

**CITY OF HIALEAH,
FLORIDA**

**ANNUAL
COMPREHENSIVE
FINANCIAL**

REPORT

2023

**FISCAL YEAR ENDED
SEPTEMBER 30, 2023**



**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**



**ESTEBAN BOVO JR.
MAYOR**

Prepared by Finance Department

City of Hialeah, Florida
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INTRODUCTORY SECTION

Esteban Bovo, Jr.
Mayor

Jesus Tundidor
Council President

Jacqueline Garcia-Roves
Council Vice-President



Council Members
Bryan Calvo
Angelica Pacheco
Monica Perez
Luis Rodriguez
Carl Zogby

City of Hialeah

June 26, 2024

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

It is our pleasure to submit the Annual Comprehensive Financial Report for the City of Hialeah, Florida, for the fiscal year ending September 30, 2023. The financial statements included in this report conform to generally accepted accounting principles (GAAP) in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB).

The City of Hialeah's financial statements have been audited by Marcum, LLP Certified Public Accountants. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Hialeah's financial statements for the fiscal year ended September 30, 2023, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

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

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

PROFILE OF THE GOVERNMENT

The City of Hialeah was incorporated in 1925 under the laws of the State of Florida as contained in Chapter 11516 Special Acts of 1925. The City of Hialeah occupies a land area of 23 square miles and serves a population of approximately 225,000 residents.

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

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

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

ECONOMIC CONDITION AND OUTLOOK

Each fiscal year that passes provides the City an opportunity to identify, address and resolve issues facing our community and our residents. The City's major functions are to provide the essential infrastructure and services needed to maintain and improve our resident's quality of life, and at the same time attract the investments that provide growth and new revenue opportunities to the City. The City continues to emphasize the support of systems such as free public transit, public safety (police and fire), affordable housing, storm water management, potable (drinking) water, waste treatment and solid waste collection which must be balanced carefully with the quality-of-life amenities which include parks and recreation, entertainment, and cultural opportunities to maintain the beauty and attractiveness of our community.

These aforementioned city functions have to be balance against continued inflation pressures that increases the cost of labor and commodities needed to serve the residents of Hialeah.

In the past year, property taxable values in the City of Hialeah have increased approximately 14% based on the Miami Dade County Property Appraiser's Office assessments. The City continues to honor our commitment to the residents of not increasing the millage rate above the levels that have been set by the Administration for the last twelve years. In fact, the City of Hialeah has decreased the millage rate three times over the last twenty years. The following discussion is intended to demonstrate the growth and vitality of the City and at the same time to address the projected challenges of the future.

Economic Growth Activity

In 2003 the City of Hialeah annexed from Miami Dade County an area located along the northwest corner of the City of Hialeah between Highway I-75 and the Florida Turnpike lying directly to the west of the City. The Annexation Area consists of 1,920 acres (3 square miles) of land, of which one-third was designated for residential use, two-thirds have been designated for commercial and industrial use, and includes a 30-acre passive park. As part of the inter-local agreement between the City and Miami-Dade County, the City has provided the necessary regional development infrastructure, including: water and sewer services, road improvements, and regional recreational facilities. The Annexation Area provides continued strong economic growth to the City of Hialeah by expanding its revenue base and maximizing the land use within its borders. The construction of 4,000 residential units with approximately 16,000 residents and 8,000,000 square feet of industrial development were completed. Construction has begun on the first phase of a 77- acre site mixed-use classification, which includes 211,000 square feet of retail / restaurant space and 244 multi-family residential units. Another three undeveloped industrial parcels are in the permitting process to build 1,000,000 square feet of distribution warehouses. Additionally, a new multifamily development comprised of 617 residential units under construction.

- The City of Hialeah has embarked on an ambitious Master Plan for the vision of the next 25 years that aims to enhance the City's infrastructure and livability and increase quality of life for City residents. The project kicked-off in September 2023 and is expected to analyze existing conditions, identify needs related to infrastructure and regulatory gaps, and address development pressures. The city is committed to crafting a vision for Hialeah in time for the City's 100th anniversary in 2025. The Hialeah 2050 Master Plan is an opportunity for the city to look forward and develop a roadmap for the next 25 years that is aligned with this community's goals and desires. The project team's objective is to develop a plan for Hialeah to become a vibrant, sustainable, and connected community. Link to Hialeah 2050 Masterplan website: <https://www.hialeah2050.com/>
- Construction is active in the older part of the City (20 square miles) including redevelopment of shopping plazas, strip malls, industrial districts, trailer parks, dog tracks, racetrack parks and older multifamily buildings and the implementation of the Transit Oriented

Districts. This includes the redevelopment of a 28-acre former Kennel site into a residential development including 576 multifamily units 66 townhomes and complementary amenities including gardens, sports courts, pools, and lounge. This new development adds to the on-going transformation of the Amelia District as an entertainment district to serve the north end of the City. The first phase of redevelopment of the famous Hialeah Racetrack including approximately 300 garden style units and complementary amenities is under active construction.

- In October 2016, the city created two Transit Oriented Districts (Hialeah Market Station TOD and Hialeah Transfer Station TOD) in the SE area of the City. This area was envisioned as a strategic location for redevelopment due to its proximity to the Miami International Airport, Midtown, Downtown Miami and the Brickell area. The Hialeah Transfer Station currently links the existing Tri-rail and Metrorail services and in the near future will be the node that will link the new coastal link (Downtown Miami-Biscayne Boulevard Corridor-Orlando) to the existing service. The intent of this district is to promote and encourage mobility and connectivity within the district as well as to and from transit stations for pedestrians, bicycles and automobiles. The TOD district is envisioned as a mixed-use urban setting where cars will not be the only transportation option to go to work, school, shop, or amuse and recreation, entertainment and retail will be available to residents within walking distance of their homes. There are two completed projects (23 units) and three (36 units) under advanced construction for small multifamily developments, one large mixed-use development (620 units) under advanced construction and four large developments are in the building permitting process. When completed, the entire developments will add a total of 3,700 housing units.
- The 1,920 acres of land (3 square miles) at the northwestern edge of the City of Hialeah, annexed in 2003 continues growing. An existing bridge connecting the area to the neighboring Town of Miami Lakes was opened and the roadway infrastructure development is advancing with the Turnpike interchange at an advanced construction state and the construction of NW 107th Avenue that commenced in 2023. The first phase of a 77-acre parcel was

completed adding a mixed-use development including a shopping plaza with major national chains and 244 multifamily residential units as well as the completion of the first phase of an adjacent multifamily development including 614 multifamily units.

- The redevelopment mode is also present in the recent consolidation of property by a national pharmacy chain aiming to build an iconic store at one of the City's main intersections replacing a 1955 motel and an adjacent automotive business that were magnets for crime. This redevelopment also involves the enlargement and enhancement of an old park site that will now will be improved with a dog park, related amenities and improved landscaping.

LONG TERM FINANCIAL PLAN

In fiscal year 2013, the City Council adopted a minimum fund balance policy for the General Fund. The policy requires that the unassigned fund balance at fiscal year-end be equal to 10% of the current fiscal year General Fund operating expenditures. This targeted reserve shall be in addition to all other reserves or designations of fund balance. The total unassigned fund balance in the General Fund at the end of fiscal year 2023 is approximately **\$58.7** million, which is approximately **32%** of the General Fund budget. This amount represents **3.8** months of the city's operational commitments.

The City continues to pursue and use grant and other funding opportunities to provide needed infrastructure improvements to the City, such as roadway projects, water & sewer projects, sidewalks, and improvements to city parks and recreational programs. In 2023, the City secured \$11 million in grant funding for Infrastructure projects and Life and Safety improvements.

MAJOR INITIATIVES AND PROGRAMS

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

Due to the increased activity in the annex area, the City of Hialeah has completed and continues additional roadway construction to provide streets for development

and economic opportunities. Along with the roadway construction, water and sewer utility lines have been installed to support the annexed area development. Additionally, new production wells and pumps have been installed to handle the increased usage of the water system as part of a strategic initiative of improving the City's infrastructure.

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

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

RELEVANT FINANCIAL POLICIES

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

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

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

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Hialeah for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended September 30, 2022. The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting. This was the thirteen consecutive year that the City of Hialeah has achieved this prestigious award.

In order to be awarded a Certificate of Achievement, the City had to

publish on easily readable and efficiently organized Annual Comprehensive 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. It is our strong belief that our 2023 Annual Comprehensive Financial Report continues to meet the high standards of the Certificate of Achievement Program's requirements and we are submitting it to the GFOA for consideration of the award certificate.

ACKNOWLEDGEMENTS

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

Respectfully submitted,

A handwritten signature in black ink, appearing to be 'E. Bovo Jr.', written over a light blue circular background.

Esteban Bovo Jr.
Mayor

A handwritten signature in blue ink, appearing to be 'J. Blanco', written over a light blue circular background.

Jorge Blanco, CPA
Director of Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Hialeah
Florida**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2022

Executive Director/CEO



List of Elected City Officials
September 30, 2023
Strong Mayor Form of Government



Esteban Bovo, Jr.
Mayor



Jesus Tundidor
Council President



Jacqueline Garcia-Roves
Council Vice President



Bryan Calvo
Council Member



Luis Rodriguez
Council Member



Monica Perez
Council Member



Carl Zogby
Council Member



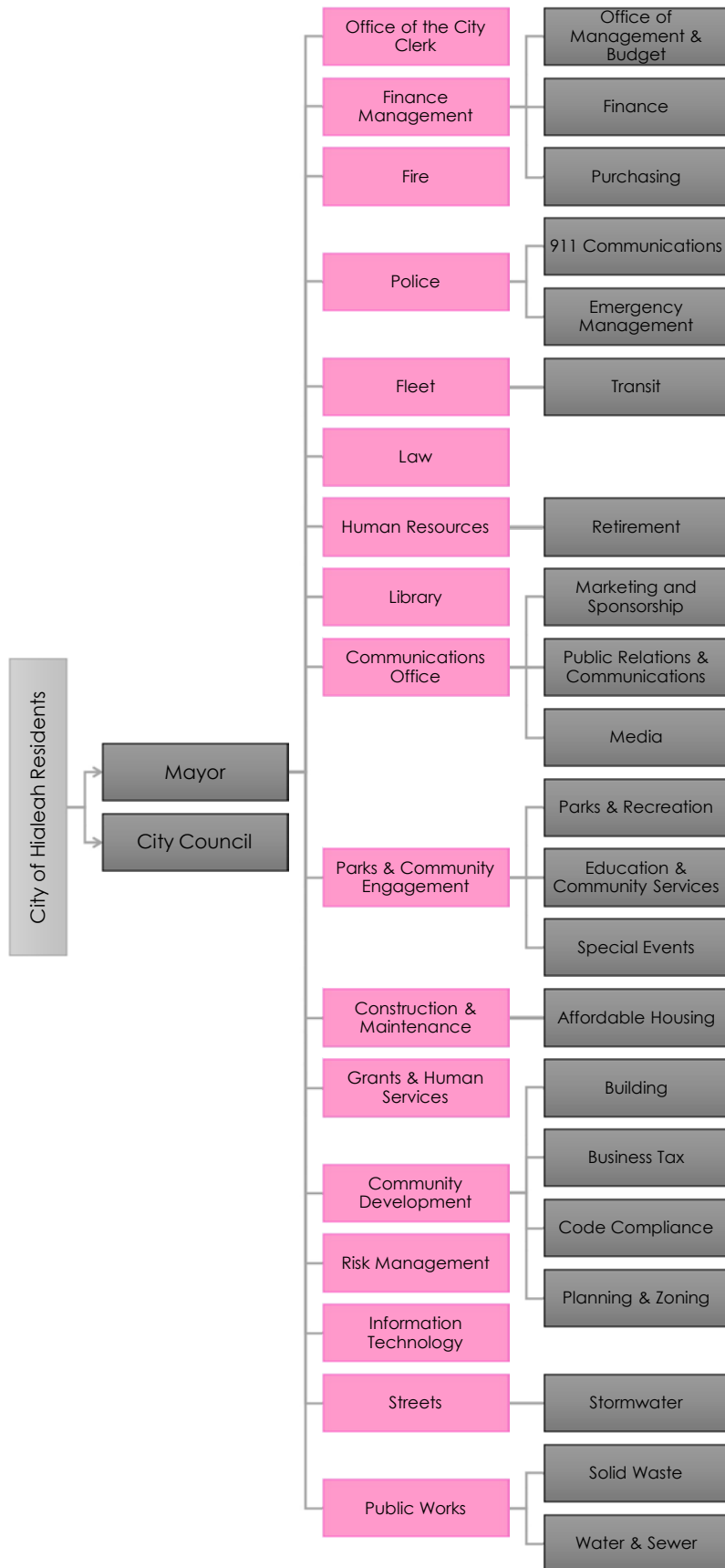
Angelica Pacheco
Council Member

Marbelys Fatjo, Esq.
City Clerk

Rafael E. Suarez-Rivas, Esq.
City Attorney

Prepared by:
Finance Department and Administration

CITY OF HIALEAH, FLORIDA
ORGANIZATIONAL CHART
SEPTEMBER 30, 2023





FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the City Council
City of Hialeah, 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 Hialeah, 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 of Hialeah Educational Academy, Inc., which includes the City of Hialeah Education Academy Fund ("COHEA"), a non-major governmental fund, which represents 1%, -2%, and 4%, respectively, of the assets and deferred outflows of resources, net position, and revenues of the governmental activities of the City as of September 30, 2023. We also did not audit the financial statements of the City of Hialeah Employees' Retirement System (the "Plan"), fiduciary fund of the City, which represents 90%, 93%, and 65%, respectively, of the assets, net position/fund balance, and revenue/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 and COHEA, are based solely on the reports of the other auditors.

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 Discussion and Analysis, the Budgetary Comparison Schedules, Schedule of Changes in the City's Net Pension Liability and Related Ratios – Employees' Retirement System, Schedule of City Contributions – Employees' Retirement System, Schedule of Investment Returns – Employees' Retirement System, Schedule of Changes in the City's Net Pension Liability and Related Ratios – Elected Officials' Retirement System, Schedule of Changes in the City Contributions – Elected Officials' Retirement System, Schedule of Investment Returns – Elected Officials' Retirement System, and the Schedule of Changes in the City's total OPEB Liability and Related Ratios on pages 5-27 and 103-112 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and Chapter 10.550, Rules of the Auditor General of the State of Florida are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial

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

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

Miami, FL
June 26, 2024



**MANAGEMENT'S DISCUSSION AND ANALYSIS
(MD&A)**

CITY OF HIALEAH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

As management of the City of Hialeah, Florida, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2023.

Financial Highlights

- The liabilities and deferred inflows of resources of the City of Hialeah's governmental and business-type activities exceed its assets and deferred outflows of resources at the close of the most recent fiscal year by a deficit of \$183.2 million.
- Net position of the City's governmental activities decreased by \$32.9million (10.86%) during the current fiscal year to a deficit of \$270.0 million. This was primarily due to an increase in deferred outflows of resources for Pension and a decrease in deferred inflows of resources for Pension.
- Net position of the City's business-type activities increased by \$14.7 million (20.35%) during the current fiscal year to \$86.8 million. This was primarily due to an increase of deferred outflows of resources for Pension and a decrease in deferred inflows of resources for OPEB.
- At the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$165.3 million, an increase of approximately \$39.0 million.
- At the close of the current fiscal year, the unassigned fund balance for the General Fund was approximately \$58.7 million, or 79.39% of the total fund balance of \$73.9 million. The non-spendable fund balance was \$4.4 million which represents long term receivables, inventory and prepaid expenses, which are amounts that are not spendable in nature. The committed amount of \$2.2 million is for future expenditures determined by a formal action of the City Council. The \$8.6 million of assigned fund balance was approved for future use on specific purposes. The \$58.7 million of unassigned fund balance is considered undesignated at the closing of the year and are funds available for spending at the government's discretion. It is important for readers to understand that these funds available for spending are essential for long-term commitments and unanticipated contingencies and should not be considered superfluous.

Overview of the Financial Statements

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

Government-wide financial statements

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

- The *statement of net position* presents information on all of the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

CITY OF HIALEAH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

Overview of the Financial Statements (Continued)

Government-wide financial statements (Continued)

- The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation and sick leave).

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

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

The business type activities of the City include solid waste, water and sewer and storm-water operations. The government-wide financial statements can be found on pages 28-29 of this report.

Fund financial statements

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

Governmental funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financing requirements.

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

The City maintains several individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund and the Building Fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregate presentation.

CITY OF HIALEAH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

Governmental funds (Continued)

Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City adopts an annual appropriated budget for its General Fund, Building Fund, and other governmental funds. Budgetary comparison statements have been provided for the General Fund, Building Fund, and governmental funds with legally adopted budgets to demonstrate compliance with these budgets. The basic governmental fund financial statements can be found on pages 30-32 of this report.

Proprietary funds

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

The proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer, solid waste, and storm-water operations, which are considered to be major funds of the City. The basic proprietary fund financial statements can be found on pages 33-37 of this report.

Fiduciary funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 38-39 of this report.

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 40-102 of this report.

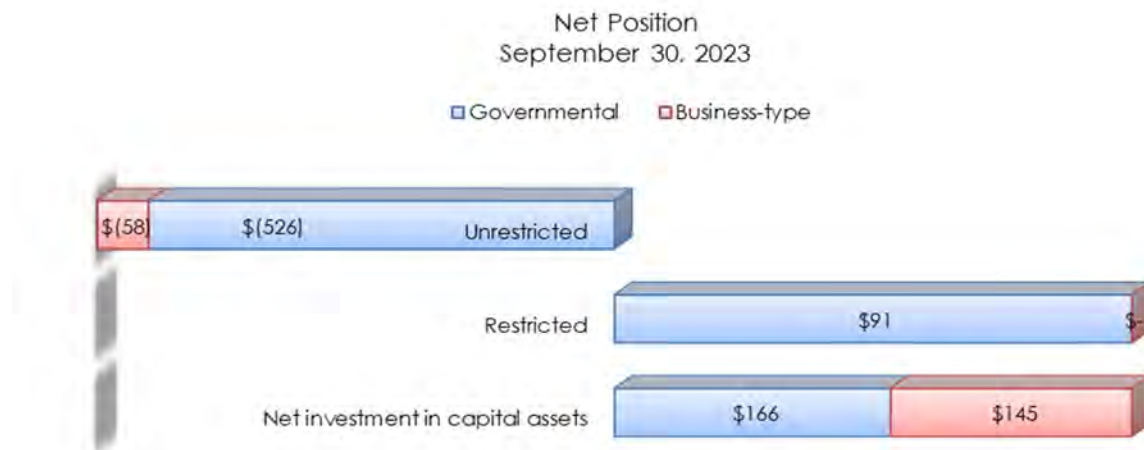
Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* including, but not limited to, budgetary comparison schedules of the General Fund and Building Fund, Coronavirus State and Local Fiscal Recovery Fund, and information concerning the City's progress in funding its obligation to provide pension and other post-employment benefits to its employees. Required supplementary information can be found on pages 104-113 of this report. The combining statements referred to earlier in connection with non-major governmental funds is presented immediately following the required supplementary information. Combining and individual statements and schedules can be found on pages 114-144 of this report.

CITY OF HIALEAH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

Government-wide Financial Analysis

Net position may serve over time as a useful indicator of the City's financial position. In the case of the City of Hialeah, the liabilities and deferred inflows of resources the City exceed its assets and deferred outflows of resources at the close of the most recent fiscal year by \$183.2 million net position (deficit). This is an 20.61% decreased compared to last year's net position (deficit) of \$230.8 million. This was due to a decreased of the deficit by \$32.9 million in governmental activities and \$14.7 million in business-type activities respectively.



CITY OF HIALEAH - NET POSITION						
	Governmental Activities	Business-type Activities	Total 2023	Governmental Activities	Business-type Activities	Total 2022
Current and other assets	\$ 233,268,081	\$ 73,841,325	\$ 307,109,406	\$ 187,836,045	\$ 71,782,353	\$ 259,618,398
Restricted assets	4,775,159	27,167,115	31,942,274	5,813,441	27,336,488	33,149,929
Capital assets, net	238,369,460	193,201,585	431,571,045	246,527,294	196,003,410	442,530,704
Total assets	476,412,700	294,210,025	770,622,725	440,176,780	295,122,251	735,299,031
Deferred outflows of resources	165,843,968	24,634,542	190,478,510	123,033,372	13,988,049	137,021,421
Long-term liabilities	702,419,648	173,533,041	875,952,689	642,280,825	145,480,110	787,760,935
Other liabilities	83,388,064	37,265,233	120,653,297	83,959,069	67,206,159	151,165,228
Total liabilities	785,807,712	210,798,274	996,605,986	726,239,894	212,686,269	938,926,163
Deferred inflows of resources	126,457,303	21,255,562	147,712,865	139,868,141	24,309,034	164,177,175
Net position						
Net investment in capital assets	165,675,071	144,982,224	310,657,295	192,364,855	145,582,694	337,947,549
Restricted	90,698,252	-	90,698,252	82,777,505	-	82,777,505
Unrestricted	(526,381,670)	(58,191,493)	(584,573,163)	(578,040,243)	(73,467,697)	(651,507,940)
Total net position	\$ (270,008,347)	\$ 86,790,731	\$ (183,217,616)	\$ (302,897,883)	\$ 72,114,997	\$ (230,782,886)

CITY OF HIALEAH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

Government-wide Financial Analysis (Continued)

By far the largest portion of the City's net position \$310.7 million reflects its investment in capital assets; less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to its citizens; consequently, they are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position \$90.7 million represents resources that are subject to external restrictions on how they may be used. The remaining balance is considered unrestricted net position and that amount is a \$584.6 million deficit. This figure illustrates that if all liabilities became due at this point in time, total assets would be insufficient to cover all of our obligations. Capital assets of the City would need to be sold in order to meet contingencies.

Net position of the City's governmental activities decreased by \$32.9 million (10.86%) from \$302.9 million deficit for last fiscal year, compared to \$270.0 million deficit in the current fiscal year. See detailed explanation under Financial Highlights.

Net position of the City's business-type activities increased by \$14.7 million (20.35%) from \$72.1 million for last fiscal year, compared to \$86.8 million in the current fiscal year.

Governmental activities

Governmental activities decreased the City's deficit net position by \$32.9 million in the current fiscal year. The net change in fund balance for the governmental funds increased by \$39.2 million in the current fiscal year. These changes reported in the statement of activities do not require the use of current financial resources.

Revenues in ad valorem taxes increased by approximately \$11.2 million in the current fiscal year; this was due to an increase in the assessed property values within the City by the Miami-Dade County Property Appraisers' Office. The increased in ad valorem tax revenue collected helped the City maintain the high level of services provided to the City's residents while the City's operational expenditures, such as salaries, health insurance and pension contributions continue to increase at a steady rate, the City of Hialeah has diligently maintained its promise not to raise taxes and in fact it maintained the City's millage rate of 6.3018 from the prior year and it will remain the same for the coming fiscal year.

Business-type activities

Net position of the City's business-type activities increased by \$14.7 million in the current fiscal year. The Water and Sewer Utility fund increased by \$1.9 million, the Solid Waste fund decreased by \$12.4 million, and the Stormwater Utility fund increased by \$381 thousand. See further explanation regarding the Solid Waste fund deficit in Note 1(D), item 21. See detailed explanation under Financial Highlights.

CITY OF HIALEAH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

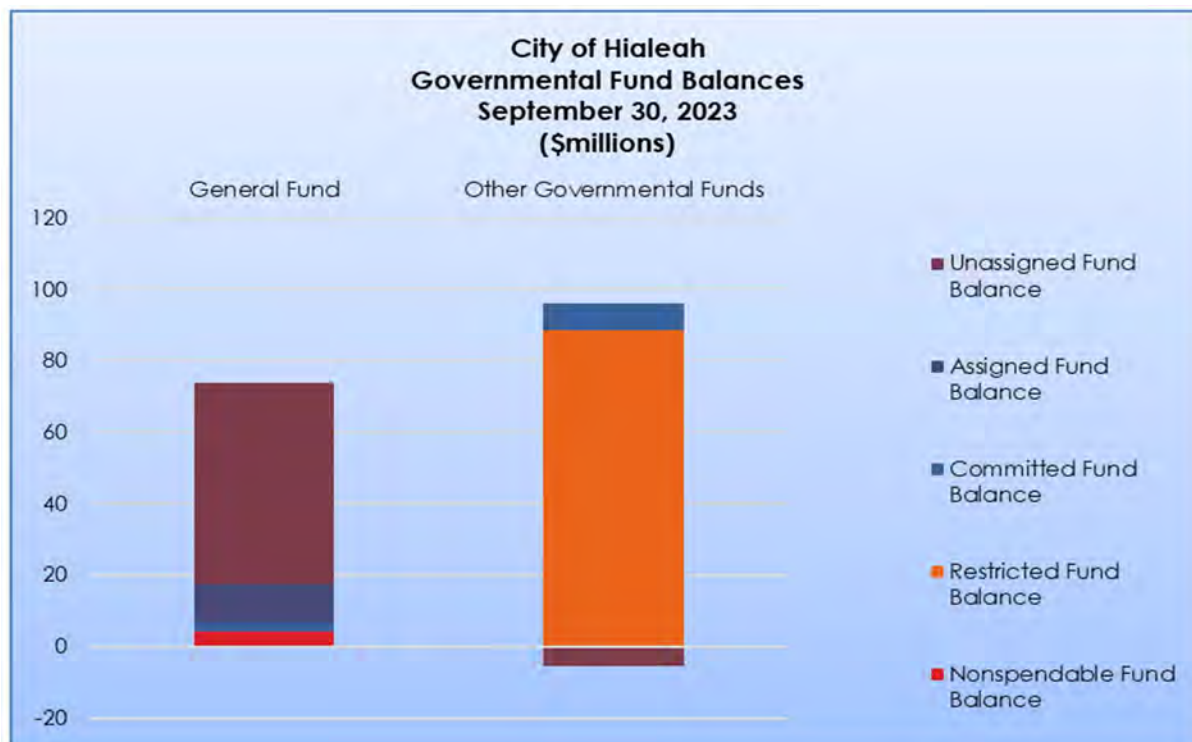
Government-wide Financial Analysis (Continued)

	CITY OF HIALEAH - CHANGES IN NET POSITION					
	Governmental Activities	Business-type Activities	Total 2023	Governmental Activities	Business-type Activities	Total 2022
Revenues:						
Program revenues:						
Charges for services	\$ 54,136,217	\$ 119,222,725	\$ 173,358,942	\$ 39,887,747	\$ 114,264,614	\$ 154,152,361
Operating grants & contributions	22,502,980	-	22,502,980	33,158,637	-	33,158,637
Capital grants & contributions	6,527,636	-	6,527,636	9,463,863	339,738	9,803,601
General Revenues:						
Property taxes	93,270,127	-	93,270,127	82,083,914	-	82,083,914
Utility taxes	27,324,060	-	27,324,060	24,225,902	-	24,225,902
Franchise fees on gross receipts	18,947,653	-	18,947,653	16,418,919	-	16,418,919
Intergovernmental revenue	41,555,164	-	41,555,164	40,360,310	-	40,360,310
Unrealized gain (loss) on investments	-	52,823	52,823	-	(1,841,360)	(1,841,360)
Gain on disposal of capital assets	266,389	-	266,389	367,377	-	367,377
Unrestricted interest	6,222,767	1,547,320	7,770,087	316,202	464,592	780,794
Total revenues	\$ 270,752,993	\$ 120,822,868	\$ 391,575,861	\$ 246,282,871	\$ 113,227,584	\$ 359,510,455
Expenses:						
General government	79,403,672	-	79,403,672	64,140,377	-	64,140,377
Police	71,283,219	-	71,283,219	56,338,163	-	56,338,163
Fire	61,847,983	-	61,847,983	49,168,810	-	49,168,810
Streets	5,019,820	-	5,019,820	15,812,453	-	15,812,453
Recreation and community services	13,879,858	-	13,879,858	11,615,814	-	11,615,814
Interest on long-term debt	2,684,136	-	2,684,136	3,580,041	-	3,580,041
Water & sewer	-	93,289,082	93,289,082	-	92,241,184	92,241,184
Solid waste	-	12,125,255	12,125,255	-	8,388,117	8,388,117
Stormwater	-	4,635,878	4,635,878	-	4,881,497	4,881,497
Total expenses	234,118,689	110,050,215	344,168,904	200,655,658	105,510,798	306,166,456
Increase (decrease) in net position before transfers	36,634,304	10,772,653	47,406,957	45,627,213	7,716,786	53,343,999
Transfers	(3,903,081)	3,903,081	-	(877,658)	877,658	-
Change in net position	32,731,223	14,675,734	47,406,957	44,749,555	8,594,444	53,343,999
Net position-beginning	(302,897,883)	72,114,997	(230,782,886)	(347,647,438)	63,520,553	(284,126,885)
Prior period adjustment	158,313	-	158,313	-	-	-
Net position - Beginning as Restated	(302,739,570)	72,114,997	(230,624,573)	(347,647,438)	63,520,553	(284,126,885)
Net position-ending	\$ (270,008,347)	\$ 86,790,731	\$ (183,217,616)	\$ (302,897,883)	\$ 72,114,997	\$ (230,782,886)

CITY OF HIALEAH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

Financial Analysis of the City's Funds

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



Governmental funds

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

As of the end of the current fiscal year, the City's *other governmental funds* reported combined ending fund balances (restricted, committed and non-spendable) of \$41.0 million, an increase of approximately \$13.1 million. The individual *statement of revenues, expenditures and changes in fund balances* for nonmajor governmental funds can be found on pages 124-144 of this report.

Unassigned fund balance in the amount of \$58.7 million in the General Fund constitutes an amount which is available for spending as explained earlier under Financial Highlights. The remainder of fund balance is *non-spendable* to indicate it is not available for spending because they are in non-spendable form (i.e., inventory and prepaid expenses), restricted by creditors, assigned for specific purposes, and committed is for future expenditures determined by a formal action of the City Council.

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

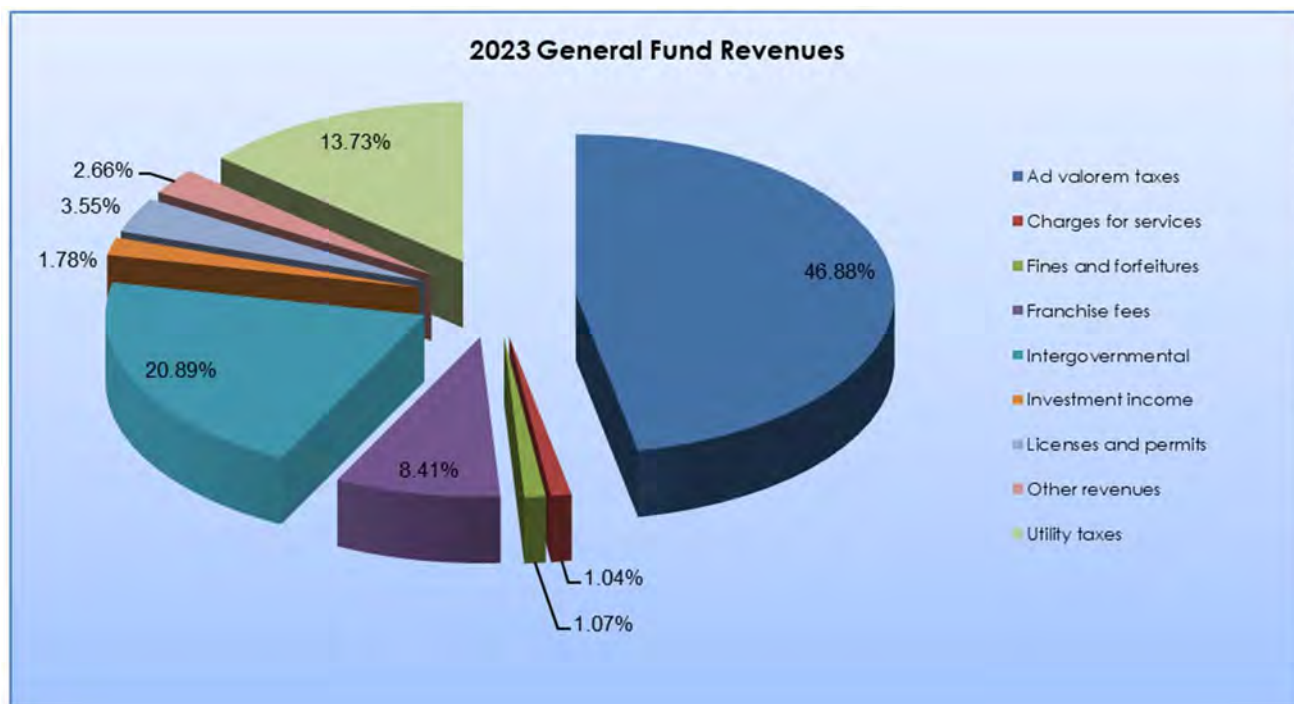
CITY OF HIALEAH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

Financial Analysis of the City's Funds (Continued)

Governmental funds (Continued)

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

Revenue Sources	<u>2023</u>		<u>2022</u>		<u>Amount Incr</u>	<u>Percent Incr -</u>
	<u>2023 Amount</u>	<u>Percent of Total</u>	<u>2022 Amount</u>	<u>Percent of Total</u>	<u>(Decr) from Prior Year</u>	<u>Decr from Prior Year</u>
Ad valorem taxes	\$ 93,270,127	46.88%	\$ 82,083,914	41.26%	\$ 11,186,213	13.63%
Charges for services	2,065,426	1.04%	1,635,513	0.82%	429,913	26.29%
Fines and forfeitures	2,136,370	1.07%	2,504,515	1.26%	(368,145)	-14.70%
Franchise fees	16,725,503	8.41%	14,197,917	7.14%	2,527,586	17.80%
Intergovernmental	41,555,164	20.89%	40,360,310	20.29%	1,194,854	2.88%
Investment income	3,535,060	1.78%	151,478	0.08%	3,383,582	95.71%
Licenses and permits	7,059,270	3.55%	7,341,602	3.69%	(282,332)	-4.00%
Other revenues	5,286,862	2.66%	4,514,000	2.27%	772,862	14.62%
Utility taxes	27,324,060	13.73%	24,225,902	12.18%	3,098,158	12.79%
Total	<u>\$ 198,957,842</u>	<u>100%</u>	<u>\$ 177,015,151</u>	<u>89%</u>	<u>\$ 21,942,691</u>	<u>12.40%</u>



Total General Fund revenues increased by \$21.9 million or 12.40% in fiscal year 2023. The larger increases in revenues include, increases of approximately \$11.2 million in ad valorem taxes , approximately \$2.5 million in franchise fees, approximately \$3.4 million in investment income, and approximately \$3.1 million in utility taxes. The City experienced a decrease in fines and forfeitures of approximately \$368 thousand and licenses and permits of approximately \$282 thousand during fiscal year 2023.

CITY OF HIALEAH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

Financial Analysis of the City's Funds (Continued)

Governmental funds (Continued)

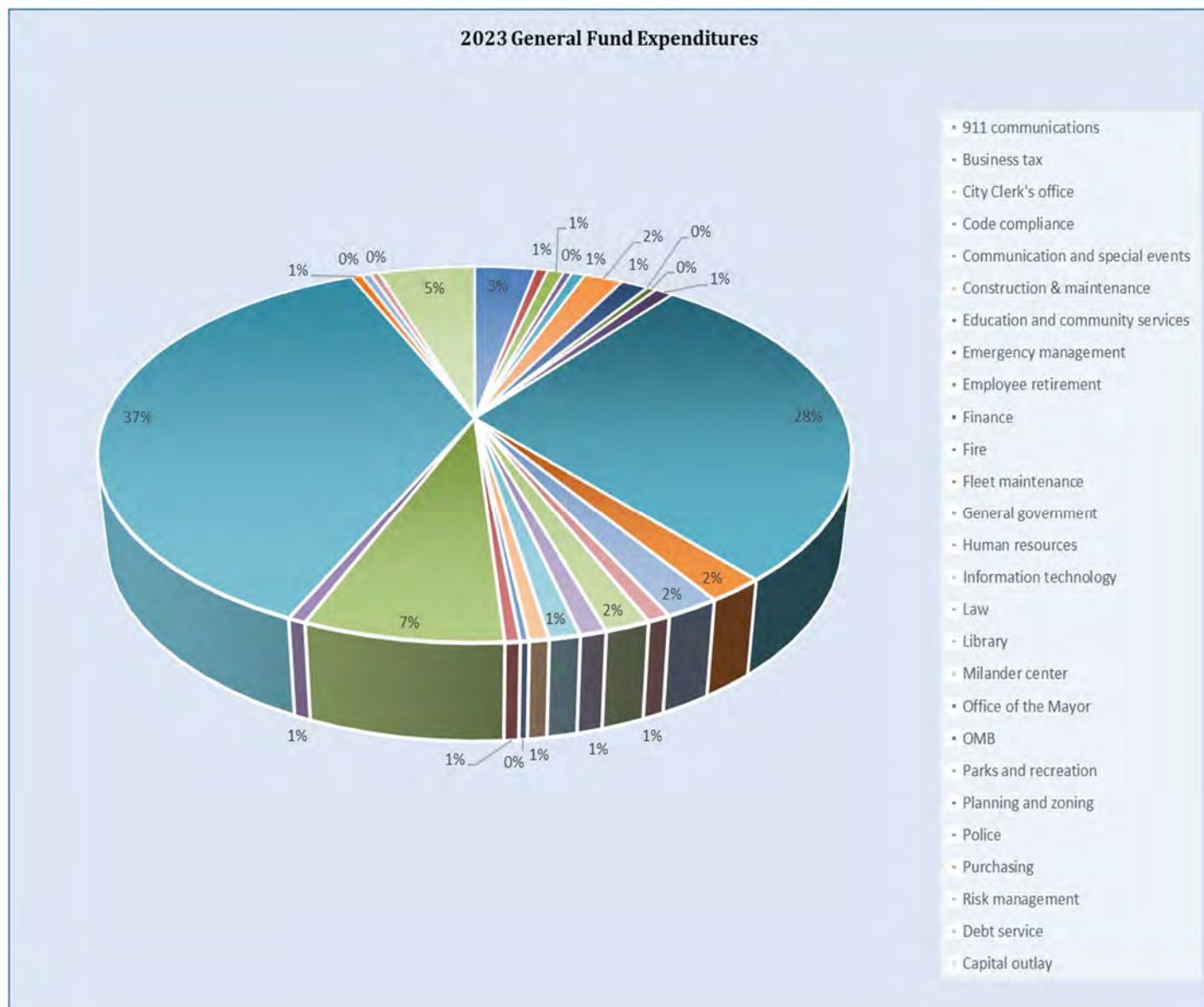
The amount of the General Fund expenditures by department, the percentage of the total and the amount of change compared to last fiscal year are shown in the following schedule:

<u>Expenditures</u>	<u>2023</u>	<u>2023</u> <u>Percent</u> <u>of Total</u>	<u>2022</u>	<u>2022</u> <u>Percent of</u> <u>Total</u>	<u>Amount Incr</u> <u>(Decr) from</u> <u>Prior Year</u>	<u>Percent Incr -</u> <u>Decr from Prior</u> <u>Year</u>
911 communications	\$ 5,585,860	3.09%	\$ 5,010,788	2.95%	\$ 575,072	11.48%
Business tax	1,111,245	0.62%	1,074,247	0.63%	36,998	3.44%
City Clerk's office	1,479,828	0.82%	2,337,438	1.38%	(857,610)	-36.69%
Code compliance	748,065	0.41%	752,950	0.44%	(4,885)	-0.65%
Communication and special events	1,205,807	0.67%	1,764,143	1.04%	(558,336)	-31.65%
Construction & maintenance	3,547,477	1.96%	3,685,941	2.17%	(138,464)	-3.76%
Education and community services	2,470,037	1.37%	2,147,127	1.26%	322,910	15.04%
Emergency management	24,342	0.01%	-	0.00%	24,342	0.00%
Employee retirement	824,168	0.46%	1,061,805	0.63%	(237,637)	-22.38%
Finance	1,663,622	0.92%	2,437,534	1.44%	(773,912)	-31.75%
Fire	49,969,862	27.66%	49,922,805	29.41%	47,057	0.09%
Fleet maintenance	3,710,687	2.05%	3,915,311	2.31%	(204,624)	-5.23%
General government	3,481,935	1.93%	5,919,543	3.49%	(2,437,608)	-41.18%
Human resources	1,473,654	0.82%	1,378,933	0.81%	94,721	6.87%
Information technology	2,828,385	1.57%	2,274,909	1.34%	553,476	24.33%
Law	1,678,382	0.93%	1,569,569	0.92%	108,813	6.93%
Library	1,931,282	1.07%	1,874,748	1.10%	56,534	3.02%
Milander center	1,249,173	0.69%	606,362	0.36%	642,811	106.01%
Office of the Mayor	548,808	0.30%	1,007,166	0.59%	(458,358)	-45.51%
OMB	948,369	0.53%	574,969	0.34%	373,400	64.94%
Parks and recreation	12,667,992	7.01%	11,096,269	6.54%	1,571,723	14.16%
Planning and zoning	1,150,425	0.64%	856,957	0.50%	293,468	34.25%
Police	65,012,138	35.99%	63,940,281	37.66%	1,071,857	1.68%
Purchasing	940,924	0.52%	17,346	0.01%	923,578	-100.00%
Risk management	845,123	0.47%	750,890	0.44%	94,233	12.55%
Debt service	2,192,025	1.21%	983,061	0.58%	1,208,964	100.00%
Capital outlay	11,339,163	6.28%	2,803,459	1.65%	8,535,704	304.47%
Total	<u>\$ 180,628,778</u>	<u>100.00%</u>	<u>\$ 169,764,551</u>	<u>100.00%</u>	<u>\$ 10,864,227</u>	<u>6.40%</u>

CITY OF HIALEAH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

Financial Analysis of the City's Funds (Continued)

Governmental funds (Continued)



Total General Fund expenditures increased by approximately \$10.9 million which is a 6.40% increase during fiscal year 2023. The major increases in expenditures during fiscal year 2023 were observed as follows; Parks and Receptions department \$1.6 million, Police department \$1.1 million and Capital Outlay \$8.5 million. The increase in Capital Outlay is consistent with the City's plan to grow and improve its infrastructure, equipment, and other assests City wide.

