

CITY OF HALLANDALE BEACH, FLORIDA



2023

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For Fiscal Year Ended
September 30, 2023



CITY OF HALLANDALE BEACH, FLORIDA

Annual Comprehensive Financial Report

for the fiscal year ended
September 30, 2023

Prepared by the Finance Department

Geovanne Neste, Finance Director

Barbara Trinko, CPA, Assistant Finance Director

Sean Li, CPA, Assistant Finance Director

Joanna Campbell, Financial Reporting & Grants Manager

Isidra Morales, Chief Accountant

Ceylan Carlson, CRA Finance and Budget Manager

Roy Danziger, Senior Accountant

Keren Palomino, Accountant II

Jairus Brown, Grants Accounting Analyst

Ruth Rodriguez, Accountant I

Lola Roberts, Accountant I

Victor Ugarte, Accountant I

TABLE OF CONTENT

INTRODUCTORY SECTION

Letter of Transmittal

Organizational Chart

Principal Officials

GFOA Certificate

FINANCIAL SECTION

Independent Auditors’ Report

Management’s Discussion and Analysis

Basic Financial Statements:

Government-Wide Financial Statements:

Statement of Net Position

Statement of Activities

Fund Financial Statements:

Balance Sheet – Governmental Funds

Reconciliation of Governmental Funds Balance Sheet to
the Statement of Net Position

Statement of Revenues, Expenditures, and Changes in
Fund Balances – Governmental Funds

Reconciliation of the Statement of Revenues,
Expenditures, and Changes In Fund Balances of
Governmental Funds to the Statement of Activities

Statement of Net Position – Proprietary Funds

Statement of Revenues, Expenses, and Changes in Net
Position – Proprietary Funds

Statement of Cash Flows – Proprietary Funds

Statement of Fiduciary Net Position – Fiduciary Funds

Statement of Changes in Fiduciary Net Position –
Fiduciary Funds

Notes to Financial Statements

Required Supplementary Information:

Schedule of Revenues, Expenditures, and Changes in Fund
Balances – Budget and Actual – General Fund

Schedule of Revenues, Expenditures, and Changes in Fund
Balances – Budget and Actual – Special Revenue Funds –
Community Redevelopment Agency Fund

FINANCIAL SECTION

Required Supplementary Information (Continued):

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Special Revenue Funds – General Obligation Bond Fund	123
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Special Revenue Funds – General Obligation Bond Fund	124
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Special Revenue Funds – General Obligation Bond Fund	125
Notes to Budgetary Comparison Schedules	126
Schedule of Changes in the City's Net Pension Liability and Related Ratios:	
Professional/Management Retirement Plan	128
General Employees' Retirement Plan	129
Police Officers' and Firefighters' Personnel Retirement Trust	130
Schedule of Changes in the City's Total Pension Liability and Related Ratios:	
Excess Benefit Plan	131
Schedule of City Contributions:	
Professional/Management Retirement Plan	132
General Employees' Retirement Plan	133
Police Officers' and Firefighters' Personnel Retirement Trust	134
Schedule of Pension Investment Returns	135
Schedule of Changes in the City's Total OPEB Liability and Related Ratios	136
Schedule of the City's Proportionate Share of the Net Pension Liability – FRS	137
Schedule of Contributions – FRS	138
Schedule of the City's Proportionate Share of the Net Pension Liability – HIS	139
Schedule of Contributions – HIS	140

TABLE OF CONTENT

FINANCIAL SECTION

Combining and Individual Nonmajor Fund Financial Statements and Schedules:

Combining Balance Sheet – Nonmajor Governmental Funds 145

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances – Nonmajor Governmental Funds 146

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Special Revenue Funds):

Police Training Fund 147

Police Outside Services Fund 148

Police Equitable Sharing Fund 149

Transportation Fund 150

Golden Isles Safe Neighborhood Fund 151

Three Islands District Fund 152

Law Enforcement Trust Fund 153

Building Permits Fund 154

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Debt Service Funds):

2016 G.O. Bond Fund 155

Revenue Bond Fund 156

Combining Statement of Net Position – Internal Service Funds . . . 159

Combining Statement of Revenues, Expenses and Changes
in Net Position – Internal Service Funds 160

Combining Statement of Cash Flows – Internal Service Funds . . . 161

Combining Schedule of Fiduciary Net Position – Fiduciary Funds . 163

Combining Schedule of Changes in Fiduciary Net Position –
Pension Trust Funds 164

STATISTICAL SECTION

Statistical information:

Schedule 1 – Net Position by Activity	168
Schedule 2 – Changes in Net Position	169
Schedule 3 – Fund Balances, Governmental Funds	171
Schedule 4 – Changes in Fund Balances, Governmental Funds . . .	172
Schedule 5 – Tax Revenues by Source, Governmental Funds	173
Schedule 6 – Property Tax Rates – Direct and Overlapping Property Tax Rates	174
Schedule 7 – Principal Property Taxpayers	175
Schedule 8 – Property Tax Levies and Collections	176
Schedule 9 – Assessed Value and Estimated Actual Value of Taxable Property	177
Schedule 10 – Ratios of Outstanding Debt by Type	178
Schedule 11 – Ratios of General Bonded Debt Outstanding	179
Schedule 12 – Direct and Overlapping Governmental Activities Debt	180
Schedule 13 – Pledged Revenue Coverage	181
Schedule 14 – Demographic and Economic Statistics	182
Schedule 15 – Principal Employers	183
Schedule 16 – Budgeted Full-Time Positions for City Employees by Function/Program	184
Schedule 17 – Operating Indicators by Function/Program	185
Schedule 18 – Capital Asset Statistics by Function/Program	186



Introductory Section

Annual Comprehensive Financial Report 2023



Office of the
City Manager

Dr. Jeremy Earle
City Manager
CRA Executive
Director

JOY F. COOPER
Mayor

ANABELLE LIMA-TAUB
Vice Mayor

JOY D. ADAMS
Commissioner

MIKE BUTLER
Commissioner

MICHELE LAZAROW
Commissioner

400 S. Federal
Highway
Hallandale Beach,
FL 33009
Ph. (954) 457-1300
Fax (954) 457-1454

www.coHB.org

June 26, 2024

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

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, 2023.

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.

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.

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:

- 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.

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.

Marcum LLP, independent auditors, have issued unmodified opinions on the City of Hallandale Beach's financial statements for the fiscal year ended September 30, 2023. The independent auditor's report is located at the front of the financial section of this report. The Police and Fire Pension Trust Fund was audited by other auditors.

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 the Management's Discussion and Analysis (MD&A). The MD&A immediately follows the independent auditor's report and provides a narrative introduction, an overview, and an analysis of the basic financial statements. The MD&A compliments 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 2023 permanent population of the City is estimated to be 41,726 (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-run prekindergarten program. Additionally, the City 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"), Golden Isles Safe Neighborhood District, and Three Islands Safe Neighborhood District are included in the reporting entity. However, the Police Athletic League of Hallandale Beach 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. 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 may occur with the City Manager's approval, except for contingencies and debt service, as long as the category budget within a fund is not increased. Budget amendments are submitted to the Commission for their consideration and, in accordance with state law, are posted to the City's website within five days of 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, 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, 2023.

For the fiscal year ended September 30, 2023, the report revealed no material weaknesses in internal control over compliance, nor were there any significant violations of relevant laws and regulations.

Internal Control Deficiencies

For the fiscal year ended September 30, 2023, two (2) items were identified as material weaknesses in internal control over financial reporting. These are reported separately as part of the Compliance Reports, which are available upon request.

The first material weakness pertains to the HBCRA. It was identified that a property classified as Assets Held for Resale was conveyed to a developer in an untimely manner. This issue was due to an over-reliance on an external website as the primary internal control process, resulting in the delayed recording of the transaction by the HBCRA. Management believes this to be an isolated incident and is confident that current internal controls are adequate to prevent similar issues in the future.

The second material weakness involves the City's payroll trust fund, which was integrated into the General Fund following the transition from agency funds in accordance with GASB 84, *Fiduciary Activities*. It was noted that the accrual for health insurance expenses appeared unrecorded. Upon further investigation, management discovered that the full health insurance expense was not being properly recognized. This was due to insufficient reconciliation procedures and a lack of coordination between the relevant departments. In response, management reviewed the Payroll Trust Fund for the past three years to estimate unrecorded health insurance expenses. Management acknowledges this finding and is committed to conducting a thorough analysis to determine the precise amounts of unrecorded health insurance expenses. Moving forward, management will enhance coordination between departments to ensure accurate and timely reconciliation of health insurance expenses.

We are committed to addressing these issues promptly and effectively, ensuring robust internal controls and accurate financial reporting in the future.

LOCAL ECONOMY

The City benefits from its strategic geographical location and relative affordability in the South Florida market. Hallandale Beach provides a unique environment for business, serving as a hub for major activity generators such as Gulfstream Park, Big Easy Casino, commercial centers, and beaches. Seasonal residency and tourism play a crucial role in the City's economy, with the population swelling to 50,000 during the winter season. As such, the local economy was greatly impacted by the COVID-19 pandemic.

Two key measures of employment are job growth and the unemployment rate. The City of Hallandale Beach unemployment rate remained relatively flat, increasing slightly from 3.3% in 2022 to 3.6% in 2023. The current unemployment rate is comparable to the state average. During fiscal year 2022-23, the local economy continued to recover, supported by significant investments from the American Rescue Plan Act (ARPA) which provided funds to cover budget shortfalls and stabilize the economy. Major projects like the Oasis Hallandale development also contributed to economic growth, with new businesses and residential units enhancing the City's infrastructure and appeal.

The effects of the COVID-19 pandemic and the war in Ukraine on the global and local economy have led to significant economic challenges. Although inflation has been moderating, it remains elevated compared to historical standards. Economists expect the Federal Reserve to maintain higher interest rates through 2024, with potential rate cuts beginning in 2025. This cautious approach aims to achieve a "soft landing" for the economy, avoiding a deep recession while managing inflation and fostering steady growth.

The City continues to monitor other economic indicators such as retail sales and tourism statistics, which remain strong and contribute positively to the overall economic outlook. Retail sales in Hallandale Beach saw a moderate increase from 2022 to 2023, reflecting steady consumer confidence and spending despite inflationary pressures. Tourism statistics indicated a recovery with an increase in visitors compared to the previous year, contributing positively to the local economy.

Additionally, Hallandale Beach has experienced a surge in real estate investment due to its relatively lower property values compared to neighboring areas. This affordability has attracted a diverse group of buyers, leading to increased real estate activity. Hallandale Beach is identified as one of the last municipalities in South Florida with high demand for real estate because its property values had more room to grow and catch up with the market. Currently, there is \$1 billion worth of development underway, which not only boosts the local economy but also enhances the City's resilience to a potential housing downturn by diversifying its economic base.

In fiscal year 2022-23, the City experienced an increase in taxable values for the twelfth straight year. Although mortgage rates remain elevated due to monetary policy, current market conditions have not shown a significant impact on 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 has continued to make progress 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 have created new and complicated challenges for the City, the completion and start of major initiatives during the fiscal year demonstrate 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.

Additionally, the ongoing conflict in Israel and fluctuating global economic conditions have underscored the importance of resilience and adaptability in our strategic planning. Rising costs of living, including increased utility expenses and property insurance, have further highlighted the need for robust economic policies and community support initiatives.

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

Completed

- 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).
- West Hallandale Shoppes – A 11,825 square feet commercial retail center.

In Progress

- Solaris Apartments – An 8-story 78-unit residential apartment building.
- 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.
- Hallandale City Center – 26,530 square feet commercial, retail, and office space and a total of 89 residential apartments in 3 buildings.
- Leisure Apartments – A 3-story 24-unit residential apartment building.
- Village of Atlantic Shores Phase IV – A twelve-story building with a total gross building area of 105,152 sq. ft, which includes commercial office space, retail businesses and restaurants.
- Blue South – A five-story 46-unit residential apartment building.

In the past year, the HBCRA has continued to implement initiatives that significantly 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, as well as the promotion of economic development programs that support existing businesses and attract vibrant new businesses to the City.

During the current year, the HBCRA accomplished the following major activities in the redevelopment district:

- Assisted 267 residents with approximately \$2.7 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, and the Enhanced Paint Program:
 - First Time Homebuyer Program: Assisted 5 residents with \$456,300.
 - Neighborhood Improvement Program: Assisted 12 residents with \$428,115.
 - Paint Program: Assisted 7 residents with \$19,521.
 - Paint the Town Program: Painted 66 homes with \$214,455 in assistance.
 - Rent Stabilization Program: Assisted 27 residents with \$94,224.
 - Senior Mini Grant Program: Assisted 18 residents with \$238,445.
 - Senior Rental-Utility Assistance Program: Assisted 4 residents with \$8,642.
 - Storm Shutter/Impact Window Rebate Program: Assisted 128 residents with \$1,197,041.
- Approved commercial improvements:
 - ABA Sheli: Received \$397,184 in Commercial Façade Improvement Program funding for enhancing the structure in District 8, including new awnings, repainting, and a mural.

- Barrel Wine & Cheese: Received \$55,402 in Commercial Business Incentives for establishing a kosher wine bar/lounge.
- Daluki LLC / Cara Palida Microbrewery: Received \$338,000 in commercial incentives to develop Hallandale Beach's first microbrewery.
- Construction completion of KAO Bar & Grill, Broward County's first shipping container restaurant, marking a transformative addition to District 8, with a total investment of \$1,425,000 and \$765,000 in incentive grants.
- Hosted the fourth annual Food & Groove Festival in partnership with the South Beach Wine & Food Festival, attracting 1,200 patrons and significantly contributing to the economic development of the City.
- Continued the design and construction of various public improvements funded by \$20 million in Redevelopment Revenue Notes, including but not limited to:
 - Sidewalks, art trails, bikeways, greenways projects, landscaping, canopy planting, bike paths, crosswalks, bioswales, roadway construction.
 - Stormwater projects, streetscape projects, and lighting projects.
- Launched new initiatives and programs:
 - BE Local Campaign: Promoting local businesses with a comprehensive campaign including social media, video highlights, and print advertisements.
 - Freebee Pilot Program: Providing complimentary advertising exposure to local businesses and operating emission-free electric vehicles within the HBCRA boundaries.
 - District 8 Transformation: Enhancing the Fashion, Art, and Design District with new infrastructure and promoting it as a vibrant cultural and commercial hub.
- Environmental Sustainability Initiatives:
 - Tree Giveaway with Community Greening: Partnered with a non-profit urban forestry group to increase the tree canopy throughout Hallandale Beach, hosting tree giveaway events, and distributing fruit and native trees at no cost to residents. The initiative included a \$295,133 investment.
 - Semi-Permeable Parking Lot: Added 42 parking spaces in District 8, incorporating pervious surfaces and bioswales to manage stormwater runoff, improve aesthetics, and promote environmental sustainability. The parking lot also features six electric vehicle charging stations.
 - Electric Fleet Vehicles: Introduced new electric vehicles to the HBCRA's fleet, demonstrating a commitment to reducing emissions and supporting green initiatives.
- Strategic Planning and Financial Management:
 - The CRA Board adopted the Annual Budget and Finance Plan for FY 2024-2027, forecasting over \$120 million in investment within the CRA boundaries through sunset.
 - Tax increment revenues reached \$24.8 million for FY 2023-2024, with significant growth in the residential, industrial, and commercial sectors.

These initiatives showcase the HBCRA's commitment to sustainable growth, community resilience, and making Hallandale Beach a desirable place to live, work, and visit. The 2023 accomplishments reflect strategic investments and partnerships, driving positive change and sustainable development in Hallandale Beach.

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

- Adopted the FY 2023-24 General Fund budget without the use of reserves for the second consecutive year: This aligns with GFOA's best practices, promoting structural balance and ensuring long-term financial stability.
- Implemented a CIP software to streamline the 5-Year Capital Improvement Plan process that includes an interactive portal for public viewing.
- Reimplemented the treasury management program, increasing investment income by approximately \$2 million, and transitioned pooled investments to the pooled cash system, ensuring income allocation across all city funds.
- Negotiated the City's health insurance renewal for FY 2023-24 with an approximate 4.8% increase in premiums, below the health benefit cost trend of 6.6% that was expected for FY 2023-24.
- Strengthened cybersecurity defenses city-wide by implementing advanced network protection measures and initiating continuous online monitoring of city systems. This is crucial given that the average cost of a data breach in the public sector was \$2.6 million in 2023.
- Advanced multiple infrastructure-related projects into the construction phase, representing a total cost of \$26.5 million. These projects include water main replacements, lift station improvements, stormwater management, and citywide road restorations. Significant initiatives completed include water distribution rehabilitation and traffic calming installations, along with the development of the Stormwater Master Plan. These efforts have positioned the City for a strong start to projects in FY2024, making them shovel-ready and more attractive for grant opportunities.
- Acquired 53 new vehicles worth \$3.9 million for the City's fleet, primarily funded by ARPA. This purchase reduced ongoing maintenance costs of older vehicles. A City Commission exemption for direct dealership purchases saved an additional \$300,000, earmarked for future vehicle replacements.
- Secured \$6.6 million in Surtax funding for five vital community projects, including modernized bus shelters, enhanced sidewalks and crosswalks for pedestrian safety, and digital signage at bus stops to improve public transportation accessibility. Additionally, completed the Bus Stop ADA Compliant Master Plan and initiated the design phase to ensure all bus stops are accessible to everyone.
- Merged the Grants Office into the Finance Department to leverage the expertise of our staff and expand grant services across all departments. This strategic move aims to increase successful funding applications and reduce the risk of noncompliance. As a result, we submitted 19 grant applications, pre-applications, and appropriations requests, totaling \$25 million in potential funding to enhance community projects and services.
- Provided a range of human services with a total of 67,585 service instances, including:
 - Human Services contact and social services for 67,585 service instances, including 744 new participants.
 - Monthly Food Distribution Program assistance with 1,593 service instances.

- Recreation and transportation services to an average of 138 seniors through the Hepburn Senior Mini Center Program.
- VPK Program Services to 7 students.
- After School Tutorial Enrichment Program Services to 280 students.
- Established a Renewal Replacement Fund for general city assets, with an initial investment of \$1.5 million for FY23. Along with investment income, the fund ended the year with \$1.53 million. This new initiative demonstrates our commitment to responsible future planning, as the compounding effect will grow these reserves over time, ensuring the sustainable replacement of city-wide assets.
- EV Buses and Charging Facilities – Made significant progress in planning and coordinating the acquisition of the Cloud bus fleet, our nine all-electric buses, setting Hallandale Beach to be the first municipality in Florida with a fully electric fleet. This \$5.9 million project, funded by a \$3.4 million FDOT grant and a \$2.5 million City contribution, involved detailed logistics for temporary facilities and charging stations, with plans for a permanent facility by FY 2025-26. Executed at our multi-functional site for water treatment, fleet maintenance, and sanitation equipment storage, this initiative underscores our dedication to sustainability, innovative resource management, and a greener future for our community.
- The following resulted in additional cost-recovery revenues to the General Fund as part of the City's 5-year Financial Stabilization Plan:
 - Implemented a 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.
 - Implemented a 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.
- Successfully implemented the Certificate of Use (CU) program, ensuring compliance with zoning and building codes, streamlining business operations, enhancing public safety, improving urban planning, increasing revenue, and supporting economic development by providing clear guidelines and regulatory requirements for businesses. This program promotes a safe and thriving business environment, aligning with local regulations.

For the Future

The budget cycle for the fiscal year 2023-24 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 ongoing elevated inflation rates, which significantly impacted costs and planning. Additionally, the City faced the continued effects of a competitive labor market, necessitating strategic adjustments to maintain essential services and operations.

Although the City confronted similar hurdles in the preceding budget cycles, projecting the future outlook proved to be a continuously 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. As we observed signs of economic recovery, we adjusted revenue projections upward, though still maintaining a conservative approach. This balance allowed us to be optimistic while remaining prudent.

Significantly, this marked the second consecutive year 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:

- Completing and adopting 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 \$227.6 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.
- Continued use of the remaining \$5.5 million in ARPA funding for fiscal year 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 \$2.4 million in appropriations are allocated to this effort.

- 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. The goal is to implement this for fiscal year 2025, the expected year that ARPA funds are exhausted which currently covers a portion of BSO Fire incremental cost increases.
- 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.
- Explore solutions for the City's payroll process: Since transitioning to our current ERP system, the payroll process has extended from two days to four days. We are exploring tools, outsourcing options, and new technologies to streamline and automate our payroll process while enhancing the employee experience. This initiative aims to improve efficiency, reduce processing time, and ensure accurate and timely payroll management.
- Redesign the City's website by undertaking a comprehensive approach to include design and content. This initiative aims to improve site navigation and communication with customers, which is expected to enhance collections by making online payments and information access more user-friendly. Additionally, the new website will bolster customer service for residents and stakeholders by providing a more intuitive and efficient platform for accessing City services and information.
- Reimplement the City's existing asset management module, which was previously underutilized. This initiative includes performing a comprehensive inventory, cleaning up records, and creating a standardized process along with staff training. Enhancing our asset management system is critical, especially with the significant number of upcoming projects, to ensure accurate tracking and efficient management of the City's assets. This improved system will provide better oversight and facilitate the optimal use of city resources in response to recent audit findings on proper accounting for assets.
- Implement a robust project management solution to standardize and streamline project management processes. This initiative will improve communication, set clear management expectations, reduce the need for frequent meetings, and lower costs while enhancing project delivery times.

Considering the need for additional resources needed to carry out these and other initiatives, the City Commission so far has approved one budget amendment in fiscal year 2023-24 of which approximately \$1.4 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 timely monitoring our financial position. The Finance and Budget staff are actively working together to enhance our month-end closing process, improve our monthly financial reports, and develop meaningful key performance indicators to measure our return on these investments. Additionally, we have received Federal aid through ARPA, which has helped alleviate revenue losses resulting from the COVID-19 pandemic and continues to fund our efforts to protect the health and safety of the public and employees. As we move forward into 2024, these initiatives remain critical to maintaining our financial stability and ensuring the effective use of our resources.

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>.

FINANCIAL POLICIES

One of the most important measures of the City's financial health is its fund balance. During the previous four 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 are 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's budgeted operating expenditures for the subsequent fiscal year 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.

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 the City of Hallandale Beach, Florida for its annual comprehensive financial report for the fiscal year ended September 30, 2022. 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 Annual Comprehensive Financial Report could not have been accomplished without the dedicated efforts of the entire staff of the Finance Department. We extend our gratitude to all the departments that assisted and contributed to the preparation of this report. Their hard work, effort, commitment, and professionalism are greatly admired. Special recognition is given to Joanna Campbell, our Financial Reporting & Grants Manager, and Sean Li, our Assistant Finance Director, for leading the development and publication of this comprehensive report, as well as 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 supporting sound fiscal management practices with an emphasis on long-term financial stability and sustainability.

This report highlights our substantial progress and prepares us to ascend to a new tier of financial resilience and strategic growth for the City of Hallandale Beach. We take this opportunity to thank you, the citizens of Hallandale Beach, for your vital role in supporting our initiatives, which will help us create more value for our community while continuing to improve the City's financial position for years to come.

Respectfully submitted,

A blue ink signature of Jeremy Earle, Ph.D., consisting of a large, stylized 'J' followed by 'Earle' in a cursive script.

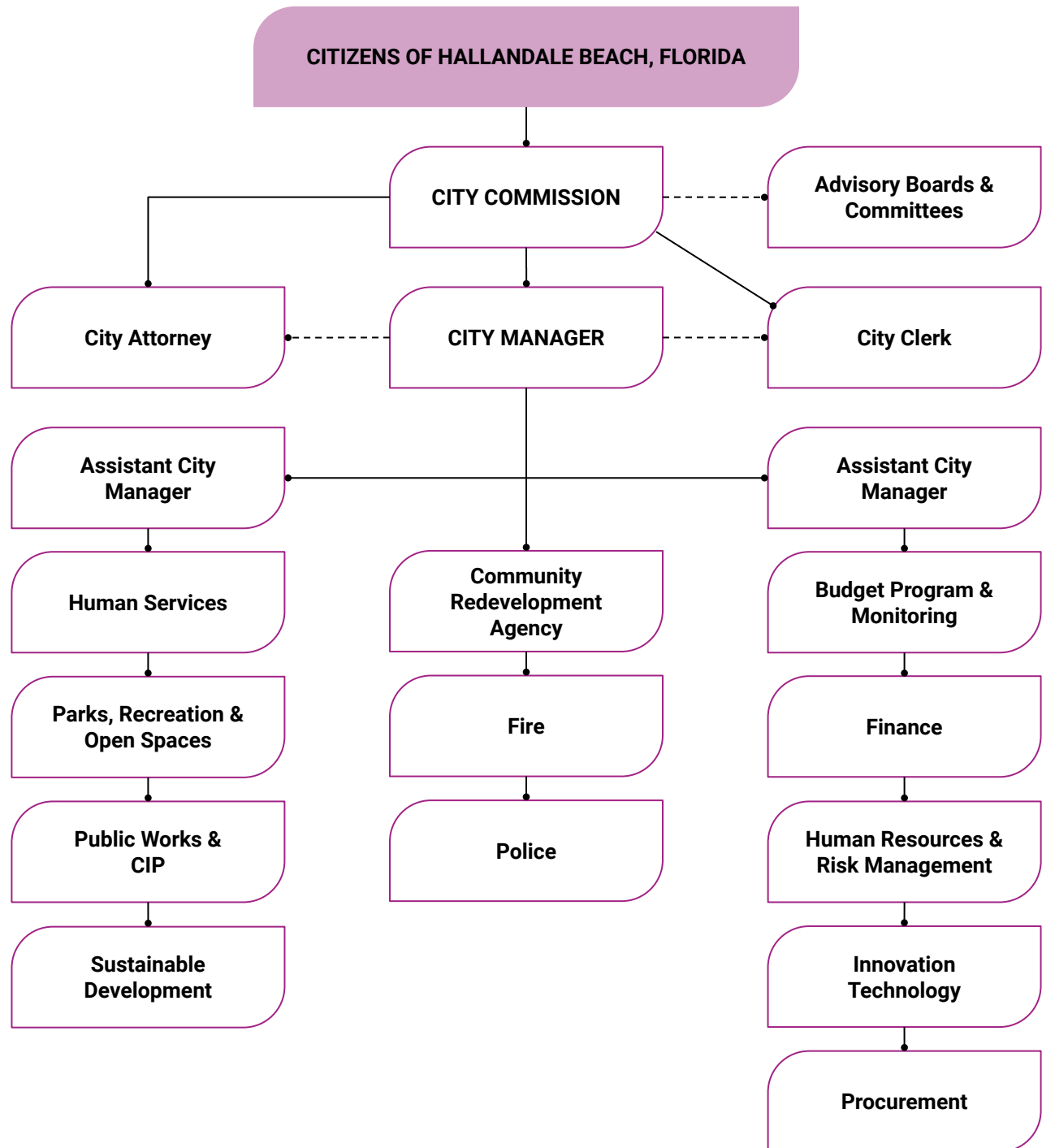
Jeremy Earle, Ph.D.
City Manager

A black ink signature of Geovanne Neste, featuring a large, stylized 'G' followed by 'Neste' in a cursive script.

Geovanne Neste
Finance Director

Organizational Chart

September 30, 2023



Commission-Manager Form of Government
September 30, 2023



City Administration

City Manager	Dr. Jeremy Earle
Assistant City Manager	Sharon Ragoonan
Assistant City Manager	Noemy Sandoval
Chief Information Officer	Tristan Lattibeaudiere
Director of Budget & Program Monitoring	Natasha Mazzie
Director of Finance	Geovanne Neste
Director of Human Resources	Radu Dodea
Director of Human Services	Cora Daise
Director of Parks and Recreation	Cathleen Schanz
Director of Procurement	Andrea Lues
Director of Public Works	Jeffrey Odoms
Director of Sustainable Development	Vanessa Leroy
Fire District Chief (BSO)	Bradley Masters
Police Chief	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, 2022

Christopher P. Morrell

Executive Director/CEO



Financial Section

Annual Comprehensive Financial Report 2023



THIS PAGE IS INTENTIONALLY LEFT BLANK

2023



Independent Auditors' Report

Annual Comprehensive Financial Report 2023

INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Hallandale Beach, Florida (the "City"), as of and for the fiscal year ended September 30, 2023, 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 accompanying 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, 2023, and the respective changes in financial position, and, where applicable, cash flows, thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the City's Police Officers' and Firefighters' Personnel Retirement Trust (the "Plan"), a fiduciary fund of the City, which represent 69%, 72% and 59%, respectively, of the assets, net position/fund balance and revenues/additions of the aggregate remaining fund information as of September 30, 2023. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Plan is based solely on the report of the other auditor.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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.

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 7 to 32, the budgetary comparison schedules, the notes to budgetary comparison schedules, the schedules of changes in the net pension liability and related ratios, the schedule of changes in the City's total pension liability and related ratios, the schedule of the City contributions, the schedule of pension investment returns, the schedule of changes in the total OPEB liability and related ratios, and the schedules of the City's proportionate share of the net pension liability (FRS and HIS) on pages 121 to 140 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 GAAS. 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 auditors' 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 26, 2024 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 City's internal control over financial reporting and compliance.

Marcum LLP

Fort Lauderdale, FL
June 26, 2024



THIS PAGE IS INTENTIONALLY LEFT BLANK

2023



Management's Discussion and Analysis

Annual Comprehensive Financial Report 2023

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, 2023. 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 xii 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 \$190.6 million. The City's total net position increased by \$31.3 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 \$108.8 million, representing an increase of \$14.7 million from the previous fiscal year. The increase noted was primarily due to the net result of the following activity:

- an increase of \$10.6 million in the General Fund balance reflects sound fiscal management and strategic financial planning. This increase is primarily due to higher-than-anticipated state and local intergovernmental revenues, particularly from sales tax and communication service tax, alongside elevated electric utility franchise fees and taxes. Additional revenue streams included increased fire rescue transport fees, code compliance fines resulting from enhanced enforcement efforts, improved interest income, and higher private hauler franchise fees. Despite the challenges of a competitive labor market and evolving workforce expectations, which have led to increased vacancies, the City achieved significant expenditure savings. These savings were bolstered by higher-than-expected reimbursements from BSO, which helped offset pension costs. The City has also been proactive in addressing future needs by setting aside funds for the new general asset renewal and replacement program, comprehensive development code rewriting, and carrying forward unspent encumbrances and capital project funds to the subsequent fiscal year. These strategic financial decisions underscore the City's commitment to fiscal responsibility and sustainable financial practice.
- an increase of \$2.9 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, 2023.
- a decrease of \$4.4 million in the General Obligation Bonds Fund balance is primarily due to capital outlays relating to the construction and completion of Sunrise Park.
- an increase of \$0.3 million in the Building Permits Fund balance is primarily due to higher-than-anticipated revenues from building permits and plan review fees. This increase was partially offset by additional operating expenditures associated with the implementation of a hybrid program to outsource building permit and plan review services. We are optimistic that these changes will enhance efficiency and service quality in the long term.

Financial Highlights (Continued)

- an increase of \$1.1 million in the Transportation Fund balance is primarily due to funding transfers from the General Fund to support projects such as roadway improvements, led street lighting, design work for a complete street project, and other initiatives funded but not started or completed during the fiscal year.
- an increase of \$3.9 million in the Capital Projects Fund relates to funding transfers from the General Fund and other sources to support projects such as electric vehicle charging infrastructure, ADA-compliant bus stops, sidewalk and street improvements, and other initiatives funded but not started or completed during the fiscal year.

At the close of the current fiscal year, the City's enterprise funds reported a combined ending net position of \$106.6 million. This represents an increase of \$2.4 million from the previous fiscal year. The increase noted was primarily due to the net result of the following activity:

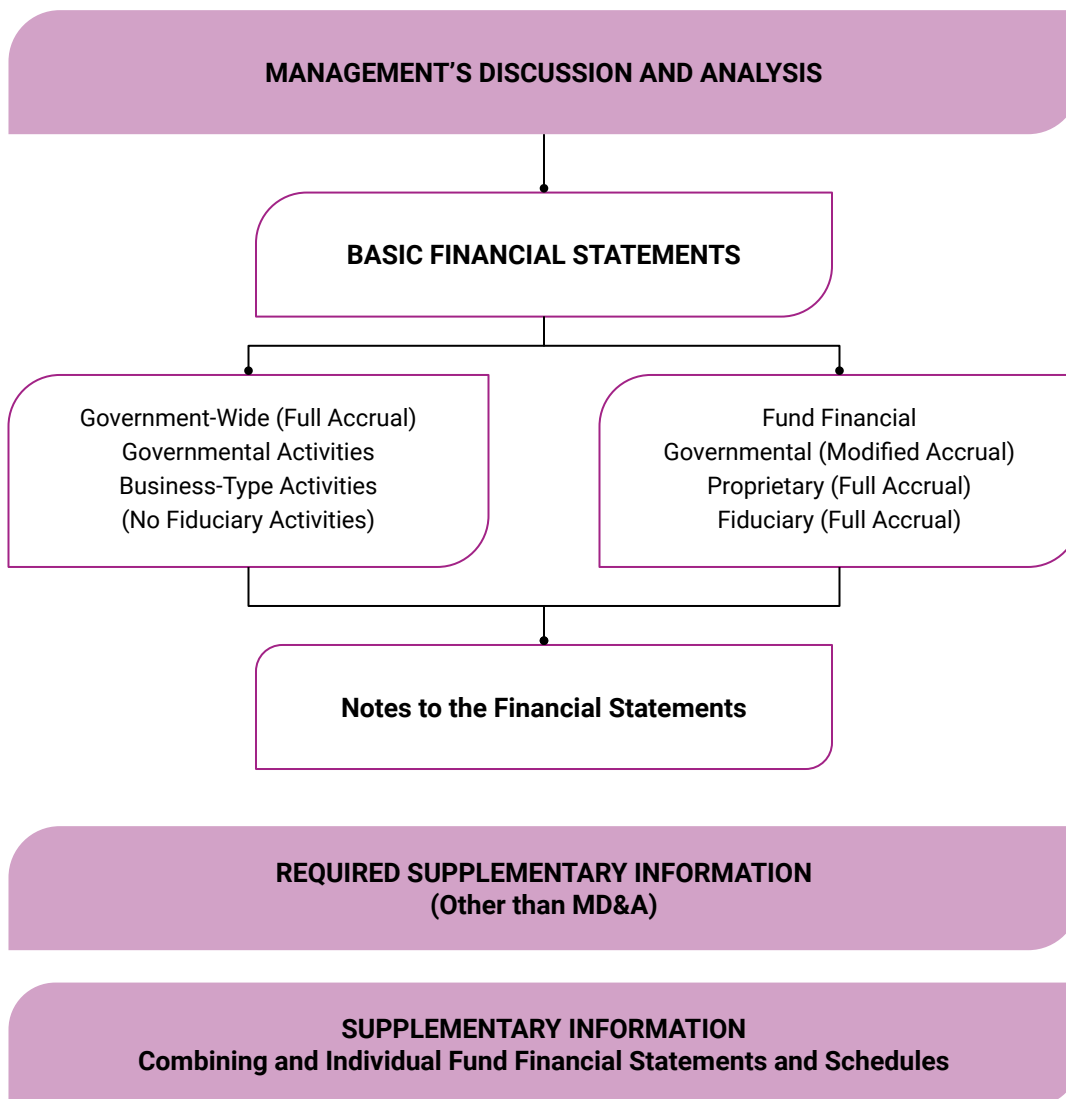
- a decrease of \$2.0 million in the Sanitation Fund's net position is due to lower operating income and the timing of the sanitation rate study required to adjust service rates and offset operational costs.
- an increase of \$4.5 million in the Utility Fund's net position is primarily attributed to operating income and the strategic timing of utility rate adjustments, anticipating the issuance of utility revenue bonds and the funding of significant infrastructure projects.

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



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 acts as a trustee or agent for resources that benefit individuals, private organizations, or other governments.
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 and 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 longterm 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 longterm and deferred inflows/outflows of resources.	All assets and liabilities, both short-term and long-term, and deferred inflows/ outflows of resources, excluding custodial funds which only report assets, liabilities, and net position.
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 additions and deductions 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. Fiduciary activities now include custodial funds, which replace the previously known agency funds, and require a statement of changes in fiduciary net position.

- 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.

Basic Financial Statements (Continued)

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.

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 35 and 36 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.

Basic Financial Statements (Continued)

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.

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 37 through 40 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 41 through 46 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, which are now required for custodial funds, replacing the previously known agency funds.

The fiduciary fund financial statements can be found on pages 47 and 48 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 51 through 117 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.

Basic Financial Statements (Continued)

Required supplementary information can be found on pages 121 through 140 of this report.

Combining statements referred to earlier in connection with non-major governmental, nonmajor 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 145 through 164 of this report.

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 \$190.6 million at September 30, 2023. Excluding a beginning balance restatement, the City's net position increased by \$31.3 million during the current fiscal year. The largest portion of the City's net position, 70.1%, 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 24.9% or \$47.4 million of net position is subject to external restrictions for various purposes (e.g. building permitting function, special districts, etc.).

