrastructure, Electric Vehicle Transportation and Transit Operations, Disaster Cost Recovery, Sustainability and Resiliency Efforts, and Park Construction.
- Awarded \$20.0 million in the City's allocation of The Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program authorized by the American Rescue Plan Act (ARPA) to be used for government services to offset revenue losses from the impacts of the pandemic.
- EV Buses and Charging Facilities – Major push to secure funding for this project. Efforts include state direct appropriation requests and federal earmarks that were completed through collaboration with the City's State and Federal Lobbyists and the Office of Congresswoman Wasserman Schultz
- Negotiated the health insurance renewal for FY2022 with a 5% increase in premiums, exceeding local insurance renewal trends which were more than 8%.
- Improved lien search services making the management of inquiries, billing, and payments easier for customers. This resulted in a 99% collection rate and an increase of \$305,000 or 99.4% in lien search fee revenues in FY2022 as compared to the prior fiscal year.
- Implemented several initiatives which have significantly improved our collection rate from 95% as of yearend FY2021 to 97% as of yearend FY2022. This included the implementation of a 10% late penalty on general bills which triggered the collection of 2,063 bills after the penalty was assessed and \$36,000 in additional revenue.
- Successfully launched a streamlined BTR online application and renewal process with over 3,000 applications during go-live in August 2022.

For the Future

The budget cycle for the fiscal year 2022-23 presented numerous challenges as the City endeavored to chart its future course to ensure long-term financial stability. Our unwavering commitment to addressing pressing legacy issues remained central to our efforts. Simultaneously, we strove to uphold minimum service levels and facilitate the timely replacement of critical equipment and infrastructure. Compounding the challenges were the widespread labor market withdrawals known as the “Great Resignation” and the soaring inflation.

Although the City confronted similar hurdles in the preceding budget cycle, projecting the future outlook proved to be a daunting task due to significant economic fluctuations; these occurred with remarkable frequency and often conveyed conflicting signals regarding the future.

In response to these uncertainties, we adopted a cautious approach by relying on conservative projections to shape our outlook. During the budget formulation process, City Staff compiled an update to our 5-year Financial Stabilization Plan for the General Fund. The update encompassed additional financial strategies for the Commission's consideration to avert the risk of exhausting the reserves. Significantly, this marked the first instance in many years where the budget was formulated without resorting to reserve funds, epitomizing a truly balanced budget.

As such, City staff continued to use the Teams & Initiatives Framework developed in fiscal year 2020 to update our teams made up of City staff with the goal of improving revenue streams and collections, reducing costs city-wide, and establishing a more transparent budget process. The framework helps improve issues related to understaffing, lack of standard operating procedures, infrastructure renewal and replacement needs, and training. The framework helps identify much needed investments that would improve City staff's ability to enhance our revenues and reduce costs related to inefficiencies and deferred maintenance.

Using this framework, the following major initiatives are ongoing to improve the long-term financial stability of the City:

- Performing Phase II of the utility rate study which will include a stormwater utility remeasurement and water and sewer rate tier restructuring to promote water conservation and cost equity across customer types.
- Issuance of \$180 million in Utility Revenue Bonds over the next ten (10) years to help fund the water, wastewater, and stormwater utility's infrastructure improvement needs. This will be offset by any grant funding that the City is applying for as part of Staff's recommended Utility Capital Improvement Long-term Funding Plan.
- Completing the Renewal Replacement Fund reserve study for general city assets. This involves completing a city-wide assessment to ensure there are adequate amounts set aside for replacement needs.
- City codification of changes in budgetary controls and requirements for reserve funding.
- Completion of our Fleet Replacement program that ensures future fleet replacements are fully funded and include the electrification of our fleet.
- Continued progress of our Fleet Electrification Plan to add additional charging stations throughout the City.
- Implementation of the adopted Payment-in-lieu-of-franchise fee (PILOFF) charged to the Utility Fund for the collection of franchise fees from the Utility Fund usually required from a private company operating a similar utility. This fee is projected to provide the General Fund with \$1.5 million in additional annual revenues.
- Implementation of the adopted PILOFF charged to the Sanitation Fund for in-house sanitation services at the same rate that would apply to private haulers if operations were outsourced or privatized. This fee is projected to provide the General Fund with \$1.5 million in additional annual revenues.

- Continued use of the remaining \$10.6 million in ARPA funding for fiscal years 2023 and 2024 to cover revenue losses from impacts relating to the COVID-19 pandemic.
- Implementation of additional enhancements to the parking enforcement program to ensure its ongoing effectiveness. This includes tools to discourage repeated parking violations by the same vehicle. Parking enhancements are projected to generate an additional \$600,000 annually.
- Continued progress of the AMI Water Remediation Project Plan to correct ongoing issues relating to a significant number of meters not transmitting electronic reads or inaccurate reads. Due to the extraordinary nature of this issue, its impact on the financial stability of the utility, and its impact on other key initiatives, approximately \$830,000 in appropriations are allocated to this effort.
- Continued replacement of the City-wide fleet to address fleet vehicles in critical need for replacement. General Fund replacements include a total of 84 Police vehicles that have been replaced or are in the process of being replaced, totaling an investment of approximately \$4.2 million.
- Implementation of the Certificate of Use program during FY2022-23. Estimated additional revenues from the program are projected at \$430,000 once the program is fully set.
- Updating the City's fire assessment study to ensure adequate funding in response to the escalating costs of fire protection services and changes in property types within the City.
- Launching an enhanced Treasury and Cash Management function, which includes hiring a dedicated staff tasked with regularly managing cashflows, optimizing the City's return on investment, and safeguarding against any loss of principal.
- Implementation of the adopted fire & rescue, law enforcement, parks & recreation, and multimodal transportation capital improvement impact fees as an alternative financing source supported by future development. These fees will support the City's capital & infrastructure needs to expand services for the projected 15% population growth by 2045.

Considering the need for additional resources needed to carry out these and other initiatives, the City Commission so far has approved two budget amendments in fiscal year 2022-23 of which approximately \$2.3 million was from General Fund reserves. It is expected that these investments in resources and human capital will be offset by increases in future revenues and reduce costs related to operational inefficiencies and deferred maintenance.

With large investments in resources and human capital comes great responsibility in monitoring our financial position timely. The Finance and Budget staff are actively working together to improve our month-end closing process, improve our monthly financial reports, and report meaningful key performance indicators that measure our return on these investments. In addition, we have received Federal aid through the American Recue Plan Act ("ARPA") which has helped alleviate revenue losses that resulted from the COVID-19 pandemic and continue funding our effort to protect the health and safety of the public and employees.

FINANCIAL POLICIES

One of the most important measures of the City's financial health is its fund balance. During the previous three budget cycles, we have acknowledged that the City was on trend to deplete General Fund reserves by the end of fiscal year 2022-23. In response, we implemented a rigorous long-term financial planning process known as the City's Fiscal Stabilization Plan in fiscal year 2020. This process was designed to forecast our City's future financial position transparently, allowing us to present clear strategies to the City Commission for addressing deficits. Our ultimate goal was, and remains, ensuring the City's financial health, as measured by our ability to maintain our minimum reserve requirements. As such, City staff is taking the necessary steps during the budget process to establish fiscally sound policies that help achieve a healthy fund balance.

Having a healthy fund balance gives the City financial flexibility, makes it better able to meet its cash flow needs, mitigates current and future financial risks and ensures predictability of future services. The City

is committed to continuing this progress and the City must continue to budget carefully for the years ahead to ensure the City's continued fiscal health.

Fund Balance Target

The City's Minimum Fund Balance Policy, adopted by City Commission ordinance, is compliant with GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." In addition to providing compliance with GASB Statement No. 54, the City's Minimum Fund Balance Policy will assist in stabilizing the long-term financial position of the City by setting standards for the use and replenishment of fund balance reserves. This policy also provides structural balance to the City's budget by limiting the use of reserves to cover recurring expenditures. The Minimum Fund Balance Policy sets aside 16% of General Fund operating expenditures as reserves. The targeted minimum is expected to provide funds for two months of operations.

Projections

Multi-year budget projections based on an enhanced budget forecast model are prepared by the City's Budget and Program Monitoring Department to forecast out years. This tool allows the City to adjust revenue estimates and expenditure levels to prevent financial difficulties in the future. The Budget and Program Monitoring Department continues to monitor revenue forecasts during the fiscal year.

We are encouraged by the progress we have made so far. While long-term projections inevitably change, we are pleased to announce that as of the end of fiscal year 2022, we are meeting our projected reserve requirements, forecasted through fiscal year 2027. It is important to note that while we have made significant strides, we must remain vigilant. Maintaining fiscal discipline and adhering to our long-term financial plan is absolutely essential to ensure the City's financial health in the coming years.

LONG RANGE FINANCIAL PLANNING

The City Commission has adopted financial policies for operating, capital, and debt management. Management has made every effort to comply with these policies and we believe that we are in compliance with the adopted policies. A long-range financial plan is prepared by the Budget & Program Monitoring Department annually during the budget cycle. This document forecasts the General Fund operations for the next five years and is used to guide the development of the annual operating budget and to support the long-term goal of a financially sound city. The City also maintains a five-year Capital Improvement Program (CIP) that is updated and presented to the City Commission annually. A copy of the current CIP is located at <https://CoHB.org/CIP>

OTHER INFORMATION

Independent Audit

Florida Statute Section 218.39 and the City Charter, Article V, Section 4, requires an annual audit of the City's financial statements by independent accountants selected by the City Commission. This requirement has been complied with and the independent auditor's report is included in the financial section of this report.

Certificate of Achievement

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to City of Hallandale Beach, Florida for its annual comprehensive financial report for the fiscal year ended September 30, 2021. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. 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 current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

ACKNOWLEDGEMENTS

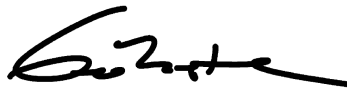
The preparation of the Comprehensive Annual Financial Report could not have been accomplished without the dedicated efforts of the entire staff of the Finance Department. We wish to thank all the departments who assisted and contributed to the preparation of this report. Their hard work, effort, commitment, and professionalism is admired. Special recognition is given to Sean Li, Controller for leading the development and publication of this comprehensive report and to the Grants Division for their dedicated effort to ensure ongoing compliance with Local, State, and Federal grant requirements. Credit must also be given to the City Commission and City Management for their commitment to support sound fiscal management practices with an emphasis on long-term financial stability and sustainability.

We believe that this report clearly illustrates the ongoing progress and continuous need for improvement of the long-term financial stability of the City of Hallandale Beach and we wish to take this opportunity to thank you and the citizens of Hallandale Beach for the vital role you have played in supporting our initiatives that will help us create more value to our community while improving the financial position of the City for years to come.

Respectfully submitted,



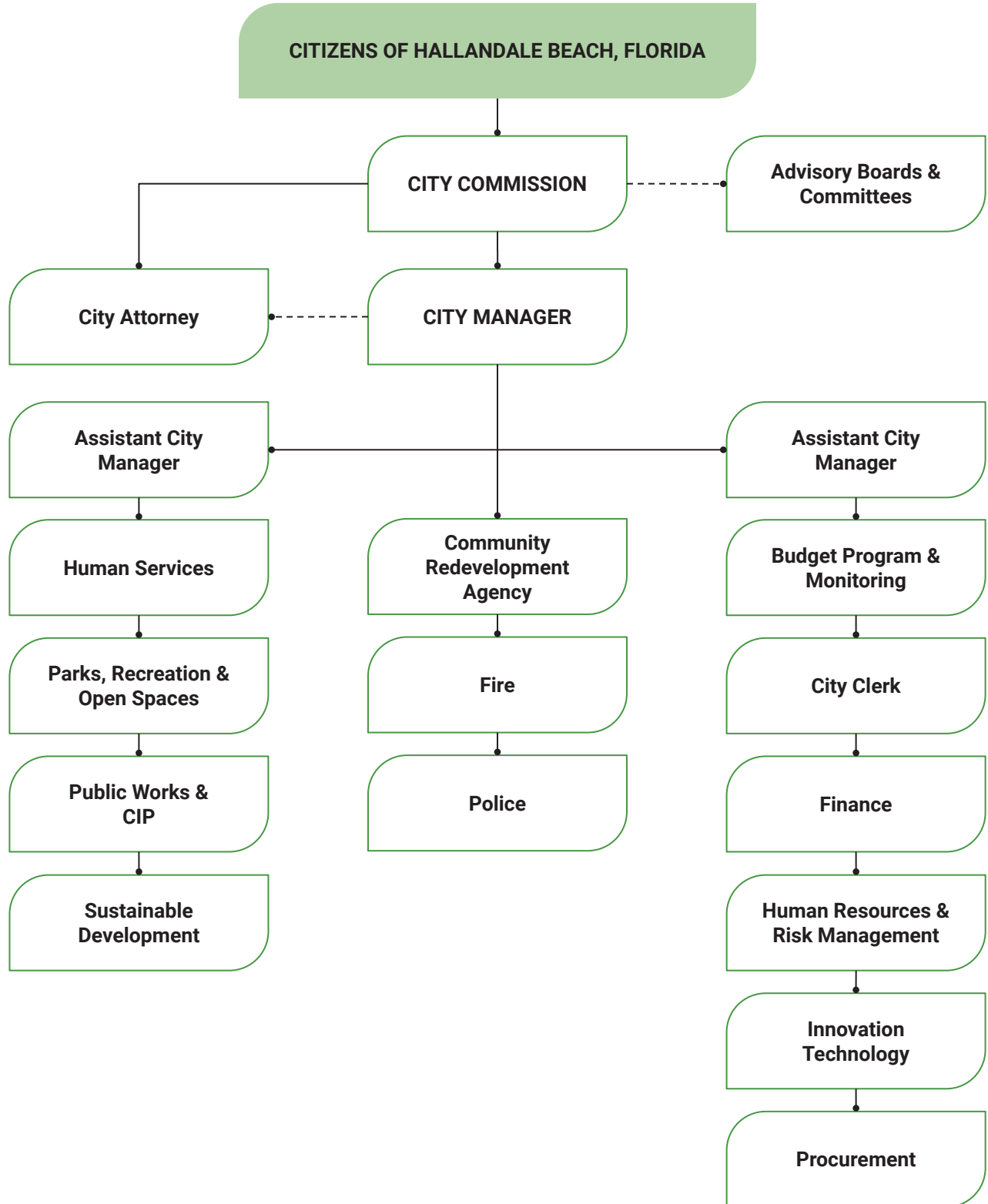
Jeremy Earle, Ph.D., AICP, FRA-RA
City Manager



Geovanne Neste
Finance Director

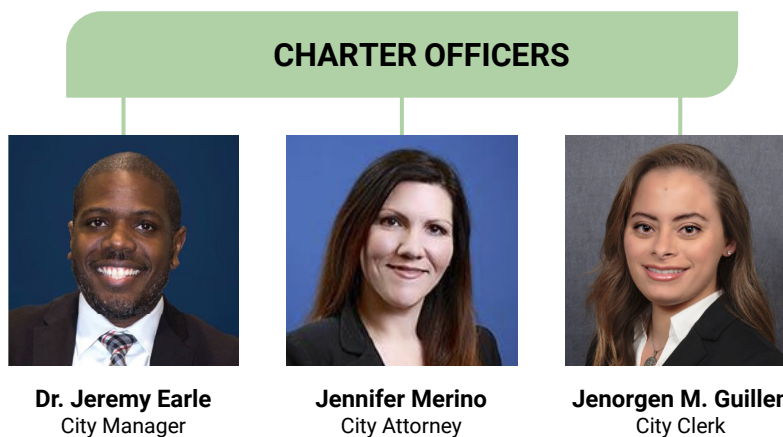
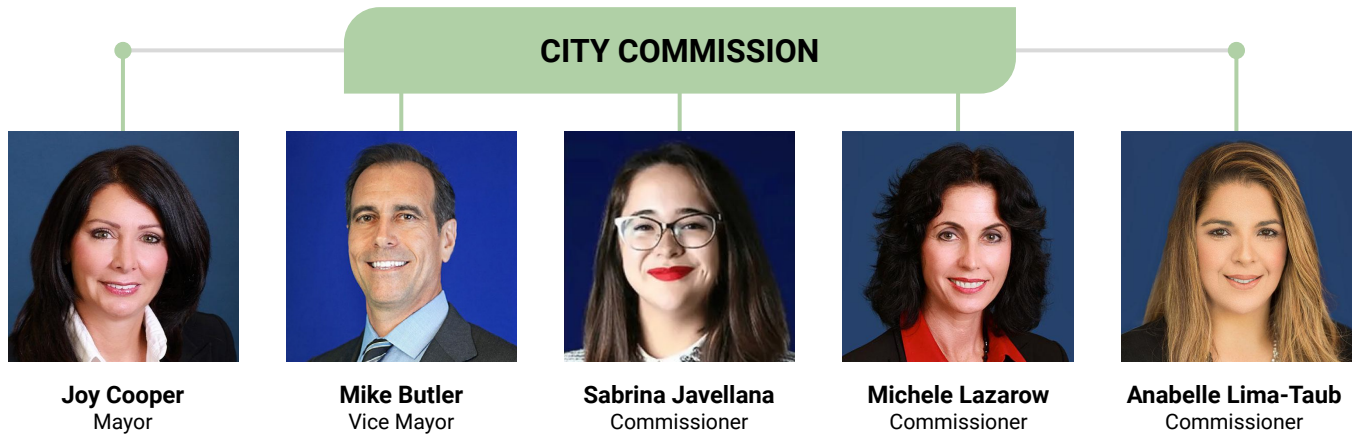
Organizational Chart

September 30, 2022



Commission-Manager Form of Government

September 30, 2022



City Administration

City Manager
Assistant City Manager
Assistant City Manager
Chief Information Officer
Director of Budget & Program Monitoring
Director of Finance
Director of Human Resources
Director of Human Services
Director of Parks and Recreation
Director of Procurement
Director of Public Works
Director of Sustainable Development
Fire District Chief (BSO)
Police Chief

Dr. Jeremy Earle
Sharon Ragoonan
Noemy Sandoval
Tristan Lattibeaudiere
Natasha Mazzie
Geovanne Neste
Radu Dodea
Cora Daise
Cathleen Schanz
Andrea Lues
Jeffrey Odoms
Vanessa Leroy
Bradley Masters
Michel Michel



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Hallandale Beach
Florida**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2021

Christopher P. Morill

Executive Director/CEO

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Hallandale Beach
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FINANCIAL SECTION



Hallandale Beach
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INDEPENDENT AUDITORS REPORT



INDEPENDENT AUDITOR'S REPORT

**To the Honorable Mayor, City Commission
and City Manager
Hallandale Beach, Florida**

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **City of Hallandale Beach, Florida** (the "City"), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of September 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Police Officers' and Firefighters' Personnel Retirement Trust, which represents 67%, 71%, and 24%, respectively, of the assets, net position, and additions of the aggregate remaining fund information as of September 30, 2022. Those statements were audited by other auditors whose report has been furnished to us, and our opinion insofar as it relates to the amounts included for the Police Officers' and Firefighters' Personnel Retirement Trust, is based solely on the report of the other auditors.

Basis for Opinions

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

Emphasis of Matter

As described in Note 1 to the financial statements, as of October 1, 2021, the City adopted new accounting guidance, GASB Statement No. 87, *Leases*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (on pages 4 through 24), the budgetary comparison information, and the information for OPEB and the pension trust funds (on pages 94 through 109) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2023, 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.



Bradenton, Florida
June 27, 2023

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MANAGEMENTS DISCUSSION AND ANALYSIS

City of Hallandale Beach, Florida
For the Year Ended September 30, 2022
Management's Discussion and Analysis (unaudited)

The purpose of financial reporting, in general, is to provide the readers of the financial statements with information that will help them make decisions or draw conclusions about an entity. As management of the City of Hallandale Beach, Florida (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2022. We encourage readers to consider the information presented herein in conjunction with the additional information that we have furnished in our letter of transmittal, as well as the financial statements and notes to financial statements. The letter of transmittal can be found on pages i through x of this report.

FINANCIAL HIGHLIGHTS

The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of the fiscal year by \$164.6 million. The City's total net position increased by \$15.4 million. The increase noted was primarily because of current year operations in both governmental and enterprise funds, as discussed in more detail below.

At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$99.3 million, representing an increase of \$10.6 million from the previous fiscal year. The increase noted was primarily due to the net result of the following activity:

- an increase of \$7.2 million in the General Fund balance is primarily due to more than anticipated state and local intergovernmental revenues relating to sales tax, slot machine proceeds, and electric utility franchise fees and taxes; and operating expenditure savings relating to ongoing vacancies during the fiscal year.
- an increase of \$5.4 million in the Community Redevelopment Agency Fund balance is primarily due to the timing of expenditures related to various ongoing redevelopment programs budgeted but not expended as of September 30, 2022.
- a decrease of \$2.1 million in the General Obligation Bonds Fund balance is primarily due to capital outlays relating to the construction of Sunrise Park.

At the close of the current fiscal year, the City's enterprise funds reported combined ending net position of \$104.2 million. This represents an increase of \$1.4 million from the previous fiscal year. The increase noted was primarily due to the net result of the following activity:

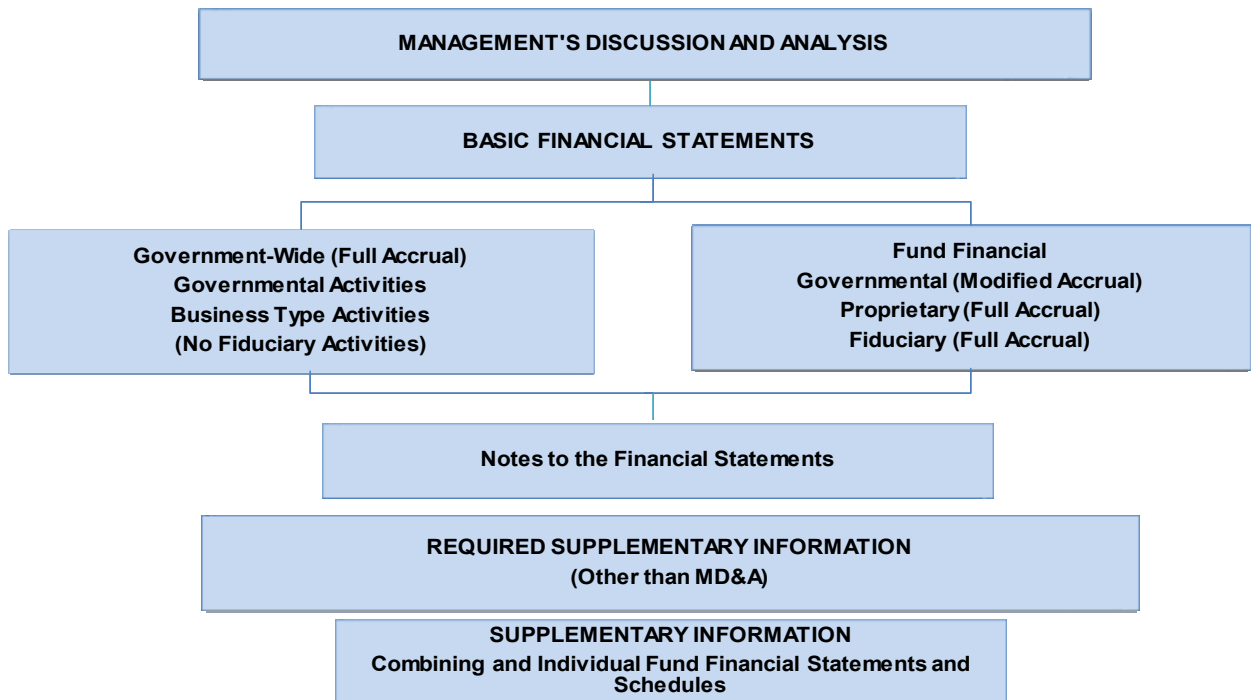
- an increase of \$1.6 million in the Utility Fund's net position is primarily due to income from operations which was significantly reduced by \$0.7 million in unrealized losses from investments due to interest rate hikes by the Federal Reserve. The federal funds rate increased 300 basis points from March 2022 to September 2022.
- an increase of \$0.9 million in the Sanitation Fund's net position relating to income from operations.
- A decrease of \$0.9 million in the Stormwater Drainage Fund's net position relating to losses from operations.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements, which have the following components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. Other supplementary information is also included in this report in addition to the basic financial statements.

As illustrated in the following chart, the financial section of this Annual Report consists of the following: Management's Discussion and Analysis (this section), the basic financial statements, required supplementary information, and a supplementary information section that presents combining and individual fund financial statements and schedules.

Financial Section



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City of Hallandale Beach, Florida
For the Year Ended September 30, 2022
Management's Discussion and Analysis (unaudited)

Major Features of the Basic Financial Statements

	Government-wide Financial Statements	Fund Financial Statements		
		Governmental Funds	Propriety Funds	Fiduciary Funds
Scope	Entire City government (except fiduciary activities).	Activities of the City that are not propriety or fiduciary.	Activities of the City that are operated similar to private business.	Instances in which the City is the trustee or agent for someone else's resources.
Required financial statements	Statement of net position. Statement of activities.	Balance sheet. Statement of revenues, expenditures, and changes in fund balances.	Statement of net position. Statement of revenues, expenses, and changes in net position. Statement of cash flows.	Statement of fiduciary net position. Statement of changes in fiduciary net position.
Accounting basis and measurement focus	Accrual accounting and economic resources focus.	Modified accrual accounting and current financial resources focus.	Accrual accounting and economic resources focus.	Accrual accounting and economic resources focus.
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term and deferred inflows/outflows of resources.	Only assets expected to be used up and liabilities that come due during the year or soon thereafter, no capital assets and long term liabilities included.	All assets and liabilities, both financial and capital, and short-term and long-term and deferred inflows/outflows of resources.	All assets and liabilities, both short-term and long-term and deferred inflows/outflows of resources.
Type of inflow/outflow information	All revenue and expenses during the year, regardless of when cash is received or paid.	Revenue for which cash is received during or soon after the end of the year. Expenditures when goods or services have been received and payment is due during the year or soon thereafter.	All revenue and expenses during the year, regardless of when cash is received or paid.	All revenue and expenses during the year, regardless of when cash is received or paid.

Basic Financial Statements

Government-wide financial statements. The focus of the *government-wide* financial statements is on the overall financial position and activities of the City of Hallandale Beach. Reporting is similar to that of a private-sector business. The government-wide financial statements report information about the City as a whole and about its activities in a way that helps answer questions about the financial health of the City and whether the activities of the year contributed positively or negatively to that health.

The City's government-wide financial statements include the *Statement of Net Position* and *Statement of Activities*. As described below, these statements do not include the City's fiduciary activities because resources of these funds cannot be used to finance the City's activities. However, the financial statements of fiduciary activities are included in the City's fund financial statements, because the City is financially accountable for those resources, even though they belong to other parties.

- The *Statement of Net Position* presents information on the assets plus deferred outflows of resources and liabilities plus deferred inflows of resources by the City, both long and short-term. Assets plus deferred outflows of resources are reported when acquired by the City and liabilities plus deferred inflows of resources are reported when they are incurred, regardless of the timing of the related cash flows to acquire these assets or liquidate such liabilities. For example, the City reports buildings and infrastructure as assets, even though they are not available to pay the obligations incurred by the City. On the other hand, the City reports liabilities, such as litigation claims, even though these liabilities might not be paid until several years into the future.

City of Hallandale Beach, Florida
For the Year Ended September 30, 2022
Management's Discussion and Analysis (unaudited)

The difference between the City's total assets plus deferred outflows of resources and total liabilities plus deferred inflows of resources is *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. The purpose of the City is not to accumulate net position, in general. The net position, which may increase or decrease through time, may be used as an indicator of whether the financial position of the City is improving or deteriorating, respectively.

- The *Statement of Activities* presents the revenues and expenses of the City. The items presented on the statement of activities are measured in a manner similar to the approach used in the private-sector in that revenues are recognized when earned and expenses are reported when incurred. Accordingly, revenues are reported even when they may not be collected for several months after the end of the accounting period and expenses are recorded even though they may not have used cash during the current period.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes, charges for services, and intergovernmental revenue (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety (law enforcement and fire-rescue), physical environment, transportation, culture and recreation, human services and economic environment. The business-type activities include the combined water and sewer utility, sanitation, stormwater drainage, and cemetery, where the fee for service typically covers all or most of the cost of operations and depreciation.

The government-wide financial statements include not only the City of Hallandale Beach (known as the primary government), but also legally separate organizations (known as *component units*) for which the City is financially accountable. These blended *component units* include the Hallandale Beach Community Redevelopment Agency (HBCRA), Golden Isles Safe Neighborhood District, and Three Islands Safe Neighborhood District.

The government-wide financial statements can be found on pages 25 and 26 of this report.

Fund financial statements. The focus of fund financial statements is directed to specific activities of the City rather than the City as a whole. Except for the General Fund, separate funds are established 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: (1) governmental funds, (2) proprietary funds, and (3) 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. 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. Financial statements consist of a balance sheet and a statement of revenue, expenditures, and change in fund balance.

Due to the focus of governmental funds being narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

City of Hallandale Beach, Florida
For the Year Ended September 30, 2022
Management's Discussion and Analysis (unaudited)

In general, the governmental fund financial statements have a short-term emphasis and, for the most part, measure and account for cash and other assets that can easily be converted to cash. For example, amounts reported on the balance sheet include items such as cash and receivables but do not include capital assets such as land and buildings. The difference between a fund's total assets plus deferred outflows and total liabilities plus deferred inflows is the fund balance, and generally indicates the amount that can be used to finance the next fiscal year's activities. The operating statement for governmental funds reports only those revenues that were collected during the current period or very shortly after the end of the year. Expenditures are generally recorded when incurred.

The governmental fund financial statements can be found on pages 25 through 30 of this report.

Proprietary funds. Proprietary funds financial statements provide the same type of information as the government-wide, only in more detail. Financial statements consist of a statement of net position, statement of revenue, expenses, and changes in net position, and statement of cash flows. Proprietary funds are grouped into enterprise funds and internal service funds. The City presents a separate column for each of the major enterprise funds: water and sewer utility, sanitation, and stormwater drainage funds. Internal service funds are aggregated and presented in a single column.

The City uses enterprise funds to account for business-type activities that charge fees to customers for the use of specific goods or services. Internal service funds are used to account for its central services and insurance operations.

The proprietary fund financial statements can be found on pages 31 through 35 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 programs. Fiduciary financial statements consist of a statement of fiduciary net position and a statement of changes in fiduciary net position and are accounted for in a manner similar to proprietary funds.

The fiduciary fund financial statements can be found on pages 37 and 38 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.
Notes to the financial statements can be found on pages 39 through 92 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* (RSI), such as the budgetary comparison schedule of the general fund and its major special revenue funds, and data concerning the City's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information is also presented for the City's pension plans and other post-employment benefits.

Required supplementary information can be found on pages 93 through 108 of this report.

Combining statements referred to earlier in connection with non-major governmental, non-major enterprise, budgetary comparison schedules for non-major governmental funds, internal service and fiduciary funds are presented immediately following the required supplementary information.

Combining and individual fund financial statements and schedules can be found on pages 109 through 125 of this report.

City of Hallandale Beach, Florida
For the Year Ended September 30, 2022
Management's Discussion and Analysis (unaudited)

Government-Wide Financial Analysis

Net position may serve over time as a useful indicator of the government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$164.6 million at September 30, 2022. Excluding a beginning balance restatement, the City's net position increased by \$15.4 million during the current fiscal year. The largest portion of the City's net position, 76.7%, reflects its net investment in capital assets. The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position. The City utilizes these capital assets to provide services to citizens; consequently these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt and other associated debt related items, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves will not be used to liquidate those liabilities. Approximately 28.9% or \$47.6 million of net position is subject to external restrictions for various purposes (e.g. building permitting function, special districts, etc.).

The table below presents a summary of net position as of September 30, 2022 and 2021, derived from the government-wide Statement of Net Position:

	Net Position (in thousands)					
	Governmental Activities		Business - type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 130,470	\$102,081	\$ 56,305	\$ 56,589	\$186,775	\$158,670
Capital assets	132,176	128,814	62,946	63,355	195,122	192,169
Total assets	262,646	230,895	119,251	119,944	381,897	350,839
Deferred outflows of resources	35,638	40,145	4,285	3,945	39,923	44,090
Noncurrent liabilities	185,597	213,220	12,275	11,811	197,872	225,031
Other liabilities	18,569	6,515	4,822	6,704	23,391	13,219
Total liabilities	204,166	219,735	17,097	18,515	221,263	238,250
Deferred inflows of resources	33,742	9,111	2,238	2,272	35,980	11,383
Net position:						
Net investment in capital assets	66,733	59,327	59,466	59,061	126,199	118,388
Restricted	45,786	39,821	1,781	1,943	47,567	41,764
Unrestricted	(52,142)	(56,954)	42,953	42,098	(9,189)	(14,856)
Total net position	\$ 60,377	\$ 42,194	\$104,200	\$103,102	\$164,577	\$145,296

At September 30, 2022, the City's governmental activities report a negative balance in the unrestricted category primarily due to long-term liabilities relating to the City's pension plans and postemployment benefits. This negative balance in the unrestricted category is not necessarily indicative of financial distress, as it is common for governments to have such deficits due to accounting requirements which mandate the recognition of long-term liabilities upfront, while the assets and revenues intended to service these liabilities are recognized over time.

The City is able to report positive balances in the remaining categories of net position for its Governmental activities and Business-type activities.

Governmental Activities

There was an increase of \$28.4 million or 27.8% in current and other assets for governmental activities, primarily due to:

- A \$21.1 million increase in cash and cash equivalents, and investments from current year activity which includes the receipt of \$20 million for the City's share of The Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program authorized by the American Rescue Plan Act (ARPA).
- An increase of \$2.8 million in due from other governments related to more than anticipated state and local intergovernmental revenues and more grant activity during the period.
- An increase of \$4.2 million in receivables primarily attributed from the implementation of GASB Statement No. 87, *Leases*, where lease receivables from various noncancellable leases of land for various activity were recorded as receivables. For more information, refer to Note 1 (J) of the notes to financial statements on page 44.

Excluding a prior period adjustment in the amount of \$4.2 million, Capital assets remained relatively flat when compared to the prior fiscal year. The change in capital assets was primarily due to the net effect of the current fiscal year capital asset activity (as discussed in more detail on page 20) and the recognition of current fiscal year depreciation expense.

The decrease of \$4.5 million or 11.2% in deferred outflows of resources resulted primarily from the recognition of pension expense related to prior year deferred outflows of resources for the City's pension plans. Deferred outflows of resources represent consumption of net position applicable to future periods that will not be recognized as expenditures until the future period to which it applies (i.e. employer contributions made subsequent to a plan's measurement date or projected earnings exceeding actual earnings on pension plan investments, changes in assumptions). Refer to Note 10 for additional information.

The decrease of \$27.6 million or 13.0% in long-term liabilities is primarily due to the repayment of debt and decreases in the net pension liability of the City's pension plans. Refer to Note 9 for additional information.

The increase of \$12.0 million or 185.0% in current liabilities is primarily due to open payables to vendors and the unearned portion of advances received from the City's share of SLFRF funding authorized by ARPA in the amount of \$10.6 million.

The increase of \$24.6 million or 270.3% in deferred inflows of resources resulted primarily from decreases in amortized pension expense related to differences between projected and actual earnings on pension plan investments relating to the City's define benefit plans. Refer to Note 10 for additional information. Included in the net change is the addition of \$4.2 million for leases in the current fiscal year as part of the implementation of GASB Statement No. 87, *Leases*.

Business-Type Activities

The increase of \$0.3 million or 0.5% in current and other assets primarily as a result of current year operations, as discussed in detail starting on page 16.

The increase of \$0.4 million or 0.6% in capital assets is primarily due to the net effect of capital asset acquisitions and dispositions and recognition of current fiscal year depreciation expense (as discussed in more detail on page 20).

The increase of \$0.5 million or 3.9% in deferred outflows of resources primarily resulted from the recognition of pension expense related to prior year deferred outflows of resources for the City's pension plans. The difference between the change for business-type activities and governmental activities is that the later includes the Police Officers' and Firefighters' Personnel Retirement Trust pension plan. Refer to Note 10 for additional information.

City of Hallandale Beach, Florida
For the Year Ended September 30, 2022
Management's Discussion and Analysis (unaudited)

The decrease of \$1.9 million or 28.1% in other liabilities is primarily due to \$1.7 million in accrued expenses related to a FY2019-20 true-up charged to large users by the City of Hollywood for wholesale wastewater billing in accordance with the large user interlocal agreement that was recorded in the prior year.

Analysis of the City's Operations. The table below presents a summary of changes in net position for the years ended September 30, 2022 and 2021, as derived from the government-wide statement of activities:

	Changes in Net Position (in thousands)					
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues:						
Charges for services	\$ 32,652	\$ 28,886	\$ 38,057	\$ 37,926	\$ 70,709	\$ 66,812
Operating grants and contributions	13,851	7,321	-	114	13,851	7,435
Capital grants and contributions	-	35	147	-	147	35
General revenues:						
Property taxes	52,706	51,528	-	-	52,706	51,528
Other taxes	14,167	12,484	-	-	14,167	12,484
Other revenues	3,716	3,007	(516)	137	3,200	3,144
Total revenues	117,092	103,261	37,688	38,177	154,780	141,438
Expenses:						
General government	25,713	19,276	-	-	25,713	19,276
Public safety	53,088	36,875	-	-	53,088	36,875
Physical environment	1,246	1,206	-	-	1,246	1,206
Transportation	4,111	3,075	-	-	4,111	3,075
Economic environment	6,496	6,461	-	-	6,496	6,461
Culture and recreation	7,842	7,130	-	-	7,842	7,130
Human services	1,989	1,408	-	-	1,989	1,408
Interest and other fiscal charges	2,621	2,804	-	-	2,621	2,804
Utility	-	-	24,552	24,777	24,552	24,777
Sanitation	-	-	5,985	5,603	5,985	5,603
Stormwater drainage	-	-	5,229	4,364	5,229	4,364
Cemetery	-	-	480	292	480	292
Total expenses	103,106	78,235	36,246	35,036	139,352	113,271
Changes in net position before transfers	13,986	25,026	1,442	3,141	15,428	28,167
Transfers	51	(2,087)	(51)	2,087	-	-
Change in net position	14,037	22,939	1,391	5,228	15,428	28,167
Net position, beginning, as restated	46,340	19,255	102,809	97,874	149,149	117,129
Net position, ending	\$ 60,377	\$ 42,194	\$ 104,200	\$ 103,102	\$ 164,577	\$ 145,296

City of Hallandale Beach, Florida
For the Year Ended September 30, 2022
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Governmental activities

Governmental activities increased the City's net position by \$14.0 million.

Charges for services increased by \$3.8 million or 13.0% primarily due to:

- An increase of \$0.6 million in parking meter receipts and parking citations from a full year of the new Citywide Parking Management Program.
- An increase of \$0.6 million in building permit fees
- An increase of \$0.2 million related to lease revenues from the implementation of GASB Statement No. 87, *Leases*.
- An increase of \$0.5 million in revenues from the HBCRA for the Community Policing Innovations interlocal agreement.
- An increase of \$0.4 million in revenues from increased program activities and maintenance and operating agreements for various parks.
- An increase of \$0.2 million in various fire inspection and general billing revenues from the implementation of late penalties and improved collections.
- An increase of \$1.0 million in administrative charges to other funds due to the updated FY2020 Cost Allocation Plan.
- An increase of \$0.2 million in contributions to internal service funds from other funds.

Operating grants and contributions revenues increased by \$6.5 million or 89.2% primarily due to \$9.5 million in revenues that the City recognized as part of the State and Local Fiscal Recovery Funds (SLFRF) program, also known as ARPA funding. The City strategically utilized these funds during the current fiscal year to compensate for revenue losses for government services, in accordance with the stipulations laid down by the Department of Treasury's final rule governing the application of SLFRF monies. It is important to note that this revenue was offset by a decrease of \$2.7 million in grants from Broward County, which the City had received in the prior year as a measure to counter the repercussions of the COVID-19 pandemic.

Property tax revenues increased by \$1.2 million or 2.3% due to increases in the taxable assessed values of approximately \$590.0 million. Of this increase, \$0.6 million is related to the HBCRA as tax increment revenue.

General government expenses increased by \$6.4 million or 33.4% primarily due to a \$5.2 million final judgment accrued in the current year as claims expense. For additional information regarding the final judgement, refer to Note 14 – Risk Management on page 89. The remaining increase relates to increases in operating expenditures from rising costs and wages.

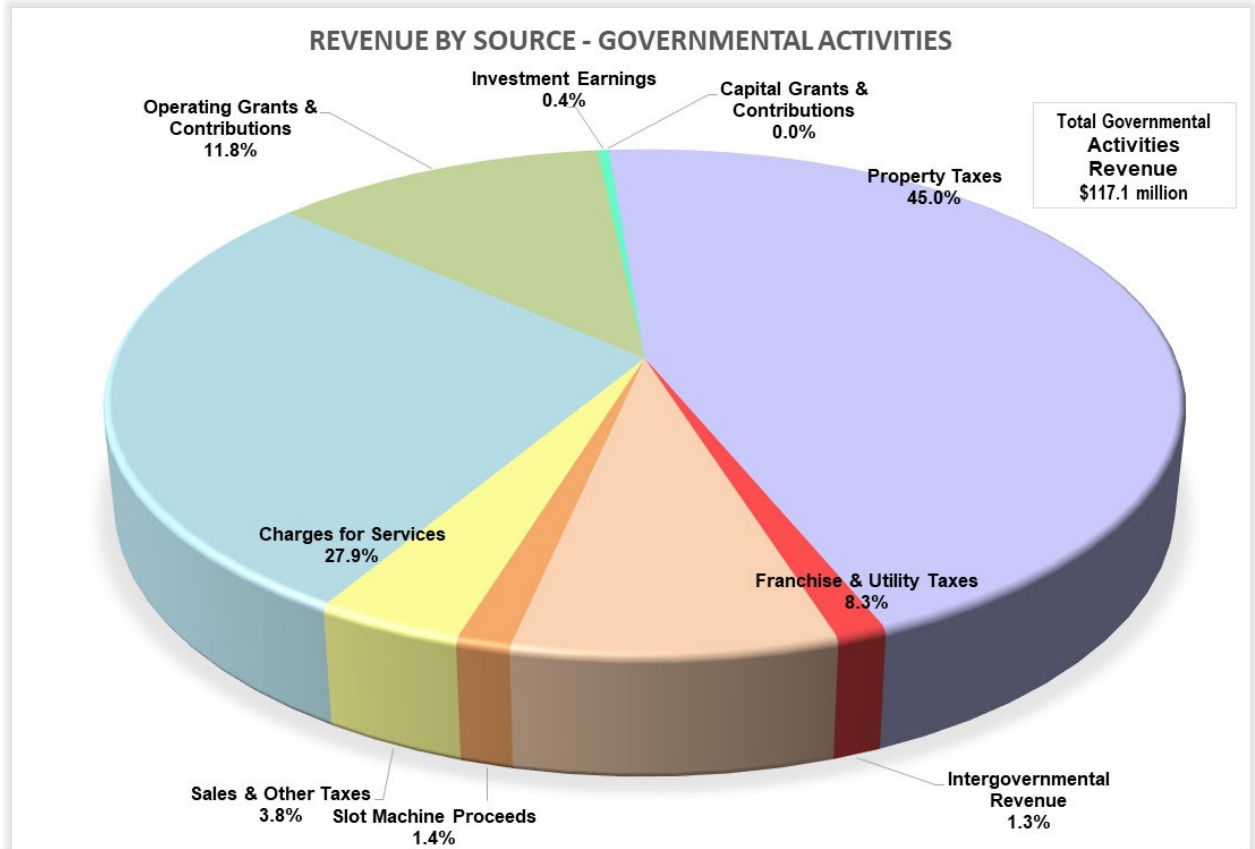
Public safety expenses spiked in the current year by \$16.2 million or 44.0% primarily due to:

- An increase of \$11.3 million in OPEB expense and Pension expense from the current year's GASB Statement No. 75 and GASB Statement No. 68 actuarial accounting valuations, respectively.
- An increase of \$1.0 million in pension contributions to the Police Officers' and Firefighters' Personnel Retirement Trust pension plan.
- An increase of \$2.1 million in operating expenses for police, ocean rescue, building code enforcement, and code compliance, from rising costs and wages.
- An increase of \$1.8 million related to increases in contracted services for emergency medical, fire protection, and fire prevention from the Broward Sheriff's Office (BSO). This amount includes both operations and capital expenditure. The City used ARPA funding to cover the increase.

Transportation expenses increased by \$1.0 million or 33.7% primarily due to rising costs and wages and additional salaries for the new Citywide Parking Management Program.