The decreases observed during fiscal year 2023 were as follows: the General Government with an approximately \$2.4 million decrease in expenditures and in the City Clerk's department with an approximately \$858 thousand.

CITY OF HIALEAH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

Financial Analysis of the City's Funds (Continued)

Governmental funds (Continued)

Building Fund

This fund is used to account for all revenues and expenditures related to building fund activities. During the current fiscal year, the fund reported revenues of approximately \$10.9 million mainly from permit fees and expenditures of approximately \$6.2 million. The fund balance at year end was approximately \$50.4 million.

Coronavirus State and Local Fiscal Recovery Fund

This fund is used to account for all revenues and expenditures related to The American Rescue Plan Act of 2021. During the current fiscal year, the fund reported revenues of approximately \$3.0 million from the resources allocated to the City, and expenditures of approximately \$3.0 million.

Proprietary funds

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

Unrestricted net position of all the enterprise funds at the end of the year amounted to a \$58.2 million deficit; \$26.0 million deficit for the Water and Sewer fund, \$33.2 million deficit for the Solid Waste fund, and \$1.1 million surplus for the Stormwater Utility fund.

General Fund Budgetary Highlights

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

- Utility tax revenues were greater than budgeted figures by \$5.5 million or 25.3%, primarily due to an increase in service tax collections.
- Franchise fee revenues were greater than budgeted figures by \$3.7 million or 28.5% primarily due to an increase in revenues from electrical services.
- Intergovernmental revenues were greater than budgeted figures by \$3.2 million or 8.4%, primarily due to an increase in state revenue sharing and half cent tax collections.
- Other revenues were greater than budgeted figures by \$1.4 million or 38.1%, primarily due to an increase in miscellaneous revenues and other one-time contributions and donations.
- Investment Income revenues were less than budgeted figures by \$1.1 million or -24.3%, primarily due to a reduction of investment income in the General Fund after reallocating interest and dividend income to other funds based on their respective fund balances.
- The Police department expenditures were less than budgeted figures by \$2.8 million or 3.7% primarily due to salary savings from various vacancies in sworn personnel.
- The 911 Communications division expenditures were less than budgeted figures by \$1.2 million or 16.0% primarily due to salary savings from various vacancies.
- The Office of the City Clerk department expenditures were less than budgeted figures by \$599 thousand or 28.6%, primarily due to a reduction in election-related expenditures.

CITY OF HIALEAH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

Capital Assets and Debt Administration

Capital assets

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2023 totals \$431.6 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, infrastructure, improvements other than buildings, and machinery and equipment. The total decrease in the City's investment in capital assets for the current fiscal year was approximately \$11.0 million.

	CAPITAL ASSETS (NET OF DEPRECIATION)					
	<u>September 30, 2023</u>			<u>September 30, 2022</u>		
	<u>Governmental</u>	<u>Business-Type</u>	<u>Total</u>	<u>Governmental</u>	<u>Business-Type</u>	<u>Total</u>
Land	\$ 29,694,984	\$ 4,202,141	\$ 33,897,125	\$ 29,694,984	\$ 4,202,141	\$ 33,897,125
Construction in progress	22,390	2,084,157	\$ 2,106,548	132,656	2,084,157	2,216,813
Buildings and utility plants	89,701,523	53,831,715	\$ 143,533,238	91,920,915	55,497,478	147,418,393
Improvements other than buildings	3,108,734	-	\$ 3,108,734	3,779,186	23,169	3,802,355
Furniture, fixtures, machinery and equipment	23,792,299	493,774	\$ 24,286,073	23,070,541	315,233	23,385,774
Furniture, fixtures, machinery and equipment - Charter School	1,531,329	-	\$ 1,531,329	1,237,860	-	1,237,860
Infrastructure	87,886,653	132,589,797	\$ 220,476,450	-	-	-
Leases (Right-to-use asset)	1,882,575	-	\$ 1,882,575	-	-	-
Subscription arrangements	748,972	-	\$ 748,972	96,691,152	133,881,232	230,572,384
Total capital assets	<u>\$ 238,369,459</u>	<u>\$ 193,201,585</u>	<u>\$ 431,571,045</u>	<u>\$ 246,527,294</u>	<u>\$ 196,003,410</u>	<u>\$ 442,530,704</u>

Additions and transfers to capital assets before depreciation for governmental activities equaled approximately \$15.6 million, including CIP of approximately \$133 thousand. The following additions and transfers include the following items:

- Additions to building and utility plants for re-roofing and sidewalk improvement to the City's JFK Library totaled approximately \$1.0 million.
- Additions to infrastructure for construction and engineering services of several City Street projects totaling approximately \$4.3 million and for enhancing the City's Park infrastructure system totaling approximately \$600 thousand.
- Additions in the asset category of furniture, fixtures, machinery equipment were due primarily to the purchase of various equipment and vehicles for City departments, in the amount of approximately \$10.6 million for the current fiscal year.

Additions and transfers to capital assets before depreciation for business type activities equaled approximately \$6.2 million. The following additions and transfers include the following items:

- Additions and transfers to infrastructure include water lines and mains, sewer lines and sewer pump stations throughout the City totaling approximately \$5.6 million.
- Additions to the reverse osmosis treatment plant totaling approximately \$100 thousand.

CITY OF HIALEAH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

Capital Assets and Debt Administration (Continued)

Additional information on the City's capital assets can be found in Note 12, starting on page 67 of this report.

Long-term debt

The City's net outstanding debt increased by approximately \$66.7 million during the current fiscal year. The change was primarily due to a decreased in OPEB liability of \$93.3 million, and an increase in net pension liability of \$167.4 million. Additional information on the City's long-term debt can be found in the notes to the financial statements. More in depth detail can be found in Note 13, starting on page 68 of this report.

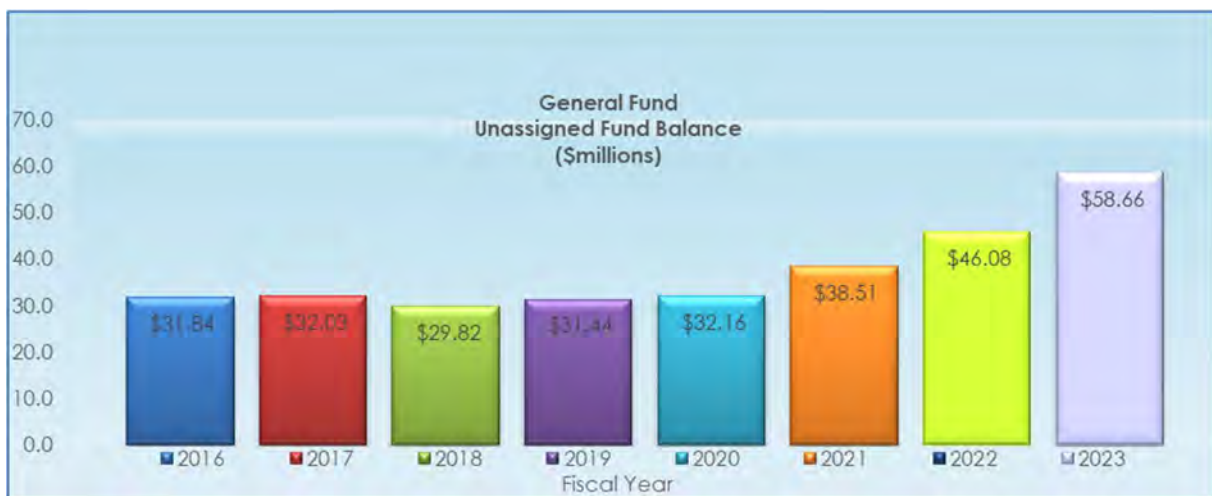
OUTSTANDING DEBT		
	<u>2023</u>	<u>2022</u>
Bonds, loans and notes payable	\$112,673,381	\$119,458,786
Capital leases	5,673,427	6,579,707
Leases (Right-to-use asset)	1,892,561	-
Subscription arrangements	674,382	-
Other long-term debt	734,193,401	661,722,781
Total	<u>\$855,107,152</u>	<u>\$787,761,274</u>

Economic Factors and Next Year's Budgets and Rates

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

During the current fiscal year, unassigned fund balance in the General Fund increased to \$58.7 million. The unassigned fund balance is approximately three and half months of the General Fund budgeted expenditures for fiscal year 2023-2024.

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



CITY OF HIALEAH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

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

In 1995, the State of Florida limited all local governments' ability to raise homestead assessed property value in any given year by 3% or cost of living, whichever is lower. As the following graph indicates, the City's property tax rates were reduced by almost 1/4 of a mill in 2013. The City's operational expenditures, such as salaries, health insurance and pension contributions continue to increase steadily, and the City's revenue resources increased during fiscal year 2023 due to favorable housing market conditions but these increases are more limited. During fiscal year 2022-2023 the City maintained the millage rate at 6.3018 mills, as it was in the previous fiscal year. The City has improved and has invested significant revenue resources to cover the cost of government operations, while maintaining a full complement of municipal services (police, fire, parks, recreation, libraries, education, community services and affordable housing) at optimum levels without the need for additional voter approved debt.



2023 Fiscal Year Accomplishments

During the 2022-2023 fiscal year, the City of Hialeah, invested its revenues from all sources in a manner that reflects a vision towards the future. This investment will be enjoyed by the current residents of the City as well as future generations. The following list illustrates a sampling of the City's major accomplishments this year.

- The City of Hialeah has embarked on an ambitious Master Plan for the vision of the next 25 years that aims to enhance the city's infrastructure and livability and increase quality of life to City residents. The project kicked-off in September 2023 and is expected to analyze existing conditions, identify needs related to infrastructure and regulatory gaps, and address development pressures. The city is committed to crafting a vision for Hialeah in time for the city's 100th anniversary in 2025. The Hialeah 2050 Master Plan is an opportunity for the city to look forward and develop a roadmap for the next 25 years that is aligned with this community's goals and desires. The project team's objective is to develop a plan for Hialeah to become a vibrant, sustainable, and connected community. Link to Hialeah 2050 Masterplan website: <https://www.hialeah2050.com/>
- Construction is active in the older part of the City (20 square miles) including redevelopment of shopping plazas, strip malls, industrial districts, trailer parks, dog tracks, racetrack parks and older multifamily buildings and the implementation of the Transit Oriented Districts. This includes the

CITY OF HIALEAH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

2023 Fiscal Year Accomplishments (Continued)

redevelopment of a 28-acre former Kennel site into an upscale residential development including 576 multifamily units 66 townhomes and complementary amenities including gardens, sports courts, pools, and lounge. This new development adds to the on-going transformation of the Amelia District as an entertainment district to serve the north end of the City. The first phase of redevelopment of the famous Hialeah Racetrack including approximately 300 garden style units and complementary amenities is under active construction.

- In October 2016, the city created two Transit Oriented Districts (Hialeah Market Station TOD and Hialeah Transfer Station TOD) in the SE area of the City. This area was envisioned as a strategic location for redevelopment due to its proximity to the Miami International Airport, Midtown, Downtown Miami and the Brickell area. The Hialeah Transfer Station currently links the existing Tri-rail and Metrorail services and in the near future will be the node that will link the new coastal link (Downtown Miami-Biscayne Boulevard Corridor-Orlando) to the existing service. The intent of this district is to promote and encourage mobility and connectivity within the district as well as to and from transit stations for pedestrians, bicycles and automobiles. The TOD district is envisioned as a mixed-use urban setting where cars will not be the only transportation option to go to work, school, shop, or amuse and recreation, entertainment and retail will be available to residents within walking distance of their homes. There are two completed projects (23 units) and three (36 units) under advanced construction for small multifamily developments, one large mixed-use development (620 units) under advanced construction and four large developments are in the building permitting process. When completed the entitled developments will add a total of 3,700 housing units.
- The 1,920 acres of land (3 square miles) at the northwestern edge of the City of Hialeah, annexed in 2003 continues growing. An existing bridge connecting the area to the neighboring Town of Miami Lakes was opened after long years of dispute and the roadway infrastructure development is advancing with the Turnpike interchange at an advanced construction state and the construction of NW 107th Avenue starting in 2024. The first phase of a 77-acre parcel got completed adding a mixed-use development including a shopping plaza with major national chains and 244 multifamily residential units as well as the completion of the first phase of an adjacent multifamily development including 614 multifamily units.
- The redevelopment mode is also present in the recent consolidation of property by a national pharmacy chain aiming to build an iconic store at one of the City's main intersections replacing a 1955 motel and an adjacent automotive business that were magnets for crime. This redevelopment also involves the enlargement and enhancement of an old park site that will now will be improved with a dog park, related amenities and improved landscaping.

911 Communications

- Replacement of uninterrupted power source for Bucky Dent Park tower site.
- Temporary relocation of Hialeah repeater to the Okeechobee Road SLERS X210 site in preparation for building of new tower site (Annex)
- P25 L3 Harris site addition (4th tower site Annex)
- Reclassification of positions to include salary increase for all employees competitive with other municipalities

CITY OF HIALEAH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

2023 Fiscal Year Accomplishments (Continued)

Building

- Launched and implemented Energov permitting software to provide greater services and efficiency
- Obtain International Code Council certifications for all current permit technicians.
- Created new workstations for plan reviewers and inspector to facilitate movement and improve circulation within the department

Business Tax

- Launched our quarterly Business News Letter
- Grant community outreach for businesses
- Finalized investigation on TBT with the attorney general
- Updated City ordinances in collaboration with the Zoning department

City Clerk

- Successfully implemented the Public Records Request Portal with Next Request
- Hired and trained additional personnel for the department
- Digitized all request forms for public records
- Disposed records in accordance with the State's retention laws

Code Compliance

- Launched and implemented Energov code enforcement module to provide greater service and efficacy
- Increase monthly master hearings to three hearings a month
- Implemented after-hours task force on commercial vehicles

Communications and Special Events

- 1st Place – Instagram
- 1st Place – Social Media Advertising Campaign for Eggstravaganza
- 1st Place – Multi-Agency Collaborative Program for the José Martí Commemorative Parade
- 1st Place – Television for the city of Hialeah Independence Day Celebration

Construction and Maintenance

- Completed Bucky Dent Pool bathroom renovations
- Completed Babcock Park roof repairs and plumbing renovations
- Retrofitted lightning system to LED in Affordable Housing buildings and City Hall
- Renovated fire alarms and sprinkler systems citywide
- Completed JFK Library roof renovation
- Repaired and remodeled 24 Affordable Housing Units

Education and Community Services

- Secured a 5-year grant award from The Children's Trust in the amount of \$1,300,000.00 for the after school and summer programs offered citywide
- Fund the Creative Learning and Play Program at 8 locations for afterschool and 6 locations during summer, including academic support and homework assistance, the CL&P also provides daily fitness activities

CITY OF HIALEAH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

2023 Fiscal Year Accomplishments (Continued)

Education and Community Services (Continued)

- Fund the Young Leaders with character program, for students in grades 6th-8th. The YLC program provides academic support, homework assistance, physical and social activities, and personal development
- Utilized the Step Ahead program to fund the Youth with disabilities school transition to young adults for adolescents ages 14-22 with mild to moderate intellectual disabilities and, or autism, with an array of activities designed to enhance, integrate and provide job coaching support, social and emotional wellness activities to improve their skill sets appropriate for this special group
- Increased the Adult program in the Goodlet Adult Center partnering with Florida International University to serve as a satellite location for their Construction Trade program

Finance

- Presented one consolidated annual operating budget and capital improvement plan to the City Council aligned with the vision, goals and strategic plan of the City
- Continued developing and refining the City's multi-year Capital improvement plan
- Obtained the GFOA Certificate of Achievement for Excellence in Financial Reporting for the latest Annual Comprehensive Financial Report

Fire

- Graduated 9 Recruit Firefighters
- Conducted multiple special operations classes
- Implemented Dive Rescue Team
- Successfully passed inspection of entire medical services division by the State Health Department
- Purchased ballistic equipment for deployment
- Updated common protocols with EMS FOAMD Committee
- Updated the Pediatric HandTevy Mobile application for all personnel
- Heroes Narcan expansion to include more training with HPD
- Initiated juvenile fire starter programs in local schools

Fleet

- Updated AFC fuel system
- Replaced two fuel dispensers
- Removed underground fuel tank at Fire Station #4

Human Resources

- Expanded existing partnership with local universities and colleges for summer internship opportunities
- Administer Citywide training
- Introduced numerous HR forms to establish processes and procedures
- Established an onboarding/new hire orientation for new employees to instill confidence and provide common knowledge of City of Hialeah functions, structure, employee benefits, and rights
- Updated Administrative policies and procedures manual for all employees

CITY OF HIALEAH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

2023 Fiscal Year Accomplishments (Continued)

Information technology

- Upgraded the City's network infrastructure
- Upgraded to the latest server platform, allowing for more security and functionality
- Upgraded the City's virtual server environment, allowing for less power consumption and better manageability
- Began the migration to Microsoft 365 to include Exchange Online
- Replaced computer hardware citywide

Library

- Received approval E-Rate funding that covered 90% of the library's annual internet costs for six library facilities for funding year 2023-2024
- Applied for and received a State Aid to Libraries Grant from the Florida Department of State, Division of Library and Information Services
- Increased the number of eBooks and eAudiobooks which is now available to Hialeah residents
- Expanded the mobile library program through monthly visits to Seniors Centers and Assisted Living Facilities
- Continued growing the Friends of the Hialeah Public Libraries group to raise funds and awareness of library services, resources, and programs

Parks & Recreation

- Implemented a youth baseball league at Babcock Park through a partnership with the Miami Marlins
- Reintroduced the Hialeah Storm's synchronized swimming team
- Implemented online registration software for all programming and rentals
- Reorganized recreation and aquatics divisions to better achieve strategic goals
- Completed lightning repairs to sports fields and parking lots
- Implemented Start Smart Program instructional sports program at City parks for ages 3-5 years old
- Offered free Saturday morning fitness classes, including boot camp, yoga, and Zumba
- Reopened Babcock Park batting cages
- Expanded operating hours at major parks

Planning & Zoning

- Prepared COH 2050 masterplan scope of work for RFP
- Led new City Hall programming due diligence for P3 bidding
- City of Hialeah 2050 masterplan kick off logistics
- Worked on First-Last Mile TPO grant implementation report
- Reviewed, analyzed and prepared reports for two hundred plus zoning applications
- Reviewed 2100+ building permits
- Performed 120+ zoning inspections

Police

- Committed to working with CALEA toward accreditation
- Sponsored 18 police recruits through the Police Academy
- Created a Critical Incident Stress Management Program
- Implemented Blue Team Software
- Hosted monthly community engagement/events with the Hialeah residents

CITY OF HIALEAH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

2023 Fiscal Year Accomplishments (Continued)

Public Works

- Provided policy direction and support in order to conserve the water resources
- Continued sewer pipe lining within the City of Hialeah
- Upgraded the Utility Billing System to a cloud-based platform
- Customer services operations has been updated to provide better coverage
- Executed cost-effective, multi-year contract extensions with the City's private garbage haulers

Purchasing

- Upgraded mailroom equipment
- Implemented PayByPhone for parking operations
- Implemented DocuSign
- P-card implementation
- Issued a combined fifty-eight formal and informal solicitations
- Issued two thousand four hundred ninety-two purchase orders

Retirement

- Provided actuarial valuation reports on timely manner
- Submitted monthly payroll for retirees before the deadline established by the custodian bank
- Estimated preparation within and provided to the employee in a timely manner
- Updated the contracts with the various vendors to be in compliance with Florida Statutes

Stormwater

- Extended and installed new French Drain systems at several flood-prone locations
- Serviced approximately 900 storm drains

Transit

- Added two on-demand vehicles
- Implemented City's transit application for the Hialeah Transit System
- Implemented new infotainment system to keep the passengers informed
- Replaced of the transit service truck

Grants

- Assisted 857 LMI persons including elderly and persons with disabilities through different local programs, such as ECS Senior Enrichment Program, ECS Therapeutics Enrichment Program, ECS Step Ahead Social Enrichment Program, and Hope Inc.
- Partnered with the Homeless Trust to assist individuals and families facing homelessness in Hialeah. We provided outreach services to 176 persons, of those, 37 persons were provided emergency shelter, and 12 persons were referred to rapid rehousing under the ESG program.
- Acquired 5 emergency generators for elder-serving affordable residential buildings using CDBG funds
- Completed the rehabilitation of the John F. Kennedy Library roof and walkway using CDBG funds
- Completed two rehabilitation projects for homeowners. The first project involved the installation of impact windows and doors for seniors over 62 years of age with very low income. The second project was a roof replacement for a senior over 62 years of age with extremely low income, under the State Housing Initiative Partnership Program (SHIP)
- Provided 288,909 meals to 1,928 low-income elderly residents through the Elderly Meal Program
- Provided rental assistance to 182 households through the Emergency Rental Assistance Program (ERAP)

CITY OF HIALEAH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

Future Outlook

911 communications

- Update/Purchase a new CAD system
- Update/Purchase a new Recording Software
- Purchase new dispatch consoles and furniture
- Participate in 2024 Navigator Conference
- Hire and train employees to fill all budgeted vacancies

Building

- Provide public outreach to educate and facilitate the transition to our new permitting software
- Upgrade the current plan review software, which will allow the department to expand electronic plan review to include large-scale projects
- Explore virtual inspection software to perform remote inspections for small-scale projects
- Continue scanning and digitizing full-size plans from previous years to expedite microfilm and public records requests
- Purchase a document management system (Laserfiche)

Business Tax

- Continue to update and adopt City Ordinances to aid or assist businesses
- Finalize the new system with Tyler Technologies to facilitate all applications and renewal processes
- Work to integrate DERM entities electronically with new system
- Establish smaller learning workshops for new business owners and landlords
- Create educational YouTube videos in English and Spanish with other entities such as DERM, Zoning, Building, and Fire

City Clerk

- Launch the Public Records request portal with NextRequest
- Launch the usage of NextRequest for the development of all agendas for meetings of the City Council
- Continue to respond to the needs of our elected officials and constituents

Code Compliance

- Increase Special Master Hearings Frequency
- Increase after-hours task force on commercial vehicles
- Create an outreach program suitable for associations and condominiums to educate residents on common code violations
- Launch the foreclose registry program with new vendor for properties left abandoned, vacant, in disrepair, or vandalized due to foreclosure

Communication & Special Events

- Food Truck Nights
- Movie Nights
- Turkey Trot 5k Runs

Education & Community Services

- Apply for the City of Hialeah CDBG grants and obtain funding for the Therapeutic, Senior, and STEP Ahead Enrichment Programs for the 23-24 fiscal year
- Finalize process of obtaining a licensed Adult Day Training Certification at Edgar J. Hall, which will allow ECS to increase participation in the Therapeutics Program and allow for families to utilize their med waivers to pay for their participation fees
- Continue to enhance opportunities to facilitate inclusion of persons with disabilities in all programming

CITY OF HIALEAH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

Future Outlook (Continued)

Finance

- Continue improving in the quality and timeliness of the Accounts Payable section and set baseline KPI metrics to measure improvement
- Continue internal review processes for quality improvement in the area of internal controls
- Establish better ACH and wire transfer processes with the bank and internal systems
- Develop COH quarterly financial reporting to the Administration
- Improve and update the Finance website content
- Continue preparations and process documentation for the ERP implementation

Fire

- Replace current live burn building with new state of the art prop
- Conduct 2 recruit classes
- Continue to conduct Special Operation classes
- Bring in more nationally-known instructors to improve the response to the citizens
- Upgrade to current report writing system
- Purchase new portable suction for all ALS units
- Expand code enforcement
- Purchase flow meter & high-rise standpipe testing equipment and bill for services rendered

Human Resources

- Obtain talented professionals in a cost-effective manner
- Streamline the hiring process by becoming more innovative
- Implement additional training programs to improve workforce culture
- Support new employees by providing insight into the correlation between the importance of their positions and the role it plays in the City

Information Technology

- Deploy Public access Wi-Fi for city buildings, fire stations, and parks
- Upgrade the City's network infrastructure
- Complete the migration to Microsoft 365 to include Exchange Online and file services
- Assist with the selection of a new ERP system for the City of Hialeah Find and deploy a new Work Order system for the City
- Continue computer hardware replacement citywide

Library

- Expand days of service and public service hours by adding Friday hours at John F. Kennedy Memorial (Main) Library
- Provide U.S. Passport Services by making the John F. Kennedy Memorial Library an official passport application acceptance facility for the U.S. Department of State
- Continue to advance the library's capital project by creating a research/study room that will house the growing Hialeah history collection
- Continue to grow the library collection in multiple formats and languages, including print and digital formats as well as English, bilingual and Spanish language materials to meet the needs of the community we serve

CITY OF HIALEAH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

Future Outlook (Continued)

Parks and Recreation

- Expand youth and adult recreational programming in sports, aquatics, the arts, fitness and wellness
- Enter into provider agreements with established program providers currently renting field space at city parks
- Incorporate low-cost teacher planning day camps
- Reopen Bucky Dent Water Park and Babcock Community Park for year-round programming
- Continue improving landscape maintenance for all city facilities
- Reevaluate fee schedules for all programs, events, and facility rentals

Planning & Zoning

- Incorporate a principal planner into the department to be in line with the increased demand related to high development activity
- Cooperate in the preparation of P3 package for new city hall and analyze alternative options
- Advance the COH 2050 masterplan to meet 2025 deadline
- Continue working with TPO and other agencies to obtain funding for multi-modal mobility improvements

Police

- Continue to engage with the community in order to improve the quality of life
- Recruit and hire diverse workforce representatives of the community
- Continue to evaluate the hiring process and look for best practices in hiring and retaining police officers to reduce the number of vacancies

Public Works

- Continue to simplify and streamline the various customer service interactions with the department
- To provide further financial assistance for disadvantaged customers via the State of Florida Low Income Household Water Assistance Program
- To accurately deploy the Sewer Pipe Lining and related infrastructure improvements through a comprehensive, planned lining program. These projects will reduce expenses by decreasing the volume of sewage and payments by the City of Miami Dade County for sewage transmission, and treatment and disposal fees
- Complete lobby remodel/re-activate cashiers and greeter further elevate the customer experience
- To take further advantage of the upgraded Utility Billing System's improved functionality
- Elevate the customer service experience by reducing call and lobby wait times

Purchasing

- Receive our first annual Procurement Shining Star Award
- Receive our first Achievement of Excellence of Award in Procurement
- Continue to find ways to streamline the purchasing process
- Continue internal department training on various Purchasing topics and processes
- Modernize Printshop equipment

CITY OF HIALEAH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

Future Outlook (Continued)

Retirement

- Implementing technology by digitizing all files
- Optimize the internal filing system through innovative filing methods
- Expand department staff knowledge of retirement plans, investments, and all functions of the retirement systems in other cities on a local, state, and national level with various conferences dedicated to providing this information
- To maintain responsive customer service to an ever-growing pool of retirees, the department seeks to add new staff members to maintain staff-to-retiree ratio

Streets

- Finalize multi-million-dollar roadway and drainage improvement projects that broke ground in FY 2023
- Continue roadway resurfacing
- Continue sidewalk restoration projects
- Continue citywide right-of-way landscaping enhancements
- Continue roadway restriping

Transit

- Continue to improve service for Transit and on-demand dependent populations
- Continue to match transit service coverage with passenger demands

Request for Information

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

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



BASIC FINANCIAL STATEMENTS

CITY OF HIALEAH, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

	<u>Governmental</u> <u>Activities</u>	<u>Business Type</u> <u>Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 186,524,102	\$ 28,559,475	\$ 215,083,577
Investments	-	13,722,427	13,722,427
Receivables, net	26,509,172	38,814,145	65,323,317
Notes receivable	2,822,625	-	2,822,625
Lease receivable	4,914,192	-	4,914,192
Internal balances	8,648,404	(8,648,404)	-
Inventories	1,528,434	1,393,682	2,922,116
Prepays and other assets	395	-	395
Net pension asset	2,320,757	-	2,320,757
Restricted assets:			
Cash, cash equivalents and investments	4,775,159	27,165,015	31,940,174
Other assets	-	2,100	2,100
Capital assets:			
Non-depreciable	29,717,374	6,286,298	36,003,672
Depreciable, net of depreciation/amortization	208,652,086	186,915,287	395,567,373
Total assets	476,412,700	294,210,025	770,622,725
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Pension	123,500,473	21,884,744	145,385,217
Advance contribution to pension	27,000,000	-	27,000,000
OPEB	15,343,495	2,749,798	18,093,293
Total deferred outflows of resources	165,843,968	24,634,542	190,478,510
<u>LIABILITIES</u>			
Accounts payable and other current liabilities	13,918,325	36,308,483	50,226,808
Accrued interest	316,891	921,750	1,238,641
Unearned revenue	69,152,848	35,000	69,187,848
Liabilities payable from restricted assets	-	18,367,828	18,367,828
Other liabilities	-	2,477,710	2,477,710
Non-current liabilities:			
Due within one year	24,596,717	3,821,314	28,418,031
Due in more than one year	677,822,931	148,866,190	826,689,120
Total liabilities	785,807,712	210,798,274	996,605,986
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Local business tax	3,068,855	-	3,068,855
Leases	4,785,348	-	4,785,348
OPEB	118,603,100	21,255,562	139,858,662
Total deferred inflows of resources	126,457,303	21,255,562	147,712,865
<u>NET POSITION</u>			
Net invested in capital assets	165,675,071	144,982,224	310,657,295
Restricted			
Debt service	11,536,525	-	11,536,525
Human services	2,816,769	-	2,816,769
Public safety	2,937,996	-	2,937,996
Recreation and community services	70,776	-	70,776
Pension	2,320,757	-	2,320,757
Other	71,015,429	-	71,015,429
Unrestricted	(526,381,670)	(58,191,493)	(584,573,163)
Total net position	\$ (270,008,347)	\$ 86,790,731	\$ (183,217,616)

CITY OF HIALEAH, FLORIDA
STATEMENT OF ACTIVITIES
SEPTEMBER 30, 2023

<u>Functions/Programs</u>	<u>Program Revenues</u>				<u>Changes in Net Position</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Primary government:							
Governmental activities:							
General government	\$ 79,396,346	\$ 39,497,141	\$ 17,523,695	\$ 3,905,082	\$ (18,470,428)	\$ -	\$ (18,470,428)
Police	71,286,715	1,482,250	1,427,881	298,200	(68,078,384)	-	(68,078,384)
Fire	61,850,901	4,490,567	13,144	1,382,148	(55,965,042)	-	(55,965,042)
Streets	5,020,058	3,469,649	2,171,345	592,500	1,213,436	-	1,213,436
Recreation and community services	13,880,532	5,196,610	1,366,915	349,706	(6,967,301)	-	(6,967,301)
Interest on long term debt	2,684,136	-	-	-	(2,684,136)	-	(2,684,136)
Total governmental activities	<u>234,118,689</u>	<u>54,136,217</u>	<u>22,502,980</u>	<u>6,527,636</u>	<u>(150,951,856)</u>	<u>-</u>	<u>(150,951,856)</u>
Business-type activities:							
Water and sewer	93,289,082	90,897,548	-	-	-	(2,391,534)	(2,391,534)
Solid waste	12,125,255	24,471,672	-	-	-	12,346,417	12,346,417
Stormwater	4,635,878	3,853,505	-	-	-	(782,373)	(782,373)
Total business-type activities	<u>110,050,215</u>	<u>119,222,725</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,172,510</u>	<u>9,172,510</u>
	\$ 344,168,904	\$ 173,358,942	\$ 22,502,980	\$ 6,527,636	(150,951,856)	9,172,510	(141,779,346)
General revenues:							
Property taxes					93,270,127	-	93,270,127
Utility taxes					27,324,060	-	27,324,060
Franchise fees on gross receipts					18,947,653	-	18,947,653
Intergovernmental revenues not restricted to specific program					41,555,164	-	41,555,164
Unrealized gain on investments					-	52,823	52,823
Gain on sale of capital assets					266,389	-	266,389
Unrestricted interest					6,222,767	1,547,320	7,770,087
Transfers					(3,903,081)	3,903,081	-
Total general revenues					183,683,079	5,503,224	189,186,303
Change in net position					32,731,223	14,675,734	47,406,957
Net position - beginning as previously reported					(302,897,883)	72,114,997	(230,782,886)
Prior period adjustment (note 19)					158,313	-	158,313
Net position - as restated					(302,739,570)	72,114,997	(230,624,573)
Net position - ending					\$ (270,008,347)	\$ 86,790,731	\$ (183,217,616)

CITY OF HIALEAH, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023

	General	Coronavirus State and Local Fiscal Recovery Fund	Building Fund	Other Governmental Funds	Total Governmental Funds
<u>ASSETS</u>					
Cash and cash equivalents	\$ 184,321,088	\$ -	\$ -	\$ 2,203,014	\$ 186,524,102
Receivables, net	17,235,521	-	41,414	9,232,237	26,509,172
Lease receivable	4,914,192	-	-	-	4,914,192
Due from other funds	30,782,111	58,685,183	50,798,267	52,859,312	193,124,873
Inventories	1,528,434	-	-	-	1,528,434
Prepays	-	-	-	395	395
Notes receivable	2,822,625	-	-	-	2,822,625
Restricted cash, cash equivalents, and investments	-	-	-	4,775,159	4,775,159
Total assets	241,603,971	58,685,183	50,839,681	69,070,117	420,198,952
<u>DEFERRED OUTFLOWS OF RESOURCES</u>					
Advance contribution to pension	27,000,000	-	-	-	27,000,000
<u>LIABILITIES</u>					
Accounts payable and accrued liabilities	9,895,982	176,674	467,140	3,378,529	13,918,325
Compensated absences payable	1,907,606	-	-	-	1,907,606
Self-insurance claims payable	387,379	-	2,112	-	389,491
Due to other funds	172,191,976	-	-	12,284,493	184,476,469
Unearned revenue	3,013,669	58,508,509	-	10,453,295	71,975,473
Total liabilities	187,396,612	58,685,183	469,252	26,116,317	272,667,364
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Local business tax	2,542,543	-	-	526,312	3,068,855
Leases	4,785,348	-	-	-	4,785,348
Unavailable revenues	-	-	-	1,395,419	1,395,419
Total deferred inflows of resources	7,327,891	-	-	1,921,731	9,249,622
<u>FUND BALANCES</u>					
Nonspendable	4,351,059	-	-	395	4,351,454
Restricted	-	-	50,352,536	38,024,959	88,377,495
Committed	2,249,573	-	17,893	7,658,261	9,925,727
Assigned	8,622,367	-	-	-	8,622,367
Unassigned	58,656,469	-	-	(4,651,546)	54,004,923
Total fund balances	73,879,468	-	50,370,429	41,032,069	165,281,966
Total liabilities, deferred inflows of resources, and fund balances	\$ 268,603,971	\$ 58,685,183	\$ 50,839,681	\$ 69,070,117	
Amounts reported for the 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					238,369,460
Long-term liabilities, including bonds payable, are not due and payable in the current period					(67,830,350)
Compensated absences					(33,087,028)
Claims payable					(47,349,130)
Accrued interest					(316,891)
Unavailable revenue recognized					1,395,419
Net pension asset					2,320,757
Net pension liability					(322,655,361)
Deferred outflows - pensions					123,500,473
Leases (right-to-use asset)					(1,892,561)
Subscription arrangements					(674,382)
Deferred outflows - OPEB					15,343,495
Deferred inflows - OPEB					(118,603,100)
Unearned revenue					2,822,625
OPEB liability					(226,633,739)
Net position					(270,008,347)

CITY OF HIALEAH, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	<u>General Fund</u>	<u>Coronavirus State and Local Fiscal Recovery Fund</u>	<u>Building Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
Ad valorem taxes	\$ 93,270,127	\$ -	\$ -	\$ -	\$ 93,270,127
Charges for services	2,065,426	-	-	7,967,868	10,033,294
Fines and forfeitures	2,136,370	-	-	9,279	2,145,649
Franchise fees	16,725,503	-	-	2,222,150	18,947,653
Impact fees	-	-	-	6,000,855	6,000,855
Intergovernmental	41,555,164	2,985,117	-	41,224,041	85,764,322
Investment income	3,535,060	-	1,775,334	896,368	6,206,762
Licenses and permits	7,059,270	-	9,122,354	-	16,181,624
Other revenues	5,286,862	-	3,704	189,979	5,480,545
Utility taxes	27,324,060	-	-	-	27,324,060
Total revenues	198,957,842	2,985,117	10,901,392	58,510,540	271,354,891
Expenditures:					
Current:					
911 communications	5,585,860	-	-	955,235	6,541,095
Business tax division	1,111,245	-	-	-	1,111,245
City Clerk's office	1,479,828	-	-	-	1,479,828
Code compliance	748,065	-	-	-	748,065
Communications and special events	1,205,807	-	-	-	1,205,807
Construction and maintenance	3,547,477	-	-	-	3,547,477
Education and community services	2,470,037	-	-	-	2,470,037
Emergency management	24,342	-	-	-	24,342
Employee retirement	824,168	-	-	-	824,168
Finance	1,663,622	-	-	-	1,663,622
Fire	49,969,862	-	-	4,838,595	54,808,457
Fleet maintenance	3,710,687	-	-	-	3,710,687
General government	3,481,935	4,170	5,732,920	17,044,223	26,263,248
Grants and human services	-	-	-	6,366,759	6,366,759
Human resources	1,473,654	-	-	-	1,473,654
Information technology	2,828,385	-	-	-	2,828,385
Law	1,678,382	-	-	-	1,678,382
Library	1,931,282	-	-	-	1,931,282
Milander center	1,249,173	-	-	-	1,249,173
Office of Management and Budget	548,808	-	-	-	548,808
Office of the Mayor	948,369	-	-	-	948,369
Parks and recreation	12,667,992	-	-	-	12,667,992
Planning and zoning	1,150,425	-	-	-	1,150,425
Police	65,012,138	-	-	657,677	65,669,815
Public works	-	-	-	-	-
Purchasing	940,924	-	-	-	940,924
Risk management	845,123	-	-	-	845,123
State housing initiative program	-	-	-	88,624	88,624
Streets	-	-	-	4,475,130	4,475,130
Capital outlay	11,339,163	2,980,947	465,180	4,995,926	19,781,216
Debt Service:					
Principal	1,905,651	-	-	4,600,423	6,506,074
Interest	286,374	-	-	2,397,762	2,684,136
Debt issuance costs	-	-	-	-	-
Total expenditures	180,628,778	2,985,117	6,198,100	46,420,354	236,232,349
Excess of revenues over expenditures before other financing sources (uses)	18,329,064	-	4,703,292	12,090,186	35,122,542
Other financing sources (uses):					
Proceeds from disposal of capital assets	266,389	-	-	-	266,389
Initiation of Lease (Right-of-use asset)	2,838,067	-	-	-	2,838,067
Initiation of Subscription Arrangements	790,873	-	-	157,906	948,779
Transfers in	-	-	-	1,037,862	1,037,862
Transfers out	(1,020,362)	-	-	(17,500)	(1,037,862)
Total other financing sources (uses)	2,874,967	-	-	1,178,268	4,053,235
Net change in fund balances	21,204,031	-	4,703,292	13,268,454	39,175,777
Fund balances, beginning as previously reported	52,675,440	-	45,667,137	27,921,928	126,264,505
Prior Period Adjustment (Note 19)	-	-	-	(158,313)	(158,313)
Fund balances, as restated	52,675,440	-	45,667,137	27,763,615	126,106,192
Fund balances, ending	\$ 73,879,471	\$ -	\$ 50,370,429	\$ 41,032,069	\$ 165,281,969

CITY OF HIALEAH, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
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 (Page 31) \$ 39,175,777

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

The details of the difference are as follows:

Capital outlay	19,781,216	
Depreciation/Amortization expense	<u>(23,188,596)</u>	
Net adjustment		(3,407,380)

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

Capital outlay which did not meet the threshold for capitalization	(764,564)	
Transfer to Business-type Activities	<u>(3,903,081)</u>	
Net adjustment		(4,667,645)

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

The details of the difference are as follows:

Unavailable revenue - CITT funds	<u>(884,292)</u>	
		(884,292)

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

The details of the differences are as follows:

Principal payments:		
Notes payable	4,379,891	
Capital leases	906,280	
Subscription arrangement acquisitions	(948,779)	
Subscription arrangement payments	274,397	
Lease (Right-of-use asset) acquisitions	(2,838,067)	
Lease (Right-of-use asset) payments	<u>945,506</u>	
Net adjustment		2,719,228

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

The details of the difference are as follows:

OPEB liability	24,655,785	
Pension liability/asset	(25,556,595)	
Accrued interest	16,005	
Claims payable	1,404,478	
Amortization of bond discount/premium	206,014	
Compensated absences	<u>(930,152)</u>	
Net adjustment		<u>(204,465)</u>