Government-Wide Financial Analysis (Continued)

The table below presents a summary of net position as of September 30, 2023 and 2022, derived from the government-wide Statement of Net Position:

	Net Position (in thousands)					
	Governmental Activities		Business - type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 135,016	\$ 130,470	\$ 60,571	\$ 56,305	\$ 195,587	\$ 186,775
Capital assets, net	139,614	132,176	62,838	62,946	202,451	195,122
Total assets	274,629	262,646	123,409	119,251	398,038	381,897
 Deferred outflows of resources	 57,429	 35,638	 6,403	 4,285	 63,832	 39,923
 Noncurrent liabilities	 227,421	 185,597	 16,110	 12,275	 243,531	 197,872
Other liabilities	12,746	18,569	5,965	4,822	18,711	23,391
Total liabilities	240,166	204,166	22,075	17,097	262,242	221,263
 Deferred inflows of resources	 7,950	 33,742	 1,103	 2,238	 9,053	 35,980
 Net position:						
Net investment in capital assets	73,704	66,733	59,913	59,466	133,616	126,199
Restricted	45,170	45,785	2,200	1,781	47,371	47,566
Unrestricted	(34,933)	(52,142)	44,521	42,953	9,588	(9,189)
Total net position	\$ 83,941	\$ 60,377	\$ 106,633	\$ 104,200	\$ 190,575	\$ 164,576

At September 30, 2023, 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 \$4.6 million or 3.5% in current and other assets for governmental activities, primarily due to:

- A \$13.1 million increase in cash, cash equivalents, and investments from current year activity, including \$5.5 million in unrestricted investment earnings, resulted from an enhanced treasury management program with allocations to all unrestricted funds city-wide. This strategic approach capitalized on the favorable interest rate environment, optimizing investment returns.
- A decrease of \$2.0 million in due from other governments, primarily driven by the conclusion of the SAFER Grant Program in March 2023, with final close-out payments received before year-end.

Governmental Activities (Continued)

- A decrease of \$6.2 million in assets held for resale, mainly due to a prior period adjustment of \$5.3 million for property conveyed to a developer for the Hallandale City Center development. This property, conveyed in May 2022, was not initially recorded due to an administrative oversight and has now been corrected in the financial statements. For more information, refer to Note 19 of the notes to financial statements on page 58.

The increase of \$7.4 million or 5.6% in capital assets was primarily due to the net effect of the current fiscal year capital asset activity which includes the implementation of GASB Statement No. 96, *Subscription-based information technology arrangements* (as discussed on page 28), and the recognition of current fiscal year depreciation expense.

The increase of \$21.8 million or 61.1% 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 increase of \$41.8 million or 22.5% in long-term liabilities is primarily due to significant increases in the net pension liability of the City's pension plans, resulting from investment losses in fiscal year 2022 and changes in other actuarial assumptions. Refer to Note 9 for additional information.

The decrease of \$5.8 million or 31.4% in current liabilities is primarily due to the settlement of open payables to vendors and the reduction in unearned revenue following the recognition of approximately \$5.0 million in SLFRF or ARPA funds for the purchase of city fleet vehicles and other equipment, as well as covering incremental increases in BSO Fire costs. At year-end, approximately \$5.5 million in unearned revenue remains, expected to be recognized in fiscal year 2024.

The decrease of \$25.8 million or 76.4% 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 defined benefit plans. Refer to Note 10 for additional information.

Business-Type Activities

The increase of \$4.3 million or 7.6% in current and other assets primarily as a result of current year operations, as discussed in detail starting on page 20.

The decrease of \$0.1 million or 0.2% 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 28.

The increase of \$2.1 million or 49.4% in deferred outflows of resources primarily 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 11 for additional information.

Business-Type Activities (Continued)

The increase of \$1.1 million or 23.7% in other liabilities is primarily due to a \$0.5 million credit related to a fiscal year 2020-2021 true-up credited to large users by the City of Hollywood for wholesale wastewater billing, in accordance with the large user interlocal agreement from the prior year. Additionally, the increase is due to the timing of payments to the City of Hollywood for open invoices.

The decrease of \$1.1 million or 50.7% 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 defined benefit plans. Refer to Note 10 for additional information.

Analysis of the City's Operations. The table below presents a summary of changes in net position for the years ended September 30, 2023 and 2022, as derived from the government-wide Statement of activities:

Changes in Net Position (in thousands)							
	Governmental Activities		Business - type Activities		Total		
	2023	2022	2023	2022	2023	2022	
Revenues:							
Program revenues:							
Charges for services	\$ 25,950	\$ 32,652	\$ 43,871	\$ 38,057	\$ 69,821	\$ 70,709	
Operating grants and contributions	9,270	13,851	-	-	9,270	13,851	
Capital grants and contributions	-	-	225	147	225	147	
General revenues:							
Property taxes	65,936	52,706	-	-	65,936	52,706	
Other taxes	16,021	14,167	-	-	16,021	14,167	
Other revenues	8,876	3,716	2,038	(516)	10,914	3,200	
Total revenues	126,053	117,092	46,134	37,688	172,187	154,779	
Expenses:							
General government	12,183	25,713	-	-	12,183	25,713	
Public safety	58,904	53,088	-	-	58,904	53,088	
Physical environment	1,595	1,246	-	-	1,595	1,246	
Transportation	3,732	4,111	-	-	3,732	4,111	
Economic environment	9,736	6,496	-	-	9,736	6,496	
Culture and recreation	8,429	7,842	-	-	8,429	7,842	
Human services	2,078	1,989	-	-	2,078	1,989	
Interest and other fiscal charges	2,393	2,621	-	-	2,393	2,621	
Utility	-	-	27,738	24,552	27,738	24,552	
Sanitation	-	-	7,560	5,985	7,560	5,985	
Stormwater drainage	-	-	5,816	5,229	5,816	5,229	
Cemetery	-	-	752	480	752	480	
Total expenses	99,050	103,106	41,866	36,246	140,916	139,351	
Changes in net position before transfers	27,003	13,986	4,268	1,442	31,271	15,428	
Transfers	1,835	51	(1,835)	(51)	-	-	
Change in net position	28,838	14,037	2,433	1,391	31,271	15,428	
Net position, beginning, as restated	55,103	46,340	104,200	102,809	159,303	149,149	
Net position, ending	\$ 83,941	\$ 60,377	\$ 106,633	\$ 104,200	\$ 190,574	\$ 164,576	

Governmental activities

Governmental activities increased the City's net position by \$28.8 million.

Charges for services decreased by \$6.7 million or 20.5% primarily due to:

- A decrease of \$10.9 million in administrative charges to the General Fund for central services due to the updated FY2020 Cost Allocation Plan, in accordance with GASB Statement No. 34. The elimination of indirect charges, which were not removed in the prior year, has now been appropriately accounted for. This adjustment had no impact on the City's net position in the prior year.
- A \$1.0 million increase in building permit-related fees, reflecting a 13.9% rise in building permits issued compared to the prior year.
- A \$0.9 million increase in fire rescue transport fees due to improved collections and payments from the Medicaid managed care organization (MCO) Supplemental Payment program.
- A \$0.2 million increase in revenues from the HBCRA for reimbursements related to the Community Policing Innovations interlocal agreement.
- A \$0.3 million increase in affordable housing contributions to the HBCRA due to various developer agreements.
- A \$0.2 million increase in revenues from increased program activities and maintenance and operating agreements for various parks.
- A \$0.6 million increase in police outside services revenues due to more activity compared to the prior year.
- A \$0.4 million increase in parking meter receipts and parking citations resulting from the City's second full year of an enhanced parking enforcement program.
- A \$0.3 million increase in certificate of use (CU) and code compliance fines revenues, primarily due to the implementation of a CU program and improved code enforcement efforts.

Operating grants and contributions revenues decreased by \$4.6 million, or 33.1%, primarily due to a \$4.5 million reduction in revenues recognized from the State and Local Fiscal Recovery Funds (SLFRF) program, also known as ARPA funding, compared to the prior year. The City strategically utilized these funds during the current fiscal year to compensate for revenue losses in government services, in accordance with the Department of Treasury's final rule on SLFRF application.

Property tax revenues increased by \$13.2 million or 25.1% due to increases in the taxable assessed values of approximately \$625.3 million. Of this increase, \$3.0 million is related to the HBCRA as tax increment revenue.

General government expenses decreased by \$13.5 million or 52.6% primarily due:

- A decrease of \$10.2 million due to the elimination of indirect charges in accordance with GASB Statement No. 34. The elimination of indirect charges, which were not removed in the prior year, has now been appropriately accounted for. This adjustment had no impact on the City's net position in the prior year.

Governmental activities (Continued)

- A \$6.0 million decrease in insurance claims expense related to a final judgment of \$5.7 million accrued in the prior year. Additionally, the final judgment liability was adjusted by \$1.9 million in the current year to eliminate an excess accrual. This adjustment followed the appellate court's reversal of the judgment after year-end. For additional information regarding the final judgment, refer to Note 14 – Risk Management on page 114.
- An increase of \$0.7 million in expenses related to computer system upgrades, cloud software, and other technology solutions to support city-wide initiatives.
- An increase of \$0.6 million in depreciation expense.
- The remaining increase relates to increases in operating expenditures from rising costs and wages.

Public safety expenses increased in the current year by \$5.8 million or 11.0% primarily due to:

- An increase of \$0.4 million in pension contributions to the Police Officers' and Firefighters' Personnel Retirement Trust pension plan.
- An increase of \$4.3 million in operating expenses for police, ocean rescue, building code enforcement, and code compliance, from rising costs and wages.
- An increase of \$1.2 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.

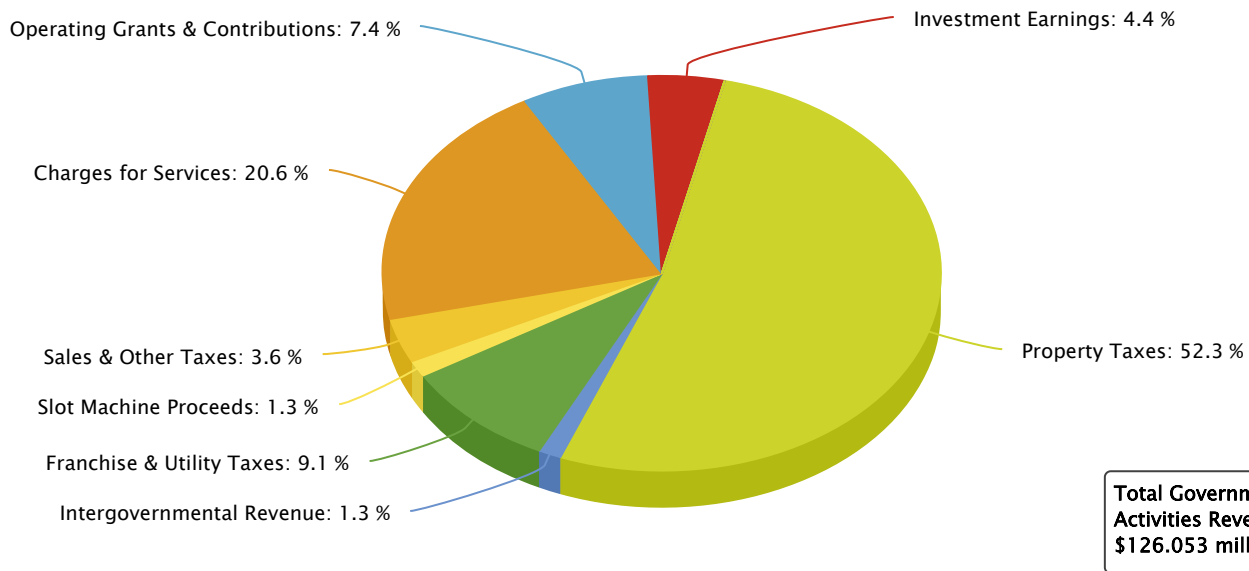
Economic environment expenses increased by \$3.2 million or 49.9%, primarily due to grant reimbursements for the Hallandale City Center construction. This includes \$2.75 million in Gap Grant disbursements from the HBCRA to the developer, which were paid out in the current year, covering all three years of the agreement in a single fiscal year.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

Governmental activities (Continued)

The following is a chart of revenues by source of governmental activities by percent of total revenues for fiscal year 2023:

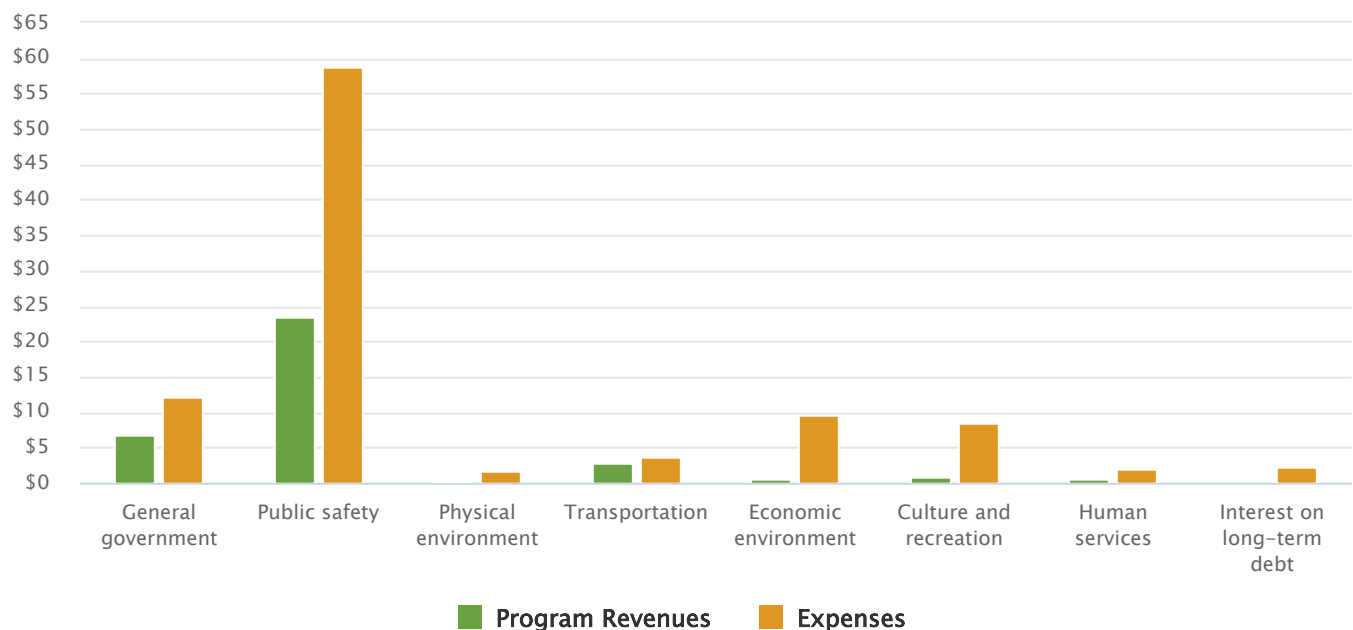
Revenues by Source – Governmental Activities



The following chart compares expenses and program revenues for the governmental activities during fiscal year 2023:

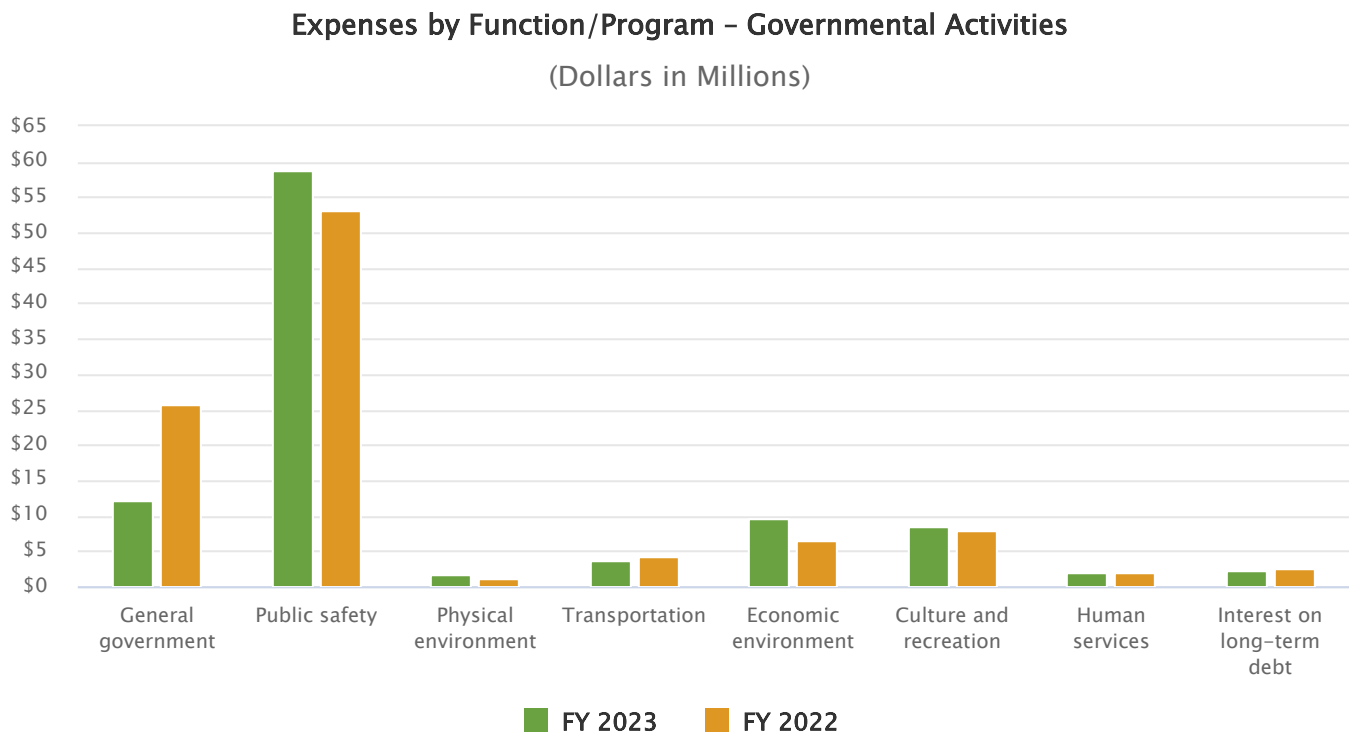
Expenses and Program Revenues – Governmental Activities

(Dollars in Millions)



Governmental activities (Continued)

The following is a comparative chart of expenses by function/program for governmental activities for the fiscal year 2023 and 2022:



Business-type activities

Business-type activities increased the City's net position by \$2.4 million.

Charges for services increase by \$5.8 million or 15.3%, primarily due to the following:

- An increase of \$5.5 million in utility service charges, resulting from rate increases of 40% for water services and 5.25% for sewer services during the fiscal year.
- An increase of \$0.5 million in stormwater service fees due to a 10% rate increase for the current year.

These rate increases are related to a utility rate study conducted in anticipation of issuing 2024 Utility Revenue Bonds for the construction of infrastructure and other improvements across all three utilities as part of the City's long-term Capital Improvement Plan.

Other revenues increased by \$2.6 million or 495.2% primarily due to the following:

- An increase of \$0.1 million in impact fee revenues from more development requiring impact fees in the current year.
- An increase of \$2.4 million in investment earnings resulted from an enhanced treasury management program that capitalized on elevated interest rates due to ongoing Federal Reserve rate hikes throughout the year.

Business-type activities (Continued)

Utility expenses increased by \$3.2 million or 13.0% primarily due to the following:

- A \$1.1 million increase for wastewater treatment, driven by a rate increase from the City of Hollywood in accordance with the City's Large User Agreement.
- A \$0.2 million increase in depreciation expense from \$5.0 million in capital assets put into use during the prior year.
- A \$1.5 million increase due to the implementation of a payment-in-lieu-of-franchise-fee (PILOFF) charge to the General Fund. This fee ensures the utility appropriately compensates the General Fund for the use of city-owned rights-of-way and other general services, similar to what would be required if the utility were privately operated.
- Various other increases in operating and maintenance costs.

Sanitation expenses increased by \$1.6 million or 26.3% primarily due to the following:

- An increase of \$0.5 million in increased personnel expenses which includes approximately \$0.2 million as adjustments to OPEB and pension expenses for changes in assumptions.
- An increase of \$0.9 million in contributions to the Fleet internal service fund for the purchase of vehicles and equipment.
- Various other increases in rising costs for operating and maintenance.

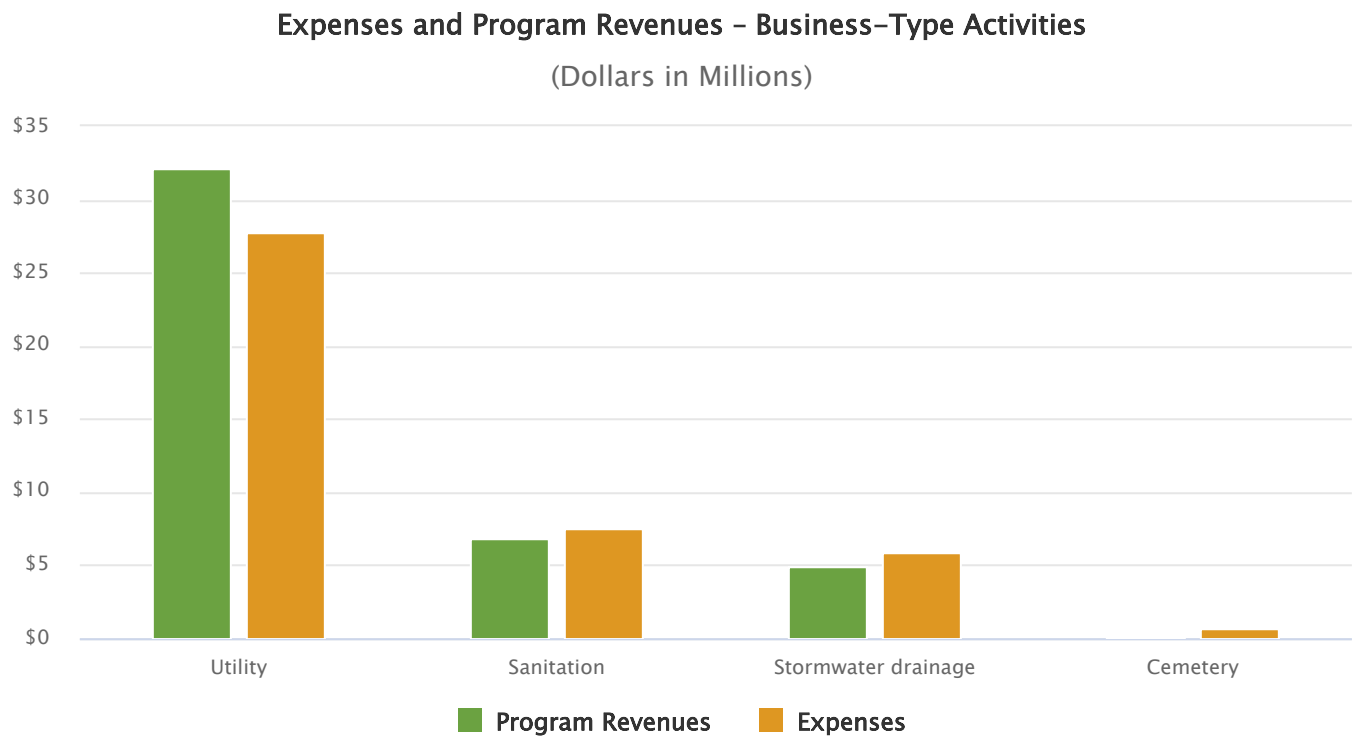
Transfers expenses increased by \$1.8 million or 3526.5% primarily due to the following:

- An increase of \$3.1 million in transfers to the General Fund resulted from the implementation of various payment-in-lieu-of-franchise fees (PILOFF). These fees, charged to both the Utility Fund and the Sanitation Fund, simulates franchise fees that would typically be required from private companies operating similar services. By applying this fee, the General Fund gained an additional \$3.1 million in annual revenues. These fees ensure the utilities appropriately compensate the General Fund for the use of city-owned rights-of-way and other general services, similar to what would be required if the utilities were privately operated.
- A decrease of \$0.4 million related to subsidies from the General Fund to the Cemetery Fund to cover the cost associated with the perpetual care of the cemetery.
- A net decrease of \$0.9 million for various capital contributions to/from governmental activities primarily related to utility infrastructure contributed to the enterprise funds from the construction of Sunrise Park.

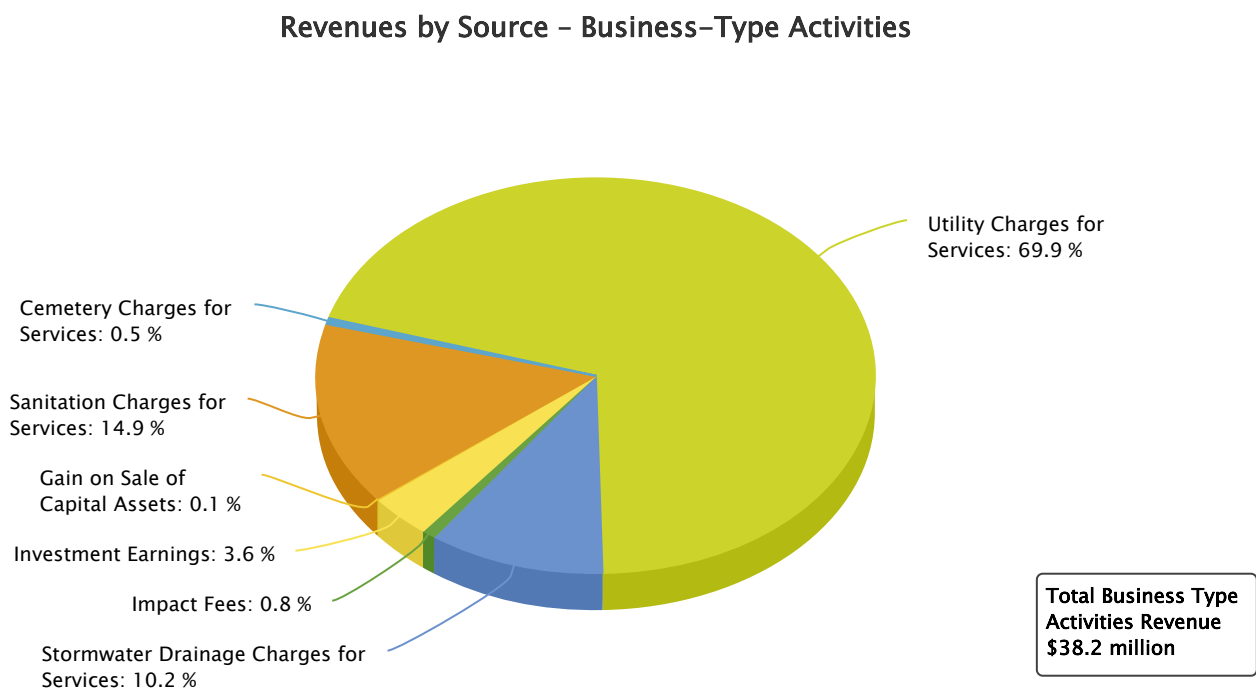
THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

Business-type activities (Continued)

The following chart compares expenses and program revenues for business-type activities during fiscal year 2023.



The following is a chart of revenues by source of business-type activities by percent of total revenues for fiscal year 2023:



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 \$39.0 million, of which \$31.1 million or 79.8% 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 37.5% of total General Fund expenditures and other financing uses, while total fund balance represents 47.1% of that same amount.

The unassigned fund balance of the City's General Fund increased by \$7.8 million or 33.6% when compared with the prior year. This increase was due primarily to the net impact of General Fund activity as explained below. At year end, there were no fund balances assigned for subsequent year's expenditures. Fund balance assigned to subsequent year's expenditures, represents the amount of reserves at fiscal year-end 2022-2023 that the City is utilizing to balance the fiscal year 2023-2024 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 \$108.8 million, which is an increase of \$14.7 million or 9.5% from the prior year's restated ending fund balance of \$94.0 million. The fund balance is categorized to indicate whether it is not available for new spending because it represents resources that are non-spendable (\$0.18 million), that are restricted for capital projects and other purposes (\$67.5 million), that are committed for tree preservation and the new renewal & replacement program (\$1.6 million), that have already been assigned for encumbrances and other purposes (\$8.5 million), or that are unassigned (\$31.1 million).

The fund balance of the City's General Fund had a net increase of \$10.6 million from operations. This was primarily the result of a second consecutive year of conservative budgeting, which was characterized by uncertainties due to the long-term impacts of the COVID-19 pandemic. Specifically, the budget was formulated with the anticipation of a potential economic downturn in fiscal year 2022-23 predominantly driven by interest rate hikes from the Federal Reserve. However, it did not consider the tight labor market and significant inflationary pressures that continued to persist throughout the fiscal year, both which led to consistent increases in the prices of goods and services.

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 stickiness of inflation driving the Federal Reserve to keep rates "higher for longer", and the consistent rise in the cost of goods and services. It is important to note that these factors led to a second year of substantial increases in the General Fund's balance, and such a trend is not expected to continue in the future as the economic outlook continues to stabilize.

Financial Analysis of the City of Hallandale Beach's Funds (Continued)

During the fiscal year, the City's General Fund experienced the following:

Significant revenues/expenditures over/under budget

- Revenues from investment earnings exceeded the budget by \$1.3 million, attributable to an enhanced treasury management program that capitalized on elevated interest rates due to ongoing Federal Reserve rate hikes throughout the year. Investment earnings are inherently volatile and can fluctuate significantly from year to year. Consequently, this revenue category is typically underbudgeted to mitigate the impact of such fluctuations on future budgets.
- Revenues for utility service taxes, communication service taxes, sales taxes, and franchise fees exceeded the budget by \$3.3 million due to higher-than-anticipated economic activity. This surge was driven by a faster recovery from the impacts of COVID-19 and a significant real estate boom in Hallandale Beach. The influx of new residents and increased movement within Florida contributed to greater economic transactions, resulting in higher tax and fee collections than initially projected.
- Revenues from code compliance enforcement and planning & zoning review fees exceeded the budget by \$0.7 million due to increased enforcement activities and a higher volume of development applications and reviews driven by urban growth and development initiatives in the current year.
- Reimbursements from BSO related to pension contributions under the City's Agreement for Emergency Medical, Fire Protection, and Fire Prevention Services exceeded the budget by \$0.5 million. These reimbursements help offset the cost of contributions to the City Pension for firefighters who remain in the City's pension plan, ensuring more efficient financial management and cost recovery.
- Revenues from insurance premium payments exceeded expectations by \$0.4 million, driven by additional funds from the state to support our police and fire pension plans. These payments are sourced from an excise tax on property and casualty insurance premiums, which is distributed to municipalities based on the insurance premium taxes collected from policyholders within the City. The increase was largely due to higher property insurance premiums across the state, reflecting elevated risk assessments and increased property values.
- Revenues for fire rescue transport fees exceed the budget by \$0.8 million due to improved collections and payments from the Medicaid managed care organization (MCO) Supplemental Payment program that were not in the budget.
- Revenues for parking meters and citations exceeded the budget by \$0.2 million due to enhanced enforcement strategies implemented by the Citywide Parking Management Program.
- Revenues of \$0.2 million related to the amortization of various City leases were recorded in the current year in accordance with GASB Statement No. 87, *Leases*, but were not included in the adopted budget.
- Revenues from the rental of facilities and other parks and recreation services exceeded the budget by \$0.2 million in the fiscal year from increased activity.
- Motor vehicle gas expenditures were under budget by \$0.4 million, further supporting the City's efforts to transition to hybrid and electric vehicles. This was offset by less than \$0.1 million in electricity costs in the General Fund where a portion is used to charge the City's existing EV fleet.
- Personal services expenditures were under budget by \$4.0 million in the current year overall due to vacancies in the General Fund.

Financial Analysis of the City of Hallandale Beach's Funds (Continued)*Significant revenues under budget*

- Slot machine proceeds were \$0.3 million under budget for the current year due to the timing of revenue collection. Revenues from July 2023 through September 2023 were received outside the period of availability, which is a 60-day window after year-end. As a result, \$0.4 million in slot machine revenue was recorded as unavailable revenue as of September 30, 2023, and is reflected in the General Fund's Balance Sheet. For more information on the period of availability used by the City, refer to Note 1 of the financial statements.
- 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 \$31.6 million for the fiscal year ending September 30, 2023. This represents an increase of \$2.9 million from operations in comparison to the prior fiscal year. The fund balance is restricted for assets held for resale (\$2.3 million), long-term receivables (\$0.4 million) and other ongoing programs (\$28.9 million).

For the CRA fund balance, key factors of the overall increase compared to fiscal year 2021 - 2022 are as follows:

- An increase of \$3.0 million in incremental tax revenues directly related to the City's increases in the taxable assessed values and millage rate.
- An increase of \$1.0 million in intergovernmental revenues due to increases in the taxable assessed values and millage rate for contributing taxing authorities.
- An increase of \$1.2 million related to investment earnings driven through an increase in the investable cash balances and elevated interest rates.
- An increase in economic environment expenditures of \$4.5 million, which is primarily the net result of the following:
 - An increase of \$3.6 million in expenditures related to redevelopment agreement programs including Hallandale City Center and Solaris Apartments.
 - An increase of \$0.7 million in expenditures related to residential loan programs for storm shutter/impact windows, down payment assistance, and residential repairs.
- An increase of \$0.2 million in public safety expenditures for reimbursements under the CRA and City's Community Policing Innovations interlocal agreements.
- An increase of \$2.9 million in capital outlays from ongoing redevelopment programs.
- An increase of \$0.3 million in debt service expenditures for combined principal and interest payments on the CRA's outstanding debt obligations.
- A decrease of \$5.3 million in Assets Held for Resale due to the conveyance of property to complete the Hallandale City Center development. This transaction occurred in the prior year, and resulted in a prior period adjustment to opening fund balance. For more information, refer to Note 19 of the financial statements.
- Timing of expenditures appropriated for the HBCRA's Redevelopment Plan to be spent in future periods in accordance with Florida Statute 163.387.

Financial Analysis of the City of Hallandale Beach's Funds (Continued)

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. In fiscal year 2022 - 2023, the ending fund balance is \$3.1 million. The \$4.4 million decrease in fund balance is due to capital outlays relating to the City-wide Parks Master Plan capital projects, primarily, the completion of Sunrise Park.

The fund balance of the Capital Projects Fund totaled \$4.3 million for the fiscal year ended September 30, 2023. This amount represents an increase of \$3.9 million from the prior fiscal year, primarily due to the timing of capital project outlays and the remaining unspent funds at year-end for the following projects:

- \$1.8 million for EV Bus Charging and Fleet Maintenance Facilities
- \$1.3 million for ADA Compliant Bus Stops
- \$0.6 million for EV Fleet Charging Stations
- \$0.2 million for Street Lighting
- \$0.2 million for North City Beach Facility Repairs
- \$0.1 million for Parks Capital Improvement Projects
- \$0.1 million for Warehouse Bay Improvements

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, 2023 is \$19.1 million due to capital outlays and investments earnings. The fund incurred \$1.1 million in expenditures for design costs related to the various projects.

Non-major governmental funds reported a combined fund balance of \$11.4 million, an increase of \$1.6 million or 16.6% from the prior year primarily due to Transportation Fund operations 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 \$2.0 million as compared with \$1.8 million in the previous year. The current year change in net position was \$2.4 million as compared with \$1.4 million in the previous year. The primary reason for the \$0.2 million increase in operating income was due to:

- An increase of \$2.4 million in operating income from the Utility Fund relates to an additional \$5.5 million in utility service charges, resulting from rate increases of 40% for water services and 5.25% for sewer services in anticipation of the issuance of utility revenue bonds in fiscal year 2024.
- An decrease of \$1.7 million in operating income due to rising operating costs for sanitation services, driven by the increased costs of goods and services. A sanitation rate study is necessary to adjust service rates and offset these operational costs.
- An decrease of \$0.3 million in operating losses for the Cemetery Fund is due to rising operating costs and less sales revenue in the period. The City's General Fund subsidizes these losses to sustain operations and ensure the perpetual care of the municipal cemetery.