City of Hallandale Beach, Florida
For the Year Ended September 30, 2022
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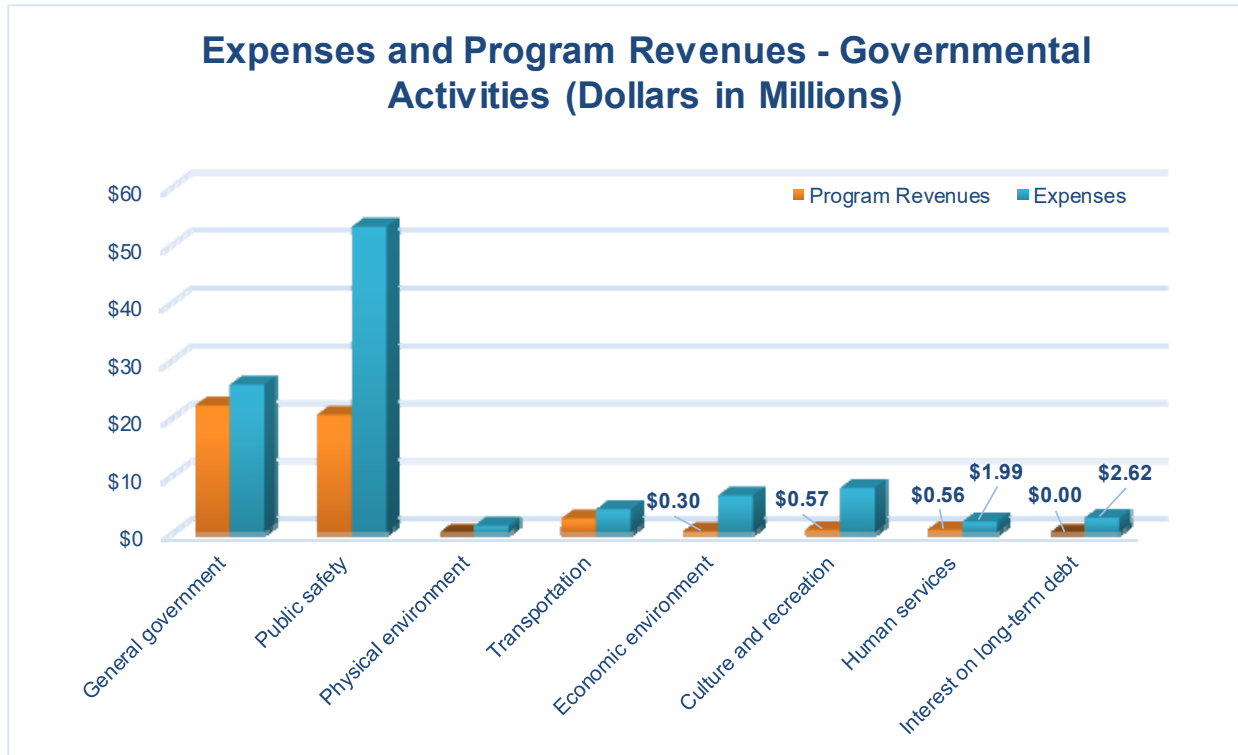
The following is a chart of revenues by source of governmental activities by percent of total revenues for fiscal year 2022:



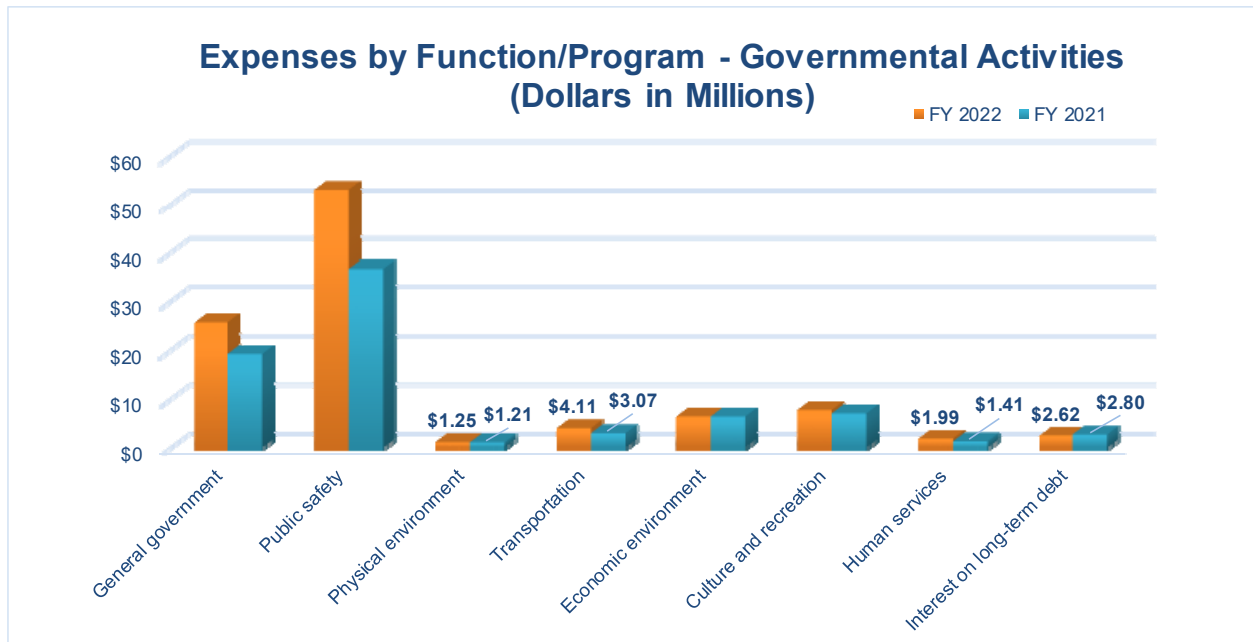
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City of Hallandale Beach, Florida
For the Year Ended September 30, 2022
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The following chart compares expenses and program revenues for the governmental activities during fiscal year 2022:



The following is a comparative chart of expenses by function/program for governmental activities for the fiscal year 2022 and 2021:



Business-type activities

Business-type activities increased the City's net position by \$1.4 million.

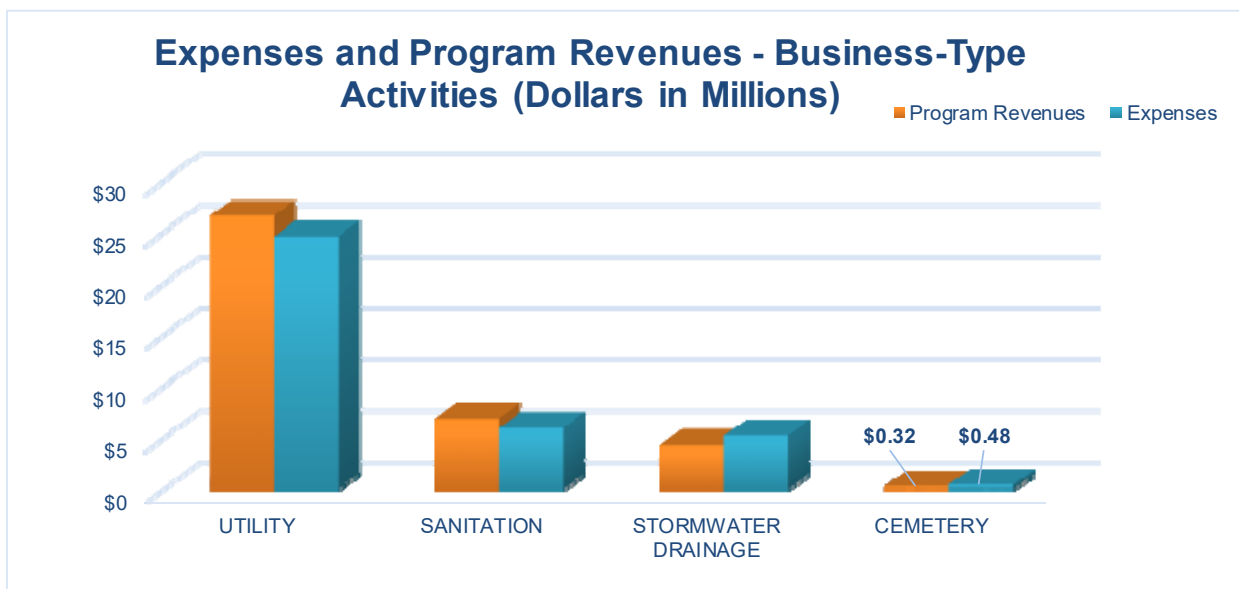
Other revenues decreased by \$0.7 million or 476.6% primarily due to the following:

- An increase of \$0.2 million in impact fee revenues from more development requiring impact fees in the current year.
- A decrease of \$0.8 million from unrealized investment losses due to interest rate hikes by the Federal Reserve. These investments will be held to maturity to avoid realized losses.

Stormwater drainage expenses increased by \$0.9 million or 19.8% primarily due to the following:

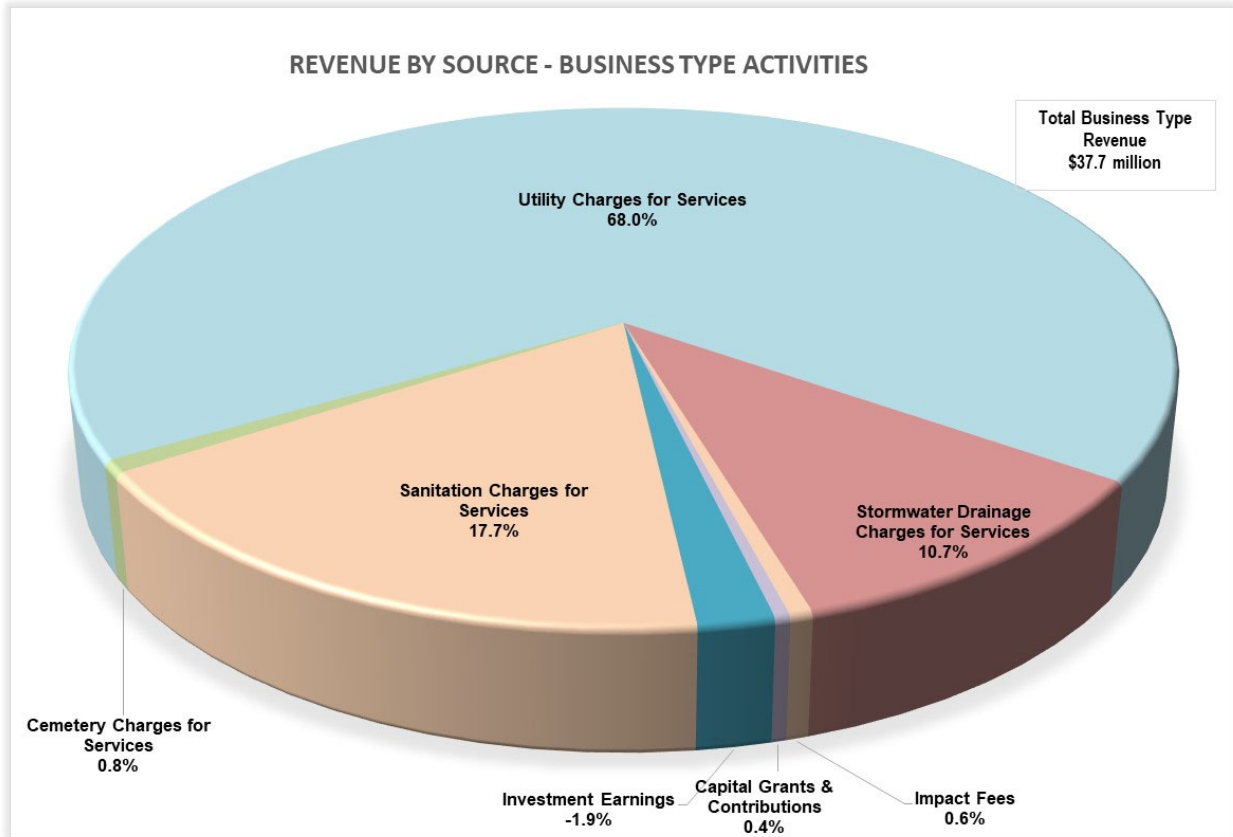
- An increase of \$0.3 million for the completion of the Stormwater Master Plan.
- An increase of \$0.2 million in contributions to the Fleet internal service fund for the purchase of vehicles and equipment.
- An increase of \$0.2 million in increased personnel expenses.
- Various other increases in rising costs for operating and maintenance.

The following chart compares expenses and program revenues for business-type activities during fiscal year 2022.



City of Hallandale Beach, Florida
For the Year Ended September 30, 2022
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The following is a chart of revenues by source of business-type activities by percent of total revenues for fiscal year 2022:



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Financial Analysis of the City of Hallandale Beach's Funds

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

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

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the fund balance in the General Fund was \$28.4 million, of which \$23.3 million or 81.9% was unassigned. As a measure of the General Fund's liquidity, it may be useful to compare assigned fund balance, unassigned fund balance and total fund balance to total General Fund expenditures and other financing uses. Unassigned fund balance represents 32.0% of total general fund expenditures and other financing uses, while total fund balance represents 39.1% of that same amount.

The unassigned fund balance of the City's General Fund increased by \$8.6 million or 58.3% when compared with the prior year. This increase was due primarily to the net impact of General Fund activity as explained below. No amounts were assigned for the subsequent year's expenditures. Fund balance assigned to subsequent year's expenditures, represents the amount of reserves at fiscal yearend 2021-22 that the City is utilizing to balance the fiscal year 2022-23 adopted budget. The City has targeted not using reserves to fund subsequent year's expenditures as part of the 5-year long-term financial plan.

The City's governmental funds reported combined ending fund balances of \$99.3 million, which is an increase of \$10.6 million or 12.0% from the prior year's fund balance of \$88.7 million. The fund balance is categorized to indicate whether it is not available for new spending because it represents resources that are non-spendable (\$0.13 million), that are restricted for capital projects and other purposes (\$72.5 million), that are committed for tree preservation (\$0.06 million), that have already been assigned for subsequent year's expenditures and other purposes (\$3.3 million), or that are unassigned (\$23.3 million).

The fund balance of the City's General Fund had a net increase of \$7.4 million from operations. This was primarily the result of conservative budgeting for the current fiscal year during a period, which was characterized by uncertainties due to the aftermath of the COVID-19 pandemic. Specifically, the budget was formulated with the anticipation of a potential economic downturn in the fiscal year 2021-22. However, it did not consider the tight labor market and significant inflationary pressures, both of which led to consistent increases in the prices of goods and services throughout the year.

Furthermore, several factors contributed positively to the General Fund's balance which included: ARPA grant funding, a tight labor market that resulted in salary savings, the unanticipated faster recovery of intergovernmental revenues, and the spike in the cost of goods and services. It is important to note that these factors led to a substantial one-time increase in the General Fund's balance, and such a trend is not expected to recur in the future.

City of Hallandale Beach, Florida
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During the fiscal year, the City's General Fund experienced the following:

Significant revenues/expenditures over/under budget

- Revenues related to slot machine proceeds exceed the budget by \$0.9 million due to the reopening of Gulfstream Park and Big Easy casinos.
- Revenues for utility service taxes, gas tax, sales tax, and franchise fees exceeded the budget by \$2.6 million due to quicker recovery from the impacts of COVID-19 than expected.
- Revenues for administrative charges to other funds exceeded the budget by \$1.1 million because of an updated FY20 Cost Allocation Plan adopted by City Commission during the period.
- Revenues for parking citations exceed the budget by \$0.3 million because of an effective roll out of the new Citywide Parking Management Program.
- Revenues for lien searches exceeded the budget by \$0.2 million due to a continuation in the housing market boom.
- Personal services expenditures were under budget by \$3.4 million in the current year overall due to vacancies in the General Fund resulting from a tight labor market.

Significant revenues under budget

- Delays in the implementation of the Citywide Parking Management Program and unexpected results from revenue projections led to \$0.6 million in less parking meter revenues than budgeted.
- Delays in implementing various initiatives from the Community Policing Innovations interlocal agreement with the HBCRA led to \$0.5 million in less revenues than anticipated. The City subsequently amended the agreement to reappropriate unexpended funds to the next fiscal year.
- Delays in the roll-out of the Certificate of Use Program (COU Program) resulted in \$0.3 million less in COU revenues.
- The City received approximately \$0.3 million less in Ad Valorem taxes than budgeted.

The Hallandale Beach Community Redevelopment Agency ("HBCRA") fund, accounts for the activities of the HBCRA. The fund balance of the CRA totaled \$34.0 million for the fiscal ended September 30, 2022. This represents an increase of \$5.4 million from operations in comparison to the prior year. The fund balance is restricted for assets held for resale (\$8.4 million), long-term receivables (\$1.0 million) and other ongoing programs (\$24.6 million).

For the CRA fund balance, key factors of the overall increase compared to fiscal year 2020-21 are as follows:

- An increase of \$0.6 million in incremental tax revenues due to increases in the taxable assessed values.
- An increase of \$0.5 million in intergovernmental revenues due to increases in the taxable assessed values and an increase in the millage rate.
- A decrease of \$0.6 million in other intergovernmental grants received from reimbursements for COVID-19 recovery loan and grant programs in 2021 that was not received in 2022.
- An increase of \$0.2 million related to investment earnings.
- An decrease of \$0.4 million in other revenues primarily related to loan repayments from shared appreciation of property;
- A decrease in economic environment expenditures of \$0.3 million, which is primarily the net result of the following:
 - A decrease of \$0.7 million in expenditures related to redevelopment agreement programs.
 - A decrease of \$0.5 million in one-time settlements occurring in 2021.
 - An increase of \$0.9 million in expenditures related to residential loan programs for storm shutter/impact windows, downpayment assistance, and residential repairs.

City of Hallandale Beach, Florida
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- An increase of \$0.5 million in public safety expenditures for reimbursements under the CRA and City's Community Policing Innovations interlocal agreement
- A decrease of \$0.3 million in capital outlay.
- An increase of \$0.5 million in debt service expenditures for combined principal and interest payments on the CRA's outstanding debt obligations.
- Timing of expenditures appropriated for the HBCRA's Redevelopment Plan to be spent in future periods.

In fiscal year 2016, the City issued General Obligation Bonds, Series 2016 in the amount \$57.5 million, with a bond premium of \$4.3 million. Accordingly, the City established the General Obligation Bond capital project fund to record the debt issuance and construction costs. At fiscal yearend 2021-22, fund balance is \$7.5 million. The \$2.1 million decrease in fund balance is due to capital outlays relating to the Citywide Parks Master Plan capital projects.

The fund balance of the Capital Projects Fund totaled \$0.4 million for the fiscal year ended September 30, 2022. This represents an increase of \$0.1 million from the prior fiscal year primarily due to delayed capital project outlays for the North City Beach Park Center.

The Redevelopment Revenue Notes Fund was created in the fiscal year 2020 to account for debt proceeds related to the HBCRA Redevelopment Notes, Series 2020. The debt was issued for the construction of public improvements throughout the redevelopment district in the amount of \$20.0 million. Restricted fund balance at September 30, 2022 is \$19.2 million due to capital outlays and investments earnings. The fund incurred \$0.9 million in expenditures for design costs related to the various projects.

Non-major governmental funds reported a combined fund balance of \$9.8 million, an increase of \$0.5 million or 4.9% from the prior year primarily due to Transportation Fund and Building Permits Fund operations in the current year.

Proprietary funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in greater detail. Unlike the Enterprise Funds, the City's Internal Services Funds are presented in Governmental Activities in the government-wide financial statements.

The current year operating income for the business-type activities was \$1.8 million as compared with \$3.1 million in the previous year. The current year change in net position was \$1.4 million as compared with \$5.2 million in the previous year. The primary reason for the \$1.3 million decrease in operating income was due to:

- An increase of \$0.4 million in operating cost for sanitation services related to rising costs of goods and services.
- An increase of \$0.9 million in operating expenses for the Stormwater Drainage fund as explained on page 15.

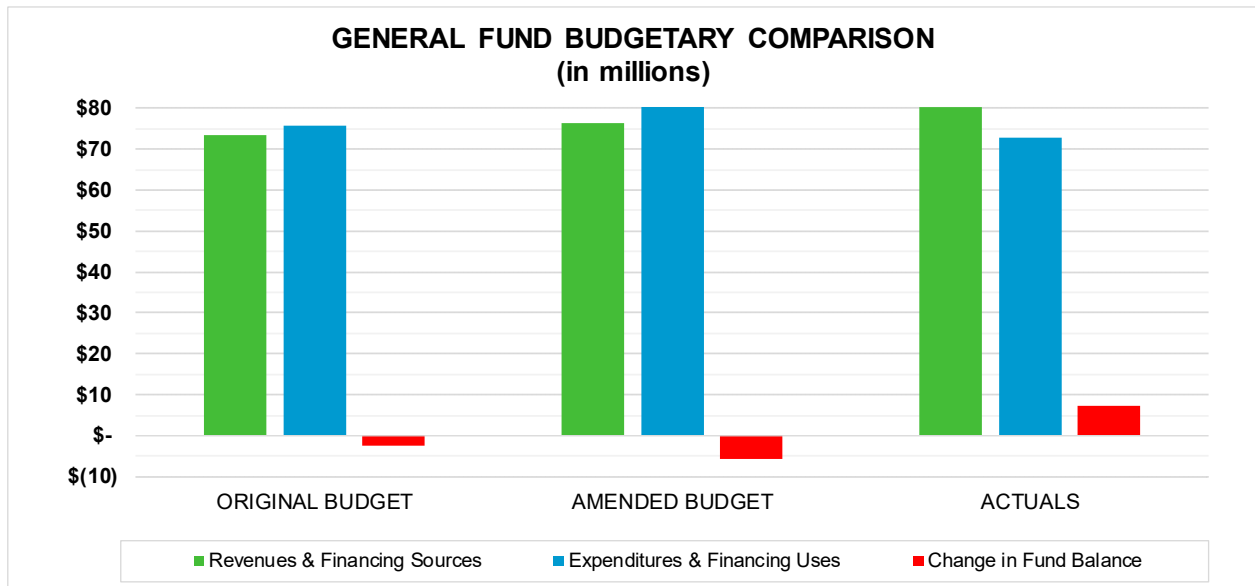
The current year operating loss for the internal service funds was \$4.1 million as compared with operating income of \$0.7 million in the previous year. The current year change in net position was -\$3.4 million as compared with \$0.3 million in the previous year. The primary reason for the decrease in the change in net position was due to a \$5.2 million final judgment accrued in the current year as claims expense as noted on page 11.

General Fund Budgetary Highlights

During the year, revenues were more than budgetary estimates and expenditures were less than budgetary estimates, resulting in the net increase to fund balance of approximately \$7.4 million. The original budget anticipated appropriations from fund balance of \$2.3 million whereas the final budget anticipated appropriations of \$4.7 million. However, no actual amount was utilized.

Excluding appropriations and reappropriations from fund balance, actual revenues (\$80.1 million) were more than the final budgeted revenues (\$76.3 million) by approximately \$3.8 million primarily due to assumptions of an economic downturn for fiscal yearend 2021-22 from a slower COVID-19 recovery that was included in the budget. Actual expenditures (\$72.7 million) were less than final budgeted expenditures (\$81.8 million) by approximately \$9.1 million. This was due to hiring and retention challenges experienced during the year and delays in expenditures of capital outlays and other operating costs from impacts of the COVID-19 pandemic recovery.

The following chart depicts the fiscal year 2022 original and amended budgets, as well as actual results for the fiscal year:



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City of Hallandale Beach, Florida
For the Year Ended September 30, 2022
Management's Discussion and Analysis (unaudited)

Capital Assets and Debt Administration

Capital assets. As of September 30, 2022 and 2021, the City had \$195.1 and \$196.0 million, respectively, invested in a variety of capital assets, as reflected in the following schedule:

	Capital Assets (in thousands, net of depreciation)					
	Governmental Activities		Business - type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 38,438	\$ 38,438	\$ 1,263	\$ 1,263	\$ 39,701	\$ 39,701
Construction in progress	5,283	2,054	6,795	5,033	12,078	7,087
Buildings	38,034	40,432	8,017	9,126	46,051	49,558
Improvements other than buildings	32,474	34,669	1,845	2,025	34,319	36,694
Vehicles and equipment	5,641	4,667	3,062	3,162	8,703	7,829
Intangibles	-	-	315	206	315	206
Infrastructure	12,306	12,700	41,649	42,248	53,955	54,948
Total	\$ 132,176	\$ 132,960	\$ 62,946	\$ 63,063	\$ 195,122	\$ 196,023

Major capital asset events during the year included:

Governmental activities

Capital assets, including land, buildings, equipment, improvements other than buildings, vehicles and equipment, intangibles, and infrastructure assets, are vital in evaluating the financial position of governmental activities. Here's a summary of notable changes in capital assets over the fiscal year:

- \$4.0 million was allocated to ongoing projects, including Sunrise Park, public safety license plate reader projects, the District 8 Parking Lot, and other initiatives tied to the HBCRA's 2020 Redevelopment Revenue Note.
- Completed projects, including license plate reader installations, Fire Station 7 improvements, and a DC fast charging station at the City's water plant, amounted to \$0.8 million, which was then distributed as \$0.2 million to buildings and \$0.6 million to equipment.
- Depreciation expenses contributed to a \$2.4 million decrease in buildings and a \$2.2 million decrease in improvements other than buildings.
- Vehicles & equipment saw a net increase of \$1.0 million due to:
 - \$0.7 million for 13 electric vehicles for the Police Department,
 - \$1.0 million for network equipment and city-wide laptops,
 - \$0.4 million for fire alerting system upgrades in three fire stations,
 - Transfer of \$0.6 million from construction in progress,
 - Offset by \$1.9 million in depreciation expenses.
- Upon adopting GASB Statement No. 87, *Leases*, the City assessed the impact of lease agreements and operating contracts. A significant case involved an operating contract with a developer for North Beach Park Improvements. The developer's capital contributions, including a restaurant and concession building, were transferred to the City upon completion in fiscal year 2016. This resulted in a \$4.2 million prior period adjustment to account for previously unrecorded capital assets. For additional information refer to Note 19 – Restatement of the financial statements on page 92.

City of Hallandale Beach, Florida
For the Year Ended September 30, 2022
Management's Discussion and Analysis (unaudited)

Business-type activities

A critical segment of the financial statements is Business-type Activities, which encompass capital assets and investments integral to the City's utility infrastructure and essential services development. Focusing on Business-type activities, there are two key elements: Construction in Progress (CIP) and Depreciation expense:

- CIP saw a net increase of \$1.8 million this year. This figure comprises new investments in essential services and infrastructure, minus \$3.0 million transferred out of CIP due to the completion of several projects. These completed projects primarily contributed to infrastructure. Notably, the rise in CIP reflects the City's dedication to advancements in water systems and drainage. The major additions to CIP included:
 - \$0.6 million for high service and transfer pumps,
 - \$1.4 million for watermain and other water system upgrades,
 - \$1.7 million for lift station improvements and upgrades,
 - \$0.8 million for raw water well infrastructure,
 - \$0.3 million for drainage improvements.
- Depreciation led to a \$1.1 million and \$0.6 million decline in the value of buildings and infrastructure, respectively. These decreases are after accounting for the \$3.0 million in construction completed this fiscal year noted above.

Additional information can be found in Note 6 – Capital Assets of the financial statements on page 59 and 60.

Long-term debt. As of September 20, 2022, the City had \$95.9 million in debt (bonds, notes, etc.) outstanding compared to the \$104.5 million last year. The \$8.6 million decrease is due to principal payments and amortization of deferred premiums in the current year.

Bonded Debt, Notes and Lease Payable (in thousands)

	Governmental		Business - Type		Total	
	Activities		Activities			
	2022	2021	2022	2021	2022	2021
Revenue bonds	\$ 15,550	\$ 17,130	\$ -	\$ -	\$ 15,550	\$ 17,130
General Obligation bonds	50,885	52,115	-	-	50,885	52,115
Notes payable	21,040	25,325	1,750	2,640	22,790	27,965
State Revolving Fund loan	-	-	1,575	1,364	1,575	1,364
Capital lease payable	855	1,116	-	-	855	1,116
Deferred amounts - premium	4,272	4,847	-	-	4,272	4,847
Total	\$ 92,602	\$ 100,533	\$ 3,325	\$ 4,004	\$ 95,927	\$ 104,537

The debt position of the City is summarized below and is more fully explained in Note 9 - Long-Term Debt of the financial statements on pages 63 through 67:

The City's General Obligation Bonds, Series 2016, were rated AA+ by Fitch Ratings Services. The Capital Improvement Revenues Bonds, Series 2016 were rated AA by Fitch Rating Services. Under Florida Statutes, no debt limit margin is placed on local governments.

Economic Factors and Next Year's Budgets and Rates

The City's fiscal year runs from October 1st to September 30th. The City begins its budget cycle in November. From November to April, workshops and meetings are held with department heads to determine the upcoming fiscal needs of the City while ensuring adherence to City's policies. Upon establishing a fiscal blueprint for the upcoming fiscal year, the City Manager holds various City Commission budget workshops in May and June and presents the recommended budget to the City Commission and public. Additional workshops are held in August. If necessary, resources and/or policies are modified by the Commission and subsequently adopted in the final public budget hearing in September. Two public budget hearings are held in September to adopt the millage rates and the budgets.

The City's tax base for the upcoming fiscal year 2022-23 increased by \$590.0 million; a total of \$6.6 billion. New construction totaled \$16.0 million. As the City continues to invest in its infrastructure, this will attract more private investment, which will increase the City's tax base. Business cycles aside, an increasing tax base allows the City to annually maintain the service levels while maintaining a competitive tax rate.

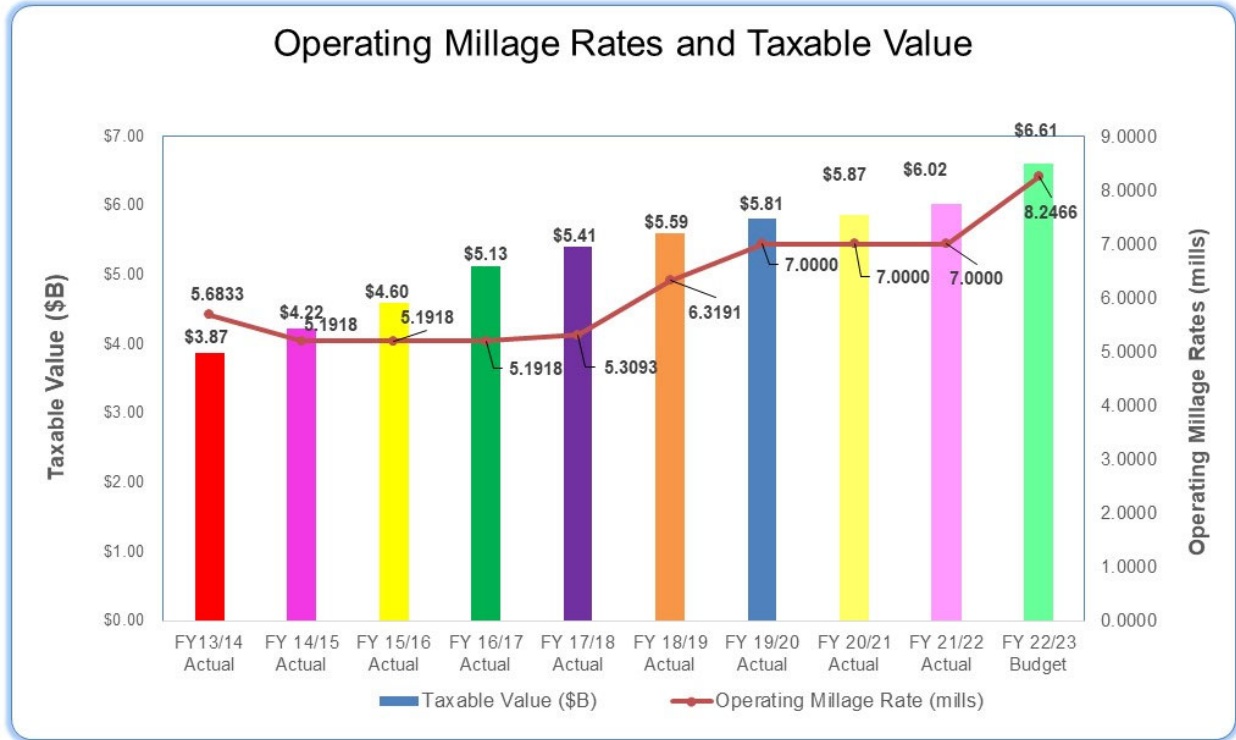
The adopted millage rates for fiscal year 2022-23 are as follows: General Fund operating millage (8.2466), Golden Isle Safe Neighborhood District millage rate (1.0934), Three Islands Safe Neighborhood District millage rate (0.6600) and voted debt service millage rate (0.4946). The General Fund operating millage increased 1.2466 mills, or 17.8%, from the prior year. The adopted aggregate millage rate of 8.2466 is approximately 1.8771 mills above the rollback rate of 6.3695. The rollback rate is the millage rate at which the City would raise the same amount of property taxes as in the previous fiscal year. The adopted operating millage rate is anticipated to levy approximately \$53.0 million in property taxes to support and maintain service levels for the City's residents. Property taxes support about 53.4% of the total adopted General Fund budget of \$99.2 million. Compared to the fiscal year 2021-22 adopted voted debt service millage rate of 0.5376, the fiscal year 2022-23 adopted debt service millage rate of 0.4946 represents a decrease of 0.043 mills, or 8.0%. The decrease is due to increases in the adjusted taxable values. The Golden Isle Safe Neighborhood District and Three Islands Safe Neighborhood District adopted millage rates remained unchanged when compared to prior year.

The total City of Hallandale Beach adopted budget for fiscal year 2022-23 is \$233,704,761; this represents a 20.6% or a \$39.9 million increase over the fiscal year 2021-22 adopted budget of \$193,812,688. The primary reasons for these increases are:

- The addition of approximately \$14.2 million to the budget in the General Fund to maintain a minimum level of service while keeping up with inflation in the fiscal year as well as the building of reserves as part of the City's 5-year long-term financial plan.
- Approximately \$13.9 million in additional expenditures for the HBCRA for ongoing redevelopment programs. The fiscal year 2022-23 budget used \$20.1 million of carry over reserves.
- Approximately \$5.1 million in additional expenses in the Utility and Stormwater Drainage Fund for capital improvement projects using reserves.

City of Hallandale Beach, Florida
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The table below shows the last ten years of the adopted General Fund operating millage rate in comparison to the taxable values:



The Florida Legislature is again considering various proposals relating to the local government home rule, sovereign immunity, and various other proposals. Potential legislation could have a significant impact on a local government's ability to maintain and or improve services to residents. The City is carefully monitoring these initiatives and their future impact on the City's ability to function at its present level.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability. Additional Information is also available on the City's website at www.cohb.org. If you have any questions about this report or would like additional financial information, please contact:

City of Hallandale Beach
 Finance Department
 400 South Federal Highway
 Hallandale Beach, Florida 33009

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Hallandale Beach
PROGRESS. INNOVATION. OPPORTUNITY.

BASIC FINANCIAL STATEMENTS

CITY OF HALLANDALE BEACH, FLORIDA

STATEMENT OF NET POSITION SEPTEMBER 30, 2022

ASSETS	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Cash and cash equivalents	\$ 76,386,558	\$ 30,148,719	\$ 106,535,277
Investments	5,703,924	17,150,763	22,854,687
Receivables, net of allowances	6,660,892	5,306,536	11,967,428
Due from other governments	5,086,616	-	5,086,616
Inventories	126,714	308,495	435,209
Prepays	21,207	2,064	23,271
Restricted assets:			
Cash and cash equivalents	28,051,409	3,387,973	31,439,382
Assets held for resale	8,433,113	-	8,433,113
Capital assets:			
Nondepreciable	43,720,857	8,058,279	51,779,136
Depreciable, net of accumulated depreciation	88,455,047	54,888,071	143,343,118
Total assets	262,646,337	119,250,900	381,897,237
DEFERRED OUTFLOWS OF RESOURCES			
Pensions - City	24,854,561	955,730	25,810,291
Pensions - FRS	9,084,322	3,138,282	12,222,604
OPEB	669,726	190,862	860,588
Excess benefit plan	620,897	-	620,897
Loss on refunding	408,617	-	408,617
Total deferred outflows of resources	35,638,123	4,284,874	39,922,997
LIABILITIES			
Accounts payable and accrued liabilities	6,295,486	3,112,373	9,407,859
Accrued interest	955,109	11,172	966,281
Deposits	262,976	1,674,554	1,937,530
Unearned revenues	11,055,392	24,958	11,080,350
Noncurrent liabilities			
Due within one year	15,264,904	938,850	16,203,754
Due in more than one year	170,331,732	11,336,091	181,667,823
Total liabilities	204,165,599	17,097,998	221,263,597
DEFERRED INFLOWS OF RESOURCES			
Gain on refunding	-	23,631	23,631
Leases	4,126,252	-	4,126,252
Pensions - City	25,534,150	1,023,202	26,557,352
Pensions - FRS	463,902	160,260	624,162
OPEB	3,617,779	1,031,012	4,648,791
Total deferred inflows or resources	33,742,083	2,238,105	35,980,188
NET POSITION			
Net investment in capital assets	66,733,269	59,466,161	126,199,430
Restricted for debt service	484,889	73,351	558,240
Restricted for community redevelopment	33,952,031	-	33,952,031
Restricted for law enforcement	941,486	-	941,486
Restricted for safe neighborhood districts	1,921,450	-	1,921,450
Restricted for transportation	1,066,403	-	1,066,403
Restricted for developer agreements	4,282,072	-	4,282,072
Restricted for traffic mitigation	904,036	-	904,036
Restricted for grants	129,169	-	129,169
Restricted for building permits function	1,990,831	-	1,990,831
Restricted for police outside services	113,780	-	113,780
Restricted for impact fees	-	1,707,304	1,707,304
Unrestricted	(52,142,638)	42,952,855	(9,189,783)
Total net position	\$ 60,376,778	\$ 104,199,671	\$ 164,576,449

The accompanying notes are an integral part of the financial statements.

CITY OF HALLANDALE BEACH, FLORIDA

**STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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
Governmental activities:							
General government	\$ 25,713,377	\$ 12,593,828	\$ 9,487,855	\$ -	\$ (3,631,694)	\$ -	\$ (3,631,694)
Public safety	53,088,470	17,746,970	2,724,847	-	(32,616,653)	-	(32,616,653)
Physical environment	1,245,968	-	-	-	(1,245,968)	-	(1,245,968)
Transportation	4,110,767	1,439,415	1,077,788	-	(1,593,564)	-	(1,593,564)
Economic environment	6,496,317	300,838	-	-	(6,195,479)	-	(6,195,479)
Culture and recreation	7,841,548	570,863	-	-	(7,270,685)	-	(7,270,685)
Human services	1,988,671	-	560,844	-	(1,427,827)	-	(1,427,827)
Interest and other fiscal charges	2,620,767	-	-	-	(2,620,767)	-	(2,620,767)
Total governmental activities	<u>103,105,885</u>	<u>32,651,914</u>	<u>13,851,334</u>	<u>-</u>	<u>(56,602,637)</u>	<u>-</u>	<u>(56,602,637)</u>
Business-type activities:							
Utility	24,551,828	26,635,845	-	-	-	2,084,017	2,084,017
Sanitation	5,985,342	6,934,447	-	-	-	949,105	949,105
Stormwater drainage	5,228,805	4,170,862	-	146,571	-	(911,372)	(911,372)
Cemetery	479,726	315,685	-	-	-	(164,041)	(164,041)
Total business-type activities	<u>36,245,701</u>	<u>38,056,839</u>	<u>-</u>	<u>146,571</u>	<u>-</u>	<u>1,957,709</u>	<u>1,957,709</u>
Total	<u>\$ 139,351,586</u>	<u>\$ 70,708,753</u>	<u>\$ 13,851,334</u>	<u>\$ 146,571</u>	<u>(56,602,637)</u>	<u>1,957,709</u>	<u>(54,644,928)</u>
General revenues:							
Property taxes					52,705,597	-	52,705,597
Franchise and utility taxes					9,749,982	-	9,749,982
Sales taxes					3,326,151	-	3,326,151
Motor fuel taxes					1,077,432	-	1,077,432
Alcoholic beverage taxes					13,432	-	13,432
Intergovernmental revenue (not restricted to specific purpose)					1,526,009	-	1,526,009
Slot machine revenues					1,682,441	-	1,682,441
Impact fees					-	229,032	229,032
Unrestricted investment earnings (losses)					508,004	(745,699)	(237,695)
Gain on sale of capital assets					197	-	197
Transfers					50,629	(50,629)	-
Total general revenues and transfers					<u>70,639,874</u>	<u>(567,296)</u>	<u>70,072,578</u>
Change in net position					14,037,237	1,390,413	15,427,650
Net position, as previously reported					42,194,014	103,101,730	145,295,744
Beginning balance restatement (see Note 18)					4,145,527	(292,472)	3,853,055
Net position, beginning as restated					<u>46,339,541</u>	<u>102,809,258</u>	<u>149,148,799</u>
Net position, ending					<u>\$ 60,376,778</u>	<u>\$ 104,199,671</u>	<u>\$ 164,576,449</u>

The accompanying notes are an integral part of the financial statements.

CITY OF HALLANDALE BEACH, FLORIDA

**BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022**

ASSETS	General	Community Redevelopment Agency Fund	Grants Fund	General Obligation Bond Fund	Capital Projects Fund	Redevelopment Revenue Note Fund	Nonmajor Governmental Funds	Totals Governmental Funds
Cash and cash equivalents	\$ 20,028,220	\$ 25,880,979	\$ 10,469,660	\$ -	\$ 424,935	\$ -	\$ 10,180,185	\$ 66,983,979
Investments	5,703,924	-	-	-	-	-	-	5,703,924
Receivables, net of allowances	5,472,863	951,312	-	18,327	-	-	215,895	6,658,397
Due from other governments	1,377,992	-	3,593,616	-	-	-	115,008	5,086,616
Due from other funds	3,286,014	91,453	-	-	-	-	-	3,377,467
Inventories	126,714	-	-	-	-	-	-	126,714
Assets held for resale	-	8,433,113	-	-	-	-	-	8,433,113
Restricted assets:								
Cash and cash equivalents	302,567	-	-	8,053,509	-	19,408,975	286,358	28,051,409
Total assets	<u>\$ 36,298,294</u>	<u>\$ 35,356,857</u>	<u>\$ 14,063,276</u>	<u>\$ 8,071,836</u>	<u>\$ 424,935</u>	<u>\$ 19,408,975</u>	<u>\$ 10,797,446</u>	<u>\$ 124,421,619</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES								
LIABILITIES								
Accounts payable and accrued liabilities	\$ 3,570,383	\$ 360,275	\$ 1,223,139	\$ 582,323	\$ 11,109	\$ 136,570	\$ 328,130	\$ 6,211,929
Deposits	165,676	-	-	-	-	-	97,300	262,976
Unearned revenues	56,718	47,476	10,551,198	-	-	-	400,000	11,055,392
Due to other funds	-	997,075	2,288,939	-	-	41,453	50,000	3,377,467
Total liabilities	<u>3,792,777</u>	<u>1,404,826</u>	<u>14,063,276</u>	<u>582,323</u>	<u>11,109</u>	<u>178,023</u>	<u>875,430</u>	<u>20,907,764</u>
DEFERRED INFLOWS OF RESOURCES								
Deferred inflows - leases	4,006,985	-	-	-	-	-	119,267	4,126,252
Unavailable revenue	79,853	-	-	-	-	-	10,413	90,266
Total deferred inflows of resources	<u>4,086,838</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>129,680</u>	<u>4,216,518</u>
FUND BALANCES								
Nonspendable:								
Inventory	126,714	-	-	-	-	-	-	126,714
Restricted for:								
Assets held for resale	-	8,433,113	-	-	-	-	-	8,433,113
Long-term receivables	-	949,214	-	-	-	-	-	949,214
Community redevelopment	-	24,569,704	-	-	-	-	-	24,569,704
Debt service	295,831	-	-	-	-	-	189,058	484,889
Law enforcement	-	-	-	-	-	-	941,486	941,486
Developer agreements	1,675,000	-	-	-	-	-	2,607,072	4,282,072
Building permits function	-	-	-	-	-	-	1,990,831	1,990,831
Traffic mitigation	-	-	-	-	-	-	904,036	904,036
Transportation	-	-	-	-	-	-	1,066,403	1,066,403
Safe neighborhood districts	-	-	-	-	-	-	1,921,450	1,921,450
Police outside services	-	-	-	-	-	-	113,780	113,780
Grant programs	129,169	-	-	-	-	-	-	129,169
Capital projects	-	-	-	7,489,513	-	19,230,952	-	26,720,465
Committed:								
Tree preservation	-	-	-	-	-	-	58,220	58,220
Assigned:								
Fire equipment	796,052	-	-	-	-	-	-	796,052
Capital projects	845,455	-	-	-	413,826	-	-	1,259,281
Encumbrances	1,282,927	-	-	-	-	-	-	1,282,927
Unassigned:	23,267,531	-	-	-	-	-	-	23,267,531
Total fund balances	<u>28,418,679</u>	<u>33,952,031</u>	<u>-</u>	<u>7,489,513</u>	<u>413,826</u>	<u>19,230,952</u>	<u>9,792,336</u>	<u>99,297,337</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 36,298,294</u>	<u>\$ 35,356,857</u>	<u>\$ 14,063,276</u>	<u>\$ 8,071,836</u>	<u>\$ 424,935</u>	<u>\$ 19,408,975</u>	<u>\$ 10,797,446</u>	<u>\$ 124,421,619</u>

The accompanying notes are an integral part of the financial statements.

CITY OF HALLANDALE BEACH, FLORIDA
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2022

Total fund balances for governmental funds		\$ 99,297,337
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.		
Governmental capital assets	\$ 208,788,323	
Less accumulated depreciation	<u>(78,196,091)</u>	130,592,232
Various charges for services in the statement of activities that do not provide current financial resources are reported as unavailable revenue in the governmental funds financial statements.		
		90,266
Deferred outflows of resources are not current financial resources and therefore are not reported in the funds.		
Deferred outflows relating to pensions - City	24,774,050	
Deferred outflows relating to pensions - FRS	8,737,940	
Deferred outflows relating to OPEB	640,798	
Deferred outflows relating to the excess benefit plan	620,897	
Deferred outflows relating to the loss on refunding of debt	<u>408,617</u>	35,182,302
Internal service funds are used by management to charge the costs of certain functions to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		
		875,200
Deferred inflows of resources are not available to pay for current expenditures and therefore are not reported in the funds.		
Deferred inflows relating to pensions - City	(25,447,955)	
Deferred inflows relating to pensions - FRS	(446,213)	
Deferred inflows relating to OPEB	<u>(3,461,512)</u>	(29,355,680)
Certain liabilities are not due and payable in the current period and are therefore not reported in the funds.		
Bond premium	(4,272,310)	
Bonds payable	(87,475,000)	
Equipment financed purchase obligation	(854,753)	
Accrued interest payable	(955,109)	
Total OPEB liability	(6,597,944)	
Total pension liability - excess benefit plan	(14,852,175)	
Net pension liability - City	(47,420,378)	
Net pension liability - FRS	(11,189,395)	
Compensated absences	<u>(2,687,815)</u>	(176,304,879)
Net position of governmental activities		<u>\$ 60,376,778</u>

The accompanying notes are an integral part of the financial statements.

CITY OF HALLANDALE BEACH, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	General	Community Redevelopment Agency Fund	Grants Fund	General Obligation Bond Fund	Capital Projects Fund	Redevelopment Revenue Note Fund	Nonmajor Governmental Funds	Totals Governmental Funds
REVENUES								
Property taxes	\$ 31,210,315	\$ 9,337,423	\$ -	\$ -	\$ -	\$ -	\$ 3,970,728	\$ 44,518,466
Utility taxes	5,095,917	-	-	-	-	-	-	5,095,917
Charges for services	9,976,369	10,978	-	-	-	-	1,973,150	11,960,497
Licenses and permits	976,345	-	-	-	-	-	3,014,584	3,990,929
Intergovernmental	5,749,102	8,187,131	13,002,513	-	-	-	1,042,743	27,981,489
Franchise taxes	4,654,065	-	-	-	-	-	-	4,654,065
Fire assessments	9,135,483	-	-	-	-	-	-	9,135,483
Fines and forfeitures	942,702	-	-	-	-	-	57,445	1,000,147
Investment earnings	33,793	238,419	-	72,838	-	161,787	1,167	508,004
Slot machine revenues	1,682,441	-	-	-	-	-	-	1,682,441
Other revenues	640,267	289,860	-	-	-	-	40,087	970,214
Total revenues	<u>70,096,799</u>	<u>18,063,811</u>	<u>13,002,513</u>	<u>72,838</u>	<u>-</u>	<u>161,787</u>	<u>10,099,904</u>	<u>111,497,652</u>
EXPENDITURES								
Current:								
General government	13,289,997	-	-	-	-	-	-	13,289,997
Public safety	46,489,263	-	1,697,841	-	-	-	5,397,588	53,584,692
Physical environment	1,024,551	-	100,000	-	101,924	-	-	1,226,475
Transportation	471,942	-	977,788	-	-	-	2,348,791	3,798,521
Economic environment	-	6,441,416	-	-	-	-	-	6,441,416
Culture and recreation	3,929,120	-	-	2,833	-	-	49,110	3,981,063
Human services	1,710,156	-	54,315	-	-	-	15,018	1,779,489
Debt service:								
Principal	261,516	4,285,000	-	-	-	-	2,810,000	7,356,516
Interest and other fiscal charges	58,150	590,004	-	-	-	-	2,560,169	3,208,323
Capital outlay:	2,608,787	144,179	153,988	2,205,760	89,009	898,326	129,586	6,229,635
Total expenditures	<u>69,843,482</u>	<u>11,460,599</u>	<u>2,983,932</u>	<u>2,208,593</u>	<u>190,933</u>	<u>898,326</u>	<u>13,310,262</u>	<u>100,896,127</u>
Excess (deficiency) of revenues over (under) expenditures	<u>253,317</u>	<u>6,603,212</u>	<u>10,018,581</u>	<u>(2,135,755)</u>	<u>(190,933)</u>	<u>(736,539)</u>	<u>(3,210,358)</u>	<u>10,601,525</u>
OTHER FINANCING SOURCES (USES)								
Transfers in	10,018,581	-	-	-	331,183	-	3,665,796	14,015,560
Transfers out	(2,829,516)	(1,167,463)	(10,018,581)	-	-	-	-	(14,015,560)
Proceeds from the sale of capital assets	1,500	-	-	-	-	-	-	1,500
Total other financing sources (uses)	<u>7,190,565</u>	<u>(1,167,463)</u>	<u>(10,018,581)</u>	<u>-</u>	<u>331,183</u>	<u>-</u>	<u>3,665,796</u>	<u>1,500</u>
Net change in fund balances	7,443,882	5,435,749	-	(2,135,755)	140,250	(736,539)	455,438	10,603,025
Fund balances, beginning of year	<u>20,974,797</u>	<u>28,516,282</u>	<u>-</u>	<u>9,625,268</u>	<u>273,576</u>	<u>19,967,491</u>	<u>9,336,898</u>	<u>88,694,312</u>
Fund balances, end of year	<u>\$ 28,418,679</u>	<u>\$ 33,952,031</u>	<u>\$ -</u>	<u>\$ 7,489,513</u>	<u>\$ 413,826</u>	<u>\$ 19,230,952</u>	<u>\$ 9,792,336</u>	<u>\$ 99,297,337</u>

The accompanying notes are an integral part of the financial statements.