Change in net position of governmental activities (Page 29) \$ 32,731,223

CITY OF HIALEAH, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Water and Sewers Utility System	Solid Waste Utility System	Stormwater Utility System	Total
<u>ASSETS</u>				
Current assets:				
Cash and cash equivalents	\$ 26,123,343	\$ 2,436,132	\$ -	\$ 28,559,475
Investments	13,722,427	-	-	13,722,427
Customers accounts receivable, net	29,593,380	-	-	29,593,380
Other receivables	5,112,228	1,630,827	-	6,743,055
Due from other funds	3,094,109	4,589,354	8,886,786	16,570,249
Inventories	1,393,682	-	-	1,393,682
Prepays	-	-	-	-
Restricted assets:				
Cash, cash equivalents and investments	27,165,015	-	-	27,165,015
Other assets	2,100	-	-	2,100
Total current assets	<u>106,206,284</u>	<u>8,656,313</u>	<u>8,886,786</u>	<u>123,749,383</u>
Non-current assets:				
Interfund loan receivable	2,477,710	-	-	2,477,710
Capital assets, not being depreciated	5,842,229	444,069	-	6,286,298
Capital assets, net of accumulated depreciation	166,814,249	3,088,015	17,013,023	186,915,287
Total capital assets, net	<u>172,656,478</u>	<u>3,532,084</u>	<u>17,013,023</u>	<u>193,201,585</u>
Total non-current assets	<u>175,134,188</u>	<u>3,532,084</u>	<u>17,013,023</u>	<u>195,679,295</u>
Total assets	<u>281,340,472</u>	<u>12,188,397</u>	<u>25,899,809</u>	<u>319,428,678</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Pension	14,034,135	6,239,519	1,611,090	21,884,744
OPEB	1,763,376	783,990	202,432	2,749,798
Total deferred outflows of resources	<u>15,797,511</u>	<u>7,023,509</u>	<u>1,813,522</u>	<u>24,634,542</u>

CITY OF HIALEAH, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
(Continued)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Water and Sewers Utility System	Solid Waste Utility System	Stormwater Utility System	Total
<u>LIABILITIES</u>				
Current liabilities:				
Accounts payable and accrued liabilities	\$ 33,519,308	\$ 2,346,142	\$ 443,033	\$ 36,308,483
Accrued Interest payable	921,750	-	-	921,750
Current portion of self-insurance claims payable	268,996	334,814	46,859	650,669
Current portion of loans payable	1,405,162	-	692,619	2,097,781
Current portion of compensated absences	922,807	78,686	71,370	1,072,863
Due to other funds	9,442,071	7,892,629	-	17,334,700
	<u>46,480,094</u>	<u>10,652,271</u>	<u>1,253,881</u>	<u>58,386,246</u>
Current liabilities payable from restricted assets:				
DERM payable	6,698,769	-	-	6,698,769
Due to other funds	7,883,953	-	-	7,883,953
Other payables	489,126	-	-	489,126
Customer deposits	11,179,933	-	-	11,179,933
Total current liabilities payable from restricted assets	<u>26,251,781</u>	<u>-</u>	<u>-</u>	<u>26,251,781</u>
Total current liabilities	<u>72,731,875</u>	<u>10,652,271</u>	<u>1,253,881</u>	<u>84,638,027</u>
Non-current liabilities:				
Revolving loan	251,440	-	-	251,440
Loan payable	37,982,326	-	7,887,814	45,870,140
Interfund loan payable	-	2,477,710	-	2,477,710
Unearned revenues	-	35,000	-	35,000
Net pension liability	37,081,698	16,486,371	4,256,903	57,824,972
Self-insurance claims payable	1,620,027	1,497,291	152,297	3,269,615
OPEB liability	26,046,255	11,580,058	2,990,057	40,616,370
Compensated absences payable	809,688	73,226	150,739	1,033,653
Total non-current liabilities	<u>103,791,434</u>	<u>32,149,656</u>	<u>15,437,810</u>	<u>151,378,900</u>
Total liabilities	<u>176,523,309</u>	<u>42,801,927</u>	<u>16,691,691</u>	<u>236,016,927</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Pension	-	-	-	-
OPEB	13,630,656	6,060,134	1,564,772	21,255,562
Total deferred inflow of resources	<u>13,630,656</u>	<u>6,060,134</u>	<u>1,564,772</u>	<u>21,255,562</u>
<u>NET POSITION</u>				
Net investment in capital assets	133,017,550	3,532,084	8,436,971	144,986,605
Unrestricted	(26,033,529)	(33,182,242)	1,019,897	(58,195,874)
Total net position	<u>\$ 106,984,021</u>	<u>\$ (29,650,158)</u>	<u>\$ 9,456,868</u>	<u>\$ 86,790,731</u>

CITY OF HIALEAH, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Water and Sewers Utility System	Solid Waste Utility System	Stormwater Utility System	Total
Operating revenues:				
Metered water sales	\$ 27,232,773	\$ -	\$ -	\$ 27,232,773
Sanitary sewer service	56,359,094	-	-	56,359,094
Sanitation fees	-	23,786,237	-	23,786,237
Stormwater fees	-	-	3,853,505	3,853,505
Other	7,305,681	685,435	-	7,991,116
Total operating revenues	<u>90,897,548</u>	<u>24,471,672</u>	<u>3,853,505</u>	<u>119,222,725</u>
Operating expenses:				
Operating, administrative and maintenance*	84,508,838	11,914,964	1,709,035	98,132,837
Depreciation	6,220,317	140,416	2,676,855	9,037,588
Total operating expenses	<u>90,729,155</u>	<u>12,055,380</u>	<u>4,385,890</u>	<u>107,170,425</u>
Operating income (loss)	<u>168,393</u>	<u>12,416,292</u>	<u>(532,385)</u>	<u>12,052,300</u>
Non-operating revenues (expenses):				
Unrealized gain on investments	52,823	-	-	52,823
Investment Income	1,291,458	18,871	236,991	1,547,320
Interest expense	(2,559,927)	(69,875)	(249,988)	(2,879,790)
Net non-operating revenues (expenses)	<u>(1,215,646)</u>	<u>(51,004)</u>	<u>(12,997)</u>	<u>(1,279,647)</u>
Gain (loss) before contributions	(1,047,253)	12,365,288	(545,382)	10,772,653
Capital contributions	2,976,693	-	926,388	3,903,081
Change in net position	1,929,440	12,365,288	381,006	14,675,734
Net position, beginning	105,054,581	(42,015,446)	9,075,862	72,114,997
Net position, ending	<u>\$ 106,984,021</u>	<u>\$ (29,650,158)</u>	<u>\$ 9,456,868</u>	<u>\$ 86,790,731</u>

*See note 1, paragraph 21

CITY OF HIALEAH, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Water and Sewers Utility System	Solid Waste Utility System	Stormwater Utility System	Totals
Cash flows from operating activities:				
Cash received from customers	\$ 83,916,498	\$ 23,901,002	\$ 2,613,959	\$ 110,431,459
Cash received from others	6,941,464	285,293	-	7,226,757
Cash received for interfund services used	319,809	-	-	319,809
Cash payments to suppliers	(74,267,184)	(17,918,216)	(68,661)	(92,254,061)
Cash payments to employees	(12,841,107)	(1,346,664)	(1,498,100)	(15,685,871)
Net cash provided by (used in) operating activities	<u>4,069,480</u>	<u>4,325,617</u>	<u>1,047,198</u>	<u>9,442,295</u>
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(1,941,482)	-	(391,201)	(2,332,683)
Proceeds from interfund note receivable	2,250,000	-	-	2,250,000
Interest paid	(1,638,177)	(69,873)	(249,988)	(1,958,038)
Capital contributions - third party	121,273	-	-	121,273
Payments on interfund note payable	-	(2,180,126)	-	(2,180,126)
Payments on long-term debt	(1,556,165)	-	(643,000)	(2,199,165)
Net cash provided by (used in) capital and related financing activities	<u>(2,764,551)</u>	<u>(2,249,999)</u>	<u>(1,284,189)</u>	<u>(6,298,739)</u>
Cash flows from investing activities:				
Interest received on investments	1,093,861	18,871	236,991	1,349,723
Net cash provided by investing activities	<u>1,093,861</u>	<u>18,871</u>	<u>236,991</u>	<u>1,349,723</u>
Net increase in cash and cash equivalents	2,398,790	2,094,489	-	4,493,279
Cash and cash equivalents, beginning	<u>50,889,568</u>	<u>341,643</u>	<u>-</u>	<u>51,231,211</u>
Cash and cash equivalents, ending	<u>53,288,358</u>	<u>2,436,132</u>	<u>-</u>	<u>55,724,490</u>
Cash and cash equivalents per statement of net position:				
Unrestricted	26,123,343	2,436,132	-	28,559,475
Restricted - current	27,165,015	-	-	27,165,015
	<u>\$ 53,288,358</u>	<u>\$ 2,436,132</u>	<u>\$ -</u>	<u>\$ 55,724,490</u>

CITY OF HIALEAH, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
(Continued)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Water and Sewers Utility System	Solid Waste Utility System	Stormwater Utility System	Totals
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	\$ 168,393	\$ 12,416,292	\$ (532,385)	\$ 12,052,300
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	6,220,317	140,416	2,676,855	9,037,588
Amortization	(12,208)	-	(30,619)	(42,827)
Changes in operating assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	1,047,859	-	-	1,047,859
Other receivables	(364,212)	(400,142)	-	(764,354)
Due from other funds	(3,065,240)	114,765	(1,239,546)	(4,190,021)
Prepays	-	-	-	-
Inventories	(30,554)	-	-	(30,554)
Deferred outflows	(7,820,489)	(2,042,573)	(783,431)	(10,646,493)
Increase (decrease) in:				
Accounts payable and accrued liabilities	(5,981,143)	(1,787,251)	441,958	(7,326,436)
Self insurance claims payable	(664,462)	122,935	45,817	(495,710)
Compensated absences payable	(578,740)	5,436	(55,869)	(629,173)
OPEB liability	(9,223,509)	(4,520,207)	(1,136,257)	(14,879,973)
Deferred inflows	(739,317)	(2,083,254)	(230,901)	(3,053,472)
Net pension liability	20,567,030	2,954,998	1,891,576	25,413,604
Due to other funds	4,327,370	(595,798)	-	3,731,572
Customer deposits	218,385	-	-	218,385
Total adjustments	3,901,087	(8,090,675)	1,579,583	(2,610,005)
Net cash provided by (used in) operating activities	\$ 4,069,480	\$ 4,325,617	\$ 1,047,198	\$ 9,442,295
Schedule of non-cash capital and related financing activities:				
Contributions of capital assets from governmental activities	\$ 2,976,693	\$ -	\$ 926,388	\$ 3,903,081
Increase in fair value of investments	52,823	-	-	52,823

CITY OF HIALEAH, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2023

	Pension Trust
<u>ASSETS</u>	
Cash and cash equivalents	\$ 35,379,559
Receivables:	
Other receivables	487,495
Accrued interest and dividends	18,699,678
Total receivables	<u>19,187,173</u>
Investments, at fair value:	
Equity securities	402,402,274
Real estate investment trusts	792,645
Corporate bonds	90,323,312
Government securities	154,629,574
Limited partnerships	3,503,140
Mutual funds	12,179,889
Private placements	504,058
Total investments	<u>664,334,892</u>
Loans to members	<u>6,398,618</u>
Total assets	<u><u>725,300,242</u></u>
<u>LIABILITIES</u>	
Accounts payable and accrued liabilities	<u>1,697,736</u>
Total liabilities	<u><u>1,697,736</u></u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Advance contribution from City	<u>27,000,000</u>
 Net position restricted for pensions	 <u><u>\$ 696,602,506</u></u>

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

	Pension Trust
<u>ADDITIONS</u>	
Contributions:	
Employer	\$ 32,788,837
Employee	8,879,717
State	461,877
Total contributions	<u>42,130,431</u>
Investment income:	
Net appreciation in fair value of investments	57,700,691
Investment earnings	15,894,443
Total investment income	<u>73,595,134</u>
Less investment expenses	2,293,861
Other income	46,202
Net investment income	<u>71,347,475</u>
Total additions	<u>113,477,906</u>
<u>DEDUCTIONS</u>	
Pension benefits	68,816,699
Refunds of contributions	10,499,263
DROP benefits	1,286,249
Administrative expenses	272,720
Total deductions	<u>80,874,931</u>
Net increase in Net Position	32,602,975
Net position restricted for pensions:	
Beginning of year	663,999,531
End of year	<u>\$ 696,602,506</u>



NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. The Financial Reporting Entity

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

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

Blended Component Unit - HEA is a charter school operating as a charter-school-municipality through a school charter agreement between the School Board of Miami Dade County, Florida and the City.

HEA is governed by oversight committee, which was established by City Ordinance 08-48, which is composed of the City's Mayor and council members. The members of the oversight committee also serve as the HEA Board of Directors. HEA is included as a blended component unit because the City, through the Board of Directors, approves the budget and oversees the HEA operations. Further, there is a direct financial benefit to the City. HEA has a fiscal year ending on June 30, 2023. The June 30, 2023 financial statements are reported as a special revenue fund of the City, and HEA issues separate financial statements.

Related Organization - The City Council is also responsible for appointing the members of the Board of the Hialeah Housing Authority, but the City's accountability for this organization does not extend beyond making the appointments.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Government-Wide and Fund Financial Statements

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

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

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, insurance claims, pensions and other post-employment benefits are recorded only when payment is due or when the City has made a decision to fund these obligations with current available resources.

Property taxes, franchise fees, utility taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when the cash is received by the City.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The City reports the following major governmental funds:

General Fund

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

Building Division Fund

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

Coronavirus State and Local Fiscal Recovery Fund

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

The City reports the following major proprietary funds:

Water and Sewers Utility System Fund

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

Solid Waste Utility System Fund

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

Stormwater Utility System Fund

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The City reports the following non-major governmental funds:

Special Revenue Funds

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

Debt Service Funds

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

Capital Projects Funds

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

Additionally, the City reports the following fund type:

Pension Trust Funds

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

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the City policy to use restricted resources first, and then unrestricted resources as needed.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Deferred Outflow of Resources, Liabilities, Deferred Inflow of Resources and Net Position or Equity

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

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

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

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

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

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

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

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred as either "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Deferred Outflow of Resources, Liabilities, Deferred Inflow of Resources and Net Position or Equity

3. Lease Receivables - City of Hialeah's lease receivable is measured at the present value of lease payments expected to be received during the lease term. A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow resources is amortized on a straight-line basis over the term of the lease.
4. Inventories and Prepaid Items - Inventories of the governmental funds are valued at cost determined on the first-in/first-out (FIFO) method, and consist of gasoline and expendable supplies available for consumption. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Inventories of the water and sewer fund are valued at cost and consist of pipe, valves, fittings and meters.

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

5. Capital Assets - Capital assets, which include property, plant and equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable government or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

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

Capital assets are depreciated/amortized using straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Estimated Useful Lives (Years)</u>
Buildings	10-50
Improvements other than buildings	10-25
Furniture, fixtures, machinery and equipment	5-20
Public domain and system infrastructure	15-50
Right-to-use assets	Through lease maturity
Subscription arrangements	Through subscription maturity

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

6. Deferred Outflows/Inflows of Resources - In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period and therefore will not be recognized as an outflow of resources (expense/expenditure) until then. The City has pension, advance contributions to pension, and other post-employment benefits that qualify for reporting in this category in the amount of \$145,385,217, \$27,000,000 and \$18,093,293, respectively.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period and therefore will not be recognized as inflows of resources (revenue) until that time. The City has other postemployment benefits, leases, and local business tax receipts/fire prevention fees, that qualify for reporting in this category in the amount of \$3,068,855, \$8,572,194 and \$139,858,662, respectively.

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

7. Unearned Revenues - Unearned revenues represents grants and similar items received in advance for which the City has not all the eligibility requirements to allow for revenue recognition.
8. Leases (Right-to-Use Asset) - the leases (right-to-use asset) are initially measured at an amount equal to the initial measurement of the related lease liability plus lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The leases (right-to-use asset) are amortized on a straight-line basis over the life of the related lease.
9. Subscription-Based Information Technology Arrangements (SBITA) - The SBITA assets are initially measured at an amount equal to the initial measurement of the related SBITA liability plus any SBITA payments made prior to the subscription term less SBITA incentives, plus any ancillary charges necessary to place the SBITA into service. The SBITA assets are amortized on a straight-line basis over the life of the related contract.
10. Compensated Absences - City employees are granted vacation and sick leave in varying amounts based on length of service and the department which the employee services. The City's vacation and sick leave policy is to permit employees to accumulate earned but unused vacation and sick benefits. Such leave is accrued and reported as a fund liability when it is probable that the City will compensate the employee with expendable available financial resources. All vacation and sick leave are accrued when incurred in the government-wide financial statements and in the proprietary fund financial statements as a fund liability. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

11. Long-Term Obligations - In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable premium or discount. Issuance costs are expensed in the period incurred.

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

12. Net Position – As of September 30, 2023, net position is categorized as follows:

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

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

14. Fund Balance – As of September 30, 2023 fund balances of the governmental funds are classified as follows:

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

14. Fund Balance (Continued)

- Non-spendable

Amounts that cannot be spent either because they are not in spendable form (e.g., inventories and prepaid) or are legally or contractually required to be maintained intact.

- Restricted

Amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

- Committed

Amounts that can be used only for specific purposes determined by a formal action of the City Council. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the City Council. Ordinances and resolutions are equally binding and are the highest level of decision-making authority.

- Assigned

Assigned fund balances are amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. Intent is established by the City Council who has the authority to assign, modify or rescind amounts to be used for specific purposes. This is delineated in the policy approved by the Council. This balance includes (a) all remaining amounts that are reported in governmental funds (other than the General Fund) that are not classified as nonspendable, restricted, or committed, and (b) amounts in the General Fund that are intended to be used for a specific purpose. Specific amounts that are not restricted or committed in a special revenue or capital projects fund are assigned for the purposes in accordance with the nature of their fund type. Assignment within the General Fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the City itself.

- Unassigned

Unassigned fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

14. Fund Balance (Continued)

	<u>General Fund</u>	<u>Building Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund Balances:				
Nonspendable:				
Inventories	\$ 1,528,434	\$ -	\$ -	\$ 1,528,434
Prepays	-	-	395	395
Notes receivable	2,822,625	-	-	2,822,625
Restricted:				
General government	-	50,352,536	5,341,067	55,693,603
Human services	-	-	70,777	70,777
Parks and recreation	-	-	14,007,063	14,007,063
Public safety	-	-	4,976,141	4,976,141
Road improvements	-	-	13,629,911	13,629,911
Committed:				
General government	1,953,477	17,893	574,558	2,545,928
Human services	-	-	826,852	826,852
Parks and recreation	36,192	-	685,125	721,317
Public safety	259,904	-	333,509	593,413
Road improvements	-	-	5,238,217	5,238,217
Assigned:	8,622,367	-	-	8,622,367
Unassigned:	58,656,469	-	(4,651,546)	54,004,923
Total Fund Balances	\$ 73,879,468	\$ 50,370,429	\$ 41,032,069	\$ 165,281,966
Fund Balances:				
Nonspendable	\$ 4,351,059	\$ -	\$ 395	\$ 4,351,454
Restricted	-	50,352,536	38,024,959	88,377,495
Committed	2,249,573	17,893	7,658,261	9,925,727
Assigned	8,622,367	-	-	8,622,367
Unassigned	58,656,469	-	(4,651,546)	54,004,923
Total Fund Balances	\$ 73,879,468	\$ 50,370,429	\$ 41,032,069	\$ 165,281,966

15. Capital Contributions - Capital contributions in proprietary fund financial statements arise from grants, governmental activities, or outside contributions of resources restricted to capital acquisition and construction.
16. Utility Billings – Utility customers are billed either monthly or bi-monthly on a cycle basis. Unbilled revenue is recognized in the accompanying financial statements based upon estimates of revenues for services rendered between billing cycle dates and fiscal year end.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

17. Employee Benefit Plans - The City provides two separate defined benefit pension plans for its employees and elected officials. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the Employees' Retirement System and the Elected Officials' Retirement System are presented in the government-wide statement of net position. The net pension liability (asset) is a function of the annual required contributions, interest, adjustments to the annual required contribution, annual pension costs and actual employer's contributions made to the Plans. Please refer to Note 16 for further information.
18. Post-Employment Benefits Other Than Pensions (OPEB) - Pursuant to Section 112.0801, Florida Statutes, the City is mandated to permit participation in the health insurance program by retirees and their eligible dependents at a cost to the retiree that is no greater than the cost at which coverage is available for active employees. Retirees are required to pay 100% of the premium rates where premiums are determined based upon a blended rates used for active employees and retirees. These premium rates were adjusted to reflect differing utilization rates by age and gender and the impact of the Medicare program on claim costs. The blended rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees.

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

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

19. Risk Management - The City is self-insured for automobile liability, general liability, and property damage claims pursuant to Florida Statute Section 768.28 (Waiver of Statute of Limitations; Exclusions: Indemnifications; Risk Management Programs). The City is protected by Florida Statute 768.28, which limits losses to (a) \$100,000 per person / \$200,000 per occurrence for claims arising between October 1, 1981 and October 1, 2011; and (b) \$200,000 per person / \$300,000 per occurrence for claims arising after October 1, 2011. These limits do not apply, though, to action brought in federal courts or to claim relief bills approved by the Florida legislature. The City is also self-insured for worker's compensation claims.

The City is self-insured for health claims and uses a commercial carrier as the administrator. The discounted accrued liability for estimated insurance claims represents an estimate of the ultimate cost of settling claims arising prior to year-end including claims incurred by not yet reported.

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

20. Use of Estimates - The financial statements and related disclosures are prepared in conformity with GAAP. Management is required to make estimates and assumptions that affect the reported amounts of assets and deferred outflows of resources and liabilities and deferred inflows of resources, the disclosure of contingent assets/deferred outflows and liabilities/deferred inflows at the date of the financial statements and revenue and expenditures/expenses during the period reported. These estimates include assessing the collectability of accounts receivable, the use and recoverability of inventory, pension and postretirement obligations, useful lives of capital assets, impairment of tangible assets, and the determination of the actuarially accrued liability for unpaid claims. Although these estimates are based on management's knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results.

21. Fund Deficits - The following fund had a deficit in the amount indicated as of September 30, 2023.

<u>Fund</u>	<u>Deficit</u>
Proprietary Fund:	
Solid Waste Utility System	\$ 29,650,158

The Solid Waste Utility System fund had a prior year ending fund deficit of \$42.0 million.

The City has completed the transition from municipal services to private services for Solid Waste, which began in November 2015, and amounts applicable for employee personnel expenses remain fairly consistent. For the fiscal year 2022-2023 the change in net position for the Solid Waste Utility System was approximately \$12.4 million. This change is inclusive of a credit to expenses for other post-employment benefits of approximately \$1.85 million, and a credit to expenses for pension of approximately \$4.06 million. The City's business-type activity funds continue to have significant fluctuations in operating income/losses due to adjustments and changes in actuarially determined long term liabilities. The City Council adjusted the monthly Solid Waste fee charged to customers from \$31.99 to \$36.50. Given the current monthly retail rate for solid waste services it is projected that additional adjustments in FY 2023-2024 are necessary to cover operating expenses. The City anticipates annual CPI adjustments to the residential monthly fees in FY 2024, including a fuel adjustment. Financial estimates, as adjusted by CPI, show the fund achieving a net operating surplus of an estimated amount of \$6.3 million during the period of FY 23-24, after accounting for debt service payments to the Water and Sewers fund.

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

22. Excess of Expenditures over Appropriations - For fiscal year ended September 30, 2023, expenditures exceeded appropriations in the following non-major governmental funds:

	Final Budget	Actual	Amount in Excess of Final Budget
Emergency Solutions Grant	\$ 356,600	\$ 644,887	\$ 288,287
Emergency Disaster - Covid	-	35,212	35,212
Emergency Disaster -Irma	-	117,751	117,751
Alliance for Aging	2,330,750	2,364,012	33,262

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

NOTE 2 - PROPERTY TAXES

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

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

State statutes permit municipalities to levy property taxes at a rate of up to 10 mills (\$10 per \$1,000 of assessed valuation) for general governmental services (other than the payment of principal and interest on general obligation long-term debt). In addition, unlimited amounts may be levied for the payment of principal and interest on general obligation long-term debt, subject to a limitation on the amount of debt outstanding. The millage rate to finance general governmental services for the year ended September 30, 2023 was 6.3018 mills per \$1,000 of assessed valuation.

NOTE 3 - DEPOSITS AND INVESTMENTS

Deposits

In addition to insurance provided by the Federal Deposit Insurance Corporation, all deposits are held in banking institutions approved by the State Treasurer of the State of Florida to hold public funds. Under Florida Statutes Chapter 280, Florida Security for Public Deposits Act, the State Treasurer requires all Florida qualified public depositories to deposit with the Treasurer or another

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

banking institution eligible collateral. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. Accordingly, all amounts reported as deposits are deemed as insured or collateralized with securities held by the entity or its agent in the entity's name.

Investments

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

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

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (In Years)</u>			
		<u>Less Than 1</u>	<u>1 to 5</u>	<u>6 to 10</u>	<u>More than 10</u>
Vanguard - Bond	\$ 5,798,406	\$ 5,366	\$ 1,151,591	\$ 4,641,449	\$ -
FMIT - Bond	7,924,021	773,476	7,150,545	-	-
Total	\$ 13,722,427	\$ 778,842	\$ 8,302,136	\$ 4,641,449	\$ -

Investments – City

As of September 30, 2023, the City's investments consisted of the following:

		<u>Fitch Rating</u>
0-2 Year High Quality Bond	\$ 773,476	AAAf/S1
1-3 Year High Quality Bond	773,721	AAAf/S2
Intermediate High Quality Bond	3,217,081	AAAf/S3
Broad Market High Quality Fund	3,159,743	AAf/S4
Total	\$ 7,924,021	

		<u>Fitch Rating</u>
Inter-Term Bond Index Adm	\$ 3,724,724	AAA
Short-Term Corp Bnd lx Ad	1,151,591	BBB
Inter-Term Corp Bond	916,725	BBB
Prime Money Mkt Fund	5,366	A
Total	\$ 5,798,406	

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

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

Investments - Pension Plans

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

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

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

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	
	<u>Employees'</u> <u>Retirement System</u>	<u>Elected Officials</u> <u>Retirement System</u>
Domestic Equity	48.00%	45.00%
International Equity	36.75%	10.00%
Domestic Bonds	5.00%	30.00%
Alternatives - Other	10.25%	15.00%
	<u>100%</u>	<u>100%</u>

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

Investments - Pension Plans (Continued)

Rate of Return - For the year ended September 30, 2023 the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 10.64% and - 11.00% for the PERS and EORS, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. Inputs to the internal rate of return calculations are determined on a monthly basis.

As of September 30, 2023, the Plans had the following investments:

<u>City of Hialeah Employees' Retirement System</u>		<u>Investment Maturities (In Years)</u>			
<u>Investment Type</u>	<u>Fair Value</u>	<u>Less than 1</u>	<u>1 to 5</u>	<u>6 to 10</u>	<u>More than 10</u>
Corporate					
Asset backed securities	\$ 24,258,170	\$ -	\$ 24,258,170	\$ -	\$ -
Corporate Bonds	66,065,142	-	40,402,560	23,705,938	1,956,644
Collateralized mortgage obligations	7,627,480	-	1,395,989	13,663	6,217,828
Private placement	504,058	-	504,058	-	-
U.S. Government					
Agencies	7,303,509	843,974	6,459,535	-	-
Mortgage backed securities	85,538,670	-	118,570	4,070	85,416,030
U.S. Treasury notes	32,578,202	-	32,578,202	-	-
U.S. Treasury bonds	21,581,713	-	2,593,376	17,951,522	1,036,815
Sub-total	\$ 245,456,944	\$ 843,974	\$ 108,310,460	\$ 41,675,193	\$ 94,627,317
Real estate investment trusts (REITs)	10,196,045				
Limited partnerships	3,503,140				
International equity	36,695,918				
Equity mutual funds	8,689,764				
Common stocks	346,820,547				
Total Fair Value	\$ 651,362,358				

<u>Elected Officials' Retirement Plan</u>		<u>Investment Maturities (In Years)</u>			
<u>Investment Type</u>	<u>Fair Value</u>	<u>Less than 1</u>	<u>1 to 5</u>	<u>6 to 10</u>	<u>More than 10</u>
Vanguard-IT Bond mutual funds	\$ 3,373,631	\$ 675	\$ 39,471	\$ 3,247,795	\$ 85,690
Vanguard-ST Bond mutual funds	847,974	3,222	830,167	14,585	-
Vanguard-HY Bond mutual funds	1,284,764	115,372	387,613	717,155	64,624
Sub-total	\$ 5,506,369	\$ 119,269	\$ 1,257,251	\$ 3,979,535	\$ 150,314
Vanguard-equity mutual funds	6,673,520				
Real estate investment trusts	792,645				
Total Fair Value	\$ 12,972,534				

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

Investments - Pension Plans (Continued)

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

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

As of September 30, 2023, the Plan's fixed income portfolio shall have a minimum rating of investment grade as required by a major crediting service. The Plan's investments in fixed income securities had ratings as follows:

<u>Credit Rating</u>	<u>Fair Value</u>
AA+	\$ 70,477,647
A+	251,115
A	3,758,325
A-	18,255,055
BBB+	15,642,834
BBB	21,501,178
BBB-	6,436,357
BB+	724,335
Unrated government securities*	108,410,098
Total	\$ 245,456,944

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

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

Investments - Pension Plans (Continued)

Concentration Credit Risk - Disclosure of investments in any one issuer that represents 5% or more of the total of the City's investments is required. Conversely, investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds or pools are excluded from the concentration of credit risk disclosure requirement. As of September 30, 2023, no investments in any one issuer represented 5% or more of the total of the City's investments.

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

Foreign Currency Risk - Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of the investment or a deposit. The investment policy of the Plan limits the foreign investments to no more than 5% of the Plan's investment balance. As of September 30, 2023, the Plan had no investments denominated in foreign currency.

NOTE 4 – SECURITIES LENDING TRANSACTIONS

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

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

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

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

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 4 – SECURITIES LENDING TRANSACTIONS (Continued)

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

GASB Statement No. 28, *Accounting and Financial Reporting for Securities Lending Transactions*, establishes accounting and financial reporting standards for securities lending transactions. The standard requires governmental entities to report securities lent as assets in their balance sheets unless the entity did not have the ability to pledge or sell collateral securities absent a borrower default as the case with the Plan. Cash received as collateral and investments made with that cash must also be reported as assets. The statement also requires the costs of the securities lending transactions to be reported as expenses separately from income received. In addition, the statement requires disclosures about the transactions and collateral related to them. The Plan held \$5,359,276 in cash and securities collateral at the beginning of the fiscal year. The Plan then exited the Securities Lending program effective March 2023, and therefore, the market value of collateral held and the market value (USD) of securities on loan for the Plan as of September 30, 2023, was \$0.

NOTE 5 - FAIR VALUE MEASUREMENTS

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

As of September 30, 2023, the City had the following investments within the fair value hierarchy:

		Quoted Prices in Active Markets	
		for Identical Assets	Significant Other Observable Inputs
<u>Investments by fair value level</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>
Bond Mutual Funds	\$ 7,924,021	\$ -	\$ 7,924,021
Total Investments by fair value level	<u>\$ 7,924,021</u>	<u>\$ -</u>	<u>\$ 7,924,021</u>

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 5 - FAIR VALUE MEASUREMENTS (Continued)

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

As of September 30, 2023, the Elected Officials' Retirement System had the following investments within the fair value hierarchy:

<u>Investments by fair value level</u>	<u>Total</u>	Quoted Prices in Active Markets for Identical Assets		Significant Other Observable Inputs
		<u>Level 1</u>		<u>Level 2</u>
Equity Mutual Funds	\$ 6,673,520	\$ 6,673,520	\$	-
Bond Mutual Funds	5,506,369	5,506,369		-
Real Estate Investment Trusts	792,645	-		792,645
Total Investments by fair value level	<u>\$ 12,972,534</u>	<u>\$ 12,179,889</u>	<u>\$</u>	<u>792,645</u>

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

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 5 - FAIR VALUE MEASUREMENTS (Continued)

As of September 30, 2023, the Employees' Retirement System had the following investments within the fair value hierarchy:

<u>Investments by fair value level</u>	<u>Total</u>	Quoted Prices in Active Markets for Identical Assets		Significant Other Observable Inputs
		<u>Level 1</u>		<u>Level 2</u>
Common stocks	\$ 346,820,547	\$ 346,820,547		-
International equity	36,695,918	36,695,918		-
Equity mutual funds	8,689,764	8,689,764		-
REITs	10,196,045	10,196,045		-
Total equity securities	\$ 402,402,274	\$ 402,402,274		\$ -
Debt Securities:				
Corporate bonds	\$ 66,065,142	\$ -	\$ 66,065,142	
Asset-backed securities	24,258,170	-	24,258,170	
U.S. Treasury notes	32,578,202	32,578,202	-	
U.S. Treasury bonds	21,581,713	-	21,581,713	
U.S. agency securities	7,303,509	-	7,303,509	
Collateralized mortgage obligations	7,627,480	-	7,627,480	
Mortgage backed securities	85,538,670	-	85,538,670	
Private placements	504,058	-	504,058	
Total debt securities	\$ 245,456,944	\$ 32,578,202	\$ 212,878,742	
Total investments by fair value level	\$ 647,859,218	\$ 434,980,476	\$ 212,878,742	
<u>Investments measured at the net asset value (NAV)*</u>				
Limited partnerships	3,503,140			
Total investments	\$ 651,362,358			

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

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

- Short-term investments, which consist of money market funds, are reported at cost, which is fair value.
- Equity securities traded on national or international exchanges are valued at the last reported sales price or current exchange rates (Level 1). This included common stock, mutual funds, and REITs.

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 5 - FAIR VALUE MEASUREMENTS (Continued)

- Debt securities are valued using pricing inputs that reflect the assumptions market participants would use to price an asset or liability and are developed based on market data obtained from sources independent of the reporting entity (Level 2). This includes U.S. Treasuries, mortgage backed and collateralized securities, municipal bonds and corporate obligations.
- The Plan has investments in limited partnerships that are considered an alternative asset class which hold a variety of investment vehicles that do not have readily available market quotations. These investments are measured at net asset value based on their proportionate share of the value of the investments as determined by the fund managers and are valued according to methodologies, which include pricing models, discounted cash flow model and similar techniques.

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

	<u>Fair Value</u>	<u>Unfunded</u> <u>Commitments</u>	<u>Redemption Frequency</u> <u>(if currently eligible)</u>	<u>Redemption</u> <u>Notice Period</u>
Limited partnerships (1)	3,503,140	-	Quarterly	95 Days
Total investments measured at NAV	<u>\$ 3,503,140</u>			

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

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 6 - RECEIVABLES

Receivables as of September 30, 2023 for the City's individual major funds and non-major funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Building</u>	<u>Water & Sewer</u>	<u>Solid Waste</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Receivables:						
Billed	\$ -	\$ -	\$ 19,266,781	\$ -	\$ 1,776,688	\$ 21,043,469
Unbilled	-	-	14,811,201	-	-	14,811,201
Franchise and utility	5,280,981	-	-	-	-	5,280,981
State and local shared	2,299,502	-	-	-	-	2,299,502
Grants	-	-	-	-	3,716,233	3,716,233
Other	5,105,082	41,414	7,589,938	1,630,827	4,470,400	18,837,661
Sales taxes	4,549,956	-	-	-	-	4,549,956
Gross receivables	17,235,521	41,414	41,667,920	1,630,827	9,963,321	70,539,003
Less: allowance for uncollectibles	-	-	4,484,602	-	731,084	5,215,686
Net total receivables	\$ 17,235,521	\$ 41,414	\$ 37,183,318	\$ 1,630,827	\$ 9,232,237	\$ 65,323,317

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

Revenues of the Rescue Transportation fund are reported net of uncollectible amounts. The amount charged to the provision related to revenues of the current period was \$1,073,621.

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

Grants and other unearned revenues	\$ 6,569,658
State Housing Initiative Program (SHIP)	3,883,637
Other General Fund deferred revenue	3,013,669
Coronavirus SLFR Fund	58,508,509
	<u>\$ 71,975,473</u>

NOTE 7 – LEASE RECEIVABLE

For 2023, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. GASB Statement No. 87 enhances the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right-to-use an underlying asset. A lessor is required to recognize a lease receivable and a deferred inflow of resources. This change was incorporated in the City's 2023 financial statements. The City recognized \$5,457,503 in the net book value lease receivable and a deferred inflow of resources of \$5,457,503 for the lessor agreement.

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 7 – LEASE RECEIVABLE (Continued)

The following schedule represents the future principal and interest revenue to be received:

Fiscal Year	Principal	Interest	Total
2024	\$ 584,007	\$ 238,842	\$ 822,849
2025	623,753	214,212	837,965
2026	586,054	180,501	766,555
2027	463,060	152,350	615,410
2028	489,585	130,441	620,026
2029-2033	2,167,733	332,266	2,499,999
Total	\$ 4,914,192	\$ 1,248,613	\$ 6,162,805

NOTE 8 - NOTE RECEIVABLE

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

The HODAG loan is secured by a Second Mortgage issued to the City and is subordinated to Hialeah Housing Authority Bonds.

The Project was constructed on land leased from the City of Hialeah for a period of 49 years (starting December 26, 1985) with an option to renew for an additional 50 years. The Authority as part of the acquisition of the Project assumed the lease with the City. The lease agreement requires for lease payments to the City based on annual rent revenues generated by the property.

In 2006, the City and the Authority amended the land lease agreement and the City accepted a payment of \$500,000 as payment in full of all past due rents due from the Authority.

The amended land lease agreement provides for the following terms:

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

The future long-term receivable as of September 30, 2023 was:

Long-term receivable \$2,822,625

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 8 - NOTE RECEIVABLE (Continued)

In connection with the construction of the Hialeah Housing Project mentioned above, the United States Department of Housing and Urban Development ("HUD") has challenged the manner in which certain of the proceeds of the HODAG Loan were used. HUD has claimed that \$989,039 of the HODAG Loan was expended for non-qualified purposes (the "Claim"). The City has challenged the Claim.

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

The City has recorded the note receivable in its governmental-wide financial statements as of September 30, 2023. No allowance against the note receivable is deemed necessary at September 30, 2023. The note receivable was also recorded in the City's general fund and offset by unearned revenues since the proceeds of the receivables are not considered to be available to liquidate liabilities of the current period.

NOTE 9- INTERFUND ACTIVITY

The amounts due to/from other funds at September 30, 2023 were as follows:

	<u>Receivables</u>	<u>Payables</u>
General Fund	\$ 30,782,111	\$ 172,191,976
Building Fund	50,798,267	-
Coronavirus State and Local Fiscal Recovery Fund	58,685,183	-
Non-Major Governmental Funds	52,859,312	12,284,493
Total Governmental Type Funds	<u>193,124,873</u>	<u>184,476,469</u>
Major Proprietary Type Funds		
Water and Sewer	3,094,109	17,326,024
Solid Waste	4,589,354	7,892,629
Stormwater	8,886,786	-
Total Major Proprietary Type Funds	<u>16,570,249</u>	<u>25,218,653</u>
Total Interfund Activity	<u>\$ 209,695,122</u>	<u>\$ 209,695,122</u>

- Amounts due from the non-major governmental funds to the general fund are for advances made to those funds to cover expenditures until the receivables on those funds are collected.
- Amounts due to the non-major governmental funds from the general fund are for amounts due to those funds for amounts collected on their behalf.

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 9 - INTERFUND ACTIVITY (Continued)

- Amounts due to the solid waste fund are for receivables collected by the water and sewer fund before year end which are owed to those funds.
- Amounts due from the water and sewer fund to the solid waste fund, stormwater fund and general fund is for waste fees collected and utility taxes collected at year end.

As of September 30, 2023, major fund and non-major fund activity was as follows:

	<u>Transfers in</u>	<u>Transfers out</u>
General Fund	\$ -	\$ 1,020,362
Non-Major Governmental Funds	<u>1,037,862</u>	<u>17,500</u>
	<u>\$1,037,862</u>	<u>\$ 1,037,862</u>

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

NOTE 10 - INTERFUND LOAN

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

On June 9, 2015 the Council approved an amended resolution approving the terms of the unsecured promissory note to memorialize the interfund loan from the Water & Sewer Fund of the Public Works Department (the "Lender") to the Solid Waste Fund of the Public Works Department (the "Borrower"), in the amount of \$19,000,000, for the purpose of financing the internal transfer of assets from the City's General Fund (the "Transferor") to the Solid Waste Fund (the "Transferee") of the Public Works Department. Whereas, the Water & Sewer Fund of the Public Works Department loaned the sum of \$19,000,000 to the Solid Waste Fund of the Public Works Department to pay the fair market value of the assets to the City's General Fund.

The note calls for interest to accrue from January 1, 2014 to March 1, 2021 at an annual rate of 2.5%. The agreement calls for quarterly payments of principal and interest of \$280,801 commencing on March 1, 2021 and concluding on September 1, 2033.