Financial Analysis of the City of Hallandale Beach's Funds (Continued)

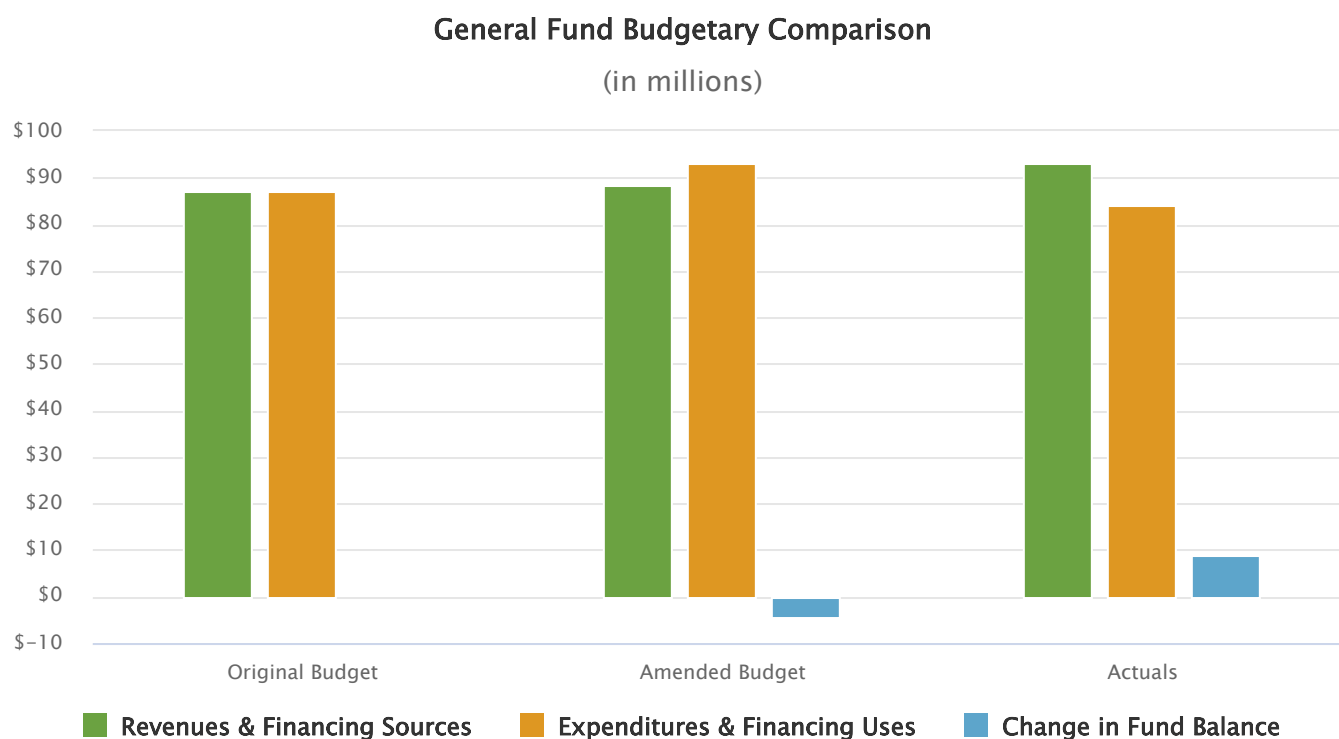
The current year operating income for the internal service funds was \$4.5 million as compared with -\$4.1 million in the previous year. The current year change in net position was \$5.9 million as compared with -\$3.4 million in the previous year. The primary reason for the increase in the change in net position was due to a \$6.0 million decrease in insurance claims as noted on page 17.

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 \$9.0 million. The original budget did not anticipate appropriations from fund balance whereas the final budget anticipated appropriations of \$1.9 million. However, no actual amount was utilized.

Excluding appropriations and reappropriations from fund balance, actual revenues (\$84.6 million) were more than the final budgeted revenues (\$79.9 million) by approximately \$4.7 million primarily due to uncertainty regarding a possible economic downturn for fiscal year end 2022-23 from sustained rate hikes by the Federal Reserve included in the budget. Actual expenditures (\$75.3 million) were less than final budgeted expenditures (\$84.2 million) by approximately \$9.0 million. This was due to hiring and retention challenges experienced during the year and delays in expenditures of capital outlays and other operating costs.

The following chart depicts the fiscal year 2023 original and amended budgets, as well as actual results for the fiscal year:



Capital Assets and Debt Administration

Capital assets. As of September 30, 2023 and 2022, the City had \$202.4 and \$195.1 million, respectively, invested in a variety of capital assets, as reflected in the following schedule:

	Capital Assets (in thousands, net of depreciation and amortization)					
	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 40,744	\$ 38,438	\$ 1,263	\$ 1,263	\$ 42,007	\$ 39,701
Construction in progress	4,481	5,283	6,827	6,795	11,307	12,078
Buildings	37,738	38,034	7,149	8,017	44,887	46,051
Improvements other than buildings	32,395	32,474	1,669	1,845	34,064	34,319
Vehicles and equipment	9,765	5,641	2,449	3,062	12,213	8,703
Intangibles	88	-	236	315	324	315
Right-to-use software	174	-	-	-	174	-
Infrastructure	14,229	12,306	43,244	41,649	57,474	53,955
Total	\$ 139,614	\$ 132,176	\$ 62,838	\$ 62,946	\$ 202,451	\$ 195,122

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:

- \$2.3 million was added to land by the HBCRA to build affordable housing, expand city parking, and other initiatives in accordance with the HBCRA's Redevelopment Plan.
- \$7.2 million was allocated to ongoing projects, including: Sunrise Park; the new charging facility for the City's electric bus program, public safety closed-circuit television and automatic license plate reader projects, Historic Village Park; the District 8 Parking Lot, and other initiatives tied to the HBCRA's 2020 Redevelopment Revenue Note.
- Completed projects, including Sunrise Park and public safety closed-circuit television and automatic license plate reader projects, amounted to \$7.9 million, which was then distributed as \$1.7 million to buildings, \$0.9 million to equipment, \$1.9 million to improvements other than buildings, \$2.3 million to general government infrastructure, and \$1.0 million to infrastructure that was transferred to Business type activities for utilities and stormwater.
- Depreciation expenses contributed to a \$2.6 million decrease in buildings, a \$2.4 million decrease in improvements other than buildings, and \$0.5 million decrease in infrastructure.
- Vehicles & equipment saw a net increase of \$4.1 million due to:
 - \$3.0 million for 64 electric and hybrid vehicles to replace various aged City vehicles,
 - \$1.2 million for 20 trucks and SUVs to replace various aged City trucks,
 - \$0.7 million for 4 heavy trucks and tractors to replace aged City heavy trucks and tractors,

Governmental activities (Continued)

- \$0.3 million for public safety body cameras and taser equipment,
 - \$0.3 million for other miscellaneous furniture, equipment, and machinery,
 - Transfer of \$0.9 million from construction in progress,
 - Offset by \$2.4 million in depreciation expenses.
- The City also adopted GASB Statement No. 96, Subscription-Based Information Technology Arrangement ("SBITA") for fiscal year 2023. A SBITA is a contract that conveys control of the right to use a third-party's (a SBITA vendor's) information technology software, alone or in combination with tangible assets. The City reviewed relevant contracts and agreements, which resulted in the recording of right-to-use software assets of \$0.2 million and \$44 thousand in related amortization for fiscal year 2023.

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:

- The CIP balance at year end remained consistent with the prior year; however, this was the net effect of \$4.2 million in new investments in essential services and infrastructure, minus \$4.0 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:
 - \$1.9 million for high service and transfer pumps,
 - \$1.8 million for raw water well infrastructure,
 - \$0.3 million for drainage improvements.
- Depreciation led to a \$0.9 million and \$0.6 million decline in the value of buildings and vehicles and equipment, respectively.
- Infrastructure had a net increase of \$1.6 million after accounting for the \$4.0 million in business type activities construction completed this fiscal year noted above, \$1.0 million in infrastructure transferred in from completed governmental activities construction noted in the previous section, \$0.2 in current year purchased additions, and \$3.5 million in depreciation for the fiscal year.

Additional information can be found in Note 6 – Capital Assets of the financial statements on pages 76 and 78.

Long-term debt. As of September 20, 2023, the City had \$87.0 million in debt (bonds, notes, etc.) outstanding compared to the \$95.9 million last year. The \$8.9 million decrease is due to principal payments and amortization of deferred premiums in the current year.

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 81 through 86.

Business-type activities (Continued)

	Bonded Debt, Notes and Lease Payable (in thousands)					
	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenue bonds	\$ 13,890	\$ 15,550	\$ -	\$ -	\$ 13,890	\$ 15,550
General Obligation bonds	49,590	50,885	-	-	49,590	50,885
Notes payable	16,375	21,040	1,185	1,750	17,560	22,790
State Revolving Fund loan	-	-	1,502	1,575	1,502	1,575
Capital lease payable	757	855	-	-	757	855
					-	-
Deferred amounts - premium	3,745	4,272	-	-	3,745	4,272
Total	\$ 84,357	\$ 92,602	\$ 2,687	\$ 3,325	\$ 87,044	\$ 95,927

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 2023-2024 increased by \$1.2 billion; a total of \$7.8 billion. New construction totaled \$385.5 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.

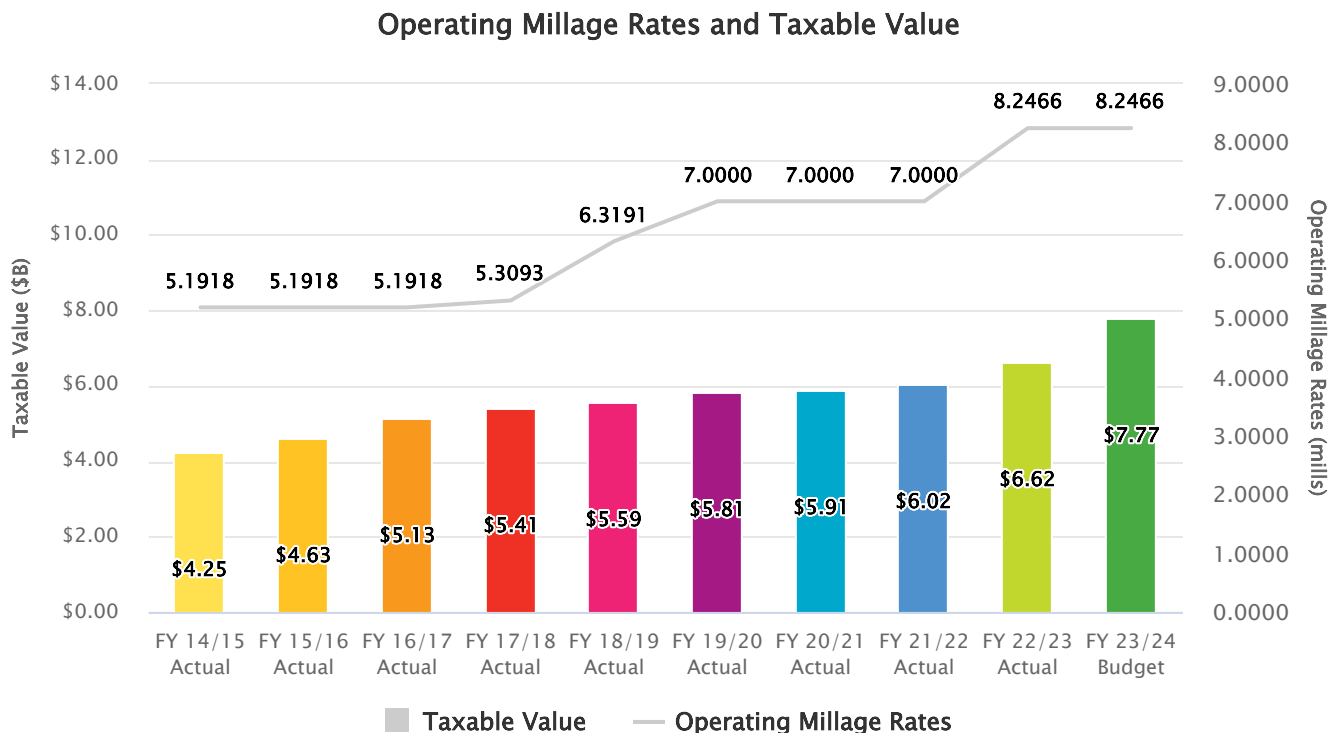
The adopted millage rates for fiscal year 2023-24 are as follows: General Fund operating millage (8.2466), Golden Isles Safe Neighborhood District millage rate (1.0934), Three Islands Safe Neighborhood District millage rate (0.6600) and voted debt service millage rate (0.4946). There were no changes to the General Fund operating millage from the prior year. The adopted aggregate millage rate of 8.2466 is approximately 0.8228 mills above the rollback rate of 7.4238. 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 \$61.5 million in property taxes to support and maintain service levels for the City's residents. Property taxes support about 54.9% of the total adopted General Fund budget of \$112.0 million. Compared to the fiscal year 2022-2023 adopted debt service millage rate of 0.4946, the fiscal year 2023-2024 adopted debt service millage rate of 0.4181 represents a decrease of 0.0765 mills, or 15.5%. The decrease is due to increases in the adjusted taxable values. The Golden Isles Safe Neighborhood District and Three Islands Safe Neighborhood District adopted millage rates remained unchanged when compared to prior year.

Economic Factors and Next Year's Budgets and Rates (Continued)

The total City of Hallandale Beach adopted budget for fiscal year 2023-2024 is \$274,200,638; this represents an 12.9% or a \$31.3 million increase over the fiscal year 2022-2023 adopted budget of \$242,916,297. The primary reasons for these increases are:

- The General Fund budget increased by approximately \$12.8 million to maintain a minimum level of service while addressing inflation and building reserves as part of the City's 5-year long-term financial plan.
- The HBCRA budget increased by approximately \$7.1 million for ongoing redevelopment programs, utilizing \$24.7 million of carryover reserves.
- The General Liability Fund budget included an additional \$5.6 million in claims expenses, accounting for a final judgment of \$5.2 million accrued in fiscal year 2022.
- The addition of the ARPA Fund for fiscal year 2024 added approximately \$5.5 million for transfers related to reimbursements to the General Fund for eligible costs under the SLFRF program. This strategic use of ARPA funds ensures compliance with federal guidelines and supports the City's recovery efforts.
- The Transportation Fund saw an increase of approximately \$2.0 million, including \$1.3 million budgeted for the transition of operations to an EV Bus Fleet.

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



Economic Factors and Next Year's Budgets and Rates (Continued)

The Florida Legislature is again considering various proposals relating to the local government home rule 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



THIS PAGE IS INTENTIONALLY LEFT BLANK

2023



Basic Financial Statements

Annual Comprehensive Financial Report 2023

Statement of Net Position September 30, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 73,790,452	\$ 50,252,916	\$ 124,043,368
Investments	24,634,179	-	24,634,179
Receivables, net of allowances	6,220,367	6,019,875	12,240,242
Due from other governments	3,105,809	74,620	3,180,429
Inventories	177,532	443,240	620,772
Prepays	15,272	1,069	16,341
Restricted assets:			
Cash and cash equivalents	24,811,409	3,779,522	28,590,931
Assets held for resale	2,260,487	-	2,260,487
Capital assets:			
Nondepreciable	45,224,814	8,089,561	53,314,375
Capital assets, net of accumulated depreciation/amortization	94,215,313	54,748,069	148,963,382
Intangible right-to-use assets, net of accumulated amortization	173,554	-	173,554
Total assets	<u>274,629,188</u>	<u>123,408,872</u>	<u>398,038,060</u>
Deferred Outflows of Resources			
Pensions - City	47,892,089	3,521,672	51,413,761
Pensions - FRS	8,184,535	2,767,919	10,952,454
OPEB	390,599	113,318	503,917
Excess benefit plan	632,721	-	632,721
Loss on refunding	328,848	-	328,848
Total deferred outflows of resources	<u>57,428,792</u>	<u>6,402,909</u>	<u>63,831,701</u>
Liabilities			
Accounts payable and accrued liabilities	5,375,916	4,279,678	9,655,594
Accrued interest	859,287	8,861	868,148
Deposits	300,966	1,651,515	1,952,481
Unearned revenues	6,209,348	24,958	6,234,306
Noncurrent liabilities			
Due within one year	14,623,927	973,003	15,596,930
Due in more than one year	212,796,941	15,137,184	227,934,125
Total liabilities	<u>240,166,385</u>	<u>22,075,199</u>	<u>262,241,584</u>
Deferred Inflows of Resources			
Gain on refunding	-	13,128	13,128
Leases	3,768,577	-	3,768,577
Pensions - City	863,500	106,723	970,223
Pensions - FRS	430,194	145,487	575,681
OPEB	2,887,950	837,830	3,725,780
Total deferred inflows or resources	<u>7,950,221</u>	<u>1,103,168</u>	<u>9,053,389</u>
Net Position			
Net investment in capital assets	73,704,493	59,912,527	133,617,020
Restricted for debt service	559,063	73,351	632,414
Restricted for community redevelopment	31,577,912	-	31,577,912
Restricted for law enforcement	610,165	-	610,165
Restricted for safe neighborhood districts	2,244,629	-	2,244,629
Restricted for opioid litigation settlement	33,070	-	33,070
Restricted for transportation	1,946,889	-	1,946,889
Restricted for developer agreements	4,405,168	-	4,405,168
Restricted for traffic mitigation	1,103,473	-	1,103,473
Restricted for grants	291,671	-	291,671
Restricted for building permits function	2,305,161	-	2,305,161
Restricted for police outside services	92,697	-	92,697
Restricted for impact fees	-	2,126,632	2,126,632
Unrestricted	(34,933,017)	44,520,904	9,587,887
Total net position	<u>\$ 83,941,374</u>	<u>\$ 106,633,414</u>	<u>\$ 190,574,788</u>

The accompanying notes are an integral part of the financial statements

**Statement of Activities
for the Fiscal Year Ended September 30, 2023**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 12,183,243	\$ 1,602,963	\$ 5,055,451	\$ -	\$ (5,524,829)	\$ -	\$ (5,524,829)
Public safety	58,903,845	21,073,428	2,392,587	-	(35,437,830)	-	(35,437,830)
Physical environment	1,595,220	-	210,000	-	(1,385,220)	-	(1,385,220)
Transportation	3,731,721	1,922,583	1,039,908	-	(769,230)	-	(769,230)
Economic environment	9,735,597	615,171	-	-	(9,120,426)	-	(9,120,426)
Culture and recreation	8,429,000	735,614	-	-	(7,693,386)	-	(7,693,386)
Human services	2,077,885	-	571,933	-	(1,505,952)	-	(1,505,952)
Interest and other fiscal charges	2,393,382	-	-	-	(2,393,382)	-	(2,393,382)
Total governmental activities	99,049,893	25,949,759	9,269,879	-	(63,830,255)	-	(63,830,255)
Business-type activities:							
Utility	27,737,795	32,089,237	-	-	-	4,351,442	4,351,442
Sanitation	7,559,751	6,836,334	-	-	-	(723,417)	(723,417)
Stormwater drainage	5,815,822	4,697,601	-	225,045	-	(893,176)	(893,176)
Cemetery	751,707	248,185	-	-	-	(503,522)	(503,522)
Total business-type activities	41,865,075	43,871,357	-	225,045	-	2,231,327	2,231,327
Total	\$ 140,914,968	\$ 69,821,116	\$ 9,269,879	\$ 225,045	(63,830,255)	2,231,327	(61,598,928)
General revenues:							
Property taxes					65,935,649	-	65,935,649
Franchise and utility taxes					11,448,998	-	11,448,998
Sales taxes					3,453,736	-	3,453,736
Motor fuel taxes					1,105,184	-	1,105,184
Alcoholic beverage taxes					13,585	-	13,585
Intergovernmental revenue (not restricted to specific purpose)					1,671,075	-	1,671,075
Slot machine revenues					1,671,625	-	1,671,625
Impact fees					-	354,027	354,027
Unrestricted investment earnings					5,531,719	1,650,855	7,182,574
Gain on sale of capital assets					2,028	32,500	34,528
Transfers					1,834,966	(1,834,966)	-
Total general revenues and transfers					92,668,565	202,416	92,870,981
Change in net position					28,838,310	2,433,743	31,272,053
Net position, as previously reported					60,376,778	104,199,671	164,576,449
Beginning balance restatement (see Note 19)					(5,273,714)	-	(5,273,714)
Net position, beginning, as restated					55,103,064	104,199,671	159,302,735
Net position, ending					\$ 83,941,374	\$ 106,633,414	\$ 190,574,788

The accompanying notes are an integral part of the financial statements

Balance Sheet
Governmental Funds
September 30, 2023

	General	Community Redevelopment Agency Fund	Grants Fund	General Obligation Bond Fund	Capital Projects Fund	Redevelopment Revenue Note Fund	Nonmajor Governmental Funds	Totals Governmental Funds
Assets								
Cash and cash equivalents	\$ 6,540,017	\$ 29,155,106	\$ 10,761,331	\$ -	\$ 4,413,998	\$ -	\$ 12,593,142	\$ 63,463,594
Investments	24,634,179	-	-	-	-	-	-	24,634,179
Receivables, net of allowances	5,561,964	437,448	-	15,522	-	-	204,761	6,219,695
Due from other governments	1,400,473	-	1,589,909	-	-	-	115,427	3,105,809
Due from other funds	8,206,766	422,703	-	-	-	-	-	8,629,469
Inventories	177,532	-	-	-	-	-	-	177,532
Assets held for resale	-	2,260,487	-	-	-	-	-	2,260,487
Cash and cash equivalents	323,262	-	-	4,574,441	-	19,509,674	404,032	24,811,409
Total assets	<u>\$ 46,844,193</u>	<u>\$ 32,275,744</u>	<u>\$ 12,351,240</u>	<u>\$ 4,589,963</u>	<u>\$ 4,413,998</u>	<u>\$ 19,509,674</u>	<u>\$ 13,317,362</u>	<u>\$ 133,302,174</u>
Liabilities, Deferred Inflows of Resources and Fund Balances								
Liabilities								
Accounts payable and accrued liabilities	\$ 3,393,054	\$ 150,732	\$ 289,649	\$ 43,412	\$ 121,348	\$ 367,338	\$ 810,229	\$ 5,175,762
Deposits	203,666	-	-	-	-	-	97,300	300,966
Unearned revenues	143,891	47,476	5,501,206	-	-	-	516,775	6,209,348
Due to other funds	-	499,624	6,268,714	1,438,428	-	41,453	381,250	8,629,469
Total liabilities	<u>3,740,611</u>	<u>697,832</u>	<u>12,059,569</u>	<u>1,481,840</u>	<u>121,348</u>	<u>408,791</u>	<u>1,805,554</u>	<u>20,315,545</u>
Deferred Inflows of Resources								
Leases	3,689,030	-	-	-	-	-	79,547	3,768,577
Unavailable revenue	449,261	-	-	-	-	-	18,673	467,934
Total deferred inflows of resources	<u>4,138,291</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>98,220</u>	<u>4,236,511</u>
Fund Balances								
Nonspendable:								
Inventory	177,532	-	-	-	-	-	-	177,532
Restricted for:								
Assets held for resale	-	2,260,487	-	-	-	-	-	2,260,487
Long-term receivables	-	437,119	-	-	-	-	-	437,119
Community redevelopment	-	28,880,306	-	-	-	-	-	28,880,306
Debt service	252,331	-	-	-	-	-	306,732	559,063
Law enforcement	-	-	-	-	-	-	610,165	610,165
Developer agreements	1,675,000	-	-	-	-	-	2,730,168	4,405,168
Building permits function	-	-	-	-	-	-	2,305,161	2,305,161
Traffic mitigation	-	-	-	-	-	-	1,103,473	1,103,473
Transportation	-	-	-	-	-	-	1,946,889	1,946,889
Safe neighborhood districts	-	-	-	-	-	-	2,244,629	2,244,629
Opioid Litigation Settlement	33,070	-	-	-	-	-	-	33,070
Police outside services	-	-	-	-	-	-	92,697	92,697
Grant programs	-	-	291,671	-	-	-	-	291,671
Capital projects	-	-	-	3,108,123	-	19,100,883	-	22,209,006
Committed:								
Tree preservation	-	-	-	-	-	-	73,674	73,674
Renewal & replacement	1,526,721	-	-	-	-	-	-	1,526,721
Assigned:								
Fire equipment	821,052	-	-	-	-	-	-	821,052
Development code rewriting	400,000	-	-	-	-	-	-	400,000
Capital projects	1,349,485	-	-	-	4,292,650	-	-	5,642,135
Encumbrances	1,645,961	-	-	-	-	-	-	1,645,961
Unassigned:	<u>31,084,139</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,084,139</u>
Total fund balances	<u>38,965,291</u>	<u>31,577,912</u>	<u>291,671</u>	<u>3,108,123</u>	<u>4,292,650</u>	<u>19,100,883</u>	<u>11,413,588</u>	<u>108,750,118</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 46,844,193</u>	<u>\$ 32,275,744</u>	<u>\$ 12,351,240</u>	<u>\$ 4,589,963</u>	<u>\$ 4,413,998</u>	<u>\$ 19,509,674</u>	<u>\$ 13,317,362</u>	<u>\$ 133,302,174</u>

The accompanying notes are an integral part of the financial statements

**Reconciliation of Governmental Funds Balance Sheet
to the Statement of Net Position
September 30, 2023**

Total fund balances for governmental funds		\$ 108,750,118
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	\$ 218,843,973	
Less accumulated depreciation and amortization	<u>(84,975,738)</u>	
		133,868,235
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.		
		467,934
Deferred outflows of resources are not current financial resources and therefore are not reported in the funds.		
Deferred outflows relating to pensions - City	47,500,399	
Deferred outflows relating to pensions - FRS	7,958,665	
Deferred outflows relating to OPEB	377,657	
Deferred outflows relating to the excess benefit plan	632,721	
Deferred outflows relating to the loss on refunding of debt	<u>328,848</u>	
		56,798,290
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.		
		6,765,580
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	(851,629)	
Deferred inflows relating to pensions - FRS	(418,322)	
Deferred inflows relating to OPEB	<u>(2,792,265)</u>	
		(4,062,216)
Certain liabilities are not due and payable in the current period and are therefore not reported in the funds.		
Bond premium	(3,745,016)	
Bonds payable	(79,855,000)	
Equipment capital lease obligation	(757,130)	
Subscription liability	(149,971)	
Accrued interest payable	(859,287)	
Total OPEB liability	(6,992,693)	
Total pension liability - excess benefit plan	(12,258,218)	
Net pension liability - City	(96,486,565)	
Net pension liability - FRS	(14,584,492)	
Compensated absences	<u>(2,958,195)</u>	
		(218,646,567)
Net position of governmental activities		<u>\$ 83,941,374</u>

The accompanying notes are an integral part of the financial statements

**Statement of Revenues, Expenditures, and
Changes in Fund Balances
Governmental Funds
for the Fiscal Year Ended September 30, 2023**

	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	\$ 40,319,175	\$ 12,360,586	\$ -	\$ -	\$ -	\$ -	\$ 4,085,495	\$ 56,765,256
Utility taxes	6,203,511	-	-	-	-	-	-	6,203,511
Charges for services	11,026,402	17,026	-	-	-	-	2,566,553	13,609,981
Licenses and permits	933,473	-	-	-	-	-	4,163,281	5,096,754
Intergovernmental	6,561,665	9,170,393	7,704,495	-	-	-	1,070,969	24,507,522
Franchise taxes	5,245,487	-	-	-	-	-	-	5,245,487
Fire assessments	9,155,630	-	-	-	-	-	-	9,155,630
Fines and forfeitures	1,366,327	-	-	-	-	-	75,584	1,441,911
Investment earnings	1,563,539	1,479,506	291,860	431,779	85,102	922,864	424,852	5,199,502
Slot machine revenues	1,287,100	-	-	-	-	-	-	1,287,100
Other revenues	928,288	598,144	-	-	-	-	274,077	1,800,509
Total revenues	<u>84,590,597</u>	<u>23,625,655</u>	<u>7,996,355</u>	<u>431,779</u>	<u>85,102</u>	<u>922,864</u>	<u>12,660,811</u>	<u>130,313,163</u>
Expenditures								
Current:								
General government	16,190,811	-	939,908	-	14,600	-	-	17,145,319
Public safety	48,783,015	-	926,786	-	-	-	7,107,651	56,817,452
Physical environment	1,216,741	-	-	-	132,146	-	-	1,348,887
Transportation	563,353	-	-	-	-	-	2,127,151	2,690,504
Economic environment	-	11,385,864	-	-	-	-	-	11,385,864
Culture and recreation	4,172,052	-	10,000	1,753	-	-	16,937	4,200,742
Human services	1,809,439	-	24,387	-	-	-	15,000	1,848,826
Debt service:								
Principal	313,550	4,665,000	-	-	-	-	3,056,869	8,035,419
Interest and other fiscal charges	34,437	479,942	-	-	-	-	2,422,350	2,936,729
Capital outlay:	<u>2,194,844</u>	<u>3,026,670</u>	<u>293,960</u>	<u>4,811,416</u>	<u>502,875</u>	<u>1,052,933</u>	<u>479,218</u>	<u>12,361,916</u>
Total expenditures	<u>75,278,242</u>	<u>19,557,476</u>	<u>2,195,041</u>	<u>4,813,169</u>	<u>649,621</u>	<u>1,052,933</u>	<u>15,225,176</u>	<u>118,771,658</u>
Excess (deficiency) of revenues over (under) expenditures	<u>9,312,355</u>	<u>4,068,179</u>	<u>5,801,314</u>	<u>(4,381,390)</u>	<u>(564,519)</u>	<u>(130,069)</u>	<u>(2,564,365)</u>	<u>11,541,505</u>
Other Financing Sources (Uses)								
Transfers in	8,595,491	-	-	-	4,443,343	-	3,871,709	16,910,543
Transfers out	(7,536,347)	(1,168,584)	(5,509,643)	-	-	-	-	(14,214,574)
Proceeds from finance arrangements/leases	55,992	-	-	-	-	-	204,368	260,360
Proceeds from issuance of debt - SBITA	97,867	-	-	-	-	-	109,540	207,407
Proceeds from the sale of capital assets	21,254	-	-	-	-	-	-	21,254
Total other financing sources (uses)	<u>1,234,257</u>	<u>(1,168,584)</u>	<u>(5,509,643)</u>	<u>-</u>	<u>4,443,343</u>	<u>-</u>	<u>4,185,617</u>	<u>3,184,990</u>
Net change in fund balances	<u>10,546,612</u>	<u>2,899,595</u>	<u>291,671</u>	<u>(4,381,390)</u>	<u>3,878,824</u>	<u>(130,069)</u>	<u>1,621,252</u>	<u>14,726,495</u>
Fund balances, beginning of year, as previously reported	<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>
Restatement (see Note 19)	<u>-</u>	<u>(5,273,714)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,273,714)</u>
Fund balances, beginning of year, restated	<u>28,418,679</u>	<u>28,678,317</u>	<u>-</u>	<u>7,489,513</u>	<u>413,826</u>	<u>19,230,952</u>	<u>9,792,336</u>	<u>94,023,623</u>
Fund balances, end of year	<u>\$ 38,965,291</u>	<u>\$ 31,577,912</u>	<u>\$ 291,671</u>	<u>\$ 3,108,123</u>	<u>\$ 4,292,650</u>	<u>\$ 19,100,883</u>	<u>\$ 11,413,588</u>	<u>\$ 108,750,118</u>

The accompanying notes are an integral part of the financial statements

**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, 2023**

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

Net change in fund balances - total governmental funds	\$	14,726,495
--	----	------------

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/amortization expense. This is the amount by which capital outlays and contributed capital assets exceeded depreciation/amortization in the current period.

Expenditures for capital assets	\$	12,361,916	
Less amortization		(43,358)	
Less depreciation		<u>(7,065,465)</u>	
			5,253,093

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		(47,368)	
Net capital assets transferred to the Utility Fund		(112,531)	
Net capital assets transferred to the Stormwater Drainage Fund		(748,472)	
Net capital assets transferred to the Fleet Fund		<u>(1,068,719)</u>	
			(1,977,090)

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			377,668
--------------------------------	--	--	---------

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.

5,890,380

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		415,419	
Issuance of debt - Subscription liabilities		(207,407)	
Issuance of debt - Equipment capital lease obligations		(260,360)	
Principal repayments on bonds and loans		<u>7,620,000</u>	
			7,567,652

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		95,822	
Change in deferred inflows and outflows relating to City pensions and the net pension liability		(1,743,512)	
Change in deferred inflows and outflows relating to FRS pension and the net pension liability		(4,146,481)	
Change in deferred inflows and outflows relating to excess benefits plan and the total pension liability		2,605,781	
Change in deferred inflows and outflows relating to OPEB and the total OPEB liability		11,357	
Change in compensated absences		(270,380)	
Amortization of deferred loss on refunding		(79,769)	
Amortization of bond premiums		<u>527,294</u>	
			(2,999,888)

Change in net position - governmental activities	\$	<u>28,838,310</u>
--	----	-------------------

The accompanying notes are an integral part of the financial statements

Statement of Net Position
Proprietary Funds
September 30, 2023

	Business-Type Activities – Enterprise Funds					Governmental Activities – Internal Service Funds
	Utility Fund	Sanitation Fund	Stormwater Drainage Fund	Nonmajor Cemetery Fund	Totals	
Assets						
Current assets:						
Cash and cash equivalents	\$ 36,957,511	\$ 5,212,862	\$ 7,904,363	\$ 178,180	\$ 50,252,916	\$ 10,326,858
Restricted assets, cash	3,335,619	443,903	-	-	3,779,522	-
Receivables, net of allowances	4,992,472	558,799	440,811	27,793	6,019,875	672
Due from other governments	-	-	74,620	-	74,620	-
Inventories	191,683	-	-	251,557	443,240	-
Prepays	1,069	-	-	-	1,069	15,272
Total current assets	<u>45,478,354</u>	<u>6,215,564</u>	<u>8,419,794</u>	<u>457,530</u>	<u>60,571,242</u>	<u>10,342,802</u>
Noncurrent assets:						
Capital assets:						
Nondepreciable	6,969,271	-	744,812	375,478	8,089,561	-
Capital assets, net of accumulated depreciation/ amortization	28,268,622	712,924	25,762,709	3,814	54,748,069	5,745,446
Total noncurrent assets	<u>35,237,893</u>	<u>712,924</u>	<u>26,507,521</u>	<u>379,292</u>	<u>62,837,630</u>	<u>5,745,446</u>
Total assets	<u>80,716,247</u>	<u>6,928,488</u>	<u>34,927,315</u>	<u>836,822</u>	<u>123,408,872</u>	<u>16,088,248</u>
Deferred Outflows of Resources						
Pensions - City	1,826,630	1,121,154	573,888	-	3,521,672	391,690
Pensions - FRS	1,923,061	516,483	221,387	106,988	2,767,919	225,870
OPEB	73,258	24,916	8,973	6,171	113,318	12,942
Total deferred outflows of resources	<u>3,822,949</u>	<u>1,662,553</u>	<u>804,248</u>	<u>113,159</u>	<u>6,402,909</u>	<u>630,502</u>
Liabilities						
Current liabilities:						
Accounts payable and accrued liabilities	3,619,800	160,431	489,266	10,181	4,279,678	200,154
Accrued interest	7,354	-	1,507	-	8,861	-
Unearned revenue	-	-	24,958	-	24,958	-
Compensated absences	75,566	23,220	7,783	2,947	109,516	12,692
Notes payable	586,646	-	199,427	-	786,073	-
Accrued claims for self-insured risks	-	-	-	-	-	5,251,000
OPEB liability	50,047	17,021	6,130	4,216	77,414	8,841
Payable from restricted assets:						
Deposits	1,207,612	443,903	-	-	1,651,515	-
Total current liabilities	<u>\$ 5,547,025</u>	<u>\$ 644,575</u>	<u>\$ 729,071</u>	<u>\$ 17,344</u>	<u>\$ 6,938,015</u>	<u>\$ 5,472,687</u>

(Continued)

The accompanying notes are an integral part of the financial statements

Statement of Net Position
Proprietary Funds
September 30, 2023

	Business-Type Activities – Enterprise Funds					Governmental Activities – Internal Service Funds
	Utility Fund	Sanitation Fund	Stormwater Drainage Fund	Nonmajor Cemetery Fund	Totals	
Noncurrent liabilities:						
Compensated absences	\$ 279,353	\$ 84,157	\$ 28,876	\$ 11,239	\$ 403,625	\$ 45,979
Accrued claims for self-insured risks	-	-	-	-	-	3,032,000
Notes payable	1,696,325	-	204,540	-	1,900,865	-
Net pension liability - City	2,977,047	1,827,261	935,326	-	5,739,634	638,377
Net pension liability - FRS	3,524,067	946,470	405,699	196,059	5,072,295	413,915
OPEB liability	1,306,388	444,307	160,023	110,047	2,020,765	230,784
Total noncurrent liabilities	9,783,180	3,302,195	1,734,464	317,345	15,137,184	4,361,055
Total liabilities	15,330,205	3,946,770	2,463,535	334,689	22,075,199	9,833,742
Deferred Inflows of Resources						
Gain on refunding	8,651	-	4,477	-	13,128	-
Pensions - City	55,356	33,976	17,391	-	106,723	11,871
Pensions - FRS	101,080	27,147	11,637	5,623	145,487	11,872
OPEB	541,643	184,213	66,347	45,627	837,830	95,685
Total deferred inflows of resources	706,730	245,336	99,852	51,250	1,103,168	119,428
Net Position						
Net investment in capital assets	32,742,364	712,924	26,077,947	379,292	59,912,527	5,745,446
Restricted for debt service	73,351	-	-	-	73,351	-
Restricted for impact fees	2,126,632	-	-	-	2,126,632	-
Unrestricted	33,559,914	3,686,011	7,090,229	184,750	44,520,904	1,020,134
Total net position	<u>\$ 68,502,261</u>	<u>\$ 4,398,935</u>	<u>\$ 33,168,176</u>	<u>\$ 564,042</u>	<u>\$ 106,633,414</u>	<u>\$ 6,765,580</u>