CITY OF HALLANDALE BEACH, 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, 2022

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

Net change in fund balances - total governmental funds	\$	10,603,025
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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 and contributed capital assets exceeded depreciation in the current period.

Expenditures for capital assets	\$ 6,229,635	
Less depreciation	<u>(6,705,897)</u>	(476,262)

Various miscellaneous transactions relating to capital assets reported in the statement of activities are not reported in the funds because they have no effect on current financial resources.

Disposal of capital assets	(1,303)	
Net capital assets transferred from the Utility Fund	50,629	
Net capital assets transferred to the Fleet Fund	<u>(617,945)</u>	(568,619)

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

Change in unavailable revenues		(183,001)
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Internal service funds are used by management to charge the costs of certain functions to individual funds. The net revenue of certain activities in the internal service funds is reported with governmental activities.

(3,438,019)

The issuance of long-term debt 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.

Financed purchase repayments	261,516	
Principal repayments on bonds and loans	<u>7,095,000</u>	7,356,516

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.

Change in accrued interest	92,786	
Change in deferred inflows and outflows relating to City pensions and the net pension liability	1,529,834	
Change in deferred inflows and outflows relating to FRS pension and the net pension liability	(1,666,746)	
Change in deferred inflows and outflows relating to excess benefits plan and the total pension liability	59,760	
Change in deferred inflows and outflows relating to OPEB and the total OPEB liability	165,628	
Change in compensated absences	67,565	
Amortization of deferred loss on refunding	(79,769)	
Amortization of bond premiums	<u>574,539</u>	<u>743,597</u>

Change in net position - governmental activities	\$	<u><u>14,037,237</u></u>
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The accompanying notes are an integral part of the financial statements.



Hallandale Beach
PROGRESS. INNOVATION. OPPORTUNITY.

PROPRIETARY FUNDS

CITY OF HALLANDALE BEACH, FLORIDA

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2022**

	Business-Type Activities - Enterprise Funds				Totals	Governmental Activities - Internal Service Funds
	Utility Fund	Sanitation Fund	Stormwater Drainage Fund	Nonmajor Cemetery Fund		
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 17,968,069	\$ 4,995,518	\$ 7,026,331	\$ 158,801	\$ 30,148,719	\$ 9,402,579
Investments	15,210,057	1,940,706	-	-	17,150,763	-
Restricted assets, cash	2,939,348	448,625	-	-	3,387,973	-
Receivables, net of allowances	4,278,553	589,362	406,958	31,663	5,306,536	2,495
Inventories	41,969	-	-	266,526	308,495	-
Prepays	2,064	-	-	-	2,064	21,207
Total current assets	<u>40,440,060</u>	<u>7,974,211</u>	<u>7,433,289</u>	<u>456,990</u>	<u>56,304,550</u>	<u>9,426,281</u>
Noncurrent assets:						
Capital assets:						
Nondepreciable	7,473,998	-	208,803	375,478	8,058,279	-
Depreciable, net of accumulated depreciation	27,144,437	745,453	26,991,954	6,227	54,888,071	1,583,672
Total noncurrent assets	<u>34,618,435</u>	<u>745,453</u>	<u>27,200,757</u>	<u>381,705</u>	<u>62,946,350</u>	<u>1,583,672</u>
Total assets	<u>75,058,495</u>	<u>8,719,664</u>	<u>34,634,046</u>	<u>838,695</u>	<u>119,250,900</u>	<u>11,009,953</u>
DEFERRED OUTFLOWS OF RESOURCES						
Pensions - City	528,712	271,635	121,520	33,863	955,730	80,511
Pensions - FRS	2,345,414	529,670	214,738	48,460	3,138,282	346,382
OPEB	131,440	41,103	15,432	2,887	190,862	28,928
Total deferred outflows of resources	<u>3,005,566</u>	<u>842,408</u>	<u>351,690</u>	<u>85,210</u>	<u>4,284,874</u>	<u>455,821</u>
LIABILITIES						
Current liabilities:						
Accounts payable and accrued liabilities	2,676,793	180,206	240,552	14,822	3,112,373	83,557
Accrued interest	8,947	-	2,225	-	11,172	-
Unearned revenue	-	-	24,958	-	24,958	-
Compensated absences	109,213	51,865	10,449	2,006	173,533	14,341
Notes payable	572,708	-	192,609	-	765,317	-
Accrued claims for self-insured risks	-	-	-	-	-	6,505,668
Payable from restricted assets:						
Deposits	1,225,929	448,625	-	-	1,674,554	-
Total current liabilities	<u>4,593,590</u>	<u>680,696</u>	<u>470,793</u>	<u>16,828</u>	<u>5,761,907</u>	<u>6,603,566</u>

(Continued)

CITY OF HALLANDALE BEACH, FLORIDA

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2022**

	Business-Type Activities - Enterprise Funds				Totals	Governmental Activities - Internal Service Funds
	Utility Fund	Sanitation Fund	Stormwater Drainage Fund	Nonmajor Cemetery Fund		
Noncurrent liabilities:						
Compensated absences	\$ 221,065	\$ 110,928	\$ 21,488	\$ 3,922	\$ 357,403	\$ 30,286
Accrued claims for self-insured risks	-	-	-	-	-	2,750,000
Notes payable	2,155,481	-	403,967	-	2,559,448	-
Net pension liability - City	1,347,213	692,155	309,647	86,286	2,435,301	205,152
Net pension liability - FRS	3,003,426	678,272	274,983	62,056	4,018,737	443,561
Total OPEB liability	<u>1,353,362</u>	<u>423,214</u>	<u>158,897</u>	<u>29,729</u>	<u>1,965,202</u>	<u>297,858</u>
Total noncurrent liabilities	<u>8,080,547</u>	<u>1,904,569</u>	<u>1,168,982</u>	<u>181,993</u>	<u>11,336,091</u>	<u>3,726,857</u>
Total liabilities	<u>12,674,137</u>	<u>2,585,265</u>	<u>1,639,775</u>	<u>198,821</u>	<u>17,097,998</u>	<u>10,330,423</u>
DEFERRED INFLOWS OF RESOURCES						
Gain on refunding	15,574	-	8,057	-	23,631	-
Pensions - City	566,037	290,812	130,100	36,253	1,023,202	86,195
Pensions - FRS	119,771	27,048	10,966	2,475	160,260	17,689
OPEB	<u>710,020</u>	<u>222,032</u>	<u>83,363</u>	<u>15,597</u>	<u>1,031,012</u>	<u>156,267</u>
Total deferred inflows of resources	<u>1,411,402</u>	<u>539,892</u>	<u>232,486</u>	<u>54,325</u>	<u>2,238,105</u>	<u>260,151</u>
NET POSITION						
Net investment in capital assets	31,742,878	745,453	26,596,125	381,705	59,466,161	1,583,672
Restricted for debt service	73,351	-	-	-	73,351	-
Restricted for impact fees	1,707,304	-	-	-	1,707,304	-
Unrestricted	<u>30,454,989</u>	<u>5,691,462</u>	<u>6,517,350</u>	<u>289,054</u>	<u>42,952,855</u>	<u>(708,472)</u>
Total net position	<u>\$ 63,978,522</u>	<u>\$ 6,436,915</u>	<u>\$ 33,113,475</u>	<u>\$ 670,759</u>	<u>\$ 104,199,671</u>	<u>\$ 875,200</u>

The accompanying notes are an integral part of the financial statements.

CITY OF HALLANDALE BEACH, FLORIDA
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Business-Type Activities - Enterprise Funds				Totals	Governmental Activities - Internal Service Funds
	Utility Fund	Sanitation Fund	Stormwater Drainage Fund	Nonmajor Cemetery Fund		
OPERATING REVENUES						
Charges for services	\$ 26,634,987	\$ 6,934,447	\$ 4,168,855	\$ 315,685	\$ 38,053,974	\$ 5,777,645
Other revenues	858	-	2,007	-	2,865	-
Total operating revenues	<u>26,635,845</u>	<u>6,934,447</u>	<u>4,170,862</u>	<u>315,685</u>	<u>38,056,839</u>	<u>5,777,645</u>
OPERATING EXPENSES						
Personal services	6,569,550	2,030,637	844,943	197,486	9,642,616	1,049,990
Cost of sales and services	15,017,276	3,855,946	2,023,401	277,959	21,174,582	1,821,063
Claims expense	-	-	-	-	-	6,510,006
Depreciation	2,965,690	98,759	2,349,076	4,281	5,417,806	452,550
Total operating expenses	<u>24,552,516</u>	<u>5,985,342</u>	<u>5,217,420</u>	<u>479,726</u>	<u>36,235,004</u>	<u>9,833,609</u>
Operating (loss) income	<u>2,083,329</u>	<u>949,105</u>	<u>(1,046,558)</u>	<u>(164,041)</u>	<u>1,821,835</u>	<u>(4,055,964)</u>
NONOPERATING REVENUES (EXPENSES)						
Impact fees	229,032	-	-	-	229,032	-
Investment earnings (loss)	(673,438)	(90,967)	18,706	-	(745,699)	-
Interest expense	(49,941)	-	(11,385)	-	(61,326)	-
Total nonoperating revenues (expenses)	<u>(494,347)</u>	<u>(90,967)</u>	<u>7,321</u>	<u>-</u>	<u>(577,993)</u>	<u>-</u>
Income (loss) before capital contributions	<u>1,588,982</u>	<u>858,138</u>	<u>(1,039,237)</u>	<u>(164,041)</u>	<u>1,243,842</u>	<u>(4,055,964)</u>
Capital grants and contributions	-	-	146,571	-	146,571	617,945
Change in net position	1,588,982	858,138	(892,666)	(164,041)	1,390,413	(3,438,019)
Net position, as previously reported	62,770,886	5,578,777	33,917,267	834,800	103,101,730	4,313,219
Beginning balance restatement (see Note 18)	(381,346)	-	88,874	-	(292,472)	-
Net position, beginning as restated	<u>62,389,540</u>	<u>5,578,777</u>	<u>34,006,141</u>	<u>834,800</u>	<u>102,809,258</u>	<u>4,313,219</u>
Net position, ending	<u>\$ 63,978,522</u>	<u>\$ 6,436,915</u>	<u>\$ 33,113,475</u>	<u>\$ 670,759</u>	<u>\$ 104,199,671</u>	<u>\$ 875,200</u>

The accompanying notes are an integral part of the financial statements.

CITY OF HALLANDALE BEACH, FLORIDA

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

	Business-Type Activities - Enterprise Funds				Totals	Governmental Activities - Internal Service Funds
	Utility Fund	Sanitation Fund	Stormwater Drainage Fund	Nonmajor Cemetery Fund		
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers and users	\$ 26,446,061	\$ 6,995,826	\$ 4,249,579	\$ 300,294	\$ 37,991,760	\$ 5,775,150
Payments to suppliers for goods, services, claims and administrative charges	(17,022,707)	(3,896,434)	(1,903,936)	(260,907)	(23,083,984)	(3,030,037)
Payments to employees	(6,065,138)	(1,909,939)	(745,651)	(141,390)	(8,862,118)	(991,912)
Net cash provided by operating activities	<u>3,358,216</u>	<u>1,189,453</u>	<u>1,599,992</u>	<u>(102,003)</u>	<u>6,045,658</u>	<u>1,753,201</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition and construction of capital assets	(4,954,276)	-	(347,284)	-	(5,301,560)	(96,134)
Proceeds from impact fees	229,032	-	-	-	229,032	-
Proceeds from notes payable	311,604	-	-	-	311,604	-
Principal paid on long-term debt	(731,194)	-	(260,071)	-	(991,265)	-
Capital contributions	-	-	146,571	-	146,571	-
Interest paid on long-term debt	(55,571)	-	(16,202)	-	(71,773)	-
Net cash used by capital and related financing activities	<u>(5,200,405)</u>	<u>-</u>	<u>(476,986)</u>	<u>-</u>	<u>(5,677,391)</u>	<u>(96,134)</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of investments	(9,577,579)	(1,222,038)	-	-	(10,799,617)	-
Proceeds from the sale of investments	9,264,155	1,182,047	-	-	10,446,202	-
Interest and investment income received	124,700	13,597	18,706	-	157,003	-
Net cash provided by investing activities	<u>(188,724)</u>	<u>(26,394)</u>	<u>18,706</u>	<u>-</u>	<u>(196,412)</u>	<u>-</u>

(Continued)

CITY OF HALLANDALE BEACH, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Business-Type Activities - Enterprise Funds				Totals	Governmental Activities - Internal Service Funds
	Utility Fund	Sanitation Fund	Stormwater Drainage Fund	Nonmajor Cemetery Fund		
Net change in cash and cash equivalents	\$ (2,030,913)	\$ 1,163,059	\$ 1,141,712	\$ (102,003)	\$ 171,855	\$ 1,657,067
Cash and cash equivalents, beginning	22,938,330	4,281,084	5,884,619	260,804	33,364,837	7,745,512
Cash and cash equivalents, ending	<u>\$ 20,907,417</u>	<u>\$ 5,444,143</u>	<u>\$ 7,026,331</u>	<u>\$ 158,801</u>	<u>\$ 33,536,692</u>	<u>\$ 9,402,579</u>
Reconciliation to Statement of Net Position:						
Cash and cash equivalents	\$ 17,968,069	\$ 4,995,518	\$ 7,026,331	\$ 158,801	\$ 30,148,719	\$ 9,402,579
Restricted assets, cash and cash equivalents	2,939,348	448,625	-	-	3,387,973	-
	<u>\$ 20,907,417</u>	<u>\$ 5,444,143</u>	<u>\$ 7,026,331</u>	<u>\$ 158,801</u>	<u>\$ 33,536,692</u>	<u>\$ 9,402,579</u>

(Continued)

CITY OF HALLANDALE BEACH, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Business-Type Activities - Enterprise Funds				Totals	Governmental Activities - Internal Service Funds
	Utility Fund	Sanitation Fund	Stormwater Drainage Fund	Nonmajor Cemetery Fund		
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:						
Operating income (loss)	\$ 2,083,329	\$ 949,105	\$ (1,046,558)	\$ (164,041)	\$ 1,821,835	\$ (4,055,964)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation	2,965,690	98,759	2,349,076	4,281	5,417,806	452,550
Changes in assets and liabilities:						
(Increase) decrease in receivables	(217,697)	46,371	71,774	(15,391)	(114,943)	(2,495)
(Increase) decrease in due from other governments	-	-	6,943	-	6,943	-
(Increase) decrease in inventories	(3,481)	-	-	18,950	15,469	-
(Increase) decrease in prepaids and other assets	-	-	-	-	-	(1,306)
(Increase) decrease in deferred outflows of resources	(262,624)	(32,143)	6,794	(51,549)	(339,522)	(11,910)
Increase (decrease) in accounts payable	(2,001,950)	(40,488)	119,465	(1,898)	(1,924,871)	(35,330)
Increase (decrease) in accrued liabilities	-	-	-	5,830	5,830	-
Increase (decrease) in customer deposits	27,913	15,008	-	-	42,921	-
Increase (decrease) in compensated absences	(67,161)	9,348	4,459	-	(53,354)	(14,563)
Increase (decrease) in self insured claims liability	-	-	-	-	-	5,337,668
Increase (decrease) in net pension liability	1,508,170	234,752	140,991	50,470	1,934,383	165,779
Increase (decrease) in total OPEB liability	(466,068)	(202,696)	(80,187)	5,897	(743,054)	(80,175)
Increase (decrease) in deferred inflows of resources	(207,905)	111,437	27,235	45,448	(23,785)	(1,053)
Net cash provided by (used in) operating activities	<u>\$ 3,358,216</u>	<u>\$ 1,189,453</u>	<u>\$ 1,599,992</u>	<u>\$ (102,003)</u>	<u>\$ 6,045,658</u>	<u>\$ 1,753,201</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES						
Unrealized loss on investments	\$ (812,565)	\$ (103,678)	\$ -	\$ -	\$ (916,243)	\$ -
Contributed capital (to) from governmental activities	50,629	-	-	-	50,629	617,945
	<u>\$ (761,936)</u>	<u>\$ (103,678)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (865,614)</u>	<u>\$ 617,945</u>

The accompanying notes are an integral part of the financial statements.

CITY OF HALLANDALE BEACH, FLORIDA

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2022**

	<u>Custodial Funds</u>	<u>Pension Trust Funds</u>
ASSETS		
Cash and cash equivalents	\$ 446,060	\$ 5,791,917
State contributions receivable	-	609,737
Accounts receivable	-	1,435
Employee contributions receivable	-	54,804
Accrued interest and dividends	-	323,185
Due from brokers	-	487,657
Investments:		
Corporate bonds	-	15,316,582
Equity securities	-	137,998,911
U.S. obligations	-	18,210,640
Hedge funds	-	11,138,273
Equity pooled separate accounts	-	32,545,821
Private equity fund	-	8,416,295
Fixed income pooled separate accounts	-	35,124,298
Real estate pooled separate accounts	-	6,576,345
Real estate funds	-	11,224,251
Domestic equity investment funds	2,892,878	-
International equity investment funds	759,992	-
Domestic fixed income investment fund	1,747,089	-
Total investments	<u>5,399,959</u>	<u>276,551,416</u>
Prepays	-	7,992
Total assets	<u>5,846,019</u>	<u>283,828,143</u>
LIABILITIES		
Accounts payable	-	210,552
Due to brokers	-	598,410
Total liabilities	<u>-</u>	<u>808,962</u>
NET POSITION		
Restricted for:		
Pension benefits	-	283,019,181
Community partnerships	446,060	-
Unrestricted	5,399,959	-
Total restricted net position	<u>\$ 5,846,019</u>	<u>\$ 283,019,181</u>

The accompanying notes are an integral part of the financial statements.

CITY OF HALLANDALE BEACH, FLORIDA

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

ADDITIONS	Custodial Funds	Pension Trust Funds
Contributions:		
Employer	\$ -	\$ 14,486,114
Plan members	-	1,758,037
State of Florida	-	609,737
Donations and contributions	41,342	-
Total contributions	<u>41,342</u>	<u>16,853,888</u>
Investment income (loss):		
Interest and dividends	-	5,354,029
Net decrease in fair value of investments	(1,133,064)	(41,271,990)
Total investment income (loss)	<u>(1,133,064)</u>	<u>(35,917,961)</u>
Less investment expense	-	(1,881,998)
Net investment income (loss)	<u>(1,133,064)</u>	<u>(37,799,959)</u>
Total additions	<u>(1,091,722)</u>	<u>(20,946,071)</u>
DEDUCTIONS		
Benefits	620,897	21,867,040
Administrative expenses	-	239,645
Operating expenses	956	-
Total deductions	<u>621,853</u>	<u>22,106,685</u>
Change in net position	(1,713,575)	(43,052,756)
Net position, beginning	7,559,594	326,071,937
Net position, ending	<u>\$ 5,846,019</u>	<u>\$ 283,019,181</u>

The accompanying notes are an integral part of the financial statements.



Hallandale Beach
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NOTES TO FINANCIAL STATEMENTS

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Hallandale, Florida was incorporated in 1927 by Laws of Florida 12791 Acts of 1927. On August 17, 1999, the City Commission approved an ordinance amending the City Charter to change the name of the City to Hallandale Beach, Florida (the "City"). The City operates under the Commission-Manager form of government and provides the following services as authorized by its charter and state statute: general government, public safety (police and fire), public works, physical environment, water, sewer, stormwater drainage, municipal cemetery, sanitation, human services, culture and recreation, planning and zoning and general administrative.

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") applicable to state and local governmental units, which are promulgated by the Governmental Accounting Standards Board ("GASB"). Significant accounting and reporting policies and practices used by the City are described below:

A. Reporting Entity

In accordance with GAAP, these basic financial statements present the City (the primary government) and its component units.

The criteria, which define a component unit and establish requirements for reporting and disclosure of a component unit, is set forth in GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASBS No. 39, *Determining Whether Certain Organizations are Component Units*, GASBS No. 61, *The Financial Reporting Unit: Omnibus*, GASBS No. 80, *Blending Requirements for Certain Component Units*, and GASBS No. 85, *Omnibus 2017*. A component unit is a legally separate organization for which the City is determined to either be financially accountable for, or for organizations for which the nature and significance of their relationship with the City is such that exclusion would cause the City's financial statements to be misleading or incomplete. The City is financially accountable if it appoints a voting majority of the organization's governing board 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 City, or the City has operational responsibility. The City is also financially accountable if the entity is fiscally dependent on the City. An organization's relationship with the City which does not meet the criteria of financial accountability, can warrant inclusion in the reporting unit if the organization is determined to be closely related to, or financially integrated with the City. This determination is a matter of professional judgement as to the nature and significance of the relationship. The City has three blended component units presented as special revenue funds in the City's financial statements.

Blended Component Units:

A blended component unit is an organization whose governing body is substantively the same as the City Commission, or the component unit provides services entirely, or almost entirely, to the primary government or otherwise exclusively, or almost exclusively, benefits the City even if it does not provide services directly to the City. A blended component unit is legally separate, but is so intertwined with the City that they are, in substance, part of the City. The following component units, because of the closeness of their relationship with the City, are blended as special revenue funds in the City's financial statements.

Golden Isles Safe Neighborhood District

The Golden Isles Safe Neighborhood District was established in 1989 by City ordinance 89-24 pursuant to Section 163.506, Florida Statutes, as a local government neighborhood improvement district. The Golden Isles Safe Neighborhood District is governed by a board comprised of the City's elected commissioners. The commissioners approve the District's budgets, levy taxes, and must approve any debt issuances. The City has operational responsibility for this District.

Three Islands Safe Neighborhood District

Three Islands Safe Neighborhood District was established in 1993 by City ordinance 93-08 pursuant to Section 163.506, Florida Statutes, as a local government neighborhood improvement district. The Three Islands Safe Neighborhood District is governed by a board comprised of the City's elected commissioners. The commissioners approve the District's budgets, levy taxes and must approve any debt issuances. The City has operational responsibility for this District.

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Hallandale Beach Community Redevelopment Agency

Pursuant to Section 163.387, Florida Statutes, the City of Hallandale Beach established a Redevelopment Trust Fund for the Community Redevelopment Agency (“CRA”, “HBCRA” or “Agency”), effective December 1996. The City Commission, acting as the agency Board of Directors, approved a Community Redevelopment Plan, which will primarily utilize Tax Increment Financing to fund community redevelopment within the designated area. The specific area incorporates approximately two thirds of the City with the exception of the most easterly portion of the City. The base year established of January 1, 1996, will be utilized in determining the base amount of property valuation. Each year the City, County and Children’s Services Council must contribute 95% of the incremental increase, if any, in ad valorem taxes levied over and above the base year. The Hospital District has made a separate agreement for a flat amount. The CRA is governed by a board comprised of the City’s elected officials and there is a financial benefit and burden relationship between the City and the CRA. Although the Agency is legally separate from the City, the CRA is reported as part of the primary government because its sole purpose is to finance and redevelop the City’s designated redevelopment areas. The CRA issues a publicly available financial statement which can be obtained by contacting the CRA’s office.

The following plans are reported as fiduciary component units in accordance with GASB Statement Number 84. Refer to Note 10 of the financial statements for more information.

City of Hallandale Beach General Employees’ Retirement Plan

Pursuant to City Ordinance 2004-22, the City of Hallandale Beach General Employees’ Retirement Plan Trust is a single-employer defined benefit plan established on September 21, 2004.

City of Hallandale Beach Police Officers’ and Firefighters’ Personnel Retirement Trust

The City of Hallandale Beach Police Officers’ and Firefighters’ Personnel Retirement Trust is a single-employer defined benefit plan established on December 15, 1959, in accordance with the City ordinance and state statutes.

City of Hallandale Beach Professional/Management Retirement Plan

Pursuant to City Ordinance 2004-23, the City of Hallandale Beach Professional/Management Retirement Plan is a single-employer defined benefit plan established on September 21, 2004.

B. Government-Wide and Fund Financial Statements

The basic financial statements consist of the government-wide financial statements and fund financial statements. The government-wide financial statements include a statement of net position and a statement of activities. These statements report on the government as a whole and provide a complete financial picture of the government. The City’s fiduciary funds are presented in the fund financial statements. Since by definition these assets are being held for the benefit of a third party (pension participants) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide financial statements.

The government-wide statement of net position reports all financial and capital resources of the City’s governmental and business-type activities. Governmental activities are those supported by taxes and intergovernmental revenue. Business-type activities 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 is offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges for goods or services that are recovered directly from customers for services rendered, (2) grants and contributions that are restricted to meeting the operational requirements of a particular function or segment, and (3) grants and contributions that are restricted to meeting 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 fund based 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 HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Since the governmental fund financial statements are presented on a different measurement focus and basis of accounting than the government-wide financial statements, reconciliations are provided that briefly explain the adjustments necessary to reconcile the governmental fund financial statements to the government-wide governmental activities financial statements.

Internal service funds of a government are presented in summary form as part of the proprietary fund financial statements. Since the principal users of the internal services are the City's governmental activities, financial statements of internal service funds are consolidated into the governmental activities column when presented at the government-wide level. To the extent possible, the costs of these services are reflected in the appropriate governmental activities.

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

The government-wide, the proprietary fund and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses reported when a liability is incurred, regardless of the timing of related cash flows.

All governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are generally recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the year. Revenues for expenditure driven grants are recognized when the qualifying expenditure is made. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due. Expenditures related to pension and other post-employment benefits are recognized when the City has made a decision to fund those obligations with current available resources.

In the governmental funds, property taxes when levied, public services taxes, franchise taxes, intergovernmental grants when eligibility requirements are met, charges for services and interest income associated with the current fiscal period are all considered to be measurable and have been recognized, if available. Licenses and permits and miscellaneous revenue are recorded as revenue when received in cash, because they are generally not measurable until actually received.

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for using a separate set of self-balancing accounts, which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equities, revenue and expenditures or expenses. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

Effective October 1, 2021, the City implemented the following GASB Pronouncements:

GASB issued Statement No. 87, *Leases*. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. Refer to Note 4 for the impact on the City's financial statements.

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

GAAP sets forth minimum criteria (percentage of the assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenue or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor, internal service, and fiduciary funds are each presented in the aggregate in the applicable fund financial statements.

The City reports the following major governmental funds:

The General Fund is the primary operating fund of the City. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Revenue is derived primarily from property taxes, utility taxes, state and federal distributions and other intergovernmental revenue. The general operating expenditures, fixed charges and capital outlay costs that are not paid through other funds are paid from the General Fund.

The Community Redevelopment Agency Fund accounts for the tax increment revenue assessed on properties in the specified CRA area and capital improvements, neighborhood improvement loans, and other economic incentives that help improve the appearance of property and equality of life for area residents and businesses.

The Grants Fund accounts for City projects financed by federal, state and local grants.

The General Obligation Bond Fund accounts for capital improvements financed by proceeds from the City's General Obligation Bonds, Series 2016.

The Capital Projects Fund accounts for major capital projects funded by City appropriations and debt issuances.

The Redevelopment Revenue Note Fund accounts for capital improvements financed from the Community Redevelopment Agency's Redevelopment Revenue Note, Series 2020.

The City reports the following major enterprise funds:

The Utility Fund accounts for the provision of water and sanitary sewer services to residents and businesses of the City.

The Sanitation Fund accounts for the provision of waste and trash collection and disposal services to residents and businesses of the City.

The Stormwater Drainage Fund accounts for the provision of stormwater maintenance and capital improvements to residents and businesses of the City.

Additionally, the City reports the following fund types:

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes.

Debt Service Funds are used to account for the accumulation of resources that are restricted, committed, or assigned for the payment of principal and interest on long-term obligations of governmental funds.

Internal Service Funds are used to account for the financing of workers' compensation, general liability insurance and fleet services provided to the various funds of the City.

Fiduciary Funds include pension trust funds and custodial funds. Pension trust funds account for certain of the City's retirement plans.

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's water and sewer function and various other functions of the City. Elimination of these charges would distort the direct costs and program revenue for the various functions concerned.

Amounts reported as program revenues include: (1) charges to customers for goods, services or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. All revenues that are not program revenues are general revenues, and include all taxes, as well as grants, contributions and investment earnings that are not restricted to a particular program.

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

D. Deposits

The City considers cash on hand, cash with fiscal agents, and overnight investments with original maturities of less than three months to be cash and cash equivalents. In addition, each fund's equity in the City's investment pool has been treated as a cash equivalent since cash may be deposited or withdrawn from the pool at any time without prior notice or penalty. Interest earned on pooled cash and investments is allocated to funds based on average monthly balances.

E. Investments

Investments, including investments in the pension trust funds, are reported at fair value, with the exception of insurance pooled separate accounts, real estate investment trusts, and hedge funds which are reported at their net asset value (NAV) which is their fair value.

F. Receivables and Payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are referred to as either "due to/from other funds" (current portion of loans) or "advances to/from other funds" (non-current portion of loans). Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

Receivables are recorded and where appropriate, an associated allowance for uncollectible accounts has been established in the related fund. All receivables are shown net of an allowance for uncollectible accounts. Based on past experience, the City deems all balances greater than 60 days to be uncollectible unless a lien can be placed against the property of the customer.

G. Inventories/Prepays

Inventories consist of supplies and equipment replacement parts, valued using the weighted average cost method, which are purchased in one period and consumed in a future period. Prepays represent goods and services which are paid for in one period but benefit a future period. Inventories and prepays are recorded as an expenditure/expense in the fund level and government-wide financial statements in the period benefited. Inventories/prepays for governmental fund types are reported as an asset of the fund with a corresponding amount recorded as non-spendable fund balance.

Inventory in the Cemetery Fund consists of crypts. Inventory is valued at cost and is reduced by crypts sold during the year, calculated based on a weighted-average basis. Water Fund inventory consists of water meters on hand for future installation.

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Restricted Assets

Restricted assets, consisting of cash and cash equivalents, represent assets restricted to a particular usage. In the governmental funds, restricted cash consists primarily of unspent bond proceeds. In business-type funds, restricted assets consist mainly of the amount of utility deposits and unspent impact fees collected.

I. Capital Assets

Capital assets, including land, buildings and improvements, infrastructure, vehicles and equipment, and intangibles, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are those that have a useful life of greater than one year and a value of greater than \$5,000 for all capital assets other than intangibles, which have a value of greater than \$35,000 are capitalized for financial reporting purposes. Capital assets are stated at cost in the government-wide and proprietary fund financial statements. Donated capital assets are stated at their acquisition value on the date contributed. Depreciation is recorded as an operating expense for all assets meeting the City's capitalization threshold. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized, but are expensed as incurred.

Depreciation is provided over estimated useful lives using the straight-line method. Estimated useful lives are as follows:

Water plant components	10 years
Buildings and improvements other than buildings	20 years
Enterprise infrastructure	20 years
Government infrastructure	42 years
Intangibles	5 - 20 years

J. Leases

Lessor: The City is a lessor for noncancellable leases of land for various activity. The City recognizes a lease receivable and a deferred inflow of resources in the fund level statements. The City evaluates each lease arrangement for recognition in accordance with GASB 87. At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments related to leases include how the City determines: (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments:

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflow of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Assets Held for Resale

The HBCRA acquires and develops property in economically depressed areas, for the intention of rendering the property suitable for economic development and then reselling or conveying it to private sector purchasers meeting certain criteria. Since these properties are acquired with the express intent of resale and/or development, they are reported at lower of cost/donated value or net realizable value. Assets donated from the City or other related entities are recorded at the carrying value of the donor entity. Donated assets from other sources are recorded at the lower of cost/donated value or net realizable value. The cost basis of assets held for resale and development include costs incurred to acquire the asset and prepare the asset for resale and development, such as purchase price, fees, surveys, lot clearing, demolition, judgments levied through suits, costs of construction, permits etc. These assets include land, land improvements and buildings. Upon the sale of these assets, a gain or loss is recognized. When the net realizable amount is less than the carrying amount, a loss would be recognized. Gains are recorded as economic environment charges for services in the government-wide statements and other revenues in the fund financial statements and losses are recorded as economic environment expenses/expenditures.

L. Compensated Absences

City employees are granted vacation pay and sick leave in varying amounts based on employee classification and length of service. Employees may elect to use sick leave as earned or receive cash payments in lieu of time-off at reduced amounts. A portion of unused vacation pay and sick-leave pay are paid upon an employee's termination.

The City accrues for vacation and sick leave based on anticipated use or payout (i.e., amounts that are due and payable). Accumulated and unpaid vacation pay and sick leave are recorded as expenses in the government-wide and proprietary funds when earned. Expenditures for accumulated compensated absences have been recorded in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

M. Unearned/Unavailable Revenue

Unearned revenue arises when resources are received by the City before it has a legal claim to them. In addition, inflows that do not yet meet the criteria for revenue recognition are recorded as unearned revenue or a deferred inflow in the government-wide and the fund financial statements. In subsequent periods, when the City has a legal claim to the resources, the liability for unearned revenue or a deferred inflow is removed and revenue is recognized. In the governmental funds, unavailable revenue may also arise if the funds are not received in the availability period; the funds are then not considered a current available resource.

N. Long-Term Obligations

In the government-wide financial statements, and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as 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, and debt principal payments are reported as debt service expenditures.

O. Fund Equity/Net Position

In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints imposed on the use of resources reported in governmental funds. Amounts that are restricted to specific purposes either by: (a) constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation are classified as restricted fund balances. Amounts that can only be used for specific purposes pursuant to constraints imposed by the City Commission through an ordinance or resolution (equally binding), are classified as committed fund balances.

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

These constraints remain binding unless removed or changed in the same manner employed to commit those resources. Amounts that are constrained by the City's intent to be used for specific purposes, however, are neither restricted, nor committed are classified as assigned fund balances. With the exception of the General Fund, this is the residual fund balance classification for all governmental funds with positive balances. Assignments are approved by the City Commission through adoption of the budget. Non-spendable fund balances include amounts that cannot be spent because they are either: (a) not in spendable form, or (b) legally or contractually required to be maintained intact. Unassigned fund balance represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

Net position of the government-wide financial statements and proprietary fund financial statements are categorized as net investment in capital assets, restricted or unrestricted. The first category represents capital assets net of accumulated depreciation, less outstanding related debt net of unspent bond proceeds and any deferred inflows/outflows related to the debt for acquisition or construction of the capital assets.

The restricted category represents the balance of assets restricted by requirements of revenue bonds and other externally imposed constraints or by legislation in excess of the related liabilities payable from restricted assets. Unrestricted net position represents resources that are available for spending.

Minimum Fund Balance Policy

The General Fund has adopted a target minimum unassigned fund balance policy of 16% of General Fund expenditures, which approximates two months of operations as recommended by the Governmental Finance Officers Association.

The City met all of its fund balance targets at September 30, 2022.

P. Net Position Flow Assumption

Sometimes the government 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 and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted resources are available for use, it is the City's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

Q. Fund Balance Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last, unless the City Commission has provided otherwise in its commitment or assignment actions by either ordinance or resolution.

R. Pension Plans

The City provides separate defined benefit pension plans for general employees, professional/management, and uniformed police and fire department personnel. The City provides a defined-contribution plan for those management employees who did not elect to transfer to the Professional/Management Retirement Plan. Additionally, all new professional and management employees are required to enter the defined contribution pension plan, as the defined benefit plan will be phased out as employees retire or resign. It is the City's policy to fund the normal cost and the amortization of the unfunded prior service cost.

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 fiduciary net position of the City of Hallandale Beach Police Officers' and Firefighters' Personnel Retirement Trust (Police and Fire Retirement Plan), the City of Hallandale Beach Retirement Plan (General Employees Retirement Plan), and the City of Hallandale Beach Professional/Management Retirement Plan (Professional/Management Retirement Plan) (collectively, the Plans) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit term.

S. Other Post-Employment Benefits

The City is self-funded for other post-employment benefits in accordance with Florida Statute. The City permits eligible retirees and their eligible dependents to participate in the City's health insurance program at a cost to the retiree that is no greater than the cost at which coverage is available for active employees. As a result, the City incurs an implicit subsidy for these retirees. The total OPEB liability, represents the actuarially determined present value of projected benefits to be provided to current active and inactive employees that is attributed to those employees' past periods of service. Projections of benefits, the implicit rate, are required to be based on claims costs, or age-adjusted premiums approximating claims costs, and the benefit terms and legal agreements existing at the measurement date. There is no trust in which assets are accumulated to fund the OPEB benefit payments when due.

T. Self-Insurance

The City is currently self-insured for all workers' compensation and general liability claims. Operating funds are charged premiums by the internal service funds. The accrued liability for estimated insurance claims represents an estimate of the eventual loss on claims arising prior to year-end, including those incurred but not yet reported.

U. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources and liabilities and deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

V. 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 period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports a deferred loss on the refunding of 2007A Revenue Bonds, pension related, and OPEB related deferred outflows in this category.

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 period and so will not be recognized as an inflow of resources (revenue) until that time. The City also reports a deferred gain on the refunding of the 2005A Revenue Bonds, leases related, pension related, and OPEB related deferred inflows in this category.

Within the government-wide statement of net position, the City reports as deferred inflows or outflows amounts representing the difference between expected and actual experience, changes in assumptions and the net difference between projected and actual earnings of its pension plan. The amounts will be amortized over a five-year closed period beginning in the year in which the difference occurred or over the remaining service lives of all employees, as applicable. Additionally, any contributions made before year-end but subsequent to the measurement date of the City's net pension liability and total OPEB liability are reported as deferred outflows of resources.

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2022

NOTE 2. PROPERTY TAXES

The City's property tax is levied and becomes a lien on real and personal property located in the City, including the Golden Isles Safe Neighborhood District and the Three Islands Safe Neighborhood District, on October 1 of each year based upon the assessed value listed as of the prior January 1. Assessed values are established by the Broward County Property Appraiser.

The City is permitted by state law to levy taxes up to 10 mills of assessed valuation for the General Fund. Taxes were levied at 7.0000 mills, 1.0934 mills, and 0.6600 mills for the General Fund, the Golden Isles Safe Neighborhood District and the Three Islands Safe Neighborhood District, respectively, for the 2020-2022 fiscal year.

All taxes are due from property holders on March 31, become delinquent on April 1, and become subject to the issuance of tax sale certificates on June 1.

NOTE 3. DEPOSITS AND INVESTMENTS

The City's cash, cash equivalents and investments consist of the following at September 30, 2022:

Cash and cash equivalents:	
Money market funds	\$ 10,017,317
Deposits with financial institutions	52,709,837
Florida PRIME	60,223,037
FL PALM	15,470,528
	<u>138,420,719</u>
Investments:	
U.S. Government agencies	4,664,167
Corporate notes	6,357,148
U.S. Government treasuries	6,805,882
Municipal bonds	462,691
Asset-backed securities	3,911,378
Supranational	653,421
Domestic equity investment funds	2,892,878
International equity investment funds	759,992
Domestic fixed income investment funds	1,747,089
	<u>28,254,646</u>
Total cash, cash equivalents, and investments	<u>\$ 166,675,365</u>

The City's cash and investments are classified in the accompanying financial statements as follows:

Amounts as presented on the entity wide Statement of Net Position:	
Cash and cash equivalents	\$ 106,535,277
Investments	22,854,687
Restricted cash and cash equivalents	31,439,382
Amounts as presented on the fiduciary Statement of Net Position:	
Cash and cash equivalents - custodial funds	446,060
Investments - custodial funds	5,399,959
	<u>5,399,959</u>
Total cash, cash equivalents, and investments	<u>\$ 166,675,365</u>

CITY OF HALLANDALE BEACH, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

Deposits: The City's policy is to follow Florida Statutes which authorize the deposit of City funds in demand deposits or time deposits of financial institutions approved by the State Treasurer. These are defined as public deposits. All City public deposits are held in qualified public depositories pursuant to Chapter 280, Florida Statutes, *Florida Security for Public Deposits Act*. Under the Act, all qualified public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits times the depository's collateral pledging level. The collateral pledging level may range from 50% to 125% depending upon the depository's financial condition and the length of time that the depository has been established. All collateral must be deposited with the State Treasurer. Any losses to public depositors resulting from insolvency are covered by applicable deposit insurance, sale of securities pledged as collateral and, if necessary, assessment against other qualified public depositories of the same type as the depository in default. The City's bank balances were insured either by the Federal Depository Insurance or collateralized in the bank's participation in the Florida Security for Public Deposits Act.

The State Board of Administration (SBA) administers the Florida PRIME which is governed by Chapter 19-7 of the Florida Administrative Code and Chapters 218 and 215 of the Florida Statutes. These rules provide guidance and establish the policies and general operating procedures for the administration of the Florida PRIME. The Florida PRIME is not a registrant with the Securities and Exchange Commission (SEC); however, the Board has adopted operating procedures consistent with the requirements for a 2a-7 fund, which permits money market funds to use amortized cost to maintain a constant net asset value (NAV) of \$1 per share.

The Florida Public Assets for Liquidity Management Trust ("FL PALM") is a common law trust organized under Florida Statutes. FL PALM is an investment opportunity for State school districts, political subdivisions of the state or instrumentalities of political subdivisions of the state. FL PALM has not provided or obtained any legally binding guarantees to support the value of shares and all participation in the trust is voluntary. FL PALM is not registered with the SEC; however, the FL PALM Board of Trustees has adopted operating procedures consistent with the requirements for a 2a-7 fund, which permits money market funds to use amortized cost to maintain a constant NAV of \$1 per share.

In accordance with GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, the City's investment in Florida PRIME and FL PALM meets the definition of qualifying investment pools that measure, for financial reporting purposes, all of its investments at amortized cost and should disclose the presence of any limitations or restrictions on withdrawals. As of September 30, 2022, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100% of their account values.

The investments in Florida PRIME and FL PALM are not insured by FDIC or any other governmental agency.

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CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2022

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

Concentration of Credit Risk: Under the City's investment policy, authorized investments may consist of investments in the following:

- Florida Local Government Surplus Funds Trust Fund ("SBA") — up to 25% of available funds
- United States Government Securities — up to 100% of available funds; a maximum of 10% of treasury strips
- United States Government Agencies — up to 100% of available funds
- Federal Instrumentalities — up to 100% of available funds
- Interest Bearing Time Deposits or Savings Accounts — up to 10% of available funds
- Repurchase Agreements — up to 20% of available funds (excluding one-business day agreements and overnight sweep agreements)
- Commercial Paper — up to 35% of available funds
- Corporate Notes — up to 35% of available funds
- Bankers Acceptances — up to 25% of available funds
- State and/or Local Government Debt — up to 25% of available funds, a maximum of 10% of the various municipalities of the State of Florida
- Money Market Mutual Funds — up to 25% of available funds
- Intergovernmental Investment Pool — up to 50% of available funds
- Foreign Government Debt Issues — up to 5% of available funds
- Supranational — up to 25% of available funds; where US is a shareholder and voting member
- City assets relating to the excess benefit plan offered to Professional/Management Retirement Plan employees may consist of the following additional investments:
 - Equities — ownership in the common equity of any one corporation shall not exceed 5%
 - Fixed Income Securities
 - Real Estate — Real Estate Investment Trust ("REIT") an/or non-publicly traded private real estate
 - Treasury Inflation Protected Securities ("TIPS")
 - Commodities or Commodity Contracts

In addition, the City's policy limits overall investment in any one issuer to 5% or less, except for United States Government Agencies (40%), Federal Instrumentalities (40%) and Interest Bearing Time Deposits or Savings Accounts (10%).

The City's Professional/Management Retirement Plan and the General Employees Retirement Plan invests in insurance pooled separate accounts under a group annuity contract with an insurance company. As of September 30, 2022, the following are investments in any one organization that represent 5% or more of the pension plan's fiduciary net position:

<u>General Employees Retirement Plan</u>	
Principal Financial Group	<u>\$ 56,666,137</u>
<u>Professional/Management Employees Retirement Plan</u>	
Principal Financial Group	<u>\$ 17,581,762</u>

At September 30, 2022, the Police and Fire Retirement Plan's investments in the Lazard Global Listed Infrastructure Portfolio Institutional Fund, Ironwood Capital Management Hedge Fund, Principal U.S. Property Separate Account, accounted for 6.8%, 5.4%, 5.4%, respectively, of the plan's total investments.

CITY OF HALLANDALE BEACH, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

The City of Hallandale Beach's three defined benefit plans authorized investments may consist of the following:

- Time, savings and money market deposit accounts of a national bank, or a savings and loan association insured by the Federal Deposit Insurance Corporations.
- Obligations issued by the U.S. Government, or an agency or instrumentality of the U.S. Government, including mortgage-related securities.
- Equities (not to exceed 5% of the total portfolio being invested in the common stock of any one issuing company with the exception of a co-mingled investment portfolio such as a mutual fund or insurance company separate account).
- Fixed income investments defined as preferred issues and fixed income securities.
- Money Market Funds (defined as fixed income securities having a maturity of less than one year that meet or exceed Standard & Poor's A1, or Moody's P1 credit rating).
- Master Limited Partnerships (not to exceed 5% of the portfolio).
- Real assets-co-mingled investment portfolios, such as a mutual fund or insurance company separate account consisting of real assets (including owned real estate, real estate investment trusts and/or other comingled real estate equity investment options).
- Funds of Hedge Funds (private investment funds investing primarily in the global equity and fixed income markets (excluded from the General Employees Retirement Plan and Professional/Management Retirement Plan).