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 10 - INTERFUND LOAN (Continued)

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

Fiscal Year End	Principal	Interest	Total
2024	\$ 220,919	\$ 59,882	\$ 280,801
2025	226,494	54,307	280,801
2026	232,209	48,592	280,801
2027	238,069	42,732	280,801
2028	244,077	36,724	280,801
2029-2033	1,315,943	88,062	1,404,005
	<u>\$ 2,477,710</u>	<u>\$ 330,300</u>	<u>\$ 2,808,010</u>

NOTE 11 - RESTRICTED ASSETS

Restricted assets consist of the cash restricted for debt service, capital projects, advances, public safety and customer deposits at September 30, 2023:

Water and Sewers Fund	
Customers' deposit - cash and investments	\$ 11,179,933
Derm Fees	6,698,769
Other restricted assets	9,288,413
Total restricted cash water and sewers fund	<u>27,167,115</u>
Governmental Funds	
Special Revenue Funds:	
Rescue Transportation	1,054,565
Emergency Disaster Fund	10,000
Fire Prevention	955,802
Law Enforcement Trust - State	454,679
Law Enforcement Trust - Federal	479,603
Affordable Housing	1,820,510
Total Governmental Funds	<u>4,775,159</u>
Total restricted assets	<u>\$ 31,942,274</u>

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 12- CAPITAL ASSETS

A summary of the City's capital assets at September 30, 2023 is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Ending Balance</u>
<u>Governmental Activities:</u>					
Capital assets not being depreciated:					
Land	\$ 29,694,984	\$ -	\$ -	\$ -	\$ 29,694,984
Construction in Progress	132,656	22,390	-	(132,656)	22,390
Total capital assets not being depreciated	29,827,640	22,390	-	(132,656)	29,717,374
Capital assets being depreciated/amortized:					
Buildings	146,009,574	1,047,414	-	-	147,056,988
Improvements other than buildings	30,303,103	-	-	-	30,303,103
Furniture, fixtures, machinery and equipment - Charter School	2,235,603	518,652	(246,149)	132,656	2,640,762
Furniture, fixtures, machinery and equipment	87,662,767	8,926,602	(297,515)	-	96,291,854
Infrastructure	328,627,182	4,631,940	-	(3,903,081)	329,356,041
Leases (Right-to-use asset)*	2,838,067	-	-	-	2,838,067
Subscription arrangements**	948,779	-	-	-	948,779
Total capital assets being depreciated/amortized	598,625,075	15,124,607	(543,664)	(3,770,425)	609,435,593
Less accumulated depreciation/amortization for:					
Buildings	54,088,659	3,266,804	-	-	57,355,463
Improvements other than buildings	26,523,917	670,452	-	-	27,194,368
Furniture, fixtures, machinery and equipment - Charter School	997,743	357,839	(246,149)	-	1,109,433
Furniture, fixtures, machinery and equipment	64,592,226	8,204,844	(297,515)	-	72,499,555
Infrastructure	231,936,030	9,533,358	-	-	241,469,388
Leases (Right-to-use asset)*	-	955,492	-	-	955,492
Subscription arrangements**	-	199,807	-	-	199,807
Total accumulated depreciation/amortization	378,138,575	23,188,596	(543,664)	-	400,783,506
Total capital assets being depreciated/amortized, net	220,486,500	(8,063,988)	-	(3,770,425)	208,652,086
Governmental activities capital assets, net	\$ 250,314,140	\$ (8,041,598)	\$ -	\$ (3,903,081)	\$ 238,369,459
<u>Business-type Activities:</u>					
Capital assets not being depreciated/amortized:					
Land	\$ 4,202,141	\$ -	\$ -	\$ -	\$ 4,202,141
Construction in progress	2,084,157	-	-	-	2,084,157
Total capital assets not being depreciated/amortized	6,286,298	-	-	-	6,286,298
Capital assets being depreciated/amortized:					
Buildings and utility plant	72,276,400	100,000	-	33,000	72,409,400
Improvements other than buildings	353,533	-	-	(33,000)	320,533
Furniture, fixtures, machinery and equipment	10,610,783	284,613	-	-	10,895,396
Infrastructure	307,234,604	5,851,150	-	-	313,085,754
Total capital assets being depreciated/amortized	390,475,320	6,235,763	-	-	396,711,083
Less accumulated depreciation/amortization for:					
Buildings and utility plant	16,778,922	1,788,931	-	9,831	18,577,684
Improvements other than buildings	330,364	-	-	(9,831)	320,533
Furniture, fixtures, machinery and equipment	10,295,550	106,072	-	-	10,401,623
Infrastructure	173,353,372	7,142,585	-	-	180,495,957
Total accumulated depreciation/amortization	200,758,208	9,037,588	-	-	209,795,796
Total capital assets being depreciated/amortized, net	189,717,112	(2,801,825)	-	-	186,915,287
Business-type activities capital assets, net	\$ 196,003,409	\$ (2,801,825)	\$ -	\$ -	\$ 193,201,585

(*) Beginning balance was adjusted to consider proper amounts related to the implementation of GASB 87.

(**) Beginning balance was adjusted to consider proper amounts related to the implementation of GASB 96.

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 12- CAPITAL ASSETS (Continued)

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

Governmental activities:	
General government	\$ 7,827,002
Police	7,380,833
Fire	6,160,092
Streets	502,974
Recreation	1,423,795
Total depreciation/amortization expense - governmental activities	\$ 23,294,696
Business-type activities:	
Water and sewer	\$ 6,220,317
Solid waste	140,416
Stormwater	2,676,855
Total depreciation expense - business-type activities	\$ 9,037,588

NOTE 13- LONG- TERM DEBT

1. Leases (Right-to-use Asset) - The City has entered into multiple Lease agreements. The lease agreements qualify as other than short-term Leases under GASB Statement No. 87 and therefore; have been recorded at the present value of the future minimum payments as of the date of their inception.

The City entered into 3 lease agreements, of 48 months in duration, 60 months of duration, and 72 months in duration respectively. An initial lessee liability was recorded in the amount of \$2,838,067 during the fiscal year ended September 30, 2023. As of September 30, 2023, the value of the lease liability was \$1,892,561. The value of the lease agreements as of September 30, 2023 is \$1,882,575 with accumulated amortization of \$955,492. Principal and interest payments made during the fiscal year totaled \$1,047,302.

The future minimum lease obligations and the net position value of these minimum lease payments as of September 30, 2023, were as follows:

Fiscal Year	Principal	Interest	Total
2024	\$ 936,491	\$ 59,961	\$ 996,452
2025	956,070	30,212	986,282
Total	\$ 1,892,561	\$ 90,173	\$ 1,982,734

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 13- LONG- TERM DEBT (Continued)

2. Subscription-Based Information Technology Arrangements (SBITA) – The City has entered into multiple subscription arrangements. The subscription arrangements qualify as other than short-term lease under GASB Statement No.96 and therefore; have been recorded at the present value of the future minimum payments as of the date of their inception.

The City entered into 4 subscription arrangements of 60 months in duration and 3 subscription arrangements of 36 months in duration. An initial subscription arrangement liability was recorded in the amount of \$948,779 during the fiscal year ended September 30, 2023. As of September 30, 2023, the value of the subscription arrangement liability was \$674,382. The value of the subscription arrangements as of September 30, 2023 is \$748,972 with accumulated amortization of \$199,807. Principal and interest payments made during the fiscal year totaled \$304,379.

The future minimum subscription obligations and the net present value of these minimum lease payments as of September 30, 2023 were as follows:

Fiscal Year	Principal	Interest	Total
2024	\$ 239,199	\$ 21,310	\$ 260,510
2025	153,376	13,752	167,128
2026	138,712	8,905	147,617
2026	143,095	4,522	147,617
Total	\$ 674,382	\$ 48,489	\$ 722,871

Notes Payable

1. Tax-exempt Refunding Revenue Note – Series 2021- On May 1, 2003, the City executed a loan agreement with the Florida Municipal Loan Council to borrow \$48,135,000 the proceeds of the Florida Municipal Loan Council Revenue Bonds, Series 2003A, were for major roadway improvements and infrastructure projects. The loan bears interest at varying rates ranging from 2.0% to 5.25%.

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

On September 22, 2021, the City executed a loan agreement with Truist Bank, to borrow \$28,400,000 taxable refunding revenue note, Series 2021. Proceeds of the bonds were used to refund the City's outstanding Florida Municipal Loan Council Revenue Bonds, Series 2012A. The transaction resulted in an economic gain (difference between the present value of the debt service on the old and the new bonds) of approximately \$2.7 million. The loan matures on May 1, 2033 and bears an interest rate of 1.98%.

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 13- LONG-TERM DEBT (Continued)

Notes Payable (Continued)

1. Tax-exempt Refunding Revenue Note – Series 2021 (Continued)

Annual debt service requirements to maturity for the Truist Bank Taxable Revenue Bond Series 2022 loan payable are as follows:

Tax-Exempt Refunding Revenue Note - Series 2021 (Refinanced 2012A Bond) (Refinanced 2003 Bond)						
Fiscal Year End	Governmental Activities			Business - type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 1,872,000	\$ 343,795	\$ 2,215,795	\$ 468,000	\$ 85,949	\$ 553,949
2025	1,904,000	312,346	2,216,346	476,000	78,086	554,086
2026	1,944,000	280,358	2,224,358	486,000	70,090	556,090
2027	1,984,000	247,699	2,231,699	496,000	61,925	557,925
2028	2,024,000	214,368	2,238,368	506,000	53,592	559,592
2029-2033	10,736,000	548,083	11,284,083	2,684,000	137,021	2,821,021
	\$ 20,464,000	\$ 1,946,649	\$ 22,410,649	\$ 5,116,000	\$ 486,663	\$ 5,602,663

2. Revolving Loan - On May 11, 2001, the City entered into a revolving loan agreement with the State of Florida Department of Environmental Protection for the purpose of providing financial assistance for planning and designing water and sewer system improvements. As of September 30, 2017, the project has been completed and the City has withdrawn \$2,779,844 for the project. The loan shall be repaid in 18 semi-annual loan payments beginning September 15, 2007, which is based on the total amount owed. The amount due as of September 30, 2023 was \$412,021 which includes capitalized interest and other costs.

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

State Revolving Loan Fund			
Fiscal Year End	Principal	Interest	Total
2024	\$ 160,580	\$ 10,395	\$ 170,975
2025	165,121	5,854	170,975
2026	86,320	1,184	87,503
	\$ 412,021	\$ 17,433	\$ 429,453

3. Affordable Housing Note, Series 2011 - On March 23, 2011 City issued the City of Hialeah Affordable Housing Note, Series 2011 (the TD Bank Note) in the principal amount of \$14,489,840 to refund and extend the maturity of the Amended and Restated Bond Anticipation Refunding Note, Series 2010 and pay-off the mortgage payable due to the Miami-Dade Housing Agency. The transaction resulted in an economic gain of approximately \$115,740. The proceeds of the Series 2010 note were used for the purpose of financing the construction of a 300-unit affordable housing project in the City of Hialeah.

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 13- LONG-TERM DEBT (Continued)

Notes Payable (Continued)

3. Affordable Housing Note, Series (Continued) - The TD Bank Note is secured by a pledge of net rental income and a covenant to budget and appropriate non-ad valorem revenues sufficient to pay the principal and interest due on the note for the fiscal year. At September 30, 2023, the TD Bank Note had an outstanding balance of \$9,109,981.

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

Affordable Housing Note, Series 2011				
<u>Fiscal Year End</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2024	\$ 566,787	\$ 389,792	\$	956,579
2025	592,023	364,556		956,579
2026	618,382	338,197		956,579
2027	645,915	310,663		956,579
2028	674,675	281,904		956,579
2029-2033	3,851,628	931,266		4,782,894
2034-2036	2,160,572	127,241		2,287,813
	<u>\$ 9,109,981</u>	<u>\$ 2,743,620</u>	<u>\$</u>	<u>11,853,601</u>

4. Utility System Revenue Refunding Bond Series 2022 - On May 1, 2011, the City executed a loan agreement with the Florida Municipal Loan Council to borrow \$48,235,000 from the proceeds of the Florida Municipal Loan Council Revenue Bonds, Series 2011D, for construction, expansion and improvements of the City's sewer treatment plant. The loan has an outstanding balance of \$45,220,000 and calls for annual principal payments due on October 1, commencing on October 1, 2012 through October 1, 2041 and semi-annual interest payments commencing on October 1, 2011 at varying rates of interest ranging from 3.0% to 5.5%. The arbitrage rebate requirement generally requires issuers of tax-exempt debt to rebate to the U.S. Treasury that investment income arising from the proceeds of tax-exempt debt to the extent that such income results from investments yields in excess of the bond yield. The City has pledged the net revenues (gross revenues after reduction of the cost of operation and maintenance of the project).

On May 19, 2022, the City executed a loan agreement with Morgan Stanley, to borrow \$38,270,000 tax-exempt utility system revenue refunding bonds, Series 2022. Proceeds of the bonds were used to refund the City's outstanding Florida Municipal Loan Council Revenue Bonds, Series 2011D. The transaction resulted in an economic gain (difference between the present value of the debt service on the old and the new bonds) of approximately \$3.5 million. The loan matures on October 1, 2041 and bears an interest rate of 5.0%.

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 13- LONG-TERM DEBT (Continued)

4. Utility System Revenue Refunding Bond Series 2022 (Continued)

Annual debt service requirements to maturity for the Series 2022 note payable are as follows:

Utility System Revenue Refunding Bonds, Series 2022			
<u>Fiscal Year End</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 1,210,000	\$ 1,813,250	\$ 3,023,250
2025	1,260,000	1,751,500	3,011,500
2026	1,335,000	1,686,625	3,021,625
2027	1,390,000	1,618,500	3,008,500
2028	1,465,000	1,547,125	3,012,125
2029-2033	8,510,000	6,530,250	15,040,250
2034-2038	10,870,000	4,118,725	14,988,725
2039-2042	10,830,000	1,116,250	11,946,250
	<u>\$ 36,870,000</u>	<u>\$ 20,182,225</u>	<u>\$ 57,052,225</u>

Revenue Bonds

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

The Series 2015A bonds have an outstanding balance of \$20,190,000 and calls for annual principal payments due on December 1, commencing on December 1, 2020 through December 2, 2035 and semi-annual interest payments commencing on June 1, 2016 at varying rates of interest ranging from 2.0% to 5.0%.

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 13- LONG-TERM DEBT (Continued)

Revenue Bonds (Continued)

5. Special Obligation Revenue Bonds Series 2015A and Special Obligation Refunding Revenue Bonds Series 2015B- (Continued) The Series 2015B bonds has an outstanding balance of \$15,485,000 and calls for annual principal payments due on December 1, commencing on December 1, 2017 through December 1, 2035 and semi-annual interest payments commencing on June 1, 2016 at varying rates of interest ranging from 2.0% to 5.0%. The arbitrage rebate requirement generally requires issuers of tax-exempt debt to rebate to the U.S. Treasury that investment income arising from the proceeds of tax-exempt debt to the extent that such income results from investments yields in excess of the bond yield. There is no arbitrage rebate liability in connection with either of the Special Obligation Revenue Bonds at September 30, 2023.

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

REVENUE BOND 2015 A			
Governmental Activities			
Fiscal Year End	Principal	Interest	Total
2024	\$ 1,310,000	\$ 909,595	\$ 2,219,595
2025	1,360,000	858,099	2,218,099
2026	1,415,000	802,849	2,217,849
2027	1,475,000	743,126	2,218,126
2028	1,540,000	678,188	2,218,188
2029-2033	8,870,000	2,227,760	11,097,760
2034-2035	4,220,000	219,607	4,439,607
	\$ 20,190,000	\$ 6,439,224	\$ 26,629,224

REVENUE BOND 2015 B						
Governmental Activities				Business - type Activities		
Fiscal Year End	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 776,000	\$ 600,000	\$ 1,376,000	\$ 194,000	\$ 150,000	\$ 344,000
2025	812,000	560,300	1,372,300	203,000	140,075	343,075
2026	856,000	518,600	1,374,600	214,000	129,650	343,650
2027	900,000	474,700	1,374,700	225,000	118,675	343,675
2028	948,000	428,500	1,376,500	237,000	107,125	344,125
2029-2033	5,488,000	1,365,600	6,853,600	1,372,000	341,400	1,713,400
2034-2035	2,608,000	132,000	2,740,000	652,000	33,000	685,000
	\$ 12,388,000	\$ 4,079,700	\$ 16,467,700	\$ 3,097,000	\$ 1,019,925	\$ 4,116,925

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 13- LONG-TERM DEBT (Continued)

Capital Leases

The City has entered into various lease agreements; a transit bus in the amount of \$340,400, a fire ladder truck in the amount of \$633,827, twenty (20) Zoll Series X manual defibrillators in the amount of \$423,920, computer software in the amount of \$1,274,753, radio tower equipment in the amount of \$3,517,760, radios in the amount of \$4,600,925, and computer equipment in the amount of \$171,655.

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

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

	Governmental Activities
Equipment	\$ 6,471,253
Vehicles	974,227
Infrastructure	3,517,760
Less: accumulated depreciation	(5,368,435)
	<u>\$ 5,594,805</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2023 are as follows:

Leases			
<u>Fiscal Year End</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 932,142	\$ 155,706	\$ 1,087,848
2025	958,757	129,091	1,087,848
2026	986,147	101,700	1,087,848
2027	1,014,337	73,511	1,087,848
2028	1,045,895	44,498	1,090,394
2029-2030	736,149	18,786	754,935
	<u>\$ 5,673,427</u>	<u>\$ 523,293</u>	<u>\$ 6,196,720</u>

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 13- LONG-TERM DEBT (Continued)

Changes in Long-Term Liabilities

The following is a summary of changes in the long-term debt for the year ended September 30, 2023:

	October 1, 2022	Additions	Reductions	September 30, 2023	Due Within One Year
Governmental Activities					
<i>Revenue Bonds:</i>					
Special Obligation Revenue Bonds, Series 2015A	\$ 21,455,000	\$ -	\$ (1,265,000)	\$ 20,190,000	\$ 1,310,000
Special Obligation Refunding Revenue Bonds, Series 2015B	13,124,000	-	(736,000)	12,388,000	776,000
Refunding Revenue Note, Series 2021	22,300,000	-	(1,836,000)	20,464,000	1,872,000
<i>Notes:</i>					
TD Bank (Refi Suntrust Loan)	9,650,680	2,192	(542,891)	9,109,981	566,787
Total bonds and notes payable	<u>66,529,680</u>	<u>2,192</u>	<u>(4,379,891)</u>	<u>62,151,981</u>	<u>4,524,787</u>
<i>Plus deferred amounts:</i>					
Premium (2015A)	1,029,557	-	(92,283)	937,274	92,283
Premium (2015B)	1,478,495	-	(113,731)	1,364,764	113,731
	<u>2,508,052</u>	<u>-</u>	<u>(206,014)</u>	<u>2,302,038</u>	<u>206,014</u>
Bonds and notes payable net	<u>69,037,732</u>	<u>2,192</u>	<u>(4,585,905)</u>	<u>64,454,019</u>	<u>4,730,800</u>
<i>Lease Obligations</i>					
Banc of America Public Capital (Radio equip)	2,255,461	-	(346,235)	1,909,226	357,440
Motorola Solutions Credit Company, LLC (radios)	3,180,667	-	(417,238)	2,763,429	429,046
Banc of America Public Capital (Fire equipment)	1,143,579	-	(142,807)	1,000,772	145,656
<i>Lease (Right-to-use asset) *</i>					
Axon Enterprise Inc. (Tasers)	637,023	-	(205,770)	431,253	212,272
Axon Enterprise Inc. (Body Cameras)	2,144,225	-	(692,624)	1,451,601	714,511
Bruce Rossmeyer's Daytona Harley-davidson (Motorcycles)	56,819	-	(47,112)	9,707	9,707
Subscription arrangements **	<u>948,779</u>	<u>-</u>	<u>(274,397)</u>	<u>674,382</u>	<u>239,199</u>
Total lease obligations	<u>10,366,553</u>	<u>-</u>	<u>(2,126,184)</u>	<u>8,240,370</u>	<u>2,107,832</u>
Claims payable	48,753,609	15,721,968	(17,126,446)	47,349,131	7,992,521
Compensated absences	32,156,876	16,229,485	(15,299,333)	33,087,028	9,765,564
OPEB liability	305,071,781	-	(78,438,042)	226,633,739	-
Net pension liability	180,681,120	141,974,241	-	322,655,361	-
	<u>566,663,386</u>	<u>173,925,694</u>	<u>(110,863,821)</u>	<u>629,725,259</u>	<u>17,758,085</u>
Total Governmental activities	\$ 646,067,671	\$ 173,927,886	\$ (117,575,909)	\$ 702,419,648	\$ 24,596,717

(*) Beginning balance was adjusted to consider proper amounts related to the implementation of GASB 87.

(**) Beginning balance was adjusted to consider proper amounts related to the implementation of GASB 96.

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

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 13- LONG-TERM DEBT (Continued)

Changes in Long-Term Liabilities (Continued)

	October 1, 2022	Additions	Reductions	September 30, 2023	Due Within One Year
Business-Type Activities					
Revolving loan	\$ 568,185	\$ -	\$ (156,165)	\$ 412,020	\$ 160,580
Utility System Revenue Refunding Bonds, Series 2022	38,270,000	-	(1,400,000)	36,870,000	1,210,000
Special Obligation Refunding Revenue Bonds, Series 2015B	3,281,000	-	(184,000)	3,097,000	194,000
Refunding Revenue Note, Series 2021	5,575,000	-	(459,000)	5,116,000	468,000
Total bonds and loans payable	47,694,185	-	(2,199,165)	45,495,020	2,032,580
Plus deferred amounts:					
Premium(Series 2022)*	2,369,116	-	(12,208)	2,356,908	34,582
Premium (2015B)*	398,052	-	(30,619)	367,433	30,619
	2,767,168	-	(42,827)	2,724,341	65,201
Bonds and loans payable net	50,461,353	-	(2,241,992)	48,219,361	2,097,781
Claims payable	4,415,995	1,384,536	(1,880,247)	3,920,284	650,670
Compensated absences	2,735,689	916,662	(1,545,835)	2,106,516	1,072,863
OPEB liability	55,496,343	-	(14,879,973)	40,616,370	-
Net pension liability	32,411,368	25,413,604	-	57,824,972	-
	95,059,395	27,714,802	(18,306,055)	104,468,142	1,723,533
Total Business-type activities	\$ 145,520,748	\$ 27,714,802	\$ (20,548,047)	\$ 152,687,503	\$ 3,821,314

(*) Beginning balance related to these categories was adjusted as compared to the 2022 Annual Comprehensive Financial Report, to correct premiums. Such adjustments are not considered material.

NOTE 14 – RISK MANAGEMENT

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

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

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

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

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 14 – RISK MANAGEMENT (Continued)

The following is a summary of changes in claims payable for the year ended September 30, 2023:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Unpaid claims, beginning	\$ 53,169,604	\$ 56,575,842	\$ 55,060,299
Incurred claims (including IBNR)	17,106,505	16,758,101	21,611,626
Claims payments	(19,006,694)	(20,164,339)	(20,096,083)
Unpaid claims, ending	<u>\$ 51,269,415</u>	<u>\$ 53,169,604</u>	<u>\$ 56,575,842</u>

NOTE 15 – COMMITMENTS AND CONTINGENCIES

Grants

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

Hialeah Branch Courthouse Lease

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

Charter School Agreements

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

Water and Sewers Fund- Agreements with Miami-Dade County

In 2008, the City Council approved a 20-year agreement with Miami-Dade County (the "County") providing for the rendition of water service to the City by the County and the purchase of treated water from the County until 2027. In 2011, the City of Hialeah entered into a 20-year agreement with the County to provide wastewater treatment and disposal services until 2029. Rates paid by the City of Hialeah vary depending and costs incurred by the County. The charges to operations under these agreements for the year ended September 30, 2023 were \$11,228,375 for water services and \$46,302,538 for wastewater treatment and disposal services.

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 15 – COMMITMENTS AND CONTINGENCIES (Continued)

Joint Participation Agreement- Reverse Osmosis Water Treatment Plant

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

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

The County has provided in excess of \$55 million during the construction phase of the project. In 2011, the City issued the \$48,235,000 Florida Municipal Loan Council Revenue Bonds, Series 2011D (City of Hialeah Series) which in May 19, 2022 were refinance into Utility System Revenue Refunding Bond, Series 2022 to fund its share of the costs to construct the Plant. The schedule below provides a reconciliation of the capital expenses as of September 30, 2023 and the total contributions from the County and the City.

	<u>October 1, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>September 30, 2023</u>
Land	\$ 3,300,000	\$ -	\$ -	\$ 3,300,000
RO Plant	55,576,592	-	-	55,576,592
	<u>\$ 58,876,592</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 58,876,592</u>
Other Receivables - Miami Dade County	\$ 3,343,739	\$ 3,131,191	\$ (3,115,303)	\$ 3,359,626
Total Contributed by Miami Dade County				
Contributions to the City	\$ 50,151,664			
Due from Miami Dade County	3,343,739			
50% Share of interest income earned	731,190			
50% Share of value of the land	1,650,000			
50% Share of grants from SFWMD	3,000,000			
	<u>\$ 58,876,592</u>			

NOTE 15 – COMMITMENTS AND CONTINGENCIES (Continued)

Construction Commitments

At September 30, 2023, the City had in process various construction projects that were not completed with a remaining balance totaling approximately \$367,618. Funding of these projects is to be made primarily through tax revenues, fees and grants.

Encumbrances

As of September 30, 2023 the City reported encumbrances for the General fund of \$2,249,573 and for the Building fund \$17,893 and \$9,925,727 for all non-major governmental funds.

Litigation

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

Tax-Exempt Bonds

As disclosed in Note 13 Long-Term Debt; the City has issued tax-exempt bonds to fund capital projects and infrastructure. If the bonds were deemed to be taxable, then the City's interest costs would markedly rise; the potential increase in interest costs would only be determinable at the time such debt was deemed taxable. The City does not at this time; expect the tax-exempt status of the debt to change.

NOTE 16 - EMPLOYEES' AND ELECTED OFFICIALS' RETIREMENT SYSTEMS

Employees' Retirement System

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

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

NOTE 16 - EMPLOYEES' AND ELECTED OFFICIALS' RETIREMENT SYSTEMS (Continued)

Employees' Retirement System (Continued)

1. Plan Description (Continued) - On May 22, 2012, the City passed Ordinance No. 2012-27, retroactively to April 1, 2012, closing membership to the Plan for all general employees hired after April 1, 2012. New employees will instead participate in a new defined contribution plan. The latest available actuarial valuation is as of October 1, 2021.

Membership in the Plan as of October 1, 2021 consisted of the following:

Inactive plan members:	
Beneficiaries currently receiving benefits	1,621
Entitled to benefits but not yet receiving them	296
Active plan members	758
Total	<u>2,675</u>

2. Loans to Members - The Employees' Retirement System Plan permits members to borrow from their annuity savings fund accounts from \$500 up to a maximum of \$50,000. The maximum amount allowed depends on the employee's account balance and vesting status. Loan terms may range from 1 to 5 years unless the loans are for the purchase of a primary residence. The loans are secured by the balance in the employee's annuity savings account, and bears interest at the prime rate, as published in the Wall Street Journal on the first business day of the week in which the loan application is made plus 1.5% Principal and interest would be paid ratably through biweekly payroll deductions.
3. Administrative Expenses - Administrative expenses incurred by the Plan is absorbed by the City.
4. Funding Requirements - The contribution requirements of the Plan members and the City are established and may be amended by the Employees' Retirement System Board of Trustees.
 - Plan Members Contribution - All members may contribute up to 7% of their compensation per year into the Annuity Savings Fund. All members not eligible for normal retirement on the date the ordinance took effect will also be required to make the following additional contributions:
 - Non-Police Officers and Firefighters must contribute 5.00% of pensionable compensation from May 15, 2014 to September 30, 2014 and 4.00% of pensionable compensation from October 1, 2014 forward except that it drops to 3.00% if the funded ratio is between 80% to 100% and 0% if it is 100% funded. 9.00% of pensionable compensation effective November 30, 2017.
 - Firefighters must contribute 5.00% of pensionable compensation from October 1, 2013 to September 30, 2014 (4.00% of pensionable compensation if hired on or after November 15, 2013) and 4.00% of pensionable compensation from October 1, 2014 forward except that it drops to 3.00% if the funded ratio is between 80% to 100% and 0% if it is 100% funded. 6.00% of pensionable compensation effective June 4, 2020. 8.00% of pensionable compensation effective October 1, 2020. 10.00% of pensionable compensation effective October 1, 2021

NOTE 16 - EMPLOYEES' AND ELECTED OFFICIALS' RETIREMENT SYSTEMS (Continued)

Employees' Retirement System (Continued)

5. Funding Requirements (Continued)

- Police Officers must contribute 5.00% of pensionable compensation from March 2, 2014 to September 30, 2014 and 4.00% of pensionable compensation from October 1, 2014. 6.00% of pensionable compensation from October 1, 2018. 8.00% of pensionable compensation effective October 1, 2019. 10.00% of pensionable compensation effective October 1, 2020.
- City Contribution - On August 25, 2009, the City passed Ordinance 09-54, which established a minimum City contribution ("floor") to the Plan equal to 22% of the member payroll. Once every five years, the City may increase or decrease the floor up to 2% of member payroll, if supported by an actuarial study.

The floor shall not be less than 16% or more than 28% of member payroll. The new provisions also indicate that the floor is subject to Section 70-168(b) which specifies the contribution shall be computed as a level percent of payroll in accordance with generally recognized actuarial principles and the provisions of Chapter 112 of the Florida Statutes. Provisions under Chapter 112 of the Florida Statutes. Provisions under chapter 112 of the Florida Statutes will take precedence in the event the required City contribution calculated under Chapter 112 exceeds the 28% of member payroll.

The City contributes at actuarially determined rates that are designed to accumulate sufficient assets to pay benefits when due. Effective May 30, 2012, the Division of Retirement mandated that local governments confer with the Plan's actuary to select and maintain contribution method (percentage of payroll or fixed dollar contributions) that best fits the funding requirements of the Plan. The Plan determined to use the "percentage of payroll contribution" method for the fiscal year ended September 30, 2023.

6. Net Pension Liability - The City's net pension liability of \$380,480,333 was measured as of September 30, 2022, (GASB 68 measurement date).

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 16 - EMPLOYEES' AND ELECTED OFFICIALS' RETIREMENT SYSTEMS (Continued)

Employees' Retirement System (Continued)

7. Actuarial Assumptions – The total pension liability was determined using the following actuarial assumptions:

Measurement Date:	September 30, 2023	September 30, 2022
Actuarial Valuation:	October 1, 2022	October 1, 2021
Interest rates:		
Single Discount rate	7.5%	7.5%
Inflation rate	2.30%	2.00%
Salary Increases	Service Based	Service Based
Mortality table	Police Officers and Firefighters: <i>Healthy Active Lives:</i> Female: PubS.H-2010 (Below Median) for Employees, set forward one year. Male: PubS.H-2010 (Below Median) for Employees, set forward one year. <i>Healthy Retiree Lives:</i> Female: PubS.H-2010 (Above Median) for Healthy Retirees, set forward one year. Male: PubS.H-2010 (Above Median) for Healthy Retirees, set forward one year. <i>Beneficiary Lives:</i> Female: PubG.H-2010 (Above Median) for Healthy Retirees. Male: PubG.H-2010 (Above Median) for Healthy Retirees, set back one year. <i>Disabled Lives:</i> Female: 80% PubG.H-2010 for Disabled Retirees / 20% PubS.H-2010 for Disabled Retirees Male: 80% PubG.H-2010 for Disabled Retirees / 20% PubS.H-2010 for Disabled Retirees General Employees: <i>Healthy Active Lives:</i> Female: PubG.H-2010 for Employees. Male: PubG.H-2010 for Employees. <i>Healthy Inactive Lives:</i> Female: PubG.H-2010 (Above Median) for Healthy Retirees. Male: PubG.H-2010 for Healthy Retirees, set back one year. <i>Beneficiary Lives:</i> Female: PubG.H-2010 (Above Median) for Healthy Retirees. Male: PubG.H-2010 (Above Median) for Healthy Retirees, set back one year. <i>Disabled Lives:</i> Female :PubG.H-2010 for Disabled Retirees, set forward three years. Male: PubG.H-2010 for Disabled Retirees, set forward three years. All rates are projected generationally with Mortality Improvement Scale MP-2018.	Police Officers and Firefighters: <i>Healthy Active Lives:</i> Female: PubS.H-2010 (Below Median) for Employees, set forward one year. Male: PubS.H-2010 (Below Median) for Employees, set forward one year. <i>Healthy Retiree Lives:</i> Female: PubS.H-2010 (Above Median) for Healthy Retirees, set forward one year. Male: PubS.H-2010 (Above Median) for Healthy Retirees, set forward one year. <i>Beneficiary Lives:</i> Female: PubG.H-2010 (Above Median) for Healthy Retirees. Male: PubG.H-2010 (Above Median) for Healthy Retirees, set back one year. <i>Disabled Lives:</i> Female: 80% PubG.H-2010 for Disabled Retirees / 20% PubS.H-2010 for Disabled Retirees Male: 80% PubG.H-2010 for Disabled Retirees / 20% PubS.H-2010 for Disabled Retirees General Employees: <i>Healthy Active Lives:</i> Female: PubG.H-2010 for Employees. Male: PubG.H-2010 for Employees. <i>Healthy Inactive Lives:</i> Female: PubG.H-2010 (Above Median) for Healthy Retirees. Male: PubG.H-2010 for Healthy Retirees, set back one year. <i>Beneficiary Lives:</i> Female: PubG.H-2010 (Above Median) for Healthy Retirees. Male: PubG.H-2010 (Above Median) for Healthy Retirees, set back one year. <i>Disabled Lives:</i> Female :PubG.H-2010 for Disabled Retirees, set forward three years. Male: PubG.H-2010 for Disabled Retirees, set forward three years. All rates are projected generationally with Mortality Improvement Scale MP-2018.

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 16 - EMPLOYEES' AND ELECTED OFFICIALS' RETIREMENT SYSTEMS (Continued)

Employees' Retirement System (Continued)

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

These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2023 and 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>2023</u>	<u>2022</u>
Domestic Equity	48.00%	7.42%	7.42%
International Equity	36.75%	6.25%	6.25%
Domestic Bonds	5.00%	4.38%	3.77%
Other	10.25%	6.50%	6.50%
Total	<u>100.00%</u>		

9. Rate of Return - For the fiscal years ended September 30, 2023 and 2022, the annual money-weighted rate of return on Plan investments, net of investment expense, was 10.64% and (15.21)%, respectively. The money-weighted rate of return expresses investment performance, net of investment manager and consultant expenses adjusted for the changing amounts actually invested. Inputs to the internal rate of return calculation are determined on a monthly basis.
10. Discount Rate - The discount rate used to measure the total pension liability as of September 30, 2023 and 2022 was 7.50% and 7.50%, respectively. The projection of cash flows used to determine the discount rate assumed that plan member's contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 16 - EMPLOYEES' AND ELECTED OFFICIALS' RETIREMENT SYSTEMS (Continued)

Employees' Retirement System (Continued)

11. Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Reporting period ending at September 30, 2022	\$ 1,047,885,122	\$ 834,792,635	\$ 213,092,487
Changes for the year:			
Service Cost	7,727,927	-	7,727,927
Interest	76,142,405	-	76,142,405
Change in Annuity Savings Fund	3,715,053	-	3,715,053
Differences between expected and actual experience	9,629,910	-	9,629,910
Changes of assumptions	-	-	-
Changes of benefits terms	(17,530)	-	(17,530)
Contributions - Employer	-	50,135,256	(50,135,256)
Contributions - State	-	461,877	(461,877)
Contributions - Employee	-	5,160,421	(5,160,421)
Contributions - Buy Back	300,110	300,110	-
Net investment income	-	(125,063,854)	125,063,854
Benefit payments, including refunds of employee contributions	(80,726,913)	(80,726,913)	-
Administrative expense	-	(883,781)	883,781
Net changes	16,770,962	(150,616,884)	167,387,846
Reporting period ending at September 30, 2023*	<u>\$ 1,064,656,084</u>	<u>\$ 684,175,751</u>	<u>\$ 380,480,333</u>
Plan fiduciary net position as a percentage of the total pension liability		64.26%	
Covered-employee payroll		\$ 53,919,088	
Net pension liability as a percentage of covered-employee payroll		705.65%	

(*) The Employee's Retirement System Plan fiduciary net position ending for fiscal year 2023 noted above includes the employer's advance contribution. The city treats the advance contribution as such and recognizes it in the subsequent fiscal year.

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 16 - EMPLOYEES' AND ELECTED OFFICIALS' RETIREMENT SYSTEMS (Continued)

Employees' Retirement System (Continued)

12. Sensitivity of the Net Pension Liability to the Changes in the Discount Rate - The following presents the net pension liability of the City, calculated using the discount rate of 7.50% and 7.50% respectively, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher:

	1% Decrease	Current Discount	1% Increase
Reporting Date	6.50%	Rate	8.50%
September 30, 2023	\$ 473,496,956	\$ 380,480,333	\$ 301,980,898

13. Pension Plan Fiduciary Net Position - Detailed information about the pension plan's fiduciary net position is available in a separately issued Plan financial report.
14. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions- For the year ended September 30, 2023, the City will recognize pension expense of \$54,958,577. At September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 6,682,503	\$ -
Changes of Assumptions	2,818,106	-
Net difference between projected and Actual Earnings on Pension investments	107,036,107	-
Employer and State Contributions subsequent to the measurement date*	27,461,877	-
Total	\$ 143,998,593	\$ -

(*) The deferred outflow of resources, resulting from the City's contributions made after the measurement date of the net pension liability, but before the end of the City's reporting period will be recognized as a reduction of the City's net pension liability in the subsequent fiscal period rather than in the current fiscal period.

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 16 - EMPLOYEES' AND ELECTED OFFICIALS' RETIREMENT SYSTEMS (Continued)

Employees' Retirement System (Continued)

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

<u>Year ended</u> <u>September 30,</u>	
2024	\$ 34,282,590
2025	23,258,290
2026	21,652,823
2027	37,343,013
Total	<u>\$ 116,536,716</u>

15. Drop Plan – Effective February 19, 2008 for general employees, and March 1, 2007 for police officer and firefighters, employees are eligible to participate in a deferred retirement option program (DROP) upon completion of 25 years of service credit provided that the sum of the employee's age and service is equal to at least 70. The monthly retirement benefit (basic plus service pension), based on final average earnings and service upon entering the DROP, will be paid to the participant's DROP account. At the end of each fiscal year, interest will be credited to the DROP account at the same rate credited to the annuity savings account.

Employee contributions cease upon entering the DROP and the employee shall be eligible for disability benefits provided by the plan. Upon termination of employment or death, the DROP account balance will be paid in a cash lump sum. The maximum period of participation in the DROP is 36 months and participants cannot buy service in order to be eligible for the DROP. General Employees who are participants of the Plan are prohibited from entering the DROP on or after April 2, 2012.

Elected Officials' Retirement System

1. Plan Description - The City of Hialeah Elected Officials' Retirement System (EORS) is a single employer defined benefit pension plan administered by the City of Hialeah. The EORS was established by City Ordinance effective June 1998. The Plan is considered part of the City's financial reporting entity and is included in the City's financial statements as a pension trust fund. All qualified elected officials and city attorneys are eligible to participate in the plan. The Plan does not issue a stand-alone financial report. Benefit and contribution provisions are established by City ordinance and may be amended only by the City Council. The latest available actuarial valuation is as of October 1, 2021. The City of Hialeah Elected Officials' Retirement System (EORS) was closed January 1, 2014.

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 16 - EMPLOYEES' AND ELECTED OFFICIALS' RETIREMENT SYSTEMS (Continued)

Elected Officials' Retirement System

Membership in the Plan as of October 1, 2021 consisted of the following:

Inactive plan members:	
Beneficiaries currently receiving benefits	12
Entitled to benefits but not yet receiving them	7
Active plan members	<u>4</u>
Total	<u><u>23</u></u>

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

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

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

3. Funding Requirement - Plan members are required to contribute 7% of their basic compensation. The City contributes at actuarially determined rates that are designed to accumulate sufficient assets to pay benefits when due. Effective May 30, 2012, the Division of Retirement mandated that local governments confer with the Plan's actuary to select and maintain a contribution method (percentage of payroll or fixed dollar contributions) that best fits the funding requirements of the Plan. The Plan determined to use the "percentage of payroll contribution" method for the fiscal year ended September 30, 2023.
4. Net Pension Asset - The Plan's net pension asset of \$3,202,051 was measured as of September 30, 2022 (GASB 68 measurement date).

