

CITY OF HALLANDALE BEACH, FLORIDA



2024

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For Fiscal Year Ended
September 30, 2024



CITY OF HALLANDALE BEACH, FLORIDA

Annual Comprehensive Financial Report

for the fiscal year ended
September 30, 2024

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CITY OF HALLANDALE BEACH, FLORIDA

CONTENTS

Introductory Section

Letter of Transmittal	i-xiii
Organization Chart.....	xiv
Principal Officials	xv
Certificate of Achievement for Excellence in Financial Reporting	xvi

Financial Statements

Independent Auditors' Report	1-4
Management's Discussion and Analysis (Required Supplementary Information)	5-30
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position	31
Statement of Activities	32
Fund Financial Statements	
Balance Sheet – Governmental Funds.....	33
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position.....	34
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	35
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	36
Statement of Net Position – Proprietary Funds	37-38
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds	39
Statement of Cash Flows – Proprietary Funds	40-42
Statement of Fiduciary Net Position – Fiduciary Funds.....	43
Statement of Changes in Fiduciary Net Position – Fiduciary Funds.....	44
Notes to Financial Statements	45-136

Required Supplementary Information (Unaudited)

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual - General Fund	137
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual - Community Redevelopment Agency Fund.....	138

CITY OF HALLANDALE BEACH, FLORIDA

CONTENTS

Required Supplementary Information (continued)

Notes to Budgetary Comparison Schedules.....	139-140
Schedule of Changes in the City’s Net Pension Liability and Related Ratios:	
Professional/Management Retirement Plan.....	141
General Employees’ Retirement Plan.....	142
Police Officers’ and Firefighters’ Personnel Retirement Trust	143
Schedule of Changes in the City’s Total Pension Liability and Related Ratios:	
Excess Benefit Plan	144
Schedule of City Contributions:	
Professional/Management Retirement Plan.....	145
General Employees’ Retirement Plan.....	146
Police Officers’ and Firefighters’ Personnel Retirement Trust	147
Schedule of Pension Investment Returns.....	148
Schedule of Changes in the City’s Total OPEB Liability and Related Ratios	149
Schedule of the City’s Proportionate Share of the Net Pension Liability – FRS	150
Schedule of Contributions – FRS	151
Schedule of the City’s Proportionate Share of the Net Pension Liability – HIS	152
Schedule of Contributions – HIS.....	153

Combining and Individual Fund Financial Statements and Schedules

Combining Balance Sheet – Nonmajor Governmental Funds.....	154
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds.....	155
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Special Revenue Funds):	
Police Training Fund	156
Police Outside Services Fund	157
Police Equitable Sharing Fund	158
Transportation Fund.....	159
Golden Isles Safe Neighborhood Fund.....	160
Three Islands District Fund	161
Law Enforcement Trust Fund.....	162
Building Permits Fund.....	163
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Debt Service Funds):	
2016 G.O. Bond Fund.....	164
Revenue Bond Fund	165

CITY OF HALLANDALE BEACH, FLORIDA

CONTENTS

Schedule of Revenues, Expenditures and Changes in Fund	
Balance Budget and Actual (Capital Projects Funds):	
General Obligation Bond Fund.....	166
Capital Project Fund	167
Redevelopment Revenue Note Fund.....	168
Combining Statement of Net Position – Internal Service Funds	169
Combining Statement of Revenues, Expenses and Changes in Net Position – Internal Service Funds	170
Combining Statement of Cash Flows – Internal Service Funds	171
Combining Schedule of Fiduciary Net Position – Fiduciary Funds	172
Combining Schedule of Changes in Fiduciary Net Position – Pension Trust Funds.....	173

Statistical Section

Table 1 - Net Position by Activity	174
Table 2 - Changes in Net Position	175-176
Table 3 - Fund Balances, Governmental Funds.....	177
Table 4 - Changes in Fund Balances, Governmental Funds.....	178
Table 5 - Tax Revenues by Source, Governmental Funds.....	179
Table 6 - Property Tax Rates – Direct and Overlapping Property Tax Rates.....	180
Table 7 - Principal Property Taxpayers	181
Table 8 - Property Tax Levies and Collections	182
Table 9 - Assessed Value and Estimated Actual Value of Taxable Property	183
Table 10 - Ratios of Outstanding Debt by Type	184
Table 11 - Ratios of General Bonded Debt Outstanding	185
Table 12 - Direct and Overlapping Governmental Activities Debt	186
Table 13 - Pledged Revenue Coverage.....	187
Table 14 - Demographic and Economic Statistics.....	188
Table 15 - Principal Employers	189
Table 16 - Budgeted Full-Time Positions for City Employees by Function/Program.....	190
Table 17 - Operating Indicators by Function/Program	191
Table 18 - Capital Asset Statistics by Function/Program	192

INTRODUCTORY SECTION



April 16, 2025

Office of the
City Manager

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City Manager
CRA Executive
Director

JOY F. COOPER
Mayor

MICHELE LAZAROW
Vice Mayor

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

We are pleased to present the Annual Comprehensive Financial Report (ACFR) for the City of Hallandale Beach, Florida (the "City"), for the fiscal year ended September 30, 2024.

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

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

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

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

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

CBIZ CPAs P.C., formerly Marcum LLP, issued unmodified opinions on the City of Hallandale Beach's financial statements for the fiscal year ended September 30, 2024. The firm rebranded following its acquisition in November 2024. The independent auditor's report is located at the front of the financial section of this report.

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

THE CITY OF HALLANDALE BEACH

Profile of the City

The City of Hallandale Beach is a full-service city located on the south eastern coastline of Broward County, Florida. The City comprises 4.4 square miles including 0.81 linear miles of Atlantic Ocean beaches. The 2024 permanent population of the City is estimated to be 41,771 (Bureau of Economic and Business Research, University of Florida).

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

The City Commission holds the responsibility for appointing the City Manager, who serves as the administrative head of the City and directs operations across various departments. In addition, the City Commission determines policy, adopts legislation, approves the City's budget, sets taxes and fees, and appoints the City Attorney, City Clerk, and members of various boards and committees.

Services Provided

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

Reporting Entity

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

Accounting and Internal Control

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

Budgetary Controls

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

Funds without a legally adopted annual budget, such as certain custodial funds, grant funds, and developer-related agreement funds, are appropriated throughout the year as related agreements are executed and spending authority is established.

Administrative budget transfers may occur with the City Manager's approval, except for contingencies and debt service, as long as the category budget within a fund is not increased. Budget amendments are submitted to the Commission for their consideration and, in accordance with state law, are posted to the City's website within five days of adoption.

Single Audit

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

The City is periodically required to undergo an annual single audit performed under the provisions of the Single Audit Act, U.S. Office of Management and Budget Compliance Supplement ("Uniform Guidance") and Chapter 10.550, Rules of the Auditor General of the State of Florida. The information related to the Single Audit, including the schedule of expenditure of federal awards and state financial assistance, schedule of findings and questioned costs, and auditor's reports on the internal control over compliance and compliance with applicable laws and regulations are included in a separate report (as applicable). The City was subject to an audit in accordance with the Uniform Guidance and Chapter 10.550, Rules of the Auditor General of the State of Florida, for the fiscal year ended September 30, 2024.

For the fiscal year ended September 30, 2024, the report revealed no material weaknesses in internal control over compliance, nor were there any significant violations of relevant laws and regulations.

Internal Control Deficiencies

In the prior year, two material weaknesses were identified: one related to the timing of a property transaction by the CRA and the other involving the reconciliation of health insurance expenses. Management promptly implemented corrective measures to address both issues. As a result, for the fiscal year ended September 30, 2024, no material weaknesses or significant deficiencies were identified. This improvement underscores the City's commitment to maintaining robust internal controls and ensuring accurate financial reporting.

Additional details can be found in the separately issued Compliance Reports, which are available upon request.

LOCAL ECONOMY

The City of Hallandale Beach continues to benefit from its strategic location along the southeastern coast of Florida and its relative affordability within the South Florida market. Serving as a hub for activity generators such as Gulfstream Park, Big Easy Casino, vibrant commercial corridors, and expansive beach access, Hallandale Beach remains an attractive destination for residents, tourists, and investors alike. Seasonal residency plays a major role in the City's economic dynamics, with the population increasing to nearly 50,000 during the winter season. Although the economic disruptions of the COVID-19 pandemic have largely subsided, recent years have brought new challenges, including back-to-back major flood events, that have tested the resilience of our local economy and infrastructure.

Two key measures of economic strength are job growth and the unemployment rate. The City's unemployment rate was 3.9% in September 2024, up slightly from 3.7% in September 2023. This increase remains in line with national trends and slightly above the Broward County average of 3.4% over the same period. While labor conditions have generally stabilized, elevated interest rates and shifts in federal policy continue to create uncertainty across sectors.

The broader inflation environment has shown signs of moderation, yet price levels remain elevated compared to historical norms. Although economists had previously anticipated interest rate cuts in 2024, those expectations shifted amid stronger-than-expected employment figures and sticky core inflation. More recently, new pressures from trade tariffs and the reallocation of federal spending have tempered that optimism. Economists now suggest a potential slowdown in national economic growth and renewed discussions around monetary easing in 2025. The speed and frequency of these shifts highlight the unpredictability of the current macroeconomic environment and reinforce the City's focus on controlling what it can—chiefly through diversification of funding sources and forward-looking financial planning.

Locally, Hallandale Beach continues to experience investment activity, particularly in real estate and development. However, recent data indicates a slight market slowdown, with home prices declining by approximately 2.0% year-over-year as of early 2025. While real estate activity has moderated, the City remains one of the most in-demand municipalities in South Florida due to its location and relative affordability. More than \$1 billion in active development is underway, and the City has continued to approve new projects that will add residential units, commercial space, and public infrastructure. This continued activity not only supports the local economy but also contributes to long-term fiscal sustainability by enhancing the City's tax base and economic diversity.

Retail activity remains steady, with consistent consumer spending and new businesses opening within key commercial corridors. The City has also observed solid tourism performance, benefiting from its proximity to major regional attractions and the return of seasonal visitors. These gains are complemented by continued diversification of the City's revenue streams through non-ad valorem initiatives and cost-recovery programs.

Taxable values rose for the thirteenth consecutive year in FY2024. Despite sustained high mortgage rates, property values remained stable, and several large-scale projects are expected to be added to future tax rolls. While signs of broader housing market deceleration are emerging statewide, Hallandale Beach is well-positioned to withstand potential adjustments due to its robust development pipeline and relatively affordable real estate.

These local trends align with Florida’s broader economic trajectory. The State’s Economic Estimating Conference reported a return to more normalized revenue patterns in FY2023–24 following multiple years of atypical fluctuations driven by the pandemic and post-pandemic recovery. Although statewide GDP and job growth are projected to decelerate in the short term, Florida continues to outperform national benchmarks across several key indicators, including personal income growth, wage trends, and labor force participation.

In response to the evolving economic landscape, the City has remained committed to its long-range Financial Stabilization Plan and continues to present updated forecasts and strategies to the City Commission annually. These efforts are critical to sustaining fiscal health and service delivery amid uncertainty and reinforce the importance of prudent planning, cost containment, and smart investment in the years ahead.

MAJOR INITIATIVES

For the Year

In 2024, the City Commission adopted an updated Strategic Plan with refined goals and Strategic Focus Areas prioritizing fiscal stability, public safety, infrastructure and mobility, economic development and affordable housing, and resident services. This Plan reflects the City’s commitment to intentional and measurable progress and was developed through collaboration among City staff, Department Directors, City Management, and the City Commission. A one-year Commission Action Plan was also created to guide implementation and ensure alignment across departments.

Additionally, ongoing global conflicts such as those in Ukraine and Israel, combined with persistent inflation and elevated interest rates, have reinforced the importance of resilience and adaptability in local government. In FY2024, Hallandale Beach experienced its second consecutive year of major flooding, emphasizing the growing need for infrastructure hardening and long-term climate adaptation strategies. Rising costs across utilities, insurance, and construction have further highlighted the necessity of sound fiscal policy and targeted investments that safeguard community well-being and operational continuity. Despite these external pressures, the City continued to advance its strategic priorities with discipline, foresight, and a strong commitment to service.

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

Completed

- Solaris Apartments – An 8-story 78-unit residential apartment building.
- Hallandale City Center – 26,530 square feet commercial, retail, and office space and a total of 89 residential apartments in 3 buildings.
- Village of Atlantic Shores Phase IV – A twelve-story building with a total gross building area of 105,152 sq. ft, which includes commercial office space, retail businesses and restaurants.
- Diplomat Tower 100 – A 30-story residential tower with 250 units.

In Progress

- Oasis Hallandale – Two 22-25 story towers offering 59,219 square feet of retail and restaurant space, 34,691 square feet of office space and luxury residential units.

- Leisure Apartments – A 3-story 24-unit residential apartment building.
- Parks at Hallandale (Ashworth) – 9 buildings with a total of 398 mid-rise apartment units, and 6,486 square feet of retail.
- Mateo Apartments – 21 apartments units including 14 one-bedroom units, 1 two-bedroom unit, and 6 three-bedroom units.
- Neighborhood Veterinary Center – A 6,685 square foot veterinary clinic.

In the past year, the HBCRA has continued to implement initiatives that significantly enhance the quality of life in Hallandale Beach. These initiatives include the creation of new, quality, sustainable affordable and market rate housing, social equity programs related to economic development, including business development, and workforce development programs, as well as the promotion of economic development programs that support existing businesses and attract vibrant new businesses to the City.

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

- Assisted 250 residents with approximately \$3.14 million in residential programs such as the First Time Homebuyer Program, the Neighborhood Improvement Program, Senior Mini Grant Program, Senior Rental-Utility Assistance Program, Hurricane Shutter Program, and the Enhanced Paint Program:
 - First Time Homebuyer Program: Assisted 8 residents with \$702,500
 - Neighborhood Improvement Program: Assisted 18 residents with \$637,672
 - Paint Program: Assisted 5 residents with \$13,825
 - Paint the Town Program: Painted 43 homes with \$140,027 in assistance
 - Rent Stabilization Program: Assisted 7 residents with \$31,200
 - Senior Mini Grant Program: Assisted 15 residents with \$207,737
 - Senior Rental-Utility Assistance Program: Assisted 7 residents with \$12,052
 - Storm Shutter/Impact Window Rebate Program: Assisted 147 residents with \$1,397,675
- Approved commercial improvements:
 - Kiska Lounge: Received \$155,412 in incentives for a restaurant and speak-easy style wine bar
 - Daluki LLC / Cara Palida Microbrewery: Received an additional \$67,000 in FY2024 (totaling over \$400,000 in support) toward Hallandale Beach's first microbrewery
 - Cream Coral / Anel Verna Atelier: Received \$13,701 in signage and lease subsidies
 - Commercial Signage Grants: Provided assistance to Genia's Keratin Spa, Casa Crudo, and Holyshakes to enhance business visibility and streetscape appeal
- Completed public infrastructure projects totaling \$2.16 million in FY2024 as part of the ongoing \$20 million CRA-wide investment, including:
 - Sidewalks, art trails, landscaping, bioswales, crosswalks, and streetscape lighting
- Tree Planting Program: Planted 451 trees in the public right-of-way and distributed 789 trees at community events
- Supported the Hallandale City Center mixed-use development:
 - Delivered 89 residential units, including 14 affordable units with a \$69,984 rent subsidy
 - Developed 8,000 sq. ft. of retail space, including 6,000 sq. ft. leased by the HBCRA for a future commercial kitchen incubator
- Continued the following initiatives and programs:

- Advanced the revitalization of District 8 (formerly the Fashion, Art, and Design District), including continued branding, electric vehicle shuttle connections, and streetscape enhancements
- Continued the BE LOCAL campaign to promote neighborhood-based shopping and services
- Hosted the 5th Annual Food & Groove Festival in partnership with the South Beach Wine & Food Festival, attracting 1,300 patrons and boosting local economic activity
- Launched “The Cloud” electric community shuttle, contributing \$1.9 million toward the acquisition of nine battery-electric buses and supporting branding and marketing of the City’s new zero-emission transit option within the CRA boundaries
- Strategic Planning and Financial Management:
 - The CRA Board adopted the Annual Budget and Finance Plan for FY2025–2027, projecting over \$85 million in investment within the CRA boundaries through sunset
 - Tax increment revenues reached \$26.5 million for FY2024–2025, reflecting strong growth in the residential, industrial, and commercial sectors, with a 535% tax base increase since CRA inception

These initiatives showcase the HBCRA's commitment to sustainable growth, community resilience, and making Hallandale Beach a desirable place to live, work, and visit. The 2024 accomplishments reflect strategic investments and partnerships, driving positive change and sustainable development in Hallandale Beach.

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

- Adopted the FY 2024-25 General Fund budget without the use of reserves for the third consecutive year: This aligns with GFOA's best practices, promoting structural balance and ensuring long-term financial stability.
- Continued the treasury management program, increasing investment income by approximately \$2.4 million year-over-year which was allocated across all city funds to help build reserves.
- In FY 2024, the City advanced over \$24 million in capital improvements across water, sewer, stormwater, roadway, park, and CRA infrastructure. These projects reflect the City’s ongoing commitment to enhancing public infrastructure, improving service delivery, and positioning for long-term resiliency. Key investments included water and sewer lift station upgrades, watermain replacements, stormwater drainage improvements, traffic calming installations, and facility enhancements. Notable progress was made on major initiatives such as the Reverse Osmosis Skid system, Atlantic Shores Boulevard improvements, the EV Charging Facility at DPW, and CRA-funded mobility and beautification projects. Together, these efforts reflect the continued implementation of the City’s Capital Improvement Program (CIP), ensuring infrastructure remains safe, modern, and aligned with future growth and funding opportunities.
- Advanced the final phase of American Rescue Plan Act (ARPA) funding, with \$19.86 million expended by FY2024 and \$97,500 in remaining obligations for FY2025. Investments supported public safety vehicles and equipment, flood response, EV infrastructure, IT upgrades, emergency generators, and critical facility improvements—strengthening resilience, continuity of operations, and long-term service delivery.

- Secured C-51 Reservoir Water Supply Capacity – Fulfilled a \$4.6 million investment in FY2024 for 1 MGD of alternative water supply through the C-51 Reservoir, enhancing long-term utility resilience and supporting future growth.
- Reorganized the Finance Department to strengthen core functions by adding a Controller and a Grants & Financial Reporting Manager—positions critical to promoting timely financial reporting, enhancing internal controls, and building a capable team to lead Finance’s broader transformation and modernization initiatives.
- Provided a range of human services with a total of 70,652 service instances, including:
 - Human Services contact and social services for 70,652 service instances, including 969 new participants.
 - Monthly Food Distribution Program assistance with 1,837 service instances.
 - Recreation and transportation services to an average of 182 seniors through the Hepburn Senior Mini Center Program.
 - VPK Program Services to 7 students.
 - After School Tutorial Enrichment Program Services to 325 students.
- Continued building the Renewal and Replacement Fund for general city assets with a \$1 million contribution in FY2024, bringing the ending balance to \$2.62 million. This includes a cumulative investment income of approximately \$125,000, reinforcing the City’s long-term strategy to sustainably fund future capital replacement needs.
- Achieved full operational status of "The Cloud" electric bus fleet: In FY2024, the City took delivery of all nine electric buses and launched temporary charging facilities, making Hallandale Beach one of the only municipalities in Florida with a fully electric and fully operational public transit fleet. This \$5.9 million initiative, funded by a \$3.4 million FDOT grant and a \$2.5 million local match, including CRA contributions, now provides sustainable, zero-emission service along expanded routes, including Aventura Mall and Walmart. The project demonstrates the City’s commitment to carbon reduction, innovative mobility, and forward-thinking infrastructure.
- Parking Program Enhancements – Continued implementation of the Citywide Parking Management Program, originally launched in 2022, which has generated approximately \$5.1 million in gross revenue to date. In FY2024, the City adopted additional enforcement tools, including towing vehicles with five or more unpaid citations, expanded use of License Plate Recognition (LPR) technology, and updates to permit eligibility to reduce violations. These changes are projected to generate an additional \$600,000 annually and support long-term revenue growth, with \$3.5 million in estimated impact from program enhancements through FY2029.
- Roadway Resurfacing and Infrastructure Repairs – The City invested approximately \$1.5 million in FY2024 to complete roadway resurfacing and targeted infrastructure repairs across key corridors and neighborhoods, including the Southwest Section and Hallandale Beach Boulevard. These improvements reflect our continued commitment to enhancing safety, mobility, and long-term roadway durability throughout the community.
- Updated the City’s fire assessment study to ensure adequate funding in response to the escalating costs of fire protection services and changes in property types within the City. The goal was to implement the recommendations in the report for fiscal year 2025, the expected year that ARPA funds are exhausted which currently covers the majority of BSO Fire incremental cost increases.
- Launched New City Website with AI-Enhanced Customer Support – Completed a comprehensive redesign of the City’s website, modernizing both design and content to improve user experience, online payment accessibility, and overall service delivery. As part of this initiative, the City also launched an integrated AI chatbot to assist with resident inquiries and streamline navigation. These enhancements are expected to improve collections, expand self-service options, and strengthen communication with residents, businesses, and stakeholders.

For the Future

The fiscal year 2024–25 budget cycle continued to reflect the City’s disciplined and proactive approach to ensuring long-term financial stability. While we remained cautious in our planning due to lingering challenges from prior years, we also continued making progress, refining our revenue projections, strengthening our fiscal position, and investing in the foundational systems that support sustainable growth. These efforts included funding for future capital needs, targeted technology upgrades to improve operational resilience, and enhanced support for our core services.

Throughout the year, we remained focused on maintaining essential service levels and replacing critical infrastructure in a timely and responsible manner. Inflationary pressures persisted, even with interest rates remaining elevated, and these trends continued to affect construction costs, procurement cycles, and budgeting for large-scale projects. New EPA mandates added complexity and cost to infrastructure planning, while ongoing regional competition for a limited pool of qualified contractors placed upward pressure on pricing and schedules.

The labor market began to show signs of stabilization in 2024, with improved hiring conditions across many sectors. However, public-sector employers, including municipalities, continued to face structural workforce challenges. Although government employment rebounded nationally, much of this growth reflects recovery from pandemic-era losses rather than long-term gains. Competition with the private sector and a continued shift toward alternative work arrangements required us to remain strategic in how we recruit and retain talent to ensure uninterrupted service to our community.

While several economic indicators suggested stabilization, the overall outlook remained fluid. Forecasting continued to be shaped by daily market shifts, policy uncertainty, and the anticipated transition in federal administration in 2025. In areas such as real estate, where activity slowed less than expected, we responded by adjusting related fees to sustain any short-term slowing of demand, while projecting property value increases in our forward-looking projections.

A critical component of this budget cycle involved preparing for the planned expiration of American Rescue Plan Act (ARPA) funding. As FY2024 represented the final year to rely on this one-time federal support, we prioritized the development of alternative revenue strategies to ensure continuity in key recovery-related initiatives. These actions were essential to maintaining financial momentum while protecting our long-term fiscal health.

Despite these continued challenges, FY2024–25 marked the third consecutive year the City adopted a General Fund budget without the use of reserves. For the first time, we also began budgeting for the planned use of select reserve programs—such as our set-aside for future fire equipment needs—directly in the annual budget. This more intentional approach to capital planning underscores our commitment to thoughtful financial stewardship and responsible investment in the City’s future.

City staff continued to apply the Teams & Initiatives Framework, established in FY2020, as a foundation for identifying operational improvements, enhancing transparency, and achieving long-term cost savings. In FY2024, this framework supported several strategic initiatives, including those related to capital planning, asset management, technology modernization, and internal process improvements. As we look ahead, this structure remains essential in helping us address legacy issues, strengthen service delivery, and build a more resilient and responsive organization.

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

- Completing and adopting Phase II of the utility rate study which will include a stormwater utility remeasurement and water and sewer rate tier restructuring to promote water conservation and cost equity across customer types.
- Issuance of \$227.6 million in Utility Revenue Bonds over the next ten (10) years to help fund the water, wastewater, and stormwater utility's infrastructure improvement needs. This will be offset by any grant funding that the City is applying for as part of Staff's recommended Utility Capital Improvement Long-term Funding Plan.
- Improve the Renewal Replacement Fund reserve study for general city assets to go out 25 years to incorporate longer-term assets. This involves completing a city-wide assessment to ensure there are adequate amounts set aside for replacement needs.
- City codification of changes in budgetary controls and requirements for reserve funding.
- Completion of our Fleet Replacement program that ensures future fleet replacements are fully funded.
- Continued progress of our Fleet Electrification Plan to add additional charging stations throughout the City.
- Impact Fee Implementation and Program Development – The City implemented fire & rescue, law enforcement, parks & recreation, and multimodal transportation impact fees as alternative financing tools tied to new development. To support the efficient use of these revenues, a program is being developed to guide project selection and ensure compliance with Florida Statutes. This effort will establish a clear framework for City Commission direction and transparent oversight as the City prepares for a projected 15% population growth by 2045.
- Developer Agreement Oversight and Tracking Program – In tandem with impact fee planning, the City is developing an internal tracking program for developer agreements to ensure contributions are monitored, project obligations are fulfilled as agreed upon, and compliance is maintained. This proactive approach will help prevent delays or expiration of negotiated improvements, while supporting transparency and accountability in delivering community benefits from private development.
- Advanced the AMI Water Remediation Project with approximately \$2.4 million in City-funded appropriations to address widespread issues with meter transmission and read accuracy. The City is proceeding with a full system change-out and upgrade, including the installation of new equipment to restore billing accuracy and utility performance. A utility operations consultant was engaged to implement best practice recommendations and optimize workflows, improving long-term financial sustainability and customer service.
- Reimplement the City's existing asset management module, which was previously underutilized. This initiative includes performing a comprehensive inventory, cleaning up records, and creating a standardized process along with staff training. Enhancing our asset management system is critical, especially with the significant number of upcoming projects, to ensure accurate tracking and efficient management of the City's assets. This improved system will provide better oversight and facilitate the optimal use of city resources in response to recent audit findings on proper accounting for assets.
- Sanitation Route Optimization – Initiated the implementation of route optimization software to modernize sanitation operations. This ongoing effort is designed to streamline service delivery, reduce operational costs, and enhance long-term efficiency as part of the City's commitment to sustainable resource management.
- Investing in Finance Transformation Initiatives to streamline financial operations, automate manual tasks, and modernize reporting and close processes. These tools will strengthen internal controls, enhance transparency, and allow staff to focus more on analysis and strategic planning, positioning the City for long-term success in financial management and compliance.

Considering the need for additional resources needed to carry out these and other initiatives, the City Commission so far has approved one budget amendment in fiscal year 2024-25 of which approximately \$0.83 million was from General Fund reserves. It is expected that these investments in resources and human capital will be offset by increases in future revenues and reduce costs related to operational inefficiencies and deferred maintenance.

With large investments in resources and human capital comes a responsibility to actively monitor and assess our financial position. Finance and Budget staff have worked collaboratively to enhance the month-end closing process, strengthen monthly reporting, and develop meaningful key performance indicators that are tied to future budgets to evaluate return on investment. The early issuance of this report, nearly three months ahead of previous timelines, demonstrates the progress made through improved coordination and ongoing process enhancements. As ARPA funding phases out at the close of FY2024, we remain focused on sustaining core services through deliberate financial planning. Continued investment in technology and automation will further streamline operations and support the effective use of resources moving into 2025 and beyond.

LONG RANGE FINANCIAL PLANNING

The City Commission has adopted financial policies for operating, capital, and debt management. Management has made every effort to comply with these policies and we believe that we are in compliance with the adopted policies. A long-range financial plan is prepared by the Budget & Program Monitoring Department annually during the budget cycle.

This document forecasts the General Fund operations for the next five years and is used to guide the development of the annual operating budget and to support the long-term goal of a financially sound city. The City also maintains a five-year Capital Improvement Program (CIP) that is updated and presented to the City Commission annually. A copy of the current CIP is located at <https://CoHB.org/CIP>.

FINANCIAL POLICIES

One of the most important measures of the City's financial health is its fund balance. In fiscal year 2020, the City implemented a rigorous long-term financial planning process known as the Fiscal Stabilization Plan. This plan was developed to forecast the City's financial position transparently and present clear strategies to the City Commission for addressing projected deficits and maintaining reserve levels.

This process was designed to forecast our City's future financial position transparently, allowing us to present clear strategies to the City Commission for addressing deficits. Our ultimate goal was, and remains, ensuring the City's financial health, as measured by our ability to maintain our minimum reserve requirements. As such, City staff are taking the necessary steps during the budget process to establish fiscally sound policies that help achieve a healthy fund balance.

Having a healthy fund balance gives the City financial flexibility, makes it better able to meet its cash flow needs, mitigates current and future financial risks and ensures predictability of future services. The City is committed to continuing this progress and the City must continue to budget carefully for the years ahead to ensure the City's continued fiscal health.

Fund Balance Target

The City's Minimum Fund Balance Policy, adopted by City Commission ordinance, is compliant with GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." In addition to providing compliance with GASB Statement No. 54, the City's Minimum Fund Balance Policy will assist in

stabilizing the long-term financial position of the City by setting standards for the use and replenishment of fund balance reserves. This policy also provides structural balance to the City's budget by limiting the use of reserves to cover recurring expenditures. The Minimum Fund Balance Policy sets aside 16% of General Fund's budgeted operating expenditures for the subsequent fiscal year as reserves. The targeted minimum is expected to provide funds for two months of operations.

Projections

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

OTHER INFORMATION

Independent Audit

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

Certificate of Achievement

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Hallandale Beach, Florida for its annual comprehensive financial report for the fiscal year ended September 30, 2023. In order to be awarded a Certificate of Achievement, a government must publish an 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. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

ACKNOWLEDGEMENTS

The preparation of the Annual Comprehensive Financial Report could not have been completed without the dedicated efforts of the entire staff of the Finance Department. We extend our gratitude to all the departments that assisted and contributed to the preparation of this report. Their hard work, effort, commitment, and professionalism are greatly admired. Special recognition is given to Joanna Campbell, our Financial Reporting & Grants Manager, Agnew Jean-Pierre, our Controller, and Sean Li, our Assistant Finance Director, for leading the development and publication of this comprehensive report. We also thank our Grants Division for their dedicated effort to ensure ongoing compliance with Local, State, and Federal grant requirements. Credit must also be given to the City Commission and City Management for their commitment to supporting sound fiscal management practices with an emphasis on long-term financial stability and sustainability. The City's continued financial progress has also been recognized externally, including recent communications with the Executive Office of the Governor affirming confidence in the City's fiscal outlook and financial management practices.

This report highlights the City's continued progress toward long-term financial strength and positions us to embrace new opportunities with resilience and purpose. As we move into the next phase of strategic growth, we remain committed to fostering innovation, maintaining stability, and delivering lasting value to our community. We thank you, the citizens of Hallandale Beach, for your ongoing support, which empowers us to build a future that is responsive, forward-thinking, and prepared for whatever lies ahead.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Earle', with a large, stylized initial 'E'.

Jeremy Earle, Ph.D.
City Manager

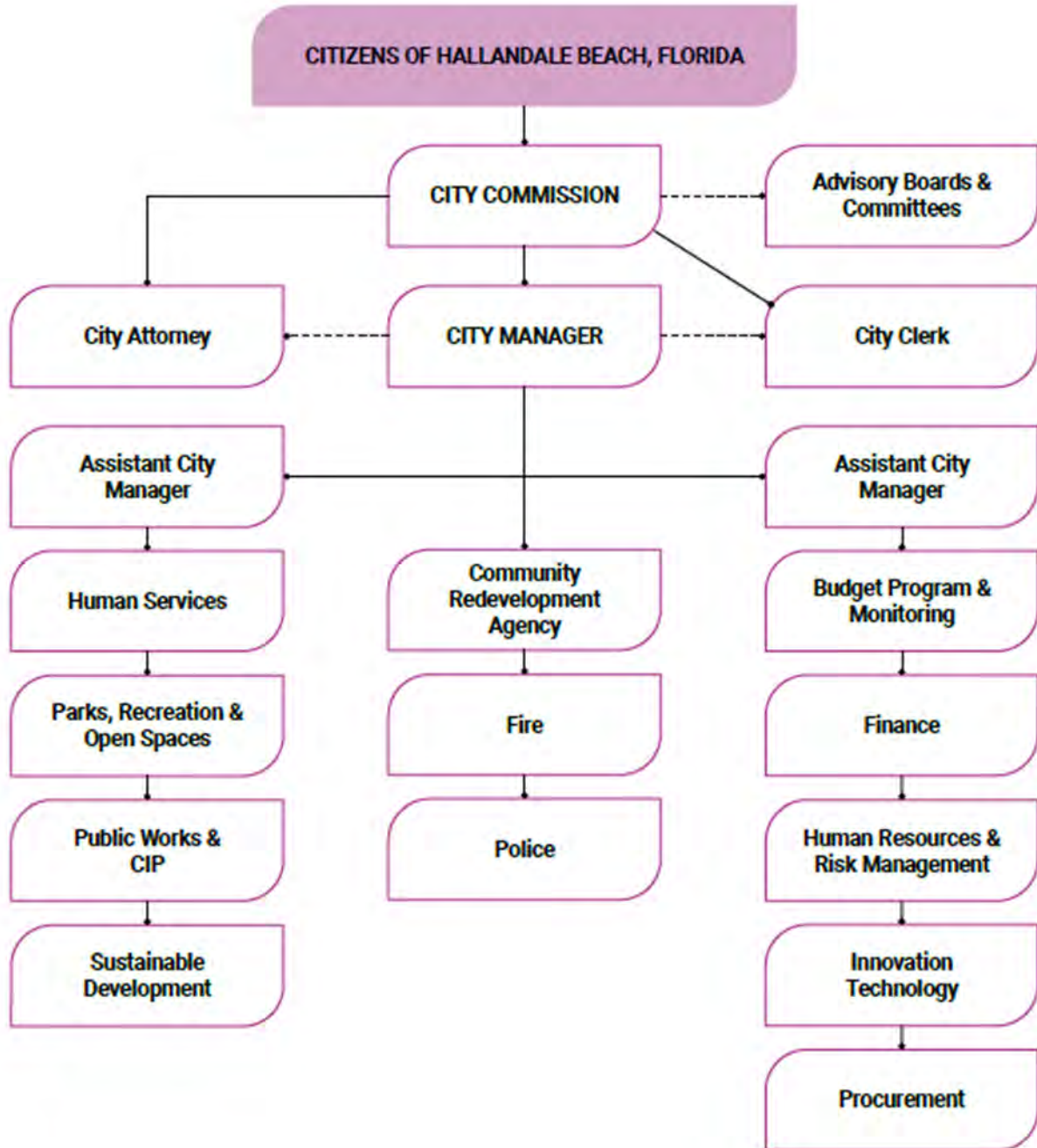
A handwritten signature in black ink, appearing to read 'Neste', with a large, stylized initial 'N'.

Geovanne Neste
Finance Director

CITY OF HALLANDALE BEACH, FLORIDA

ORGANIZATION CHART

SEPTEMBER 30, 2024



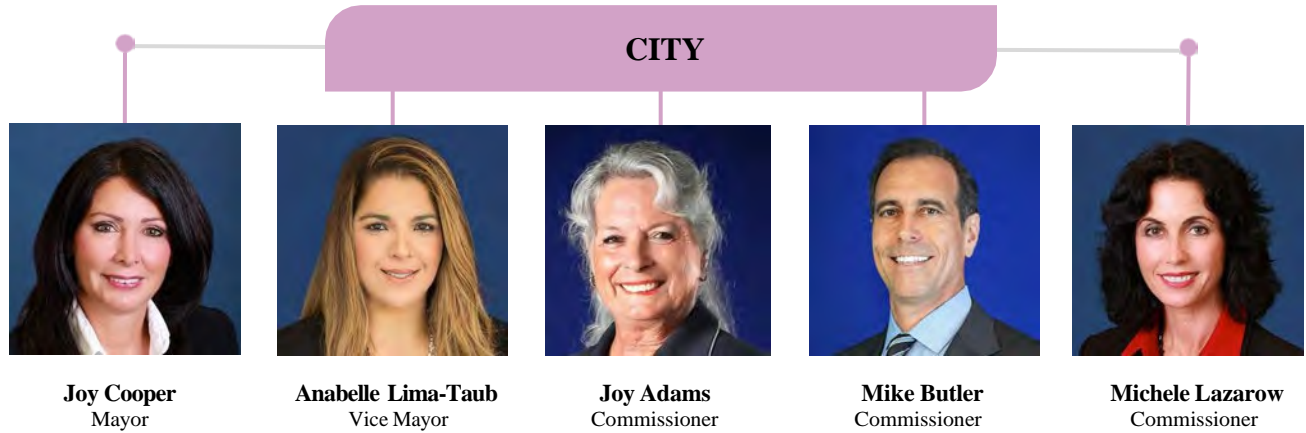
CITY OF HALLANDALE BEACH, FLORIDA

PRINCIPAL OFFICIALS

SEPTEMBER 30, 2024

Commission-Manager Form of Government

September 30, 2024



City Administration

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

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



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Hallandale Beach
Florida**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2023

Christopher P. Morill

Executive Director/CEO

FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Hallandale Beach, Florida (the "City"), as of and for the fiscal year ended September 30, 2024, 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, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the City's Police Officers' and Firefighters' Personnel Retirement Trust (the "Plan"), a fiduciary fund of the City, which represent 69%, 70% and 56%, respectively, of the assets, net position/fund balance and revenues/additions of the aggregate remaining fund information as of September 30, 2024. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Plan is based solely on the report of the other auditor.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5-30, the budgetary comparison schedules, the notes to budgetary comparison schedules, the schedules of changes in the net pension liability and related ratios, the schedule of changes in the City's total pension liability and related ratios, the schedule of the City contributions, the schedule of pension investment returns, the schedule of changes in the total OPEB liability and related ratios, and the schedules of the City's proportionate share of the net pension liability (FRS and HIS) on pages 137 to 153 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual fund financial statements and schedules, as listed in the table of contents, 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 section and the statistical section 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 April 16, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

CBIZ CPAs P.C.

Fort Lauderdale, FL

April 16, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS
(MD&A)

Management's Discussion and Analysis

The purpose of financial reporting, in general, is to provide the readers of the financial statements with information that will help them make decisions or draw conclusions about an entity. As management of the City of Hallandale Beach, Florida (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2024. We encourage readers to consider the information presented herein in conjunction with the additional information that we have furnished in our letter of transmittal, as well as the financial statements and notes to financial statements. The letter of transmittal can be found on pages i through xiii of this report.

Financial Highlights

The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of the fiscal year by \$241.1 million. The City's total net position increased by \$50.5 million. The increase noted was primarily because of current year operations in both governmental and enterprise funds, as discussed in more detail below.

At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$124.2 million, representing an increase of \$15.4 million from the previous fiscal year. The increase noted was primarily due to the net result of the following activity:

- an increase of \$4.4 million in the General Fund balance reflects sound fiscal management and strategic financial planning. This increase is primarily due to higher-than-anticipated investment income due to higher interest rates, alongside elevated electric utility franchise fees and taxes. Additional revenue streams included increased fire rescue transport fees, slot machine revenues and a medical loss rebate from the City's health insurance provider. The City achieved significant savings in the personal, operating and capital outlay expenditures.
- an increase of \$2.8 million in the Community Redevelopment Agency Fund balance is primarily due to the timing of expenditures related to various ongoing redevelopment programs budgeted but not expended as of September 30, 2024.
- an increase of \$5.2 million in the Capital Projects Fund balance is primarily due to the timing of expenditures related to various ongoing capital projects budgeted but not expended as of September 30, 2024.
- a decrease of \$5.3 million in the Redevelopment Revenue Note Fund balance is primarily due to capital outlays relating to construction of public improvements throughout the redevelopment district.
- an increase of \$1.1 million in the Police Equitable Sharing Fund due to law enforcement operations which encompassed the seizing assets that were used to facilitate federal crimes. The amounts the City collects each year can significantly fluctuate due to the timing and success of these law enforcement operations.
- an increase of \$1.1 million in the Transportation Fund balance is primarily due to funding transfers from the General Fund to support projects and other initiatives funded but not started or completed during the fiscal year.
- an increase of \$4.5 million in the Building Permits Fund balance is primarily due to higher-than-anticipated revenues from building permits due to increased construction as well as the construction value associated with those permits. See page v and vi of Introductory Section for major developments that contributed to the increase.

At the close of the current fiscal year, the City's enterprise funds reported a combined ending net position of \$111.9 million. This represents an increase of \$5.3 million from the previous fiscal year. The increase noted was primarily due to the net result of the following activity:

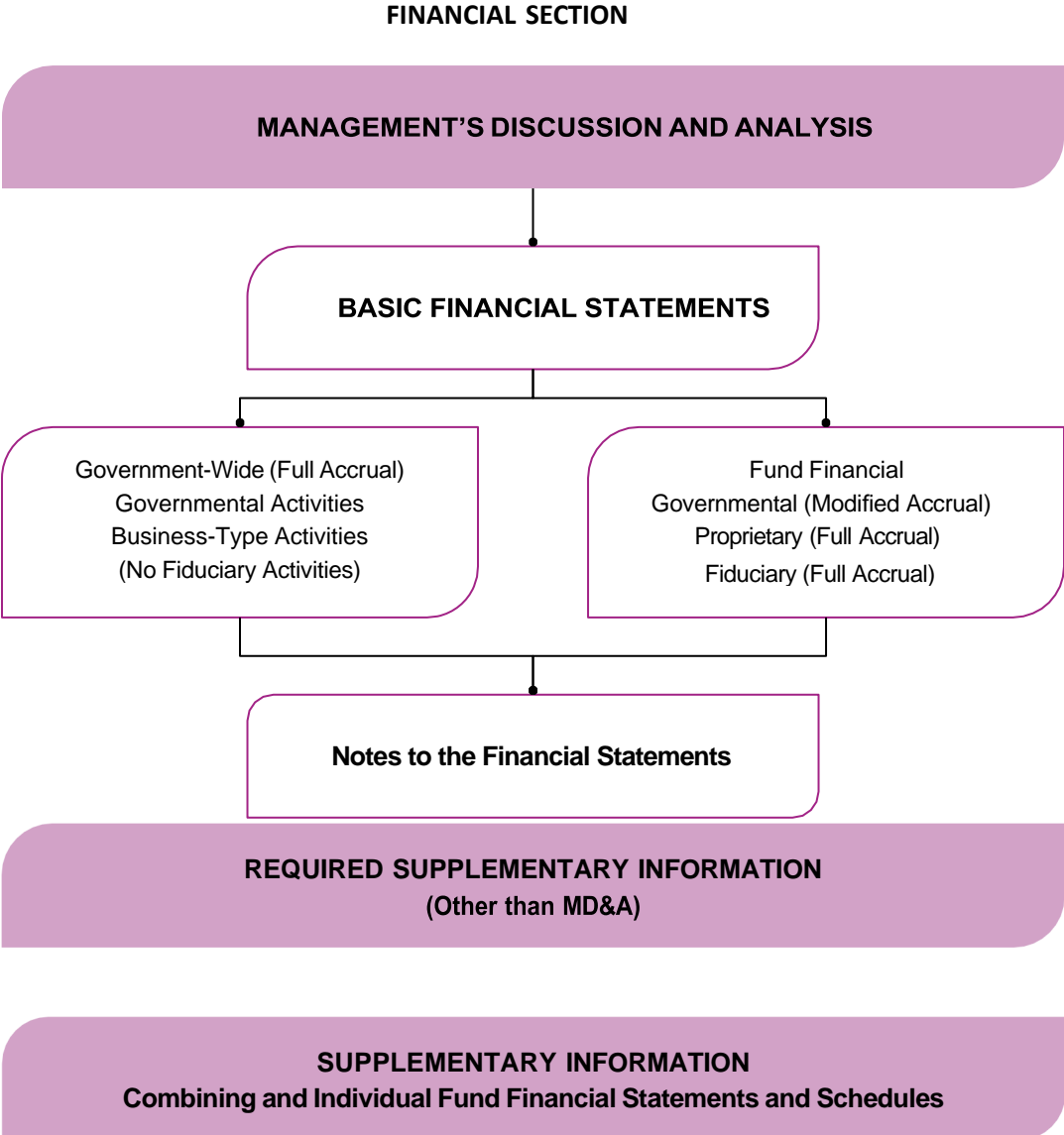
- a decrease of \$1.9 million in the Sanitation Fund's net position is due to lower operating income and the timing of the sanitation rate study required to adjust service rates and offset operational costs.

- an increase of \$6.9 million in the Utility Fund’s net position is primarily attributed to operating income and the strategic timing of utility rate adjustments, anticipating the issuance of utility revenue bonds and the funding of significant infrastructure projects.

Overview of the Financial Statements

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

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



Major Features of the Basic Financial Statements

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

Basic Financial Statements

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

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

they belong to other parties. Fiduciary activities now include custodial funds, which replace the previously known agency funds, and require a statement of changes in fiduciary net position.

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

The difference between the City's total assets plus deferred outflows of resources and total liabilities plus deferred inflows of resources is *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The purpose of the City is not to accumulate net position, in general. The net position, which may increase or decrease through time, may be used as an indicator of whether the financial position of the City is improving or deteriorating, respectively.

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

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

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

The government-wide financial statements can be found on pages 31 and 32 of this report.

Fund financial statements. The focus of fund financial statements is directed to specific activities of the City rather than the City as a whole. Except for the General Fund, separate funds are established to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: (1) governmental funds, (2) proprietary funds, and (3) fiduciary funds.

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

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

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

The governmental fund financial statements can be found on pages 33 through 36 of this report.

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

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

The proprietary fund financial statements can be found on pages 37 through 42 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's programs. Fiduciary financial statements consist of a statement of fiduciary net position and a statement of changes in fiduciary net position, which are now required for custodial funds, replacing the previously known agency funds.

The fiduciary fund financial statements can be found on pages 43 and 44 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. *Notes to the financial statements can be found on pages 45 through 136 of this report.*

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

Required supplementary information can be found on pages 137 through 153 of this report.

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

Combining and individual fund financial statements and schedules can be found on pages 154 through 173 of this report.

Government-Wide Financial Analysis

Net position may serve over time as a useful indicator of the government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$241.1 million at September 30, 2024. The City's net position increased by \$50.5 million during the current fiscal year. The largest portion of the City's net position, 69.6%, reflects its net investment in capital assets. The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position. The City utilizes these capital assets to provide services to citizens; consequently these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt and other associated debt related items, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves will not be used to liquidate those liabilities. Approximately 30.8% or \$74.2 million of net position is subject to external restrictions for various purposes (e.g. building permitting function, special districts, etc.).

The table below presents a summary of net position as of September 30, 2024 and 2023, derived from the government-wide Statement of Net Position:

	Net Position (in thousands)					
	Governmental Activities		Business - type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$156,764	\$135,016	\$54,333	\$60,571	\$211,097	\$195,587
Capital assets, net	153,375	139,613	76,216	62,838	229,591	202,451
Total assets	310,139	274,629	130,549	123,409	440,688	398,038
Deferred outflows of resource	32,057	57,429	5,460	6,403	37,517	63,832
Noncurrent liabilities	192,019	227,421	16,412	16,110	208,431	243,531
Other liabilities	10,946	12,746	5,935	5,965	16,881	18,711
Total liabilities	202,965	240,167	22,347	22,075	225,312	262,242
Deferred inflows of resources	10,075	7,950	1,756	1,103	11,831	9,053
Net position:						
Net investment in capital asset	94,017	73,704	73,757	59,913	167,774	133,617
Restricted	56,114	45,170	1,169	2,200	57,283	47,370
Unrestricted	(20,975)	(34,933)	36,980	44,521	16,005	9,588
Total net position	\$129,156	\$83,941	\$111,906	\$106,634	\$241,062	\$190,575

At September 30, 2024, the City's governmental activities report a negative balance in the unrestricted category primarily due to long-term liabilities relating to the City's pension plans and postemployment benefits. This negative balance in the unrestricted category is not necessarily indicative of financial distress, as it is common for governments to have such deficits due to accounting requirements which mandate the recognition of long-term liabilities upfront, while the assets and revenues intended to service these liabilities are recognized over time.