Interest Rate Risk: Interest rate risk is the risk that changes in market interest rates that will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. In accordance with the City's and pension plans' investment policies, they minimize the interest rate risk of investments in the portfolios by structuring them so that funds are available to meet reasonably anticipated cash flow requirements in an orderly manner.

Information about the sensitivity of the reported values of the City's and the defined benefit pension plan's fixed income investments to market interest rate fluctuations of its debt type investments using the segmented time distribution model is as follows:

Summary of Investments and Interest Rate Risk	Investment Maturities (in Years)				
	Fair Value	Less than 1 Year	1 - 5 Years	6 - 10 Years	Greater than 10 Years
<u>City</u>					
U.S. Government agencies	\$ 4,664,167	\$ 1,838,743	\$ 2,325,309	\$ 389,621	\$ 110,494
Corporate notes	6,357,148	931,178	5,425,970	-	-
U.S. Government treasuries	6,805,882	-	6,805,882	-	-
Asset-backed securities	3,911,378	6,084	3,905,294	-	-
Municipal bonds	462,691	181,017	281,674	-	-
Supranational	653,421	-	653,421	-	-
Florida PRIME	60,223,037	60,223,037	-	-	-
FL PALM	15,470,528	15,470,528	-	-	-
Domestic fixed income investment funds	1,747,089	-	-	1,747,089	-
Total	\$ 100,295,341	\$ 78,650,587	\$ 19,397,550	\$ 2,136,710	\$ 110,494
<u>Professional/Management Employees Retirement Plan</u>					
Fixed income pooled separate accounts	\$ 6,946,580	\$ -	\$ 592,345	\$ 6,354,235	\$ -
<u>General Employees Retirement Plan</u>					
Fixed income pooled separate accounts	\$ 28,177,718	\$ -	\$ 2,371,732	\$ 25,805,986	\$ -
<u>Police and Fire Retirement Plan</u>					
U.S. Government agencies	\$ 9,407,671	\$ -	\$ 709,363	\$ -	\$ 8,698,308
U.S. Government treasuries	8,802,969	-	4,993,337	1,274,164	2,535,468
Corporate bonds	15,316,582	223,457	6,745,021	3,858,381	4,489,723
Total	\$ 33,527,222	\$ 223,457	\$ 12,447,721	\$ 5,132,545	\$15,723,499

CITY OF HALLANDALE BEACH, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

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. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City's investment policy limits investments to those instruments rated at or better than A-1. The Police and Fire Retirement Plan limits its fixed income portfolio to be comprised of securities rated "BBB" or higher by Moody's or Standard & Poor's ratings services. The General Employees Retirement Plan and Professional/Management Retirement Plans' limit investments to securities ranked in Standard & Poor's, AAA, AA, A, BBB or Moody's Aaa, Aa, A and Baa except for below investment grade bonds held in a co-mingled investment portfolio, such as a mutual fund or insurance company pooled separate account.

As of September 30, 2022, the General Employees Retirement Plan and Professional/Management Pension Plans' investments are invested in insurance company pooled separate accounts which are commingled pools, rather than individual securities. As a result, insurance company pooled separate accounts are not rated and are not subject to concentration of credit risk, custodial credit risk or foreign currency risk.

Presented below is the minimum rating as required for each debt type instrument relating to the City's investments as of September 30, 2022:

Average Rating	Corporate Bonds and Notes	US Gov't Obligations	Asset-backed Securities	Domestic Fixed Income Investment Funds	Municipal Bonds	Supranational	FL PALM	Florida PRIME	Total
AAA	\$ -	\$ -	\$ 2,920,860	\$ -	\$ -	\$ 653,421	\$ 15,470,528	\$ 60,223,037	\$ 79,267,846
AA+	237,012	11,470,049	-	-	27,549	-	-	-	11,734,610
AA	526,102	-	-	-	49,926	-	-	-	576,028
AA-	1,146,413	-	-	-	179,342	-	-	-	1,325,755
A+	937,386	-	-	-	-	-	-	-	937,386
A	1,275,684	-	-	-	-	-	-	-	1,275,684
A-	1,738,774	-	-	-	-	-	-	-	1,738,774
BBB+	495,777	-	-	-	-	-	-	-	495,777
Unrated	-	-	990,518	1,747,089	205,874	-	-	-	2,943,481
TOTAL	\$ 6,357,148	\$ 11,470,049	\$ 3,911,378	\$ 1,747,089	\$ 462,691	\$ 653,421	\$ 15,470,528	\$ 60,223,037	\$ 100,295,341

Presented below is the minimum rating as required for each debt type instrument relating to the Police and Fire Retirement Plan's investments as of September 30, 2022:

Average Rating	Total
Aaa	\$ 10,424,967
A1	2,801,779
A2	1,826,134
A3	1,422,987
Aa2	230,108
Aa3	425,676
Baa1	2,924,895
Baa2	1,823,949
Baa3	2,141,850
Ba1	174,542
Unrated	9,330,335
Total	\$ 33,527,222

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2022

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

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. The City does not have a formal policy, but its practice is to ensure that all investments are held by the City or its counterparty in the City’s name, with the exception of its pension investments. In the Police and Fire Retirement Plan, consistent with its investment policy, the investments are held by the Plan’s custodial bank and registered in the Plan’s name. Investments in the General Employees Retirement Plan and Professional/Management Retirement Plan, consist of investments pooled as separate investment accounts, under a group annuity contract and operate similar to a mutual fund. These investments are not subject to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

Foreign Currency Risk: “Foreign currency risk” is the risk that fluctuations in currency exchange rate may affect transactions conducted in currencies other than U.S. dollars as well as the carrying value of foreign investments. The City and the pension plans are not subject to foreign currency risk as all investments are denominated in U.S. dollars.

The Police and Fire Plan’s exposure to foreign currency risk derives mainly from its investments in international equity and infrastructure funds. The Plan owns participation in international funds as well as individual securities.

Fair Value Hierarchy: Fair value is defined as 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. The City and the City’s pension plans categorize their fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 - Investments’ fair values based on prices quoted in active markets for identical assets.

Level 2 - Investments’ fair values based on observable inputs for the assets either directly or indirectly, other than those considered Level 1 inputs, which may include quoted prices for identical assets in markets that are not considered to be active, and quoted prices of similar assets in active or inactive markets.

Level 3 - Investments’ fair values based upon unobservable inputs.

The City and the City’s pension plans have established a framework to consistently measure the fair value of assets and liabilities in accordance with applicable accounting, legal and regulatory guidance. This framework has been provided by establishing a valuation policy and procedures that will provide reasonable assurance that applicable assets and liabilities are carried at fair value. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment’s level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The assessment of the significance of a particular input to the fair value measurement requires judgment and considers factors specific to the investment.

Net asset value (NAV) is a common measurement of fair value for Level 1, Level 2 and Level 3 investments. A fund’s NAV is simply its assets less its liabilities and is often reported as a per share amount for fair value measurement purpose. The plans would multiply the NAV per share owned to arrive at fair value. Level 1 investments in funds such as mutual funds report at a daily NAV per share and are actively traded. NAV also comes into play for Level 2 and 3 investments. As a matter of convenience (or referred to in accounting literature as a “practical expedient”), the plan may use the NAV per share for investment in a non-governmental entity that does not have a readily determined fair value, such as an alternative investment. Investments measured at NAV as a practical expedient would be excluded from the fair value hierarchy because the valuation is not based on actual market inputs but rather is quantified using the fund’s reported NAV as a matter of convenience.

CITY OF HALLANDALE BEACH, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

The following table summarizes the valuation of the City's investments in accordance with the above mentioned fair value hierarchy levels as of September 30, 2022:

<u>Investment</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value at 9/30/2022</u>
Debt securities:				
U.S. Government agencies	\$ -	\$ 4,664,167	\$ -	\$ 4,664,167
Corporate notes	-	6,357,148	-	6,357,148
U.S. Government treasuries	-	6,805,882	-	6,805,882
Asset-backed securities	-	3,911,378	-	3,911,378
Municipal bonds	-	462,691	-	462,691
Supranational	-	653,421	-	653,421
Commercial paper	-	-	-	-
Domestic fixed income investment funds	1,747,089	-	-	1,747,089
Total debt securities	<u>1,747,089</u>	<u>22,854,687</u>	<u>-</u>	<u>24,601,776</u>
Equity securities:				
Domestic equity investment funds	2,892,878	-	-	2,892,878
International equity investment funds	759,992	-	-	759,992
Total equity securities	<u>3,652,870</u>	<u>-</u>	<u>-</u>	<u>3,652,870</u>
Total investments measured at fair value	<u>\$ 5,399,959</u>	<u>\$ 22,854,687</u>	<u>\$ -</u>	28,254,646
Investments not subject to level disclosure:				
Florida PRIME (exempt)				60,223,037
FL PALM (exempt)				15,470,528
Money market funds (exempt)				10,017,317
Deposits with financial institutions (exempt)				52,709,837
Total investments and cash equivalents				<u>\$ 166,675,365</u>

Following is a description of the valuation methodologies used for assets measured at fair value:

Equity securities, U.S. Treasury securities, domestic fixed income investment funds and commercial paper classified in Level 1, are valued using prices quoted in active markets for those securities.

Corporate notes, U.S. Agency, Treasury Securities, collateralized mortgage obligations, municipal bonds, asset-backed securities, supranational, and commercial paper classified in Level 2, are valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing the value on yields currently available on comparable securities of issuers with similar credit ratings. When quoted prices are not available for identical or similar bonds, the bond is valued under a discounted cash flows approach that maximizes observable inputs, such as current yield of similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks or a broker quote, if available.

The City does not value any of its investments using Level 3 inputs.

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CITY OF HALLANDALE BEACH, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

As of September 30, 2022, Professional/Management Retirement Plan assets are invested in insurance pooled separate accounts. As a result, all investments related to the Plan are measured at NAV:

Investments Measured at NAV	9/30/2022	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Equity pooled separate accounts	\$ 9,069,588	\$ -	Daily	1 Day
Fixed income pooled separate accounts	6,946,580	-	Daily	1 Day
Real estate pooled separate accounts	1,564,159	-	Daily	1 Day
Total investments measured at NAV	<u>\$17,580,327</u>	<u>\$ -</u>		

As of September 30, 2022, General Employees Retirement Plan assets are invested in insurance pooled separate accounts. As a result, all investments related to the Plan are measured at NAV:

Investments Measured at NAV	9/30/2022	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Equity pooled separate accounts	\$23,476,233	\$ -	Daily	1 Day
Fixed income pooled separate accounts	28,177,718	-	Daily	1 Day
Real estate pooled separate accounts	5,012,186	-	Daily	1 Day
Total investments measured at NAV	<u>\$56,666,137</u>	<u>\$ -</u>		

The various insurance pooled separate accounts in the Professional/Management Retirement Plan and General Employees Retirement Plan are managed by Principal Financial Group, Inc. The NAV of the separate accounts are calculated in a manner consistent with U.S. GAAP for investment companies and are determinative of their fair value. Equity pooled separate accounts invest in publicly quoted mutual funds or actively managed stocks. The fair value of the underlying mutual funds or stock is used to determine the NAV of the separate account, which is not publicly quoted. Fixed income separate accounts invest in fixed income securities. The fair value of the underlying securities is based on quoted prices of similar assets and used to determine the NAV of the separate account. Real estate pooled separate accounts invest in real estate properties. The fair value is based on discounted cash flow valuation models that utilize public real estate market data inputs such as transaction prices, market rent growth, vacancy levels, leasing absorption, market capitalization rates and discount rates.

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CITY OF HALLANDALE BEACH, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

The following tables summarize the valuation of the Police and Fire Retirement Plan's investments in accordance with the above mentioned fair value hierarchy levels as of September 30, 2022:

<u>Investment</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value at 9/30/22</u>
Debt securities:				
U.S. Government treasuries	\$ 6,138,104	\$ 2,664,865	\$ -	\$ 8,802,969
U.S. Government agencies	-	9,407,671	-	9,407,671
Corporate bonds	-	15,316,582	-	15,316,582
Total debt securities	<u>6,138,104</u>	<u>27,389,118</u>	-	<u>33,527,222</u>
Equity securities:				
Common stocks	121,671,031	-	-	121,671,031
Mutual funds	16,327,880	-	-	16,327,880
Total equity securities	<u>137,998,911</u>	-	-	<u>137,998,911</u>
Total investments measured at fair value	<u>\$ 144,137,015</u>	<u>\$ 27,389,118</u>	<u>\$ -</u>	171,526,133
Investments measured at NAV*				
Real estate fund				11,224,251
Private equity fund				8,416,295
Hedge funds				11,138,273
Total investments measured at NAV				<u>30,778,819</u>
Investments not subject to level disclosure:				
Money market funds (exempt)				5,791,917
Total investments and cash equivalents				<u>\$ 208,096,869</u>

* As required by GAAP, certain investments that are measured at net asset value have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the total investment line item in the Statement of Fiduciary Net Position.

Following is a description of the valuation methodologies used for assets measured at fair value:

Common stock, classified in Level 1, is valued at the closing price reported on the New York Stock Exchange.

Mutual funds classified in Level 1, are valued at the daily closing price as reported by the Plan. Mutual funds held by the Plan are open-ended mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

Government securities classified in Level 1 and 2, are valued using pricing models maximizing the use of observable inputs for similar securities.

Corporate bonds classified in Level 2, are valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing the value on yields currently available on comparable securities of issuers with similar credit ratings. When quoted prices are not available for identical or similar bonds, the bond is valued under a discounted cash flows approach that maximizes observable inputs, such as current yield of similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks or a broker quote, if available.

Real estate fund is valued at the net asset value of shares held by the Plan at year-end. The Plan has investment in a private market real estate fund investment and a private equity fund investment for which no liquid public market exists.

CITY OF HALLANDALE BEACH, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

Real estate funds and hedge funds are valued at net asset value of shares held by the Plan at year-end.

Investments Measured at NAV	9/30/2022	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Real estate fund ⁽¹⁾	\$11,224,251	\$ -	Daily	24 Hours
Hedge fund ⁽²⁾	11,138,273	-	Semiannual	95 Days
Private equity fund ⁽³⁾	8,416,295	1,833,238	N/A	N/A
Total investments measured at NAV	<u>\$30,778,819</u>	<u>\$ 1,833,238</u>		

⁽¹⁾ Real estate fund: This fund is an open-end, commingled private real estate fund consisting primarily of high quality, well-leased real estate properties in multifamily, industrial, office, retail and hotel sectors throughout the United States. The investment is valued at NAV and redemption requests must be received at least 24 hours before the effective date of the redemption.

⁽²⁾ Hedge fund: This hedge fund of funds invests its assets with a group of selected private investment companies seeking capital appreciation with limited variability of returns. The investment is valued at NAV and redemption requests can be made semiannually subject to a 95-day notice period.

⁽³⁾ Private equity fund: This is a pooled private equity investment fund investing primarily in real assets, private equity, credit and opportunistic alternative asset management strategies. The investment is valued at NAV and redemptions are not allowed unless distributions are determined by the general partner.

NOTE 4. RECEIVABLES

Receivables for the City's governmental activities and each major governmental fund and nonmajor governmental and internal service funds in the aggregate, with the related allowance for uncollectible accounts, as of September 30, 2022, were as follows:

Governmental activities	General					
	General	Community Redevelopment Agency Fund	Obligation Bond Fund	Nonmajor Funds	Internal Service Funds	Total Governmental Activities
Utility and sales tax	\$ 216,859	\$ -	\$ -	\$ -	\$ -	\$ 216,859
Franchise fees	1,056,290	-	-	-	-	1,056,290
Sales and user fees	140,533	-	-	-	-	140,533
Police outside services	-	-	-	107,910	-	107,910
Leases	4,092,470	-	-	119,565	-	4,212,035
Miscellaneous	113,906	2,097	-	-	190,630	306,633
Interest	20,767	6,440	18,327	47	-	45,581
CRA loans	-	976,709	-	-	-	976,709
Gross receivables	5,640,825	985,246	18,327	227,522	190,630	7,062,550
Less: allowance for uncollectibles	(167,962)	(33,934)	-	(11,627)	(188,135)	(401,658)
Net total receivables	<u>\$ 5,472,863</u>	<u>\$ 951,312</u>	<u>\$ 18,327</u>	<u>\$ 215,895</u>	<u>\$ 2,495</u>	<u>\$ 6,660,892</u>

CITY OF HALLANDALE BEACH, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 4. RECEIVABLES (CONTINUED)

Affordable Housing Loan Program: The HBCRA assists homebuyers with the cost of construction of a new single family home, condominium, or townhouse by providing gap funding and closing costs of up to \$100,000 for affordable housing buyers. The program also offers an incentive of up to \$10,000 in down payment assistance for workforce housing buyers. An additional \$5,000 is available for workforce housing buyers who are first responders, teachers and nurses. Repayment is not required if the buyer maintains (homesteads) the property as a primary resident for ten (10) years. Due to the nature of these types of loans, the CRA expenses the loan amount at the time of issuance due to the uncertainty as to the date or amount of future collections.

Receivables for the City's business-type activities and each enterprise fund, with the related allowance for uncollectible accounts, as of September 30, 2022, were as follows:

	Utility Fund	Sanitation Fund	Stormwater Drainage Fund	Nonmajor Cemetery Fund	Total Business-Type Activities
Business-type activities					
Water sales	\$ 2,152,833	\$ -	\$ -	\$ -	\$ 2,152,833
Sewer service charges	2,616,416	-	-	-	2,616,416
Garbage and trash	-	826,621	-	-	826,621
Special trash	-	24,327	-	-	24,327
Recycling	-	24,123	-	-	24,123
Stormwater drainage	-	-	562,556	-	562,556
Interest receivable	38,050	4,855	-	-	42,905
Burial rights contracts	-	-	-	31,065	31,065
Other	18,039	-	-	598	18,637
Gross receivables	4,825,338	879,926	562,556	31,663	6,299,483
Less: allowance for uncollectibles	(546,785)	(290,564)	(155,598)	-	(992,947)
Net total receivables	<u>\$ 4,278,553</u>	<u>\$ 589,362</u>	<u>\$ 406,958</u>	<u>\$ 31,663</u>	<u>\$ 5,306,536</u>

NOTE 5. DUE FROM OTHER GOVERNMENTS

Due from other governments for the City's governmental activities and each major governmental fund and nonmajor governmental funds in the aggregate as of September 30, 2022 include the following:

	General Fund	Grants Fund	Nonmajor Governmental Funds	Total Governmental Activities
Governmental activities				
Federal Government	\$ 107,730	\$ 2,800,599	\$ -	\$ 2,908,329
Florida Dept of Revenue	844,371	181,733	115,008	1,141,112
Local Governments	425,891	611,284	-	1,037,175
	<u>\$ 1,377,992</u>	<u>\$ 3,593,616</u>	<u>\$ 115,008</u>	<u>\$ 5,086,616</u>

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CITY OF HALLANDALE BEACH, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 6. CAPITAL ASSETS

The following is a summary of capital asset activity for the year ended September 30, 2022:

	<u>Beginning Balance ⁽²⁾</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers ⁽¹⁾</u>	<u>Ending Balance</u>
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 38,438,225	\$ -	\$ -	\$ -	\$ 38,438,225
Construction in progress	<u>2,054,010</u>	<u>3,999,862</u>	<u>-</u>	<u>(771,240)</u>	<u>5,282,632</u>
Total capital assets, not being depreciated	<u>40,492,235</u>	<u>3,999,862</u>	<u>-</u>	<u>(771,240)</u>	<u>43,720,857</u>
Capital assets, being depreciated:					
Buildings	63,588,468	10,560	(1,589)	181,473	63,778,912
Improvements other than buildings	49,450,909	131,863	(1,054)	-	49,581,718
Vehicles and equipment	26,457,902	2,183,483	(145,784)	640,396	29,135,997
Infrastructure	<u>34,001,323</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,001,323</u>
Total capital assets, being depreciated	<u>173,498,602</u>	<u>2,325,906</u>	<u>(148,427)</u>	<u>821,869</u>	<u>176,497,950</u>
Less accumulated depreciation for:					
Buildings	(23,156,751)	(2,589,309)	1,005	-	(25,745,055)
Improvements other than buildings	(14,782,108)	(2,325,799)	667	-	(17,107,240)
Vehicles and equipment	(21,791,331)	(1,848,945)	145,452	-	(23,494,824)
Infrastructure	<u>(21,301,390)</u>	<u>(394,394)</u>	<u>-</u>	<u>-</u>	<u>(21,695,784)</u>
Total accumulated depreciation	<u>(81,031,580)</u>	<u>(7,158,447)</u>	<u>147,124</u>	<u>-</u>	<u>(88,042,903)</u>
Total capital assets, being depreciated, net	<u>92,467,022</u>	<u>(4,832,541)</u>	<u>(1,303)</u>	<u>821,869</u>	<u>88,455,047</u>
Governmental activities capital assets, net	<u>\$ 132,959,257</u>	<u>\$ (832,679)</u>	<u>\$ (1,303)</u>	<u>\$ 50,629</u>	<u>\$ 132,175,904</u>

- (1) Net transfers in relate to \$50,629 of assets constructed /purchased by enterprise funds which were contributed to governmental activities.
- (2) The beginning balance for total capital assets being depreciated and total accumulated depreciation were adjusted by \$6,316,266 and \$2,170,739, respectively, to account for the capitalization of a park facility donated to the City in a prior period.

Internal service funds predominantly serve the governmental funds. Accordingly, capital assets for them are included as part of the above totals for governmental activities. At September 30, 2022, \$1,583,672 of internal service fund related capital assets are included in the above amounts.

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CITY OF HALLANDALE BEACH, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 6. CAPITAL ASSETS (CONTINUED)

	<u>Beginning Balance ⁽²⁾</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers ⁽¹⁾</u>	<u>Ending Balance</u>
Business-type activities					
Capital assets, not being depreciated:					
Land	\$ 1,263,102	\$ -	\$ -	\$ -	\$ 1,263,102
Construction in progress	<u>5,032,738</u>	<u>4,807,675</u>	<u>-</u>	<u>(3,045,236)</u>	<u>6,795,177</u>
Total capital assets, not being depreciated	<u>6,295,840</u>	<u>4,807,675</u>	<u>-</u>	<u>(3,045,236)</u>	<u>8,058,279</u>
Capital assets, being depreciated:					
Buildings	26,131,610	-	-	-	26,131,610
Improvements other than buildings	4,955,711	-	-	41,743	4,997,454
Vehicles and equipment	11,735,265	544,513	-	144,207	12,423,985
Intangibles	265,776	-	-	162,270	428,046
Infrastructure	<u>91,969,113</u>	<u>-</u>	<u>-</u>	<u>2,646,387</u>	<u>94,615,500</u>
Total capital assets, being depreciated	<u>135,057,475</u>	<u>544,513</u>	<u>-</u>	<u>2,994,607</u>	<u>138,596,595</u>
Less accumulated depreciation for:					
Buildings	(17,005,381)	(1,108,334)	-	-	(18,113,715)
Improvements other than buildings	(2,931,289)	(220,811)	-	-	(3,152,100)
Vehicles and equipment	(8,572,975)	(789,414)	-	-	(9,362,389)
Intangibles	(59,456)	(54,079)	-	-	(113,535)
Infrastructure	<u>(49,721,617)</u>	<u>(3,245,168)</u>	<u>-</u>	<u>-</u>	<u>(52,966,785)</u>
Total accumulated depreciation	<u>(78,290,718)</u>	<u>(5,417,806)</u>	<u>-</u>	<u>-</u>	<u>(83,708,524)</u>
Total capital assets, being depreciated, net	<u>56,766,757</u>	<u>(4,873,293)</u>	<u>-</u>	<u>2,994,607</u>	<u>54,888,071</u>
Business-type activities capital assets, net	<u>\$ 63,062,597</u>	<u>\$ (65,618)</u>	<u>\$ -</u>	<u>\$ (50,629)</u>	<u>\$ 62,946,350</u>

- (1) Net transfers out relate to \$50,629 of assets constructed/purchased by enterprise funds which were contributed to governmental activities.
- (2) The beginning balance for construction in progress was reduced by \$6,868,932 to account for projects completed before October 1, 2021. The costs of these projects were reclassified to the total capital assets being depreciated by class. In addition, the beginning capital assets being depreciated were also increased by \$188,413 to account for utility assets associated with the donation of a park facility. As a result, beginning accumulated depreciation was also increased by \$480,885.

Depreciation expense was charged to function/programs of the primary government as follows:

Governmental activities:	
General government	\$ 2,057,940
Public safety	1,042,076
Physical environment	12,480
Transportation	329,701
Economic environment	60,547
Culture and recreation	3,639,818
Human services	15,885
Total depreciation expense - governmental activities	<u>\$ 7,158,447</u>
Business-type activities:	
Utility	\$ 2,965,690
Sanitation	98,759
Stormwater drainage	2,349,076
Cemetery	4,281
Total depreciation expense - business-type activities	<u>\$ 5,417,806</u>

CITY OF HALLANDALE BEACH, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 7. INTERFUND ACTIVITIES

Interfund receivable and payable balances as of September 30, 2022 are as follows:

Due From	Due To		
	General	Community Redevelopment	Total
Community Redevelopment	\$ 997,075	\$ -	\$ 997,075
Grants	2,288,939	-	2,288,939
Redevelopment Revenue Note Fund	-	41,453	41,453
Nonmajor Governmental	-	50,000	50,000
Total	\$ 3,286,014	\$ 91,453	\$ 3,377,467

Transfers: The composition of interfund transactions for the year ended September 30, 2022, is as follows:

Transfers Out	Transfers In			Total Transfers Out
	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	
General Fund	\$ -	\$ 331,183	\$ 2,498,333	\$ 2,829,516
Community Redevelopment	-	-	1,167,463	1,167,463
Grants Fund	10,018,581	-	-	10,018,581
Total Transfers In	\$ 10,018,581	\$ 331,183	\$ 3,665,796	\$ 14,015,560

During the year ended September 30, 2022, there were total transfers of \$50,629 relating to capital asset that were constructed or purchased by business-type activities and contributed to governmental activities for use. Refer to Note 6 for additional information. The \$10,018,581 transfer into the General Fund from the Grants Fund represent reimbursements of \$9,487,855 for American Rescue Plan Act (ARPA) expenditures and \$530,726 for other grant related expenditures that were carried out and paid for by the General Fund. Transfers into the nonmajor governmental funds represents transfers from the General Fund and Community Redevelopment Agency in the amounts of \$1,126,700 and \$1,167,463, respectively, to the Revenue Bond Fund to provide funding for the repayment of the Capital Improvement Refunding Revenue Bonds, Series 2016. Also included within transfers into the nonmajor governmental funds from the General Fund is \$1,371,633 to the Transportation Fund to support various operating costs and \$331,183 to the Capital Projects Fund to support various ongoing capital projects.

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CITY OF HALLANDALE BEACH, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities for the City's governmental activities, each major governmental fund and nonmajor governmental and internal service funds in the aggregate as of September 30, 2022 were as follows:

	General Fund	Community Redevelopment Agency Fund	Grants Fund	General Obligation Bond Fund	Capital Projects Fund
<u>Governmental activities</u>					
Vendor payables	\$ 2,007,245	\$ 340,974	\$ 1,218,139	\$ 481,864	\$ 11,109
Retainage payable	9,949	-	5,000	100,459	-
Other liabilities	1,553,189	19,301	-	-	-
Total payables	<u>\$ 3,570,383</u>	<u>\$ 360,275</u>	<u>\$ 1,223,139</u>	<u>\$ 582,323</u>	<u>\$ 11,109</u>

	Redevelopment Revenue Note Fund	Non-Major Funds	Internal Service Funds	Total Governmental Activities
Vendor payables	\$ 116,598	\$ 263,584	\$ 70,275	\$ 4,509,788
Retainage payable	19,972	-	-	135,380
Other liabilities	-	64,546	13,282	1,650,318
Total payables	<u>\$ 136,570</u>	<u>\$ 328,130</u>	<u>\$ 83,557</u>	<u>\$ 6,295,486</u>

Accounts payable and accrued liabilities for the City's business-type activities, each major and nonmajor enterprise fund as of September 30, 2022 were as follows:

	Utility Fund	Sanitation Fund	Stormwater Drainage Fund	Nonmajor Cemetery Fund	Total Business-Type Activities
<u>Business-type activities</u>					
Vendor payables	\$ 1,543,403	\$ 149,490	\$ 225,055	\$ 10,169	\$ 1,928,117
Retainage payables	131,794	-	-	-	131,794
Accrued wastewater treatment expense	910,136	-	-	-	910,136
Other liabilities	91,460	30,716	15,497	4,653	142,326
Total payables	<u>\$ 2,676,793</u>	<u>\$ 180,206</u>	<u>\$ 240,552</u>	<u>\$ 14,822</u>	<u>\$ 3,112,373</u>

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CITY OF HALLANDALE BEACH, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 9. LONG-TERM DEBT AND OTHER OBLIGATIONS

The following is a summary of long-term debt and other obligation transactions for the year ended September 30, 2022:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Bonds payable					
Refunding revenue bonds - Series 2016	\$ 17,130,000	\$ -	\$ (1,580,000)	\$ 15,550,000	\$ 1,660,000
G.O. bonds - Series 2016	52,115,000	-	(1,230,000)	50,885,000	1,295,000
Direct placements					
HBCRA Redevelopment Revenue Bonds	7,575,000	-	(1,435,000)	6,140,000	1,475,000
HBCRA Redevelopment Note - Series 2020	17,750,000	-	(2,850,000)	14,900,000	3,190,000
Unamortized bond premium	4,846,849	-	(574,539)	4,272,310	-
	<u>99,416,849</u>	<u>-</u>	<u>(7,669,539)</u>	<u>91,747,310</u>	<u>7,620,000</u>
Other long-term liabilities:					
Equipment financed purchase obligations	1,116,269	-	(261,516)	854,753	273,539
Accrued claims for self-insured risks	3,918,000	6,547,589	(1,209,921)	9,255,668	6,505,668
Net pension liability (City Plans)	76,995,808	37,684,562	(67,054,840)	47,625,530	-
Net pension liability (FRS)	4,460,249	10,404,453	(3,231,746)	11,632,956	-
Total pension liability - excess benefit plan	14,900,343	731,176	(779,344)	14,852,175	-
Total OPEB liability	9,597,498	883,164	(3,584,860)	6,895,802	-
Compensated absences	2,814,570	3,155,935	(3,238,063)	2,732,442	865,697
	<u>113,802,737</u>	<u>59,406,879</u>	<u>(79,360,290)</u>	<u>93,849,326</u>	<u>7,644,904</u>
Governmental activity					
Long-term liabilities	<u>\$ 213,219,586</u>	<u>\$ 59,406,879</u>	<u>\$ (87,029,829)</u>	<u>\$ 185,596,636</u>	<u>\$ 15,264,904</u>
Business-type activities:					
Revenue note - Series 2014	\$ 2,310,000	\$ -	\$ (560,000)	\$ 1,750,000	\$ 565,000
Revenue note - Series 2012	330,000	-	(330,000)	-	-
Direct Borrowings:					
SRF notes payable	1,364,426	311,604	(101,265)	1,574,765	200,317
	<u>4,004,426</u>	<u>311,604</u>	<u>(991,265)</u>	<u>3,324,765</u>	<u>765,317</u>
Other long-term liabilities:					
Net pension liability (City Plans)	3,059,773	3,398,101	(4,022,573)	2,435,301	-
Net pension liability (FRS)	1,459,882	6,917,466	(4,358,611)	4,018,737	-
Total OPEB liability	2,708,256	278,577	(1,021,631)	1,965,202	-
Compensated absences	578,460	682,364	(729,888)	530,936	173,533
	<u>7,806,371</u>	<u>11,276,508</u>	<u>(10,132,703)</u>	<u>8,950,176</u>	<u>173,533</u>
Business-type activity					
Long-term liabilities	<u>\$ 11,810,797</u>	<u>\$ 11,588,112</u>	<u>\$ (11,123,968)</u>	<u>\$ 12,274,941</u>	<u>\$ 938,850</u>

The City had no open or unused lines of credit, or direct borrowing liabilities, as of September 30, 2022. The outstanding liabilities from direct placements was \$21,040,000 and \$1,574,765 for governmental activities and business-type activities, respectively.

Governmental Activities

Revenue Bonds and Notes: On July 20, 2016, the City issued Capital Improvement Refunding Revenue Bonds, Series 2016 in the amount of \$21,720,000 to partially advance refund outstanding principal related to the Revenue Bonds, Series 2007A and to finance the acquisition, construction and equipping of the City's Main Fire Station. The bonds, including the payment of interest are secured by a pledge from the City to budget and appropriate an amount from non-ad valorem revenues. Pledge revenues are deposited into the City's Revenue Bond Debt Service Fund. There are no subjective acceleration clauses for this note. In the event of a default, all pledged funds shall be first applied to the payment of the reasonable and proper charges, expenses, and liabilities of the trustee or receiver, Registrar and Paying agent and then applied to the payment of interest and principal or Redemption Price, if applicable, then due on the Bonds. The interest rates range from 2% to 5% and the final maturity is October 1, 2035.

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2022

NOTE 9. LONG-TERM DEBT AND OTHER OBLIGATIONS (CONTINUED)

On July 20, 2016, the City issued General Obligation Bonds, Series 2016, per City Ordinance No. 2014-33 in the amount of \$57,500,000. The bonds were issued to fund the costs of construction, expansion, renovation and improvements of City-Wide parks and recreation facilities in accordance with the City's City-Wide Parks Master Plan dated February 10, 2012. Revenue for ad valorem taxes levied on all taxable property in the City will be used to pay the debt service on the note. The Bonds are general obligations of the City. The principal and interest on the Bonds are secured by a pledge of the full faith, credit and taxing power of the City without limitation. Acceleration of the payment of principal of and interest on the Bonds shall not be a remedy in the case of an event of default. The interest rates range from 3% to 5% and the final maturity is July 1, 2046.

On November 18, 2015, the HBCRA Board authorized the issuance of HBCRA Redevelopment Revenue Note, Series 2015, as a direct placement, in the amount of \$15,400,000 for the purpose of financing and reimbursing the cost of the acquisition, construction and equipping of certain capital improvements consistent with the Agency's Redevelopment Plan. Pledged revenues consist of the HBCRA's tax increment revenues paid by the City, Broward County, the South Broward Hospital District and the Children's Services Council of Broward County, as well as the water public service tax revenues. The note bears an interest rate of 2.72% and the final maturity is February 1, 2026. In the event of a default, bondholders may take suit, actions or special proceedings under the laws of the State of Florida or under Bond resolution to protect and enforce their rights. In certain cases, in the event of default, the interest rate on the debt may be increased. Default could also cause the acceleration of the entire remaining, unpaid balance of the Note.

On July 30, 2020, the CRA Board authorized the issuance of HBCRA Redevelopment Revenue Note, Series 2020, as a direct placement, in the amount of \$20,000,000 for the purpose of financing and reimbursing the cost of the acquisition, construction and equipping of certain capital improvements consistent with the Agency's Redevelopment Plan. Pledged revenues consist of the HBCRA's tax increment revenues paid by the City, Broward County, the South Broward Hospital District and the Children's Services Council of Broward County. The note bears an interest rate of 2.35% and the final maturity is February 1, 2026. In the event of a default, the owner of the Note may take suit, actions or special proceedings under the laws of the State of Florida or under Bond resolution to protect and enforce their rights. In certain cases, in the event of default, the interest rate on the debt may be increased. Default could also cause the acceleration of the entire remaining, unpaid balance of the Note.

Equipment Financed Purchase Obligations: On September 1, 2020, the City entered into an agreement to finance the acquisition of radio equipment for public safety. This agreement qualifies as a financed purchase obligation for accounting purposes, and therefore, has been recorded at the present value of future minimum payments as of the date of its inception. The agreement carries a nominal interest rate of 3.867%. Principal and interest payments are due September 1 of each year, commencing September 1, 2020, and every year thereafter until the end of the term on September 1, 2026.

On November 16, 2018, the City entered into an agreement to finance the acquisition of city-wide surveillance equipment. This agreement qualifies as a financed purchase obligation for accounting purposes and therefore, has been recorded at the present value of future minimum payments as of the date of inception. The equipment acquired through the agreement were recorded under governmental activities as capital assets during the fiscal year 2020 with a cost of \$448,549. The agreement carries a nominal interest rate of 5.75%. Principal and interest payments are due on the 5th of every month, commencing on December 5, 2018, and every month thereafter until the end of the term on November 5, 2023. The agreement has a bargain purchase option of \$1.

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CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 9. LONG-TERM DEBT AND OTHER OBLIGATIONS (CONTINUED)

Business-Type Activities

Revenue Bonds and Notes: The Revenue Note, Series 2012 was originally issued in the amount of \$2,770,000 at 1.5% interest. Interest on the note was to be paid semiannually on each May 1 and November 1, commencing November 1, 2012, and continuing until the note was paid in full. The principal amount of the bonds was due and payable on November 1, 2012, and each November 1 thereafter until the maturity date. Pledged revenues included the net revenues of the City's water, sewer, and stormwater utility systems. The difference in cash flows produced nominal savings of \$434,668 and an economic gain on the transaction of \$402,331 which represents a 13.661% savings of the refunded bonds. The note was fully paid and matured on November 1, 2021. No event of default or continuation of default occurred, and thus, no acceleration of the remaining unpaid balance of the Note and interest accrued was declared. As of September 30, 2022, the City has no outstanding balance on the note.

The Revenue Bonds, Series 2005A were refunded on December 30, 2014. The City issued the Refunding Revenue Note, Series 2014 in the amount of \$5,390,000 for the purpose of refinancing the City's outstanding obligations pursuant to the loan agreement dated February 7, 2005, between the City and the Florida Municipal Loan Council. The Refunding Revenue Note, Series 2014 is subject to a fixed rate of interest equal to 2.25% and secured solely by pledged revenues. Pledged revenues include net revenues of the City's water and sewer system, the gross revenues of the City's stormwater system and legally available City's utility impact fees. Interest on the Series 2014 Note is to be paid semiannually on each February 1 and August 1, commencing February 1 2015, and continuing until the note is paid in full. The principal amount of the Series 2014 Note will be due and payable on February 1, 2016, and each February 1 thereafter until the maturity date. The note matures on February 1, 2025. In the event of default and continuation of default, the Bank may declare the acceleration of the entire remaining, unpaid balance of the Note and interest accrued.

State Revolving Loan: Under the State of Florida Revolving Fund program, the City has received two loan commitments for improvements to the City's wastewater collection system. Draws against the first committed loan totaled \$529,499 and the outstanding balance was \$425,822 as of September 30, 2022. The City can draw up to a total principal amount of \$550,000. The interest rate on the unpaid principal of the loan balance is 1.38% per annum. Draws against the second committed loan totaled \$1,227,512 and the outstanding balance was \$1,148,942, inclusive of \$8,770 capitalized interest, as of September 30, 2022. The City can draw up to a total principal amount of \$3,600,000. The interest rate on the unpaid principal of the loan balance is 0.9% per annum.

Related payments of principal and interest as presented in the table of annual debt service requirements have not been finalized. The annual debt service requirements represent a projected estimate of payment requirements. The City has agreed to maintain rates, together with other pledged revenues, sufficient to provide "net revenues" equal to at least 1.15 times the annual loan payments after meeting the primary debt service requirements. Reserve and debt service funding requirements pursuant to the agreements were met in fiscal year 2022.

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CITY OF HALLANDALE BEACH, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 9. LONG-TERM DEBT AND OTHER OBLIGATIONS (CONTINUED)

Other Long-Term Liabilities

Within governmental activities, the General Fund has primarily been used to liquidate other long-term liabilities such as compensated absences, other post-employment benefits, and the related pension liabilities. Internal service funds predominantly serve the governmental funds. Therefore, long-term liabilities for them are included as part of the totals for governmental activities.

A summary of annual debt service requirements as of September 30, 2022 is as follows:

Year Ending September 30,	Governmental Activities									
	Refunding Revenue Bonds Series 2016		HBCRA Redevelopment Revenue Note		General Obligation Bonds Series 2016		Redevelopment Note Series 2020		Equipment Financed Purchase Obligations	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 1,660,000	\$ 633,163	\$ 1,475,000	\$ 167,008	\$ 1,295,000	\$ 1,784,506	\$ 3,190,000	\$ 312,934	\$ 273,539	\$ 32,655
2024	1,740,000	548,163	1,515,000	126,888	1,360,000	1,719,756	3,545,000	233,730	198,061	21,937
2025	1,835,000	458,788	1,555,000	85,680	1,425,000	1,651,756	3,900,000	146,177	187,942	14,816
2026	1,930,000	364,663	1,595,000	43,384	1,500,000	1,580,506	4,265,000	50,156	195,211	7,549
2027	2,025,000	265,788	-	-	1,570,000	1,505,506	-	-	-	-
20287 - 2032	4,105,000	606,606	-	-	9,085,000	6,305,481	-	-	-	-
2033 - 2037	2,255,000	149,500	-	-	10,760,000	4,625,231	-	-	-	-
2038 - 2042	-	-	-	-	12,480,000	2,911,181	-	-	-	-
2043 - 2046	-	-	-	-	11,410,000	901,594	-	-	-	-
	<u>\$15,550,000</u>	<u>\$3,026,671</u>	<u>\$ 6,140,000</u>	<u>\$ 422,960</u>	<u>\$50,885,000</u>	<u>\$22,985,517</u>	<u>\$14,900,000</u>	<u>\$ 742,997</u>	<u>\$ 854,753</u>	<u>\$ 76,957</u>

Year Ending September 30,	Business-Type Activities			
	Revenue Note Series 2014		Direct Borrowing State Revolving Loan	
	Principal	Interest	Principal	Interest
2023	\$ 565,000	\$ 33,019	\$ 200,317	\$ 15,695
2024	585,000	20,081	202,239	13,773
2025	600,000	6,750	204,180	11,832
2026	-	-	206,140	9,872
2027	-	-	208,119	7,893
20287 - 2032	-	-	392,365	18,532
2033 - 2037	-	-	146,435	6,625
2037 - 2038	-	-	14,970	103
	<u>\$ 1,750,000</u>	<u>\$ 59,850</u>	<u>\$ 1,574,765</u>	<u>\$ 84,325</u>

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CITY OF HALLANDALE BEACH, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 9. LONG-TERM DEBT AND OTHER OBLIGATIONS (CONTINUED)

Pledged Revenue: General long-term debt bonds and the notes are collateralized by multiple sources. The City has pledged certain revenue to repay revenue bonds and the notes outstanding as of September 30, 2022. The following table reports the revenue, net of related operating expenses for business-type activities, pledged for each debt issue, the amounts of such revenue received in the current year, the current year principal and interest paid on the debt, the date through which the revenue is pledged under the debt agreement, and the total pledged future revenue for each debt, which is the amount of the remaining principal and interest on the bonds and notes at September 30, 2022:

Description of Bonds	Pledged Revenue	Revenue Received	Principal and Interest Paid	Percentage of Current Year Debt Service To Pledged Revenue	Outstanding Principal and Interest	Pledged Through
Governmental Activities:						
Refunding Revenue Bonds, Series 2016	Non Ad Valorem	\$26,624,663	\$ 2,294,163	8.62%	\$18,576,671	2036
General Obligation Bonds, Series 2016	Ad Valorem	31,210,315	3,076,006	9.86%	73,870,517	2046
HBCRA Redevelopment Revenue Note	Tax Increment and Water Public Service Tax	18,624,179	1,641,040	8.81%	6,562,960	2026
HBCRA Redevelopment Bonds, Series 2020	Tax Increment	17,524,554	3,233,964	18.45%	15,642,997	2026
Business-type Activities						
Revenue Note, Series 2014	Net revenues of water, sewer and stormwater utility	6,351,537	605,675	9.54%	1,809,850	2025
State Revolving Fund Loan	Net revenues of water and sewer utility, less payment of senior obligations	4,110,333	123,310	3.00%	1,659,087	2036

Defeased and Refunded Debt: On July 20, 2016, the City defeased a portion of the Series 2007A bonds through an advance refunding. An advance refunding occurs by placing the proceeds of new bond issuances in an irrevocable trust with an escrow agent (third party financial institution), sufficient to provide for all future debt service requirements on the old bond issuance. The defeasance of these bonds resulted in the City removing the assets placed in the trust and related debt from the City's financial statements. At September 30, 2022, \$10,035,000 of bonds outstanding are considered defeased.

NOTE 10. CITY PENSION PLANS

City Defined Benefit Plans

The City provides three separate defined benefit single-employer pension plans (General Employees Retirement Plan, Police and Fire Retirement Plan, and the Professional/Management Retirement Plan). The City accounts for these plans as pension trust funds.

Summary of Significant Accounting Policies

Basis of Accounting

The pension plans are accounted for on the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to each plan are recognized when due. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

Investments

Plan investments are valued as described in Note 3, Fair Value Hierarchy. Unrealized gains and losses are presented as net increase (decrease) in fair value of investments on the statement of changes in fiduciary net position along with the gains and losses realized on the sales of investments. Purchases and sales of investments are recorded on a trade-date basis.

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 10. CITY PENSION PLANS (CONTINUED)

Summary of Significant Accounting Policies (Continued)

Administrative Expenses

Administrative expenses paid by the plans include services of administrative personnel, bank charges, investment counsel charges, actuarial costs, insurance expense and miscellaneous office expenses.

Risks and Uncertainties

The plans invest in various investment securities. As noted in Note 3, investment securities are exposed to various risks such as interest rate, market, credit, and foreign currency risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term, and that such changes could materially affect the amounts reported in the statement of fiduciary net position for each plan. The plans, through their investment advisors, monitor plan investments and the risks associated therewith on a regular basis to minimize these risks.

General Employees' Retirement Plan

Plan Description: The City of Hallandale Beach Retirement Plan is a single-employer defined-benefit plan. The plan covers all City employees except police officers, firefighters and management/professional employees. Effective October 1, 2007, the plan was closed to new non-bargaining employees. Effective January 5, 2011, the Plan was closed to bargaining employees. Accordingly, no new participants have entered the Plan after January 5, 2011. The City does not issue a stand-alone financial report for the Plan. As of September 30, 2022, employee membership data related to the plan was as follows:

Inactive plan members or beneficiaries currently receiving benefits	163
Inactive plan members entitled to, but not receiving benefits	68
Active plan members	58
Total	<u>289</u>

Benefits Provided: The plan provides enhanced retirement as well as death benefits. Benefits vest 20% after three years of active participation, plus 20% for each additional year to 100% after seven years. Employees who retire at or after age 60 with 15 years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 73-75% of average compensation times the accrued benefit adjustment. Average compensation is equal to the monthly average of total pay within the three-year period ending on the day prior to the normal retirement date.

Employees with 20 years of credited service may retire at or after age 55 and receive reduced retirement benefits. The City Commission has the authority to create or amend benefit provisions.

If an employee leaves covered employment or dies before five years of credited service, accumulated employee contributions plus related investment earnings are refunded to the employee or designated beneficiary.