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 16 - EMPLOYEES' AND ELECTED OFFICIALS' RETIREMENT SYSTEMS (Continued)

Elected Officials' Retirement System (Continued)

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

Measurement Date:	September 30, 2023	September 30, 2022
Actuarial Valuation:	October 1, 2022	October 1, 2021
Interest rates:		
Single Discount rate	6.00%	6.00%
Inflation rate	2.75%	2.75%
Salary Increases	7.25%	8.00%
Mortality table	For healthy participants during employment, PUB-2010 Headcount Weighted General Below Median Employee Mortality Table, separate rates for males and females, setback 1 year for males, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018.	For healthy participants during employment, PUB-2010 Headcount Weighted General Below Median Employee Mortality Table, separate rates for males and females, setback 1 year for males, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018.
	For healthy participants post employment, PUB-2010 Headcount Weighted General Below Median Healthy Retiree Mortality Table, separate rates for males and females, set back 1 year for males, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018	For healthy participants post employment, PUB-2010 Headcount Weighted General Below Median Healthy Retiree Mortality Table, separate rates for males and females, set back 1 year for males, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018

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

These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2023 and 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>2023</u>	<u>2022</u>
Domestic Equity	45%	9.68%	9.56%
International Equity	10%	5.44%	5.33%
Fixed Income	30%	4.19%	4.49%
Cash	15%	2.42%	2.26%
	<u>100%</u>		

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 16 - EMPLOYEES' AND ELECTED OFFICIALS' RETIREMENT SYSTEMS (Continued)

Elected Officials' Retirement System (Continued)

7. Rate of Return - For the fiscal years ended September 30, 2023 and 2022, the annual money-weighted rate of return on Plan investments, net of investment expense, was 11.00% and 10.40%, respectively. The money-weighted rate of return expresses investment performance, net of investment manager and consultant expenses adjusted for the changing amounts actually invested. Inputs to the internal rate of return calculation are determined on a monthly basis.
8. Discount Rate - The discount rate used to measure the total pension liability as of September 30, 2023 and 2022 was 6.00 percent. The projection of cash flows used to determine the discount rate assumed that plan members' contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.
9. Changes in Net Pension Asset

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Asset
	(a)	(b)	(a)-(b)
Reporting period ending at September 30, 2022	\$ 9,947,266	\$ 15,470,074	\$ (5,522,808)
Changes for the year:			
Service Cost	73,200	-	73,200
Interest	605,462	-	605,462
Differences between expected and actual experience	514,843	-	514,843
Assumption Changes	(39,630)	-	(39,630)
Contributions - Employer	-	129,503	(129,503)
Contributions - Employee	-	10,635	(10,635)
Net investment income	-	(2,131,839)	2,131,839
Benefit payments, including refunds of employee contributions	(809,281)	(809,281)	-
Administrative expense	-	(56,475)	56,475
Net changes	344,594	(2,857,457)	3,202,051
Reporting period ending at September 30, 2023	\$ 10,291,860	\$ 12,612,617	\$ (2,320,757)
Plan fiduciary net position as a percentage of the total pension liability		122.55%	
Covered-employee payroll		\$ 154,364	
Net pension asset as a percentage of covered-employee payroll		-1503.43%	

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 16 - EMPLOYEES' AND ELECTED OFFICIALS' RETIREMENT SYSTEMS (Continued)

Elected Officials' Retirement System (Continued)

9. Changes in Net Pension Asset (Continued)

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Asset
	(a)	(b)	(a)-(b)
Reporting period ending at September 30, 2023	\$ 10,291,860	\$ 12,612,617	\$ (2,320,757)
Changes for the year:			
Service Cost	28,310	-	28,310
Interest	580,607	-	580,607
Differences between expected and actual experience	(24,926)	-	(24,926)
Assumption Changes	-	-	-
Contributions - Employer	-	-	-
Contributions - Employee	-	9,942	(9,942)
Net investment income	-	1,320,938	(1,320,938)
Benefit payments, including refunds of employee contributions	(1,236,923)	(1,236,923)	-
Administrative expense	-	(23,952)	23,952
Net changes	(652,932)	70,005	(722,937)
Reporting period ending at September 30, 2024	\$ 9,638,928	\$ 12,682,622	\$ (3,043,694)
Plan fiduciary net position as a percentage of the total pension liability		131.58%	
Covered-employee payroll		\$ 141,928	
Net pension asset as a percentage of covered-employee payroll		-2144.53%	

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

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 16 - EMPLOYEES' AND ELECTED OFFICIALS' RETIREMENT SYSTEMS (Continued)

Elected Officials' Retirement System (Continued)

10. Sensitivity of the Net Pension Asset to the Changes in the Discount Rate (Continued)

Measurement Date	Current Discount		
	1% Decrease 5.00%	Rate 6.00%	1% Increase 7.00%
September 30, 2023	\$ (1,977,410)	\$ (3,043,694)	\$ (3,933,617)
	5.00%	6.00%	7.00%
September 30, 2022	\$ (1,193,672)	\$ (2,320,757)	\$ (3,258,891)

11. Pension Expense (Income) and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - For the year ended September 30, 2023, the EORS will recognize pension expense (income) of \$(42,599). At September 30, 2023, the EORS reported deferred outflows of resources and deferred outflows of resources related to pensions from the following sources:

There were no deferred inflow of resources, resulting from the City's contribution to the Plan subsequent to the measurement date of September 30, 2022, to be recognized for fiscal year ended September 30, 2023.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience on liabilities	\$ -	\$ -
Changes of assumptions or other inputs	-	-
Net Difference Between Projected and Actual Earnings on the Pension Plan Investments	1,311,337	-
Employer Contributions subsequent to the measurement date	75,287	-
Total	\$ 1,386,624	\$ -

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

Year ended September 30,	
2024	\$ 198,971
2025	203,014
2026	301,697
2027	607,655
Total	\$ 1,311,337

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 16 - EMPLOYEES' AND ELECTED OFFICIALS' RETIREMENT SYSTEMS (Continued)

Elected Officials' Retirement System (Continued)

The net pension liability/asset, deferred outflows and inflows of resources, and pension expense (income) related to these retirement plans at September 30, 2023 (Reporting Date) are summarized as follows:

	<u>Employee Retirement</u>	<u>Elected</u>	<u>Total</u>
	<u>System</u>	<u>Officials</u>	
Net Pension Liability	\$ 380,480,333	\$ -	\$ 380,480,333
Net Pension Asset	-	(2,320,757)	(2,320,757)
Deferred Outflows of Resources	143,998,593	1,386,624	145,385,217
Deferred Inflows of Resources	-	-	-
Pension Expense	54,958,577	(42,599)	54,915,978

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 16 - EMPLOYEES' AND ELECTED OFFICIALS' RETIREMENT SYSTEMS (Continued)

Elected Officials' Retirement System (Continued)

12. Statement of net position and statement of changes in net position - The statement of net position and statement of changes in net position for the Elected Officials' Retirement System as of September 30, 2023 are presented below:

STATEMENT OF NET POSITION	
<u>ASSETS</u>	
Other receivable	\$ 637
Investments, at fair value:	
Mutual funds	12,179,889
Real estate investment trusts	792,645
Total assets	<u>12,973,171</u>
<u>LIABILITIES AND NET POSITION</u>	
Accounts payable and accrued liabilities	290,549
Net position restricted for pensions	<u>12,682,622</u>
STATEMENT OF CHANGES IN NET POSITION	
ADDITIONS	
Contributions - City	-
Contributions - Member	9,942
Net investment income (loss)	1,320,938
Total additions	<u>1,330,880</u>
DEDUCTIONS	
Pension benefits	1,236,923
Administrative Expenses	23,952
Total deductions	<u>1,260,875</u>
Net increase	70,005
Net position restricted for pensions	
Beginning of year	12,612,617
Ending	<u><u>\$ 12,682,622</u></u>

NOTE 17 - DEFINED CONTRIBUTIONS PLANS

The City of Hialeah has two defined contribution plans; the City of Hialeah Police Pension Fund and the City of Hialeah Fire men's Relief and Pension Fund. The Plans were created on March 27, 1984 by Ordinance 1781 as amended by Ordinance 84-43 and on May 26, 1981 by Ordinance 631 as amended by Ordinance 81-62, respectively. The purpose of these Plans is to provide a means whereby police officers and firefighters of the City may receive benefits from funds provided for that purpose by contributions of the City through state contributions provided by Chapter 175/185 of the Florida Statutes. The participants do not contribute to the Plans. These funds are a supplement to and in no way affect police officer and firefighter benefits under the City of Hialeah Employees' Retirement System. The City no longer receives passed-through State contributions for the police officers or firefighters. The City under Chapter 185 of the Florida Statutes has provided authorization to the State for the direct contribution of benefits to the Police Pension Fund. The City's Employment Retirement System received passed-through contributions from the two defined contribution plans totaling \$461,877 for the fiscal year ended September 30, 2023.

Both funds issue publicly available financial reports. Those reports may be obtained by writing to Hialeah Employees' Retirement Department, 501 Palm Avenue, Hialeah, Florida, 33010.

The City created the City of Hialeah Employee's Retirement Plan on April 1, 2012. The City as a single- employer contributes to the Money Purchase Plan, which is a defined contribution plan created in accordance with Internal Revenue Code Section 401 (a). The Plan is available to all full-time general employees hired after April 1, 2012, and the City contributes 7% of the employees' salary for employees classified as AFSCME, and 4% for employees classified as Management and Confidential. Employees are required to contribute the same percentage amount that the City contributes. Employer contributions for the fiscal year ended September 30, 2023 were approximately \$1.1 million.

NOTE 18 - OTHER POST EMPLOYMENT BENEFITS

Plan Description

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

NOTE 18 - OTHER POST EMPLOYMENT BENEFITS (Continued)

Benefits Provided

Program Members

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

Normal Retirement

Eligibility conditions for retiree health care benefits are as follows:

- Elected Officials - completion of eight (8) years of service.
- Members of the City of Hialeah Employees' Retirement System (defined benefit plan):
 - ✓ Members hired before January 27, 1970, the earlier of (a) age 50 with at least 10 years of service and (b) completion of 20 years of service. – No longer applicable because all current actives are hired after January 1, 1974.
 - ✓ Members hired on or after January 27, 1970 but before January 1, 1974, the earlier of (a) age 55 with at least 15 years of service and (b) completion of 20 years of service. – No longer applicable because all current actives are hired after January 1, 1974.
 - ✓ Members hired on or after January 1, 1974, age plus service equal to at least 70 and completion of at least 20 years of service.
 - ✓ Non-grandfathered General employees on or after December 1, 2017, age 62 with 20 years of service.
 - ✓ Firefighter members hired on or after November 15, 2013, age plus service equal to at least 76 and completion of at least 20 years of service.
 - ✓ Police Officer members hired on or after March 2, 2014, age plus service equal to at least 76 and completion of at least 20 years of service.
 - ✓ Police Officer members classified as Tier 1E and Tier 1F as of October 1, 2018, the earlier of (a) age 55 with 10 years of service, (b) age 52 with 25 years of service or (c) completion of 27 years of service regardless of age.
 - ✓ 8. Police Officer members classified as Tier 1G and Tier 2 as of October 1, 2018, the earlier of (a) age 55 with 10 years of service or (b) age 52 with 25 years of service.
- Members of the City of Hialeah Employees' Retirement Plan (money purchase plan) - attainment of age 59.5.

NOTE 18 - OTHER POST EMPLOYMENT BENEFITS (Continued)

Benefits Provided (Continued)

Early Retirement

Eligibility conditions for retiree health care benefits are as follows:

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

Deferred Retirement

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

Death in Service Retirement

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

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

Disability Retirement

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

Spouse and Dependent Coverage

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

NOTE 18 - OTHER POST EMPLOYMENT BENEFITS (Continued)

Benefits Provided (Continued)

Retiree Contributions

- *Members of the City of Hialeah Employees' Retirement Plan (money purchase plan)* pay full cost for coverage for themselves and any eligible dependents.
- *Elected Officials* - City pays cost of health insurance premium for the retiree's individual coverage retiree pays the difference between the active rate for any spouse and / or dependent coverage and the active employee only rate.
- *Members of the City of Hialeah Employees' Retirement System (defined benefit plan):*
 - ✓ Employees hired on or before October 10, 2006 - City pays health insurance premium for the retiree's individual coverage.
 - ✓ Employees hired after October 10, 2006 - City pays the same amount as active employees for individual coverage until age 65. At age 65 and thereafter, if member eligible and enrolled in Medicare Part A and Part B - City pays retiree's individual coverage for the retiree only.
 - ✓ Members may include coverage for spouse and / or other eligible dependents by payment of full premium for such spouse and / or other eligible dependents. However, retired Management employees pay the difference between the active rate for spouse and / or dependent coverage and the active employee only rate.
 - ✓ Notwithstanding the above, members (other than Police Officer and Firefighters members) who retire on or after March 25, 2014 prior to attaining eligibility for normal retirement pay premium for coverage for themselves and any eligible dependents.
- *Disabled retirees in the City of Hialeah Employees' Retirement System (defined benefit- plan):*
 - ✓ Disabled members hired on or before to October 10, 2006 - City pays the cost of individual health insurance coverage.
 - ✓ Disabled members hired after October 10, 2006 pay the same amount as active employees for individual coverage until age 65. At age 65 and thereafter, if member eligible and enrolled in Part A and Part B - City pays retiree's individual coverage for the retiree only.
- *Job related*
 - ✓ Option (1): Retiree receives 75% of average compensation for three years of membership and pays full premium for spouse and / or other eligible dependents.
 - ✓ Option (2): Retiree receives 66-2/3% of average compensation for three years of membership and pays active rate for spouse and/or other eligible dependents.

NOTE 18 - OTHER POST EMPLOYMENT BENEFITS (Continued)

Benefits Provided (Continued)

- Job related (Continued)
 - ✓ Enhanced disability benefits: Retiree receives 75% of average compensation of three years of membership and pays active rate for spouse and / or other eligible dependents.
 - ✓ Retired Management employees pay difference between active rate for spouse and / or dependent coverage and active employee only rate.
- Not job related

Retiree pays premium for spouse and / or other eligible dependents; however, retiree receives a credit towards payment of premium based on the following criteria:

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

- Firefighters or Police Officers with a disability resulting from a catastrophic line of duty injury-benefit fully subsidized for life for member, spouse and eligible dependents.

Medicare-Eligible Provisions

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

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

Dental and Vision Coverage

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

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 18 - OTHER POST EMPLOYMENT BENEFITS (Continued)

Benefits Provided (Continued)

Life Insurance

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

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

Changes in Provisions since Prior Valuation

None

Employees Covered by Benefit Terms

As of October 1, 2021 actuarial valuation, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	1,399
Active plan members	<u>1,069</u>
Total	<u>2,468</u>

Total OPEB Liability

The City's total OPEB liability of \$267,250,109 was based on the measurement date October 1, 2022, and was determined by an actuarial valuation on October 1, 2021.

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 18 - OTHER POST EMPLOYMENT BENEFITS (Continued)

Actuarial Methods and Assumptions

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

Valuation date	10/1/2021
Inflation	2.30% - not explicitly used in valuation
Discount rate	4.40%
Salary increases	3.00% to 15.00%, depending on the member's employment group
Mortality	Healthy members based on various PUB-2010 base table, generational mortality using gender-specific MP-2018 mortality improvement projection scale. Disable Employees based on various PUB-2010 Disable mortality tables and no projected improvements
Healthcare cost trend rates	Based on the Getzen Model starting at 6.5% gradually decreasing to an ultimate rate of 3.5% in 2041.
Retirees' share of benefit-related costs	Varies from 0% to 100% of blended health insurance premium rates.
Expenses	Administrative expenses are included in the per capita health costs.
Other information	The retirement, disability, termination and salary increase actuarial assumptions used in the valuation are based on results of experience studies conducted by the City of Hialeah Employees' Retirement System dated January 29, 2019 and the City of Hialeah Elected Officers' Retirement System dated July 12, 2021. The mortality assumptions used in the valuation reflect an Experience Study conducted by the Florida Retirement System as of July 1, 2019.

Changes in the Total OPEB Liability:

	Total OPEB Liability
Service Cost	\$ 9,694,058
Interest	7,974,770
Benefit changes	-
Differences between expected and actual experience	-
Changes of assumptions	(98,685,370)
Benefit payments	(12,301,473)
Net change in total OPEB liability	(93,318,015)
Total OPEB liability - beginning	\$ 360,568,124
Total OPEB liability - ending	<u>\$ 267,250,109</u>
 Covered employee payroll	 \$ 91,903,857
 Total OPEB liability as a percentage of covered employee payroll	 290.79%

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 18 - OTHER POST EMPLOYMENT BENEFITS (Continued)

Sensitivity of the Total OPEB Liability to the Changes in the Discount Rate Assumption - The following presents the total OPEB liability of the City, calculated using the discount rate of 4.40% 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 (3.40%) or 1-Percentage-point higher (5.40%):

	Current Discount	
<u>1% Decrease</u>	<u>Rate</u>	<u>1% Increase</u>
3.40%	4.40%	5.40%
\$ 305,792,871	\$ 267,250,109	\$ 236,133,123

Sensitivity of the Total OPEB Liability to the Healthcare Cost Trend Rate Assumption - The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (5.50% decreasing to 2.50%) or 1-percentage-point higher (7.50% decreasing to 4.50%):

	Current Healthcare Cost	
<u>1% Decrease</u>	<u>Trend Rate</u>	<u>1% Increase</u>
5.50% to 2.50%	6.50% to 3.50%	7.50% to 4.50%
\$ 232,607,115	\$ 267,250,109	\$ 310,550,822

For the fiscal year ended September 30, 2023, the City recognized OPEB expense (income) of \$(16,934,018) 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	\$ -	\$ 6,495,760
Changes of Assumptions	4,996,773	133,362,902
Projected OPEB benefits	13,076,658	-
Projected administrative expenses	19,862	-
Total	\$ 18,093,293	\$ 139,858,662

Projected deferred outflow for amounts paid by the City for OPEB benefits and administrative expenses subsequent to the measurement date, will be recognized as OPEB expense in the fiscal year ended September 30, 2023.

CITY OF HIALEAH, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 18 - OTHER POST EMPLOYMENT BENEFITS (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources that will be recognized in OPEB expenses (income) in future years.

Year ended September 30,	
2024	\$ (49,561,482)
2025	(52,892,663)
2026	(30,000,787)
2027	(2,406,957)
Total	<u>\$ (134,861,889)</u>

NOTE 19 – Prior Period Adjustment – City of Hialeah Education Academy Fund (HEA)

The beginning net position of the Government Activities in the government-wide Statement of Net Position and the beginning fund balance on the fund level balance sheet have been restated to record a prior period adjustment to correct the HEA's payroll related expenditures. A reconciliation of the prior period ending net position to the current year beginning net position for the Governmental Activities is as follows:

Beginning net position, as previously reported	\$ 302,897,883
Adjustment to correct payroll expenses	(158,313)
Beginning net position, as restated	<u>\$ 302,739,570</u>
Beginning fund balance, as previously reported	\$ 2,451,333
Adjustment to correct payroll expenditures	(158,313)
Beginning fund balance, as restated	<u>\$ 2,293,020</u>



**REQUIRED SUPPLEMENTARY INFORMATION
(Other Than MD&A)**

CITY OF HIALEAH, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED SEPTEMBER 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Positive (Negative)</u>
Revenues:				
Ad valorem taxes	\$ 92,015,000	\$ 92,015,000	\$ 93,270,127	\$ 1,255,127
Charges for services	1,931,200	1,931,200	2,065,426	134,226
Fines and forfeitures	2,009,800	2,009,800	2,136,370	126,570
Franchise fees	13,014,000	13,014,000	16,725,503	3,711,503
Intergovernmental	34,324,000	38,324,000	41,555,164	3,231,164
Investment income	168,000	4,668,000	3,535,060	(1,132,940)
Licenses and permits	7,113,500	7,113,500	7,059,270	(54,230)
Other revenues	3,734,500	3,734,500	5,286,862	1,552,362
Utility taxes	21,802,000	21,802,000	27,324,060	5,522,060
Total revenues	<u>176,112,000</u>	<u>184,612,000</u>	<u>198,957,842</u>	<u>14,345,842</u>
Expenditures:				
Current:				
911 Communications division	7,296,600	7,296,600	6,131,473	1,165,127
Business tax division	1,431,800	1,431,800	1,298,974	132,826
City Clerk's office	2,093,400	2,093,400	1,494,425	598,975
Code compliance	938,400	938,400	748,066	190,334
Communications and special events	1,839,100	1,839,100	1,710,814	128,286
Construction and maintenance	3,505,400	3,761,400	3,713,206	48,194
Education and community services	2,566,300	2,566,300	2,533,054	33,246
Employee retirement	997,500	997,500	824,168	173,332
Emergency management	42,000	42,000	32,183	9,817
Finance	1,889,400	1,889,400	1,663,622	225,778
Fire	48,407,200	49,987,200	49,969,862	17,338
Fleet maintenance	4,089,100	4,089,100	3,710,686	378,414
General government	5,050,900	7,167,750	7,792,577	(624,827)
Human resources	1,528,200	1,528,200	1,484,702	43,498
Information technology	3,334,400	3,924,400	3,745,389	179,011
Law	2,009,300	2,016,800	1,678,381	338,419
Library	2,170,000	2,170,000	1,990,313	179,687
Milander center	901,800	901,800	766,545	135,255
Office of Management and Budget	552,300	552,300	549,693	2,607
Office of the Mayor	956,800	956,800	948,369	8,431
Parks and recreation	12,882,400	12,998,200	12,756,691	241,509
Planning and zoning	1,487,300	1,487,300	1,150,424	336,876
Police	74,508,900	74,917,100	72,139,382	2,777,718
Purchasing	988,500	988,500	940,924	47,576
Risk management	911,000	919,000	854,856	64,144
Total expenditures	<u>182,378,000</u>	<u>187,460,350</u>	<u>180,628,779</u>	<u>6,831,571</u>
Other financing sources (uses):				
Appropriation of prior year fund balance	-	1,062,100	-	(1,062,100)
Debt proceeds	2,800,000	2,800,000	-	(2,800,000)
Proceeds from disposal of capital assets	148,000	148,000	266,389	118,389
Initiation of Lease (Right-of-use asset)	-	-	2,838,067	2,838,067
Initiation of Subscription Arrangements	-	-	790,873	790,873
Transfers in	4,064,000	-	-	-
Transfers out	(746,000)	(1,161,750)	(1,020,361)	141,389
Total financing sources (uses)	<u>6,266,000</u>	<u>2,848,350</u>	<u>2,874,968</u>	<u>26,618</u>
Net change in fund balance	-	-	<u>21,204,031</u>	<u>\$ 21,204,031</u>
Fund balances - beginning	-	-	<u>52,675,440</u>	
Fund balances - ending			<u>\$ 73,879,471</u>	

CITY OF HIALEAH, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GOVERNMENTAL FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Coronavirus State and Local Fiscal Recovery Fund				Building Fund			
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final	Amounts		Original	Final	Amounts	
Revenues:								
Investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,775,334	\$ 1,775,334
Intergovernmental	14,641,000	10,577,000	2,985,117	(7,591,883)	-	-	-	-
Licenses and permits	-	-	-	-	6,210,500	6,210,500	9,122,354	2,911,854
Other revenues	-	-	-	-	-	-	3,704	3,704
Appropriation of prior year fund balance	-	22,373,224	-	(22,373,224)	1,566,100	1,732,638	-	(1,732,638)
Total revenues	<u>14,641,000</u>	<u>32,950,224</u>	<u>2,985,117</u>	<u>(29,965,107)</u>	<u>7,776,600</u>	<u>7,943,138</u>	<u>10,901,392</u>	<u>2,958,254</u>
Expenditures:								
Current:								
General government	4,064,000	-	4,170	(4,170)	7,416,600	7,386,552	5,732,920	1,653,632
Public works	10,577,000	32,950,224	2,980,947	29,969,277	-	-	-	-
Capital outlay	-	-	-	-	360,000	556,586	465,180	91,406
Total expenditures	<u>14,641,000</u>	<u>32,950,224</u>	<u>2,985,117</u>	<u>29,965,107</u>	<u>7,776,600</u>	<u>7,943,138</u>	<u>6,198,100</u>	<u>1,745,038</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>4,703,292</u>	<u>\$ 4,703,292</u>
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>-</u>		<u>-</u>	<u>-</u>	<u>45,667,137</u>	
Fund balances - ending			<u>\$ -</u>				<u>\$ 50,370,429</u>	

CITY OF HIALEAH, FLORIDA
NOTES TO BUDGETARY COMPARISON SCHEDULE
SEPTEMBER 30, 2023

NOTE 1 - BUDGETS AND BUDGETARY ACCOUNTING

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

1. Prior to September 1, the Mayor submits to the City Council a proposed operating budget for the General Fund for the ensuing fiscal year, commencing October 1. The operating budget include proposed expenditures and the means of funding them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to October 1, the budget is legally enacted through passage of an ordinance.
4. At any time, the Mayor transfer any unencumbered appropriation balance or portion thereof between classifications of expenditures within an office or department. At the request of the Mayor and within the last 6 months of the fiscal year, the City Council may transfer, by resolution, any unencumbered appropriation balance or portion thereof from one office or department to another. At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the fund from which it was appropriated and shall be subject to future appropriations. The legal level of control is at the department level for the general fund and at the fund level for all other funds.
5. The reported budgetary data represents the final approved budget after amendments adopted by the City Council. Unencumbered appropriations lapse at fiscal year-end.
6. The City Council may make supplemental appropriations during the fiscal year. Supplemental appropriations were \$5,498,100 for the General Fund, \$5,277,413 for the CDBG Fund, \$103,000 for Law Enforcement Trust State Fund, \$2,800 for E-911 Non-Wireless Fund, \$356,600 for Emergency Solutions Grant Fund, \$57,100 for Fire Prevention Fund, \$406,000 for Rescue Transportation Fund, \$3,601,618 for Home Investment Partnership Fund, \$192,534 for Park Impact Fees and Grants Fund, \$906,018 for Police Grant Surtax Fund, \$118,907 for SHIP Fund, \$400,000 for Affordable Housing Fund, \$247,000 for CITT-Surtax Hialeah Circulator Fund, \$18,309,224 for Coronavirus State and Local Fiscal Recovery Fund, \$1,392,383 for Emergency Assistance Program Grant Fund, (\$7,341) for 21st Century Grant Fund, \$22,143 for ECS and Library Grant Fund, \$166,538 for Building Fund, \$82,212 for N.W. 102 Ave.-162 St. to 170 St. Fund, \$156,695 for W. 24 Ave 76 St. Drainage MDC (JPA) Fund, \$1,534,383 for N.W. 97 Ave. Road Improvement (JPA) Fund, \$18,056 for N.W. 102 Ave. 138 St. to 145 Pl MDC (JPA) Fund, \$240,900 for Parks, Recreation & Open Spaces Impact Fee Fund, and \$607,800 for Water & Sewer Utility System.

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

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

Reporting period ending Measurement date	<u>9/30/2023</u>	<u>9/30/2022</u>	<u>9/30/2021</u>	<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>
	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014
Total pension liability									
Service cost	\$ 7,727,927	\$ 7,134,328	\$ 7,021,824	\$ 7,371,026	\$ 7,202,768	\$ 8,302,554	\$ 8,887,641	\$ 9,104,164	\$ 8,982,779
Interest	76,142,405	75,701,386	74,884,189	74,095,607	70,617,995	65,295,454	62,786,218	61,082,848	60,285,831
Change in annuity savings fund	3,715,053	3,568,229	3,445,364	3,435,022	3,399,514	3,594,508	4,032,235	3,887,151	4,064,028
Change in annuity reserve fund	-	-	-	-	-	48,248,469	-	-	-
Change in benefit terms	(17,530)	-	1,920,804	-	(6,194,034)	(15,079,464)	-	-	-
Difference between actual & expected experience	9,629,910	787,690	(9,206,862)	546,364	21,250,857	17,047,994	13,256,782	10,359,527	-
Changes of assumptions	-	8,454,318	22,132,420	8,141,313	33,984,415	-	21,734,473	-	-
Contributions - buy back	300,110	609,371	434,794	915,261	3,658,285	2,569,143	907,919	975,579	1,182,367
Benefit payments, including refunds of employee contributions	(80,726,913)	(74,613,487)	(75,937,099)	(71,058,782)	(75,067,920)	(67,397,153)	(61,753,388)	(66,047,848)	(63,299,504)
Net change in total pension liability	16,770,962	21,641,835	24,695,434	23,445,811	58,851,880	62,581,505	49,851,880	19,361,421	11,215,501
Total pension liability - beginning	1,047,885,122	1,026,243,287	1,001,547,853	978,102,042	919,250,162	856,668,657	806,816,777	787,455,356	776,239,855
Total pension liability - ending (a)	<u>\$ 1,064,656,084</u>	<u>\$ 1,047,885,122</u>	<u>\$ 1,026,243,287</u>	<u>\$ 1,001,547,853</u>	<u>\$ 978,102,042</u>	<u>\$ 919,250,162</u>	<u>\$ 856,668,657</u>	<u>\$ 806,816,777</u>	<u>\$ 776,239,855</u>
Plan fiduciary net position									
Contributions - employer	\$ 46,420,203	\$ 43,667,040	\$ 33,184,511	\$ 31,778,947	\$ 40,432,760	\$ 29,197,532	\$ 26,327,799	\$ 27,382,906	\$ 25,769,253
Contributions - state	461,877	461,877	461,877	461,877	461,877	461,877	461,877	461,877	461,877
Contributions - member	5,160,421	4,723,287	3,685,758	3,208,424	2,792,321	2,152,895	2,433,031	2,132,259	1,587,095
Contributions - buy back	300,110	609,371	434,794	915,261	3,658,285	2,569,143	907,919	975,579	1,182,367
Contributions - annuity savings fund	3,715,053	3,568,229	3,445,364	3,435,022	3,399,514	3,594,508	4,032,235	3,887,151	4,064,028
Net investment income	(125,063,854)	132,666,392	60,504,254	14,893,168	61,184,032	70,077,666	48,674,393	2,881,487	58,702,102
Benefit payments, including refunds of employee contributions	(80,726,913)	(74,613,487)	(75,937,099)	(71,058,782)	(75,067,920)	(67,397,153)	(61,753,388)	(66,047,848)	(63,299,504)
Refunds	-	-	-	-	-	-	-	-	-
Administrative expense	(883,781)	(885,940)	(254,016)	(676,624)	(734,099)	-	-	-	-
Revision to methodology to include annuity reserve fund	-	-	-	-	-	48,248,469	-	-	-
Net change in plan fiduciary net position	(150,616,884)	110,196,769	25,525,443	(17,042,707)	36,126,770	88,904,937	21,083,866	(28,326,589)	28,467,218
Plan fiduciary net position - beginning	834,792,635	724,595,866	699,070,423	716,113,130	679,986,360	591,081,423	569,997,557	598,324,146	569,856,928
Plan fiduciary net position - ending (b)	<u>\$ 684,175,751</u>	<u>\$ 834,792,635</u>	<u>\$ 724,595,866</u>	<u>\$ 699,070,423</u>	<u>\$ 716,113,130</u>	<u>\$ 679,986,360</u>	<u>\$ 591,081,423</u>	<u>\$ 569,997,557</u>	<u>\$ 598,324,146</u>
Net pension liability - ending (a) - (b)	\$ 380,480,333	\$ 213,092,487	\$ 301,647,421	\$ 302,477,430	\$ 261,988,912	\$ 239,263,802	\$ 265,587,234	\$ 236,819,220	\$ 189,131,210
Plan fiduciary net position as a percentage of total pension liability	64.26%	79.66%	70.61%	69.80%	73.21%	73.97%	69.00%	70.65%	75.98%
Covered-employee payroll	\$ 53,919,088	\$ 51,911,720	\$ 50,199,563	\$ 50,993,205	\$ 51,863,886	\$ 55,447,024	\$ 54,783,012	\$ 57,948,210	\$ 22,672,786
Net pension liability as a percentage of covered-employee payroll	705.65%	410.49%	600.90%	593.17%	505.15%	431.52%	484.80%	408.67%	834.18%

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

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

<u>Fiscal Year Ending September 30,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll*</u>	<u>Actual Contribution as a % of Covered Payroll</u>
2014	\$ 26,231,130	\$ 26,231,130	\$ -	\$ 22,672,786	115.69%
2015	26,210,070	27,844,783	(1,634,713)	57,948,210	48.05%
2016	26,477,463	26,789,676	(312,213)	54,783,012	48.90%
2017	29,659,409	29,659,409	-	55,447,024	53.49%
2018	30,894,637	40,894,637	(10,000,000)	51,863,886	78.85%
2019	32,240,824	32,240,824	-	50,993,205	63.23%
2020	33,646,385	33,646,388	(3)	50,199,563	67.03%
2021	34,128,917	44,128,917	(10,000,000)	51,911,720	85.01%
2022	34,790,305	46,882,080	(12,091,775)	53,919,088	86.95%
2023	33,926,753	27,461,877	6,464,876	55,037,786	49.90%

* Total covered-employee payroll for fiscal year ending September 30.

Notes to the Schedule of Contributions

Valuation Date 10/1/2021
Notes Actuarially determined contribution rates are calculated as of October 1, which is two years prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates:

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

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

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

Inflation 2.5% per year

The schedule is presented as required by accounting principles generally accepted in the United State of America

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return, net of investment expense	10.64%	-15.21%	18.98%	8.88%	2.13%	9.17%	11.22%	8.08%	0.46%	10.22%

The schedule is presented as required by accounting principles generally accepted in the United State of America

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

Reporting period ending Measurement date	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015
	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014
Total Pension Liability									
Service cost	\$ 73,200	\$ 105,265	\$ 153,299	\$ 156,228	\$ 163,244	\$ 160,470	\$ 169,969	\$ 214,225	\$ 278,300
Interest	605,462	580,910	573,480	569,807	549,563	527,684	504,307	502,980	490,346
Difference between actual & expected experience	514,843	6,687	18,209	28,448	53,554	10,202	(332,714)	(237,890)	(76,666)
Changes of assumptions	(39,630)	-	(228,363)	-	-	80,686	-	-	-
Benefit payments, including refunds of employee contributions	(809,281)	(630,943)	(492,255)	(411,218)	(382,474)	(377,185)	(354,923)	(281,298)	(230,929)
Net change in total pension liability	344,594	61,919	24,370	343,265	383,887	401,857	(13,361)	198,017	461,051
Total pension liability - beginning	9,947,266	9,885,347	9,860,977	9,517,712	9,133,825	8,731,968	8,745,329	8,547,312	8,086,261
Total pension liability - ending (a)	<u>\$ 10,291,860</u>	<u>\$ 9,947,266</u>	<u>\$ 9,885,347</u>	<u>\$ 9,860,977</u>	<u>\$ 9,517,712</u>	<u>\$ 9,133,825</u>	<u>\$ 8,731,968</u>	<u>\$ 8,745,329</u>	<u>\$ 8,547,312</u>
Plan fiduciary net position									
Contributions - City	\$ 129,503	\$ 147,015	\$ 152,234	\$ 171,793	\$ 164,417	\$ 155,257	\$ 203,796	\$ 304,126	\$ 305,000
Contributions - member	10,635	15,607	16,262	23,598	23,118	22,297	21,718	21,453	15,655
Net investment income	(2,131,839)	2,332,612	1,246,894	746,766	788,367	1,112,500	1,030,248	(11,419)	918,376
Benefit payments, including refunds of employee contributions	(809,281)	(630,943)	(492,255)	(411,218)	(382,474)	(377,185)	(354,923)	(281,298)	(230,929)
Administrative expense	(56,475)	(17,606)	(39,200)	(16,867)	(19,085)	(30,780)	(25,428)	(5,925)	(9,718)
Net change in plan fiduciary net position	(2,857,457)	1,846,685	883,935	514,072	574,343	882,089	875,411	26,937	998,384
Plan fiduciary net position - beginning	15,470,074	13,623,389	12,739,454	12,225,382	11,651,039	10,768,950	9,893,539	9,866,602	8,868,218
Plan fiduciary net position - ending (b)	<u>\$ 12,612,617</u>	<u>\$ 15,470,074</u>	<u>\$ 13,623,389</u>	<u>\$ 12,739,454</u>	<u>\$ 12,225,382</u>	<u>\$ 11,651,039</u>	<u>\$ 10,768,950</u>	<u>\$ 9,893,539</u>	<u>\$ 9,866,602</u>
Net pension liability - ending (a) - (b)	(2,320,757)	(5,522,808)	(3,738,042)	\$ (2,878,477)	\$ (2,707,670)	\$ (2,517,214)	\$ (2,036,982)	\$ (1,148,210)	\$ (1,319,290)
Plan fiduciary net position as a percentage of total pension liability	122.55%	155.52%	137.81%	129.19%	128.45%	127.56%	123.33%	113.13%	115.44%
Covered-employee payroll	\$ 154,364	\$ 499,025	\$ 558,182	\$ 679,872	\$ 684,581	\$ 695,295	\$ 688,294	\$ 872,761	\$ 1,001,519
Net pension liability as a percentage of covered-employee payroll	-1503.43%	-1106.72%	-669.68%	-423.39%	-395.52%	-362.04%	-295.95%	-131.56%	-131.73%

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

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

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY CONTRIBUTIONS

Fiscal Year Ending 9/30	Actuarially determined contribution	Actual contribution**	Contribution deficiency (excess)	Covered payroll *	Actual contribution as a % of covered payroll
2014	\$ 288,521	\$ 305,000	\$ (16,479)	\$ 1,001,519	30.45%
2015	304,126	304,126	-	872,761	34.85%
2016	203,796	203,796	-	688,294	29.61%
2017	155,257	155,257	-	695,295	22.33%
2018	164,417	164,417	-	684,581	24.02%
2019	171,793	171,793	-	679,872	25.27%
2020	152,234	152,234	-	679,871	22.39%
2021	147,015	147,015	-	499,025	29.46%
2022	129,503	129,503	-	154,364	83.89%
2023	75,287	75,287	-	141,928	53.05%

* Total covered-employee payroll for fiscal year ending September 30.

** In Fiscal Year 2023, the City Utilized a credit balance from previous years.

Notes to the Schedule of Contributions

Valuation Date 10/1/2021

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Entry Age Normal
Method

Amortization Level dollar amount, closed
Method

Amortization 15 years
Period

Asset Valuation Smoothed market value
Method

Inflation 2.75%

Salary Increases 7.25%

Investment Rate 6.00%
of Return

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

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

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

The schedule is presented as required by accounting principles generally accepted in the United State of America

CITY OF HIALEAH, FLORIDA
REQUIRED SUPPLEMENTAY INFORMATION
ELECTED OFFICIALS' RETIREMENT SYSTEM
SCHEDULE OF INVESTEMENT RETURNS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return, net of investment expense	11.00%	10.40%	17.09%	9.93%	6.29%	7.09%	10.65%	10.66%	0.19%	10.4%

The schedule is presented as required by accounting principles generally accepted in the United State of America

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

Reporting period ending Measurement date	<u>9/30/2023</u> 10/1/2022	<u>9/30/2022</u> 10/1/2021	<u>9/30/2021</u> 10/1/2020	<u>9/30/2020</u> 10/1/2019	<u>9/30/2019</u> 10/1/2018	<u>9/30/2018</u> 10/1/2017
Total OPEB Liability						
Service cost	\$ 9,694,058	\$ 13,192,000	\$ 11,907,557	\$ 8,777,476	\$ 9,389,841	\$ 10,715,811
Interest	7,974,770	11,644,446	11,970,430	14,385,492	13,511,291	12,388,409
Benefit changes	-	-	-	(2,774,343)	-	-
Difference between actual & expected experience	-	(12,400,996)	-	(29,563,317)	-	(36,940,499)
Changes of assumptions	(98,685,370)	(112,153,620)	17,488,707	89,370,912	(21,857,532)	12,853,978
Benefit payments	<u>(12,301,473)</u>	<u>(11,434,018)</u>	<u>(11,120,288)</u>	<u>(11,090,272)</u>	<u>(10,554,522)</u>	<u>(12,098,132)</u>
Net change in total OPEB liability	<u>(93,318,015)</u>	<u>(111,152,188)</u>	<u>30,246,406</u>	<u>69,105,948</u>	<u>(9,510,922)</u>	<u>(13,080,433)</u>
Total OPEB liability - beginning	<u>360,568,124</u>	<u>471,720,312</u>	<u>441,473,906</u>	<u>372,367,958</u>	<u>381,878,880</u>	<u>394,959,313</u>
Total OPEB liability - ending	<u>\$ 267,250,109</u>	<u>\$ 360,568,124</u>	<u>\$ 471,720,312</u>	<u>\$ 441,473,906</u>	<u>\$ 372,367,958</u>	<u>\$ 381,878,880</u>
 Covered-employee payroll	 \$ 91,903,857	 \$ 89,535,763	 \$ 68,880,594	 \$ 66,935,765	 \$ 66,225,515	 \$ 64,886,940
Net pension liability as a percentage of covered-employee payroll	290.79%	402.71%	684.84%	659.55%	562.27%	588.53%

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



**COMBINING AND INDIVIDUAL FUND
STATEMENTS**



GENERAL FUND

CITY OF HIALEAH, FLORIDA
GENERAL FUND
COMPARATIVE BALANCE SHEETS
SEPTEMBER 30, 2023
(WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2022)

	<u>2023</u>	<u>2022</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 184,321,088	\$ 136,510,627
Receivables, net	17,235,521	17,163,558
Lease receivable	4,914,192	-
Due from other funds	30,782,111	27,884,187
Inventories	1,528,434	1,591,186
Prepays	-	718,000
Notes receivable	2,822,625	2,822,625
Restricted cash, cash equivalents and investments	<u>-</u>	<u>86,417</u>
Total assets	<u>\$241,603,971</u>	<u>\$186,776,600</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Advance contribution to pension	<u>27,000,000</u>	<u>32,788,837</u>
<u>LIABILITIES</u>		
Accounts payable and accrued liabilities	\$ 9,895,982	\$ 9,303,732
Compensated absences payable	1,907,606	1,487,884
Self-insurance claims payable	387,379	407,571
Due to other funds	172,191,976	149,438,574
Deferred revenue	<u>3,013,669</u>	<u>2,855,911</u>
Total liabilities	<u>187,396,612</u>	<u>163,493,672</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Business license tax	2,542,543	3,396,325
Leases	<u>4,785,348</u>	<u>-</u>
Total deferred inflow of resources	7,327,891	3,396,325
<u>FUND BALANCES</u>		
Nonspendable	4,351,059	5,131,811
Restricted	-	86,417
Committed	2,249,573	313,387
Assigned	8,622,367	1,062,100
Unassigned	<u>58,656,469</u>	<u>46,081,725</u>
Total fund balances	<u>73,879,468</u>	<u>52,675,440</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$268,603,971</u>	<u>\$219,565,437</u>

NONMAJOR GOVERNMENTAL FUNDS SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

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

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

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

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

NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
(CONTINUED)

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

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

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

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

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

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

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

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

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

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

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

NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
(CONTINUED)

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

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

Alliance for Aging Grant – This fund was established to account for expenditures and revenues as a passthrough from the State of Florida, to provide a wide range of services for the elderly community living within City limits.