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

Governmental Activities

There was an increase of \$21.7 million or 16.1% in current and other assets for governmental activities, primarily due to:

- A \$18.0 million increase in cash, cash equivalents, and investments due the following:
 - The results from the current year operations in the General fund.
 - The timing of expenditures related to various ongoing redevelopment programs and capital projects budgeted but not expended as of September 30, 2024 in the Community Redevelopment Agency Fund, Capital Projects Fund and Redevelopment Revenue Note Fund.
 - In addition the City received higher-than-anticipated revenues from building permits and allocated funding for a significant legal judgment against the City which was reversed.
- An increase of \$4.1 million in due from other governments, primarily due a grant from the Florida Department of Transportation for EV buses, storage and charging facilities.

There was an increase of \$13.8 million or 9.9% in capital assets. The increase was primarily due to the net effect of the current fiscal year capital asset activity (as discussed in more detail on page 79) and the recognition of current fiscal year depreciation expense.

The decrease of \$25.4 million or 44.2% in deferred outflows of resources resulted primarily from the recognition of pension expense related to prior year deferred outflows of resources for the City's pension plans. Deferred outflows of resources represent consumption of net assets applicable to future periods that will not be recognized as expenditures until the future period to which it applies (i.e. employer contributions made subsequent to a plan's measurement date or projected earnings exceeding actual earnings on pension plan investments, changes in assumptions). Refer to Note 11 for additional information.

The decrease of \$35.4 million or 15.6% in long-term liabilities is primarily due to the repayment of debt and decreases in the net pension liability of the City's pension plans. Refer to Note 9 for additional information.

The decrease of \$1.8 million or 14.1% in current liabilities is primarily due to the settlement of open payables to vendors and the reduction in unearned revenue following the recognition of approximately \$5.4 million in SLFRF or ARPA funds for the purchase of city fleet vehicles and other equipment, as well as covering incremental increases in BSO Fire costs. At year-end, approximately \$1.1 million in unearned revenue remains, expected to be recognized in fiscal year 2025.

The increase of \$2.1 million or 26.7% in deferred inflows of resources primarily resulted from the increases of pension and OPEB related inflows based on actuarial reports. Deferred inflows of resources represent acquisition of net assets applicable to future periods that will not be recognized as revenues until the future period to which it applies (i.e. actual earnings exceeding projected earnings on pension plan investments, changes in assumptions). Refer to Note 14 for additional information.

Business-Type Activities

The decrease of \$6.2 million or 10.3% in current and other assets primarily as a result of current year operations, as discussed in detail starting on page 18.

The increase of \$13.4 million or 21.3% in capital assets is primarily due to the net effect of capital asset acquisitions and dispositions and recognition of current fiscal year depreciation expense, as discussed in more detail on page 26.

The decrease of \$0.9 million or 14.7% in deferred outflows of resources primarily resulted primarily from the recognition of pension expense related to prior year deferred outflows of resources for the City's pension plans. Deferred outflows of resources represent consumption of net assets applicable to future periods that will not be recognized as expenditures until the future period to which it applies (i.e. employer contributions made subsequent to a plan's measurement date or projected earnings exceeding actual earnings on pension plan investments, changes in assumptions). Refer to Note 11 for additional information.

The increase of \$0.7 million or 59.2% in deferred inflows of resources primarily resulted from the increases of pension and OPEB related inflows based on actuarial reports. Deferred inflows of resources represent acquisition of net assets applicable to future periods that will not be recognized as revenues until the future period to which it applies (i.e. actual earnings exceeding projected earnings on pension plan investments, changes in assumptions). Refer to Note 14 for additional information.

Analysis of the City's Operations. The table below presents a summary of changes in net position for the years ended September 30, 2024 and 2023, as derived from the government-wide Statement of activities:

	Changes in Net Position (in thousands)					
	Governmental Activities		Business - type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Charges for services	\$36,103	\$25,950	\$49,382	\$43,871	\$85,485	\$69,821
Operating grants and contributor	10,414	9,270	-	-	10,414	9,270
Capital grants and contributions	6,588	-	125	225	6,713	225
General revenues:						
Property taxes	76,656	65,936	-	-	76,656	65,936
Other taxes	16,028	16,021	-	-	16,028	16,021
Other revenues	11,731	8,876	2,318	2,038	14,049	10,914
Total revenues	157,520	126,053	51,825	46,134	209,345	172,187
Expenses:						
General government	19,310	12,183	-	-	19,310	12,183
Public safety	60,790	58,904	-	-	60,790	58,904
Physical environment	1,859	1,595	-	-	1,859	1,595
Transportation	4,919	3,732	-	-	4,919	3,732
Economic environment	13,473	9,736	-	-	13,473	9,736
Culture and recreation	9,207	8,429	-	-	9,207	8,429
Human services	2,933	2,078	-	-	2,933	2,078
Interest and other fiscal charges	2,170	2,393	-	-	2,170	2,393
Utility	-	-	30,027	27,738	30,027	27,738
Sanitation	-	-	7,676	7,560	7,676	7,560
Stormwater drainage	-	-	5,978	5,816	5,978	5,816
Cemetery	-	-	515	752	515	752
Total expenses	114,661	99,050	44,196	41,866	158,857	140,916
Changes in net position before transfers	42,859	27,003	7,629	4,268	50,488	31,271
Transfers	2,356	1,835	(2,356)	(1,835)	-	-
Change in net position	45,215	28,838	5,273	2,433	50,488	31,271
Net position, beginning, as restate	83,941	55,103	106,633	104,200	190,574	159,303
Net position, ending	\$129,156	\$83,941	\$111,906	\$106,633	\$241,062	\$190,574

Governmental activities

Governmental activities increased the City's net position by \$45.2 million.

Charges for services increased by \$10.2 million or 39.1% primarily due to:

- An increase of \$6.6 million due to the change in treatment of indirect charges between government type activities and business type activities in accordance with GASB Statement No. 34. Indirect charges, which were eliminated between government type and business type activities in the prior year. This adjustment had no impact on the City's net position in the prior year.
- A \$3.9 million increase in building permit-related fees due to increased construction as well as the construction value associated with those permits.
- A \$0.3 million increase in plan review fees due to increased construction.
- A \$0.2 million increase in police outside services revenues due to more activity compared to the prior year.

Operating grants and contributions revenues increased by \$1.1 million, or 12.3%, primarily due to a \$1.3 million increase in fines and forfeitures revenues. Specifically, the Asset Forfeiture Program which encompasses the seizure, forfeiture, and disposition of assets that represent the proceeds of, or were used to facilitate, federal crimes. The amounts the City collects each year can significantly fluctuate due to the timing and success of law enforcement operations.

Capital grants and contributions revenues increased by \$6.6 million, primarily due to receipt of grant funding in the amount of \$4.2 million from the Florida Department of Transportation for EV buses, storage and charging facilities. The Community Redevelopment Agency also contributed \$1.9 million towards the purchase of EV buses, including charging facilities.

Property tax revenues increased by \$10.7 million or 16.3% due to increases in the taxable assessed values of approximately \$792.5 million. Of this increase, \$1.9 million is related to the HBCRA as tax increment revenue.

Other revenues increased by \$2.9 million or 32.2% primarily due to higher-than-anticipated investment income due to higher interest rates, a medical loss rebate from the City's health insurance provider and the gain on sale of capital assets from auction proceeds.

General government expenses increased by \$7.1 million or 58.5% primarily due:

- An increase of \$6.6 million due to the change in treatment of indirect charges between government type activities and business type activities in accordance with GASB Statement No. 34. Indirect charges, which were eliminated between government type and business type activities in the prior year. This adjustment had no impact on the City's net position in the prior year.
- A \$2.9 million decrease in insurance claims expense primarily resulted from the reduction of a \$4.2 million judgement included within accrued claims from the prior year, which was reduced to \$0.5 million in the current fiscal year following its reversal by the appellate court. Additionally, the Florida Supreme Court declined to hear further appeals for this case.

- An increase of \$1.3 million in property insurance expenses due to the rising costs of insurance in experienced in the State.
- An increase of \$0.2 million in expenses related to computer system upgrades, cloud software, and cybersecurity solutions to support City-wide initiatives.
- A net increase of \$2.2 million in pension expense related to actuarially determined GASB Statement No. 68 adjustments for the City's defined benefit plans and the City's portion of the cost sharing FRS plan, as well as the actuarially determined GASB Statement No. 73 adjustments for the Excess Benefit Plan.
- A net decrease of \$1.6 million in OPEB expense related to actuarially determined GASB Statement No. 7 adjustments for the City's Other Post Employment Benefits.
- An increase of \$0.5 million in depreciation expense, primarily related to new vehicles purchased during the prior year and current year to replace older vehicles that were fully depreciated and past their useful lives
- The remaining increase relates to increases in operating expenditures from rising costs and wages.

Transportation expenses increased by \$1.2 million, or 31.8% primarily related to the following:

- An increase of \$0.6 million in expenses related to operating costs of the City's community shuttle program. During the fiscal year, the City acquired nine (9) new iCloud EV shuttle buses, which support the City's sustainability and transportation initiatives. In prior years, the City operated five (5) propane buses.
- An increase of \$0.5 million in operating expenses from rising costs related to the repair and maintenance of city-wide sidewalks, driveways, streetlighting, landscaping, and parking programs, as well as wages.

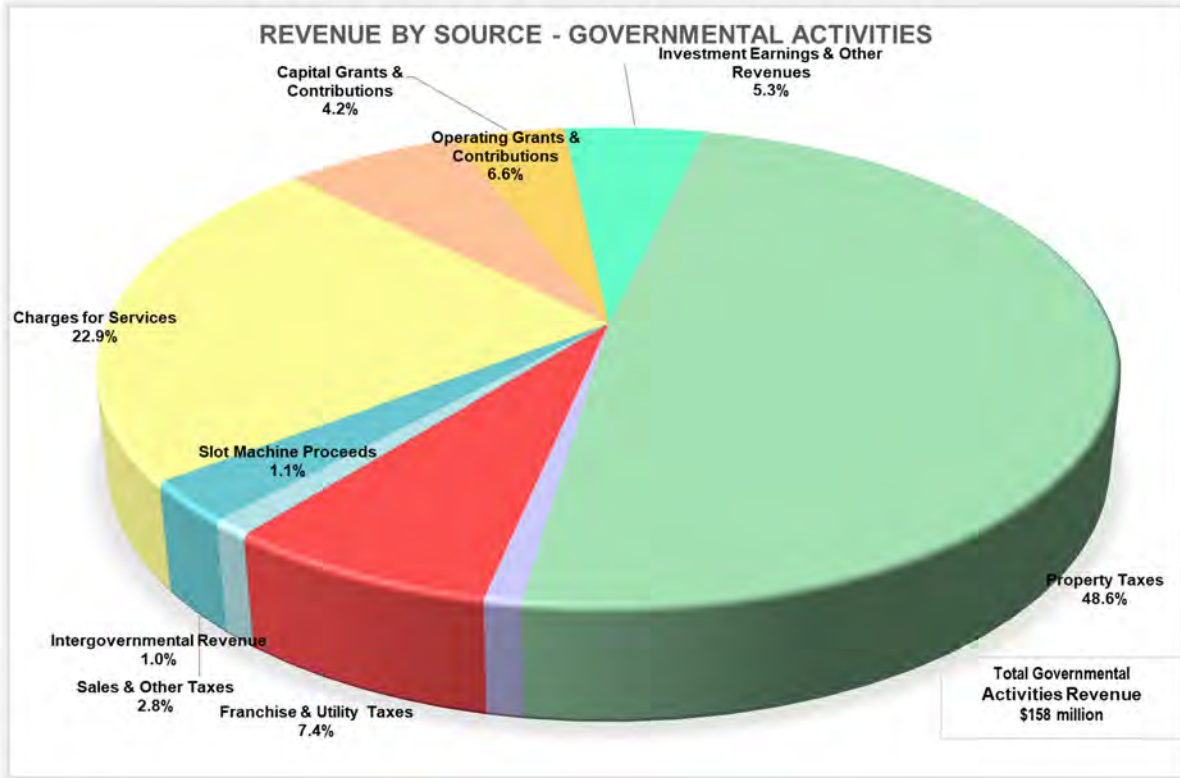
Economic environment expenses increased by \$3.7 million, or 38.4%, which is the net effect of the following:

- A \$1.9 million one-time contribution in the current year was made from the HBCRA to the City under an interlocal agreement to fund costs of the City's EV bus fleet and related charging infrastructure purchases.
- An increase of \$1.1 million in redevelopment grant reimbursements, which resulted from a \$2.0 million reimbursement made in the current year for the Solaris Apartment affordable housing construction.
- Decrease of \$1.1 million in grant reimbursements for the Hallandale City Center construction. In the prior year, the HBCRA disbursed \$2.75 million in Gap Grant disbursements to the developer, and final payment of \$1.6 million was paid in the current year.
- A net increase of \$0.9 million in expenditures related to commercial and residential loan programs including storm shutter/impact windows, downpayment assistance, residential repairs, rental assistance, seniors, etc.

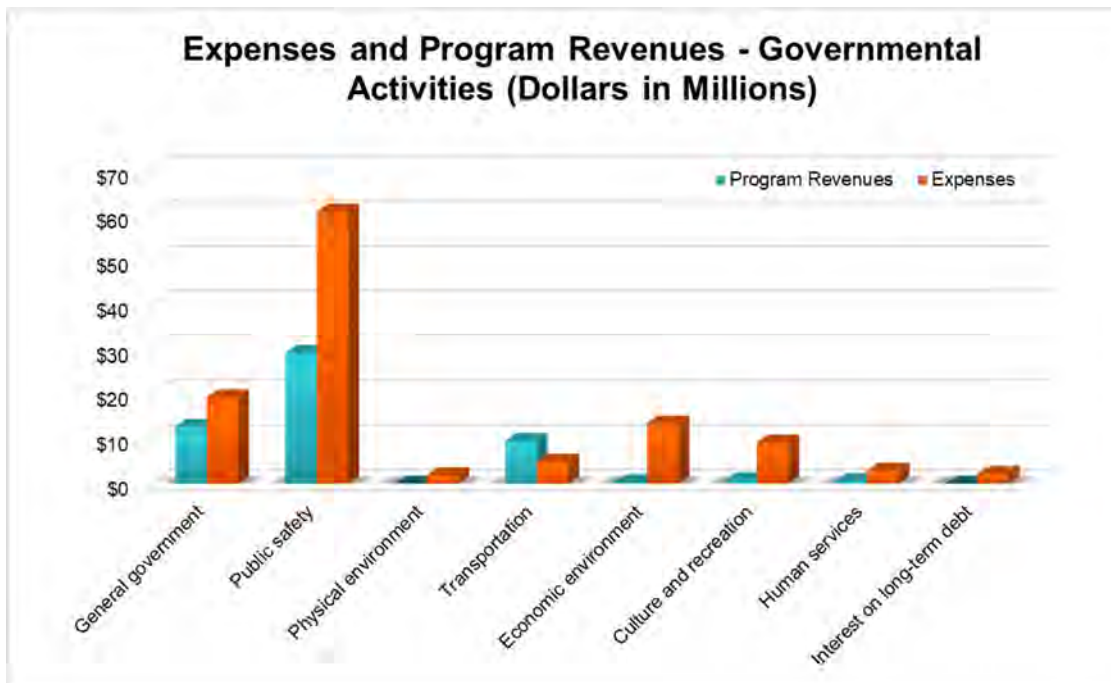
- An increase of \$0.4 million in personal expenses related to additional hirings and increases in wage and benefit costs.
- An increase of \$0.3 million in Redevelopment Revenue Bond costs related to CRA street lighting projects and green community projects.
- An increase of \$0.3 million in capital related costs, due to disposal of maintenance costs incorrectly capitalized in previous years and an increase in depreciation and amortization expense for new buildings purchased, completion of the FADD parking lot, and a new right of use lease asset under GASB 87. See Note 6 - Capital Assets.

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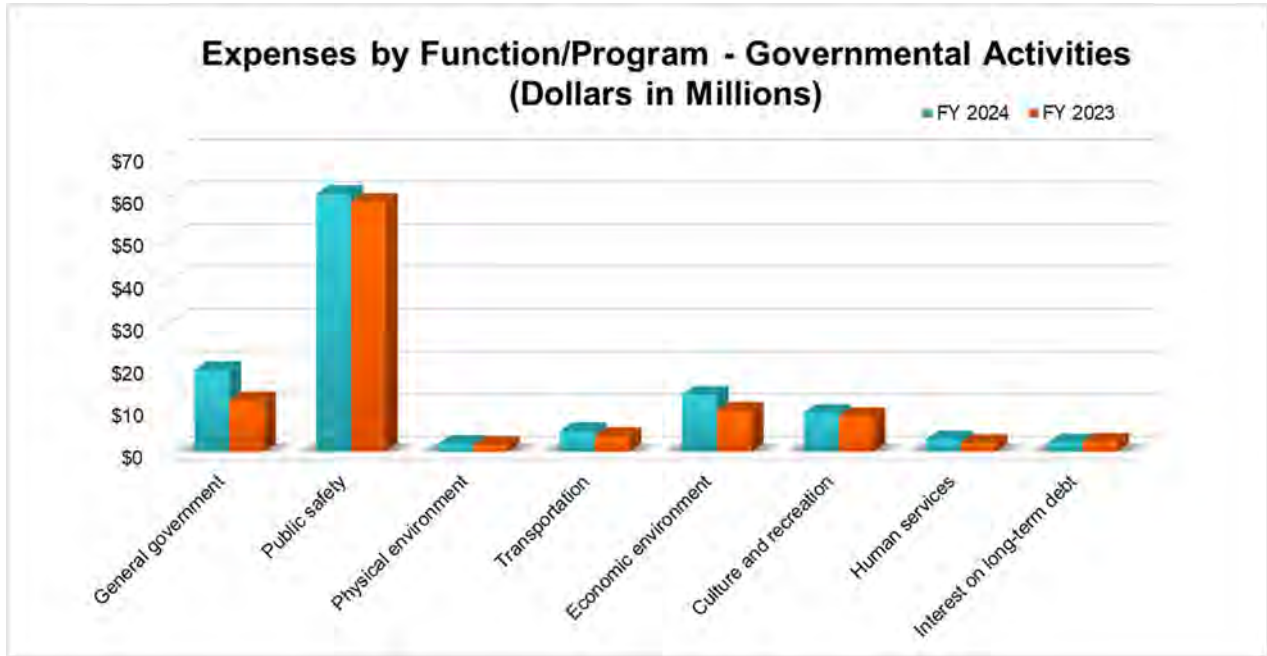
The following is a chart of revenues by source of governmental activities by percent of total revenues for fiscal year 2024.



The following is a chart compares expenses and program revenues for the governmental activities during the fiscal year 2024.



The following is a comparative chart of expenses by function/program for governmental activities for the fiscal year 2024 and 2023.



Business-type activities

Business-type activities increased the City’s net position by \$5.3 million.

Charges for services increase by \$5.5 million or 12.6%, primarily due to the following:

- An increase of \$4.6 million in utility service charges, resulting from rate increases of 17.0% for water services and 7.0% for sewer services during the fiscal year.
- An increase of \$0.6 million in stormwater service fees due to a 10% rate increase for the current year.

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

Other revenues increased by \$0.3 million or 13.7% primarily due to higher-than-anticipated investment income due to higher interest rates.

Transfers revenues increased by \$0.5 million or 28.4% primarily due to the following:

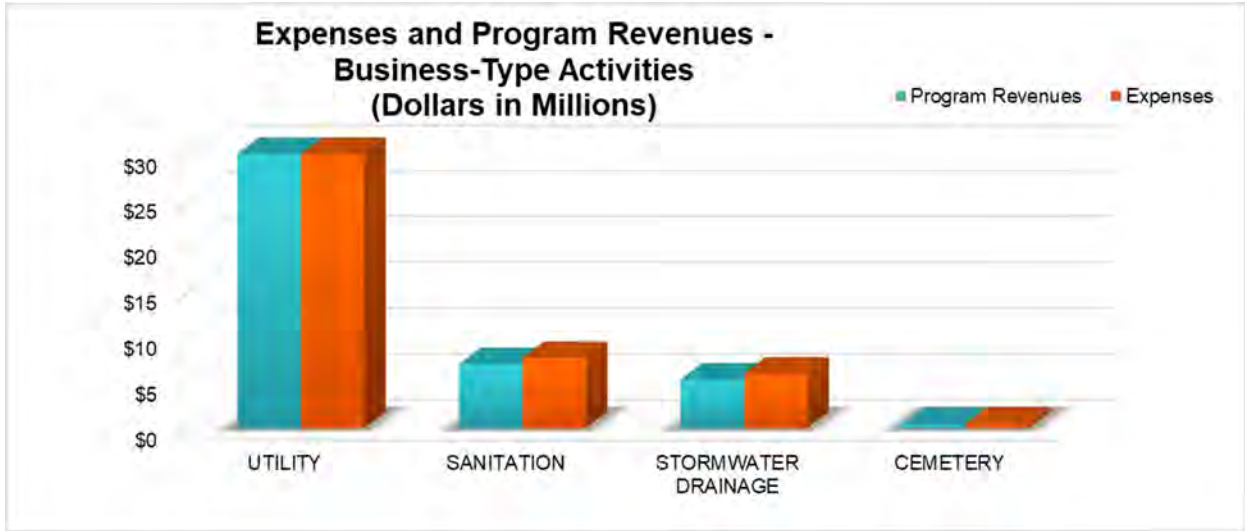
- An increase of \$.2 million in transfers to the General Fund resulted from payment-in-lieu-of-franchise fees (PILOFF). These fees, charged to both the Utility Fund and the Sanitation Fund, simulates franchise fees that would typically be required from private companies operating similar services. These fees ensure the utilities appropriately compensate the General Fund for the use of city-owned rights-of-way and other general services, similar to what would be required if the utilities were privately operated.
- A net decrease of \$1.4 million for various capital contributions from governmental activities to the enterprise funds primarily related to utility infrastructure contributed from the construction of Sunrise Park in the prior year.
- An increase of \$1.1 million related to capital contribution of specialized vehicles from the Fleet Fund to the enterprise funds.

Utility expenses increased by \$2.3 million or 8.3% primarily due to the following:

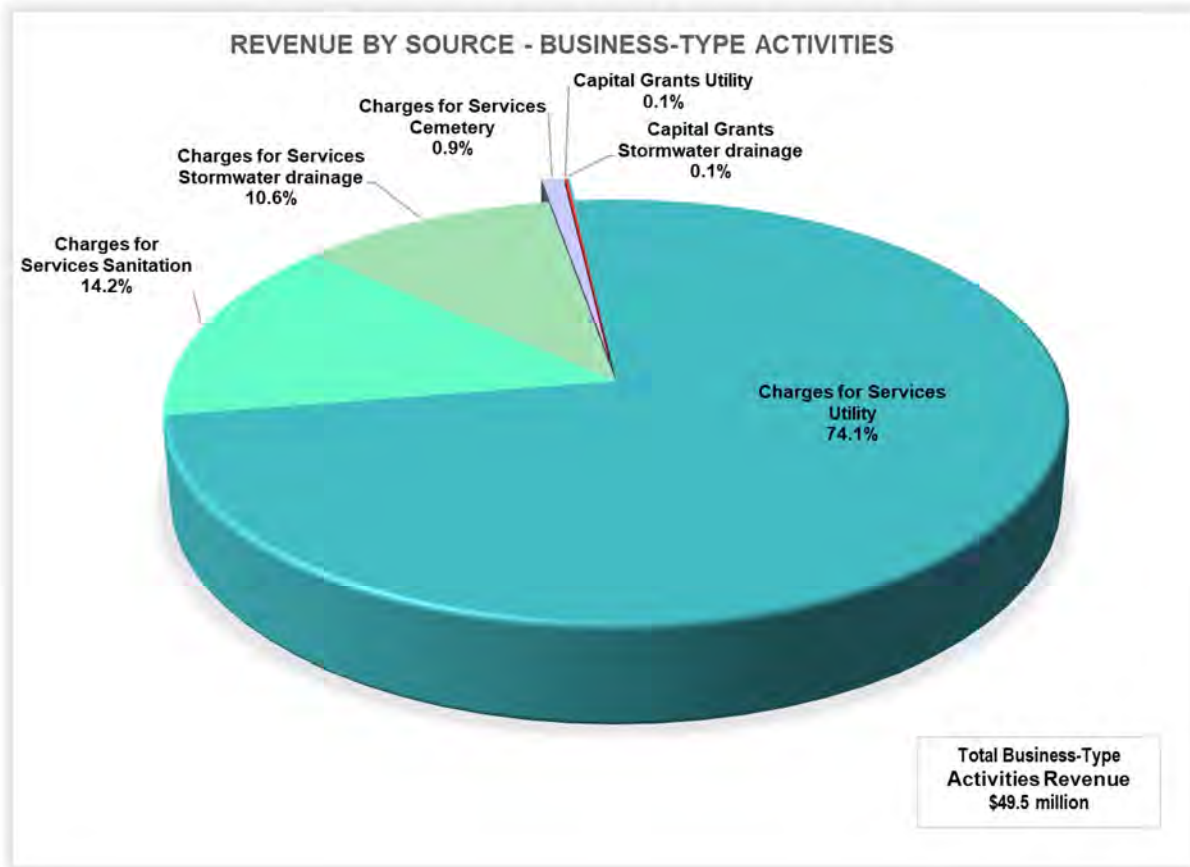
- An increase in personnel costs primarily due to new positions.
- Various other increases in operating and maintenance costs.

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The following chart compares expenses and program revenues for business-type activities during fiscal year 2024.



The following is a chart of revenues by source of business-type activities by percent of total revenues for fiscal year 2024.



Financial Analysis of the City of Hallandale Beach's Funds

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

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

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the fund balance in the General Fund was \$43.4 million, of which \$34.3 million or 79.2% was unassigned. As a measure of the General Fund's liquidity, it may be useful to compare assigned fund balance, unassigned fund balance and total fund balance to total General Fund expenditures and other financing uses. Unassigned fund balance represents 34.9% of total General Fund expenditures and other financing uses, while total fund balance represents 44.0% of that same amount.

The unassigned fund balance of the City's General Fund increased by \$3.2 million or 10.4% when compared with the prior year. This increase was due primarily to the net impact of General Fund activity as explained below. At year end, there were no fund balances assigned for subsequent year's expenditures. Fund balance assigned to subsequent year's expenditures, represents the amount of reserves at fiscal year-end 2023-2024 that the City is utilizing to balance the fiscal year 2024-2025 adopted budget. The City has targeted not using reserves to fund subsequent year's expenditures as part of the 5-year long-term financial plan.

The City's governmental funds reported combined ending fund balances of \$124.2 million, which is an increase of \$15.4 million or 14.2% from the prior year's ending fund balance of \$108.8 million. The fund balance is categorized to indicate whether it is not available for new spending because it represents resources that are non-spendable (\$0.36 million), that are restricted for capital projects and other purposes (\$73.0 million), that are committed for tree preservation and the new renewal & replacement program (\$2.7 million), that have already been assigned for encumbrances and other purposes (\$13.7 million), or that are unassigned (\$34.3 million).

The fund balance of the City's General Fund had a net increase of \$4.4 million from operations. This increase is primarily due to higher-than-anticipated investment income due to higher interest rates, alongside elevated electric utility franchise fees and taxes. Additional revenue streams included increased fire rescue transport fees, slot machine revenues and a medical loss rebate from the City's health insurance provider. Despite the challenges of a competitive labor market and evolving workforce expectations, which have led to increased vacancies, the City achieved significant savings in the personal, operating and capital outlay expenditures.

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

Significant revenues/expenditures over/under budget

- Revenues from fines and forfeitures exceeded the budget by \$0.2 million due to increased enforcement activities.
- Revenues from investment earnings exceeded the budget by \$1.6 million, attributable to an enhanced treasury management program that capitalized on elevated interest rates due to ongoing Federal Reserve rate hikes throughout the year. Investment earnings are inherently volatile and can fluctuate significantly from year to year. Consequently, this revenue category is typically under budgeted to mitigate the impact of such fluctuations on future budgets.

- Slot machine proceeds were \$0.3 million over budget for the current year due to the timing of revenue collection. Approximately \$0.4 in revenues from July 2023 through September 2023 were received outside the period of availability for the fiscal year ending 2023. As a result, \$0.4 million in slot machine revenue is included as revenue as of September 30, 2024. For more information on the period of availability used by the City, refer to Note 1 of the financial statements.
- Personal services expenditures were \$2.1 million under budget in the current year primarily due to vacancies in the General Fund.
- Operating Expenditures were \$3.6 million under budget primarily due to reimbursements from BSO related to pension contributions under the City's Agreement for Emergency Medical, Fire Protection, and Fire Prevention Services. These reimbursements exceeded the budget by \$0.5 million. These reimbursements help offset the cost of contributions to the City Pension for firefighters who remain in the City's pension plan, ensuring more efficient financial management and cost recovery. The City also achieved significant expenditure savings on various operating and maintenance costs.
- Debt Service expenditures of \$.04 million related to various City leases and Subscription Based Information Technology Arrangement (SBITA's) were recorded in the current year in accordance with GASB Statement No. 87, *Leases* and GASB Statement No. 96, SBITA's but were not included in the adopted budget.
- Capital Outlay Expenditures were \$3.6 million under budget primarily due to timing of capital project outlays.
- Revenues of \$0.04 million related to the amortization of various City leases were recorded in the current year in accordance with GASB Statement No. 87, *Leases*, but were not included in the adopted budget.
- Revenues of \$0.1 million related to the amortization of various City SBITA's were recorded in the current year in accordance with GASB Statement No. 96, SBITA's, but were not included in the adopted budget.

Significant revenues under budget

- Revenues for licenses and permits were \$.3 million under budget primarily due to revenues not meeting initial projections for the Certificate of Use Program (COU Program). The projections will be adjusted in future years based on historical data.

The Hallandale Beach Community Redevelopment Agency ("HBCRA") fund accounts for the activities of the HBCRA. The fund balance of the CRA totaled \$34.4 million for the fiscal year ending September 30, 2024. This represents an increase of \$2.8 million from operations in comparison to the prior fiscal year. The fund balance is restricted for assets held for resale (\$2.3 million), long-term receivables (\$0.4 million) and other ongoing programs (\$31.7 million).

For the CRA fund balance, key factors of the overall increase compared to fiscal year 2022 - 2023 are as follows:

- An increase of \$1.9 million in incremental tax revenues directly related to the City's increases in the taxable assessed values and millage rate.
- An increase of \$1.4 million in intergovernmental revenues due to increases in the taxable assessed values and millage rate for contributing taxing authorities.

- An increase of \$0.3 million related to investment earnings driven through an increase in the investable cash balances and elevated interest rates.
- An increase in economic environment expenditures of \$3.0 million, which is primarily the net result of the following:
 - An increase of \$1.9 million in expenditures related to interlocal agreement programs including the electric mini-bus initiative.
 - An increase of \$1.3 million in expenditures related to commercial and residential loan programs including storm shutter/impact windows, downpayment assistance, residential repairs, etc.
 - A decrease of \$0.3 million in public safety expenditures for reimbursements under the CRA and City's Community Policing Innovations interlocal agreement.
- An increase of \$0.8 million in capital outlays from ongoing redevelopment programs.
- An increase of \$0.3 million in debt service expenditures for combined principal and interest payments on the CRA's outstanding debt obligations.
- Timing of expenditures appropriated for the HBCRA's Redevelopment Plan to be spent in future periods in accordance with Florida Statute 163.387.

In fiscal year 2016, the City issued General Obligation Bonds, Series 2016 in the amount \$57.5 million, with a bond premium of \$4.3 million. Accordingly, the City established the General Obligation Bond capital project fund to record the debt issuance and construction costs. In fiscal year 2023 - 2024, the ending fund balance is \$3.1 million which is comparable to the prior fiscal year.

The fund balance of the Capital Projects Fund totaled \$9.5 million for the fiscal year ended September 30, 2024. This amount represents an increase of \$5.2 million from the prior fiscal year, primarily due to the timing of capital project outlays and the remaining unspent funds at year-end for the following projects:

- \$5.8 million for EV Bus Charging and Fleet Maintenance Facilities
- \$1.3 million for EV Fleet Charging Stations
- \$1.2 million for ADA Compliant Bus Stops
- \$0.4 for Atlantic Shores Roadway Improvement
- \$0.4 for Diana Drive Roadway Improvement
- \$0.2 million for Railroad Crossings Safety Project
- \$0.2 million for Street Lighting

The Redevelopment Revenue Notes Fund was created in the fiscal year 2020 to account for debt proceeds related to the HBCRA Redevelopment Notes, Series 2020. The debt was issued for the construction of public improvements throughout the redevelopment district in the amount of \$20.0 million. Restricted fund balance at September 30, 2024 is \$13.8 million, a decrease of \$5.3 million from the prior year. This is the result of approximately \$5.0 million in increased capital outlay and \$0.3 million in economic environment expenses during fiscal year 2024. A total of 11 projects throughout the district were ongoing as of the fiscal year end.

Non-major governmental funds reported a combined fund balance of \$19.0 million, an increase of \$7.6 million or 66.0% from the prior year primarily due to Police Equitable Sharing Fund operations, Transportation Fund operations and Building Permits Fund operations in the current year.

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

The current year operating income for the business-type activities was \$5.2 million as compared with \$2.0 million in the previous year. The current year change in net position was \$5.3 million as compared with \$2.4 million in the previous year. The primary reason for the \$3.2 million increase in operating income was due to:

- An increase of \$2.2 million in operating income from the Utility Fund relates to an additional \$4.6 million in utility service charges, resulting from rate increases of 17% for water services and 7% for sewer services in anticipation of the issuance of issuing 2024 Utility Revenue Bonds.
- A decrease of \$0.5 million in operating losses for the Stormwater Fund relates to an additional \$0.6 million in stormwater service charges, resulting from rate increases of 10% for stormwater services in anticipation of the issuance of issuing 2024 Utility Revenues Bonds.
- A decrease of \$0.4 million in operating losses for the Cemetery Fund is due to a decrease in the pension and OPEB expense related to their corresponding liabilities as determined by an pension and OPEB actuary. City's General Fund subsidizes these losses to sustain operations and ensure the perpetual care of the municipal cemetery.
- The current year operating income for the internal service funds was \$11.0 million as compared with \$4.5 million in the previous year. The current year change in net position was \$17.3 million as compared with -\$5.9 million in the previous year. The primary reason for the increase in the change in net position was due to a \$4.1 million decrease in the insurance claims payable as noted on page 85 and an increase in charges for services. A portion of charges for services was allocated for a significant legal judgment against the City which was reversed. There were also \$6.1 million in capital contributions for vehicles purchased in governmental funds to be capitalized in the Fleet Fund.

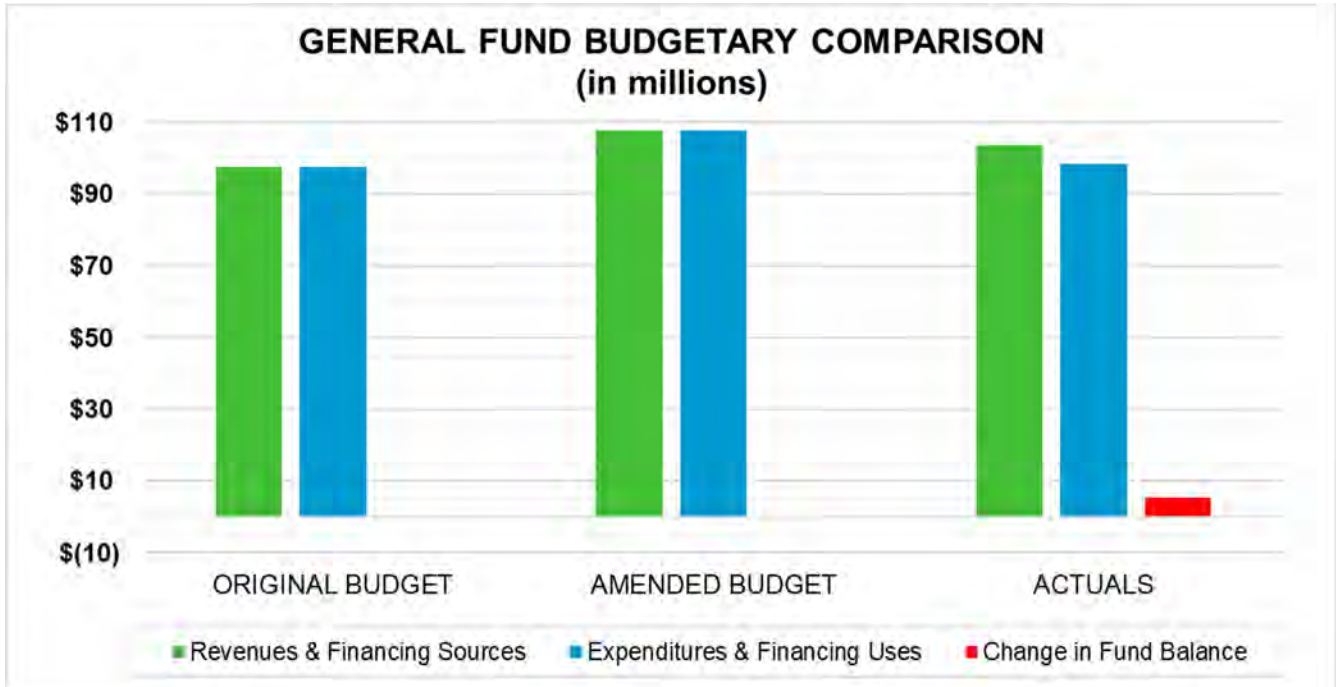
General Fund Budgetary Highlights

During the year, revenues were more than budgetary estimates and expenditures were less than budgetary estimates, resulting in the net increase to fund balance of approximately \$3.2 million. The original budget did not anticipate appropriations from fund balance whereas the final budget anticipated appropriations of \$5.5 million. However, no actual amount was utilized.

Excluding appropriations and reappropriations from fund balance, actual revenues (\$93.3 million) were more than the final budgeted revenues (\$89.4 million) by approximately \$3.9 million primarily due to conservative revenue estimates. Actual expenditures (\$86.1 million) were less than final budgeted expenditures (\$94.5 million) by approximately \$8.4 million. This was due employee attrition and delays in expenditures of capital outlays and other operating costs. Given

the positive budget to actual variance for revenues, coupled with expenditure savings. The City continues to maintain minimum reserves in accordance with our policy to mitigate future risks and preserve financial stability.

The following chart depicts the fiscal year 2024 original and amended budgets, as well as actual results for the fiscal year.



Capital Assets and Debt Administration

Capital assets. As of September 30, 2024 and 2023, the City had \$229.6 and \$202.4 million, respectively, invested in a variety of capital assets, as reflected in the following schedule:

	Capital Assets(in thousands, net of depreciation and amortization)					
	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$41,049	\$40,744	\$1,263	\$1,263	\$42,312	\$42,007
Construction in progress	11,993	4,481	17,776	6,827	29,769	11,308
Buildings	36,768	37,738	6,064	7,150	42,832	44,888
Improvements other than buildings	32,078	32,395	1,621	1,669	33,699	34,064
Vehicles and equipment	14,627	9,765	2,813	2,449	17,440	12,214
Intangibles	105	88	4,667	236	4,772	324
Right-to-use asset	922	173	-	-	922	173
Infrastructure	15,833	14,229	42,012	43,244	57,845	57,473
Total	\$153,375	\$139,613	\$76,216	\$62,838	\$229,591	\$202,451

Major capital asset events during the year included:

Governmental activities

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

- \$0.3 million of land and \$1.8 million of buildings were added by the HBCRA for affordable housing in accordance with the HBCRA's Redevelopment Plan.
- \$10.8 million was added to ongoing construction in process projects, including: the City's new EV Bus Transit Charging Facility, City-wide roadway improvements, ADA compliant bus stops, Historic Village Park, Chaves Lake Park, various City facilities improvements, HBCRA affordable housing development, the District 8 Parking Lot, HBCRA Hallandale City Center Kitchen Restaurant, and other capital project initiatives tied to the HBCRA's 2020 Redevelopment Revenue Note.
- Completed projects, including City-wide roadway improvements, the District 8 Parking Lot, and the HBCRA Redevelopment Revenue Note Tree Planting, amounted to \$3.2 million, which was then distributed as \$1.6 million to general government infrastructure, \$0.1 million to equipment, and \$1.5 million to improvements other than buildings. Additionally, \$0.5 million of general government infrastructure and \$0.1 million of improvements other than buildings were transferred to Government type activities from construction projects that were completed in Business type activities for stormwater.
- \$0.5 million of improvements other than buildings was also added relating to public safety, parks, and the HBCRA's affordable housing.
- Vehicles & equipment saw a net increase of \$4.9 million due to:
 - \$5.7 million for 9 Electric iCloud Buses
 - \$0.8 million for 2 heavy vehicles and 1 pump to replace aged City heavy vehicles and pump,
 - \$0.5 million for 6 high water trucks to replace various aged City trucks,
 - \$0.4 million for public safety LPR camera systems,
 - \$1.0 million for other miscellaneous furniture, equipment, and machinery,
 - Transfer in of \$0.1 million from construction in progress (as mentioned above),
 - Transfer out of \$0.8 million of 2 heavy trucks and 1 pump to Business type activities,

- Disposal of \$4.6 million in both cost of assets and related costs of accumulated depreciation for aged vehicles and equipment, a net effect of almost \$0,
- Offset by \$2.9 million in depreciation expenses.
- Right-to-use assets for Subscription-Based Information Technology Arrangements (“SBITA”) under GASB Statement No. 96 had a net increase of \$52 thousand. This net change was the combination of \$142 thousand in additions for new software, \$73 thousand in amortization, and \$17 thousand in adjustments for previously recorded SBITAs.
- Right-to-use assets for Leased Assets under GASB Statement No. 87 had a net increase of \$696 thousand. The net change was the combination of additions for leased building space of \$736 thousand and parking enforcement equipment of \$43 thousand, offset by \$83 thousand of amortization.
- Depreciation expenses contributed to a \$2.7 million decrease in buildings, a \$2.4 million decrease in improvements other than buildings, and \$0.5 million decrease in infrastructure, netting additions and transfers discussed in sections above.

Business-type activities

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

- \$13.9 million was added to ongoing construction in process projects. The projects primarily consisted of improvements and replacements of water systems, sewer systems (including lift stations), and stormwater drainage systems. Notably, the continued rise in CIP reflects the City’s dedication to advancements in its infrastructure. The major additions to CIP by category are as follows:
 - \$6.4 million for water projects,
 - \$3.5 million for raw water well infrastructure,
 - \$4.0 million for drainage improvements.
- Three construction projects were completed during the year: the NE 3rd Street drainage mitigation project, the Department of Public Works retention pond rehabilitation project, and the 48th Year CDBG drainage improvements NW 9th Street project. These completed projects amounted to \$2.9 million, which was then distributed as \$1.9 million to stormwater infrastructure, \$0.1 million to water infrastructure, \$59 thousand to sewer infrastructure, and \$0.2 million to improvements other than buildings. Additionally, \$0.5 million of general government infrastructure and \$0.1 million of improvements other than buildings were transferred to Government type activities, as noted in the previous section.
- Vehicles and equipment had a net increase of \$0.3 million after accounting for an increase of \$0.5 million dollars from purchased additions, an increase of \$0.8 million of heavy trucks and a pump transferred in from Government type activities, an almost \$0 net effect of disposing both assets and their related accumulated depreciation for \$1.1 million, and a decrease for current year depreciation of \$0.9 million.

- Intangibles increased by a net amount of \$4.4 million. This net increase was the result of an addition of \$4.6 million for the City’s allocation of consumptive water use rights under the C-51 Reservoir Phase 1 Agreement, which was offset by \$0.2 million of amortization for the year.
- Depreciation led to a \$3.4 million and \$1.0 million decline in the value of infrastructure and buildings, respectively.

Additional information can be found in Note 6 – Capital Assets of the financial statements on pages 79 and 81.

Long-term debt. As of September 20, 2024, the City had \$77.3 million in debt (bonds, notes, etc.) outstanding compared to the \$87.0 million last year. The \$9.7 million decrease is due to principal payments and amortization of deferred premiums in the current year.

The debt position of the City is summarized below and is more fully explained in Note 9. Long-Term Debt of the financial statements on pages 85 through 91.

	Bonded Debt, Notes and Lease Payable (in thousands)					
	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenue bonds	\$ 12,150	\$ 13,890	\$ -	\$ -	\$12,150	\$13,890
General Obligation bonds	48,230	49,590	-	-	48,230	49,590
Notes payable	11,315	16,375	600	1,185	11,915	17,560
State Revolving Fund loan	-	-	1,321	1,502	1,321	1,502
Equipment financed purchase obligations	502	757	-	-	502	757
Deferred amounts - premium	3,267	3,745	-	-	3,267	3,745
Total	\$75,464	\$84,357	\$1,921	\$2,687	\$77,385	\$87,044

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

Economic Factors and Next Year's Budgets and Rates

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

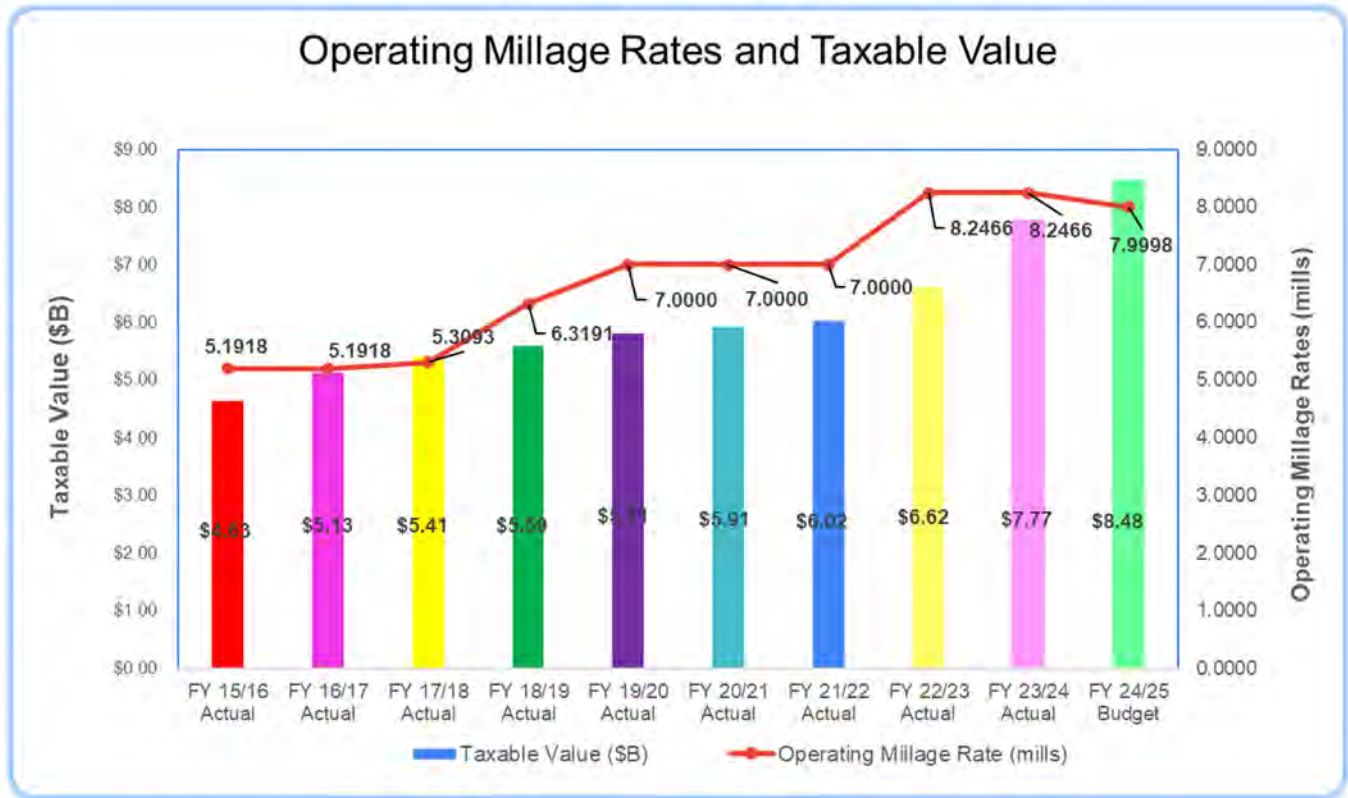
The City's tax base for the upcoming fiscal year 2024-2025 increased by \$0.7 billion; a total of \$8.5 billion. New construction totaled \$22.6 million. As the City continues to invest in its infrastructure, this will attract more private investment, which will increase the City's tax base. Business cycles aside, an increasing tax base allows the City to annually maintain the service levels while maintaining a competitive tax rate.