The Deferred Retirement Option Plan (DROP) is available to all plan members who have become eligible for early or normal retirement. Upon electing to participate in the DROP, members are considered to have retired for pension purposes but continue to remain in active employment with the City. The member's pension benefit is calculated as if they actually retired on the date of DROP participation, using continuous service, average monthly earnings, and the current multiplier as of that date. However, instead of paying the benefit to the member, a DROP account is established, and the benefit is deposited into the account every month for up to five years. These deposits continue to accumulate interest. Upon actual termination of employment, members shall receive their normal retirement benefits and may elect to receive their funds from the DROP account in a lump sum distribution or roll their account balance into a qualified instrument. At September 30, 2022, there were 19 DROP participants, with a total balance of \$1,738,286. These funds are included in the Plan's Fiduciary Net Position.

CITY OF HALLANDALE BEACH, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 10. CITY PENSION PLANS (CONTINUED)

General Employees' Retirement Plan (Continued)

Contributions: The Plan's funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate sufficient assets to pay benefits when due. Level percentages of payroll contribution rates are determined using the entry age normal cost method. The City Commission has the authority to establish and amend contribution requirements of plan members. Covered employees are required by City ordinance to contribute 3% of monthly earnings. The City is required to contribute the remaining amounts necessary to fund the plan, based on an actuarially determined amount each year.

The employees, in accordance with City ordinance, made contributions for the year ending September 30, 2022 totaling \$146,084. Employer contributions for same period, as determined by the October 1, 2020 actuarial valuation, totaled \$1,753,210 or 100% of the actual amount required.

Target Allocations: The Plan's investment policy establishes authorized investment classes, concentration limits, maturity constraints, investment ratings, and liquidity parameters. The policy and actual investment mix is monitored by the Board and the Plan's investment consultants. The target asset allocations as determined through monitoring for the years ended September 30, 2022 and 2021, are as follows.

<u>Asset Class</u>	<u>Target Allocation</u>	
	<u>2022</u>	<u>2021</u>
U.S. equity	29.4%	29.3%
International equity	12.6%	14.7%
Fixed income - core bonds	46.0%	46.0%
Fixed income - high yield	4.0%	4.0%
Real estate	8.0%	6.0%
Total	100.0%	100.0%

Police Officers' and Firefighters' Personnel Retirement Trust

Plan Description: The City of Hallandale Beach Police Officers' and Firefighters' Personnel Retirement Trust is a single-employer defined benefit plan, which covers all police officers and firefighters. The Police and Fire Retirement Plan issues a stand-alone financial report. Copies of this report are available in the Finance Department in the Municipal Complex. As of September 30, 2022, employee membership data related to the plan was as follows:

Inactive plan members or beneficiaries currently receiving benefits	214
Inactive plan members entitled to, but not receiving benefits	26
Active plan members	<u>111</u>
Total	<u><u>351</u></u>

Benefits Provided: The plan provides retirement benefits as well as death and disability benefits. Employees vest after ten years of service. Employees who retire at or after age 52 with ten years of credited service or 25 years of credited service regardless of age, are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 3.2% for Tier I and 3.0% for Tier II of final average compensation, times the number of years and completed months of service, not to exceed 80% for Tier I and 75% for Tier II of final average compensation. Employees with ten years of credited service may retire at or after age 45 and receive reduced retirement benefits. The Plan includes a Deferred Retirement Option, Medical Stipend, Cost of Living Adjustment and Additional Accrual Service purchase benefits.

Firefighters with ten or more years of credited service in this Plan on December 31, 2019, who elect to enroll in the Florida Retirement System after the merger with BSO, shall be entitled to receive normal retirement benefits from this Plan based on the average of their five highest years of earnings (including earnings received from the City, BSO or a combination of the two), upon attaining 25 years of combined service with the City and BSO, regardless of age (including additional accrual service), or upon reaching age 52 with ten or more years of credited service. Such participants shall be entitled to receive an inservice distribution from this Plan upon reaching eligibility for normal retirement benefits, with no requirement of separation from BSO employment.

CITY OF HALLANDALE BEACH, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 10. CITY PENSION PLANS (CONTINUED)

Police Officers' and Firefighters' Personnel Retirement Trust (Continued)

For firefighter participants who elect to continue participating in this Plan after January 4, 2020, and are not eligible for normal retirement on that date or within 25 months thereafter the average final compensation shall be based on the highest five years of the last ten years of credited service (including BSO service); but for firefighter participants hired before August 7, 2013, the average final compensation shall be no less than the average of the two most recent calendar years before January 4, 2020. Additionally, the normal retirement age shall be the earlier of age 52 with ten years of credited service or attainment of 25 years of credited service (including BSO service) regardless of age; or upon reaching the maximum benefit accrual percentage once the participant has completed the terms of their additional accrual service purchase agreement, if applicable. The benefit multiplier for all future service shall be 3.00% per year of credited service, with a maximum, excluding cost of living adjustments and the health care stipend, not to exceed \$100,000 or the maximum percentage of average final compensation. Effective January 1, 2022, and every two years thereafter, the \$100,000 maximum annual service retirement benefit for firefighter participants shall increase by 2%, until it reaches \$125,000, at which point there shall be no further increases. The maximum percentage of average final compensation shall continue to apply; provided in no event shall a participant's normal retirement benefit, including the health care stipend, be less than 2.75% for all years of credited service, to include additional accrual service once the participant has completed the terms of their additional accrual service agreement.

All earnings considered pensionable by the FRS shall be considered pensionable earnings under this Plan for firefighters who elect to continue participating in this plan after January 1, 2020, except no more than 300 hours of overtime pay per fiscal year may be included in pensionable earnings, and payments for accrued unused sick and annual leave shall be excluded, and wages earned for details shall not be pensionable.

Firefighters who were eligible for normal retirement under this plan within 25 months following January 1, 2020, were able to elect to retain the current plan benefits (as written in the plan on December 31, 2019, not as amended by legal opinions dated between 2016-2018), if they completed and submitted an irrevocable retirement application before March 1, 2020, for retirement no later than the first date of normal retirement eligibility.

Additionally, firefighters who elect to continue participating in this Plan after January 1, 2020, may receive an in-service distribution of benefits from this Plan upon reaching eligibility for normal retirement, with no requirement of separation from BSO employment.

Participants are eligible for early retirement benefits upon attaining age 45 with 10 years of continuous service. The early retirement benefit may be taken in two ways; immediately upon early retirement (date of separation from active service); or deferred until the participant attains normal retirement age (as defined above). If the participant elects to receive compensation upon early retirement, the amount of the benefit will be determined in the same manner as normal retirement benefit but the benefit payable will be actuarially reduced by the number of years and months by which the commencement of benefits precedes the normal retirement date. If the participant elects to defer receiving compensation until the retirement age, the amount of benefit will be defined in the same manner as normal retirement but the average compensation used in the calculation will be based on the date of separation from active service (no percentage will be reduced).

Participants are eligible for benefits for duty disability (service incurred), regardless of length of continuous service prior to becoming disabled and are eligible for non-duty incurred disability benefits after completing ten years of credited service. Benefits for duty disability will be 75% of the participant's pensionable earnings at the time of disability integrated with social security. Benefits for non-service incurred disability will be 3.2% of final average compensation multiplied by the number of years of credited service, but not less than 25%. The disability benefit is payable for the life of the participant or recovery of the disability.

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2022

NOTE 10. CITY PENSION PLANS (CONTINUED)

Police Officers' and Firefighters' Personnel Retirement Trust (Continued)

Death benefits are payable on behalf of participants who die during performance of their professional service. A surviving beneficiary will receive a monthly benefit equal to the greater of 30% of the participant's average monthly pensionable earnings at the time of death or the participant's accrued monthly retirement benefit. If no beneficiary has been designated, the death benefit will be payable for 120 months to the estate of the deceased. For non-service incurred deaths, if the participant has completed ten years of credited service in the Plan, the nonservice incurred death benefit shall be equal to the participant's accrued monthly retirement benefit at the time of death.

The Deferred Retirement Option Plan (DROP) is available to Tier I police and Tier I firefighters upon attainment of age 52 with 20 years of credited service; the completion of 25 years of credited service regardless of age; or at the date when a participant's service credit benefit reaches 80% of the average compensation. Effective April 15, 2022, Tier II police members are eligible to participate in the DROP upon completion of 25 years of credited service, regardless of age (including the purchase of service time). Upon electing to participate in the DROP, members are considered to have retired for pension purposes but continue to remain in active employment with the City. Monthly payments are deposited into a DROP account and credited with interest based on actual earnings of the plan assets, less 0.5% per year for administrative expenses. Maximum period of participation in the DROP is five years. Upon actual termination of employment, members shall receive their normal retirement benefits and may elect to receive their funds from the DROP account in a lump sum distribution, rollover, installment payment, annuity or combination of payments, subject to provisions of the Internal Revenue Code. Tier 1 firefighters (hired before August 7, 2013) who enter the DROP on or after January 4, 2020, shall earn annual interest credits equal to the net market rate of return on Plan investments during the preceding plan year, with a minimum of 0% and a maximum of 6%. Effective October 2022, Tier I police members entering DROP program shall earn interest credits equal to the net market rate of return on the Pension Plan investments during the preceding plan year, with a minimum of 0% and a maximum of 6%. Interest credits for Tier II police members shall be based on net plan earnings on DROP balances with no guarantee of returns. As of the date of the most recent actuarial valuation, there were 14 active employees in the DROP plan. The balance in the DROP account for these employees as well as for those already retired is \$32,466,164. These funds are included in the Plan's Fiduciary Net Position.

Retired police officers hired before March 20, 2013, and firefighters hired before August 7, 2013, are eligible for certain automatic cost of living adjustment (COLA) increases. There is no automatic COLA structure for police officers or firefighters hired on or after the aforementioned dates. The automatic COLA increases for eligible retirees are dependent on the hire and retirement dates of individual retirees as outlined in the Plan document and are applied if the Consumer Price Index for Urban Areas (CPIU) is equal to or greater than 0.5% for the 12 month period at September 30.

Effective April 15, 2022, subject to the 80% of average final compensation cap, the benefit cap for Tier I police members shall be \$110,000. Police Tier one members who reach the cap and who were otherwise eligible to receive cost of living adjustments on their benefit will earn up to eight 2% pension cost of living adjustments on their benefit after reaching the \$110,000 cap.

Subject to the 75% of average final compensation cap, the benefit cap for Tier II members shall be \$110,000.

Tier 1 firefighters shall receive a prorated 2% annual cost of living adjustment (COLA) on the portion of their accrued benefit based on credited service before August 7, 2013. Firefighters shall receive eight annual COLAs on the portion of their accrued benefit based on service between August 7, 2013 and January 1, 2020, and shall not receive a COLA for any benefit accrued on and after January 1, 2020. Tier 2 firefighters (hired on or after August 7, 2013) are not eligible for a COLA.

CITY OF HALLANDALE BEACH, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 10. CITY PENSION PLANS (CONTINUED)

Police Officers' and Firefighters' Personnel Retirement Trust (Continued)

Contributions: The plan's funding policy provides for periodic employer contributions at actuarially determined rates which, expressed as percentages of annual covered payroll, are sufficient to accumulate sufficient assets to pay benefits when due. Level percentages of payroll contribution rates are determined using the entry age normal actuarial cost method. The City Commission has the authority to establish and amend contribution requirements of plan members. Covered employees were required by ordinance to contribute 9.5% of their salary to the plan.

For firefighters who elected to continue participating in this Plan after January 1, 2020 and are not eligible for normal retirement on that date or within 25 months thereafter, their contributions increased to 10.75% effective January 4, 2020, and to 11.25% effective on January 1, 2022.

For police officers participating in this plan, member contributions increased to 10.5% effective October 1, 2021, and shall increase 11.5% effective on October 1, 2022.

Pursuant to Florida Statutes, Chapter 175 and Chapter 185, contributions from the State of Florida Department of Insurance consist of an excise tax imposed by the City upon certain property insurance companies on the gross amount of premiums from policy holders on all property insurance policies covering property within the City. This amount totaled \$609,737 for the year ended September 30, 2022. This amount was recognized as an expenditure and revenue in the General Fund. Contributions for year ended September 30, 2022, consisting of \$12,861,249 for the employer, or 100% of the required employer contribution and \$1,574,461 for the employees, were made in accordance with the state statute and in accordance with actuarially determined contribution requirements determined through an actuarial valuation performed at October 1, 2020.

Target Allocations: The Plan's investment policy establishes authorized investment classes, concentration limits, maturity constraints, investment ratings, and liquidity parameters. The policy and actual investment mix is monitored by the Board and the Plan's investment consultants. The target asset allocations as determined through monitoring for the years ended September 30, 2022 and 2021, are as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	
	<u>2022</u>	<u>2021</u>
Domestic equity	52.5%	52.5%
International equity	10.0%	10.0%
Fixed income	17.5%	17.5%
Real estate fund	5.0%	5.0%
Private equity fund	5.0%	5.0%
Infrastructure fund	5.0%	5.0%
Hedge fund	5.0%	5.0%
Total	100.0%	100.0%

Professional/Management Retirement Plan

Plan Description: The City of Hallandale Beach Professional/Management Retirement Plan is a single-employer defined-benefit plan, established by City Ordinance 2004-22, as amended. The plan covers most professional/management employees hired before January 1, 2007, as indicated in the Personnel Resource System. The City does not issue a stand-alone financial report for the plan.

As of September 30, 2022, employee membership data related to the plan was as follows:

Inactive plan members or beneficiaries currently receiving benefits	26
Inactive plan members entitled to, but not receiving benefits	8
Active plan members	<u>3</u>
Total	<u><u>37</u></u>

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 10. CITY PENSION PLANS (CONTINUED)

Professional/Management Retirement Plan

Benefits Provided: The plan provides enhanced retirement benefits as well as death and disability benefits. Benefits vest 100% after four years. Employees can retire at or after age 60 with four years of credited service or age 52 with ten years of credited service or upon attaining the maximum benefit regardless of age. The benefit amount is calculated as 3.2% for each year of eligible service multiplied by a two-year average compensation up to a maximum benefit of 80% of average compensation. Employees who retire early with ten years of service and age 45 incur a reduction of 6% for each year the early retirement date precedes the normal retirement date. The plan includes a Deferred Retirement Option, Medical Stipend, Excess Benefit Plan, Cost of Living Adjustment and Additional Accrual Service purchase benefits.

If an employee leaves covered employment or dies before four years of credited service, accumulated employee contributions plus related investment earnings are refunded to the employee or designated beneficiary.

The Deferred Retirement Option Plan (DROP) is available to all plan members who have become eligible for early or normal retirement. Upon electing to participate in the DROP, members are considered to have retired for pension purposes but continue to remain in active employment with the City. The member's pension benefit is calculated as if they actually retired on the date of DROP participation, using continuous service, average monthly earnings, and the current multiplier as of that date. However, instead of paying the benefit to the member, a DROP account is established, and the benefit is deposited into the account every month for up to five years. These deposits continue to accumulate interest. Upon actual termination of employment, members shall receive their normal retirement benefits and may elect to receive their funds from the DROP account in a lump sum distribution or roll their account balance into a qualified instrument. At September 30, 2022, there was one DROP participant, with a total asset balance of \$790,062. These funds are included in the Plan's Fiduciary Net Position.

Each January 1, beginning January 1, 2004, eligible retirees will receive a COLA increase if the Consumer Price Index published by the U.S. Department of Labor has increased by at least 0.5%. The maximum increase for fiscal years 2004 and 2005 was 1% and the maximum increase thereafter is 2%

Contributions: The plan's funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate sufficient assets to pay benefits when due. Level percentages of payroll contribution rates are determined using the entry age normal actuarial cost method. The City Commission has the authority to establish and amend contribution requirements of plan members. Covered employees are required by plan documents to contribute 7% of monthly compensation. The City is required to contribute the remaining amounts necessary to fund the plan, based on an actuarially determined amount each year.

The employees, in accordance with plan documents, made contributions for the year ended September 30, 2022, totaling \$37,492. Employer contributions for the same period, as determined by the October 1, 2011 actuarial valuation totaled \$481,392 or 100% of the actual amount required. Payments of contributions, benefits and refunds are recognized in the financial statements as they are paid.

Target Allocations: The plan's investment policy establishes authorized investment classes, concentration limits, maturity constraints, investment ratings, and liquidity parameters. The policy and actual investment mix is monitored by the Board and the plan's investment consultants. The target asset allocations as determined through monitoring for the years ended September 30, 2022 and 2021, are as follows:

Asset Class	Target Allocation	
	2022	2021
U.S. equity	36.4%	35.8%
International equity	15.6%	18.2%
Fixed income - core bonds	36.8%	36.8%
Fixed income - high yield	3.2%	3.2%
Real estate	8.0%	6.0%
Total	100.0%	100.0%

CITY OF HALLANDALE BEACH, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 10. CITY PENSION PLANS (CONTINUED)

Professional/Management and General Employees' Retirement Plans

The following is financial information for the pension plans that do not issue stand-alone financial statements:

**Statements of Fiduciary Net Position and Changes in Fiduciary Net Position
As of and for the Year Ended September 30, 2022**

	General Employees' Retirement Plan	Professional/ Management Retirement Plan
Assets		
Employer contributions receivable	\$ -	\$ 1,435
Investments:		
Equity pooled separate accounts	23,476,233	9,069,588
Fixed income pooled separate accounts	28,177,718	6,946,580
Real estate pooled separate accounts	5,012,186	1,564,159
Total investments	<u>56,666,137</u>	<u>17,580,327</u>
Total assets	<u>56,666,137</u>	<u>17,581,762</u>
Liabilities		
Accounts payable	<u>1,435</u>	<u>-</u>
Net position		
Restricted for pension benefits	<u>\$ 56,664,702</u>	<u>\$ 17,581,762</u>
	General Employees' Retirement Plan	Professional/ Management Retirement Plan
Additions		
Contributions:		
Employer	\$ 1,753,210	\$ 481,392
Plan members	146,084	37,492
Total contributions	<u>1,899,294</u>	<u>518,884</u>
Investment income (loss):		
Net decrease in fair value of investments	(10,741,894)	(3,546,580)
Less: investment expense	<u>(27,705)</u>	<u>(12,987)</u>
Net investment income (loss)	<u>(10,769,599)</u>	<u>(3,559,567)</u>
Total additions	(8,870,305)	(3,040,683)
Deductions		
Benefits	4,430,219	1,199,323
Administrative expenses	46,056	30,644
Total deductions	<u>4,476,275</u>	<u>1,229,967</u>
Change in net position	(13,346,580)	(4,270,650)
Net position, beginning	70,011,282	21,852,412
Net position, ending	<u>\$ 56,664,702</u>	<u>\$ 17,581,762</u>

CITY OF HALLANDALE BEACH, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 10. CITY PENSION PLANS (CONTINUED)

Changes in Net Pension Liability of the City – City Defined Benefit Pension Plans

The Changes in the components of the net pension liability of the City for the fiscal year ended September 30, 2022 were as follows for the General Employees' Retirement Plan:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a-b)
Balances at 9/30/21	\$ 72,423,673	\$ 63,942,910	\$ 8,480,763
Changes for the year:			
Service cost	777,488	-	777,488
Interest on total pension liability	4,796,122	-	4,796,122
Differences between expected and actual experience	1,201,715	-	1,201,715
Change in assumptions	1,897,276	-	1,897,276
Benefit payments, including refunds of employee contributions	(4,204,792)	(4,204,792)	-
Contributions - employer	-	1,862,258	(1,862,258)
Contributions - employee	-	149,085	(149,085)
Net investment income	-	8,298,777	(8,298,777)
Administrative expenses	-	(36,956)	36,956
Net change	<u>4,467,809</u>	<u>6,068,372</u>	<u>(1,600,563)</u>
Balances at 9/30/22	<u>\$ 76,891,482</u>	<u>\$ 70,011,282</u>	<u>\$ 6,880,200</u>

The Changes in the components of the net pension liability of the City for the fiscal year ended September 30, 2022 were as follows for the Police Officers' and Firefighters' Retirement Trust:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a-b)
Balances at 9/30/21	\$ 260,354,514	\$ 190,740,320	\$ 69,614,194
Changes for the year:			
Service cost	2,625,193	-	2,625,193
Interest on total pension liability	18,870,250	-	18,870,250
Changes of benefit terms	4,300,383	-	4,300,383
Differences between expected and actual experience	4,405,529	-	4,405,529
Benefit payments, including refunds of employee contributions	(14,001,572)	(14,000,906)	(666)
Contributions - employer	-	11,446,820	(11,446,820)
Contributions - employee	-	1,156,812	(1,156,812)
Contributions - buy back	233,957	233,957	-
Net investment income	-	44,894,621	(44,894,621)
Administrative expenses	-	(263,381)	263,381
Net change	<u>16,433,740</u>	<u>43,467,923</u>	<u>(27,034,183)</u>
Balances at 9/30/22	<u>\$ 276,788,254</u>	<u>\$ 234,208,243</u>	<u>\$ 42,580,011</u>

The Changes in the components of the net pension liability of the City for the fiscal year ended September 30, 2022 were as follows for the Professional/Management Retirement Plan:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a-b)
Balances at 9/30/21	\$ 21,493,300	\$ 19,532,676	\$ 1,960,624
Changes for the year:			
Service cost	127,457	-	127,457
Interest on total pension liability	1,416,779	-	1,416,779
Differences between expected and actual experience	29,052	-	29,052
Change in assumptions	573,232	-	573,232
Benefit payments, including refunds of employee contributions	(1,186,788)	(1,186,788)	-
Contributions - employer	-	449,555	(449,555)
Contributions - employee	-	36,654	(36,654)
Net investment income	-	3,041,959	(3,041,959)
Administrative expenses	-	(21,644)	21,644
Net change	<u>959,732</u>	<u>2,319,736</u>	<u>(1,360,004)</u>
Balances at 9/30/22	<u>\$ 22,453,032</u>	<u>\$ 21,852,412</u>	<u>\$ 600,620</u>

CITY OF HALLANDALE BEACH, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 10. CITY PENSION PLANS (CONTINUED)

Net Pension Liability of the City – City Defined Benefit Pension Plans

As of September 30, 2022, the City reported the following net pension liability (NPL) which was measured as of September 30, 2021, (measurement date in accordance with GASB Statement No. 68) associated with each plan:

	General Employees' Retirement Plan	Police Officers' and Firefighters' Retirement Trust	Professional/ Management Retirement Plan
Total pension liability	\$ 76,891,482	\$ 276,788,254	\$ 22,453,032
Plan fiduciary net position	(70,011,282)	(234,208,243)	(21,852,412)
Net pension liability	<u>\$ 6,880,200</u>	<u>\$ 42,580,011</u>	<u>\$ 600,620</u>
 Plan fiduciary net position as a percentage of the total pension liability	 91.05%	 84.62%	 97.32%
 Total net pension liability - City plans			 <u>\$ 50,060,831</u>

In addition, in accordance with GASB Statement No. 67, information related to each plan measured as of September 30, 2022 has been disclosed:

	General Employees' Retirement Plan	Police Officers' and Firefighters' Retirement Trust	Professional/ Management Retirement Plan
Total pension liability	\$ 76,068,575	\$ 287,028,030	\$ 22,787,152
Plan fiduciary net position	(56,664,702)	(208,772,717)	(17,581,762)
Net pension liability	<u>\$ 19,403,873</u>	<u>\$ 78,255,313</u>	<u>\$ 5,205,390</u>
 Plan fiduciary net position as a percentage of the total pension liability	 74.49%	 72.74%	 77.16%
 Total net pension liability - City plans			 <u>\$ 102,864,576</u>

Significant Actuarial Assumptions: The total pension liability of the City was determined for each plan utilizing the following assumptions:

	General Employees' Retirement Plan	Police and Fire Retirement Plan	Professional/ Management Retirement Plan
Measurement date:	September 30, 2021	September 30, 2021	September 30, 2021
Actuarial valuation:	October 1, 2020	October 1, 2020	October 1, 2020
Interest rates:			
Single discount rate:	6.50%	7.25%	6.50%
Inflation rate:	2.25%	2.30%	2.25%
Salary increases:	4.68% to 6.98%, depending on age	4.5% to 10%, depending on service	6.38% to 8.68%, depending on age
Mortality tables:	PubG-2010 General Below Median Base Rate Mortality Table projected to future years with historical and assumed mortality improvement rates using the MP-2018 mortality improvement scale.	PubS.H-2010 Above Median Base Rate Mortality Table projected generationally with assumed mortality improvement rates using the MP-2018 mortality improvement scale.	PubG-2010 General Below Median Base Rate Mortality Table projected to future years with historical and assumed mortality improvement rates using the MP-2018 mortality improvement scale.

CITY OF HALLANDALE BEACH, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 10. CITY PENSION PLANS (CONTINUED)

Net Pension Liability of the City – City Defined Benefit Pension Plans (Continued)

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 expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2022 and 2021, are summarized in the following table:

<u>Asset Class</u>	Long-Term Expected Real Rate of Return - 2022		
	General Employees' Retirement Plan	Police Officers' and Firefighters' Retirement Trust	Professional/ Management Retirement Plan
U.S. equities	8.20%	5.59%	8.20%
International equities	8.60%	4.24%	8.60%
Fixed income - core bonds	3.80%	1.28%	3.80%
Fixed income - high yield	6.50%	-	6.50%
Hedge fund of funds	-	2.62%	-
Real estate	6.30%	4.24%	6.30%
Infrastructure fund	-	4.59%	-
Private equity fund	-	6.99%	-

<u>Asset Class</u>	Long-Term Expected Real Rate of Return - 2021		
	General Employees' Retirement Plan	Police Officers' and Firefighters' Retirement Trust	Professional/ Management Retirement Plan
U.S. equities	5.10%	5.95%	5.10%
International equities	5.50%	4.35%	5.50%
Fixed income - core bonds	1.80%	1.39%	1.80%
Fixed income - high yield	3.20%	-	3.20%
Hedge fund of funds	-	3.01%	-
Real estate	5.90%	4.45%	5.90%
Infrastructure fund	-	2.67%	-
Private equity fund	-	5.95%	-

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CITY OF HALLANDALE BEACH, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 10. CITY PENSION PLANS (CONTINUED)

Net Pension Liability of the City – City Defined Benefit Pension Plans (Continued)

Rate of Return: The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. For the years ended September 30, 2022 and 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, were as follows for each pension plan:

<u>Year Ending September 30,</u>	<u>Professional/ Management Retirement Plan</u>	<u>Police and Fire Retirement Plan</u>	<u>General Employees' Retirement Plan</u>
2022	-16.42%	-10.52%	-15.54%
2021	15.80%	23.47%	13.11%

Discount Rate: The discount rate used to measure the total pension liability at September 30, 2022 and 2021, was 6.50% for both the General Employees' Retirement Plan and the Professional/Management Retirement Plan, and 7.25% for the Police and Fire Retirement Plan. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability for all plans.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate: The following presents the net pension liability for each of the three plans, calculated using the discount rate, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

		<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
General Employees' Retirement Plan				
September 30, 2022	City's net pension liability	\$ 27,754,795	\$ 19,403,873	\$ 12,352,634
September 30, 2021	City's net pension liability	15,338,267	6,880,200	(256,889)
Police Officers' and Firefighters' Retirement Trust				
September 30, 2022	City's net pension liability	110,346,224	78,255,313	51,900,003
September 30, 2021	City's net pension liability	73,983,054	42,580,011	16,840,605
Professional/Management Retirement Plan				
September 30, 2022	City's net pension liability	7,772,481	5,205,390	3,067,591
September 30, 2021	City's net pension liability	3,179,605	600,620	(1,546,004)

CITY OF HALLANDALE BEACH, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 10. CITY PENSION PLANS (CONTINUED)

Net Pension Liability of the City – City Defined Benefit Pension Plans (Continued)

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: For the year ended September 30, 2022, based on a September 30, 2021, measurement date, the City recognized total pension expense of \$13,754,983, which includes \$420,201 for the Professional/Management Retirement Plan, \$10,849,905 for the Police and Fire Retirement Plan, and \$2,484,877 for the General Employees' Retirement Plan. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources for each plan:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
General Employees' Retirement Plan		
City contributions subsequent to the measurement date	\$ 1,753,210	\$ -
Differences between expected and actual experience	367,191	-
Changes in assumptions	579,723	-
Differences between expected and actual investment earnings	-	2,890,746
Police Officers' and Firefighters' Retirement Trust		
City contributions subsequent to the measurement date	12,861,249	-
Differences between expected and actual experience	4,003,863	1,218,914
Changes in assumptions	5,763,663	-
Differences between expected and actual investment earnings	-	21,178,118
Professional/Management Retirement Plan		
City contributions subsequent to the measurement date	481,392	-
Differences between expected and actual investment earnings	-	1,269,574
Totals	<u>\$ 25,810,291</u>	<u>\$ 26,557,352</u>

The deferred outflows of resources associated with the City's contributions to each Plan subsequent to the measurement date of September 30, 2021, in the amount of \$481,392 for the Professional/Management Retirement Plan, \$12,861,249 for Police and Fire Retirement Plan, and \$1,753,210 for the General Employees' Retirement Plan will be recognized as a reduction to the City's net pension liability in the year ended September 30, 2023. The remaining amounts related to differences between expected and actual investment earnings, changes in assumptions, and differences between expected and actual experience will be recognized in pension expense as follows:

	General Employees' Retirement Plan	Police Officers' and Firefighters' Retirement Trust	Professional/ Management Retirement Plan
Year Ending September 30,			
2023	\$ 437,729	\$ (42,199)	\$ (259,388)
2024	(690,600)	(647,546)	(280,371)
2025	(885,387)	(5,718,111)	(381,324)
2026	(805,574)	(6,221,650)	(348,491)
2027	-	-	-
Thereafter	-	-	-
	<u>\$ (1,943,832)</u>	<u>\$ (12,629,506)</u>	<u>\$ (1,269,574)</u>

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2022

NOTE 10. CITY PENSION PLANS (CONTINUED)

Net Pension Liability of the City – City Defined Benefit Pension Plans (Continued)

Money-Purchase Plan and Trust

The City maintained a single-employer money-purchase plan created in accordance with Internal Revenue Code Section 401(a). This defined contribution plan was comprised of seven plans with varying levels of employer and employee contributions. Professional/Management employees and non-represented employees hired after January 1, 2007, as well as General employees hired after June 19, 2013, were required to enter this plan instead of the defined benefit plans. The Plan required the City to contribute 7.5% to 17% of the members' base pay depending on plan membership. Employee required contributions are 3% to 5.5%.

Effective February 1, 2020, the City terminated five of its mandatory 401(a) defined contribution plans and transitioned all participants to the Florida Retirement System. Any unvested participant balances remaining in the plans were fully vested. The City's 401(a) match plan remains active. As a result, general, unrepresented, management and part-time employees were required to participate except for employees participating one of the single-employer defined benefit plans of the City.

The City's contributions to the active 401(a) defined contribution plans were calculated using the covered payroll amount of approximately \$209,000. The City's contribution amounted to approximately \$35,000, or 16.7% of current covered payroll. The City's contributions to the 401(a) match plan were calculated using the covered payroll amount of \$23,807,000. The City's contributions to the 401(a) match plan amount to approximately \$244,000, or 1.0% of covered payroll.

The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

NOTE 11. FLORIDA RETIREMENT SYSTEM

Effective February 2020, the City participates in two defined benefit pension plans (Plans) that are administered by the State of Florida, Department of Management Services, Division of Retirement. The Plans provide retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the Plans. That report is available from the Florida Department of Management Services' website at www.dms.myflorida.com.

The Florida Retirement System (FRS) Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan with a Deferred Retirement Option Program (DROP) available for eligible employees. FRS was established and is administered in accordance with Chapter 121, Florida Statutes. Retirees receive a lifetime pension benefit with joint and survivor payment options. FRS membership is compulsory for employees filling regularly established positions in a state agency, county agency, state university, state college, or district school board, unless restricted from FRS membership under Sections 121.053 or 121.122, Florida Statutes, or allowed to participate in a defined contribution plan in lieu of FRS membership. Participation by cities, municipalities, special districts, charter schools and metropolitan planning organizations is optional.

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

CITY OF HALLANDALE BEACH, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 11. FLORIDA RETIREMENT SYSTEM (CONTINUED)

Defined Contribution Plan

Pursuant to Chapter 121, Florida Statutes, the Florida Legislature created the Florida Retirement Investment Plan (FRS Investment Plan), a defined contribution pension plan qualified under Section 401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative available to members of the Florida Retirement System in lieu of the defined benefit plan. There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class. Required employer contributions made to the plan during the year ended September 30, 2022 totaled \$621,680.

Benefits Provided

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

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

Contributions

The contribution requirements of plan members and the employer are established and may be amended by the Florida Legislature. Employees are required to contribute 3% of their salary to FRS. The employer's contribution rates for the period October 1, 2021 through June 30, 2022, and July 1, 2022 through September 30, 2022, were as follows: Regular Class 10.82% and 11.91%, Senior Management 29.01% and 31.57%, and DROP Participants 18.34% and 18.60%, respectively.

The City's contributions for the year ended September 30, 2022 were \$1,469,932 to FRS and \$243,688 to HIS.

Pension Liabilities and Pension Expense

In its financial statements for the year ended September 30, 2022, the City reported a liability for its proportionate shares of the net pension liabilities. The net pension liabilities were measured as of June 30, 2022, and the total pension liabilities used to calculate the net pension liability were determined by an actuarial valuation dated July 1, 2022. The City's proportions of the net pension liabilities were based on the City's share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

	<u>FRS</u>	<u>HIS</u>	<u>Total</u>
Net pension liability	\$ 11,728,603	\$ 3,923,090	\$ 15,651,693
Proportion at:			
Current measurement date	0.0315217%	0.0370396%	
Prior measurement date	0.0266168%	0.0318716%	
Pension expense	\$ 3,253,609	\$ 816,978	\$ 4,070,587

CITY OF HALLANDALE BEACH, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 11. FLORIDA RETIREMENT SYSTEM (CONTINUED)

As of September 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	FRS		HIS		Totals	
	Deferred Outflows	Deferred Inflows	Deferred Outflows	Deferred Inflows	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	\$ 557,041	\$ -	\$ 119,075	\$ 17,262	\$ 676,116	\$ 17,262
Change of assumptions	1,444,426	-	224,874	606,900	1,669,300	606,900
Net difference between projected and actual earnings on Pension Plan investments	774,438	-	5,680	-	780,118	-
Changes in proportion and differences between City Pension Plan contributions and proportionate share of contributions	5,850,791	-	2,757,143	-	8,607,934	-
City Pension Plan contributions subsequent to the measurement date	420,433	-	68,703	-	489,136	-
Total	<u>\$ 9,047,129</u>	<u>\$ -</u>	<u>\$ 3,175,475</u>	<u>\$ 624,162</u>	<u>\$12,222,604</u>	<u>\$ 624,162</u>

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year-end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2023. Other pension related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Fiscal Year Ending September 30:	FRS	HIS
2023	\$ 2,277,922	\$ 548,276
2024	1,859,930	578,569
2025	1,343,725	597,812
2026	2,917,271	578,140
2027	227,848	180,977
Thereafter	-	(1,164)
	<u>\$ 8,626,696</u>	<u>\$ 2,482,610</u>

Actuarial Assumptions

The total pension liability for each of the defined benefit plans, measured as of June 30, 2022, was determined by an actuarial valuation dated July 1, 2022, using the individual entry age normal actuarial cost method and the following significant actuarial assumptions:

	FRS	HIS
Inflation	2.40%	2.40%
Salary increases	3.25%	3.25%
Investment rate of return	6.70%	N/A
Discount rate	6.70%	3.54%

Mortality assumptions for both plans were based on the Generational PUB-2010 with Projection Scale MP-2018.

For both plans, the actuarial assumptions used in the valuation dated July 1, 2022, were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018. The following changes in key actuarial assumptions occurred in 2022:

FRS: The discount rate used to determine the total pension liability decreased from 6.80% to 6.70%
HIS: The municipal bond index rate and the discount rate used to determine the total pension liability increased from 2.16% to 3.54%. The demographic assumptions for the Special Risk class were updated to reflect plan changes due to HB5007, HB689, and SB838. The election assumption for vested terminated members was updated from 20% to 50% to reflect recent experience.

CITY OF HALLANDALE BEACH, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 11. FLORIDA RETIREMENT SYSTEM (CONTINUED)

Actuarial Assumptions (Continued)

The long-term expected investment rate of return was not based on historical returns, but instead was based on a forward-looking capital market economic model. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. For the FRS Pension Plan, the table below summarizes the target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1.0%	2.6%	2.6%	1.1%
Fixed income	19.8%	4.4%	4.4%	3.2%
Global equity	54.0%	8.8%	7.3%	17.8%
Real estate	10.3%	7.4%	6.3%	15.7%
Private equity	11.1%	12.0%	8.9%	26.3%
Strategic investments	3.8%	6.2%	5.9%	7.8%
Total	<u>100.0%</u>			

Discount Rate

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

Because HIS is essentially funded on a pay-as-you-go basis, a municipal bond rate of 3.54% was used to determine the total pension liability for the program. The Bond Buyer General Obligation Bond 20-Bond Municipal Bond Index was used as the applicable municipal bond index.

Sensitivity Analysis

The following tables demonstrate the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the employer's proportionate share of the net pension liability if the discount rate was 1% higher or 1% lower than the current discount rate.

	<u>FRS</u>			<u>HIS</u>		
	<u>1% Decrease (5.70%)</u>	<u>Current Discount Rate (6.70%)</u>	<u>1% Increase (7.70%)</u>	<u>1% Decrease (2.54%)</u>	<u>Current Discount Rate (3.54%)</u>	<u>1% Increase (4.54%)</u>
City's proportionate share of the net pension liability	\$20,283,812	\$11,728,603	\$ 4,575,430	\$ 4,488,337	\$ 3,923,090	\$3,455,360

Pension Plan Fiduciary Net Position

Detailed information regarding the pension plans' fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Annual Comprehensive Financial Report.

Payables to the Pension Plan

At September 30, 2022, the City reported a payable in the amount of \$102,482 for outstanding contributions to the Pension Plan required for the fiscal year ended September 30, 2022.

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 12. EXCESS BENEFIT PLAN

Plan Description: The City established, under Ordinance No. 2004-23, effective date September 21, 2004, the Excess Benefit Plan to be a separate, unfunded, single-employer nonqualified excess benefit plan, and intended to be a qualified governmental excess benefit arrangement as defined in Section 415 (m) (3) of the Internal Revenue Code. As of the date of the most recent actuarial valuation, October 1, 2022, employee membership data related to the plan was as follows:

Inactive plan members or beneficiaries currently receiving benefits	27
Inactive plan members entitled to, but not receiving benefits	8
Active plan members	3
Total	<u>38</u>

Basis of Accounting: The City implemented GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are Not within the Scope of GASB Statement 68 and Amendments to Certain Provisions of GASB 67 and 68*, as it relates to the Excess Benefit Plan. The objective of this statement is to improve financial reporting by establishing a single framework for the presentation of information about pensions which will enhance the comparability of pension-related information reported by state and local government pension plans. The following disclosures related to the Excess Benefit Plan are in accordance with the requirements of GASB Statement No. 73.

Excess Benefit Participants: Any member whose retirement benefit, as determined on the basis of all qualified plans maintained by the City without regard to the limitations set forth in the Code and comparable provisions of other qualified plans of the City, exceeds the maximum benefit under Section 415 of the Code.

Benefits Provided: An employee benefit participant shall be eligible to receive benefits from the excess benefit plan after termination of employment, as an unrestricted benefit on a monthly basis as would be received under the terms of qualified plans of the City, that otherwise would have been paid in the absence of IRS Code Section 415 limits.

Funding Policy: The City cannot advance fund assets, or any benefit currently payable under the Plan, and any assets held by the plan during any period can only pay benefits coming due or the expenses of the plan during the period. Contributions by the City are not allowed to accumulate from year to year for purposes of advance funding of any of the Excess Plan liabilities. The City cannot restrict any assets, including cash for the purpose of providing funding for these benefits. However, the City has in the past and will continue to stand by its obligation to pay these benefits from its annual budgeted funds, as the liability becomes payable under this plan.

The Excess Benefit Plan is utilized when a retiree's calculated benefit under the Plan is limited by Internal Revenue Service Section 415 calculations. In this instance, the portion of the limited benefit is paid to the retiree from the Excess Benefit Plan. This unfunded Plan is administered by Principal Financial Group and annual benefit payment contribution requirements are paid directly from the City's treasury. At September 30, 2022, the City has set aside \$5,399,959 in a custodial fund for future pension benefits. The assets and earnings placed into the custodial fund are not irrevocable and are not protected from the City's creditors.

Total Pension Liability: The Excess Benefit Plan's total pension liability was measured as of September 30, 2021 and determined by an actuarial valuation as of that date.

CITY OF HALLANDALE BEACH, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 12. EXCESS BENEFIT PLAN (CONTINUED)

Changes in the Total Pension Liability: As of September 30, 2022, the City reported a total pension liability of \$14,852,175 for the Excess Benefit Plan. Changes in the City's total pension liability are as follows:

Balance at October 1, 2021	\$ 14,900,343
Changes for the year:	
Service cost	89,064
Interest	472,849
Benefit payments	(609,305)
Differences between expected and actual experience	(170,039)
Changes in assumptions	169,263
Net changes	<u>(48,168)</u>
Balance at September 30, 2022	<u>\$ 14,852,175</u>
Covered Payroll	N/A
Total Pension Liability as a Percentage of Covered Payroll	N/A

Actuarial Assumptions: The total pension liability was determined by an actuarial valuation as of September 30, 2021 using the following actuarial assumptions:

Actuarial cost method:	Entry Age Normal
Inflation rate:	2.25%
Annual salary increases:	6.38% to 8.68%, depending on age
Discount rate:	3.13%
Retirement age:	Normal retirement age or current age if later
Mortality:	PubG-2010 General below median base Mortality table projected to future years with Historical and assumed mortality improvement (MI) rates using the MP-2018 MI scale.

Discount Rate: Projected benefit payments are discounted to their actuarial present values using a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA/Aa or higher credit rating (which is published by the Bond Buyer) as of the measurement date. The discount rate used to measure the total pension liability was 3.13%.

Sensitivity of the Total Pension Liability to Changes in the Discount Rate: The following presents the total pension liability calculated using the discount rate, as well as what the total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease <u>(2.13%)</u>	Current Discount Rate <u>(3.13%)</u>	1% Increase <u>(4.13%)</u>
City's total pension liability	\$ 16,976,280	\$ 14,852,175	\$ 13,141,112

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: For the year ended September 30, 2022, based on a September 30, 2021, measurement date, the City recognized total pension expense of \$561,137 for the Excess Benefit Plan. In addition, the City reported \$620,897 in deferred outflows for benefit payments made subsequent to the measurement date which will be recognized as a reduction to the City's total pension liability in the year ended September 30, 2023. There were no deferred inflows of resources related to this plan.

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 13. OTHER POST-EMPLOYMENT BENEFITS

Plan Description: Pursuant to Section 112.0801, Florida Statutes, the City is required to permit eligible retirees and their eligible dependents to participate in the City’s health insurance program at a cost to the retiree that is no greater than the cost at which coverage is available for active employees. Accordingly, the City administers a single-employer post-employment healthcare benefits plan (the “Plan”), other than pension benefits. The plan is a single-employer defined benefit OPEB plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 and the plan does not issue a separate financial statement.

Benefits Provided: The Plan allows its eligible retirees and their eligible dependents to continue to obtain health insurance (medical, prescription drug, and dental). Coverage of medical, prescription drug, and dental benefits continues for participating retirees and their dependents until Medicare age, death, or the payment of contributions ceasing. The Plan also provides life insurance coverage to eligible retirees. Life insurance coverage for dependents of retirees is not offered. Retirees have a life insurance benefit of \$13,000 or \$15,000 depending on the date of retirement.

Eligibility provisions are as follows:

Law Enforcement and Firefighters

Employees must be age 52 or older and have at least ten years of service or 25 years of service regardless of age at retirement.

Management Personnel

Employees must be age 52 or older and have at least ten years of service at retirement or 25 years of service regardless of age at retirement.

All Other Employees

Employees at retirement must be age 60 or older and have at least 15 years of service, or age 55 or older and have at least 20 years of service.

Participating retirees pay 100% of the blended rate for active and retired employees with no explicit subsidy from the City. Because the blended rates are greater than that of a plan including active employees only and less than that of a plan including retirees only, the amount the City expends for active employees includes an implicit subsidy for participating retirees and dependents.

While the City does not directly contribute toward the costs of retiree premiums via an explicit subsidy, GAAP requires an actuarial liability to be calculated using claims cost, or age-adjusted premiums approximating claims cost for retirees separate from active eligible members. Accordingly, retiree premiums were estimated by the actuary for the City’s pre-Medicare retirees as if they were rated on a stand-alone basis and the results were then disaggregated into age-specific starting costs based on average ages and assumptions on the relationship between costs and increasing age to determine the implicit subsidy. This implicit subsidy is considered to be an OPEB liability of the City under GAAP.

Employees Covered by Benefit Terms: As of September 30, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	36
Inactive employees entitled to, but not receiving benefits	-
Active employees	351
Total	<u>387</u>

Total OPEB Liability: The City’s total OPEB liability of \$8,861,004 as of September 30, 2022 was determined by an actuarial valuation as of October 1, 2021, with a measurement date of September 30, 2022.

CITY OF HALLANDALE BEACH, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 13. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Actuarial Assumptions and Other Inputs: Actuarial valuations used to measure the total OPEB liability involve significant estimates and assumptions, including assumptions about inflation, healthcare cost and trend rates, and salary changes. The projection of future post-employment benefits are based on the types of benefits provided under the terms of the substantive plan at the time of each evaluation and on the pattern of sharing costs between the employer and plan members to that point. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The liability reflects a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities.

The total OPEB liability in the October 1, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Measurement date:	September 30, 2022
Actuarial cost method:	Entry Age Normal
Inflation:	3.00%
Salary increases:	4.00%
Discount rate:	4.77%
Healthcare cost trend rates:	6.00% for fiscal year 2023, decreasing to an ultimate rate of 4.50% for 2038 and later years

The discount rate was based on the S&P Municipal Bond 20-Year High Grade Rate Index as of September 30, 2022.

Mortality rates for law enforcement were based on the PubS.H-2010(B) Mortality Table – Safety (below-median income) with Mortality Improvement Scale MP-2020. Mortality rates for management personnel and all other employees were based on the PubG.H-2010(B) Mortality Table – General (below-median income) with Mortality Improvement using Scale MP-2020.

Changes in the Total OPEB Liability:

	Total OPEB Liability
Balance at 9/30/2021	\$ 12,305,754
Changes for the Year:	
Service cost	866,384
Interest on total OPEB liability	295,357
Changes of benefit terms	(371,491)
Differences between expected and actual experience	(1,083,881)
Changes in assumptions or other inputs	(2,848,796)
Benefit payments	<u>(302,323)</u>
Net Changes	<u>(3,444,750)</u>
Balance at 9/30/2022	\$ 8,861,004

Changes in assumptions and other inputs reflect a change in the discount rate from 2.43% in 2021 to 4.77% in 2022, changes in Health Care Trend Rates, and a change in Decrements. Benefits payments represent the implicit rate subsidy, which was calculated by the actuary based on the average ages of eligible employees and retirees in the census data and a morbidity assumption of 4.50%. The implicit rate subsidy was 85.20% in 2022.