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

Parking Improvement Fund – This fund administers expenditures and revenues from parking fees, and its related parking expenditures, in order to provide suitable parking facilities for visitor's and City residents.

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

**NONMAJOR GOVERNMENTAL FUNDS
DEBT SERVICE FUNDS**

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

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

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

NONMAJOR GOVERNMENTAL FUNDS CAPITAL PROJECT FUNDS

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

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

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

W. 24th Ave. 76 St. Drainage MDC – (JPA) - This fund was established to account for revenues and expenditures for funds received from Miami Dade County, Florida through a Joint Participation Agreement (JPA) to improvement drainage to West 24th Avenue and 76th Street.

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

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

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

Police Impact Fee – This fund was established to account for revenues and expenditures received for impact fees for Police facilities, including buildings, land, vehicles, apparatus and equipment used by the City Police Department.

Fire Rescue Impact Fee – This fund was established to account for revenues and expenditures received for impact fees for Fire facilities, including buildings, land, vehicles, apparatus and equipment used by the City Fire Department.

Parks, Recreation & Open Spaces Impact Fee – This fund was established to account for revenues and expenditures received for impact fees for Park, Recreation and open space facilities provided by the city for use and enjoyment by the public including but not limited to active parks, passive parks, water access sites, and associated recreational facilities and buildings.

Transportation Impact Fee - This fund was established to account for revenues and expenditures received for impact fees for transportation facilities including capital facilities related to the city roadway and public transit systems.



CITY OF HIALEAH, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2023

	Special Revenue							
	Streets Transportation Fund	CDBG Fund	Law Enforcement Trust - State Fund	E-911 Non-Wireless Fund	Emergency Solutions Grant Fund	Fire Prevention Fund	Rescue Transportation Fund	Emergency Disaster Covid - 19 Fund
ASSETS								
Receivables, net	\$ 48,093	\$ 106,640	\$ -	\$ 2,001	\$ 28,468	\$ 11,670	\$ 1,045,604	\$ -
Due from other funds	3,485,236	2,399,767	-	9,858	-	1,540,388	-	-
Restricted cash and cash equivalents	-	-	454,679	-	-	955,802	1,054,565	-
Total assets	<u>3,533,329</u>	<u>2,506,407</u>	<u>454,679</u>	<u>11,859</u>	<u>28,468</u>	<u>2,507,860</u>	<u>2,100,169</u>	<u>-</u>
LIABILITIES								
Accounts payable and accrued liabilities	89,374	45,935	6,857	-	404	3,249	504,405	-
Due to other funds	-	-	7,086	-	28,064	-	1,345,410	3,377,764
Unearned revenues	666,647	1,896,117	-	11,859	-	-	-	-
Total liabilities	<u>756,021</u>	<u>1,942,052</u>	<u>13,943</u>	<u>11,859</u>	<u>28,468</u>	<u>3,249</u>	<u>1,849,815</u>	<u>3,377,764</u>
DEFERRED INFLOWS OF RESOURCES								
Local business tax	-	-	-	-	-	526,312	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>526,312</u>	<u>-</u>	<u>-</u>
FUND BALANCES								
Fund balances:								
Restricted	2,292,191	-	440,736	-	-	1,978,299	-	-
Committed	485,117	826,852	-	-	-	-	333,509	64,788
Unassigned	-	(262,497)	-	-	-	-	(83,155)	(3,442,552)
Total fund balances	<u>2,777,308</u>	<u>564,355</u>	<u>440,736</u>	<u>-</u>	<u>-</u>	<u>1,978,299</u>	<u>250,354</u>	<u>(3,377,764)</u>
Total liabilities and fund balances	<u>\$ 3,533,329</u>	<u>\$ 2,506,407</u>	<u>\$ 454,679</u>	<u>\$ 11,859</u>	<u>\$ 28,468</u>	<u>\$ 2,507,860</u>	<u>\$ 2,100,169</u>	<u>\$ -</u>

CITY OF HIALEAH, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2023

	Special Revenue							
	Emergency Disaster Fund	Home Investment Partnership Fund	Park Impact Fees and Grants Fund	The Children's Trust Fund	Urban Area Security Grants Fund	CITT Surtax Fund	Police Grant Surtax Fund	S.H.I.P. Fund
<u>ASSETS</u>								
Receivables, net	\$ 1,482,987	\$ 15,430	\$ 108,037	\$ 20,321	\$ 1,242,453	\$ -	\$ 13,825	\$ -
Due from other funds	-	519,046	-	-	-	17,354,900	39,714	3,888,437
Restricted cash and cash equivalents	10,000	-	-	-	-	-	-	-
Total assets	<u>1,492,987</u>	<u>534,476</u>	<u>108,037</u>	<u>20,321</u>	<u>1,242,453</u>	<u>17,354,900</u>	<u>53,539</u>	<u>3,888,437</u>
<u>LIABILITIES</u>								
Accounts payable and accrued liabilities	14,442	133,040	7,162	-	-	585,696	3,257	4,800
Due to other funds	1,805,427	-	49,310	20,321	1,242,453	-	-	-
Unearned revenues	-	401,436	51,565	-	-	-	50,282	3,883,637
Total liabilities	<u>1,819,869</u>	<u>534,476</u>	<u>108,037</u>	<u>20,321</u>	<u>1,242,453</u>	<u>585,696</u>	<u>53,539</u>	<u>3,888,437</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>								
Unavailable revenues	-	-	-	-	-	1,116,335	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,116,335</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCES</u>								
Fund balances:								
Restricted	-	-	-	-	-	11,337,720	-	-
Committed	96,889	-	-	-	-	4,315,149	-	-
Unassigned	(423,771)	-	-	-	-	-	-	-
Total fund balances	<u>(326,882)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,652,869</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 1,492,987</u>	<u>\$ 534,476</u>	<u>\$ 108,037</u>	<u>\$ 20,321</u>	<u>\$ 1,242,453</u>	<u>\$ 17,354,900</u>	<u>\$ 53,539</u>	<u>\$ 3,888,437</u>

CITY OF HIALEAH, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2023

	Special Revenue						
	E-911 Wireless Fund	Affordable Housing Fund	The Children's Trust Step Ahead Fund	Law Enforcement Trust - Federal Fund	EMS County Grant Fund	CITT - Surtax Hialeah Circulator Fund	Emergency Assistance Program Grant Fund
ASSETS							
Receivables, net	\$ 160,106	\$ 7,429	\$ 1,125	\$ 39,357	\$ -	\$ 85,476	\$ 5,766
Due from other funds	-	-	900	-	40,801	1,058,292	3,287,685
Restricted cash and cash equivalents	-	1,820,510	-	479,603	-	-	-
Total assets	160,106	1,827,939	2,025	518,960	40,801	1,143,768	3,293,451
LIABILITIES							
Accounts payable and accrued liabilities	8,661	196,017	2,025	-	-	171,397	41,797
Due to other funds	151,445	1,633,542	-	-	-	107	-
Unearned revenues	-	-	-	-	-	-	3,251,654
Total liabilities	160,106	1,829,559	2,025	-	-	171,504	3,293,451
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenues	-	-	-	-	-	279,084	-
Total deferred inflows of resources	-	-	-	-	-	279,084	-
FUND BALANCES							
Fund balances:							
Restricted	-	-	-	518,960	40,801	693,180	-
Unassigned	-	(1,620)	-	-	-	-	-
Total fund balances	-	(1,620)	-	518,960	40,801	693,180	-
Total liabilities and fund balances	\$ 160,106	\$ 1,827,939	\$ 2,025	\$ 518,960	\$ 40,801	\$ 1,143,768	\$ 3,293,451

CITY OF HIALEAH, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2023

	Special Revenue					
	Streets 3 Cents Optional Gas Tax <u>Fund</u>	21st Century Grant <u>Fund</u>	Alliance For Aging Grant <u>Fund</u>	ECS and Library Grant <u>Fund</u>	Parking Improvement <u>Fund</u>	City of Hialeah Education Academy <u>Fund</u>
<u>ASSETS</u>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,203,014
Receivables, net	-	58,593	431,124	-	-	1,669,652
Due from other funds	1,765,029	-	113,902	91,209	48,834	-
Prepays	-	-	-	-	-	395
Total assets	1,765,029	58,593	545,026	91,209	48,834	3,873,061
<u>LIABILITIES</u>						
Accounts payable and accrued liabilities	-	1,134	407,218	117	-	1,097,093
Due to other funds	-	57,459	-	-	-	-
Unearned revenues	-	-	137,808	20,315	-	-
Total liabilities	-	58,593	545,026	20,432	-	1,097,093
<u>FUND BALANCES</u>						
Fund balances:						
Nonspendable	-	-	-	-	-	395
Restricted	1,352,148	-	-	70,777	48,834	2,775,573
Committed	412,881	-	-	-	-	-
Total fund balances	1,765,029	-	-	70,777	48,834	2,775,968
Total liabilities and fund balances	\$ 1,765,029	\$ 58,593	\$ 545,026	\$ 91,209	\$ 48,834	\$ 3,873,061

CITY OF HIALEAH, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2023

Capital Projects

	W. 76 St. 28 to 31 Ave. MDC (JPA) <u>Fund</u>	W. 24 Ave 76 St. Drainage MDC (JPA) <u>Fund</u>	N.W. 97 Ave. Road Improvement (JPA) <u>Fund</u>	NW 142 STREET Roadway Improvement <u>Fund</u>	N.W. 102 Ave. 138 St. to 145 Pl. MDC (JPA) <u>Fund</u>	Police Impact Fee <u>Fund</u>	Fire Rescue Impact Fee <u>Fund</u>	Parks, Recreation & Open Spaces Impact Fee <u>Fund</u>	Transportation Impact Fee <u>Fund</u>	Total Non-Major Governmental <u>Funds</u>
<u>ASSETS</u>										
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,203,014
Receivables, net	394,819	542,781	1,217,522	350,522	142,436	-	-	-	-	9,232,237
Due from other funds	-	-	-	-	-	854,666	1,142,679	14,746,637	471,332	52,859,312
Prepays	-	-	-	-	-	-	-	-	-	395
Restricted cash and cash equivalents	-	-	-	-	-	-	-	-	-	4,775,159
Total assets	394,819	542,781	1,217,522	350,522	142,436	854,666	1,142,679	14,746,637	471,332	69,070,117
<u>LIABILITIES</u>										
Accounts payable and accrued liabilities	-	-	-	-	-	-	-	54,449	-	3,378,529
Due to other funds	384,819	542,781	1,145,547	350,522	142,436	-	-	-	-	12,284,493
Unearned revenues	10,000	-	71,975	-	-	-	-	-	-	10,453,295
Total liabilities	394,819	542,781	1,217,522	350,522	142,436	-	-	54,449	-	26,116,317
<u>DEFERRED INFLOWS OF RESOURCES</u>										
Local business tax	-	-	-	-	-	-	-	-	-	526,312
Unavailable revenues	-	-	-	-	-	-	-	-	-	1,395,419
Total deferred inflows of resources	-	-	-	-	-	-	-	-	-	1,921,731
<u>FUND BALANCES</u>										
Fund balances:										
Nonspendable	-	-	-	-	-	-	-	-	-	395
Restricted	-	-	-	-	-	854,666	1,142,679	14,007,063	471,332	38,024,959
Committed	-	-	419,895	-	18,056	-	-	685,125	-	7,658,261
Unassigned	-	-	(419,895)	-	(18,056)	-	-	-	-	(4,651,546)
Total fund balances	-	-	-	-	-	854,666	1,142,679	14,692,188	471,332	41,032,069
Total liabilities and fund balances	\$ 394,819	\$ 542,781	\$ 1,217,522	\$ 350,522	\$ 142,436	\$ 854,666	\$ 1,142,679	\$ 14,746,637	\$ 471,332	\$ 69,070,117

CITY OF HIALEAH, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
SEPTEMBER 30, 2023

	Special Revenue							
	Streets Fund	CDBG Fund	Law Enforcement Trust - State Fund	E-911 Non-Wireless Fund	Emergency Solutions Grant Fund	Fire Prevention Fund	Rescue Transportation Fund	Emergency Disaster Covid-19 Fund
Revenues:								
Charges for services	\$ 140,895	\$ -	\$ -	\$ -	\$ -	\$ 2,257,797	\$ 2,523,419	\$ -
Fines and forfeitures	-	-	9,279	-	-	-	-	-
Intergovernmental	2,696,718	1,342,322	-	151,340	644,887	250	247,567	223,283
Investment income	112,782	-	5,090	-	-	62,261	18,699	-
Other revenues	63,969	-	-	-	-	2,000	5,890	-
Total revenues	3,014,364	1,342,322	14,369	151,340	644,887	2,322,308	2,795,575	223,283
Expenditures:								
Current:								
Fire	-	-	-	-	-	1,668,063	3,169,765	-
General government	-	-	-	159,111	-	-	-	35,212
Grants and human services	-	544,832	-	-	641,749	-	-	-
Police	-	-	76,335	-	-	-	-	-
Streets	2,008,181	-	-	-	-	-	-	-
Capital outlay	56,154	803,551	42,374	2,824	3,138	11,310	628,339	-
Debt service:								
Principal	-	-	-	-	-	-	142,807	-
Interest	-	-	-	-	-	-	21,982	-
Total expenditures	2,064,335	1,348,383	118,709	161,935	644,887	1,679,373	3,962,893	35,212
Excess (deficiency) of revenues over	950,029	(6,061)	(104,340)	(10,595)	-	642,935	(1,167,318)	188,071
Other financing sources (uses):								
Transfers in	-	6,061	-	10,595	-	-	-	-
Transfers out	(17,500)	-	-	-	-	-	-	-
Total other financing sources (uses)	17,500	6,061	-	10,595	-	-	-	-
Net change in fund balance	932,529	-	(104,340)	-	-	642,935	(1,167,318)	188,071
Fund balances, beginning	1,844,779	564,355	545,076	-	-	1,335,364	1,417,672	(3,565,835)
Fund balances, ending	\$ 2,777,308	\$ 564,355	\$ 440,736	\$ -	\$ -	\$ 1,978,299	\$ 250,354	\$ (3,377,764)

CITY OF HIALEAH, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
SEPTEMBER 30, 2023

	Special Revenue							
	Emergency Disaster Fund	Home Investment Partnership Fund	Park Impact Fees and Grants Fund	The Children's Trust Fund	Urban Area Security Grants Fund	CITT Surtax Fund	Police Grant Surtax Fund	S.H.I.P Fund
Revenues:								
Intergovernmental	\$ 117,751	\$ 294,776	\$ 129,079	\$ 743,054	\$ 1,099,856	\$ 8,361,983	\$ 283,765	\$ 88,585
Other revenues	-	-	31,013	-	-	-	2,423	39
Total revenues	<u>117,751</u>	<u>294,776</u>	<u>160,092</u>	<u>743,054</u>	<u>1,099,856</u>	<u>8,361,983</u>	<u>286,188</u>	<u>88,624</u>
Expenditures:								
Current:								
Fire	767	-	-	-	-	-	-	-
General government	116,984	-	-	-	-	14,000	-	-
Grants and human services	-	161,736	60,560	778,294	-	-	-	-
Police	-	-	-	-	302,577	-	262,640	-
State housing initiative program	-	-	-	-	-	-	-	88,624
Streets	-	-	-	-	-	1,555,794	-	-
Capital outlay	-	133,040	131,502	-	879,972	740,170	23,548	-
Total expenditures	<u>117,751</u>	<u>294,776</u>	<u>192,062</u>	<u>778,294</u>	<u>1,182,549</u>	<u>2,309,964</u>	<u>286,188</u>	<u>88,624</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(31,970)</u>	<u>(35,240)</u>	<u>(82,693)</u>	<u>6,052,019</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):								
Transfers in	-	-	31,970	35,240	82,693	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>31,970</u>	<u>35,240</u>	<u>82,693</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	-	-	-	6,052,019	-	-
Fund balances, beginning	<u>(326,882)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,600,850</u>	<u>-</u>	<u>-</u>
Fund balances, ending	<u>\$ (326,882)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,652,869</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF HIALEAH, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
SEPTEMBER 30, 2023

	Special Revenue						
	E-911 Wireless Fund	Affordable Housing Fund	The Children's Trust Step Ahead Fund	Law Enforcement Trust - Federal Fund	EMS County Grant Fund	CITT - Surtax Hialeah Circulator Fund	Emergency Rental Assistance Program (ERAP) Fund
Revenues:							
Charges for services	\$ -	\$ 2,529,500	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	964,453	-	335,216	346,042	11,144	2,962,527	1,034,962
Investment income	-	24,433	-	3,047	-	-	-
Other revenues	-	140	-	-	-	66,145	-
Total revenues	964,453	2,554,073	335,216	349,089	11,144	3,028,672	1,034,962
Expenditures:							
Current:							
911 communications	955,235	-	-	-	-	-	-
General government	9,935	2,469,420	-	-	-	3,370,867	-
Grants and human services	-	-	335,496	-	-	-	1,029,399
Police	-	-	-	16,125	-	-	-
Capital outlay	-	-	-	92,230	-	270,925	5,563
Debt service:							
Principal	-	542,891	-	-	-	77,725	-
Interest	-	413,688	-	-	-	4,990	-
Total expenditures	965,170	3,425,999	335,496	108,355	-	3,724,507	1,034,962
Excess (deficiency) of revenues over	(717)	(871,926)	(280)	240,734	11,144	(695,835)	-
Other financing sources (uses):							
Initiation of Subscription Arrangements	-	-	-	-	-	157,906	-
Transfers in	717	870,306	280	-	-	-	-
Total other financing sources (uses)	717	870,306	280	-	-	157,906	-
Net change in fund balance	-	(1,620)	-	240,734	11,144	(537,929)	-
Fund balances, beginning	-	-	-	278,226	29,657	1,231,109	-
Fund balances, ending	\$ -	\$ (1,620)	\$ -	\$ 518,960	\$ 40,801	\$ 693,180	\$ -

CITY OF HIALEAH, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
SEPTEMBER 30, 2023

	Special Revenue						Debt Service	
	Streets 3 Cents Optional Gas Tax Fund	21st Century Grant Fund	Alliance For Aging Grant Fund	ECS and Library Grant Fund	Parking Improvement Fund	City of Hialeah Education Academy Fund	Revenue Bond Series 2015A Fund	CITT Surtax Transportation Fund
Revenues:								
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 516,257	\$ -	\$ -
Franchise fees	-	-	-	-	-	-	2,222,150	-
Intergovernmental	1,059,061	393,835	2,364,012	76,982	-	11,218,728	-	3,589,952
Investment income	54,898	-	-	-	-	66,633	-	-
Other revenues	-	-	-	-	-	18,360	-	-
Total revenues	<u>1,113,959</u>	<u>393,835</u>	<u>2,364,012</u>	<u>76,982</u>	<u>-</u>	<u>11,819,978</u>	<u>2,222,150</u>	<u>3,589,952</u>
Expenditures:								
Current:								
General government	-	-	-	-	-	10,850,694	-	18,000
Grants and human services	-	393,835	2,364,012	56,846	-	-	-	-
Streets	911,155	-	-	-	-	-	-	-
Capital outlay	<u>24,834</u>	<u>-</u>	<u>-</u>	<u>20,136</u>	<u>-</u>	<u>486,336</u>	<u>-</u>	<u>-</u>
Debt service:								
Principal	-	-	-	-	-	-	1,265,000	2,572,000
Interest	-	-	-	-	-	-	957,150	999,952
Total expenditures	<u>935,989</u>	<u>393,835</u>	<u>2,364,012</u>	<u>76,982</u>	<u>-</u>	<u>11,337,030</u>	<u>2,222,150</u>	<u>3,589,952</u>
Excess (deficiency) of revenues over expenditures	<u>177,970</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>482,948</u>	<u>-</u>	<u>-</u>
Net change in fund balance	177,970	-	-	-	-	482,948	-	-
Fund balances, beginning as previously reported	1,587,059	-	-	70,777	48,834	2,451,333	-	-
Prior Period Adjustment (Note 19)	-	-	-	-	-	(158,313)	-	-
Fund balances, as restated	<u>1,587,059</u>	<u>-</u>	<u>-</u>	<u>70,777</u>	<u>48,834</u>	<u>2,293,020</u>	<u>-</u>	<u>-</u>
Fund balances, ending	<u>\$ 1,765,029</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 70,777</u>	<u>\$ 48,834</u>	<u>\$ 2,775,968</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF HIALEAH, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
SEPTEMBER 30, 2023

	Capital Projects							Total
	W. 76 St. 28 to 31 Ave. MDC (JPA) Fund	W. 24 Ave. and 76 St. Drainage MDC (JPA) Fund	N.W. 97 Ave. Road Improvement (JPA) Fund	Police Impact Fee Fund	Fire Rescue Impact Fee Fund	Parks, Recreation & Open Spaces Impact Fee Fund	Transportation Impact Fee Fund	Non-Major Governmental Funds
Revenues:								
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,967,868
Fines and forfeitures	-	-	-	-	-	-	-	9,279
Franchise fees	-	-	-	-	-	-	-	2,222,150
Impact Fees	-	-	-	791,532	629,779	4,133,431	446,113	6,000,855
Intergovernmental	81,342	151,198	209,371	-	-	-	-	41,224,041
Investment income	-	-	-	29,857	39,918	462,284	16,466	896,368
Other revenues	-	-	-	-	-	-	-	189,979
Total revenues	81,342	151,198	209,371	821,389	669,697	4,595,715	462,579	58,510,540
Expenditures:								
Current:								
911 communications	-	-	-	-	-	-	-	955,235
Fire	-	-	-	-	-	-	-	4,838,595
General government	-	-	-	-	-	-	-	17,044,223
Grants and human services	-	-	-	-	-	-	-	6,366,759
Police	-	-	-	-	-	-	-	657,677
State housing initiative program	-	-	-	-	-	-	-	88,624
Streets	-	-	-	-	-	-	-	4,475,130
Capital outlay	81,342	151,198	209,371	-	-	198,069	-	4,995,926
Debt service:								
Principal	-	-	-	-	-	-	-	4,600,423
Interest	-	-	-	-	-	-	-	2,397,762
Total expenditures	81,342	151,198	209,371	-	-	198,069	-	46,420,354
Excess (deficiency) of revenues over expenditures	-	-	-	821,389	669,697	4,397,646	462,579	12,090,186
Other financing uses (sources):								
Initiation of Subscription Arrangements	-	-	-	-	-	-	-	157,906
Transfers in	-	-	-	-	-	-	-	1,037,862
Transfers out	-	-	-	-	-	-	-	(17,500)
Total other financing uses (sources)	-	-	-	-	-	-	-	1,178,268
Net change in fund balance	-	-	-	821,389	669,697	4,397,646	462,579	13,268,454
Fund balances, beginning as previously reported	-	-	-	33,277	472,982	10,294,542	8,753	27,921,928
Prior Period Adjustment (Note 19)	-	-	-	-	-	-	-	(158,313)
Fund balances, as restated	-	-	-	33,277	472,982	10,294,542	8,753	27,763,615
Fund balances, ending	\$ -	\$ -	\$ -	\$ 854,666	\$ 1,142,679	\$ 14,692,188	\$ 471,332	\$ 41,032,069

CITY OF HIALEAH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND FUND BALANCE
BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2023

	Streets Fund				CDBG Fund			
	Budgeted Amounts			Variance with Final Budget Positive (Negative)	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual		Original	Final	Actual	
Revenues:								
Charges for services	\$ -	\$ -	\$ 140,895	\$ 140,895	\$ -	\$ -	\$ -	\$ -
Intergovernmental	2,744,872	2,744,872	2,696,718	(48,154)	-	5,277,413	1,342,322	(3,935,091)
Investment income	-	-	112,782	112,782	-	-	-	-
Other revenues	40,128	40,128	63,969	23,841	-	-	-	-
Total revenues	2,785,000	2,785,000	3,014,364	229,364	-	5,277,413	1,342,322	(3,935,091)
Other financing sources:								
Appropriation of prior year fund balance	413,300	413,300	-	(413,300)	-	-	-	-
Transfers in	-	-	-	-	-	-	6,061	6,061
Total other financing sources	413,300	413,300	-	(413,300)	-	-	6,061	6,061
Total revenues and other financing sources	3,198,300	3,198,300	3,014,364	(183,936)	-	5,277,413	1,348,383	(3,929,030)
Expenditures:								
Grants and human services	-	-	-	-	-	210,000	544,832	(334,832)
Streets	2,274,300	2,376,164	2,008,181	367,983	-	-	-	-
Capital outlay	924,000	804,636	56,154	748,482	-	5,067,413	803,551	4,263,862
Total expenditures	3,198,300	3,180,800	2,064,335	1,116,465	-	5,277,413	1,348,383	3,929,030
Other financing sources (uses):								
Transfers out	-	(17,500)	(17,500)	-	-	-	-	-
Total expenditures and other financing sources (uses)	3,198,300	3,198,300	2,081,835	1,116,465	-	5,277,413	1,348,383	3,929,030
Net change in fund balance	-	-	932,529	\$ 932,529	-	-	-	\$ -
Fund balances - beginning			1,844,779				564,355	
Fund balances - ending			\$ 2,777,308				\$ 564,355	

CITY OF HIALEAH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND FUND BALANCE
BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2023

	Law Enforcement Trust-State Fund				E-911 Non-Wireless Fund			
	Budgeted Amounts			Variance with Final Budget Positive (Negative)	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	(Negative)	Original	Final	Actual	(Negative)
Revenues:								
Fines and forfeitures	\$ -	\$ 75,000	\$ 9,279	\$ (65,721)	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	162,000	162,000	151,340	(10,660)
Investment income	-	-	5,090	5,090	-	-	-	-
Total revenues	-	75,000	14,369	(60,631)	162,000	162,000	151,340	(10,660)
Other financing sources:								
Appropriation of prior year fund balance	222,000	250,000	-	(250,000)	-	2,800	-	(2,800)
Transfers in	-	-	-	-	-	-	10,595	10,595
Total other financing sources	222,000	250,000	-	(250,000)	-	2,800	10,595	7,795
Total revenues and other financing sources	222,000	325,000	14,369	(310,631)	162,000	164,800	161,935	(2,865)
Expenditures:								
General government	-	-	-	-	162,000	164,800	159,111	5,689
Police	-	91,000	76,335	14,665	-	-	-	-
Capital outlay	222,000	234,000	42,374	191,626	-	-	2,824	(2,824)
Total expenditures	222,000	325,000	118,709	206,291	162,000	164,800	161,935	2,865
Net change in fund balance	-	-	(104,340)	\$ (104,340)	-	-	-	\$ -
Fund balances - beginning			545,076				-	
Fund balances - ending			\$ 440,736				\$ -	

CITY OF HIALEAH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND FUND BALANCE
BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2023

	Emergency Solutions Grant Fund				Fire Prevention Fund			
	Budgeted Amount:			Variance	Budgeted Amounts			Variance
				with Final				with Final
				Budget				Budget
				Positive				Positive
	Original	Final	Actual	(Negative)	Original	Final	Actual	(Negative)
Revenues:								
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ 1,817,000	\$ 1,817,000	\$ 2,257,797	\$ 440,797
Intergovernmental	-	356,600	644,887	288,287	-	-	250	250
Investment income	-	-	-	-	1,000	1,000	62,261	61,261
Other revenues	-	-	-	-	-	-	2,000	2,000
Total revenues	-	356,600	644,887	288,287	1,818,000	1,818,000	2,322,308	504,308
Other financing sources:								
Appropriation of prior year fund balance	-	-	-	-	412,200	469,300	-	(469,300)
Total other financing sources	-	-	-	-	412,200	469,300	-	(469,300)
Total revenues and other financing sources	-	356,600	644,887	288,287	2,230,200	2,287,300	2,322,308	35,008
Expenditures:								
Fire	-	-	-	-	2,218,800	2,218,800	1,668,063	550,737
Grants and human services	-	356,600	641,749	(285,149)	-	-	11,310	(11,310)
Capital outlay	-	-	3,138	(3,138)	11,400	68,500	-	68,500
Total expenditures	-	356,600	644,887	(288,287)	2,230,200	2,287,300	1,679,373	607,927
Net change in fund balance	-	-	-	\$ -	-	-	642,935	\$ 642,935
Fund balances - beginning			-				1,335,364	
Fund balances - ending			\$ -				\$ 1,978,299	

CITY OF HIALEAH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND FUND BALANCE
BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2023

	Rescue Transportation Fund				Emergency Disaster Covid -19 Fund			
	Budgeted Amounts			Variance with Final Budget Positive (Negative)	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual		Original	Final	Actual	
Revenues:								
Charges for services	\$ 3,275,600	\$ 3,275,600	\$ 2,523,419	\$ (752,181)	\$ -	\$ -	\$ -	\$ -
Intergovernmental	680,000	680,000	247,567	(432,433)	-	-	223,283	223,283
Investment income	1,000	1,000	18,699	17,699	-	-	-	-
Other revenues	5,000	5,000	5,890	890	-	-	-	-
Total revenues	<u>3,961,600</u>	<u>3,961,600</u>	<u>2,795,575</u>	<u>(1,166,025)</u>	<u>-</u>	<u>-</u>	<u>223,283</u>	<u>223,283</u>
Other financing sources:								
Appropriation of prior year fund balance	443,400	849,400	-	(849,400)	-	-	-	-
Total other financing sources	<u>443,400</u>	<u>849,400</u>	<u>-</u>	<u>(849,400)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues and other financing sources	<u>4,405,000</u>	<u>4,811,000</u>	<u>2,795,575</u>	<u>(2,015,425)</u>	<u>-</u>	<u>-</u>	<u>223,283</u>	<u>223,283</u>
Expenditures:								
General government	-	-	-	-	-	-	35,212	(35,212)
Fire	3,712,000	3,675,600	3,169,765	505,835	-	-	-	-
Capital outlay	528,000	970,400	628,339	342,061	-	-	-	-
Debt service:								
Principal	143,000	143,000	142,807	193	-	-	-	-
Interest	22,000	22,000	21,982	18	-	-	-	-
Total expenditures	<u>4,405,000</u>	<u>4,811,000</u>	<u>3,962,893</u>	<u>848,107</u>	<u>-</u>	<u>-</u>	<u>35,212</u>	<u>(35,212)</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>(1,167,318)</u>	<u>\$ (1,167,318)</u>	<u>-</u>	<u>-</u>	<u>188,071</u>	<u>\$ 188,071</u>
Fund balances - beginning			1,417,672				(3,565,835)	
Fund balances - ending			<u>\$ 250,354</u>				<u>\$ (3,377,764)</u>	

CITY OF HIALEAH, FLORIDA
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	Emergency Disaster Fund				Home Investment Partnership Fund			
	Budgeted Amounts			Variance with Final Budget Positive	Budgeted Amounts			Variance with Final Budget Positive
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:								
Intergovernmental	\$ -	\$ -	\$ 117,751	\$ 117,751	\$ -	\$ 3,601,618	\$ 294,776	\$ (3,306,842)
Total revenues	-	-	117,751	117,751	-	3,601,618	294,776	(3,306,842)
Expenditures:								
Fire	-	-	767	(767)	-	-	-	-
General government	-	-	116,984	(116,984)	-	-	-	-
Grants and human services	-	-	-	-	-	-	161,736	(161,736)
Capital outlay	-	-	-	-	-	3,601,618	133,040	3,468,578
Total Expenditures	-	-	117,751	(117,751)	-	3,601,618	294,776	3,306,842
Net change in fund balance	-	-	-	\$ -	-	-	-	\$ -
Fund balances - beginning			(326,882)				-	
Fund balances - ending			<u>\$ (326,882)</u>				<u>\$ -</u>	

CITY OF HIALEAH, FLORIDA
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BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS
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	Parks Impact Fees and Grants Fund				The Children's Trust Fund			
	<u>Budgeted Amounts</u>			Variance with Final Budget Positive	<u>Budgeted Amounts</u>			Variance with Final Budget Positive
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:								
Intergovernmental	\$12,600	\$171,834	\$129,079	\$ (42,755)	\$905,998	\$905,998	\$743,054	\$ (162,944)
Other revenues	<u>35,000</u>	<u>35,000</u>	<u>31,013</u>	<u>(3,987)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>47,600</u>	<u>206,834</u>	<u>160,092</u>	<u>(46,742)</u>	<u>905,998</u>	<u>905,998</u>	<u>743,054</u>	<u>(162,944)</u>
Other financing sources:								
Transfers in	<u>-</u>	<u>33,300</u>	<u>31,970</u>	<u>(1,330)</u>	<u>44,758</u>	<u>44,758</u>	<u>35,240</u>	<u>(9,518)</u>
Total other financing sources	<u>-</u>	<u>33,300</u>	<u>31,970</u>	<u>(1,330)</u>	<u>44,758</u>	<u>44,758</u>	<u>35,240</u>	<u>(9,518)</u>
Total revenues and other financing sources	<u>47,600</u>	<u>240,134</u>	<u>192,062</u>	<u>(48,072)</u>	<u>950,756</u>	<u>950,756</u>	<u>778,294</u>	<u>(172,462)</u>
Expenditures:								
Grants and human services	47,600	106,934	60,560	46,374	950,756	950,756	778,294	172,462
Capital outlay	<u>-</u>	<u>133,200</u>	<u>131,502</u>	<u>1,698</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>47,600</u>	<u>240,134</u>	<u>192,062</u>	<u>48,072</u>	<u>950,756</u>	<u>950,756</u>	<u>778,294</u>	<u>172,462</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>
Fund balances - beginning			<u>-</u>				<u>-</u>	
Fund balances - ending			<u>\$ -</u>				<u>\$ -</u>	

CITY OF HIALEAH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND FUND BALANCE
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	Urban Area Security Grants Fund				CITT Surtax Fund			
	Budgeted Amounts			Variance with Final Budget Positive (Negative)	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual		Original	Final	Actual	
Revenues:								
Intergovernmental	\$ 1,267,582	\$ 2,173,600	\$ 1,099,856	\$ (1,073,744)	\$ 6,703,000	\$ 6,703,000	\$ 8,361,983	\$ 1,658,983
Total revenues	<u>1,267,582</u>	<u>2,173,600</u>	<u>1,099,856</u>	<u>(1,073,744)</u>	<u>6,703,000</u>	<u>6,703,000</u>	<u>8,361,983</u>	<u>1,658,983</u>
Other financing sources:								
Appropriation of prior year fund balance	-	-	-	-	4,765,000	4,765,000	-	(4,765,000)
Transfers in	58,718	58,718	82,693	23,975	-	-	-	-
Total other financing sources	<u>58,718</u>	<u>58,718</u>	<u>82,693</u>	<u>23,975</u>	<u>4,765,000</u>	<u>4,765,000</u>	<u>-</u>	<u>(4,765,000)</u>
Total revenues and other financing sources	<u>1,326,300</u>	<u>2,232,318</u>	<u>1,182,549</u>	<u>(1,049,769)</u>	<u>11,468,000</u>	<u>11,468,000</u>	<u>8,361,983</u>	<u>(3,106,017)</u>
Expenditures:								
General government	-	-	-	-	14,000	14,000	14,000	-
Police	356,300	381,300	302,577	78,723	-	-	-	-
Streets	-	-	-	-	1,771,500	1,771,500	1,555,794	215,706
Capital outlay	970,000	1,851,018	879,972	971,046	9,682,500	9,682,500	740,170	8,942,330
Total expenditures	<u>1,326,300</u>	<u>2,232,318</u>	<u>1,182,549</u>	<u>1,049,769</u>	<u>11,468,000</u>	<u>11,468,000</u>	<u>2,309,964</u>	<u>9,158,036</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>6,052,019</u>	<u>\$ 6,052,019</u>
Fund balances - beginning			-				9,600,850	
Fund balances - ending			<u>\$ -</u>				<u>\$ 15,652,869</u>	

CITY OF HIALEAH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND FUND BALANCE
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	Police Grant Surtax Fund				S.H.I.P. Fund			
	Budgeted Amounts			Variance with Final Budget Positive (Negative)	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual		Original	Final	Actual	
Revenues:								
Intergovernmental	\$208,804	\$335,159	\$283,765	\$ (51,394)	\$ -	\$ 118,907	\$88,585	\$ (30,322)
Other revenues	-	-	2,423	2,423	-	-	39	39.00
Total revenues	<u>208,804</u>	<u>335,159</u>	<u>286,188</u>	<u>(48,971)</u>	<u>-</u>	<u>118,907</u>	<u>88,624</u>	<u>(30,283)</u>
Other financing sources:								
Appropriation of prior year fund balance	-	4,953	-	(4,953)	-	-	-	-
Total other financing sources	<u>-</u>	<u>4,953</u>	<u>-</u>	<u>(4,953)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues and other financing sources	<u>208,804</u>	<u>340,113</u>	<u>286,188</u>	<u>(53,925)</u>	<u>-</u>	<u>118,907</u>	<u>88,624</u>	<u>(30,283)</u>
Expenditures:								
Police	193,804	301,550	262,640	38,910	-	-	-	-
State housing initiative program	-	-	-	-	-	118,907	88,624	30,283
Capital outlay	15,000	38,563	23,548	15,015	-	-	-	-
Total expenditures	<u>208,804</u>	<u>340,113</u>	<u>286,188</u>	<u>53,925</u>	<u>-</u>	<u>118,907</u>	<u>88,624</u>	<u>30,283</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>
Fund balances - beginning			-				-	
Fund balances - ending			<u>\$ -</u>				<u>\$ -</u>	

CITY OF HIALEAH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND FUND BALANCE
BUDGET AND ACTUAL
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	E-911 Wireless Fund				Affordable Housing Fund			
	Budgeted Amounts			Variance with Final Budget Positive (Negative)	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual		Original	Final	Actual	
Revenues:								
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ 2,732,127	\$ 2,732,127	\$ 2,529,500	\$ (202,627)
Intergovernmental	670,000	670,000	964,453	294,453	-	-	-	-
Investment income	-	-	-	-	-	-	24,433	24,433
Other revenues	-	-	-	-	-	-	140	140
Total revenues	<u>670,000</u>	<u>670,000</u>	<u>964,453</u>	<u>294,453</u>	<u>2,732,127</u>	<u>2,732,127</u>	<u>2,554,073</u>	<u>(178,054)</u>
Other financing sources:								
Appropriation of prior year fund balance	160,000	160,000	-	(160,000)	-	-	-	-
Transfers in	152,800	152,800	717	(152,083)	465,273	865,273	870,306	5,033
Total other financing sources	<u>312,800</u>	<u>312,800</u>	<u>717</u>	<u>(312,083)</u>	<u>465,273</u>	<u>865,273</u>	<u>870,306</u>	<u>5,033</u>
Total revenues and other financing sources	<u>982,800</u>	<u>982,800</u>	<u>965,170</u>	<u>(17,630)</u>	<u>3,197,400</u>	<u>3,597,400</u>	<u>3,424,379</u>	<u>(173,021)</u>
Expenditures:								
General government	-	-	9,935	(9,935)	2,240,400	2,640,400	2,469,420	170,980
911 communications	982,800	982,800	955,235	27,565	-	-	-	-
Debt Service								
Principal	-	-	-	-	543,000	543,000	542,891	109
Interest	-	-	-	-	414,000	414,000	413,688	312
Total expenditures	<u>982,800</u>	<u>982,800</u>	<u>965,170</u>	<u>17,630</u>	<u>3,197,400</u>	<u>3,597,400</u>	<u>3,425,999</u>	<u>171,401</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>(1,620)</u>	<u>\$ (1,620)</u>
Fund balances - beginning			-				-	
Fund balances - ending			<u>\$ -</u>				<u>\$ (1,620)</u>	

CITY OF HIALEAH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND FUND BALANCE
BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS
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	The Children's Trust Step Ahead Fund				Law Enforcement Trust - Federal Fund			
	<u>Budgeted Amounts</u>			Variance with Final Budget Positive	<u>Budgeted Amounts</u>			Variance with Final Budget Positive
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:								
Intergovernmental	\$375,000	\$375,000	\$335,216	\$ (39,784)	\$ -	\$ -	\$346,042	\$ 346,042
Investment income	-	-	-	-	-	-	3,047	3,047
Total revenues	<u>375,000</u>	<u>375,000</u>	<u>335,216</u>	<u>(39,784)</u>	<u>-</u>	<u>-</u>	<u>349,089</u>	<u>349,089</u>
Other financing sources:								
Appropriation of prior year fund balance	-	-	-	-	189,000	189,000	-	(189,000)
Transfers in	<u>19,090</u>	<u>19,090</u>	<u>280</u>	<u>(18,810)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources	<u>19,090</u>	<u>19,090</u>	<u>280</u>	<u>(18,810)</u>	<u>189,000</u>	<u>189,000</u>	<u>-</u>	<u>(189,000)</u>
Total revenues and other financing sources	<u>394,090</u>	<u>394,090</u>	<u>335,496</u>	<u>(58,594)</u>	<u>189,000</u>	<u>189,000</u>	<u>349,089</u>	<u>160,089</u>
Expenditures:								
Police	-	-	-	-	-	16,125	16,125	-
Grants and human services	394,090	394,090	335,496	58,594	-	-	-	-
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>189,000</u>	<u>172,875</u>	<u>92,230</u>	<u>80,645</u>
Total expenditures	<u>394,090</u>	<u>394,090</u>	<u>335,496</u>	<u>58,594</u>	<u>189,000</u>	<u>189,000</u>	<u>108,355</u>	<u>80,645</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>240,734</u>	<u>\$ 240,734</u>
Fund balances - beginning			<u>-</u>				<u>278,226</u>	
Fund balances - ending			<u>\$ -</u>				<u>\$518,960</u>	