The adopted millage rates for fiscal year 2024-25 are as follows: General Fund operating millage (7.9998), Golden Isles Safe Neighborhood District millage rate (1.0934), Three Islands Safe Neighborhood District millage rate (0.6600) and voted debt service millage rate (0.4946). The General Fund operating millage decreased 0.2468 mills, or 3.0%, from the prior year. The adopted aggregate millage rate of 7.9998 is approximately 0.4114 mills above the rollback rate of 7.5884. The rollback rate is the millage rate at which the City would raise the same amount of property taxes as in the previous fiscal year. The adopted operating millage rate is anticipated to levy approximately \$61.1 million in property taxes to support and maintain service levels for the City's residents. Property taxes support about 54.0% of the total adopted General Fund budget of \$113.2 million. Compared to the fiscal year 2023-2024 adopted debt service millage rate of 0.4181, the fiscal year 2024-2025 adopted debt service millage rate of 0.3824 represents a decrease of 0.0357 mills, or 8.5%. The decrease is due to increases in the adjusted taxable values. The Golden Isles Safe Neighborhood District and Three Islands Safe Neighborhood District adopted millage rates remained unchanged when compared to prior year.

The total City of Hallandale Beach adopted budget for fiscal year 2024-2025 is \$259,326,913; this represents an 5.4% or a \$14.9 million decrease over the fiscal year 2023-2024 adopted budget of \$274,200,638. The primary reasons for these decreases are:

- The HBCRA budget decreased by approximately \$7.4 million for ongoing redevelopment programs, utilizing \$15.2 million of carryover reserves for FY2024-2025 compared to \$24.7 for FY2023-2024.
- The General Liability Fund budget decreased by \$4.2 million due to a reduction in the claims expenses budget.
- The ARPA Fund budget decreased by approximately \$5.2 million as majority of the ARPA funding was obligated and expended as of September 30, 2024.

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



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

Contacting the City’s Financial Management

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

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

BASIC FINANCIAL STATEMENTS

CITY OF HALLANDALE BEACH, FLORIDA

STATEMENT OF NET POSITION

SEPTEMBER 30, 2024

	Primary Government		Total
	Governmental Activities	Business-type Activities	
Assets			
Cash and cash equivalents	\$ 119,959,997	\$ 15,926,624	\$ 135,886,621
Investments	--	27,886,354	27,886,354
Receivables, net of allowances	2,077,861	7,255,358	9,333,219
Lease receivable	3,808,394	--	3,808,394
Due from other governments	7,237,130	--	7,237,130
Inventories	63,226	442,103	505,329
Other assets	41,567	--	41,567
Prepays	28,835	--	28,835
Restricted assets:			
Cash and cash equivalents	21,286,360	2,822,861	24,109,221
Assets held for resale	2,260,487	--	2,260,487
Capital assets:			
Nondepreciable	53,042,486	19,039,379	72,081,865
Capital assets, net	99,411,017	57,176,795	156,587,812
Intangible right-to-use assets, net	921,795	--	921,795
Total Assets	<u>310,139,155</u>	<u>130,549,474</u>	<u>440,688,629</u>
Deferred Outflows of Resources			
Pensions - City	23,957,172	2,936,544	26,893,716
Pensions - FRS	6,812,638	2,381,558	9,194,196
OPEB	393,267	141,632	534,899
Excess benefit plan	644,781	--	644,781
Loss on refunding	249,079	--	249,079
Total Deferred Outflows of Resources	<u>32,056,937</u>	<u>5,459,734</u>	<u>37,516,671</u>
Liabilities			
Accounts payable and accrued liabilities	8,881,020	4,252,281	13,133,301
Accrued interest	769,391	6,205	775,596
Deposits	329,124	1,676,922	2,006,046
Unearned revenue	966,222	--	966,222
Non-current liabilities:			
Due within one year	11,365,888	834,628	12,200,516
Due in more than one year	180,653,320	15,577,196	196,230,516
Total Liabilities	<u>202,964,965</u>	<u>22,347,232</u>	<u>225,312,197</u>
Deferred Inflows of Resources			
Gain on refunding	--	2,626	2,626
Leases	3,549,267	--	3,549,267
Pensions - City	1,619,236	--	1,619,236
Pensions - FRS	1,263,577	441,719	1,705,296
OPEB	3,642,632	1,311,882	4,954,514
Total Deferred Inflows of Resources	<u>10,074,712</u>	<u>1,756,227</u>	<u>11,830,939</u>
Net Position			
Net investment in capital assets	94,017,034	73,757,444	167,774,478
Restricted net position:			
Debt service	632,509	22,606	655,115
Community redevelopment	34,333,974	--	34,333,974
Law enforcement	1,657,774	--	1,657,774
Safe neighborhood districts	2,437,561	--	2,437,561
Opioid litigation settlement	109,930	--	109,930
Transportation	3,047,263	--	3,047,263
Developer agreements	4,848,536	--	4,848,536
Traffic mitigation	1,114,835	--	1,114,835
Grants	894,535	--	894,535
Building permits function	6,847,446	--	6,847,446
Police outside services	116,600	--	116,600
Capital projects	73,745	--	73,745
Impact fees	--	1,145,939	1,145,939
Unrestricted	(20,975,327)	36,979,760	16,004,433
Total Net Position	<u>\$ 129,156,415</u>	<u>\$ 111,905,749</u>	<u>\$ 241,062,164</u>

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

CITY OF HALLANDALE BEACH, FLORIDA

STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities							
General government	\$ 19,310,357	\$ 7,177,207	\$ 5,433,620	\$ 123,485	\$ (6,576,045)	\$ --	\$ (6,576,045)
Public safety	60,790,458	26,087,919	2,871,436	190,450	(31,640,653)	--	(31,640,653)
Physical environment	1,859,197	--	--	--	(1,859,197)	--	(1,859,197)
Transportation	4,918,917	1,857,974	1,566,857	6,147,956	4,653,870	--	4,653,870
Human services	2,932,718	--	542,292	--	(2,390,426)	--	(2,390,426)
Economic environment	13,472,964	271,113	--	39,420	(13,162,431)	--	(13,162,431)
Culture and recreation	9,206,819	708,467	--	86,775	(8,411,577)	--	(8,411,577)
Interest and other fiscal charges	2,169,423	--	--	--	(2,169,423)	--	(2,169,423)
Total Governmental Activities	<u>114,660,853</u>	<u>36,102,680</u>	<u>10,414,205</u>	<u>6,588,086</u>	<u>(61,555,882)</u>	<u>--</u>	<u>(61,555,882)</u>
Business-type Activities							
Utility	30,027,448	36,691,225	--	53,382	--	6,717,159	6,717,159
Sanitation	7,676,122	7,006,200	--	--	--	(669,922)	(669,922)
Stormwater drainage	5,977,989	5,250,419	--	71,252	--	(656,318)	(656,318)
Cemetery	515,371	434,518	--	--	--	(80,853)	(80,853)
Total Business-type Activities	<u>44,196,930</u>	<u>49,382,362</u>	<u>--</u>	<u>124,634</u>	<u>--</u>	<u>5,310,066</u>	<u>5,310,066</u>
Total	<u>\$ 158,857,783</u>	<u>\$ 85,485,042</u>	<u>\$ 10,414,205</u>	<u>\$ 6,712,720</u>	<u>(61,555,882)</u>	<u>5,310,066</u>	<u>(56,245,816)</u>
General Revenues and Transfers							
Property taxes					76,655,911	--	76,655,911
Franchise and utility taxes					11,666,396	--	11,666,396
Sales taxes					3,299,698	--	3,299,698
Motor fuel taxes					1,050,870	--	1,050,870
Alcoholic beverage taxes					10,771	--	10,771
Intergovernmental revenue (not restricted to specific purpose)					1,638,965	--	1,638,965
Slot machine revenues					1,678,024	--	1,678,024
Impact fees					71,665	7,031	78,696
Unrestricted investment earnings					7,737,965	2,182,790	9,920,755
Miscellaneous revenue, unrestricted					480,580	--	480,580
Gain on sale of capital assets					124,054	128,472	252,526
Transfers					2,356,024	(2,356,024)	--
Total General Revenues and Transfers					<u>106,770,923</u>	<u>(37,731)</u>	<u>106,733,192</u>
Change in Net Position					45,215,041	5,272,335	50,487,376
Net Position - Beginning					<u>83,941,374</u>	<u>106,633,414</u>	<u>190,574,788</u>
Net Position - Ending					<u>\$ 129,156,415</u>	<u>\$ 111,905,749</u>	<u>\$ 241,062,164</u>

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

CITY OF HALLANDALE BEACH, FLORIDA

**BALANCE SHEET
GOVERNMENTAL FUNDS**

SEPTEMBER 30, 2024

	General Fund	Community Redevelopment Agency Fund	Grants Fund	General Obligation Bond Fund	Capital Projects Fund	Redevelopment Revenue Note Fund	Nonmajor Governmental Funds	Total
Assets								
Cash and cash equivalents	\$ 27,577,186	\$ 33,158,760	\$ 11,482,899	\$ --	\$ 9,586,183	\$ --	\$ 19,679,776	\$ 101,484,804
Receivables, net of allowances	1,484,407	408,471	--	13,862	--	--	168,521	2,075,261
Lease receivable	3,768,332	--	--	--	--	--	40,062	3,808,394
Due from other governments	1,589,432	--	5,534,418	--	--	--	113,280	7,237,130
Due from other funds	17,224,992	474,510	--	--	--	--	--	17,699,502
Inventories	63,226	--	--	--	--	--	--	63,226
Other assets	--	41,567	--	--	--	--	--	41,567
Assets held for resale	--	2,260,487	--	--	--	--	--	2,260,487
Cash and cash equivalents - restricted	386,378	--	--	4,538,933	--	15,837,696	523,353	21,286,360
Total Assets	\$ 52,093,953	\$ 36,343,795	\$ 17,017,317	\$ 4,552,795	\$ 9,586,183	\$ 15,837,696	\$ 20,524,992	\$ 155,956,731
Liabilities								
Accounts payable and accrued liabilities	\$ 4,027,299	\$ 1,291,874	\$ 692,235	\$ 23,870	\$ 47,355	\$ 2,022,767	\$ 627,974	\$ 8,733,374
Deposits	231,824	--	--	--	--	--	97,300	329,124
Unearned revenue	401,528	21,227	143,467	--	--	--	400,000	966,222
Due to other funds	51,807	655,153	15,177,150	1,392,689	--	41,453	381,250	17,699,502
Total Liabilities	4,712,458	1,968,254	16,012,852	1,416,559	47,355	2,064,220	1,506,524	27,728,222
Deferred Inflows of Resources								
Leases	3,509,518	--	--	--	--	--	39,749	3,549,267
Unavailable revenue	518,247	--	--	--	--	--	6,424	524,671
Total Deferred Inflows of Resources	4,027,765	--	--	--	--	--	46,173	4,073,938
Fund Balances								
Nonspendable:								
Inventories	63,226	--	--	--	--	--	--	63,226
Other assets	--	41,567	--	--	--	--	--	41,567
Leases	258,814	--	--	--	--	--	313	259,127
Restricted for:								
Assets held for resale	--	2,260,487	--	--	--	--	--	2,260,487
Long-term receivables	--	408,142	--	--	--	--	--	408,142
Community redevelopment	--	31,665,345	--	--	--	--	--	31,665,345
Debt service	206,456	--	--	--	--	--	426,053	632,509
Law enforcement	--	--	--	--	--	--	1,657,774	1,657,774
Developer agreements	1,675,000	--	--	--	--	--	3,173,536	4,848,536
Traffic mitigation	--	--	--	--	--	--	1,114,835	1,114,835
Transportation	--	--	--	--	--	--	3,047,263	3,047,263
Building permits function	--	--	--	--	--	--	6,847,446	6,847,446
Safe neighborhood districts	--	--	--	--	--	--	2,437,561	2,437,561
Opioid litigation settlement	--	--	109,930	--	--	--	--	109,930
Police outside services	--	--	--	--	--	--	116,600	116,600
Grant programs	--	--	894,535	--	--	--	--	894,535
Capital projects	--	--	--	3,136,236	--	13,773,476	73,745	16,983,457
Committed:								
Tree preservation	--	--	--	--	--	--	77,169	77,169
Renewal and replacement	2,624,837	--	--	--	--	--	--	2,624,837
Assigned:								
Fire equipment	839,079	--	--	--	--	--	--	839,079
Development code rewriting	6,000	--	--	--	--	--	--	6,000
Capital projects	1,157,581	--	--	--	9,538,828	--	--	10,696,409
Encumbrances	2,203,461	--	--	--	--	--	--	2,203,461
Unassigned	34,319,276	--	--	--	--	--	--	34,319,276
Total Fund Balances	43,353,730	34,375,541	1,004,465	3,136,236	9,538,828	13,773,476	18,972,295	124,154,571
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 52,093,953	\$ 36,343,795	\$ 17,017,317	\$ 4,552,795	\$ 9,586,183	\$ 15,837,696	\$ 20,524,992	\$ 155,956,731

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

CITY OF HALLANDALE BEACH, FLORIDA

**RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION**

SEPTEMBER 30, 2024

Total Fund Balances for Governmental Funds		\$ 124,154,571
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Governmental capital assets	\$ 231,203,485	
Less accumulated depreciation and amortization	<u>(88,958,205)</u>	142,245,280
Various charges for services in the statement of activities that do not provide current financial resources are reported as unavailable revenue in the governmental funds financial statements.		524,671
Deferred outflows of resources are not current financial resources and therefore are not reported in the funds.		
Deferred outflows relating to pensions - City	23,626,743	
Deferred outflows relating to pensions - FRS	6,563,035	
Deferred outflows relating to OPEB	374,946	
Deferred outflows relating to the excess benefit plan	644,781	
Deferred outflows relating to the loss on refunding of debt	<u>249,079</u>	31,458,584
Internal service funds are used by management to charge the costs of certain functions to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		24,107,871
Deferred inflows of resources are not available to pay for current expenditures and therefore are not reported in the funds.		
Deferred inflows related to pensions - City	(1,619,236)	
Deferred inflows related to pensions - FRS	(1,217,281)	
Deferred inflows related to OPEB	<u>(3,472,926)</u>	(6,309,443)
Certain liabilities are not due and payable in the current period and are therefore not reported in the funds		
Bond premium	(3,267,326)	
Bonds payable	(71,695,000)	
Equipment financed purchase obligations	(501,685)	
Lease liability	(774,133)	
Subscription liability	(217,695)	
Accrued interest payable	(769,391)	
Total OPEB liability	(5,326,097)	
Total pension liability - excess benefit plan	(12,208,191)	
Net pension liability - City	(75,253,857)	
Net pension liability - FRS	(13,988,184)	
Compensated absences	(3,023,560)	<u>(187,025,119)</u>
Net Position of Governmental Activities		<u>\$ 129,156,415</u>

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

CITY OF HALLANDALE BEACH, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	General Fund	Community Redevelopment Agency Fund	Grants Fund	General Obligation Bond Fund	Capital Projects Fund	Redevelopment Revenue Note Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues								
Property taxes	\$ 47,641,915	\$ 14,249,436	\$ --	\$ --	\$ --	\$ --	\$ 4,191,981	\$ 66,083,332
Utility taxes	6,583,920	--	--	--	--	--	--	6,583,920
Charges for services	10,922,940	117,156	--	--	--	--	2,643,927	13,684,023
Licenses and permits	1,011,186	--	--	--	--	--	7,879,292	8,890,478
Intergovernmental	6,237,503	10,572,579	13,798,953	--	--	--	1,015,118	31,624,153
Franchise taxes	5,082,476	--	--	--	--	--	--	5,082,476
Fire assessments	9,296,128	--	--	--	--	--	--	9,296,128
Fines and forfeitures	1,460,647	--	--	--	--	--	1,310,612	2,771,259
Investment earnings	2,337,092	1,812,028	615,880	246,282	295,879	961,242	818,652	7,087,055
Slot machine revenues	1,894,070	--	--	--	--	--	--	1,894,070
Impact fees	--	--	--	--	--	--	71,665	71,665
Other revenues	907,474	153,957	--	--	--	--	478,053	1,539,484
Total Revenues	<u>93,375,351</u>	<u>26,905,156</u>	<u>14,414,833</u>	<u>246,282</u>	<u>295,879</u>	<u>961,242</u>	<u>18,409,300</u>	<u>154,608,043</u>
Expenditures								
Current:								
General government	23,126,127	--	--	--	--	--	--	23,126,127
Public safety	51,766,019	--	7,113	--	--	--	7,164,869	58,938,001
Physical environment	1,478,086	--	--	--	11,729	--	--	1,489,815
Transportation	590,045	--	1,566,857	--	--	--	2,652,192	4,809,094
Economic environment	--	14,396,684	--	--	--	279,804	--	14,676,488
Culture and recreation	4,923,533	--	--	860	--	--	19,397	4,943,790
Human services	2,171,856	--	8,430	--	--	--	16,046	2,196,332
Debt service:								
Principal	258,937	5,060,000	--	--	--	--	3,171,753	8,490,690
Interest and other fiscal charges	23,849	360,618	--	--	--	--	2,272,773	2,657,240
Capital outlay	1,743,914	3,862,506	6,122,956	217,309	798,456	6,008,845	2,529,031	21,283,017
Total Expenditures	<u>86,082,366</u>	<u>23,679,808</u>	<u>7,705,356</u>	<u>218,169</u>	<u>810,185</u>	<u>6,288,649</u>	<u>17,826,061</u>	<u>142,610,594</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>7,292,985</u>	<u>3,225,348</u>	<u>6,709,477</u>	<u>28,113</u>	<u>(514,306)</u>	<u>(5,327,407)</u>	<u>583,239</u>	<u>11,997,449</u>
Other Financing Sources (Uses)								
Transfers in	9,237,803	--	33,070	--	5,760,484	--	6,975,468	22,006,825
Transfers out	(12,393,674)	(1,164,099)	(6,029,753)	--	--	--	--	(19,587,526)
Proceeds on sale of capital assets	66,600	--	--	--	--	--	--	66,600
Initiation of leases	42,539	736,380	--	--	--	--	--	778,919
Initiation of subscription arrangements	142,186	--	--	--	--	--	--	142,186
Total Other Financing Sources (Uses)	<u>(2,904,546)</u>	<u>(427,719)</u>	<u>(5,996,683)</u>	<u>--</u>	<u>5,760,484</u>	<u>--</u>	<u>6,975,468</u>	<u>3,407,004</u>
Net Change in Fund Balances	<u>4,388,439</u>	<u>2,797,629</u>	<u>712,794</u>	<u>28,113</u>	<u>5,246,178</u>	<u>(5,327,407)</u>	<u>7,558,707</u>	<u>15,404,453</u>
Fund Balances - Beginning of year	<u>38,965,291</u>	<u>31,577,912</u>	<u>291,671</u>	<u>3,108,123</u>	<u>4,292,650</u>	<u>19,100,883</u>	<u>11,413,588</u>	<u>108,750,118</u>
Fund Balances - End of year	<u>\$ 43,353,730</u>	<u>\$ 34,375,541</u>	<u>\$ 1,004,465</u>	<u>\$ 3,136,236</u>	<u>\$ 9,538,828</u>	<u>\$ 13,773,476</u>	<u>\$ 18,972,295</u>	<u>\$ 124,154,571</u>

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

CITY OF HALLANDALE BEACH, FLORIDA

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

Net Change in Fund Balances - Total Governmental Funds \$ 15,404,453

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

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

Capital outlay	\$ 21,283,017	
Less amortization/depreciation	<u>(7,222,771)</u>	14,060,246

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

Net book value of asset disposals	(94,893)	
Adjustment to net book value of intangible right-to-use assets	(15,464)	
Capital assets transferred from business-type activities	604,180	
Capital assets contributed from outside-parties	64,110	
Capital assets transferred to business-type activities	(64,453)	
Net capital assets transferred to the Fleet Fund	<u>(6,176,681)</u>	(5,683,201)

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

Change in unavailable revenues		56,737
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Internal service funds are used by management to charge the costs of certain functions to individual funds. The net revenue of certain activities in the internal service funds is reported with governmental activities.

17,342,291

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds.

Neither transaction, however, has any effect on net position.

Financed purchase repayments	255,445	
Issuance of debt - Subscription liabilities	(142,186)	
Issuance of debt - Leases (right-to-use assets)	(778,919)	
Subscription liabilities adjustment	4,003	
Principal repayments on bonds and loans	8,160,000	
Principal repayments on Leases (right-to-use assets)	4,786	
Principal repayments on Subscription liabilities	<u>70,459</u>	7,573,588

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

Change in accrued interest	89,896	
Change in deferred inflows and outflows relating to City pensions and the net pension liability	(3,408,555)	
Change in deferred inflows and outflows relating to FRS pension and the net pension liability	(1,598,281)	
Change in deferred inflows and outflows relating to OPEB and the total OPEB liability	983,224	
Change in deferred inflows and outflows relating to excess benefits plan and the total pension liability	62,087	
Change in compensated absences	(65,365)	
Amortization of deferred loss on refunding	(79,769)	
Amortization of bond premiums	<u>477,690</u>	<u>(3,539,073)</u>

Change in Net Position of Governmental Activities \$ 45,215,041

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

CITY OF HALLANDALE BEACH, FLORIDA

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS**

SEPTEMBER 30, 2024

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Utility Fund	Sanitation Fund	Stormwater Drainage Fund	Nonmajor Cemetery Fund	Totals	
Assets						
Current Assets						
Cash and cash equivalents	\$ 5,240,682	\$ 4,044,847	\$ 6,045,961	\$ 595,134	\$ 15,926,624	\$ 18,475,193
Investments	27,886,354	--	--	--	27,886,354	--
Cash and cash equivalents - restricted	2,364,796	458,065	--	--	2,822,861	--
Receivables, net of allowances	6,171,821	552,415	505,149	25,973	7,255,358	2,600
Inventories	221,050	--	--	221,053	442,103	--
Prepays	--	--	--	--	--	28,835
Total Current Assets	<u>41,884,703</u>	<u>5,055,327</u>	<u>6,551,110</u>	<u>842,160</u>	<u>54,333,300</u>	<u>18,506,628</u>
Noncurrent Assets						
Capital assets:						
Nondepreciable	16,864,749	--	1,799,152	375,478	19,039,379	--
Capital assets, net	<u>30,147,485</u>	<u>605,072</u>	<u>26,412,301</u>	<u>11,937</u>	<u>57,176,795</u>	<u>11,130,018</u>
Total Noncurrent Assets	<u>47,012,234</u>	<u>605,072</u>	<u>28,211,453</u>	<u>387,415</u>	<u>76,216,174</u>	<u>11,130,018</u>
Total Assets	<u>88,896,937</u>	<u>5,660,399</u>	<u>34,762,563</u>	<u>1,229,575</u>	<u>130,549,474</u>	<u>29,636,646</u>
Deferred Outflows of Resources						
Pensions - City	1,598,901	882,904	454,739	--	2,936,544	330,429
Pensions - FRS	1,661,363	449,761	204,025	66,409	2,381,558	249,603
OPEB	<u>92,915</u>	<u>29,604</u>	<u>13,144</u>	<u>5,969</u>	<u>141,632</u>	<u>18,321</u>
Total Deferred Outflows of Resources	<u>\$ 3,353,179</u>	<u>\$ 1,362,269</u>	<u>\$ 671,908</u>	<u>\$ 72,378</u>	<u>\$ 5,459,734</u>	<u>\$ 598,353</u>

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

CITY OF HALLANDALE BEACH, FLORIDA

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS (CONTINUED)**

SEPTEMBER 30, 2024

	Business-type Activities - Enterprise Funds				Totals	Governmental Activities - Internal Service Funds
	Utility Fund	Sanitation Fund	Stormwater Drainage Fund	Nonmajor Cemetery Fund		
Liabilities						
Current Liabilities						
Accounts payable and accrued liabilities	\$ 3,736,746	\$ 154,361	\$ 341,911	\$ 19,263	\$ 4,252,281	\$ 147,646
Accrued interest	5,442	--	763	--	6,205	--
Compensated absences	77,141	21,764	10,442	1,588	110,935	11,557
Notes payable	445,854	--	204,540	--	650,394	--
Accrued claims for self-insured risks	--	--	--	--	--	1,338,000
Total OPEB liability	48,087	15,321	6,802	3,089	73,299	9,482
Payable from restricted assets:						
Deposits	1,218,857	458,065	--	--	1,676,922	--
Total Current Liabilities	<u>5,532,127</u>	<u>649,511</u>	<u>564,458</u>	<u>23,940</u>	<u>6,770,036</u>	<u>1,506,685</u>
Noncurrent Liabilities						
Compensation absences	284,113	79,597	38,050	5,960	407,720	41,064
Accrued claims for self-insured risks	--	--	--	--	--	2,806,000
Notes payable	1,270,956	--	--	--	1,270,956	--
Net pension liability - City	3,748,203	2,069,736	1,066,015	--	6,883,954	774,603
Net pension liability - FRS	3,540,962	958,601	434,850	141,542	5,075,955	531,994
Total OPEB liability	1,271,792	405,207	179,905	81,707	1,938,611	250,780
Total Noncurrent Liabilities	<u>10,116,026</u>	<u>3,513,141</u>	<u>1,718,820</u>	<u>229,209</u>	<u>15,577,196</u>	<u>4,404,441</u>
Total Liabilities	<u>15,648,153</u>	<u>4,162,652</u>	<u>2,283,278</u>	<u>253,149</u>	<u>22,347,232</u>	<u>5,911,126</u>
Deferred Inflows of Resources						
Gain on refunding	1,729	--	897	--	2,626	--
Pensions - FRS	308,142	83,419	37,841	12,317	441,719	46,296
OPEB	860,637	274,209	121,744	55,292	1,311,882	169,706
Total Deferred Inflows of Resources	<u>1,170,508</u>	<u>357,628</u>	<u>160,482</u>	<u>67,609</u>	<u>1,756,227</u>	<u>216,002</u>
Net Position						
Net investment in capital assets	44,834,554	605,072	27,930,403	387,415	73,757,444	11,130,018
Restricted for debt service	22,606	--	--	--	22,606	--
Restricted for impact fees	1,145,939	--	--	--	1,145,939	--
Unrestricted	29,428,356	1,897,316	5,060,308	593,780	36,979,760	12,977,853
Total Net Position	<u>\$ 75,431,455</u>	<u>\$ 2,502,388</u>	<u>\$ 32,990,711</u>	<u>\$ 981,195</u>	<u>\$ 111,905,749</u>	<u>\$ 24,107,871</u>

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

CITY OF HALLANDALE BEACH, FLORIDA

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS**

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Business-type Activities - Enterprise Funds				Totals	Governmental Activities - Internal Service Funds
	Utility Fund	Sanitation Fund	Stormwater Drainage Fund	Nonmajor Cemetery Fund		
Operating Revenues						
Charges for services	\$ 36,674,802	\$ 7,006,200	\$ 5,223,461	\$ 434,518	\$ 49,338,981	\$ 15,163,899
Other revenues	16,423	--	26,958	--	43,381	--
Total Operating Revenues	<u>36,691,225</u>	<u>7,006,200</u>	<u>5,250,419</u>	<u>434,518</u>	<u>49,382,362</u>	<u>15,163,899</u>
Operating Expenses						
Personal services	9,008,389	2,890,218	1,488,700	251,996	13,639,303	1,599,865
Cost of sales and services	17,649,804	4,678,052	2,111,127	261,686	24,700,669	3,403,477
Claims expense	--	--	--	--	--	(2,324,312)
Depreciation and amortization	3,321,313	107,852	2,375,640	1,689	5,806,494	1,519,514
Total Operating Expenses	<u>29,979,506</u>	<u>7,676,122</u>	<u>5,975,467</u>	<u>515,371</u>	<u>44,146,466</u>	<u>4,198,544</u>
Operating Income (Loss)	<u>6,711,719</u>	<u>(669,922)</u>	<u>(725,048)</u>	<u>(80,853)</u>	<u>5,235,896</u>	<u>10,965,355</u>
Nonoperating Revenues (Expenses)						
Impact fees	7,031	--	--	--	7,031	--
Investment earnings	1,633,576	216,475	315,160	17,579	2,182,790	650,910
Bond issuance costs	(8,117)	--	--	--	(8,117)	--
Interest expense	(39,825)	--	(2,522)	--	(42,347)	--
Capital assets transferred to governmental activities	--	--	(604,180)	--	(604,180)	--
Gain on disposal of capital assets	27,872	56,900	43,700	--	128,472	152,347
Total Nonoperating Revenues (Expenses)	<u>1,620,537</u>	<u>273,375</u>	<u>(247,842)</u>	<u>17,579</u>	<u>1,663,649</u>	<u>803,257</u>
Income (Loss) Before Capital Contributions and Transfers	<u>8,332,256</u>	<u>(396,547)</u>	<u>(972,890)</u>	<u>(63,274)</u>	<u>6,899,545</u>	<u>11,768,612</u>
Capital grants and contributions	53,382	--	135,705	--	189,087	6,176,681
Transfers in	350,401	--	860,611	480,427	1,691,439	98,795
Transfers out	(1,806,845)	(1,500,000)	(200,891)	--	(3,507,736)	(701,797)
Change in Net Position	<u>6,929,194</u>	<u>(1,896,547)</u>	<u>(177,465)</u>	<u>417,153</u>	<u>5,272,335</u>	<u>17,342,291</u>
Net Position - Beginning	<u>68,502,261</u>	<u>4,398,935</u>	<u>33,168,176</u>	<u>564,042</u>	<u>106,633,414</u>	<u>6,765,580</u>
Net Position - Ending	<u>\$ 75,431,455</u>	<u>\$ 2,502,388</u>	<u>\$ 32,990,711</u>	<u>\$ 981,195</u>	<u>\$ 111,905,749</u>	<u>\$ 24,107,871</u>

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

CITY OF HALLANDALE BEACH, FLORIDA

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS**

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Utility Fund	Sanitation Fund	Stormwater Drainage Fund	Nonmajor Cemetery Fund	Totals	
Cash Flows from Operating Activities						
Receipts from customers and users	\$ 35,523,121	\$ 7,026,746	\$ 5,235,743	\$ 436,338	\$ 48,221,948	\$ 15,161,971
Payments to suppliers for goods, services, claims and administrative charges	(17,561,156)	(4,684,122)	(2,258,482)	(222,100)	(24,725,860)	(5,286,256)
Payments to employees	(7,310,089)	(2,269,852)	(1,099,923)	(285,478)	(10,965,342)	(1,200,230)
Net Cash Provided by (Used In) Operating Activities	<u>10,651,876</u>	<u>72,772</u>	<u>1,877,338</u>	<u>(71,240)</u>	<u>12,530,746</u>	<u>8,675,485</u>
Cash Flows from Noncapital and Related Financing Activities						
Transfers from other funds	14,950	--	293,374	480,427	788,751	98,795
Transfers to other funds	(1,806,845)	(1,500,000)	--	--	(3,306,845)	--
Net Cash Provided by (Used in) Noncapital and Related Financing Activities	<u>(1,791,895)</u>	<u>(1,500,000)</u>	<u>293,374</u>	<u>480,427</u>	<u>(2,518,094)</u>	<u>98,795</u>
Cash Flows from Capital and Related Financing Activities						
Acquisition and construction of capital assets	(14,713,081)	--	(4,252,955)	(9,812)	(18,975,848)	(1,429,202)
Proceeds from impact fees	7,031	--	--	--	7,031	--
Proceeds from sale of capital assets	34,132	56,900	43,700	--	134,732	152,347
Principal paid on long-term debt	(566,161)	--	(199,427)	--	(765,588)	--
Capital contributions	--	--	71,254	--	71,254	--
Debt issuance costs	(8,117)	--	--	--	(8,117)	--
Interest paid on long-term debt	(48,659)	--	(6,846)	--	(55,505)	--
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(15,294,855)</u>	<u>56,900</u>	<u>(4,344,274)</u>	<u>(9,812)</u>	<u>(19,592,041)</u>	<u>(1,276,855)</u>
Cash Flows from Investing Activities						
Purchase of investments	(27,886,354)	(847,217)	(1,233,417)	(68,799)	(30,035,787)	(2,547,450)
Proceeds from sale of investments	288,443	885,473	1,289,116	71,905	2,534,937	2,662,482
Interest and investment income received	1,345,133	178,219	259,461	14,473	1,797,286	535,878
Net Cash Provided by (Used in) Investing Activities	<u>(26,252,778)</u>	<u>216,475</u>	<u>315,160</u>	<u>17,579</u>	<u>(25,703,564)</u>	<u>650,910</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	<u>(32,687,652)</u>	<u>(1,153,853)</u>	<u>(1,858,402)</u>	<u>416,954</u>	<u>(35,282,953)</u>	<u>8,148,335</u>
Cash and Cash Equivalents - Beginning	<u>40,293,130</u>	<u>5,656,765</u>	<u>7,904,363</u>	<u>178,180</u>	<u>54,032,438</u>	<u>10,326,858</u>
Cash and Cash Equivalents - Ending	<u>\$ 7,605,478</u>	<u>\$ 4,502,912</u>	<u>\$ 6,045,961</u>	<u>\$ 595,134</u>	<u>\$ 18,749,485</u>	<u>\$ 18,475,193</u>

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

CITY OF HALLANDALE BEACH, FLORIDA

**STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS**

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Business-type Activities - Enterprise Funds				Totals	Governmental Activities - Internal Service Funds
	Utility Fund	Sanitation Fund	Stormwater Drainage Fund	Nonmajor Cemetery Fund		
Reconciliation to Statement of Net Position						
Cash and cash equivalents	\$ 5,240,682	\$ 4,044,847	\$ 6,045,961	\$ 595,134	\$ 15,926,624	\$ 18,475,193
Restricted assets, cash and cash equivalents	<u>2,364,796</u>	<u>458,065</u>	<u>--</u>	<u>--</u>	<u>2,822,861</u>	<u>--</u>
Total cash and cash equivalents	<u>\$ 7,605,478</u>	<u>\$ 4,502,912</u>	<u>\$ 6,045,961</u>	<u>\$ 595,134</u>	<u>\$ 18,749,485</u>	<u>\$ 18,475,193</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:						
Operating income (loss)	\$ 6,711,719	\$ (669,922)	\$ (725,048)	\$ (80,853)	\$ 5,235,896	\$ 10,965,355
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation and amortization	3,321,313	107,852	2,375,640	1,689	5,806,494	1,519,514
Changes in assets and liabilities:						
(Increase) decrease in receivables	(1,179,349)	6,384	(64,338)	1,820	(1,235,483)	(1,928)
(Increase) decrease in due from other governments	--	--	74,620	--	74,620	--
(Increase) decrease in inventories	(29,367)	--	--	30,504	1,137	--
(Increase) decrease in prepaids and other assets	1,069	--	--	--	1,069	(13,563)
(Increase) decrease in deferred outflows of resources	469,770	300,284	132,340	40,781	943,175	32,149
Increase (decrease) in accounts payable	116,946	(6,070)	(147,355)	9,082	(27,397)	(54,528)
Increase (decrease) in accrued liabilities	--	--	--	--	--	2,020
Increase (decrease) in unearned revenue	--	--	(24,958)	--	(24,958)	--
Increase (decrease) in customer deposits	11,245	14,162	--	--	25,407	--
Increase (decrease) in compensated absences	6,335	(6,016)	11,833	(6,638)	5,514	(6,050)
Increase (decrease) in self insured claims liability	--	--	--	--	--	(4,139,000)
Increase (decrease) in net pension liability	788,051	254,606	159,840	(54,517)	1,147,980	254,305
Increase (decrease) in total OPEB liability	(36,556)	(40,800)	20,554	(29,467)	(86,269)	20,637
Increase (decrease) in deferred inflows of resources	<u>470,700</u>	<u>112,292</u>	<u>64,210</u>	<u>16,359</u>	<u>663,561</u>	<u>96,574</u>
Net Cash Provided By (Used In) Operating Activities	<u>\$ 10,651,876</u>	<u>\$ 72,772</u>	<u>\$ 1,877,338</u>	<u>\$ (71,240)</u>	<u>\$ 12,530,746</u>	<u>\$ 8,675,485</u>

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

CITY OF HALLANDALE BEACH, FLORIDA

**STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS**

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Business-type Activities - Enterprise Funds				Totals	Governmental Activities - Internal Service Funds
	Utility Fund	Sanitation Fund	Stormwater Drainage Fund	Nonmajor Cemetery Fund		
Noncash Investing, Capital and Financing Activities						
Unrealized gain on investments	\$ 288,443	\$ 38,256	\$ 55,699	\$ 3,106	\$ 385,504	\$ 115,032
Gain on debt refunding	6,922	--	3,580	--	10,502	--
Contributed capital from private scenarios	53,382	--	--	--	53,382	--
Contributed capital from governmental activities	--	--	64,451	--	64,451	6,176,681
Contributed capital to governmental activities	--	--	(604,180)	--	(604,180)	--
Contributed capital (to) from business-type activities	335,451	--	366,346	--	701,797	(701,797)
Undepreciated amounts on disposal of capital assets	(6,260)	--	--	--	(6,260)	152,347
	<u>\$ 677,938</u>	<u>\$ 38,256</u>	<u>\$ (114,104)</u>	<u>\$ 3,106</u>	<u>\$ 605,196</u>	<u>\$ 5,742,263</u>

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

CITY OF HALLANDALE BEACH, FLORIDA

STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS

SEPTEMBER 30, 2024

	Custodial Funds	Pension Trust Funds
Assets		
Cash and cash equivalents	\$ 458,139	\$ 5,696,132
Employee contributions receivable	--	14,112
State contributions receivable	--	94,340
Accrued interest and dividends	--	509,210
Due from brokers	--	154,561
Investments:		
Corporate bonds	--	20,779,930
Equity securities	--	195,624,949
U.S. obligations	--	27,664,754
Hedge funds	--	12,801,807
Equity pooled separate accounts	--	41,392,981
Private equity fund	--	6,658,271
Fixed income pooled separate accounts	--	40,129,491
Real estate pooled separate accounts	--	5,701,959
Real estate funds	--	9,081,775
Domestic equity investment funds	3,057,813	--
International equity investment funds	962,112	--
Domestic fixed income investment fund	1,860,511	--
Total investments	5,880,436	360,608,140
Prepays	--	154,561
Total Assets	6,338,575	367,231,056
Liabilities		
Accounts payable	58,868	260,967
Drop benefits payable	--	10,993
Refund of contributions payable	--	76,285
Due to broker	--	163,700
Total Liabilities	58,868	511,945
Net Position		
Restricted for:		
Pension benefits	5,821,568	365,800,253
Community partnerships	458,139	--
Total Net Position	\$ 6,279,707	\$ 365,800,253

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

CITY OF HALLANDALE BEACH, FLORIDA

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS**

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Custodial Funds	Pension Trust Funds
Additions		
Contributions:		
Employer	\$ --	\$ 13,761,366
Plan members	--	2,427,394
State of Florida	--	1,094,832
Donations and contributions	66,067	--
Total contributions:	66,067	17,283,592
Investment income:		
Interest and dividends	16,084	5,817,045
Net increase in fair value of investments	1,210,378	57,573,230
Total investment income:	1,226,462	63,390,275
Less investment expense	--	(1,677,111)
Net investment income (loss)	1,226,462	61,713,164
Total Additions	1,292,529	78,996,756
Deductions		
Benefits	644,781	25,733,078
Administrative expenses	4,884	390,617
Operating expenses	88,494	--
Total Deductions	738,159	26,123,695
Change in Net Position	554,370	52,873,061
Net Position - beginning	5,725,337	312,927,192
Net Position - ending	\$ 6,279,707	\$ 365,800,253

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

NOTES TO FINANCIAL STATEMENTS

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. *REPORTING ENTITY*

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

The criteria, which define a component unit and establish requirements for reporting and disclosure of a component unit, is set forth in GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, GASB Statement No. 61, *The Financial Reporting Unit: Omnibus*, GASB Statement No. 80, *Blending Requirements for Certain Component Units*, and GASB Statement No. 85, *Omnibus 2017*. A component unit is a legally separate organization for which the City is determined to either be financially accountable for, or for organizations for which the nature and significance of their relationship with the City is such that exclusion would cause the City’s financial statements to be misleading or incomplete. The City is financially accountable if it appoints a voting majority of the organization’s governing board and: (1) it is able to impose its will on the organization, or (2) there is a potential for the organization to provide specific financial benefit to or impose specific financial burden on the City, or the City has operational responsibility. The City is also financially accountable if the entity is fiscally dependent on the City. An organization’s relationship with the City which does not meet the criteria of financial accountability, can warrant inclusion in the reporting unit if the organization is determined to be closely related to, or financially integrated with the City. This determination is a matter of professional judgment as to the nature and significance of the relationship. The City has three blended component units presented as special revenue funds in the City’s financial statements.

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. *REPORTING ENTITY (CONTINUED)*

BLENDED COMPONENT UNITS:

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

Golden Isles Safe Neighborhood District

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

Three Islands Safe Neighborhood District

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

Hallandale Beach Community Redevelopment Agency

Pursuant to Section 163.387, Florida Statutes, the City of Hallandale Beach established a Redevelopment Trust Fund for the Community Redevelopment Agency (“CRA”, “HBCRA” or “Agency”), effective December 1996. The City Commission, acting as the agency Board of Directors, approved a Community Redevelopment Plan, which will primarily utilize Tax Increment Financing to fund community redevelopment within the designated area. The specific area incorporates approximately two thirds of the City with the exception of the most easterly portion of the City. The base year established of January 1, 1996, will be utilized in determining the base amount of property valuation. Each year the City, County and Children’s Services Council must contribute 95% of the incremental increase, if any, in ad valorem taxes levied over and above the base year. The Hospital District has made a separate agreement for a flat amount. The CRA is governed by a board comprised of the City’s elected

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. REPORTING ENTITY (CONTINUED)

BLENDED COMPONENT UNITS (CONTINUED):

Hallandale Beach Community Redevelopment Agency (continued)

officials and there is a financial benefit and burden relationship between the City and the CRA. Although the Agency is legally separate from the City, the CRA is reported as part of the primary government because its sole purpose is to finance and redevelop the City's designated redevelopment areas. The CRA issues a publicly available financial statement which can be obtained by contacting the CRA's office.

The following plans are reported as fiduciary component units in accordance with GASB Statement No. 84. Refer to Note 11 of the financial statements for more information.

City of Hallandale Beach General Employees' Retirement Plan

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

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

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

City of Hallandale Beach Professional/Management Retirement Plan

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

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

The government-wide statement of net position reports all financial and capital resources of the City's governmental and business-type activities. Governmental activities are those supported by taxes and intergovernmental revenue. Business-type activities rely to a significant extent on fees and charges for support. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges for goods or services that are recovered directly from customers for services rendered, (2) grants and contributions that are restricted to meeting the operational requirements of a particular function or segment, and (3) grants and contributions that are restricted to meeting capital requirements of a particular function or segment. Taxes, impact fees (non-exchange) and other items not properly included among program revenues are reported instead as general revenues.

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

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

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

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

The government-wide, the proprietary fund and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting.

Revenues are recorded when earned and expenses reported when a liability is incurred, regardless of the timing of related cash flows.

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)

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

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

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

The City implemented the following GASB Pronouncements in the fiscal year ended September 30, 2024:

GASB Statement No. 99, *Omnibus 2022*, enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by (1) practice issues that have been identified during the implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The City implemented the requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53. This statement did not have an effect on the City's financial statements.

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)

GASB Statement No. 100, *Accounting Changes and Error Corrections*, the primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This Statement was implemented by the City for the fiscal year ended September 30, 2024; however, there was no impact to the City.

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

The City reports the following major governmental funds:

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

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

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

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

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

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

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)

The City reports the following major enterprise funds:

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

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

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

Additionally, the City reports the following fund types:

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

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

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

Fiduciary Funds include pension trust funds and custodial funds. Pension trust funds account for certain of the City's retirement plans. Custodial funds account for the excess benefit plan and various donations received on behalf of community partners.

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

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

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)

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

D. DEPOSIT

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

E. INVESTMENTS

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

F. RECEIVABLES AND PAYABLES

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

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

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. INVENTORIES/PREPAIDS

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

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

H. RESTRICTED ASSETS

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

I. CAPITAL ASSETS

Capital assets, including land, buildings and improvements, infrastructure, vehicles and equipment, right-to-use software, and intangibles, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are those that have a useful life of greater than one year and a value of greater than \$5,000 for all capital assets other than intangibles and right-to-use assets, which have a value of greater than \$35,000 are capitalized for financial reporting purposes. Capital assets are stated at cost in the government-wide and proprietary fund financial statements.

Donated capital assets are stated at their acquisition value on the date contributed. Depreciation and amortization are recorded as an operating expense for all assets meeting the City's capitalization threshold. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized, but are expensed as incurred.

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. CAPITAL ASSETS (CONTINUED)

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

	<u>Years</u>
Vehicles and equipment	5 – 10 years
Water plant components	10 years
Buildings and improvements other than buildings	20 years
Enterprise infrastructure	20 years
Government infrastructure	42 years
Intangibles	5 – 20 years
Right-to-use software subscriptions	1 – 5 years
Right-to-use buildings	5 – 20 years
Right-to-use equipment	1 – 5 years

J. LEASES

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

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

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

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

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. LEASES (CONTINUED)

Lessee: The City is a lessee for various leases of equipment and buildings. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of its useful life or lease term.

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

The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

K. SUBSCRIPTIONS-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA)

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

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. SUBSCRIPTIONS-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA) (CONTINUED)

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

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

L. ASSETS HELD FOR RESALE

The HBCRA acquires and develops property in economically depressed areas, for the intention of rendering the property suitable for economic development and then reselling or conveying it to private sector purchasers meeting certain criteria. Since these properties are acquired with the express intent of resale and/or development, they are reported at lower of cost/donated value or net realizable value. Assets donated from the City or other related entities are recorded at the carrying value of the donor entity. Donated assets from other sources are recorded at the lower of cost/donated value or net realizable value. The cost basis of assets held for resale and development include costs incurred to acquire the asset and prepare the asset for resale and development, such as purchase price, fees, surveys, lot clearing, demolition, judgments levied through suits, costs of construction, permits etc.

These assets include land, land improvements and buildings. Upon the sale of these assets, a gain or loss is recognized. When the net realizable amount is less than the carrying amount, a loss would be recognized. Gains are recorded as economic environment charges for services in the government-wide statements and other revenues in the fund financial statements and losses are recorded as economic environment expenses/expenditures.