CITY OF HALLANDALE BEACH, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 13. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

The required schedule of changes in the City's total OPEB liability and related ratios in the Required Supplementary Information immediately following the notes to the financial statements presents multi-year trend information about the total OPEB liability.

Sensitivity of the Total OPEB Liability to Changes in the Charges in the Discount Rate: 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 a discount rate that is 1-percentage point lower (3.77%) or 1-percentage point higher (5.77%) than the current discount rate:

	1% Decrease (3.77%)	Discount Rate (4.77%)	1% Increase (5.77%)
Total OPEB Liability	\$ 9,642,200	\$ 8,861,004	\$ 8,166,188

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates: 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 3.50%) or 1-percentage-point higher (7.00% decreasing to 5.50%) than the current healthcare cost trend rates:

	1% Decrease (5.00% Decreasing to 3.50%)	Healthcare Cost Trend Rates (6.00% Decreasing to 4.50%)	1% Increase (7.00% Decreasing to 5.50%)
Total OPEB Liability	\$ 8,024,717	\$ 8,861,004	\$ 9,830,541

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB: For the year ended September 30, 2022, the City recognized OPEB expense of \$158,831. At September 30, 2022, 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	\$ 34,995	\$ 1,324,069
Changes of assumptions or other inputs	825,593	3,324,722
Total	<u>\$ 860,588</u>	<u>\$ 4,648,791</u>

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

For the Year Ended September 30:	Amount
2023	\$ (631,418)
2024	(641,040)
2025	(647,565)
2026	(543,174)
2027	(521,534)
Thereafter	(803,472)
Total	<u>\$ (3,788,203)</u>

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 14. RISK MANAGEMENT

The City is exposed to various risk of loss related to torts: theft of, damage to and destruction of assets; error and omissions; injuries to employees and natural disasters. The City's self-insurance Internal Service Funds are used to account for and finance both uninsured and insured risks of loss. Coverage is provided for workers' compensation and general liability, as specified by applicable federal and state statutes. The City purchases commercial excess insurance for workers' compensation claims in excess of \$350,000. The City relies on the liability limits of \$200,000/300,000 imposed by Florida Statute and therefore does not carry any other coverage. Other insured risks for loss are budgeted in various operating funds. The City purchases all risk property insurance for City structures (estimated \$105,000,000 replacement value) with a \$25,000 deductible. Other minor liabilities for small City programs or operations are budgeted in the operating funds. The settlements in the past three years were less than insurance coverage.

All operating funds of the City participate in the program and make payments to the fund based on estimates of the amounts needed to pay prior and current claims and to provide fund equity for catastrophic losses. The estimated liability for self-insured risks at September 30, 2022, of \$9,255,668 is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicate that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

In 2023, the City accrued a liability related to a final judgment from a lawsuit. This material liability, which amounts to \$5,226,000, is not covered by the City's self-insurance Internal Service Funds or any commercial excess insurance. The financial impact of this liability has been considered in the preparation of these financial statements and the estimated liabilities for self-insured risks have been adjusted accordingly.

As of September 30, 2022 and 2021, the total estimated liabilities on pending claims were as follows:

	<u>2022</u>	<u>2021</u>
Claims payable - beginning	\$ 3,918,000	\$ 3,791,000
Incurred claims	6,547,589	1,362,742
Payments on claims	<u>(1,209,921)</u>	<u>(1,235,742)</u>
Claims payable - ending	<u>\$ 9,255,668</u>	<u>\$ 3,918,000</u>

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CITY OF HALLANDALE BEACH, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 15. COMMITMENTS AND CONTINGENT LIABILITIES

Construction and Purchase Commitments: The City has active construction and economic development projects as of September 30, 2022. The projects include park development, EV Bus Transit projects, Redevelopment Revenue Bond improvement projects, street and beautification projects, water distribution and stormwater drainage improvements, and sanitary sewer and capacity improvements. As of September 30, 2022, the City's significant commitments with contractors are as follows:

Project Classification	Spent-to-Date	Remaining Commitments
Building Improvement Projects	\$ 143,093	\$ 50,449
City-Wide Parks Master Plan	2,334,075	4,469,775
EV Bus Transit Facility Project	-	5,972,797
Façade Grant Programs	1,600,450	648,998
Infill Housing	-	24,350
Landscaping & Beautification	123,754	128,319
Public Safety Projects	292,944	439,415
Redevelopment Revenue Bond Projects	847,215	3,837,683
Stormwater Drainage Improvement Projects	261,666	148,574
Transportation Improvement Projects	191,035	504,997
Water & Wastewater	7,052,524	4,655,078
Total	<u>\$ 12,846,756</u>	<u>\$ 20,880,435</u>

The City-Wide Parks Master Plan is financed by general obligation bonds. The EV Bus Transit Facility Project is funded with state and local grants, as well as City funding. The Redevelopment Revenue Bond Projects are funded from the HBCRA Redevelopment Revenue Note, Series 2020. The Public Safety Project is funded through federal grants and City funds. Stormwater drainage improvements are partially financed with state and county grants and loans, as well as City funding. All other commitments are financed from existing City and HBCRA resources.

Claims and Lawsuits: There are several pending claims and lawsuits in which the City is involved. The estimated liability related to these claims has been accrued in the City's general liability self-insurance fund. In the opinion of City management, the ultimate resolution of these claims will not materially exceed the amounts recorded in the financial statements.

Grantor Agencies: Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including the amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures/expenses which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

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CITY OF HALLANDALE BEACH, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 16. HALLANDALE BEACH COMMUNITY REDEVELOPMENT AGENCY

Pursuant to Florida Statute 163.387, listed below is a summary of the sources and amounts of deposits to, and the purpose and amounts of withdrawals from the Community Redevelopment Agency Funds, which is inclusive of the Community Redevelopment Agency Fund (CRA) and the Redevelopment Revenue Note Fund, for the year ended September 30, 2022:

	<u>Deposits</u>	<u>Withdrawals</u>
Source of deposits:		
Tax increment revenues - Hallandale Beach	\$ 9,337,423	\$ -
Tax increment revenues - other agencies	8,187,131	-
Loan repayments	233,081	-
Loan application fees	10,978	-
Loan interest	13,390	-
Investment income	383,762	-
Other revenue	190,023	-
Developer agreements	25,000	-
Purpose of withdrawals:		
Salaries and benefits	-	798,092
Materials and supplies	-	73,166
Community redevelopment programs	-	1,547,283
Grants to community organizations	-	24,368
Professional and outside services	-	444,892
Administrative and other service charges	-	480,185
Subsidized loan programs	-	2,849,664
Capital outlay	-	904,962
Debt service	-	4,875,004
Payments to other funds	-	732,519
Transfer to City of Hallandale Beach Capital Projects Fund	-	1,167,463
	<u>\$ 18,380,788</u>	<u>\$ 13,897,598</u>

NOTE 17. ASSETS HELD FOR RESALE

Assets held for resale consist of properties available for affordable housing and redevelopment. Activity for the year ended September 30, 2022, is summarized in the following table:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Assets held for resale	\$ 8,249,754	\$ 183,359	\$ -	\$ 8,433,113

CITY OF HALLANDALE BEACH, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 18. DEFICIT FUND EQUITY

The General Liability Trust Fund and Workers' Compensation Fund, each present a deficit fund equity of \$4,113,563 and \$196,859, respectively, at September 30, 2022. The deficit related to the General Liability Trust Fund will be resolved through a transfer from the General Fund. The deficit related to the Workers' Compensation Fund will be resolved through administrative charges to other funds.

NOTE 19. RESTATEMENT

In fiscal year 2022, the City recorded a prior period adjustment to correct the City's capital assets to account for donated property obtained in prior years and for construction in progress assets that were completed prior to October 1, 2021 that should have been transferred to depreciable assets and depreciated. The adjustments are as follows to the various activities and funds:

Net Position, Governmental Activities, as previously reported	\$ 42,194,014
Capital asset prior period adjustment	<u>4,145,527</u>
Net Position, Governmental Activities, as restated	<u>\$ 46,339,541</u>
Net Position, Business-Type Activities, as previously reported	\$103,101,730
Capital asset prior period adjustment	<u>(292,472)</u>
Net Position, Business-Type Activities, as restated	<u>\$102,809,258</u>
Net Position, Utility Fund, as previously reported	\$ 62,770,886
Capital asset prior period adjustment	<u>(381,346)</u>
Net Position, Utility Fund, as restated	<u>\$ 62,389,540</u>
Net Position, Stormwater Drainage Fund, as previously reported	\$ 33,917,267
Capital asset prior period adjustment	<u>88,874</u>
Net Position, Stormwater Drainage Fund, as restated	<u>\$ 34,006,141</u>

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Hallandale Beach
PROGRESS. INNOVATION. OPPORTUNITY.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF HALLANDALE BEACH, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Property taxes	\$ 31,573,970	\$ 31,573,970	\$ 31,210,315	\$ (363,655)
Other taxes	4,565,113	4,565,113	5,095,917	530,804
Charges for services	9,301,502	10,587,833	9,976,369	(611,464)
Licenses and permits	1,145,897	1,145,897	976,345	(169,552)
Intergovernmental	11,885,000	3,885,000	5,749,102	1,864,102
Franchise fees	3,371,250	3,371,250	4,654,065	1,282,815
Fire assessments	9,136,637	9,136,637	9,135,483	(1,154)
Fines and forfeitures	435,000	435,000	942,702	507,702
Investment earnings	164,000	164,000	33,793	(130,207)
Slot machine revenues	800,000	800,000	1,682,441	882,441
Other revenues	409,644	409,644	640,267	230,623
Total revenues	<u>72,788,013</u>	<u>66,074,344</u>	<u>70,096,799</u>	<u>4,022,455</u>
EXPENDITURES:				
Personal services	46,003,399	46,932,759	42,630,882	4,301,877
Operating expenditures	24,076,779	26,906,605	24,232,349	2,674,256
Debt service	316,195	319,666	319,666	-
Grants and aids	72,114	72,114	51,798	20,316
Capital outlay	2,977,434	4,782,301	2,608,787	2,173,514
Total expenditures	<u>73,445,921</u>	<u>79,013,445</u>	<u>69,843,482</u>	<u>9,169,963</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(657,908)</u>	<u>(12,939,101)</u>	<u>253,317</u>	<u>13,192,418</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	697,032	10,240,353	10,018,581	(221,772)
Transfers out	(2,336,579)	(2,829,516)	(2,829,516)	-
Proceeds from the sale of capital assets	-	-	1,500	1,500
Appropriations from fund balance	2,297,455	4,646,940	-	(4,646,940)
Reappropriations from fund balance	-	881,324	-	(881,324)
Total other financing uses	<u>657,908</u>	<u>12,939,101</u>	<u>7,190,565</u>	<u>(5,748,536)</u>
Net change in fund balances	-	-	7,443,882	7,443,882
Fund balance, beginning	<u>20,974,797</u>	<u>20,974,797</u>	<u>20,974,797</u>	<u>-</u>
Fund balances, ending	<u>\$ 20,974,797</u>	<u>\$ 20,974,797</u>	<u>\$ 28,418,679</u>	<u>\$ 7,443,882</u>

See Notes to Required Supplementary Information.

CITY OF HALLANDALE BEACH, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS – COMMUNITY REDEVELOPMENT AGENCY FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Property taxes	\$ 9,315,846	\$ 9,337,423	\$ 9,337,423	\$ -
Charges for services	20,000	20,000	10,978	(9,022)
Intergovernmental	8,174,918	8,187,131	8,187,131	-
Investment earnings	51,663	51,663	238,419	186,756
Other revenues	199,107	299,178	473,103	173,925
Total revenues	<u>17,761,534</u>	<u>17,895,395</u>	<u>18,247,054</u>	<u>351,659</u>
EXPENDITURES:				
Personal services	1,182,469	1,182,469	776,174	406,295
Operating expenditures	6,202,606	6,621,691	1,070,988	5,550,703
Debt service	6,042,467	6,042,467	6,042,467	-
Grants and aids	11,262,279	13,933,541	4,686,970	9,246,571
Capital outlay	4,221,000	9,503,220	326,788	9,176,432
Total expenditures	<u>28,910,821</u>	<u>37,283,388</u>	<u>12,903,387</u>	<u>24,380,001</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(11,149,287)</u>	<u>(19,387,993)</u>	<u>5,343,667</u>	<u>24,731,660</u>
OTHER FINANCING SOURCES				
Appropriations of fund balance	11,149,287	19,387,993	-	(19,387,993)
Total other financing sources	<u>11,149,287</u>	<u>19,387,993</u>	<u>-</u>	<u>(19,387,993)</u>
Net change in fund balances	-	-	5,343,667	5,343,667
Fund balances, beginning	<u>28,516,282</u>	<u>28,516,282</u>	<u>28,516,282</u>	<u>-</u>
Fund balances, ending	<u>\$ 28,516,282</u>	<u>\$ 28,516,282</u>		<u>\$ 5,343,667</u>
CRA loan program and assets held for resale transactions (see Note 2)			<u>92,082</u>	
Fund balances, ending			<u>\$ 33,952,031</u>	

See Notes to Required Supplementary Information.

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO BUDGETARY COMPARISON SCHEDULES (UNAUDITED)
SEPTEMBER 30, 2022

NOTE 1. BUDGETARY DATA

The City Commission follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to August 1, the City Manager submits to the City Commission a proposed operating and capital budget for the fiscal year commencing October 1. The operating and capital budget includes proposed expenditures and means of financing them.
2. The City Commission holds public workshops on the prepared budget.
3. In September, formal public hearings are conducted to obtain taxpayers' comments.
4. Prior to October 1, the budget is legally enacted.

The legal level of control, the level at which expenditures may not exceed the budget, is at the category level within a fund. Categories, as used here, include personal services, operating expenditures, grants and aids, and capital outlay. The City Manager is authorized to make transfers of budgeted funds within categories except contingencies and debt service. City Commission authorization is required for all transfers between categories in excess of \$10,000. Unencumbered balances of appropriation lapse at year-end.

Budgets have been adopted for the General Fund and Community Redevelopment Agency Fund on a basis consistent with GAAP, except for unbudgeted amounts related to certain CRA transactions that are included and excluded respectively, for financial statement purposes.

The "final" reported budgetary data represents the approved budget after amendments approved by the City Commission. There were supplemental appropriations in the General Fund and Community Redevelopment Agency Fund of \$2,349,485 and \$8,238,706, respectively.

The City and the CRA provide funds allocated to specific projects for two main categories: (1) community redevelopment programs (operating expenditures), and (2) construction projects (capital outlay). Funds are provided through the original adoption of a budget line item. Often the projects overlap several years, and the unspent funds from the prior year are normally rolled forward into the final budget of the current year, which can result in significant differences between the original and final budgets.

The Grants Fund, Developer Agreements Fund, and the Tree Preservation Trust Fund do not have a legally adopted budget and therefore, no budgetary comparison schedules are presented for these funds.

NOTE 2. RECONCILIATION OF CRA TRANSACTIONS

CRA loan payments received	\$ (183,243)
CRA non-forgivable loans issued	91,966
Purchases of assets held for resale	<u>183,359</u>
	<u>\$ 92,082</u>

For budgetary purposes, the CRA includes transfers out to cover debt service payments as a part of its debt service expenditures.

CITY OF HALLANDALE BEACH, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS
PROFESSIONAL/MANAGEMENT RETIREMENT PLAN**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>September 30, 2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability									
Service cost	\$ 141,466	\$ 127,457	\$ 110,196	\$ 125,200	\$ 224,807	\$ 245,137	\$ 217,129	\$ 278,376	\$ 271,262
Interest on total pension liability	1,427,191	1,416,779	1,417,144	1,448,726	1,443,460	1,418,847	1,358,496	1,346,589	1,211,250
Differences between expected and actual experience	(35,214)	29,052	212,956	(722,848)	(325,174)	(55,424)	(219,313)	(387,152)	1,606,105
Changes of assumptions	-	573,232	157,999	541,953	-	-	1,028,958	-	-
Benefit payments, including refunds of employee contributions	(1,199,323)	(1,186,788)	(1,143,300)	(1,072,615)	(1,420,308)	(946,826)	(954,956)	(1,402,625)	(849,115)
Net change in total pension liability	<u>334,120</u>	<u>959,732</u>	<u>754,995</u>	<u>320,416</u>	<u>(77,215)</u>	<u>661,734</u>	<u>1,430,314</u>	<u>(164,812)</u>	<u>2,239,502</u>
Total pension liability - beginning	<u>22,453,032</u>	<u>21,493,300</u>	<u>20,738,305</u>	<u>20,417,889</u>	<u>20,495,104</u>	<u>19,833,370</u>	<u>18,403,056</u>	<u>18,567,868</u>	<u>16,328,366</u>
Total pension liability - ending (a)	<u>\$ 22,787,152</u>	<u>\$ 22,453,032</u>	<u>\$ 21,493,300</u>	<u>\$ 20,738,305</u>	<u>\$ 20,417,889</u>	<u>\$ 20,495,104</u>	<u>\$ 19,833,370</u>	<u>\$ 18,403,056</u>	<u>\$ 18,567,868</u>
Plan fiduciary net position									
Contributions - employer	\$ 481,392	\$ 449,555	\$ 556,645	\$ 731,430	\$ 725,270	\$ 569,324	\$ 691,355	\$ 748,978	\$ 912,745
Contributions - employee	37,492	36,654	40,465	44,346	53,805	51,654	61,774	55,316	85,052
Net investment income	(3,559,567)	3,041,959	1,457,970	793,614	1,162,244	1,901,704	1,158,157	(140,977)	1,282,016
Benefit payments, including refunds of member contributions	(1,199,323)	(1,186,788)	(1,143,300)	(1,072,615)	(1,420,308)	(946,826)	(954,956)	(1,402,625)	(849,115)
Administrative expenses	(30,644)	(21,644)	(26,144)	(26,144)	(38,933)	(25,144)	(26,140)	(21,723)	(22,133)
Net change in plan fiduciary net position	<u>(4,270,650)</u>	<u>2,319,736</u>	<u>885,636</u>	<u>470,631</u>	<u>482,078</u>	<u>1,550,712</u>	<u>930,190</u>	<u>(761,031)</u>	<u>1,408,565</u>
Plan fiduciary net position - beginning	<u>21,852,412</u>	<u>19,532,676</u>	<u>18,647,040</u>	<u>18,176,409</u>	<u>17,694,331</u>	<u>16,143,619</u>	<u>15,213,429</u>	<u>15,974,460</u>	<u>14,565,895</u>
Plan fiduciary net position - ending (b)	<u>\$ 17,581,762</u>	<u>\$ 21,852,412</u>	<u>\$ 19,532,676</u>	<u>\$ 18,647,040</u>	<u>\$ 18,176,409</u>	<u>\$ 17,694,331</u>	<u>\$ 16,143,619</u>	<u>\$ 15,213,429</u>	<u>\$ 15,974,460</u>
City's net pension liability - ending (a) - (b)	<u>\$ 5,205,390</u>	<u>\$ 600,620</u>	<u>\$ 1,960,624</u>	<u>\$ 2,091,265</u>	<u>\$ 2,241,480</u>	<u>\$ 2,800,773</u>	<u>\$ 3,689,751</u>	<u>\$ 3,189,627</u>	<u>\$ 2,593,408</u>
Plan fiduciary net position as a percentage of the total pension liability	77.16%	97.32%	90.88%	89.92%	89.02%	86.33%	81.40%	82.67%	86.03%
Covered payroll	\$ 410,635	\$ 499,067	\$ 475,275	\$ 537,560	\$ 682,868	\$ 737,299	\$ 814,214	\$ 763,897	\$ 738,758
Net pension liability as a percentage of covered payroll	1267.64%	120.35%	412.52%	389.03%	328.24%	379.87%	453.17%	417.55%	351.05%

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

CITY OF HALLANDALE BEACH, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS
POLICE OFFICERS' AND FIREFIGHTERS' PERSONNEL RETIREMENT TRUST**

	September 30,								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability									
Service cost	\$ 2,719,304	\$ 2,625,193	\$ 2,590,583	\$ 3,127,748	\$ 2,866,703	\$ 2,668,846	\$ 2,198,923	\$ 2,114,287	\$ 2,068,244
Interest on total pension liability	19,675,689	18,870,250	18,173,540	18,162,979	17,317,517	16,069,318	14,732,084	13,946,642	13,484,951
Changes in benefit terms	-	4,300,383	(10,596,887)	(40,488)	9,897,461	-	-	-	-
Differences between expected and actual experience	3,844,746	4,405,529	(2,437,826)	4,267,373	3,386,280	(1,906,123)	1,635,041	3,413,322	-
Changes of assumptions	-	-	10,875,149	1,304,354	1,225,338	847,814	8,988,193	-	-
Benefit payments, including refunds of employee contributions	(16,237,498)	(14,001,572)	(14,405,778)	(14,112,474)	(11,108,749)	(9,354,592)	(9,537,098)	(9,377,998)	(9,905,885)
Contributions - buy back	237,535	233,957	237,404	253,288	208,015	136,829	22,723	33,396	-
Net change in total pension liability	10,239,776	16,433,740	4,436,185	12,962,780	23,792,565	8,462,092	18,039,866	10,129,649	5,647,310
Total pension liability - beginning	276,788,254	260,354,514	255,918,329	242,955,549	219,162,984	210,700,892	192,661,026	182,531,377	176,884,067
Total pension liability - ending (a)	\$ 287,028,030	\$ 276,788,254	\$ 260,354,514	\$ 255,918,329	\$ 242,955,549	\$ 219,162,984	\$ 210,700,892	\$ 192,661,026	\$ 182,531,377
Plan fiduciary net position									
Contributions - employer	\$ 12,861,249	\$ 11,187,692	\$ 12,621,986	\$ 11,362,495	\$ 9,303,118	\$ 8,563,004	\$ 8,475,832	\$ 8,524,870	\$ 8,651,807
Contributions - employee	1,336,926	1,156,812	1,137,881	1,308,636	1,252,541	1,294,496	1,285,750	1,205,723	1,190,421
Contributions - buy back	237,535	233,957	237,404	253,288	208,015	136,829	22,723	33,396	-
Net investment income	(23,470,793)	44,894,621	11,091,696	5,870,253	16,196,464	16,869,679	10,988,258	(574,125)	13,794,259
Benefit payments, including refunds of member contributions	(16,237,498)	(14,001,572)	(14,405,778)	(14,112,474)	(11,108,749)	(9,354,592)	(9,537,098)	(9,377,998)	(9,905,885)
Administrative expenses	(162,945)	(263,381)	(288,285)	(233,562)	(219,333)	(183,827)	(148,100)	(137,847)	(109,957)
Prior year adjustment	-	-	-	-	-	-	-	204,046	-
Net change in plan fiduciary net position	(25,435,526)	43,208,129	10,394,904	4,448,636	15,632,056	17,325,589	11,087,365	(121,935)	13,620,645
Plan fiduciary net position - beginning	234,208,243	191,000,114	180,605,210	176,156,574	160,524,518	143,198,929	132,111,564	132,233,499	118,612,854
Plan fiduciary net position - ending (b)	\$ 208,772,717	\$ 234,208,243 *	\$ 191,000,114 *	\$ 180,605,210 *	\$ 176,156,574 *	\$ 160,524,518	\$ 143,198,929	\$ 132,111,564	\$ 132,233,499
City's net pension liability - ending (a) - (b)	\$ 78,255,313	\$ 42,580,011	\$ 69,354,400	\$ 75,313,119	\$ 66,798,975	\$ 58,638,466	\$ 67,501,963	\$ 60,549,462	\$ 50,297,878
Plan fiduciary net position as a percentage of the total pension liability	72.74%	84.62%	73.36%	70.57%	72.51%	73.24%	67.96%	68.57%	72.44%
Covered payroll	\$ 12,460,526	\$ 11,622,740	\$ 11,644,572	\$ 13,775,116	\$ 13,184,642	\$ 13,626,274	\$ 13,167,794	\$ 14,267,482	\$ 12,179,211
Net pension liability as a percentage of covered payroll	628.03%	366.35%	595.59%	546.73%	506.64%	430.33%	512.63%	424.39%	412.98%

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

* Difference between the actuarial Plan fiduciary net position and Plan fiduciary net position reported is due to timing.

CITY OF HALLANDALE BEACH, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS
GENERAL EMPLOYEES' RETIREMENT PLAN**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>September 30, 2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability									
Service cost	\$ 793,438	\$ 777,488	\$ 783,012	\$ 872,590	\$ 1,007,543	\$ 1,054,461	\$ 1,047,059	\$ 1,121,826	\$ 1,302,508
Interest on total pension liability	4,892,554	4,796,122	4,866,309	4,843,470	4,771,881	4,586,246	4,402,093	4,339,134	4,198,485
Differences between expected and actual experience	(2,078,680)	1,201,715	(682,739)	(1,211,280)	(1,060,336)	909,887	(329,785)	(1,349,496)	(786,563)
Changes of assumptions	-	1,897,276	647,163	-	-	-	3,005,500	-	-
Benefit payments, including refunds of employee contributions	(4,430,219)	(4,204,792)	(4,280,384)	(3,653,987)	(3,626,109)	(3,829,680)	(3,049,800)	(2,972,541)	(2,395,369)
Net change in total pension liability	<u>(822,907)</u>	<u>4,467,809</u>	<u>1,333,361</u>	<u>850,793</u>	<u>1,092,979</u>	<u>2,720,914</u>	<u>5,075,067</u>	<u>1,138,923</u>	<u>2,319,061</u>
Total pension liability - beginning	<u>76,891,482</u>	<u>72,423,673</u>	<u>71,090,312</u>	<u>70,239,519</u>	<u>69,146,540</u>	<u>66,425,626</u>	<u>61,350,559</u>	<u>60,211,636</u>	<u>57,892,575</u>
Total pension liability - ending (a)	<u>\$ 76,068,575</u>	<u>\$ 76,891,482</u>	<u>\$ 72,423,673</u>	<u>\$ 71,090,312</u>	<u>\$ 70,239,519</u>	<u>\$ 69,146,540</u>	<u>\$ 66,425,626</u>	<u>\$ 61,350,559</u>	<u>\$ 60,211,636</u>
Plan fiduciary net position									
Contributions - employer	\$ 1,753,210	\$ 1,862,258	\$ 2,173,138	\$ 2,505,013	\$ 2,506,098	\$ 2,799,601	\$ 3,331,672	\$ 3,659,156	\$ 3,940,595
Contributions - employee	146,084	149,085	161,435	172,187	179,523	206,247	228,118	230,059	262,685
Net investment income	(10,769,600)	8,298,777	4,646,397	3,107,432	3,027,545	5,305,524	3,618,252	(286,916)	3,508,511
Benefit payments, including refunds of member contributions	(4,430,219)	(4,204,792)	(4,280,384)	(3,653,987)	(3,626,109)	(3,829,680)	(3,049,800)	(2,972,541)	(2,395,369)
Administrative expenses	(46,055)	(36,956)	(38,656)	(41,406)	(44,348)	(41,536)	(46,495)	(38,415)	(38,785)
Net change in plan fiduciary net position	<u>(13,346,580)</u>	<u>6,068,372</u>	<u>2,661,930</u>	<u>2,089,239</u>	<u>2,042,709</u>	<u>4,440,156</u>	<u>4,081,747</u>	<u>591,343</u>	<u>5,277,637</u>
Plan fiduciary net position - beginning	<u>70,011,282</u>	<u>63,942,910</u>	<u>61,280,980</u>	<u>59,191,741</u>	<u>57,149,032</u>	<u>52,708,876</u>	<u>48,627,129</u>	<u>48,035,786</u>	<u>42,758,149</u>
Plan fiduciary net position - ending (b)	<u>\$ 56,664,702</u>	<u>\$ 70,011,282</u>	<u>\$ 63,942,910</u>	<u>\$ 61,280,980</u>	<u>\$ 59,191,741</u>	<u>\$ 57,149,032</u>	<u>\$ 52,708,876</u>	<u>\$ 48,627,129</u>	<u>\$ 48,035,786</u>
City's net pension liability - ending (a) - (b)	<u>\$ 19,403,873</u>	<u>\$ 6,880,200</u>	<u>\$ 8,480,763</u>	<u>\$ 9,809,332</u>	<u>\$ 11,047,778</u>	<u>\$ 11,997,508</u>	<u>\$ 13,716,750</u>	<u>\$ 12,723,430</u>	<u>\$ 12,175,850</u>
Plan fiduciary net position as a percentage of the total pension liability	74.49%	91.05%	88.29%	86.20%	84.27%	82.65%	79.35%	79.26%	79.78%
Covered payroll	\$ 4,257,173	\$ 4,595,110	\$ 4,793,880	\$ 5,166,307	\$ 5,493,476	\$ 6,000,261	\$ 6,501,387	\$ 6,818,960	\$ 7,447,800
Net pension liability as a percentage of covered payroll	455.79%	149.73%	176.91%	189.87%	201.11%	199.95%	210.98%	186.59%	163.48%

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

CITY OF HALLANDALE BEACH, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE CITY'S TOTAL PENSION LIABILITY AND RELATED RATIOS
EXCESS BENEFIT PLAN**

	September 30,						
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Total pension liability							
Service cost	\$ 97,500	\$ 89,064	\$ 61,380	\$ 66,717	\$ 86,708	\$ 146,603	\$ 104,295
Interest	458,208	472,849	500,909	538,340	535,045	546,028	538,954
Benefit payments	(620,897)	(609,305)	(597,940)	(586,798)	(766,581)	(565,165)	(566,597)
Differences between expected and actual experience	(33,531)	(170,039)	331,528	124,318	(148,223)	(612,654)	52,033
Changes in assumptions	(2,495,237)	169,263	256,773	653,179	(385,051)	(339,565)	1,537,421
Net change in total pension liability	<u>(2,593,957)</u>	<u>(48,168)</u>	<u>552,650</u>	<u>795,756</u>	<u>(678,102)</u>	<u>(824,753)</u>	<u>1,666,106</u>
Total pension liability - beginning	14,852,175	14,900,343	14,347,693	13,551,937	14,230,039	15,054,792	13,388,686
Total pension liability - ending	<u>\$ 12,258,218</u>	<u>\$ 14,852,175</u>	<u>\$ 14,900,343</u>	<u>\$ 14,347,693</u>	<u>\$ 13,551,937</u>	<u>\$ 14,230,039</u>	<u>\$ 15,054,792</u>
Covered payroll	\$ 410,635	\$ 499,067	\$ 475,275	\$ 537,560	\$ 682,868	\$ 737,299	\$ 814,214
Total pension liability as a percentage of covered payroll	2985.19%	2975.99%	3135.10%	2669.04%	1984.56%	1930.02%	1849.00%

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

CITY OF HALLANDALE BEACH, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY CONTRIBUTIONS
PROFESSIONAL/MANAGEMENT RETIREMENT PLAN

	September 30,								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 481,392	\$ 449,555	\$ 556,645	\$ 731,430	\$ 725,270	\$ 569,324	\$ 691,355	\$ 748,978	\$ 912,745
Contributions in relation to the actuarially determined contribution	481,392	449,555	556,645	731,430	725,270	569,324	691,355	748,978	912,745
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 410,635	\$ 499,067	\$ 475,275	\$ 537,560	\$ 682,868	\$ 737,299	\$ 814,214	\$ 763,897	\$ 738,758
Contributions as a percentage of covered payroll	117.2%	90.1%	117.1%	136.1%	106.2%	77.2%	84.9%	98.0%	123.6%

Methods and assumptions used to determine contribution rates for the year ending September 30, 2022:

Valuation date:	October 1, 2020
Note:	Actuarially determined contributions are calculated as of October 1, which is one year prior to the beginning of the year in which contributions are reported.
Actuarial cost method:	Entry age normal - frozen initial liability
Amortization method:	Level percent of pay, closed
Remaining amortization period:	15 years (as of 10/1/2020)
Actuarial asset valuation method:	4 year smooth (market)
Inflation and other general increases:	2.25%
Cost-of-living adjustment:	2.00% per year
Projected salary increases:	6.38% - 8.68%
Investment rate of return:	6.75%
Retirement age:	Normal retirement age as defined in summary of plan provisions.
Mortality:	Based on PubG-2010 General below median base rate mortality table projected to future years with historical and assumed mortality improvement (MI) rates using the MP-2018 mortality improvement scale.

The schedule will present 10 years of information once it is accumulated.

CITY OF HALLANDALE BEACH, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY CONTRIBUTIONS
GENERAL EMPLOYEES' RETIREMENT PLAN**

	September 30,								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 1,753,210	\$ 1,862,258	\$ 2,173,138	\$ 2,505,013	\$ 2,506,098	\$ 2,799,601	\$ 3,331,672	\$ 3,659,156	\$ 3,940,595
Contributions in relation to the actuarially determined contribution	<u>1,753,210</u>	<u>1,862,258</u>	<u>2,173,138</u>	<u>2,505,013</u>	<u>2,506,098</u>	<u>2,799,601</u>	<u>3,331,672</u>	<u>3,659,156</u>	<u>3,940,595</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 4,257,173	\$ 4,595,110	\$ 4,793,880	\$ 5,166,307	\$ 5,493,476	\$ 6,000,261	\$ 6,501,387	\$ 6,818,960	\$ 7,447,800
Contributions as a percentage of covered payroll	41.2%	40.5%	45.3%	48.5%	45.6%	46.7%	51.2%	53.7%	52.9%

Methods and assumptions used to determine contribution rates for the year ending September 30, 2022:

Valuation date:	October 1, 2020
Note:	Actuarially determined contributions are calculated as of October 1, which is one year prior to the beginning of the year in which contributions are reported.
Actuarial cost method:	Entry age normal
Amortization method:	Level percentage of pay
Remaining amortization period:	11 years
Actuarial asset valuation method:	4 year smooth (market)
Inflation and other general increases:	2.25%
Projected salary increases:	4.68% - 6.98%
Investment rate of return:	6.75%
Retirement age:	Normal retirement age as defined in summary of plan provisions.
Mortality:	Based on PubG-2010 General below median base rate mortality table projected to future years with historical and assumed mortality improvement (MI) rates using the MP-2018 mortality improvement scale.

The schedule will present 10 years of information once it is accumulated.

CITY OF HALLANDALE BEACH, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY CONTRIBUTIONS
POLICE OFFICERS' AND FIREFIGHTERS' PERSONNEL RETIREMENT TRUST

	September 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined contribution	\$ 12,858,629	\$ 11,446,821	\$ 12,387,044	\$ 11,359,528	\$ 9,277,568	\$ 8,563,004	\$ 8,528,110	\$ 8,676,637	\$ 8,651,807	\$ 8,140,920
Contributions in relation to the actuarially determined contribution	<u>12,861,249</u>	<u>11,187,692</u>	<u>12,621,986</u>	<u>11,358,164</u>	<u>9,303,118</u>	<u>8,563,004</u>	<u>8,475,832</u>	<u>8,728,916</u>	<u>8,651,807</u>	<u>8,140,920</u>
Contribution deficiency (excess)	<u>\$ (2,620)</u>	<u>\$ 259,129</u>	<u>\$ (234,942)</u>	<u>\$ 1,364</u>	<u>\$ (25,550)</u>	<u>\$ -</u>	<u>\$ 52,278</u>	<u>\$ (52,279)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 12,460,526	\$ 11,622,740	\$ 11,644,572	\$ 13,820,705	\$ 13,184,642	\$ 13,626,274	\$ 13,167,794	\$ 14,267,482	\$ 12,179,211	\$ 12,528,346
Contributions as a percentage of covered payroll	103.2%	96.3%	108.4%	82.2%	70.6%	62.8%	64.4%	61.2%	71.0%	65.0%

Methods and assumptions used to determine contribution rates for the year ending September 30, 2022:

Valuation date:	October 1, 2020
Note:	Actuarially determined contributions are calculated as of October 1, which is one year prior to the beginning of the year in which contributions are reported.
Actuarial cost method:	Entry age normal
Amortization method:	Level percent of pay, closed
Remaining amortization period:	29 years (as of 10/1/2020)
Actuarial asset valuation method:	5 year smooth (market)
Inflation and other general increases:	2.00%
Projected salary increases:	4.5% to 10% based on service
Investment rate of return:	7.25%
Retirement age:	Normal retirement age with at least 25 years of service
Mortality:	PubS.H-2010 (Above Median), set forward one year.

CITY OF HALLANDALE BEACH, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF PENSION INVESTMENT RETURNS

Annual money-weighted rate of return, net of investment expense:

<u>Year Ending September 30,</u>	<u>Professional/ Management Retirement Plan</u>	<u>Police Officers' and Firefighters' Personnel Retirement Trust</u>	<u>General Employees' Retirement Plan</u>
2022	-16.42%	-10.52%	-15.54%
2021	15.80%	23.47%	13.11%
2020	7.89%	6.11%	7.66%
2019	4.43%	3.36%	5.33%
2018	6.71%	10.03%	5.41%
2017	12.05%	11.85%	10.23%
2016	7.72%	8.40%	7.48%
2015	(0.92%)	(0.39%)	(0.60%)
2014	8.83%	12.02%	8.13%

The schedule will present 10 years of information once it is accumulated.

CITY OF HALLANDALE BEACH, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE CITY'S
TOTAL OPEB LIABILITY AND RELATED RATIOS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

Measurement date September 30,	2022	2021	2020	2019	2018
Total OPEB Liability					
Service cost	\$ 866,384	\$ 746,993	\$ 560,196	\$ 920,282	\$ 864,652
Interest	295,357	253,951	500,808	471,862	399,519
Changes of benefit terms	(371,491)	-	(2,150,555)	-	-
Differences between expected and actual experience	(1,083,881)	-	(815,982)	-	132,587
Changes of assumptions or other inputs	(2,848,796)	(309,065)	188,130	76,914	183,070
Benefit payments	(302,323)	(505,972)	(303,627)	(582,856)	(502,185)
Net Change in Total OPEB Liability	(3,444,750)	185,907	(2,021,030)	886,202	1,077,643
Total OPEB Liability - Beginning	12,305,754	12,119,847	14,140,877	13,254,675	12,177,032
Total OPEB Liability - Ending	\$ 8,861,004	\$ 12,305,754	\$ 12,119,847	\$ 14,140,877	\$ 13,254,675
Covered-Employee Payroll	\$25,936,957	\$22,873,151	\$21,995,333	\$31,845,429	\$30,298,837
Total OPEB Liability as a Percentage of Covered-Employee Payroll	34.16%	53.80%	55.10%	44.40%	43.75%

Notes to Schedule:

This schedule is intended to have ten years of data. Additional data to be compiled as information becomes available.

No assets have been accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other than Pensions*.

Changes of assumptions. Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2022	4.77%
2021	2.43%
2020	2.14%
2019	3.58%
2018	3.64%
2017	3.35%

CITY OF HALLANDALE BEACH, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FLORIDA RETIREMENT SYSTEM PENSION PLAN**

Reporting period ending Measurement date	<u>9/30/2022</u> <u>6/30/2022</u>	<u>9/30/2021</u> <u>6/30/2021</u>	<u>9/30/2020</u> <u>6/30/2020</u>
City's proportion of the FRS net pension liability	0.03152%	0.02662%	0.00838%
City's proportionate share of the FRS net pension liability	\$ 11,728,603	\$ 2,010,600	\$ 3,631,898
City's covered payroll	\$ 13,514,313	\$ 11,361,791	\$ 4,455,015
City's proportionate share of the net pension liability as a percentage of its covered payroll	86.79%	17.70%	81.52%
FRS Plan fiduciary net position as a percentage of the FRS total pension liability	82.89%	96.40%	78.85%

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

The City began participation in the FRS Plan in February 2020.

CITY OF HALLANDALE BEACH, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
FLORIDA RETIREMENT SYSTEM PENSION PLAN**

Reporting period ending	<u>9/30/2022</u>	<u>9/30/2021</u>	<u>9/30/2020</u>
Contractually required FRS contribution	\$ 1,469,932	\$ 1,099,869	\$ 488,128
FRS contributions in relation to the contractually required FRS contribution	<u>1,469,932</u>	<u>1,099,869</u>	<u>488,128</u>
FRS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 14,740,231	\$ 11,829,189	\$ 6,959,148
FRS contributions as a percentage of covered payroll	9.97%	9.30%	7.01%

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

The City began participation in the FRS Plan in February 2020.

CITY OF HALLANDALE BEACH, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
HEALTH INSURANCE SUBSIDY PENSION PLAN**

Reporting period ending Measurement date	9/30/2022 6/30/2022	9/30/2021 6/30/2021	9/30/2020 6/30/2020
City's proportion of the HIS net pension liability	0.03704%	0.03187%	0.01232%
City's proportionate share of the HIS net pension liability	\$ 3,923,090	\$ 3,909,531	\$ 1,503,673
City's covered payroll	\$ 13,514,313	\$ 11,361,791	\$ 4,455,015
City's proportionate share of the net pension liability as a percentage of its covered payroll	29.03%	34.41%	33.75%
HIS Plan fiduciary net position as a percentage of the HIS total pension liability	4.81%	3.56%	3.00%

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

The City began participation in the FRS Plan in February 2020.

CITY OF HALLANDALE BEACH, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
HEALTH INSURANCE SUBSIDY PENSION PLAN**

Reporting period ending	<u>9/30/2022</u>	<u>9/30/2021</u>	<u>9/30/2020</u>
Contractually required HIS contribution	\$ 243,688	\$ 196,347	\$ 111,098
HIS contributions in relation to the contractually required HIS contribution	<u>243,688</u>	<u>196,347</u>	<u>111,098</u>
HIS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 14,740,231	\$ 11,829,189	\$ 6,959,148
HIS contributions as a percentage of covered payroll	1.65%	1.66%	1.60%

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.
The City began participation in the FRS Plan in February 2020.



Hallandale Beach
PROGRESS. INNOVATION. OPPORTUNITY.

**COMBINING AND INDIVIDUAL FUND FINANCIAL
STATEMENTS AND SCHEDULES**



Hallandale Beach
PROGRESS. INNOVATION. OPPORTUNITY.

NONMAJOR GOVERNMENTAL FUNDS

CITY OF HALLANDALE BEACH, FLORIDA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022**

	Special Revenue Funds										Debt Service Funds		Totals
	Police Training Fund	Police Outside Services Fund	Police Equitable Sharing Fund	Transportation Fund	Golden Isles Safe Neighborhood Fund	Three Islands District Fund	Developer Agreements Fund	Law Enforcement Trust Fund	Building Permits Fund	Tree Preservation Trust Fund	2016 G.O. Bond Fund	Revenue Bond Fund	
ASSETS													
Cash and cash equivalents	\$ 40,518	\$ 51,281	\$ 680,159	\$ 1,970,559	\$ 828,657	\$ 1,132,347	\$ 3,057,072	\$ 225,067	\$ 2,136,305	\$ 58,220	\$ -	\$ -	\$ 10,180,185
Receivables, net of allowances	-	96,283	-	119,612	-	-	-	-	-	-	-	-	215,895
Due from other governments	-	-	-	115,008	-	-	-	-	-	-	-	-	115,008
Restricted assets:													
Cash and cash equivalents	-	97,300	-	-	-	-	-	-	-	-	145,291	43,767	286,358
Total assets	<u>\$ 40,518</u>	<u>\$ 244,864</u>	<u>\$ 680,159</u>	<u>\$ 2,205,179</u>	<u>\$ 828,657</u>	<u>\$ 1,132,347</u>	<u>\$ 3,057,072</u>	<u>\$ 225,067</u>	<u>\$ 2,136,305</u>	<u>\$ 58,220</u>	<u>\$ 145,291</u>	<u>\$ 43,767</u>	<u>\$ 10,797,446</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES													
LIABILITIES													
Accounts payable and accrued liabilities	\$ 1,110	\$ 23,371	\$ 3,148	\$ 115,473	\$ 22,037	\$ 17,517	\$ -	\$ -	\$ 145,474	\$ -	\$ -	\$ -	\$ 328,130
Due to other funds	-	-	-	-	-	-	50,000	-	-	-	-	-	50,000
Deposits	-	97,300	-	-	-	-	-	-	-	-	-	-	97,300
Unearned revenues	-	-	-	-	-	-	400,000	-	-	-	-	-	400,000
Total liabilities	<u>1,110</u>	<u>120,671</u>	<u>3,148</u>	<u>115,473</u>	<u>22,037</u>	<u>17,517</u>	<u>450,000</u>	<u>-</u>	<u>145,474</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>875,430</u>
DEFERRED INFLOWS OF RESOURCES													
Deferred inflows - leases	-	-	-	119,267	-	-	-	-	-	-	-	-	119,267
Unavailable revenue	-	10,413	-	-	-	-	-	-	-	-	-	-	10,413
Total deferred inflows of resources	<u>-</u>	<u>10,413</u>	<u>-</u>	<u>119,267</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>129,680</u>
FUND BALANCES (DEFICITS)													
Restricted for:													
Debt service	-	-	-	-	-	-	-	-	-	-	145,291	43,767	189,058
Law enforcement	39,408	-	677,011	-	-	-	225,067	-	-	-	-	-	941,486
Developer agreements	-	-	-	-	-	-	2,607,072	-	-	-	-	-	2,607,072
Building permits function	-	-	-	-	-	-	-	-	1,990,831	-	-	-	1,990,831
Traffic mitigation	-	-	-	904,036	-	-	-	-	-	-	-	-	904,036
Transportation	-	-	-	1,066,403	-	-	-	-	-	-	-	-	1,066,403
Safe neighborhood districts	-	-	-	-	806,620	1,114,830	-	-	-	-	-	-	1,921,450
Police outside services	-	113,780	-	-	-	-	-	-	-	-	-	-	113,780
Committed for tree preservation	-	-	-	-	-	-	-	-	-	58,220	-	-	58,220
Total fund balances	<u>39,408</u>	<u>113,780</u>	<u>677,011</u>	<u>1,970,439</u>	<u>806,620</u>	<u>1,114,830</u>	<u>2,607,072</u>	<u>225,067</u>	<u>1,990,831</u>	<u>58,220</u>	<u>145,291</u>	<u>43,767</u>	<u>9,792,336</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 40,518</u>	<u>\$ 244,864</u>	<u>\$ 680,159</u>	<u>\$ 2,205,179</u>	<u>\$ 828,657</u>	<u>\$ 1,132,347</u>	<u>\$ 3,057,072</u>	<u>\$ 225,067</u>	<u>\$ 2,136,305</u>	<u>\$ 58,220</u>	<u>\$ 145,291</u>	<u>\$ 43,767</u>	<u>\$ 10,797,446</u>

CITY OF HALLANDALE BEACH, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Special Revenue Funds									Debt Service Funds		Totals	
	Police Training Fund	Police Outside Services Fund	Police Equitable Sharing Fund	Transportation Fund	Golden Isles Safe Neighborhood Fund	Three Islands District Fund	Developer Agreements Fund	Law Enforcement Trust Fund	Building Permits Fund	Tree Preservation Trust Fund	2016 G.O. Bond Fund		Revenue Bond Fund
Revenues:													
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 417,365	\$ 439,849	\$ -	\$ -	\$ -	\$ -	\$ 3,113,514	\$ -	\$ 3,970,728
Charges for services	-	905,136	-	334,446	-	-	-	-	-	-	-	-	1,973,150
Licenses and permits	-	-	-	-	-	-	-	-	733,568	-	-	-	3,014,584
Intergovernmental	-	-	-	1,042,743	-	-	-	-	-	-	-	-	1,042,743
Fines and forfeitures	10,726	-	-	-	-	-	-	46,719	-	-	-	-	57,445
Investment earnings	-	-	508	659	-	-	-	-	-	-	-	-	1,167
Other revenues	-	-	-	40,087	-	-	-	-	-	-	-	-	40,087
Total revenues	10,726	905,136	508	1,417,935	417,365	439,849	-	46,719	3,748,152	-	3,113,514	-	10,099,904
Expenditures:													
Current:													
Public safety	9,915	961,679	84,727	-	383,447	381,008	-	73,472	3,503,340	-	-	-	5,397,588
Transportation	-	-	-	2,348,791	-	-	-	-	-	-	-	-	2,348,791
Culture and recreation	-	-	-	-	-	-	49,110	-	-	-	-	-	49,110
Human services	-	-	-	-	-	-	15,018	-	-	-	-	-	15,018
Capital outlay	-	-	-	99,491	7,558	530	-	-	22,007	-	-	-	129,586
Debt service													
Principal	-	-	-	-	-	-	-	-	-	-	1,230,000	1,580,000	2,810,000
Interest	-	-	-	-	-	-	-	-	-	-	1,846,006	714,163	2,560,169
Total expenditures	9,915	961,679	84,727	2,448,282	391,005	381,538	64,128	73,472	3,525,347	-	3,076,006	2,294,163	13,310,262
Excess (deficiency) of revenues over (under) expenditures	811	(56,543)	(84,219)	(1,030,347)	26,360	58,311	(64,128)	(26,753)	222,805	-	37,508	(2,294,163)	(3,210,358)
Other financing sources													
Transfers in	-	-	-	1,371,633	-	-	-	-	-	-	-	2,294,163	3,665,796
Total other financing sources	-	-	-	1,371,633	-	-	-	-	-	-	-	2,294,163	3,665,796
Net change in fund balances	811	(56,543)	(84,219)	341,286	26,360	58,311	(64,128)	(26,753)	222,805	-	37,508	-	455,438
Fund balances (deficits), beginning	38,597	170,323	761,230	1,629,153	780,260	1,056,519	2,671,200	251,820	1,768,026	58,220	107,783	43,767	9,336,898
Fund balances, ending	\$ 39,408	\$ 113,780	\$ 677,011	\$ 1,970,439	\$ 806,620	\$ 1,114,830	\$ 2,607,072	\$ 225,067	\$ 1,990,831	\$ 58,220	\$ 145,291	\$ 43,767	\$ 9,792,336

CITY OF HALLANDALE BEACH, FLORIDA

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes.