CITY OF HIALEAH, FLORIDA
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BUDGET AND ACTUAL
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	EMS County Grants Fund				CITT - Surtax Hialeah Circulator Fund			
	Budgeted Amounts			Variance with Final Budget Positive (Negative)	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual		Original	Final	Actual	
Revenues:								
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	11,144	11,144	3,083,000	3,083,000	2,962,527	(120,473)
Other revenue	-	-	-	-	86,000	86,000	66,145	(19,855)
Total revenues	-	-	11,144	11,144	3,169,000	3,169,000	3,028,672	(140,328)
Other financing sources:								
Appropriation of prior year fund balance	-	-	-	-	662,700	909,700	-	(909,700)
Initiation of Subscription Arrangements	-	-	-	-	-	-	157,906	157,906
Total other financing sources	-	-	-	-	662,700	909,700	157,906	(751,794)
Total revenues and other financing sources	-	-	11,144	11,144	3,831,700	4,078,700	3,186,578	(892,122)
Expenditures:								
General government	-	-	-	-	3,723,700	3,718,096	3,370,867	347,229
Capital outlay	-	-	-	-	108,000	360,604	270,925	89,679
Debt Service:								
Principal	-	-	-	-	-	-	77,725	(77,725)
Interest	-	-	-	-	-	-	4,990	(4,990)
Total expenditures	-	-	-	-	3,831,700	4,078,700	3,724,507	354,193
Net change in fund balance	-	-	11,144	\$ 11,144	-	-	(537,929)	\$ (537,929)
Fund balances - beginning			29,657				1,231,109	
Fund balances - ending			\$ 40,801				\$ 693,180	

CITY OF HIALEAH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND FUND BALANCE
BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS
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	Emergency Assistance Program Grant Fund				Streets 3 Cent Optional Gas Tax Fund			
	Budgeted Amounts			Variance with Final Budget Positive (Negative)	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual		Original	Final	Actual	
Revenues:								
Intergovernmental		\$ 1,392,383	\$ 1,034,962	\$ (357,421)	\$ 1,000,000	\$ 1,000,000	\$ 1,059,061	\$ 59,061
Investment income	-	-	-	-	-	-	54,898	54,898.00
Total revenues	-	1,392,383	1,034,962	(357,421)	1,000,000	1,000,000	1,113,959	113,959
Other financing sources:								
Appropriation of prior year fund balance	-	-	-	-	879,500	879,500	-	(879,500)
Total other financing sources	-	-	-	-	879,500	879,500	-	(879,500)
Total revenues and other financing sources	-	1,392,383	1,034,962	(357,421)	1,879,500	1,879,500	1,113,959	(765,541)
Expenditures:								
Grants and human services	-	-	1,029,399	(1,029,399)	-	-	-	-
Street	-	1,382,383	-	1,382,383	1,111,500	1,111,500	911,155	200,345
Capital outlay	-	10,000	5,563	4,437	768,000	768,000	24,834	743,166
Total expenditures	-	1,392,383	1,034,962	357,421	1,879,500	1,879,500	935,989	943,511
Net change in fund balance	-	-	-	-	-	-	177,970	\$ 177,970
Fund balances - beginning			-				1,587,059	
Fund balances - ending			\$ -				\$ 1,765,029	

CITY OF HIALEAH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND FUND BALANCE
BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2023

	21st Century Grant Fund				Alliance for Aging Grant Fund			
	Budgeted Amounts			Variance with Final Budget Positive (Negative)	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual		Original	Final	Actual	
Revenues:								
Intergovernmental	\$ 584,100	\$ 582,120	\$ 393,835	\$ (188,285)	\$ -	\$ 2,330,750	\$ 2,364,012	\$ 33,262
Total revenues	<u>584,100</u>	<u>582,120</u>	<u>393,835</u>	<u>(188,285)</u>	<u>-</u>	<u>2,330,750</u>	<u>2,364,012</u>	<u>33,262</u>
Other financing sources:								
Transfers in	5,361	-	-	-	-	-	-	-
Total other financing sources	<u>5,361</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues and other financing sources	<u>589,461</u>	<u>582,120</u>	<u>393,835</u>	<u>(188,285)</u>	<u>-</u>	<u>2,330,750</u>	<u>2,364,012</u>	<u>33,262</u>
Expenditures:								
Grants and human services	589,461	582,120	393,835	188,285	-	2,330,750	2,364,012	(33,262)
Total expenditures	<u>589,461</u>	<u>582,120</u>	<u>393,835</u>	<u>188,285</u>	<u>-</u>	<u>2,330,750</u>	<u>2,364,012</u>	<u>(33,262)</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>
Fund balances - beginning			-				-	
Fund balances - ending			<u>\$ -</u>				<u>\$ -</u>	

CITY OF HIALEAH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND FUND BALANCE
BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2023

	ECS and Library Grant Fund				Parking Improvement Fund			
	Budgeted Amounts			Variance with Final Budget Positive (Negative)	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual		Original	Final	Actual	
Revenues:								
Intergovernmental	\$ 203,440	\$ 225,583	\$ 76,982	\$ (148,601)	\$ -	\$ -	\$ -	\$ -
Total revenues	203,440	225,583	76,982	(148,601)	-	-	-	-
Expenditures:								
Grants and human services	203,440	224,610	56,846	167,764	-	-	-	-
Capital outlay	-	973	20,136	(19,163)	-	-	-	-
Total expenditures	203,440	225,583	76,982	148,601	-	-	-	-
Net change in fund balance	-	(225,583)	-	\$ -	-	-	-	\$ -
Fund balances - beginning			70,777				48,834	
Fund balances - ending			\$ 70,777				\$ 48,834	

CITY OF HIALEAH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND FUND BALANCE
BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2023

	City of Hialeah Education Academy Fund			
	Budgeted Amounts			Variance
				with Final
				Budget
	Original	Final	Actual	Positive
				(Negative)
Revenues:				
Charges for services	\$ 321,600	\$ 490,000	\$ 516,257	\$ 26,257
Intergovernmental	10,293,855	11,229,453	11,218,728	(10,725)
Investment income	-	66,000	66,633	633
Other revenues	19,000	18,360	18,360	-
Total revenues	10,634,455	11,803,813	11,819,978	16,165
Expenditures:				
Grants and humans services	9,488,630	10,928,000	10,850,694	77,306
Capital outlay	634,237	487,129	486,336	793
Total expenditures	10,122,867	11,415,129	11,337,030	78,099
Net change in fund balance	511,588	388,684	482,948	\$ 94,264
Fund balances, beginning as previously reported	511,588	388,684	2,451,333	
Prior period adjustment (Note 19)	-	-	(158,313)	
Fund balances, as restated	511,588	388,684	2,293,020	
Fund balances - ending	\$ 1,023,176	\$ 777,368	\$ 2,775,968	

CITY OF HIALEAH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND FUND BALANCE
BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2023

	Revenue Bond Series 2015A Fund				CITT Surtax Transportation Fund			
	Budgeted Amounts			Variance with Final Budget Positive (Negative)	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual		Original	Final	Actual	
Revenues:								
Franchise fees	\$ 2,223,000	\$ 2,223,000	\$ 2,222,150	\$ (850)	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	3,605,000	3,605,000	3,589,952	(15,048)
Total revenues	<u>2,223,000</u>	<u>2,223,000</u>	<u>2,222,150</u>	<u>(850)</u>	<u>3,605,000</u>	<u>3,605,000</u>	<u>3,589,952</u>	<u>(15,048)</u>
Expenditures:								
General government	-	-	-	-	18,000	18,000	18,000	-
Debt Service:								
Principal	1,265,000	1,265,000	1,265,000	-	2,572,000	2,572,000	2,572,000	-
Interest	<u>958,000</u>	<u>958,000</u>	<u>957,150</u>	<u>850</u>	<u>1,015,000</u>	<u>1,015,000</u>	<u>999,952</u>	<u>15,048</u>
Total expenditures	<u>2,223,000</u>	<u>2,223,000</u>	<u>2,222,150</u>	<u>850</u>	<u>3,605,000</u>	<u>3,605,000</u>	<u>3,589,952</u>	<u>15,048</u>
Net change in fund balance	-	-	-	\$ -	-	-	-	\$ -
Fund balances - beginning			-				-	
Fund balances - ending			<u>\$ -</u>				<u>\$ -</u>	

CITY OF HIALEAH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND FUND BALANCE
BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2023

	N.W. 102 Ave. 162 St. to 170 St. (DEO) Fund				W. 76 St - 28 to 31 Ave JPA (MDC) Fund			
	Budgeted Amounts			Variance with Final Budget Positive (Negative)	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual		Original	Final	Actual	
Revenues:								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 133,000	\$ 133,000	\$ 81,342	\$ (51,658)
Total revenues	-	-	-	-	133,000	133,000	81,342	(51,658)
Other financing sources:								
Appropriation of prior year fund balance	-	82,212	-	(82,212)	-	-	-	-
Total other financing sources	-	82,212	-	(82,212)	-	-	-	-
Total revenues and other financing sources	-	82,212	-	(82,212)	133,000	133,000	81,342	(51,658)
Expenditures:								
Capital outlay	-	82,212	-	82,212	133,000	133,000	81,342	51,658
Total expenditures	-	82,212	-	82,212	133,000	133,000	81,342	51,658
Net change in fund balance	-	-	-	\$ -	-	-	-	\$ -
Fund balances - beginning			-				-	
Fund balances - ending			\$ -				\$ -	

CITY OF HIALEAH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND FUND BALANCE
BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2023

	W. 24 Ave. & 76 St. Drainage - MDC (JPA) Fund				N.W. 97 Ave Road Improvement Fund			
	Budgeted Amounts			Variance with Final Budget Positive (Negative)	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual		Original	Final	Actual	
Revenues:								
Intergovernmental	\$ 396,000	\$ 396,000	\$ 151,198	\$ (244,802)	\$ 1,600,000	\$ 1,600,000	\$ 209,371	\$ (1,390,629)
Total revenues	<u>396,000</u>	<u>396,000</u>	<u>151,198</u>	<u>(244,802)</u>	<u>1,600,000</u>	<u>1,600,000</u>	<u>209,371</u>	<u>(1,390,629)</u>
Other financing sources:								
Appropriation of prior year fund balance	-	156,695	-	(156,695)	-	1,534,383	-	(1,534,383)
Total other financing sources	<u>-</u>	<u>156,695</u>	<u>-</u>	<u>(156,695)</u>	<u>-</u>	<u>1,534,383</u>	<u>-</u>	<u>(1,534,383)</u>
Expenditures:								
General government	-	-	-	-	-	2,104	-	2,104
Capital outlay	396,000	552,695	151,198	401,497	1,600,000	3,132,279	209,371	2,922,908
Total expenditures	<u>396,000</u>	<u>552,695</u>	<u>151,198</u>	<u>401,497</u>	<u>1,600,000</u>	<u>3,134,383</u>	<u>209,371</u>	<u>2,925,012</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>
Fund balances - beginning			<u>-</u>				<u>-</u>	
Fund balances - ending			<u>\$ -</u>				<u>\$ -</u>	

CITY OF HIALEAH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND FUND BALANCE
BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2023

	N.W. 102 Ave 138 St. to 145 Pl. MDC (JPA) Fund			
	<u>Budgeted Amounts</u>			Variance
				with Final
				Budget
				Positive
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:				
Intergovernmental	\$ 1,889,000	\$ 1,889,000	\$ -	\$(1,889,000)
Total revenues	<u>1,889,000</u>	<u>1,889,000</u>	<u>-</u>	<u>(1,889,000)</u>
Other financing sources:				
Appropriation of prior year fund balance	-	18,056	-	(18,056)
Total other financing sources	<u>-</u>	<u>18,056</u>	<u>-</u>	<u>(18,056)</u>
Total revenues and other financing sources	<u>1,889,000</u>	<u>1,907,056</u>	<u>-</u>	<u>(1,907,056)</u>
Expenditures:				
Streets	7,400	7,400	-	7,400
Capital outlay	<u>1,881,600</u>	<u>1,899,656</u>	<u>-</u>	<u>1,899,656</u>
Total expenditures	<u>1,889,000</u>	<u>1,907,056</u>	<u>-</u>	<u>1,907,056</u>
Total expenditures and other financing uses	<u>1,889,000</u>	<u>1,907,056</u>	<u>-</u>	<u>1,907,056</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>
Fund balances - beginning			-	
Fund balances - ending			<u>\$ -</u>	

CITY OF HIALEAH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND FUND BALANCE
BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2023

	Police Impact Fee Fund				Fire Rescue Impact Fee Fund			
	Budgeted Amounts			Variance with Final Budget Positive (Negative)	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual		Original	Final	Actual	
Revenues:								
Impact fees	1,447,000	1,447,000	791,532	(655,468)	450,000	450,000	629,779	179,779
Investment income	-	-	29,857	29,857	-	-	39,918	39,918
Total revenues	<u>1,447,000</u>	<u>1,447,000</u>	<u>821,389</u>	<u>(625,611)</u>	<u>450,000</u>	<u>450,000</u>	<u>669,697</u>	<u>219,697</u>
Expenditures:								
Capital outlay	1,447,000	1,447,000	-	1,447,000	450,000	450,000	-	450,000
Total expenditures	<u>1,447,000</u>	<u>1,447,000</u>	<u>-</u>	<u>1,447,000</u>	<u>450,000</u>	<u>450,000</u>	<u>-</u>	<u>450,000</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>821,389</u>	<u>\$ 821,389</u>	<u>-</u>	<u>-</u>	<u>669,697</u>	<u>\$ 669,697</u>
Fund balances - beginning			33,277				472,982	
Fund balances - ending			<u>\$ 854,666</u>				<u>\$ 1,142,679</u>	

CITY OF HIALEAH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND FUND BALANCE
BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2023

	Park, Recreation and Open Space Impact Fee Fund				Transportation Impact Fee Fund			
	Budgeted Amounts			Variance with Final Budget Positive (Negative)	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual		Original	Final	Actual	
Revenues:								
Impact fees	\$ 1,234,000	\$ 1,234,000	\$ 4,133,431	\$ 2,899,431	\$ 722,000	\$ 722,000	\$ 446,113	\$ (275,887)
Investment income	-	-	462,284	462,284	-	-	16,466	16,466
Total revenues	1,234,000	1,234,000	4,595,715	3,361,715	722,000	722,000	462,579	(259,421)
Other financing sources:								
Appropriation of prior year fund balance	4,842,000	5,082,900	-	(5,082,900)	-	-	-	-
Total other financing sources	4,842,000	5,082,900	-	(5,082,900)	-	-	-	-
Total revenues and other financing sources	6,076,000	6,316,900	4,595,715	(1,721,185)	722,000	722,000	462,579	(259,421)
Expenditures:								
Streets	-	-	-	-	100,000	100,000	-	100,000
Capital outlay	6,076,000	6,316,900	198,069	6,118,831	622,000	622,000	-	622,000
Total expenditures	6,076,000	6,316,900	198,069	6,118,831	722,000	722,000	-	722,000
Net change in fund balance	-	-	4,397,646	\$ 4,397,646	-	-	462,579	\$ 462,579
Fund balances - beginning			10,294,542				8,753	
Fund balances - ending			\$ 14,692,188				\$ 471,332	



FIDUCIARY FUNDS

CITY OF HIALEAH, FLORIDA
FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2023

	Employees' Retirement System	Elected Officials' Retirement System	Total
<u>ASSETS</u>			
Cash and cash equivalents	\$ 35,379,559	\$ -	\$ 35,379,559
Receivables:			
Accrued investment income	2,073,640	-	2,073,640
Accounts receivable: sale of investments	16,626,038	-	16,626,038
Other receivables	486,858	637	487,495
Total receivables	<u>19,186,536</u>	<u>637</u>	<u>19,187,173</u>
Investments, at fair value:			
Equity securities	402,402,274	-	402,402,274
Real estate investment trusts	-	792,645	792,645
Corporate bonds	90,323,312	-	90,323,312
Government securities	154,629,574	-	154,629,574
Limited partnerships	3,503,140	-	3,503,140
Mutual funds	-	12,179,889	12,179,889
Private placements	504,058	-	504,058
Total investments	<u>651,362,358</u>	<u>12,972,534</u>	<u>664,334,892</u>
Loans to members	<u>6,398,618</u>	<u>-</u>	<u>6,398,618</u>
Total assets	<u>712,327,071</u>	<u>12,973,171</u>	<u>725,300,242</u>
<u>LIABILITIES</u>			
Accounts payable and accrued liabilities	<u>1,407,187</u>	<u>290,549</u>	<u>1,697,736</u>
Total liabilities	<u>1,407,187</u>	<u>290,549</u>	<u>1,697,736</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Advance contribution from City	<u>27,000,000</u>	<u>-</u>	<u>27,000,000</u>
Net position restricted for pensions	<u>\$683,919,884</u>	<u>\$12,682,622</u>	<u>\$696,602,506</u>

CITY OF HIALEAH, FLORIDA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2023

	Employees' Retirement System	Elected Officials' Retirement System	Total
ADDITIONS			
Contributions:			
Employer	\$ 32,788,837	\$ -	\$ 32,788,837
Employee	8,869,775	9,942	8,879,717
State	461,877	-	461,877
Total contributions	<u>42,120,489</u>	<u>9,942</u>	<u>42,130,431</u>
Investment income:			
Net appreciation in fair value of investments	56,688,778	1,011,913	57,700,691
Investment Income	<u>15,548,066</u>	<u>346,377</u>	<u>15,894,443</u>
Total investment Income	72,236,844	1,358,290	73,595,134
Less investment expenses	2,256,509	37,352	2,293,861
Other income	<u>46,202</u>	<u>-</u>	<u>46,202</u>
Net investment income	<u>70,026,537</u>	<u>1,320,938</u>	<u>71,347,475</u>
Total additions	<u>112,147,026</u>	<u>1,330,880</u>	<u>113,477,906</u>
DEDUCTIONS			
Pension benefits	67,579,776	1,236,923	68,816,699
Refunds of contributions	10,499,263	-	10,499,263
DROP benefits	1,286,249	-	1,286,249
Administrative expenses	<u>248,768</u>	<u>23,952</u>	<u>272,720</u>
Total deductions	<u>79,614,056</u>	<u>1,260,875</u>	<u>80,874,931</u>
Net increase in Net Position	32,532,970	70,005	32,602,975
Net position restricted for pensions:			
Beginning of year	<u>651,386,914</u>	<u>12,612,617</u>	<u>663,999,531</u>
End of year	<u>\$ 683,919,884</u>	<u>\$ 12,682,622</u>	<u>\$ 696,602,506</u>

STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
Financial Trends	
These schedules contain trend information to help the reader understand how the City's Financial performance and well-being have changed over time. These schedules include:	147-150
Revenue Capacity	
These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	151-154
Debt Capacity	
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.	155-157
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	158-160
Operating Information	
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.	161-162

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Governmental activities:										
Net investment in capital assets	\$ 200,596,082	\$ 200,597,075	\$ 190,609,888	\$ 186,457,794	\$ 186,890,190	\$ 170,129,327	\$ 193,868,493	\$ 195,636,842	\$ 192,364,855	\$ 165,675,071
Restricted	5,526,978	8,735,410	18,654,864	23,084,772	2,289,412	2,914,351	47,706,472	59,155,546	82,777,505	90,698,252
Unrestricted	<u>(152,392,602)</u>	<u>(262,072,904)</u>	<u>(270,877,972)</u>	<u>(293,625,452)</u>	<u>(497,449,914)</u>	<u>(471,162,631)</u>	<u>(560,835,297)</u>	<u>(604,413,810)</u>	<u>(578,040,243)</u>	<u>(526,381,670)</u>
Total governmental activities net position	<u>53,730,458</u>	<u>(52,740,419)</u>	<u>(61,613,220)</u>	<u>(84,082,886)</u>	<u>(308,270,312)</u>	<u>(298,118,953)</u>	<u>(319,260,332)</u>	<u>(349,621,422)</u>	<u>(302,897,883)</u>	<u>(270,008,347)</u>
Business-type activities:										
Net investment in capital assets	107,240,971	124,884,318	126,879,211	133,579,865	145,315,155	149,162,397	150,166,669	150,193,207	145,582,694	144,986,605
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	<u>47,347,915</u>	<u>(8,636,198)</u>	<u>(17,762,837)</u>	<u>(21,403,478)</u>	<u>(73,743,502)</u>	<u>(69,225,945)</u>	<u>(73,753,456)</u>	<u>(82,693,460)</u>	<u>(73,467,697)</u>	<u>(58,195,874)</u>
Total business-type activities net position	<u>154,588,886</u>	<u>116,248,120</u>	<u>109,116,374</u>	<u>112,176,387</u>	<u>71,571,653</u>	<u>79,936,452</u>	<u>76,413,213</u>	<u>67,499,747</u>	<u>72,114,997</u>	<u>86,790,731</u>
Total government:										
Net investment in capital assets	307,837,053	325,481,393	317,489,099	320,037,659	332,205,345	319,291,724	344,035,162	345,830,049	337,947,549	310,661,676
Restricted	5,526,978	8,735,410	18,654,864	23,084,772	2,289,412	2,914,351	47,706,472	59,155,546	82,777,505	90,698,252
Unrestricted	<u>(105,044,687)</u>	<u>(270,709,102)</u>	<u>(288,640,809)</u>	<u>(315,028,930)</u>	<u>(571,193,416)</u>	<u>(540,388,576)</u>	<u>(634,588,753)</u>	<u>(687,107,270)</u>	<u>(651,507,940)</u>	<u>(584,577,544)</u>
Total government net position	<u>\$ 208,319,344</u>	<u>\$ 63,507,701</u>	<u>\$ 47,503,154</u>	<u>\$ 28,093,501</u>	<u>\$ (236,698,659)</u>	<u>\$ (218,182,501)</u>	<u>\$ (242,847,119)</u>	<u>\$ (282,121,675)</u>	<u>\$ (230,782,886)</u>	<u>\$ (183,217,616)</u>

CITY OF HIALEAH, FLORIDA

CHANGE IN NET POSITION

LAST TEN FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses:										
Governmental activities:										
General government	\$ 72,876,508	\$ 53,294,065	\$ 55,341,792	\$ 59,957,217	\$ 55,258,339	\$ 61,455,026	\$ 70,420,073	\$ 84,180,713	\$ 64,140,377	\$ 79,403,672
Police	43,375,725	53,872,287	54,508,455	58,240,949	53,485,325	60,930,938	88,654,519	83,705,377	56,338,163	71,283,219
Fire	38,604,552	43,511,619	49,035,406	54,381,049	46,936,520	57,797,638	58,349,093	63,772,003	49,168,810	61,847,983
Streets	11,842,353	12,459,595	14,054,634	15,961,337	13,202,250	13,572,809	17,440,016	17,195,034	15,812,453	5,019,820
Recreation and community services	10,239,608	11,540,708	12,336,667	13,703,389	11,652,746	12,052,307	12,018,687	14,880,885	11,615,814	13,879,858
Interest on long-term debt	3,179,767	2,924,134	5,448,282	3,766,967	4,025,439	3,317,950	3,165,907	2,966,368	3,580,041	2,684,136
Total governmental activities	180,118,513	177,602,408	190,725,236	206,010,909	184,560,619	209,126,668	250,048,295	266,700,380	200,655,658	234,118,689
Business-type activities:										
Water & sewer	49,789,756	57,129,636	72,874,604	71,567,962	73,079,627	71,136,712	81,857,795	88,867,911	92,241,184	93,289,082
Solid waste	15,552,864	13,310,272	21,314,937	19,795,688	7,318,709	15,261,866	18,495,129	20,002,706	8,388,117	12,125,255
Stormwater	5,299,992	5,877,241	2,248,357	4,987,399	5,495,126	4,494,713	4,810,937	5,116,368	4,881,497	4,635,878
Total business-type activities	70,642,612	76,317,149	96,437,898	96,351,049	85,893,462	90,893,291	105,163,861	113,986,985	105,510,798	110,050,215
Total government expenses	\$ 250,761,125	\$ 253,919,557	\$ 287,163,134	\$ 302,361,958	\$ 270,454,081	\$ 300,019,959	\$ 355,212,156	\$ 380,687,365	\$ 306,166,456	\$ 344,168,904
Program revenues:										
Governmental activities:										
Charges for services:										
General government	\$ 18,589,161	\$ 21,314,845	\$ 27,892,420	\$ 24,217,921	\$ 25,618,187	\$ 22,743,654	\$ 31,679,136	\$ 40,843,724	\$ 23,685,948	\$ 39,497,141
Police	918,205	772,604	685,253	745,403	677,410	542,614	954,018	1,838,907	897,602	1,482,250
Fire	4,775,600	4,425,659	5,615,993	4,696,059	4,749,781	6,207,550	6,207,550	5,049,491	2,976,880	4,490,567
Streets	120,024	428,722	377,105	766,087	2,345,404	699,617	8,300,213	10,758,518	190,312	3,469,649
Recreation and community services	584,852	640,787	1,103,371	1,968,593	1,347,900	1,228,840	2,943,241	2,549,607	12,137,005	5,196,610
Operating grants and contributions	24,576,496	22,839,837	21,747,532	26,795,367	22,478,063	32,754,665	25,349,120	21,087,711	33,158,637	22,502,980
Capital grants and contributions	9,019,257	13,347,879	12,214,891	9,475,840	14,519,811	15,769,053	12,025,790	6,521,210	9,463,863	6,527,636
Total governmental activities program revenues	58,583,595	63,770,333	69,665,565	68,665,270	71,736,556	83,927,941	87,459,068	88,649,168	82,510,247	83,166,833
Business-type activities:										
Charges for services:										
Water & sewer	54,905,792	59,707,525	65,545,712	66,468,227	70,388,195	73,026,518	75,565,212	79,562,678	88,813,328	90,897,548
Solid waste	14,969,410	15,379,996	16,655,394	17,356,664	18,218,239	18,595,914	19,746,834	20,367,889	21,819,159	24,471,672
Stormwater	3,296,440	3,644,229	4,098,166	3,849,779	3,670,891	3,721,412	3,735,922	3,650,696	3,632,127	3,853,505
Capital grants and contributions	502,578	172,378	429,279	591,188	33,168	9,781	191,881	202,536	339,738	-
Total business-type activities program revenues	73,674,220	78,904,128	86,728,551	88,265,858	92,310,493	95,353,625	99,239,849	103,783,799	114,604,352	119,222,725
Total program revenues	\$ 132,257,815	\$ 142,674,461	\$ 156,394,116	\$ 156,931,128	\$ 164,047,049	\$ 179,281,566	\$ 186,698,917	\$ 192,432,967	\$ 197,114,599	\$ 202,389,558
Net (expense) revenue:										
Governmental activities	\$ (121,534,918)	\$ (113,832,075)	\$ (121,088,671)	\$ (137,345,639)	\$ (112,824,063)	\$ (125,198,727)	\$ (162,589,227)	\$ (178,051,212)	\$ (118,145,411)	\$ (150,951,856)
Business-type activities	3,031,608	2,586,979	(9,709,347)	(8,085,191)	6,417,031	4,460,334	(5,924,012)	(10,203,186)	9,093,554	9,172,510
Total net expense	\$ (118,503,310)	\$ (111,245,096)	\$ (130,798,018)	\$ (145,430,830)	\$ (106,407,032)	\$ (120,738,393)	\$ (168,513,239)	\$ (188,254,398)	\$ (109,051,857)	\$ (141,779,346)
General revenues:										
Governmental activities:										
Taxes:										
Property taxes	\$ 41,424,199	\$ 43,735,370	\$ 47,012,819	\$ 51,435,680	\$ 57,462,494	\$ 62,743,620	\$ 68,425,226	\$ 75,538,132	\$ 82,083,914	\$ 93,270,127
Utility taxes	22,487,398	22,248,582	22,628,827	22,345,725	22,883,815	22,459,212	22,299,867	22,493,687	24,225,902	27,324,060
Franchise fees on gross receipts	15,370,782	16,584,895	15,182,525	16,180,210	16,190,910	16,021,179	15,416,105	17,017,212	16,418,919	18,947,653
Intergovernmental revenue	25,094,317	26,939,103	27,687,192	28,200,503	33,823,674	34,612,512	35,442,925	34,558,205	40,360,310	41,555,164
Gain on disposal of capital assets	(1,434,185)	55,529	69,910	77,140	165,426	141,860	163,985	954,345	367,377	266,389
Unrestricted interest	7,600	17,656	9,597	129,600	224,407	640,840	456,010	148,954	316,202	6,222,767
Transfers	15,033,525	-	-	(1,296,159)	(366,407)	(1,269,139)	(756,270)	(1,080,690)	(877,658)	(3,903,081)
Total governmental activities	117,983,636	109,581,135	112,590,870	117,072,699	130,384,319	135,350,084	141,447,848	149,629,845	162,894,966	183,683,079
Business-type activities:										
Unrealized gain (loss) on investments	414,486	504,463	185,370	(121,594)	(215,998)	492,097	1,131,107	(113,739)	(1,841,360)	52,823
Unrestricted interest	475,934	669,909	2,392,231	543,642	347,074	2,143,229	513,395	322,769	464,592	1,547,320
Gain on disposal of capital assets	-	-	-	-	43,575	-	-	-	-	-
Transfers	(15,033,525)	-	-	1,296,159	366,407	1,269,139	756,270	1,080,690	877,658	3,903,081
Total business-type activities	(14,143,105)	1,174,372	2,577,601	1,718,207	541,058	3,904,465	2,400,772	1,289,720	(499,110)	5,503,224
Total general revenues	\$ 103,840,531	\$ 110,755,507	\$ 115,168,471	\$ 118,790,906	\$ 130,925,377	\$ 139,254,549	\$ 143,848,620	\$ 150,919,565	\$ 162,395,856	\$ 189,186,303
Change in net position:										
Governmental activities	\$ (3,551,282)	\$ (4,250,940)	\$ (8,497,801)	\$ (20,272,940)	\$ 17,560,256	\$ 10,151,359	\$ (21,141,379)	\$ (28,421,367)	\$ 44,749,555	\$ 32,731,223
Business-type activities	(11,111,497)	3,761,351	(7,131,746)	(6,366,984)	6,958,089	8,364,799	(3,523,239)	(8,913,466)	8,594,444	14,675,734
Total change in net position	\$ (14,662,779)	\$ (489,589)	\$ (15,629,547)	\$ (26,639,924)	\$ 24,518,345	\$ 18,516,158	\$ (24,664,618)	\$ (37,334,833)	\$ 53,343,999	\$ 47,406,957

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

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
General fund:										
Nonspendable	\$ 2,174,224	\$ 2,164,713	\$ 2,206,606	\$ 5,304,957	\$ 5,897,782	\$ 6,739,054	\$ 6,871,681	\$ 7,528,489	\$ 5,131,811	\$ 4,351,059
Restricted	-	-	-	-	3,517,760	856,950	553,447	86,417	86,417	-
Committed	-	-	99,606	2,116,128	1,770,751	395,689	390,193	784,325	313,387	2,249,573
Assigned	-	-	-	-	5,600,000	6,100,000	7,171,799	-	1,062,100	8,622,367
Unassigned	15,391,325	12,199,265	35,133,349	32,030,706	29,821,802	31,444,210	32,161,841	38,512,443	46,081,725	58,656,469
Total general fund	\$ 17,565,549	\$ 14,363,978	\$ 37,439,561	\$ 39,451,791	\$ 46,608,095	\$ 45,535,903	\$ 47,148,961	\$ 46,911,674	\$ 52,675,440	\$ 73,879,468
All other governmental funds:										
Nonspendable	\$ 977,963	\$ 984,876	\$ 1,199,528	\$ 1,240,869	\$ 1,654,611	\$ 579,995	\$ 348,773	\$ 975,722	\$ 230,442	\$ 395
Restricted	7,643,865	8,554,067	18,654,864	23,108,042	31,055,772	44,122,677	55,771,593	56,739,191	77,168,280	88,377,495
Committed	1,985,353	997,128	805,666	6,073,476	3,875,091	2,220,822	7,462,663	10,375,012	2,730,930	7,676,154
Unassigned	(1,586,881)	20,032	(466,364)	(6,496,712)	(10,112,582)	(7,968,883)	(5,394,318)	(6,086,882)	(6,540,575)	(4,651,546)
Total all other governmental funds	\$ 9,020,300	\$ 10,556,103	\$ 20,193,694	\$ 23,925,675	\$ 26,472,892	\$ 38,954,611	\$ 58,188,711	\$ 62,003,043	\$ 73,589,077	\$ 91,402,498

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues:										
Ad valorem taxes	\$ 41,424,199	\$ 43,735,370	\$ 47,012,819	\$ 51,435,680	\$ 57,462,494	\$ 62,743,620	\$ 68,425,226	\$ 75,538,132	\$ 82,083,914	\$ 93,270,127
Charges for services	-	-	-	-	8,827,351	14,545,199	7,629,550	8,252,646	10,644,848	10,033,294
Fines and forfeitures	2,025,007	2,331,192	2,304,780	1,737,726	2,538,165	4,063,952	3,373,633	3,884,785	2,565,757	2,145,649
Franchise fees	15,370,782	16,584,895	15,182,525	16,180,210	16,190,910	16,021,179	15,416,105	17,017,212	16,418,919	18,947,653
Impact fees	1,087,068	214,629	2,553,949	2,189,892	970,464	3,231,644	3,445,036	2,490,178	3,763,634	6,000,855
Intergovernmental	-	-	-	-	67,905,904	71,275,728	82,705,520	84,383,656	82,982,810	85,764,322
Investment income	7,600	17,656	9,597	-	224,407	640,840	456,010	148,954	316,202	6,206,762
Licenses and permits	9,316,526	9,512,980	16,370,723	16,161,820	17,559,440	19,799,005	19,502,647	17,817,575	18,425,159	16,181,624
Other revenues	-	-	-	-	5,630,835	4,526,786	2,795,477	4,668,660	4,764,391	5,480,545
Utility taxes	22,487,398	22,248,582	22,628,827	22,345,725	22,883,815	22,459,212	22,299,867	22,493,687	24,225,902	27,324,060
State and local shared revenues	40,112,007	42,982,914	46,141,008	45,606,789	-	-	-	-	-	-
Government grants and other revenues	31,137,305	35,667,721	27,361,310	29,667,244	-	-	-	-	-	-
Total revenues	162,967,892	173,295,939	179,565,538	185,325,086	200,193,785	219,307,165	226,049,071	236,695,485	246,191,536	271,354,891
Expenditures:										
Current:										
911 communications	3,432,867	3,692,776	3,894,582	4,448,217	4,393,395	4,927,182	5,477,101	5,685,374	5,901,183	6,541,095
Business tax division	429,010	589,707	807,971	951,992	1,058,538	1,259,585	1,770,814	1,112,863	1,074,247	1,111,245
City Clerk's office	658,140	1,071,420	1,233,250	962,794	1,386,980	1,101,531	1,910,174	1,284,569	2,337,438	1,479,828
Code compliance	447,571	658,107	644,566	642,804	691,122	715,168	688,223	810,978	752,950	748,065
Communications and special events	221,436	304,392	387,083	523,637	699,089	1,458,309	1,216,691	1,744,990	1,764,143	1,205,807
Construction and maintenance	2,034,251	2,409,265	3,053,215	2,981,198	2,836,215	3,163,088	3,178,953	3,343,392	3,685,941	3,547,477
Education and community services	2,451,185	4,058,687	2,851,902	2,802,476	1,781,983	1,958,762	1,758,005	1,857,078	2,147,127	2,470,037
Emergency management	-	-	-	-	-	-	-	-	-	24,342
Employee retirement	632,686	604,903	596,528	834,417	591,734	845,019	695,173	569,442	1,061,805	824,168
Finance	1,032,730	1,352,174	1,417,428	1,486,450	1,673,282	1,992,167	2,083,325	2,313,843	2,437,534	1,663,622
Fire	34,611,104	41,284,251	44,566,208	46,111,359	46,950,299	52,823,642	47,804,143	54,147,762	55,152,741	54,808,457
Fleet maintenance	2,286,994	2,352,456	3,060,804	3,117,172	3,426,246	3,523,468	3,368,715	3,707,116	3,915,311	3,710,687
General government	38,938,330	15,113,548	13,259,022	13,649,002	16,334,508	13,636,616	20,373,999	22,338,241	16,895,648	26,263,248
Grants and human services	6,104,005	7,317,707	8,228,432	9,889,816	8,828,260	9,079,879	5,031,212	11,220,941	17,987,487	6,366,759
Human resources	731,129	700,530	763,201	735,666	948,150	1,006,870	1,072,759	1,238,974	1,378,933	1,473,654
Information technology	1,532,664	1,615,686	1,871,939	1,845,314	1,944,261	2,201,323	2,113,745	2,516,168	2,274,909	2,828,385
Law	1,216,909	1,291,022	1,311,626	1,150,714	1,238,551	1,388,834	1,538,458	1,635,001	1,569,569	1,678,382
Library	1,241,652	1,495,749	1,560,224	1,379,576	1,572,147	1,744,384	1,725,573	2,226,041	1,874,748	1,931,282
Milander center	-	-	-	-	1,014,757	833,206	660,817	610,605	606,362	1,249,173
Office of Management and Budget	461,476	560,939	388,095	402,949	419,851	410,968	367,253	434,000	574,969	548,808
Office of the Mayor	927,025	699,883	646,944	588,766	593,914	588,027	681,812	770,125	1,007,166	948,369
Parks and recreation	8,442,246	9,712,104	10,015,340	10,528,719	10,506,083	10,494,096	9,780,992	11,104,261	11,161,968	12,667,992
Planning and zoning	528,781	695,584	716,244	657,440	613,696	662,973	739,814	807,635	856,957	1,150,425
Police	40,484,346	51,854,659	50,189,926	50,050,644	54,303,171	57,918,213	59,729,547	66,876,016	64,492,100	65,669,815
Public works	-	-	-	-	253,306	667,832	31,664	230,660	20,492	-
Purchasing	-	-	-	-	-	-	-	-	17,346	940,924
Risk management	826,743	428,350	322,813	318,996	414,915	477,409	517,884	645,362	750,890	845,123
State housing initiative programs	343,353	246,754	116,248	402,050	734,948	337,470	1,250,044	1,998,290	140,103	88,624
Streets	3,201,821	3,516,447	4,433,977	5,680,107	4,947,200	4,417,626	5,630,912	5,612,332	4,630,203	4,475,130
Debt service:										
Principal	4,407,029	6,568,225	22,689,871	4,884,376	4,704,962	4,861,268	4,790,443	4,873,223	5,306,160	6,506,074
Interest	3,420,976	3,200,422	3,964,006	3,866,525	3,712,445	3,652,173	3,509,147	3,377,771	3,580,041	2,684,136
Debt issuance cost	-	-	-	-	-	-	-	-	-	-
Capital outlay	8,586,286	10,935,638	9,095,668	8,511,541	15,184,916	25,161,167	17,535,589	20,029,994	13,852,642	19,781,216
Total expenditures	169,632,745	174,331,385	192,087,113	179,658,023	194,173,450	212,640,423	207,032,981	235,123,047	229,209,113	236,232,349
Excess (deficiency) of revenues over expenditures	(6,664,853)	(1,035,446)	(12,521,575)	5,667,063	6,020,335	6,666,742	19,016,090	1,572,438	16,982,423	35,122,542
Other financing sources (uses):										
Transfers in	19,781,358	2,147,066	776,762	611,165	1,240,730	900,856	2,163,594	1,755,399	14,969,103	1,037,862
Transfers out	(4,747,833)	(2,147,066)	(776,762)	(611,165)	(1,240,730)	(900,856)	(2,163,594)	(1,755,399)	(14,969,103)	(1,037,862)
Proceeds of refunding bonds	-	-	45,164,839	-	3,517,760	4,600,925	1,667,083	22,720,000	-	2,838,067
Payments to bond refunding escrow agent	-	-	-	-	-	-	-	(21,704,000)	-	948,779
Proceeds from disposal of capital assets	4,076,089	55,529	69,910	77,140	165,426	141,860	163,985	954,345	367,377	266,389
Issuance of debt	423,920	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	19,533,534	55,529	45,234,749	77,140	3,683,186	4,742,785	1,831,068	1,970,345	367,377	4,053,235
Net change in fund balances	\$ 12,868,681	\$ (979,917)	\$ 32,713,174	\$ 5,744,203	\$ 9,703,521	\$ 11,409,527	\$ 20,847,158	\$ 3,542,783	\$ 17,349,800	\$ 39,175,777
Debt service as a percentage of non-capital expenditures	4.86%	5.98%	14.57%	5.11%	4.70%	4.54%	4.38%	3.84%	4.13%	4.25%

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

Fiscal Year Ended September 30,		<u>Real Property</u>	<u>Personal Property</u>	<u>Centrally Assessed</u>	<u>Total Net Assessed Value</u>	<u>Total Direct Tax Rate</u>
2014	\$	6,416,539,571	\$ 549,698,400	\$ 5,474,876	\$ 6,971,712,847	6.3018
2015		6,755,960,917	544,953,380	6,117,639	7,307,031,936	6.3018
2016		7,304,727,801	546,751,824	7,304,728	7,858,784,353	6.3018
2017		7,973,545,871	552,723,556	7,380,269	8,533,649,696	6.3018
2018		8,928,454,641	564,251,782	7,643,215	9,500,349,638	6.3018
2019		9,762,587,984	610,266,017	8,030,715	10,380,884,716	6.3018
2020		10,700,357,621	597,759,406	7,943,936	11,306,060,963	6.3018
2021		11,784,320,757	689,514,163	8,202,443	12,482,037,363	6.3018
2022		12,816,113,123	749,885,521	8,920,619	13,574,919,263	6.3018
2023		14,523,534,895	837,194,696	9,141,508	15,369,871,099	6.3018

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

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

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

Fiscal Year	Direct Rate	Overlapping Rates (1)											Total Direct and Overlapping Rates	
	City of Hialeah	Miami-Dade												
		Miami-Dade County			County School Board			Water Management District	Special District	Okeechobee Basin	Children's Trust	Everglades C.P.		
		Operating Millage	Service Millage	County Millage	Operating Millage	Service Millage	School Millage							
														Debt
2014	6.3018	4.6669	0.4500	5.1169	7.7750	0.1990	7.9740	0.1577	0.0345	0.1717	0.5000	0.0548	20.3114	
2015	6.3018	4.6669	0.4500	5.1169	7.4130	0.1990	7.6120	0.1459	0.0320	0.1586	0.5000	0.0506	19.9178	
2016	6.3018	4.6669	0.4000	5.0669	7.1380	0.1840	7.3220	0.1359	0.0320	0.1477	0.5000	0.0471	19.5534	
2017	6.3018	4.6669	0.4000	5.0669	6.7740	0.2200	6.9940	0.1275	0.0320	0.1384	0.4673	0.0441	19.1720	
2018	6.3018	4.6669	0.4644	5.1313	6.5040	0.2290	6.7330	0.1209	0.0320	0.1310	0.4415	0.0417	18.9332	
2019	6.3018	4.6669	0.4780	5.1449	7.0250	0.1230	7.1480	0.1152	0.0320	0.1246	0.4680	0.0397	19.3742	
2020	6.3018	4.6669	0.4780	5.1449	6.9360	0.1930	7.1290	0.1103	0.0320	0.1192	0.4507	0.0380	19.3259	
2021	6.3018	4.6669	0.5075	5.1744	6.8290	0.1800	7.0090	0.1061	0.0320	0.1146	0.5000	0.0365	19.2744	
2022	6.3018	4.6202	0.4853	5.1055	6.4240	0.1650	6.5890	0.0948	0.0320	0.1026	0.5000	0.0327	18.7584	
2023	6.3018	4.5740	0.4355	5.0095	6.5660	0.1330	6.6990	0.0948	0.0320	0.1026	0.5000	0.0327	18.7724	

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

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

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

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

2023			
<u>Taxpayer</u>	<u>Net Assessed Value</u>	<u>Rank</u>	<u>Percent of Total City Net Assessed Value</u>
Florida Power & Light CO	\$ 323,795,795	1	2.39%
Centerpoint Countyline LLC	195,151,358	2	1.44%
Palm Spring Mile Associates Ltd	142,123,085	3	1.05%
RREEF CPIF Centergate LLC	119,805,482	4	0.88%
MPT of Hialeah Palmetto	86,585,753	5	0.64%
Centennial Westland	78,600,000	6	0.58%
Avalon Bonterra LLC	70,976,608	7	0.52%
Duke 108th Building 3 LLC	64,445,708	8	0.47%
Duke 104th Building 1 and 2 LLC	57,946,330	9	0.43%
Terreno Melanie LLC	56,559,464	10	0.42%
	<u>\$ 1,195,989,583</u>		<u>8.82%</u>

2014			
<u>Taxpayer</u>	<u>Net Assessed Value</u>	<u>Rank</u>	<u>Percent of Total City Net Assessed Value</u>
Florida Power & Light CO	\$ 177,727,802	1	2.55%
Palm Springs Mile Associates LTD	118,190,268	2	1.70%
Westland Mall LLC	80,800,000	3	1.16%
Lifemark Hospitals Inc.	59,361,352	4	0.85%
Centergate at Gratigny LLC	37,959,961	5	0.54%
SC Westland Promenade Ltd Prtshp	30,748,897	6	0.44%
Tenet Hialeah Healthsystems Inc	24,534,244	7	0.35%
United Parcel Service Inc.	24,085,139	8	0.35%
FH: Hialeah Fee Commons LTD	20,900,000	9	0.30%
FDG Beacon Countyline LLC	19,978,142	10	0.29%
	<u>\$ 594,285,805</u>		<u>8.52%</u>

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

Fiscal Year Ended <u>September 30,</u>	Total Taxes Levied for <u>Fiscal Year</u>	Levied Taxes Collected within the Fiscal Year		Delinquent <u>Tax Collections</u>	Total Tax Collections	
		<u>Amount</u>	<u>Percent of Levy</u>		<u>Amount</u>	<u>Percent of Levy</u>
2014	\$ 43,934,340	\$ 39,589,518	90.11%	\$ 1,467,597	\$ 41,057,115	93.45%
2015	46,047,454	43,735,370	94.98%	1,351,690	45,087,060	97.91%
2016	49,524,487	47,012,819	94.93%	296,084	47,308,903	95.53%
2017	53,777,354	51,435,680	95.65%	1,516,908	52,952,588	98.47%
2018	59,869,303	57,462,494	95.98%	615,338	58,077,832	97.01%
2019	65,418,259	62,743,620	95.91%	1,976,246	64,719,866	98.93%
2020	71,248,535	68,425,226	96.04%	2,450,762	70,875,988	99.48%
2021	78,659,303	75,538,132	96.03%	2,066,463	77,604,595	98.66%
2022	85,639,528	79,283,510	92.58%	1,840,255	81,123,765	94.73%
2023	96,993,801	91,035,944	93.86%	1,855,454	\$92,891,398	95.77%

Source: City of Hialeah Office of Management & Budget.

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

Fiscal Year Ended September 30,	Governmental Activities				Business-Type Activities				Total	Percentage of Personal Income (1)	Per Capita (1)
	Revenue Bonds	Notes Payable	Capital Leases	Mortgage Payable	Revenue Bonds	Notes Payable	Revolving Loan	Capital Leases			
2014	\$ -	\$ 75,661,198	\$ 398,279	\$ -	\$ -	\$ 63,097,659	\$ 1,670,450	\$ -	\$ 140,827,586	2.14%	603
2015	-	70,719,903	1,252,121	-	-	61,572,579	1,545,497	-	135,090,100	1.91%	573
2016	-	90,403,639	1,323,955	-	-	59,261,246	1,417,014	-	152,405,854	2.20%	643
2017	75,610,191	15,829,760	743,891	-	57,101,430	947,934	1,284,901	-	151,518,107	2.19%	641
2018	73,163,174	13,521,306	3,990,521	-	55,606,990	479,999	1,149,054	-	147,911,044	2.01%	623
2019	70,838,862	11,144,597	8,107,033	-	54,063,547	-	1,009,368	-	145,163,407	1.83%	608
2020	67,363,174	10,668,191	8,609,579	-	52,467,107	-	865,733	-	139,973,784	1.67%	584
2021	64,768,486	10,170,515	7,518,033	-	51,044,667	-	720,054	-	134,221,755	1.49%	574
2022	59,387,052	9,651,019	6,579,708	-	49,852,530	-	568,185	-	126,038,494	2.60%	562
2023	55,344,038	9,109,981	7,556,281	-	37,282,020	-	-	-	109,292,320	2.04%	496

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

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

CITY OF HIALEAH, FLORIDA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
SEPTEMBER 30, 2023
(amounts expressed in thousands)

<u>Government Unit</u>	2023		
	<u>Net Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Amount Applicable to the City of Hialeah</u>
Miami-Dade County School Board	\$ 3,665,026	3.62%	\$ 132,793
Miami-Dade County	3,330,170	3.62%	120,661
Subtotal, Overlapping Debt	6,995,196		253,454
City of Hialeah Direct Debt	64,464	100%	64,464
Total Direct and Overlapping Debt	<u>\$ 7,059,660</u>		<u>\$ 317,918</u>

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

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

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

Fiscal Year Ended September 30,	Series 2015 A&B				Bond Series 2011D Utility System Revenue Refunding - COH Series 2022						Bond Series 2012A Tax-exempt Refunding Revenue Note - Series 2021				
	Fees (d)	Debt Service		Coverage	Utility	Less	Net	Debt Service			Discretionary	Debt Service			
		Principal	Interest		Charges and	Operating	Available	Principal	Interest	Coverage	Sales Surtax	Principal	Interest	Coverage	
					Other	Expenses	Revenue				Fees				
2014	\$ -	\$ -	\$ -	N/A	\$ 55,381,726	\$ 40,035,129	\$ 15,346,597	\$ 580,000	\$ 2,387,288	5.17	\$ 6,765,759	\$ 2,498,278	\$ -	2.71	
2015	-	-	-	N/A	60,377,434	42,610,682	17,766,752	850,000	2,369,888	5.52	7,187,018	1,124,000	1,354,410	2.90	
2016	10,352,230	725,000	2,086,361	3.68	67,937,943	56,210,678	11,727,265	955,000	2,344,388	3.55	5,875,196	1,168,000	1,309,450	2.37	
2017	10,615,985	740,000	2,068,011	3.78	67,011,869	59,071,095	7,940,774	985,000	2,315,738	2.41	3,733,798	1,216,000	1,262,730	1.51	
2018	10,397,532	770,000	2,041,511	3.70	70,722,238	59,966,423	10,755,815	1,015,000	2,286,188	3.26	5,843,528	1,264,000	1,214,090	2.36	
2019	10,642,766	1,940,000	1,994,999	2.70	75,145,136	58,096,971	17,048,165	1,050,000	2,253,200	5.16	6,965,723	1,316,000	928,530	3.10	
2020	10,291,013	2,015,000	1,924,977	2.61	76,056,063	69,015,124	7,040,939	1,105,000	2,200,700	2.13	4,763,491	1,368,000	1,110,890	1.92	
2021	10,877,027	2,095,000	1,843,127	2.76	79,876,035	75,167,893	4,708,142	1,150,000	2,156,500	1.42	5,401,393	1,436,000	1,042,490	2.18	
2022	12,940,357	2,185,000	1,754,400	3.28	87,419,579	81,548,184	5,871,395	1,412,208	1,623,367	1.93	3,705,083	1,928,000	1,259,070	1.16	
2023	14,921,493	2,280,000	1,659,595	3.79	92,241,829	83,264,333	8,977,496	1,400,000	1,623,367	2.97	3,589,952	2,295,000	471,088	1.30	

Source: City of Hialeah Finance Department

Note (c): During 2021, the City issued tax exempt Refunding Revenue Bonds Series 2021 for which the City has pledged Revenues, see Note 12.

Note (c): During 2022, the City issued tax exempt Utility System Revenue Refunding Bonds Series 2022 for which the City has pledged Revenues, see Note 12.

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

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

<u>Year</u>	<u>Population (1)</u>	<u>Total Personal Income (Amounts Expressed in Thousands) (1)</u>	<u>Per Capita Personal Income (1)</u>	<u>Median Age (2)</u>	<u>School Enrollment (3)</u>	<u>Unemployment Rate (4)</u>
2014	233,394	\$ 6,571,208	28,155	42	25,239	5.6%
2015	235,563	7,057,703	29,961	42	25,623	6.3%
2016	237,069	6,934,031	29,249	43	25,348	5.7%
2017	236,387	6,914,083	29,249	43	29,437	5.1%
2018	237,523	7,366,063	31,012	44	30,214	3.9%
2019	238,942	7,923,556	33,161	44	30,251	3.1%
2020	239,722	8,406,571	35,068	45	26,542	9.6%
2021	233,876	8,997,444	38,471	45	27,108	4.9%
2022	224,362	4,852,501	21,628	46	30,034	2.2%
2023	220,292	5,351,994	24,295	46	30,881	1.5%

Sources:

(1) United States Census Bureau

(2) Florida-demographics.com

(3) Miami-Dade County School Board Budget Office

(4) U.S. Department of Labor

Note: Population, median age and education level information are based on surveys conducted during the last quarter of the calendar year. Personal income information is a total for the year. Unemployment rate information is an adjusted yearly average. School enrollment is based on the census at the start of the school year. School enrollment increase.

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

<u>Employer</u>	<u>2023</u>			<u>2014</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
City of Hialeah	1,500	1	1.29%	1,866	1	1.35%
Palmetto General Hospital	1,470	2	1.26%	1,648	2	1.74%
United Parcel Service	1,130	3	0.97%	1,162	3	1.22%
Publix Super Markets	1,058	4	0.91%	827	5	0.87%
Hialeah Hospital	841	5	0.72%	1,075	4	1.13%
Boeing Distribution	775	6	0.67%	-	9	1.09%
Larkin Community Hospital Palm Springs Campus	686	7	0.59%	618	6	0.65%
Sedano's Super Markets	650	8	0.56%	547	7	0.58%
Bullet Line	450	9	0.39%	-	10	-
Bank of America	420	10	0.36%	391	8	0.41%
Leon Medical Centers	415	11	0.36%	-	11	0.44%
Total	<u>9,395</u>		<u>8.08%</u>	<u>8,134</u>		<u>9.48%</u>

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

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Number of employees:										
Mayor's office	3	4	5	6	6	7	6	5	9	13
Communications & special events	-	-	-	-	-	-	-	-	-	-
Information systems	12	10	9	9	9	9	10	9	11	13
Community development:										
Planning and zoning	7	7	6	5	5	5	6	5	8	9
Building	19	22	25	21	27	30	39	41	38	44
License	8	9	9	10	11	13	14	12	10	17
Code compliance	9	10	10	10	10	10	8	9	9	9
Office of Management & Budget	3	3	3	3	4	4	3	3	3	5
City Clerk's office	4	4	4	17	16	16	17	15	14	23
Law	9	8	10	9	11	12	13	12	11	20
Risk management	3	3	3	4	4	4	4	5	5	6
Police:										
Police officers	276	264	251	284	272	266	275	269	283	321
Civilians	70	67	75	87	86	91	93	95	90	130
Fire:										
Firefighters	235	238	229	229	236	231	216	226	218	235
Civilians	28	18	18	18	21	20	20	31	23	39
911 Communications	39	41	43	29	50	50	43	40	38	49
Milander	-	-	-	4	6	6	8	6	5	6
Special events	-	-	-	7	10	7	6	9	8	10
Education & community services	29	34	45	78	85	78	55	56	44	88
Library	15	17	17	23	24	22	23	25	18	30
Recreation and community services	70	75	70	131	142	135	124	126	108	205
Streets	17	28	31	25	29	25	27	26	19	22
Stormwater	9	9	13	12	13	11	12	12	13	16
Fleet	37	31	30	29	29	31	30	29	26	29
Circulator	-	-	-	-	-	-	-	-	-	-
Construction and maintenance	39	33	35	31	34	34	33	35	32	38
Solid waste	62	42	26	23	11	9	10	8	7	7
Human resources	9	7	7	8	8	11	9	12	13	16
Finance	19	15	26	20	22	25	21	22	19	25
Retirement	4	4	3	4	5	5	5	6	4	5
Grants and human services	32	8	4	4	9	7	4	9	10	12
Water and sewer	54	64	68	64	59	62	54	54	51	60
Water division	32	26	30	23	34	31	28	27	22	28
Sewer division	17	16	18	12	12	11	9	8	6	8
Total number of employees	<u>1,170</u>	<u>1,117</u>	<u>1,123</u>	<u>1,239</u>	<u>1,300</u>	<u>1,278</u>	<u>1,225</u>	<u>1,247</u>	<u>1,175</u>	<u>1,538</u>

Source: City of Hialeah Human Resources Department

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

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

<u>Function/Program</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Public safety										
Police:										
Police calls for service	245,230	251,731	239,662	215,390	245,098	268,253	253,925	234,619	199,703	189,086
Parking violations	2,987	3,372	4,674	4,130	5,023	6,505	5,497	3,916	2,198	2,915
Traffic violations	77,253	85,141	83,050	71,252	79,113	120,572	90,996	60,763	37,013	34,978
Fire:										
Number of calls answered	42,250	43,494	43,850	43,195	40,709	39,726	31,631	32,827	34,504	3,090
Inspections	8,500	12,035	13,400	13,789	14,204	14,533	14,530	13,156	14,015	12,893
Planning and development:										
Business permits issued	6,421	7,583	15,022	9,402	16,083	18,484	17,538	4,794	8,242	8,913
Occupational licenses issued	19,019	19,041	19,575	21,420	23,272	25,112	24,223	23,085	23,029	22,561
Streets:										
Street resurfacing (miles)	12.0	7.9	13.7	19.7	6.8	6.1	17.1	12.0	3.7	1.0
Potholes repaired	208	154	294	215	227	184	122	266	162	195
Culture and recreation:										
Registrations for library programs	46,042	50,759	38,364	22,172	22,338	23,153	25,566	12,269	9,983	36,892
Athletic field permits issued	134	90	76	47	26	98	54	89	181	97
Water and sewer:										
Active accounts - water and sewer	55,401	55,008	55,568	56,400	57,101	57,841	57,904	59,036	59,391	59,841
Average daily water consumption (thousands of gallons)	19,959	18,656	18,556	18,068	18,027	16,969	17,079	17,235	16,482	17,535
Average daily sewage treatment (thousands of gallons)	19,458	19,986	24,502	25,215	25,118	24,641	26,139	23,378	26,678	36,575
New connections	920	2,052	981	997	427	486	567	1,480	423	305
Water main breaks	200	57	108	248	847	252	253	290	287	284
Solid waste:										
Residential accounts	35,101	36,502	36,502	37,433	37,681	36,823	37,651	37,920	37,992	38,064
Commercial accounts	436	440	-	-	-	-	-	-	-	-
Refuse collected (tons/day)	193.0	141.6	254.0	324.0	211.1	206.6	227.0	239.8	228.9	246.0
Recyclables collected (tons/day)	27.0	45.2	45.2	29.0	21.3	19.6	20.5	20.7	18.8	20.0

Sources: Various City departments

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

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

<u>Function/Program</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
General government:										
General government buildings	1	1	1	1	1	1	1	1	1	1
Public safety:										
Police:										
Police stations	5	5	5	5	5	5	5	5	5	5
Patrol units	238	215	225	218	214	304	309	250	252	289
Fire:										
Fire stations	8	8	8	8	8	8	8	9	9	9
Fire apparatus vehicles	15	15	15	15	17	17	16	13	16	15
Emergency rescue vehicles	14	14	14	14	12	12	15	15	13	16
Streets:										
Miles of streets	455.0	475.6	475.6	475.6	475.6	478.1	479.2	356.7	356.7	356.9
Culture and recreation:										
Parks	27	27	27	27	27	27	27	27	27	27
Parks acreage	223.5	223.5	223.5	223.5	223.5	253.5	232.0	253.5	253.5	253.5
Community center	3	3	3	3	3	3	3	3	3	3
Swimming pools	7	7	7	7	7	7	7	7	7	7
Tennis courts	26	26	26	26	26	26	21	23	23	22
Water and sewer:										
Water and sewer buildings	2	2	2	2	2	2	2	2	2	2
Water mains (miles)	496	496	519	519	519	519	537	541	541	541
Fire hydrants	2,812	3,008	3,008	3,093	3,116	3,116	3,116	3,210	3,215	3,492
Storm sewers (miles)	92.3	84.3	84.3	84.3	95.2	96.6	98.1	98.4	98.4	98.4
Solid waste:										
Collection trucks	46	12	-	-	-	-	-	-	-	-
Recycle trucks	-	-	6	6	-	-	-	-	-	-

Sources: Various City departments

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



COMPLIANCE SECTION

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*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 Hialeah, 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 City of Hialeah Education Academy Fund ("COHEA"), a non-major governmental fund of the City, and the City of Hialeah Employees' Retirement System (the "Plan"), a fiduciary fund of the City, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those other auditors.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items, SD2023-01 and SD2023-02, that we consider to be significant deficiencies.

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 Finding

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

Miami, FL
June 26, 2024

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

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

Report on Compliance for Each Major Federal Program and State Project

Opinion on Each Major Federal Program and State Project

We have audited the City of Hialeah, Florida (the "City") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement*, and the requirements described in the *State of Florida Department of Financial Services' State Projects Compliance Supplement*, that could have a direct and material effect on each of the City's major federal programs and state project for the fiscal year ended September 30, 2023. The City's major federal programs and state project are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state project for the fiscal year ended September 30, 2023.

Basis for Opinion on Each Major Federal Program and State Project

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 (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and Chapter 10.550, Rules of the Auditor General (Chapter 10.550). Our responsibilities under those standards, the Uniform Guidance and Chapter 10.550, are further described in the Auditors' 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 and state project. 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 and state projects.

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, and Chapter 10.550, will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program and state project as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.550, 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 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 and Chapter 10.550, 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 or state project 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 or state project will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' 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 and Chapter 10.550. Accordingly, this report is not suitable for any other purpose.

Marcum LLP

Miami, FL
June 26, 2024

CITY OF HIALEAH, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

<u>Federal Agency/Pass-Through Grantor/Program Title</u>	<u>Federal ALN Number</u>	<u>Federal Grant Number</u>	<u>Passed Through to Recipients</u>	<u>Expenditures</u>
U.S. Department of Housing and Urban Development				
Community Development Block Grant	14.218	B-20-MC-12-0008	\$ -	\$ 110,508
Community Development Block Grant	14.218	B-21-MC-12-0008	-	918,168
Community Development Block Grant	14.218	B-22-MC-12-0008	20,000	186,711
Community Development Block Grant	14.218	B-20-MW-12-0008	-	126,934
Total CDBG - Entitlement Grant Cluster			20,000	1,342,321
HOME Investment Partnership	14.239	M-15-MC-12-0207	-	133,037
HOME Investment Partnership	14.239	M-18-MC-12-0207	-	6,622
HOME Investment Partnership	14.239	M-19-MC-12-0207	-	115,287
HOME Investment Partnership	14.239	M-20-MC-12-0207	-	39,830
Total HOME Investment Partnership Program			-	294,776
Emergency Solutions Grant	14.231	E21MC120008	-	162,578
Emergency Solutions Grant	14.231	E20MV120008	430,234	482,309
Total Emergency Solutions Grant Program			430,234	644,887
Total U.S. Department of Housing and Urban Development			450,234	2,281,984
U.S. Department of Justice				
Equitable Sharing Funds	16.922	N/A	-	108,355
Edward Byrne Memorial Grant Program - 2020	16.738	2020-DJ-BX-0836	-	36,151
Total U.S. Department of Justice			-	144,506
U.S. Department of Treasury				
Coronavirus State and Local Fiscal Recovery Funds (CSLFRF)	21.027	N/A	-	2,985,117
Emergency Rental Assistance Program (ERAP 2)	21.023	N/A	-	1,034,962
Total U.S. Department of Treasury			-	4,020,079
Subtotal Direct Programs			450,234	6,446,568
Executive Office of the President				
Pass-Through Program Monroe County Sheriff's Office				
High Intensity Drug Trafficking Areas Program (HIDTA)	95.001	G23MI0001A	-	19,583
Total Executive Office of the President			-	19,583
Pass-Through Program from:				
The Florida Department of Transportation - Highway Planning and Construction				
Florida Department of Transportation				
University of North Florida	20.205	G2M61	-	47,126
Total U.S. Department of Transportation - Through The Florida Department of Transportation			-	47,126
Pass-Through Program from:				
State of Florida Department of Education				
21st Century Community Learning Centers - Academic Achievers	84.287	13B-2443B-3CCC1	-	335,242
21st Century Community Learning Centers - Academic Achievers	84.287C	13B-2444B-4CCC1	-	58,593
Total U.S. Department of Education - Through the State of Florida Department of Education			-	393,835
Pass-Through Program from:				
Florida Division of Emergency Management				
Urban Areas Security Initiatives (UASI) (2020)	97.067	R0232	-	885,977
Urban Areas Security Initiatives (UASI) (2021)	97.067	R0521	-	213,880
Total Homeland Security Grant Program			-	1,099,857
Hurricane Irma - DR-4337	97.036	Z1122	-	117,751
Federal Public Assistance - DR 4486 (COVID-19)	97.036	Z2115	-	35,213
Hurricane IAN - DR-4673-FL - Fire Department Deployment	97.036	N/A	-	230,691
Hurricane IDALIA- DR-4734-FL - Fire Department Deployment	97.036	N/A	-	20,187
Total Disaster Grants - Public Assistance			-	403,842
Total U.S. Department of Homeland Security - Through the Florida Division of Emergency Management			-	1,503,699
Pass-Through Program from:				
State of Florida Office of the Attorney General				
Victims of Crimes Act (VOCA)	16.575	VOCA-2022-CITY OF HIALAH-00522	-	141,160
Total U.S. Department of Justice - Through the State of Florida Office of the Attorney General			-	141,160
U.S. Department of Treasury				
IMLS ARP Act Grant for Native American/Native Hawaiian Museum and Library Services	45.308	ARPML-250557-OMLS-22	-	973
Total U.S. Department of Treasury - Through The Institute of Museum and Library Services			-	973
U.S. Department of Justice				
Technologies to Support Transparency	16.738	15PBJA-21-GG-00241-MUMU	-	18,063
Total U.S. Department of Justice - Through Florida Department of Law Enforcement			-	18,063
TOTAL EXPENDITURES OF FEDERAL FINANCIAL ASSISTANCE			\$ 450,234	\$ 8,571,007

CITY OF HIALEAH, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
(CONTINUED)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

<u>State Agency/Pass-Through Grantor/Program Title</u>	<u>State CSFA Number</u>	<u>State Grant Number</u>	<u>Passed Through to Recipients</u>	<u>Expenditures</u>
<i>Florida Housing Finance Corporation</i>				
State Housing Initiative Partnership Program	40.901	N/A	\$ -	\$ 88,624
<i>Total Florida Housing Finance Corporation</i>			<u>-</u>	<u>88,624</u>
<i>Florida Department of State - Division of Libraries and Information Services</i>				
State Aid to Libraries - (2022)	45.030	22-ST-32	-	8,775
State Aid to Libraries - (2023)	45.030	23-ST-32	-	30,560
<i>Total Florida Department of State - Division of Libraries and Information Services</i>			<u>-</u>	<u>39,335</u>
<i>Florida Department of Elder Affairs</i>				
Alliance for Aging - Meals for the Elderly	65.009	2020-2021 LSP-KL-2034	-	7,951
Alliance for Aging - Meals for the Elderly	65.009	2021-2022 LSP-KL-2134	-	62,473
Alliance for Aging - Meals for the Elderly	65.009	2022-2023 LSP-KL-2234	1,886,369	1,886,369
Alliance for Aging - Meals for the Elderly	65.009	2023-2024 LSP-KL-2234	407,218	407,218
<i>Total Florida Department of Elder Affairs</i>			<u>2,293,586</u>	<u>2,364,011</u>
			<u>\$ 2,743,820</u>	<u>\$11,062,977</u>

CITY OF HIALEAH, FLORIDA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (the "Schedule") includes the federal and state grant activity of the city of Hialeah (the "City") for the fiscal year ended September 30, 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 Auditing Requirements for Federal Awards (Uniform Guidance), and Chapter 10.550, Rules of the Auditor General. Because the Schedule present only a select portion of the operations of the City, it's not intended to and does not present the financial position, changes in net position/fund balance or cash flows of the City.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting for grants which are accounted for in the governmental fund types and on the accrual basis of accounting for grants which are accounted for in the proprietary fund types. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and the Rules of the Department of Financial Services; wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

NOTE 3 – INDIRECT COST RECOVERY

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

NOTE 4 – SUBRECIPIENTS

The City provided federal awards to subrecipients as follows:

<u>Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Provided</u>
Community Development Block Grant	14.218	\$ 20,000
Emergency Solutions Grant	14.231	\$ 430,234

The City provided state assistance projects to subrecipients as follows:

<u>Program Title</u>	<u>CSFA</u>	<u>Provided</u>
Alliance for Aging-Meals for the Elderly	65.009	\$ 2,293,586

NOTE 5 – CONTINGENCY

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

CITY OF HIALEAH, FLORIDA

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? ☐ Yes ☒ No

Significant deficiency(ies) identified? ☒ Yes ☐ None reported

Non-compliance material to financial statements noted? ☐ Yes ☒ No

Federal Awards and State Financial Assistance

Internal control over major programs and state project:

Material weakness(es) identified? ☐ Yes ☒ No

Significant deficiency(ies) identified? ☐ Yes ☒ None reported

Type of auditors' report issued on compliance for major Federal programs and state project: *Unmodified Opinion*

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) or Chapter 10.557, Rules of the Auditor General? ☐ Yes ☒ No

Identification of Federal Major Programs and State Project:

Assistance Listing

Number (ALN)

21.027

21.023

97.067

Federal Programs:

Coronavirus State and Local Fiscal Recovery Funds

Emergency Rental Assistance Program

Homeland Security Grant Program

CSFA No.

65.009

State Project:

Local Services Programs

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

Dollar threshold used to distinguish between Type A and Type B state projects: \$747,591

Auditee qualified as low-risk auditee pursuant to the Uniform Guidance ☐ Yes ☒ No

CITY OF HIALEAH, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

SECTION II – FINANCIAL STATEMENT FINDINGS

SIGNIFICANT DEFICIENCY

SD2023-01 – ACCURACY OF CENSUS DATA PROVIDED TO ACTUARY – OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Criteria

The City is required to provide an actuary with census data information of the related employees which are entitled to OPEB. The census data information requires information such as: Gender, Date of Birth, Date of Hire, Date of Retirement, Salary, etc. With such information, the actuary performs a valuation which projects the associated costs the City will incur in the future related to the OPEB.

Condition

As a result of performing our audit procedures over the OPEB census data as of October 1, 2021, in relation to the actuarial valuation for reporting period September 30, 2023; it was noted there was a total of one hundred thirty-seven (137) employees that reported a Date of Hire of October 1, 2020. Per further review, it was noted that the Date of Hire for these 137 employees was incorrect.

Cause

The City did not populate the Date of Hire for the 137 employees within the census data report that was provided to the actuary. As a conservative approach, the actuary defaulted the Date of Hire to October 1, 2020. This resulted in the Date of Hire being incorrect for 137 employees.

Effect

Subsequently, at the request of the external auditor, the Plan actuary quantified the impact of this error using the correct Date of Hire for the 137 employees and noted that the Total OPEB Liability would have decreased by approximately three hundred thousand dollars (\$300,000) and the related Deferred Inflows would have increased by approximately two hundred twenty-six thousand dollars (\$226,000).

The analysis concluded that the impact was not material to the overall financial position of the City. As a result, we have concluded that while this matter reflects a lack of proper internal controls over review of the City's census data, it does not necessitate an adjustment to the financial statements.

CITY OF HIALEAH, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)

SIGNIFICANT DEFICIENCY (CONTINUED)

SD2023-01 – ACCURACY OF CENSUS DATA PROVIDED TO ACTUARY – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Recommendation

We recommend that the City review and amend the procedures and policies to improve internal controls surrounding the preparation and submission of the census data report to the City's actuary to reinforce the reliability of actuarial valuations and related financial reporting.

View of Responsible Official and Planned Corrective Action

See accompanying corrective action plan.

SD2023-02 – GENERAL INFORMATION TECHNOLOGY

Criteria

The City's computerized information systems are vital to its daily operations. As such, the City should have a formal written Information Technology (IT) Policy that documents and encompasses various areas such as: General IT procedural manual, disaster recovery plan, user access reviews, software modifications, data back-up schedules, cybersecurity incident response plan, etc.

Condition

While we observed that certain informal policies are in place and operational, we found that the City lacks formal documentation for its computer standards, policies, and procedures, which are essential for maintaining control over the numerous computing activities being carried out. Additionally, there is an absence of an official written policy addressing user access reviews, the management of controls for internally developed applications, and the City's disaster recovery plan.

CITY OF HIALEAH, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)

SIGNIFICANT DEFICIENCY (CONTINUED)

SD2023-02 – GENERAL INFORMATION TECHNOLOGY (CONTINUED)

Cause

The City currently does not have a comprehensive formal written IT policy.

Effect

Without proper documentation, management is not assured that its desired policies and procedures are being carried out. In addition, documentation is an effective tool for training new personnel, providing operations instructions, and assisting in system revisions and development of IT needs. Also, in the event of personnel turnover or emergency, the City does not have a formal written IT policy document to use for immediate reference.

Recommendation

We recommend the City to produce a formal written IT policy to properly address the condition above and to continuously update the policy on an annual basis as considered necessary. As a component of the policy, the document should include an up-to-date disaster recovery plan to provide continued operations and to ensure electronic files are not lost because of a major computer hardware or software failure or other potential external interruptions (e.g. natural disasters and cybersecurity attacks).

View of Responsible Official and Planned Corrective Action

See accompanying corrective action plan.

CITY OF HIALEAH, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)

SIGNIFICANT DEFICIENCY (CONTINUED)

SD2015-02 – WATER AND SEWER UTILITY FUND, SOLID WASTE UTILITY FUND, AND STORMWATER UTILITY FUND UNRESTRICTED NET POSITION (REPEAT FINDING)

Criteria

Governments are required to maintain positive unrestricted fund net position.

Condition

As of the result of our audit procedures, we noted that as of September 30, 2023, the Water and Sewer utility fund and Solid Waste utility fund, reported negative unrestricted net position amounts of \$26,033,529, and \$33,182,242, respectively. However, the Stormwater Utility Fund reported a positive unrestricted net position as of September 30, 2023, in the amount of \$1,054,897.

Cause

The deficits are a result of historical operating losses as well as continued investment in capital assets.

Effect

The two (2) enterprise funds' unrestricted net position are at a deficit and the City is required to submit a deficit elimination plan.

Recommendation

We recommend that the City review its current rates for Water and Sewer utility and Solid Waste utility, to ensure the fees cover the costs of operations and reduce the deficit unrestricted net position while maintaining the quality of service. In addition, the department should develop a deficit elimination plan that is reviewed and approved by those charged with governance.

CITY OF HIALEAH, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)

SIGNIFICANT DEFICIENCY (CONTINUED)

SD2015-02 – WATER AND SEWER UTILITY FUND, SOLID WASTE UTILITY FUND, AND STORMWATER UTILITY FUND UNRESTRICTED NET POSITION (REPEAT FINDING) (CONTINUED)

Current Year Status

As of the result of our audit procedures, the auditor noted that as of September 30, 2023, the Water and Sewer utility fund and Solid Waste utility fund, reported negative unrestricted net position amounts of \$26,033,529, and \$33,182,242, respectively. However, the Stormwater Utility Fund reported a positive unrestricted net position as of September 30, 2023, in the amount of \$1,054,897.

View of Responsible Official and Planned Corrective Action

See accompanying corrective action plan.

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

None.

CITY OF HIALEAH, FLORIDA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

SECTION I – PRIOR YEAR FINANCIAL STATEMENT FINDINGS

MATERIAL WEAKNESS

MW2018-03 – Internal Control over Benefit Payments (City of Hialeah Employees' Retirement System) finding was not repeated in the current year by the component auditor. The City of Hialeah Employees' Retirement System was audited by other auditors.

SIGNIFICANT DEFICIENCY

SD2015-02 – was not addressed and the finding is repeated.

SECTION II – PRIOR YEAR FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS

None.

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

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

Report on the Financial Statements

We have audited the financial statements of the City of Hialeah, Florida (the “City”), as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated June 26, 2024. We did not audit the financial statements of the City of Hialeah Educational Academy, Inc., which includes the City of Hialeah Education Academy Fund (“COHEA”), a non-major governmental fund, and the City of Hialeah Employees’ Retirement System (the “Plan”), a fiduciary fund of the City. 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; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditors’ Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors’ Report on Compliance for each Major Federal Program and State Project and Report on Internal Control over Compliance Required by the Uniform Guidance and Chapter 10.550, Rules of the Auditor General; 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 schedule, 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 financial audit report. The prior year financial statement finding MW2018-03 related to the City of Hialeah Employees' Retirement System was not repeated in the current year by the component auditor. The prior year financial statement finding SD2015-02 was not addressed and the finding is repeated in the Schedule of Findings and Questioned Costs.

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 of 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 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. The financial condition assessment was performed as of fiscal year end.

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

Special District Component Units

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

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 has occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

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

Marcum LLP

Miami, FL
June 26, 2024

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

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

We have examined the City of Hialeah, Florida (the "City") 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 and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

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

In our opinion, the City complied, in all material respects, with 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

Miami, FL
June 26, 2024

IMPACT FEE AFFIDAVIT

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

1. I am the Director of Finance of the City of Hialeah, Florida, which is a local governmental entity of the State of Florida;
2. The City of Hialeah, Florida adopted (Ordinance No. 2021-059 and 2007-24) implementing an impact fee; and
3. To my knowledge, the City of Hialeah, Florida has complied and as of the date of this Affidavit, remains in compliance with section 16.31801, Florida Statutes.

FURTHER AFFIANT SAYETH NAUGHT.


Director of Finance of the
City Of Hialeah, Florida

STATE OF FLORIDA

COUNTY OF MIAMI-DADE

SWORN TO AND SUBSCRIBED before me this 10 day of June, 2024.

NOTARY PUBLIC

Print Name Johanna Ramos.

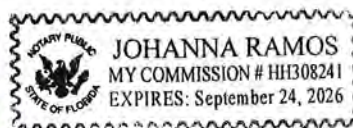
Personally Know ☒ or produced identification _____

Type of identification produced: _____

My commission Expires:

September 24, 2026







Esteban Bovo, Jr.
Mayor

Jesus Tundidor
Council President

Jacqueline Garcia-Roves
Council Vice-President

Council Members
Bryan Calvo
Angelica Pacheco
Monica Perez
Luis Rodriguez
Carl Zogby

City of Hialeah

CORRECTIVE ACTION PLAN For the Year Ended September 30, 2023

SD2023-01 Accuracy of Census Data Provided to Actuary - Other Postemployment Benefits (OPEB)

View of Responsible Official and Planned Corrective Action

Management agrees with the auditor's comments regarding the accuracy of census data provided to the actuary. Management is aware of the requirements and implications that the census data has in relation to the valuations performed by the actuary. Management will ensure that census data provided to actuaries are complete and accurate. Management does not expect for this to be a repeated deficiency in future years given the census data has been corrected as of the date of this report.

Responsible Party: Human Resources Department and Risk Management Department

SD2023-02 General Information Technology

View of Responsible Official and Planned Corrective Action

The City agrees with the recommendation and intends to prioritize the need to document and generate written I.T. Policies. Additionally, the City is in the process of implementing a new ERP system with a go live date of July 2025, and expects many of the above concerns to be addressed. The new ERP system will include advanced features for managing user access, ensuring robust segregation of duties, and providing comprehensive audit trails for changes. The City will work closely with the ERP provider to ensure that the system is configured to meet our specific needs, reducing risks associated with privileged access and change management.

Responsible Party: Information Technology Department and City Mayor's Office

SD2015-02 Water and Sewer Utility Fund, Solid Waste Utility Fund, and Stormwater Utility Fund Unrestricted Net Position

View of Responsible Official and Planned Corrective Action

The City of Hialeah Water and Sewer Utility Fund has implemented the following actions in order to reduce its operating costs, hence its negative unrestricted net position. The Stormwater Utility Fund has been reducing its unrestricted negative net position over the past years and will continue to reduce its operating expenses without impacting the level of services to residents in order to eliminate the fund's negative unrestricted net position.

The Water and Sewer Utility, like many other governmental agencies, was identified as having a deficit in its unrestricted net position subsequent to a major change in accounting methodology. The utility has taken the following actions to reduce operating costs that should over time reduce the deficit unrestricted net position:

- The majority of the City's American Rescue Plan Act (ARPA) funds have been allocated towards much needed utility infrastructure improvements to offset some of its operating capital costs.
- The Utility will annually analyze its Water & Sewer Rate structure and recommend rate increases to offset operating cost increases.
- Recent re-financing of the Reverse Osmosis Water Plant bonds will continue to save the Utility approximately \$600,000 a year in debt-service costs over the next 20 years.
- The Water and Sewer Fund will continue to optimize and accelerate its sewer lining program over the next 3 calendar years. This will enable the Utility to line areas of the system most in need of rehabilitation. Investment in this program will reduce the Sanitary Sewer service fee paid to the County in the coming years.

Responsible Party: Public Works Department and Finance Management Department

Response for Solid Waste Unrestricted Net Position – Deficit Elimination Plan

- The Solid Waste Division has and plans to continue taking the following actions in order to reduce operating costs and related the deficit unrestricted net position:
 - During the last Fiscal Year, the Solid Waste Utility Fund extended its existing solid waste collection and disposal contracts on favorable terms for up to ten years. The associated cost stability over the term of these agreements will help the City continue to operate the fund at a surplus and continue to reduce the negative net position.
 - Solid Waste will pay off the remainder of the \$19,000,000 loan to the Water & Sewer department during this fiscal year, (current balance \$2.7M). This will reduce the associated interest expense and continue to improve the unrestricted net position going forward
 - A projected credit to Other Post-Employment Benefits during FY 2023 is also expected to reduce the unrestricted net position

Responsible Party: Public Works Department and Finance Management Department