The accompanying notes are an integral part of the financial statements

**Statement of Revenues, Expenses, and
Changes in Net Position
Proprietary Funds
for the Fiscal Year Ended September 30, 2023**

	Business-Type Activities – Enterprise Funds					Governmental Activities – Internal Service Funds
	Utility Fund	Sanitation Fund	Stormwater Drainage Fund	Nonmajor Cemetery Fund	Totals	
Operating Revenues						
Charges for services	\$ 32,088,454	\$ 6,836,324	\$ 4,695,601	\$ 248,185	\$ 43,868,564	\$ 8,671,924
Other revenues	783	10	2,000	-	2,793	-
Total operating revenues	32,089,237	6,836,334	4,697,601	248,185	43,871,357	8,671,924
Operating Expenses						
Personal services	7,063,083	2,476,995	1,094,920	468,437	11,103,435	943,202
Cost of sales and services	17,304,538	4,981,154	2,504,936	280,857	25,071,485	1,979,466
Claims expense	-	-	-	-	-	524,534
Depreciation and amortization	3,211,031	101,602	2,368,215	2,413	5,683,261	763,420
Total operating expenses	27,578,652	7,559,751	5,968,071	751,707	41,858,181	4,210,622
Operating income (loss)	4,510,585	(723,417)	(1,270,470)	(503,522)	2,013,176	4,461,302
Nonoperating Revenues (Expenses)						
Impact fees	354,027	-	-	-	354,027	-
Investment earnings	1,209,184	196,153	238,592	6,926	1,650,855	332,217
Interest expense	(50,379)	-	(6,958)	-	(57,337)	-
Gain (loss) on disposal of capital assets	(108,764)	30,450	2,050	-	(76,264)	28,142
Total nonoperating revenues (expenses)	1,404,068	226,603	233,684	6,926	1,871,281	360,359
Income (loss) before capital contributions and transfers	5,914,653	(496,814)	(1,036,786)	(496,596)	3,884,457	4,821,661
Capital grants and contributions	112,531	-	1,132,724	-	1,245,255	1,068,719
Transfer in	41,237	-	-	389,879	431,116	-
Transfer out	(1,544,682)	(1,541,166)	(41,237)	-	(3,127,085)	-
Change in net position	4,523,739	(2,037,980)	54,701	(106,717)	2,433,743	5,890,380
Net position, beginning	63,978,522	6,436,915	33,113,475	670,759	104,199,671	875,200
Net position, ending	<u>\$ 68,502,261</u>	<u>\$ 4,398,935</u>	<u>\$ 33,168,176</u>	<u>\$ 564,042</u>	<u>\$ 106,633,414</u>	<u>\$ 6,765,580</u>

The accompanying notes are an integral part of the financial statements

**Statement of Cash Flows
Proprietary Funds
for the Fiscal Year Ended September 30, 2023**

	Business-Type Activities – Enterprise Funds					Governmental Activities – Internal Service Funds
	Utility Fund	Sanitation Fund	Stormwater Drainage Fund	Nonmajor Cemetery Fund	Totals	
Cash Flows from Operating Activities						
Receipts from customers and users	\$ 31,357,001	\$ 6,862,175	\$ 4,589,128	\$ 252,055	\$ 43,060,359	\$ 8,673,747
Payments to suppliers for goods, services, claims and administrative charges	(16,510,250)	(5,000,929)	(2,256,222)	(270,529)	(24,037,930)	(3,354,136)
Payments to employees	(6,400,026)	(2,205,694)	(908,159)	(358,952)	(9,872,831)	(899,216)
Net cash provided (used) by operating activities	8,446,725	(344,448)	1,424,747	(377,426)	9,149,598	4,420,395
Cash Flows from Noncapital Financing Activities						
Transfers to other funds	(1,544,682)	(1,541,166)	-	-	(3,085,848)	-
Transfers from other funds	-	-	-	389,879	389,879	-
Net cash provided (used) by noncapital financing activities	(1,544,682)	(1,541,166)	-	389,879	(2,695,969)	-
Cash Flows from Capital and Related Financing Activities						
Acquisition and construction of capital assets	(3,797,717)	(69,073)	(808,537)	-	(4,675,327)	(3,856,651)
Proceeds from impact fees	354,027	-	-	-	354,027	-
Proceeds from sale of capital assets	12,232	30,450	2,050	-	44,732	28,318
Proceeds from notes payable	106,053	-	-	-	106,053	-
Principal paid on long-term debt	(551,271)	-	(192,609)	-	(743,880)	-
Capital contributions	-	-	225,045	-	225,045	-
Interest paid on long-term debt	(58,895)	-	(11,256)	-	(70,151)	-
Net cash provided (used) by capital and related financing activities	(3,935,571)	(38,623)	(785,307)	-	(4,759,501)	(3,828,333)
Cash Flows from Investing Activities						
Purchase of investments	(14,800,928)	(2,407,511)	(2,928,366)	(85,002)	(20,221,807)	(4,077,420)
Proceeds from the sale of investments	30,131,321	4,368,911	2,953,538	85,733	37,539,503	4,112,469
Interest and investment income received	1,088,848	175,459	213,420	6,195	1,483,922	297,168
Net cash provided (used) by investing activities	16,419,241	2,136,859	238,592	6,926	18,801,618	332,217
Net change in cash and cash equivalents	19,385,713	212,622	878,032	19,379	20,495,746	924,279
Cash and cash equivalents, beginning	20,907,417	5,444,143	7,026,331	158,801	33,536,692	9,402,579
Cash and cash equivalents, ending	\$ 40,293,130	\$ 5,656,765	\$ 7,904,363	\$ 178,180	\$ 54,032,438	\$ 10,326,858

The accompanying notes are an integral part of the financial statements

Statement of Cash Flows
Proprietary Funds
for the Fiscal Year Ended September 30, 2023

	Business-Type Activities – Enterprise Funds					Governmental Activities – Internal Service Funds
	Utility Fund	Sanitation Fund	Stormwater Drainage Fund	Nonmajor Cemetery Fund	Totals	
						(Continued)
Reconciliation to Statement of Net Position:						
Cash and cash equivalents	\$ 36,957,511	\$ 5,212,862	\$ 7,904,363	\$ 178,180	\$ 50,252,916	\$ 10,326,858
Restricted assets, cash and cash equivalents	3,335,619	443,903	-	-	3,779,522	-
	<u>\$ 40,293,130</u>	<u>\$ 5,656,765</u>	<u>\$ 7,904,363</u>	<u>\$ 178,180</u>	<u>\$ 54,032,438</u>	<u>\$ 10,326,858</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:						
Operating income (loss)	\$ 4,510,585	\$ (723,417)	\$ (1,270,470)	\$ (503,522)	\$ 2,013,176	\$ 4,461,302
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation and amortization	3,211,031	101,602	2,368,215	2,413	5,683,261	763,420
Changes in assets and liabilities:						
(Increase) decrease in receivables	(713,919)	30,563	(33,853)	3,870	(713,339)	1,823
(Increase) decrease in due from other governments	-	-	(74,620)	-	(74,620)	-
(Increase) decrease in inventories	(149,714)	-	-	14,969	(134,745)	-
(Increase) decrease in prepaids and other assets	995	-	-	-	995	5,935
(Increase) decrease in deferred outflows of resources	(817,383)	(820,145)	(452,558)	(27,949)	(2,118,035)	(174,681)
Increase (decrease) in accounts payable	943,007	(19,775)	248,714	(4,641)	1,167,305	116,597
Increase (decrease) in customer deposits	(18,317)	(4,722)	-	-	(23,039)	-
Increase (decrease) in compensated absences	24,641	(55,416)	4,722	8,258	(17,795)	14,044
Increase (decrease) in self insured claims liability	-	-	-	-	-	(972,668)
Increase (decrease) in net pension liability	2,150,475	1,403,304	756,395	47,717	4,357,891	403,579
Increase (decrease) in total OPEB liability	3,073	38,114	7,256	84,534	132,977	(58,233)
Increase (decrease) in deferred inflows of resources	(697,749)	(294,556)	(129,054)	(3,075)	(1,124,434)	(140,723)
Net cash provided (used) by operating activities	<u>\$ 8,446,725</u>	<u>\$ (344,448)</u>	<u>\$ 1,424,747</u>	<u>\$ (377,426)</u>	<u>\$ 9,149,598</u>	<u>\$ 4,420,395</u>

The accompanying notes are an integral part of the financial statements

Statement of Cash Flows
Proprietary Funds
for the Fiscal Year Ended September 30, 2023

	Business-Type Activities – Enterprise Funds					Governmental Activities – Internal Service Funds
	Utility Fund	Sanitation Fund	Stormwater Drainage Fund	Nonmajor Cemetery Fund	Totals	
						(Continued)
Noncash Investing, Capital and Financing Activities						
Unrealized gain on investments	\$ 120,336	\$ 20,694	\$ 25,172	\$ 731	\$ 166,933	\$ 35,049
Gain on debt refunding	6,923	-	3,580	-	10,503	-
Contributed capital from governmental activities	112,531	-	907,679	-	1,020,210	1,068,719
Contributed capital to governmental activities	-	-	(159,208)	-	(159,208)	-
Contributed capital (to) from business-type activities	41,237	-	(41,237)	-	-	-
Undepreciated amounts on disposal of capital assets	(120,996)	-	-	-	(120,996)	(176)
	<u>\$ 160,031</u>	<u>\$ 20,694</u>	<u>\$ 735,986</u>	<u>\$ 731</u>	<u>\$ 917,442</u>	<u>\$ 1,103,592</u>

The accompanying notes are an integral part of the financial statements

Statement of Fiduciary Net Position
Fiduciary Funds
September 30, 2023

	<u>Custodial Funds</u>	<u>Pension Trust Funds</u>
Assets		
Cash and cash equivalents	\$ 461,964	\$ 5,989,706
Accounts receivable	-	1,969
Employee contributions receivable	-	64,076
Accrued interest and dividends	-	349,994
Due from brokers	-	835,561
Investments:		
Corporate bonds	-	16,519,794
Equity securities	-	159,576,196
U.S. obligations	-	25,120,023
Hedge funds	-	11,823,581
Equity pooled separate accounts	-	34,867,252
Private equity fund	-	7,447,239
Fixed income pooled separate accounts	-	35,792,676
Real estate pooled separate accounts	-	5,809,369
Real estate funds	-	9,598,177
Domestic equity investment funds	2,994,787	-
International equity investment funds	901,704	-
Domestic fixed income investment fund	1,366,882	-
Total investments	<u>5,263,373</u>	<u>306,554,307</u>
Prepays	-	7,902
Total assets	<u>5,725,337</u>	<u>313,803,515</u>
Liabilities		
Accounts payable	-	230,740
Due to brokers	-	645,583
Total liabilities	<u>-</u>	<u>876,323</u>
Net Position		
Restricted for:		
Pension benefits	-	312,927,192
Community partnerships	461,964	-
Unrestricted	5,263,373	-
Total restricted net position	<u>\$ 5,725,337</u>	<u>\$ 312,927,192</u>

The accompanying notes are an integral part of the financial statements

Statement of Changes in Fiduciary Net Position
Fiduciary Funds
for the Fiscal Year Ended September 30, 2023

	Custodial Funds	Pension Trust Funds
Additions		
Contributions:		
Employer	\$ -	\$ 14,800,171
Plan members	-	1,845,225
State of Florida	-	915,892
Donations and contributions	17,481	-
Total contributions	<u>17,481</u>	<u>17,561,288</u>
Investment income (loss):		
Interest and dividends	-	6,454,080
Net increase (decrease) in fair value of investments	496,135	29,259,990
Total investment income (loss)	<u>496,135</u>	<u>35,714,070</u>
Less investment expense	-	(1,565,758)
Net investment income (loss)	<u>496,135</u>	<u>34,148,312</u>
Total additions	<u>513,616</u>	<u>51,709,600</u>
Deductions		
Benefits	632,721	21,452,846
Administrative expenses	-	348,743
Operating expenses	1,577	-
Total deductions	<u>634,298</u>	<u>21,801,589</u>
Change in net position	(120,682)	29,908,011
Net position, beginning	5,846,019	283,019,181
Net position, ending	<u>\$ 5,725,337</u>	<u>\$ 312,927,192</u>

The accompanying notes are an integral part of the financial statements



THIS PAGE IS INTENTIONALLY LEFT BLANK

2023



Notes to Financial Statements

Annual Comprehensive Financial Report 2023

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 judgment 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.

Note 1. Summary of Significant Accounting Policies (Continued)

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.

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.

Note 1. Summary of Significant Accounting Policies (Continued)

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, impact fees (non-exchange) 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.

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.

Note 1. Summary of Significant Accounting Policies (Continued)

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.

The City implemented the following GASB Pronouncements in the fiscal year ended September 30, 2023:

GASB Statement No. 91, Conduit Debt Obligations. This Statement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures. This statement did not have an effect on the City's financial statements.

GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, improves financial reporting by establishing the definitions of public-private and public-public partnership arrangements (PPPs) and available payment arrangements (APAs) and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions. This statement did not have an effect on the City's financial statements.

Note 1. Summary of Significant Accounting Policies (Continued)

GASB Statement No 96, Subscription-Based Information Technology Arrangements. The requirements of this Statement provides guidance on the accounting and financial reporting for Subscription-Based Information Technology Arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA (2) establishes that a SBITA results in a right-to-use subscription asset-intangible asset- and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, included implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases as amended. Effective October 1, 2022, the City adopted this statement using the facts and circumstances that existed at the beginning of the period of implementation.

GASB Statement No. 99, Omnibus 2022, enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by (1) practice issues that have been identified during the implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The City implemented the requirements related to leases and SBITAs at the beginning of the fiscal year 2023 without material impact.

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.

Note 1. Summary of Significant Accounting Policies (Continued)

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. Custodial funds account for the excess benefit plan and various donations received on behalf of community partners.

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.

Note 1. Summary of Significant Accounting Policies (Continued)

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" (noncurrent 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.

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.

Note 1. Summary of Significant Accounting Policies (Continued)

I. Capital Assets

Capital assets, including land, buildings and improvements, infrastructure, vehicles and equipment, right-to-use software, 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 and right-to-use assets, 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 and amortization are 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 and amortization is provided over estimated useful lives using the straight-line method. Estimated useful lives are as follows:

Vehicles and equipment	5-10 years
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
Right-to-use Software Subscriptions	1-5 years

J. Leases

Lessor: The City is a lessor for non-cancellable leases of land for various activities. 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.

Note 1. Summary of Significant Accounting Policies (Continued)

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.

K. Subscription-Based Information Technology Arrangements (SBITA)

The City has recorded subscription assets and liabilities as a result of implementing GASB 96, Subscription-Based Information Technology Arrangement ("SBITA"). A SBITA is a contract that conveys control of the right to use a third-party's (a SBITA vendor's) information technology software, alone or in combination with tangible assets. SBITAs with the maximum possible term under the SBITA contract of 12 months or less are considered short-term SBITA and recognized as outflows of resources. Subscription liabilities are initially measured as the present value of subscription payments expected to be made during the subscription term. The subscription assets are initially measured at an amount equal to the initial measurement of the related liability plus any payments made prior to the subscription term, less incentives, and plus any ancillary charges necessary to place the underlying asset into service. The subscription assets (right-to-use) are amortized on a straight-line basis over the lesser of the subscription term of the related contract or the useful life of the subscription asset.

Key estimates and judgments related to SBITAs include how the City determines: (1) the discount rate it uses to discount the expected payments to present value, (2) term, and (3) payments. In measuring the initial SBITA liability, the discount rate used by the City is either the interest rate charged by the vendor, or the City's estimated incremental borrowing rate if the interest rate is not readily determinable. The incremental borrowing rate is an estimate of the interest rate that would be charged for borrowing the subscription payment amounts during the subscription term. The SBITA term includes the noncancellable period of the contract as defined under GASB Statement No. 96. SBITAs which are based on variable payments (or user seats) are not recorded as subscription assets or liabilities and are recognized as outflows of resources in the period in which the obligation for those payments is incurred.

The City monitors changes in circumstances that would require a remeasurement of its SBITAs and will remeasure if certain changes occur that are expected to significantly affect the amount of the right to use software or subscription liability.

L. 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.

Note 1. Summary of Significant Accounting Policies (Continued)

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.

M. 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.

N. 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.

O. 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.

Note 1. Summary of Significant Accounting Policies (Continued)

P. 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. 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's budgeted expenditures for the subsequent fiscal year, 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, 2023.

Q. 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 governmentwide 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.

Note 1. Summary of Significant Accounting Policies (Continued)

R. 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.

S. 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.

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.

T. 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.

Note 1. Summary of Significant Accounting Policies (Continued)

U. 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.

V. 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.

W. 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 assets 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 assets 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, lease 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.

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.

Note 2. Property Taxes (Continued)

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 8.2466 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 2022-2023 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, 2023:

Cash and cash equivalents:	
Money market funds	\$ 4,593,538
Deposits with financial institutions	38,170,198
Florida PRIME	79,069,465
FL PALM	31,263,062
	<u>153,096,263</u>
Investments:	
U.S. Government agencies	3,148,245
Corporate notes	8,228,148
U.S. Government treasuries	7,200,879
Municipal bonds	128,581
Asset-backed securities	5,256,069
Supranational	672,257
Domestic equity investment funds	3,129,411
International equity investment funds	767,080
Domestic fixed income investment funds	1,366,882
	<u>29,897,552</u>
Total cash, cash equivalents, and investments	<u>\$ 182,993,815</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	\$ 124,043,368
Investments	24,634,179
Restricted cash and cash equivalents	28,590,931
Amounts as presented on the fiduciary Statement of Net Position:	
Cash and cash equivalents - custodial funds	461,964
Investments - custodial funds	5,263,373
Total cash, cash equivalents, and investments	<u>\$ 182,993,815</u>

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.

Note 3. Deposits and Investments (Continued)

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. As of September 30, 2023, Florida PRIME's rating by S&P was "AAAm" and the dollar weighted average days to maturity (WAM) of Florida PRIME was 35 days.

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. As of September 30, 2023, FL PALM's rating by S&P was "AAAm" and the dollar weighted average days to maturity (WAM) of FL PALM was 43 days.

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, 2023, 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.

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

Note 3. Deposits and Investments (Continued)

- 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, 2023, the following are investments in any one organization that represent 5% or more of the pension plan’s fiduciary net position:

General Employees Retirement Plan	
Principal Financial Group	\$ 58,318,859
Professional/Management Employees Retirement Plan	
Principal Financial Group	\$ 18,150,438

Note 3. Deposits and Investments (Continued)

At September 30, 2023, the Police and Fire Retirement Plan's investment in the Lazard Global Listed Infrastructure Portfolio Institutional Fund accounted for 6.7% of the Plan's total investments.

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 commingled 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-commingled 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 commingled 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.

Note 3. Deposits and Investments (Continued)

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	\$ 3,148,245	\$ 1,336,694	\$ 1,536,538	\$ 225,429	\$ 49,584
Corporate notes	8,228,148	1,828,084	6,400,064	-	-
U.S. Government treasuries	7,200,879	2,228,508	4,972,371	-	-
Asset-backed securities	5,256,069	-	5,256,069	-	-
Municipal bonds	128,581	49,403	79,178	-	-
Supranational	672,257	672,257	-	-	-
Domestic fixed income investment funds	1,366,882	-	-	1,366,882	-
Total	<u>\$ 26,001,061</u>	<u>\$ 6,114,946</u>	<u>\$ 18,244,220</u>	<u>\$ 1,592,311</u>	<u>\$ 49,584</u>
<u>Professional/Management Employees Retirement Plan</u>					
Fixed income pooled separate accounts	<u>\$ 7,024,331</u>	<u>\$ -</u>	<u>\$ 623,714</u>	<u>\$ 6,400,617</u>	<u>\$ -</u>
<u>General Employees Retirement Plan</u>					
Fixed income pooled separate accounts	<u>\$ 28,768,345</u>	<u>\$ -</u>	<u>\$ 2,485,000</u>	<u>\$ 26,283,345</u>	<u>\$ -</u>
<u>Police and Fire Retirement Plan</u>					
U.S. Government agencies	\$ 7,502,260	\$ -	\$ 1,021,148	\$ -	\$ 6,481,112
U.S. Government treasuries	17,617,763	3,121,987	10,086,898	2,159,106	2,249,772
Corporate bonds	16,519,794	-	12,067,041	1,944,001	2,508,752
Total	<u>\$ 41,639,817</u>	<u>\$ 3,121,987</u>	<u>\$ 23,175,087</u>	<u>\$ 4,103,107</u>	<u>\$ 11,239,636</u>

Credit Risk: Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. 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 commingled investment portfolio, such as a mutual fund or insurance company pooled separate account.

Note 3. Deposits and Investments (Continued)

As of September 30, 2023, 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, 2023:

Average Rating	Corporate Bonds and Notes	US Gov't Obligations	Asset-backed Securities	Domestic Fixed Income Investment Funds	Municipal Bonds	Supranational	Total
AAA	\$ -	\$ -	\$ 3,718,250	\$ -	\$ -	\$ 672,257	\$ 4,390,507
AA+	483,382	10,349,124	-	-	28,061	-	10,860,567
AA	533,668	-	-	-	51,116	-	584,784
AA-	1,513,313	-	-	-	49,404	-	1,562,717
A+	1,277,572	-	-	-	-	-	1,277,572
A	1,991,041	-	-	-	-	-	1,991,041
A-	2,130,584	-	-	-	-	-	2,130,584
A-1	-	-	-	-	-	-	-
A-1 +	-	-	-	-	-	-	-
BBB+	298,588	-	-	-	-	-	298,588
BBB-	-	-	-	-	-	-	-
Unrated	-	-	1,537,819	1,366,882	-	-	2,904,701
Total	<u>\$ 8,228,148</u>	<u>\$ 10,349,124</u>	<u>\$ 5,256,069</u>	<u>\$ 1,366,882</u>	<u>\$ 128,581</u>	<u>\$ 672,257</u>	<u>\$ 26,001,061</u>

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, 2023:

Average Rating	Total
Aaa	\$ 19,587,257
Aa2	320,968
Aa3	111,929
A1	4,681,407
A2	2,020,011
A3	960,054
Baa1	1,210,999
Baa2	2,305,712
Baa3	3,767,622
Ba1	182,766
Unrated	6,491,092
Total	<u>\$ 41,639,817</u>

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.

Note 3. Deposits and Investments (Continued)

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.

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, 2023:

Investment	Level 1	Level 2	Level 3	Fair Value at 9/30/2023
Debt securities:				
U.S. Government agencies	\$ -	\$ 3,148,245	\$ -	\$ 3,148,245
Corporate notes	-	8,228,148	-	8,228,148
U.S. Government treasuries	-	7,200,879	-	7,200,879
Municipal bonds	-	128,581	-	128,581
Asset-backed securities	-	5,256,069	-	5,256,069
Supranational	-	672,257	-	672,257
Domestic fixed income investment funds	1,366,882	-	-	1,366,882
Total debt securities	1,366,882	24,634,179	-	26,001,061
Equity securities:				
Domestic equity investment funds	3,129,411	-	-	3,129,411
International equity investment funds	767,080	-	-	767,080
Total equity securities	3,896,491	-	-	3,896,491
Total investments measured at fair value	\$ 5,263,373	\$ 24,634,179	\$ -	29,897,552
Investments not subject to level disclosure:				
Florida PRIME (exempt)				31,263,062
FL PALM (exempt)				79,069,465
Money market funds (exempt)				4,593,538
Deposits with financial institutions (exempt)				38,170,198
Total investments and cash equivalents				\$ 182,993,815

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

Note 3. Deposits and Investments (Continued)

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.

As of September 30, 2023, 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	Reported Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Equity pooled separate accounts	\$ 9,752,253	\$ -	Daily	1 Day
Fixed income pooled separate accounts	7,024,331	-	Daily	1 Day
Real estate pooled separate accounts	1,373,854	-	Daily	1 Day
Total investments measured at NAV	<u>\$ 18,150,438</u>	<u>\$ -</u>		

As of September 30, 2023, 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	Reported Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Equity pooled separate accounts	\$ 25,114,999	\$ -	Daily	1 Day
Fixed income pooled separate accounts	28,768,345	-	Daily	1 Day
Real estate pooled separate accounts	4,435,515	-	Daily	1 Day
Total investments measured at NAV	<u>\$ 58,318,859</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.

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, 2023:

Investment	Level 1	Level 2	Level 3	Fair Value at 9/30/2023
Debt securities:				
U.S. Government treasuries	\$ 15,367,991	\$ 2,249,772	\$ -	\$ 17,617,763
U.S. Government agencies	-	7,502,260	-	7,502,260
Corporate bonds	-	16,519,794	-	16,519,794
Total debt securities	15,367,991	26,271,826	-	41,639,817
Equity securities:				
Common stocks	145,256,918	-	-	145,256,918
Mutual funds	14,319,278	-	-	14,319,278
Total equity securities	159,576,196	-	-	159,576,196
Total investments measured at fair value	<u>\$ 174,944,187</u>	<u>\$ 26,271,826</u>	<u>\$ -</u>	<u>201,216,013</u>
Investments measured at NAV				
Real estate fund				9,598,177
Private equity fund				7,447,239
Hedge funds				11,823,581
Total investments measured at NAV				<u>28,868,997</u>
Investments not subject to level disclosure:				
Money market funds (exempt)				5,989,706
Total investments and cash equivalents				<u>\$ 236,074,716</u>

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.

Note 3. Deposits and Investments (Continued)

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.

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	Reported Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Real estate fund ⁽¹⁾	\$ 9,598,177	\$ -	Daily	24 Hours
Hedge fund ⁽²⁾	11,823,581	-	Semiannual	95 Days
Private equity fund ⁽³⁾	7,447,239	1,876,587	N/A	N/A
Total investments measured at NAV	<u>\$ 28,868,997</u>	<u>\$ 1,876,587</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, 2023, were as follows:

Governmental activities	General	Community Redevelopment Agency Fund	General Obligation Bond Fund	Nonmajor Funds	Internal Service Funds	Total Governmental Activities
Utility and sales tax	\$ 287,133	\$ -	\$ -	\$ -	\$ -	\$ 287,133
Franchise fees	1,193,666	-	-	-	-	1,193,666
Sales and user fees	133,810	-	-	-	-	133,810
Rent - Beach Concession	7,000	-	-	-	-	7,000
Police outside services	-	-	-	129,988	-	129,988
Leases	3,859,991	-	-	79,900	-	3,939,891
Miscellaneous	109,037	329	-	-	184,643	294,009
Interest	120,983	2,334	15,522	31	-	138,870
CRA loans	-	719,207	-	-	-	719,207
Gross receivables	5,711,620	721,870	15,522	209,919	184,643	6,843,574
Less: allowance for uncollectibles	(149,656)	(284,422)	-	(5,158)	(183,971)	(623,207)
Net total receivables	<u>\$ 5,561,964</u>	<u>\$ 437,448</u>	<u>\$ 15,522</u>	<u>\$ 204,761</u>	<u>\$ 672</u>	<u>\$ 6,220,367</u>

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 \$80,000 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 residence for ten (10) years. Due to the nature of these types of loans, the CRA expends 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, 2023, were as follows:

Business-type activities	Utility Fund	Sanitation Fund	Stormwater Drainage Fund	Nonmajor Cemetery Fund	Total Business-Type Activities
Water sales	\$ 2,814,381	\$ -	\$ -	\$ -	\$ 2,814,381
Sewer service charges	2,806,747	-	-	-	2,806,747
Garbage and trash	-	862,119	-	-	862,119
Special trash	-	43,764	-	-	43,764
Recycling	-	26,188	-	-	26,188
Stormwater drainage	-	-	637,224	-	637,224
Interest receivable	-	-	-	-	-
Burial rights contracts	-	-	-	27,341	27,341
Other	18,227	-	-	452	18,679
Gross receivables	5,639,355	932,071	637,224	27,793	7,236,443
Less: allowance for uncollectibles	(646,883)	(373,272)	(196,413)	-	(1,216,568)
Net total receivables	<u>\$ 4,992,472</u>	<u>\$ 558,799</u>	<u>\$ 440,811</u>	<u>\$ 27,793</u>	<u>\$ 6,019,875</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, 2023 include the following:

Governmental activities	General Fund	Grants Fund	Nonmajor Governmental Funds	Total Governmental Activities	Stormwater Drainage Fund
Federal Government	\$ 195,841	\$ 548,595	\$ -	\$ 744,436	\$ 74,620
Florida Dept of Revenue	758,306	5,899	115,427	879,632	-
Local Governments	446,326	1,035,415	-	1,481,741	-
	<u>\$ 1,400,473</u>	<u>\$ 1,589,909</u>	<u>\$ 115,427</u>	<u>\$ 3,105,809</u>	<u>\$ 74,620</u>

Note 6. Capital Assets

The following is a summary of capital asset activity for the year ended September 30, 2023:

	Beginning Balance	Increases	Decreases	Transfers ⁽¹⁾	Ending Balance
<u>Governmental activities:</u>					
Capital assets, not being depreciated/amortized:					
Land	\$ 38,438,225	\$ 2,305,704	\$ -	\$ -	\$ 40,743,929
Construction in progress	5,282,632	7,180,600	(45,817)	(7,936,530)	4,480,885
Total capital assets, not being depreciated/ amortized	43,720,857	9,486,304	(45,817)	(7,936,530)	45,224,814
Capital assets, being depreciated/amortized:					
Buildings	63,778,912	596,586	-	1,722,525	66,098,023
Improvements other than buildings	49,581,718	251,266	(9,117)	1,959,059	51,782,926
Vehicles and equipment	29,135,997	5,571,271	(1,086,563)	953,251	34,573,956
Intangibles	-	96,231	-	-	96,231
Right-to-use software	-	216,912	-	-	216,912
Infrastructure	34,001,323	-	-	2,440,692	36,442,015
Total capital assets, being depreciated/ amortized	176,497,950	6,732,266	(1,095,680)	7,075,527	189,210,063
Less accumulated depreciation/amortization for:					
Buildings	(25,745,055)	(2,615,198)	-	-	(28,360,253)
Improvements other than buildings	(17,107,240)	(2,356,899)	9,117	67,836	(19,387,186)
Vehicles and equipment	(23,494,824)	(2,399,435)	1,084,833	-	(24,809,426)
Intangibles	-	(8,019)	-	-	(8,019)
Right-to-use software	-	(43,358)	-	-	(43,358)
Infrastructure	(21,695,784)	(449,334)	-	(67,836)	(22,212,954)
Total accumulated depreciation/amortization	(88,042,903)	(7,872,243)	1,093,950	-	(94,821,196)
Total capital assets, being depreciated/ amortized, net	88,455,047	(1,139,977)	(1,730)	7,075,527	94,388,867
Governmental activities capital assets, net	\$ 132,175,904	\$ 8,346,327	\$ (47,547)	\$ (861,003)	\$ 139,613,681

⁽¹⁾ Net transfers out relate to \$861,003 of assets constructed /purchased by governmental activities which were contributed to enterprise funds.

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, 2023, \$00 of internal service fund related capital assets are included in the above amounts.

Note 6. Capital Assets (Continued)

	Beginning Balance	Increases	Decreases	Transfers ⁽¹⁾	Ending Balance
Business-type:					
Capital assets, not being depreciated/amortized:					
Land	\$ 1,263,102	\$ -	\$ -	\$ -	\$ 1,263,102
Construction in progress	6,795,177	4,160,186	(120,996)	(4,007,908)	6,826,459
Total capital assets, not being depreciated/ amortized	8,058,279	4,160,186	(120,996)	(4,007,908)	8,089,561
Capital assets, being depreciated/amortized:					
Buildings	26,131,610	229,043	-	-	26,360,653
Improvements other than buildings	4,997,454	-	-	47,128	5,044,582
Vehicles and equipment	12,423,985	220,827	(435,723)	-	12,209,089
Intangibles	428,046	-	-	-	428,046
Infrastructure	94,615,500	224,478	-	4,821,783	99,661,761
Total capital assets, being depreciated/ amortized	138,596,595	674,348	(435,723)	4,868,911	143,704,131
Less accumulated depreciation/amortization for:					
Buildings	(18,113,715)	(1,096,727)	-	-	(19,210,442)
Improvements other than buildings	(3,152,100)	(223,252)	-	-	(3,375,352)
Vehicles and equipment	(9,362,389)	(833,873)	435,723	-	(9,760,539)
Intangibles	(113,535)	(78,419)	-	-	(191,954)
Infrastructure	(52,966,785)	(3,450,990)	-	-	(56,417,775)
Total accumulated depreciation/amortization	(83,708,524)	(5,683,261)	435,723	-	(88,956,062)
Total capital assets, being depreciated/ amortized, net	54,888,071	(5,008,913)	-	4,868,911	54,748,069
Business-type activities capital assets, net	\$ 62,946,350	\$ (848,727)	\$ (120,996)	\$ 861,003	\$ 62,837,630

⁽¹⁾ Net transfers out relate to \$861,003 of assets constructed/purchased by governmental activities which were contributed to enterprise funds.

Note 6. Capital Assets (Continued)

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

Governmental activities:	
General government	\$ 2,533,738
Public safety	1,198,429
Physical environment	12,105
Transportation	326,663
Economic environment	61,553
Culture and recreation	3,738,609
Human services	1,146
Total depreciation and amortization expense - governmental activities	<u>\$ 7,872,243</u>
Business-type activities:	
Utility	\$ 3,211,031
Sanitation	101,602
Stormwater drainage	2,368,215
Cemetery	2,413
Total depreciation and amortization expense - business-type activities	<u>\$ 5,683,261</u>

Note 7. Interfund Activities

Interfund receivable and payable balances as of September 30, 2023 are as follows:

Due From	Due To		
	General	Community Redevelopment	Total
Community Redevelopment	\$ 499,624	\$ -	\$ 499,624
Grants	6,268,714	-	6,268,714
General Obligation Bond Fund	1,438,428	-	1,438,428
Redevelopment Revenue Note Fund	-	41,453	41,453
Nonmajor Governmental	-	381,250	381,250
Total	<u>\$ 8,206,766</u>	<u>\$ 422,703</u>	<u>\$ 8,629,469</u>

Note 7. Interfund Activities (Continued)

Transfers: The composition of interfund transactions for the year ended September 30, 2023, is as follows:

	Transfers In					Total Transfers Out
	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Utility Fund	Nonmajor Enterprise Fund	
Transfers Out						
General Fund	\$ -	\$ 4,443,343	\$ 2,703,125	\$ -	\$ 389,879	\$ 7,536,347
Community Redevelopment	-	-	1,168,584	-	-	1,168,584
Grants Fund	5,509,643	-	-	-	-	5,509,643
Utility Fund	1,544,682	-	-	-	-	1,544,682
Sanitation Fund	1,541,166	-	-	-	-	1,541,166
Stormwater Drainage Fund	-	-	-	41,237	-	41,237
Total Transfers In	<u>\$ 8,595,491</u>	<u>\$ 4,443,343</u>	<u>\$ 3,871,709</u>	<u>\$ 41,237</u>	<u>\$ 389,879</u>	<u>\$ 17,341,659</u>

During the year ended September 30, 2023, there was a net amount of \$861,003 relating to capital assets that were constructed or purchased by governmental activities, including the internal service funds, that were contributed and transferred to business-type activities. Refer to Note 6 for additional information. The \$5,509,643 transfer into the General Fund from the Grants Fund represent reimbursements of \$4,989,379 for American Rescue Plan Act (ARPA) expenditures and \$520,264 for other grant related expenditures that were carried out and paid for by the General Fund. Transfers into the General Fund of \$1,544,682 and \$1,541,166 from the Utility Fund and Sanitation Fund, respectively, represent payments in lieu of franchise fees (PILOFF) payments. The General Fund transferred \$4,443,343 to the Capital Projects Fund to support various ongoing capital projects. Transfers into the nonmajor governmental funds represents transfers from the General Fund and Community Redevelopment Agency into 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 is a transfer from the General Fund to the Transportation Fund of \$1,578,546 to support various operating costs. The General Fund also transferred \$389,879 to the Cemetery Fund to subsidize perpetual care. The transfers between the Stormwater Drainage Fund and the Utility Fund of \$41,237 is related to capital assets that were purchased or constructed by Stormwater Drainage and transferred to the Utility Fund for use.