Police Training Fund – to account for additional assessment in criminal matters for the purpose of criminal justice education and training for police officers.

Police Outside Services Fund – to account for revenue received as a result of police officers performing duties for entities other than the City.

Police Equitable Sharing Fund – to account for funds received for assisting various federal law enforcement agencies.

Transportation Fund – to account for the City's share of road and bridge and local option gas taxes. Funds are restricted to transportation equipment and maintenance and improvement of roads and streets within the City.

Golden Isles Safe Neighborhood Fund – to account for proceeds from property taxes restricted to use for the Golden Isles Safe Neighborhood District.

Three Islands District Fund – to account for proceeds from property taxes restricted to use for the Three Islands Safe Neighborhood District.

Developer Agreements Fund – to account for developer and other capital contribution related revenues.

Law Enforcement Trust Fund – to account for confiscated property. Proceeds may be used only for law enforcement purposes.

Building Permits Fund – to account for specific revenues that are restricted for particular purposes per Florida Statute, such as costs incurred to enforce the Florida Building Code.

Tree Preservation Trust Fund – to account for replacement fees paid to the City as part of tree removal permits.

DEBT SERVICE FUNDS

2016 G.O. Bond Fund – to account for the accumulation of ad valorem tax revenues for the exclusive purpose of servicing the debt of the 2016 General Obligation Bond.

Revenue Bond Fund – to account for the accumulation of transfers from other funds and other revenues for the exclusive purpose of servicing the debt of the Capital Improvement Revenue Bonds, Series 2016 and Revenue Bonds, Series 2007A.

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CITY OF HALLANDALE BEACH, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS – POLICE TRAINING FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Fines and forfeitures	\$ 10,000	\$ 10,000	\$ 10,726	\$ 726
Total revenues	<u>10,000</u>	<u>10,000</u>	<u>10,726</u>	<u>726</u>
EXPENDITURES				
Operating expenditures	50,000	50,000	9,915	40,085
Total expenditures	<u>50,000</u>	<u>50,000</u>	<u>9,915</u>	<u>40,085</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(40,000)</u>	<u>(40,000)</u>	<u>811</u>	<u>40,811</u>
Other financing sources				
Appropriations of fund balance	40,000	40,000	-	(40,000)
Total other financing sources	<u>40,000</u>	<u>40,000</u>	<u>-</u>	<u>(40,000)</u>
Net change in fund balance	-	-	811	811
FUND BALANCE, beginning	<u>38,597</u>	<u>38,597</u>	<u>38,597</u>	<u>-</u>
FUND BALANCE, ending	<u>\$ 38,597</u>	<u>\$ 38,597</u>	<u>\$ 39,408</u>	<u>\$ 811</u>

CITY OF HALLANDALE BEACH, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS – POLICE OUTSIDE SERVICES FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for services	\$ 1,205,355	\$ 1,205,355	\$ 905,136	\$ (300,219)
Other revenues	85,025	85,025	74,976	(10,049)
Total revenues	<u>1,290,380</u>	<u>1,290,380</u>	<u>980,112</u>	<u>(310,268)</u>
EXPENDITURES				
Personal services	1,205,355	1,205,355	961,679	243,676
Operating expenditures	85,025	85,025	74,976	10,049
Total expenditures	<u>1,290,380</u>	<u>1,290,380</u>	<u>1,036,655</u>	<u>253,725</u>
Net change in fund balance	-	-	(56,543)	(56,543)
FUND BALANCE, beginning	<u>170,323</u>	<u>170,323</u>	<u>170,323</u>	<u>-</u>
FUND BALANCE, ending	<u>\$ 170,323</u>	<u>\$ 170,323</u>	<u>\$ 113,780</u>	<u>\$ (56,543)</u>

CITY OF HALLANDALE BEACH, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS – POLICE EQUITABLE SHARING FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Interest revenue	\$ -	\$ -	\$ 508	\$ 508
Total revenues	-	-	508	508
EXPENDITURES				
Operating expenditures	194,460	201,230	84,727	116,503
Capital outlay	26,500	19,730	-	19,730
Total expenditures	220,960	220,960	84,727	136,233
Deficiency of revenues under expenditures	(220,960)	(220,960)	(84,219)	136,741
Other financing sources				
Appropriations of fund balance	220,960	220,960	-	(220,960)
Total other financing sources	220,960	220,960	-	(220,960)
Net change in fund balance	-	-	(84,219)	(84,219)
FUND BALANCE, beginning	761,230	761,230	761,230	-
FUND BALANCE, ending	\$ 761,230	\$ 761,230	\$ 677,011	\$ (84,219)

CITY OF HALLANDALE BEACH, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS – TRANSPORTATION FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for services	\$ 161,970	\$ 248,518	\$ 334,446	\$ 85,928
Intergovernmental	910,766	910,766	1,042,743	131,977
Franchise taxes	39,799	39,799	-	(39,799)
Interest revenue	-	-	659	659
Other revenues	-	-	40,087	40,087
Total revenues	<u>1,112,535</u>	<u>1,199,083</u>	<u>1,417,935</u>	<u>218,852</u>
EXPENDITURES				
Personal services	937,176	548,000	559,049	(11,049)
Operating expenditures	973,237	2,354,941	1,789,742	565,199
Capital outlay	162,000	903,584	99,491	804,093
Total expenditures	<u>2,072,413</u>	<u>3,806,525</u>	<u>2,448,282</u>	<u>1,358,243</u>
Deficiency of revenues under expenditures	<u>(959,878)</u>	<u>(2,607,442)</u>	<u>(1,030,347)</u>	<u>1,577,095</u>
Other financing sources				
Transfers in	959,878	1,371,633	1,371,633	-
Appropriations of fund balance	-	510,535	-	(510,535)
Reappropriations of fund balance	-	725,274	-	(725,274)
Total other financing sources	<u>959,878</u>	<u>2,607,442</u>	<u>1,371,633</u>	<u>(1,235,809)</u>
Net change in fund balance	-	-	341,286	341,286
FUND BALANCE, beginning	<u>1,629,153</u>	<u>1,629,153</u>	<u>1,629,153</u>	<u>-</u>
FUND BALANCE, ending	<u>\$ 1,629,153</u>	<u>\$ 1,629,153</u>	<u>\$ 1,970,439</u>	<u>\$ 341,286</u>

CITY OF HALLANDALE BEACH, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS – GOLDEN ISLES SAFE NEIGHBORHOOD FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 418,956	\$ 418,956	\$ 417,365	\$ (1,591)
Total revenues	<u>418,956</u>	<u>418,956</u>	<u>417,365</u>	<u>(1,591)</u>
EXPENDITURES				
Operating expenditures	458,956	565,807	383,447	182,360
Capital outlay	-	212,545	7,558	204,987
Contingency	10,000	10,000	-	10,000
Total expenditures	<u>468,956</u>	<u>788,352</u>	<u>391,005</u>	<u>397,347</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(50,000)</u>	<u>(369,396)</u>	<u>26,360</u>	<u>395,756</u>
Other financing sources				
Appropriations of fund balance	50,000	162,421	-	(162,421)
Reappropriations of fund balance	-	206,975	-	(206,975)
Total other financing sources	<u>50,000</u>	<u>369,396</u>	<u>-</u>	<u>(369,396)</u>
Net change in fund balance	-	-	26,360	26,360
FUND BALANCE, beginning	<u>780,260</u>	<u>780,260</u>	<u>780,260</u>	<u>-</u>
FUND BALANCE, ending	<u>\$ 780,260</u>	<u>\$ 780,260</u>	<u>\$ 806,620</u>	<u>\$ 26,360</u>

CITY OF HALLANDALE BEACH, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS – THREE ISLANDS DISTRICT FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 444,314	\$ 444,314	\$ 439,849	\$ (4,465)
Total revenues	<u>444,314</u>	<u>444,314</u>	<u>439,849</u>	<u>(4,465)</u>
EXPENDITURES				
Operating expenditures	429,314	600,410	381,008	219,402
Capital outlay	-	604,056	530	603,526
Contingency	15,000	15,000	-	15,000
Total expenditures	<u>444,314</u>	<u>1,219,466</u>	<u>381,538</u>	<u>837,928</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(775,152)</u>	<u>58,311</u>	<u>833,463</u>
Other financing sources				
Appropriations of fund balance	-	171,096	-	(171,096)
Reappropriations of fund balance	-	604,056	-	(604,056)
Total other financing sources	<u>-</u>	<u>775,152</u>	<u>-</u>	<u>(775,152)</u>
Net change in fund balance	-	-	58,311	58,311
FUND BALANCE, beginning	<u>1,056,519</u>	<u>1,056,519</u>	<u>1,056,519</u>	<u>-</u>
FUND BALANCE, ending	<u>\$ 1,056,519</u>	<u>\$ 1,056,519</u>	<u>\$ 1,114,830</u>	<u>\$ 58,311</u>

CITY OF HALLANDALE BEACH, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS – LAW ENFORCEMENT TRUST FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Fines and forfeitures	\$ -	\$ -	\$ 46,719	\$ 46,719
Total revenues	-	-	46,719	46,719
EXPENDITURES				
Operating expenditures	181,590	181,590	39,222	142,368
Capital outlay	-	-	-	-
Grants and aids	34,250	34,250	34,250	-
Total expenditures	215,840	215,840	73,472	142,368
Deficiency of revenues under expenditures	(215,840)	(215,840)	(26,753)	189,087
Other financing sources				
Appropriations of fund balance	215,840	215,840	-	(215,840)
Total other financing sources	215,840	215,840	-	(215,840)
Net change in fund balance	-	-	(26,753)	(26,753)
FUND BALANCE, beginning	251,820	251,820	251,820	-
FUND BALANCE, ending	\$ 251,820	\$ 251,820	\$ 225,067	\$ (26,753)

CITY OF HALLANDALE BEACH, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS – BUILDING PERMITS FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for services	\$ 452,500	\$ 452,500	\$ 733,568	\$ 281,068
Licenses and permits	2,907,500	2,949,300	3,014,584	65,284
Total revenues	<u>3,360,000</u>	<u>3,401,800</u>	<u>3,748,152</u>	<u>346,352</u>
EXPENDITURES				
Personal services	2,783,540	2,584,684	1,969,973	614,711
Operating expenditures	1,136,626	1,724,182	1,533,367	190,815
Capital outlay	45,000	314,168	22,007	292,161
Total expenditures	<u>3,965,166</u>	<u>4,623,034</u>	<u>3,525,347</u>	<u>1,097,687</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(605,166)</u>	<u>(1,221,234)</u>	<u>222,805</u>	<u>1,444,039</u>
Other financing sources				
Appropriations of fund balance	605,166	936,000	-	(936,000)
Reappropriations of fund balance	-	285,234	-	(285,234)
Total other financing sources	<u>605,166</u>	<u>1,221,234</u>	<u>-</u>	<u>(1,221,234)</u>
Net change in fund balance	-	-	222,805	222,805
FUND BALANCE, beginning	<u>1,768,026</u>	<u>1,768,026</u>	<u>1,768,026</u>	<u>-</u>
FUND BALANCE (deficit), ending	<u>\$ 1,768,026</u>	<u>\$ 1,768,026</u>	<u>\$ 1,990,831</u>	<u>\$ 222,805</u>

CITY OF HALLANDALE BEACH, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
DEBT SERVICE FUNDS – 2016 G.O. BOND FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 3,076,161	\$ 3,076,161	\$ 3,113,514	\$ 37,353
Total revenues	<u>3,076,161</u>	<u>3,076,161</u>	<u>3,113,514</u>	<u>37,353</u>
EXPENDITURES				
Debt service	3,076,161	3,076,161	3,076,006	155
Total expenditures	<u>3,076,161</u>	<u>3,076,161</u>	<u>3,076,006</u>	<u>155</u>
Net change in fund balance	-	-	37,508	37,508
FUND BALANCE, beginning	<u>107,783</u>	<u>107,783</u>	<u>107,783</u>	<u>-</u>
FUND BALANCE, ending	<u>\$ 107,783</u>	<u>\$ 107,783</u>	<u>\$ 145,291</u>	<u>\$ 37,508</u>

CITY OF HALLANDALE BEACH, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
DEBT SERVICE FUNDS – REVENUE BOND FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Interest revenue	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
EXPENDITURES				
Debt service	2,294,163	2,294,163	2,294,163	-
Total expenditures	2,294,163	2,294,163	2,294,163	-
Deficiency of revenues under expenditures	(2,294,163)	(2,294,163)	(2,294,163)	-
Other financing sources				
Transfers in	2,294,163	2,294,163	2,294,163	-
Total other financing sources	2,294,163	2,294,163	2,294,163	-
Net change in fund balance	-	-	-	-
FUND BALANCE, beginning	43,767	43,767	43,767	-
FUND BALANCE, ending	\$ 43,767	\$ 43,767	\$ 43,767	\$ -

CITY OF HALLANDALE BEACH, FLORIDA

INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.

General Liability Trust Fund – to account for the costs of insuring the City in the areas of general and auto liability. The City is primarily self-insured in these areas. Other funds are billed to cover actual costs of premiums and claims and to maintain an adequate balance in fund equity.

Workers' Compensation Fund – to account for the costs of providing workers' compensation insurance coverage to employees of the City. The City is partially self-insured in this area. Other funds are billed to cover costs of estimated expenses.

Fleet Fund – to account for the maintenance and replacement of all the City's vehicles with the exception of Fire and Emergency Medical Services apparatus.

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CITY OF HALLANDALE BEACH, FLORIDA

**COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS**

SEPTEMBER 30, 2022

	<u>General Liability Trust Fund</u>	<u>Workers' Compensation Fund</u>	<u>Fleet Fund</u>	<u>Totals</u>
ASSETS				
CURRENT ASSETS				
Cash	\$ 3,546,193	\$ 1,705,014	\$ 4,151,372	\$ 9,402,579
Receivables, net of allowances	2,495	-	-	2,495
Prepays	21,207	-	-	21,207
Total current assets	<u>3,569,895</u>	<u>1,705,014</u>	<u>4,151,372</u>	<u>9,426,281</u>
NONCURRENT ASSETS				
Capital assets:				
Depreciable, net of accumulated depreciation	-	-	1,583,672	1,583,672
Total noncurrent assets	-	-	1,583,672	1,583,672
Total assets	<u>3,569,895</u>	<u>1,705,014</u>	<u>5,735,044</u>	<u>11,009,953</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension - City	39,724	-	40,787	80,511
Pension - FRS	84,334	-	262,048	346,382
OPEB	8,362	-	20,566	28,928
Total deferred outflows of resources	<u>132,420</u>	<u>-</u>	<u>323,401</u>	<u>455,821</u>
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable and accrued liabilities	48,590	2,873	32,094	83,557
Compensated absences	7,485	-	6,856	14,341
Accrued claims for self-insured risks	6,152,668	353,000	-	6,505,668
Total current liabilities	<u>6,208,743</u>	<u>355,873</u>	<u>38,950</u>	<u>6,603,566</u>
NONCURRENT LIABILITIES				
Compensated absences	15,808	-	14,478	30,286
Accrued claims for self-insured risks	1,204,000	1,546,000	-	2,750,000
Net pension liability - City	101,222	-	103,930	205,152
Net pension liability - FRS	107,994	-	335,567	443,561
Total OPEB liability	86,103	-	211,755	297,858
Total noncurrent liabilities	<u>1,515,127</u>	<u>1,546,000</u>	<u>665,730</u>	<u>3,726,857</u>
Total liabilities	<u>7,723,870</u>	<u>1,901,873</u>	<u>704,680</u>	<u>10,330,423</u>
DEFERRED INFLOWS OF RESOURCES				
Pension - City	42,528	-	43,667	86,195
Pension - FRS	4,307	-	13,382	17,689
OPEB	45,173	-	111,094	156,267
Total deferred inflows of resources	<u>92,008</u>	<u>-</u>	<u>168,143</u>	<u>260,151</u>
NET POSITION				
Investment in capital assets	-	-	1,583,672	1,583,672
Unrestricted	(4,113,563)	(196,859)	3,601,950	(708,472)
Total net position	<u>\$ (4,113,563)</u>	<u>\$ (196,859)</u>	<u>\$ 5,185,622</u>	<u>\$ 875,200</u>

CITY OF HALLANDALE BEACH, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	<u>General Liability Trust Fund</u>	<u>Workers' Compensation Fund</u>	<u>Fleet Fund</u>	<u>Totals</u>
OPERATING REVENUES				
Charges for services	\$ 1,950,283	\$ 1,127,484	\$ 2,699,878	\$ 5,777,645
Total operating revenues	<u>1,950,283</u>	<u>1,127,484</u>	<u>2,699,878</u>	<u>5,777,645</u>
OPERATING EXPENSES				
Personal services	364,308	-	685,682	1,049,990
Cost of sales and services	836,590	242,728	741,745	1,821,063
Claims expense	5,637,111	872,895	-	6,510,006
Depreciation	-	-	452,550	452,550
Total operating expenses	<u>6,838,009</u>	<u>1,115,623</u>	<u>1,879,977</u>	<u>9,833,609</u>
Income (loss) before capital contributions	<u>(4,887,726)</u>	<u>11,861</u>	<u>819,901</u>	<u>(4,055,964)</u>
CAPITAL CONTRIBUTIONS	<u>-</u>	<u>-</u>	<u>617,945</u>	<u>617,945</u>
Change in net position	(4,887,726)	11,861	1,437,846	(3,438,019)
NET POSITION, beginning	<u>774,163</u>	<u>(208,720)</u>	<u>3,747,776</u>	<u>4,313,219</u>
NET POSITION, ending	<u>\$ (4,113,563)</u>	<u>\$ (196,859)</u>	<u>\$ 5,185,622</u>	<u>\$ 875,200</u>

CITY OF HALLANDALE BEACH, FLORIDA

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS**

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	<u>General Liability Trust Fund</u>	<u>Workers' Compensation Fund</u>	<u>Fleet Fund</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 1,947,788	\$ 1,127,484	\$ 2,699,878	\$ 5,775,150
Payments to suppliers for goods, services, claims and administrative charges	(1,211,822)	(1,067,422)	(750,793)	(3,030,037)
Payments to employees	(295,258)	-	(696,654)	(991,912)
Net cash provided by operating activities	<u>440,708</u>	<u>60,062</u>	<u>1,252,431</u>	<u>1,753,201</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	-	-	(96,134)	(96,134)
Net cash provided by capital and related financing activities	<u>-</u>	<u>-</u>	<u>(96,134)</u>	<u>(96,134)</u>
Net change in cash and cash equivalents	440,708	60,062	1,156,297	1,657,067
Cash and cash equivalents, beginning	<u>3,105,485</u>	<u>1,644,952</u>	<u>2,995,075</u>	<u>7,745,512</u>
Cash and cash equivalents, ending	<u>\$ 3,546,193</u>	<u>\$ 1,705,014</u>	<u>\$ 4,151,372</u>	<u>\$ 9,402,579</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	\$ (4,887,726)	\$ 11,861	\$ 819,901	\$ (4,055,964)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities				
Depreciation	-	-	452,550	452,550
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	(2,495)	-	-	(2,495)
(Increase) decrease in prepaids and other assets	(1,306)	-	-	(1,306)
(Increase) decrease in deferred outflows of resources	(5,616)	-	(6,294)	(11,910)
Increase (decrease) in accounts payable	(23,483)	(2,799)	(9,048)	(35,330)
Increase (decrease) in compensated absences	(596)	-	(13,967)	(14,563)
Increase (decrease) in self insured claims payable	5,286,668	51,000	-	5,337,668
Increase (decrease) in total OPEB liability	(8,375)	-	(71,800)	(80,175)
Increase (decrease) in net pension liability	64,091	-	101,688	165,779
Increase (decrease) in deferred inflows of resources	19,546	-	(20,599)	(1,053)
Net cash provided by operating activities	<u>\$ 440,708</u>	<u>\$ 60,062</u>	<u>\$ 1,252,431</u>	<u>\$ 1,753,201</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES				
Contributed capital from governmental activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 617,945</u>	<u>\$ 617,945</u>

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CITY OF HALLANDALE BEACH, FLORIDA

FIDUCIARY FUNDS

Fiduciary funds include pension trust funds and custodial funds. Pension trust funds account for certain of the City's retirement plans. Custodial funds are used to account for assets held by the City to account for the City's nonqualified excess benefit plan and various community partnerships.

Pension Trust Funds:

General Employees' Pension Fund – This fund is used to account for assets held in a trustee capacity for the retirement pensions of all City employees except police officers, firefighters and management/professional employees.

Police Officers' and Firefighters' Retirement Trust – This fund is used to account for assets held in a trustee capacity for the retirement pensions for all firefighters, fire department officers and all non-civilian police department employees.

Professional/Management Pension Fund – This fund is used to account for assets held in a trustee capacity for the retirement pensions of most professional/management employees as indicated in the Personnel Resource System.

Custodial Funds:

Friends of Hepburn Center Fund – to account for to account for donations received on behalf of The Friends of Hepburn Center, Inc., a 501(c)(3) community partner.

Police Athletic League Fund – to account for to account for donations received on behalf of Police Athletic League of Hallandale Beach, Inc., a 501(c)(3) community partner.

Excess Benefit Plan Fund – to account for to account for the City's Excess Benefit Plan as a separate, unfunded, single-employer qualified governmental excess benefit arrangement as defined in Section 415 (m)(3) of the Internal Revenue Code.

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CITY OF HALLANDALE BEACH, FLORIDA

**COMBINING SCHEDULE OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2022**

	Friends of Hepburn Center Fund	Police Athletic League Fund	Excess Benefit Plan Fund	Total Custodial Funds	General Employees' Pension Fund	Police and Firefighters' Pension Fund	Professional/ Management Pension Fund	Total Pension Trust Funds
ASSETS								
Cash and cash equivalents	\$ 358,399	\$ 87,661	\$ -	\$ 446,060	\$ -	\$ 5,791,917	\$ -	\$ 5,791,917
State contributions receivable	-	-	-	-	-	609,737	-	609,737
Accounts receivable	-	-	-	-	-	-	1,435	1,435
Employee contributions receivable	-	-	-	-	-	54,804	-	54,804
Accrued interest and dividends	-	-	-	-	-	323,185	-	323,185
Due from broker	-	-	-	-	-	487,657	-	487,657
Investments:								
Corporate bonds	-	-	-	-	-	15,316,582	-	15,316,582
Equity securities	-	-	-	-	-	137,998,911	-	137,998,911
U.S. obligations	-	-	-	-	-	18,210,640	-	18,210,640
Hedge funds	-	-	-	-	-	11,138,273	-	11,138,273
Equity pooled separate accounts	-	-	-	-	23,476,233	-	9,069,588	32,545,821
Private equity fund	-	-	-	-	-	8,416,295	-	8,416,295
Fixed income pooled separate accounts	-	-	-	-	28,177,718	-	6,946,580	35,124,298
Real estate pooled separate accounts	-	-	-	-	5,012,186	-	1,564,159	6,576,345
Real estate fund	-	-	-	-	-	11,224,251	-	11,224,251
Domestic equity investment funds	-	-	2,892,878	2,892,878	-	-	-	-
International equity investment funds	-	-	759,992	759,992	-	-	-	-
Domestic fixed income investment fund	-	-	1,747,089	1,747,089	-	-	-	-
Total investments	-	-	5,399,959	5,399,959	56,666,137	202,304,952	17,580,327	276,551,416
Prepays	-	-	-	-	-	7,992	-	7,992
Total assets	<u>358,399</u>	<u>87,661</u>	<u>5,399,959</u>	<u>5,846,019</u>	<u>56,666,137</u>	<u>209,580,244</u>	<u>17,581,762</u>	<u>283,828,143</u>
LIABILITIES								
Accounts payable	-	-	-	-	1,435	209,117	-	210,552
Due to broker	-	-	-	-	-	598,410	-	598,410
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,435</u>	<u>807,527</u>	<u>-</u>	<u>808,962</u>
NET POSITION								
Restricted for:								
Pension benefits	\$ -	\$ -	\$ -	\$ -	\$ 56,664,702	\$ 208,772,717	\$ 17,581,762	\$ 283,019,181
Community partnerships	358,399	87,661	-	446,060	-	-	-	-
Unrestricted	-	-	5,399,959	5,399,959	-	-	-	-
Total restricted net position	<u>\$ 358,399</u>	<u>\$ 87,661</u>	<u>\$ 5,399,959</u>	<u>\$ 5,846,019</u>	<u>\$ 56,664,702</u>	<u>\$ 208,772,717</u>	<u>\$ 17,581,762</u>	<u>\$ 283,019,181</u>

CITY OF HALLANDALE BEACH, FLORIDA

**COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

	Friends of Hepburn Center Fund	Police Athletic League Fund	Excess Benefit Plan Fund	Total Custodial Trust Funds	General Employees' Pension Fund	Police and Firefighters' Pension Fund	Professional/ Management Pension Fund	Total Pension Trust Funds
ADDITIONS								
Contributions:								
Employer	\$ -	\$ -	\$ -	\$ -	\$ 1,753,210	\$ 12,251,512	\$ 481,392	\$ 14,486,114
Plan members	-	-	-	-	146,084	1,574,461	37,492	1,758,037
State of Florida	-	-	-	-	-	609,737	-	609,737
Donations and contributions	38,970	2,372	-	41,342	-	-	-	-
Total contributions	<u>38,970</u>	<u>2,372</u>	<u>-</u>	<u>41,342</u>	<u>1,899,294</u>	<u>14,435,710</u>	<u>518,884</u>	<u>16,853,888</u>
Investment income (loss):								
Interest and dividends	-	-	-	-	-	5,354,029	-	5,354,029
Net decrease in fair value of investments	-	-	(1,133,064)	(1,133,064)	(10,741,894)	(26,983,516)	(3,546,580)	(41,271,990)
Total investment income (loss)	<u>-</u>	<u>-</u>	<u>(1,133,064)</u>	<u>(1,133,064)</u>	<u>(10,741,894)</u>	<u>(21,629,487)</u>	<u>(3,546,580)</u>	<u>(35,917,961)</u>
Less investment expense	-	-	-	-	(27,705)	(1,841,306)	(12,987)	(1,881,998)
Net investment income (loss)	<u>-</u>	<u>-</u>	<u>(1,133,064)</u>	<u>(1,133,064)</u>	<u>(10,769,599)</u>	<u>(23,470,793)</u>	<u>(3,559,567)</u>	<u>(37,799,959)</u>
Total additions	<u>38,970</u>	<u>2,372</u>	<u>(1,133,064)</u>	<u>(1,091,722)</u>	<u>(8,870,305)</u>	<u>(9,035,083)</u>	<u>(3,040,683)</u>	<u>(20,946,071)</u>
DEDUCTIONS								
Benefits	-	-	620,897	620,897	4,430,219	16,237,498	1,199,323	21,867,040
Administrative expenses	-	-	-	-	46,056	162,945	30,644	239,645
Operating expenses	-	956	-	956	-	-	-	-
Total deductions	<u>-</u>	<u>956</u>	<u>620,897</u>	<u>621,853</u>	<u>4,476,275</u>	<u>16,400,443</u>	<u>1,229,967</u>	<u>22,106,685</u>
Change in net position	38,970	1,416	(1,753,961)	(1,713,575)	(13,346,580)	(25,435,526)	(4,270,650)	(43,052,756)
Net position, beginning	319,429	86,245	7,153,920	7,559,594	70,011,282	234,208,243	21,852,412	326,071,937
Net position, ending	<u>\$ 358,399</u>	<u>\$ 87,661</u>	<u>\$ 5,399,959</u>	<u>\$ 5,846,019</u>	<u>\$ 56,664,702</u>	<u>\$ 208,772,717</u>	<u>\$ 17,581,762</u>	<u>\$ 283,019,181</u>



Hallandale Beach
PROGRESS. INNOVATION. OPPORTUNITY.

STATISTICAL SECTION

STATISTICAL SECTION

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

Contents

Page

Financial Trends	126-130
<i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	
Revenue Capacity	131-135
<i>These schedules contain information to help the reader assess the City's most significant local revenue sources.</i>	
Debt Capacity	136-139
<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>	
Demographic and Economic Information	140 and 141
<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>	
Operating Information	144-144
<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>	

Sources: Unless otherwise noted, the information in these schedules is derived from the City's financial reports for the relevant year.

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CITY OF HALLANDALE BEACH, FLORIDA

SCHEDULE 1

NET POSITION BY ACTIVITY

LAST TEN FISCAL YEARS

(Accrual Basis of Accounting)

(Amounts Expressed in Thousands)

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities										
Net investment in capital assets	\$ 42,885	\$ 59,760	\$ 59,840	\$ 66,595	\$ 63,929	\$ 63,880	\$ 63,108	\$ 59,573	\$ 59,327	\$ 66,733
Restricted	20,408	11,599	13,523	16,021	19,540	19,517	25,340	32,929	39,821	45,786
Unrestricted	34,225	19,671	(35,637)	(41,076)	(60,991)	(64,407)	(68,068)	(67,154)	(56,954)	(52,143)
Total governmental activities net position	\$ 97,518	\$ 91,030	\$ 37,726	\$ 41,540	\$ 22,478	\$ 18,990	\$ 20,380	\$ 25,348	\$ 42,194	\$ 60,376
Business-type activities										
Net investment in capital assets	\$ 28,361	\$ 33,465	\$ 35,544	\$ 37,651	\$ 36,563	\$ 36,877	\$ 49,221	\$ 54,522	\$ 59,061	\$ 59,466
Restricted	-	292	291	291	1,084	1,285	2,564	3,188	1,942	1,780
Unrestricted	38,672	40,562	33,754	27,512	25,975	32,492	36,574	40,164	42,098	42,953
Total business-type activities net position	\$ 67,033	\$ 74,319	\$ 69,589	\$ 65,454	\$ 63,622	\$ 70,654	\$ 88,359	\$ 97,874	\$ 103,101	\$ 104,199
Primary government										
Net investment in capital assets	\$ 71,246	\$ 93,225	\$ 95,384	\$ 104,246	\$ 100,492	\$ 100,757	\$ 112,329	\$ 114,095	\$ 118,388	\$ 126,199
Restricted	20,408	11,891	13,814	16,312	20,624	20,802	27,904	36,117	41,763	47,566
Unrestricted	72,897	60,233	(1,883)	(13,564)	(35,016)	(31,915)	(31,494)	(26,990)	(14,856)	(9,190)
Total primary government net position	\$ 164,551	\$ 165,349	\$ 107,315	\$ 106,994	\$ 86,100	\$ 89,644	\$ 108,739	\$ 123,222	\$ 145,295	\$ 164,575

Note: GASB 68 was implemented during fiscal year 2015.

Note: Terminology was revised for all years presented with the implementation of GASB Statement No. 63.

CITY OF HALLANDALE BEACH, FLORIDA

**SCHEDULE 2
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(Amounts Expressed in Thousands)**

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental activities:										
General government	\$ 9,302	\$ 15,289	\$ 13,876	\$ 18,435	\$ 19,868	\$ 17,396	\$ 19,183	\$ 18,255	\$ 19,276	\$ 25,713
Public safety	36,091	39,809	36,359	39,329	45,542	45,864	52,690	48,359	36,875	53,088
Physical environment	2,312	2,028	1,897	2,234	2,936	3,565	3,012	1,872	1,206	1,246
Transportation	1,943	2,142	1,850	1,972	1,913	2,587	2,113	2,452	3,075	4,111
Economic environment	4,798	4,879	4,474	5,743	5,319	5,186	7,212	7,758	6,461	6,496
Culture and recreation	2,005	3,806	4,145	6,063	6,508	5,449	5,333	7,251	7,130	7,841
Human services	2,684	2,139	1,822	2,353	2,117	1,893	1,803	1,263	1,407	1,989
Interest and fiscal charges	1,078	1,861	956	2,765	2,960	2,700	2,651	2,675	2,804	2,621
Total governmental activities expenses	<u>60,213</u>	<u>71,953</u>	<u>65,379</u>	<u>78,894</u>	<u>87,163</u>	<u>84,640</u>	<u>93,997</u>	<u>89,885</u>	<u>78,234</u>	<u>103,105</u>
Business-type activities:										
Nonmajor	277	272	280	212	243	223	252	250	292	480
Sanitation	5,267	6,422	6,211	5,864	5,829	4,604	5,101	5,161	5,603	5,985
Stormwater drainage	1,768	2,075	2,215	2,705	3,859	2,917	3,002	4,711	4,364	5,229
Utility (water and sewer)	21,288	21,819	24,902	24,722	23,549	21,228	20,979	21,130	24,777	24,552
Total business-type activities expenses	<u>28,600</u>	<u>30,588</u>	<u>33,608</u>	<u>33,503</u>	<u>33,480</u>	<u>28,972</u>	<u>29,334</u>	<u>31,252</u>	<u>35,036</u>	<u>36,246</u>
Total expenses	<u>\$ 88,813</u>	<u>\$ 102,541</u>	<u>\$ 98,987</u>	<u>\$ 112,397</u>	<u>\$ 120,643</u>	<u>\$ 113,612</u>	<u>\$ 123,331</u>	<u>\$ 121,137</u>	<u>\$ 113,270</u>	<u>\$ 139,351</u>
Program revenues										
Governmental activities:										
Charges for services										
General government	\$ 1,757	\$ 6,840	\$ 7,719	\$ 7,075	\$ 7,704	\$ 10,383	\$ 7,922	\$ 9,336	\$ 9,696	\$ 12,594
Public safety	6,591	13,831	13,445	12,668	14,943	13,625	16,915	17,697	17,058	17,747
Physical environment	3,560	4,786	5,233	5,182	4,157	3,114	3,161	274	-	-
Transportation	465	518	622	507	496	1,012	1,168	664	831	1,439
Economic environment	236	433	943	1,473	382	397	634	454	694	301
Culture and recreation	218	332	899	715	692	530	626	412	561	571
Human services	398	482	477	-	-	-	884	-	45	-
Operating grants and contributions	901	892	816	1,378	1,157	1,069	2,657	2,501	7,321	13,851
Capital grants and contributions	2,999	1,575	1,711	1,096	111	70	-	762	35	-
Total governmental activities program revenues	<u>\$ 17,125</u>	<u>\$ 29,689</u>	<u>\$ 31,865</u>	<u>\$ 30,094</u>	<u>\$ 29,642</u>	<u>\$ 30,200</u>	<u>\$ 33,967</u>	<u>\$ 32,100</u>	<u>\$ 36,241</u>	<u>\$ 46,503</u>
Business-type activities:										
Charges for services										
Nonmajor	\$ 229	\$ 219	\$ 193	\$ 281	\$ 162	\$ 206	\$ 139	\$ 245	\$ 301	\$ 316
Sanitation	4,955	4,925	5,238	5,422	5,239	6,599	6,962	6,940	7,150	6,934
Stormwater drainage	1,958	2,065	2,591	2,088	2,092	4,286	4,397	4,321	4,269	4,171
Utility (water and sewer)	23,644	23,724	22,545	23,009	23,340	25,594	25,173	25,755	26,203	26,636
Operating grants and contributions	-	-	-	-	-	-	-	-	116	-
Capital grants and contributions	933	59	37	-	907	501	9,418	247	-	147
Total business-type activities program revenues	<u>31,719</u>	<u>30,992</u>	<u>30,604</u>	<u>30,800</u>	<u>31,740</u>	<u>37,186</u>	<u>46,089</u>	<u>37,508</u>	<u>38,039</u>	<u>38,204</u>
Total program revenues	<u>\$ 48,844</u>	<u>\$ 60,681</u>	<u>\$ 62,469</u>	<u>\$ 60,894</u>	<u>\$ 61,382</u>	<u>\$ 67,386</u>	<u>\$ 80,056</u>	<u>\$ 69,608</u>	<u>\$ 74,280</u>	<u>\$ 84,707</u>

(Continued)

CITY OF HALLANDALE BEACH, FLORIDA

SCHEDULE 2 (Continued)

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

(Accrual Basis of Accounting)

(Amounts Expressed in Thousands)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General revenues and other changes in net position										
Governmental activities:										
Taxes										
Property taxes	\$ 20,579	\$ 21,819	\$ 21,752	\$ 28,522	\$ 34,557	\$ 36,687	\$ 42,829	\$ 49,259	\$ 51,528	\$ 52,706
Franchise and utility taxes	8,220	8,579	8,595	8,373	8,537	8,565	8,616	8,442	8,591	9,750
Sales taxes	2,223	2,339	2,472	2,526	2,534	2,677	2,642	2,392	2,879	3,326
Motor fuel taxes	642	911	1,057	1,010	1,016	1,035	1,031	929	996	1,077
Alcoholic beverage taxes	23	19	18	17	15	14	14	18	18	13
Fire assessments	5,621	-	-	-	-	-	-	-	-	-
Intergovernmental revenue	4,204	4,869	5,383	1,073	1,100	1,098	1,147	1,045	1,180	1,526
Unrestricted Investment earnings	291	161	221	809	1,734	2,074	2,341	1,446	189	508
Slot machine proceeds	1,719	1,649	1,603	1,677	1,475	1,131	1,307	937	1,638	1,682
Other revenue	2,665	74	68	31	-	-	-	-	-	-
Gain on the sale of capital assets	-	397	241	258	297	-	4	14	-	-
Transfers	(4,722)	(5,042)	(1,873)	1,852	935	1,395	1,492	(1,730)	(2,087)	51
Total governmental activities general revenues and changes in net position	41,465	35,775	39,537	46,148	52,200	54,676	61,423	62,752	64,932	70,639
Business-type activities:										
Franchise and utility taxes	220	165	-	-	-	-	-	-	-	-
Unrestricted investment earnings	193	139	317	395	50	386	1,138	894	72	(746)
Other revenue	932	28	1	-	-	-	-	-	-	-
Impact fees	-	-	-	25	793	487	1,280	635	65	229
Gain on the sale of capital assets	-	-	55	-	-	3	23	-	-	-
Transfers	4,722	5,042	1,873	(1,852)	(935)	(1,395)	(1,492)	1,730	2,087	(50)
Total business type activities general revenues and changes in net position	6,067	5,374	2,246	(1,432)	(92)	(519)	949	3,259	2,224	(567)
Total general revenues and other changes in net position	\$ 47,532	\$ 41,149	\$ 41,783	\$ 44,716	\$ 52,108	\$ 54,157	\$ 62,372	\$ 66,011	\$ 67,156	\$ 70,072
Change in net position										
Governmental activities	(1,623)	(6,489)	6,023	(2,652)	(5,321)	236	1,393	4,967	22,939	14,037
Business-type activities	9,186	5,778	(758)	(4,135)	(1,832)	7,695	17,704	9,515	5,227	1,391
Total change in net position	\$ 7,563	\$ (711)	\$ 5,265	\$ (6,787)	\$ (7,153)	\$ 7,931	\$ 19,097	\$ 14,482	\$ 28,166	\$ 15,428

Note: Terminology was revised for all years presented with the implementation of GASB Statement No. 63 and certain amounts were restated for consistency purpose:

CITY OF HALLANDALE BEACH, FLORIDA

**SCHEDULE 3
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(Amounts Expressed in Thousands)**

	Fiscal Year									
	2013	2014	2015	2016 ⁽¹⁾	2017	2018	2019	2020	2021	2022
General Fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
Unreserved	-	-	-	-	-	-	-	-		-
Non-spendable:										
Inventories	189	191	156	125	117	89	60	80	100	127
Prepaid items	31	14	128	-	641	320	-	365	-	-
Restricted for:										
Debt service	-	-	-	-	483	450	414	377	337	296
Developer agreements	-	-	-	-	-	-	1,675	1,675	1,675	1,675
Grant programs	-	-	-	-	-	-	24	29	14	129
Assigned to:										
Vehicles and equipment	2,553	1,803	1,318	884	1,138	601	656	779	789	796
Excess benefit plan	-	-	-	6,437	6,828	6,923	6,396	6,151	-	-
Capital projects	-	-	-	-	-	-	119	4	146	844
Encumbrances	-	-	-	-	-	-	54	33	916	1,283
Subsequent year's expenditures	4,356	1,622	-	-	1,879	825	-	2,864	2,297	-
Unassigned	18,721	17,391	20,186	18,963	12,007	9,398	12,830	10,305	14,700	23,268
Total General Fund	<u>\$ 25,850</u>	<u>\$ 21,021</u>	<u>\$ 21,788</u>	<u>\$ 26,409</u>	<u>\$ 23,093</u>	<u>\$ 18,606</u>	<u>\$ 22,228</u>	<u>\$ 22,662</u>	<u>\$ 20,974</u>	<u>\$ 28,418</u>
All Other Governmental Funds										
Non-spendable:										
Prepaid Items	\$ 141	\$ -	\$ -	\$ -	\$ 48	\$ 16	\$ -	\$ 1	\$ -	\$ -
Restricted for:										
Assets held for resale	1,177	816	6,608	9,476	8,925	9,172	8,159	8,539	8,250	8,433
Long-term receivable	1,214	1,337	1,253	1,341	1,922	1,851	1,576	1,724	1,037	949
Community redevelopment	-	1,308	-	663	2,738	3,762	8,214	12,685	19,229	24,570
Debt service	1,000	1,000	1,517	1,168	1,967	30	174	211	152	189
Capital projects	-	-	-	69,747	62,141	48,571	23,068	36,177	29,593	26,720
Developer agreements	502	560	1,502	956	1,274	1,738	1,844	2,551	2,671	2,607
Building permits function	-	-	-	-	-	-	-	1,312	1,768	1,991
Grant programs	-	922	366	525	-	4	-	-	-	-
Law enforcement	1,141	1,055	1,016	986	1,165	1,092	1,152	965	1,052	941
Police outside services	-	-	-	-	-	-	53	134	170	114
Traffic mitigation	2,639	626	346	-	143	194	775	787	787	904
Transportation	-	-	-	-	-	-	-	376	843	1,066
Safe neighborhood districts	952	937	915	906	923	1,209	1,279	1,563	1,837	1,921
Committed to:										
Tree preservation	-	-	-	-	-	-	-	-	58	58
Assigned to:										
Computer equipment	22	-	-	-	-	-	-	-	-	-
Police outside services	140	151	177	-	-	83	-	-	-	-
Special revenue funds	7,672	-	-	-	-	-	-	-	-	-
Capital projects funds	4,054	1,415	365	-	-	-	1,961	1,169	273	413
Subsequent year's expenditure	4,054	3,038	-	-	-	-	-	-	-	-
Unassigned	(901)	-	(313)	(105)	(1,997)	(21)	(54)	-	-	-
Total all other governmental funds	<u>\$ 23,807</u>	<u>\$ 13,165</u>	<u>\$ 13,752</u>	<u>\$ 85,663</u>	<u>\$ 79,249</u>	<u>\$ 67,701</u>	<u>\$ 48,201</u>	<u>\$ 68,194</u>	<u>\$ 67,720</u>	<u>\$ 70,876</u>

⁽¹⁾ With the implementation of GASB Statement No. 73, the City is required to report the Excess Benefit Plan in the General Fund, as opposed to the Pension Fund

CITY OF HALLANDALE BEACH, FLORIDA

SCHEDULE 4
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(Amounts Expressed in Thousands)

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues:										
Taxes	\$ 28,799	\$ 30,397	\$ 30,347	\$ 32,159	\$ 37,902	\$ 39,517	\$ 45,342	\$ 50,551	\$ 52,410	\$ 54,268
Licenses, fees and permits	2,329	2,505	2,977	3,031	3,809	3,108	3,586	4,645	3,109	3,991
Fines and forfeitures	1,076	865	731	824	890	635	838	581	829	1,000
Charges for services	10,018	8,994	12,143	11,247	10,792	9,433	10,171	8,347	9,134	11,960
Intergovernmental	9,711	11,072	11,964	10,739	10,938	11,630	13,787	14,034	19,817	27,981
Investment earnings	246	216	383	1,014	1,732	2,074	2,341	1,446	190	508
Slot machine proceeds	1,719	1,649	1,603	1,677	1,475	1,131	1,307	742	1,638	1,682
Other revenues	7,800	11,409	7,686	9,456	8,144	9,201	10,662	10,579	11,046	10,105
Total revenues	61,698	67,107	67,834	70,147	75,682	76,729	88,034	90,925	98,173	111,495
Expenditures:										
Current:										
General government	9,244	9,904	9,002	10,655	10,998	12,683	11,197	11,857	12,383	13,290
Public safety	35,620	39,398	40,654	40,286	42,012	43,357	44,506	46,923	48,216	53,585
Physical environment	2,252	2,034	2,028	2,283	2,821	3,510	2,926	2,081	1,233	1,226
Transportation	1,637	1,909	1,742	1,922	1,763	1,878	1,751	2,120	2,615	3,799
Economic environment	4,680	4,843	4,421	5,693	5,265	5,118	7,149	7,493	6,304	6,441
Human services	2,698	2,098	1,837	2,301	2,068	1,849	1,727	1,315	1,378	1,779
Culture and recreation	1,563	3,569	3,773	5,435	5,299	4,324	3,951	3,568	3,647	3,981
Capital outlay	7,022	18,763	9,602	16,186	8,973	18,669	25,400	7,741	8,457	6,230
Debt service:										
Principal	955	955	1,000	2,450	3,370	3,750	3,906	4,154	6,575	7,357
Interest and fiscal charges	1,031	1,006	957	2,190	3,169	3,424	3,347	3,248	3,433	3,208
Total expenditures	66,702	84,479	75,016	89,401	85,736	98,562	105,860	90,500	94,241	100,896
Excess (deficiency) of revenues over (under) expenditures	(5,004)	(17,372)	(7,182)	(19,254)	(10,054)	(21,833)	(17,826)	425	3,932	10,599
Other financing sources (uses)										
Proceeds from the sale of capital assets	272	430	27	74	3	2,987	3	2	-	2
Transfers in	2,452	5,615	11,160	18,706	1,661	6,026	4,807	3,650	2,916	14,016
Transfers out	(3,518)	(5,615)	(7,030)	(16,695)	(1,339)	(4,526)	(3,307)	(3,650)	(2,916)	(14,016)
Issuance of long-term debt	-	-	-	86,748	-	1,308	449	20,000	-	-
Total other financing sources	(794)	430	4,157	88,833	325	5,795	1,952	20,002	-	2
Net change in fund balances	\$ (5,798)	\$ (16,942)	\$ (3,025)	\$ 69,579	\$ (9,729)	\$ (16,038)	\$ (15,874)	\$ 20,427	\$ 3,932	\$ 10,601
Debt service as a percentage of of noncapital expenditures	3.3%	3.0%	3.0%	6.3%	8.5%	9.2%	9.0%	8.9%	11.7%	11.1%

CITY OF HALLANDALE BEACH, FLORIDA

SCHEDULE 5
 TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (Amounts Expressed in Thousands)

Fiscal Year	Ad Valorem	Franchise Fees	Utility	Communications Service	Sales	Motor Fuel	Alcoholic Beverage	Total
2008	\$ 24,531	\$ 2,904	\$ 3,367	\$ 1,861	\$ 2,107	\$ 680	\$ 21	\$ 35,471
2013	\$ 20,579	\$ 2,519	\$ 4,123	\$ 1,578	\$ 2,223	\$ 642	\$ 23	\$ 31,687
2014	21,819	2,696	4,363	1,520	2,339	911	19	33,667
2015	21,752	2,708	4,420	1,467	2,472	1,057	18	33,894
2016	23,786	2,640	4,383	1,350	2,526	1,010	17	35,712
2017	29,365	2,699	4,557	1,280	2,534	710	15	41,160
2018	30,951	2,656	4,647	1,262	2,677	705	14	42,912
2019	36,977	2,701	4,705	1,209	2,643	709	14	48,958
2020	42,110	2,558	4,725	1,159	2,392	621	18	53,583
2021	43,819	2,639	4,797	1,155	2,879	650	18	55,957
2022	44,518	3,459	5,096	1,195	3,326	693	13	58,300
Change 2013 - 2022	116.3%	37.3%	23.6%	-24.3%	49.6%	7.9%	-43.5%	84.0%

Notes: Property in Broward County is reassessed once every year, on average. The county assesses property at approximately 85-100% of actual value for commercial and industrial property and 85-100% for residential property, as required by Florida law. Estimated actual taxable value is calculated by dividing taxable value by those percentages. Tax rates are \$1,000 of assessed value. Finally some amounts were restated for consistency purposes.