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. COMPENSATED ABSENCES

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

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

N. UNEARNED/UNAVAILABLE REVENUE

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

O. LONG-TERM OBLIGATIONS

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

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

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. FUND EQUITY/NET POSITION

In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints imposed on the use of resources reported in governmental funds. Amounts that are restricted to specific purposes either by: (a) constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation are classified as restricted fund balances. Amounts that can only be used for specific purposes pursuant to constraints imposed by the City Commission through an ordinance or resolution (equally binding), are classified as committed fund balances. These constraints remain binding unless removed or changed in the same manner employed to commit those resources. Amounts that are constrained by the City's intent to be used for specific purposes, however, are neither restricted, nor committed are classified as assigned fund balances. With the exception of the General Fund, this is the residual fund balance classification for all governmental funds with positive balances. Assignments are approved by the City Commission through adoption of the budget. Non-spendable fund balances include amounts that cannot be spent because they are either: (a) not in spendable form, or (b) legally or contractually required to be maintained intact. Unassigned fund balance represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

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

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

Minimum Fund Balance Policy

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

The City met all of its fund balance targets at September 30, 2024.

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. NET POSITION FLOW ASSUMPTION

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the governmentwide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted resources are available for use, it is the City’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

R. FUND BALANCE FLOW ASSUMPTIONS

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

S. PENSION PLANS

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

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City of Hallandale Beach Police Officers’ and Firefighters’ Personnel Retirement Trust (Police and Fire Retirement Plan), the City of Hallandale Beach Retirement Plan (General Employees Retirement Plan), and the City of Hallandale Beach Professional/Management Retirement Plan (Professional/Management Retirement Plan) (collectively, the Plans) and additions to/deductions from the Plan’s fiduciary net position

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

S. PENSION PLANS (CONTINUED)

have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit term.

T. OTHER POST-EMPLOYMENT BENEFITS

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

U. SELF-INSURANCE

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

V. USE OF ESTIMATES

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

W. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

W. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES (CONTINUED)

The City reports a deferred loss on the refunding of 2007A Revenue Bonds, pension related, and OPEB related deferred outflows in this category.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The City also reports a deferred gain on the refunding of the 2005A Revenue Bonds, lease related, pension related, and OPEB related deferred inflows in this category.

Within the government-wide statement of net position, the City reports as deferred inflows or outflows amounts representing the difference between expected and actual experience, changes in assumptions and the net difference between projected and actual earnings of its pension plan.

The amounts will be amortized over a five year closed period beginning in the year in which the difference occurred or over the remaining service lives of all employees, as applicable. Additionally, any contributions made before year-end but subsequent to the measurement date of the City's net pension liability and total OPEB liability are reported as deferred outflows of resources. The City also reports a deferred loss on the refunding of the 2007A Revenue Bonds as deferred outflows of resources.

NOTE 2 – PROPERTY TAXES

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

The City is permitted by state law to levy taxes up to 10 mills of assessed valuation for the General Fund. Taxes were levied at 8.2466 mills, 1.0934 mills, and 0.6600 mills for the General Fund, the Golden Isles Safe Neighborhood District, and the Three Islands Safe Neighborhood District, respectively, for the 2023-2024 fiscal year.

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

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 3 – DEPOSITS AND INVESTMENTS

The City's cash, cash equivalents and investments consist of the following at September 30, 2024:

Cash and cash equivalents

Money market funds	\$ 3,176,851
Deposits with financial institutions	43,492,151
Florida PRIME	80,775,402
FL PALM	33,009,577
Total cash and cash equivalents	<u>160,453,981</u>

Investments

U.S. Government agencies	2,964,246
Corporate notes	8,253,572
U.S. Government treasuries	11,216,362
Municipal bonds	83,174
Asset-backed securities	5,369,000
Domestic equity investment funds	3,057,813
International equity investment funds	962,112
Domestic fixed income investment funds	1,860,511
Total investments	<u>33,766,790</u>

Total cash, cash equivalents, and investments \$ 194,220,771

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

Amounts as presented on the entity wide Statement of Net Position

Cash and cash equivalents	\$ 135,886,621
Investments	27,886,354
Restricted cash and cash equivalents	24,109,221

Amounts as presented on the fiduciary Statement of Net Position

Cash and cash equivalents - custodial funds	458,139
Investments - custodial funds	<u>5,880,436</u>

Total cash, cash equivalents, and investments \$ 194,220,771

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

The City's policy is to follow Florida Statutes which authorize the deposit of City funds in demand deposits or time deposits of financial institutions approved by the State Treasurer.

These are defined as public deposits. All City public deposits are held in qualified public depositories pursuant to Chapter 280, Florida Statutes, Florida Security for Public Deposits Act. Under the Act, all qualified public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits times the depository's collateral pledging level. The collateral pledging level may range from 50% to 125% depending upon the depository's financial condition and the length of time that the depository has been established.

All collateral must be deposited with the State Treasurer. Any losses to public depositories resulting from insolvency are covered by applicable deposit insurance, sale of securities pledged as collateral and, if necessary, assessment against other qualified public depositories of the same type as the depository in default. The City's bank balances were insured either by the Federal Depository Insurance or collateralized in the bank's participation in the Florida Security for Public Deposits Act.

The State Board of Administration (SBA) administers the Florida PRIME which is governed by Chapter 19-7 of the Florida Administrative Code and Chapters 218 and 215 of the Florida Statutes. These rules provide guidance and establish the policies and general operating procedures for the administration of the Florida PRIME. The Florida PRIME is not a registrant with the Securities and Exchange Commission (SEC); however, the Board has adopted operating procedures consistent with the requirements for a 2a-7 fund, which permits money market funds to use amortized cost to maintain a constant net asset value (NAV) of \$1 per share. As of September 30, 2024, Florida PRIME's rating by S&P was "AAAm" and the dollar weighted average days to maturity (WAM) of Florida PRIME was 39 days.

The Florida Public Assets for Liquidity Management Trust ("FL PALM") is a common law trust organized under Florida Statutes. FL PALM is an investment opportunity for State school districts, political subdivisions of the state or instrumentalities of political subdivisions of the state. FL PALM has not provided or obtained any legally binding guarantees to support the value of shares and all participation in the trust is voluntary. FL PALM is not registered with the SEC; however, the FL PALM Board of Trustees has adopted operating procedures consistent with the requirements for a 2a-7 fund, which permits money market funds to use amortized cost to maintain a constant NAV of \$1 per share. As of September 30, 2024, FL PALM's rating by S&P was "AAAm" and the dollar weighted average days to maturity (WAM) of FL PALM was 35 days.

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

In accordance with GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, the City's investment in Florida PRIME and FL PALM meets the definition of qualifying investment pools that measure, for financial reporting purposes, all of its investments at amortized cost and should disclose the presence of any limitations or restrictions on withdrawals. As of September 30, 2024, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100% of their account values.

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

CONCENTRATION OF CREDIT RISK

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

- Florida Local Government Surplus Funds Trust Fund ("FLGSFT") – up to 25% of available funds
- United States Government Securities – up to 100% of available funds; a maximum of 10% of treasury strips
- United States Government Agencies – up to 100% of available funds
- Federal Instrumentalities – up to 100% of available funds
- Interest Bearing Time Deposits or Savings Accounts – up to 10% of available funds
- Repurchase Agreements – up to 20% of available funds (excluding one-business day agreements and overnight sweep agreements)
- Commercial Paper – up to 35% of available funds
- Corporate Notes – up to 35% of available funds
- Bankers Acceptances – up to 25% of available funds
- State and/or Local Government Debt – up to 25% of available funds, a maximum of 10% of the various municipalities of the State of Florida
- Money Market Mutual Funds – up to 25% of available funds
- Intergovernmental Investment Pool – up to 50% of available funds
- Foreign Government Debt Issues – up to 5% of available funds
- Supranational – up to 25% of available funds; where US is a shareholder and voting member

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

CONCENTRATION OF CREDIT RISK (CONTINUED)

- City assets relating to the excess benefit plan offered to Professional/Management Retirement Plan employees may consist of the following additional investments:
 - Equities – ownership in the common equity of any one corporation shall not exceed 5%
 - Fixed Income Securities
 - Real Estate – Real Estate Investment Trust (“REIT”) an/or non-publicly traded private real estate
 - Treasury Inflation Protected Securities (“TIPS”)
 - Commodities or Commodity Contracts

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

The City’s Professional/Management Retirement Plan and the General Employees Retirement Plan invests in insurance pooled separate accounts under a group annuity contract with an insurance company. As of September 30, 2024, the following are investments in any one organization that represent 5% or more of the pension plan’s fiduciary net position:

General Employees Retirement Plan

Principal Financial Group	\$ <u>66,582,430</u>
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Professional/Management Employees Retirement Plan

Principal Financial Group	\$ <u>20,642,001</u>
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At September 30, 2024, the Police and Fire Retirement Plan’s investment in the Lazard Global Listed Infrastructure Portfolio Institutional Fund accounted for 5.2% of the Plan’s total investments.

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

CONCENTRATION OF CREDIT RISK (CONTINUED)

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

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

INTEREST RATE RISK

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

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

INTEREST RATE RISK (CONTINUED)

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

Summary of Investments and Interest Rate Risk	Value	Investment Maturities (in Years)			
		Less Than 1 Year	1-5 Years	6-10 Years	More Than 10 years
City					
U.S. Government agencies	\$ 2,964,246	\$ 866,180	\$ 1,937,545	\$ 115,512	\$ 45,009
Corporate notes	8,253,572	873,303	7,380,269	--	--
U.S. Government treasuries	11,216,362	--	11,216,362	--	--
Asset-backed securities	5,369,000	210	5,274,038	94,752	--
Municipal bonds	83,174	83,174	--	--	--
Domestic fixed income investment funds	1,860,511	--	--	1,860,511	--
FL PALM	33,009,577	33,009,577	--	--	--
Florida PRIME	80,775,402	80,775,402	--	--	--
Total	\$ 143,531,844	\$ 115,607,846	\$ 25,808,214	\$ 2,070,775	\$ 45,009
Professional/Management Employees Retirement					
Fixed income pooled separate accounts	\$ 7,754,197	\$ --	\$ 695,049	\$ 7,059,148	\$ --
Total	\$ 7,754,197	\$ --	\$ 695,049	\$ 7,059,148	\$ --
General Employees Retirement Plan					
Fixed income pooled separate accounts	\$ 32,375,294	\$ --	\$ 2,777,296	\$ 29,597,998	\$ --
Total	\$ 32,375,294	\$ --	\$ 2,777,296	\$ 29,597,998	\$ --
Police and Fire Retirement Plan					
U.S. Treasury notes	\$ 16,993,729	\$ 646,623	\$ 13,361,311	\$ 2,985,795	\$ --
U.S. Treasury bonds	2,726,225	--	--	--	2,726,225
U.S. Agencies	7,944,800	124,591	274,909	--	7,545,300
Corporate bonds	20,779,930	655,897	13,194,575	3,309,965	3,619,493
Total	\$ 48,444,684	\$ 1,427,111	\$ 26,830,795	\$ 6,295,760	\$ 13,891,018

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

CREDIT RISK

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City’s investment policy limits investments to those instruments rated at or better than A-1. The Police and Fire Retirement Plan limits its fixed income portfolio to be comprised of securities rated “BBB” or higher by Moody’s or Standard & Poor’s ratings services. The General Employees Retirement Plan and Professional/ Management Retirement Plans’ limit investments to securities ranked in Standard & Poor’s, AAA, AA, A, BBB or Moody’s Aaa, Aa, A and Baa except for below investment grade bonds held in a commingled investment portfolio, such as a mutual fund or insurance company pooled separate account.

As of September 30, 2024, the General Employees Retirement Plan and Professional/Management Pension Plans’ investments are invested in insurance company pooled separate accounts which are commingled pools, rather than individual securities. As a result, insurance company pooled separate accounts are not rated and are not subject to concentration of credit risk, custodial credit risk or foreign currency risk.

Presented below is the minimum rating as required for each debt type instrument relating to the City’s investments as of September 30, 2024:

Average Rating	Corporate Notes	U.S. Government Obligations	Asset-backed Securities	Domestic Fixed Income Investment Bonds	Municipal Bonds	FL PALM	Florida PRIME	Total
AAA	\$ --	\$ --	\$ 3,541,337	\$ --	\$ --	\$ 33,009,577	\$ 80,775,402	\$ 117,326,316
AA+	644,041	14,180,608	--	--	29,487	--	--	14,854,136
AA	205,184	--	--	--	53,687	--	--	258,871
AA-	1,571,602	--	--	--	--	--	--	1,571,602
A+	2,110,281	--	--	--	--	--	--	2,110,281
A	1,322,094	--	--	--	--	--	--	1,322,094
A-	2,275,834	--	--	--	--	--	--	2,275,834
BBB	49,538	--	--	--	--	--	--	49,538
Unrated	74,998	--	1,827,663	1,860,511	--	--	--	3,763,172
Total	<u>\$ 8,253,572</u>	<u>\$ 14,180,608</u>	<u>\$ 5,369,000</u>	<u>\$ 1,860,511</u>	<u>\$ 83,174</u>	<u>\$ 33,009,577</u>	<u>\$ 80,775,402</u>	<u>\$ 143,531,844</u>

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

CREDIT RISK (CONTINUED)

Presented below is the minimum rating as required for each debt type instrument relating to the Police and Fire Retirement Plan’s investments as of September 30, 2024:

	Average Rating	Total
Aaa		\$ 21,059,728
Aa2		325,905
Aa3		781,000
A1		3,770,310
A2		2,963,047
A3		749,607
Baa1		2,689,134
Baa2		4,151,042
Baa3		3,140,378
Ba1		187,040
Unrated		<u>8,627,493</u>
Total		<u><u>\$ 48,444,684</u></u>

CUSTODIAL CREDIT RISK

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

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

FOREIGN CURRENCY RISK

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

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

FAIR VALUE HIERARCHY

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The City and the City’s pension plans categorize their fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

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

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

Level 3 - Inputs to the valuation methodology are based upon unobservable inputs.

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

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

FAIR VALUE HIERARCHY (CONTINUED)

Net asset value (NAV) is a common measurement of fair value for Level 1, Level 2 and Level 3 investments. A fund’s NAV is simply its assets less its liabilities, and is often reported as a per share amount for fair value measurement purpose.

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

The following table summarizes the valuation of the City’s investments in accordance with the above mentioned fair value hierarchy levels as of September 30, 2024:

Investment	Level 1	Level 2	Level 3	Fair Value at 9/30/2024
Debt securities:				
U.S. Government agencies	\$ --	\$ 2,964,246	\$ --	\$ 2,964,246
Corporate notes	--	8,253,572	--	8,253,572
U.S. Government treasuries	--	11,216,362	--	11,216,362
Municipal bonds	--	83,174	--	83,174
Asset-backed securities	--	5,369,000	--	5,369,000
Domestic fixed income investment funds	<u>1,860,511</u>	--	--	<u>1,860,511</u>
Total debt securities	<u>1,860,511</u>	<u>27,886,354</u>	--	<u>29,746,865</u>
Equity securities:				
Domestic equity investment funds	3,057,813	--	--	3,057,813
International equity investment funds	<u>962,112</u>	--	--	<u>962,112</u>
Total equity securities	<u>4,019,925</u>	--	--	<u>4,019,925</u>
Total Investments by Fair Value Level	<u>\$ 5,880,436</u>	<u>\$ 27,886,354</u>	<u>\$ --</u>	33,766,790
Investments not subject to level disclosure:				
Florida PRIME (exempt)				80,775,402
FL PALM (exempt)				33,009,577
Money market funds (exempt)				3,176,851
Deposits with financial institutions (exempt)				<u>43,492,151</u>
Total Investments and Cash Equivalents				<u>\$ 194,220,771</u>

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

FAIR VALUE HIERARCHY (CONTINUED)

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

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

Corporate notes, U.S. Agency, Treasury Securities, collateralized mortgage obligations, municipal bonds, asset-backed securities, and supranational classified in Level 2, are valued using pricing models maximizing the use of observable inputs for similar securities.

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

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

As of September 30, 2024, Professional/Management Retirement Plan assets are invested in insurance pooled separate accounts. As a result, all investments related to the Plan are measured at NAV:

Investments Measured at NAV	Reported Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Equity pooled separate accounts	\$ 11,550,470	\$ --	Daily	1 Day
Fixed income pooled separate accounts	7,754,197	--	Daily	1 Day
Real estate pooled separate accounts	<u>1,337,334</u>	<u>--</u>	Daily	1 Day
Total investments measured at NAV	<u>\$ 20,642,001</u>	<u>\$ --</u>		

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

FAIR VALUE HIERARCHY (CONTINUED)

As of September 30, 2024, General Employees Retirement Plan assets are invested in insurance pooled separate accounts. As a result, all investments related to the Plan are measured at NAV:

Investments Measured at NAV	Reported Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Equity pooled separate accounts	\$ 29,842,511	\$ --	Daily	1 Day
Fixed income pooled separate accounts	32,375,294	--	Daily	1 Day
Real estate pooled separate accounts	<u>4,364,625</u>	<u>--</u>	Daily	1 Day
Total investments measured at NAV	<u>\$ 66,582,430</u>	<u>\$ --</u>		

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

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

FAIR VALUE HIERARCHY (CONTINUED)

The following tables summarize the valuation of the Police and Fire Retirement Plan’s investments in accordance with the above mentioned fair value hierarchy levels as of September 30, 2024:

Investment	Level 1	Level 2	Level 3	Fair Value at 9/30/2024
Debt securities:				
U.S. Treasury securities	\$ 16,993,729	\$ 2,726,225	\$ --	\$ 19,719,954
U.S. Agency securities	--	7,944,800	--	7,944,800
Corporate bonds	--	20,779,930	--	20,779,930
Total debt securities	<u>16,993,729</u>	<u>31,450,955</u>	--	<u>48,444,684</u>
Equity securities:				
Common stocks	177,738,987	--	--	177,738,987
Mutual funds	3,487,562	--	--	3,487,562
Total equity securities	<u>181,226,549</u>	--	--	<u>181,226,549</u>
Total Investments by Fair Value Level	<u>\$ 198,220,278</u>	<u>\$ 31,450,955</u>	<u>\$ --</u>	229,671,233
Investments measured at NAV				
Real estate fund				9,081,775
Private equity fund				6,658,271
Hedge funds				12,801,807
Infrastructure fund				14,398,400
Total investment measured at NAV				<u>42,940,253</u>
Investments not subject to level disclosure				
Money market funds (exempt)				<u>5,696,132</u>
Total Investments and Cash Equivalents				<u>\$278,307,618</u>

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

FAIR VALUE HIERARCHY (CONTINUED)

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

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

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

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

Corporate bonds classified in Level 2, are valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing the value on yields currently available on comparable securities of issuers with similar credit ratings.

When quoted prices are not available for identical or similar bonds, the bond is valued under a discounted cash flows approach that maximizes observable inputs, such as current yield of similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks or a broker quote, if available.

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

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

FAIR VALUE HIERARCHY (CONTINUED)

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

Investments Measured at NAV	Reported Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Real estate fund ⁽¹⁾	\$ 9,081,775	\$ --	Daily	24 Hours
Private equity fund ⁽²⁾	6,658,271	1,871,974	N/A	N/A
Hedge fund ⁽³⁾	12,801,807	--	Semiannual	95 Days
Infrastructure fund ⁽⁴⁾	<u>14,398,400</u>	<u>--</u>	Daily	N/A
Total investments measured at NAV	<u>\$ 42,940,253</u>	<u>\$ 1,871,974</u>		

- (1) Real estate fund: This fund is an open-end, commingled private real estate fund consisting primarily of high quality, well-leased real estate properties in multifamily, industrial, office, retail and hotel sectors throughout the United States. The investment is valued at NAV and redemption requests must be received at least 24 hours before the effective date of the redemption.
- (2) Private equity fund: This is a pooled private equity investment fund investing primarily in real assets, private equity, credit and opportunistic alternative asset management strategies. The investment is valued at NAV and redemptions are not allowed unless distributions are determined by the general partner.
- (3) Hedge fund: This hedge fund of funds invests its assets with a group of selected private investment companies seeking capital appreciation with limited variability of returns. The investment is valued at NAV and redemption requests can be made semiannually subject to a 95 day notice period.
- (4) Infrastructure fund: This infrastructure fund invests primarily in equity securities of infrastructure companies aiming for lower volatility and returns that exceed inflation. The investment is valued at NAV and redemptions are allowed daily.

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 4 – RECEIVABLES

Receivables for the City’s governmental activities and each major governmental fund and nonmajor governmental and internal service funds in the aggregate, with the related allowance for uncollectible accounts, as of September 30, 2024, were as follows:

	General	Community Redevelopment Agency Fund	General Obligation Bond Fund	Nonmajor Funds	Internal Service Funds	Total Governmental Activities
Governmental Activities						
Utility and sales tax	\$ 345,262	\$ --	\$ --	\$ --	\$ --	\$ 345,262
Franchise fees	1,051,071	--	--	--	--	1,051,071
Sales and user fees	160,432	--	--	--	--	160,432
Police outside services	--	--	--	179,776	--	179,776
Miscellaneous	169,573	329	--	--	232,579	402,481
Interest	--	4,803	13,862	--	--	18,665
CRA loans	--	670,102	--	--	--	670,102
Gross receivables	1,726,338	675,234	13,862	179,776	232,579	2,827,789
Less: allowance for uncollectibles	(241,931)	(266,763)	--	(11,255)	(229,979)	(749,928)
Total Net Receivables	<u>\$ 1,484,407</u>	<u>\$ 408,471</u>	<u>\$ 13,862</u>	<u>\$ 168,521</u>	<u>\$ 2,600</u>	<u>\$ 2,077,861</u>

AFFORDABLE HOUSING LOAN PROGRAM

The HBCRA assists homebuyers with the cost of construction of a new single family home, condominium, or townhouse by providing gap funding and closing costs of up to \$80,000 for affordable housing buyers. The program also offers an incentive of up to \$10,000 in down payment assistance for workforce housing buyers. An additional \$5,000 is available for workforce housing buyers who are first responders, teachers and nurses. Repayment is not required if the buyer maintains (homesteads) the property as a primary residence for ten (10) years. Due to the nature of these types of loans, the CRA expends the loan amount at the time of issuance due to the uncertainty as to the date or amount of future collections.

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 4 – RECEIVABLES (CONTINUED)

Receivables for the City’s business-type activities and each enterprise fund, with the related allowance for uncollectible accounts, as of September 30, 2024, were as follows:

	Utility Fund	Sanitation Fund	Stormwater Drainage Fund	Nonmajor Cemetery Fund	Total Business-type Activities
Business-type Activities					
Water sales	\$ 3,413,999	\$ --	\$ --	\$ --	\$ 3,413,999
Sewer service charges	3,116,732	--	--	--	3,116,732
Garbage and trash	--	838,908	--	--	838,908
Special trash	--	21,542	--	--	21,542
Recycling	--	24,788	--	--	24,788
Stormwater drainage	--	--	747,806	--	747,806
Interest receivable	268,402	--	--	--	268,402
Burial rights contracts	--	--	--	25,537	25,537
Other	16,890	--	--	436	17,326
Gross receivables	<u>6,816,023</u>	<u>885,238</u>	<u>747,806</u>	<u>25,973</u>	<u>8,475,040</u>
Less: allowance for uncollectibles	<u>(644,202)</u>	<u>(332,823)</u>	<u>(242,657)</u>	<u>--</u>	<u>(1,219,682)</u>
Total Net Receivables	<u>\$ 6,171,821</u>	<u>\$ 552,415</u>	<u>\$ 505,149</u>	<u>\$ 25,973</u>	<u>\$ 7,255,358</u>

NOTE 5 – DUE FROM OTHER GOVERNMENTS

Due from other governments for the City’s governmental activities and each major governmental fund and nonmajor governmental funds in the aggregate as of September 30, 2024, include the following:

	General Fund	Grants Fund	Nonmajor Governmental Funds	Total Governmental Activities
Governmental Activities				
Federal Government	\$ 96,234	\$ 39,338	\$ --	\$ 135,572
Florida Dept of Revenue	719,801	4,204,303	113,280	5,037,384
Local Governments	<u>773,397</u>	<u>1,290,777</u>	<u>--</u>	<u>2,064,174</u>
Total Due from Other Governments	<u>\$ 1,589,432</u>	<u>\$ 5,534,418</u>	<u>\$ 113,280</u>	<u>\$ 7,237,130</u>

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 6 – CAPITAL ASSETS

The following is a summary of capital asset activity for the year ended September 30, 2024:

	Beginning Balance	Increases	Decreases	Transfers ⁽¹⁾	Ending Balance
Governmental Activities					
Capital assets, not being depreciated/amortized:					
Land	\$ 40,743,929	\$ 305,638	\$ --	\$ --	\$ 41,049,567
Construction in progress	<u>4,480,885</u>	<u>10,822,660</u>	<u>(93,532)</u>	<u>(3,217,094)</u>	<u>11,992,919</u>
Total capital assets, not being depreciated/amortized	<u>45,224,814</u>	<u>11,128,298</u>	<u>(93,532)</u>	<u>(3,217,094)</u>	<u>53,042,486</u>
Capital assets, being depreciated/amortized:					
Buildings	66,098,023	1,755,355	--	--	67,853,378
Improvements other than buildings	51,782,926	490,684	--	1,579,770	53,853,380
Vehicles and equipment	34,573,956	8,439,516	(4,611,857)	(648,265)	37,753,350
Intangibles	96,231	41,369	--	--	137,600
Right-to-use building	--	736,380	--	--	736,380
Right-to-use equipment	--	42,539	--	--	42,539
Right-to-use software	216,912	126,722	--	--	343,634
Infrastructure	<u>36,442,015</u>	<u>--</u>	<u>--</u>	<u>2,123,522</u>	<u>38,565,537</u>
Total capital assets, being depreciated/amortized	<u>189,210,063</u>	<u>11,632,565</u>	<u>(4,611,857)</u>	<u>3,055,027</u>	<u>199,285,798</u>
Less accumulated depreciation/amortization for:					
Buildings	(28,360,253)	(2,725,298)	--	--	(31,085,551)
Improvements other than buildings	(19,387,186)	(2,387,954)	--	--	(21,775,140)
Vehicles and equipment	(24,809,426)	(2,927,788)	4,610,495	--	(23,126,719)
Intangibles	(8,019)	(24,072)	--	--	(32,091)
Right-to-use building	--	(77,729)	--	--	(77,729)
Right-to-use equipment	--	(4,821)	--	--	(4,821)
Right-to-use software	(43,358)	(74,850)	--	--	(118,208)
Infrastructure	<u>(22,212,954)</u>	<u>(519,773)</u>	<u>--</u>	<u>--</u>	<u>(22,732,727)</u>
Total accumulated depreciation/amortization	<u>(94,821,196)</u>	<u>(8,742,285)</u>	<u>4,610,495</u>	<u>--</u>	<u>(98,952,986)</u>
Total capital assets, being depreciated/ amortized, net	<u>94,388,867</u>	<u>2,890,280</u>	<u>(1,362)</u>	<u>3,055,027</u>	<u>100,332,812</u>
Governmental Activities Capital Assets, net	<u>\$ 139,613,681</u>	<u>\$ 14,018,578</u>	<u>\$ (94,894)</u>	<u>\$ (162,067)</u>	<u>\$ 153,375,298</u>

⁽¹⁾ Net transfers out of \$162,067 relate to \$766,248 of assets purchased by governmental activities which were contributed to enterprise funds and \$604,180 of assets constructed by enterprise funds which were contributed to governmental activities

Internal service funds predominantly serve the governmental funds. Accordingly, capital assets for them are included as part of the above totals for governmental activities. At September 30, 2024, \$11,130,018 of internal service fund related capital assets are included in the above amounts.

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 6 – CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases	Transfers ⁽¹⁾	Ending Balance
Business-type Activities					
Capital assets, not being depreciated/amortized:					
Land	\$ 1,263,102	\$ --	\$ --	\$ --	\$ 1,263,102
Construction in progress	<u>6,826,459</u>	<u>13,855,059</u>	<u>--</u>	<u>(2,905,241)</u>	<u>17,776,277</u>
Total capital assets, not being depreciated/amortized	<u>8,089,561</u>	<u>13,855,059</u>	<u>--</u>	<u>(2,905,241)</u>	<u>19,039,379</u>
Capital assets, being depreciated/amortized:					
Buildings	26,360,653	--	--	--	26,360,653
Improvements other than buildings	5,044,582	--	--	181,311	5,225,893
Vehicles and equipment	12,209,089	494,123	(1,111,211)	766,247	12,358,248
Intangibles	428,046	4,600,000	--	--	5,028,046
Infrastructure	<u>99,661,761</u>	<u>80,050</u>	<u>--</u>	<u>2,119,750</u>	<u>101,861,561</u>
Total capital assets, being depreciated/amortized	<u>143,704,131</u>	<u>5,174,173</u>	<u>(1,111,211)</u>	<u>3,067,308</u>	<u>150,834,401</u>
Less accumulated depreciation/amortization for:					
Buildings	(19,210,442)	(1,086,310)	--	--	(20,296,752)
Improvements other than buildings	(3,375,352)	(229,326)	--	--	(3,604,678)
Vehicles and equipment	(9,760,539)	(889,490)	1,104,950	--	(9,545,079)
Intangibles	(191,954)	(169,689)	--	--	(361,643)
Infrastructure	<u>(56,417,775)</u>	<u>(3,431,679)</u>	<u>--</u>	<u>--</u>	<u>(59,849,454)</u>
Total accumulated depreciation/amortization	<u>(88,956,062)</u>	<u>(5,806,494)</u>	<u>1,104,950</u>	<u>--</u>	<u>(93,657,606)</u>
Total capital assets, being depreciated/ amortized, net	<u>54,748,069</u>	<u>(632,321)</u>	<u>(6,261)</u>	<u>3,067,308</u>	<u>57,176,795</u>
Business-type Activities Capital Assets, net	<u>\$ 62,837,630</u>	<u>\$ 13,222,738</u>	<u>\$ (6,261)</u>	<u>\$ 162,067</u>	<u>\$ 76,216,174</u>

⁽¹⁾ Net transfers in of \$162,067 relate to \$766,248 of assets purchased by governmental activities which were contributed to enterprise funds and \$604,180 of assets constructed by enterprise funds which were contributed to governmental activities

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 6 – CAPITAL ASSETS (CONTINUED)

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

Governmental activities	
General government	\$ 3,075,922
Public safety	1,212,782
Physical environment	12,605
Transportation	358,743
Economic environment	300,659
Culture and recreation	3,780,428
Human services	<u>1,146</u>
Total Depreciation and Amortization	
Expense - Governmental Activities	<u><u>\$ 8,742,285</u></u>
Business-type activities	
Utility	\$ 3,321,313
Sanitation	107,852
Stormwater drainage	2,375,640
Cemetery	<u>1,689</u>
Total Depreciation and Amortization	
Expense - Business-Type Activities	<u><u>\$ 5,806,494</u></u>

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 7 – INTERFUND ACTIVITIES

Interfund receivable and payable balances as of September 30, 2024, are as follows:

Due From	Due to		
	General	Community Redevelopment	Total
General	\$ --	\$ 51,807	\$ 51,807
Community Redevelopment	655,153	--	655,153
Grants	15,177,150	--	15,177,150
General Obligation Bond	1,392,689	--	1,392,689
Redevelopment Revenue Note	--	41,453	41,453
Nonmajor Governmental	--	381,250	381,250
Total	\$ 17,224,992	\$ 474,510	\$ 17,699,502

Transfers: The composition of interfund transactions for the year ended September 30, 2024, is as follows:

Transfers Out	Transfers In								Total Transfers Out
	General Fund	Capital Projects Fund	Grants Fund	Nonmajor Governmental Funds	Utility Fund	Stormwater Fund	Nonmajor Enterprise Fund	Internal Service Fund	
General Fund	\$ --	\$ 5,760,484	\$ 33,070	\$ 5,811,369	\$ 14,950	\$ 293,374	\$ 480,427	\$ --	\$ 12,393,674
Community Redevelopment	--	--	--	1,164,099	--	--	--	--	1,164,099
Grants Fund	5,930,958	--	--	--	--	--	--	98,795	6,029,753
Utility Fund	1,806,845	--	--	--	--	--	--	--	1,806,845
Sanitation Fund	1,500,000	--	--	--	--	--	--	--	1,500,000
Stormwater Drainage Fund	--	--	--	--	200,891	--	--	--	200,891
Internal Service Fund	--	--	--	--	134,560	567,237	--	--	701,797
Total Transfers In	\$ 9,237,803	\$ 5,760,484	\$ 33,070	\$ 6,975,468	\$ 350,401	\$ 860,611	\$ 480,427	\$ 98,795	\$ 23,797,059

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 7 – INTERFUND ACTIVITIES (CONTINUED)

During the year ended September 30, 2024, there was a net amount of \$162,067 relating to capital assets that were constructed or purchased by governmental activities, including the internal service funds, that were contributed and transferred to business-type activities. Refer to Note 6 for additional information. The \$5,930,958 transfer into the General Fund from the Grants Fund represent reimbursements of \$5,382,780 for American Rescue Plan Act (“ARPA”) expenditures and \$548,178 for other grant related expenditures that were carried out and paid for by the General Fund. Transfers into the General Fund of \$1,806,845 and \$1,500,000 from the Utility Fund and Sanitation Fund, respectively, represent payments in lieu of franchise fees (PILOFF) payments. The General Fund transferred \$5,760,484 to the Capital Projects Fund to support various ongoing capital projects. Transfers into the nonmajor governmental funds represent transfers from the General Fund and Community Redevelopment Agency into the Revenue Bond Fund to provide funding for the repayment of the Capital Improvement Refunding Revenue Bonds, Series 2016. Also included within transfers into the nonmajor governmental funds is a transfer from the General Fund to the Transportation Fund of \$4,686,805 to support various operating costs, ongoing capital projects, and to fund the creation of the new Transportation and Mobility (TAM) Division. The General Fund transferred \$33,070 to the Opioid Trust Fund to account for opioid funds received in previous years by the City that are restricted to specific uses to combat the opioid crisis. The transfer of \$98,795 to the Internal Service Funds from the Grants Fund is to support the purchase of a specialized vehicle. The General Fund transferred \$14,950 to the Utility Fund to account for impact fees received by the City that are restricted to specific uses relating to water and sanitary sewer services. The transfer of \$293,374 from the General Fund to the Stormwater Fund is to support the purchase of pump trucks.

The transfers between the Stormwater Drainage Fund and the Utility Fund of \$200,891 are related to capital assets that were purchased or constructed by Stormwater Drainage and transferred to the Utility Fund for use. The transfers between the Internal Service Funds and the Utility Fund of \$134,560 and between Internal Service Funds and the Stormwater Fund of \$567,237 are related to vehicles that were purchased or constructed by the Fleet Fund and transferred to the Utility Fund and Stormwater Fund for use. Transfers into the nonmajor enterprise funds represent transfers to the Cemetery Fund to subsidize perpetual care and transfers to the Stormwater Fund for the purchase of specialized vehicles.

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 8 – ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities for the City’s governmental activities, each major governmental fund and nonmajor governmental and internal service funds in the aggregate as of September 30, 2024 were as follows:

	General Fund	Community Redevelopment Agency Fund	Grants Fund	General Obligation Bond Fund	Capital Projects Fund
Governmental Activities					
Vendor payables	\$ 1,412,875	\$ 1,203,785	\$ 692,235	\$ 209	\$ 47,355
Retainage payable	--	48,042	--	23,661	--
Other liabilities	2,614,424	40,047	--	--	--
Total	<u>\$ 4,027,299</u>	<u>\$ 1,291,874</u>	<u>\$ 692,235</u>	<u>\$ 23,870</u>	<u>\$ 47,355</u>

	Redevelopment Revenue Note Fund	Non-major Funds	Internal Services Funds	Total Governmental Activities
Vendor payables	\$ 1,808,930	\$ 526,187	\$ 121,914	\$ 5,813,490
Retainage payable	213,837	5,377	--	290,917
Other liabilities	--	96,410	25,732	2,776,613
Total	<u>\$ 2,022,767</u>	<u>\$ 627,974</u>	<u>\$ 147,646</u>	<u>\$ 8,881,020</u>

Accounts payable and accrued liabilities for the City’s business-type activities, each major and nonmajor enterprise fund as of September 30, 2024 were as follows:

	Utility Fund	Sanitation Fund	Stormwater Drainage Fund	Nonmajor Cemetery Fund	Total Business-type Activities
Business-type Activities					
Vendor payables	\$ 2,960,654	\$ 114,452	\$ 247,114	\$ 12,917	\$ 3,335,137
Retainage payables	459,141	--	75,613	--	534,754
Accrued wastewater treatment expense	167,534	--	--	--	--
Other liabilities	149,417	39,909	19,184	6,346	214,856
Total Payables	<u>\$ 3,736,746</u>	<u>\$ 154,361</u>	<u>\$ 341,911</u>	<u>\$ 19,263</u>	<u>\$ 4,084,747</u>

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 9 – LONG-TERM DEBT AND OTHER OBLIGATIONS

Accounts payable and accrued liabilities for the City’s governmental activities, each major governmental fund and nonmajor governmental and internal service funds in the aggregate as of September 30, 2024 were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
Bonds Payable:					
Refunding revenue bonds - Series 2016	\$ 13,890,000	\$ --	\$ (1,740,000)	\$ 12,150,000	\$ 1,835,000
General Obligation Bonds - Series 2016	49,590,000	--	(1,360,000)	48,230,000	1,425,000
Direct Placements:					
HBCRA Redevelopment Revenue Note - Series 2015	4,665,000	--	(1,515,000)	3,150,000	1,555,000
HBCRA Redevelopment Revenue Note - Series 2020	11,710,000	--	(3,545,000)	8,165,000	3,900,000
Unamortized bond premium	3,745,016	--	(477,690)	3,267,326	--
	<u>83,600,016</u>	<u>--</u>	<u>(8,637,690)</u>	<u>74,962,326</u>	<u>8,715,000</u>
Other long-term liabilities:					
Equipment financed purchases obligations	757,130	--	(255,445)	501,685	246,575
Subscription liabilities	149,971	142,186	(74,462)	217,695	69,338
Lease (right-to-use asset)	--	778,919	(4,786)	774,133	117,642
Accrued claims for self-insured risks	8,283,000	--	(4,139,000)	4,144,000	1,338,000
Net pension liability (City Plans)	97,124,942	136,226	(21,232,708)	76,028,460	--
Net pension liability (FRS)	14,998,407	16,449,909	(16,928,138)	14,520,178	--
Total pension liability - excess benefit plan	12,258,218	632,960	(682,987)	12,208,191	--
Total OPEB liability	7,232,318	179,282	(1,825,241)	5,586,359	203,528
Compensated absences	3,016,866	3,462,785	(3,403,470)	3,076,181	675,805
	<u>143,820,852</u>	<u>21,782,267</u>	<u>(48,546,237)</u>	<u>117,056,882</u>	<u>2,650,888</u>
Governmental Activities/Long-Term Liabilities	<u>\$ 227,420,868</u>	<u>\$ 21,782,267</u>	<u>\$ (57,183,927)</u>	<u>\$ 192,019,208</u>	<u>\$ 11,365,888</u>
Business-type Activities					
Revenue note - Series 2014	\$ 1,185,000	\$ --	\$ (585,000)	\$ 600,000	\$ 600,000
State Revolving Fund Loan	1,501,938	--	(180,588)	1,321,350	50,394
	<u>2,686,938</u>	<u>--</u>	<u>(765,588)</u>	<u>1,921,350</u>	<u>650,394</u>
Other long-term liabilities:					
Net pension liability (City Plans)	5,739,634	1,144,320	--	6,883,954	--
Net pension liability (FRS)	5,072,295	3,660	--	5,075,955	--
Total OPEB liability	2,098,179	571,087	(657,356)	2,011,910	73,299
Compensated absences	513,141	719,192	(713,678)	518,655	110,935
	<u>13,423,249</u>	<u>2,438,259</u>	<u>(1,371,034)</u>	<u>14,490,474</u>	<u>184,234</u>
Business -Type Activities/Long-Term Liabilities	<u>\$ 16,110,187</u>	<u>\$ 2,438,259</u>	<u>\$ (2,136,622)</u>	<u>\$ 16,411,824</u>	<u>\$ 834,628</u>

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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

The City had no open or unused lines of credit, or direct borrowing liabilities, as of September 30, 2024. The outstanding liabilities from direct placements was \$11,315,000 and \$1,321,350 for governmental activities and business-type activities, respectively.

GOVERNMENTAL ACTIVITIES

Revenue Bonds and Notes

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

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

On November 18, 2015, the HBCRA Board authorized the issuance of HBCRA Redevelopment Revenue Note, Series 2015, as a direct placement, in the amount of \$15,400,000 for the purpose of financing and reimbursing the cost of the acquisition, construction and equipping of certain capital improvements consistent with the Agency's Redevelopment Plan. Pledged revenues consist of the HBCRA's tax increment revenues paid by the City, Broward County, the South Broward Hospital District and the Children's Services Council of Broward County, as well as the water public service tax revenues. The note bears an interest rate of 2.72% and the final maturity is February 1, 2026.

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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

GOVERNMENTAL ACTIVITIES (CONTINUED)

Revenue Bonds and Notes (continued)

In the event of a default, bondholders may take suit, actions or special proceedings under the laws of the State of Florida or under Bond resolution to protect and enforce their rights. In certain cases, in the event of default, the interest rate on the debt may be increased. Default could also cause the acceleration of the entire remaining, unpaid balance of the Note.

On July 30, 2020, the CRA Board authorized the issuance of HBCRA Redevelopment Revenue Note, Series 2020, as a direct placement, in the amount of \$20,000,000 for the purpose of financing and reimbursing the cost of the acquisition, construction and equipping of certain capital improvements consistent with the Agency's Redevelopment Plan. Pledged revenues consist of the HBCRA's tax increment revenues paid by the City, Broward County, the South Broward Hospital District and the Children's Services Council of Broward County. The note bears an interest rate of 2.35% and the final maturity is February 1, 2026.

In the event of a default, the owner of the Note may take suit, actions or special proceedings under the laws of the State of Florida or under Bond resolution to protect and enforce their rights. In certain cases, in the event of default, the interest rate on the debt may be increased. Default could also cause the acceleration of the entire remaining, unpaid balance of the Note.

Equipment financed purchase obligations

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

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

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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

GOVERNMENTAL ACTIVITIES (CONTINUED)

Equipment financed purchase obligations (continued)

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

Subscription Bases Information Technology Arrangements (SBITA)

As of September 30, 2024, the City had three (3) active subscriptions. The subscriptions have payments that range from \$13,230 to \$30,730 and interest rates that range from 0.8760% to 3.5110%. As of September 30, 2024, the total combined value of the subscription liability is \$217,695, and the total combined value of the short-term subscription liability is \$69,338. The combined value of the right to use asset, as of September 30, 2024, is \$343,634 with accumulated amortization of \$118,208 is included within the Capital Assets roll-forward table for Governmental Activities.

BUSINESS-TYPE ACTIVITIES

Revenue Bonds and Notes

The Revenue Bonds, Series 2005A were refunded on December 30, 2014. The City issued the Refunding Revenue Note, Series 2014 in the amount of \$5,390,000 for the purpose of refinancing the City's outstanding obligations pursuant to the loan agreement dated February 7, 2005, between the City and the Florida Municipal Loan Council.

The Refunding Revenue Note, Series 2014 is subject to a fixed rate of interest equal to 2.25% and secured solely by pledged revenues. Pledged revenues include net revenues of the City's water and sewer system, the gross revenues of the City's stormwater system and legally available City's utility impact fees. Interest on the Series 2014 Note is to be paid semiannually on each February 1 and August 1, commencing February 1, 2015, and continuing until the note is paid in full.

The principal amount of the Series 2014 Note will be due and payable on February 1, 2016, and each February 1 thereafter until the maturity date. The note matures on February 1, 2025. In the event of default and continuation of default, the Bank may declare the acceleration of the entire remaining, unpaid balance of the Note and interest accrued.

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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

BUSINESS-TYPE ACTIVITIES (CONTINUED)

State Revolving Loan

Under the State of Florida Revolving Fund program, the City has received two loan commitments for improvements to the City’s wastewater collection system. Draws against the first committed loan totaled \$529,499 and the outstanding balance was \$375,874, inclusive of \$599 capitalized interest as of September 30, 2024. The City can draw up to a total principal amount of \$550,000. The interest rate on the unpaid principal of the loan balance is 1.38% per annum. Draws against the second committed loan totaled \$1,332,520 and the outstanding balance was \$945,476, inclusive of \$9,753 capitalized interest, as of September 30, 2024. The City can draw up to a total principal amount of \$3,600,000. The interest rate on the unpaid principal of the loan balance is 0.9% per annum.

Related payments of principal and interest as presented in the table of annual debt service requirements have not been finalized. The annual debt service requirements represent a projected estimate of payment requirements. The City has agreed to maintain rates, together with other pledged revenues, sufficient to provide “net revenues” equal to at least 1.15 times the annual loan payments after meeting the primary debt service requirements. Reserve and debt service funding requirements pursuant to the agreements were met in fiscal year 2024.

UTILITY SYSTEM REVENUE BONDS

Subsequent to fiscal year-end, on December 12, 2024, the City issued approximately \$58,775,000 in Utility System Revenue Bonds, Series 2024. The proceeds will be used to finance improvements to the City's water, wastewater, and stormwater systems. This issuance is not reflected in the outstanding balances as of September 30, 2024. Additional information is provided in Note 20 – Subsequent Events.

OTHER LONG-TERM LIABILITIES

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

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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

OTHER LONG-TERM LIABILITIES (CONTINUED)

A summary of annual debt service requirements as of September 30, 2024, is as follows:

Fiscal Year Ending September 30,	Governmental Activities											
	Refunding Revenue		HBCRA Redevelopment		General Obligation Bonds		HBCRA Redevelopment		Equipment financed		Subscription	
	Bonds Series 2016		Revenue Note -		Series 2016		Revenue Note -		purchases obligations		Liabilities	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 1,835,000	\$ 458,788	\$ 1,555,000	\$ 85,680	\$ 1,425,000	\$ 1,651,756	\$ 3,900,000	\$ 146,177	\$ 246,575	\$ 17,372	\$ 69,338	\$ 5,677
2026	1,930,000	364,663	1,595,000	43,384	1,500,000	1,580,506	4,265,000	50,156	255,110	8,841	73,132	4,006
2027	2,025,000	265,788	--	--	1,570,000	1,505,506	--	--	--	--	44,302	2,241
2028	2,125,000	172,663	--	--	1,650,000	1,427,006	--	--	--	--	30,923	1,086
2029	--	--	--	--	1,735,000	1,344,506	--	--	--	--	--	--
2030-2034	2,510,000	501,844	--	--	9,815,000	5,573,931	--	--	--	--	--	--
2035-2039	1,725,000	81,600	--	--	11,415,000	3,969,881	--	--	--	--	--	--
2040-2044	--	--	--	--	13,240,000	2,151,131	--	--	--	--	--	--
2045-2046	--	--	--	--	5,880,000	277,031	--	--	--	--	--	--
Totals	<u>\$ 12,150,000</u>	<u>\$ 1,845,346</u>	<u>\$ 3,150,000</u>	<u>\$ 129,064</u>	<u>\$ 48,230,000</u>	<u>\$ 19,481,254</u>	<u>\$ 8,165,000</u>	<u>\$ 196,333</u>	<u>\$ 501,685</u>	<u>\$ 26,213</u>	<u>\$ 217,695</u>	<u>\$ 13,010</u>

Fiscal Year Ending September 30,	Business-type Activities			
	Revenue Note		Direct Borrowing	
	Series 2014		State Revolving Loan	
	Principal	Interest	Principal	Interest
2025	\$ 600,000	\$ 6,750	\$ 50,394	\$ 40,383
2026	--	--	77,861	12,915
2027	--	--	78,688	12,087
2028	--	--	79,525	11,251
2029	--	--	80,371	10,405
2030-2034	--	--	414,871	39,009
2035-2039	--	--	391,239	16,726
2040-2044	--	--	148,401	2,009
Totals	<u>\$ 600,000</u>	<u>\$ 6,750</u>	<u>\$ 1,321,350</u>	<u>\$ 144,785</u>

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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

OTHER LONG-TERM LIABILITIES (CONTINUED)

Pledged Revenue

General long-term debt bonds and the notes are collateralized by multiple sources. The City has pledged certain revenue to repay revenue bonds and the notes outstanding as of September 30, 2024. The following table reports the revenue, net of related operating expenses for business-type activities, pledged for each debt issue, the amounts of such revenue received in the current year, the current year principal and interest paid on the debt, the date through which the revenue is pledged under the debt agreement, and the total pledged future revenue for each debt, which is the amount of the remaining principal and interest on the bonds and notes at September 30, 2024:

Description of Bonds	Pledged Revenue	Revenue Received	Principal and Interest Paid	Percentage of Current Year Debt Service to Pledged Revenue	Outstanding Principal and Interest	Pledged Through
Governmental Activities:						
Refunding revenue bonds - Series 2016	Non ad valorem	\$ 31,913,202	\$ 2,288,163	7.17%	\$ 13,995,346	2036
General obligation bonds - Series 2016	Ad valorem	51,833,896	3,079,756	5.94%	67,711,254	2046
HBCRA Redevelopment revenue notes - Series 2015	Tax increment and water service tax	26,666,927	1,641,888	6.16%	3,279,064	2026
HBCRA Redevelopment revenue notes - Series 2020	Tax increment	24,822,015	3,778,730	15.22%	8,361,333	2026
Business-type Activities:						
Revenue note - Series 2014	Net revenues of water, sewer and stormwater utility	\$ 11,683,631	\$ 605,081	5.18%	\$ 606,750	2025
State revolving fund loan	Net revenues of water and sewer utility less payment of senior obligations	5,781,887	216,013	3.74%	1,466,135	2042

Defeased and Refunded Debt

On July 20, 2016, the City defeased a portion of the Series 2007A bonds through an advance refunding. An advance refunding occurs by placing the proceeds of new bond issuances in an irrevocable trust with an escrow agent (third party financial institution), sufficient to provide for all future debt service requirements on the old bond issuance. The defeasance of these bonds resulted in the City removing the assets placed in the trust and related debt from the City’s financial statements. At September 30, 2024, \$7,015,000 of bonds outstanding are considered defeased.

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 10 – LEASES

Lease Receivable

The City adopted GASB Statement No. 87, *Leases*, for the year ended September 30, 2022. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

As of September 30, 2024, the City had 5 active leases. The leases have receipts that range from \$12,113 to \$84,000 and interest rates that range from 0.4750% to 1.8820%. As of September 30, 2024, the total combined value of the lease receivable is \$3,808,394, the total combined value of the short-term lease receivable is \$137,037, and the combined value of the deferred inflow of resources is \$3,549,267. The leases had \$180,684 of variable receipts not included in the Lease Receivable, within the Fiscal Year.

The future lease and interest revenues expected to maturity as of September 30, 2024, were as follows:

For the Fiscal Year Ending September 30,	Governmental Activities		
	Principal	Interest	Total Payments
2025	\$ 137,037	\$ 66,199	\$ 203,236
2026	118,867	64,220	183,087
2027	120,944	62,142	183,086
2028	129,044	59,994	189,038
2029	132,494	57,734	190,228
2030-2034	816,866	249,331	1,066,197
2035-2039	926,599	170,171	1,096,770
2040-2044	927,250	90,133	1,017,383
2045-2049	258,692	28,691	287,383
2050-2054	120,766	16,617	137,383
2055-2059	119,835	4,812	124,647
Total	<u>\$ 3,808,394</u>	<u>\$ 870,044</u>	<u>\$ 4,678,438</u>

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 10 – LEASES (CONTINUED)

Leases (right-to-use asset)

As of September 30, 2024, the City had 2 active leases. The leases have payments that range from \$0 to \$5,250 and interest rates that range from 2.3123% to 2.3123%. As of September 30, 2024, the total combined value of the lease liability is \$774,133, the total combined value of the short-term lease liability is \$117,642. The combined value of the right to use asset, as of September 30, 2024, of \$778,919 with accumulated amortization of \$82,550, is included within the Capital Assets roll-forward table for Governmental Activities.

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2024, are as follows:

For the Fiscal Year Ending September 30,	Governmental Activities		
	Principal	Interest	Total Payments
2025	\$ 117,642	\$ 24,632	\$ 142,274
2026	176,704	13,324	190,028
2027	185,408	9,147	194,555
2028	194,429	4,765	199,194
2029	99,950	675	100,625
Total	<u>\$ 774,133</u>	<u>\$ 52,543</u>	<u>\$ 826,676</u>

NOTE 11 – CITY PENSION PLANS

CITY DEFINED BENEFIT PLANS

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 11 – CITY PENSION PLANS (CONTINUED)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

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

Administrative Expenses

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

Risks and Uncertainties

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

GENERAL EMPLOYEES’ RETIREMENT PLAN

Plan Description

The City of Hallandale Beach Retirement Plan is a single-employer defined-benefit plan. The Plan covered all City employees except police officers, firefighters and management/professional employees. Effective October 1, 2007, the Plan was closed to new non-bargaining employees. Effective January 5, 2011, the Plan was closed to new bargaining employees. Accordingly, no new participants have entered the Plan after January 5, 2011. The City does not issue a stand-alone financial report for the Plan. As of September 30, 2024, employee membership data related to the plan was as follows:

Inactive plan members or beneficiaries currently receiving benefits	165
Inactive plan members entitled to, but not receiving benefits	62
Active plan members	44
Total	<u><u>271</u></u>

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 11 – CITY PENSION PLANS (CONTINUED)

GENERAL EMPLOYEES' RETIREMENT PLAN (CONTINUED)

Benefits Provided

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

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

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

The Deferred Retirement Option Plan (DROP) is available to all plan members who have become eligible for early or normal retirement. Upon electing to participate in the DROP, members are considered to have retired for pension purposes but continue to remain in active employment with the City. The member's pension benefit is calculated as if they actually retired on the date of DROP participation, using continuous service, average monthly earnings, and the current multiplier as of that date. However, instead of paying the benefit to the member, a DROP account is established, and the benefit is deposited into the account every month for up to five years. These deposits continue to accumulate interest. Upon actual termination of employment, members shall receive their normal retirement benefits and may elect to receive their funds from the DROP account in a lump sum distribution or roll their account balance into a qualified instrument. At September 30, 2024, there were 18 DROP participants, with a total balance of \$1,987,958. These funds are included in the Plan's Fiduciary Net Position.

Contributions

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

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 11 – CITY PENSION PLANS (CONTINUED)

GENERAL EMPLOYEES’ RETIREMENT PLAN (CONTINUED)

Contributions (continued)

The employees, in accordance with City ordinance, made contributions for the year ending September 30, 2024, totaling \$133,978. Employer contributions for the same period, as determined by the October 1, 2022, actuarial valuation, totaled \$2,104,620, or 100% of the actual amount required.

Target Allocations

The Plan’s investment policy establishes authorized investment classes, concentration limits, maturity constraints, investment ratings, and liquidity parameters. The policy and actual investment mix is monitored by the Board and the Plan’s investment consultants. The target asset allocations as determined through monitoring for the years ended September 30, 2024 and 2023, are as follows.

Asset Class	Target Allocation	
	2024	2023
U.S. equity	29.4%	29.4%
International equity	12.6%	12.6%
Fixed income - core bonds	46.0%	46.0%
Fixed income - high yield	4.0%	4.0%
Real estate	8.0%	8.0%
Total	100.0%	100.0%

POLICE OFFICERS’ AND FIREFIGHTERS’ PERSONNEL RETIREMENT TRUST

Plan Description

The City of Hallandale Beach Police Officers’ and Firefighters’ Personnel Retirement Trust is a single-employer defined benefit plan, which covers all police officers and firefighters. The Police and Fire Retirement Plan issues a stand-alone financial report. Copies of this report are available in the Finance Department in the Municipal Complex. As of September 30, 2024, employee membership data related to the plan was as follows:

Inactive plan members or beneficiaries currently receiving benefits	218
Inactive plan members entitled to, but not receiving benefits	9
Active plan members	107
Total	334

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 11 – CITY PENSION PLANS (CONTINUED)

POLICE OFFICERS' AND FIREFIGHTERS' PERSONNEL RETIREMENT TRUST (CONTINUED)

Benefits Provided

The plan provides retirement benefits as well as death and disability benefits. Employees vest after ten years of service. Employees who retire at or after age 52 with ten years of credited service or 25 years of credited service regardless of age, are entitled to an annual retirement benefit, payable monthly for life. The benefit is calculated as an amount equal to 3.2% for Tier I police officers and 3.0% for Tier II police officers and firefighters of their final average compensation, times the number of years and completed months of service. For Tier I firefighters, the percentage is based on 3.2% times years of service prior to January 4, 2020 and 3.0% times years of service after that. The benefits may not exceed 80% of final average compensation for Tier I members and 75% of final average compensation for Tier II members. Employees with ten years of credited service may retire at or after age 45 and receive reduced retirement benefits. The Plan includes a Deferred Retirement Option, Medical Stipend, Cost of Living Adjustment and Additional Accrual Service purchase benefits.

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

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

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

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 11 – CITY PENSION PLANS (CONTINUED)

POLICE OFFICERS' AND FIREFIGHTERS' PERSONNEL RETIREMENT TRUST (CONTINUED)

Benefits Provided (continued)

For firefighter participants who elect to continue participating in this Plan after January 4, 2020, and are not eligible for normal retirement on that date or within 25 months thereafter the average final compensation shall be based on the highest five years of the last ten years of credited service (including BSO service); but for firefighter participants hired before August 7, 2013, the average final compensation shall be no less than the average of the two most recent calendar years before January 4, 2020. Additionally, the normal retirement age shall be the earlier of age 52 with ten years of credited service or attainment of 25 years of credited service (including BSO service) regardless of age; or upon reaching the maximum benefit accrual percentage once the participant has completed the terms of their additional accrual service purchase agreement, if applicable. Effective February 19, 2020, the maximum annual service retirement benefit payable to firefighter members, excluding cost of living adjustments and the health care stipend, shall not exceed \$100,000.00 or the maximum percentages of average final compensation mentioned above for Tier I and Tier II members. Effective January 1, 2021, and every two years thereafter, the \$100,000 maximum annual service retirement benefit for firefighter participants shall increase by 2%, until it reaches \$125,000, at which point there shall be no further increases. The maximum percentage of average final compensation shall continue to apply; provided in no event shall a participant's normal retirement benefit, including the health care stipend, be less than 2.75% for all years of credited service, to include additional accrual service once the participant has completed the terms of their additional accrual service agreement.

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

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

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

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 11 – CITY PENSION PLANS (CONTINUED)

POLICE OFFICERS' AND FIREFIGHTERS' PERSONNEL RETIREMENT TRUST (CONTINUED)

Benefits Provided (continued)

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

Participants are eligible for benefits for duty disability (service incurred), regardless of length of continuous service prior to becoming disabled and are eligible for non-duty incurred disability benefits after completing 10 years of credited service. Benefits for duty disability will be 75% of the participant's pensionable earnings at the time of disability integrated with social security. Under no circumstances, however, shall the amount of disability benefits payable from the Pension Plan, net of all offsets, be less than forty-two percent (42%) of the member's pensionable earnings. Benefits for non-service incurred disability will be 3.2% of final average compensation for Tier I members and 3.0% of final average compensation for Tier II members multiplied by the number of years of credited service, but not less than 25%. The disability benefit is payable for the life of the participant or recovery of the disability. In no event shall a non-duty disability benefit exceed fifty percent (50%) of the member's final average compensation.

Death benefits are payable on behalf of participants who die during performance of their professional service. A surviving beneficiary will receive a monthly benefit equal to the greater of 30% of the participant's average monthly pensionable earnings at the time of death or the participant's accrued monthly retirement benefit. If no beneficiary has been designated, the death benefit will be payable for 120 months to the estate of the deceased. For non-service incurred deaths, if the participant has completed 10 years of credited service in the Plan, the nonservice incurred death benefit shall be equal to the participant's accrued monthly retirement benefit at the time of death. The benefit shall be paid on a monthly basis to the member's designated beneficiary on the basis of a ten (10) year certain and life thereafter calculation. In the event that the member has not designated a beneficiary on the form prescribed by the Board, the benefits shall be payable for one hundred twenty (120) months to the estate of the deceased member. If a member dies before completing ten years of service, a death benefit is payable to the designated beneficiary in an amount equal to the member's accumulated contributions, plus interest.

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 11 – CITY PENSION PLANS (CONTINUED)

POLICE OFFICERS' AND FIREFIGHTERS' PERSONNEL RETIREMENT TRUST (CONTINUED)

Benefits Provided (continued)

The Deferred Retirement Option Plan (DROP) is available to Tier I police and Tier I firefighters upon attainment of age 52 with 20 years of credited service; the completion of 25 years of credited service regardless of age; or at the date when a participant's service credit benefit reaches 80% of the average compensation. Effective April 15, 2021, Tier II police members are eligible to participate in the DROP upon completion of 25 years of credited service, regardless of age (including the purchase of service time). Tier II firefighters are not eligible to participate in the DROP. Upon electing to participate in the DROP, members are considered to have retired for pension purposes but continue to remain in active employment with the City. Maximum period of participation in the DROP is five years. Upon actual termination of employment, members shall receive their normal retirement benefits and may elect to receive their funds from the DROP account in a lump sum distribution, rollover, installment payment, annuity or combination of payments, subject to provisions of the Internal Revenue Code.

Tier 1 members' DROP account balance will earn or lose interest based on the actual performance of the Pension Fund's investments for the preceding year or the most recent assumed rate of return of the actuarial valuation, with a minimum of zero percent (0%) and a maximum of six percent (6%). Tier 2 police officers' DROP account balance will gain or lose interest based on the actual performance of the Pension Fund's investments, net of investment-related fees, with no guarantee of returns. For Tier 1 and Tier 2 DROP accounts, an administrative fee of one-half percent (0.5%) will be assessed on the DROP account balance to cover the administrative costs of the DROP. As of the date of the most recent actuarial valuation, there were 10 active employees in the DROP plan. The balance in the DROP account for these employees as well as for those already retired is \$33,464,408. These funds are included in the Plan's Fiduciary Net Position.

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

Effective April 15, 2021, subject to the 80% of average final compensation cap, the benefit cap for Tier I police members shall be \$110,000. Police Tier one members who reach the cap and who were otherwise eligible to receive cost of living adjustments on their benefit will earn up to eight 2% pension cost of living adjustments on their benefit after reaching the \$110,000 cap.

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 11 – CITY PENSION PLANS (CONTINUED)

POLICE OFFICERS' AND FIREFIGHTERS' PERSONNEL RETIREMENT TRUST (CONTINUED)

Benefits Provided (continued)

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

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

Contributions

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

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

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

Pursuant to Florida Statutes, Chapter 175 and Chapter 185, contributions from the State of Florida Department of Insurance consist of an excise tax imposed by the City upon certain property insurance companies on the gross amount of premiums from policyholders on all property insurance policies covering property within the City. This amount totaled \$1,094,832 for the year ended September 30, 2024. This amount was recognized as an expenditure and revenue in the General Fund. Contributions for year ended September 30, 2024, consisting of \$12,256,874 for the employer, or 100% of the required employer contribution, and \$2,266,354 for the employees, were made in accordance with the state statute and in accordance with actuarially determined contribution requirements determined through an actuarial valuation performed at October 1, 2022.

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 11 – CITY PENSION PLANS (CONTINUED)

POLICE OFFICERS’ AND FIREFIGHTERS’ PERSONNEL RETIREMENT TRUST (CONTINUED)

Target Allocations

The Plan’s investment policy establishes authorized investment classes, concentration limits, maturity constraints, investment ratings, and liquidity parameters. The policy and actual investment mix is monitored by the Board and the Plan’s investment consultants. The target asset allocations as determined through monitoring for the years ended September 30, 2024 and 2023, are as follows.

Asset Class	Target Allocation	
	2024	2023
Domestic equity	52.5%	52.5%
International equity	10.0%	10.0%
Fixed income	17.5%	17.5%
Real estate fund	5.0%	5.0%
Private equity fund	5.0%	5.0%
Infrastructure fund	5.0%	5.0%
Hedge fund	5.0%	5.0%
Total	100.0%	100.0%

PROFESSIONAL/MANAGEMENT RETIREMENT PLAN

Plan Description

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

As of September 30, 2024, employee membership data related to the plan was as follows:

Inactive plan members or beneficiaries currently receiving benefits	27
Inactive plan members entitled to, but not receiving benefits	9
Active plan members	1
Total	37

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 11 – CITY PENSION PLANS (CONTINUED)

PROFESSIONAL/MANAGEMENT RETIREMENT PLAN (CONTINUED)

Benefits Provided

The Plan provides enhanced retirement benefits as well as death and disability benefits. Benefits vest 100% after four years. Employees can retire at or after age 60 with four years of credited service; or age 52 with ten years of credited service; or upon attaining either 25 years of service or the maximum benefit of 80% of average monthly wages, regardless of age. The benefit amount is calculated as 3.2% for each year of eligible service multiplied by a two-year average compensation up to a maximum benefit of 80% of average compensation.

Employees who retire early with ten years of service and age 45 incur a reduction of 6% for each year the early retirement date precedes the normal retirement date. The Plan includes a Deferred Retirement Option, Medical Stipend, Excess Benefit Plan, Cost of Living Adjustment and Additional Accrual Service purchase benefits. If an employee leaves covered employment or dies before four years of credited service, accumulated employee contributions plus related investment earnings are refunded to the employee or designated beneficiary.

The DROP is available to all plan members who have become eligible for early or normal retirement. Upon electing to participate in the DROP, members are considered to have retired for pension purposes but continue to remain in active employment with the City.

The member's pension benefit is calculated as if they actually retired on the date of DROP participation, using continuous service, average monthly earnings, and the current multiplier as of that date. However, instead of paying the benefit to the member, a DROP account is established, and the benefit is deposited into the account every month for up to five years. These deposits continue to accumulate interest. Upon actual termination of employment, members shall receive their normal retirement benefits and may elect to receive their funds from the DROP account in a lump sum distribution or roll their account balance into a qualified instrument. At September 30, 2024, there were 3 DROP participants, with a total asset balance of \$329,664. These funds are included in the Plan's Fiduciary Net Position.

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

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 11 – CITY PENSION PLANS (CONTINUED)

PROFESSIONAL/MANAGEMENT RETIREMENT PLAN (CONTINUED)

Contributions

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

The employees, in accordance with plan documents, made contributions for the year ended September 30, 2024, totaling \$27,062. Employer contributions for the same period, as determined by the October 1, 2022, actuarial valuation totaled \$494,703, or 100% of the actual amount required. Payments of contributions, benefits and refunds are recognized in the financial statements as they are paid.

Target Allocations

The Plan's investment policy establishes authorized investment classes, concentration limits, maturity constraints, investment ratings, and liquidity parameters. The policy and actual investment mix is monitored by the Board and the Plan's investment consultants. The target asset allocations as determined through monitoring for the years ended September 30, 2024 and 2023, are as follows.

Asset Class	Target Allocation	
	2024	2023
U.S. equity	36.4%	36.4%
International equity	15.6%	15.6%
Fixed income - core bonds	36.8%	36.8%
Fixed income - high yield	3.2%	3.2%
Real estate	8.0%	8.0%
Total	100.0%	100.0%

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 11 – CITY PENSION PLANS (CONTINUED)

PROFESSIONAL/MANAGEMENT AND GENERAL EMPLOYEES' RETIREMENT PLANS

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

Statements of Fiduciary Net Position and Changes in Fiduciary Net Position as of and for the Fiscal Year Ended September 30, 2024

	General Employees' Retirement Plan	Professional/Management Retirement Plan
Assets		
Investments		
Equity pooled separate accounts	\$ 29,842,511	\$ 11,550,470
Fixed income pooled separate accounts	32,375,294	7,754,197
Real estate pooled separate accounts	4,364,625	1,337,334
Total investments	66,582,430	20,642,001
Total Assets	66,582,430	20,642,001
Liabilities		
Accounts payable	--	--
Net position		
Restricted for pension benefits	\$ 66,582,430	\$ 20,642,001
	General Employees' Retirement Plan	Professional/Management Retirement Plan
Additions:		
Contributions:		
Employer	\$ 2,104,620	\$ 494,703
Plan members	133,978	27,062
Total Contributions	2,238,598	521,765
Investment income:		
Net increase in fair value of investments	10,437,433	3,583,392
Less: investment expense	(26,485)	(12,322)
Net investment income	10,410,948	3,571,070
Total additions:	12,649,546	4,092,835
Deductions		
Benefits	4,331,445	1,562,560
Administrative expenses	56,499	36,743
Total deductions	4,387,944	1,599,303
Change in net position	8,261,602	2,493,532
Net Position - Beginning	58,320,828	18,148,469
Net Position - Ending	\$ 66,582,430	\$ 20,642,001

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 11 – CITY PENSION PLANS (CONTINUED)

CHANGES IN NET PENSION LIABILITY OF THE CITY – CITY DEFINED BENEFIT PENSION PLANS

The Changes in the components of the net pension liability of the City for the fiscal year ended September 30, 2024 (measurement date of September 30, 2025), were as follows for the General Employees’ Retirement Plan:

	Total Pension Liability (a)	Plan Fiduciary Net Pension (b)	Net Pension Liability (a-b)
Balances at September 30, 2023	\$ 76,068,575	\$ 56,666,137	\$ 19,402,438
Changes for the year:			
Service cost	747,276	--	747,276
Interest on total pension liability	4,822,825	--	4,822,825
Differences between expected and actual experience	1,079,397	--	1,079,397
Change in assumptions	1,990,170	--	1,990,170
Benefit payments, including refunds of employee contributions	(4,791,912)	(4,791,912)	--
Contributions - employer	--	2,061,918	(2,061,918)
Contributions - employee	--	143,973 *	(143,973)
Net investment income	--	4,292,249	(4,292,249)
Administrative expenses	--	(53,506)	53,506
	<u>3,847,756</u>	<u>1,652,722</u>	<u>2,195,034</u>
Net Changes			
	<u>3,847,756</u>	<u>1,652,722</u>	<u>2,195,034</u>
Balances at September 30, 2024	<u>\$ 79,916,331</u>	<u>\$ 58,318,859</u> *	<u>\$ 21,597,472</u>

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

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 11 – CITY PENSION PLANS (CONTINUED)

CHANGES IN NET PENSION LIABILITY OF THE CITY – CITY DEFINED BENEFIT PENSION PLANS (CONTINUED)

The Changes in the components of the net pension liability of the City for the fiscal year ended September 30, 2024 (measurement date of September 30, 2025), were as follows for the Police Officers’ and Firefighters’ Retirement Trust:

	Total Pension Liability (a)	Plan Fiduciary Net Pension (b)	Net Pension Liability (a-b)
Balances at September 30, 2023	\$ 287,028,030	\$ 208,772,717	\$ 78,255,313
Changes for the year:			
Service cost	2,712,099	--	2,712,099
Interest on total pension liability	20,458,526	--	20,458,526
Differences between expected and actual experience	(2,428,854)	--	(2,428,854)
Benefit payments, including refunds of employee contributions	(15,107,117)	(15,107,117)	--
Contributions - employer	--	13,130,681	(13,130,681)
Contributions - employee	--	1,396,536	(1,396,536)
Contributions - buy back	271,463	271,463	--
Net investment income	--	28,251,608	(28,251,608)
Administrative expenses	--	(257,993)	257,993
Net Changes	<u>5,906,117</u>	<u>27,685,178</u>	<u>(21,779,061)</u>
Balances at September 30, 2024	<u>\$ 292,934,147</u>	<u>\$ 236,457,895</u>	<u>\$ 56,476,252</u>

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 11 – CITY PENSION PLANS (CONTINUED)

CHANGES IN NET PENSION LIABILITY OF THE CITY – CITY DEFINED BENEFIT PENSION PLANS (CONTINUED)

The Changes in the components of the net pension liability of the City for the fiscal year ended September 30, 2024 (measurement date of September 30, 2025), were as follows for the Professional/Management Retirement Plan:

	Total Pension Liability (a)	Plan Fiduciary Net Pension (b)	Net Pension Liability (a-b)
Balances at September 30, 2023	\$ 22,787,152	\$ 17,580,327	\$ 5,206,825
Changes for the year:			
Service cost	100,069	--	100,069
Interest on total pension liability	1,436,439	--	1,436,439
Differences between expected and actual experience	(363,404)	--	(363,404)
Change in assumptions	582,689	--	582,689
Benefit payments, including refunds of employee contributions	(1,553,817)	(1,553,817)	--
Contributions - employer	--	523,464	(523,464)
Contributions - employee	--	33,254 *	(33,254)
Net investment income	--	1,604,454	(1,604,454)
Administrative expenses	--	(37,244)	37,244
	201,976	570,111	(368,135)
Net Changes			
Balances at September 30, 2024	\$ 22,989,128	\$ 18,150,438 *	\$ 4,838,690

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

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 11 – CITY PENSION PLANS (CONTINUED)

As of September 30, 2024, the City reported the following net pension liability (NPL) which was measured as of September 30, 2023, (measurement date in accordance with GASB Statement No. 68) associated with each plan:

	<u>General Employees' Retirement Plan</u>	<u>Police Officers' and Firefighters' Retirement Trust</u>	<u>Professional/ Management Retirement Plan</u>
Total pension liability	\$ 79,916,331	\$ 292,934,147	\$ 22,989,128
Less: Plan fiduciary net position	<u>(58,318,859) *</u>	<u>(236,457,895)</u>	<u>(18,150,438) *</u>
Net pension liability	<u>\$ 21,597,472</u>	<u>\$ 56,476,252</u>	<u>\$ 4,838,690</u>
 Plan fiduciary net position as a percentage of the total pension liability	 72.97%	 80.72%	 78.95%
 Total net pension liability - City plans			 <u>\$ 82,912,414</u>

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

In addition, in accordance with GASB Statement No. 67, information related to each plan measured as of September 30, 2024, has been disclosed:

	<u>General Employees' Retirement Plan</u>	<u>Police Officers' and Firefighters Retirement Plan</u>	<u>Professional/ Management Retirement Plan</u>
Total pension liability	\$ 81,249,026	\$ 303,277,961	\$ 23,010,548
Less: Plan fiduciary net position	<u>(66,582,430)</u>	<u>(278,575,822)</u>	<u>(20,642,001)</u>
Net pension liability	<u>\$ 14,666,596</u>	<u>\$ 24,702,139</u>	<u>\$ 2,368,547</u>
 Plan fiduciary net position as a percentage of the total pension liability	 81.95%	 91.85%	 89.71%
 Total net pension liability - City plans			 <u>\$ 41,737,282</u>

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 11 – CITY PENSION PLANS (CONTINUED)

Significant Actuarial Assumptions

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

	General Employees' Retirement Plan	Police and Fire Retirement Plan	Professional/Management Retirement Plan
Measurement date	September 30, 2023	September 30, 2023	September 30, 2023
Actuarial valuation	October 1, 2022	October 1, 2022	October 1, 2022
Interest rates:			
Single discount rate	6.25%	7.25%	6.25%
Inflation rate	2.40%	2.50%	2.40%
Salary increases	4.68% to 6.98%, depending on age	4.5% to 10%, depending on service	6.38% to 8.68%, depending on age
Mortality tables	PubG-2010 General Below Median Base Rate Mortality Table projected to future years with historical and assumed mortality improvement rates using the MP-2018 mortality improvement scale.	PubS.H-2010 Above Median Base Rate Mortality Table projected generationally with assumed mortality improvement rates using the MP-2018 mortality improvement scale.	PubG-2010 General Below Median Base Rate Mortality Table projected to future years with historical and assumed mortality improvement rates using the MP-2018 mortality improvement scale.

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 11 – CITY PENSION PLANS (CONTINUED)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan’s target asset allocation as of September 30, 2024 and 2023, are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return - 2024		
	General	Police Officers'	Professional/
	Employees'	and Firefighters	Management
	Retirement Plan	Retirement Plan	Retirement Plan
U.S. equities	7.80%	5.43%	7.80%
International equities	7.60%	4.20%	7.60%
Fixed income - core bonds	5.20%	1.11%	5.20%
Fixed income - high yield	5.80%	0.00%	5.80%
Hedge fund	0.00%	2.25%	0.00%
Real estate	8.00%	3.50%	8.00%
Infrastructure fund	0.00%	4.23%	0.00%
Private equity fund	0.00%	8.60%	0.00%

Asset Class	Long-Term Expected Real Rate of Return - 2023		
	General	Police Officers'	Professional/
	Employees'	and Firefighters	Management
	Retirement Plan	Retirement Plan	Retirement Plan
U.S. equities	8.00%	5.34%	8.00%
International equities	8.10%	4.10%	8.10%
Fixed income - core bonds	4.70%	1.21%	4.70%
Fixed income - high yield	5.70%	0.00%	5.70%
Hedge fund	0.00%	2.28%	0.00%
Real estate	8.00%	3.90%	8.00%
Infrastructure fund	0.00%	3.33%	0.00%
Private equity fund	0.00%	8.45%	0.00%

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 11 – CITY PENSION PLANS (CONTINUED)

Rate of Return

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. For the years ended September 30, 2024 and 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, were as follows for each pension plan:

<u>Year Ended September 30,</u>	<u>Professional/ Management Retirement Plan</u>	<u>Police Officers' and Firefighters Retirement Plan</u>	<u>General Employees' Retirement Plan</u>
2024	20.03%	19.92%	17.92%
2023	9.27%	13.10%	7.65%

Discount Rate

The discount rate used to measure the total pension liability at September 30, 2024 and 2023, was 6.25% and 6.25%, respectively, for both the General Employees' Retirement Plan and the Professional/Management Retirement Plan, and 7.25% for the Police and Fire Retirement Plan. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability for all plans.

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 11 – CITY PENSION PLANS (CONTINUED)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability for each of the three plans, calculated using the discount rate, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
General Employees’ Retirement Plan			
September 30, 2024	\$ 23,470,120	\$ 14,666,596	\$ 7,226,614
September 30, 2023	30,475,967	21,595,503	14,113,204
Police Officers’ and Firefighters’ Retirement Trust			
September 30, 2024	58,307,989	24,702,139	(2,966,473)
September 30, 2023	88,891,597	56,476,252	29,792,445
Professional/Management Retirement Plan			
September 30, 2024	4,908,924	2,368,547	238,225
September 30, 2023	7,457,358	4,840,659	2,655,382

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 11 – CITY PENSION PLANS (CONTINUED)

For the year ended September 30, 2024, based on a September 30, 2023, measurement date, the City recognized total pension expense of \$20,073,093 which includes \$1,252,722 for the Professional/Management Retirement Plan, \$12,189,722 for the Police and Fire Retirement Plan, and \$6,630,649 for the General Employees’ Retirement Plan. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources for each plan:

	Deferred Outflows of Resources	Deferred Inflows of Resources
General Employees’ Retirement Plan		
City contributions subsequent to the measurement date	\$ 2,104,620	\$ --
Differences between expected and actual experience	51,400	--
Changes in assumptions	94,770	--
Differences between expected and actual investment earnings	6,962,215	--
Police Officers’ and Firefighters’ Retirement Trust		
City contributions subsequent to the measurement date	12,256,875	--
Differences between expected and actual experience	1,281,581	1,619,236
Differences between expected and actual investment earnings	1,779,145	--
Professional/Management Retirement Plan		
City contributions subsequent to the measurement date	494,703	--
Differences between expected and actual investment earnings	1,868,407	--
Totals	\$ 26,893,716	\$ 1,619,236

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 11 – CITY PENSION PLANS (CONTINUED)

The deferred outflows of resources associated with the City’s contributions to each Plan subsequent to the measurement date of September 30, 2023, in the amount of \$494,703 for the Professional/Management Retirement Plan, \$12,256,875 for Police and Fire Retirement Plan, and \$2,104,620 for the General Employees’ Retirement Plan will be recognized as a reduction to the City’s net pension liability in the year ended September 30, 2025. The remaining amounts related to differences between expected and actual investment earnings, changes in assumptions, and differences between expected and actual experience will be recognized in pension expense as follows:

Year Ending September 30,	General Employees' Retirement Plan	Police Officers' and Firefighters Retirement Plan	Professional/ Management Retirement Plan
2025	\$ 2,188,102	\$ 202,563	\$ 516,731
2026	2,121,745	(1,582,558)	549,564
2027	2,927,321	5,448,710	898,053
2028	<u>(128,783)</u>	<u>(2,627,225)</u>	<u>(95,941)</u>
	<u>\$ 7,108,385</u>	<u>\$ 1,441,490</u>	<u>\$ 1,868,407</u>

MONEY-PURCHASE PLAN AND TRUST

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

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

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 11 – CITY PENSION PLANS (CONTINUED)

MONEY-PURCHASE PLAN AND TRUST (CONTINUED)

The City's contributions to the active 401(a) defined contribution plans were calculated using the covered payroll amount of approximately \$178,000. The City's contribution amounted to approximately \$30,000, or 17.0% of current covered payroll. The City's contributions to the 401(a) match plan were calculated using the covered payroll amount of approximately \$28,153,000. The City's contributions to the 401(a) match plan amount to approximately \$792,000, or 2.8% of covered payroll.

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

NOTE 12 – FLORIDA RETIREMENT SYSTEM

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

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

The Retirees' Health Insurance Subsidy (HIS) Program is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with Section 112.363, Florida Statutes.

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 12 – FLORIDA RETIREMENT SYSTEM (CONTINUED)

The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. To be eligible to receive a HIS benefit, a retiree under a state administered retirement system must provide proof of eligible health insurance coverage, which can include Medicare.

DEFINED CONTRIBUTION PLAN

Pursuant to Chapter 121, Florida Statutes, the Florida Legislature created the Florida Retirement Investment Plan (FRS Investment Plan), a defined contribution pension plan qualified under Section 401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative available to members of the Florida Retirement System in lieu of the defined benefit plan. There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class. Required employer contributions made to the plan during the year ended September 30, 2024, totaled \$1,018,473.

BENEFITS PROVIDED

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

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

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 12 – FLORIDA RETIREMENT SYSTEM (CONTINUED)

CONTRIBUTIONS

The contribution requirements of plan members and the employer are established and may be amended by the Florida Legislature. Employees are required to contribute 3% of their salary to FRS. The employer’s contribution rates for the period October 1, 2023 through June 30, 2024, and July 1, 2024 through September 30, 2024, were as follows: Regular Class 13.57% and 13.63%, Senior Management 34.52% and 34.52%, and DROP Participants 21.13% and 21.13%, respectively.

The City’s contributions for the year ended September 30, 2024, amounted to \$1,946,372 to FRS and \$371,943 to HIS.

PENSION LIABILITIES AND PENSION EXPENSE

In its financial statements for the year ended September 30, 2024, the City reported a liability for its proportionate shares of the net pension liabilities. The net pension liabilities were measured as of June 30, 2024, and the total pension liabilities used to calculate the net pension liability were determined by an actuarial valuation dated July 1, 2024. The City’s proportions of the net pension liabilities were based on the City’s share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

	FRS	Current HIS	Total
Net pension liability	\$ 13,127,513	\$ 6,468,620	\$ 19,596,133
Proportion at:			
Current measurement date	0.0339346%	0.0431213%	
Prior measurement date	0.0341367%	0.0407289%	
Pension Expense	\$ 3,724,647	\$ 1,006,975	\$ 4,731,622

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 12 – FLORIDA RETIREMENT SYSTEM (CONTINUED)

PENSION LIABILITIES AND PENSION EXPENSE (CONTINUED)

As of September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	FRS		HIS		Totals	
	Deferred Outflows	Deferred Inflows	Deferred Outflows	Deferred Inflows	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ 1,326,231	\$ --	\$ 62,459	\$ 12,420	\$ 1,388,690	\$ 12,420
Change of assumptions	1,799,246	--	114,479	765,801	1,913,725	765,801
Net difference between projected and actual earnings on Pension Plan investments	--	872,523	--	2,339	--	874,862
Changes in proportion and differences between City Pension Plan contributions and proportionate share of contributions	3,100,010	52,213	2,149,304	--	5,249,314	52,213
City FRS and HIS Plan contributions subsequent to the measurement date	539,459	--	103,008	--	642,467	--
Total	<u>\$ 6,764,946</u>	<u>\$ 924,736</u>	<u>\$ 2,429,250</u>	<u>\$ 780,560</u>	<u>\$ 9,194,196</u>	<u>\$ 1,705,296</u>

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year-end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2024. Other pension related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Fiscal Year Ending	FRS	HIS
September 30,		
2025	\$ 1,498,855	\$ 645,636
2026	3,240,747	622,735
2027	408,407	217,787
2028	37,373	43,264
2029	115,369	16,031
Thereafter	--	229
Totals	<u>\$ 5,300,751</u>	<u>\$ 1,545,682</u>

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 12 – FLORIDA RETIREMENT SYSTEM (CONTINUED)

ACTUARIAL ASSUMPTIONS

The total pension liability for each of the defined benefit plans, measured as of June 30, 2024, was determined by an actuarial valuation dated July 1, 2024, using the individual entry age normal actuarial cost method and the following significant actuarial assumptions:

	FRS	HIS
Inflation	2.40%	2.40%
Salary increases	3.50%	3.50%
Investment rate of return	6.70%	N/A
Discount rate	6.70%	3.93%

Mortality assumptions for both plans were based on the Generational PUB-2010 with Projection Scale MP-2021.

For both plans, the actuarial assumptions used in the valuation dated July 1, 2024, were based on the results of an actuarial experience study for the period July 1, 2018 through June 30, 2023. The following changes in key actuarial assumptions occurred in 2024:

FRS & HIS: The salary increases including inflation increased from 3.25% to 3.50%.

HIS: The municipal bond index rate and the discount rate used to determine the total pension liability increased from 3.65% to 3.93%.

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 12 – FLORIDA RETIREMENT SYSTEM (CONTINUED)

ACTUARIAL ASSUMPTIONS (CONTINUED)

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

	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	3.3%	3.3%	1.1%
Fixed income	29.0%	5.7%	5.6%	3.9%
Global equity	45.0%	8.6%	7.0%	18.2%
Real estate	12.0%	8.1%	6.8%	16.6%
Private equity	11.0%	12.4%	8.8%	28.4%
Strategic investments	2.0%	6.6%	6.2%	8.7%
Total	<u>100.00%</u>			
Assumed inflation - Mean			2.4%	1.5%

DISCOUNT RATE

The discount rate used to measure the total pension liability for FRS was 6.70%. FRS' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees if future experience follows assumptions and the Actuarially Determined Contribution (ADC) is contributed in full each year. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

In general, the discount rate for calculating the total pension liability under GASB 67 is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the plan sponsor. The municipal bond rate of 3.93% was used as the discount rate to determine the total pension liability for the HIS program. The Bond Buyer General Obligation Bond 20-Bond Municipal Bond Index was used as the applicable municipal bond index.

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 12 – FLORIDA RETIREMENT SYSTEM (CONTINUED)

SENSITIVITY ANALYSIS

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

Description	FRS			HIS		
	Current			Current		
	1% Decrease (5.70%)	Discount Rate (6.70%)	1% Increase (7.70%)	1% Decrease (2.93%)	Discount Rate (3.93%)	1% Increase (4.93%)
City's proportionate share of the net pension liability	\$ 23,090,836	\$ 13,127,513	\$ 4,781,117	\$ 7,363,692	\$ 6,468,620	\$ 5,725,565

PENSION PLAN FIDUCIARY NET POSITION

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

PAYABLES TO THE PENSION PLAN

At September 30, 2024, the City had no outstanding required contributions payable to the Pension Plan.

NOTE 13 – EXCESS BENEFIT PLAN

Plan Description

The City established, under Ordinance No. 2004-23, effective date September 21, 2004, the Excess Benefit Plan to be a separate, unfunded, single-employer nonqualified excess benefit plan, and intended to be a qualified governmental excess benefit arrangement as defined in Section 415 (m) (3) of the Internal Revenue Code. As of the date of the most recent actuarial valuation, October 1, 2024, employee membership data related to the plan was as follows:

Inactive plan members or beneficiaries currently receiving benefits	28
Inactive plan members entitled to, but not receiving benefits	9
Active plan members	1
Total	<u><u>38</u></u>

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 13 – EXCESS BENEFIT PLAN (CONTINUED)

Basis of Accounting

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

Excess Benefit Participants

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

Benefits Provided

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

Funding Policy

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

The Excess Benefit Plan is utilized when a retiree's calculated benefit under the Plan is limited by Internal Revenue Service Section 415 calculations. In this instance, the portion of the limited benefit is paid to the retiree from the Excess Benefit Plan. This unfunded Plan is administered by Principal Financial Group and annual benefit payment contribution requirements are paid directly from the City's treasury. At September 30, 2024, the City has set aside \$5,880,436 in a custodial fund for future pension benefits. The assets and earnings placed into the custodial fund are not irrevocable and are not protected from the City's creditors.

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 13 – EXCESS BENEFIT PLAN (CONTINUED)

Total Pension Liability

The Excess Benefit Plan’s total pension liability was measured as of September 30, 2023, and determined by an actuarial valuation as of that date.

Changes in the Total Pension Liability

As of September 30, 2024, the City reported a total pension liability of \$12,208,191, for the Excess Benefit Plan. It was determined not to reclassify any long-term amounts that are considered to be due within one year in relation to total pension liability as the amounts are minimal. Since these amounts are not material, the City will not present them in the financial statements or footnotes. Changes in the City’s total pension liability are as follows:

Balance at October 1, 2023	\$ 12,258,218
Changes for the year:	
Service cost	65,034
Interest	567,926
Benefit payments	(632,721)
Differences between expected and actual experience	(50,266)
Changes in assumptions	<u> --</u>
Net changes	(50,027)
Balance at September 30, 2024	<u><u>\$ 12,208,191</u></u>
Covered-employee payroll	\$ 434,470
Total Pension Liability as a Percentage of Covered Payroll	2809.90%

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 13 – EXCESS BENEFIT PLAN (CONTINUED)

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of September 30, 2023, using the following actuarial assumptions:

Actuarial cost method:	Entry Age Normal, Level Percent of Pay
Inflation rate:	2.40%
Annual salary increases:	6.38% to 8.68%, depending on age
Discount rate:	4.73%
Retirement age:	Normal retirement age or current age if later
Mortality:	PubG-2010 General below median base rate mortality table projected to future years with historical and assumed mortality improvement (MI) rates using the MP-2018 MI scale.

Discount Rate

Projected benefit payments are discounted to their actuarial present values using a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA/Aa or higher credit rating (which is published by the Bond Buyer) as of the measurement date. The discount rate used to measure the total pension liability was 4.73%.

Sensitivity of the Total Pension Liability to Changes in the Discount Rate

The following presents the total pension liability calculated using the discount rate, as well as what the total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (3.73%)	Current Discount Rate (4.73%)	1% Increase (5.73%)
City's total pension liability	\$ 13,616,979	\$ 12,208,191	\$ 11,043,799

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 13 – EXCESS BENEFIT PLAN (CONTINUED)

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2024, based on a September 30, 2023, measurement date, the City recognized total pension expense of \$582,694 for the Excess Benefit Plan. In addition, the City reported \$644,781 in deferred outflows for benefit payments made subsequent to the measurement date which will be recognized as a reduction to the City's total pension liability in the year ended September 30, 2025. There were no deferred inflows of resources related to this plan.

NOTE 14 – OTHER POST-EMPLOYMENT BENEFITS

Plan Description

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

Benefits Provided

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

Eligibility provisions are as follows:

Law Enforcement and Firefighters

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

Management Personnel

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

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 14 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Benefits Provided (continued)

All Other Employees

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

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

While the City does not directly contribute toward the costs of retiree premiums via an explicit subsidy, GAAP requires an actuarial liability to be calculated using claims cost, or age-adjusted premiums approximating claims cost for retirees separate from active eligible members.

Accordingly, retiree premiums were estimated by the actuary for the City’s pre-Medicare retirees as if they were rated on a stand-alone basis and the results were then disaggregated into age-specific starting costs based on average ages and assumptions on the relationship between costs and increasing age to determine the implicit subsidy. This implicit subsidy is considered to be an OPEB liability of the City under GAAP.

Employees Covered by Benefit Terms

As of September 30, 2024, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	30
Inactive plan members entitled to, but not receiving benefits	--
Active plan members	<u>351</u>
Total	<u><u>381</u></u>

Total OPEB Liability

The City’s total OPEB liability of \$7,598,269 as of September 30, 2024, was determined by an actuarial valuation as of October 1, 2023, with the actuary using standard techniques to roll forward the liability to the measurement date of September 30, 2024.

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 14 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Actuarial Assumptions and Other Inputs

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

The total OPEB liability in the October 1, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial cost method:	Entry Age Normal
Inflation rate:	3.00%
Salary increases:	4.00%
Discount rate:	4.06%
Healthcare cost trend rates:	0.45% for fiscal year 2025, then 6.00% for fiscal year 2026, decreasing to an ultimate rate of 4.50% for 2040 and later years

The discount rate was based on the S&P Municipal Bond 20-Year High Grade Rate Index as of September 30, 2024.

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

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 14 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at September 30, 2023	\$ 9,330,497
Changes for the year:	
Service cost	305,548
Interest on total OPEB liability	444,820
Changes of Benefit terms	--
Differences between expected and actual experience	(1,900,152)
Changes in assumptions	(189,200)
Benefit payments	<u>(393,244)</u>
Net Changes	<u>(1,732,228)</u>
 Balance at September 30, 2024	 <u><u>\$ 7,598,269</u></u>

Changes in assumptions and other inputs reflect a change in the discount rate from 4.87% in 2023 to 4.06% in 2024. Benefits payments represent the implicit rate subsidy, which was calculated by the actuary based on the average ages of eligible employees and retirees in the census data and a morbidity assumption of 4.50%. The implicit rate subsidy was 83.00% in 2024.

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

Sensitivity of the Total OPEB Liability to Changes in the Charges in the Discount Rate

The following presents the total OPEB liability of the City, as well as what the City’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.06%) or 1-percentage point higher (5.06%) than the current discount rate:

	1% Decrease (3.06%)	Current Discount Rate (4.06%)	1% Increase (5.06%)
Total OPEB Liability	\$ 8,235,162	\$ 7,598,269	\$ 7,028,869

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 14 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the City, as well as what the City’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (5.00% decreasing to 3.50%) or 1-percentage-point higher (7.00% decreasing to 5.50%) than the current healthcare cost trend rates:

	1% Decrease (5.00% Decreasing to 3.50%)	Healthcare Cost Trend Rate (6.00% Decreasing to 4.50%)	1% Increase (7.00% Decreasing to 5.50%)
Total OPEB Liability	\$ 6,921,875	\$ 7,598,269	\$ 8,378,075

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2024, the City recognized OPEB expense of \$141,233. At September 30, 2024, 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	\$ --	\$ 2,430,505
Changes of assumptions or other inputs	<u>534,899</u>	<u>2,524,009</u>
Total	<u>\$ 534,899</u>	<u>\$ 4,954,514</u>

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 14 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

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

For the Year Ending September 30,	Amount
2025	\$ (898,126)
2026	(793,735)
2027	(772,095)
2028	(772,095)
2029	(532,498)
Thereafter	<u>(651,066)</u>
Total	<u>\$ (4,419,615)</u>

NOTE 15 – RISK MANAGEMENT

The City is exposed to various risk of loss related to torts: theft of, damage to and destruction of assets; error and omissions; injuries to employees and natural disasters. The City's self-insurance Internal Service Funds are used to account for and finance both uninsured and insured risks of loss. Coverage is provided for workers' compensation and general liability, as specified by applicable federal and state statutes.

The City purchases commercial excess insurance for workers' compensation claims in excess of \$350,000. The City relies on the liability limits of \$200,000/300,000 imposed by Florida Statute and therefore does not carry any other coverage. Other insured risks for loss are budgeted in various operating funds. The City purchases all risk property insurance for City structures (estimated \$113,739,000 replacement value) with a 5% windstorm deductible and a \$25,000 deductible for all other exposures. Other minor liabilities for small City programs or operations are budgeted in the operating funds. The settlements in the past three years were less than insurance coverage.

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 15 – RISK MANAGEMENT (CONTINUED)

All operating funds of the City participate in the program and make payments to the fund based on estimates of the amounts needed to pay prior and current claims and to provide fund equity for catastrophic losses. The estimated liability for self-insured risks at September 30, 2024, of \$4,144,000 is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicate that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

As of September 30, 2024 and 2023, the total estimated liabilities on pending claims were as follows:

	2024	2023
Claims payable - beginning	\$ 8,283,000	\$ 9,255,668
Incurred claims	(2,324,308)	528,698
Payments on claims	(1,814,692)	(1,501,366)
Claims payable - ending	<u>\$ 4,144,000</u>	<u>\$ 8,283,000</u>

NOTE 16 – COMMITMENTS AND CONTINGENT LIABILITIES

Construction and Purchase Commitments

Construction and Purchase Commitments: The City is actively engaged in various construction and economic development projects, along with purchase commitments, as of September 30, 2024. These projects encompass affordable housing loan and grant programs, economic environment improvement programs, CRA improvement projects, City facilities improvement projects, park development projects, public transit programs and projects, public safety projects, City emergency management plan project, development code rewrite project, stormwater drainage improvements, water distribution projects, and sanitary sewer improvement and capacity enhancement projects.

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 16 – COMMITMENTS AND CONTINGENT LIABILITIES (CONTINUED)

As of September 30, 2024, the City’s significant commitments with contractors are detailed below:

Project Classification	Spent-to-Date	Remaining Commitments
Affordable Housing Programs	\$ 1,046,056	\$ 6,795,459
Art in Public Places Program	2,325	22,675
Façade and Neighborhood Improvement Grant Programs	889,868	899,233
Redevelopment Revenue Note Projects	6,420,464	4,131,284
City Facilities Improvement Projects	154,107	398,851
City-Wide Parks Master Plan	487,447	212,677
Transportation Improvement Projects	153,648	367,453
EV Bus Transit Facility Project	2,011,595	647,623
Cloud Community Bus Program	682,540	1,573,120
Public Safety Projects	364,829	784,939
City Emergency Management Plan	61,000	13,300
Development Code Rewrite	49,501	177,499
Stormwater Drainage Improvement projects	197,201	200,791
Water & Wastewater	<u>14,392,566</u>	<u>11,758,485</u>
Total	<u>\$ 26,913,147</u>	<u>\$ 27,983,389</u>

FUNDING DETAILS

- The Affordable Housing Programs, Art in Public Places Program, and Façade and Neighborhood Improvements are financed by existing HBCRA resources.
- Redevelopment Revenue Note Projects are funded through the HBCRA Redevelopment Revenue Note, Series 2020.
- The City-Wide Parks Master Plans are financed by general obligation bonds and existing City resources.
- Transportation improvement projects are funded by City funding. Anticipated construction will be funded by City funding, as well as future surtax revenues.
- The EV Bus Transit Facility Project and Cloud Community Bus Program are funded by state and local grants, as well as City funding.
- Public Safety Projects are funded through City and Safe Neighborhood District funds.
- Stormwater Drainage Improvements are partially financed with federal grants and City funding.
- Water and Wastewater Projects are partially funded by City funding and reimbursements from anticipated future utility revenue bonds (see Note 9 & 20).
- All other commitments are financed from existing City and HBCRA resources.

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 16 – COMMITMENTS AND CONTINGENT LIABILITIES (CONTINUED)

All other commitments are financed from existing City and HBCRA resources.

Claims and Lawsuits

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

Grantor Agencies

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

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 17 – HALLANDALE BEACH COMMUNITY REDEVELOPMENT AGENCY

Pursuant to Florida Statute 163.387, listed below is a summary of the sources and amounts of deposits to, and the purpose and amounts of withdrawals from the Community Redevelopment Agency Funds, which is inclusive of the Community Redevelopment Agency Fund (CRA) and the Redevelopment Revenue Note Fund, for the year ended September 30, 2024:

	Deposits	Withdrawals
Source of deposits:		
Tax increment revenues - Hallandale Beach	\$ 14,249,436	\$ --
Tax increment revenues - Other agencies	10,572,579	--
Loan repayments	184,576	--
Loan application fees	26,519	--
Loan interest	4,250	--
Investment income	2,766,552	--
Other revenue	165,825	--
Developer agreements	16,014	--
Purpose of withdrawals:		
Salaries and benefits	--	1,397,347
Materials and supplies	--	51,929
Community redevelopment programs	--	3,155,698
Grants to community organizations	--	80,198
Professional and outside services	--	605,094
Administrative and other service charges	--	494,652
Subsidized loan programs	--	4,421,674
Streetlighting	--	221,024
Capital outlay	--	7,431,500
Debt service	--	5,420,618
Payments to other funds	--	3,156,696
Deposits on leased property	--	41,567
Refund of unsolicited proposal deposits	--	11,979
Transfer to City's Capital Projects Fund	--	1,164,099
Total	\$ 27,985,751	\$ 27,654,075

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 18 – ASSETS HELD FOR RESALE

Assets held for resale consist of properties available for affordable housing and redevelopment. Activity for the year ended September 30, 2024, is summarized in the following table:

	Beginning Balance	Additions	Deletions	Ending Balance
Assets held for resale	\$ 2,260,487	\$ --	\$ --	\$ 2,260,487

NOTE 19 – DEFICIT FUND EQUITY

As of September 30, 2024, the Workers' Compensation Fund reflects a deficit fund equity position of \$114,455. This negative balance is primarily the result of timing differences between claims activity and revenue collection through interfund charges. The City has implemented a plan to eliminate the deficit in the subsequent fiscal year through scheduled administrative cost allocations from benefiting funds. This approach ensures the fund remains self-sustaining and compliant with internal service fund best practices.

NOTE 20 – SUBSEQUENT EVENTS

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

On December 12, 2024, the City closed on the issuance of approximately \$58,775,000 in Utility System Revenue Bonds, Series 2024. The bonds were authorized pursuant to Ordinance No. 2023-006 and Resolution No. 2024-099 and were issued to finance utility system improvements and related costs. The projects include improvements to the water, wastewater, and stormwater systems as contemplated in the City's multi-year capital improvement planning efforts.

Total proceeds were approximately \$61,022,000, including net premium. Of this amount, \$60,000,000 was deposited into the project fund, with the remainder used to pay costs of issuance. The bonds are secured by a pledge of net revenues derived from the City's utility system and do not constitute a general obligation of the City.

The bonds carry ratings of A+ (Stable) from S&P Global and A1 from Moody's Ratings. This issuance represents the first in a planned series of financings aligned with the City's long-range infrastructure program.

The transaction closed after the end of the fiscal year but prior to the issuance of these financial statements. Accordingly, this event is disclosed as a non-adjusting subsequent event in accordance with GASB Statement No. 56.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF HALLANDALE BEACH, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
GENERAL FUND**

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
Revenues				
Property taxes	\$ 47,227,879	\$ 47,227,879	\$ 47,641,915	\$ 414,036
Utility taxes	6,280,245	6,280,245	6,583,920	303,675
Charges for services	10,292,691	10,292,691	10,922,940	630,249
Licenses and permits	1,303,718	1,303,718	1,011,186	(292,532)
Intergovernmental	5,859,603	6,344,696	6,237,503	(107,193)
Franchise taxes	4,743,518	4,743,518	5,082,476	338,958
Fire assessments	9,294,577	9,294,577	9,296,128	1,551
Fines and forfeitures	1,304,750	1,304,750	1,460,647	155,897
Investment earnings	600,000	600,000	2,238,977	1,638,977
Slot machine revenues	1,600,000	1,600,000	1,894,070	294,070
Other revenues	412,204	417,015	907,474	490,459
Total Revenues	<u>88,919,185</u>	<u>89,409,089</u>	<u>93,277,236</u>	<u>3,868,147</u>
Expenditures				
Personal services	51,941,961	51,256,896	49,201,424	2,055,472
Operating expenditures	33,918,805	38,229,710	34,606,881	3,622,829
Debt service	229,998	229,998	282,786	(52,788)
Grants and aids	268,254	291,254	247,361	43,893
Capital outlay	971,776	4,464,869	1,743,914	2,720,955
Total Expenditures	<u>87,330,794</u>	<u>94,472,727</u>	<u>86,082,366</u>	<u>8,390,361</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,588,391</u>	<u>(5,063,638)</u>	<u>7,194,870</u>	<u>12,258,508</u>
Other Financing Sources (Uses)				
Transfers in	8,787,126	9,564,111	9,237,803	(326,308)
Transfers out	(10,375,517)	(13,393,674)	(13,393,674)	--
Proceeds from finance arrangements/leases	--	--	42,539	42,539
Proceeds from issuance of debt-SBITA	--	--	142,186	142,186
Proceeds from the sale of capital assets	--	--	66,600	66,600
Appropriations from fund balance	--	5,497,335	--	(5,497,335)
Reappropriations from fund balance	--	3,395,866	--	(3,395,866)
Total Other Financing Sources (Uses)	<u>(1,588,391)</u>	<u>5,063,638</u>	<u>(3,904,546)</u>	<u>(8,968,184)</u>
Net Change in Budgetary Fund Balances	<u>--</u>	<u>--</u>	<u>3,290,324</u>	<u>3,290,324</u>
Fund Balance - Beginning	<u>43,353,730</u>	<u>43,353,730</u>	<u>38,965,291</u>	<u>--</u>
Fund Balances - Ending	<u>\$ 43,353,730</u>	<u>\$ 43,353,730</u>		<u>\$ 3,290,324</u>
Renewal and Replacement Fund (see Note 2)			<u>1,098,115</u>	
Fund Balances - Ending			<u>\$ 43,353,730</u>	

See notes to required supplementary information.

CITY OF HALLANDALE BEACH, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL**

COMMUNITY REDEVELOPMENT AGENCY FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts		Actual	Variance with final Budget
	Original	Final		
Revenues				
Property taxes	\$ 14,245,606	\$ 14,249,436	\$ 14,249,436	\$ --
Charges for services	7,000	7,000	117,156	110,156
Intergovernmental	10,537,467	10,572,579	10,572,579	--
Investment earnings	301,181	681,181	1,812,028	1,130,847
Other revenues	122,000	122,000	341,853	219,853
Total Revenues	<u>25,213,254</u>	<u>25,632,196</u>	<u>27,093,052</u>	<u>1,460,856</u>
Expenditures				
Personal services	1,397,100	1,397,100	1,410,801	(13,701)
Operating expenditures	6,171,755	6,837,720	3,304,936	3,532,784
Debt service	6,584,717	6,584,717	6,584,717	--
Grants and aids	15,751,242	18,968,636	9,837,397	9,131,239
Capital outlay	20,019,871	20,377,390	3,862,506	16,514,884
Total Expenditures	<u>49,924,685</u>	<u>54,165,563</u>	<u>25,000,357</u>	<u>29,165,206</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(24,711,431)</u>	<u>(28,533,367)</u>	<u>2,092,695</u>	<u>30,626,062</u>
Other Financing Sources				
Appropriations of fund balance	24,711,431	25,451,835	--	(25,451,835)
Reappropriations of fund balance	--	3,081,532	--	(3,081,532)
Leases (right-to-use assets)	--	--	736,380	736,380
Total Other Financing Sources	<u>24,711,431</u>	<u>28,533,367</u>	<u>736,380</u>	<u>(27,796,987)</u>
Change in Fund Balances	--	--	2,829,075	2,829,075
Fund balances, beginning of year	<u>31,577,912</u>	<u>31,577,912</u>	<u>31,577,912</u>	<u>--</u>
Fund balances, ending	<u>\$ 31,577,912</u>	<u>\$ 31,577,912</u>		<u>\$ 2,829,075</u>
CRA loan program (see Note 3)			(31,446)	
Fund balances - ending			<u>\$ 34,375,541</u>	

See notes to required supplementary information.

CITY OF HALLANDALE BEACH, FLORIDA
NOTES TO BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2024

NOTE 1 – BUDGETARY DATA

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

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

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

Budgets have been adopted for the General Fund, Community Redevelopment Agency Fund, General Obligation Bond Fund, Capital Projects Fund, and Redevelopment Revenue Note Fund on a basis consistent with GAAP, except for unbudgeted amounts related to certain CRA transactions that are included and excluded respectively, for financial statement purposes. The Renewal and Replacement Fund is presented within the General Fund on the basic financial statements and the net change in fund balance is reconciled to the budgetary schedule in Note 2 below.

The “final” reported budgetary data represents the approved budget after amendments approved by the City Commission. There were supplemental appropriations in the General Fund and Community Redevelopment Agency Fund of \$5,497,335 and \$740,404, respectively.

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

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2024

NOTE 1 – BUDGETARY DATA (CONTINUED)

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

NOTE 2 – RECONCILIATION OF RENEWAL AND REPLACEMENT FUND

Renewal and replacement fund investment earnings	\$ 98,115
Transfer in from General Fund	<u>1,000,000</u>
Net change in fund balance - Renewal and replacement fund	<u>\$ 1,098,115</u>

NOTE 3 – RECONCILIATION OF CRA TRANSACTIONS

Total Revenues Reported on Budgetary Basis	\$ 27,093,052
Less: CRA loan payments received	<u>(187,896)</u>
Total Revenues Reported on U.S. GAAP Basis	<u>\$ 26,905,156</u>
Total Expenditures Reported on Budgetary Basis	\$ 25,000,357
Less: CRA non-forgivable loans issued	(156,450)
Less: CRA transfers out	<u>(1,164,099)</u>
Total Expenditures Reported on U.S. GAAP Basis	<u>\$ 23,679,808</u>

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

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

LAST TEN FISCAL YEARS

Measurement Date, September 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service cost	\$ 116,327	\$ 100,069	\$ 141,466	\$ 127,457	\$ 110,196	\$ 125,200	\$ 224,807	\$ 245,137	\$ 217,129	\$ 278,376
Interest on total pension liability	1,391,826	1,436,439	1,427,191	1,416,779	1,417,144	1,448,726	1,443,460	1,418,847	1,358,496	1,346,589
Differences between expected and actual experience	240,633	(363,404)	(35,214)	29,052	212,956	(722,848)	(325,174)	(55,424)	(219,313)	(387,152)
Changes of assumptions	(164,806)	582,689	--	573,232	157,999	541,953	--	--	1,028,958	--
Benefit payments, including refunds of employee contributions	(1,562,560)	(1,553,817)	(1,199,323)	(1,186,788)	(1,143,300)	(1,072,615)	(1,420,308)	(946,826)	(954,956)	(1,402,625)
Net Change in Total Pension Liability	21,420	201,976	334,120	959,732	754,995	320,416	(77,215)	661,734	1,430,314	(164,812)
Total Pension Liability, Beginning	22,989,128	22,787,152	22,453,032	21,493,300	20,738,305	20,417,889	20,495,104	19,833,370	18,403,056	18,567,868
Total Pension Liability, Ending (a)	<u>\$ 23,010,548</u>	<u>\$ 22,989,128</u>	<u>\$ 22,787,152</u>	<u>\$ 22,453,032</u>	<u>\$ 21,493,300</u>	<u>\$ 20,738,305</u>	<u>\$ 20,417,889</u>	<u>\$ 20,495,104</u>	<u>\$ 19,833,370</u>	<u>\$ 18,403,056</u>
Plan Fiduciary Net Position										
Contributions - employer	\$ 494,703	\$ 523,464	\$ 481,392	\$ 449,555	\$ 556,645	\$ 731,430	\$ 725,270	\$ 569,324	\$ 691,355	\$ 748,978
Contributions - employee	27,062	31,285	37,492	36,654	40,465	44,346	53,805	51,654	61,774	55,316
Net investment income (loss)	3,571,070	1,603,019	(3,559,567)	3,041,959	1,457,970	793,614	1,162,244	1,901,704	1,158,157	(140,977)
Benefit payments, including refunds of member contributions	(1,562,560)	(1,553,817)	(1,199,323)	(1,186,788)	(1,143,300)	(1,072,615)	(1,420,308)	(946,826)	(954,956)	(1,402,625)
Administrative expenses	(36,743)	(37,244)	(30,644)	(21,644)	(26,144)	(26,144)	(38,933)	(25,144)	(26,140)	(21,723)
Net Change in Plan Fiduciary Net Position	2,493,532	566,707	(4,270,650)	2,319,736	885,636	470,631	482,078	1,550,712	930,190	(761,031)
Plan Fiduciary Net Position, Beginning	18,148,469	17,581,762	21,852,412	19,532,676	18,647,040	18,176,409	17,694,331	16,143,619	15,213,429	15,974,460
Plan Fiduciary Net Position, Ending (b)	<u>\$ 20,642,001</u>	<u>\$ 18,148,469</u>	<u>\$ 17,581,762</u>	<u>\$ 21,852,412</u>	<u>\$ 19,532,676</u>	<u>\$ 18,647,040</u>	<u>\$ 18,176,409</u>	<u>\$ 17,694,331</u>	<u>\$ 16,143,619</u>	<u>\$ 15,213,429</u>
City's Net Pension Liability - Ending [(a)-(b)]	<u>\$ 2,368,547</u>	<u>\$ 4,840,659</u>	<u>\$ 5,205,390</u>	<u>\$ 600,620</u>	<u>\$ 1,960,624</u>	<u>\$ 2,091,265</u>	<u>\$ 2,241,480</u>	<u>\$ 2,800,773</u>	<u>\$ 3,689,751</u>	<u>\$ 3,189,627</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	89.71%	78.94%	77.16%	97.32%	90.88%	89.92%	89.02%	86.33%	81.40%	82.67%
Covered Payroll	\$ 122,265	\$ 434,470	\$ 410,635	\$ 499,067	\$ 475,275	\$ 537,560	\$ 682,868	\$ 737,299	\$ 814,214	\$ 763,897
Net Pension Liability as a Percentage of Covered Payroll	1937.22%	1114.15%	1267.64%	120.35%	412.52%	389.03%	328.24%	379.87%	453.17%	417.55%

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

LAST TEN FISCAL YEARS

Measurement Date, September 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service cost	\$ 733,421	\$ 747,276	\$ 793,438	\$ 777,488	\$ 783,012	\$ 872,590	\$ 1,007,543	\$ 1,054,461	\$ 1,047,059	\$ 1,121,826
Interest on total pension liability	4,892,654	4,822,825	4,892,554	4,796,122	4,866,309	4,843,470	4,771,881	4,586,246	4,402,093	4,339,134
Differences between expected and actual experience	448,567	1,079,397	(2,078,680)	1,201,715	(682,739)	(1,211,280)	(1,060,336)	909,887	(329,785)	(1,349,496)
Changes of assumptions	(410,502)	1,990,170	--	1,897,276	647,163	--	--	--	3,005,500	--
Benefit payments, including refunds of employee contributions	(4,331,445)	(4,791,912)	(4,430,219)	(4,204,792)	(4,280,384)	(3,653,987)	(3,626,109)	(3,829,680)	(3,049,800)	(2,972,541)
Net Change in Total Pension Liability	1,332,695	3,847,756	(822,907)	4,467,809	1,333,361	850,793	1,092,979	2,720,914	5,075,067	1,138,923
Total Pension Liability, Beginning	79,916,331	76,068,575	76,891,482	72,423,673	71,090,312	70,239,519	69,146,540	66,425,626	61,350,559	60,211,636
Total Pension Liability, Ending (a)	<u>\$ 81,249,026</u>	<u>\$ 79,916,331</u>	<u>\$ 76,068,575</u>	<u>\$ 76,891,482</u>	<u>\$ 72,423,673</u>	<u>\$ 71,090,312</u>	<u>\$ 70,239,519</u>	<u>\$ 69,146,540</u>	<u>\$ 66,425,626</u>	<u>\$ 61,350,559</u>
Plan Fiduciary Net Position										
Contributions - employer	\$ 2,104,620	\$ 2,061,918	\$ 1,753,210	\$ 1,862,258	\$ 2,173,138	\$ 2,505,013	\$ 2,506,098	\$ 2,799,601	\$ 3,331,672	\$ 3,659,156
Contributions - employee	133,978	145,941	146,084	149,085	161,435	172,187	179,523	206,247	228,118	230,059
Net investment income (loss)	10,410,948	4,293,685	(10,769,600)	8,298,777	4,646,397	3,107,432	3,027,545	5,305,524	3,618,252	(286,916)
Benefit payments, including refunds of member contributions	(4,331,445)	(4,791,912)	(4,430,219)	(4,204,792)	(4,280,384)	(3,653,987)	(3,626,109)	(3,829,680)	(3,049,800)	(2,972,541)
Administrative expenses	(56,499)	(53,506)	(46,055)	(36,956)	(38,656)	(41,406)	(44,348)	(41,536)	(46,495)	(38,415)
Net Change in Plan Fiduciary Net Position	8,261,602	1,656,126	(13,346,580)	6,068,372	2,661,930	2,089,239	2,042,709	4,440,156	4,081,747	591,343
Plan Fiduciary Net Position, Beginning	58,320,828	56,664,702	70,011,282	63,942,910	61,280,980	59,191,741	57,149,032	52,708,876	48,627,129	48,035,786
Plan Fiduciary Net Position, Ending (b)	<u>\$ 66,582,430</u>	<u>\$ 58,320,828</u>	<u>\$ 56,664,702</u>	<u>\$ 70,011,282</u>	<u>\$ 63,942,910</u>	<u>\$ 61,280,980</u>	<u>\$ 59,191,741</u>	<u>\$ 57,149,032</u>	<u>\$ 52,708,876</u>	<u>\$ 48,627,129</u>
City's Net Pension Liability - Ending [(a)-(b)]	<u>\$ 14,666,596</u>	<u>\$ 21,595,503</u>	<u>\$ 19,403,873</u>	<u>\$ 6,880,200</u>	<u>\$ 8,480,763</u>	<u>\$ 9,809,332</u>	<u>\$ 11,047,778</u>	<u>\$ 11,997,508</u>	<u>\$ 13,716,750</u>	<u>\$ 12,723,430</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	81.95%	72.98%	74.49%	91.05%	88.29%	86.20%	84.27%	82.65%	79.35%	79.26%
Covered Payroll	\$ 3,789,247	\$ 4,312,452	\$ 4,257,173	\$ 4,595,110	\$ 4,793,880	\$ 5,166,307	\$ 5,493,476	\$ 6,000,261	\$ 6,501,387	\$ 6,818,960
Net Pension Liability as a Percentage of Covered Payroll	387.06%	500.77%	455.79%	149.73%	176.91%	189.87%	201.11%	199.95%	210.98%	186.59%

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

LAST TEN FISCAL YEARS

Measurement Date, September 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service cost	\$ 2,660,178	\$ 2,712,099	\$ 2,719,304	\$ 2,625,193	\$ 2,590,583	\$ 3,127,748	\$ 2,866,703	\$ 2,668,846	\$ 2,198,923	\$ 2,114,287
Interest on total pension liability	20,711,422	20,458,526	19,675,689	18,870,250	18,173,540	18,162,979	17,317,517	16,069,318	14,732,084	13,946,642
Changes in benefit terms	--	--	--	4,300,383	(10,596,887)	(40,488)	9,897,461	--	--	--
Differences between expected and actual experience	536,740	(2,428,854)	3,844,746	4,405,529	(2,437,826)	4,267,373	3,386,280	(1,906,123)	1,635,041	3,413,322
Changes of assumptions	5,491,064	--	--	--	10,875,149	1,304,354	1,225,338	847,814	8,988,193	--
Benefit payments, including refunds of employee contributions	(19,839,073)	(15,107,117)	(16,237,498)	(14,001,572)	(14,405,778)	(14,112,474)	(11,108,749)	(9,354,592)	(9,537,098)	(9,377,998)
Contributions - buy back	783,484	271,463	237,535	233,957	237,404	253,288	208,015	136,829	22,723	33,396
Net Change in Total Pension Liability	10,343,815	5,906,117	10,239,776	16,433,740	4,436,185	12,962,780	23,792,565	8,462,092	18,039,866	10,129,649
Total Pension Liability, Beginning	292,934,147	287,028,030	276,788,254	260,354,514	255,918,329	242,955,549	219,162,984	210,700,892	192,661,026	182,531,377
Total Pension Liability, Ending (a)	\$ 303,277,962	\$ 292,934,147	\$ 287,028,030	\$ 276,788,254	\$ 260,354,514	\$ 255,918,329	\$ 242,955,549	\$ 219,162,984	\$ 210,700,892	\$ 192,661,026
Plan Fiduciary Net Position										
Contributions - employer	\$ 12,256,875	\$ 13,130,681	\$ 12,861,249	\$ 11,187,692	\$ 12,621,986	\$ 11,362,495	\$ 9,303,118	\$ 8,563,004	\$ 8,475,832	\$ 8,524,870
Contributions - employee	1,482,870	1,396,536	1,336,926	1,156,812	1,137,881	1,308,636	1,252,541	1,294,496	1,285,750	1,205,723
Contributions - buy back	783,484	271,463	237,535	233,957	237,404	253,288	208,015	136,829	22,723	33,396
Net investment income (loss)	47,731,146	28,251,608	(23,470,793)	44,894,621	11,091,696	5,870,253	16,196,464	16,869,679	10,988,258	(574,125)
Benefit payments, including refunds of member contributions	(19,839,073)	(15,107,117)	(16,237,498)	(14,001,572)	(14,405,778)	(14,112,474)	(11,108,749)	(9,354,592)	(9,537,098)	(9,377,998)
Prior year adjustment	--	--	--	--	--	--	--	--	--	204,046
Administrative expenses	(297,375)	(257,993)	(162,945)	(263,381)	(288,285)	(233,562)	(219,333)	(183,827)	(148,100)	(137,847)
Net Change in Plan Fiduciary Net Position	42,117,927	27,685,178	(25,435,526)	43,208,129	10,394,904	4,448,636	15,632,056	17,325,589	11,087,365	(121,935)
Plan Fiduciary Net Position, Beginning	236,457,895	208,772,717	234,208,243	191,000,114	180,605,210	176,156,574	160,524,518	143,198,929	132,111,564	132,233,499
Plan Fiduciary Net Position, Ending (b)	\$ 278,575,822	\$ 236,457,895	\$ 208,772,717	\$ 234,208,243	\$ 191,000,114	* \$ 180,605,210	* \$ 176,156,574	* \$ 160,524,518	\$ 143,198,929	\$ 132,111,564
City's Net Pension Liability - Ending [(a)-(b)]	\$ 24,702,140	\$ 56,476,252	\$ 78,255,313	\$ 42,580,011	\$ 69,354,400	\$ 75,313,119	\$ 66,798,975	\$ 58,638,466	\$ 67,501,963	\$ 60,549,462
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	91.85%	80.72%	72.74%	84.62%	73.36%	70.57%	72.51%	73.24%	67.96%	68.57%
Covered Payroll	\$ 12,991,784	\$ 12,250,901	\$ 12,460,526	\$ 11,622,740	\$ 11,644,572	\$ 13,775,116	\$ 13,184,642	\$ 13,626,274	\$ 13,167,794	\$ 14,267,482
Net Pension Liability as a Percentage of Covered Payroll	190.14%	461.00%	628.03%	366.35%	595.59%	546.73%	506.64%	430.33%	512.63%	424.39%

Notes to the Schedule:

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

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

LAST TEN FISCAL YEARS

Measurement Date, September 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability									
Service cost	\$ 58,218	\$ 65,034	\$ 97,500	\$ 89,064	\$ 61,380	\$ 66,717	\$ 86,708	\$ 146,603	\$ 104,295
Interest	449,095	567,926	458,208	472,849	500,909	538,340	535,045	546,028	538,954
Benefit payments	(644,781)	(632,721)	(620,897)	(609,305)	(597,940)	(586,798)	(766,581)	(565,165)	(566,597)
Differences between expected and actual experience	35,792	(50,266)	(33,531)	(170,039)	331,528	124,318	(148,223)	(612,654)	52,033
Changes in assumptions	1,152,066	--	(2,495,237)	169,263	256,773	653,179	(385,051)	(339,565)	1,537,421
Net Change in Total Pension Liability	1,050,390	(50,027)	(2,593,957)	(48,168)	552,650	795,756	(678,102)	(824,753)	1,666,106
Total Pension Liability, Beginning	12,208,191	12,258,218	14,852,175	14,900,343	14,347,693	13,551,937	14,230,039	15,054,792	13,388,686
Total Pension Liability, Ending (a)	<u>\$ 13,258,581</u>	<u>\$ 12,208,191</u>	<u>\$ 12,258,218</u>	<u>\$ 14,852,175</u>	<u>\$ 14,900,343</u>	<u>\$ 14,347,693</u>	<u>\$ 13,551,937</u>	<u>\$ 14,230,039</u>	<u>\$ 15,054,792</u>
Covered-employee payroll	\$ 122,265	\$ 434,470	\$ 410,635	\$ 499,067	\$ 475,275	\$ 537,560	\$ 682,868	\$ 737,299	\$ 814,214
Total Pension Liability as a Percentage of Covered Payroll	10844.10%	2809.90%	2985.20%	2976.00%	3135.10%	2669.00%	1984.60%	1930.00%	1849.00%

Notes to Schedule:

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

The plan is funded on a pay-as-you-go basis and is not administered as a formal qualifying trust. There were no plan assets as of the date of the most recent valuation.

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

LAST TEN FISCAL YEARS

Measurement Date, September 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contributions	\$ 494,703	\$ 523,464	\$ 481,392	\$ 449,555	\$ 556,645	\$ 731,430	\$ 725,270	\$ 569,324	\$ 691,355	\$ 748,978
Contributions in relation to the actuarially determined contribution	494,703	523,464	481,392	449,555	556,645	731,430	725,270	569,324	691,355	748,978
Contribution deficiency (excess)	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
Covered Payroll	\$ 122,265	\$ 434,470	\$ 410,635	\$ 499,067	\$ 475,275	\$ 537,560	\$ 682,868	\$ 737,299	\$ 814,214	\$ 763,897
Contributions as a Percentage of Covered Payroll	404.60%	120.50%	117.20%	90.10%	117.10%	136.10%	106.00%	77.20%	84.90%	98.00%

Methods and assumptions used to determine contribution rates for the year ending September 30, 2024:

Valuation date:	October 1, 2022
Note:	Actuarially determined contributions are calculated as of October 1, which is one year prior to the beginning of the year in which contributions are reported.
Actuarial cost method	Entry age normal – frozen initial liability
Amortization method:	Level percent of pay, closed
Remaining amortization period:	13 years (as of 10/1/2022)
Actuarial asset valuation method:	4 year smooth (fair value)
Inflation and other general increases:	2.40%
Cost-of-living adjustment	2.00% per year
Projected salary increases:	6.38% - 8.68%, depending on age
Investment rate of return:	6.50%
Retirement age:	Normal retirement age as defined in summary of plan provisions
Mortality:	Based on PubG-2010 General below median base rate mortality table projected to future years with historical and assumed mortality improvement (MI) rates using the MP-2018 mortality improvement scale.

CITY OF HALLANDALE BEACH, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY CONTRIBUTIONS
GENERAL EMPLOYEES' RETIREMENT PLAN

LAST TEN FISCAL YEARS

Measurement Date, September 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contributions	\$ 2,104,620	\$ 2,061,918	\$ 1,753,210	\$ 1,862,258	\$ 2,173,138	\$ 2,505,013	\$ 2,506,098	\$ 2,799,601	\$ 3,331,672	\$ 3,659,156
Contributions in relation to the actuarially determined contribution	2,104,620	2,061,918	1,753,210	1,862,258	2,173,138	2,505,013	2,506,098	2,799,601	3,331,672	3,659,156
Contribution deficiency (excess)	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
Covered Payroll	\$ 3,789,247	\$ 4,312,452	\$ 4,257,173	\$ 4,595,110	\$ 4,793,880	\$ 5,166,307	\$ 5,493,476	\$ 6,000,261	\$ 6,501,387	\$ 6,818,960
Contributions as a Percentage of Covered Payroll	55.50%	47.80%	41.20%	40.50%	45.30%	48.50%	45.60%	46.70%	51.20%	53.70%

Methods and assumptions used to determine contribution rates for the year ending September 30, 2024:

Valuation date:	October 1, 2022
Note:	Actuarially determined contributions are calculated as of October 1, which is one year prior to the beginning of the year in which contributions are reported.
Actuarial cost method	Entry age normal – frozen initial liability
Amortization method:	Level percent of pay, closed
Remaining amortization period:	10 years
Actuarial asset valuation method:	4 year smooth (fair value)
Inflation and other general increases:	2.40%
Projected salary increases:	4.68%-6.98%
Investment rate of return:	6.50%
Retirement age:	Normal retirement age as defined in summary of plan provisions
Mortality:	Based on PubG-2010 General below median base rate mortality table projected to future years with historical and assumed mortality improvement (MI) rates using the MP-2018 mortality improvement scale.

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

LAST TEN FISCAL YEARS

Measurement Date, September 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contributions	\$ 11,771,780	\$ 12,713,689	\$ 12,858,629	\$ 11,446,821	\$ 12,387,044	\$ 11,359,528	\$ 9,277,568	\$ 8,563,004	\$ 8,528,110	\$ 8,676,637
Contributions in relation to the actuarially determined contribution	12,256,875	13,130,681	12,861,249	11,187,692	12,621,986	11,358,164	9,303,118	8,563,004	8,475,832	8,728,916
Contribution deficiency (excess)	<u>\$ (485,095)</u>	<u>\$ (416,992)</u>	<u>\$ (2,620)</u>	<u>\$ 259,129</u>	<u>\$ (234,942)</u>	<u>\$ 1,364</u>	<u>\$ (25,550)</u>	<u>\$ --</u>	<u>\$ 52,278</u>	<u>\$ (52,279)</u>
Covered Payroll	\$ 12,991,784	\$ 12,250,901	\$ 12,460,526	\$ 11,622,740	\$ 11,644,572	\$ 13,820,705	\$ 13,184,642	\$ 13,626,274	\$ 13,167,794	\$ 14,267,482
Contributions as a Percentage of Covered Payroll	94.34%	107.20%	103.20%	96.30%	108.40%	82.20%	70.60%	62.80%	64.40%	61.20%

Methods and assumptions used to determine contribution rates for the year ending September 30, 2024:

Valuation date:	October 1, 2022
Note:	Actuarially determined contributions are calculated as of October 1, which is one year prior to the beginning of the year in which contributions are reported.
Actuarial cost method	Entry age normal
Amortization method:	Experience: 10 years Assumption/Method Changes: 20 years Benefit Changes: 30 Years
Remaining amortization period:	28 years (as of 10/1/2022)
Actuarial asset valuation method:	5 year smooth (fair value)
Inflation and other general increases:	2.40%
Projected salary increases:	4.5% to 10.0% based on service
Investment rate of return:	7.25%
Retirement age:	Normal retirement age with at least 25 years of service
Mortality:	Healthy Active Lives: PubS.H-2010 (Above Median) for Employees, set forward one year. Healthy Retiree Lives: PubS.H-2010 (Above Median) for Healthy Retirees, set forward one year. Beneficiary Lives: PubG.H-2010 (Above Median) for Healthy Retirees, set back one year. Disabled Lives: 80% PubG.H-2010 for Disabled Retirees / 20% PubS.H-2010 for Disabled Retirees. All rates are projected generationally with Mortality Improvement Scale MP-2018.

CITY OF HALLANDALE BEACH, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF PENSION INVESTMENT RETURNS

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

<u>Year Ended September 30,</u>	<u>Professional/ Management Retirement Plan</u>	<u>Police Officers' and Firefighters' Personnel Retirement Trust</u>	<u>General Employees' Retirement Plan</u>
2024	20.03%	19.92%	17.92%
2023	9.27%	13.10%	7.65%
2022	(16.42%)	(10.52%)	(15.54%)
2021	15.80%	23.47%	13.11%
2020	7.89%	6.11%	7.66%
2019	4.43%	3.36%	5.33%
2018	6.71%	10.03%	5.41%
2017	12.05%	11.85%	10.23%
2016	7.72%	8.40%	7.48%
2015	(0.92%)	(0.39%)	(0.60%)

CITY OF HALLANDALE BEACH, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF CHANGES IN CITY'S TOTAL OPEB LIABILITY
AND RELATED RATIOS**

LAST TEN FISCAL YEARS

Measurement Date, September 30,	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability							
Service cost	\$ 305,548	\$ 600,829	\$ 866,384	\$ 746,993	\$ 560,196	\$ 920,282	\$ 864,652
Interest	444,820	411,528	295,357	253,951	500,808	471,862	399,519
Changes of benefit terms	--	--	(371,491)	--	(2,150,555)	--	--
Differences between expected and actual experience	(1,900,152)	--	(1,083,881)	--	(815,982)	--	132,587
Changes of assumptions or other inputs	(189,200)	(75,713)	(2,848,796)	(309,065)	188,130	76,914	183,070
Benefit payments	<u>(393,244)</u>	<u>(467,151)</u>	<u>(302,323)</u>	<u>(505,972)</u>	<u>(303,627)</u>	<u>(582,856)</u>	<u>(502,185)</u>
Net Change in Total OPEB Liability	(1,732,228)	469,493	(3,444,750)	185,907	(2,021,030)	886,202	1,077,643
Total OPEB Liability, Beginning	<u>9,330,497</u>	<u>8,861,004</u>	<u>12,305,754</u>	<u>12,119,847</u>	<u>14,140,877</u>	<u>13,254,675</u>	<u>12,177,032</u>
Total OPEB Liability, Ending	<u>\$ 7,598,269</u>	<u>\$ 9,330,497</u>	<u>\$ 8,861,004</u>	<u>\$ 12,305,754</u>	<u>\$ 12,119,847</u>	<u>\$ 14,140,877</u>	<u>\$ 13,254,675</u>
Covered Payroll	\$ 29,303,078	\$ 26,974,550	\$ 25,936,957	\$ 22,873,151	\$ 21,995,333	\$ 31,845,429	\$ 30,298,837
Total OPEB Liability as a Percentage of Covered Payroll	25.93%	34.59%	34.16%	53.80%	55.10%	44.40%	43.75%

This schedule is presented as required by accounting principles generally accepted in the United States of America. However, until a full 10-year trend is compiled, information is presented for those years available.

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

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

2024	4.06%
2023	4.87%
2022	4.77%
2021	2.43%
2020	2.14%
2019	3.58%
2018	3.64%
2017	3.35%

CITY OF HALLANDALE BEACH, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

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

Reporting period ending	9/30/2024	9/30/2023	9/30/2022	9/30/2021	9/30/2020
Measurement date	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020
City's proportion of the FRS net pension liability	0.03393%	0.03414%	0.03152%	0.02662%	0.00838%
City's proportionate share of the FRS net pension liability	\$13,127,513	\$13,602,408	\$11,728,603	\$2,010,600	\$3,631,898
City's covered payroll	\$18,349,652	\$16,161,387	\$13,514,313	\$11,361,791	\$4,455,015
City's proportionate share of the net pension liability as a percentage of its covered payroll	71.54%	84.17%	86.79%	17.70%	81.52%
FRS Plan fiduciary net position as a percentage of the FRS total pension liability	83.70%	82.38%	82.89%	96.40%	78.85%

Notes to the Schedule:

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

CITY OF HALLANDALE BEACH, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF CONTRIBUTIONS
FLORIDA RETIREMENT SYSTEM PENSION PLAN**

Reporting period ending	9/30/2024	9/30/2023	9/30/2022	9/30/2021	9/30/2020
Contractually required FRS contribution	\$ 1,946,372	\$ 1,736,444	\$ 1,469,932	\$ 1,099,869	\$ 488,128
FRS Contributions in relation to the contractually required FRS contribution	<u>1,946,372</u>	<u>1,736,444</u>	<u>1,469,932</u>	<u>1,099,869</u>	<u>488,128</u>
FRS Contribution deficiency (excess)	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
Covered payroll	\$ 18,668,671	\$ 16,811,858	\$ 14,740,231	\$ 11,829,189	\$ 6,959,148
FRS Contributions as a percentage of covered payroll	10.43%	10.33%	9.97%	9.30%	7.01%

Notes to the Schedule:

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

CITY OF HALLANDALE BEACH, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

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

Reporting period ending	9/30/2024	9/30/2023	9/30/2022	9/30/2021	9/30/2020
Measurement date	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020
City's proportion of the HIS net pension liability	0.04312%	0.04073%	0.03704%	0.03187%	0.01232%
City's proportionate share of the HIS net pension liability	\$6,468,620	\$6,468,294	\$3,923,090	\$3,909,531	\$1,503,673
City's covered payroll	\$18,349,652	\$16,161,387	\$13,514,313	\$11,361,791	\$4,455,015
City's proportionate share of the net pension liability as a percentage of its covered payroll	35.25%	40.02%	29.03%	34.41%	33.75%
HIS Plan fiduciary net position as a percentage of the HIS total pension liability	4.80%	4.12%	4.81%	3.56%	3.00%

Notes to the Schedule:

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

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

CITY OF HALLANDALE BEACH, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF CONTRIBUTIONS
HEALTH INSURANCE SUBSIDY PENSION PLAN**

Reporting period ending	9/30/2024	9/30/2023	9/30/2022	9/30/2021	9/30/2020
Contractually required HIS contribution	\$ 371,943	\$ 295,361	\$ 243,688	\$ 196,347	\$ 111,098
HIS Contributions in relation to the contractually required HIS contribution	<u>371,943</u>	<u>295,361</u>	<u>243,688</u>	<u>196,347</u>	<u>111,098</u>
HIS Contribution deficiency (excess)	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
Covered payroll	\$ 18,668,671	\$ 16,811,858	\$ 14,740,231	\$ 11,829,189	\$ 6,959,148
HIS Contributions as a percentage of covered payroll	1.99%	1.76%	1.65%	1.66%	1.60%

Notes to the Schedule:

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

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

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

Police Outside Services Fund – to account for the proceeds from motor fuel tax revenues that are restricted to the maintenance and acquisition of roads and bridges.

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

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

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

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

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

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

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

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

Impact Fees Fund – to account for impact fees paid to the City related to fire & rescue, law enforcement, parks & recreation, and multi-modal transportation capital improvements.

NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

DEBT SERVICE FUNDS

Debt Service Funds are used to account for resources accumulated and payments made for principal and interest on long-term debt of governmental funds.

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

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

CITY OF HALLANDALE BEACH, FLORIDA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS**

SEPTEMBER 30, 2024

	Special Revenue Funds										Debt Service Funds		Totals	
	Police Training Fund	Police Outside Services Fund	Police Equitable Sharing Fund	Transportation Fund	Golden Isles Safe Neighborhood Fund	Three Islands District Fund	Developer Agreements Funds	Law Enforcement Trust Fund	Building Permits Fund	Tree Preservation Trust Fund	Impact Fee Fund	2016 G.O. Bond Fund		Revenue Bond Fund
Assets														
Cash and cash equivalents	\$ 53,469	\$ 515	\$ 1,458,889	\$ 4,363,416	\$ 978,327	\$ 1,557,381	\$ 3,954,860	\$ 145,416	\$ 7,016,589	\$ 77,169	\$ 73,745	\$ --	\$ --	\$ 19,679,776
Receivables, net of allowances	--	168,521	--	--	--	--	--	--	--	--	--	--	--	168,521
Lease receivable	--	--	--	40,062	--	--	--	--	--	--	--	--	--	40,062
Due from other governments	--	--	--	113,280	--	--	--	--	--	--	--	--	--	113,280
Cash and cash equivalents - restricted	--	97,300	--	--	--	--	--	--	--	--	--	381,784	44,269	523,353
Total Assets	\$ 53,469	\$ 266,336	\$ 1,458,889	\$ 4,516,758	\$ 978,327	\$ 1,557,381	\$ 3,954,860	\$ 145,416	\$ 7,016,589	\$ 77,169	\$ 73,745	\$ 381,784	\$ 44,269	\$ 20,524,992
Liabilities														
Accounts payable and accrued liabilities	\$ --	\$ 46,012	\$ --	\$ 314,598	\$ 48,211	\$ 49,936	\$ 74	\$ --	\$ 169,143	\$ --	\$ --	\$ --	\$ --	\$ 627,974
Due to other funds	--	--	--	--	--	--	381,250	--	--	--	--	--	--	381,250
Deposits	--	97,300	--	--	--	--	--	--	--	--	--	--	--	97,300
Unearned revenues	--	--	--	--	--	--	400,000	--	--	--	--	--	--	400,000
Total Liabilities	--	143,312	--	314,598	48,211	49,936	781,324	--	169,143	--	--	--	--	1,506,524
Deferred Inflows of Resources														
Leases	--	--	--	39,749	--	--	--	--	--	--	--	--	--	39,749
Unavailable revenue	--	6,424	--	--	--	--	--	--	--	--	--	--	--	6,424
Total Deferred Inflows of Resources	--	6,424	--	39,749	--	--	--	--	--	--	--	--	--	46,173
Fund Balances														
Nonspendable:														
Leases	--	--	--	313	--	--	--	--	--	--	--	--	--	313
Restricted for:														
Debt service	--	--	--	--	--	--	--	--	--	--	--	381,784	44,269	426,053
Law enforcement	53,469	--	1,458,889	--	--	--	--	145,416	--	--	--	--	--	1,657,774
Developer agreements	--	--	--	--	--	--	3,173,536	--	--	--	--	--	--	3,173,536
Traffic mitigation	--	--	--	1,114,835	--	--	--	--	--	--	--	--	--	1,114,835
Transportation	--	--	--	3,047,263	--	--	--	--	--	--	--	--	--	3,047,263
Building permits function	--	--	--	--	--	--	--	--	6,847,446	--	--	--	--	6,847,446
Safe neighborhood districts	--	--	--	--	930,116	1,507,445	--	--	--	--	--	--	--	2,437,561
Capital projects	--	--	--	--	--	--	--	--	--	--	73,745	--	--	73,745
Police outside services	--	116,600	--	--	--	--	--	--	--	--	--	--	--	116,600
Committed:														
Tree preservation	--	--	--	--	--	--	--	--	--	77,169	--	--	--	77,169
Total Fund Balances	53,469	116,600	1,458,889	4,162,411	930,116	1,507,445	3,173,536	145,416	6,847,446	77,169	73,745	381,784	44,269	18,972,295
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 53,469	\$ 266,336	\$ 1,458,889	\$ 4,516,758	\$ 978,327	\$ 1,557,381	\$ 3,954,860	\$ 145,416	\$ 7,016,589	\$ 77,169	\$ 73,745	\$ 381,784	\$ 44,269	\$ 20,524,992

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

CITY OF HALLANDALE BEACH, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Special Revenue Funds										Debt Service Funds		Totals	
	Police	Police	Police	Golden Isles	Three	Law	Tree	Impact	2016	Revenue	G.O. Bond	Revenue Bond		
	Training	Outside	Equitable	Safe	Islands	Enforcement	Preservation	Fee						
	Fund	Services	Sharing	Transportation	Neighborhood	District	Developer	Building	Trust	Trust				Funds
Revenues														
Property taxes	\$ --	\$ --	\$ --	\$ --	\$ 536,548	\$ 517,238	\$ --	\$ --	\$ --	\$ --	\$ 3,138,195	\$ --	\$ 4,191,981	
Charges for services	--	1,712,428	--	200,580	--	--	--	--	730,919	--	--	--	2,643,927	
Licenses and permits	--	--	--	--	--	--	--	--	7,879,292	--	--	--	7,879,292	
Intergovernmental	--	--	--	1,015,118	--	--	--	--	--	--	--	--	1,015,118	
Fines and forfeitures	8,000	--	1,298,612	--	--	--	--	4,000	--	--	--	--	1,310,612	
Investment earnings	2,375	5,404	44,027	172,953	50,482	72,770	171,586	7,455	225,645	3,495	2,080	60,380	818,652	
Impact fees	--	--	--	--	--	--	--	--	--	--	71,665	--	71,665	
Other revenues	--	131,008	--	39,802	--	--	307,225	--	18	--	--	--	478,053	
Total Revenues	<u>10,375</u>	<u>1,848,840</u>	<u>1,342,639</u>	<u>1,428,453</u>	<u>587,030</u>	<u>590,008</u>	<u>478,811</u>	<u>11,455</u>	<u>8,835,874</u>	<u>3,495</u>	<u>73,745</u>	<u>3,198,575</u>	<u>18,409,300</u>	
Expenditures														
Current:														
Public safety	4,307	1,824,937	182,694	--	488,216	336,876	--	34,250	4,293,589	--	--	--	7,164,869	
Transportation	--	--	--	2,652,192	--	--	--	--	--	--	--	--	2,652,192	
Culture and recreation	--	--	--	--	--	--	19,397	--	--	--	--	--	19,397	
Human services	--	--	--	--	--	--	16,046	--	--	--	--	--	16,046	
Capital outlay	--	--	19,000	2,351,017	102,769	56,245	--	--	--	--	--	--	2,529,031	
Debt service:														
Principal	--	--	71,753	--	--	--	--	--	--	--	--	1,360,000	1,740,000	
Interest	--	--	4,856	--	--	--	--	--	--	--	--	1,719,756	548,161	
Total Expenditures	<u>4,307</u>	<u>1,824,937</u>	<u>278,303</u>	<u>5,003,209</u>	<u>590,985</u>	<u>393,121</u>	<u>35,443</u>	<u>34,250</u>	<u>4,293,589</u>	<u>--</u>	<u>--</u>	<u>3,079,756</u>	<u>2,288,161</u>	
Excess (Deficiency) of Revenues														
Over (Under) Expenditures	<u>6,068</u>	<u>23,903</u>	<u>1,064,336</u>	<u>(3,574,756)</u>	<u>(3,955)</u>	<u>196,887</u>	<u>443,368</u>	<u>(22,795)</u>	<u>4,542,285</u>	<u>3,495</u>	<u>73,745</u>	<u>118,819</u>	<u>(2,288,161)</u>	
Other Financing Sources (Uses)														
Transfers in	--	--	--	4,686,805	--	--	--	--	--	--	--	--	2,288,663	
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>4,686,805</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>2,288,663</u>	
Net Change in Fund Balances	<u>6,068</u>	<u>23,903</u>	<u>1,064,336</u>	<u>1,112,049</u>	<u>(3,955)</u>	<u>196,887</u>	<u>443,368</u>	<u>(22,795)</u>	<u>4,542,285</u>	<u>3,495</u>	<u>73,745</u>	<u>118,819</u>	<u>502</u>	
Fund Balances - Beginning of year	<u>47,401</u>	<u>92,697</u>	<u>394,553</u>	<u>3,050,362</u>	<u>934,071</u>	<u>1,310,558</u>	<u>2,730,168</u>	<u>168,211</u>	<u>2,305,161</u>	<u>73,674</u>	<u>--</u>	<u>262,965</u>	<u>43,767</u>	
Fund Balances - End of year	<u>\$ 53,469</u>	<u>\$ 116,600</u>	<u>\$ 1,458,889</u>	<u>\$ 4,162,411</u>	<u>\$ 930,116</u>	<u>\$ 1,507,445</u>	<u>\$ 3,173,536</u>	<u>\$ 145,416</u>	<u>\$ 6,847,446</u>	<u>\$ 77,169</u>	<u>\$ 73,745</u>	<u>\$ 381,784</u>	<u>\$ 44,269</u>	

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

CITY OF HALLANDALE BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS - POLICE TRAINING FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
Revenues				
Fines and forfeitures	\$ 10,000	\$ 10,000	\$ 8,000	\$ (2,000)
Investment earnings	--	--	2,375	2,375
Total Revenues	<u>10,000</u>	<u>10,000</u>	<u>10,375</u>	<u>375</u>
Expenditures				
Operating expenditures	15,000	15,000	4,307	10,693
Total Expenditures	<u>15,000</u>	<u>15,000</u>	<u>4,307</u>	<u>10,693</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(5,000)</u>	<u>(5,000)</u>	<u>6,068</u>	<u>11,068</u>
Other Financing Sources				
Appropriations of fund balance	5,000	5,000	--	(5,000)
Total other financing uses	5,000	5,000	--	(5,000)
Net Change in Budgetary Fund Balances	<u>--</u>	<u>--</u>	<u>6,068</u>	<u>6,068</u>
Fund Balance - Beginning	<u>47,401</u>	<u>47,401</u>	<u>47,401</u>	<u>--</u>
Fund Balances - Ending	<u>\$ 47,401</u>	<u>\$ 47,401</u>	<u>\$ 53,469</u>	<u>\$ 6,068</u>

See notes to required supplementary information.

CITY OF HALLANDALE BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS - POLICE OUTSIDE SERVICES FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
Revenues				
Charges for services	\$ 1,205,355	\$ 1,205,355	\$ 1,712,428	\$ 507,073
Investment earnings	--	--	5,404	5,404
Other revenues	<u>85,025</u>	<u>85,025</u>	<u>131,008</u>	<u>45,983</u>
Total Revenues	<u>1,290,380</u>	<u>1,290,380</u>	<u>1,848,840</u>	<u>558,460</u>
Expenditures				
Personal services	1,205,355	1,205,355	1,693,928	(488,573)
Operating expenditures	<u>85,025</u>	<u>85,025</u>	<u>131,009</u>	<u>(45,984)</u>
Total Expenditures	<u>1,290,380</u>	<u>1,290,380</u>	<u>1,824,937</u>	<u>(534,557)</u>
Net Change in Budgetary Fund Balances	<u>--</u>	<u>--</u>	<u>23,903</u>	<u>23,903</u>
Fund Balance - Beginning	<u>92,697</u>	<u>92,697</u>	<u>92,697</u>	<u>--</u>
Fund Balances - Ending	<u>\$ 92,697</u>	<u>\$ 92,697</u>	<u>\$ 116,600</u>	<u>\$ 23,903</u>

See notes to required supplementary information.

CITY OF HALLANDALE BEACH, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS - POLICE EQUITABLE SHARING FUND**

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
Revenues				
Fines and forfeitures	\$ --	\$ --	\$ 1,298,612	\$ 1,298,612
Investment earnings	--	--	44,027	44,027
Total Revenues	<u>--</u>	<u>--</u>	<u>1,342,639</u>	<u>1,342,639</u>
Expenditures				
Operating expenditures	361,454	364,992	182,694	182,298
Debt service	--	--	76,609	(76,609)
Capital outlay	25,000	45,000	19,000	26,000
Total Expenditures	<u>386,454</u>	<u>409,992</u>	<u>278,303</u>	<u>131,689</u>
Deficiency of Revenues Under Expenditures	<u>(386,454)</u>	<u>(409,992)</u>	<u>1,064,336</u>	<u>1,474,328</u>
Other Financing Sources				
Reappropriations of fund balance	--	23,538	--	(23,538)
Appropriations of fund balance	386,454	386,454	--	(386,454)
Total Other Financing Sources	<u>386,454</u>	<u>409,992</u>	<u>--</u>	<u>(409,992)</u>
Net Change in Fund Balances	<u>--</u>	<u>--</u>	<u>1,064,336</u>	<u>1,064,336</u>
Fund Balance - Beginning	<u>394,553</u>	<u>394,553</u>	<u>394,553</u>	<u>--</u>
Fund Balances - Ending	<u>\$ 394,553</u>	<u>\$ 394,553</u>	<u>\$ 1,458,889</u>	<u>\$ 1,064,336</u>

See notes to required supplementary information.

CITY OF HALLANDALE BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS - TRANSPORTATION FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
Revenues				
Charges for services	\$ 240,553	\$ 240,553	\$ 200,580	\$ (39,973)
Intergovernmental	979,749	979,749	1,015,118	35,369
Franchise taxes	40,150	40,150	--	(40,150)
Investment earnings	--	--	172,953	172,953
Other revenues	--	--	39,802	39,802
Total Revenues	<u>1,260,452</u>	<u>1,260,452</u>	<u>1,428,453</u>	<u>168,001</u>
Expenditures				
Personal services	942,197	1,149,150	710,081	439,069
Operating expenditures	3,189,281	3,901,886	1,942,111	1,959,775
Capital outlay	500,000	2,638,949	2,351,017	287,932
Total Expenditures	<u>4,631,478</u>	<u>7,689,985</u>	<u>5,003,209</u>	<u>2,686,776</u>
Deficiency of Revenues Under Expenditures	<u>(3,371,026)</u>	<u>(6,429,533)</u>	<u>(3,574,756)</u>	<u>2,854,777</u>
Other Financing Sources				
Transfers in	3,371,026	4,686,805	4,686,805	--
Reappropriations of fund balance	--	1,742,728	--	(1,742,728)
Total Other Financing Sources	<u>3,371,026</u>	<u>6,429,533</u>	<u>4,686,805</u>	<u>(1,742,728)</u>
Net Change in Fund Balances	<u>--</u>	<u>--</u>	<u>1,112,049</u>	<u>1,112,049</u>
Fund Balance - Beginning	<u>3,050,362</u>	<u>3,050,362</u>	<u>3,050,362</u>	<u>--</u>
Fund Balances - Ending	<u>\$ 3,050,362</u>	<u>\$ 3,050,362</u>	<u>\$ 4,162,411</u>	<u>\$ 1,112,049</u>

See notes to required supplementary information.

CITY OF HALLANDALE BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS - GOLDEN ISLES SAFE NEIGHBORHOOD FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
Revenues				
Property taxes	\$ 533,511	\$ 533,511	\$ 536,548	\$ 3,037
Investment earnings	--	--	50,482	50,482
Total Revenues	<u>533,511</u>	<u>533,511</u>	<u>587,030</u>	<u>53,519</u>
Expenditures				
Operating expenditures	503,511	512,338	488,216	24,122
Capital outlay	30,000	530,831	102,769	428,062
Total Expenditures	<u>533,511</u>	<u>1,043,169</u>	<u>590,985</u>	<u>452,184</u>
Excess (deficiency) of Revenues Over (Under) Expenditures	<u>--</u>	<u>(509,658)</u>	<u>(3,955)</u>	<u>505,703</u>
Other Financing Sources				
Appropriations of fund balance	--	405,562	--	(405,562)
Reappropriations of fund balance	--	104,096	--	(104,096)
Total Other Financing Sources	<u>--</u>	<u>509,658</u>	<u>--</u>	<u>(509,658)</u>
Net Change in Fund Balances	<u>--</u>	<u>--</u>	<u>(3,955)</u>	<u>(3,955)</u>
Fund Balance - Beginning	<u>934,071</u>	<u>934,071</u>	<u>934,071</u>	<u>--</u>
Fund Balances - Ending	<u>\$ 934,071</u>	<u>\$ 934,071</u>	<u>\$ 930,116</u>	<u>\$ (3,955)</u>

See notes to required supplementary information.

CITY OF HALLANDALE BEACH, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS - THREE ISLANDS DISTRICT FUND**

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
Revenues				
Property taxes	\$ 510,824	\$ 510,824	\$ 517,238	\$ 6,414
Investment earnings	--	--	72,770	72,770
Total Revenues	<u>510,824</u>	<u>510,824</u>	<u>590,008</u>	<u>79,184</u>
Expenditures				
Operating expenditures	475,824	482,518	336,876	145,642
Capital outlay	20,000	117,355	56,245	61,110
Contingency	15,000	15,000	--	15,000
Total Expenditures	<u>510,824</u>	<u>614,873</u>	<u>393,121</u>	<u>221,752</u>
Excess (deficiency) of Revenues Over (Under) Expenditures	<u>--</u>	<u>(104,049)</u>	<u>196,887</u>	<u>300,936</u>
Other Financing Sources				
Reappropriations of fund balance	--	104,049	--	(104,049)
Total Other Financing Sources	<u>--</u>	<u>104,049</u>	<u>--</u>	<u>(104,049)</u>
Net Change in Fund Balances	<u>--</u>	<u>--</u>	<u>196,887</u>	<u>196,887</u>
Fund Balance - Beginning	<u>1,310,558</u>	<u>1,310,558</u>	<u>1,310,558</u>	<u>--</u>
Fund Balances - Ending	<u>\$ 1,310,558</u>	<u>\$ 1,310,558</u>	<u>\$ 1,507,445</u>	<u>\$ 196,887</u>

See notes to required supplementary information.

CITY OF HALLANDALE BEACH, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS - LAW ENFORCEMENT TRUST FUND**

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Fines and forfeitures	\$ --	\$ --	\$ 4,000	\$ 4,000
Investment earnings	--	--	7,455	7,455
Total Revenues	<u>--</u>	<u>--</u>	<u>11,455</u>	<u>11,455</u>
Expenditures				
Operating expenditures	54,925	59,105	--	59,105
Grants and Aids	<u>34,250</u>	<u>34,250</u>	<u>34,250</u>	<u>--</u>
Total Expenditures	<u>89,175</u>	<u>93,355</u>	<u>34,250</u>	<u>59,105</u>
Excess (deficiency) of Revenues Over (Under) Expenditures	<u>(89,175)</u>	<u>(93,355)</u>	<u>(22,795)</u>	<u>70,560</u>
Other Financing Sources				
Appropriations of fund balance	89,175	89,175	--	(89,175)
Reappropriations of fund balance	<u>--</u>	<u>4,180</u>	<u>--</u>	<u>(4,180)</u>
Total Other Financing Sources	<u>89,175</u>	<u>93,355</u>	<u>--</u>	<u>(93,355)</u>
Net Change in Fund Balances	<u>--</u>	<u>--</u>	<u>(22,795)</u>	<u>(22,795)</u>
Fund Balance - Beginning	<u>168,211</u>	<u>168,211</u>	<u>168,211</u>	<u>--</u>
Fund Balances - Ending	<u>\$ 168,211</u>	<u>\$ 168,211</u>	<u>\$ 145,416</u>	<u>\$ (22,795)</u>

See notes to required supplementary information.

CITY OF HALLANDALE BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS - BUILDING PERMITS FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Charges for services	\$ 653,000	\$ 653,000	\$ 730,919	\$ 77,919
Licenses and permits	3,996,500	3,996,500	7,879,292	3,882,792
Investment earnings	--	--	225,645	225,645
Other revenues	--	--	18	18
Total Revenues	4,649,500	4,649,500	8,835,874	4,186,374
Expenditures				
Personal services	2,606,363	2,639,994	1,841,316	798,678
Operating expenditures	2,699,717	2,726,112	2,452,273	273,839
Capital outlay	--	129,903	--	129,903
Total Expenditures	5,306,080	5,496,009	4,293,589	1,202,420
Excess (deficiency) of Revenues Over (Under) Expenditures	(656,580)	(846,509)	4,542,285	5,388,794
Other Financing Sources				
Appropriations of fund balance	656,580	656,580	--	(656,580)
Reappropriations of fund balance	--	189,929	--	(189,929)
Total Other Financing Sources	656,580	846,509	--	(846,509)
Net Change in Fund Balances	--	--	4,542,285	4,542,285
Fund Balance - Beginning	2,305,161	2,305,161	2,305,161	--
Fund Balances - Ending	\$ 2,305,161	\$ 2,305,161	\$ 6,847,446	\$ 4,542,285

See notes to required supplementary information.

CITY OF HALLANDALE BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
DEBT SERVICE FUNDS - 2016 G.O. BOND FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Property taxes	\$ 3,084,220	\$ 3,084,220	\$ 3,138,195	\$ 53,975
Investment earnings	--	--	60,380	60,380
Total Revenues	<u>3,084,220</u>	<u>3,084,220</u>	<u>3,198,575</u>	<u>114,355</u>
Expenditures				
Debt service	<u>3,084,220</u>	<u>3,084,220</u>	<u>3,079,756</u>	<u>4,464</u>
Total Expenditures	<u>3,084,220</u>	<u>3,084,220</u>	<u>3,079,756</u>	<u>4,464</u>
Net Change in Fund Balance	<u>--</u>	<u>--</u>	<u>118,819</u>	<u>109,891</u>
Fund Balance - Beginning	<u>262,965</u>	<u>262,965</u>	<u>262,965</u>	<u>--</u>
Fund Balances - Ending	<u>\$ 262,965</u>	<u>\$ 262,965</u>	<u>\$ 381,784</u>	<u>\$ 109,891</u>

See notes to required supplementary information.

CITY OF HALLANDALE BEACH, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
DEBT SERVICE FUNDS - REVENUE BOND FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
Revenues				
Total Revenues	\$ --	\$ --	\$ --	\$ --
Expenditures				
Debt service	2,288,663	2,288,663	2,288,161	502
Total Expenditures	2,288,663	2,288,663	2,288,161	502
Excess (deficiency) of Revenues Over (Under) Expenditures	(2,288,663)	(2,288,663)	(2,288,161)	502
Other Financing Sources				
Transfers in	2,288,663	2,288,663	2,288,663	--
Total Other Financing Sources	2,288,663	2,288,663	2,288,663	--
Net Change in Fund Balances	--	--	502	502
Fund Balance - Beginning	43,767	43,767	43,767	--
Fund Balances - Ending	\$ 43,767	\$ 43,767	\$ 44,269	\$ 502

See notes to required supplementary information.

CITY OF HALLANDALE BEACH, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL**

CAPITAL PROJECTS FUNDS - GENERAL OBLIGATION BOND FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
Revenues				
Investment earnings	\$ --	\$ --	\$ 246,282	\$ 246,282
Total Revenues	<u>--</u>	<u>--</u>	<u>246,282</u>	<u>246,282</u>
Expenditures				
Operating expenditures	--	73,581	860	72,721
Capital outlay	--	648,294	217,309	430,985
Total Expenditures	<u>--</u>	<u>721,875</u>	<u>218,169</u>	<u>503,706</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>--</u>	<u>(721,875)</u>	<u>28,113</u>	<u>749,988</u>
Other Financing Sources (Uses)				
Reappropriations of fund balance	--	721,875	--	(721,875)
Total Other Financing Sources (Uses)	<u>--</u>	<u>721,875</u>	<u>--</u>	<u>(721,875)</u>
Net Change in Budgetary Fund Balances	<u>--</u>	<u>--</u>	<u>28,113</u>	<u>28,113</u>
Fund Balance - Beginning	<u>3,108,123</u>	<u>3,108,123</u>	<u>3,108,123</u>	<u>--</u>
Fund Balances - Ending	<u>\$ 3,108,123</u>	<u>\$ 3,108,123</u>	<u>\$ 3,136,236</u>	<u>\$ 28,113</u>

See notes to required supplementary information.

CITY OF HALLANDALE BEACH, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL**

CAPITAL PROJECTS FUNDS - CAPITAL PROJECTS FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Investment earnings	\$ --	\$ --	\$ 295,879	\$ 295,879
Total Revenues	<u>--</u>	<u>--</u>	<u>295,879</u>	<u>295,879</u>
Expenditures				
Operating expenditures	--	481,068	11,729	469,339
Capital outlay	4,444,500	11,261,173	798,456	10,462,717
Total Expenditures	<u>4,444,500</u>	<u>11,742,241</u>	<u>810,185</u>	<u>10,932,056</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(4,444,500)</u>	<u>(11,742,241)</u>	<u>(514,306)</u>	<u>11,227,935</u>
Other Financing Sources (Uses)				
Transfer in	4,444,500	5,760,484	5,760,484	--
Reappropriations of fund balance	--	5,981,757	--	(5,981,757)
Total Other Financing Sources (Uses)	<u>4,444,500</u>	<u>11,742,241</u>	<u>5,760,484</u>	<u>(5,981,757)</u>
Net Change in Budgetary Fund Balances	<u>--</u>	<u>--</u>	<u>5,246,178</u>	<u>5,246,178</u>
Fund Balance - Beginning	<u>4,292,650</u>	<u>4,292,650</u>	<u>4,292,650</u>	<u>--</u>
Fund Balances - Ending	<u>\$ 4,292,650</u>	<u>\$ 4,292,650</u>	<u>\$ 9,538,828</u>	<u>\$ 5,246,178</u>

See notes to required supplementary information.

CITY OF HALLANDALE BEACH, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL**

CAPITAL PROJECTS FUNDS - REDEVELOPMENT REVENUE NOTE FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts		Actual	Variance with final Budget
	Original	Final		
Revenues				
Investment earnings	\$ 175,000	\$ 500,000	\$ 961,242	\$ 461,242
Total Revenues	<u>175,000</u>	<u>500,000</u>	<u>961,242</u>	<u>461,242</u>
Expenditures				
Operating expenditures	--	--	221,024	(221,024)
Grants and aids	--	--	58,780	(58,780)
Capital outlay	<u>15,476,109</u>	<u>19,600,883</u>	<u>6,008,845</u>	<u>13,592,038</u>
Total Expenditures	<u>15,476,109</u>	<u>19,600,883</u>	<u>6,288,649</u>	<u>13,312,234</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(15,301,109)</u>	<u>(19,100,883)</u>	<u>(5,327,407)</u>	<u>(13,773,476)</u>
Other Financing Sources				
Reappropriations of fund balance	<u>15,301,109</u>	<u>19,100,883</u>	--	(19,100,883)
Total Other Financing Sources	<u>15,301,109</u>	<u>19,100,883</u>	<u>--</u>	<u>(19,100,883)</u>
Change in Fund Balances	--	--	(5,327,407)	5,327,407
Fund balances, beginning	<u>19,100,883</u>	<u>19,100,883</u>	<u>19,100,883</u>	<u>--</u>
Fund balances, ending	<u>\$ 19,100,883</u>	<u>\$ 19,100,883</u>	<u>\$ 13,773,476</u>	<u>\$ 5,327,407</u>

See notes to required supplementary information.

NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

PROPRIETARY FUNDS

Enterprise Funds

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

Internal Service Funds

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

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

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

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

CITY OF HALLANDALE BEACH, FLORIDA

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

SEPTEMBER 30, 2024

	General Liability Trust Fund	Workers' Compensation Fund	Fleet Fund	Totals
Assets				
Current Assets				
Cash and cash equivalents	\$ 9,047,343	\$ 1,726,677	\$ 7,701,173	\$ 18,475,193
Receivables, net of allowances	--	--	2,600	2,600
Prepays	28,835	--	--	28,835
Total Current Assets	<u>9,076,178</u>	<u>1,726,677</u>	<u>7,703,773</u>	<u>18,506,628</u>
Noncurrent Assets				
Capital assets:				
Depreciable, net of accumulated depreciation	--	--	11,130,018	11,130,018
Total Noncurrent Assets	<u>--</u>	<u>--</u>	<u>11,130,018</u>	<u>11,130,018</u>
Total Assets	<u>9,076,178</u>	<u>1,726,677</u>	<u>18,833,791</u>	<u>29,636,646</u>
Deferred Outflows of Resources				
Pension - City	153,848	--	176,581	330,429
Pension - FRS	66,958	--	182,645	249,603
OPEB	6,232	--	12,089	18,321
Total Deferred Outflows of Resources	<u>227,038</u>	<u>--</u>	<u>371,315</u>	<u>598,353</u>
Liabilities				
Current Liabilities				
Accounts payable and accrued liabilities	79,895	3,132	64,619	147,646
Compensated absences	5,513	--	6,044	11,557
Accrued claims for self-insured risks	834,000	504,000	--	1,338,000
Total OPEB liability	3,225	--	6,257	9,482
Total Current Liabilities	<u>922,633</u>	<u>507,132</u>	<u>76,920</u>	<u>1,506,685</u>
Noncurrent Liabilities				
Compensated absences	19,604	--	21,460	41,064
Accrued claims for self-insured risks	1,472,000	1,334,000	--	2,806,000
Net pension liability - City	360,656	--	413,947	774,603
Net pension liability - FRS	142,712	--	389,282	531,994
Total OPEB liability	85,306	--	165,474	250,780
Total Noncurrent Liabilities	<u>2,080,278</u>	<u>1,334,000</u>	<u>990,163</u>	<u>4,404,441</u>
Total Liabilities	<u>3,002,911</u>	<u>1,841,132</u>	<u>1,067,083</u>	<u>5,911,126</u>
Deferred Inflows of Resources				
Pension - FRS	12,420	--	33,876	46,296
OPEB	57,727	--	111,979	169,706
Total Deferred Inflows of Resources	<u>70,147</u>	<u>--</u>	<u>145,855</u>	<u>216,002</u>
Net Position				
Investment in capital assets	--	--	11,130,018	11,130,018
Unrestricted	6,230,158	(114,455)	6,862,150	12,977,853
Total Net Position	<u>\$ 6,230,158</u>	<u>\$ (114,455)</u>	<u>\$ 17,992,168</u>	<u>\$ 24,107,871</u>

CITY OF HALLANDALE BEACH, FLORIDA

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS**

SEPTEMBER 30, 2024

	General Liability Trust Fund	Workers' Compensation Fund	Fleet Fund	Totals
Operating Revenues				
Charges for services	\$ 7,908,378	\$ 2,059,288	\$ 5,196,233	\$ 15,163,899
Other revenues	--	--	--	--
Total Operating Revenues	<u>7,908,378</u>	<u>2,059,288</u>	<u>5,196,233</u>	<u>15,163,899</u>
Operating Expenses				
Personal services	506,298	--	1,093,567	1,599,865
Cost of sales and services	2,314,230	248,738	840,509	3,403,477
Claims expense	(3,299,750)	975,438	--	(2,324,312)
Depreciation	--	--	1,519,514	1,519,514
Total Operating Expenses	<u>(479,222)</u>	<u>1,224,176</u>	<u>3,453,590</u>	<u>4,198,544</u>
Income (Loss) Before Capital Contributions	<u>8,387,600</u>	<u>835,112</u>	<u>1,742,643</u>	<u>10,965,355</u>
Nonoperating Revenues (Expenses)				
Investment earnings	292,405	48,508	309,997	650,910
Gain (loss) on disposal of capital assets	--	--	152,347	152,347
Total Nonoperating Revenues (Expenses)	<u>292,405</u>	<u>48,508</u>	<u>462,344</u>	<u>803,257</u>
Income (Loss) Before Capital Contributions and Transfers	<u>8,680,005</u>	<u>883,620</u>	<u>2,204,987</u>	<u>11,768,612</u>
Capital contributions	--	--	6,176,681	6,176,681
Transfers in	--	--	98,795	98,795
Transfers out	--	--	(701,797)	(701,797)
Change in net position	<u>8,680,005</u>	<u>883,620</u>	<u>7,778,666</u>	<u>17,342,291</u>
Net Position - Beginning	<u>(2,449,847)</u>	<u>(998,075)</u>	<u>10,213,502</u>	<u>6,765,580</u>
Net Position - Ending	<u>\$ 6,230,158</u>	<u>\$ (114,455)</u>	<u>\$ 17,992,168</u>	<u>\$ 24,107,871</u>

CITY OF HALLANDALE BEACH, FLORIDA

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

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	General Liability Trust Fund	Workers' Compensation Fund	Fleet Fund	Totals
Cash Flows from Operating Activities				
Receipts from customers and users	\$ 7,909,050	\$ 2,059,288	\$ 5,193,633	\$ 15,161,971
Payments to suppliers for goods, services, claims and administrative charges	(2,825,496)	(1,512,294)	(948,466)	(5,286,256)
Payments to employees	(373,995)	--	(826,235)	(1,200,230)
Net Cash Provided By (Used In) Operating Activities	<u>4,709,559</u>	<u>546,994</u>	<u>3,418,932</u>	<u>8,675,485</u>
Cash Flows from Noncapital and Related Financing Activities				
Transfers from other funds	--	--	98,795	98,795
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>--</u>	<u>--</u>	<u>98,795</u>	<u>98,795</u>
Cash Flows from Capital and Related Financing Activities				
Acquisition and construction of capital assets	--	--	(1,429,202)	(1,429,202)
Proceeds from sale of capital assets	--	--	152,347	152,347
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>--</u>	<u>--</u>	<u>(1,276,855)</u>	<u>(1,276,855)</u>
Cash Flows from Investing Activities				
Purchase of investments	(1,144,378)	(189,847)	(1,213,225)	(2,547,450)
Proceeds from sale of investments	1,196,053	198,419	1,268,010	2,662,482
Interest and investment income received	240,730	39,936	255,212	535,878
Net Cash Provided by (Used in) Investing Activities	<u>292,405</u>	<u>48,508</u>	<u>309,997</u>	<u>650,910</u>
Net change in cash and cash equivalents	5,001,964	595,502	2,550,869	8,148,335
Cash and Cash Equivalents - Beginning	<u>4,045,379</u>	<u>1,131,175</u>	<u>5,150,304</u>	<u>10,326,858</u>
Cash and Cash Equivalents - Ending	<u>\$ 9,047,343</u>	<u>\$ 1,726,677</u>	<u>\$ 7,701,173</u>	<u>\$ 18,475,193</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities				
Operating income (loss)	\$ 8,387,600	\$ 835,112	\$ 1,742,643	\$ 10,965,355
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	--	--	1,519,514	1,519,514
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	672	--	(2,600)	(1,928)
(Increase) decrease in prepaids and other assets	(13,563)	--	--	(13,563)
(Increase) decrease in deferred outflows of resources	32,689	--	(540)	32,149
Increase (decrease) in accounts payable	51,547	1,882	(107,957)	(54,528)
Increase (decrease) in compensated absences	60	--	(6,110)	(6,050)
Increase (decrease) in accrued liabilities	2,020	--	--	2,020
Increase (decrease) in self insured claims payable	(3,849,000)	(290,000)	--	(4,139,000)
Increase (decrease) in total OPEB liability	(1,485)	--	22,122	20,637
Increase (decrease) in net pension liability	74,069	--	180,236	254,305
Increase (decrease) in deferred inflows of resources	24,950	--	71,624	96,574
Net Cash Provided by (Used in) Operating Activities	<u>\$ 4,709,559</u>	<u>\$ 546,994</u>	<u>\$ 3,418,932</u>	<u>\$ 8,675,485</u>
Noncash Investing, Capital, and Financing Activities				
Unrealized gains on investments	\$ 51,675	\$ 8,572	\$ 54,785	\$ 115,032
Contributed capital from governmental activities	--	--	6,176,681	6,176,681
Contributed capital (to) from business-type activities	--	--	(701,797)	(701,797)
Gain on sale of capital assets	--	--	152,347	152,347
	<u>\$ 51,675</u>	<u>\$ 8,572</u>	<u>\$ 5,682,016</u>	<u>\$ 5,742,263</u>

NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

FIDUCIARY FUNDS

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

Pension Trust Funds:

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

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

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

Custodial Funds:

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

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

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

CITY OF HALLANDALE BEACH, FLORIDA

**COMBINING SCHEDULE OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS**

SEPTEMBER 30, 2024

	Friends of Hepburn Center Fund	Police Athletic League Fund	Excess Benefit Plan Fund	Total Custodial Funds	General Employees' Pension Fund	Police and Firefighters' Pension Fund	Professional/ Management Pension Fund	Total Pension Trust Funds
Assets								
Cash and cash equivalents	\$ 458,139	\$ --	\$ --	\$ 458,139	\$ --	\$ 5,696,132	\$ --	\$ 5,696,132
Employee contributions receivable	--	--	--	--	--	14,112	--	14,112
State contribution receivable	--	--	--	--	--	94,340	--	94,340
Accrued interest and dividends	--	--	--	--	--	509,210	--	509,210
Due from broker	--	--	--	--	--	154,561	--	154,561
Prepaid	--	--	--	--	--	7,926	--	7,926
Investments:								
Corporate bonds	--	--	--	--	--	20,779,930	--	20,779,930
Equity securities	--	--	--	--	--	195,624,949	--	195,624,949
U.S obligations	--	--	--	--	--	27,664,754	--	27,664,754
Hedge Funds	--	--	--	--	--	12,801,807	--	12,801,807
Equity pooled separate accounts	--	--	--	--	29,842,511	--	11,550,470	41,392,981
Private equity fund	--	--	--	--	--	6,658,271	--	6,658,271
Fixed income pooled separate accounts	--	--	--	--	32,375,294	--	7,754,197	40,129,491
Real estate pooled separate accounts	--	--	--	--	4,364,625	--	1,337,334	5,701,959
Real estate fund	--	--	--	--	--	9,081,775	--	9,081,775
Domestic equity investment funds	--	--	3,057,813	3,057,813	--	--	--	--
International equity investment funds	--	--	962,112	962,112	--	--	--	--
Domestic fixed income investment fund	--	--	1,860,511	1,860,511	--	--	--	--
Total investments	--	--	5,880,436	5,880,436	66,582,430	272,611,486	20,642,001	359,835,917
Total Assets	<u>458,139</u>	<u>--</u>	<u>5,880,436</u>	<u>6,338,575</u>	<u>66,582,430</u>	<u>279,087,767</u>	<u>20,642,001</u>	<u>366,312,198</u>
Liabilities								
Accounts payable	--	--	58,868	58,868	--	260,967	--	260,967
Drop benefits payable	--	--	--	--	--	10,993	--	10,993
Refund of contributions payable	--	--	--	--	--	76,285	--	76,285
Due to broker	--	--	--	--	--	163,700	--	163,700
Total Liabilities	<u>--</u>	<u>--</u>	<u>58,868</u>	<u>58,868</u>	<u>--</u>	<u>511,945</u>	<u>--</u>	<u>511,945</u>
Net Position								
Restricted for:								
Pension benefits	--	--	5,821,568	5,821,568	66,582,430	278,575,822	20,642,001	365,800,253
Community partnerships	458,139	--	--	458,139	--	--	--	--
Total Net Position	<u>\$ 458,139</u>	<u>\$ --</u>	<u>\$ 5,821,568</u>	<u>\$ 6,279,707</u>	<u>\$ 66,582,430</u>	<u>\$ 278,575,822</u>	<u>\$ 20,642,001</u>	<u>\$ 365,800,253</u>

CITY OF HALLANDALE BEACH, FLORIDA

**COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS**

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Friends of Hepburn Center Fund	Police Athletic League Fund	Excess Benefit Plan Fund	Total Custodial Funds	General Employees' Pension Fund	Police and Firefighters' Pension Fund	Professional/ Management Pension Fund	Total Pension Trust Funds
Additions								
Contributions								
Employer	\$ --	\$ --	\$ --	\$ --	\$ 2,104,620	\$ 11,162,043	\$ 494,703	\$ 13,761,366
Plan members	--	--	--	--	133,978	2,266,354	27,062	2,427,394
State of Florida	--	--	--	--	--	1,094,832	--	1,094,832
Donations and contributions	66,067	--	--	66,067	--	--	--	--
Total contributions	66,067	--	--	66,067	2,238,598	14,523,229	521,765	17,283,592
Investment Income (Loss):								
Interest and dividends	16,084	--	--	16,084	--	5,817,045	--	5,817,045
Net increase in fair value of investments	2,518	--	1,207,860	1,210,378	10,437,433	43,552,405	3,583,392	57,573,230
Total investment income (loss):	18,602	--	1,207,860	1,226,462	10,437,433	49,369,450	3,583,392	63,390,275
Less investment expense	--	--	--	--	(26,485)	(1,638,304)	(12,322)	(1,677,111)
Net investment income (loss)	18,602	--	1,207,860	1,226,462	10,410,948	47,731,146	3,571,070	61,713,164
Total Additions	84,669	--	1,207,860	1,292,529	12,649,546	62,254,375	4,092,835	78,996,756
Deductions								
Benefits	--	--	644,781	644,781	4,331,445	19,839,073	1,562,560	25,733,078
Administrative expenses	--	--	4,884	4,884	56,499	297,375	36,743	390,617
Operating expenses	254	88,240	--	88,494	--	--	--	--
Total Deductions	254	88,240	649,665	738,159	4,387,944	20,136,448	1,599,303	26,123,695
Change in Net Position	84,415	(88,240)	558,195	554,370	8,261,602	42,117,927	2,493,532	52,873,061
Net Position - Beginning	373,724	88,240	5,263,373	5,725,337	58,320,828	236,457,895	18,148,469	312,927,192
Net Position - Ending	\$ 458,139	\$ --	\$ 5,821,568	\$ 6,279,707	\$ 66,582,430	\$ 278,575,822	\$ 20,642,001	\$ 365,800,253

STATISTICAL SECTION

STATISTICAL SECTION

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

Contents

Page

Financial Trends..... 174-179

These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.

Revenue Capacity.....180-183

These schedules contain information to help the reader assess the City’s most significant local revenue sources.

Debt Capacity.....184-187

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.

Demographic and Economic Information188-189

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.

Operating Information.....190-192

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.

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

CITY OF HALLANDALE BEACH, FLORIDA

**SCHEDULE 1 - NET POSITION BY ACTIVITY
LAST TEN FISCAL YEARS**

**(ACCRUAL BASIS OF ACCOUNTING)
(AMOUNTS EXPRESSED IN THOUSANDS)**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental Activities										
Net investment in capital assets	\$ 59,840	\$ 66,595	\$ 63,929	\$ 63,880	\$ 63,108	\$ 59,573	\$ 59,327	\$ 66,733	\$ 73,704	\$ 94,017
Restricted	13,523	16,021	19,540	19,517	25,340	32,929	39,821	45,786	45,170	56,115
Unrestricted (deficit)	(35,637)	(41,076)	(60,991)	(64,407)	(68,068)	(67,154)	(56,954)	(52,143)	(34,933)	(20,975)
Total Governmental Activities Net Position	<u>\$ 37,726</u>	<u>\$ 41,540</u>	<u>\$ 22,478</u>	<u>\$ 18,990</u>	<u>\$ 20,380</u>	<u>\$ 25,348</u>	<u>\$ 42,194</u>	<u>\$ 60,376</u>	<u>\$ 83,941</u>	<u>\$ 129,157</u>
Business-type Activities										
Net investment in capital assets	\$ 35,544	\$ 37,651	\$ 36,563	\$ 36,877	\$ 49,221	\$ 54,522	\$ 59,061	\$ 59,466	\$ 59,913	\$ 73,757
Restricted	291	291	1,084	1,285	2,564	3,188	1,942	1,780	2,200	1,169
Unrestricted	33,754	27,512	25,975	32,492	36,574	40,164	42,098	42,953	44,521	36,980
Total Business-type Activities Net Position	<u>\$ 69,589</u>	<u>\$ 65,454</u>	<u>\$ 63,622</u>	<u>\$ 70,654</u>	<u>\$ 88,359</u>	<u>\$ 97,874</u>	<u>\$ 103,101</u>	<u>\$ 104,199</u>	<u>\$ 106,634</u>	<u>\$ 111,906</u>
Primary Government										
Net investment in capital assets	\$ 95,384	\$ 104,246	\$ 100,492	\$ 100,757	\$ 112,329	\$ 114,095	\$ 118,388	\$ 126,199	\$ 133,617	\$ 167,774
Restricted	13,814	16,312	20,624	20,802	27,904	36,117	41,763	47,566	47,370	57,284
Unrestricted	(1,883)	(13,564)	(35,016)	(31,915)	(31,494)	(26,990)	(14,856)	(9,190)	9,588	16,005
Total Primary Government Net Position	<u>\$ 107,315</u>	<u>\$ 106,994</u>	<u>\$ 86,100</u>	<u>\$ 89,644</u>	<u>\$ 108,739</u>	<u>\$ 123,222</u>	<u>\$ 145,295</u>	<u>\$ 164,575</u>	<u>\$ 190,575</u>	<u>\$ 241,063</u>

Note: GASB 68 was implemented during fiscal year 2015.

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

CITY OF HALLANDALE BEACH, FLORIDA

**SCHEDULE 2 - CHANGES IN NET POSITION
LAST TEN FISCAL YEARS**

**(ACCRUAL BASIS OF ACCOUNTING)
(AMOUNTS EXPRESSED IN THOUSANDS)**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental activities:										
General government	\$ 13,876	\$ 18,435	\$ 19,868	\$ 17,396	\$ 19,183	\$ 18,255	\$ 19,276	\$ 25,713	\$ 12,183	\$ 19,310
Public safety	36,359	39,329	45,542	45,864	52,690	48,359	36,875	53,088	58,904	60,790
Physical environment	1,897	2,234	2,936	3,565	3,012	1,872	1,206	1,246	1,595	1,859
Transportation	1,850	1,972	1,913	2,587	2,113	2,452	3,075	4,111	3,732	4,919
Economic environment	4,474	5,743	5,319	5,186	7,212	7,758	6,461	6,496	9,736	13,473
Culture and recreation	4,145	6,063	6,508	5,449	5,333	7,251	7,130	7,841	8,429	9,207
Human services	1,822	2,353	2,117	1,893	1,803	1,263	1,407	1,989	2,078	2,933
Interest and fiscal charges	956	2,765	2,960	2,700	2,651	2,675	2,804	2,621	2,393	2,169
Total Governmental Activities Expenses	65,379	78,894	87,163	84,640	93,997	89,885	78,234	103,105	99,050	114,660
Business-type activities:										
Nonmajor	280	212	243	223	252	250	292	480	751	515
Sanitation	6,211	5,864	5,829	4,604	5,101	5,161	5,603	5,985	7,560	7,676
Stormwater drainage	2,215	2,705	3,859	2,917	3,002	4,711	4,364	5,229	5,816	5,978
Utility (water and sewer)	24,902	24,722	23,549	21,228	20,979	21,130	24,777	24,552	27,738	30,027
Total Business-type Activities Expenses	33,608	33,503	33,480	28,972	29,334	31,252	35,036	36,246	41,865	44,196
Total Primary Government Expenses	98,987	112,397	120,643	113,612	123,331	121,137	113,270	139,351	140,915	158,856
Program Revenues										
Governmental activities:										
Charges for services:										
General government	7,719	7,075	7,704	10,383	7,922	9,336	9,696	12,594	1,603	7,177
Public safety	13,445	12,668	14,943	13,625	16,915	17,697	17,058	17,747	21,073	26,088
Physical environment	5,233	5,182	4,157	3,114	3,161	274	--	--	--	--
Transportation	622	507	496	1,012	1,168	664	831	1,439	1,923	1,858
Economic environment	943	1,473	382	397	634	454	694	301	615	271
Culture and recreation	899	715	692	530	626	412	561	571	736	708
Human services	477	--	--	--	884	--	45	--	--	--
Operating grants and contributions	816	1,378	1,157	1,069	2,657	2,501	7,321	13,851	9,270	10,414
Capital grants and contributions	1,711	1,096	111	70	--	762	35	--	--	6,588
Total Governmental Activities	31,865	30,094	29,642	30,200	33,967	32,100	36,241	46,503	35,220	53,104
Business-type activities:										
Charges for services:										
Nonmajor	193	281	162	206	139	245	301	316	248	435
Sanitation	5,238	5,422	5,239	6,599	6,962	6,940	7,150	6,934	6,836	7,006
Stormwater drainage	2,591	2,088	2,092	4,286	4,397	4,321	4,269	4,171	4,698	5,250
Utility (water and sewer)	22,545	23,009	23,340	25,594	25,173	25,755	26,203	26,636	32,089	36,691
Operating grants and contributions	--	--	--	--	--	--	116	--	--	--
Capital grants and contributions	37	--	907	501	9,418	247	--	147	225	125
Total Business-type Activities	30,604	30,800	31,740	37,186	46,089	37,508	38,039	38,204	44,096	49,507
Total Primary Government Program Revenues	\$ 62,469	\$ 60,894	\$ 61,382	\$ 67,386	\$ 80,056	\$ 69,608	\$ 74,280	\$ 84,707	\$ 79,316	\$ 102,611

CITY OF HALLANDALE BEACH, FLORIDA
SCHEDULE 2 - CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)
(AMOUNTS EXPRESSED IN THOUSANDS)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes	\$ 21,752	\$ 28,522	\$ 34,557	\$ 36,687	\$ 42,829	\$ 49,259	\$ 51,528	\$ 52,706	\$ 65,935	\$ 76,656
Franchise and utility taxes	8,595	8,373	8,537	8,565	8,616	8,442	8,591	9,750	11,449	11,666
Sales taxes	2,472	2,526	2,534	2,677	2,642	2,392	2,879	3,326	3,454	3,300
Motor fuel taxes	1,057	1,010	1,016	1,035	1,031	929	996	1,077	1,105	1,051
Alcoholic beverage taxes	18	17	15	14	14	18	18	13	13	11
Intergovernmental revenue	5,383	1,073	1,100	1,098	1,147	1,045	1,180	1,526	1,671	1,639
Unrestricted investment earnings	221	809	1,734	2,074	2,341	1,446	189	508	5,532	7,738
Slot machine proceeds	1,603	1,677	1,475	1,131	1,307	937	1,638	1,682	1,672	1,678
Other revenue	68	31	--	--	--	--	--	--	--	72
Miscellaneous revenue, unrestricted	--	--	--	--	--	--	--	--	--	480
Gain on the sale of capital assets	241	258	297	--	4	14	--	--	2	124
Transfers	(1,873)	1,852	935	1,395	1,492	(1,730)	(2,087)	51	1,835	2,356
Total Governmental Activities	39,537	46,148	52,200	54,676	61,423	62,752	64,932	70,639	92,668	106,771
Business-type activities:										
Unrestricted investment earnings	317	395	50	386	1,138	894	72	(746)	1,651	2,183
Other revenue	1	--	--	--	--	--	--	--	--	--
Impact fees	--	25	793	487	1,280	635	65	229	354	7
Gain on the sale of capital assets	55	--	--	3	23	--	--	--	33	128
Transfers	1,873	(1,852)	(935)	(1,395)	(1,492)	1,730	2,087	(50)	(1,835)	(2,356)
Total Business-type Activities	2,246	(1,432)	(92)	(519)	949	3,259	2,224	(567)	203	(38)
Total General Revenues and Other Changes in Net Position	41,783	44,716	52,108	54,157	62,372	66,011	67,156	70,072	92,871	106,733
Changes in Net Position										
Governmental activities	6,023	(2,652)	(5,321)	236	1,393	4,967	22,939	14,037	28,838	45,215
Business-type activities	(758)	(4,135)	(1,832)	7,695	17,704	9,515	5,227	1,391	2,434	5,272
Total Changes in Net Position	\$ 5,265	\$ (6,787)	\$ (7,153)	\$ 7,931	\$ 19,097	\$ 14,482	\$ 28,166	\$ 15,428	\$ 31,272	\$ 50,487

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

CITY OF HALLANDALE BEACH, FLORIDA
SCHEDULE 3 - FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(AMOUNTS EXPRESSED IN THOUSANDS)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund										
Non-spendable:										
Inventories	\$ 156	\$ 125	\$ 117	\$ 89	\$ 60	\$ 80	\$ 100	\$ 127	\$ 178	\$ 63
Prepaid items	128	--	641	320	--	365	--	--	--	--
Leases	--	--	--	--	--	--	--	--	--	259
Restricted for:										
Debt service	--	--	483	450	414	377	337	296	252	206
Developer agreements	--	--	--	--	1,675	1,675	1,675	1,675	1,675	1,675
Grant programs	--	--	--	--	24	29	14	129	--	--
Opioid litigation settlement	--	--	--	--	--	--	--	--	33	--
Committed:										
Renewal and replacement	--	--	--	--	--	--	--	--	1,527	2,625
Assigned to:										
Vehicles and equipment	1,318	884	1,138	601	656	779	789	796	821	839
Development code rewriting	--	--	--	--	--	--	--	--	400	6
Excess benefit plan	--	6,437	6,828	6,923	6,396	6,151	--	--	--	--
Capital projects	--	--	--	--	119	4	146	844	1,349	1,158
Encumbrances	--	--	--	--	54	33	916	1,283	1,646	2,204
Subsequent year's expenditures	--	--	1,879	825	--	2,864	2,297	--	--	--
Unassigned	20,186	18,963	12,007	9,398	12,830	10,305	14,700	23,268	31,084	34,319
Total General Fund	\$ 21,788	\$ 26,409	\$ 23,093	\$ 18,606	\$ 22,228	\$ 22,662	\$ 20,974	\$ 28,418	\$ 38,965	\$ 43,354
All Other Governmental Funds										
Non-spendable:										
Prepaid Items	\$ --	\$ --	\$ 48	\$ 16	\$ --	\$ 1	\$ --	\$ --	\$ --	\$ --
Other assets	--	--	--	--	--	--	--	--	--	42
Restricted for:										
Assets held for resale	6,608	9,476	8,925	9,172	8,159	8,539	8,250	8,433	2,260	2,260
Long-term receivable	1,253	1,341	1,922	1,851	1,576	1,724	1,037	949	437	408
Community redevelopment	--	663	2,738	3,762	8,214	12,685	19,229	24,570	28,880	31,665
Debt service	1,517	1,168	1,967	30	174	211	152	189	307	426
Capital projects	--	69,747	62,141	48,571	23,068	36,177	29,593	26,720	22,209	16,983
Developer agreements	1,502	956	1,274	1,738	1,844	2,551	2,671	2,607	2,730	3,173
Building permits function	--	--	--	--	--	1,312	1,768	1,991	2,305	6,847
Grant programs	366	525	--	4	--	--	--	--	292	895
Law enforcement	1,016	986	1,165	1,092	1,152	965	1,052	941	610	1,658
Police outside services	--	--	--	--	53	134	170	114	93	117
Traffic mitigation	346	--	143	194	775	787	787	904	1,103	1,115
Transportation	--	--	--	--	--	376	843	1,066	1,947	3,047
Safe neighborhood districts	915	906	923	1,209	1,279	1,563	1,837	1,921	2,245	2,438
Opioid litigation settlement	--	--	--	--	--	--	--	--	--	110
Committed to:										
Tree preservation	--	--	--	--	--	--	58	58	74	77
Assigned to:										
Police outside services	177	--	--	83	--	--	--	--	--	--
Capital projects funds	365	--	--	--	1,961	1,169	273	413	--	9,539
Subsequent year's expenditure	--	--	--	--	--	--	--	--	4,293	--
Unassigned	(313)	(105)	(1,997)	(21)	(54)	--	--	--	--	--
Total All Other Governmental Funds	\$ 13,752	\$ 85,663	\$ 79,249	\$ 67,701	\$ 48,201	\$ 68,194	\$ 67,720	\$ 70,876	\$ 69,785	\$ 80,800

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

CITY OF HALLANDALE BEACH, FLORIDA

**SCHEDULE 4 - CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**

**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(AMOUNTS EXPRESSED IN THOUSANDS)**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Taxes	\$ 30,347	\$ 32,159	\$ 37,902	\$ 39,517	\$ 45,342	\$ 50,551	\$ 52,410	\$ 54,268	\$ 68,214	\$ 77,750
Licenses, fees and permits	2,977	3,031	3,809	3,108	3,586	4,645	3,109	3,991	5,097	8,962
Fines and forfeitures	731	824	890	635	838	581	829	1,000	1,442	2,771
Charges for services	12,143	11,247	10,792	9,433	10,171	8,347	9,134	11,960	13,610	13,684
Intergovernmental	11,964	10,739	10,938	11,630	13,787	14,034	19,817	27,981	24,508	31,624
Investment earnings	383	1,014	1,732	2,074	2,341	1,446	190	508	5,200	7,087
Slot machine proceeds	1,603	1,677	1,475	1,131	1,307	742	1,638	1,682	1,287	1,894
Other revenues	7,686	9,456	8,144	9,201	10,662	10,579	11,046	10,105	10,956	10,836
Total Revenues	67,834	70,147	75,682	76,729	88,034	90,925	98,173	111,495	130,314	154,608
Expenditures										
Current:										
General government	9,002	10,655	10,998	12,683	11,197	11,857	12,383	13,290	17,145	23,126
Public safety	40,654	40,286	42,012	43,357	44,506	46,923	48,216	53,585	56,817	58,938
Physical environment	2,028	2,283	2,821	3,510	2,926	2,081	1,233	1,226	1,349	1,490
Transportation	1,742	1,922	1,763	1,878	1,751	2,120	2,615	3,799	2,691	4,809
Economic environment	4,421	5,693	5,265	5,118	7,149	7,493	6,304	6,441	11,386	14,676
Human services	1,837	2,301	2,066	1,849	1,727	1,315	1,378	1,779	1,849	2,196
Culture and recreation	3,773	5,435	5,299	4,324	3,951	3,568	3,647	3,981	4,201	4,944
Capital outlay	9,602	16,186	8,973	18,669	25,400	7,741	8,457	6,230	12,362	21,283
Debt service:										
Principal	1,000	2,450	3,370	3,750	3,906	4,154	6,575	7,357	8,035	8,491
Interest and fiscal charges	957	2,190	3,169	3,424	3,347	3,248	3,433	3,208	2,937	2,657
Total Expenditures	75,016	89,401	85,736	98,562	105,860	90,500	94,241	100,896	118,772	142,610
Excess of (Deficiency) of Revenues Over (Under) Expenditures	(7,182)	(19,254)	(10,054)	(21,833)	(17,826)	425	3,932	10,599	11,542	11,998
Other Financing Sources (Uses)										
Proceeds from the sale of capital assets	27	74	3	2,987	3	2	--	2	21	67
Transfers in	11,160	18,706	1,661	6,026	4,807	3,650	2,916	14,016	16,911	22,007
Transfers out	(7,030)	(16,695)	(1,339)	(4,526)	(3,307)	(3,650)	(2,916)	(14,016)	(14,215)	(19,588)
Issuance of long-term debt	--	86,748	--	1,308	449	20,000	--	--	467	921
Total Other Financing Sources (Uses)	4,157	88,833	325	5,795	1,952	20,002	--	2	3,184	3,407
Net Change in Fund Balances	\$ (3,025)	\$ 69,579	\$ (9,729)	\$ (16,038)	\$ (15,874)	\$ 20,427	\$ 3,932	\$ 10,601	\$ 14,726	\$ 15,405
Debt Service as a Percentage of Non-Capital Expenditures	2.99%	6.34%	8.52%	8.98%	9.01%	8.94%	11.67%	11.16%	10.31%	9.19%

CITY OF HALLANDALE BEACH, FLORIDA

**SCHEDULE 5 - TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**

(ACCRUAL BASIS OF ACCOUNTING)

Fiscal Year	Ad Valorem	Franchise Fees	Utility	Communication Service	Sales	Motor Fuel	Alcoholic Beverages	Total
2015	\$ 21,752	\$ 2,708	\$ 4,420	\$ 1,467	\$ 2,472	\$ 1,057	\$ 18	\$ 33,894
2016	23,786	2,640	4,383	1,350	2,526	1,010	17	35,712
2017	29,365	2,699	4,557	1,280	2,534	710	15	41,160
2018	30,951	2,656	4,647	1,262	2,677	705	14	42,912
2019	36,977	2,701	4,705	1,209	2,643	709	14	48,958
2020	42,110	2,558	4,725	1,159	2,392	621	18	53,583
2021	43,819	2,639	4,797	1,155	2,879	650	18	55,957
2022	44,518	3,459	5,096	1,195	3,326	693	13	58,300
2023	56,765	3,980	6,204	1,265	3,454	717	14	72,399
2024	66,083	9,957	6,160	1,039	2,813	578	11	86,641
Change 2015-2024	203.8%	267.7%	39.4%	-29.2%	13.8%	-45.3%	-38.9%	155.6%

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

CITY OF HALLANDALE BEACH, FLORIDA

SCHEDULE 6 - DIRECT AND OVERLAPPING PROPERTY TAX RATES

LAST TEN FISCAL YEARS

Tax Roll Year	Fiscal Year	Direct City Rate ⁽¹⁾			Overlapping Rates												
		City of Hallandale Beach			Broward County BOCC			School Board of Broward County			South Florida Water Management District	Florida Inland Navigation District	Children's Services Council	South Broward Hospital District	Total Direct and Overlapping Rates	Golden Isles Safe Neighborhood District ⁽²⁾	Three Islands Safe Neighborhood District ⁽²⁾
		Operating Millage	Debt Service Millage	Total Hallandale Beach	Operating Millage	Debt Service Millage	Total Broward County	Operating Millage	Debt Service Millage	Total School District							
2014	2015	5.1918	--	5.1918	5.4584	0.2646	5.7230	7.4380	--	7.4380	0.3842	0.0345	0.4882	0.1863	19.4460	1.0934	0.6600
2015	2016	5.1918	--	5.1918	5.4741	0.2489	5.7230	7.2030	0.0710	7.2740	0.3551	0.0320	0.4882	0.1737	19.2378	1.0934	0.6600
2016	2017	5.1918	0.6080	5.7998	5.4474	0.2216	5.6690	6.8360	0.0703	6.9063	0.3307	0.0320	0.4882	0.1615	19.3875	1.0934	0.6600
2017	2018	5.3093	0.4905	5.7998	5.4623	0.2067	5.6690	6.4740	0.0654	6.5394	0.3100	0.0320	0.4882	0.1496	18.9880	1.0934	0.6600
2018	2019	6.3191	0.4162	6.7353	5.4792	0.1898	5.6690	6.2750	0.1279	6.4029	0.2936	0.0320	0.4882	0.1414	19.7624	1.0934	0.6600
2019	2020	7.0000	0.4162	7.4162	5.4878	0.1812	5.6690	6.6350	0.1043	6.7393	0.2795	0.0320	0.4882	0.1260	20.7502	1.0934	0.6600
2020	2021	7.0000	0.5522	7.5522	5.4999	0.1691	5.6690	6.4140	0.0912	6.5052	0.2675	0.0320	0.4882	0.1199	20.6340	1.0934	0.6600
2021	2022	7.0000	0.5377	7.5377	5.5134	0.1556	5.6690	6.3180	0.1441	6.4621	0.2572	0.0320	0.4699	0.1144	20.5423	1.0934	0.6600
2022	2023	8.2466	0.4946	8.7412	5.5306	0.1384	5.6690	5.9510	0.1873	6.1383	0.2301	0.0320	0.4500	0.1010	21.3616	1.0934	0.6600
2023	2024	7.9998	0.3824	8.3822	5.6389	0.0301	5.6690	6.3110	0.1545	6.4655	0.2301	0.0288	0.4500	0.0869	21.3125	1.0934	0.6600

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

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

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

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

CITY OF HALLANDALE BEACH, FLORIDA

SCHEDULE 7 - PRINCIPAL PROPERTY TAX PAYERS

CURRENT YEAR AND NINE YEARS AGO

	2024			2015		
	Taxable Assessed Valuation	Rank	Percentage of Total Taxes Levied	Taxable Assessed Valuation	Rank	Percentage of Total Taxes Levied
Gulfstream Park Racing Association Inc	\$ 215,492,754	1	3.272%	\$ 216,812,814	1	5.143%
Maltese Diplomat Owner LLC	155,835,340	2	2.366%	--	--	--
2000 Ocean Owner LLC	93,085,210	3	1.413%	--	--	--
Florida Power & Light Co.	85,911,461	4	1.304%	33,911,659	3	0.804%
Hallandale Land Ventures LLP	81,677,394	5	1.240%	--	--	--
17070 Collins Ave. Shopping Ctr	49,838,250	6	0.757%	36,719,151	2	0.871%
Three Islands Associates Residential	42,473,423	7	0.645%	27,481,631	4	0.652%
831 Federal Hwy Acquisition LLC	33,666,529	8	0.511%	--	--	--
600 Hallandale LLC	27,556,140	9	0.418%	--	--	--
2500 Hallandale Beach LLC - Receiver Inc.	22,678,840	10	0.344%	13,557,689	9	0.322%
Hollywood Greyhound Track	--	--	--	23,581,559	5	0.559%
Village at Gulfstream LLC\CCD	--	--	--	16,590,911	6	0.394%
Wal-Mart Stores	--	--	--	16,416,466	7	0.389%
Hallandale Group Ltd Partnership	--	--	--	14,500,971	8	0.344%
Diplomat Properties Ltd Partnership	--	--	--	11,968,300	10	0.284%
Totals	\$ 808,215,341		12.27%	\$ 411,541,151		9.763%

Source: Broward County, Florida, Department of Revenue.

CITY OF HALLANDALE BEACH, FLORIDA

SCHEDULE 8 - PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN FISCAL YEARS

(AMOUNTS EXPRESSED IN THOUSANDS)

Fiscal Year Ended September 30,	Taxes Levied for the Fiscal Year ⁽¹⁾	Collected within the Fiscal Year of the Levy		Collections Subsequent Years	Total Collections to Date	
		Amount ⁽²⁾	Percentage of Levy		Amount ⁽²⁾	Percentage of Levy
2015	\$ 22,681	\$ 22,504	99.22%	\$ --	\$ 22,504	99.22%
2016	24,721	24,594	99.49%	3	24,597	99.50%
2017	30,435	30,299	99.55%	49	30,348	99.71%
2018	32,151	31,959	99.40%	18	31,978	99.46%
2019	38,497	38,217	99.27%	11	38,229	99.30%
2020	43,913	43,524	99.11%	107	43,631	99.36%
2021	45,535	45,223	99.31%	44	45,268	99.41%
2022	46,380	46,037	99.26%	7	46,044	99.28%
2023	58,915	58,620	99.50%	3	58,623	99.50%
2024	68,559	68,179	99.44%	17	68,196	99.47%

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

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

Source: Broward County, Florida, Department of Revenue.

CITY OF HALLANDALE BEACH, FLORIDA

**SCHEDULE 9
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**

LAST TEN FISCAL YEARS

Fiscal Year Ended September 30,	Real Property ⁽¹⁾			Personal Property	Less Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate (mills)	Estimated Actual Taxable Value ⁽²⁾	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property	Other Property						
2015	\$ 4,564,963	\$ 748,318	\$ 188,137	\$ 121,879	\$ 1,375,207	\$ 4,248,090	5.1918	\$ 5,623,297	75.500%
2016	5,043,846	773,600	193,328	128,697	1,514,373	4,625,098	5.1918	6,139,471	75.300%
2017	5,462,533	818,576	214,874	167,335	1,536,431	5,126,887	5.7998	6,663,318	76.900%
2018	5,659,280	863,001	223,657	154,518	1,494,759	5,405,697	5.7998	6,900,456	78.300%
2019	5,777,202	880,699	226,242	153,060	1,443,457	5,593,746	6.7353	7,037,203	79.500%
2020	5,896,735	937,329	256,305	147,022	1,432,250	5,805,141	7.4162	7,237,391	80.200%
2021	5,940,415	963,870	278,250	151,177	1,422,123	5,911,589	7.5522	7,333,712	80.600%
2022	5,977,437	1,045,406	293,143	144,783	1,438,705	6,022,064	7.5377	7,460,769	80.700%
2023	7,106,987	1,126,502	295,644	144,759	2,051,759	6,622,133	8.7412	8,673,892	76.300%
2024	9,202,642	1,250,204	417,695	174,560	3,280,097	7,765,004	8.3822	11,045,101	70.303%

⁽¹⁾ Based on market values.

⁽²⁾ Includes tax exempt properties.

Source: Broward County Revenue Collection Division.

CITY OF HALLANDALE BEACH, FLORIDA

SCHEDULE 10 - RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS

Fiscal Year	Equipment financed purchases obligations	Lease Liabilities	Subscription Liabilities	Governmental Activities						Business-type Activities			Total Primary Government	Percentage of Personal Income ⁽¹⁾	Per Capita ⁽¹⁾
				Revenue Bonds Series 2007A	Revenue Note Series 2012	Revenue Bonds Series 2016	O.B. Johnson Bonds Series 2015	G.O. Bonds Series 2016	HBCRA Redevelopment Series 2020	Revenue Note Series 2012	Revenue Bonds Series 2014	State Revolving Loan DEP			
2015	\$ 4,394	\$ --	\$ --	\$ 18,738,265	\$ 3,725,000	\$ --	\$ --	\$ --	\$ --	\$ 2,190,000	\$ 5,390,000	\$ --	\$ 30,047,659	1.74%	\$ 782.00
2016	--	--	--	2,265,000	--	25,595,677	14,200,000	61,765,674	--	1,890,000	4,905,000	--	110,621,351	6.11%	2,864.28
2017	--	--	--	1,160,000	--	25,309,930	12,945,000	60,461,872	--	1,585,002	4,410,000	--	105,871,804	5.61%	2,732.46
2018	1,308,267	--	--	--	--	24,545,452	11,655,000	59,196,658	--	1,275,000	3,905,000	504,980	102,390,357	5.22%	2,621.76
2019	1,605,404	--	--	--	--	22,721,237	10,330,000	57,887,595	--	965,000	3,385,000	491,518	97,385,754	4.67%	2,444.79
2020	1,366,312	--	--	--	--	20,861,407	8,970,000	56,529,985	20,000,000	650,000	2,855,000	1,120,761	112,353,465	5.03%	2,812.70
2021	1,116,269	--	--	--	--	18,967,688	7,575,000	55,124,161	17,750,000	330,000	2,310,000	1,364,426	104,537,544	3.94%	2,539.97
2022	854,753	--	--	--	--	17,036,854	6,140,000	53,670,456	14,900,000	--	1,750,000	1,574,764	95,926,827	3.49%	2,301.67
2023	757,130	--	149,971	--	--	15,065,813	4,665,000	52,159,203	11,710,000	--	1,185,000	1,501,938	87,194,055	2.94%	2,078.82
2024	501,685	774,133	217,695	--	--	13,056,528	3,150,000	50,590,799	8,165,000	--	600,000	1,321,350	77,603,057	*	--

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

* Population data not yet available.

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

CITY OF HALLANDALE BEACH, FLORIDA

**SCHEDULE 11 - RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

(AMOUNTS EXPRESSED IN THOUSANDS EXCEPT PER CAPITA)

<u>Fiscal Year</u>	<u>G.O. Bonds Series 2016</u>	<u>Assessed Value of Taxable Property ⁽¹⁾</u>	<u>Percentage of Estimated Actual Taxable Value</u>	<u>Population ⁽²⁾</u>	<u>Per Capita</u>
2015	\$ --	\$ 4,248,090	0.00%	38,424	--
2016	61,766	4,625,098	1.34%	38,621	1.60
2017	60,462	5,126,887	1.18%	38,746	1.56
2018	59,197	5,405,697	1.10%	39,054	1.52
2019	57,876	5,593,746	1.03%	39,834	1.45
2020	56,482	5,805,141	0.97%	39,945	1.41
2021	55,016	5,911,589	0.93%	41,157	1.34
2022	53,525	6,022,064	0.89%	41,677	1.28
2023	51,896	6,622,133	0.78%	41,726	1.24
2024	50,209	7,765,004	0.65%	41,771	1.20

⁽¹⁾ See Assessed Value and Estimated Actual Value of Taxable Property Table (Schedule 9) for property value data.

⁽²⁾ See Demographic and Economic Statistics Table (Schedule 14) for population data.

Note: Details regarding the City’s outstanding debt can be found in the notes to the financial statements. Debt balances are inclusive of related premiums and discounts, and net of accumulated resources restricted to repaying principal of the G.O. Bond debt.

The current ordinances of the City of Hallandale Beach do not specify a legal debt margin.

CITY OF HALLANDALE BEACH, FLORIDA

SCHEDULE 12 - DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

AS OF SEPTEMBER 30, 2024

Jurisdiction	Net Debt Outstanding ⁽¹⁾	Percentage Applicable to City of Hallandale Beach	Amount Applicable to City of Hallandale Beach
Overlapping:			
Broward County	\$ 9,732,470	2.850%	\$ 277,365
Broward School District	<u>837,692,000</u>	2.575%	<u>21,571,257</u>
Subtotal, Overlapping Debt	<u>847,424,470</u>		<u>21,848,622</u>
Direct Debt:			
City of Hallandale Beach	<u>75,464,010</u>	100.000%	<u>75,464,010</u>
Total Direct and Overlapping Debt	<u>\$ 922,888,480</u>		<u>\$ 97,312,632</u>

(1) Debt balances are inclusive of related premiums/discounts

(2) Source: Broward County, Florida

(3) Source: School Board of Broward County, Florida

Note: The percentage of overlapping debt is estimated using taxable assessed property values. Value that is within the City boundaries are divided by the County's and School Board's total taxable assessed value.

CITY OF HALLANDALE BEACH, FLORIDA

SCHEDULE 13 - PLEDGED REVENUE COVERAGE

LAST TEN FISCAL YEARS

Fiscal Year Ended	Utility Revenue Bonds, 2014A and Series 2012 Revenue Note ⁽¹⁾⁽²⁾						State Revolving Loan Fund					Rev. Bonds 2007A and Refunding Rev. Bonds, Series 2016 ⁽³⁾				
	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service			Net Available Revenue ⁽⁴⁾	Debt Service			Pledged Revenue ⁽⁵⁾	Principal	Interest	Principal	Interest	Coverage
September 30,				Principal	Interest	Coverage		Principal	Interest	Coverage				Principal	Interest	Coverage
2015	\$ 25,136,776	\$ 22,753,653	\$ 2,383,123	\$ 410,000	\$ 263,046	3.54	\$ --	\$ --	\$ --	--	\$ 51,649,069	\$ 1,000,000	\$ 965,000	\$ --	\$ --	26.28
2016	25,097,771	24,165,992	931,779	785,000	142,566	1.00	--	--	--	--	25,269,135	1,050,000	888,750	--	--	13.03
2017	25,432,268	23,833,939	1,598,329	800,000	127,068	1.72	--	--	--	--	22,867,207	1,105,000	85,625	--	685,483	12.19
2018	29,879,915	19,984,746	9,895,169	815,000	116,302	10.63	6,210,067	13,079	3,122	383.31	24,813,617	1,160,000	29,000	285,000	976,038	10.13
2019	29,570,124	20,380,258	9,189,866	830,000	102,431	9.86	5,522,224	25,461	6,941	170.43	25,127,595	--	--	1,365,000	934,788	10.93
2020	30,075,910	20,910,601	9,165,309	845,000	84,905	9.86	5,994,055	25,707	8,707	174.17	20,273,277	--	--	1,435,000	864,788	8.82
2021	30,474,361	24,363,717	6,110,644	865,000	67,039	6.56	2,965,285	19,306	13,096	91.52	22,037,167	--	--	1,505,000	791,288	9.60
2022	30,806,707	24,455,170	6,351,537	890,000	48,683	6.77	4,110,333	101,265	22,045	33.33	26,624,663	--	--	1,580,000	714,163	11.61
2023	37,140,867	29,553,399	7,587,468	565,000	33,019	12.69	5,932,940	178,880	37,132	27.47	30,498,090	--	--	1,660,000	633,163	13.30
2024	41,941,644	30,258,013	11,683,631	585,000	20,081	19.31	5,781,887	180,588	35,424	26.77	31,913,202	--	--	1,740,000	548,163	13.95

Fiscal Year Ended	HBCRA Redevelopment Revenue Bonds				HBCRA Redevelopment Revenue Bonds, Series 2020			
	Pledged Revenue ⁽⁶⁾	Debt Service		Coverage	Pledged Revenue ⁽⁷⁾	Debt Service		Coverage
September 30,		Principal	Interest			Principal	Interest	
2015	\$ --	\$ --	\$ --	-	\$ --	\$ --	\$ --	-
2016	8,675,495	1,200,000	84,940	6.75	--	--	--	-
2017	9,522,375	1,255,000	386,240	5.80	--	--	--	-
2018	11,673,352	1,290,000	352,104	7.11	--	--	--	-
2019	13,667,269	1,325,000	317,016	8.32	--	--	--	-
2020	16,321,986	1,360,000	280,976	9.95	15,281,974	--	--	-
2021	17,551,384	1,395,000	243,984	10.71	16,479,601	2,250,000	445,247	6.11
2022	18,624,179	1,435,000	206,040	11.35	17,524,554	2,850,000	383,964	5.42
2023	23,069,574	1,475,000	167,008	14.05	21,530,979	3,190,000	312,934	6.15
2024	26,666,927	1,515,000	126,888	16.24	24,822,015	3,545,000	233,730	6.57

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

⁽¹⁾ In 2012, the Series 2001A Bonds were refunded with the issuance of the Series 2012 Revenue Note.

⁽²⁾ In 2014, the Series 2005A Bonds were refunded with the issuance of Series 2014A Bonds.

⁽³⁾ In 2016, the City issued Capital Improvement Refunding Revenue Bonds, Series 2016 to partially advance refund the Revenue Bonds, Series 2007A.

⁽⁴⁾ Pledged revenues for the State Revolving Fund Loan are defined as gross revenues derived yearly from the operation of the water and sewer systems after operation and maintenance expenses and the satisfaction of yearly payment obligations on senior obligations (Series 2014A and 2012 Revenue Notes).

⁽⁵⁾ Pledged revenues for the Revenue Note, Series 2002, Revenue Bonds 2007A, and Refunding Revenue Bonds, Series 2016 are Non-Ad Valorem revenues other than water and sewer revenues.

⁽⁶⁾ Pledged revenues for the HBCRA Redevelopment Revenue Bonds are tax increment revenues and water public service tax revenues.

⁽⁷⁾ Pledged revenues for the HBCRA Redevelopment Bonds Series 2020 are tax increment revenues.

CITY OF HALLANDALE BEACH, FLORIDA

SCHEDULE 14 - DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN FISCAL YEARS

Fiscal Year	Population ⁽¹⁾	Personal Income ⁽²⁾	Broward County	Median Age ⁽³⁾	Unemployment Rate		Public School Enrollment ⁽⁶⁾
			Per Capita Personal Income ⁽²⁾		Broward County	Hallandale Beach	
2015	38,424	\$ 1,725,583,416	\$ 44,909	46.7	4.90%	5.40%	3,506
2016	38,621	1,811,556,626	46,906	46.7	4.60%	4.90%	2,988
2017	38,746	1,886,155,280	48,680	46.7	3.30%	4.10%	2,992
2018	39,054	1,963,205,526	50,269	46.2	3.10%	3.60%	2,834
2019	39,834	2,083,636,872	52,308	45.5	2.80%	3.30%	2,713
2020	39,945	2,233,245,060	55,908	44.8	7.80%	10.80%	2,569
2021	41,157	2,652,692,121	64,453	44.8	4.40%	5.80%	3,221
2022	41,677	2,751,057,093	66,009	45.8	2.60%	3.00%	2,404
2023	41,726	2,961,794,932	70,982	46.2	3.10%	3.60%	2,257
2024	41,771	*	*	46.2	3.40%	3.90%	2,322

(1) Source: University of Florida, Bureau of Economic and Business Research for Hallandale Beach (estimates).

(2) Source: U.S. Department of Commerce, Bureau of Economic Analysis for year ended December 31.

(3) Source: 2010 U. S. Census.

(4) Source: U.S. Department of Labor, Bureau of Labor Statistics.

(5) Source: FL Unemployment Rate & Employment.

(6) Source: Broward County Public Schools.

* Data not yet available.

CITY OF HALLANDALE BEACH, FLORIDA

SCHEDULE 15 - PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO

Employer	2024			2015		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Gulfstream Park Racing & Casino	675	1	3.62%	868	1	4.782%
City of Hallandale Beach	482	2	2.59%	515	3	2.837%
The Big Easy Casino	381	3	2.04%	548	2	3.019%
Wal-Mart Stores, Inc.	329	4	1.77%	398	4	2.193%
School Board of Broward County	267	5	1.43%	285	5	1.570%
Publix Supermarket	232	6	1.25%	206	7	1.135%
Winn Dixie Supermarkets	290	7	1.56%	166	8	0.915%
Burlington Coat Factory	132	8	0.71%	108	9	0.595%
US Post Office	108	9	0.58%	68	10	0.375%
The Beach Walk Elite Hotels & Resorts	32	10	0.17%	--	--	0.000%
Diplomat Country Club	--	--	--	255	6	1.405%
Totals	<u>2,928</u>		<u>15.710%</u>	<u>3,417</u>		<u>18.826%</u>

Source: Individual employers and State of Florida Unemployment Statistics.

CITY OF HALLANDALE BEACH, FLORIDA

SCHEDULE 16 - BUDGET FULL-TIME POSITIONS FOR EMPLOYEES BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

Function/Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
City commission	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
General government										
Management	8.00	8.00	8.00	7.74	9.00	7.43	7.43	10.86	12.10	9.33
Budget program and monitoring	--	--	--	3.00	4.00	3.00	3.00	4.00	4.00	4.00
General services/procurement department	4.00	4.00	5.00	5.00	5.00	4.00	4.00	5.00	4.00	4.00
City attorney	4.00	4.00	4.00	5.00	5.00	5.00	5.00	5.00	6.00	6.00
Finance	11.77	11.00	13.00	11.00	12.00	10.00	8.72	9.35	9.85	14.85
Innovation technology	5.00	6.00	7.00	7.00	7.00	5.00	7.25	9.50	11.00	12.00
Personnel	5.77	5.50	6.50	5.82	6.13	5.00	5.50	6.50	6.50	7.00
City clerk	3.00	3.00	3.00	3.00	3.00	3.00	4.00	4.00	4.00	4.00
Development services ⁽¹⁾	26.00	26.00	28.00	30.50	18.00	16.00	17.15	23.53	26.30	22.75
Other	2.00	4.00	4.00	5.00	--	--	--	--	--	--
Police										
Officers	98.00	99.50	103.00	107.12	106.13	102.00	104.00	105.00	105.50	108.62
Civilians	39.22	39.50	39.50	35.50	37.00	34.00	36.13	38.13	45.13	42.00
Fire										
Paramedics, firefighters, officers	77.00	77.00	77.00	77.00	76.00	71.00	--	--	--	--
Civilians	14.15	14.13	14.13	13.69	14.13	13.00	--	--	--	--
Public works										
Administration	1.00	1.00	3.00	1.00	1.00	--	--	--	--	0.20
Equipment maintenance	--	--	--	--	--	--	--	--	--	--
Grounds maintenance	9.52	9.50	9.50	10.50	7.00	5.00	--	--	--	--
Building maintenance	8.00	8.00	8.00	8.00	7.00	7.00	6.50	6.50	6.50	7.50
Capital improvement	--	--	--	--	5.00	4.00	2.00	2.00	2.05	1.95
Custodial service	--	--	--	--	2.00	1.00	1.00	--	1.00	--
Human services	13.94	19.30	18.30	22.27	10.00	8.00	20.17	21.27	21.30	21.93
Parks and recreation ⁽²⁾	60.95	72.43	75.43	63.90	45.00	32.00	63.79	60.38	60.75	61.38
Transportation	10.63	10.63	10.63	10.00	10.00	10.00	10.10	12.35	5.80	7.35
Permits and inspections ⁽¹⁾	--	--	--	--	14.00	15.00	18.10	26.00	30.20	23.00
Sanitation	26.78	25.75	23.75	20.00	19.88	18.50	18.25	21.21	23.13	23.13
Cemetery	2.26	2.25	2.25	2.25	2.25	1.00	2.26	2.25	4.00	4.00
Water	46.88	46.88	47.51	47.50	46.50	45.00	48.28	55.92	56.03	60.70
Stormwater	5.00	5.00	5.00	7.63	7.63	8.00	8.20	7.42	8.20	8.70
Sewer	12.00	12.00	13.00	11.00	11.00	10.00	11.70	12.70	12.70	12.03
Marina	1.26	1.25	--	--	--	--	--	--	0.63	--
Fleet services	10.00	10.00	9.00	9.00	10.00	9.00	9.00	8.35	8.62	8.00
Risk management	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.50
Total	513.13	532.62	544.50	536.42	507.65	458.93	428.53	464.22	482.29	481.90

Source: City Budget Office.

Notes: A full-time employee is scheduled to work 2,080 hours per year, including holidays, vacation and sick leave.

Full-time equivalent employment is calculated by dividing total labor hours by 2,080.

⁽¹⁾ Beginning fiscal year 2019, the full-time equivalent positions for the permitting and inspections function were removed from the Development Services Function and were reported separately.

⁽²⁾ Decrease in the Parks and Recreation full-time equivalent positions from fiscal year 2019 to fiscal year 2020 was due to a reorganization of the parks staffing structure.

CITY OF HALLANDALE BEACH, FLORIDA

SCHEDULE 17 - OPERATING INDICATORS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

Function/Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Development services										
Building permits issued	5,368	3,589	3,738	4,633	4,760	2,734	3,382	3,975	4,528	4,745
Building inspections conducted	13,028	10,711	11,347	14,156	15,798	10,374	10,733	11,678	12,468	11,319
Police										
Physical arrests	1,281	964	621	714	620	355	320	510	545	651
Parking violations	1,335	2,079	2,581	2,506	1,639	684	4,993	14,568	18,232	18,391
Traffic violations attorney	11,709	10,067	7,082	12,049	6,382	2,798	4,986	11,112	14,911	10,916
Fire										
EMS responses	6,275	6,436	6,114	5,846	5,849	5,026	5,482	5,577	5,485	5,631
Other emergency responses	2,344	2,465	2,778	2,686	2,526	2,413	2,214	2,710	2,964	2,949
Fires	93	102	101	89	88	50	84	67	75	66
Inspections	2,276	2,077	3,199	3,115	1,559	1,616	2,368	2,003	2,301	2,419
Refuse collections										
Refuse collected (tons per year)	26,321	26,489	24,954	24,408	24,997	26,314	26,952	28,912	29,425	29,881
Other public works										
Street resurfacing (miles)	--	--	--	--	--	1	1	--	--	8
Number of streets repaired	1,590	973	894	852	124	140	220	639	478	235
Asphalt used (tons)	101	116	159	116	74	72	71	60	12	432
Parks and recreation										
Summer camp participants	125	125	125	100	100	--	--	--	--	--
Athletic teams	--	97	99	105	106	15	55	99	100	110
Water										
New/replacement connections	34	6,752	71	18	24	19	559	302	1,179	1,318
Average daily production (1000's of gallons)	6,220	6,406	5,990	6,000	5,992	6,013	6,358	6,216	6,140	6,358
Peak daily production (1000's of gallons)	7,517	7,341	6,542	6,700	7,207	6,900	7,222	7,194	7,030	7,222
Wastewater										
Average daily sewage transmitted (1000's of gallons)	6,965	7,113	7,113	6,792	7,113	7,829	7,571	7,095	7,095	7,688
Transit										
Total route miles per year	152,047	151,488	150,358	179,520	176,719	156,070	143,030	170,405	163,248	211,651
Passengers per year	265,545	251,559	234,260	278,559	283,324	173,348	123,272	151,573	176,114	184,129

Sources: Various City departments.

Note: Multiple City functions and activities decreased significantly during fiscal year 2020 as a result of the COVID-19 pandemic. The City operated under a state of emergency in order to protect its citizens and its employees, as well as to adhere to federal, state, and county guidelines.

CITY OF HALLANDALE BEACH, FLORIDA

SCHEDULE 18 - CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

Function/Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Police stations	1	1	1	1	1	1	1	1	1	1
Fire stations	3	3	3	3	3	3	3	3	3	3
Refuse collection										
Collection trucks	20	20	20	20	20	20	20	20	20	23
Other public works										
Streets (miles)	74	74	74	74	74	74	74	74	74	74
Sidewalks (miles)	43	43	43	43	43	43	43	43	43	43
Streetlights	1,391	1,391	1,391	1,391	1,391	1,391	1,391	1,391	1,391	1,391
Traffic signals	42	42	42	42	42	42	42	42	42	42
Parks and recreation										
Playgrounds	10	10	10	10	10	9	10	10	10	10
Baseball/softball diamonds	2	2	2	0	3	3	3	3	3	3
Outdoor pavilions	13	13	13	15	17	14	15	15	15	15
Community centers	5	5	5	5	5	5	5	5	5	5
Pool	2	2	2	1	1	2	2	2	2	2
Tennis courts	14	14	14	12	14	14	14	14	14	14
Water										
Water mains (miles)	81	81	81	81	81	81	81	81	81	81
Fire hydrants	578	578	578	578	578	583	590	590	590	725
Storage capacity (millions of gallons)	5	5	5	5	5	5	5	5	5	5
Wastewater										
Sanitary sewers (miles)	72	72	72	72	72	72	72	72	72	72
Storm sewers (miles)	41	41	41	41	41	41	41	41	41	41
Transmission capacity (millions of gallons per day)	7	7	7	7	7	7	7	7	6	7

Sources: Various City departments.

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

CITY OF HALLANDALE BEACH, FLORIDA
COMPLIANCE REPORTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

CITY OF HALLANDALE BEACH, FLORIDA

TABLE OF CONTENTS

Independent Auditors’ Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*..... 1-2

Independent Auditors’ Report on Compliance for the Major Federal Program and State Projects; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards and State Financial Assistance Required by the Uniform Guidance and Chapter 10.550, Rules of the Auditor General 3-5

Schedule of Expenditures of Federal Awards and State Financial Assistance..... 6-7

Notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance8

Schedule of Findings and Questioned Costs 9-10

Summary Schedule of Prior Audit Findings11

Management Letter in Accordance with the Rules of the Auditor General of the State of Florida 12-14

Independent Accountants’ Report on Compliance Pursuant to Section 218.415, Florida Statutes 15

Affidavit, F.S. Section 163.31801, Impact Fees16

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*

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

We have audited, 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*”), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Hallandale Beach, Florida (the “City”), as of and for the fiscal year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements, and have issued our report thereon dated April 16, 2025. Our report includes a reference to other auditors who audited the financial statements of the Police Officers and Firefighters’ Personnel Retirement Trust, as described in our report on the City’s financial statements. This report does not include the results of the other auditor testing of internal control over financial reporting or compliance and other matters that are reported on separately by the auditor.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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*.

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 result 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.

CBIZ CPAs P.C.

Fort Lauderdale, FL
April 16, 2025

**Independent Auditors' Report on Compliance for the Major Federal Program and State Project;
Report on Internal Control over Compliance; and Report on Schedule of Expenditures of
Federal Awards and State Financial Assistance Required by the Uniform Guidance
and Chapter 10.550, Rules of the Auditor General**

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

Report on Compliance for the Major Federal Program and State Project

Opinion on the Major Federal Program and State Project

We have audited City of Hallandale Beach, Florida's (the "City") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement*, 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 the City's major federal program and state project for the fiscal year ended September 30, 2024. The City's major federal program 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 the major federal program and state project for the fiscal year ended September 30, 2024.

Basis for Opinion on the 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 and 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 the 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 the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance 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 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.

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

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the fiscal year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. Our report includes a reference to other auditors who audited the financial statements of the Police Officers and Firefighters' Personnel Retirement Trust, as described in our report on the City's financial statements. We issued our report thereon dated April 16, 2025, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by the Uniform Guidance and Chapter 10.550, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of expenditures of federal awards and state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.

CBIZ CPAs P.C.

Fort Lauderdale, FL
April 16, 2025

CITY OF HALLANDALE BEACH, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

Federal/State Agency, Pass-through Entity, Federal Program/ State Project	ALN/CSFA No.	Contract Number/ Grant No.	Total Expenditures
<u>U.S. Department of Housing and Urban Development</u>			
Indirect program: (Passed through Broward County Community Development Division)			
CDBG - Entitlement/Special Purpose Grants Cluster			
Community Development Block Grants/Entitlement Grants - 48th Year CDBG - Public Works Drainage Improvement Project	14.218	B-22-UC-12-0001	\$ 71,254
Community Development Block Grants/Entitlement Grants - 49th Year CDBG- After School Tutorial Enrichment Program	14.218	B-23-UC-12-0001	94,000
Total Community Development Block Grants/Entitlement Grants			<u>165,254</u>
Total CDBG - Entitlement/Special Purpose Grants Cluster			<u>165,254</u>
Total U.S. Department of Housing and Urban Development			<u>165,254</u>
<u>U.S. Department of Justice</u>			
Indirect program: (Passed Through City of Pompano Beach)			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2019-DJ-BX-0432	4,115
Direct program:			
Equitable Sharing Program	16.922	FL0060400	278,304
Total U.S. Department of Justice			<u>282,419</u>
<u>U.S. Department of the Treasury</u>			
Indirect program: (Passed Through Florida Department of Emergency Management)			
Coronavirus State and Local Fiscal Recovery Funds	21.027	Y5108	5,382,780
Total U.S. Department of the Treasury			<u>5,382,780</u>
<u>U.S. Department of Health and Human Services</u>			
Indirect program: (Passed Through Florida Department of Health and Rehabilitative Services Area-wide Council on Aging of Broward County, Inc.)			
Aging Cluster			
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	JA123-78-2023	5,988
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	JA124-78-2024	34,999
Total Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers			<u>40,987</u>
Total Aging Cluster			<u>40,987</u>
Total U.S. Department of Health and Human Services			<u>40,987</u>
<u>U.S. Department of Homeland Security</u>			
Indirect program: (Passed through Broward County EFSP Board)			
Emergency Food & Shelter National Board Program - Phase 41	97.024	NA	6,400
Total U.S. Department of Homeland Security			<u>6,400</u>
Total Expenditures of Federal Awards			<u>\$ 5,877,840</u>

CITY OF HALLANDALE BEACH, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE (CONTINUED)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

Federal/State Agency, Pass-through Entity, Federal Program/ State Project	ALN/CSFA No.	Contract Number/ Grant No.	Total Expenditures
<u>State of Florida Department of Elder Affairs</u>			
Indirect project:			
(Passed through Areawide Council on Aging of Broward County, Inc.)			
Local Services Program	65.009	JL024-78-2025	\$ 26,497
Total State of Florida Department of Elder Affairs			<u>26,497</u>
<u>State of Florida Executive Office of the Governor</u>			
Indirect project:			
(Passed through State of Florida Division of Emergency Management)			
Sargassum Clean Up Grant Program	31.083	T0342	98,795
Total passed through State of Florida Executive Office of the Governor			<u>98,795</u>
<u>State of Florida Department of Transportation</u>			
Direct project:			
Public Transit Service Development Program	55.012	G1M91	3,406,828
Public Transit Service Development Program	55.012	G2803	779,000
Total Public Transit Service Development Program			<u>4,185,828</u>
Total State of Florida Department of Transportation			<u>4,185,828</u>
Total Expenditures of State Financial Assistance			<u>\$ 4,311,120</u>
Total Expenditures of Federal Awards and State Financial Assistance			<u>\$ 10,188,960</u>

CITY OF HALLANDALE BEACH, FLORIDA

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE**

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards and state financial assistance (the “Schedule”) presents the expenditure activity of all federal and state awards of the City of Hallandale Beach, Florida (the “City”) for the fiscal year ended September 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”) and Chapter 10.550, Rules of the Auditor General. Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position/fund balance or cash flows of the City.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3 – INDIRECT COST RATE

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

NOTE 4 – SUBRECIPIENTS

No amounts were provided to subrecipients during the fiscal year ended September 30, 2024.

CITY OF HALLANDALE BEACH, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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 federal program and state project:

Material weakness(es) identified? Yes No
Significant deficiency(ies) identified? Yes None reported

Type of auditors’ report issued on compliance for the major federal program 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 Major Federal Program and State Project:

<u>ALN</u>	<u>Federal Program</u>
21.027	Coronavirus State and Local Fiscal Recovery Funds

<u>CSFA No.</u>	<u>State Project</u>
55.012	Public Transit Service Development Program

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: \$750,000

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

CITY OF HALLANDALE BEACH, FLORIDA
SUMMARY OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

SECTION II – FINANCIAL STATEMENT FINDINGS

None.

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

None.

CITY OF HALLANDALE BEACH, FLORIDA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS

MATERIAL WEAKNESS

MW 2023-01- Inadequate Internal Controls over Assets Held for Resale Criteria- Finding was addressed and not repeated in the current year.

MW 2023-02- Inadequate Internal Controls over Accrual of Health Insurance Expenses - Finding was addressed and not repeated in the current year.

II. CURRENT YEAR FINANCIAL STATEMENT FINDINGS

None.

**Management Letter in Accordance with the Rules of the
Auditor General of the State of Florida**

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

Report on the Financial Statements

We have audited the financial statements of the City of Hallandale Beach, Florida (the “City”), as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated April 16, 2025. We did not audit the financial statements of City’s Police Officers and Firefighters’ Personnel Retirement Trust, as described in our report on the City’s financial statements. This management letter does not include any matters reported on separately by those other auditors in their management letter, if any.

Auditors’ Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors’ Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors’ Report on Compliance for the Major Federal Program and State Project; Report on Internal Control over Compliance; and Report on the Schedule of Expenditures of Federal Awards and State Financial Assistance Required by the Uniform Guidance and Chapter 10.550, Rules of the Auditor General; Summary Schedule of Prior Audit Findings; Schedule of Findings and Questioned Costs; and Independent Accountants’ Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedules, which are dated April 16, 2025, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. The status of audit findings and recommendations made in the preceding annual financial audit report have been addressed in the summary schedule of prior audit findings.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information is disclosed in Note 1 of the 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 the fiscal year end.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Property Assessed Clean Energy (PACE) Program

Section 10.554(1)(i)6.a., Rules of the Auditor General, requires a statement as to whether a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, did/did not operate within the City's geographical boundaries during the fiscal year under audit. During the fiscal year ended September 30, 2024, all PACE Programs that operated within the City's geographical boundaries were handled directly with Broward County.

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.

Specific Information

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7, Rules of the Auditor General, the Golden Isles Safe Neighborhood District ("GISND") and the Three Islands Safe Neighborhood District ("TISND") reported:

- a. The total number of district employees compensated in the last pay period of the fiscal year were 0 for both districts.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the fiscal year as one (1) for GISND and 0 for TISND.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$0 for each district.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$258,431 for GISND and \$967 for TISND.
- e. There were 2 construction projects with a total cost of at least \$65,000 approved by the districts that were scheduled to begin on or after October 1 of the fiscal year being reported and total expenditures of such projects are all listed below:

District	Project Name	Project No.	Expenditures	Approved FY2024 Budget
GISND	Architectural Designs	GI001	\$ -	\$405,562
TISND	Three Islands Safe Neighborhood District Entrance Imp. and Traffic Calming	TRAF1	\$9,600	\$217,951

f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before beginning of the fiscal year being reported if the districts amends a final adopted budget under Section 189.016(6), Florida Statutes, has been presented on pages 160 and 161 of the City’s annual comprehensive financial report.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or fraud, waste, or abuse, that have occurred, or is likely to have occurred, that has 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 Commission, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

CBIZ CPAs P.C.

Fort Lauderdale, FL
 April 16, 2025

**Independent Accountants' Report on Compliance Pursuant to
Section 218.415, Florida Statutes**

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

We have examined the City of Hallandale Beach, Florida's (the "City") compliance with Section 218.415, Florida Statutes, Local Government Investment Policies, for the fiscal year ended September 30, 2024. Management of the City is responsible for the City's compliance with the specified requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent of the City and to meet 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, 2024.

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.

CBIZ CPAs P.C.

Fort Lauderdale, FL
April 16, 2025



FINANCE DEPARTMENT

GEOVANNE NESTE
Director

JOY F. COOPER
Mayor

MICHELE LAZAROW
Vice Mayor

JOY D. ADAMS
Commissioner

MIKE BUTLER
Commissioner

ANABELLE LIMA-TAUB
Commissioner

400 S. Federal Highway
Hallandale Beach, FL 33009
Ph (954) 457-1371
Fax (954) 457-1343

April 1, 2025

Re: Fiscal Year 2024 Impact Fee Affidavit

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

1. I am the Chief Financial Officer of the City of Hallandale Beach which is a local government entity of the State of Florida.
2. The governing body of City of Hallandale Beach, FL adopted Ordinances No. 2014-22 implementing water and wastewater impact fees.
3. The governing body of City of Hallandale Beach, FL adopted Ordinance No. 2022-001 implementing impact fees for fire & rescue, law enforcement, parks & recreation, and multi-modal transportation capital improvements.
4. City of Hallandale Beach, Florida has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

FURTHER AFFIANT SAYETH NAUGHT

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

STATE OF FLORIDA
COUNTY OF BROWARD

SWORN TO AND SUBSCRIBED before me this 1 day of April, 2025.

NOTARY PUBLIC

Print Name Rico Chapman

Personally Known Geovanne Neste or produced identification _____

Type of identification produced: _____

My Commission Expires: _____