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, 2023 were as follows:

Governmental activities	General Fund	Community Redevelopment Agency Fund	Grants Fund	General Obligation Bond Fund	Capital Projects Fund
Vendor payables	\$ 1,729,001	\$ 124,140	\$ 289,649	\$ 29,945	\$ 121,348
Retainage payable	-	-	-	13,467	-
Other liabilities	1,664,053	26,592	-	-	-
Total payables	<u>\$ 3,393,054</u>	<u>\$ 150,732</u>	<u>\$ 289,649</u>	<u>\$ 43,412</u>	<u>\$ 121,348</u>

	Redevelopment Revenue Note Fund	Non-Major Funds	Internal Service Funds	Total Governmental Activities
Vendor payables	\$ 342,406	\$ 739,752	\$ 184,574	\$ 3,560,815
Retainage payable	24,932	-	-	38,399
Other liabilities	-	70,477	15,580	1,776,702
Total payables	<u>\$ 367,338</u>	<u>\$ 810,229</u>	<u>\$ 200,154</u>	<u>\$ 5,375,916</u>

Accounts payable and accrued liabilities for the City's business-type activities, each major and nonmajor enterprise fund as of September 30, 2023 were as follows:

Business-type activities	Utility Fund	Sanitation Fund	Stormwater Drainage Fund	Nonmajor Cemetery Fund	Total Business-type Activities
Vendor payables	\$ 1,683,404	\$ 132,318	\$ 455,919	\$ 4,747	\$ 2,276,388
Retainage payables	203,908	-	21,130	-	225,038
Accrued wastewater treatment expense	1,635,836	-	-	-	1,635,836
Other liabilities	96,652	28,113	12,217	5,434	142,416
Total payables	<u>\$ 3,619,800</u>	<u>\$ 160,431</u>	<u>\$ 489,266</u>	<u>\$ 10,181</u>	<u>\$ 4,279,678</u>

Note 9. Long-Term Debt and Other Obligations

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, 2023 were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<u>Governmental activities:</u>					
Bonds Payable					
Refunding revenue bonds - Series 2016	\$ 15,550,000	\$ -	\$ (1,660,000)	\$ 13,890,000	\$ 1,740,000
General Obligation Bonds - Series 2016	50,885,000	-	(1,295,000)	49,590,000	1,360,000
Direct placements					
HBCRA Redevelopment Revenue Note - Series 2020	14,900,000	-	(3,190,000)	11,710,000	3,545,000
HBCRA Redevelopment Revenue Note - Series 2015	6,140,000	-	(1,475,000)	4,665,000	1,515,000
Unamortized bond premium	4,272,310	-	(527,294)	3,745,016	-
	<u>91,747,310</u>	<u>-</u>	<u>(8,147,294)</u>	<u>83,600,016</u>	<u>8,160,000</u>
Other long-term liabilities:					
Equipment capital lease obligations	854,753	260,360	(357,983)	757,130	255,446
Subscription liabilities	-	207,407	(57,436)	149,971	43,468
Accrued claims for self-insured risks	9,255,668	528,698	(1,501,366)	8,283,000	5,251,000
Net pension liability (City Plans)	47,625,530	67,179,584	(17,680,172)	97,124,942	-
Net pension liability (FRS)	11,632,956	10,236,859	(6,871,408)	14,998,407	-
Total pension liability - excess benefit plan	14,852,175	555,708	(3,149,665)	12,258,218	-
Total OPEB liability	6,895,802	810,745	(474,229)	7,232,318	266,844
Compensated absences	2,732,442	3,285,004	(3,000,580)	3,016,866	647,169
	<u>93,849,326</u>	<u>83,064,365</u>	<u>(33,092,839)</u>	<u>143,820,852</u>	<u>6,463,927</u>
Governmental activity Long-term liabilities	<u>\$ 185,596,636</u>	<u>\$ 83,064,365</u>	<u>\$ (41,240,133)</u>	<u>\$ 227,420,868</u>	<u>\$ 14,623,927</u>
<u>Business-type activities:</u>					
Revenue note - Series 2014	\$ 1,750,000	\$ -	\$ (565,000)	\$ 1,185,000	\$ 585,000
Direct Borrowings	-	-	-	-	-
State Revolving Fund Loan	1,574,765	106,053	(178,880)	1,501,938	201,073
	<u>3,324,765</u>	<u>106,053</u>	<u>(743,880)</u>	<u>2,686,938</u>	<u>786,073</u>
Other long-term liabilities:					
Net pension liability (City Plans)	2,435,301	4,354,409	(1,050,076)	5,739,634	-
Net pension liability (FRS)	4,018,737	3,131,186	(2,077,628)	5,072,295	-
Total OPEB liability	1,965,202	255,052	(122,075)	2,098,179	77,414
Compensated absences	530,936	704,218	(722,013)	513,141	109,516
	<u>8,950,176</u>	<u>8,444,865</u>	<u>(3,971,792)</u>	<u>13,423,249</u>	<u>186,930</u>
Business-type activity Long-term liabilities	<u>\$ 12,274,941</u>	<u>\$ 8,550,918</u>	<u>\$ (4,715,672)</u>	<u>\$ 16,110,187</u>	<u>\$ 973,003</u>

Note 9. Long-Term Debt and Other Obligations (Continued)

The City had no open or unused lines of credit, or direct borrowing liabilities, as of September 30, 2023. The outstanding liabilities from direct placements was \$16,375,000 and \$1,501,938 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.

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.

Note 9. Long-Term Debt and Other Obligations (Continued)

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.

Capital Lease Obligations: On September 1, 2020, the City entered into a lease agreement to finance the acquisition of radio equipment for public safety. This lease qualifies as a capital lease for accounting purposes, and therefore, has been recorded at the value of future minimum lease payments as of the date of its inception. The lease 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 lease term on September 1, 2026.

On November 16, 2018, the City entered into a capital lease agreement to finance the acquisition of city-wide surveillance equipment. This lease qualifies as a capital lease for accounting purposes and therefore, has been recorded at the value of future minimum lease payments as of the date of inception. The equipment acquired through the lease agreement were recorded under governmental activities as capital assets during the fiscal year 2020 with a cost of \$448,549. The lease 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 lease term on November 5, 2023. The capital lease agreement has a bargain purchase option of \$1.

On June 30, 2022, the City entered into an agreement to finance a cloud service, software, devices, related supplies and professional services for a period of 5 years. The equipment portion of this agreement qualifies as a capital lease for accounting purposes and therefore, has been recorded at the value of future minimum lease payments as of the date of inception. The equipment acquired through the lease agreement were recorded under governmental activities as capital assets during the fiscal year 2023 with a cost of \$597,252. The lease agreement uses an incremental borrowing rate of 0.88 percent to 2.16%. Principal and interest payments are due on the 14th of every month, commencing on June 15, 2022, and every month thereafter until the end of the lease term on June 14, 2027. The software component of the agreement has been recorded as both a liability and asset as described in the section below.

Subscription Bases Information Technology Arrangements (SBITA): The City has recorded several SBITAs for finance, reporting, communication, and law enforcement software for a period of 5 to 6 years and using incremental borrowing rates of 0.88 percent to 2.16%. The subscription liabilities have been recorded at the present value of the future contract payments as of the date of their inception or, for SBITAs existing prior to the implementation year at the remaining terms of the agreement, using the facts and circumstances as of October 1, 2022. The initial liability was recorded in the amount of \$207,407. As of September 30, 2023, the value of the liability is \$149,971. The value of the right-to-use assets as of September 30, 2023 of \$216,912 with accumulated amortization of \$43,358 is included with the Right-to-Use Software on the Capital Assets rollforward table for Governmental Activities note disclosure.

Business-Type Activities

Revenue Bonds and Notes: 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.

Note 9. Long-Term Debt and Other Obligations (Continued)

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 \$401,038, inclusive of \$559 capitalized interest as of September 30, 2023. 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 \$1,332,520 and the outstanding balance was \$1,100,900, inclusive of \$9,753 capitalized interest, as of September 30, 2023. 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 2023.

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.

Note 9. Long-Term Debt and Other Obligations (Continued)

A summary of annual debt service requirements as of September 30, 2023 is as follows:

Year Ending September 30,	Governmental Activities											
	Refunding Revenue Bonds Series 2016		HBCRA Redevelopment Revenue Note - Series 2015		General Obligation Bonds - Series 2016		HBCRA Redevelopment Revenue Note - Series 2020		Equipment Capital Lease Obligations		Subscription Liabilities	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 1,740,000	\$ 548,163	\$ 1,515,000	\$ 126,888	\$ 1,360,000	\$ 1,719,756	\$ 3,545,000	\$ 233,730	\$ 255,446	\$ 25,741	\$ 43,468	\$ 2,548
2025	1,835,000	458,788	1,555,000	85,680	1,425,000	1,651,756	3,900,000	146,177	246,575	17,372	44,912	1,765
2026	1,930,000	364,663	1,595,000	43,384	1,500,000	1,580,506	4,265,000	50,156	255,109	8,841	46,411	961
2027	2,025,000	265,788	-	-	1,570,000	1,505,506	-	-	-	-	15,180	134
2028	2,125,000	172,663	-	-	1,650,000	1,427,006	-	-	-	-	-	-
2029 - 2033	2,510,000	501,844	-	-	9,460,000	5,928,831	-	-	-	-	-	-
2034 - 2038	1,725,000	81,600	-	-	11,085,000	4,302,431	-	-	-	-	-	-
2039 - 2043	-	-	-	-	12,855,000	2,536,781	-	-	-	-	-	-
2044 - 2046	-	-	-	-	8,685,000	548,438	-	-	-	-	-	-
	<u>\$13,890,000</u>	<u>\$ 2,393,509</u>	<u>\$ 4,665,000</u>	<u>\$ 255,952</u>	<u>\$49,590,000</u>	<u>\$21,201,011</u>	<u>\$11,710,000</u>	<u>\$ 430,063</u>	<u>\$ 757,130</u>	<u>\$ 51,954</u>	<u>\$ 149,971</u>	<u>\$ 5,408</u>

Year Ending September 30,	Business-Type Activities			
	Revenue Note Series 2014		Direct Borrowing State Revolving Loan	
	Principal	Interest	Principal	Interest
2024	\$ 585,000	\$ 20,081	\$ 201,073	\$ 14,940
2025	600,000	6,750	203,004	13,008
2026	-	-	204,955	11,057
2027	-	-	206,925	9,087
2028	-	-	208,914	7,098
2029 - 2033	-	-	343,946	16,026
2034 - 2038	-	-	133,121	4,635
	<u>\$ 1,185,000</u>	<u>\$ 26,831</u>	<u>\$ 1,501,938</u>	<u>\$ 75,851</u>

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, 2023. 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, 2023:

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	\$ 30,498,090	\$ 2,293,163	7.52%	\$ 16,283,506	2036
General Obligation Bonds - Series 2016	Ad Valorem	40,319,175	3,079,506	7.64%	70,791,013	2046
HBCRA Redevelopment Revenue Note - Series 2015	Tax Increment and Water Public Service Tax	23,069,574	1,642,008	7.12%	4,920,952	2026
HBCRA Redevelopment Revenue Note - Series 2020	Tax Increment	21,530,979	3,502,934	16.27%	12,140,036	2026
Business-type Activities:						
Revenue Note, Series 2014	Net revenues of water, sewer and stormwater utility	7,587,468	598,019	7.88%	1,211,831	2025
State Revolving Fund Loan	Net revenues of water and sewer utility, less payment of senior obligations	5,932,940	216,012	3.64%	1,577,788	2038

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, 2023, \$8,560,000 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.

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.

Note 10. City Pension Plans (Continued)

General Employees' Retirement Plan

Plan Description: The City of Hallandale Beach Retirement Plan is a single-employer defined-benefit plan. The Plan covered 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 new 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, 2023, employee membership data related to the plan was as follows:

Inactive plan members or beneficiaries currently receiving benefits	166
Inactive plan members entitled to, but not receiving benefits	63
Active plan members	55
Total	284

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, 2023, there were 16 DROP participants, with a total balance of \$1,427,096. These funds are included in the Plan's Fiduciary Net Position.

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.

Note 10. City Pension Plans (Continued)

The employees, in accordance with City ordinance, made contributions for the year ending September 30, 2023 totaling \$145,941. Employer contributions for the same period, as determined by the October 1, 2021 actuarial valuation, totaled \$2,061,918, 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, 2023 and 2022, are as follows.

Asset Class	Target Allocation	
	2023	2022
U.S. equity	29.4%	29.4%
International equity	12.6%	12.6%
Fixed income - core bonds	46.0%	46.0%
Fixed income - high yield	4.0%	4.0%
Real estate	8.0%	8.0%
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, 2023, employee membership data related to the plan was as follows:

Inactive plan members or beneficiaries currently receiving benefits	216
Inactive plan members entitled to, but not receiving benefits	7
Active plan members	113
Total	336

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. The benefit is calculated as an amount equal to 3.2% for Tier I police officers and 3.0% for Tier II police officers and firefighters of their final average compensation, times the number of years and completed months of service. For Tier I firefighters, the percentage is based on 3.2% times years of service prior to January 4, 2020 and 3.0% times years of service after that. The benefits may not exceed 80% of final average compensation for Tier I members and 75% of final average compensation for Tier II members. 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.

Note 10. City Pension Plans (Continued)

Effective January 1, 2006, final average compensation for police Tier I members shall mean a police officer's average monthly rate of pensionable earnings for the two most recent calendar years, prior to entering retirement. Effective April 15, 2021, final average compensation for police Tier I members shall mean a police officer's average monthly rate of pensionable earnings for the highest four full calendar years. Members retiring prior to January 1, 2025 with normal retirement will be able to select a final average compensation of either highest four or last two prior to entering retirement.

Effective March 20, 2013, final average compensation for police Tier 2 members shall mean a police officer's average monthly rate of pensionable earnings for the five most recent calendar years.

Firefighters with ten or more years of credited service in this Plan on December 31, 2019, who elected 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.

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. Effective February 19, 2020, the maximum annual service retirement benefit payable to firefighter members, excluding cost of living adjustments and the health care stipend, shall not exceed \$100,000.00 or the maximum percentages of average final compensation mentioned above for Tier I and Tier II members. Effective January 1, 2021, 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.

Note 10. City Pension Plans (Continued)

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 10 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. Under no circumstances, however, shall the amount of disability benefits payable from the Pension Plan, net of all offsets, be less than forty-two percent (42%) of the member's pensionable earnings. Benefits for non-service incurred disability will be 3.2% of final average compensation for Tier I members and 3.0% of final average compensation for Tier II members 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. In no event shall a non-duty disability benefit exceed fifty percent (50%) of the member's final average compensation.

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 10 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 benefit shall be paid on a monthly basis to the member's designated beneficiary on the basis of a ten (10) year certain and life thereafter calculation. In the event that the member has not designated a beneficiary on the form prescribed by the Board, the benefits shall be payable for one hundred twenty (120) months to the estate of the deceased member. If a member dies before completing ten years of service, a death benefit is payable to the designated beneficiary in an amount equal to the member's accumulated contributions, plus interest.

Note 10. City Pension Plans (Continued)

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, 2021, 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). Tier II firefighters are not eligible to participate in the DROP. 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. 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 members' DROP account balance will earn or lose interest based on the actual performance of the Pension Fund's investments for the preceding year or the most recent assumed rate of return of the actuarial valuation, with a minimum of zero percent (0%) and a maximum of six percent (6%). Tier 2 police officers' DROP account balance will gain or lose interest based on the actual performance of the Pension Fund's investments, net of investment-related fees, with no guarantee of returns. For Tier 1 and Tier 2 DROP accounts, an administrative fee of one-half percent (0.5%) will be assessed on the DROP account balance to cover the administrative costs of the DROP. As of the date of the most recent actuarial valuation, there were 15 active employees in the DROP plan. The balance in the DROP account for these employees as well as for those already retired is \$34,657,884. 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, 2021, 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.

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.

Note 10. City Pension Plans (Continued)

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 shall increased to 10.5% effective October 1, 2021, and to 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 policyholders on all property insurance policies covering property within the City. This amount totaled \$915,892 for the year ended September 30, 2023. This amount was recognized as an expenditure and revenue in the General Fund. Contributions for year ended September 30, 2023, consisting of \$13,130,681 for the employer, or 100% of the required employer contribution, and \$1,667,999 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, 2021.

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, 2023 and 2022, are as follows.

Asset Class	Target Allocation	
	2023	2022
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, 2023, 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	7
Active plan members	3
Total	37

Note 10. City Pension Plans (Continued)

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 either 25 years of service or the maximum benefit of 80% of average monthly wages, 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, 2023, there was two DROP participants, with a total asset balance of \$534,843. 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 US 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, 2023, totaling \$31,285. Employer contributions for the same period, as determined by the October 1, 2021 actuarial valuation totaled \$523,464, or 100% of the actual amount required. Payments of contributions, benefits and refunds are recognized in the financial statements as they are paid.

Note 10. City Pension Plans (Continued)

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, 2023 and 2022, are as follows.

Asset Class	Target Allocation	
	2023	2022
U.S. equity	36.4%	36.4%
International equity	15.6%	15.6%
Fixed income - core bonds	36.8%	36.8%
Fixed income - high yield	3.2%	3.2%
Real estate	8.0%	8.0%
Total	100.0%	100.0%

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

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 Fiscal Year Ended September 30, 2023

	General Employees' Retirement Plan	Professional/ Management Retirement Plan
Assets		
Accounts receivable	\$ 1,969	\$ -
Investments:		
Equity pooled separate accounts	25,114,999	9,752,253
Fixed income pooled separate accounts	28,768,345	7,024,331
Real estate pooled separate accounts	4,435,515	1,373,854
Total investments	58,318,859	18,150,438
Total assets	58,320,828	18,150,438
Liabilities		
Accounts payable	-	1,969
Net position		
Restricted for pension benefits	\$ 58,320,828	\$ 18,148,469
	General Employees' Retirement Plan	Professional/ Management Retirement Plan
Additions		
Contributions:		
Employer	\$ 2,061,918	\$ 523,464
Plan members	145,941	31,285
Total contributions	2,207,859	554,749
Investment income:		
Net increase in fair value of investments	4,319,395	1,614,971
Less: investment expense	(25,710)	(11,952)
Net investment income	4,293,685	1,603,019
Total additions	6,501,544	2,157,768
Deductions		
Benefits	4,791,912	1,553,817
Administrative expenses	53,506	37,244
Total deductions	4,845,418	1,591,061
Change in net position	1,656,126	566,707
Net position, beginning	56,664,702	17,581,762
Net position, ending	\$ 58,320,828	\$ 18,148,469

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, 2023 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 9/30/22	\$ 76,891,482	\$ 70,011,282	\$ 6,880,200
Changes for the year:			
Service cost	793,438	-	793,438
Interest on total pension liability	4,892,554	-	4,892,554
Differences between expected and actual experience	(2,078,680)	-	(2,078,680)
Change in assumptions	-	-	-
Benefit payments, including refunds of employee contributions	(4,430,219)	(4,430,219)	-
Contributions - employer	-	1,753,210	(1,753,210)
Contributions - employee	-	147,520 *	(147,520)
Net investment loss	-	(10,769,600)	10,769,600
Administrative expenses	-	(46,056)	46,056
Net change	(822,907)	(13,345,145)	12,522,238
Balances at 9/30/23	\$ 76,068,575	\$ 56,666,137 *	\$ 19,402,438

Notes to the Schedule

*Differences between the actuarial and actual employee contributions and Plan fiduciary net position reported are due to timing.

The Changes in the components of the net pension liability of the City for the fiscal year ended September 30, 2023 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 9/30/22	\$ 276,788,254	\$ 234,208,243	\$ 42,580,011
Changes for the year:			
Service cost	2,719,304	-	2,719,304
Interest on total pension liability	19,675,689	-	19,675,689
Changes of benefit terms	-	-	-
Differences between expected and actual experience	3,844,746	-	3,844,746
Change in assumptions	-	-	-
Benefit payments, including refunds of employee contributions	(16,237,498)	(16,237,498)	-
Contributions - employer	-	12,861,249	(12,861,249)
Contributions - employee	-	1,336,926	(1,336,926)
Contributions - buy back	237,535	237,535	-
Net investment loss	-	(23,470,793)	23,470,793
Administrative expenses	-	(162,945)	162,945
Net change	10,239,776	(25,435,526)	35,675,302
Balances at 9/30/23	\$ 287,028,030	\$ 208,772,717	\$ 78,255,313

Note 10. City Pension Plans (Continued)

The Changes in the components of the net pension liability of the City for the fiscal year ended September 30, 2023 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 9/30/22	\$ 22,453,032	\$ 21,852,412	\$ 600,620
Changes for the year:			
Service cost	141,466	-	141,466
Interest on total pension liability	1,427,191	-	1,427,191
Differences between expected and actual experience	(35,214)	-	(35,214)
Change in assumptions	-	-	-
Benefit payments, including refunds of employee contributions	(1,199,323)	(1,199,323)	-
Contributions - employer	-	481,392	(481,392)
Contributions - employee	-	36,057 *	(36,057)
Net investment loss	-	(3,559,567)	3,559,567
Administrative expenses	-	(30,644)	30,644
Net change	<u>334,120</u>	<u>(4,272,085)</u>	<u>4,606,205</u>
Balances at 9/30/23	<u>\$ 22,787,152</u>	<u>\$ 17,580,327 *</u>	<u>\$ 5,206,825</u>

Notes to the Schedule

*Differences between the actuarial and actual employee contributions and Plan fiduciary net position reported are due to timing.

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

As of September 30, 2023, the City reported the following net pension liability (NPL) which was measured as of September 30, 2022, (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	\$ 76,068,575	\$ 287,028,030	\$ 22,787,152
Less: Plan fiduciary net position	(56,666,137) *	(208,772,717)	(17,580,327) *
Net pension liability	<u>\$ 19,402,438</u>	<u>\$ 78,255,313</u>	<u>\$ 5,206,825</u>
Plan fiduciary net position as a percentage of the total pension liability	74.49%	72.74%	77.15%
Total net pension liability - City plans			<u>\$ 102,864,576</u>

Notes to Schedule:

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

Note 10. City Pension Plans (Continued)

In addition, in accordance with GASB Statement No. 67, information related to each plan measured as of September 30, 2023 has been disclosed:

	General Employees' Retirement Plan	Police Officers' and Firefighters' Retirement Trust	Professional/ Management Retirement Plan
Total pension liability	\$ 79,916,331	\$ 292,934,147	\$ 22,989,128
Less: Plan fiduciary net position	(58,320,828)	(236,457,895)	(18,148,469)
Net pension liability	<u>\$ 21,595,503</u>	<u>\$ 56,476,252</u>	<u>\$ 4,840,659</u>
Plan fiduciary net position as a percentage of the total pension liability	72.97%	80.72%	78.95%
Total net pension liability - City plans			<u>\$ 82,912,414</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, 2022	September 30, 2022	September 30, 2022
Actuarial valuation:	October 1, 2021	October 1, 2021	October 1, 2021
Interest rates:			
Single discount rate:	6.50%	7.25%	6.50%
Inflation rate:	2.40%	2.30%	2.40%
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.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

Note 10. City 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, 2023 and 2022, are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return - 2023		
	General Employees' Retirement Plan	Police Officers' and Firefighters' Retirement Trust	Professional/Management Retirement Plan
U.S. equities	8.00%	5.34%	8.00%
International equities	8.10%	4.10%	8.10%
Fixed income - core bonds	4.70%	1.21%	4.70%
Fixed income - high yield	5.70%	-	5.70%
Hedge fund of funds	-	2.28%	-
Real estate	8.00%	3.90%	8.00%
Infrastructure fund	-	3.33%	-
Private equity fund	-	8.45%	-

Asset Class	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%	-

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, 2023 and 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, were as follows for each pension plan:

Year Ended September 30,	Professional/Management Retirement Plan	Police and Fire Retirement Plan	General Employees' Retirement Plan
2023	9.27%	13.10%	7.65%
2022	(16.42%)	(10.52%)	(15.54%)

Note 10. City Pension Plans (Continued)

Discount Rate: The discount rate used to measure the total pension liability at September 30, 2023 and 2022, was 6.25% and 6.50%, respectively, 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:

		1% Decrease	Current Discount Rate	1% Increase
General Employees' Retirement Plan				
September 30, 2023	City's net pension liability	\$ 30,475,967	\$ 21,595,503	\$ 14,113,204
September 30, 2022	City's net pension liability	27,754,795	19,402,438	12,352,634
Police Officers' and Firefighters' Retirement Trust				
September 30, 2023	City's net pension liability	88,891,597	56,476,252	29,792,445
September 30, 2022	City's net pension liability	110,346,224	78,255,313	51,900,003
Professional/Management Retirement Plan				
September 30, 2023	City's net pension liability	7,457,358	4,840,659	2,655,382
September 30, 2022	City's net pension liability	7,772,481	5,206,825	3,067,591

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

Note 10. City Pension Plans (Continued)

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: For the year ended September 30, 2023, based on a September 30, 2022, measurement date, the City recognized total pension expense of \$17,329,209 which includes \$852,223 for the Professional/Management Retirement Plan, \$13,627,452 for the Police and Fire Retirement Plan, and \$2,849,534 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:

	Deferred Outflows of Resources	Deferred Inflows of Resources
General Employees' Retirement Plan		
City contributions subsequent to the measurement date	\$ 2,061,918	\$ -
Differences between expected and actual experience	-	360,765
Differences between expected and actual investment earnings	9,842,846	-
Police Officers' and Firefighters' Retirement Trust		
City contributions subsequent to the measurement date	13,130,681	-
Differences between expected and actual experience	4,031,675	609,458
Changes in assumptions	2,718,787	-
Differences between expected and actual investment earnings	16,138,589	-
Professional/Management Retirement Plan		
City contributions subsequent to the measurement date	523,464	-
Differences between expected and actual investment earnings	2,965,801	-
Totals	\$ 51,413,761	\$ 970,223

The deferred outflows of resources associated with the City's contributions to each Plan subsequent to the measurement date of September 30, 2022, in the amount of \$523,464 for the Professional/Management Retirement Plan, \$13,130,681 for Police and Fire Retirement Plan, and \$2,061,918 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, 2024. 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:

Year Ending September 30,	General Employees' Retirement Plan	Police Officers' and Firefighters' Retirement Trust	Professional/ Management Retirement Plan
2024	\$ 2,004,738	\$ 8,709,970	\$ 713,626
2025	2,170,714	3,639,405	612,673
2026	2,250,527	1,854,284	645,506
2027	3,056,102	8,075,934	993,996
	\$ 9,482,081	\$ 22,279,593	\$ 2,965,801

Note 10. City 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 \$175,000. The City's contribution amounted to approximately \$30,000, or 17.0% of current covered payroll. The City's contributions to the 401(a) match plan were calculated using the covered payroll amount of approximately \$25,703,000. The City's contributions to the 401(a) match plan amount to approximately \$479,000, or 1.9% 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.

Note 11. Florida Retirement System (Continued)

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.

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, 2023 totaled \$1,019,980.

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.

Prior to July 1, 2023, 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 was \$30 and the maximum payment was \$150 per month, pursuant to Section 112.363, Florida Statutes. Per Chapter 2023-193, Laws of Florida, the level of monthly benefits increased from \$5 times years of service to \$7.50, with an increased minimum of \$45 and maximum of \$225. This change applies to all years of service for both members currently in pay and members not yet in pay. To be eligible to receive a HIS benefit, a retiree under one of the state-administered retirement systems must provide proof of eligible health insurance coverage, which may include Medicare.

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, 2022 through June 30, 2023, and July 1, 2023 through September 30, 2023, were as follows: Regular Class 11.91% and 13.57%, Senior Management 31.57% and 34.52%, and DROP Participants 18.60% and 21.13%, respectively.

The City's contributions for the year ended September 30, 2023 were \$1,736,444 to FRS and \$295,361 to HIS.

Note 11. Florida Retirement System (Continued)

Pension Liabilities and Pension Expense

In its financial statements for the year ended September 30, 2023, the City reported a liability for its proportionate shares of the net pension liabilities. The net pension liabilities were measured as of June 30, 2023, and the total pension liabilities used to calculate the net pension liability were determined by an actuarial valuation dated July 1, 2023. 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.

	FRS	HIS	Total
Net pension liability	\$ 13,602,408	\$ 6,468,294	\$ 20,070,702
Proportion at:			
Current measurement date	0.0341367%	0.0407289%	
Prior measurement date	0.0315217%	0.0370396%	
Pension expense	\$ 4,563,999	\$ 3,108,484	\$ 7,672,483

As of September 30, 2023, 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	\$ 1,277,150	\$ -	\$ 94,691	\$ 15,182	\$ 1,371,841	\$ 15,182
Change of assumptions	886,718	-	170,049	560,499	1,056,767	560,499
Net difference between projected and actual earnings on Pension Plan investments	568,073	-	3,340	-	571,413	-
Changes in proportion and differences between City Pension Plan contributions and proportionate share of contributions	4,846,759	-	2,494,851	-	7,341,610	-
City FRS and HIS Plan contributions subsequent to the measurement date	514,681	-	96,142	-	610,823	-
Total	<u>\$ 8,093,381</u>	<u>\$ -</u>	<u>\$ 2,859,073</u>	<u>\$ 575,681</u>	<u>\$ 10,952,454</u>	<u>\$ 575,681</u>

Note 11. Florida Retirement System (Continued)

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, 2024. 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
2024	\$ 2,119,078	\$ 626,640
2025	1,563,049	647,801
2026	3,319,040	626,169
2027	474,731	224,285
2028	102,802	46,824
Thereafter	-	15,531
	<u>\$ 7,578,700</u>	<u>\$ 2,187,250</u>

Actuarial Assumptions

The total pension liability for each of the defined benefit plans, measured as of June 30, 2023, was determined by an actuarial valuation dated July 1, 2023, 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%	3.65%

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, 2023, 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 2023:

HIS: The discount rate was modified to reflect the change in the value of the municipal bond index between GASB measurement dates. The discount rate increased from 3.54% to 3.65%.

HIS: Chapter 2023-193, Laws of Florida (Senate Bill 7024), increased the level of monthly benefits from \$5 times years of service to \$7.50, with an increased minimum of \$45 and maximum of \$225. This change applies to all years of service for both members currently receiving benefits and members not yet receiving benefits.

Note 11. Florida Retirement System (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:

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.9%	2.9%	1.1%
Fixed income	19.8%	4.5%	4.4%	3.4%
Global equity	54.0%	8.7%	7.1%	18.1%
Real estate	10.3%	7.6%	6.6%	14.8%
Private equity	11.1%	11.9%	8.8%	26.3%
Strategic investments	3.8%	6.3%	6.1%	7.7%
Total	100.00%			

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 if future experience follows assumptions and the Actuarially Determined Contribution (ADC) is contributed in full each year. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

In general, the discount rate for calculating the total pension liability under GASB 67 is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the plan sponsor. The municipal bond rate of 3.65% was used as the discount rate to determine the total pension liability for the HIS 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.

	FRS			HIS		
	1% Decrease (5.70%)	Current Discount Rate (6.70%)	1% Increase (7.70%)	1% Decrease (2.65%)	Current Discount Rate (3.65%)	1% Increase (4.65%)
City's proportionate share of the net pension liability	\$ 23,235,681	\$ 13,602,408	\$ 5,543,021	\$ 7,379,313	\$ 6,468,294	\$ 5,713,119

Note 11. Florida Retirement System (Continued)

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, 2023, the City had no outstanding required contributions payable to the Pension Plan.

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, 2023, employee membership data related to the plan was as follows:

Inactive plan members or beneficiaries currently receiving benefits	28
Inactive plan members entitled to, but not receiving benefits	7
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.

Note 12. Excess Benefit Plan (Continued)

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, 2023, the City has set aside \$5,263,373 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, 2022, and determined by an actuarial valuation as of that date.

Changes in the Total Pension Liability: As of September 30, 2023, the City reported a total pension liability of \$12,258,218 for the Excess Benefit Plan. Changes in the City's total pension liability are as follows:

Balance at October 1, 2022	\$ 14,852,175
Changes for the year:	
Service cost	97,500
Interest	458,208
Benefit payments	(620,897)
Differences between expected and actual experience	(33,531)
Changes in assumptions	(2,495,237)
Net changes	(2,593,957)
Balance at September 30, 2023	\$ 12,258,218
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, 2022 using the following actuarial assumptions:

Actuarial cost method:	Entry Age Normal, Level Percent of Pay
Inflation rate:	2.40%
Annual salary increases:	6.38% to 8.68%, depending on age
Discount rate:	4.73%
Retirement age:	Normal retirement age or current age if later
Mortality:	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 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 4.73%.

Note 12. Excess Benefit Plan (Continued)

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 (3.73%)	Current Discount Rate (4.73%)	1% Increase (5.73%)
City's total pension liability	\$ 13,721,308	\$ 12,258,218	\$ 11,053,733

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: For the year ended September 30, 2023, based on a September 30, 2022, measurement date, the City recognized total negative pension expense of \$1,973,060 for the Excess Benefit Plan. In addition, the City reported \$632,721 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, 2024. There were no deferred inflows of resources related to this plan.

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.

Note 13. Other Post-Employment Benefits (Continued)

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, 2023, 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 \$9,330,497 as of September 30, 2023 was determined by an actuarial valuation as of October 1, 2021, with the actuary using standard techniques to roll forward the liability to the measurement date of September 30, 2023.

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.

Note 13. Other Post-Employment Benefits (Continued)

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:

Actuarial cost method:	Entry Age Normal
Inflation:	3.00%
Salary increases:	4.00%
Discount rate:	4.87%
Healthcare cost trend rates:	4.00% for fiscal year 2023, then 6.00% for fiscal year 2024, 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, 2023.

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 9/30/2022	\$ 8,861,004
Changes for the Year:	
Service cost	600,829
Interest on total OPEB liability	411,528
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	(75,713)
Benefit payments	(467,151)
Net Changes	469,493
Balance at 9/30/2023	\$ 9,330,497

Changes in assumptions and other inputs reflect a change in the discount rate from 4.77% in 2022 to 4.87% in 2023. 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 both 2022 and 2023.

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.

Note 13. Other Post-Employment Benefits (Continued)

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 (3.87%) or 1-percentage point higher (5.87%) than the current discount rate:

	1% Decrease (3.87%)	Discount Rate (4.87%)	1% Increase (5.87%)
Total OPEB Liability	\$ 10,127,807	\$ 9,330,497	\$ 8,618,618

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	\$ 8,457,769	\$ 9,330,497	\$ 10,342,467

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB: For the year ended September 30, 2023, the City recognized OPEB expense of \$370,304. At September 30, 2023, 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	\$ 15,477	\$ 1,036,311
Changes of assumptions or other inputs	488,440	2,689,469
Total	\$ 503,917	\$ 3,725,780

Note 13. Other Post-Employment Benefits (Continued)

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 Ending September 30:	Amount
2024	\$ (651,673)
2025	(658,199)
2026	(553,807)
2027	(532,167)
2028	(532,167)
Thereafter	(293,850)
Total	<u>\$ (3,221,863)</u>

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 \$113,739,000 replacement value) with a 5% windstorm deductible and a \$25,000 deductible for all other exposures. 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, 2023, of \$8,283,000 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.

As of September 30, 2023 and 2022, the total estimated liabilities on pending claims were as follows:

	2023	2022
Claims payable - beginning	\$ 9,255,668	\$ 3,918,000
Incurred claims	528,698	6,547,589
Payments on claims	(1,501,366)	(1,209,921)
Claims payable - ending	<u>\$ 8,283,000</u>	<u>\$ 9,255,668</u>

Note 15. Commitments and Contingent Liabilities

Construction and Purchase Commitments: The City is actively engaged in various construction and economic development projects, along with purchase commitments, as of September 30, 2023. These projects encompass affordable housing loan and grant programs, economic environment improvement programs, CRA improvement projects, City building improvement projects, park development projects, public transit projects, street and beautification projects, large equipment replacements, public safety projects, stormwater drainage improvements, water distribution projects, and sanitary sewer improvement and capacity enhancement projects. As of September 30, 2023, the City's significant commitments with contractors are detailed below:

Project Classification	Spent-to-Date	Remaining Commitments
Affordable Housing Programs	\$ 37,945	\$ 827,629
Art in Public Places Program	1,500	423,500
Façade and Neighborhood Improvement Grant Programs	1,345,720	1,743,678
Redevelopment Revenue Note Projects	1,948,302	1,410,905
Building Improvement Projects	29,481	82,556
City-Wide Parks Master Plan	269,341	195,582
EV Bus Transit Facility Project	310,598	8,060,511
Transportation Improvement projects	26,085	235,727
Large vehicle and equipment replacement	-	947,079
Public Safety Projects	4,016	848,242
Stormwater Drainage Improvement projects	688,868	2,722,975
Water & Wastewater	8,510,459	19,090,650
Total	<u>\$ 13,172,314</u>	<u>\$ 36,589,033</u>

Funding Details:

- The Affordable Housing Programs, Art in Public Places Program, and Façade and Neighborhood Improvement Grant Programs are financed by existing HBCRA resources.
- Redevelopment Revenue Note Projects are funded through the HBCRA Redevelopment Revenue Note, Series 2020.
- The City-Wide Parks Master Plan is financed by general obligation bonds.
- The EV Bus Transit Facility Project is funded by state and local grants, as well as City funding.
- Public Safety Projects are funded through City and Safe Neighborhood District funds.
- Stormwater Drainage Improvements are partially financed with federal grants and City funding.
- Water and Wastewater Projects are partially funded from state loans, City funding, and reimbursements from anticipated future utility revenue bonds (see Note 20).

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.

Note 15. Commitments and Contingent Liabilities (Continued)

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.

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, 2023:

	<u>Deposits</u>	<u>Withdrawals</u>
Source of deposits:		
Tax increment revenues - Hallandale Beach	\$ 12,360,586	\$ -
Tax increment revenues - Other agencies	9,170,393	-
Loan repayments	271,916	-
Loan application fees	17,026	-
Loan interest	10,721	-
Investment income	2,391,649	-
Other revenue	326,230	-
Purpose of withdrawals:		
Salaries and benefits	-	1,001,798
Materials and supplies	-	35,430
Community redevelopment programs	-	4,123,170
Grants to community organizations	-	10,036
Professional and outside services	-	642,155
Administrative and other service charges	-	516,439
Subsidized loan programs	-	3,410,703
Capital outlay	-	4,079,603
Debt service (including transfer to City)	-	6,313,526
Payments to other funds	-	1,646,135
	<u>\$ 24,548,521</u>	<u>\$ 21,778,995</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, 2023, is summarized in the following table:

	<u>Beginning ⁽¹⁾ Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Assets held for resale	\$ 3,159,399	\$ 24,350	\$ (923,262)	\$ 2,260,487

(1) The beginning balance of assets held for resale was adjusted by \$ 5,273,714 to account for land conveyed to a private developer in a prior period. See Note 19 for additional information.

Note 18. Deficit Fund Equity

The General Liability Trust Fund and Workers' Compensation Fund, each present a deficit fund equity of \$2,449,847 and \$988,075, respectively, at September 30, 2023. 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 from other funds.

Note 19. Restatement

In fiscal year 2023, the City's Community Redevelopment Fund (CRA) recorded a prior period adjustment to correct the CRA's assets held for resale account for land conveyed to a private developer in May 2022. The adjustments are as follows to the various activities and funds.

Net Position, Governmental Activities, as previously reported	\$ 60,376,778
Assets held for resale prior period adjustment	(5,273,714)
Net Position, Governmental Activities, as restated	<u>\$ 55,103,064</u>
 Fund Balance, Governmental Funds, as previously reported	 \$ 99,297,337
Assets held for resale prior period adjustment	(5,273,714)
Fund Balance, Governmental Funds, as restated	<u>\$ 94,023,623</u>

Note 20. Subsequent Events

The City has taken several preparatory steps towards a planned debt issuance intended to finance improvements to its utility infrastructure.

On February 16, 2022, the City Commission adopted Resolution No. 2022-018, which expresses the City's intent to reimburse itself for certain expenses incurred with the utility system improvements from the proceeds of future tax-exempt financing. This resolution allows the City to use funds on deposit in the Utility Fund, Stormwater Fund, or other appropriate accounts to pay for these costs pending reimbursement.

On May 17, 2023, the City Commission enacted Ordinance No. 2023-006, which authorizes the issuance of Utility System Revenue Bonds to finance and/or refinance utility system projects. This ordinance establishes the framework and mechanisms for issuing such bonds, including the pledge of net revenues from the utility system for their repayment.

The City Commission is scheduled to adopt a Supplemental Resolution in the fourth quarter of the fiscal year ending September 30, 2024, authorizing the issuance of not exceeding \$60,000,000 in aggregate principal amount of Utility System Revenue Bonds, Series 2024. This resolution provides for the issuance, security, and sale of the bonds to finance the design and construction of improvements, extensions, additions, and replacements to the City's water, wastewater, and stormwater systems, as detailed in the City's Capital Improvement Plan through FY 2028-29. This issuance represents the first tranche of a series of tranches planned for the Capital Improvement Plan.

The actual issuance of the debt is expected to occur after the financial statements are issued. Therefore, this planned debt issuance is considered a non-recognized subsequent event.

Note 20. Subsequent Events (Continued)

While it does not require adjustment in the financial statements, it is disclosed here to provide transparency and inform users about significant future financial commitments.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK



THIS PAGE IS INTENTIONALLY LEFT BLANK

2023



Required Supplementary Information

Annual Comprehensive Financial Report 2023

**Schedule of Revenues, Expenditures, and Changes in
Fund Balances – Budget and Actual
General Fund
for the Fiscal Year Ended September 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Property taxes	\$ 40,607,747	\$ 40,607,747	\$ 40,319,175	\$ (288,572)
Utility taxes	5,217,655	5,217,655	6,203,511	985,856
Charges for services	10,078,381	10,780,232	11,026,402	246,170
Licenses and permits	1,378,076	1,378,076	933,473	(444,603)
Intergovernmental	9,707,651	5,135,264	6,561,665	1,426,401
Franchise fees	3,936,676	3,936,676	5,245,487	1,308,811
Fire assessments	9,136,637	9,136,637	9,155,630	18,993
Fines and forfeitures	685,000	685,000	1,366,327	681,327
Investment earnings	191,000	391,000	1,536,818	1,145,818
Slot machine revenues	1,600,000	1,600,000	1,287,100	(312,900)
Other revenues	861,911	985,602	928,288	(57,314)
Total revenues	83,400,734	79,853,889	84,563,876	4,709,987
Expenditures:				
Personal services	51,214,035	50,845,053	46,880,849	3,964,204
Operating expenditures	27,538,202	29,225,661	25,800,994	3,424,667
Debt service	316,195	316,195	347,987	(31,792)
Grants and aids	69,114	169,114	53,568	115,546
Capital outlay	140,500	3,668,469	2,194,844	1,473,625
Total expenditures	79,278,046	84,224,492	75,278,242	8,946,250
Excess (deficiency) of revenues over (under) expenditures	4,122,688	(4,370,603)	9,285,634	13,656,237
Other Financing Sources (Uses)				
Transfers in	3,459,564	8,677,274	8,595,491	(81,783)
Transfers out	(7,582,252)	(9,036,347)	(9,036,347)	-
Proceeds from finance arrangements/leases	-	-	55,992	55,992
Proceeds from issuance of debt-SBITA	-	-	97,867	97,867
Proceeds from the sale of capital assets	-	-	21,254	21,254
Appropriations from fund balance	-	1,930,566	-	(1,930,566)
Reappropriations from fund balance	-	2,799,110	-	(2,799,110)
Total other financing uses	(4,122,688)	4,370,603	(265,743)	(4,636,346)
Net change in fund balances	-	-	9,019,891	9,019,891
Fund balance, beginning	28,418,679	28,418,679	28,418,679	-
Fund balances, ending	<u>\$ 28,418,679</u>	<u>\$ 28,418,679</u>		<u>\$ 9,019,891</u>
Renewal and Replacement Fund (see Note 2)			1,526,721	
Fund balances, ending			<u>\$ 38,965,291</u>	

The accompanying notes are an integral part of the financial statements

**Schedule of Revenues, Expenditures, and Changes in
Fund Balances – Budget and Actual
Community Redevelopment Agency Fund
for the Fiscal Year Ended September 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Property taxes	\$ 12,364,032	\$ 12,360,586	\$ 12,360,586	\$ -
Charges for services	12,000	12,000	17,026	5,026
Intergovernmental	9,202,772	9,170,393	9,170,393	-
Investment earnings	56,349	231,349	1,479,506	1,248,157
Other revenues	204,480	204,480	868,948	664,468
Total revenues	21,839,633	21,978,808	23,896,459	1,917,651
Expenditures:				
Personal services	1,330,700	1,330,700	1,001,796	328,904
Operating expenditures	7,389,951	8,072,016	1,561,070	6,510,946
Debt service	6,313,526	6,313,526	6,313,526	-
Grants and aids	16,489,901	18,436,556	8,837,878	9,598,678
Capital outlay	11,268,294	12,343,946	3,051,020	9,292,926
Total expenditures	42,792,372	46,496,744	20,765,290	25,731,454
Excess (deficiency) of revenues over (under) expenditures	(20,952,739)	(24,517,936)	3,131,169	27,649,105
Other Financing Sources				
Appropriations of fund balance	20,952,739	22,908,558	-	(22,908,558)
Reappropriations of fund balance	-	1,609,378	-	(1,609,378)
Total other financing uses	20,952,739	24,517,936	-	(24,517,936)
Net change in fund balances	-	-	3,131,169	3,131,169
Fund balances, beginning of year, as previously reported	33,952,031	33,952,031	33,952,031	-
Restatement (See Note 19)	(5,273,714)	(5,273,714)	(5,273,714)	-
Fund balances, beginning of year, restated	28,678,317	28,678,317	28,678,317	-
Fund balances, ending	<u>\$ 28,678,317</u>	<u>\$ 28,678,317</u>		<u>\$ 3,131,169</u>
CRA loan program and assets held for resale transactions (see Note 3)			(231,574)	
Fund balances, ending			<u>\$ 31,577,912</u>	

See Notes to Required Supplementary Information.

The accompanying notes are an integral part of the financial statements

**Schedule of Revenues, Expenditures, and Changes in
Fund Balances – Budget and Actual
General Obligation Bond Fund
for the Fiscal Year Ended September 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Investment earnings	\$ -	\$ -	\$ 431,779	\$ 431,779
Total revenues	-	-	431,779	431,779
Expenditures:				
Personal services	218,231	226,174	102,149	124,025
Operating expenditures	23,450	951,395	1,753	949,642
Capital outlay	-	5,913,162	4,709,267	1,203,895
Total expenditures	241,681	7,090,731	4,813,169	2,277,562
Excess (deficiency) of revenues over (under) expenditures	(241,681)	(7,090,731)	(4,381,390)	2,709,341
Other Financing Sources				
Appropriations of fund balance	241,681	241,681	-	(241,681)
Reappropriations of fund balance	-	6,849,050	-	(6,849,050)
Total other financing uses	241,681	7,090,731	-	(7,090,731)
Net change in fund balances	-	-	(4,381,390)	(4,381,390)
Fund balances, beginning of year	7,489,513	7,489,513	7,489,513	-
Fund balances, ending	<u>\$ 7,489,513</u>	<u>\$ 7,489,513</u>	<u>\$ 3,108,123</u>	<u>\$ (4,381,390)</u>

See Notes to Required Supplementary Information.

The accompanying notes are an integral part of the financial statements

**Schedule of Revenues, Expenditures, and Changes in
Fund Balances – Budget and Actual
Capital Projects Fund
for the Fiscal Year Ended September 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Investment earnings	\$ -	\$ -	\$ 85,102	\$ 85,102
Total revenues	-	-	85,102	85,102
Expenditures:				
Personal services	31,738	31,738	17,611	14,127
Operating expenditures	-	239,153	129,135	110,018
Capital outlay	3,571,848	4,575,889	502,875	4,073,014
Total expenditures	3,603,586	4,846,780	649,621	4,197,159
Excess (deficiency) of revenues over (under) expenditures	(3,603,586)	(4,846,780)	(564,519)	4,282,261
Other Financing Sources				
Transfers in	3,603,586	4,443,343	4,443,343	-
Reappropriations of fund balance	-	403,437	-	(403,437)
Total other financing uses	3,603,586	4,846,780	4,443,343	(403,437)
Net change in fund balances	-	-	3,878,824	3,878,824
Fund balances, beginning of year	413,826	413,826	413,826	-
Fund balances, ending	<u>\$ 413,826</u>	<u>\$ 413,826</u>	<u>\$ 4,292,650</u>	<u>\$ 3,878,824</u>

See Notes to Required Supplementary Information.

The accompanying notes are an integral part of the financial statements

**Schedule of Revenues, Expenditures, and Changes in
Fund Balances – Budget and Actual
Redevelopment Revenue Note Fund
for the Fiscal Year Ended September 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Investment earnings	\$ 25,000	\$ 175,000	\$ 922,864	\$ 747,864
Total revenues	25,000	175,000	922,864	747,864
Expenditures:				
Capital outlay	17,035,512	19,405,953	1,052,933	18,353,020
Total expenditures	17,035,512	19,405,953	1,052,933	18,353,020
Excess (deficiency) of revenues over (under) expenditures	(17,010,512)	(19,230,953)	(130,069)	19,100,884
Other Financing Sources				
Reappropriations of fund balance	17,010,512	19,230,953	-	(19,230,953)
Total other financing uses	17,010,512	19,230,953	-	(19,230,953)
Net change in fund balances	-	-	(130,069)	(130,069)
Fund balances, beginning of year	19,230,952	19,230,952	19,230,952	-
Fund balances, ending	<u>\$ 19,230,952</u>	<u>\$ 19,230,952</u>	<u>\$ 19,100,883</u>	<u>\$ (130,069)</u>

See Notes to Required Supplementary Information.

The accompanying notes are an integral part of the financial statements

Notes to Budgetary Comparison Schedules (Unaudited)

September 30, 2023

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, Community Redevelopment Agency Fund, General Obligation Bond Fund, Capital Projects Fund, and Redevelopment Revenue Note 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 Renewal and Replacement Fund is presented within the General Fund on the basic financial statements and the net change in fund balance is reconciled to the budgetary schedule in Note 2 below.

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 \$1,930,566 and \$1,955,819, 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.

Notes to Budgetary Comparison Schedules (Unaudited) September 30, 2023

Note 2. Reconciliation of Renewal and Replacement Fund

Renewal and replacement fund investment earnings	\$ 26,721
Transfer in from General Fund	<u>1,500,000</u>
Net change in fund balance - Renewal and replacement fund	<u>\$ 1,526,721</u>

Note 3. Reconciliation of CRA Transactions

Total Revenues Reported on Budgetary Basis	\$ 23,896,459
Less: CRA loan payments received	<u>(270,804)</u>
Total Revenues Reported on U.S. GAAP Basis	<u>\$ 23,625,655</u>
 Total Expenditures Reported on Budgetary Basis	 \$ 20,765,290
Less: CRA non-forgivable loans issued	(14,880)
Less: Purchases of assets held for resale	<u>(24,350)</u>
Total Expenditures Reported on U.S. GAAP Basis	<u>\$ 20,726,060</u>

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

Schedule of Changes in the City's Net Pension Liability and Related Ratios Professional/Management Retirement Plan

	September 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability										
Service cost	\$ 100,069	\$ 141,466	\$ 127,457	\$ 110,196	\$ 125,200	\$ 224,807	\$ 245,137	\$ 217,129	\$ 278,376	\$ 271,262
Interest on total pension liability	1,436,439	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	(363,404)	(35,214)	29,052	212,956	(722,848)	(325,174)	(55,424)	(219,313)	(387,152)	1,606,105
Changes of assumptions	582,689	-	573,232	157,999	541,953	-	-	1,028,958	-	-
Benefit payments, including refunds of employee contributions	(1,553,817)	(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	201,976	334,120	959,732	754,995	320,416	(77,215)	661,734	1,430,314	(164,812)	2,239,502
Total pension liability - beginning	22,787,152	22,453,032	21,493,300	20,738,305	20,417,889	20,495,104	19,833,370	18,403,056	18,567,868	16,328,366
Total pension liability - ending (a)	\$ 22,989,128	\$ 22,787,152	\$ 22,453,032	\$ 21,493,300	\$ 20,738,305	\$ 20,417,889	\$ 20,495,104	\$ 19,833,370	\$ 18,403,056	\$ 18,567,868
Plan fiduciary net position										
Contributions - employer	\$ 523,464	\$ 481,392	\$ 449,555	\$ 556,645	\$ 731,430	\$ 725,270	\$ 569,324	\$ 691,355	\$ 748,978	\$ 912,745
Contributions - employee	31,285	37,492	36,654	40,465	44,346	53,805	51,654	61,774	55,316	85,052
Net investment income (loss)	1,603,019	(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	(1,553,817)	(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	(37,244)	(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	566,707	(4,270,650)	2,319,736	885,636	470,631	482,078	1,550,712	930,190	(761,031)	1,408,565
Plan fiduciary net position - beginning	17,581,762	21,852,412	19,532,676	18,647,040	18,176,409	17,694,331	16,143,619	15,213,429	15,974,460	14,565,895
Plan fiduciary net position - ending (b)	\$ 18,148,469	\$ 17,581,762	\$ 21,852,412	\$ 19,532,676	\$ 18,647,040	\$ 18,176,409	\$ 17,694,331	\$ 16,143,619	\$ 15,213,429	\$ 15,974,460
City's net pension liability - ending (a) - (b)	\$ 4,840,659	\$ 5,205,390	\$ 600,620	\$ 1,960,624	\$ 2,091,265	\$ 2,241,480	\$ 2,800,773	\$ 3,689,751	\$ 3,189,627	\$ 2,593,408
Plan fiduciary net position as a percentage of the total pension liability	78.94%	77.16%	97.32%	90.88%	89.92%	89.02%	86.33%	81.40%	82.67%	86.03%
Covered payroll	\$ 434,470	\$ 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	1114.15%	1267.64%	120.35%	412.52%	389.03%	328.24%	379.87%	453.17%	417.55%	351.05%

Schedule of Changes in the City's Net Pension Liability and Related Ratios General Employees' Retirement Plan

	September 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability										
Service cost	\$ 747,276	\$ 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	4,822,825	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	1,079,397	(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	1,990,170	-	1,897,276	647,163	-	-	-	3,005,500	-	-
Benefit payments, including refunds of employee contributions	(4,791,912)	(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	3,847,756	(822,907)	4,467,809	1,333,361	850,793	1,092,979	2,720,914	5,075,067	1,138,923	2,319,061
Total pension liability - beginning	76,068,575	76,891,482	72,423,673	71,090,312	70,239,519	69,146,540	66,425,626	61,350,559	60,211,636	57,892,575
Total pension liability - ending (a)	\$ 79,916,331	\$ 76,068,575	\$ 76,891,482	\$ 72,423,673	\$ 71,090,312	\$ 70,239,519	\$ 69,146,540	\$ 66,425,626	\$ 61,350,559	\$ 60,211,636
Plan fiduciary net position										
Contributions - employer	\$ 2,061,918	\$ 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	145,941	146,084	149,085	161,435	172,187	179,523	206,247	228,118	230,059	262,685
Net investment income (loss)	4,293,685	(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	(4,791,912)	(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	(53,506)	(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	1,656,126	(13,346,580)	6,068,372	2,661,930	2,089,239	2,042,709	4,440,156	4,081,747	591,343	5,277,637
Plan fiduciary net position - beginning	56,664,702	70,011,282	63,942,910	61,280,980	59,191,741	57,149,032	52,708,876	48,627,129	48,035,786	42,758,149
Plan fiduciary net position - ending (b)	\$ 58,320,828	\$ 56,664,702	\$ 70,011,282	\$ 63,942,910	\$ 61,280,980	\$ 59,191,741	\$ 57,149,032	\$ 52,708,876	\$ 48,627,129	\$ 48,035,786
City's net pension liability - ending (a) - (b)	\$ 21,595,503	\$ 19,403,873	\$ 6,880,200	\$ 8,480,763	\$ 9,809,332	\$ 11,047,778	\$ 11,997,508	\$ 13,716,750	\$ 12,723,430	\$ 12,175,850
Plan fiduciary net position as a percentage of the total pension liability	72.98%	74.49%	91.05%	88.29%	86.20%	84.27%	82.65%	79.35%	79.26%	79.78%
Covered payroll	\$ 4,312,452	\$ 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	500.77%	455.79%	149.73%	176.91%	189.87%	201.11%	199.95%	210.98%	186.59%	163.48%

**Schedule of Changes in the City's Net Pension Liability and Related Ratios
Police Officers' and Firefighters' Personnel Retirement Trust**

	September 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability										
Service cost	\$ 2,712,099	\$ 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	20,458,526	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	(2,428,854)	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	(15,107,117)	(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	271,463	237,535	233,957	237,404	253,288	208,015	136,829	22,723	33,396	-
Net change in total pension liability	5,906,117	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	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	176,884,067
Total pension liability - ending (a)	\$292,934,147	\$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	\$ 13,130,681	\$ 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	1,396,536	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	271,463	237,535	233,957	237,404	253,288	208,015	136,829	22,723	33,396	-
Net investment income (loss)	28,251,608	(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	(15,107,117)	(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	(257,993)	(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	27,685,178	(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	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	118,612,854
Plan fiduciary net position - ending (b)	\$236,457,895 *	\$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)	\$ 56,476,252	\$ 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	80.72%	72.74%	84.62%	73.36%	70.57%	72.51%	73.24%	67.96%	68.57%	72.44%
Covered payroll	\$ 12,250,901	\$ 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	461.00%	628.03%	366.35%	595.59%	546.73%	506.64%	430.33%	512.63%	424.39%	412.98%

Notes to the Schedule:

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

**Schedule of Changes in the City's Total Pension Liability and Related Ratios
Excess Benefit Plan**

	September 30,							
	2023	2022	2021	2020	2019	2018	2017	2016
Total pension liability								
Service cost	\$ 65,034	\$ 97,500	\$ 89,064	\$ 61,380	\$ 66,717	\$ 86,708	\$ 146,603	\$ 104,295
Interest	567,926	458,208	472,849	500,909	538,340	535,045	546,028	538,954
Benefit payments	(632,721)	(620,897)	(609,305)	(597,940)	(586,798)	(766,581)	(565,165)	(566,597)
Differences between expected and actual experience	(50,266)	(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	(50,027)	(2,593,957)	(48,168)	552,650	795,756	(678,102)	(824,753)	1,666,106
Total pension liability - beginning	12,258,218	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>\$ 12,208,191</u>	<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	\$ 434,470	\$ 410,635	\$ 499,067	\$ 475,275	\$ 537,560	\$ 682,868	\$ 737,299	\$ 814,214
Total pension liability as a percentage of covered payroll	2809.90%	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 relevant data is accumulated.

Schedule of City Contributions Professional/Management Retirement Plan

	September 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 523,464	\$ 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	523,464	481,392	449,555	556,645	731,430	725,270	569,324	691,355	748,978	912,745
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 434,470	\$ 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	120.5%	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, 2023:

Valuation date:	October 1, 2021
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:	14 years (as of 10/1/2021)
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%, depending on age
Investment rate of return:	6.50%
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.

Schedule of City Contributions General Employees' Retirement Plan

	September 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$2,061,918	\$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	2,061,918	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
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$4,312,452	\$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	47.8%	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, 2023:

Valuation date:	October 1, 2021
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
Remaining amortization period:	10 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:	6.50%
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.

Schedule of City Contributions
Police Officers' and Firefighters' Personnel Retirement Trust

	September 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 12,713,689	\$ 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
Contributions in relation to the actuarially determined contribution	13,130,681	12,861,249	11,187,692	12,621,986	11,358,164	9,303,118	8,563,004	8,475,832	8,728,916	8,651,807
Contribution deficiency (excess)	\$ (416,992)	\$ (2,620)	\$ 259,129	\$ (234,942)	\$ 1,364	\$ (25,550)	\$ -	\$ 52,278	\$ (52,279)	\$ -
Covered payroll	\$ 12,250,901	\$ 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
Contributions as a percentage of covered payroll	107.2%	103.2%	96.3%	108.4%	82.2%	70.6%	62.8%	64.4%	61.2%	71.0%

Methods and assumptions used to determine contribution rates for the year ending September 30, 2023:

Valuation date:	October 1, 2021
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 Experience: 10 Years. Assumption/Method Changes: 20 Years.
Amortization method:	Benefit Changes: 30 Years.
Remaining amortization period:	29 years (as of 10/1/2020)
Actuarial asset valuation method:	5 year smooth (market)
Inflation and other general increases:	2.30%
Projected salary increases:	4.5% to 10% based on service
Investment rate of return:	7.25%
Retirement age:	Normal retirement eligibility with at least 25 years of service Healthy Active Lives: PubS.H-2010 (Above Median) for Employees, set forward one year. Healthy Retiree Lives: PubS.H-2010 for Healthy Retirees, set forward one year. Beneficiary Lives: PubG.H-2010 for Healthy Retirees, set back one year. Disabled Lives: 80% PubG.H-2010 for Disabled Retirees / 20% PubS.H-2010 for Disabled Retirees. All rates are projected generationally with Mortality Improvement Scale MP-2018.
Mortality:	

Schedule of Pension Investment Returns

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

Year Ending September 30,	Professional/ Management Retirement Plan	Police Officers' and Firefighters' Personnel Retirement Trust	General Employees' Retirement Plan
2023	9.27%	13.10%	7.65%
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%

**Schedule of Changes in the City's
Total OPEB Liability and Related Ratios
for the Fiscal Year Ended September 30, 2023**

Measurement date September 30,	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service cost	\$ 600,829	\$ 866,384	\$ 746,993	\$ 560,196	\$ 920,282	\$ 864,652
Interest	411,528	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	(75,713)	(2,848,796)	(309,065)	188,130	76,914	183,070
Benefit payments	(467,151)	(302,323)	(505,972)	(303,627)	(582,856)	(502,185)
Net Change in Total OPEB Liability	469,493	(3,444,750)	185,907	(2,021,030)	886,202	1,077,643
Total OPEB Liability - Beginning	8,861,004	12,305,754	12,119,847	14,140,877	13,254,675	12,177,032
Total OPEB Liability - Ending	<u>\$ 9,330,497</u>	<u>\$ 8,861,004</u>	<u>\$ 12,305,754</u>	<u>\$ 12,119,847</u>	<u>\$ 14,140,877</u>	<u>\$ 13,254,675</u>
Covered-Employee Payroll	\$ 26,974,550	\$ 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	34.59%	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:

2023	2.43%
2022	2.43%
2021	2.14%
2020	3.58%
2019	3.64%
2018	3.35%

**Schedule of the City's Proportionate Share of the Net Pension Liability
Florida Retirement System Pension Plan**

Reporting period ending	9/30/2023	9/30/2022	9/30/2021	9/30/2020
Measurement date	6/30/2023	6/30/2022	6/30/2021	6/30/2020
City's proportion of the FRS net pension liability	0.03414%	0.03152%	0.02662%	0.00838%
City's proportionate share of the FRS net pension liability	\$ 13,602,408	\$ 11,728,603	\$ 2,010,600	\$ 3,631,898
City's covered payroll	\$ 16,161,387	\$ 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	84.17%	86.79%	17.70%	81.52%
FRS Plan fiduciary net position as a percentage of the FRS total pension liability	82.38%	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.

Schedule of Contributions
Florida Retirement System Pension Plan

Reporting period ending	9/30/2023	9/30/2022	9/30/2021	9/30/2020
Contractually required FRS contribution	\$ 1,736,444	\$ 1,469,932	\$ 1,099,869	\$ 488,128
FRS Contributions in relation to the contractually required FRS contribution	1,736,444	1,469,932	1,099,869	488,128
FRS Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$16,811,858	\$14,740,231	\$11,829,189	\$ 6,959,148
FRS Contributions as a percentage of covered payroll	10.33%	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.

**Schedule of the City's Proportionate Share of the Net Pension Liability
Health Insurance Subsidy Pension Plan**

Reporting period ending	9/30/2023	9/30/2022	9/30/2021	9/30/2020
Measurement date	6/30/2023	6/30/2022	6/30/2021	6/30/2020
City's proportion of the HIS net pension liability	0.04073%	0.03704%	0.03187%	0.01232%
City's proportionate share of the HIS net pension liability	\$ 6,468,294	\$ 3,923,090	\$ 3,909,531	\$ 1,503,673
City's covered payroll	\$16,161,387	\$13,514,313	\$11,361,791	\$ 4,455,015
City's proportionate share of the pension liability as a percentage of its covered payroll	40.02%	29.03%	34.41%	33.75%
HIS Plan fiduciary net position as a percentage of the HIS total pension liability	4.12%	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.

Schedule of Contributions
Health Insurance Subsidy Pension Plan

Reporting period ending	9/30/2023	9/30/2022	9/30/2021	9/30/2020
Contractually required HIS contribution	\$ 295,361	\$ 243,688	\$ 196,347	\$ 111,098
HIS Contributions in relation to the contractually required HIS contribution	295,361	243,688	196,347	111,098
HIS Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$16,811,858	\$14,740,231	\$11,829,189	\$ 6,959,148
HIS Contributions as a percentage of covered payroll	1.76%	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.



THIS PAGE IS INTENTIONALLY LEFT BLANK



Combining and Individual Nonmajor Fund Financial Statements and Schedules

Annual Comprehensive Financial Report 2023



THIS PAGE IS INTENTIONALLY LEFT BLANK



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.

Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2023

	Special Revenue Funds										Debt Service Funds		
	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	Totals
Assets													
Cash and cash equivalents	\$ 47,401	\$ 16,038	\$ 401,645	\$ 2,998,013	\$ 983,217	\$ 1,325,750	\$ 3,628,193	\$ 176,351	\$ 2,942,860	\$ 73,674	\$ -	\$ -	\$ 12,593,142
Receivables, net of allowances	-	124,830	-	79,931	-	-	-	-	-	-	-	-	204,761
Due from other governments	-	-	-	115,427	-	-	-	-	-	-	-	-	115,427
Restricted assets:													
Cash and cash equivalents	-	97,300	-	-	-	-	-	-	-	-	262,965	43,767	404,032
Total assets	<u>\$ 47,401</u>	<u>\$ 238,168</u>	<u>\$ 401,645</u>	<u>\$ 3,193,371</u>	<u>\$ 983,217</u>	<u>\$ 1,325,750</u>	<u>\$ 3,628,193</u>	<u>\$ 176,351</u>	<u>\$ 2,942,860</u>	<u>\$ 73,674</u>	<u>\$ 262,965</u>	<u>\$ 43,767</u>	<u>\$ 13,317,362</u>
Liabilities, Deferred Inflows of Resources and Fund Balances													
Liabilities													
Accounts payable and accrued liabilities	\$ -	\$ 29,498	\$ 7,092	\$ 63,462	\$ 49,146	\$ 15,192	\$ -	\$ 8,140	\$ 637,699	\$ -	\$ -	\$ -	\$ 810,229
Due to other funds	-	-	-	-	-	-	381,250	-	-	-	-	-	381,250
Deposits	-	97,300	-	-	-	-	-	-	-	-	-	-	97,300
Unearned revenues	-	-	-	-	-	-	516,775	-	-	-	-	-	516,775
Total liabilities	<u>-</u>	<u>126,798</u>	<u>7,092</u>	<u>63,462</u>	<u>49,146</u>	<u>15,192</u>	<u>898,025</u>	<u>8,140</u>	<u>637,699</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,805,554</u>
Deferred Inflows of Resources													
Deferred inflows - leases	-	-	-	79,547	-	-	-	-	-	-	-	-	79,547
Unavailable revenue	-	18,673	-	-	-	-	-	-	-	-	-	-	18,673
Total deferred inflows of resources	<u>-</u>	<u>18,673</u>	<u>-</u>	<u>79,547</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>98,220</u>
Fund Balances (Deficits)													
Restricted for:													
Debt service	-	-	-	-	-	-	-	-	-	-	262,965	43,767	306,732
Law enforcement	47,401	-	394,553	-	-	-	-	168,211	-	-	-	-	610,165
Developer agreements	-	-	-	-	-	-	2,730,168	-	-	-	-	-	2,730,168
Building permits function	-	-	-	-	-	-	-	-	2,305,161	-	-	-	2,305,161
Traffic mitigation	-	-	-	1,103,473	-	-	-	-	-	-	-	-	1,103,473
Transportation	-	-	-	1,946,889	-	-	-	-	-	-	-	-	1,946,889
Safe neighborhood districts	-	-	-	-	934,071	1,310,558	-	-	-	-	-	-	2,244,629
Police outside services	-	92,697	-	-	-	-	-	-	-	-	-	-	92,697
Committed for tree preservation	-	-	-	-	-	-	-	-	-	73,674	-	-	73,674
Total fund balances	<u>47,401</u>	<u>92,697</u>	<u>394,553</u>	<u>3,050,362</u>	<u>934,071</u>	<u>1,310,558</u>	<u>2,730,168</u>	<u>168,211</u>	<u>2,305,161</u>	<u>73,674</u>	<u>262,965</u>	<u>43,767</u>	<u>11,413,588</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 47,401</u>	<u>\$ 238,168</u>	<u>\$ 401,645</u>	<u>\$ 3,193,371</u>	<u>\$ 983,217</u>	<u>\$ 1,325,750</u>	<u>\$ 3,628,193</u>	<u>\$ 176,351</u>	<u>\$ 2,942,860</u>	<u>\$ 73,674</u>	<u>\$ 262,965</u>	<u>\$ 43,767</u>	<u>\$ 13,317,362</u>

**Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
for the Fiscal Year Ended September 30, 2023**

	Special Revenue Funds										Debt Service Funds		
	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	Totals
Revenues:													
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 474,033	\$ 452,472	\$ -	\$ -	\$ -	\$ -	\$ 3,158,990	\$ -	\$ 4,085,495
Charges for services	-	1,536,638	-	445,525	-	-	-	-	584,390	-	-	-	2,566,553
Licenses and permits	-	-	-	-	-	-	-	-	4,163,281	-	-	-	4,163,281
Intergovernmental	-	-	-	1,070,969	-	-	-	-	-	-	-	-	1,070,969
Fines and forfeitures	7,092	-	64,357	-	-	-	-	4,135	-	-	-	-	75,584
Investment earnings	1,434	4,543	21,323	81,610	33,596	43,763	105,033	6,874	86,535	1,951	38,190	-	424,852
Other revenues	-	120,800	-	39,774	-	-	100,000	-	-	13,503	-	-	274,077
Total revenues	8,526	1,661,981	85,680	1,637,878	507,629	496,235	205,033	11,009	4,834,206	15,454	3,197,180	-	12,660,811
Expenditures:													
Current:													
Public safety	533	1,683,064	242,988	-	380,178	296,965	-	67,865	4,436,058	-	-	-	7,107,651
Transportation	-	-	-	2,127,151	-	-	-	-	-	-	-	-	2,127,151
Culture and recreation	-	-	-	-	-	-	16,937	-	-	-	-	-	16,937
Human services	-	-	-	-	-	-	15,000	-	-	-	-	-	15,000
Capital outlay	-	-	332,508	9,350	-	3,542	50,000	-	83,818	-	-	-	479,218
Debt service													
Principal	-	-	101,869	-	-	-	-	-	-	-	1,295,000	1,660,000	3,056,869
Interest	-	-	4,681	-	-	-	-	-	-	-	1,784,506	633,163	2,422,350
Total expenditures	533	1,683,064	682,046	2,136,501	380,178	300,507	81,937	67,865	4,519,876	-	3,079,506	2,293,163	15,225,176
Excess (deficiency) of revenues over (under) expenditures	7,993	(21,083)	(596,366)	(498,623)	127,451	195,728	123,096	(56,856)	314,330	15,454	117,674	(2,293,163)	(2,564,365)
Other financing sources													
Transfers in	-	-	-	1,578,546	-	-	-	-	-	-	-	2,293,163	3,871,709
Proceeds from finance arrangements/leases	-	-	204,368	-	-	-	-	-	-	-	-	-	204,368
Proceeds from issuance of debt - SBITA	-	-	109,540	-	-	-	-	-	-	-	-	-	109,540
Total other financing sources	-	-	313,908	1,578,546	-	-	-	-	-	-	-	2,293,163	4,185,617
Net change in fund balances	7,993	(21,083)	(282,458)	1,079,923	127,451	195,728	123,096	(56,856)	314,330	15,454	117,674	-	1,621,252
Fund balances, beginning	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
Fund balances, ending	\$ 47,401	\$ 92,697	\$ 394,553	\$ 3,050,362	\$ 934,071	\$ 1,310,558	\$ 2,730,168	\$ 168,211	\$ 2,305,161	\$ 73,674	\$ 262,965	\$ 43,767	\$ 11,413,588

**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, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Fines and forfeitures	\$ 10,000	\$ 10,000	\$ 7,092	\$ (2,908)
Investment earnings	-	-	1,434	1,434
Total revenues	10,000	10,000	8,526	(1,474)
Expenditures				
Operating expenditures	10,000	10,000	533	9,467
Total expenditures	10,000	10,000	533	9,467
Excess (deficiency) of revenues over (under) expenditures	-	-	7,993	7,993
Net change in fund balance	-	-	7,993	7,993
Fund Balance, beginning	39,408	39,408	39,408	-
Fund Balance, ending	\$ 39,408	\$ 39,408	\$ 47,401	\$ 7,993

**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, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Charges for services	\$ 1,205,355	\$ 1,205,355	\$ 1,536,638	\$ 331,283
Interest revenue	-	-	4,543	4,543
Other revenues	85,025	85,025	120,800	35,775
Total revenues	<u>1,290,380</u>	<u>1,290,380</u>	<u>1,661,981</u>	<u>371,601</u>
Expenditures				
Personal services	1,205,355	1,205,355	1,562,264	(356,909)
Operating expenditures	85,025	85,025	120,800	(35,775)
Total expenditures	<u>1,290,380</u>	<u>1,290,380</u>	<u>1,683,064</u>	<u>(392,684)</u>
Net change in fund balance	-	-	(21,083)	(21,083)
Fund Balance, beginning	<u>113,780</u>	<u>113,780</u>	<u>113,780</u>	<u>-</u>
Fund Balance, ending	<u>\$ 113,780</u>	<u>\$ 113,780</u>	<u>\$ 92,697</u>	<u>\$ (21,083)</u>

**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, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Fines and forfeitures	\$ -	\$ -	\$ 64,357	\$ 64,357
Investment earnings	-	-	21,323	21,323
Total revenues	-	-	85,680	85,680
Expenditures				
Operating expenditures	430,460	452,861	242,988	209,873
Debt service	-	-	106,550	(106,550)
Capital outlay	137,120	428,628	332,508	96,120
Total expenditures	567,580	881,489	682,046	305,993
Deficiency of revenues under expenditures	(567,580)	(881,489)	(596,366)	285,123
Other financing sources				
Proceeds from finance arrangements/leases	-	-	204,368	204,368
Proceeds from issuance of debt - SBITA	-	-	109,540	109,540
Appropriations of fund balance	567,580	567,580	-	(567,580)
Total other financing sources	567,580	567,580	313,908	(253,672)
Net change in fund balance	-	(313,909)	(282,458)	31,451
Fund Balance, beginning	677,011	677,011	677,011	-
Fund Balance, ending	\$ 677,011	\$ 363,102	\$ 394,553	\$ 31,451

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual
Special Revenue Funds – Transportation Fund
for the Fiscal Year Ended September 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Charges for services	\$ 635,757	\$ 635,757	\$ 445,525	\$ (190,232)
Intergovernmental	937,888	937,888	1,070,969	133,081
Franchise taxes	39,799	39,799	-	(39,799)
Investment earnings	-	-	81,610	81,610
Other revenues	-	-	39,774	39,774
Total revenues	1,613,444	1,613,444	1,637,878	24,434
Expenditures				
Personal services	685,023	705,213	639,012	66,201
Operating expenditures	1,705,008	1,794,922	1,488,139	306,783
Capital outlay	200,000	1,609,799	9,350	1,600,449
Total expenditures	2,590,031	4,109,934	2,136,501	1,973,433
Deficiency of revenues under expenditures	(976,587)	(2,496,490)	(498,623)	1,997,867
Other financing sources				
Transfers in	964,208	1,578,546	1,578,546	-
Appropriations of fund balance	12,379	12,379	-	(12,379)
Reappropriations of fund balance	-	905,565	-	(905,565)
Total other financing sources	976,587	2,496,490	1,578,546	(917,944)
Net change in fund balance	-	-	1,079,923	1,079,923
Fund Balance, beginning	1,970,439	1,970,439	1,970,439	-
Fund Balance, ending	\$ 1,970,439	\$ 1,970,439	\$ 3,050,362	\$ 1,079,923

**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, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Property taxes	\$ 474,441	\$ 474,441	\$ 474,033	\$ (408)
Investment earnings	-	-	33,596	33,596
Total revenues	474,441	474,441	507,629	33,188
Expenditures				
Operating expenditures	434,441	420,537	380,178	40,359
Capital outlay	30,000	306,880	-	306,880
Contingency	10,000	10,000	-	10,000
Total expenditures	474,441	737,417	380,178	357,239
Excess (deficiency) of revenues over (under) expenditures	-	(262,976)	127,451	390,427
Other financing sources				
Reappropriations of fund balance	-	262,976	-	(262,976)
Total other financing sources	-	262,976	-	(262,976)
Net change in fund balance	-	-	127,451	127,451
Fund Balance, beginning	806,620	806,620	806,620	-
Fund Balance, ending	<u>\$ 806,620</u>	<u>\$ 806,620</u>	<u>\$ 934,071</u>	<u>\$ 127,451</u>

**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, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Property taxes	\$ 488,082	\$ 488,082	\$ 452,472	\$ (35,610)
Investment earnings	-	-	43,763	43,763
Total revenues	488,082	488,082	496,235	8,153
Expenditures				
Operating expenditures	453,082	463,762	296,965	166,797
Capital outlay	20,000	98,646	3,542	95,104
Contingency	15,000	15,000	-	15,000
Total expenditures	488,082	577,408	300,507	276,901
Excess (deficiency) of revenues over (under) expenditures	-	(89,326)	195,728	285,054
Other financing sources				
Reappropriations of fund balance	-	89,326	-	(89,326)
Total other financing sources	-	89,326	-	(89,326)
Net change in fund balance	-	-	195,728	195,728
Fund Balance, beginning	1,114,830	1,114,830	1,114,830	-
Fund Balance, ending	<u>\$ 1,114,830</u>	<u>\$ 1,114,830</u>	<u>\$ 1,310,558</u>	<u>\$ 195,728</u>

**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, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Fines and forfeitures	\$ -	\$ -	\$ 4,135	\$ 4,135
Investment earnings	-	-	6,874	6,874
Total revenues	-	-	11,009	11,009
Expenditures				
Operating expenditures	93,362	93,362	33,615	59,747
Grants and aids	34,250	34,250	34,250	-
Total expenditures	127,612	127,612	67,865	59,747
Deficiency of revenues under expenditures	(127,612)	(127,612)	(56,856)	70,756
Other financing sources				
Appropriations of fund balance	127,612	127,612	-	(127,612)
Total other financing sources	127,612	127,612	-	(127,612)
Net change in fund balance	-	-	(56,856)	(56,856)
Fund Balance, beginning	225,067	225,067	225,067	-
Fund Balance, ending	<u>\$ 225,067</u>	<u>\$ 225,067</u>	<u>\$ 168,211</u>	<u>\$ (56,856)</u>

**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, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Charges for services	\$ 453,000	\$ 453,000	\$ 584,390	\$ 131,390
Licenses and permits	2,715,920	2,771,920	4,163,281	1,391,361
Investment earnings	-	-	86,535	86,535
Total revenues	3,168,920	3,224,920	4,834,206	1,609,286
Expenditures				
Personal services	3,356,456	2,471,431	2,187,731	283,700
Operating expenditures	1,361,639	2,449,801	2,248,327	201,474
Capital outlay	15,000	246,830	83,818	163,012
Total expenditures	4,733,095	5,168,062	4,519,876	648,186
Excess (deficiency) of revenues over (under) expenditures	(1,564,175)	(1,943,142)	314,330	2,257,472
Other financing sources				
Appropriations of fund balance	1,564,175	1,594,417	-	(1,594,417)
Reappropriations of fund balance	-	348,725	-	(348,725)
Total other financing sources	1,564,175	1,943,142	-	(1,943,142)
Net change in fund balance	-	-	314,330	314,330
Fund Balance, beginning	1,990,831	1,990,831	1,990,831	-
Fund Balance, ending	\$ 1,990,831	\$ 1,990,831	\$ 2,305,161	\$ 314,330

**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, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Property taxes	\$ 3,111,542	\$ 3,111,542	\$ 3,158,990	\$ 47,448
Investment earnings	-	-	38,190	38,190
Total revenues	<u>3,111,542</u>	<u>3,111,542</u>	<u>3,197,180</u>	<u>85,638</u>
Expenditures				
Debt service	<u>3,111,542</u>	<u>3,111,542</u>	<u>3,079,506</u>	<u>32,036</u>
Total expenditures	<u>3,111,542</u>	<u>3,111,542</u>	<u>3,079,506</u>	<u>32,036</u>
Net change in fund balance	-	-	117,674	117,674
Fund Balance, beginning	<u>145,291</u>	<u>145,291</u>	<u>145,291</u>	<u>-</u>
Fund Balance, ending	<u>\$ 145,291</u>	<u>\$ 145,291</u>	<u>\$ 262,965</u>	<u>\$ 117,674</u>

**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, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Investment earnings	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures				
Debt service	2,293,163	2,293,163	2,293,163	-
Total expenditures	2,293,163	2,293,163	2,293,163	-
Deficiency of revenues under expenditures	(2,293,163)	(2,293,163)	(2,293,163)	-
Other financing sources				
Transfers in	2,293,163	2,293,163	2,293,163	-
Total other financing sources	2,293,163	2,293,163	2,293,163	-
Net change in fund balance	-	-	-	-
Fund Balance, beginning	43,767	43,767	43,767	-
Fund Balance, ending	\$ 43,767	\$ 43,767	\$ 43,767	\$ -



THIS PAGE IS INTENTIONALLY LEFT BLANK



Proprietary Funds

ENTERPRISE FUNDS

Cemetery Fund – The City has one nonmajor enterprise fund, refer to pages 41-46 of the financial statements.

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.

**Combining Statement of Net Position
Internal Service Funds
September 30, 2023**

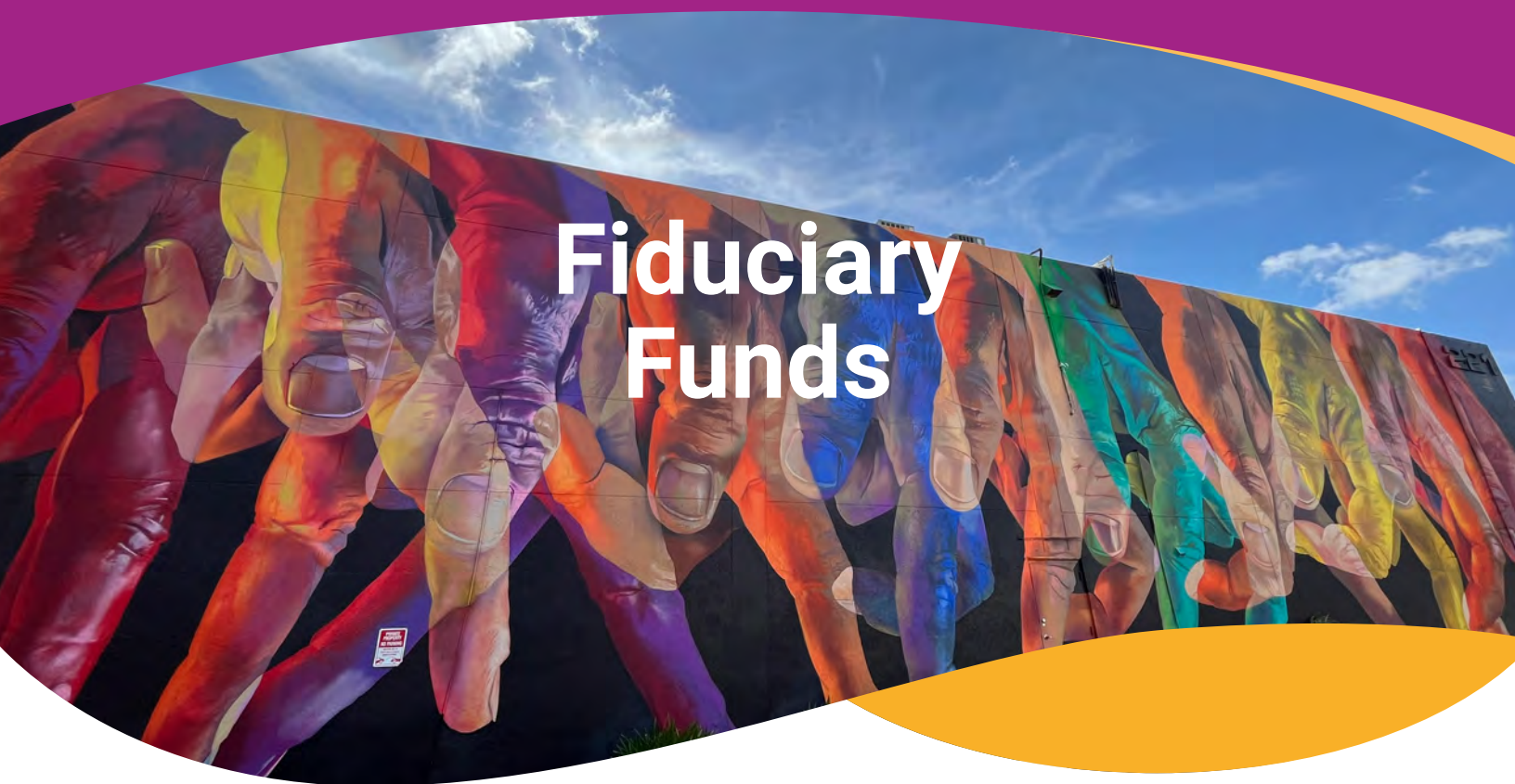
	General Liability Trust Fund	Workers' Compensation Fund	Fleet Fund	Totals
Assets				
Current Assets				
Cash	\$ 4,045,379	\$ 1,131,175	\$ 5,150,304	\$ 10,326,858
Receivables, net of allowances	672	-	-	672
Prepays	15,272	-	-	15,272
Total current assets	4,061,323	1,131,175	5,150,304	10,342,802
Noncurrent Assets				
Capital assets:				
Depreciable, net of accumulated depreciation	-	-	5,745,446	5,745,446
Total noncurrent assets	-	-	5,745,446	5,745,446
Total assets	4,061,323	1,131,175	10,895,750	16,088,248
Deferred Outflows of Resources				
Pension - City	186,206	-	205,484	391,690
Pension - FRS	68,659	-	157,211	225,870
OPEB	4,862	-	8,080	12,942
Total deferred outflows of resources	259,727	-	370,775	630,502
Liabilities				
Current Liabilities				
Accounts payable and accrued liabilities	26,328	1,250	172,576	200,154
Compensated absences	5,465	-	7,227	12,692
Accrued claims for self-insured risks	4,708,000	543,000	-	5,251,000
OPEB liability	3,321	-	5,520	8,841
Total current liabilities	4,743,114	544,250	185,323	5,472,687
Noncurrent Liabilities				
Compensated absences	19,592	-	26,387	45,979
Accrued claims for self-insured risks	1,447,000	1,585,000	-	3,032,000
Net pension liability - City	303,479	-	334,898	638,377
Net pension liability - FRS	125,820	-	288,095	413,915
OPEB liability	86,695	-	144,089	230,784
Total noncurrent liabilities	1,982,586	1,585,000	793,469	4,361,055
Total liabilities	6,725,700	2,129,250	978,792	9,833,742
Deferred Inflows of Resources				
Pension - City	5,644	-	6,227	11,871
Pension - FRS	3,609	-	8,263	11,872
OPEB	35,944	-	59,741	95,685
Total deferred inflows of resources	45,197	-	74,231	119,428
Net Position				
Investment in capital assets	-	-	5,745,446	5,745,446
Unrestricted	(2,449,847)	(998,075)	4,468,056	1,020,134
Total net position	\$ (2,449,847)	\$ (998,075)	\$ 10,213,502	\$ 6,765,580

**Combining Statement of Revenues, Expenses and
Changes in Net Position
Internal Service Funds
for the Fiscal Year Ended September 30, 2023**

	General Liability Trust Fund	Workers' Compensation Fund	Fleet Fund	Totals
Operating Revenues				
Charges for services	\$ 1,992,032	\$ 926,710	\$ 5,753,182	\$ 8,671,924
Total operating revenues	<u>1,992,032</u>	<u>926,710</u>	<u>5,753,182</u>	<u>8,671,924</u>
Operating Expenses				
Personal services	370,710	-	572,492	943,202
Cost of sales and services	1,083,119	240,990	655,357	1,979,466
Claims expense	(1,002,127)	1,526,661	-	524,534
Depreciation	-	-	763,420	763,420
Total operating expenses	<u>451,702</u>	<u>1,767,651</u>	<u>1,991,269</u>	<u>4,210,622</u>
Income (loss) before capital contributions	<u>1,540,330</u>	<u>(840,941)</u>	<u>3,761,913</u>	<u>4,461,302</u>
Nonoperating Revenues (Expenses)				
Investment earnings (loss)	123,386	39,725	169,106	332,217
Gain (loss) on disposal of capital assets	-	-	28,142	28,142
Total nonoperating revenues	<u>123,386</u>	<u>39,725</u>	<u>197,248</u>	<u>360,359</u>
Income (loss) before capital contributions and transfers	<u>1,663,716</u>	<u>(801,216)</u>	<u>3,959,161</u>	<u>4,821,661</u>
Capital contributions	<u>-</u>	<u>-</u>	<u>1,068,719</u>	<u>1,068,719</u>
Change in net position	1,663,716	(801,216)	5,027,880	5,890,380
Net Position, beginning	<u>(4,113,563)</u>	<u>(196,859)</u>	<u>5,185,622</u>	<u>875,200</u>
Net Position, ending	<u>\$ (2,449,847)</u>	<u>\$ (998,075)</u>	<u>\$ 10,213,502</u>	<u>\$ 6,765,580</u>

**Combining Statement of Cash Flows
Internal Service Funds
for the Fiscal Year Ended September 30, 2023**

	General Liability Trust Fund	Workers' Compensation Fund	Fleet Fund	Totals
Cash Flows from Operating Activities				
Receipts from customers and users	\$ 1,993,855	\$ 926,710	\$ 5,753,182	\$ 8,673,747
Payments to suppliers for goods, services, claims and administrative charges	(1,298,987)	(1,540,274)	(514,875)	(3,354,136)
Payments to employees	(319,068)	-	(580,148)	(899,216)
Net cash provided (used) by operating activities	<u>375,800</u>	<u>(613,564)</u>	<u>4,658,159</u>	<u>4,420,395</u>
Cash Flows from Capital and Related Financing Activities				
Acquisition and construction of capital assets	-	-	(3,856,651)	(3,856,651)
Proceeds from sale of capital assets	-	-	28,318	28,318
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>-</u>	<u>(3,828,333)</u>	<u>(3,828,333)</u>
Cash Flows from Investing Activities				
Purchase of investments	(1,514,366)	(487,553)	(2,075,501)	(4,077,420)
Proceeds from the sale of investments	1,527,383	491,744	2,093,342	4,112,469
Interest and investment income received	110,369	35,534	151,265	297,168
Net cash provided (used) by investing activities	<u>123,386</u>	<u>39,725</u>	<u>169,106</u>	<u>332,217</u>
Net change in cash and cash equivalents	499,186	(573,839)	998,932	924,279
Cash and cash equivalents, beginning	<u>3,546,193</u>	<u>1,705,014</u>	<u>4,151,372</u>	<u>9,402,579</u>
Cash and cash equivalents, ending	<u>\$ 4,045,379</u>	<u>\$ 1,131,175</u>	<u>\$ 5,150,304</u>	<u>\$ 10,326,858</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ 1,540,330	\$ (840,941)	\$ 3,761,913	\$ 4,461,302
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation	-	-	763,420	763,420
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	1,823	-	-	1,823
(Increase) decrease in prepaids and other assets	5,935	-	-	5,935
(Increase) decrease in deferred outflows of resources	(127,307)	-	(47,374)	(174,681)
Increase (decrease) in accounts payable	(22,262)	(1,623)	140,482	116,597
Increase (decrease) in compensated absences	1,764	-	12,280	14,044
Increase (decrease) in self insured claims payable	(1,201,668)	229,000	-	(972,668)
Increase (decrease) in total OPEB liability	3,913	-	(62,146)	(58,233)
Increase (decrease) in net pension liability	220,083	-	183,496	403,579
Increase (decrease) in deferred inflows of resources	(46,811)	-	(93,912)	(140,723)
Net cash provided (used) by operating activities	<u>\$ 375,800</u>	<u>\$ (613,564)</u>	<u>\$ 4,658,159</u>	<u>\$ 4,420,395</u>
Noncash Investing, Capital, and Financing Activities				
Unrealized loss on investments	\$ 13,017	\$ 4,191	\$ 17,841	\$ 35,049
Contributed capital from governmental activities	-	-	1,068,719	1,068,719
Undepreciated amounts on disposal of capital assets	-	-	(176)	(176)
	<u>\$ 13,017</u>	<u>\$ 4,191</u>	<u>\$ 1,086,384</u>	<u>\$ 1,103,592</u>



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

Police Athletic League Fund – 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 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.

Combining Schedule of Fiduciary Net Position
Fiduciary Funds
September 30, 2023

	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	\$ 373,724	\$ 88,240	\$ -	\$ 461,964	\$ -	\$ 5,989,706	\$ -	\$ 5,989,706
Accounts receivable	-	-	-	-	1,969	-	-	1,969
Employee contributions receivable	-	-	-	-	-	64,076	-	64,076
Accrued interest and dividends	-	-	-	-	-	349,994	-	349,994
Due from broker	-	-	-	-	-	835,561	-	835,561
Investments:								
Corporate bonds	-	-	-	-	-	16,519,794	-	16,519,794
Equity securities	-	-	-	-	-	159,576,196	-	159,576,196
U.S. obligations	-	-	-	-	-	25,120,023	-	25,120,023
Hedge funds	-	-	-	-	-	11,823,581	-	11,823,581
Equity pooled separate accounts	-	-	-	-	25,114,999	-	9,752,253	34,867,252
Private equity fund	-	-	-	-	-	7,447,239	-	7,447,239
Fixed income pooled separate accounts	-	-	-	-	28,768,345	-	7,024,331	35,792,676
Real estate pooled separate accounts	-	-	-	-	4,435,515	-	1,373,854	5,809,369
Real estate fund	-	-	-	-	-	9,598,177	-	9,598,177
Domestic equity investment funds	-	-	2,994,787	2,994,787	-	-	-	-
International equity investment funds	-	-	901,704	901,704	-	-	-	-
Domestic fixed income investment fund	-	-	1,366,882	1,366,882	-	-	-	-
Total investments	-	-	5,263,373	5,263,373	58,318,859	230,085,010	18,150,438	306,554,307
Prepays	-	-	-	-	-	7,902	-	7,902
Total assets	<u>373,724</u>	<u>88,240</u>	<u>5,263,373</u>	<u>5,725,337</u>	<u>58,320,828</u>	<u>237,332,249</u>	<u>18,150,438</u>	<u>313,803,515</u>
Liabilities								
Accounts payable	-	-	-	-	-	228,771	1,969	230,740
Due to broker	-	-	-	-	-	645,583	-	645,583
Total liabilities	-	-	-	-	-	874,354	1,969	876,323
Net Position								
Restricted for:								
Pension benefits	-	-	-	-	58,320,828	236,457,895	18,148,469	312,927,192
Community partnerships	373,724	88,240	-	461,964	-	-	-	-
Unrestricted	-	-	5,263,373	5,263,373	-	-	-	-
Total restricted net position	<u>\$ 373,724</u>	<u>\$ 88,240</u>	<u>\$ 5,263,373</u>	<u>\$ 5,725,337</u>	<u>\$ 58,320,828</u>	<u>\$ 236,457,895</u>	<u>\$ 18,148,469</u>	<u>\$ 312,927,192</u>

Combining Schedule of Changes in Fiduciary Net Position
Fiduciary Funds
for the Fiscal Year Ended September 30, 2023

	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
Additions								
Contributions:								
Employer	\$ -	\$ -	\$ -	\$ -	\$ 2,061,918	\$ 12,214,789	\$ 523,464	\$ 14,800,171
Plan members	-	-	-	-	145,941	1,667,999	31,285	1,845,225
State of Florida	-	-	-	-	-	915,892	-	915,892
Donations and contributions	15,325	2,156	-	17,481	-	-	-	-
Total contributions	15,325	2,156	-	17,481	2,207,859	14,798,680	554,749	17,561,288
Investment income (loss):								
Interest and dividends	-	-	-	-	-	6,454,080	-	6,454,080
Net increase in fair value of investments	-	-	496,135	496,135	4,319,395	23,325,624	1,614,971	29,259,990
Total investment income (loss)	-	-	496,135	496,135	4,319,395	29,779,704	1,614,971	35,714,070
Less investment expense	-	-	-	-	(25,710)	(1,528,096)	(11,952)	(1,565,758)
Net investment income (loss)	-	-	496,135	496,135	4,293,685	28,251,608	1,603,019	34,148,312
Total additions	15,325	2,156	496,135	513,616	6,501,544	43,050,288	2,157,768	51,709,600
Deductions								
Benefits	-	-	632,721	632,721	4,791,912	15,107,117	1,553,817	21,452,846
Administrative expenses	-	-	-	-	53,506	257,993	37,244	348,743
Operating expenses	-	1,577	-	1,577	-	-	-	-
Total deductions	-	1,577	632,721	634,298	4,845,418	15,365,110	1,591,061	21,801,589
Change in net position	15,325	579	(136,586)	(120,682)	1,656,126	27,685,178	566,707	29,908,011
Net position, beginning	358,399	87,661	5,399,959	5,846,019	56,664,702	208,772,717	17,581,762	283,019,181
Net position, ending	\$ 373,724	\$ 88,240	\$ 5,263,373	\$ 5,725,337	\$ 58,320,828	\$ 236,457,895	\$ 18,148,469	\$ 312,927,192



THIS PAGE IS INTENTIONALLY LEFT BLANK



Statistical Section

Annual Comprehensive Financial Report 2023

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	168
<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	173
<i>These schedules contain information to help the reader assess the City's most significant local revenue sources.</i>	
Debt Capacity	178
<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	182
<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	184
<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.

Schedule 1
Net Position by Activity
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(Amounts Expressed in Thousands)

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities										
Net investment in capital assets	\$ 59,760	\$ 59,840	\$ 66,595	\$ 63,929	\$ 63,880	\$ 63,108	\$ 59,573	\$ 59,327	\$ 66,733	\$ 73,704
Restricted	11,599	13,523	16,021	19,540	19,517	25,340	32,929	39,821	45,786	45,170
Unrestricted	19,671	(35,637)	(41,076)	(60,991)	(64,407)	(68,068)	(67,154)	(56,954)	(52,143)	(34,933)
Total governmental activities net position	<u>\$ 91,030</u>	<u>\$ 37,726</u>	<u>\$ 41,540</u>	<u>\$ 22,478</u>	<u>\$ 18,990</u>	<u>\$ 20,380</u>	<u>\$ 25,348</u>	<u>\$ 42,194</u>	<u>\$ 60,376</u>	<u>\$ 83,941</u>
Business-type activities										
Net investment in capital assets	\$ 33,465	\$ 35,544	\$ 37,651	\$ 36,563	\$ 36,877	\$ 49,221	\$ 54,522	\$ 59,061	\$ 59,466	\$ 59,913
Restricted	292	291	291	1,084	1,285	2,564	3,188	1,942	1,780	2,200
Unrestricted	40,562	33,754	27,512	25,975	32,492	36,574	40,164	42,098	42,953	44,521
Total business-type activities net position	<u>\$ 74,319</u>	<u>\$ 69,589</u>	<u>\$ 65,454</u>	<u>\$ 63,622</u>	<u>\$ 70,654</u>	<u>\$ 88,359</u>	<u>\$ 97,874</u>	<u>\$ 103,101</u>	<u>\$ 104,199</u>	<u>\$ 106,634</u>
Primary government										
Net investment in capital assets	\$ 93,225	\$ 95,384	\$ 104,246	\$ 100,492	\$ 100,757	\$ 112,329	\$ 114,095	\$ 118,388	\$ 126,199	\$ 133,617
Restricted	11,891	13,814	16,312	20,624	20,802	27,904	36,117	41,763	47,566	47,370
Unrestricted	60,233	(1,883)	(13,564)	(35,016)	(31,915)	(31,494)	(26,990)	(14,856)	(9,190)	9,588
Total primary government net position	<u>\$ 165,349</u>	<u>\$ 107,315</u>	<u>\$ 106,994</u>	<u>\$ 86,100</u>	<u>\$ 89,644</u>	<u>\$ 108,739</u>	<u>\$ 123,222</u>	<u>\$ 145,295</u>	<u>\$ 164,575</u>	<u>\$ 190,575</u>

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.

Schedule 2
Change in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(Amounts Expressed in Thousands)

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities:										
General government	\$ 15,289	\$ 13,876	\$ 18,435	\$ 19,868	\$ 17,396	\$ 19,183	\$ 18,255	\$ 19,276	\$ 25,713	\$ 12,183
Public safety	39,809	36,359	39,329	45,542	45,864	52,690	48,359	36,875	53,088	58,904
Physical environment	2,028	1,897	2,234	2,936	3,565	3,012	1,872	1,206	1,246	1,595
Transportation	2,142	1,850	1,972	1,913	2,587	2,113	2,452	3,075	4,111	3,732
Economic environment	4,879	4,474	5,743	5,319	5,186	7,212	7,758	6,461	6,496	9,736
Culture and recreation	3,806	4,145	6,063	6,508	5,449	5,333	7,251	7,130	7,841	8,429
Human services	2,139	1,822	2,353	2,117	1,893	1,803	1,263	1,407	1,989	2,078
Interest and fiscal charges	1,861	956	2,765	2,960	2,700	2,651	2,675	2,804	2,621	2,393
Total governmental activities expenses	<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>	<u>99,050</u>
Business-type activities:										
Nonmajor	272	280	212	243	223	252	250	292	480	751
Sanitation	6,422	6,211	5,864	5,829	4,604	5,101	5,161	5,603	5,985	7,560
Stormwater drainage	2,075	2,215	2,705	3,859	2,917	3,002	4,711	4,364	5,229	5,816
Utility (water and sewer)	21,819	24,902	24,722	23,549	21,228	20,979	21,130	24,777	24,552	27,738
Total business-type activities expenses	<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>	<u>41,865</u>
Total expenses	<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>	<u>\$ 140,915</u>
Program revenues										
Governmental activities:										
Charges for services										
General government	\$ 6,840	\$ 7,719	\$ 7,075	\$ 7,704	\$ 10,383	\$ 7,922	\$ 9,336	\$ 9,696	\$ 12,594	\$ 1,603
Public safety	13,831	13,445	12,668	14,943	13,625	16,915	17,697	17,058	17,747	21,073
Physical environment	4,786	5,233	5,182	4,157	3,114	3,161	274	-	-	-
Transportation	518	622	507	496	1,012	1,168	664	831	1,439	1,923
Economic environment	433	943	1,473	382	397	634	454	694	301	615
Culture and recreation	332	899	715	692	530	626	412	561	571	736
Human services	482	477	-	-	-	884	-	45	-	-
Operating grants and contributions	892	816	1,378	1,157	1,069	2,657	2,501	7,321	13,851	9,270
Capital grants and contributions	1,575	1,711	1,096	111	70	-	762	35	-	-
Total governmental activities program revenues	<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>	<u>\$ 35,220</u>
Business-type activities:										
Charges for services										
Nonmajor	\$ 219	\$ 193	\$ 281	\$ 162	\$ 206	\$ 139	\$ 245	\$ 301	\$ 316	\$ 248
Sanitation	4,925	5,238	5,422	5,239	6,599	6,962	6,940	7,150	6,934	6,836
Stormwater drainage	2,065	2,591	2,088	2,092	4,286	4,397	4,321	4,269	4,171	4,698
Utility (water and sewer)	23,724	22,545	23,009	23,340	25,594	25,173	25,755	26,203	26,636	32,089
Operating grants and contributions	-	-	-	-	-	-	-	116	-	-
Capital grants and contributions	59	37	-	907	501	9,418	247	-	147	225
Total business-type activities program revenues	<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>	<u>44,096</u>
Total program revenues	<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>	<u>\$ 79,316</u>

(Continued)

Schedule 2 (Continued)
Change in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(Amounts Expressed in Thousands)

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General revenues and other changes in net position										
Governmental activities:										
Taxes										
Property taxes	\$ 21,819	\$ 21,752	\$ 28,522	\$ 34,557	\$ 36,687	\$ 42,829	\$ 49,259	\$ 51,528	\$ 52,706	\$ 65,935
Franchise and utility taxes	8,579	8,595	8,373	8,537	8,565	8,616	8,442	8,591	9,750	11,449
Sales taxes	2,339	2,472	2,526	2,534	2,677	2,642	2,392	2,879	3,326	3,454
Motor fuel taxes	911	1,057	1,010	1,016	1,035	1,031	929	996	1,077	1,105
Alcoholic beverage taxes	19	18	17	15	14	14	18	18	13	13
Fire assessments	-	-	-	-	-	-	-	-	-	-
Intergovernmental revenue	4,869	5,383	1,073	1,100	1,098	1,147	1,045	1,180	1,526	1,671
Unrestricted investment earnings	161	221	809	1,734	2,074	2,341	1,446	189	508	5,532
Slot machine proceeds	1,649	1,603	1,677	1,475	1,131	1,307	937	1,638	1,682	1,672
Other revenue	74	68	31	-	-	-	-	-	-	-
Gain on the sale of capital assets	397	241	258	297	-	4	14	-	0	2
Transfers	(5,042)	(1,873)	1,852	935	1,395	1,492	(1,730)	(2,087)	51	1,835
Total governmental activities general revenues and changes in net position	35,775	39,537	46,148	52,200	54,676	61,423	62,752	64,932	70,639	92,668
Business-type activities:										
Franchise and utility taxes	165	-	-	-	-	-	-	-	-	-
Unrestricted investment earnings	139	317	395	50	386	1,138	894	72	(746)	1,651
Other revenue	28	1	-	-	-	-	-	-	-	-
Impact fees	-	-	25	793	487	1,280	635	65	229	354
Gain on the sale of capital assets	-	55	-	-	3	23	-	-	-	33
Transfers	5,042	1,873	(1,852)	(935)	(1,395)	(1,492)	1,730	2,087	(50)	(1,835)
Total business type activities general revenues and changes in net position	5,374	2,246	(1,432)	(92)	(519)	949	3,259	2,224	(567)	203
Total general revenues and other changes in net position	\$ 41,149	\$ 41,783	\$ 44,716	\$ 52,108	\$ 54,157	\$ 62,372	\$ 66,011	\$ 67,156	\$ 70,072	\$ 92,871
Change in net position										
Governmental activities	(6,489)	6,023	(2,652)	(5,321)	236	1,393	4,967	22,939	14,037	28,838
Business-type activities	5,778	(758)	(4,135)	(1,832)	7,695	17,704	9,515	5,227	1,391	2,434
Total change in net position	\$ (711)	\$ 5,265	\$ (6,787)	\$ (7,153)	\$ 7,931	\$ 19,097	\$ 14,482	\$ 28,166	\$ 15,248	\$ 31,272

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

Schedule 3
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(Amounts Expressed in Thousands)

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Non-spendable:										
Inventories	\$ 191	\$ 156	\$ 125	\$ 117	\$ 89	\$ 60	\$ 80	\$ 100	\$ 127	\$ 178
Prepaid items	14	128	-	641	320	-	365	-	-	-
Restricted for:										
Debt service	-	-	-	483	450	414	377	337	296	252
Developer agreements	-	-	-	-	-	1,675	1,675	1,675	1,675	1,675
Grant programs	-	-	-	-	-	24	29	14	129	-
Opiod Litigation Settlement	-	-	-	-	-	-	-	-	-	33
Committed:										
Renewal & Replacement	-	-	-	-	-	-	-	-	-	1,527
Assigned to:										
Vehicles and equipment	1,803	1,318	884	1,138	601	656	779	789	796	821
Development code rewriting	-	-	-	-	-	-	-	-	-	400
Excess benefit plan	-	-	6,437	6,828	6,923	6,396	6,151	-	-	-
Capital projects	-	-	-	-	-	119	4	146	844	1,349
Encumbrances	-	-	-	-	-	54	33	916	1,283	1,646
Subsequent year's expenditures	1,622	-	-	1,879	825	-	2,864	2,297	-	-
Unassigned	17,391	20,186	18,963	12,007	9,398	12,830	10,305	14,700	23,268	31,084
Total General Fund	<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>	<u>\$ 38,965</u>
All Other Governmental Funds										
Non-spendable:										
Prepaid Items	\$ -	\$ -	\$ -	\$ 48	\$ 16	\$ -	\$ 1	\$ -	\$ -	\$ -
Restricted for:										
Assets held for resale	816	6,608	9,476	8,925	9,172	8,159	8,539	8,250	8,433	2,260
Long-term receivable	1,337	1,253	1,341	1,922	1,851	1,576	1,724	1,037	949	437
Community redevelopment	1,308	-	663	2,738	3,762	8,214	12,685	19,229	24,570	28,880
Debt service	1,000	1,517	1,168	1,967	30	174	211	152	189	307
Capital projects	-	-	69,747	62,141	48,571	23,068	36,177	29,593	26,720	22,209
Developer agreements	560	1,502	956	1,274	1,738	1,844	2,551	2,671	2,607	2,730
Building permits function	-	-	-	-	-	-	1,312	1,768	1,991	2,305
Grant programs	922	366	525	-	4	-	-	-	-	292
Law enforcement	1,055	1,016	986	1,165	1,092	1,152	965	1,052	941	610
Police outside services	-	-	-	-	-	53	134	170	114	93
Traffic mitigation	626	346	-	143	194	775	787	787	904	1,103
Transportation	-	-	-	-	-	-	376	843	1,066	1,947
Safe neighborhood districts	937	915	906	923	1,209	1,279	1,563	1,837	1,921	2,245
Committed to:										
Tree preservation	-	-	-	-	-	-	-	58	58	74
Assigned to:										
Police outside services	151	177	-	-	83	-	-	-	-	-
Capital projects funds	1,415	365	-	-	-	1,961	1,169	273	413	4,293
Subsequent year's expenditure	3,038	-	-	-	-	-	-	-	-	-
Unassigned	-	(313)	(105)	(1,997)	(21)	(54)	-	-	-	-
Total all other governmental funds	<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>	<u>\$ 69,785</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.

Schedule 4
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(Amounts Expressed in Thousands)

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues:										
Taxes	\$ 30,397	\$ 30,347	\$ 32,159	\$ 37,902	\$ 39,517	\$ 45,342	\$ 50,551	\$ 52,410	\$ 54,268	\$ 68,214
Licenses, fees and permits	2,505	2,977	3,031	3,809	3,108	3,586	4,645	3,109	3,991	5,097
Fines and forfeitures	865	731	824	890	635	838	581	829	1,000	1,442
Charges for services	8,994	12,143	11,247	10,792	9,433	10,171	8,347	9,134	11,960	13,610
Intergovernmental	11,072	11,964	10,739	10,938	11,630	13,787	14,034	19,817	27,981	24,508
Investment earnings	216	383	1,014	1,732	2,074	2,341	1,446	190	508	5,200
Slot machine proceeds	1,649	1,603	1,677	1,475	1,131	1,307	742	1,638	1,682	1,287
Other revenues	11,409	7,686	9,456	8,144	9,201	10,662	10,579	11,046	10,105	10,956
Total revenues	67,107	67,834	70,147	75,682	76,729	88,034	90,925	98,173	111,495	130,313
Expenditures:										
Current:										
General government	9,904	9,002	10,655	10,998	12,683	11,197	11,857	12,383	13,290	17,145
Public safety	39,398	40,654	40,286	42,012	43,357	44,506	46,923	48,216	53,585	56,817
Physical environment	2,034	2,028	2,283	2,821	3,510	2,926	2,081	1,233	1,226	1,349
Transportation	1,909	1,742	1,922	1,763	1,878	1,751	2,120	2,615	3,799	2,691
Economic environment	4,843	4,421	5,693	5,265	5,118	7,149	7,493	6,304	6,441	11,386
Human services	2,098	1,837	2,301	2,066	1,849	1,727	1,315	1,378	1,779	1,849
Culture and recreation	3,569	3,773	5,435	5,299	4,324	3,951	3,568	3,647	3,981	4,201
Capital outlay	18,763	9,602	16,186	8,973	18,669	25,400	7,741	8,457	6,230	12,362
Debt service:										
Principal	955	1,000	2,450	3,370	3,750	3,906	4,154	6,575	7,357	8,035
Interest and fiscal charges	1,006	957	2,190	3,169	3,424	3,347	3,248	3,433	3,208	2,937
Total expenditures	84,479	75,016	89,401	85,736	98,562	105,860	90,500	94,241	100,896	118,772
Excess (deficiency) of revenues over (under) expenditures	(17,372)	(7,182)	(19,254)	(10,054)	(21,833)	(17,826)	425	3,932	10,599	11,542
Other financing sources (uses)										
Proceeds from the sale of capital assets	430	27	74	3	2,987	3	2	-	2	21
Transfers in	5,615	11,160	18,706	1,661	6,026	4,807	3,650	2,916	14,016	16,911
Transfers out	(5,615)	(7,030)	(16,695)	(1,339)	(4,526)	(3,307)	(3,650)	(2,916)	(14,016)	(14,215)
Issuance of long-term debt	-	-	86,748	-	1,308	449	20,000	-	-	467
Total other financing sources	430	4,157	88,833	325	5,795	1,952	20,002	-	2	3,184
Net change in fund balances	\$ (16,942)	\$ (3,025)	\$ 69,579	\$ (9,729)	\$ (16,038)	\$ (15,874)	\$ 20,427	\$ 3,932	\$ 10,601	\$ 14,726
Debt service as a percentage of of noncapital expenditures	3.0%	3.0%	6.3%	8.5%	9.2%	9.0%	8.9%	11.7%	11.1%	10.3%

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
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
2023	56,765	3,980	6,204	1,265	3,454	717	14	72,399
Change								
2014 - 2023	160.2%	47.6%	42.2%	(16.9%)	47.7%	(21.3%)	(26.3%)	115.0%

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.

Schedule 6
Property Tax Rates – Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

Tax roll year	Fiscal Year	Direct City Rate ⁽¹⁾			Overlapping Rates												
		City of Hallandale Beach			Broward County BOCC			School Board of Broward County			So Florida Water Management District	Florida Inland Navigation District	Children's Services Council	South Broward Hospital District	Total Direct & Overlapping Rates	Golden Isles Safe Neighborhood District ⁽²⁾	Three Islands Safe Neighborhood District ⁽²⁾
		Operating Millage	Debt Service Millage	Total Hallandale Beach	Operating Millage	Debt Service Millage	Total Broward County	Operating Millage	Debt Service Millage	Total School District							
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
2022	2023	8.2466	0.4946	8.7412	5.5306	0.1384	5.6690	5.9510	0.1873	6.1383	0.2301	0.0320	0.4500	0.1010	21.3616	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.

Schedule 7
Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	2023			2014		
	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	\$ 209,916,882	1	3.510%	\$ 213,916,810	1	5.528%
Hallandale Land Ventures LLP	74,392,347	2	1.244%			
Florida Power & Light Co.	70,467,979	3	1.178%	37,087,187	2	0.958%
17070 Collins Ave. Shopping Ctr	54,549,290	4	0.912%	36,132,600	3	0.934%
Three Islands Associates Residential/Midwest	38,636,343	5	0.646%	26,981,086	4	0.697%
831 Federal Hwy Aquistion LLC	36,327,179	6	0.607%			
Maltese Diplomat Owner LLC	30,979,360	7	0.518%			
2500 Hallandale Beach LLC Receiver Inc.	23,749,480	8	0.397%	13,179,222	8	0.341%
Hallandale Group Ltd Partnership	18,249,000	9	0.305%	14,509,394	9	0.375%
Wal-Mart Stores Inc.	14,611,489	10	0.244%	16,771,808	5	0.433%
Hollywood Greyhound Track				23,595,261	7	0.610%
Diplomat Properties Ltd Partnership				12,435,891	10	0.321%
Village at Gulfstream LLC\CCD				16,167,387	6	0.418%
Total	<u>\$ 571,879,349</u>		<u>9.562%</u>	<u>\$ 410,776,646</u>		<u>10.615%</u>

Source: Broward County, Florida, Department of Revenue.

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
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	31,978	99.46%
2019	38,497	38,217	99.27%	11	38,229	99.30%
2020	43,913	43,524	99.11%	107	43,631	99.36%
2021	45,535	45,223	99.32%	44	45,268	99.41%
2022	46,380	46,037	99.26%	7	46,044	99.27%
2023	58,915	58,620	99.50%	-	58,620	99.50%

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.).

Schedule 9
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(Amounts Expressed In Thousands)

Fiscal Year	Real Property ⁽¹⁾				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	Personal Property					
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%
2023	7,106,987	1,126,502	295,644	144,759	2,051,759	6,622,133	8.7412	8,673,892	76.3%

Source: Broward County Revenue Collection Division.

⁽¹⁾ Based on market values.

⁽²⁾ Includes tax exempt properties.

Schedule 10
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal year	Capital Lease	Subscription Liabilities	Governmental Activities						Business-Type Activities						Total Primary Government	Percentage of Personal Income ⁽¹⁾	Per Capita ⁽¹⁾
			Revenue Bonds Series 2007A	Revenue Note Series 2012	Revenue Bonds Series 2016	O.B. Johnson Bonds Series 2015	G.O. Bonds Series 2016	HBCRA Redevelopment Series 2020	Revenue Bonds Series 2005A	Revenue Note Series 2012	Revenue Bonds Series 2014	State Revolving Loan DEP					
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	854,752	-	-	-	17,036,855	6,140,000	53,670,456	14,900,000	-	-	1,750,000	1,574,764	95,926,827	3.49%	2,301.67		
2023	757,130	149,971	-	-	15,065,813	4,665,000	52,159,203	11,710,000	-	-	1,185,000	1,501,938	87,194,055	*	2,078.82		

⁽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.

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
2014	\$ -	\$ 3,878,288	-%	38,391	-
2015	-	4,248,090	-%	38,273	-
2016	60,462	4,625,098	1.31%	38,424	1.57
2017	59,197	5,126,887	1.15%	38,621	1.53
2018	57,888	5,405,697	1.07%	39,054	1.48
2019	56,530	5,593,746	1.01%	39,834	1.42
2020	55,124	5,805,141	0.95%	39,945	1.38
2021	53,670	6,022,064	0.89%	41,157	1.30
2022	53,670	6,022,064	0.89%	41,677	1.29
2023	52,159	6,622,133	0.79%	41,726	1.25

⁽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.

Schedule 12
Direct and Overlapping Governmental Activities Debt
as of September 30, 2023

Jurisdiction	Net debt Outstanding ⁽¹⁾	Percentage applicable to City of Hallandale Beach	Amount applicable to City of Hallandale Beach
Overlapping:			
Broward County	\$ 40,973 ⁽²⁾	2.698%	\$ 1,106
Broward School District	861,969 ⁽³⁾	2.482%	21,391
Subtotal, overlapping debt	<u>902,942</u>		<u>22,497</u>
Direct Debt:			
City of Hallandale Beach	84,507,117	100.000%	84,507,117
Total direct and overlapping debt	<u>\$ 85,410,059</u>		<u>\$ 84,529,614</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.

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		
				Principal	Interest	Coverage		Principal	Interest	Coverage		Principal	Interest	Principal	Interest	Coverage
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	30,075,910	20,910,601	9,165,309	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	24,455,170	6,351,537	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
2023	37,140,867	29,553,399	7,587,468	565,000	33,019	12.69	5,932,940	178,880	37,132	27.47	30,498,090	-	-	1,660,000	633,163	13.30

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	
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
2023	23,069,574	1,475,000	167,008	14.05	21,530,979	3,190,000	312,934	6.15

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.

Schedule 14
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population ⁽¹⁾	Personal Income ⁽²⁾	Broward County Per capita Personal Income ⁽²⁾	Median Age ⁽³⁾	Unemployment Rate		Public School Enrollment ⁽⁶⁾
					Broward County	Hallandale Beach	
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⁾	1,106
2022	41,677	2,751,057,093	66,009	45.8	2.60%	3.00% ⁽⁵⁾	2,404
2023	41,726	*	*	46.2	3.10%	3.60% ⁽⁵⁾	2,257

⁽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.

⁽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.

Schedule 15
Principal Employers
Current Year and Nine Years Ago

Employer	2023			2014		
	Employees	Rank	% of Total City Employment	Employees	Rank	% of Total City Employment
Gulfstream Park Racing & Casino	726	1	3.918%	1,450	1	8.698%
City of Hallandale Beach	482	2	2.602%	457	3	2.741%
The Big Easy Casino	405	3	2.185%	672	2	4.031%
Wal-Mart Stores, Inc.	334	4	1.802%	268	4	1.608%
School Board of Broward County	282	5	1.522%	256	5	1.536%
Publix Supermarket	213	6	1.149%	215	6	1.290%
Winn Dixie Supermarkets	176	7	0.950%	198	7	1.188%
Burlington Coat Factory	132	8	0.712%	93	9	0.558%
US Post Office	108	9	0.583%	-	-	-%
The Beach Walk Elite Hotels & Resorts	41	10	0.221%	-	-	-%
Cantena Laredo	-	-	-%	88	10	0.528%
Diplomat Country Club	-	-	-%	192	8	1.152%
	<u>2,899</u>		<u>15.644%</u>	<u>3,889</u>		<u>23.330%</u>

Source: Individual employers and State of Florida Unemployment Statistics.

Schedule 16
Budgeted Full-Time Positions for City Employees by Function/Program
Last Ten Fiscal Years

Function/program	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
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	8.00	8.00	8.00	7.74	9.00	7.43	7.43	10.86	12.10
Budget program and monitoring	-	-	-	-	3.00	4.00	3.00	3.00	4.00	4.00
General services/procurement department	5.00	4.00	4.00	5.00	5.00	5.00	4.00	4.00	5.00	4.00
City attorney	3.00	4.00	4.00	4.00	5.00	5.00	5.00	5.00	5.00	6.00
Finance	11.75	11.77	11.00	13.00	11.00	12.00	10.00	8.72	9.35	9.85
Innovation technology	5.00	5.00	6.00	7.00	7.00	7.00	5.00	7.25	9.50	11.00
Personnel	5.94	5.77	5.50	6.50	5.82	6.13	5.00	5.50	6.50	6.50
City clerk	3.00	3.00	3.00	3.00	3.00	3.00	3.00	4.00	4.00	4.00
Development services ⁽¹⁾	22.20	26.00	26.00	28.00	30.50	18.00	16.00	17.15	23.53	26.30
Other	-	2.00	4.00	4.00	5.00	-	-	-	-	-
Police										
Officers	98.47	98.00	99.50	103.00	107.12	106.13	102.00	104.00	105.00	105.50
Civilians	39.27	39.22	39.50	39.50	35.50	37.00	34.00	36.13	38.13	45.13
Fire										
Paramedics, firefighters, officers	77.00	77.00	77.00	77.00	77.00	76.00	71.00	-	-	-
Civilians	14.85	14.15	14.13	14.13	13.69	14.13	13.00	-	-	-
Public works										
Administration	1.00	1.00	1.00	3.00	1.00	1.00	-	-	-	-
Equipment maintenance	-	-	-	-	-	-	-	-	-	-
Grounds maintenance	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	7.00	7.00	6.50	6.50	6.50
Capital improvement	-	-	-	-	-	5.00	4.00	2.00	2.00	2.05
Custodial service	-	-	-	-	-	2.00	1.00	1.00	-	1.00
Human services	11.95	13.94	19.30	18.30	22.27	10.00	8.00	20.17	21.27	21.30
Parks and recreation ⁽²⁾	56.37	60.95	72.43	75.43	63.90	45.00	32.00	63.79	60.38	60.75
Transportation	10.77	10.63	10.63	10.63	10.00	10.00	10.00	10.10	12.35	5.80
Permits and inspections ⁽¹⁾	-	-	-	-	-	14.00	15.00	18.10	26.00	30.20
Sanitation	27.85	26.78	25.75	23.75	20.00	19.88	18.50	18.25	21.21	23.13
Cemetery	1.77	2.26	2.25	2.25	2.25	2.25	1.00	2.26	2.25	4.00
Water	47.77	46.88	46.88	47.51	47.50	46.50	45.00	48.28	55.92	56.03
Stormwater	4.00	5.00	5.00	5.00	7.63	7.63	8.00	8.20	7.42	8.20
Sewer	12.00	12.00	12.00	13.00	11.00	11.00	10.00	11.70	12.70	12.70
Marina	1.54	1.26	1.25	-	-	-	-	-	-	0.63
Fleet services	9.00	10.00	10.00	9.00	9.00	10.00	9.00	9.00	8.35	8.62
Risk management	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Total	500.81	513.13	532.62	544.50	536.42	507.65	458.93	428.53	464.20	482.27

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.

Schedule 17
Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/program	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Development services										
Building permits issued	3,435	5,368	3,589	3,738	4,633	4,760	2,734	3,382	3,975	4,528
Building inspections conducted	13,028	13,028	10,711	11,347	14,156	15,798	10,374	10,733	11,678	12,468
Police										
Physical arrests	1,281	1,281	964	621	714	620	355	320	510	545
Parking violations	1,335	1,335	2,079	2,581	2,506	1,639	684	4,993	14,568	18,232
Traffic violations	11,709	11,709	10,067	7,082	12,049	6,382	2,798	4,986	11,112	14,911
Fire										
EMS responses	6,275	6,275	6,436	6,114	5,846	5,849	5,026	5,482	5,577	5,485
Other emergency responses	2,344	2,344	2,465	2,778	2,686	2,526	2,413	2,214	2,710	2,964
Fires	93	93	102	101	89	88	50	84	67	75
Inspections	2,276	2,276	2,077	3,199	3,115	1,559	1,616	2,368	2,003	2,301
Refuse collection										
Refuse collected (tons per year)	26,321	26,321	26,489	24,954	24,408	24,997	26,314	26,952	28,912	29,425
Other public works										
Street resurfacing (miles)	-	-	-	-	-	-	1	1	-	-
Number of streets repaired	1,590	1,590	973	894	852	124	140	220	639	478
Asphalt used (tons)	101	101	116	159	116	74	72	71	60	12
Parks and recreation										
Summer camp participants	125	125	125	125	100	100	-	-	-	-
Athletic teams	-	-	97	99	105	106	15	55	99	100
Water										
New/replacement connections	34	34	6,752	71	18	24	19	559	302	302
Average daily production (1000's of gallons)	6,220	6,220	6,406	5,990	6,000	5,992	6,013	6,358	6,216	6,140
Peak daily production (1000's of gallons)	7,517	7,517	7,341	6,542	6,700	7,207	6,900	7,222	7,194	7,030
Wastewater										
Average daily sewage transmitted (1000's of gallons)	6,965	6,965	7,113	7,113	6,792	7,113	7,829	7,571	7,095	7,095
Transit										
Total route miles per year	152,047	152,047	151,488	150,358	179,520	176,719	156,070	143,030	170,405	163,248
Passengers per year	265,545	265,545	251,559	234,260	278,559	283,324	173,348	123,272	151,573	176,114

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.

Schedule 18
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Function/program										
Police stations	1	1	1	1	1	1	1	1	1	1
Fire stations	3	3	3	3	3	3	3	3	3	3
Refuse collection										
Collection trucks	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
Sidewalks (miles)	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
Traffic signals	42	42	42	42	42	42	42	42	42	42
Parks and recreation										
Playgrounds	11	10	10	10	10	10	9	10	10	10
Baseball/softball diamonds	3	2	2	2	0	3	3	3	3	3
Outdoor pavilions	10	13	13	13	15	17	14	15	15	15
Community centers	5	5	5	5	5	5	5	5	5	5
Pool	2	2	2	2	1	1	2	2	2	2
Tennis courts	14	14	14	14	12	14	14	14	14	14
Water										
Water mains (miles)	80	80.57	80.57	81	81	81	81	81	81	81
Firehydrants	572	578	578	578	578	578	583	590	590	590
Storage capacity (millions of gallons)	4.9	4.9	4.9	5.0	4.7	4.7	4.7	4.7	4.7	4.7
Wastewater										
Sanitary sewers (miles)	73	72.47	72.47	72	72	72	72	72	72	72
Storm sewers (miles)	40	40.89	40.89	41	41	41	41	41	41	41
Transmission capacity (millions of gallons per day)	6.65	6.65	6.65	7.00	7.00	7.00	7.00	7.00	7.00	6.20

Sources: Various City departments.

Note: No capital asset indicators are available for the general government functions.

CITY OF HALLANDALE BEACH, FLORIDA
COMPLIANCE REPORTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

CITY OF HALLANDALE BEACH, FLORIDA

TABLE OF CONTENTS

Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	1-2
Independent Auditors' Report on Compliance for the Major Federal Program Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	3-5
Schedule of Expenditures of Federal Awards	6
Notes to the Schedule of Expenditures of Federal Awards	7
Schedule of Findings and Questioned Costs	8-11
Summary Schedule of Prior Audit Findings	12
Management Letter in Accordance with the Rules of the Auditor General of the State of Florida	13-15
Independent Accountants' Report on Compliance Pursuant to Section 218.415, Florida Statutes	16
Corrective Action Plan	17
Affidavit, F.S. Section 163.31801, Impact Fees	18

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

To the Honorable Mayor, City Commission and City Manager
City of Hallandale, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), 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 fiscal year ended September 30, 2023, 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 26, 2024. 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 testing of internal control over financial reporting or compliance and other matters that are reported on separately by the auditor.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items MW2023-01 and MW2023-02 that we consider to be material weaknesses.

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 Management's Response to Findings

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

Purpose of this Report

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

Marcum LLP

Fort Lauderdale, FL
June 26, 2024

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR THE MAJOR
FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE;
AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY THE UNIFORM GUIDANCE**

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

Report on Compliance for Each Major Federal Program

Opinion on the Major Federal Program

We have audited 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 the City's major federal program for the fiscal year ended September 30, 2023. The City's major federal program is 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 its major federal program for the fiscal year ended September 30, 2023.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); 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 the 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.

Auditors' 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 GAAS, *Government Auditing Standards*, 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 the 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, each major fund, and the aggregate remaining fund information of the City as of and for the fiscal year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We did not audit the financial statements of the City's Police Officers' and Firefighters' Personnel Retirement Trust, a fiduciary fund of the City. We have issued our report thereon dated June 26, 2024, which contained unmodified opinions on those basic financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards 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 GAAS. 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.

Marcum LLP

Fort Lauderdale, FL
June 26, 2024

CITY OF HALLANDALE BEACH, FLORIDA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

Federal/State Agency, Pass-through Entity, Federal Program	ALN No.	Grant/Contract Number	Passed through to Subrecipients	Expenditures
<u>FEDERAL GRANTS:</u>				
U.S. Department of Justice:				
Direct Programs:				
Bulleproof Vest Partnership Program 2021	16.607	NA	\$ --	\$ 587
Edward Byrne Memorial Justice Assistance Grant - Strategies for Policing Innovations	16.738	2019-WY-BX-0004	--	213,976
Edward Byrne Memorial Justice Assistance Grant Program 2019	16.58	2019-DJ-BX-0432	--	9,989
Equitable Sharing Program	16.922	FL0060400	--	306,033
Total Edward Byrne Memorial Justice Assistance Grant - (BJA)				223,965
Total U.S. Department of Justice			--	530,585
U.S. Department of Homeland Security				
Direct Programs:				
Staffing for Adequate Fire and Emergency Response	97.083	EMW-2018-FH-00490	--	795,894
Indirect Program: (Passed through Broward County EFSP Board)				
Emergency Food & Shelter National Board Program - Phase 40	97.024	NA	--	6,400
Total U.S. Department of Homeland Security			--	802,294
U.S. Department of Housing and Urban Development:				
Indirect Programs: (Passed through Broward County Community Development Division)				
CDBG - Entitlement Grants Cluster:				
Community Development Block Grant (CDBG)	14.218	B-21-UC-12-0001	--	150,425
Community Development Block Grant (CDBG)	14.218	B-22-UC-12-0001	--	74,620
Community Development Block Grant (CDBG)	14.218	B-22-UC-12-0001	--	95,000
Total Community Development Block Grant - Entitlement Grants Cluster			--	320,045
Total U.S. Department of Housing and Urban Development			--	320,045
US Department of Treasury:				
Indirect Programs: (Passed Through Florida Department of Emergency Management)				
Coronavirus State and Local Fiscal Recovery Funds - ARPA	21.027	Y5108	--	4,989,379
Equitable Sharing Program	21.016	FL0060400	--	62,102
Total US Department of Treasury				5,051,481
U.S Department of Health and Human Services				
Indirect Programs: (Passed Through Florida Department of Health and Rehabilitative Services Area-wide Council on Aging of Broward County, Inc.)				
Special Programs for the Aging, Expanding Access to COVID-19 Vaccines via the Aging Network	93.044	JCV21-78-2022	--	8,000
(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	--	18,012
School Readiness Program Services - ARPA	93.575	NA	--	47,494
Total U.S. Department of Health and Human Services			--	73,506
Total Expenditures of Federal Awards			\$ --	\$ 6,777,911

See notes to Schedule of Expenditures of Federal Awards

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal award activity of the City of Hallandale Beach, Florida (the “City”) for the fiscal year ended September 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position/fund balance or cash flows of the City.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

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.

CITY OF HALLANDALE BEACH, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

SECTION I – SUMMARY OF AUDITORS’ RESULTS

Financial Statements

Type of auditors’ report issued on whether the financial statements audited were prepared in accordance with GAAP: *Unmodified Opinion*

Internal control over financial reporting:

Material weakness(es) identified?	<u>X</u>	Yes	<u> </u>	No
Significant deficiency(ies) identified?	<u> </u>	Yes	<u>X</u>	None reported
Non-compliance material to financial statements noted?	<u> </u>	Yes	<u>X</u>	No

Federal Awards

Internal control over the major federal program:

Material weakness(es) identified?	<u> </u>	Yes	<u>X</u>	No
Significant deficiency(ies) identified?	<u> </u>	Yes	<u>X</u>	None reported

Type of auditors’ report issued on compliance for the major federal program: *Unmodified Opinion*

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes X No

Identification of the Major Federal Program:

Assistance Listing

Number

21.027

Federal Program or Cluster

United States Department of Treasury –
Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee pursuant to the Uniform Guidance? Yes X No

CITY OF HALLANDALE BEACH, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

SECTION II – FINANCIAL STATEMENT FINDINGS

Material Weakness

MW 2023-01- *Inadequate Internal Controls over Assets Held for Resale*

Criteria

Prudent financial reporting requires accurate and timely reconciliation of general ledger accounts. The existence of a formal policy and procedures manual could assist with the timeliness of reconciling account balances.

Condition

As a result of the audit procedures performed by the auditor over the assets held for resale for the Hallandale Beach Community Redevelopment Agency (“CRA”), the auditor noted that the CRA in collaboration with the City identified properties that were included in the assets held for resale rollforward as of September 30, 2023 that were no longer owned by the CRA as these properties were conveyed to a private developer in fiscal year 2022. A prior period adjustment was required to properly present the account balances as of October 1, 2022. The beginning balance of assets held for resale at October 1, 2022 was restated and decreased by five million, two hundred seventy-three thousand, seven hundred fourteen dollars (\$5,273,714) to account for land conveyed to a private developer in a prior period.

Cause

A lack of adequate internal controls over the tracking, monitoring and reconciliation of assets held for resale. The City placed over reliance on the Broward County Property Appraiser website for determining whether title of assets held for resale were conveyed to a third party.

Effect

The City’s internal controls over the tracking, monitoring and reconciliation of assets held for resale did not detect or prevent this error in a timely manner. As a result, the City recorded a prior period adjustment in the amount \$5,273,714 to properly reflect the opening balance of assets held for sale as of October 1, 2022.

Recommendation

We recommend that the City improve internal controls over the tracking, monitoring and reconciliation process for assets held for resale of the CRA. We recommend City implement additional procedures for identifying future conveyance of asset held for resale properties in addition to the review of the Broward County Property Appraiser website such as review of City commission and CRA board meeting minutes. We also recommend implementing a formal communication process for any properties that are conveyed to outside third parties between the CRA and the City’s finance department.

CITY OF HALLANDALE BEACH, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)

Material Weakness (continued)

MW 2023-01- *Inadequate Internal Controls over Assets Held for Resale (continued)*

Views of Responsible Officials and Planned Corrective Actions

See accompanying Corrective Action Plan.

MW 2023-02- *Inadequate Controls for Accrual of Health Insurance Expenses*

Criteria

Pursuant Governmental Accounting Standards Board (“GASB”) Statement 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, this statement establishes standards for annual financial reports and requires that all expenses related to the provision of services, including health insurance benefits, be accurately recorded in the period in which they are incurred. This standard emphasizes the importance of accurate recording and reconciliation of expenses in governmental financial statements.

Condition

As a result of audit procedures aimed at identifying unrecorded liabilities as of September 30, 2023, the auditor noted an instance where an invoice relating to health insurance expenses appeared to not have been accrued. Subsequent investigation by management revealed that the expenses associated with the provision of health insurance benefits to employees were not fully recognized as liabilities in the financial statements for the period ended September 30, 2023 and previous years.

Cause

Inadequate internal controls to reconcile transactions related to health insurance expenses for employees with the monthly invoices from the health insurance provider. The lack of adequate reconciliation procedures and coordination between Human Resources (HR) personnel entering invoices and payroll/accounts receivable personnel resulted in significant discrepancies.

CITY OF HALLANDALE BEACH, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)

Material Weakness (continued)

MW 2023-02- Inadequate Controls for Accrual of Health Insurance Expenses (continued)

Effect

As a result of the inadequate controls, management had to review the Payroll Trust Fund for the previous three years to estimate unrecorded health insurance expenses. The City did not complete its analysis, and therefore, exact differences per employee or retiree could not be determined. Management estimated approximately \$688,000 in unrecorded health insurance expenses from prior years. This estimate has been recorded to ensure that the financial statements are not materially misstated.

Recommendation

Management should perform a detailed analysis to determine the exact amounts of unrecorded health insurance expenses and ensure accurate recording. Management should establish robust controls to reconcile health insurance invoices with payroll and general billing records monthly. This process should include ensuring that the expenses are recorded timely and accurately. Additionally, enhancing the coordination and verification processes between HR, payroll, and accounts receivable personnel will help prevent such discrepancies in the future.

Views of Responsible Officials and Planned Corrective Actions

See accompanying Corrective Action Plan.

SECTION III – FEDERAL AND STATE AWARDS FINDINGS AND QUESTIONED COSTS

None.

CITY OF HALLANDALE BEACH, FLORIDA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

SECTION I – PRIOR YEAR FINANCIAL STATEMENT FINDINGS

Material Weakness

MW2022-001 Proper Period Adjustments (Capital Assets) was addressed in the current year and is not repeated.

SECTION II – PRIOR YEAR FEDERAL AWARDS

None.

**MANAGEMENT LETTER IN ACCORDANCE WITH THE RULES OF THE
AUDITOR GENERAL OF THE STATE OF FLORIDA**

To the Honorable Mayor, City Commission and City Manager
City of 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, 2023, and have issued our report thereon dated June 26, 2024. We did not audit the financial statements of City’s Police Officers and Firefighters’ Personnel Retirement Trust, as described in our report on the City’s financial statements. This management letter does not include any matters reported on separately by those other auditors in their management letter, if any.

Auditors’ Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); the audit requirements of Title 2 U.S. *Code of Federal Requirements Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”); and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditors’ Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors’ Report on Compliance for the Major Federal Program; Report on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform; Schedule of Findings and Questioned Costs; Summary Schedule of Prior Audit Findings; and Independent Accountants’ Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedules, which are dated June 26, 2024, 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. The predecessor auditor reported findings MW2022-001 in the preceding annual financial report. This material weakness (MW2022-001) was addressed and therefore not repeated in the current year.

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 in Note 1 to the financial statements.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify of the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the City. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same. This assessment was performed as of the fiscal year end.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did identify two (2) items as MW2023-01 and MW2023-02, which are reported in the accompanying Schedule of Findings and Questioned Costs.

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 in 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 ("GISND") and the Three Islands Safe Neighborhood District ("TISND") reported:

- a. The total number of district employees compensated in the last pay period of the fiscal year were 0 for both districts.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the fiscal year as one (1) for each district.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$0 for each district.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$1,231 for each district.
- e. There were 2 construction projects with a total cost of at least \$65,000 approved by the districts that were scheduled to begin on or after October 1 of the fiscal year being reported and total expenditures of such projects are all listed below:

District	Project Name	Project No.	Expenditures	Approved FY2023 Budget
GISND	Decorative Street Signs	DECO1	\$ --	\$150,000
TISND	Entrance Improvement and Traffic Calming	TRAF1	\$3,542	\$208,201

- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before beginning of the fiscal year being reported if the districts amends a final adopted budget under Section 189.016(6), Florida Statutes, has been presented on pages 151 and 152 of the City's annual comprehensive financial report.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not note any 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, City Commission, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Marcum LLP

Fort Lauderdale, FL
June 26, 2024



INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE PURSUANT TO SECTION 218.415, FLORIDA STATUTES

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

We have examined the City of Hallandale Beach, Florida (the "City")'s compliance with Section 218.415, Florida Statutes, Local Government Investment Policies for the fiscal year ended September 30, 2023. Management of the City is responsible for the City's compliance with the specified 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 judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent of the City 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 the specified requirements.

In our opinion, the City complied, in all material respects, with Section 218.415, Florida Statutes for the fiscal year ended September 30, 2023.

This report is intended solely to describe our testing of compliance with Section 218.415, Florida Statutes and it is not suitable for any other purpose.

Marcum LLP

Fort Lauderdale, FL
June 26, 2024



Office of the
City Manager

Dr. Jeremy Earle
City Manager
CRA Executive
Director

JOY F. COOPER
Mayor

ANABELLE LIMA-TAUB
Vice Mayor

JOY D. ADAMS
Commissioner

MIKE BUTLER
Commissioner

MICHELE LAZAROW
Commissioner

400 S. Federal
Highway
Hallandale Beach,
FL 33009
Ph (954) 457-1300
Fax (954) 457-1454

www.coHB.org

June 24, 2024

The City of Hallandale Beach respectfully submits the following corrective action plan for the year ended September 30, 2023.

CORRECTIVE ACTION PLAN 2CFR § 200.511(c)

Finding MW 2023-01: Inadequate Internal Controls over Assets Held for Resale

We acknowledge the findings regarding the internal controls over assets held for resale and appreciate the recommendations provided. To address these issues, we will implement the following action plan:

- **Prepare Semi-Annual Schedule:** The Assets Held for Resale schedule will be prepared on a semi-annual basis instead of annually.
- **Add Conveyance Notes:** Notes will be added to properties when they are conveyed to ensure proper follow-up and reduce reliance on the Broward County Property Appraiser website.
- **Additional Procedures:** Implement additional procedures for identifying future conveyance of asset-held-for-resale properties, including reviewing City commission and CRA board meeting minutes.
- **Formal Communication Process:** Establish a formal communication process for any properties conveyed to outside third parties between the CRA and the City's finance department.

These steps will enhance the accuracy and timeliness of our financial reporting. The City's finance department, in collaboration with the CRA, will be responsible for implementing these actions immediately, with full adherence starting in the next fiscal period. The City and CRA are committed to improving our internal controls and ensuring accurate financial reporting.

Anticipated Completion Date: December 31, 2024.

Persons Responsible:

Geovanne Neste
Finance Director
gneste@cohb.org
(954) 457-1371

Faith Phinn
Deputy Executive Director
fphinn@cohb.org
(954) 457-2228

Finding MW2023-02: Inadequate Controls for Accrual of Health Insurance Expenses

As part of the transition from agency funds as per GASB 84, the City of Hallandale Beach utilizes a payroll trust fund, which is now integrated into the General Fund. During the current audit, it was noted that the accrual for health insurance expenses appeared unrecorded. Subsequent investigation by management revealed that the full health insurance expenses were not being fully recognized.

Finding MW2023-02: Inadequate Controls for Accrual of Health Insurance Expenses (Continued)

Background Information: There are three types of health insurance-related transactions accounted for in the Payroll Trust Fund:

- Payroll employee deductions and employer contributions for health insurance processed bi-weekly.
- Insurance for retirees who fully cover their costs but are billed through the City's health insurance.
- Health insurance for a former executive employee under a settlement agreement.

The audit revealed insufficient controls to reconcile these transactions with the monthly invoices from the health insurance provider. The lack of adequate reconciliation procedures and coordination between HR personnel entering invoices and payroll/accounts receivable personnel resulted in significant discrepancies. As a result, management had to review the Payroll Trust Fund for the previous three years to estimate unrecorded health insurance expenses. Due to the incomplete analysis, exact differences per employee or retiree could not be determined. Management estimated approximately \$688,000 in unrecorded health insurance expenses from prior years. This estimate has been recorded to ensure that the financial statements are not materially misstated.

Management Response and Corrective Action Plan: We acknowledge the findings regarding the accrual of health insurance expenses and appreciate the recommendations provided. To address these issues, we will implement the following action plan:

- **Detailed Analysis:** Conduct an in-depth analysis to determine the precise amounts of unrecorded health insurance expenses.
- **Implement Robust Controls:** Establish robust controls to reconcile health insurance invoices with payroll and general billing records monthly.
- **Timely Recording:** Ensure that expenses related to the settlement agreement are recorded timely and accurately.
- **Enhanced Coordination:** Enhance the coordination and verification processes between HR, payroll, and accounts receivable personnel.

Management is confident that the recorded estimate of \$688,000 ensures the financial statements are not materially misstated. These actions will prevent such discrepancies in the future and improve the accuracy of our financial reporting.

The Finance Department will oversee the implementation of these corrective actions and ensure compliance with the recommended practices. We are committed to resolving these issues promptly and effectively.

Anticipated Completion Date: December 31, 2024.

Persons Responsible:

Geovanne Neste
Finance Director
gneste@cohb.org
(954) 457-1370

Sean Li
Assistant Finance Director
sli@cohb.org
(954) 457-3004



FINANCE DEPARTMENT

GEOVANNE NESTE
Director

JOY F. COOPER
Mayor

ANABELLE LIMA-TAUB
Vice Mayor

JOY D. 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

February 29, 2024

Re: Fiscal Year 2023 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 the City of Hallandale Beach which is a local government entity of the State of Florida.
2. The governing body of City of Hallandale Beach, FL adopted Ordinances 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

(Chief Financial Officer of City of Hallandale Beach, Florida)

STATE OF FLORIDA
COUNTY OF BROWARD

SWORN TO AND SUBSCRIBED before me this 29 day of February, 2024.

NOTARY PUBLIC

Print Name Shameke Chambers

Personally Known ☒ or produced identification ☐

Type of identification produced:

My Commission Expires:





City of Hallandale Beach, Florida
Finance Department
400 S. Federal Highway
Hallandale Beach, Florida 33009-6433
954.457.1370
For more information visit our website
www.cohb.org



PROGRESS. INNOVATION. OPPORTUNITY.