CITY OF HALLANDALE BEACH, FLORIDA

SCHEDULE 6
 PROPERTY TAX RATES - DIRECT AND OVERLAPPING PROPERTY TAX RATES
 LAST TEN FISCAL YEARS

		Direct City Rate ⁽¹⁾			Overlapping Rates												
		City of Hallandale Beach			Broward County BOCC			School Board of Broward County							Total Direct & Overlapping Rates	Golden Isles Safe Neighborhood District ⁽²⁾	Three Islands Safe Neighborhood District ⁽²⁾
Tax roll year	Fiscal Year	Operating Millage	Debt Service Millage	Total Hallandale Beach	Operating Millage	Debt Service Millage	Total Broward County	Operating Millage	Debt Service Millage	Total School District	So Florida Water Management District	Florida Inland Navigation District	Children's Services Council	South Broward Hospital District			
2012	2013	5.6833	-	5.6833	5.2576	0.2954	5.5530	7.4560	-	7.4560	0.4289	0.0345	0.4902	0.6000	20.2459	1.0934	0.6600
2013	2014	5.6833	-	5.6833	5.4400	0.2830	5.7230	7.4800	-	7.4800	0.4110	0.0345	0.4882	0.4000	20.2200	1.0934	0.6600
2014	2015	5.1918	-	5.1918	5.4584	0.2646	5.7230	7.4380	-	7.4380	0.3842	0.0345	0.4882	0.1863	19.4460	1.0934	0.6600
2015	2016	5.1918	-	5.1918	5.4741	0.2489	5.7230	7.2030	0.0710	7.2740	0.3551	0.0320	0.4882	0.1737	19.2378	1.0934	0.6600
2016	2017	5.1918	0.6080	5.7998	5.4474	0.2216	5.6690	6.8360	0.0703	6.9063	0.3307	0.0320	0.4882	0.1615	19.3875	1.0934	0.6600
2017	2018	5.3093	0.4905	5.7998	5.4623	0.2067	5.6690	6.4740	0.0654	6.5394	0.3100	0.0320	0.4882	0.1496	18.9880	1.0934	0.6600
2018	2019	6.3191	0.4162	6.7353	5.4792	0.1898	5.6690	6.2750	0.1279	6.4029	0.2936	0.0320	0.4882	0.1414	19.7624	1.0934	0.6600
2019	2020	7.0000	0.4162	7.4162	5.4878	0.1812	5.6690	6.6350	0.1043	6.7393	0.2795	0.0320	0.4882	0.1260	20.7502	1.0934	0.6600
2020	2021	7.0000	0.5522	7.5522	5.4999	0.1691	5.6690	6.4140	0.0912	6.5052	0.2675	0.0320	0.4882	0.1199	20.6340	1.0934	0.6600
2021	2022	7.0000	0.5377	7.5377	5.5134	0.1556	5.6690	6.3180	0.1441	6.4621	0.2572	0.0320	0.4699	0.1144	20.5423	1.0934	0.6600

Note: Tax millage rates (per \$1,000 of taxable value).

Source: Broward County Department of Revenue; Broward County Property Appraiser

⁽¹⁾ Effective Fiscal year 2017 (Tax Roll Year 2016), the City's millage rate consists of both an operating millage and a debt service millage.

⁽²⁾ Safe Neighborhood Districts are not included in total tax rate, as these do not apply to entire City.

CITY OF HALLANDALE BEACH, FLORIDA

SCHEDULE 7
 PRINCIPAL PROPERTY TAXPAYERS
 CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2022			2013		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Gulfstream Park Racing Association Inc	\$ 206,364,322	1	3.518%	\$ 198,331,252	1	5.639%
Hallandale Land Ventures LLP	67,207,290	2	1.146%			
Florida Power & Light Co.	63,124,144	3	1.076%			
17070 Collins Ave. Shopping Ctr	39,088,250	4	0.666%	36,132,600	2	1.027%
Three Islands Associates Residential	37,750,000	5	0.643%	25,030,123	3	0.712%
831 Federal Hwy Acquisition LLC	31,663,933	6	0.540%			
Maltese Diplomat Owner LLC	29,917,210	7	0.510%			
2500 Hallandale Beach LLC - Receiver Inc.	22,234,260	8	0.379%	13,179,222	9	0.375%
Hallandale Group Ltd Partnership	16,590,000	9	0.283%	14,509,394	6	0.413%
1250 E Hallandale LP	13,206,230	10	0.225%			
Hollywood Greyhound Track				21,636,403	4	0.615%
Village at Gulfstream LLC\CCD				16,167,387	5	0.460%
Wal-Mart Stores Inc.				14,077,563	7	0.400%
Diplomat Properties Ltd Partnership				13,686,618	8	0.389%
600 Hallandale LLC				13,179,222	10	0.375%
Total	<u>\$ 527,145,639</u>		<u>8.986%</u>	<u>\$ 365,929,784</u>		<u>10.405%</u>

Source: Broward County, Florida, Department of Revenue.

CITY OF HALLANDALE BEACH, FLORIDA

SCHEDULE 8
 PROPERTY TAX LEVIES AND COLLECTIONS
 LAST TEN FISCAL YEARS
 (Amounts Expressed in Thousands)

Fiscal Year Ended September 30th	Taxes Levied for the Fiscal Year ⁽¹⁾	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount ⁽²⁾	Percentage of Levy		Amount ⁽²⁾	Percentage of Levy
2013	\$ 21,117	\$ 21,093	99.89%	\$ -	\$ 21,093	99.89%
2014	22,534	22,487	99.79%	-	22,487	99.79%
2015	22,681	22,504	99.22%	-	22,504	99.22%
2016	24,721	24,594	99.49%	3	24,597	99.50%
2017	30,435	30,299	99.55%	49	30,348	99.72%
2018	32,151	31,959	99.40%	18	31,977	99.46%
2019	38,497	38,217	99.27%	11	38,228	99.30%
2020	43,913	43,524	99.11%	107	43,631	99.36%
2021	45,535	45,223	99.31%	44	45,267	99.41%
2022	46,380	46,037	99.26%	-	46,037	99.26%

Source: Broward County, Florida, Department of Revenue.

⁽¹⁾ Amounts include Golden Isles, Three Islands Safe Neighborhood Districts, and the Hallandale Beach Community Redevelopment Agency, which are component units of the City of Hallandale Beach, Florida.

⁽²⁾ Gross amounts presented (does not include discounts, interest & penalties, etc.).

CITY OF HALLANDALE BEACH, FLORIDA

SCHEDULE 9

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS

(Amounts Expressed In Thousands)

Fiscal Year	Real Property ⁽¹⁾			Personal Property	Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate (mills)	Estimated Actual Taxable Value ⁽²⁾	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property	Other Property						
2013	\$ 3,421,664	\$ 712,733	\$ 191,941	\$ 108,570	\$ 803,365	\$ 3,631,543	5.8833	\$ 4,434,908	81.9%
2014	3,778,517	714,609	185,921	120,434	921,193	3,878,288	5.6833	4,799,481	80.8%
2015	4,564,963	748,318	188,137	121,879	1,375,207	4,248,090	5.1918	5,623,297	75.5%
2016	5,043,846	773,600	193,328	128,697	1,514,373	4,625,098	5.1918	6,139,471	75.3%
2017	5,462,533	818,576	214,874	167,335	1,536,431	5,126,887	5.7998	6,663,318	76.9%
2018	5,659,280	863,001	223,657	154,518	1,494,759	5,405,697	5.7998	6,900,456	78.3%
2019	5,777,202	880,699	226,242	153,060	1,443,457	5,593,746	6.7353	7,037,203	79.5%
2020	5,896,735	937,329	256,305	147,022	1,432,250	5,805,141	7.4162	7,237,391	80.2%
2021	5,940,415	963,870	278,250	151,177	1,422,123	5,911,589	7.5522	7,333,712	80.6%
2022	5,977,437	1,045,406	293,143	144,783	1,438,705	6,022,064	7.5377	7,460,769	80.7%

Source: Broward County Revenue Collection Division.

⁽¹⁾ Based on market values.

⁽²⁾ Includes tax exempt properties.

CITY OF HALLANDALE BEACH, FLORIDA

SCHEDULE 10
 RATIOS OF OUTSTANDING DEBT BY TYPE
 LAST TEN FISCAL YEARS

Fiscal year	Governmental Activities								Business-Type Activities				Total Primary Government	Percentage Of Personal Income ⁽¹⁾	Per Capita ⁽¹⁾
	Financed	Revenue Bonds	Revenue Note	Revenue Bonds	Revenue Bonds	O.B. Johnson Bonds	G.O. Bonds	HBCRA Redevelopment	Revenue Bonds	Revenue Note	Revenue Bonds	State Revolving			
	Purchase Obligations	Series 2007A	Series 2012	Series 2001A	Series 2016	Series 2015	Series 2016	Series 2020	Series 2005A	Series 2012	Series 2014	Loan 2017			
2013	11,768	20,535,000	5,050,000	-	-	-	-	-	6,100,000	2,770,000	-	-	34,455,000	2.15%	897.48
2014	11,081	19,762,540	4,440,000	-	-	-	-	-	5,831,062	2,480,000	-	-	32,513,602	1.96%	849.52
2015	4,394	18,738,265	3,725,000	-	-	-	-	-	-	2,190,000	5,390,000	-	30,047,659	1.74%	782.00
2016	-	2,265,000	-	-	25,595,677	14,200,000	61,765,674	-	-	1,890,000	4,905,000	-	110,621,351	6.11%	2,864.28
2017	-	1,160,000	-	-	25,309,930	12,945,000	60,461,872	-	-	1,585,002	4,410,000	-	105,871,804	5.61%	2,732.46
2018	1,308,267	-	-	-	24,545,452	11,655,000	59,196,658	-	-	1,275,000	3,905,000	504,980	102,390,357	5.22%	2,621.76
2019	1,605,404	-	-	-	22,721,237	10,330,000	57,887,595	-	-	965,000	3,385,000	491,518	97,385,754	4.67%	2,444.79
2020	1,366,312	-	-	-	20,861,407	8,970,000	56,529,985	20,000,000	-	650,000	2,855,000	1,120,761	112,353,465	5.03%	2,812.70
2021	1,116,269	-	-	-	18,967,688	7,575,000	55,124,161	17,750,000	-	330,000	2,310,000	1,364,426	104,537,544	3.94%	2,539.97
2022	854,753	-	-	-	17,036,854	6,140,000	53,670,456	14,900,000	-	-	1,750,000	1,574,765	95,926,828	*	2,301.67

⁽¹⁾ See Demographic and Economic Statistics table (Schedule 14) for personal income and population data.

* Population data not yet available.

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.
 Debt balances are inclusive of related premiums and discounts.

CITY OF HALLANDALE BEACH, FLORIDA

**SCHEDULE 11
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(Amounts Expressed In Thousands except per Capita)**

Fiscal year	G.O. Bonds Series 2016	Assessed Value of Taxable Property ⁽¹⁾	Percentage of Estimated Actual Taxable Value	Population ⁽²⁾	Per Capita
2013	\$ -	\$ 3,631,543	0.00%	38,391	\$ -
2014	-	3,878,288	0.00%	38,273	-
2015	-	4,248,090	0.00%	38,424	-
2016	61,766	4,625,098	1.34%	38,621	1.60
2017	60,462	5,126,887	1.18%	38,746	1.56
2018	59,197	5,405,697	1.10%	39,054	1.52
2019	57,888	5,593,746	1.03%	39,834	1.45
2020	56,530	5,805,141	0.97%	39,945	1.42
2021	55,124	5,911,589	0.93%	41,157	1.34
2022	53,670	6,022,064	0.89%	41,677	1.29

⁽¹⁾ See Assessed Value and Estimated Actual Value of Taxable Property Table (Schedule 9) for property value data.

⁽²⁾ See Demographic and Economic Statistics Table (Schedule 14) for population data.

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements. Debt balances are inclusive of related premiums and discounts. The current ordinances of the City of Hallandale Beach do not specify a legal debt margin.

CITY OF HALLANDALE BEACH, FLORIDA

SCHEDULE 12
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
 AS OF SEPTEMBER 30, 2022

<u>Jurisdiction</u>	<u>Net debt Outstanding ⁽¹⁾</u>	<u>Percentage applicable to City of Hallandale Beach</u>	<u>Amount applicable to City of Hallandale Beach</u>
Overlapping:			
Broward County	\$ 72,313,504 ⁽²⁾	2.718%	\$ 1,965,391
Broward School District	884,660,000 ⁽³⁾	2.543%	22,499,011
Subtotal, overlapping debt	<u>956,973,504</u>		<u>24,464,402</u>
Direct Debt:			
City of Hallandale Beach	92,602,063	100.000%	92,602,063
Total direct and overlapping debt	<u><u>\$ 1,049,575,567</u></u>		<u><u>\$ 117,066,465</u></u>

⁽¹⁾ Debt balances are inclusive of related premiums/discounts

⁽²⁾ Source: Broward County, Florida

⁽³⁾ Source: School Board of Broward County, Florida

Note: The percentage of overlapping debt is estimated using taxable assessed property values. Value that is within the City boundaries are divided by the County's and School Board's total taxable assessed value.

CITY OF HALLANDALE BEACH, FLORIDA

SCHEDULE 13
 PLEDGED REVENUE COVERAGE
 LAST TEN FISCAL YEARS

Fiscal year	Utility Revenue Bonds, 2014A and Series 2012 Revenue Note ^{(1) (2)}						State Revolving Loan Fund				Rev. Bonds 2007A and Refunding Rev. Bonds, Series 2016 ⁽³⁾					
	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service			Net Available Revenue ⁽⁴⁾	Debt Service			Pledged Revenue ⁽⁵⁾	Debt Service		Debt Service		Coverage
				Principal	Interest	Coverage		Principal	Interest	Coverage		Principal	Interest	Principal	Interest	
2013	25,602,349	22,725,740	2,876,609	380,000	292,378	4.28	-	-	-	-	44,239,028	910,000	1,055,925	-	-	22.50
2014	25,789,203	22,840,398	2,948,805	395,000	277,390	4.39	-	-	-	-	30,906,838	955,000	1,012,750	-	-	15.71
2015	25,136,776	22,753,653	2,383,123	410,000	263,046	3.54	-	-	-	-	51,649,069	1,000,000	965,000	-	-	26.28
2016	25,097,771	24,165,992	931,779	785,000	142,566	1.00	-	-	-	-	25,269,135	1,050,000	888,750	-	-	13.03
2017	25,432,268	23,833,939	1,598,329	800,000	127,068	1.72	-	-	-	-	22,867,207	1,105,000	85,625	-	685,483	12.19
2018	29,879,915	19,984,746	9,895,169	815,000	116,302	10.63	6,210,067	13,079	3,122	383.31	24,813,617	1,160,000	29,000	285,000	976,038	10.13
2019	29,570,124	20,380,258	9,189,866	830,000	102,431	9.86	5,522,224	25,461	6,941	170.43	25,127,595	-	-	1,365,000	934,788	10.93
2020	30,075,909	20,910,601	9,165,308	845,000	84,905	9.86	5,994,055	25,707	8,707	174.17	20,273,277	-	-	1,435,000	864,788	8.82
2021	30,474,361	24,363,717	6,110,644	865,000	67,039	6.56	2,965,285	19,306	13,096	91.52	22,037,167	-	-	1,505,000	791,288	9.60
2022	30,806,707	24,455,169	6,351,538	890,000	48,683	6.77	4,110,333	101,265	22,045	33.33	26,624,663	-	-	1,580,000	714,163	11.61

Fiscal year	HBCRA Redevelopment Revenue Bonds				HBCRA Redevelopment Revenue Bonds, Series 2020			
	Pledged Revenue ⁽⁶⁾	Debt Service		Coverage	Pledged Revenue ⁽⁷⁾	Debt Service		Coverage
		Principal	Interest			Principal	Interest	
2013	-	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-	-
2016	8,675,495	1,200,000	84,940	6.75	-	-	-	-
2017	9,522,375	1,255,000	386,240	5.80	-	-	-	-
2018	11,673,352	1,290,000	352,104	7.11	-	-	-	-
2019	13,667,269	1,325,000	317,016	8.32	-	-	-	-
2020	16,321,986	1,360,000	280,976	9.95	15,281,974	-	-	-
2021	17,551,384	1,395,000	243,984	10.71	16,479,601	2,250,000	445,247	6.11
2022	18,624,179	1,435,000	206,040	11.35	17,524,554	2,850,000	383,964	5.42

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

⁽¹⁾ In 2012, the Series 2001A Bonds were refunded with the issuance of the Series 2012 Revenue Note.

⁽²⁾ In 2014, the Series 2005A Bonds were refunded with the issuance of Series 2014A Bonds.

⁽³⁾ In 2016, the City issued Capital Improvement Refunding Revenue Bonds, Series 2016 to partially advance refund the Revenue Bonds, Series 2007A.

⁽⁴⁾ Pledged revenues for the State Revolving Fund Loan are defined as gross revenues derived yearly from the operation of the water and sewer systems after operation and maintenance expenses and the satisfaction of yearly payment obligations on senior obligations (Series 2014A and 2012 Revenue Notes).

⁽⁵⁾ Pledged revenues for the Revenue Note, Series 2002, Revenue Bonds 2007A, and Refunding Revenue Bonds, Series 2016 are Non-Ad Valorem revenues other than water and sewer revenues.

⁽⁶⁾ Pledged revenues for the HBCRA Redevelopment Revenue Bonds are tax increment revenues and water public service tax revenues.

⁽⁷⁾ Pledged revenues for the HBCRA Redevelopment Bonds Series 2020 are tax increment revenues.

CITY OF HALLANDALE BEACH, FLORIDA

SCHEDULE 14
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN FISCAL YEARS

Fiscal Year	Population ⁽¹⁾	Personal Income ⁽²⁾	Broward County	Median Age ⁽³⁾	Unemployment Rate		Public School Enrollment ⁽⁶⁾
			Per capita Personal Income ⁽²⁾		Broward County	Hallandale Beach	
2013	38,391	\$ 1,599,253,887	\$ 41,657	46.7	6.70%	7.10% ⁽⁴⁾	3,299
2014	38,273	1,656,570,259	43,283	46.7	5.80%	6.00% ⁽⁴⁾	2,928
2015	38,424	1,725,583,416	44,909	46.7	4.90%	5.40% ⁽⁵⁾	3,506
2016	38,621	1,811,556,626	46,906	46.7	4.60%	4.90% ⁽⁵⁾	2,988
2017	38,746	1,886,155,280	48,680	46.7	3.30%	4.10% ⁽⁵⁾	2,992
2018	39,054	1,963,205,526	50,269	46.2	3.10%	3.60% ⁽⁵⁾	2,834
2019	39,834	2,083,636,872	52,308	45.5	2.80%	3.30% ⁽⁵⁾	2,713
2020	39,945	2,233,245,060	55,908	44.8	7.80%	10.80% ⁽⁵⁾	2,569
2021	41,157	2,652,692,121	64,453	44.8	4.40%	5.80% ⁽⁵⁾	3,221
2022	41,677	*	*	45.8	2.60%	3.00% ⁽⁵⁾	2,404

⁽¹⁾ **Source:** University of Florida, Bureau of Economic and Business Research for Hallandale Beach (estimates).

⁽²⁾ **Source:** U.S. Department of Commerce, Bureau of Economic Analysis for year ended December 31.

⁽³⁾ **Source:** 2010 U. S. Census, U.S. Census ACS 5-year.

⁽⁴⁾ **Source:** U.S. Department of Labor, Bureau of Labor Statistics.

⁽⁵⁾ **Source:** FL Unemployment Rate & Employment.

⁽⁶⁾ **Source:** Broward County Public Schools.

* Data not yet available.

CITY OF HALLANDALE BEACH, FLORIDA

SCHEDULE 15
 PRINCIPAL EMPLOYERS
 CURRENT AND NINE YEARS AGO

Employer	2022			2013		
	Employees	Rank	% of total City Employment	Employees	Rank	% of total City Employment
Gulfstream Park Racing & Casino	593	1	3.200%	1,450	1	8.698%
City of Hallandale Beach	464	2	2.504%	457	3	2.741%
The Big Easy Casino	405	3	2.185%	672	2	4.031%
Wal-Mart Stores, Inc.	335	4	1.808%	268	4	1.608%
School Board of Broward County	262	5	1.414%	256	5	1.536%
Publix Supermarket	217	6	1.171%	215	6	1.290%
Winn Dixie Supermarkets	165	7	0.890%	198	7	1.188%
Burlington Coat Factory	149	8	0.804%	93	9	0.558%
US Post Office	108	9	0.583%			
The Beach Walk Elite Hotels & Resorts	54	10	0.291%			
Diplomat Country Club				192	8	1.152%
Cantena Laredo				88	10	0.528%
	<u>2,752</u>		<u>14.850%</u>	<u>3,889</u>		<u>23.330%</u>

Source: Individual employers and State of Florida Unemployment Statistics.

CITY OF HALLANDALE BEACH, FLORIDA

**SCHEDULE 16
BUDGETED FULL-TIME POSITIONS FOR CITY EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Function/program	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
City commission	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
General government										
Management	7.00	7.00	8.00	8.00	8.00	7.74	9.00	7.43	7.43	10.86
Budget program and monitoring	-	-	-	-	-	3.00	4.00	3.00	3.00	4.00
General services/procurement department	4.00	5.00	4.00	4.00	5.00	5.00	5.00	4.00	4.00	5.00
City attorney	3.00	3.00	4.00	4.00	4.00	5.00	5.00	5.00	5.00	5.00
Finance	11.77	11.75	11.77	11.00	13.00	11.00	12.00	10.00	8.72	9.35
Innovation technology	5.00	5.00	5.00	6.00	7.00	7.00	7.00	5.00	7.25	9.50
Personnel	5.20	5.94	5.77	5.50	6.50	5.82	6.13	5.00	5.50	6.50
City clerk	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	4.00	4.00
Development services ⁽¹⁾	21.00	22.20	26.00	26.00	28.00	30.50	18.00	16.00	17.15	23.53
Other	-	-	2.00	4.00	4.00	5.00	-	-	-	-
Police										
Officers	113.47	98.47	98.00	99.50	103.00	107.12	106.13	102.00	104.00	105.00
Civilians	22.27	39.27	39.22	39.50	39.50	35.50	37.00	34.00	36.13	38.13
Fire										
Paramedics, firefighters, officers	87.62	77.00	77.00	77.00	77.00	77.00	76.00	71.00	-	-
Civilians	4.00	14.85	14.15	14.13	14.13	13.69	14.13	13.00	-	-
Public works										
Administration	4.00	1.00	1.00	1.00	3.00	1.00	1.00	-	-	-
Equipment maintenance	8.77	-	-	-	-	-	-	-	-	-
Grounds maintenance	15.81	9.31	9.52	9.50	9.50	10.50	7.00	5.00	-	-
Building maintenance	8.00	8.00	8.00	8.00	8.00	8.00	7.00	7.00	6.50	6.50
Capital improvement	-	-	-	-	-	-	5.00	4.00	2.00	2.00
Custodial service	-	-	-	-	-	-	2.00	1.00	1.00	-
Human services	11.67	11.95	13.94	19.30	18.30	22.27	10.00	8.00	20.17	21.27
Parks and recreation ⁽²⁾	43.46	56.37	60.95	72.43	75.43	63.90	45.00	32.00	63.79	60.38
Transportation	10.77	10.77	10.63	10.63	10.63	10.00	10.00	10.00	10.10	12.35
Permits and inspections ⁽¹⁾	-	-	-	-	-	-	14.00	15.00	18.10	26.00
Sanitation	24.41	27.85	26.78	25.75	23.75	20.00	19.88	18.50	18.25	21.21
Cemetery	1.77	1.77	2.26	2.25	2.25	2.25	2.25	1.00	2.26	2.25
Water	47.02	47.77	46.88	46.88	47.51	47.50	46.50	45.00	48.28	55.92
Stormwater	2.00	4.00	5.00	5.00	5.00	7.63	7.63	8.00	8.20	7.42
Sewer	12.00	12.00	12.00	12.00	13.00	11.00	11.00	10.00	11.70	12.70
Marina	2.25	1.54	1.26	1.25	-	-	-	-	-	-
Fleet services	8.77	9.00	10.00	10.00	9.00	9.00	10.00	9.00	9.00	8.35
Risk management	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Total	495.03	500.81	513.13	532.62	544.50	536.42	507.65	458.93	428.53	464.22

Source: City Budget Office.

Notes: A full-time employee is scheduled to work 2,080 hours per year, including holidays, vacation and sick leave.

Full-time equivalent employment is calculated by dividing total labor hours by 2,080.

⁽¹⁾ Beginning fiscal year 2019, the full-time equivalent positions for the permitting and inspections function were removed from the Development Services Function and were reported separately.

⁽²⁾ Decrease in the Parks and Recreation full-time equivalent positions from fiscal year 2019 to fiscal year 2020 was due to a reorganization of the parks staffing structure.

CITY OF HALLANDALE BEACH, FLORIDA

**SCHEDULE 17
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Function/program	Fiscal Year										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Development services											
Building permits issued	3,403	3,377	3,435	5,368	3,589	3,738	4,633	4,760	2,734	3,382	3,975
Building inspections conducted	9,624	10,179	13,028	13,028	10,711	11,347	14,156	15,798	10,374	10,733	11,678
Police											
Physical arrests	1,383	1,305	1,281	1,281	964	621	714	620	355	320	510
Parking violations	2,263	1,850	1,335	1,335	2,079	2,581	2,506	1,639	684	4,993	14,568
Traffic violations	12,001	12,623	11,709	11,709	10,067	7,082	12,049	6,382	2,798	4,986	11,112
Fire											
EMS responses	5,938	6,304	6,275	6,275	6,436	6,114	5,846	5,849	5,026	5,482	5,577
Other emergency responses	2,622	2,466	2,344	2,344	2,465	2,778	2,686	2,526	2,413	2,214	2,710
Fires	113	98	93	93	102	101	89	88	50	84	67
Inspections	2,438	2,641	2,276	2,276	2,077	3,199	3,115	1,559	1,616	2,368	2,003
Refuse collection											
Refuse collected (tons per year)	26,652	25,885	26,321	26,321	26,489	24,954	24,408	24,997	26,314	26,952	28,912
Other public works											
Street resurfacing (miles)	-	-	-	-	-	-	-	-	1	1	-
Number of streets repaired	667	827	1,590	1,590	973	894	852	124	140	220	639
Asphalt used (tons)	217	99	101	101	116	159	116	74	72	71	60
Parks and recreation											
Summer camp participants	66	89	125	125	125	125	100	100	-	-	-
Athletic teams	76	-	-	-	97	99	105	106	15	55	99
Water											
New/replacement connections	48	32	34	34	6,752	71	18	24	19	559	302
Average daily production (1000's of gallons)	5,801	5,461	6,220	6,220	6,406	5,990	6,000	5,992	6,013	6,358	6,216
Peak daily production (1000's of gallons)	7,738	6,890	7,517	7,517	7,341	6,542	6,700	7,207	6,900	7,222	7,194
Wastewater											
Average daily sewage transmitted (1000's of gallons)	6,936	7,049	6,965	6,965	7,113	7,113	6,792	7,113	7,829	7,571	7,095
Transit											
Total route miles per year	152,047	152,047	152,047	152,047	151,488	150,358	179,520	176,719	156,070	143,030	170,405
Passengers per year	264,577	246,592	265,545	265,545	251,559	234,260	278,559	283,324	173,348	123,272	151,573

Sources: Various City departments.

Note: Multiple City functions and activities decreased significantly during fiscal year 2020 as a result of the COVID-19 pandemic. The City operated under a state of emergency in order to protect its citizens and its employees, as well as to adhere to federal, state, and county guidelines.

CITY OF HALLANDALE BEACH, FLORIDA

**SCHEDULE 18
CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Function/Program	Fiscal Year										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Police stations	1	1	1	1	1	1	1	1	1	1	1
Fire stations	3	3	3	3	3	3	3	3	3	3	3
Refuse collection											
Collection trucks	20	20	20	20	20	20	20	20	20	20	20
Other public works											
Streets (miles)	74	74	74	74	74	74	74	74	74	74	74
Sidewalks (miles)	43	43	43	43	43	43	43	43	43	43	43
Streetlights	1,391	1,391	1,391	1,391	1,391	1,391	1,391	1,391	1,391	1,391	1,391
Traffic signals	42	42	42	42	42	42	42	42	42	42	42
Parks and recreation											
Playgrounds	10	11	11	10	10	10	10	10	9	10	10
Baseball/softball diamonds	4	4	3	2	2	2	-	3	3	3	3
Outdoor pavilions	7	7	10	13	13	13	15	17	14	15	15
Community centers	5	5	5	5	5	5	5	5	5	5	5
Pool	1	1	2	2	2	2	1	1	2	2	2
Tennis courts	14	14	14	14	14	14	12	14	14	14	14
Water											
Water mains (miles)	80	80	80	81	81	81	81	81	81	81	81
Firehydrants	572	572	572	578	578	578	578	578	583	590	590
Storage capacity (millions of gallons)	4.9	4.9	4.9	4.9	4.9	5.0	4.7	4.7	4.7	4.7	4.7
Wastewater											
Sanitary sewers (miles)	73	73	73	72	72	72	72	72	72	72	72
Storm sewers (miles)	40	40	40	41	41	41	41	41	41	41	41
Transmission capacity (millions of gallons per day)	6.65	6.65	6.65	6.65	6.65	7.00	7.00	7.00	7.00	7.00	7.00

Sources: Various City departments.

Note: No capital asset indicators are available for the general government functions.

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CITY OF HALLANDALE BEACH, FLORIDA

COMPLIANCE REPORTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

CITY OF HALLANDALE BEACH, FLORIDA
COMPLIANCE REPORTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

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CITY OF HALLANDALE BEACH, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

Federal Grantor/Pass-through Grantor/Program Title	Federal AL Number	Grant Identification Number	Total Expenditures	Passed Through to Subrecipients
<u>U.S. Department of Housing and Urban Development</u>				
(Passed through Broward County Community Development Division)				
Community Development Block Grants - Entitlement Grants Cluster				
46th Year CDBG - Public Works Improvement Project	14.218	NA	\$ 146,571	\$ -
47th Year CDBG- After School Tutorial Enrichment Program	14.218	NA	100,000	-
Total U.S. Department of Housing and Urban Development			<u>246,571</u>	<u>-</u>
<u>U.S. Department of Justice</u>				
Direct:				
Coronavirus Emergency Supplemental Funding Program	16.034	2020-VD-BX-1630	1,722	-
Bulletproof Vest Partnership Program 2021	16.607	NA	15,438	-
Edward Byrne Memorial Justice Assistance Grant - Strategies for Policing Innovations	16.738	2019-WY-BX-0004	252,227	-
Edward Byrne Memorial Justice Assistance Grant Program 2018	16.738	2018-DJ-BX-0884	8,358	-
Equitable Sharing Program	16.922	FL0060400	84,727	-
Total U.S. Department of Justice			<u>362,472</u>	<u>-</u>
<u>U.S. Department of Treasury</u>				
Direct:				
American Rescue Plan Act (ARPA)	21.027	Y5108	9,487,855	-
Total U.S. Department of Treasury			<u>9,487,855</u>	<u>-</u>
<u>U.S. Department of Health and Human Services</u>				
(Passed Through Florida Department of Health and Rehabilitative Services				
Area-wide Council on Aging of Broward County, Inc.)				
Special Programs for the Aging, Title III, Part B - Aging Cluster	93.044	JA121-78-2021	5,615	-
Special Programs for the Aging, Title III, Part B - Aging Cluster	93.044	JA122-78-2022	36,349	-
Special Programs for the Aging, Expanding Access to COVID-19 Vaccines via the Aging Network - Aging Cluster	93.044	JCV21-78-2022	12,508	-
Special Programs for the Aging, Title III, Part C - Nutrition Services - CARES	93.045	JB8311F-78-2021	13,622	-
Special Programs for the Aging, Title III, Part C - Nutrition Services - CARES	93.045	JB8311E-78-2021	2,662	-
(Passed Through Early Learning Coalition of Broward County)				
Child Care and Development Block Grant				
Coronavirus Response and Relief Supplemental Act (CRRSA) - Phase VI	93.575	NA	30,582	-
Child Care and Development Block Grant				
School Readiness Program Services - ARPA	93.575	NA	35,309	-
Child Care and Development Block Grant				
School Readiness Program Services - Summer Booster Grant	93.575	NA	12,500	-
Total U.S. Department of Health and Human Services			<u>149,147</u>	<u>-</u>
<u>U.S. Department of Homeland Security</u>				
Direct:				
Staffing for Adequate Fire and Emergency Response	97.083	EMW-2018-FH-00490	1,507,997	-
(Passed through Broward County EFSP Board)				
Emergency Food & Shelter National Board Program - Phase 39	97.024	NA	6,400	-
Emergency Food & Shelter National Board Program - Phase ARPA-R	97.024	NA	25,000	-
Total U.S. Department of Homeland Security			<u>1,539,397</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 11,785,442</u>	<u>\$ -</u>

See accompanying notes to the schedule of expenditures of federal awards.

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE 1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal grant activity of the City of Hallandale Beach, Florida (the "City") under programs of the federal government for the year ended September 30, 2022. The information in the Schedule is presented in accordance with the requirements of the Title 2 U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, they are not intended to and do not present the financial position, changes in net position or cash flows of the City. The City's reporting entity is defined in Note 1 of the City's basic financial statements. All awards received directly from federal agencies, as well as amounts passed through other government agencies are included in the accompanying Schedule of Expenditures of Federal Awards.

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 Title 2 U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement, except for the Equitable Sharing programs for Justice and Treasury which follow, *Guide to Equitable Sharing for Foreign Countries and Federal, State, and Local Law Enforcement Agencies*. Pass-through entity identifying numbers are presented where available.

NOTE 3. INDIRECT COST RATE

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

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

**To the Honorable Mayor, City Commission
and City Manager
Hallandale Beach, Florida**

We have audited, 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Hallandale Beach, Florida (the "City"), as of and for the year ended September 30, 2022, 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 27, 2023. Our report includes a reference to other auditors who audited the financial statements of the Police Officers and Firefighters' Personnel Retirement Trust, as described in our report on the City's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or on compliance and other matters that are reported separately by those auditors.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2022-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

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

City's Response to the Finding

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

Purpose of this Report

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

Bradenton, Florida
June 27, 2023

Mauldin & Jenkins, LLC



CPAs & ADVISORS

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

To the Honorable Mayor, City Commission
and City Manager
Hallandale Beach, Florida

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Hallandale Beach, Florida's (the "City") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2022. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, 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 for the year ended September 30, 2022.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated June 27, 2023, which contained unmodified opinions on those financial statements. Our audit was performed 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 is presented for purposes of additional analysis as required by the Uniform Guidance 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 is fairly stated in all material respects in relation to the basic financial statements as a whole.

Mauldin & Jenkins, LLC

Bradenton, Florida
June 27, 2023

CITY OF HALLANDALE BEACH, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:
Material weaknesses identified? Yes No

Significant deficiencies identified not considered to be material weaknesses? Yes None reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal Control over major programs:
Material weaknesses identified? Yes No

Significant deficiencies identified not considered to be material weaknesses? Yes None reported

Type of auditor's report issued on compliance for major federal programs and state financial assistance: Unmodified

Any audit findings disclosed that are required to be reported in accordance with the 2 CFR 200.516(a)? Yes No

Identification of major federal program:

AL Number
21.027

Name of Federal Program or Cluster
U.S. Department of Treasury
Coronavirus State and Local Fiscal Recovery Funds (American Rescue Plan)

Dollar threshold used to distinguish between Federal Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? Yes No

CITY OF HALLANDALE BEACH, FLORIDA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

SECTION II

FINANCIAL STATEMENT FINDINGS AND RESPONSES

2022-001 Prior Period Adjustments

Criteria: To ensure that financial statements properly present the financial position and results of operations of the City in accordance with generally accepted accounting principles (GAAP), in addition to providing meaningful financial reports to the City Commission and management, the City should ensure that all financial assets of the City are properly reflected within the City's financial records and statements in accordance with current standards as issued by the Governmental Accounting Standards Board (GASB).

Condition: During the year, the City realized several corrections to the City's capital assets were required to account for donated property obtained in prior years and for construction in progress items that should have been capitalized and depreciated. Entries were required to be posted to the beginning net position of the City's Governmental Activities; Business-Type Activities; Utility Fund; and Stormwater Drainage Fund to properly state the beginning capital asset balances as further discussed in footnote 18 to the City's financial statements.

Context/Cause: Finance Department oversight in prior years caused these accounts to be misstated.

Effect: Audit adjustments were required within the City's Governmental Activities; Business-Type Activities; Utility Fund, and Stormwater Drainage Fund for the fair presentation of the financial statements.

Recommendation: We recommend the City evaluate its period closing process to ensure subsidiary ledger reconciliations are being performed timely, properly, and are being reviewed by appropriate levels of management.

Management's Response: We value the insights and recommendations provided by the auditors and recognize the importance of ensuring our financial statements are comprehensive, accurate, and in compliance with U.S. GAAP. The concerns highlighted during the audit process are taken very seriously. We understand the gravity of ensuring all capital assets are accurately reported and have been aware of this need in the Finance Department. It is important to note that this oversight was discovered by our internal accounting staff during the implementation of GASB Statement No. 87, Leases. The unrecorded assets relate to a developer contribution in fiscal year 2016 whereby internal controls were not in place to mitigate the risk of unrecorded assets. The risk is higher for non-cash transactions such as donated property. As such, we do not expect a recurrence of this type of adjustment. Management's plan of action, which is in line with initiatives already in place for the Finance Department, is noted on the following page.

CITY OF HALLANDALE BEACH, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

SECTION II FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

Plan of Action:

1. Enhanced Accounting Policies and Procedures: We will update and strengthen our accounting procedures, particularly focusing on the review of non-cash transactions related to of capital assets to ensure all assets conveyed to the City are accurately reported in our financial records timely.
2. Staffing Enhancement: In April 2023, we proactively added capacity to our Finance Department by hiring a Senior Fixed Assets Accountant. This position is specifically dedicated to ensuring the proper tracking and management of capital assets.
3. Internal Review System and City-Wide Inventory: Leveraging the expertise of the Senior Fixed Assets Accountant, we will implement an internal review process which includes conducting a comprehensive city-wide inventory. This will involve cross-checking capital assets against current City contracts to ensure that all assets are properly accounted for. The City-wide inventory will be performed over several years as part of fixed asset policy changes.
4. Training and Education: Our finance team will undergo continuous training, focusing on GASB standards and capital asset accounting. We want to ensure that our team understands the importance of regular and thorough review of subsidiary ledgers and is updated on the latest accounting standards.
5. Improved Communication and Annual Departmental Checklist: We will establish better communication channels with external parties, such as developers, to ensure that we are promptly and accurately informed of any asset transfers. Additionally, we will issue an annual checklist to all departments within the City. This will be used as a tool to identify capital assets proactively and ensure that nothing is overlooked in our records.
6. Implementation of GASB 87: We have actively worked on the implementation of GASB 87, which requires the recognition of certain lease assets and liabilities. This standard will enhance the completeness and accuracy of our financial statements and help prevent similar situations in the future.

We remain committed to maintaining the highest standards of financial reporting and accountability. We anticipate that these improvements will be fully implemented by the end of FY2024, ensuring our financial records accurately reflect the City's financial position. We believe that current internal controls are in place to mitigate the risk of a similar adjustment reoccurring in the future.

SECTION III FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None reported.

CITY OF HALLANDALE BEACH, FLORIDA
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

STATUS OF PRIOR YEAR AUDIT FINDINGS

None noted.



INDEPENDENT AUDITOR'S MANAGEMENT LETTER

**To the Honorable Mayor, City Commission
and City Manager
Hallandale Beach, Florida**

Report on the Financial Statements

We have audited the financial statements of the City of Hallandale Beach, Florida (the "City"), as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated June 27, 2023. We did not audit the financial statements of the Police Officers' and Firefighters' Personnel Retirement Trust which represents 67% of the assets, 71% of the net position, and 24% of the revenues of the City's aggregate remaining fund information. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Police Officers' and Firefighters' Personnel Retirement Trust is based solely on the report of the other auditors.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and On Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance Required by the Uniform Guidance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated June 27, 2023, 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. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The City has made these disclosures within the notes to the financial statements.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

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

Special District Component Units

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

Specific Information

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the Golden Isles Safe Neighborhood District and the Three Islands Safe Neighborhood District reported:

- a. There were no district employees compensated in the last pay period of the districts' fiscal year.
- b. The Golden Isles Safe Neighborhood District paid one independent contractor \$866 in nonemployee compensation in the last month of the districts' fiscal year. The Three Islands Safe Neighborhood District paid one independent contractor \$866 in nonemployee compensation in the last month of the districts' fiscal year.
- c. There were no compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency.
- d. The Golden Isles Safe Neighborhood District paid two nonemployee independent contractors \$1,087 and the Three Islands Safe Neighborhood District paid two nonemployee independent contractors \$1,233 during the year ended September 30, 2022. There were no other compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency.
- e. The Three Islands Safe Neighborhood District had one project with approved encumbrances totaling more than \$65,000. From this project, \$13,605 was spent in the fiscal year being reported.
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes, has been presented on pages 116 and 117 of this report for the two districts.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have 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 other granting agencies, the Mayor and Members of City Council, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Bradenton, Florida
June 27, 2023

Mauldin & Jenkins, LLC



INDEPENDENT ACCOUNTANT'S REPORT

**To the Honorable Mayor, City Commission
and City Manager
Hallandale Beach, Florida**

We have examined the City of Hallandale Beach, Florida's (the "City") compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2022. Management of the City is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance 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 judgement, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

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

In our opinion, the City complied, in all material respects, with the aforementioned requirements during the year ended September 30, 2022.

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

Bradenton, Florida
June 27, 2023



FINANCE DEPARTMENT

GEOVANNE NESTE
Finance Director

Joy F. Cooper
Mayor

Anabelle Lima-Taub
Vice Mayor

Joy Adams
Commissioner

Mike Butler
Commissioner

Michele Lazarow
Commissioner

400 S. Federal Highway
Hallandale Beach, FL 33009
Ph (954) 457-1371
Fax (954) 457-1343

www.coHB.org

June 27, 2023

Re: Fiscal Year 2022 Impact Fee Affidavit

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

1. I am the Chief Financial Officer of City of Hallandale Beach which is a local governmental entity of the State of Florida.
2. The governing body of City of Hallandale Beach, FL adopted Ordinance No. 2014-22 implementing water and wastewater impact fees.
3. The governing body of City of Hallandale Beach, FL adopted Ordinance No. 2022-001 implementing impact fees for fire & rescue, law enforcement, parks & recreation, and multi-modal transportation capital improvements.
4. City of Hallandale Beach, Florida has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

FURTHER AFFIANT SAYETH NAUGHT.

[Signature]

(Chief Financial Officer of City of Hallandale Beach, Florida

STATE OF FLORIDA

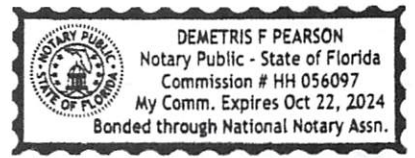
COUNTY OF (Name of County)

SWORN TO AND SUBSCRIBED before me this 27 day of June, 2023.

[Signature]

NOTARY PUBLIC

Print Name Demetris Pearson



Personally known or produced identification _____

Type of identification produced:

My Commission Expires: