

**CITY OF  
HALLANDALE BEACH,  
FLORIDA**



# Hallandale Beach



For the fiscal year ended  
September 30, 2025

# 2025 ANNUAL COMPREHENSIVE FINANCIAL REPORT

CITY OF HALLANDALE BEACH, FLORIDA

# Annual Comprehensive Financial Report

for the fiscal year ended  
September 30, 2025

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# Introductory Section

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Annual Comprehensive Financial Report 2025



Office of the  
City Manager

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City Manager  
CRA Executive  
Director

JOY F. COOPER  
Mayor

ANABELLE LIMA-TAUB  
Vice Mayor

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March 27, 2026

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, 2025.

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 (GAAS) 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.
- 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. issued unmodified opinions on the City of Hallandale Beach's financial statements for the fiscal year ended September 30, 2025. 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 auditors’ 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 2025 permanent population of the City is estimated to be 41,819 (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 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 Transportation & Mobility Department provides safe, efficient, and sustainable transportation solutions for residents, visitors, and businesses, including the City’s complimentary electric bus service. 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, schedule of findings and questioned costs, and auditors' reports on the internal control over compliance are included in the Compliance Reports

section of this report. For the fiscal year ended September 30, 2025, the City was subject to an audit in accordance with the Uniform Guidance. A State Single Audit was not required for this fiscal year.

For the fiscal year ended September 30, 2025, the report revealed no material weaknesses or significant deficiencies in internal control, nor were there any significant violations of relevant laws and regulations. Additional details can be found in the Compliance Reports included in this report.

## 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. While the City's economic fundamentals remain sound, recent years have brought a series of compounding challenges—including back-to-back major flood events, persistent inflationary pressures, trade policy uncertainty, and shifts in federal fiscal priorities—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 4.3% in September 2025, up from 3.6% in September 2024. This increase is broadly in line with the Broward County average of 4.0% over the same period and reflects a softening of labor market conditions observed at the national, state, and local levels. The national unemployment rate stood at 4.4% in September 2025, while Florida's seasonally adjusted rate was 3.9%. Although local labor conditions remain relatively stable, the increase signals a shift from the tighter conditions of prior years, consistent with the cumulative effects of elevated interest rates and evolving federal policy.

The broader inflation environment remained elevated through fiscal year 2025. As of September 2025, the Consumer Price Index (CPI) rose 3.0% year-over-year nationally, with core inflation (excluding food and energy) also at 3.0%. While these readings represent a continued moderation from the peaks of prior years, price levels remain above the Federal Reserve's 2% target. After holding rates steady through the first eight months of 2025, largely to assess the impact of newly implemented trade tariffs on prices and employment, the Federal Reserve resumed easing in September 2025 and approved three consecutive quarter-point rate cuts through December, bringing the federal funds rate to a range of 3.50% to 3.75%. Despite this shift, uncertainty around trade policy, federal spending, and the pace of further easing continues to weigh on business and consumer confidence. The speed and magnitude of these shifts 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. According to Redfin, the median sale price of a home in Hallandale Beach was approximately \$380,000 in September 2025, up approximately 4.9% year-over-year, while the median price per square foot declined 9.4% over the same period. Homes are also taking longer to sell, averaging 129 days on market compared to 86 days one year earlier, reflecting a less competitive market environment. Elevated mortgage rates, rising insurance costs, and an increase in available inventory have contributed to this softening. However, the City remains one of the most in-demand municipalities in South Florida due to its oceanfront location and relative affordability compared to neighboring markets. 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 fourteenth consecutive year in FY2025. Despite sustained high mortgage rates and signs of broader housing market deceleration statewide, property values within the City remained stable, supported by a robust development pipeline and continued demand for residential and commercial space. Several large-scale projects are expected to be added to future tax rolls, further strengthening the City's assessed valuation over the coming years.

These local trends align with Florida's broader economic trajectory. According to the State's Economic Estimating Conference, Florida's GDP grew by 2.9% in FY2024–25, continuing a trend of gradual deceleration from the outsized post-pandemic growth rates of prior years. Personal income growth remained solid at 5.3%, and the state continued to outperform national benchmarks across several key indicators, including wage trends and labor force participation. The Conference characterized FY2024–25 as a period of relative economic stability, while noting that a less certain environment lies ahead as the effects of trade policy and federal fiscal adjustments take hold.

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 2025, 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, persistent inflation, elevated interest rates, evolving trade and tariff policies, and shifts in federal fiscal priorities have reinforced the importance of resilience and adaptability in local government. In FY2025, Hallandale Beach continued to confront infrastructure challenges, including recurring flood events and emerging environmental remediation obligations related to Chaves Lake, that underscore the growing need for infrastructure hardening, long-term climate adaptation strategies, and proactive environmental stewardship. 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. Simultaneously, shifts at both the federal and state levels—including changes in grant funding priorities and ongoing legislative proposals that could materially alter local government revenue structures—have added a layer of uncertainty to long-range financial planning. 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

- 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.
- Hallandale – A 25-story (west) tower with 250 residential units.
- Neighborhood Veterinary Center – A 6,685 square foot veterinary clinic.

#### *In Progress*

- Leisure Apartments – A 3-story 24-unit residential apartment building.
- Oasis Hallandale – A 25-story (east) tower with 250 residential units.
- Parks at Hallandale (Ashworth) – 8 buildings with a total of 398 mid-rise apartment units, and 6,486 square feet of retail.
- Diplomat/Shell Bay Tower 200 – A 21-story condo-hotel tower with 108 hotel keys.
- Life Cell Building (120 SW 1 St.) – A 2-story office building with 7,200 square feet in floor area.

In FY2025, the Hallandale Beach Community Redevelopment Agency (HBCRA) continued advancing its mission to eliminate and prevent blighted conditions, promote economic development, and enhance quality of life within the redevelopment district, which encompasses approximately 76% of the City's land area. As the Agency approaches its statutory sunset in FY2027, investments remained focused on facilitating sustainable redevelopment, strengthening neighborhood resiliency, supporting local businesses, and leveraging tax increment revenues to maximize long-term community impact.

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

- Assisted 315 residents with approximately \$4.15 million in residential programs, including the First-Time Homebuyer Program, Neighborhood Improvement Program, Replacement Home Program, Senior Mini-Grant Program, Paint Programs, Rent Stabilization Program, Senior Rental-Utility Assistance Program, and Storm Shutter/Impact Window Rebate Program:
  - First Time Homebuyer Program: 6 residents; \$502,852
  - Neighborhood Improvement Program: 24 residents; \$1,038,361
  - Replacement Home Program: 1 resident; \$250,000
  - Senior Mini-Grant Program: 11 residents; \$155,678
  - Paint Program: 3 residents; \$3,863
  - Paint the Town Program: 48 homes; \$141,683

- Rent Stabilization Program: 8 residents; \$47,148
- Senior Rental-Utility Assistance Program: 7 residents; \$15,292
- Storm Shutter/Impact Window Rebate Program: 207 residents; \$1,999,686
- **Advanced Affordable Housing Development & Neighborhood Revitalization:** Consistent with its Implementation Plan, the HBCRA continued prioritizing the development and preservation of affordable housing to address housing availability and support workforce stability.
  - Budgeted approximately \$16.1 million in FY2025 for property acquisition, renovation, and construction of affordable housing units.
  - Acquired 622 SW 9<sup>th</sup> Street (\$270,100) for development of four affordable senior rental units.
  - Continued redevelopment planning for 627–631 SW 6<sup>th</sup> Terrace (approximately \$1.1 million combined acquisition) for construction of a new six-unit affordable housing complex.
  - Advanced rehabilitation of 632 SW 6<sup>th</sup> Terrace.
  - Provided \$69,552 in rental gap subsidies to maintain affordability at Hallandale City Center.

These initiatives support the Agency’s commitment to neighborhood stabilization, blight elimination, and long-term housing sustainability.

- **Promoted Business Growth, Activation & Economic Development:** In alignment with its economic development strategy, the HBCRA continued supporting business retention, expansion, and attraction through targeted commercial incentives.
  - Los Verdes Hallandale: \$35,070 (commercial signage and tenant lease subsidy).
  - Barrel Wine & Cheese: \$15,402 tenant rent subsidy extension.
  - Restaurant Rent Emergency Stability Grants: Including \$40,436 to The Blues Burgers and additional support to eligible restaurants within CRA boundaries.

These initiatives contribute to corridor activation, increased commercial activity, job retention, and enhanced neighborhood vibrancy.

- **Strengthened Financial Performance & Redevelopment Capacity:** Tax increment revenues remain the primary funding source supporting redevelopment activities. FY2025 reflected continued strong growth in taxable values across residential, commercial, and industrial sectors, enhancing the CRA’s ability to implement its Financing and Implementation Plan.
  - Taxable value increased to approximately \$2.84 billion, an 18.6% year-over-year increase.
  - Tax increment revenues totaled approximately \$31.8 million, representing a 20.3% increase over the prior year.
  - Since inception, the CRA tax base has grown 753%, from \$378 million to \$2.84 billion.
  - The CRA Board adopted the FY2026–2027 Financing and Implementation Plan, forecasting over \$80 million in additional investment (excluding operations and debt service) through sunset.

The strong financial performance realized in FY2025 positions the Agency to strategically complete high-impact capital investments, expand affordable housing opportunities, and reinforce sustainable economic growth while ensuring lasting community benefits.

During the current year, the City focused on the following major initiatives relating to fiscal stability, resident services, public safety, infrastructure and mobility, and economic development and affordable housing:

- Adopted the FY 2025-26 General Fund budget without the use of reserves for the fourth consecutive year: This aligns with GFOA's best practices, promoting structural balance and ensuring long-term financial stability.
- Continued the treasury management program, generating \$6.24 million in investment income (excluding restricted investments) allocated across all City funds (consistent with the prior year) despite a shifting interest rate environment. These returns continue to strengthen fund balances and support long-term reserve growth
- Issued the City's Utility System Revenue Bonds (Series 2024) in the amount of \$58,775,000, establishing a new long-term financing tool to fund and accelerate critical utility capital projects while strengthening the City's overall infrastructure funding strategy.
- In FY 2025, the City managed approximately \$186.7 million in capital projects under construction and \$16.9 million in projects in the design phase, with 54 total active capital projects across water, sewer, stormwater, roadway, park, and CRA infrastructure. Of these, 21 projects totaling \$29.6 million are grant-funded. Key investments continued to include lift station upgrades, watermain replacements, stormwater drainage improvements, and facility enhancements. 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.
- Fully expended the City's \$20.1 million American Rescue Plan Act (ARPA) allocation and completed all required reporting and compliance submissions. The City has since received a formal closeout request from the U.S. Treasury and is finalizing the closeout process. With ARPA funding now concluded, the City has transitioned to alternative revenue strategies to ensure continuity in key service areas previously supported by one-time federal funds.
- Advanced the Reverse Osmosis treatment system to near-completion, with full operational status expected in FY2026. The system addresses PFAS and PFOS contaminants and positions the City to eliminate lime softening as a treatment method. Additionally, the North Miami Beach Water Interconnect neared operational status, further enhancing utility resilience and redundancy.
- Advanced the AMI Water Remediation Project: The City negotiated and executed a settlement agreement with the water meter vendor for a full meter AMI replacement, and launched community workshops and outreach to support the rollout. This initiative is expected to restore billing accuracy and utility performance.
- Completed the BSO Fire Services Contract Renewal for the period 2025–2030, along with the Emergency Medical Services Study and Community Risk Assessment–Standards of Cover Study for fire operations, ensuring adequate funding and service alignment in response to escalating fire protection costs.
- Successfully implemented the Three Islands Special Assessment, a non-ad valorem assessment approved by the City Commission in June 2025 to fund \$5.43 million in guardhouse, access control, and traffic calming improvements in the Three Islands Safe Neighborhood District. The assessment structure shares the cost equitably among benefited properties over a five-year term, with the Three Islands Safe Neighborhood District contributing \$1.1 million and the General Fund contributing \$834,140—reducing the net assessment to \$3.5 million and limiting pressure on citywide taxes.

- Continued the strategic reorganization of the Finance Department, establishing a new Revenue Compliance subdivision that consolidates grants administration, collections, liens management, and citywide revenue oversight under a unified structure. This realignment strengthens the City's ability to monitor and protect all revenue streams amid evolving state tax policy and shifting federal funding priorities.
- Navigated CDBG-MIT compliance requirements, coordinating cross-department documentation and approvals to retain the City's eligibility for the full approximately \$14.9 million award and proceed with FY2025 appropriation authority.
- Received approximately \$3.2 million in settlement proceeds from the national PFAS class action lawsuit (MDL 2873) against manufacturers of per- and polyfluoroalkyl substances ("forever chemicals"), including 3M and DuPont, related to contamination of public water systems. These proceeds are slated to support the City's environmental remediation obligations, including those associated with Chaves Lake.
- Secured \$1.46 million in FDOT reimbursement for the EV charging facility by aligning costs and documentation to an eligible temporary-facility solution after project delays. Additionally, submitted a Clean Energy Tax Credit filing that positions the City to receive up to \$360,000 under the Inflation Reduction Act.
- Completed Phase I of the Citywide Camera Expansion Program, including the purchase and installation of 56 public safety cameras and 48 License Plate Recognition (LPR) cameras, ensuring comprehensive coverage at all city entry and exit points and major intersections.
- Approved a comprehensive revision to the City's Procurement Code (Chapter 23), streamlining procurement mechanisms, increasing the formal solicitation threshold to \$75,000, adding a Public-Private Partnership (P3) section, and modernizing approval authorities to improve efficiency and transparency.
- Completed the development of an internal Developer Agreement Oversight and Tracking Program, identifying \$5.8 million in program dollars to be deployed toward capital projects during FY2026 and to fund various projects within the FY2027–2031 Five-Year CIP. A policy framework was also established to ensure the consistent use of future developer contributions received.
- Implemented Sanitation route optimization software and completed multifamily and commercial refuse internal audits, resulting in the identification and collection of additional revenue. The City also restructured sanitation fees for the first time since 2017 and entered into a new long-term waste disposal contract to control costs.
- Negotiated the FY2025 health insurance renewal at a near-zero increase in premiums, significantly below local market trends exceeding 8%, generating meaningful cost avoidance for the City
- Continued providing essential human services, delivering over 71,100 service instances through November 2025 (including social services, monthly food distribution, senior recreation and transportation, VPK, and afterschool enrichment programming) serving more than 1,000 new participants during the period.
- Continued building the Renewal and Replacement Fund for general city assets with a \$1 million contribution in FY2025, bringing the ending balance to \$3.55 million. This includes approximately \$86,000 in investment income, reinforcing the City's long-term strategy to sustainably fund future capital replacement needs.

- Continued full operations of “The Cloud” electric bus fleet, providing fare-free service across four routes with nine all-electric buses. From October 2024 through November 2025, the system served 241,861 passengers, delivered 36,407 service hours, and traveled 339,439 fleet miles. The City also secured operations and maintenance funding from Broward County Transit through September 2027 at \$2.15 million per year and managed \$6.76 million in Surtax funding through MAP Broward project agreements.
- Parking Program Enhancements – The Citywide Parking Management Program continued to mature as a significant revenue source, generating \$2.2 million in FY2025, a 37% increase year-over-year. Growth was supported by continued investment in enforcement technology, including expanded License Plate Recognition (LPR) capabilities and towing of vehicles with five or more unpaid citations, as well as updates to permit eligibility designed to reduce violations and improve compliance.
- Successfully implemented ClearGov, a digital budget book platform, enhancing budget transparency, reporting, and public access to financial information. The City also completed a Cost Allocation Update to improve accuracy and transparency in departmental charges.

## For the Future

The fiscal year 2025–26 budget cycle reflects the City’s continued commitment to disciplined financial management while navigating an increasingly complex operating environment. While we remained cautious in our planning, we also continue making meaningful progress—strengthening our fiscal position, investing in foundational infrastructure, and building the systems and capacity necessary to sustain long-term service delivery.

Throughout the year, we remained focused on maintaining essential service levels and advancing critical infrastructure in a timely and responsible manner. Construction costs continued to rise, driven in part by tariff-related volatility on key materials such as steel, aluminum, and lumber, as well as sustained regional competition for qualified contractors. Insurance premiums and utility costs also increased, placing continued pressure on both operating and capital budgets and reinforcing the importance of disciplined procurement and long-range capital planning.

The labor market continued to stabilize in FY2025, though public-sector employers across the state still face structural workforce challenges. An aging workforce approaching retirement, combined with ongoing competition from the private sector for skilled trades and professional positions, requires municipalities to remain strategic in recruitment, retention, and workforce development. The City made meaningful progress in this area, reducing its Public Works vacancy rate from 24% to 12.5% through targeted recruitment, while continuing to invest in training and competitive positioning to ensure uninterrupted service delivery.

Perhaps the most consequential challenge on the horizon is the potential restructuring of municipal revenue at the state level. Proposed constitutional amendments that would significantly reduce or eliminate non-school property taxes on homesteaded properties are under active consideration. While implementing legislation is not expected until after the November 2026 elections, the potential implications are substantial. With property taxes comprising approximately 54% of the City’s General Fund revenue, any significant changes to the current framework could have material implications for service delivery and financial planning. In response, while the City continues to maintain its five-year long-range financial plan projections, staff has cautioned the City Commission to place greater reliance on a three-year planning window until the legislative landscape becomes clearer. The City is also accelerating efforts to diversify non-

ad valorem and fee-based revenues where legally permissible and preparing transparent communication strategies to engage residents and stakeholders on potential tradeoffs and service impacts.

Additionally, the City continues to address environmental remediation obligations at Chaves Lake, the final project of the Citywide Parks Master Plan and Parks General Obligation Bond. Environmental testing and assessment work continued through FY2025, with results guiding the development of a comprehensive remediation plan to ensure the site meets all environmental standards while providing a valuable community resource. During the FY2025-26 budget cycle, a \$10 million placeholder was incorporated into long-range financial projections to ensure the City is well prepared for any obligations or expenses associated with remediation. The City continues to identify alternative funding sources, including grant opportunities and legal settlements, to help offset these anticipated costs.

The City also continues to address critical water and sewer infrastructure challenges that directly impact development capacity, system reliability, and long-term growth. Significant capital investments are underway to modernize aging systems, improve treatment and conveyance capacity, and ensure regulatory compliance. These efforts are essential to protecting public health and enabling responsible redevelopment but require sustained financial and operational commitment.

Despite these continued challenges, FY2025–26 marked the fourth consecutive year the City adopted a General Fund budget without the use of reserves. Now in its second year of budgeting for select reserve programs, the City is seeing these investments fund actual equipment replacements—validating the approach and reinforcing how disciplined reserve planning sustains long-term government operations.

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 FY2025, this framework supported strategic initiatives across capital planning, infrastructure delivery, financial modernization, revenue compliance, and emergency preparedness—ensuring all departments work together more effectively toward shared goals. 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:

- Continuing the multi-tranche Utility Revenue Bond strategy, with Tranche 2 (anticipated up to \$72 million) in active planning to fund the next phase of water, wastewater, and stormwater utility infrastructure improvements. These investments will be offset by any grant funding secured as part of the City’s recommended Utility Capital Improvement Long-term Funding Plan.
- Improving the Renewal and Replacement Fund reserve study for general city assets to extend the planning horizon to 25 years and incorporate longer-term assets. This involves completing a citywide assessment to ensure adequate amounts are set aside for future replacement needs.
- City codification of changes in budgetary controls and requirements for reserve funding to formalize the fiscal policies that have guided the City’s stabilization and recovery.
- Impact Fee Implementation and Program Development – The City continues to implement fire and rescue, law enforcement, parks and recreation, and multimodal transportation impact fees as alternative financing tools tied to new development. A program framework is being developed to guide project selection, ensure compliance with Florida Statutes, and establish transparent oversight as the City prepares for projected population growth through 2045.

- Advancing the AMI Water Remediation Project toward completion, with approximately 3,150 smart meters scheduled for full replacement by April 2026. Full system deployment will restore billing accuracy, improve utility performance, and enable customer-facing usage monitoring tools in subsequent phases.
- Reimplementing the City's existing asset management module, including performing a comprehensive inventory, cleaning up records, and creating standardized processes with staff training. Strengthening asset management is critical to ensuring accurate tracking and efficient management of City assets, particularly given the scale of the current capital program and recent audit findings on proper accounting for assets.
- Continuing Finance Transformation Initiatives to streamline financial operations, automate manual tasks, and modernize reporting and close processes. This includes the full operational rollout of FloQast in FY2026—positioning Hallandale Beach as the first municipality in Florida to adopt the platform—along with continued enhancements to Gravity for quarterly and special financial reporting. These tools will strengthen internal controls, enhance transparency, and allow staff to focus more on analysis and strategic planning.
- Exploring Customer Information System/Customer Relationship Management (CIS/CRM) solutions for Utility Billing to address growing operational needs in customer service, billing workflows, and collections. Identifying the right platform will be critical to supporting the department's shift toward more efficient and proactive operations.
- Advancing the DPW Compound Master Plan, which envisions a comprehensive modernization of the City's primary operations facility, including a 250-space parking garage, new warehouse and office space, EV bus charging and maintenance infrastructure, drainage improvements, fuel island renovations, and the replacement of aging water storage tanks. This long-term investment will consolidate operations, protect high-value equipment, and improve operational efficiency across multiple departments.
- Upgrading emergency management infrastructure, including the implementation of flood warning notification systems through the Broward County Flood Management Program and modernization of the City's Emergency Operations Center to improve responsiveness to natural disasters and other emergencies.
- Advancing Phase 2 of the Citywide Camera Expansion Program, which will extend CCTV coverage throughout the SW, SE, and NE quadrants of the City. The total program is estimated at \$4 million, with \$568,920 allocated in the FY2025-26 budget and a matching contribution from the Community Redevelopment Agency. This continued investment in public safety technology builds on the Phase 1 deployment of 56 CCTV and 48 LPR cameras completed in FY2025.
- Commencing construction of the Three Islands Guardhouse and Traffic Calming Project, a \$5.43 million initiative funded through a combination of the Three Islands Special Assessment, TISND contributions, and General Fund support. The project includes modern guardhouses, upgraded access controls, traffic calming measures, and pedestrian safety improvements throughout the Three Islands Safe Neighborhood District.
- Completing a comprehensive Building Permit Fee Assessment, as part of a broader review of all Department of Sustainable Development fees, to ensure ongoing compliance with Florida Statute 553.80(7)(a), which limits the allowable carryforward of unexpended building permit fund balances. The City engaged a consultant to conduct a full review of Building Permit Fund financial activity, evaluate cost allocation and cost recovery, and develop a forward-looking fee model aligned

with statutory requirements. Finance is coordinating closely with the Department of Sustainable Development to finalize the fee structure and ensure long-term compliance with state law.

- Exploring the long-term redevelopment potential of the City's nine-acre City Hall campus. In November 2025, the City invited the Urban Land Institute (ULI) Southeast Florida/Caribbean District Council to conduct a Technical Assistance Panel (TAP) study of the site. The panel's report envisions a phased transformation of the campus into a vibrant civic center and downtown district, with modernized municipal facilities, new housing, commercial activity, and activated public gathering spaces. The City is reviewing the panel's recommendations as it considers future planning, zoning, and partnership opportunities.
- Continuing long-range planning for the eventual sunset of the Hallandale Beach Community Redevelopment Agency (HBCRA), ensuring an orderly transition that preserves key economic development, affordable housing, and infrastructure commitments. The expiration of the CRA will have a material impact on the City's fiscal position and long-term service delivery, requiring sustained coordination between the City and the Agency to protect community investments made through the redevelopment district.

Considering the need for additional resources needed to carry out these and other initiatives, the City Commission has approved three budget amendments in fiscal year 2024-25 totaling approximately \$7.85 million 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 continued early issuance of this report demonstrates the progress made through improved coordination and ongoing process enhancements. As ARPA funding has now been fully expended and closed out, we remain focused on sustaining core services through deliberate financial planning. Continued investment in technology, automation, and workforce development will further streamline operations and support the effective use of resources moving into FY2026 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 .

## 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 auditors' 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, 2024. 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. Their hard work, effort, commitment, and professionalism are greatly admired. This year, the department navigated significant organizational change, including key staff departures and a strategic reorganization, while continuing to deliver on its core financial reporting obligations and advancing modernization initiatives. The professionalism, adaptability, and commitment demonstrated by every member of the team made this report possible.

We extend our gratitude to all City departments that assisted and contributed to the preparation of this report. Their collaboration, responsiveness, and shared commitment to transparency are essential to the quality of the City's financial reporting. Special recognition is given to Agnew Jean-Pierre, Controller, Joanna Campbell, Assistant Finance Director, and Sean Li, Assistant Finance Director, for leading the development and publication of this comprehensive report. We also thank our Grants and Revenue Compliance teams for their dedicated effort to ensure ongoing compliance with Local, State, and Federal requirements—work that has become increasingly critical as the City manages a growing portfolio of grant-funded projects and evolving regulatory obligations.

Credit must also be given to the City Commission and City Management for their continued commitment to supporting sound fiscal management practices with an emphasis on long-term financial stability and sustainability. Their willingness to invest in the systems, processes, and people that strengthen this organization has been instrumental in the progress reflected throughout this report.

This report is published at a time of significant external uncertainty, from proposed changes to the state's property tax framework to rising infrastructure costs and shifting federal priorities. Yet it also reflects a City that has spent the last several years building the financial foundation, institutional capacity, and operational discipline needed to meet these challenges from a position of strength. Four consecutive years of balanced budgets without the use of reserves, a growing capital program, strengthened internal controls, and a workforce committed to continuous improvement are not just accomplishments. They are the tools that will carry this community forward, regardless of what lies ahead.

We thank you, the citizens of Hallandale Beach, for your continued trust and support. It is that partnership that empowers us to plan boldly, manage responsibly, and deliver lasting value to the community we are honored to serve.



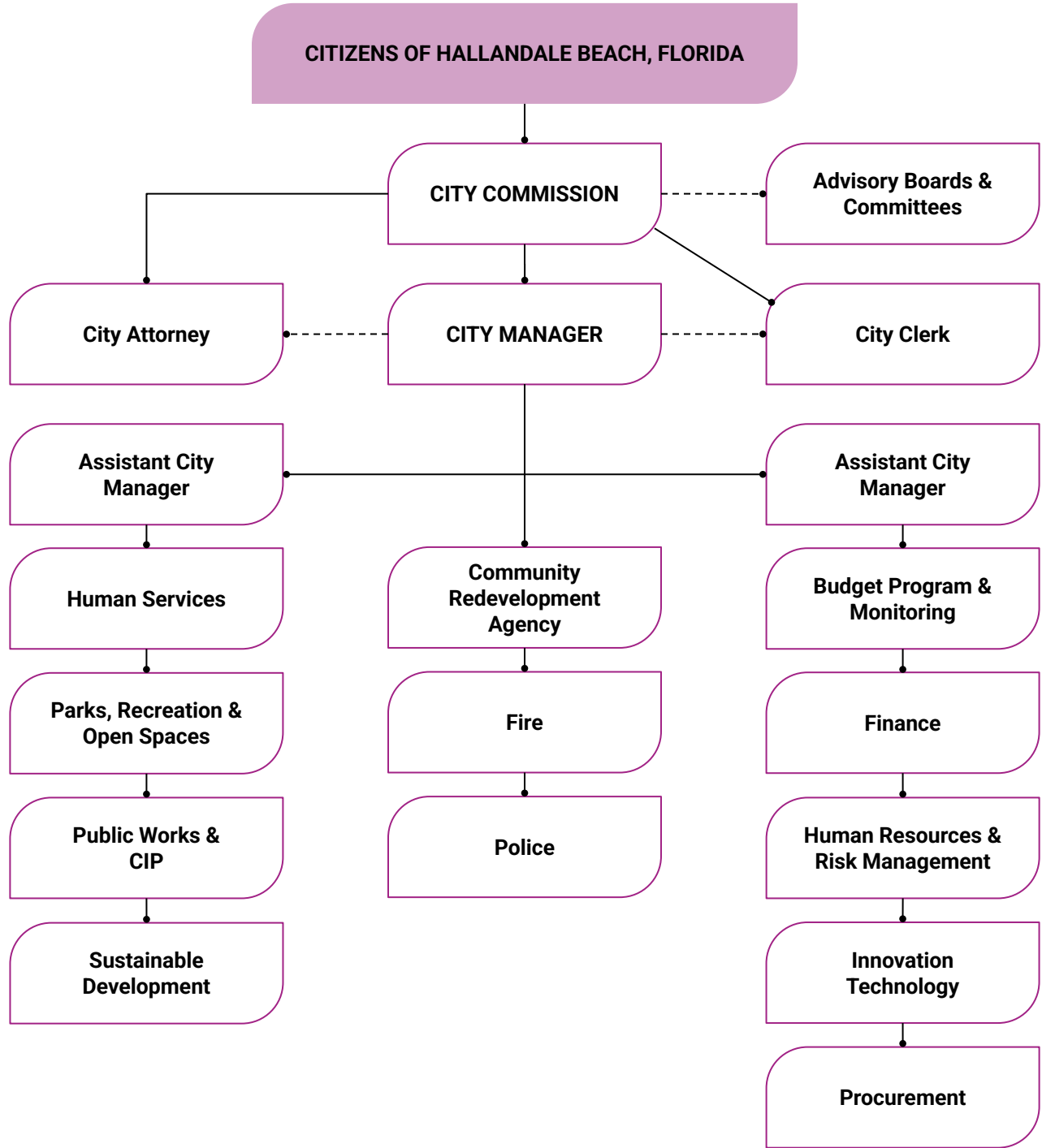
Jeremy Earle, Ph.D.  
City Manager



Geovanne Neste  
Finance Director

# ORGANIZATIONAL CHART

September 30, 2025



## Commission-Manager Form of Government

September 30, 2025



### 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  
 Sean Justice  
 Natasha Mazzie  
 Geovanne Neste  
 Radu Dodea  
 Cora Daise  
 Cathleen Schanz  
 Andrea Lues  
 Marlon Lobban  
 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, 2024

*Christopher P. Morill*

Executive Director/CEO



# Financial Section

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Annual Comprehensive Financial Report 2025



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# Independent Auditors' Report

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Annual Comprehensive Financial Report 2025

## **Independent Auditors' Report**

To the Honorable Mayor, City Commission and City Manager of  
**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, 2025, 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, 2025, 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 50%, respectively, of the assets, net position/fund balance and revenues/additions of the aggregate remaining fund information as of September 30, 2025. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Plan is based solely on the report of the other auditor.

#### ***Basis for Opinions***

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

## ***Responsibilities of Management for the Financial Statements***

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

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

## ***Auditors' Responsibilities for the Audit of the Financial Statements***

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

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

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

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 7-35, 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 131 to 146 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 March 27, 2026, 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  
March 27, 2026



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2025



# Management's Discussion and Analysis

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Annual Comprehensive Financial Report 2025

## Management's Discussion and Analysis

The City of Hallandale Beach, Florida's (the "City") management's discussion and analysis is a narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2025. It is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the City's financial activity, (c) identify changes in the City's financial position, (d) identify any material deviations from the financial plan (the approved budget), and (e) identify individual fund issues or concerns.

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 #### 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 \$303.6 million. The City's total net position increased by \$62.5 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 \$155.7 million, representing an increase of \$31.6 million from the previous fiscal year. The increase noted was primarily due to the net result of the following activity:

- an increase of \$10.6 million in the General Fund balance reflects sound fiscal management and strategic financial planning. This increase is primarily due to higher-than-anticipated investment income due to higher surplus funds. A transfer from the General Liability Trust Fund. Settlement proceeds relating to the DuPont Public Water System settlements. An increase in fine and forfeiture revenues due to an increase in parking citations and higher than anticipated code compliance fines. A transfer of residual equity associated with accounting for the activities of the cemetery from a separate enterprise fund to the General Fund. In addition, the City achieved significant savings in various line items for personal, operating and capital outlay expenditures.
- an increase of \$11.0 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, 2025.
- an increase of \$2.6 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, 2025.
- A decrease of \$2.7 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 \$1.7 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.

### Financial Highlights (Continued)

- an increase of \$3.8 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.
- an increase of \$5.4 million in the Three Island Special Assessment Capital Project Fund balance is primarily due to the timing of expenditures related to the Three Islands Traffic Calming Project.

At the close of the current fiscal year, the City's enterprise funds reported a combined ending net position of \$126.7 million. This represents an increase of \$14.8 million from the previous fiscal year. The increase noted was primarily due to the net result of the following activity:

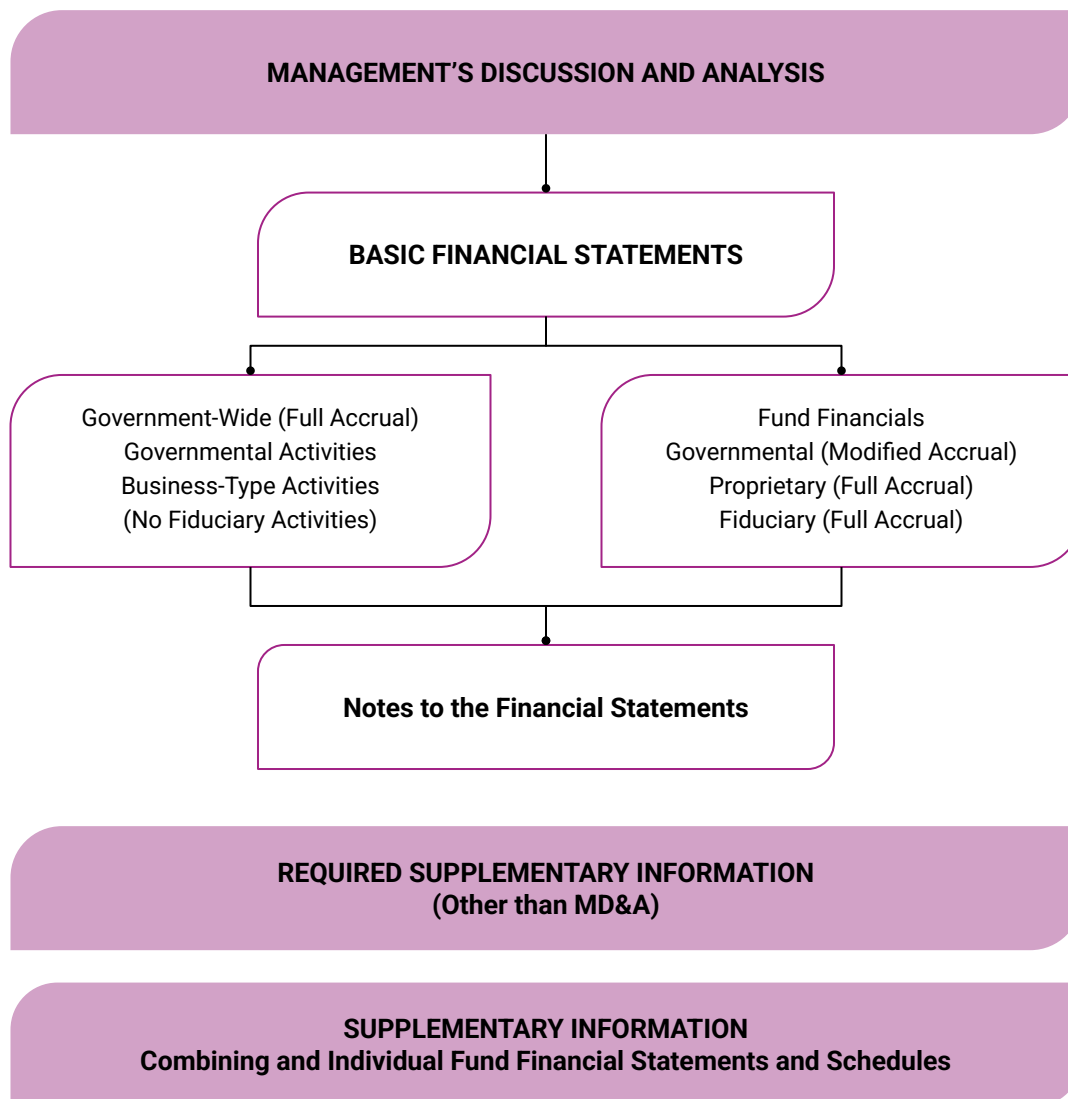
- an increase of \$10.6 million in the Utility Fund's net position is primarily attributed to operating income and the strategic timing of utility rate adjustments, anticipating the issuance of utility revenue bonds and the funding of significant infrastructure projects. An increase in impact fees due to new construction. In addition, there was a decrease in pension and other post-employment benefits (OPEB) expenses as actuarially determined by the actuaries of the pension and OPEB plans.
- an increase of \$1.3 million in the Sanitation Fund's net position is due to a decrease in the pension and OPEB expenses as actuarially determined by the actuaries of the pension and OPEB plans.
- an increase of \$3.8 million in the Stormwater Drainage Fund's net position is primarily attributed to operating income and strategic timing of utility rate adjustments, anticipating the issuance of utility revenue bonds and the funding of significant infrastructure projects. Transfers in from the General Fund for pump trucks and the Grants Fund for the EV Charging Facility at DPW. In addition, there was a decrease in pension and other post-employment benefits (OPEB) expenses as actuarially determined by the actuaries of the pension and OPEB plans.
- a decrease of \$1.0 million in the Cemetery Fund's net position is due to the transfer of residual equity associated with accounting for the activities of the cemetery from a separate enterprise fund to the General Fund.

### Overview of the Financial Statements

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

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

## FINANCIAL SECTION



### Major Features of the Basic Financial Statements

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

### Basic Financial Statements

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

The City's government-wide financial statements include the *Statement of Net Position* and *Statement of Activities*. As described below, these statements do not include the City's fiduciary activities because resources of these funds cannot be used to finance the City's activities. However, the financial statements of fiduciary activities are included in the City's fund financial statements, because the City is financially accountable for those resources, even though they belong to other parties. Fiduciary activities now include custodial funds, which replace the previously known agency funds, and require a statement of changes in fiduciary net position.

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

**Basic Financial Statements (Continued)**

On the other hand, the City reports liabilities, such as litigation claims, even though these liabilities might not be paid until several years into the future.

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

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

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

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

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

*The government-wide financial statements can be found on pages 35 and 37 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 changes in fund balance.

## Basic Financial Statements (Continued)

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

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

*The governmental fund financial statements can be found on pages 38 through 43 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 44 through 50 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 51 and 52 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 54 through 124 of this report.*

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

**Basic Financial Statements (Continued)**

*Required supplementary information can be found on pages 127 through 143 of this report.*

**Supplementary Information.** 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 149 through 176 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 \$303.6 million at September 30, 2025. The City's net position increased by \$62.5 million during the current fiscal year. The largest portion of the City's net position, 58.9%, 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 26.6% or \$80.8 million of net position is subject to external restrictions for various purposes (e.g. building permitting function, special districts, etc.).

## Government-Wide Financial Analysis (Continued)

The table below presents a summary of net position as of September 30, 2025 and 2024, derived from the government-wide Statement of Net Position:

	Net Position (in thousands)					
	Governmental Activities		Business - type Activities		Total	
	2025	2024	2025	2024	2025	2024
<b>Assets:</b>						
Current and other assets	\$ 182,036	\$ 156,764	\$ 118,044	\$ 54,333	\$ 300,080	\$ 211,097
Capital assets, net	156,812	153,375	89,930	76,216	246,742	229,591
<b>Total assets</b>	<b>338,848</b>	<b>310,139</b>	<b>207,974</b>	<b>130,549</b>	<b>546,822</b>	<b>440,688</b>
<b>Deferred outflows of resources</b>	<b>23,465</b>	<b>32,057</b>	<b>2,592</b>	<b>5,460</b>	<b>26,057</b>	<b>37,517</b>
<b>Liabilities:</b>						
Noncurrent liabilities	144,268	192,019	72,488	16,412	216,756	208,431
Other liabilities	7,878	10,946	9,476	5,935	17,354	16,881
<b>Total liabilities</b>	<b>152,146</b>	<b>202,965</b>	<b>81,964</b>	<b>22,347</b>	<b>234,110</b>	<b>225,312</b>
<b>Deferred inflows of resources</b>	<b>33,336</b>	<b>10,075</b>	<b>1,858</b>	<b>1,756</b>	<b>35,194</b>	<b>11,831</b>
<b>Net position:</b>						
Net investment in capital assets	95,945	94,017	82,725	73,757	178,670	167,774
Restricted	78,764	56,114	1,996	1,169	80,760	57,283
Unrestricted	2,122	(20,975)	42,023	36,980	44,145	16,005
<b>Total net position</b>	<b>\$ 176,831</b>	<b>\$ 129,156</b>	<b>\$ 126,744</b>	<b>\$ 111,906</b>	<b>\$ 303,575</b>	<b>\$ 241,062</b>

At September 30, 2025, the City reported positive balances in all three categories of net position, for the government as a whole and for business-type activities. Maintaining a positive fund balance overall is an indication that the government is not spending down all of its available resources and is able to fund future temporary shortfalls or emergencies. The negative balance in the unrestricted category in the prior year 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.

## Governmental Activities

There was an increase of \$25.3 million or 16.1% in current and other assets for governmental activities, primarily due to:

- A \$29.0 million increase in cash and cash equivalents due to 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, 2025 in the Community Redevelopment Agency Fund, Capital Projects Fund, Transportation Fund and Three Island Special Assessment Capital Project Fund.

**Governmental Activities (Continued)**

- In addition the City received higher-than-anticipated revenues from building permits.
- A decrease of \$4.1 million in due from other governments, primarily due to a grant from the Florida Department of Transportation for EV buses, storage and charging facilities in the prior year.

The increase of \$3.4 million or 2.2% in capital assets was primarily due to the net effect of the current fiscal year capital asset activity (as discussed on page 28), and the recognition of current fiscal year depreciation expense.

The decrease of \$8.6 million or 26.8% 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 \$47.8 million or 24.9% in long-term liabilities is primarily due to the repayment of debt and decrease in the net pension liability of the City's pension plans. Refer to Note 9 for additional information.

The decrease of \$3.1 million or 28.0% in other liabilities is primarily due to the settlement of open payables to vendors.

The increase of \$23.3 million or 230.9% in deferred inflows of resources resulted primarily from increases of pension 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 11 for additional information.

**Business-Type Activities**

The increase of \$63.7 million or 117.3% in current and other assets primarily due to the issuance of approximately \$58,775,000 in Utility System Revenue Bonds, Series 2024. Current year operations, as discussed in detail starting on page 20 also contributed to the increase.

The increase of \$13.7 million or 18.0% in capital assets is primarily due to the net effect of capital asset acquisitions and dispositions and recognition of current fiscal year depreciation expense, as discussed in more detail on page 28.

The decrease of \$2.9 million or 52.5% or in deferred outflows of resources primarily resulted primarily from the recognition of pension expense related to prior year deferred outflows of resources for the City's pension plans. Deferred outflows of resources represent consumption of net position applicable to future periods that will not be recognized as expenditures until the future period to which it applies (i.e. employer contributions made subsequent to a plan's measurement date or projected earnings exceeding actual earnings on pension plan investments, changes in assumptions). Refer to Note 12 for additional information.

The increase of \$56.1 million or 341.7% in long-term liabilities is primarily due to the issuance of approximately \$58,775,000 in Utility System Revenue Bonds, Series 2024. A portion of the increase to long-term liabilities was offset by the repayment of debt and decrease in the net pension liability of the City's pension plans. Refer to Note 9 for additional information.

**Business-Type Activities (Continued)**

The increase of \$3.5 million or 59.7% in other liabilities is primarily due to the settlement of open payables to vendors.

**Analysis of the City's Operations.** The table below presents a summary of changes in net position for the years ended September 30, 2025 and 2024, as derived from the government-wide Statement of activities:

	Changes in Net Position (in thousands)					
	Governmental Activities		Business - type Activities		Total	
	2025	2024	2025	2024	2025	2024
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 40,449	\$ 36,103	\$ 52,180	\$ 49,382	\$ 92,629	\$ 85,485
Operating grants and contributions	5,001	10,414	-	-	5,001	10,414
Capital grants and contributions	3,336	6,588	229	125	3,565	6,713
General revenues:						
Property taxes	78,309	76,656	-	-	78,309	76,656
Other taxes	16,519	16,028	-	-	16,519	16,028
Other revenues	10,047	11,731	4,610	2,318	14,657	14,049
<b>Total revenues</b>	<b>153,661</b>	<b>157,520</b>	<b>57,019</b>	<b>51,825</b>	<b>210,680</b>	<b>209,345</b>
<b>Expenses:</b>						
General government	26,258	19,310	-	-	26,258	19,310
Public safety	52,617	60,790	-	-	52,617	60,790
Physical environment	2,681	1,859	-	-	2,681	1,859
Transportation	6,049	4,919	-	-	6,049	4,919
Economic environment	7,459	13,473	-	-	7,459	13,473
Culture and recreation	8,364	9,207	-	-	8,364	9,207
Human services	2,673	2,933	-	-	2,673	2,933
Interest and other fiscal charges	2,795	2,170	-	-	2,795	2,170
Utility	-	-	30,992	30,027	30,992	30,027
Sanitation	-	-	6,211	7,676	6,211	7,676
Stormwater drainage	-	-	5,268	5,978	5,268	5,978
Cemetery	-	-	-	515	-	515
<b>Total expenses</b>	<b>108,896</b>	<b>114,661</b>	<b>42,471</b>	<b>44,196</b>	<b>151,367</b>	<b>158,857</b>
<b>Changes in net position before transfers</b>	<b>44,765</b>	<b>42,859</b>	<b>14,548</b>	<b>7,629</b>	<b>59,313</b>	<b>50,488</b>
Special Items	3,200	-	-	-	3,200	-
Transfers	(290)	2,356	290	(2,356)	-	-
<b>Change in net position</b>	<b>47,675</b>	<b>45,215</b>	<b>14,838</b>	<b>5,273</b>	<b>62,513</b>	<b>50,488</b>
Net position, beginning	129,156	83,941	111,906	106,633	241,062	190,574
Net position, ending	\$ 176,831	\$ 129,156	\$ 126,744	\$ 111,906	\$ 303,575	\$ 241,062

**Governmental activities**

Governmental activities increased the City's net position by \$47.7 million.

Charges for services increased by \$4.3 million or 12.0% primarily due to:

- An increase of \$2.9 million in fire assessments due to rising costs of fire services over the years to shift the financial burden from the operating millage to the fire assessment while also providing the resources to purchase a much-needed fire engine truck, and fire rescue vehicle.
- An increase of \$0.7 million in charges for services associated with the cemetery fund which was previously reported as a separate enterprise fund.
- An increase of \$0.6 million in revenue relating to parking activity due to an increase in parking citations and parking meter receipts.

Operating grants and contributions revenues decreased by \$5.4 million or 52.0%, primarily due to the recognition of grant revenue in the previous fiscal year. During fiscal year 2025 the City recognized \$5.4 million in revenue relating to the State and Local Fiscal Recovery Funds (SLFRF) program, also known as ARPA funds following the purchase of city fleet vehicles and other equipment, as well as covering incremental increases in BSO Fire costs.

Capital grants and contributions revenues decreased by \$3.3 million, or 49.4%, primarily due to the timing of grants and contributions relating to EV buses, including charging facilities. In the previous fiscal year, the City received grant funding in the amount of \$4.2 million from the Florida Department of Transportation for EV buses, storage and charging facilities. Additionally in the previous fiscal year the Community Redevelopment Agency contributed \$1.9 million towards the purchase of EV buses, including charging facilities. In the current fiscal year the City has recognized \$1.5 million in grant funding for the charging facilities.

Other revenues decreased by \$1.7 million or 14.4% primarily due to the net effect of the following:

- A decrease of \$1.9 million in investment earnings due to lower interest rates.

General government expenses increased by \$6.9 million or 36.0% primarily due:

- An increase of \$2.8 million in OPEB expense related to actuarially determined GASB Statement No. 45 adjustments for the City's Other Post Employment Benefits.
- An increase of \$2.5 million in insurance claims related to actuarially determined insurance claims payable. 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.
- An increase of \$0.3 million in compensated absences due to the implementation of GASB Statement No. 101.
- The remaining increase relates to increases in operating expenditures from rising costs and wages.

**Governmental activities (Continued)**

Public safety expenses decreased by \$8.2 million or 13.4% primarily related to the net effect of the following:

- A decrease of \$1.3 million in OPEB expense related to actuarially determined GASB Statement No. 45 adjustments for the City's Other Post Employment Benefits.
- A decrease of \$10.4 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.
- An Increase of \$2.3 million in outside services expense relating to a fire truck under the BSO contract.
- An increase of \$0.7 million in compensated absences due to the implementation of GASB Statement No. 101.

Transportation expenses increased by \$1.1 million or 23.0% primarily related to the following:

- An increase of \$0.5 million in expenses related to operating costs of the City's community shuttle program. Fiscal year 2025 was the first full year operating with the additional routes that were expanded during fiscal year 2024.
- An increase of \$.6 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.

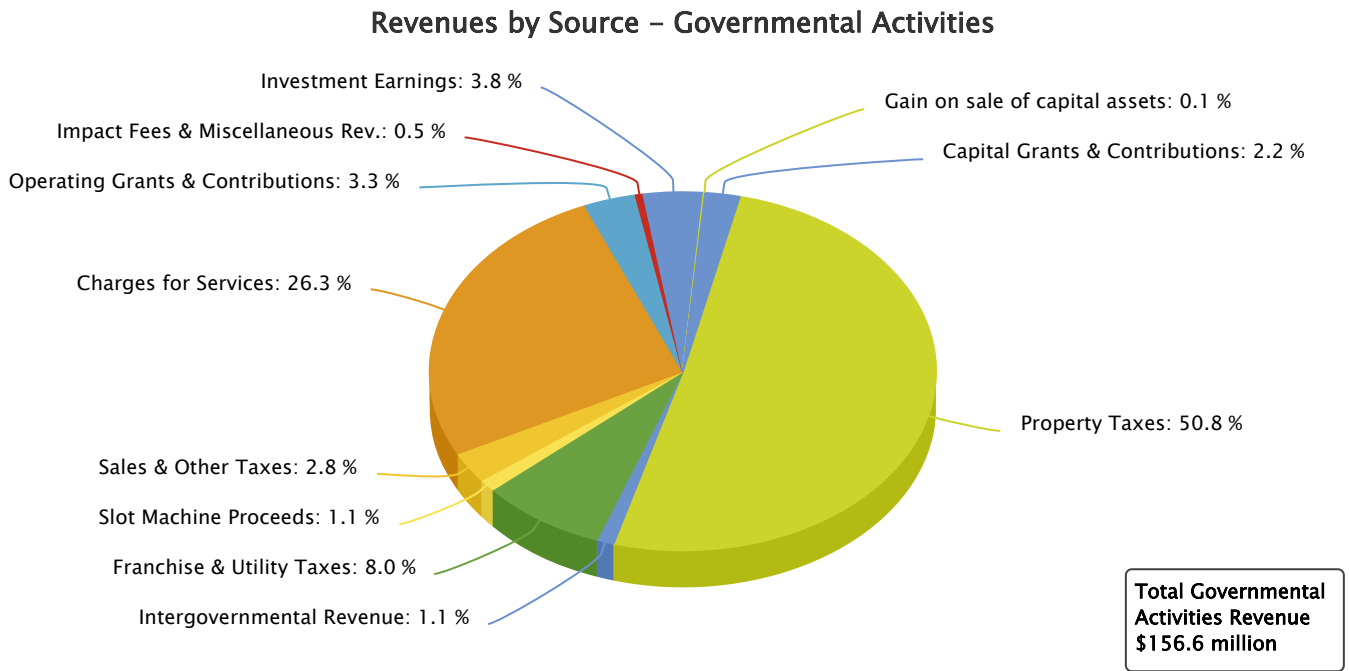
Economic environment expenses decreased by \$6.0 million or 44.6%, which is the net effect of the following:

- A decrease of \$1.9 million in expenditures related to a one-time expenditure in the previous fiscal year from the Community Redevelopment Agency Fund under an interlocal agreement to fund costs of the City's EV bus fleet and related charging infrastructure purchases.
- A decrease of \$1.5 million in grant reimbursements for the Hallandale City Center construction. In the prior year, the HBCRA disbursed \$1.6 million in Gap Grant disbursements to the developer, and final payment of \$0.1 million was paid in the current year.
- A decrease of \$2.0 million in redevelopment grant reimbursements. In the prior year, the Community Redevelopment Agency Fund reimbursed \$2.0 million for the Solaris Apartment affordable housing construction.
- A net decrease of \$0.3 million in expenditures related to commercial and residential loan programs including storm shutter/impact windows, downpayment assistance, residential repairs, rental assistance, seniors, etc.

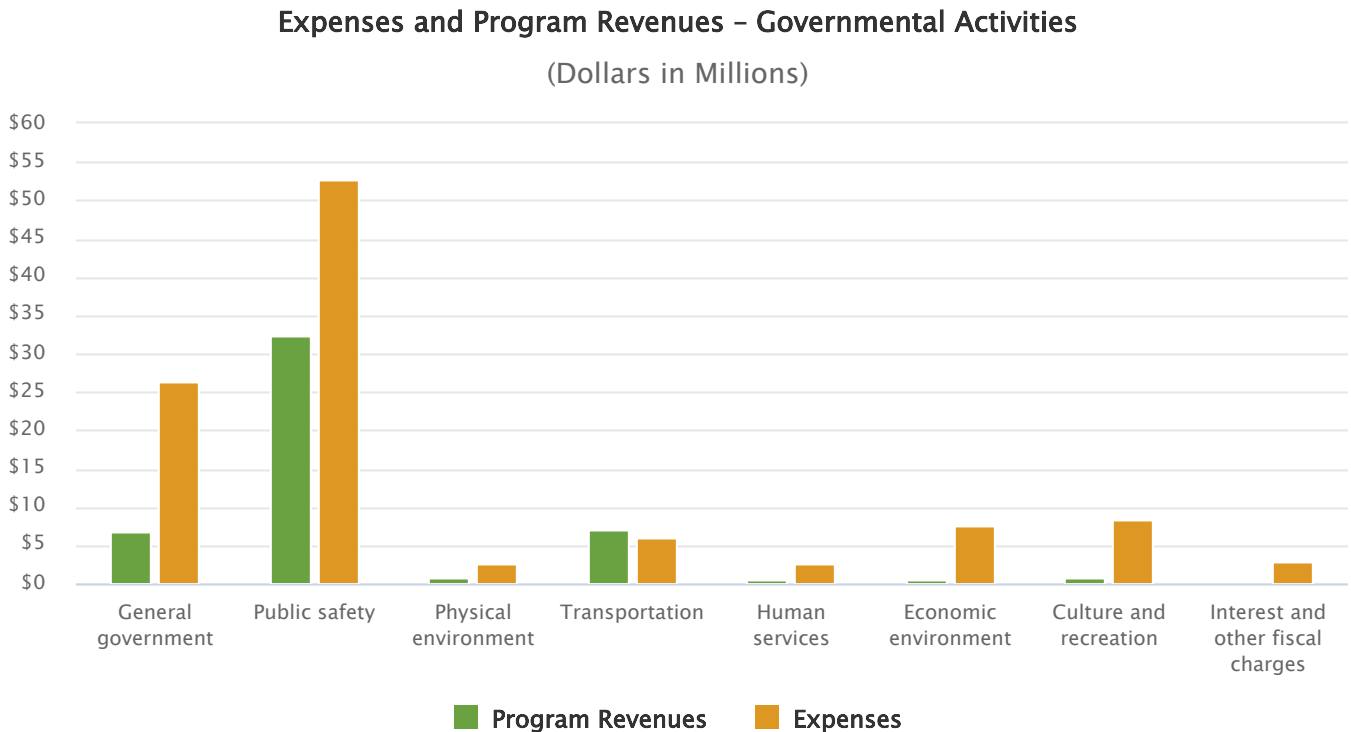
Special items increased by \$3.2 million due to settlement proceeds relating to the DuPont Public Water System settlements.

**Governmental activities (Continued)**

The following is a chart of revenues by source of governmental activities by percent of total revenues for fiscal year 2025:



The following chart compares expenses and program revenues for the governmental activities during fiscal year 2025:

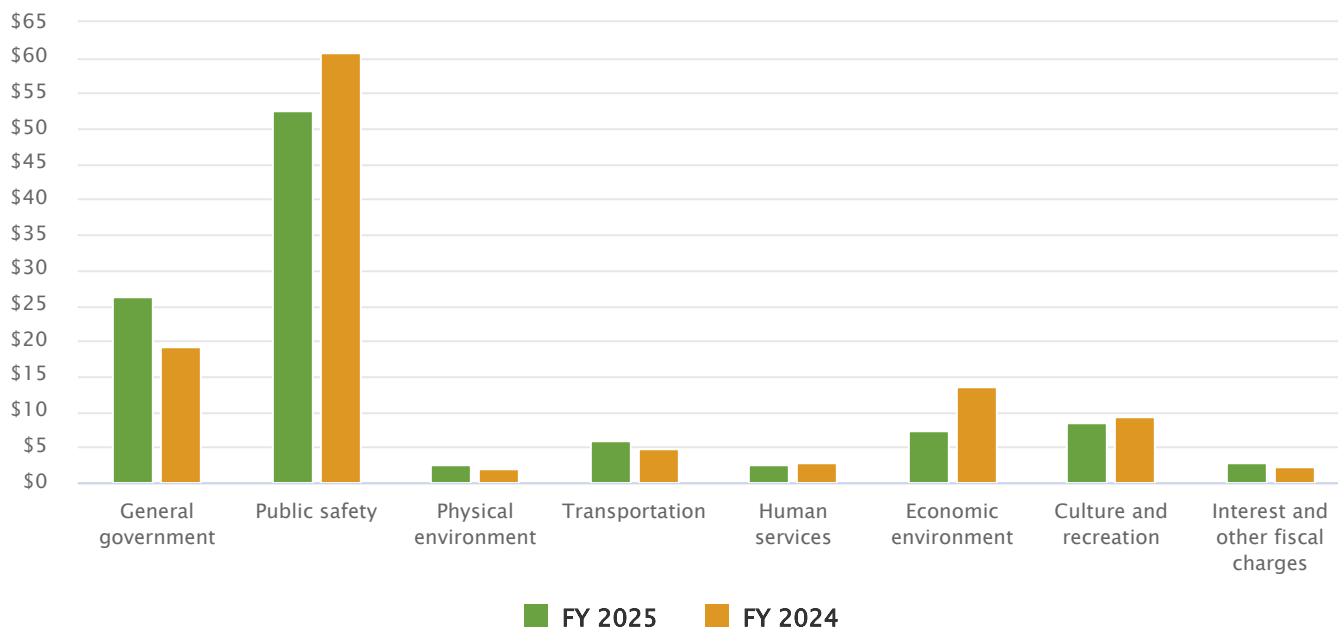


**Governmental activities (Continued)**

The following is a comparative chart of expenses by function/program for governmental activities for the fiscal year 2025 and 2024:

**Expenses by Function/Program – Governmental Activities**

(Dollars in Millions)



**Business-type activities**

Business-type activities increased the City’s net position by \$14.8 million. The increase was primarily a result of current year operations. The City achieved significant savings in various line items for personal services and cost of sales & services for the Utility Fund and Stormwater Fund. Other factors contributing to the increase in net position are noted below.

Charges for services increased by \$2.8 million or 5.7%, primarily due to the net effect of the following:

- An increase of \$2.6 million in utility service charges, resulting from rate increases of 10.0% for water services and 7.0% for sewer services during the fiscal year.
- An increase of \$0.5 million in stormwater service fees due to a 10% rate increase for the current year.
- A decrease of \$.4 million in service charges associated with the cemetery fund which are now recorded in the General Fund.

These rate increases are related to a utility rate study to support the debt service for the Utility System Revenue Bonds, Series 2024 for the construction of infrastructure and other improvements across all three utilities as part of the City’s long-term Capital Improvement Plan.

Other revenues increased by \$2.3 million or 98.9% primarily due to the following:

- An increase of \$1.6 million for investment earnings due to higher surplus funds. A significant portion of the surplus represents unspent bond proceeds from the Utility System Revenue Bonds, Series 2024.

**Business-type activities (Continued)**

- An increase of \$0.8 million in impact fee revenues due to the increase in new construction compared to the previous year.

Sanitation expenses decreased by \$1.5 million or 19.1% primarily due to the following:

- A decrease of \$1.0 million in pension expense related to actuarially determined GASB Statement No. 68 adjustments for the City's General Employees' Pension plan.
- A \$0.7 million decrease in internal service charges relating to replacement vehicles.
- Various other increases in rising costs for operating and maintenance.

Net Transfers increased by \$2.6 million or 112.3% primarily due to the net effect of the following:

- A decrease of \$1.5 million in transfers to the General Fund from the Sanitation Fund. These transfers represent payments in lieu of franchise fees (PILOFF)
- An increase of \$1.1 million in transfers from Grants Fund for the EV Charging Facility at DPW.

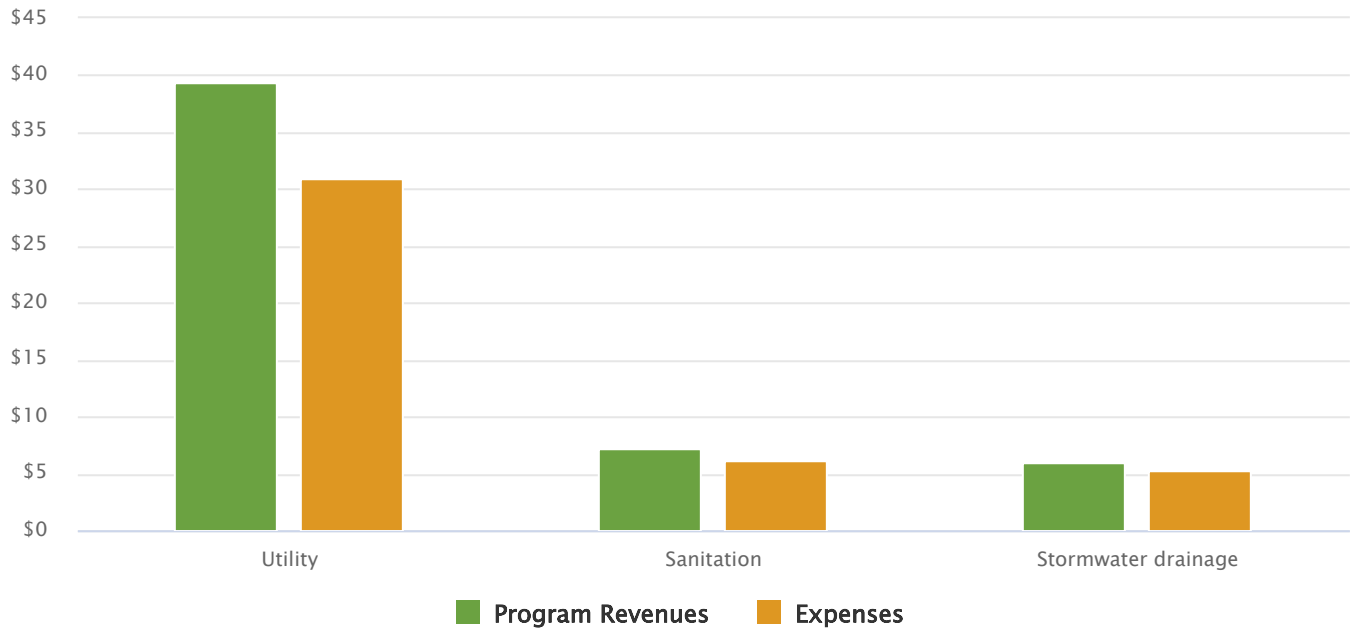
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**Business-type activities (Continued)**

The following chart compares expenses and program revenues for business-type activities during fiscal year 2025.

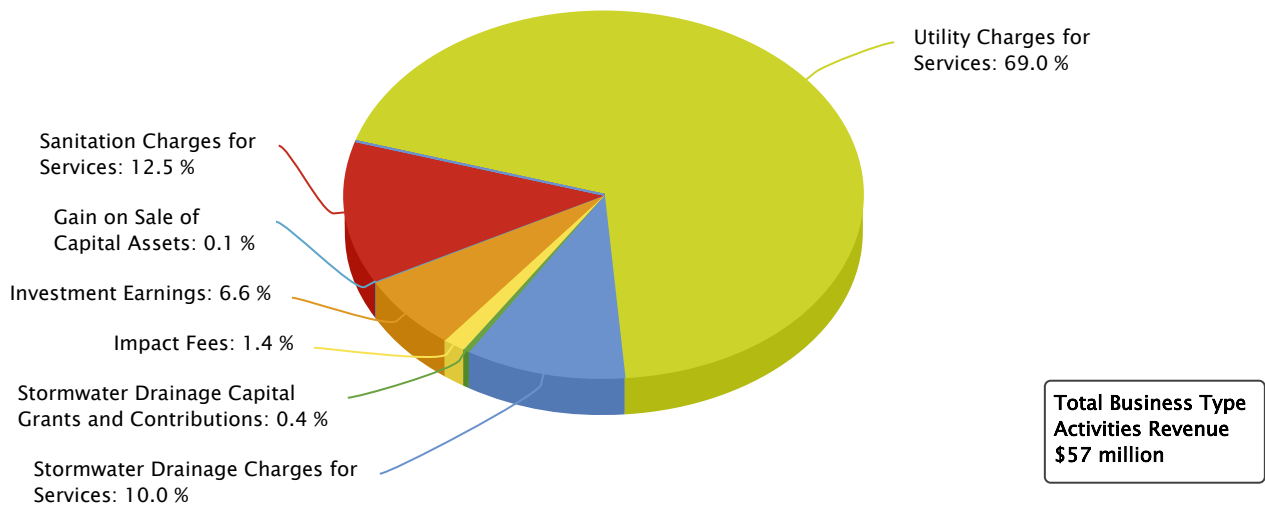
**Expenses and Program Revenues – Business–Type Activities**

(Dollars in Millions)



The following is a chart of revenues by source of business-type activities by percent of total revenues for fiscal year 2025:

**Revenues by Source – Business–Type Activities**



## 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 \$54.0 million, of which \$42.0 million or 77.8% was unassigned. As a measure of the General Fund's liquidity, it may be useful to compare assigned fund balance, unassigned fund balance and total fund balance to total General Fund expenditures and other financing uses. Unassigned fund balance represents 40.2% of total General Fund expenditures and other financing uses, while total fund balance represents 51.7% of that same amount.

The unassigned fund balance of the City's General Fund increased by \$7.7 million or 22.3% 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 2024-2025 that the City is utilizing to balance the fiscal year 2025-2026 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 \$155.7 million, which is an increase of \$31.6 million or 25.4% from the prior year's restated ending fund balance of \$124.2 million. The fund balance is categorized to indicate whether it is not available for new spending because it represents resources that are non-spendable (\$0.6 million), that are restricted for capital projects and other purposes (\$91.3 million), that are committed for tree preservation and the new renewal & replacement program (\$3.6 million), that have already been assigned for encumbrances and other purposes (\$18.2 million), or that are unassigned (\$42.0 million).

The fund balance of the City's General Fund had a net increase of \$10.6 million from operations due to the following:

- A \$4.3 million transfer from the General Liability Trust Fund. The transfer represents a return of funds for a legal judgment against the City which was reversed. The funds to cover the judgment were originally from the General Fund.
- An increase of \$3.2 million settlement proceeds relating to the DuPont Public Water System settlements.
- Higher-than-anticipated investment income due to higher surplus funds.
- An increase in fine and forfeiture revenues due to an increase in parking citations and higher than anticipated code compliance fines.
- A transfer of residual equity associated with accounting for the activities of the cemetery from a separate enterprise fund to the General Fund.

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

- In addition, the City achieved significant savings in various line items for 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 for licenses and permits were \$0.2 million over budget primarily due to initial projections for the Certificate of Use Program (COU Program). The projections will be adjusted in future years based on historical data.
- Revenues from fines and forfeitures exceeded the budget by \$0.7 million due to increased enforcement activities.
- Revenues from investment earnings exceeded the budget by \$0.7 million. 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 under budget for the current year due to the timing of revenue collection. Approximately \$0.5 million in revenues from July 2025 through September 2025 were received outside the period of availability for the fiscal year ending 2025. As a result, \$0.5 million in slot machine proceeds will be included in the next fiscal year as revenue. For more information on the period of availability used by the City, refer to Note 1 of the financial statements.
- Other revenues were \$0.9 million over budget. This is primarily due to contributions from developers relating to developer agreements, a medical loss rebate from the City's health insurance provider and revenue from the leases of land for various activities.
- Operating Expenditures were \$3.4 million under budget primarily due to significant expenditure savings on various operating and maintenance costs.
- Debt Service expenditures of \$0.2 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 \$0.4 million under budget primarily due to timing of capital project outlays.
- Revenues of \$0.5 million related to the recording 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 \$0.4 million related to the recording 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*

The Hallandale Beach Community Redevelopment Agency ("HBCRA") fund accounts for the activities of the HBCRA. The fund balance of the HBCRA totaled \$45.4 million for the fiscal year ending September 30, 2025. This represents an increase of \$11.0 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 (\$0.6 million) and other ongoing programs (\$42.4 million).

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

For the CRA fund balance, key factors of the overall increase compared to fiscal year 2023 - 2024 are as follows:

- An increase of \$1.3 million in intergovernmental revenues due to increases in the taxable assessed values and millage rate for contributing taxing authorities.
- A decrease in economic environment expenditures of \$5.2 million, which is primarily the net result of the following:
  - A decrease of \$1.9 million in expenditures related to a one-time expenditure in the previous fiscal year from the Community Redevelopment Agency Fund under an interlocal agreement to fund costs of the City's EV bus fleet and related charging infrastructure purchases.
  - Decrease of \$1.5 million in grant reimbursements for the Hallandale City Center construction. In the prior year, the HBCRA disbursed \$1.6 million in Gap Grant disbursements to the developer, and final payment of \$.1 million was paid in the current year.
  - Decrease of \$2.0 million in redevelopment grant reimbursements. In the prior year, the Community Redevelopment Agency Fund reimbursed \$2.0 million for the Solaris Apartment affordable housing construction.
  - A net decrease of \$0.3 million in expenditures related to commercial and residential loan programs including storm shutter/impact windows, downpayment assistance, residential repairs, rental assistance, seniors, etc.
- A decrease of \$3.0 million in capital outlays due to the timing of ongoing redevelopment programs.
- An increase of \$1.2 million in debt service expenditures for combined principal and interest payments on the CRA's outstanding debt obligations. \$0.8 million of this increase is due to the interest payment relating to the arbitrage rebate.
- 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 2024 - 2025, the ending fund balance is \$3.0 million which is comparable to the prior fiscal year.

The fund balance of the Capital Projects Fund totaled \$12.1 million for the fiscal year ended September 30, 2025. This amount represents an increase of \$2.6 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:

- \$0.4 million for Ada Compliance Sidewalk Repair
- \$1.3 million for Citywide Public Safety Expansion
- \$0.3 million for Joe Scavo Park perimeter fencing
- \$0.3 for Streetlights and Light poles
- \$0.4 for Diana Drive Roadway Improvement
- \$1.4 million for Electric Charging Stations
- \$0.3 million Police Department Locker room
- \$1.2 million for Ada Compliance Bus Stops

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

- \$4.0 million for Ev Charging Facility at DPW
- \$0.4 million for Additional City Hall Parking

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, 2025 is \$11.1 million, a decrease of \$2.7 million from prior year. This is the result of approximately \$3.2 million in increased capital outlay and economic environment expenditures during fiscal year 2025. A total of 9 projects throughout the district were ongoing as the fiscal year end.

Non-major governmental funds reported a combined fund balance of \$29.9 million, an increase of \$10.9 million or 57.7% from the prior year primarily due to Transportation Fund operations, Developer Agreements Fund operations, Building Permits Fund operations, and Three Island Special Assessment Capital Project 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 \$12.8 million as compared with \$5.2 million in the previous year. The current year change in net position was \$14.8 million as compared with \$5.3 million in the previous year. The primary reason for the \$7.5 million increase in operating income was due to:

- An increase of \$2.6 million in utility service charges, resulting from rate increases of 10.0% for water services and 7.0% for sewer services during the fiscal year.
- An increase of \$0.5 million in stormwater service fees due to a 10% rate increase for the current year.
- An increase of \$1.6 million for investment earnings due to higher surplus funds. A significant portion of the surplus represents unspent bond proceeds from the Utility System Revenue Bonds, Series 2024.
- An increase of \$0.8 million in impact fees due to the increase in new construction compared to the previous year.
- A decrease of \$1.0 million in pension expense related to actuarially determined GASB Statement No. 68 adjustments for the City's General Employees' Pension plan for the Sanitation Fund.
- A \$0.7 million decrease in internal service charges relating to replacement vehicles in the Sanitation Fund
- In addition, the City achieved significant savings in various line items for personal services and cost of sales & services for the Utility Fund and Stormwater Fund.

The current year operating income for the internal service funds was \$3.5 million as compared with \$11.0 million in the previous year. The current year change in net position was (\$1.8) million as compared with \$17.3 million in the previous year. The primary reason for the increase in the change in net position was due to:

- There were \$6.1 million in capital contributions for vehicles purchased in governmental funds to be capitalized in the Fleet Fund in the previous year.

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

- A decrease of \$4.8 million in charges for services primarily due to funding for a significant legal judgment in the prior year.
- A \$4.3 million transfer from the General Liability Trust Fund to the General Fund. The transfer represents a return of funds for a legal judgment against the City which was reversed. The funds to cover the judgment were originally from the General Fund.
- An increase of \$2.2 million for claims expense related to actuarially determined GASB Statement No. 10 adjustments for the City's estimated liabilities on pending claims.

**General Fund Budgetary Highlights**

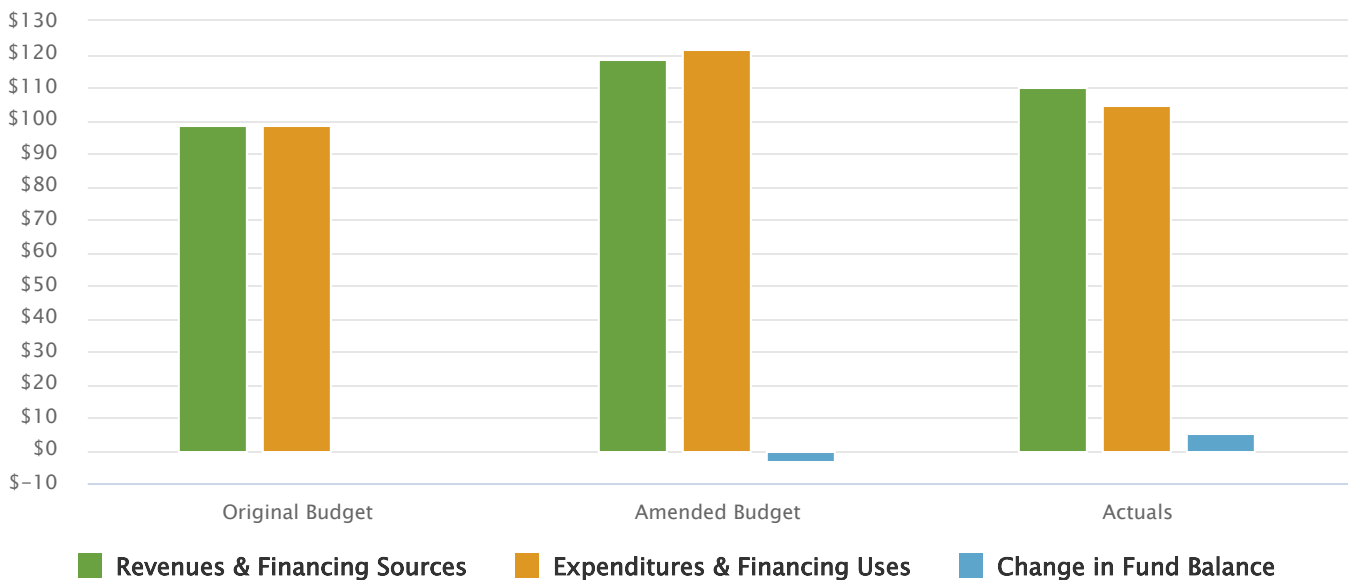
During the year, revenues were more than budgetary estimates and expenditures were less than budgetary estimates, resulting in the net increase to fund balance of approximately \$8.4 million. The original budget did not anticipate appropriations from fund balance whereas the final budget anticipated appropriations of \$8.3 million. However, no actual amount was utilized.

Excluding appropriations and reappropriations from fund balance, actual revenues (\$98.1 million) were comparable to the final budgeted revenues (\$95.5 million). This is primarily due to the proceeds relating to the DuPont Public Water System settlement in the amount of \$3.2 million. Actual expenditures (\$86.9 million) were less than final budgeted expenditures (\$92.4 million) by approximately \$5.5 million. This was due to significant expenditure savings on various operating and maintenance costs. Given the positive budget to actual variances for revenues, coupled with the 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 2025 original and amended budgets, as well as actual results for the fiscal year:

**General Fund Budgetary Comparison**

(in millions)



## Capital Assets and Debt Administration

**Capital assets.** As of September 30, 2025 and 2024, the City had \$246.7 and \$229.6 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	
	2025	2024	2025	2024	2025	2024
Land	\$ 41,716	\$ 41,050	\$ 888	\$ 1,263	\$ 42,604	\$ 42,313
Construction in progress	8,822	11,993	26,564	17,777	35,386	29,770
Buildings	34,498	36,768	5,006	6,064	39,504	42,832
Improvements other than buildings	30,194	32,078	1,403	1,621	31,597	33,699
Vehicles and equipment	14,810	14,627	4,157	2,813	18,967	17,440
Intangibles	78	106	4,490	4,666	4,568	4,772
Right-to-use assets	1,514	922	-	-	1,514	922
Infrastructure	25,180	15,833	47,422	42,012	72,602	57,845
<b>Total</b>	<b>\$ 156,812</b>	<b>\$ 153,375</b>	<b>\$ 89,930</b>	<b>\$ 76,216</b>	<b>\$ 246,742</b>	<b>\$ 229,591</b>

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:

- \$5.1 million was added to ongoing construction in process projects, including: Foster Road Streetscape Improvement, NW/SW 8<sup>th</sup> Street Complete Street, City-wide, Chaves Lake Park, various City facilities improvements, HBCRA in-fill/affordable housing development, HBCRA Hallandale City Center Kitchen Restaurant, City parking lot projects, Historic Village Park, City's new EV Bus Transit Charging Facility, ADA compliant bus stops, and other capital project initiatives tied to the HBCRA's 2020 Redevelopment Revenue Note. These additions reflect continued investment in transportation, parks, facilities, and community redevelopment infrastructure.
- Completed projects, including the Foster Road Streetscape Improvement, City-wide sidewalk improvements, DPW office trailer, and City facility improvements amounted to \$8.3 million, which was then distributed as \$7.4 million to general government infrastructure, \$0.4 million to buildings, as well as \$0.5 million in utility building improvements and stormwater infrastructure that were transferred to Business type activities. Additionally, \$0.6 million in general infrastructure and \$0.1 million in building improvements were transferred to Government type activities from construction projects that were completed in Business type activities for the Utility Fund.
- \$0.6 million of improvements other than buildings was added, primarily relating to parks improvements. These additions were offset by \$2.5 million in depreciation expense.
- Vehicles & equipment saw a net decrease of \$0.2 million due to:
  - \$2.3 million for replacement of aged on-road and off-road vehicles,

**Governmental activities (Continued)**

- \$0.5 million for body worn cameras acquired through a new equipment financed purchase obligation,
  - \$0.7 million for public safety camera systems,
  - \$0.5 million for other miscellaneous furniture, equipment, and machinery,
  - Transfers in of \$0.1 million from both completed construction in progress and equipment from the Cemetery enterprise fund, net of accumulated depreciation,
  - Disposals of \$3.9 million in costs of assets, offset by \$3.6 million in related accumulated depreciation, for a net disposal of \$0.3 million,
  - Depreciation expense of \$3.6 million, which, when combined with the net disposals, exceeded the above-mentioned additions and transfers.
- \$2.2 million in general infrastructure was added during the year, which primarily related to city-wide street resurfacing and roadway improvements.
  - Right-to-use assets for Subscription-Based Information Technology Arrangements (“SBITA”) under GASB Statement No. 96 had a net increase of \$0.7 million. This net change was the combination of \$1.2 million in additions for new software, \$0.4 million in amortization, and \$54 thousand in net disposal for previously recorded SBITAs.
  - Right-to-use assets for Leased Assets under GASB Statement No. 87 had a net decrease of \$0.2 thousand related to current year amortization. No significant new lease assets were added during FY 2025.
  - With the transfer of the Cemetery enterprise fund to the General Fund, there was approximately \$0.4 million in capital assets, net of accumulated depreciation transferred into Governmental Activities from Business Activities.
  - Depreciation expenses contributed to decreases of \$2.7 million in buildings, \$2.5 million in improvements other than buildings, and \$0.8 million in infrastructure, which offset current year additions and transfers noted in sections above.

**Business-type activities**

Business-type Activities capital assets support the City's water, sewer, stormwater utility, and sanitation service operations. Significant activity during FY 2025 centered on construction in progress (CIP), completed infrastructure projects, and depreciation.

- \$17.7 million was added to ongoing construction in process projects, primarily consisting of improvements and replacements to water, sewer (including lift stations), and stormwater drainage systems. Notably, the continued activity in CIP reflects the City's multi-year investment in infrastructure system rehabilitation and capacity improvements. The major additions to CIP by category are as follows:
  - \$9.6 million for water projects,
  - \$7.5 million for sewer lift stations and sewer infrastructure,
  - \$0.6 million for stormwater drainage improvements.
- Seven construction projects were completed during the year: the Layne Boulevard 10 Inch Watermain project, the Three Islands Boulevard Reuse Water Pipeline project, the Sewer Lift Station Number 2

**Business-type activities (Continued)**

Upgrade project, the Schaffer Canal Dredging and Stabilization project, the Department of Public Works Office Trailer Building project, the Department of Public Works Generator Pump Building Re-roofing project, and the Fleet Building Re-roofing project. These completed projects totaled \$8.9 million, which was then distributed as \$3.9 million to water infrastructure, \$2.7 million to sewer infrastructure, and \$1.6 million to stormwater infrastructure. Additionally, \$0.6 million in general government infrastructure and \$0.1 million of building improvements were transferred to Government-type activities, as noted in the previous section. These completions expanded and improved core infrastructure assets now subject to depreciation.

- With the transfer of the Cemetery enterprise fund to the General Fund, approximately \$0.4 million in capital assets, net of accumulated depreciation, was transferred into Governmental Activities from Business Activities as mentioned in the previous section.
- Vehicles and equipment had a net increase of \$1.3 million after accounting for \$1.5 million in vehicle and large truck purchases, \$0.8 million in equipment purchases, disposals with a \$0 netbook value impact, and \$0.9 million in current year depreciation.
- Infrastructure increased by a net amount of \$5.4 million. This net change consisted of \$0.2 million in purchased stormwater pipes, \$8.2 million from completed construction projects placed into service as described in the sections above, and \$0.5 million transferred from Government Activities completed construction projects, offset by \$3.5 million in current year depreciation. The net increase reflects continued enhancement and rehabilitation of the City's infrastructure systems.
- Depreciation expense resulted in declines of \$1.0 million in building, \$0.2 million in improvements other than buildings, and \$0.2 million in intangible assets.

Additional information can be found in Note 6 – Capital Assets of the financial statements on pages 80 and 82.

**Long-term debt.** As of September 20, 2025, the City had \$129.7 million in debt (bonds, notes, etc.) outstanding compared to the \$78.4 million in the prior year, resulting in an overall \$51.3 million increase.

The increase was primarily attributable to the issuance of \$58.8 million in the Utility System Revenue Note, Series 2024, along with \$2.3 million in related bond premium recorded at the issuance, partially offset by \$10.4 million in principal repayments and amortization of deferred premiums on all outstanding debt during the current year. The new Utility System Revenue Notes 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.

Also notable, subscription liabilities increased by \$0.8 million, representing the net effect of recording \$1.2 million in new SBITA arrangements in accordance with GASB Statement No. 96, partially offset by \$0.4 million in principal payments during FY 2025.

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 86 through 91.

**Long-term debt (Continued)**

	Bonded Debt, Notes and Lease Payable and Subscriptions (in thousands)					
	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenue bonds	\$ 10,315	\$ 12,150	\$ -	\$ -	\$ 10,315	\$ 12,150
General Obligation bonds	46,805	48,230	-	-	46,805	48,230
Notes payable	5,860	11,315	58,175	600	64,035	11,915
State Revolving Fund loan		-	1,271	1,321	1,271	1,321
Equipment financed purchase obligations	554	502	-	-	554	502
Subscription liabilities	1,025	218	-	-	1,025	218
Lease (right-of-use asset)	656	774	-	-	656	774
Deferred amounts - premium	2,842	3,267	2,240	-	5,082	3,267
<b>Total</b>	<b>\$ 68,057</b>	<b>\$ 76,456</b>	<b>\$ 61,686</b>	<b>\$ 1,921</b>	<b>\$ 129,743</b>	<b>\$ 78,377</b>

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. The City's Utility System Revenue Note, Series 2024 were rated AA and A1 by S&P Global Ratings and Moody's Ratings, respectively. 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 1<sup>st</sup> to September 30<sup>th</sup>. 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 2025-2026 increased by \$0.8 billion; a total of \$9.3 billion. New construction totaled \$265.0 million. As the City continues to invest in its infrastructure, this will attract more private investment, which will increase the City's tax base. Business cycles aside, an increasing tax base allows the City to annually maintain the service levels while maintaining a competitive tax rate.

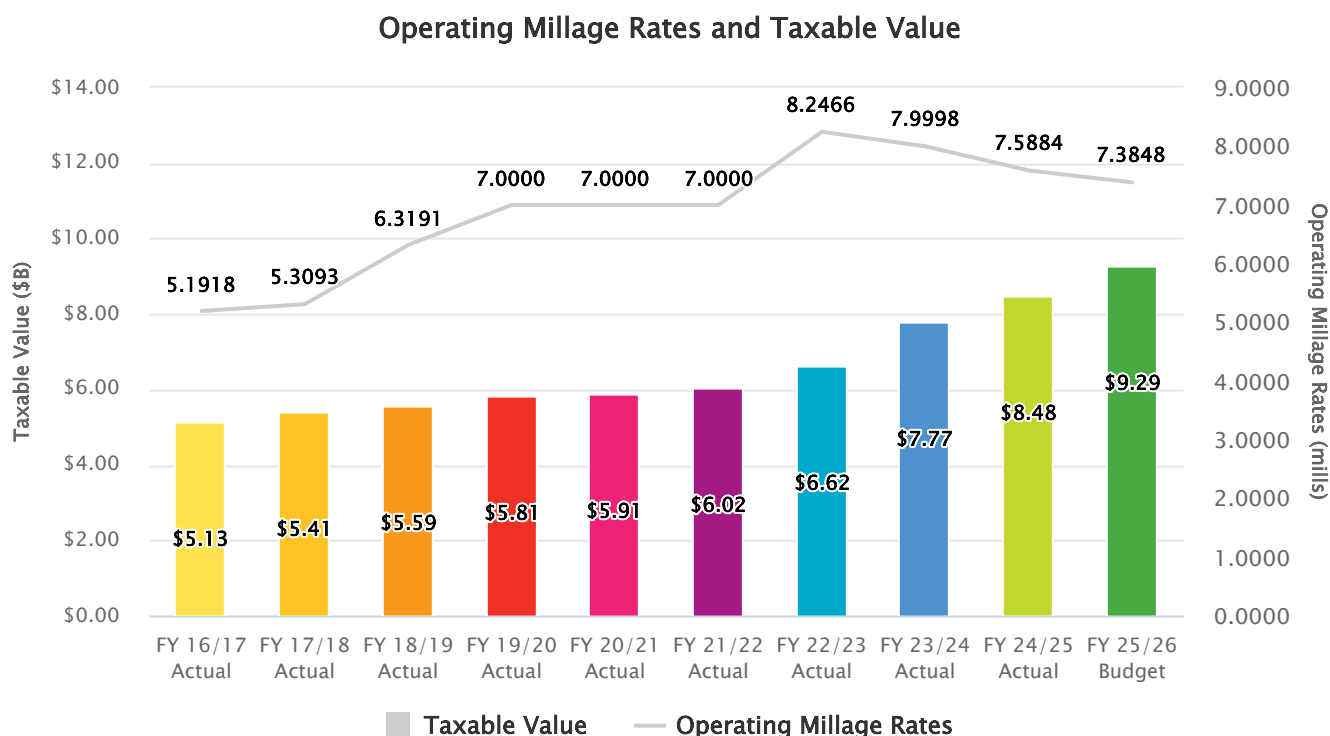
The adopted millage rates for fiscal year 2025-26 are as follows: General Fund operating millage (7.3848), Golden Isles Safe Neighborhood District millage rate (1.0934), Three Islands Safe Neighborhood District millage rate (0.4584) and voted debt service millage rate of (0.3490). There were no changes to the General Fund operating millage from the prior year. The adopted aggregate millage rate of 7.3848 is the rollback rate of 7.3848. 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 \$65.2 million in property taxes to support and maintain service levels for the City's residents. Property taxes support about 55.5% of the total adopted General Fund budget of \$117.5 million. Compared to the fiscal year 2024-2025 adopted debt service millage rate of (0.3824), the fiscal year 2025-2026 adopted debt service millage rate of (0.3490) represents a decrease of 0.0334 mills, or 8.7%. The decrease is due to increases in the adjusted taxable values. Compared to the fiscal year 2024-2025 Three Islands Safe Neighborhood District millage rate of (0.6600), the fiscal year 2025-2026 adopted millage

**Economic Factors and Next Year’s Budgets and Rates (Continued)**

rate of (0.4584) represents a decrease of 0.2016 mills, or 30.5%. The Golden Isles Safe Neighborhood District adopted millage rates remained unchanged when compared to prior year.

The total City of Hallandale Beach adopted budget for fiscal year 2025-2026 is \$273,867,787; this represents a 5.6% or a \$14.5 million increase over the fiscal year 2024-2025 adopted budget of \$259,326,913. The largest increases occur in the General Fund, driven by a \$17.2 million Tax Increment Financing payment to the HBCRA, rising BSO contract costs, and a strategic transfer to the Transportation Fund. The HBCRA budget increased by approximately \$5.6 million for ongoing redevelopment programs, utilizing \$25.4 million of carryover reserves.

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



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

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

**Contacting the City's Financial Management**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability. Additional Information is also available on the City's website at [www.cohb.org](http://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

2025



# Basic Financial Statements

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Annual Comprehensive Financial Report 2025

**Statement of Net Position**  
**September 30, 2025**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 153,207,088	\$ 77,397,945	\$ 230,605,033
Investments	-	29,148,017	29,148,017
Receivables, net of allowances	2,369,753	7,031,357	9,401,110
Lease receivable	3,671,205	-	3,671,205
Due from other governments	3,136,233	228,914	3,365,147
Inventories	266,733	556,649	823,382
Lease deposit	70,913	-	70,913
Prepays	30,012	-	30,012
Restricted assets:			
Cash and cash equivalents	16,936,888	3,681,163	20,618,051
Assets held for resale	2,347,382	-	2,347,382
Capital assets:			
Nondepreciable	50,538,022	27,452,064	77,990,086
Capital assets, net of accumulated depreciation/amortization	104,759,819	62,477,675	167,237,494
Intangible right-to-use assets, net of accumulated amortization	1,513,694	-	1,513,694
Total assets	<u>338,847,742</u>	<u>207,973,784</u>	<u>546,821,526</u>
<b>Deferred Outflows of Resources</b>			
Pensions - City	17,410,107	816,271	18,226,378
Pensions - FRS	4,977,942	1,706,607	6,684,549
OPEB	250,230	69,066	319,296
Excess benefit plan	657,083	-	657,083
Loss on refunding	169,310	-	169,310
Total deferred outflows of resources	<u>23,464,672</u>	<u>2,591,944</u>	<u>26,056,616</u>
<b>Liabilities</b>			
Accounts payable and accrued liabilities	5,955,329	7,339,740	13,295,069
Accrued interest	677,717	427,662	1,105,379
Deposits	380,799	1,708,463	2,089,262
Unearned revenues	833,535	-	833,535
Due to pension	30,000	-	30,000
Noncurrent liabilities:			
Due within one year	11,905,841	1,249,323	13,155,164
Due in more than one year	132,362,318	71,238,630	203,600,948
Total liabilities	<u>152,145,539</u>	<u>81,963,818</u>	<u>234,109,357</u>

The accompanying notes are an integral part of the financial statements

**Statement of Net Position  
September 30, 2025 (Continued)**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Deferred Inflows of Resources</b>			
Leases	3,336,310	-	3,336,310
Pensions - City	24,372,117	141,144	24,513,261
Pensions - FRS	2,450,777	840,210	3,290,987
OPEB	3,177,125	876,951	4,054,076
Total deferred inflows of resources	33,336,329	1,858,305	35,194,634
<b>Net Position</b>			
Net investment in capital assets	95,944,669	82,725,268	178,669,937
Restricted for debt service	673,289	22,606	695,895
Restricted for community redevelopment	45,363,074	-	45,363,074
Restricted for law enforcement	1,354,094	-	1,354,094
Restricted for safe neighborhood districts	1,449,501	-	1,449,501
Restricted for opioid litigation settlement	179,317	-	179,317
Restricted for transportation	4,845,105	-	4,845,105
Restricted for developer agreements	6,032,308	-	6,032,308
Restricted for traffic mitigation	1,063,790	-	1,063,790
Restricted for grants	42,297	-	42,297
Restricted for building permits function	10,644,681	-	10,644,681
Restricted for police outside services	22,197	-	22,197
Restricted for capital projects	7,094,259	-	7,094,259
Restricted for impact fees	-	1,972,700	1,972,700
Unrestricted	2,121,965	42,023,031	44,144,996
Total net position	\$ 176,830,546	\$ 126,743,605	\$ 303,574,151

The accompanying notes are an integral part of the financial statements

**Statement of Activities  
for the Fiscal Year Ended September 30, 2025**

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	\$ 26,257,979	\$ 6,387,736	\$ 294,024	\$ -	\$ (19,576,219)	\$ -	\$ (19,576,219)
Public safety	52,618,850	29,632,446	1,953,789	669,722	(20,362,893)	-	(20,362,893)
Physical environment	2,680,905	676,898	105,000	-	(1,899,007)	-	(1,899,007)
Transportation	6,048,714	2,317,264	2,046,396	2,666,250	981,196	-	981,196
Human services	2,672,935	-	601,813	-	(2,071,122)	-	(2,071,122)
Economic environment	7,458,857	544,382	-	-	(6,914,475)	-	(6,914,475)
Culture and recreation	8,363,705	889,865	-	-	(7,473,840)	-	(7,473,840)
Interest and other fiscal charges	2,794,846	-	-	-	(2,794,846)	-	(2,794,846)
Total governmental activities	108,896,791	40,448,591	5,001,022	3,335,972	(60,111,206)	-	(60,111,206)
Business-type activities:							
Utility	30,992,164	39,319,642	-	-	-	8,327,478	8,327,478
Sanitation	6,210,810	7,143,711	-	-	-	932,901	932,901
Stormwater drainage	5,268,122	5,717,020	-	228,914	-	677,812	677,812
Total business-type activities	42,471,096	52,180,373	-	228,914	-	9,938,191	9,938,191
Total	\$ 151,367,887	\$ 92,628,964	\$ 5,001,022	\$ 3,564,886	(60,111,206)	9,938,191	(50,173,015)
General revenues:							
Property taxes					78,309,353	-	78,309,353
Franchise and utility taxes					12,256,925	-	12,256,925
Sales taxes					3,181,171	-	3,181,171
Motor fuel taxes					1,058,916	-	1,058,916
Alcoholic beverage taxes					22,416	-	22,416
Intergovernmental revenue (not restricted to specific purpose)					1,618,552	-	1,618,552
Slot machine revenues					1,720,768	-	1,720,768
Impact fees					121,982	789,620	911,602
Unrestricted investment earnings					5,808,608	3,763,407	9,572,015
Miscellaneous revenue, unrestricted					600,616	-	600,616
Gain on sale of capital assets					176,447	56,217	232,664
Special items:							
PFAS Litigation Settlement					3,200,004	-	3,200,004
Transfers					(290,421)	290,421	-
Total general revenues, special items, and transfers					107,785,337	4,899,665	112,685,002
Change in net position					47,674,131	14,837,856	62,511,987
Net position, beginning					129,156,415	111,905,749	241,062,164
Net position, ending					\$ 176,830,546	\$ 126,743,605	\$ 303,574,151

The accompanying notes are an integral part of the financial statements

**Balance Sheet**  
**Governmental Funds**  
**September 30, 2025**

	General	Community Redevelopment Agency Fund	Grants Fund	General Obligation Bond Fund	Capital Projects Fund	Redevelopment Revenue Note Fund	Nonmajor Governmental Funds	Totals Governmental Funds
<b>Assets</b>								
Cash and cash equivalents	\$ 51,450,453	\$ 43,566,627	\$ 220,735	\$ -	\$ 12,310,531	\$ -	\$ 30,424,123	\$ 137,972,469
Receivables, net of allowances	1,614,725	605,262	-	11,078	-	-	138,688	2,369,753
Lease receivable	3,671,205	-	-	-	-	-	-	3,671,205
Due from other governments	1,321,360	-	1,686,368	-	-	-	128,505	3,136,233
Due from other funds	4,098,189	406,910	-	-	-	39,291	-	4,544,390
Inventories	266,733	-	-	-	-	-	-	266,733
Other assets	18,308	52,605	-	-	-	-	-	70,913
Assets held for resale	-	2,347,382	-	-	-	-	-	2,347,382
Restricted assets:								
Cash and cash equivalents	665,043	-	-	4,594,745	-	11,162,017	515,083	16,936,888
Total assets	<u>\$ 63,106,016</u>	<u>\$ 46,978,786</u>	<u>\$ 1,907,103</u>	<u>\$ 4,605,823</u>	<u>\$ 12,310,531</u>	<u>\$ 11,201,308</u>	<u>\$ 31,206,399</u>	<u>\$ 171,315,966</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>								
<b>Liabilities</b>								
Accounts payable and accrued liabilities	\$ 4,205,885	\$ 401,173	\$ 173,140	\$ 148,768	\$ 161,620	\$ 71,082	\$ 699,117	\$ 5,860,785
Due to other funds	73,498	1,193,717	1,470,684	1,457,014	-	41,453	331,250	4,567,616
Due to pension	30,000	-	-	-	-	-	-	30,000
Deposits	283,499	-	-	-	-	-	97,300	380,799
Unearned revenues	621,059	20,822	41,665	-	-	-	149,989	833,535
Total liabilities	<u>5,213,941</u>	<u>1,615,712</u>	<u>1,685,489</u>	<u>1,605,782</u>	<u>161,620</u>	<u>112,535</u>	<u>1,277,656</u>	<u>11,672,735</u>
<b>Deferred Inflows of Resources</b>								
Leases	3,336,310	-	-	-	-	-	-	3,336,310
Unavailable revenue	567,978	-	-	-	-	-	9,336	577,314
Total deferred inflows of resources	<u>3,904,288</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,336</u>	<u>3,913,624</u>
<b>Fund Balances</b>								
Nonspendable:								
Inventory	266,733	-	-	-	-	-	-	266,733
Leases	334,895	-	-	-	-	-	-	334,895

The accompanying notes are an integral part of the financial statements

**Balance Sheet  
Governmental Funds (Continued)  
September 30, 2025**

	General	Community Redevelopment Agency Fund	Grants Fund	General Obligation Bond Fund	Capital Projects Fund	Redevelopment Revenue Note Fund	Nonmajor Governmental Funds	Totals Governmental Funds
Restricted for:								
Assets held for resale	-	2,347,382	-	-	-	-	-	2,347,382
Long-term receivables	-	604,933	-	-	-	-	-	604,933
Community redevelopment	-	42,410,759	-	-	-	-	-	42,410,759
Debt service	158,206	-	-	-	-	-	515,083	673,289
Law enforcement	-	-	-	-	-	-	1,354,094	1,354,094
Developer agreements	1,675,000	-	-	-	-	-	4,357,308	6,032,308
Traffic mitigation	-	-	-	-	-	-	1,063,790	1,063,790
Transportation	-	-	-	-	-	-	4,845,105	4,845,105
Building permits function	-	-	-	-	-	-	10,644,681	10,644,681
Safe neighborhood districts	-	-	-	-	-	-	1,449,501	1,449,501
Opioid Litigation Settlement	-	-	179,317	-	-	-	-	179,317
Police outside services	-	-	-	-	-	-	22,197	22,197
Grant programs	-	-	42,297	-	-	-	-	42,297
Capital projects	-	-	-	3,000,041	-	11,088,773	5,588,364	19,677,178
Committed:								
Tree preservation	-	-	-	-	-	-	79,284	79,284
Renewal & replacement	3,547,807	-	-	-	-	-	-	3,547,807
Assigned:								
Fire equipment	861,365	-	-	-	-	-	-	861,365
Capital projects	1,395,249	-	-	-	12,148,911	-	-	13,544,160
General government	314,416	-	-	-	-	-	-	314,416
Public safety	119,090	-	-	-	-	-	-	119,090
Physical environment	22,500	-	-	-	-	-	-	22,500
Human services	9,659	-	-	-	-	-	-	9,659
Culture & recreation	103,883	-	-	-	-	-	-	103,883
PFAS Settlement	3,200,004	-	-	-	-	-	-	3,200,004
Unassigned	41,978,980	-	-	-	-	-	-	41,978,980
Total fund balances	53,987,787	45,363,074	221,614	3,000,041	12,148,911	11,088,773	29,919,407	155,729,607
Total liabilities, deferred inflows of resources and fund balances	\$ 63,106,016	\$ 46,978,786	\$ 1,907,103	\$ 4,605,823	\$ 12,310,531	\$ 11,201,308	\$ 31,206,399	\$ 171,315,966

The accompanying notes are an integral part of the financial statements

**Reconciliation of Governmental Funds Balance Sheet  
to the Statement of Net Position  
September 30, 2025**

Total fund balances for governmental funds		\$ 155,729,607
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	\$ 241,308,765	
Less accumulated depreciation and amortization	<u>(95,490,302)</u>	145,818,463
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.		
		577,314
Deferred outflows of resources are not current financial resources and therefore are not reported in the funds.		
Deferred outflows relating to pensions - City	17,289,248	
Deferred outflows relating to pensions - FRS	4,794,354	
Deferred outflows relating to OPEB	240,362	
Deferred outflows relating to the excess benefit plan	657,083	
Deferred outflows relating to the loss on refunding of debt	<u>169,310</u>	23,150,357
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.		
		22,337,270
Deferred inflows of resources are not available to pay for current expenditures and therefore are not reported in the funds.		
Deferred inflows relating to pensions - City	(24,351,219)	
Deferred inflows relating to pensions - FRS	(2,360,392)	
Deferred inflows relating to OPEB	<u>(3,051,840)</u>	(29,763,451)
Certain liabilities are not due and payable in the current period and are therefore not reported in the funds.		
Bond premium	(2,841,782)	
Bonds payable	(62,980,000)	
Equipment capital lease obligation	(554,201)	
Lease liability	(656,491)	
Subscription liability	(1,024,964)	
Accrued interest payable	(677,717)	
Total OPEB liability	(5,689,163)	
Total pension liability - excess benefit plan	(13,258,581)	
Net pension liability - City	(37,036,540)	
Net pension liability - FRS	(12,014,030)	
Compensated absences	<u>(4,285,545)</u>	(141,019,014)
Net position of governmental activities		<u>\$ 176,830,546</u>

The accompanying notes are an integral part of the financial statements

**Statement of Revenues, Expenditures, and  
Changes in Fund Balances  
Governmental Funds  
for the Fiscal Year Ended September 30, 2025**

	General	Community Redevelopment Agency Fund	Grants Fund	General Obligation Bond Fund	Capital Projects Fund	Redevelopment Revenue Note Fund	Nonmajor Governmental Funds	Totals Governmental Funds
<b>Revenues</b>								
Property taxes	\$ 47,525,294	\$ 14,571,822	\$ -	\$ -	\$ -	\$ -	\$ 4,312,526	\$ 66,409,642
Utility taxes	7,006,143	-	-	-	-	-	-	7,006,143
Charges for services	12,481,280	120,279	-	-	-	-	2,599,876	15,201,435
Licenses and permits	1,288,410	-	-	-	-	-	7,375,049	8,663,459
Intergovernmental	6,759,206	11,899,711	4,603,817	-	-	-	1,139,632	24,402,366
Franchise taxes	5,250,782	-	-	-	-	-	-	5,250,782
Fire assessments	12,195,807	-	-	-	-	-	-	12,195,807
Special assessments	-	-	-	-	-	-	6,920	6,920
Fines and forfeitures	2,162,137	-	-	-	-	-	28,810	2,190,947
Investment earnings	1,259,564	1,851,276	534,491	203,588	286,649	534,815	667,731	5,338,114
Slot machine revenues	1,340,738	-	-	-	-	-	-	1,340,738
Impact fees	-	-	-	-	-	-	121,982	121,982
Other revenues	1,556,968	424,103	9,653	-	-	-	2,101,548	4,092,272
Total revenues	<u>98,826,329</u>	<u>28,867,191</u>	<u>5,147,961</u>	<u>203,588</u>	<u>286,649</u>	<u>534,815</u>	<u>18,354,074</u>	<u>152,220,607</u>
<b>Expenditures</b>								
Current:								
General government	20,035,365	-	-	-	7,574	-	121,490	20,164,429
Public safety	53,827,944	-	15,027	-	-	-	7,444,626	61,287,597
Physical environment	2,514,201	-	201,103	-	-	-	-	2,715,304
Transportation	673,310	-	2,036,743	-	-	-	3,026,787	5,736,840
Economic environment	-	9,234,759	-	-	-	128,109	-	9,362,868
Culture and recreation	5,152,058	-	-	825	-	-	12,782	5,165,665
Human services	2,508,527	-	-	-	-	-	13,495	2,522,022
Debt service:								
Principal	414,159	5,564,428	-	-	-	-	3,558,336	9,536,923
Interest and other fiscal charges	19,954	1,101,797	-	-	-	-	2,110,544	3,232,295
Capital outlay	2,525,286	811,039	14,722	338,958	1,156,470	3,091,409	3,223,916	11,161,800
Total expenditures	<u>87,670,804</u>	<u>16,712,023</u>	<u>2,267,595</u>	<u>339,783</u>	<u>1,164,044</u>	<u>3,219,518</u>	<u>19,511,976</u>	<u>130,885,743</u>
Excess (deficiency) of revenues over (under) expenditures	<u>11,155,525</u>	<u>12,155,168</u>	<u>2,880,366</u>	<u>(136,195)</u>	<u>(877,395)</u>	<u>(2,684,703)</u>	<u>(1,157,902)</u>	<u>21,334,864</u>

The accompanying notes are an integral part of the financial statements

**Statement of Revenues, Expenditures, and  
Changes in Fund Balances  
Governmental Funds  
for the Fiscal Year Ended September 30, 2025 (Continued)**

	General	Community Redevelopment Agency Fund	Grants Fund	General Obligation Bond Fund	Capital Projects Fund	Redevelopment Revenue Note Fund	Nonmajor Governmental Funds	Totals Governmental Funds
<b>Other Financing Sources (Uses)</b>								
Transfers in	11,621,621	-	-	-	3,487,478	-	13,187,482	28,296,581
Transfers out	(16,369,382)	(1,167,635)	(3,663,217)	-	-	-	(1,887,757)	(23,087,991)
Issuance of debt - finance arrangements	518,983	-	-	-	-	-	-	518,983
Issuance of debt - SBITA	419,810	-	-	-	-	-	805,289	1,225,099
Proceeds from the sale of capital assets	87,496	-	-	-	-	-	-	87,496
Total other financing sources (uses)	<u>(3,721,472)</u>	<u>(1,167,635)</u>	<u>(3,663,217)</u>	<u>-</u>	<u>3,487,478</u>	<u>-</u>	<u>12,105,014</u>	<u>7,040,168</u>
<b>Special Items</b>								
PFAS Settlement	3,200,004	-	-	-	-	-	-	3,200,004
Net change in fund balances	<u>10,634,057</u>	<u>10,987,533</u>	<u>(782,851)</u>	<u>(136,195)</u>	<u>2,610,083</u>	<u>(2,684,703)</u>	<u>10,947,112</u>	<u>31,575,036</u>
<b>Fund balance, beginning of year</b>	<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>
<b>Fund balance, end of year</b>	<u>\$ 53,987,787</u>	<u>\$ 45,363,074</u>	<u>\$ 221,614</u>	<u>\$ 3,000,041</u>	<u>\$ 12,148,911</u>	<u>\$ 11,088,773</u>	<u>\$ 29,919,407</u>	<u>\$ 155,729,607</u>

The accompanying notes are an integral part of the financial statements

**Reconciliation of the Statement of Revenues, Expenditures,  
and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
for the Fiscal Year Ended September 30, 2025**

<b>Net change in fund balances - total governmental funds</b>		<b>\$ 31,575,036</b>
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.		
Expenditures for capital assets	\$ 11,161,800	
Less amortization/depreciation	<u>(7,933,250)</u>	3,228,550
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	(168,527)	
Net book value of intangible right-to-use assets disposed	(54,212)	
Capital assets transferred from business-type activities	1,085,786	
Capital assets transferred to business-type activities	<u>(518,413)</u>	344,634
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		52,643
Termination of subscription liabilities		61,483
Termination of equipment financed obligations		118,532
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.		
		(1,770,601)
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	347,933	
Issuance of debt - Equipment financed purchase	(518,983)	
Issuance of debt - Subscription liabilities	(1,225,099)	
Principal repayments on bonds and loans	8,715,000	
Principal repayments on Leases (right-to-use assets)	117,642	
Principal repayments on Subscription liabilities	<u>356,348</u>	7,792,841
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	91,674	
Change in deferred inflows and outflows relating to City pensions and the net pension liability	9,147,839	
Change in deferred inflows and outflows relating to FRS pension and the net pension liability	(850,188)	
Change in deferred inflows and outflows relating to excess benefits plan and the total pension liability	(1,038,088)	
Change in deferred inflows and outflows relating to OPEB and the total OPEB liability	57,555	
Change in compensated absences	(1,254,437)	
Transfer of net long term liabilities from business-type activities	(229,117)	
Amortization of deferred loss on refunding	(79,769)	
Amortization of bond premiums	<u>425,544</u>	6,271,013
Change in net position - governmental activities		<u>\$ 47,674,131</u>

The accompanying notes are an integral part of the financial statements

**Statement of Net Position  
Proprietary Funds  
September 30, 2025**

	Business-Type Activities – Enterprise Funds					Governmental Activities – Internal Service Funds
	Utility Fund	Sanitation Fund	Stormwater Drainage Fund	Nonmajor Cemetery Fund	Totals	
<b>Assets</b>						
Current assets:						
Cash and cash equivalents	\$ 55,663,636	\$ 4,709,271	\$ 17,025,038	\$ -	\$ 77,397,945	\$ 15,234,619
Investments	29,148,017	-	-	-	29,148,017	-
Restricted assets, cash	3,204,144	477,019	-	-	3,681,163	-
Receivables, net of allowances	5,962,922	548,054	520,381	-	7,031,357	-
Due from other governments	-	-	228,914	-	228,914	-
Due from other funds	-	-	-	-	-	23,226
Inventories	556,649	-	-	-	556,649	-
Prepays	-	-	-	-	-	30,012
Total current assets	<u>94,535,368</u>	<u>5,734,344</u>	<u>17,774,333</u>	<u>-</u>	<u>118,044,045</u>	<u>15,287,857</u>
Noncurrent assets:						
Capital assets:						
Nondepreciable	26,626,461	-	825,603	-	27,452,064	-
Capital assets, net of accumulated depreciation/ amortization	<u>34,802,798</u>	<u>759,819</u>	<u>26,915,058</u>	<u>-</u>	<u>62,477,675</u>	<u>10,993,072</u>
Total noncurrent assets	<u>61,429,259</u>	<u>759,819</u>	<u>27,740,661</u>	<u>-</u>	<u>89,929,739</u>	<u>10,993,072</u>
Total assets	<u>155,964,627</u>	<u>6,494,163</u>	<u>45,514,994</u>	<u>-</u>	<u>207,973,784</u>	<u>26,280,929</u>
<b>Deferred Outflows of Resources</b>						
Pensions - City	492,606	160,082	163,583	-	816,271	120,859
Pensions - FRS	1,230,690	341,720	134,197	-	1,706,607	183,588
OPEB	<u>47,116</u>	<u>15,330</u>	<u>6,620</u>	<u>-</u>	<u>69,066</u>	<u>9,868</u>
Total deferred outflows of resources	<u>1,770,412</u>	<u>517,132</u>	<u>304,400</u>	<u>-</u>	<u>2,591,944</u>	<u>314,315</u>
<b>Liabilities</b>						
Current liabilities:						
Accounts payable and accrued liabilities	6,373,833	126,187	839,720	-	7,339,740	94,544
Accrued interest	381,719	-	45,943	-	427,662	-
Compensated absences	<u>90,345</u>	<u>26,086</u>	<u>10,727</u>	<u>-</u>	<u>127,158</u>	<u>15,245</u>

The accompanying notes are an integral part of the financial statements

**Statement of Net Position  
Proprietary Funds  
September 30, 2025 (Continued)**

	Business-Type Activities – Enterprise Funds				Totals	Governmental Activities – Internal Service Funds
	Utility Fund	Sanitation Fund	Stormwater Drainage Fund	Nonmajor Cemetery Fund		
Notes payable	947,236	-	105,625	-	1,052,861	-
Accrued claims for self-insured risks	-	-	-	-	-	891,000
Total OPEB liability	47,278	15,383	6,643	-	69,304	9,901
Payable from restricted assets:						
Deposits	1,231,444	477,019	-	-	1,708,463	-
Total current liabilities	9,071,855	644,675	1,008,658	-	10,725,188	1,010,690
Noncurrent liabilities:						
Compensated absences	476,461	132,266	61,090	-	669,817	96,831
Accrued claims for self-insured risks	-	-	-	-	-	1,624,000
Notes payable	54,193,361	-	6,439,287	-	60,632,648	-
Net pension liability - City	2,470,740	802,916	820,475	-	4,094,131	606,187
Net pension liability - FRS	3,083,951	856,309	336,281	-	4,276,541	460,045
Total OPEB liability	1,067,961	347,480	150,052	-	1,565,493	223,653
Total noncurrent liabilities	61,292,474	2,138,971	7,807,185	-	71,238,630	3,010,716
Total liabilities	70,364,329	2,783,646	8,815,843	-	81,963,818	4,021,406
<b>Deferred Inflows of Resources</b>						
Pensions - City	85,178	27,680	28,286	-	141,144	20,898
Pensions - FRS	605,903	168,238	66,069	-	840,210	90,385
OPEB	598,244	194,651	84,056	-	876,951	125,285
Total deferred inflows of resources	1,289,325	390,569	178,411	-	1,858,305	236,568
<b>Net Position</b>						
Net investment in capital assets	54,241,376	759,819	27,724,073	-	82,725,268	10,993,072
Restricted for debt service	22,606	-	-	-	22,606	-
Restricted for impact fees	1,972,700	-	-	-	1,972,700	-
Unrestricted	29,844,703	3,077,261	9,101,067	-	42,023,031	11,344,198
Total net position	\$ 86,081,385	\$ 3,837,080	\$ 36,825,140	\$ -	\$ 126,743,605	\$ 22,337,270

The accompanying notes are an integral part of the financial statements

**Statement of Revenues, Expenses, and  
Changes in Net Position  
Proprietary Funds  
for the Fiscal Year Ended September 30, 2025**

	Business-Type Activities – Enterprise Funds				Totals	Governmental Activities – Internal Service Funds
	Utility Fund	Sanitation Fund	Stormwater Drainage Fund	Nonmajor Cemetery Fund		
<b>Operating Revenues</b>						
Charges for services	\$ 39,319,012	\$ 7,143,711	\$ 5,715,020	\$ -	\$ 52,177,743	\$ 10,395,844
Other revenues	630	-	2,000	-	2,630	-
Total operating revenues	<u>39,319,642</u>	<u>7,143,711</u>	<u>5,717,020</u>	<u>-</u>	<u>52,180,373</u>	<u>10,395,844</u>
<b>Operating Expenses</b>						
Personal services	7,889,298	1,824,900	1,153,727	-	10,867,925	1,460,454
Cost of sales and services	16,893,167	4,261,710	1,377,318	-	22,532,195	3,336,480
Claims expense	-	-	-	-	-	(132,281)
Depreciation and amortization	3,426,129	124,200	2,454,643	-	6,004,972	2,266,695
Total operating expenses	<u>28,208,594</u>	<u>6,210,810</u>	<u>4,985,688</u>	<u>-</u>	<u>39,405,092</u>	<u>6,931,348</u>
Operating income (loss)	<u>11,111,048</u>	<u>932,901</u>	<u>731,332</u>	<u>-</u>	<u>12,775,281</u>	<u>3,464,496</u>
<b>Nonoperating Revenues (Expenses)</b>						
Impact fees	789,620	-	-	-	789,620	-
Investment earnings	3,157,534	119,669	486,204	-	3,763,407	470,494
Interest expense	(2,783,571)	-	(282,434)	-	(3,066,005)	-
Capital assets transferred to governmental activities	(698,371)	-	-	(387,415)	(1,085,786)	-
Net long term liabilities transferred to governmental activities	-	-	-	229,117	229,117	-
Gain (loss) on disposal of capital assets	45,542	3,175	7,500	-	56,217	131,677
Total nonoperating revenues (expenses)	<u>510,754</u>	<u>122,844</u>	<u>211,270</u>	<u>(158,298)</u>	<u>686,570</u>	<u>602,171</u>
Income (loss) before transfers and capital contributions	<u>11,621,802</u>	<u>1,055,745</u>	<u>942,602</u>	<u>(158,298)</u>	<u>13,461,851</u>	<u>4,066,667</u>

The accompanying notes are an integral part of the financial statements

**Statement of Revenues, Expenses, and  
Changes in Net Position  
Proprietary Funds (Continued)  
for the Fiscal Year Ended September 30, 2025**

	Business-Type Activities – Enterprise Funds				Totals	Governmental Activities – Internal Service Funds
	Utility Fund	Sanitation Fund	Stormwater Drainage Fund	Nonmajor Cemetery Fund		
<b>Capital contributions and transfers</b>						
Capital grants and contributions	11,000	-	736,327	-	747,327	-
Transfer in	1,151,778	278,947	2,155,500	-	3,586,225	402,932
Transfer out	(2,134,650)	-	-	(822,897)	(2,957,547)	(6,240,200)
Total capital contributions and transfers	(971,872)	278,947	2,891,827	(822,897)	1,376,005	(5,837,268)
 Change in net position	 10,649,930	 1,334,692	 3,834,429	 (981,195)	 14,837,856	 (1,770,601)
 <b>Net position, beginning</b>	 75,431,455	 2,502,388	 32,990,711	 981,195	 111,905,749	 24,107,871
 <b>Net position, ending</b>	 \$ 86,081,385	 \$ 3,837,080	 \$ 36,825,140	 \$ -	 \$ 126,743,605	 \$ 22,337,270

The accompanying notes are an integral part of the financial statements

**Statement of Cash Flows  
Proprietary Funds  
for the Fiscal Year Ended September 30, 2025**

	Business-Type Activities – Enterprise Funds				Totals	Governmental Activities – Internal Service Funds
	Utility Fund	Sanitation Fund	Stormwater Drainage Fund	Nonmajor Cemetery Fund		
<b>Cash Flows from Operating Activities</b>						
Receipts from customers and users	\$ 39,541,128	\$ 7,167,026	\$ 5,701,788	\$ -	\$ 52,409,942	\$ 10,375,218
Payments to suppliers for goods, services, claims and administrative charges	(14,591,678)	(4,289,884)	(879,509)	-	(19,761,071)	(4,887,478)
Payments to employees	(7,919,547)	(2,316,608)	(1,118,189)	-	(11,354,344)	(1,363,468)
Net cash provided by operating activities	17,029,903	560,534	3,704,090	-	21,294,527	4,124,272
<b>Cash Flows from Noncapital Financing Activities</b>						
Transfers from other funds	1,151,778	278,947	2,155,500	-	3,586,225	402,932
Transfers to other funds	(2,134,650)	-	-	(595,134)	(2,729,784)	(6,240,200)
Net cash provided (used) by noncapital financing activities	(982,872)	278,947	2,155,500	(595,134)	856,441	(5,837,268)
<b>Cash Flows from Capital and Related Financing Activities</b>						
Acquisition and construction of capital assets	(18,531,733)	(278,947)	(1,476,438)	-	(20,287,118)	(2,253,102)
Proceeds from impact fees	789,620	-	-	-	789,620	-
Proceeds from sale of capital assets	46,750	3,175	7,500	-	57,425	255,030
Proceeds from capital debt	54,411,275	-	6,610,718	-	61,021,993	-
Capital contributions	-	-	-	-	-	-
Principal paid on long-term debt	(980,855)	-	(269,540)	-	(1,250,395)	-
Interest paid on long-term debt	(2,415,657)	-	(238,957)	-	(2,654,614)	-
Net cash provided (used) by capital and related financing activities	33,319,400	(275,772)	4,633,283	-	37,676,911	(1,998,072)
<b>Cash Flows from Investing Activities</b>						
Purchase of investments	(8,729,157)	(527,008)	(1,515,279)	-	(10,771,444)	(2,071,999)
Proceeds from sale of investments	7,439,421	528,703	1,510,406	-	9,478,530	2,065,336
Interest and investment income received	3,185,607	117,974	491,077	-	3,794,658	477,157
Net cash provided by investing activities	1,895,871	119,669	486,204	-	2,501,744	470,494
Net change in cash and cash equivalents	51,262,302	683,378	10,979,077	(595,134)	62,329,623	(3,240,574)

The accompanying notes are an integral part of the financial statements

**Statement of Cash Flows  
Proprietary Funds  
for the Fiscal Year Ended September 30, 2025 (Continued)**

	Business-Type Activities – Enterprise Funds				Totals	Governmental Activities – Internal Service Funds
	Utility Fund	Sanitation Fund	Stormwater Drainage Fund	Nonmajor Cemetery Fund		
<b>Cash and cash equivalents, beginning</b>	7,605,478	4,502,912	6,045,961	595,134	18,749,485	18,475,193
<b>Cash and cash equivalents, ending</b>	<u>\$ 58,867,780</u>	<u>\$ 5,186,290</u>	<u>\$ 17,025,038</u>	<u>\$ -</u>	<u>\$ 81,079,108</u>	<u>\$ 15,234,619</u>
<b>Reconciliation to Statement of Net Position:</b>						
Cash and cash equivalents	\$ 55,663,636	\$ 4,709,271	\$ 17,025,038	\$ -	77,397,945	\$ 15,234,619
Restricted assets, cash and cash equivalents	3,204,144	477,019	-	-	3,681,163	-
	<u>\$ 58,867,780</u>	<u>\$ 5,186,290</u>	<u>\$ 17,025,038</u>	<u>\$ -</u>	<u>\$ 81,079,108</u>	<u>\$ 15,234,619</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>						
Operating income (loss)	\$ 11,111,048	\$ 932,901	\$ 731,332	\$ -	12,775,281	\$ 3,464,496
Depreciation and amortization	3,426,129	124,200	2,454,643	-	6,004,972	2,266,695
Non-cash transfer of residual equity	-	-	-	1,354	1,354	-
(Increase) decrease in receivables	208,899	4,361	(15,232)	25,973	224,001	(20,626)
(Increase) decrease in prepaids and other assets	-	-	-	-	-	(1,177)
(Increase) decrease in inventories	(335,599)	-	-	221,053	(114,546)	-
(Increase) decrease in deferred outflows of resources	1,582,767	845,137	367,508	72,378	2,867,790	284,038
Increase (decrease) in accounts payable	2,637,088	(28,174)	497,809	(19,263)	3,087,460	(53,102)
Increase (decrease) in customer deposits	12,587	18,954	-	-	31,541	-
Increase (decrease) in compensated absences	205,552	56,991	23,325	(7,548)	278,320	59,455
Increase (decrease) in self insured claims liability	-	-	-	-	-	(1,629,000)
Increase (decrease) in total OPEB liability	(204,640)	(57,665)	(30,012)	-	(292,317)	(26,708)
Increase (decrease) in net pension liability	(1,734,474)	(1,369,112)	(344,109)	(141,542)	(3,589,237)	(240,365)
Increase (decrease) in deferred inflows of resources	120,546	32,941	18,826	(152,405)	19,908	20,566
Net cash provided (used) by operating activities	<u>\$ 17,029,903</u>	<u>\$ 560,534</u>	<u>\$ 3,704,090</u>	<u>\$ -</u>	<u>\$ 21,294,527</u>	<u>\$ 4,124,272</u>

The accompanying notes are an integral part of the financial statements

**Statement of Cash Flows  
Proprietary Funds  
for the Fiscal Year Ended September 30, 2025 (Continued)**

	Business-Type Activities – Enterprise Funds				Totals	Governmental Activities – Internal Service Funds
	Utility Fund	Sanitation Fund	Stormwater Drainage Fund	Nonmajor Cemetery Fund		
<b>Noncash Investing, Capital and Financing Activities</b>						
Undepreciated amounts on disposal of capital assets	\$ (1,208)	\$ -	\$ -	\$ -	(1,208)	\$ (123,353)
Unrealized gain (loss) on investments	(28,073)	(1,695)	(4,873)	-	(34,641)	(6,663)
Gain on debt refunding	1,729	-	897	-	2,626	-
Contributed capital from governmental activities	11,000	-	507,413	-	518,413	-
Contributed capital to governmental activities	(698,371)	-	-	-	(698,371)	-
	<u>\$ (714,923)</u>	<u>\$ (1,695)</u>	<u>\$ 503,437</u>	<u>\$ -</u>	<u>\$ (213,181)</u>	<u>\$ (130,016)</u>

The accompanying notes are an integral part of the financial statements

**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**September 30, 2025**

	<b>Custodial Funds</b>	<b>Pension Trust Funds</b>
<b>Assets</b>		
Cash and cash equivalents	\$ 483,477	\$ 6,776,150
State contributions receivable	-	146,234
Accrued interest and dividends	-	584,411
Due from city	-	30,000
Due from brokers	-	747,262
Prepays	-	7,926
Investments:		
Corporate bonds and notes	-	19,685,151
Equity securities	-	209,778,432
U.S. obligations	-	30,914,030
Hedge funds	-	14,341,841
Equity pooled separate accounts	-	42,934,820
Private equity fund	-	5,938,204
Fixed income pooled separate accounts	-	42,154,582
Real estate pooled separate accounts	-	6,233,579
Real estate funds	-	9,646,501
Domestic equity investment funds	2,430,916	-
International equity investment funds	1,169,923	-
Domestic fixed income investment fund	2,097,479	-
Total Investments:	5,698,318	381,627,140
Total assets	6,181,795	389,919,123
<b>Liabilities</b>		
Accounts payable	7,525	288,551
Refund of contributions payable	-	40,172
Due to brokers	-	656,476
Total liabilities	7,525	985,199
<b>Net Position</b>		
Restricted for:		
Pension benefits	5,698,318	388,933,924
Community partnerships	475,952	-
Total restricted net position	\$ 6,174,270	\$ 388,933,924

The accompanying notes are an integral part of the financial statements

**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**for the Fiscal Year Ended September 30, 2025**

	<u>Custodial Funds</u>	<u>Pension Trust Funds</u>
<b>Additions</b>		
Contributions:		
Employer	\$ -	\$ 13,064,836
Plan members	-	2,190,617
State of Florida	-	1,143,006
Donations and contributions	5,074	-
Total contributions	<u>5,074</u>	<u>16,398,459</u>
Investment income (loss):		
Interest and dividends	12,706	6,705,574
Net increase (decrease) in fair value of investments	533,866	27,309,668
Total investment income (loss)	546,572	34,015,242
Less: Investment expenses	-	(1,798,553)
Net investment income (loss)	<u>546,572</u>	<u>32,216,689</u>
Other income	-	50,140
Total additions	<u>551,646</u>	<u>48,665,288</u>
<b>Deductions</b>		
Benefits	657,083	25,177,032
Administrative expenses	-	354,585
Total deductions	<u>657,083</u>	<u>25,531,617</u>
Change in net position	(105,437)	23,133,671
Net position, beginning	6,279,707	365,800,253
Net position, ending	<u>\$ 6,174,270</u>	<u>\$ 388,933,924</u>

The accompanying notes are an integral part of the financial statements

2025



# Notes to Financial Statements

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Annual Comprehensive Financial Report 2025

## 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.

#### **Blended Component Units:**

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

## Note 1. Summary of Significant Accounting Policies (Continued)

### Golden Isles Safe Neighborhood District

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

### Three Islands Safe Neighborhood District

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

### Hallandale Beach Community Redevelopment Agency

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

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

### City of Hallandale Beach General Employees' Retirement Plan

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

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

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

## Note 1. Summary of Significant Accounting Policies (Continued)

### City of Hallandale Beach Professional/Management Retirement Plan

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

### **B. Government-Wide and Fund Financial Statements**

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

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

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

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

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

## Note 1. Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

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

The City implemented the following GASB Pronouncements in the fiscal year ended September 30, 2025:

GASB Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Effective October 1, 2024, the City adopted this statement using the facts and circumstances that existed at the beginning of the period of implementation.

GASB Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with information about risks related to a government's vulnerabilities due to certain concentrations or constraints that is essential to their analyses for making decisions or assessing accountability. This statement did not have an effect on the City's financial statements.

## Note 1. Summary of Significant Accounting Policies (Continued)

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

The City reports the following major governmental funds:

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

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

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

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

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

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

The City reports the following major enterprise funds:

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

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

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

Additionally, the City reports the following fund types:

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

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

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

## Note 1. Summary of Significant Accounting Policies (Continued)

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

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

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

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

### D. Deposits

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

### E. Investments

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

### F. Receivables and Payables

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

Receivables are recorded and where appropriate, an associated allowance for uncollectible accounts has been established in the related fund. All receivables are shown net of an allowance

**Note 1. Summary of Significant Accounting Policies (Continued)**

for uncollectible accounts. Based on past experience, the City deems all balances greater than 60 days to be uncollectible unless a lien can be placed against the property of the customer.

**G. Inventories/Prepays**

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

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

**H. Restricted Assets**

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

**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.

## Note 1. Summary of Significant Accounting Policies (Continued)

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

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

### J. Leases

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

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

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

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.

**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:

## Note 1. Summary of Significant Accounting Policies (Continued)

- 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. Subscription-Based Information Technology Arrangements (SBITA)

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

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

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

### L. Assets Held for Resale

The HBCRA acquires and develops property in economically depressed areas, for the intention of rendering the property suitable for economic development and then reselling or conveying it to private sector purchasers meeting certain criteria. Since these properties are acquired with the express intent of resale and/or development, they are reported at lower of cost/donated value or net realizable value. Assets donated from the City or other related entities are recorded at the carrying value of the

## Note 1. Summary of Significant Accounting Policies (Continued)

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.

### M. Compensated Absences

City employees are granted vacation pay, sick leave, and paid time off 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, sick-leave pay, and paid time off are paid upon an employee's termination. City employees also earn compensatory time to comply with the Fair Labor Standards Act.

The City recognizes a liability for compensated absences for leave time that (1) has been earned for services rendered, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used for time off, paid, or settled. Accumulated and unpaid vacation pay, sick leave, paid time off, and compensatory time 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

## Note 1. Summary of Significant Accounting Policies (Continued)

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.

### 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 Government Finance Officers Association.

The City met all of its fund balance targets at September 30, 2025.

### 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

## Note 1. Summary of Significant Accounting Policies (Continued)

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

### S. Pension Plans

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

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

### T. Other Post-Employment Benefits

The City is self-funded for other post-employment benefits in accordance with Florida Statutes. 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

**Note 1. Summary of Significant Accounting Policies (Continued)**

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

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

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

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

## Note 2. Property Taxes

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

The City is permitted by state law to levy taxes up to 10 mills of assessed valuation for the General Fund. Taxes were levied at 7.5884 mills, (1.0934) mills, and (0.4588) mills for the General Fund, the Golden Isles Safe Neighborhood District, and the Three Islands Safe Neighborhood District, respectively, for the 2024-2025 fiscal year.

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

## Note 3. Deposits and Investments

The City's cash, cash equivalents and investments consist of the following at September 30, 2025:

Cash and cash equivalents:	
Money market funds	\$ 3,179,007
Deposits with financial institutions	77,097,189
Florida PRIME	136,899,490
FL PALM	34,530,875
Total cash and cash equivalents	<u>251,706,561</u>
Investments:	
U.S. Government agencies	3,543,709
Corporate notes	8,508,470
U.S. Government treasuries	10,832,052
Asset-backed securities	6,263,786
Domestic equity investment funds	2,632,732
International equity investment funds	968,107
Domestic fixed income investment funds	2,097,479
Total investments	<u>34,846,335</u>
Total cash, cash equivalents, and investments	<u>\$ 286,552,896</u>

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

Amounts as presented on the entity wide Statement of Net Position:	
Cash and cash equivalents	\$ 230,605,033
Investments	29,148,017
Restricted cash and cash equivalents	20,618,051
Amounts as presented on the fiduciary Statement of Net Position:	
Cash and cash equivalents - custodial funds	483,477
Investments - custodial funds	5,698,318
Total cash, cash equivalents, and investments	<u>\$ 286,552,896</u>

### Note 3. Deposits and Investments (Continued)

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

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

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

The State Board of Administration (SBA) administers the Florida PRIME which is governed by Chapter 19-7 of the Florida Administrative Code and Chapters 218 and 215 of the Florida Statutes. These rules provide guidance and establish the policies and general operating procedures for the administration of the Florida PRIME. The Florida PRIME is not a registrant with the Securities and Exchange Commission (SEC); however, the Board has adopted operating procedures consistent with the requirements for a 2a-7 fund, which permits money market funds to use amortized cost to maintain a constant net asset value (NAV) of \$1 per share. As of September 30, 2025, Florida PRIME's rating by S&P was "AAAm" and the dollar weighted average days to maturity (WAM) of Florida PRIME was 47 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, 2025, FL PALM's rating by S&P was "AAAm" and the dollar weighted average days to maturity (WAM) of FL PALM was 43 days.

In accordance with GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, the City's investment in Florida PRIME and FL PALM meets the definition of qualifying investment pools that measure, for financial reporting purposes, all of its investments at amortized cost and should disclose the presence of any limitations or restrictions on withdrawals. As of September 30, 2025, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100% of their account values.

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

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

- Florida Local Government Surplus Funds Trust Fund ("SBA") – up to 25% of available funds

### Note 3. Deposits and Investments (Continued)

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

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

The City’s Professional/Management Retirement Plan and the General Employees Retirement Plan invests in insurance pooled separate accounts under a group annuity contract with an insurance company. As of September 30, 2025, 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>\$ 69,663,309</u>
Professional/Management Employees Retirement Plan	
Principal Financial Group	<u>\$ 21,659,672</u>

### Note 3. Deposits and Investments (Continued)

At September 30, 2025, the Police and Fire Retirement Plan's investment in the Lazard Global Listed Infrastructure Portfolio Institutional Fund accounted for 5.6% of the Plan's total investments.

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

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

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

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### Note 3. Deposits and Investments (Continued)

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

Summary of Investments and Interest Rate Risk	Investment Maturities (in Years)				
	Reported Value	Less than 1 Year	1 - 5 Years	6 - 10 Years	Greater than 10 Years
<u>City</u>					
U.S. Government agencies	\$ 3,543,709	\$ 872,020	\$ 2,591,323	\$ 80,366	\$ -
Corporate notes	8,508,470	923,027	7,585,443	-	-
U.S. Government treasuries	10,832,052	-	10,832,052	-	-
Asset-backed securities	6,263,786	4,192	6,009,108	250,486	-
Domestic fixed income investment funds	2,097,479	-	-	2,097,479	-
FL PALM	34,530,875	34,530,875	-	-	-
Florida PRIME	136,899,490	136,899,490	-	-	-
Total	<u>\$ 202,675,861</u>	<u>\$ 173,229,604</u>	<u>\$ 27,017,926</u>	<u>\$ 2,428,331</u>	<u>\$ -</u>
<u>Professional/Management Employees Retirement Plan</u>					
Fixed income pooled separate accounts	\$ 8,360,961	\$ -	\$ 696,382	\$ 7,664,579	\$ -
Total	<u>\$ 8,360,961</u>	<u>\$ -</u>	<u>\$ 696,382</u>	<u>\$ 7,664,579</u>	<u>\$ -</u>
<u>General Employees Retirement Plan</u>					
Fixed income pooled separate accounts	\$ 33,793,621	\$ -	\$ 2,824,420	\$ 30,969,201	\$ -
Total	<u>\$ 33,793,621</u>	<u>\$ -</u>	<u>\$ 2,824,420</u>	<u>\$ 30,969,201</u>	<u>\$ -</u>
<u>Police and Fire Retirement Plan</u>					
U.S. Treasury notes	\$ 20,569,938	\$ 245,170	\$ 14,438,892	\$ 5,885,876	\$ -
U.S. Treasury bonds	1,867,048	-	-	-	1,867,048
U.S. Government agencies	8,477,044	-	-	250,670	8,226,374
Corporate bonds	19,685,151	2,511,692	9,709,377	3,562,909	3,901,173
Total	<u>\$ 50,599,181</u>	<u>\$ 2,756,862</u>	<u>\$ 24,148,269</u>	<u>\$ 9,699,455</u>	<u>\$ 13,994,595</u>

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

### Note 3. Deposits and Investments (Continued)

As of September 30, 2025, 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, 2025:

Average Rating	Corporate Notes	U.S. Government Obligations	Asset-backed Securities	Domestic Fixed Income Investment Funds	FL PALM	Florida PRIME	Total
AAA	\$ 61,188	\$ -	\$ 3,867,947	\$ -	\$ 34,530,875	\$ 136,899,490	\$ 175,359,500
AA+	705,530	14,375,761	-	-	-	-	15,081,291
AA	65,441	-	-	-	-	-	65,441
AA-	1,566,315	-	-	-	-	-	1,566,315
A+	1,862,076	-	-	-	-	-	1,862,076
A	1,901,277	-	-	-	-	-	1,901,277
A-	2,180,934	-	-	-	-	-	2,180,934
Unrated	165,709	-	2,395,839	2,097,479	-	-	4,659,027
Total	<u>\$ 8,508,470</u>	<u>\$ 14,375,761</u>	<u>\$ 6,263,786</u>	<u>\$ 2,097,479</u>	<u>\$ 34,530,875</u>	<u>\$ 136,899,490</u>	<u>\$ 202,675,861</u>

Presented below is the minimum rating as required for each debt type instrument relating to the Police and Fire Retirement Plan's investments as of September 30, 2025:

Average Rating	Total
AAA	\$ 101,916
AA+	22,499,370
AA-	739,966
A+	37,906
A	1,281,962
A-	2,503,988
BBB+	5,331,341
BBB	4,218,765
BBB-	2,660,178
BB+	1,282,826
Unrated government securities	9,940,963
Total	<u>\$ 50,599,181</u>

### Note 3. Deposits and Investments (Continued)

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

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

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

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

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

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

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

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

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

**Note 3. Deposits and Investments (Continued)**

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

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

Equity securities, U.S. Treasury securities and domestic fixed income investment funds 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, and asset-backed securities classified in Level 2, are valued using pricing models maximizing the use of observable inputs for similar securities.

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

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

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### Note 3. Deposits and Investments (Continued)

The following table summarizes the valuation of the City's investments in accordance with the above mentioned fair value hierarchy levels as of September 30, 2025:

Investment	Fair Value at 9/30/2025	Level 1	Level 2	Level 3
Debt securities:				
U.S. Government agencies	\$ 3,543,709	\$ -	\$ 3,543,709	\$ -
Corporate notes	8,508,470	-	8,508,470	-
U.S. Government treasuries	10,832,052	-	10,832,052	-
Asset-backed securities	6,263,786	-	6,263,786	-
Domestic fixed income investment funds	2,097,479	2,097,479	-	-
Total debt securities	31,245,496	2,097,479	29,148,017	-
Equity securities:				
Domestic equity investment funds	2,632,732	2,632,732	-	-
International equity investment funds	968,107	968,107	-	-
Total equity securities	3,600,839	3,600,839	-	-
Total investments measured at fair value	34,846,335	<u>\$ 5,698,318</u>	<u>\$ 29,148,017</u>	<u>\$ -</u>
Investments not subject to level disclosure:				
Florida PRIME (exempt)	136,899,490			
FL PALM (exempt)	34,530,875			
Money market funds (exempt)	3,179,007			
Deposits with financial institutions (exempt)	77,097,189			
Total investments and cash equivalents	<u>\$ 286,552,896</u>			

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

### Note 3. Deposits and Investments (Continued)

As of September 30, 2025, 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	\$ 11,855,352	\$ -	Daily	1 Day
Fixed income pooled separate accounts	8,360,961	-	Daily	1 Day
Real estate pooled separate accounts	1,443,359	-	Daily	1 Day
Total investments measured at NAV	<u>\$ 21,659,672</u>	<u>\$ -</u>		

As of September 30, 2025, 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	\$ 31,079,468	\$ -	Daily	1 Day
Fixed income pooled separate accounts	33,793,621	-	Daily	1 Day
Real estate pooled separate accounts	4,790,220	-	Daily	1 Day
Total investments measured at NAV	<u>\$ 69,663,309</u>	<u>\$ -</u>		

Following is a description of the valuation methodologies related to the Police and Fire Retirement Plan, used for assets measured at fair value:

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

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

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

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

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

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

### Note 3. Deposits and Investments (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.

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, 2025:

Investment	Fair Value at 9/30/2025	Level 1	Level 2	Level 3
Debt securities:				
U.S. Government treasuries	\$ 22,436,986	\$ 20,569,938	\$ 1,867,048	\$ -
U.S. Government agencies	8,477,044	-	8,477,044	-
Corporate bonds	19,685,151	-	19,685,151	-
Total debt securities	50,599,181	20,569,938	30,029,243	-
Equity securities:				
Common stocks	163,003,029	163,003,029	-	-
Mutual funds	30,126,238	30,126,238	-	-
Total equity securities	193,129,267	193,129,267	-	-
Total investments measured at fair value	243,728,448	<u>\$ 213,699,205</u>	<u>\$ 30,029,243</u>	<u>\$ -</u>
Investments measured at NAV				
Real estate fund	9,646,501			
Private equity fund	5,938,204			
Hedge funds	14,341,841			
Infrastructure fund	16,649,165			
Total investments measured at NAV	46,575,711			
Investments not subject to level disclosure:				
Money market funds (exempt)	6,776,150			
Total investments and cash equivalents	<u>\$ 297,080,309</u>			

### Note 3. Deposits and Investments (Continued)

Investments Measured at NAV	Reported Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Real estate fund <sup>(1)</sup>	\$ 9,646,501	\$ -	Daily	24 Hours
Private equity fund <sup>(2)</sup>	5,938,204	1,876,101	N/A	N/A
Hedge fund <sup>(3)</sup>	14,341,841	-	Semiannual	95 Days
Infrastructure fund <sup>(4)</sup>	16,649,165	-	Daily	N/A
Total investments measured at NAV	<u>\$ 46,575,711</u>	<u>\$ 1,876,101</u>		

<sup>(1)</sup>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.

<sup>(2)</sup>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.

<sup>(3)</sup>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.

### 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, 2025, were as follows:

Governmental activities	General	Community Redevelopment Agency Fund	General Obligation Bond Fund	Nonmajor Funds	Internal Service Funds	Total Governmental Activities
Utility and sales tax	\$ 347,708	\$ -	\$ -	\$ -	\$ -	\$ 347,708
Franchise fees	1,181,938	-	-	-	-	1,181,938
Sales and user fees	161,392	-	-	-	-	161,392
Police outside services	-	-	-	146,793	-	146,793
Special assessments	-	-	-	6,920	-	6,920
Miscellaneous	201,790	329	-	-	197,979	400,098
Interest	-	1,701	11,078	-	-	12,779
CRA loans	-	864,733	-	-	-	864,733
Gross receivables	1,892,828	866,763	11,078	153,713	197,979	3,122,361
Less: allowance for uncollectibles	(278,103)	(261,501)	-	(15,025)	(197,979)	(752,608)
Net total receivables	<u>\$ 1,614,725</u>	<u>\$ 605,262</u>	<u>\$ 11,078</u>	<u>\$ 138,688</u>	<u>\$ -</u>	<u>\$ 2,369,753</u>

#### Note 4. Receivables (Continued)

**Affordable Housing Loan Program:** The HBCRA Affordable Housing Loan Program assists eligible homebuyers with the cost of constructing a new single-family home, condominium, or townhouse. The program provides gap funding and closing cost assistance of up to \$100,000 for affordable housing buyers. In addition, the program offers up to \$10,000 in down payment assistance for workforce housing buyers. Workforce housing buyers who are first responders, teachers, or nurses may qualify for an additional \$5,000 in assistance. Loan repayment is not required provided the buyer maintains the property as their primary residence (homesteads the property) for ten (10) years for affordable housing buyers and five (5) years for workforce housing buyers. Due to the nature of these loans and the uncertainty regarding the timing and amount of future collections, the CRA recognizes the full loan amount as an expenditure at the time of issuance.

Receivables for the City's business-type activities and each enterprise fund, with the related allowance for uncollectible accounts, as of September 30, 2025, were as follows:

<b>Business-type activities</b>	<b>Utility Fund</b>	<b>Sanitation Fund</b>	<b>Stormwater Drainage Fund</b>	<b>Total Business-Type Activities</b>
Water sales	\$ 3,384,360	\$ -	\$ -	\$ 3,384,360
Sewer service charges	2,971,655	-	-	2,971,655
Garbage and trash	-	759,560	-	759,560
Special trash	-	22,922	-	22,922
Recycling	-	23,385	-	23,385
Stormwater drainage	-	-	767,473	767,473
Interest receivable	-	-	-	-
Burial rights contracts	-	-	-	-
Other	23,518	-	-	23,518
Gross receivables	6,379,533	805,867	767,473	7,952,873
Less: allowance for uncollectibles	(416,611)	(257,813)	(247,092)	(921,516)
Net total receivables	\$ 5,962,922	\$ 548,054	\$ 520,381	\$ 7,031,357

#### 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, 2025 include the following:

<b>Governmental activities</b>	<b>General Fund</b>	<b>Grants Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Activities</b>	<b>Stormwater Drainage Fund</b>
Federal Government	\$ 30,313	\$ 1,540,809	\$ -	\$ 1,571,122	\$ 228,914
Florida Dept of Revenue	701,579	124,946	112,068	938,593	-
Local Governments	589,468	20,613	16,437	626,518	-
	\$ 1,321,360	\$ 1,686,368	\$ 128,505	\$ 3,136,233	\$ 228,914

## Note 6. Capital Assets

The following is a summary of capital asset activity for the year ended September 30, 2025:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers <sup>(1)</sup></u>	<u>Ending Balance</u>
<b>Governmental activities:</b>					
Capital assets, not being depreciated/amortized:					
Land	\$ 41,049,567	\$ 291,076	\$ -	\$ 375,478	\$ 41,716,121
Construction in progress	11,992,919	5,138,175	(8,500)	(8,300,693)	8,821,901
Total capital assets, not being depreciated/ amortized	53,042,486	5,429,251	(8,500)	(7,925,215)	50,538,022
Capital assets, being depreciated/amortized:					
Buildings	67,853,378	-	-	444,545	68,297,923
Improvements other than buildings	53,853,380	598,754	(195,045)	150,674	54,407,763
Vehicles and equipment	37,753,350	4,009,058	(3,874,615)	143,206	38,030,999
Intangibles	137,600	-	-	-	137,600
Right-to-use buildings	736,380	-	-	-	736,380
Right-to-use equipment	42,539	-	-	-	42,539
Right-to-use software	343,634	1,225,099	(133,553)	-	1,435,180
Infrastructure	38,565,537	2,152,740	-	7,981,697	48,699,974
Total capital assets, being depreciated/ amortized	199,285,798	7,985,651	(4,203,213)	8,720,122	211,788,358
Less accumulated depreciation/amortization for:					
Buildings	(31,085,551)	(2,714,482)	-	-	(33,800,033)
Improvements other than buildings	(21,775,140)	(2,452,279)	164,881	(150,674)	(24,213,212)
Vehicles and equipment	(23,126,719)	(3,639,085)	3,621,397	(76,860)	(23,221,267)
Intangibles	(32,091)	(27,520)	-	-	(59,611)
Right-to-use buildings	(77,729)	(147,276)	-	-	(225,005)
Right-to-use equipment	(4,821)	(8,508)	-	-	(13,329)
Right-to-use software	(118,208)	(423,204)	79,341	-	(462,071)
Infrastructure	(22,732,727)	(787,590)	-	-	(23,520,317)
Total accumulated depreciation/amortization	(98,952,986)	(10,199,944)	3,865,619	(227,534)	(105,514,845)
Total capital assets, being depreciated/ amortized, net	100,332,812	(2,214,293)	(337,594)	8,492,588	106,273,513
Governmental activities capital assets, net	<u>\$ 153,375,298</u>	<u>\$ 3,214,958</u>	<u>\$ (346,094)</u>	<u>\$ 567,373</u>	<u>\$ 156,811,535</u>

<sup>(1)</sup> Net transfers in of \$567,373 consist of \$518,413 in assets purchased by governmental activities which were contributed to enterprise funds, \$698,370 in assets constructed by enterprise funds which were contributed to governmental activities, and \$387,416 in Cemetery Fund assets, net of accumulated depreciation, transferred from business-type to governmental Activities. See note 7 regarding Cemetery Fund transfer.

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, 2025, \$10,993,072 of internal service fund related capital assets are included in the above amounts.

## Note 6. Capital Assets (Continued)

	Beginning Balance	Increases	Decreases	Transfers <sup>(1)</sup>	Ending Balance
<b>Business-type:</b>					
Capital assets, not being depreciated/amortized:					
Land	\$ 1,263,102	\$ -	\$ -	\$ (375,478)	\$ 887,624
Construction in progress	17,776,277	17,677,992	-	(8,889,829)	26,564,440
Total capital assets, not being depreciated/ amortized	19,039,379	17,677,992	-	(9,265,307)	27,452,064
Capital assets, being depreciated/amortized:					
Buildings	26,360,653	-	-	22,000	26,382,653
Improvements other than buildings	5,225,893	-	(7,696)	(134,637)	5,083,560
Vehicles and equipment	12,358,248	2,347,122	(838,799)	(88,797)	13,777,774
Intangibles	5,028,046	-	-	-	5,028,046
Infrastructure	101,861,561	262,003	-	8,671,834	110,795,398
Total capital assets, being depreciated/ amortized	150,834,401	2,609,125	(846,495)	8,470,400	161,067,431
Less accumulated depreciation/amortization for:					
Buildings	(20,296,752)	(1,080,221)	-	-	(21,376,973)
Improvements other than buildings	(3,604,678)	(233,437)	6,488	150,674	(3,680,953)
Vehicles and equipment	(9,545,079)	(991,008)	838,800	76,860	(9,620,427)
Intangibles	(361,643)	(176,379)	-	-	(538,022)
Infrastructure	(59,849,454)	(3,523,927)	-	-	(63,373,381)
Total accumulated depreciation/amortization	(93,657,606)	(6,004,972)	845,288	227,534	(98,589,756)
Total capital assets, being depreciated/ amortized, net	57,176,795	(3,395,847)	(1,207)	8,697,934	62,477,675
Business-type activities capital assets, net	<u>\$ 76,216,174</u>	<u>\$ 14,282,145</u>	<u>\$ (1,207)</u>	<u>\$ (567,373)</u>	<u>\$ 89,929,739</u>

<sup>(1)</sup> Net transfers out of \$567,373 consist of \$518,413 in assets purchased by governmental activities which were contributed to enterprise funds, \$698,370 in assets constructed by enterprise funds which were contributed to governmental activities, and \$387,416 in Cemetery Fund assets, net of accumulated depreciation, transferred from business-type to governmental Activities. See note 7 regarding Cemetery Fund transfer.

## Note 6. Capital Assets (Continued)

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

Governmental activities:			
General government		\$	3,871,264
Public safety			1,713,515
Physical environment			19,379
Transportation			641,770
Economic environment			437,638
Culture and recreation			3,515,232
Human services			1,146
Total depreciation and amortization expense - governmental activities		\$	<u>10,199,944</u>
Business-type activities:			
Utility		\$	3,426,129
Sanitation			124,200
Stormwater drainage			2,454,643
Total depreciation and amortization expense - business-type activities		\$	<u>6,004,972</u>

## Note 7. Interfund Activities

Interfund receivable and payable balances as of September 30, 2025 are as follows:

Due From	Due To					Total
	General	Community Redevelopment	Redevelopment Revenue Note Fund	Total Governmental Funds	General Liability	
General	\$ -	\$ 34,207	\$ 39,291	\$ 73,498	\$ -	\$ 73,498
Community Redevelopment	1,170,491	-	-	1,170,491	23,226	1,193,717
Grants	1,470,684	-	-	1,470,684	-	1,470,684
General Obligation Bond Fund	1,457,014	-	-	1,457,014	-	1,457,014
Redevelopment Revenue Note Fund	-	41,453	-	41,453	-	41,453
Nonmajor Governmental	-	331,250	-	331,250	-	331,250
Total	<u>\$ 4,098,189</u>	<u>\$ 406,910</u>	<u>\$ 39,291</u>	<u>\$ 4,544,390</u>	<u>\$ 23,226</u>	<u>\$ 4,567,616</u>

## Note 7. Interfund Activities (Continued)

Transfers: The composition of interfund transactions for the year ended September 30, 2025, is as follows:

	Transfers In							Total Transfers Out
	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Utility Fund	Sanitation Fund	Stormwater Fund	Internal Service Funds	
<b>Transfers Out</b>								
General Fund	\$ -	\$ 3,326,228	\$ 12,019,847	\$ -	\$ -	\$ 915,549	\$ 107,758	\$ 16,369,382
Community Redevelopment	-	-	1,167,635	-	-	-	-	1,167,635
Grants Fund	2,476,317	-	-	19,568	-	1,117,362	49,970	3,663,217
Nonmajor Governmental Funds	1,887,757	-	-	-	-	-	-	1,887,757
Utility Fund	2,134,650	-	-	-	-	-	-	2,134,650
Nonmajor Cemetery Fund	822,897	-	-	-	-	-	-	822,897
Internal Service Fund	4,300,000	161,250	-	1,132,210	278,947	122,589	245,204	6,240,200
<b>Total Transfers In</b>	<u>\$ 11,621,621</u>	<u>\$ 3,487,478</u>	<u>\$ 13,187,482</u>	<u>\$ 1,151,778</u>	<u>\$ 278,947</u>	<u>\$ 2,155,500</u>	<u>\$ 402,932</u>	<u>\$ 32,285,738</u>

The \$2,476,317 transfer into the General Fund from the Grants Fund represent reimbursements of \$1,489,900 for American Rescue Plan Act (ARPA) expenditures and \$986,417 for other grant related expenditures that were carried out and paid for by the General Fund.

The \$1,887,757 transfer into the General Fund from the nonmajor governmental funds represents a contribution of \$1,100,000 from Three Islands Safe Neighborhood District Fund for the Three Islands Traffic Calming Project and \$787,757 in unrestricted funds from the Developer Agreements Fund.

The \$4,300,000 transfer between the Internal Service Funds and General Fund represents the return of funds from the General Liability Trust Fund as a significant legal judgment against the City was reversed. The funds to cover the judgment were originally from the General Fund.

Transfers into the General Fund of \$2,134,650 from the Utility Fund represent payments in lieu of franchise fees (PILOFF) payments.

The General Fund transferred \$3,326,228 to the Capital Projects Fund to support various ongoing capital projects.

The Internal Service Funds transferred \$161,250 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 \$5,459,554 to support various operating costs and ongoing capital projects and \$5,434,140 for the Three Islands Traffic Calming Project.

Transfers from the Nonmajor Cemetery Fund to the General Fund of \$822,897 were primarily due to the transfer of residual equity associated with the transfer of cemetery operations to the General Fund. Due

**Note 7. Interfund Activities (Continued)**

to the measurement focus of the General Fund; long term obligations and the net book value of capital assets transferred totaling \$158,298 are reflected in the government-wide financial statements.

The transfers between the General Fund and Internal Service Funds of \$107,758 are related to vehicles that were purchased by the General Fund and transferred to the Fleet Fund for use.

The transfers between the Grants Fund and the Internal Service Funds of \$49,970 represent reimbursements for grant related expenditures that were carried out and paid for by the Fleet Fund.

The \$245,204 transfer within Internal Service Funds are related to vehicles that were purchased by the General Liability Trust Fund and transferred to the Fleet Fund for use.

The transfers between the Grants Fund and the Utility Fund of \$19,568 represent reimbursements for grant related expenditures that were carried out and paid for by the Utility Fund.

The transfers between the Internal Service Funds and the Utility Fund of \$1,132,210 are related to vehicles that were purchased by the Fleet Fund and transferred to the Utility Fund for use.

The transfers between the Internal Service Funds and the Sanitation Fund of \$278,947 are related to vehicles that were purchased by the Fleet Fund and transferred to the Sanitation Fund for use.

The transfers between the General Fund and the Stormwater Fund of \$915,549 are related to the following: \$415,549 for pump trucks that were purchased by the General Fund and transferred to the Stormwater Fund for use and \$500,000 to support various stormwater operating costs and capital outlay.

The transfers between the Grants Fund and the Stormwater Fund of \$1,117,362 represent reimbursements for grant related expenditures that were carried out and paid for by the Stormwater Fund.

The transfers between the Internal Service Funds and the Stormwater Fund of \$122,589 are related to vehicles that were purchased by the Fleet Fund and transferred to the Stormwater Fund for use.

During the year ended September 30, 2025, there was a net amount of \$567,373 relating to \$518,413 of assets purchased by governmental activities which were contributed to enterprise funds, \$698,370 of assets constructed by enterprise funds which were contributed to governmental activities, and \$387,416 in Cemetery Fund assets net of accumulated depreciation that were transferred from Business Activities to Governmental Activities. Refer to Note 6 for additional information.

## 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, 2025 were as follows:

<b>Governmental activities</b>	<b>General Fund</b>	<b>Community Redevelopment Agency Fund</b>	<b>Grants Fund</b>	<b>General Obligation Bond Fund</b>	<b>Capital Projects Fund</b>
Vendor payables	\$ 2,490,360	\$ 306,818	\$ 173,140	\$ 119,838	\$ 153,927
Retainage payable	-	50,470	-	28,930	7,693
Other liabilities	1,715,525	43,885	-	-	-
Total payables	<u>\$ 4,205,885</u>	<u>\$ 401,173</u>	<u>\$ 173,140</u>	<u>\$ 148,768</u>	<u>\$ 161,620</u>

	<b>Redevelopment Revenue Note Fund</b>	<b>Non-Major Funds</b>	<b>Internal Service Funds</b>	<b>Total Governmental Activities</b>
Vendor payables	\$ 71,082	\$ 563,473	\$ 65,890	\$ 3,944,528
Retainage payable	-	16,501	-	103,594
Other liabilities	-	119,143	28,654	1,907,207
Total payables	<u>\$ 71,082</u>	<u>\$ 699,117</u>	<u>\$ 94,544</u>	<u>\$ 5,955,329</u>

Accounts payable and accrued liabilities for the City's business-type activities, each major and nonmajor enterprise fund as of September 30, 2025 were as follows:

<b>Business-type activities</b>	<b>Utility Fund</b>	<b>Sanitation Fund</b>	<b>Stormwater Drainage Fund</b>	<b>Total Business-type Activities</b>
Vendor payables	\$ 4,888,924	\$ 79,651	\$ 793,433	\$ 5,762,008
Retainage payables	1,151,413	-	23,483	1,174,896
Accrued wastewater treatment expense	150,446	-	-	150,446
Other liabilities	183,050	46,536	22,804	252,390
Total payables	<u>\$ 6,373,833</u>	<u>\$ 126,187</u>	<u>\$ 839,720</u>	<u>\$ 7,339,740</u>

## Note 9. Long-Term Debt and Other Obligations

The following is a summary of long-term debt and other obligation transactions for the year ended September 30, 2025:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<u>Governmental activities:</u>					
Bonds Payable:					
Refunding revenue bonds - Series 2016	\$ 12,150,000	\$ -	\$ (1,835,000)	\$ 10,315,000	\$ 1,930,000
General Obligation bonds - Series 2016	48,230,000	-	(1,425,000)	46,805,000	1,500,000
Direct placements:					
HBCRA Redevelopment Revenue Note - Series 2020	8,165,000	-	(3,900,000)	4,265,000	4,265,000
HBCRA Redevelopment Revenue Note - Series 2015	3,150,000	-	(1,555,000)	1,595,000	1,595,000
Unamortized bond premium	3,267,326	-	(425,544)	2,841,782	-
	<u>74,962,326</u>	<u>-</u>	<u>(9,140,544)</u>	<u>65,821,782</u>	<u>9,290,000</u>
Other long-term liabilities:					
Equipment financed purchase obligations	501,685	518,983	(466,467)	554,201	281,152
Lease (right-of-use asset)	774,133	-	(117,642)	656,491	176,704
Subscription liabilities	217,695	1,225,099	(417,830)	1,024,964	388,249
Accrued claims for self-insured risks	4,144,000	-	(1,629,000)	2,515,000	891,000
Net pension liability (City Plans)	76,028,460	35,929,021	(74,314,754)	37,642,727	-
Net pension liability (FRS)	14,520,178	8,440,073	(10,486,176)	12,474,075	-
Total pension liability - excess benefit plan	12,208,191	1,695,171	(644,781)	13,258,581	-
Total OPEB liability	5,586,359	459,131	(122,773)	5,922,717	251,080
Compensated absences	3,076,181	4,989,152	(3,667,712)	4,397,621	627,656
	<u>117,056,882</u>	<u>53,256,630</u>	<u>(91,867,135)</u>	<u>78,446,377</u>	<u>2,615,841</u>
Governmental activities Long-term liabilities	<u>\$ 192,019,208</u>	<u>\$ 53,256,630</u>	<u>\$(101,007,679)</u>	<u>\$ 144,268,159</u>	<u>\$ 11,905,841</u>
<u>Business-type activities:</u>					
Bonds and notes payable:					
Revenue note - Series 2014	\$ 600,000	\$ -	\$ (600,000)	\$ -	\$ -
Revenue bonds - Series 2024	-	58,775,000	(600,000)	58,175,000	975,000
Unamortized bond premium	-	2,246,993	(7,440)	2,239,553	-
Direct Borrowings:					
State Revolving Fund Loan	1,321,350	-	(50,394)	1,270,956	77,861
	<u>1,921,350</u>	<u>61,021,993</u>	<u>(1,257,834)</u>	<u>61,685,509</u>	<u>1,052,861</u>
Other long-term liabilities:					
Net pension liability (City Plans)	6,883,954	2,467,914	(5,257,737)	4,094,131	-
Net pension liability (FRS)	5,075,955	2,518,690	(3,318,104)	4,276,541	-
Total OPEB liability	2,011,910	126,730	(503,843)	1,634,797	69,304
Compensated absences	518,655	1,021,989	(743,669)	796,975	127,158
	<u>14,490,474</u>	<u>6,135,323</u>	<u>(9,823,353)</u>	<u>10,802,444</u>	<u>196,462</u>
Business-type activities Long-term liabilities	<u>\$ 16,411,824</u>	<u>\$ 67,157,316</u>	<u>\$(11,081,187)</u>	<u>\$ 72,487,953</u>	<u>\$ 1,249,323</u>

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

The City had no open or unused lines of credit, or direct borrowing liabilities, as of September 30, 2025. The outstanding liabilities from direct placements was \$5,860,000 and \$1,270,956 for governmental activities and business-type activities, respectively.

### Governmental Activities

#### Revenue Bonds and Notes:

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

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

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

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

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

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

### 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 capital lease for accounting purposes, and therefore, has been recorded at the value of future minimum lease payments as of the date of its inception. The lease agreement carries a nominal interest rate of 3.867%. Principal and interest payments are due September 1 of each year, commencing September 1, 2020, and every year thereafter until the end of the lease term on September 1, 2026.

On June 30, 2022, the City entered into an agreement to finance a cloud service, software, devices, related supplies and professional services for a period of 5 years. The equipment portion of this agreement qualifies as a capital lease for accounting purposes and therefore, has been recorded at the value of future minimum lease payments as of the date of inception. The equipment acquired through the lease agreement were recorded under governmental activities as capital assets during the fiscal year 2023 with a cost of \$260,359. The lease agreement uses an incremental borrowing rate of 0.88 percent to 2.16%. Principal and interest payments are due on the 14<sup>th</sup> of every month, commencing on June 15, 2022, and every month thereafter until the end of the lease term on June 14, 2027. On December 11, 2024 the agreement was terminated and consolidated with the agreement discussed in the section below.

On December 11, 2024 the City entered into an agreement to finance a cloud service, software, devices, related supplies and professional services for a period of 4 years. The equipment portion of this agreement qualifies as a capital lease for accounting purposes and therefore, has been recorded at the value of future minimum lease payments as of the date of inception. The equipment acquired through the lease agreement were recorded under governmental activities as capital assets during the fiscal year 2025 with a cost of \$518,983. The lease agreement uses an incremental borrowing rate of 2.90%. Principal and interest payments are due March 15 of each year, commencing on March 15, 2025, and every year thereafter until the end of the lease term on March 14, 2029.

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, 2025, the City had three (4) active subscriptions. The subscriptions have payments that range from \$14,000 to \$250,000 and interest rates that range from 0.8760% to 3.5110%. As of September 30, 2025, the total combined value of the subscription liability is \$1,024,964, and the total combined value of the short-term subscription liability is \$388,249. The combined value of the right-to-use asset, as of September 30, 2025, is \$1,435,180 with accumulated amortization of \$462,071 is included within the Capital Assets rollforward table for Governmental Activities.

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

### 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. At September 30, 2025 the City had \$0 outstanding related to this bond as fiscal year 2025 was the final year of bond payments.

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 \$350,361, inclusive of \$559 capitalized interest as of September 30, 2025. 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 \$920,595, inclusive of \$9,753 capitalized interest, as of September 30, 2025. 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 2025.

Utility System Revenue Bonds: On December 12, 2024, the City authorized 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.

The Utility System Revenue Bonds, Series 2024 is subject to a fixed rate of interest equal to 3.99% and secured solely by pledged revenues and does not constitute a general obligation of the City. Pledged revenues include net revenues of the City's water, wastewater, and stormwater systems. Interest on the Series 2024 Bonds is to be paid semiannually on each February 1 and August 1, commencing February 1, 2025, and continuing until the Bonds are paid in full. The principal amount of the Series 2024 Bonds will be due and payable August 1, 2025, and each August 1 thereafter until the maturity date.

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

### Other Long-term Liabilities

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

A summary of annual debt service requirements as of September 30, 2025 is as follows:

Year Ending September 30,	Governmental Activities											
	Refunding Revenue Bonds Series 2016		HBCRA Redevelopment Revenue Note - Series 2015		General Obligation Bonds - Series 2016		HBCRA Redevelopment Revenue Note - Series 2020		Equipment Capital Lease Obligations		Subscription Liabilities	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 1,930,000	\$ 364,663	\$ 1,595,000	\$ 43,384	\$ 1,500,000	\$ 1,580,506	\$ 4,265,000	\$ 50,156	\$ 281,152	\$ 17,956	\$ 388,249	\$ 26,940
2027	2,025,000	265,788	-	-	1,570,000	1,505,506	-	-	88,433	7,916	399,533	17,147
2028	2,125,000	172,663	-	-	1,650,000	1,427,006	-	-	90,982	5,367	132,580	7,065
2029	480,000	125,363	-	-	1,735,000	1,344,506	-	-	93,634	2,714	104,602	3,032
2030	490,000	115,356	-	-	1,820,000	1,257,756	-	-	-	-	-	-
2031 - 2035	2,670,000	333,800	-	-	10,145,000	5,243,081	-	-	-	-	-	-
2036 - 2040	595,000	8,925	-	-	11,760,000	3,627,431	-	-	-	-	-	-
2041 - 2045	-	-	-	-	13,640,000	1,750,425	-	-	-	-	-	-
2046 - 2046	-	-	-	-	2,985,000	93,283	-	-	-	-	-	-
	<u>\$ 10,315,000</u>	<u>\$ 1,386,558</u>	<u>\$ 1,595,000</u>	<u>\$ 43,384</u>	<u>\$ 46,805,000</u>	<u>\$ 17,829,500</u>	<u>\$ 4,265,000</u>	<u>\$ 50,156</u>	<u>\$ 554,201</u>	<u>\$ 33,953</u>	<u>\$ 1,024,964</u>	<u>\$ 54,184</u>

Year Ending September 30,	Business-Type Activities			
	Revenue Bond Series 2024		Direct Borrowing State Revolving Loan	
	Principal	Interest	Principal	Interest
2026	\$ 975,000	\$ 2,537,600	\$ 77,861	\$ 12,915
2027	1,025,000	2,488,850	78,688	12,087
2028	1,075,000	2,437,600	79,525	11,251
2029	1,130,000	2,383,850	80,371	10,405
2030	1,185,000	2,327,350	81,226	9,550
2031 - 2035	6,885,000	10,685,500	419,291	34,588
2036 - 2040	8,785,000	8,783,250	364,554	12,799
2041 - 2045	10,990,000	6,578,200	89,440	806
2046 - 2050	13,365,000	4,197,400	-	-
2051 - 2054	12,760,000	1,301,000	-	-
	<u>\$ 58,175,000</u>	<u>\$ 43,720,600</u>	<u>\$ 1,270,956</u>	<u>\$ 104,401</u>

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

**Pledged Revenue:** General long-term debt bonds and the notes are collateralized by multiple sources. The City has pledged certain revenue to repay revenue bonds and the notes outstanding as of September 30, 2025. 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, 2025:

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	\$ 36,541,821	\$ 2,293,788	6.28%	\$ 11,701,558	2036
General Obligation Bonds - Series 2016	Ad Valorem	47,525,294	3,076,756	6.47%	64,634,500	2046
HBCRA Redevelopment Revenue Note - Series 2015	Tax Increment and Water Public Service Tax	28,505,695	1,640,680	5.76%	1,638,384	2026
HBCRA Redevelopment Revenue Note - Series 2020	Tax Increment	26,471,533	4,046,177	15.29%	4,315,156	2026
Business-type Activities:						
Revenue Note, Series 2024	Net revenues of water, sewer and stormwater utility	17,723,152	2,233,279	12.60%	101,895,600	2054
State Revolving Fund Loan	Net revenues of water and sewer utility, less payment of senior obligations	11,024,587	90,776	0.82%	1,375,357	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, 2025, \$5,390,000 of bonds outstanding are considered defeased.

## 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, 2025, the City had four (4) active leases. The leases have receipts that range from \$12,113 to \$88,000 and interest rates that range from 0.4750% to 1.8820%. As of 09/30/2025, the total

## Note 10 – Leases (Continued)

combined value of the lease receivable is \$3,671,205, the total combined value of the short-term lease receivable is \$124,297, and the combined value of the deferred inflow of resources is \$3,336,310. The leases had \$178,585 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, 2025, were as follows:

For the Fiscal Year Ending September 30,	Governmental Activities		
	Principal	Interest	Total Payments
2026	\$ 124,297	\$ 64,220	\$ 188,517
2027	120,944	62,142	183,086
2028	129,044	59,994	189,038
2029	132,494	57,734	190,228
2030	138,800	55,429	194,229
2031-2035	863,596	234,813	1,098,409
2036-2040	903,837	153,968	1,057,805
2041-2045	934,413	72,970	1,007,383
2046-2050	112,015	25,368	137,383
2051-2055	123,058	14,324	137,382
2056-2060	88,707	2,881	91,588
Total	<u>\$ 3,671,205</u>	<u>\$ 803,843</u>	<u>\$ 4,475,048</u>

### Leases (right-to-use asset)

As of September 30, 2025, the City had two (2) active leases. The leases have payments that range from \$9,000 to \$133,273 and interest rates that range from 2.3123% to 2.3123%. As of 09/30/2025, the total combined value of the lease liability is \$656,491, the total combined value of the short-term lease liability is \$176,704. The combined value of the right to use asset, as of September 30, 2025 of \$778,919 with accumulated amortization of \$238,334, 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, 2025, are as follows:

For the Fiscal Year Ending September 30,	Governmental Activities		
	Principal	Interest	Total Payments
2026	\$ 176,704	\$ 13,325	\$ 190,029
2027	185,408	9,147	194,555
2028	194,429	4,765	199,194
2029	99,950	675	100,625
Total	<u>\$ 656,491</u>	<u>\$ 27,912</u>	<u>\$ 684,403</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.

#### Investments

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

#### Administrative Expenses

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

#### Risks and Uncertainties

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

## Note 11. City Pension Plans (Continued)

### **General Employees' Retirement Plan**

Plan Description: The City of Hallandale Beach Retirement Plan is a single-employer defined-benefit plan. The Plan covered all City employees except police officers, firefighters and management/professional employees. Effective October 1, 2007, the Plan was closed to new non-bargaining employees. Effective January 5, 2011, the Plan was closed to new bargaining employees. Accordingly, no new participants have entered the Plan after January 5, 2011. The City does not issue a stand-alone financial report for the Plan. As of September 30, 2025, employee membership data related to the plan was as follows:

Inactive plan members or beneficiaries currently receiving benefits	168
Inactive plan members entitled to, but not receiving benefits	54
Active plan members	43
Total	<u>265</u>

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

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

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

The Deferred Retirement Option Plan (DROP) is available to all plan members who have become eligible for early or normal retirement. Upon electing to participate in the DROP, members are considered to have retired for pension purposes but continue to remain in active employment with the City. The member's pension benefit is calculated as if they actually retired on the date of DROP participation, using continuous service, average monthly earnings, and the current multiplier as of that date. However, instead of paying the benefit to the member, a DROP account is established, and the benefit is deposited into the account every month for up to five years. These deposits continue to accumulate interest. Upon actual termination of employment, members shall receive their normal retirement benefits and may elect to receive their funds from the DROP account in a lump sum distribution or roll their account balance into a qualified instrument. At September 30, 2025, there were 14 DROP participants, with a total balance of \$1,876,943. These funds are included in the Plan's Fiduciary Net Position.

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

## Note 11. City Pension Plans (Continued)

The employees, in accordance with City ordinance, made contributions for the year ending September 30, 2025 totaling \$117,812. Employer contributions for the same period, as determined by the October 1, 2021 actuarial valuation, totaled \$2,924,166, 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, 2025 and 2024, are as follows.

Asset Class	Target Allocation	
	2025	2024
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 eligible police officers and firefighters. As a result of an agreement between the City and the Broward Sheriff Office (BSO), all City firefighters became employees of BSO effective January 1, 2020. Upon becoming employees of BSO, firefighters employed by the City on December 31, 2019 had the option to remain in this Plan or enroll in the Florida Retirement System for future service at BSO. The Plan became closed to new firefighters effective January 1, 2020.

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, 2025, 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	35
Active plan members	107
Total	360

Benefits Provided: The Plan provides retirement, death, and disability benefits. Benefits vest after ten years of service. Employees who retire at or after age 52 with ten years of credited service, or upon completion of 25 years of credited service regardless of age, are entitled to an annual retirement benefit payable monthly for life. The benefit equals 3.2% (Tier I) or 3.0% (Tier II) of final average compensation times years of credited service. For Tier I firefighters, the rate is 3.2% times years of service prior to January 4, 2020 and 3.0% thereafter. Benefits may not exceed 80% (Tier I) or 75% (Tier II) of final average compensation. Employees with ten years of credited service may retire at or after age 45 with reduced benefits. The Plan also includes a Deferred Retirement Option Plan (DROP), Medical Stipend, Cost of Living Adjustment, and Additional Accrual Service purchase provisions.

## Note 11. City Pension Plans (Continued)

Final average compensation for Police Tier I members is based on the highest four full calendar years of monthly pensionable earnings. Members who retired prior to January 1, 2025 with normal retirement were able to select an average final compensation of either the highest four calendar year average or last two calendar years prior to retirement. Final average compensation for Police Tier II members is the average of the five most recent calendar years of pensionable earnings.

As a result of an agreement between the City and the Broward Sheriff's Office (BSO), all City firefighters became employees of BSO effective January 4, 2020. Upon becoming employees of BSO, firefighters employed by the City prior to the effective date had the option to remain in the City's Plan or enroll in the Florida Retirement System for future service at BSO. The Plan became closed to new firefighters effective January 4, 2020. For Tier I firefighters in the Plan, final average compensation is based on the highest five years of the last ten years of credited service (including BSO service), but not less than the average of the two most recent calendar years before January 4, 2020. Firefighters with ten or more years of credited service as of December 31, 2019 who elected to enroll in the Florida Retirement System after the merger with BSO are entitled to receive normal retirement benefits based on the average of their five highest years of earnings (including earnings from the City, BSO, or a combination), upon attaining 25 years of combined service regardless of age, or upon reaching age 52 with ten or more years of credited service. Such participants may receive an in-service distribution upon reaching normal retirement eligibility without separating from BSO employment.

The maximum annual service retirement benefit payable to firefighter members, excluding COLAs and the health care stipend, shall not exceed \$100,000 (increasing by 2% every two years effective January 1, 2021 until reaching \$125,000) or the maximum percentage of average final compensation. In no event shall a firefighter's normal retirement benefit, including the health care stipend, be less than 2.75% for all years of credited service. All earnings considered pensionable by the Florida Retirement System are pensionable under this Plan for firefighters who elected to continue participating after January 1, 2020, except overtime is limited to 300 hours per fiscal year, payments for accrued unused sick and annual leave are excluded, and wages earned for details are not pensionable.

Participants are eligible for early retirement upon attaining age 45 with 10 years of continuous service. Early retirement benefits may be received immediately, reduced by 0.5% for each month that benefit commencement precedes the normal retirement date, or deferred to the normal retirement date based on compensation at the date of separation.

Participants are eligible for duty disability benefits regardless of length of service and for non-duty disability after 10 years of credited service. Duty disability benefits equal 75% of pensionable earnings, integrated with social security, with a minimum of 42% of pensionable earnings. Non-duty disability benefits equal 3.2% of final average compensation multiplied by the number of years of credited service, with a minimum of the greater of the member's accrued retirement benefit or 25% of final average compensation and maximum of 50% of final average compensation. Disability benefits are payable for life or until recovery.

Service-incurred death benefits provide the beneficiary with a monthly benefit equal to the greater of 30% of the member's rate of pensionable earnings at the time of death or the accrued monthly retirement benefit at the time of death. For non-service incurred deaths with 10 or more years of credited service, the benefit equals the accrued monthly retirement benefit paid on a ten-year certain and life basis. If no beneficiary is designated, benefits are payable for 120 months to the estate of the deceased member.

**Note 11. City Pension Plans (Continued)**

The DROP is available to Tier I police and Tier I firefighters upon the earlier of age 52 with 20 years of credited service (including purchases of service credit and buyback), completion of 25 years of credited service (including purchases of service credit and buyback) regardless of age, or when the maximum benefit is reached (80% benefit accrual limitation). Effective April 15, 2021, Tier II police members are eligible upon completion of 25 years of credited service (including the purchase of service time) regardless of age. Tier II firefighters are not eligible for the DROP. Maximum participation is five years. Tier 1 members' DROP accounts earn interest credits equal to the net market rate of return on pension plan investments during the preceding plan year, with a minimum of 0% and maximum of 6%. Tier 2 police officers' DROP accounts earn interest credit based on the net plan earnings on DROP balances with no guarantee of returns. An administrative fee of 0.5% is assessed on DROP account balances. As of September 30, 2025, there were 12 active employees in the DROP. The DROP account balance for both active and retired participants was \$32,712,397, which is 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, provided the Consumer Price Index for Urban Areas (CPI-U) is equal to or greater than 0.5% for the 12-month period ending September 30. There is no automatic COLA for police officers or firefighters hired on or after those dates. Eligible Tier I police members are subject to benefit caps of \$110,000 (subject to the 80% of average final compensation cap), with up to eight 2% COLA increases available after reaching the cap. Tier II police members are subject to a benefit cap of \$110,000 (subject to the 75% of average final compensation cap). Tier 1 firefighters receive a prorated 2% annual COLA on service before August 7, 2013, eight annual COLAs on service between August 7, 2013 and January 1, 2020, and no COLA for service on or after January 1, 2020. Tier 2 firefighters are not eligible for a COLA.

Contributions: The Plan's funding policy provides for periodic employer contributions at actuarially determined rates, expressed as percentages of annual covered payroll, sufficient to accumulate 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. Police officers contribute 11.5% of pensionable compensation. Firefighters who elected to continue participating in this Plan after January 4, 2020 contribute 11.25% of pensionable compensation (increased from 10.75% effective January 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 on certain property insurance premiums on property within the City. This amount totaled \$1,143,006 for the year ended September 30, 2025. This amount was recognized as an expenditure and revenue in the General Fund. Contributions for year ended September 30, 2025, consisting of \$10,637,483 for the employer, or 102% of the required employer contribution, and \$2,063,231 for the employees, were made in accordance with the state statutes and in accordance with actuarially determined contribution requirements determined through an actuarial valuation performed at October 1, 2023.

## Note 11. City Pension Plans (Continued)

Target Allocations: The Plan's investment policy establishes authorized investment classes, concentration limits, maturity constraints, investment ratings, and liquidity parameters. The policy and actual investment mix is monitored by the Board and the Plan's investment consultants. The target asset allocations as determined through monitoring for the years ended September 30, 2025 and 2024, are as follows.

Asset Class	Target Allocation	
	2025	2024
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, 2025, 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

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.

**Note 11. City Pension Plans (Continued)**

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, 2025, there was five DROP participants, with a total asset balance of \$435,463. These funds are included in the Plan's Fiduciary Net Position.

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

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

The employees, in accordance with plan documents, made contributions for the year ended September 30, 2025, totaling \$9,574. Employer contributions for the same period, as determined by the October 1, 2021 actuarial valuation totaled \$646,193, or 100% of the actual amount required. Payments of contributions, benefits and refunds are recognized in the financial statements as they are paid.

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## Note 11. City Pension Plans (Continued)

Target Allocations: The Plan's investment policy establishes authorized investment classes, concentration limits, maturity constraints, investment ratings, and liquidity parameters. The policy and actual investment mix is monitored by the Board and the Plan's investment consultants. The target asset allocations as determined through monitoring for the years ended September 30, 2025 and 2024, are as follows.

Asset Class	Target Allocation	
	2025	2024
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%

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## 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, 2025

	General Employees' Pension Fund	Professional/ Management Pension Fund
Assets		
Investments:		
Equity pooled separate accounts	\$ 31,079,468	\$ 11,855,352
Fixed income pooled separate accounts	33,793,621	8,360,961
Real estate pooled separate accounts	4,790,220	1,443,359
Total investments	69,663,309	21,659,672
Total assets	69,663,309	21,659,672
Liabilities		
Accounts payable:	-	-
Net position		
Restricted for pension benefits	\$ 69,663,309	\$ 21,659,672
Additions		
Contributions:		
Employer	\$ 2,924,166	\$ 646,193
Plan members	117,812	9,574
Total contributions	3,041,978	655,767
Investment income (loss):		
Net increase (decrease) in fair value of investments	5,244,731	1,837,144
Less: Investment expenses	(27,627)	(12,770)
Net investment income (loss)	5,217,104	1,824,374
Total additions	8,259,082	2,480,141
Deductions		
Benefits	5,111,553	1,409,297
Administrative expenses	66,650	53,173
Total deductions	5,178,203	1,462,470
Change in net position	3,080,879	1,017,671
Net position, beginning	66,582,430	20,642,001
Net position, ending	\$ 69,663,309	\$ 21,659,672

## 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, 2025 were as follows for the General Employees' Retirement Plan:

	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net Pension Liability (a-b)</u>
<b>Balances at 9/30/24</b>	\$ 79,916,331	\$ 58,318,859 *	\$ 21,597,472
<b>Changes for the year:</b>			
Service cost	733,421	-	733,421
Interest on total pension liability	4,892,654	-	4,892,654
Differences between expected and actual experience	448,567	-	448,567
Change in assumptions	(410,500)	-	(410,500)
Benefit payments, including refunds of employee contributions	(4,331,445)	(4,331,445)	-
Contributions - employer	-	2,104,620	(2,104,620)
Contributions - employee	-	134,220 *	(134,220)
Net investment income	-	10,412,675 *	(10,412,675)
Administrative expenses	-	(56,499)	56,499
<b>Net change</b>	<u>1,332,697</u>	<u>8,263,571</u>	<u>(6,930,874)</u>
<b>Balances at 9/30/25</b>	<u>\$ 81,249,028</u>	<u>\$ 66,582,430</u>	<u>\$ 14,666,598</u>

#### Notes to the Schedule

\*Differences between the actuarial and actual beginning Plan fiduciary net position, employee contributions, and net investment income are due to timing.

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## Note 11. City Pension Plans (Continued)

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

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a-b)
<b>Balances at 9/30/24</b>	\$ 292,934,147	\$ 236,457,895	\$ 56,476,252
<b>Changes for the year:</b>			
Service cost	2,660,178	-	2,660,178
Interest on total pension liability	20,711,422	-	20,711,422
Changes of benefit terms	-	-	-
Differences between expected and actual experience	536,740	-	536,740
Change in assumptions	5,491,064	-	5,491,064
Benefit payments, including refunds of employee contributions	(19,839,073)	(19,839,073)	-
Contributions - employer	-	12,256,875	(12,256,875)
Contributions - employee	-	1,483,298 *	(1,483,298)
Contributions - buy back	783,484	783,484	-
Net investment income	-	47,731,146	(47,731,146)
Administrative expenses	-	(297,375)	297,375
<b>Net change</b>	<u>10,343,815</u>	<u>42,118,355</u>	<u>(31,774,540)</u>
<b>Balances at 9/30/25</b>	<u>\$ 303,277,962</u>	<u>\$ 278,576,250 *</u>	<u>\$ 24,701,712</u>

### Notes to the Schedule

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

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

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a-b)
<b>Balances at 9/30/24</b>	\$ 22,989,128	\$ 18,150,438 *	\$ 4,838,690
<b>Changes for the year:</b>			
Service cost	116,327	-	116,327
Interest on total pension liability	1,391,826	-	1,391,826
Differences between expected and actual experience	240,633	-	240,633
Change in assumptions	(164,805)	-	(164,805)
Benefit payments, including refunds of employee contributions	(1,562,560)	(1,562,560)	-
Contributions - employer	-	494,703	(494,703)
Contributions - employee	-	27,062	(27,062)
Net investment income	-	3,569,101 *	(3,569,101)
Administrative expenses	-	(36,743)	36,743
<b>Net change</b>	<u>21,421</u>	<u>2,491,563</u>	<u>(2,470,142)</u>
<b>Balances at 9/30/25</b>	<u>\$ 23,010,549</u>	<u>\$ 20,642,001</u>	<u>\$ 2,368,548</u>

### Notes to the Schedule

\*Differences between the actuarial and actual beginning Plan fiduciary net position and net investment income are due to timing.

## Note 11. City Pension Plans (Continued)

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

As of September 30, 2025, the City reported the following net pension liability (NPL) which was measured as of September 30, 2024, (measurement date in accordance with GASB Statement No. 68) associated with each plan:

	General Employees' Retirement Plan	Police Officers' and Firefighters' Retirement Trust	Professional/ Management Retirement Plan	Total
Total pension liability	\$ 81,249,028	\$ 303,277,962	\$ 23,010,549	\$ 407,537,539
Less: Plan fiduciary net position	(66,582,430)	(278,576,250) *	(20,642,001)	(365,800,681)
Net pension liability	<u>\$ 14,666,598</u>	<u>\$ 24,701,712</u>	<u>\$ 2,368,548</u>	<u>\$ 41,736,858</u>
Plan fiduciary net position as a percentage of the total pension liability	81.95%	91.86%	89.71%	

#### Notes to Schedule:

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

In addition, in accordance with GASB Statement No. 67, information related to each plan measured as of September 30, 2025 has been disclosed:

	General Employees' Retirement Plan	Police Officers' and Firefighters' Retirement Trust	Professional/ Management Retirement Plan	Total
Total pension liability	\$ 81,191,863	\$ 308,521,531	\$ 23,330,052	\$ 413,043,446
Less: Plan fiduciary net position	(69,663,309)	(297,610,943)	(21,659,672)	(388,933,924)
Net pension liability	<u>\$ 11,528,554</u>	<u>\$ 10,910,588</u>	<u>\$ 1,670,380</u>	<u>\$ 24,109,522</u>
Plan fiduciary net position as a percentage of the total pension liability	85.80%	96.46%	92.84%	

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**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:

	<u>General Employees' Retirement Plan</u>	<u>Police and Fire Retirement Plan</u>	<u>Professional/ Management Retirement Plan</u>
Measurement date:	September 30, 2024	September 30, 2024	September 30, 2024
Actuarial valuation:	October 1, 2023	October 1, 2023	October 1, 2023
Interest rates:			
Single discount rate:	6.25%	7.10%	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-2021 mortality improvement scale.	PubS.H-2010 and PubG.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-2021 mortality improvement scale.

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## 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, 2025 and 2024, are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return - 2025		
	General Employees' Retirement Plan	Police Officers' and Firefighters' Retirement Trust	Professional/Management Retirement Plan
U.S. equities	7.80%	5.50%	7.80%
International equities	7.40%	4.30%	7.40%
Fixed income - core bonds	4.90%	1.23%	4.90%
Fixed income - high yield	5.50%	-	5.50%
Hedge fund	-	2.15%	-
Real estate	7.20%	3.20%	7.20%
Infrastructure fund	-	4.33%	-
Private equity fund	-	7.55%	-

Asset Class	Long-Term Expected Real Rate of Return - 2024		
	General Employees' Retirement Plan	Police Officers' and Firefighters' Retirement Trust	Professional/Management 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%	-	5.80%
Hedge fund	-	2.25%	-
Real estate	8.00%	3.50%	8.00%
Infrastructure fund	-	4.23%	-
Private equity fund	-	8.60%	-

## 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, 2025 and 2024, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, were as follows for each pension plan:

Year Ended September 30,	Professional/ Management Retirement Plan	Police and Fire Retirement Plan	General Employees' Retirement Plan
2025	8.95%	9.15%	7.85%
2024	20.03%	19.92%	17.92%

**Discount Rate:** The discount rate used to measure the total pension liability at September 30, 2025 and 2024, was 6.25% and 6.25%, respectively, for both the General Employees' Retirement Plan and the Professional/Management Retirement Plan, and 7.05% and 7.10%, respectively, for the Police and Fire Retirement Plan. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability for all plans.

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

		1% Decrease	Current Discount Rate	1% Increase
<b>General Employees' Retirement Plan</b>				
September 30, 2025	City's net pension liability	\$ 20,196,461	\$ 11,528,554	\$ 4,186,773
September 30, 2024	City's net pension liability	23,470,120	14,666,598	7,226,614
<b>Police Officers' and Firefighters' Retirement Trust</b>				
September 30, 2025	City's net pension liability (asset)	44,065,803	10,910,588	(16,528,875)
September 30, 2024	City's net pension liability (asset)	58,307,989	24,701,712	(2,966,473)
<b>Professional/Management Retirement Plan</b>				
September 30, 2025	City's net pension liability (asset)	4,165,787	1,670,380	(429,266)
September 30, 2024	City's net pension liability	4,908,924	2,368,548	238,225

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## Note 11. City Pension Plans (Continued)

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: For the year ended September 30, 2025, based on a September 30, 2024, measurement date, the City recognized total pension expense of \$17,329,209 which includes \$506,399 for the Professional/Management Retirement Plan, \$1,299,493 for the Police and Fire Retirement Plan, and \$2,787,757 for the General Employees' Retirement Plan. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources for each plan:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<b>General Employees' Retirement Plan</b>		
City contributions subsequent to the measurement date	\$ 2,924,166	\$ -
Differences between expected and actual investment earnings	-	505,626
<b>Police Officers' and Firefighters' Retirement Trust</b>		
City contributions subsequent to the measurement date	10,637,483	-
Differences between expected and actual experience	357,826	809,618
Changes in assumptions	3,660,710	-
Differences between expected and actual investment earnings	-	22,584,586
<b>Professional/Management Retirement Plan</b>		
City contributions subsequent to the measurement date	646,193	-
Differences between expected and actual investment earnings	-	613,431
Totals	<u>\$ 18,226,378</u>	<u>\$ 24,513,261</u>

The deferred outflows of resources associated with the City's contributions to each Plan subsequent to the measurement date of September 30, 2024, in the amount of \$646,193 for the Professional/Management Retirement Plan, \$10,637,483 for Police and Fire Retirement Plan, and \$2,924,166 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, 2026. 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,	<u>General Employees' Retirement Plan</u>	<u>Police Officers' and Firefighters' Retirement Trust</u>	<u>Professional/ Management Retirement Plan</u>
2026	\$ 765,268	\$ (5,731,573)	\$ 58,287
2027	1,570,844	1,299,695	406,776
2028	(1,485,260)	(8,785,507)	(587,218)
2029	(1,356,478)	(6,158,283)	(491,276)
	<u>\$ (505,626)</u>	<u>\$ (19,375,668)</u>	<u>\$ (613,431)</u>

## Note 11. City Pension Plans (Continued)

### Money-Purchase Plan and Trust

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

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

The City's contributions to the active 401(a) defined contribution plans were calculated using the covered payroll amount of approximately \$239,000. The City's contribution amounted to approximately \$41,000, or 17.2% of current covered payroll. The City's contributions to the 401(a) match plan were calculated using the covered payroll amount of approximately \$30,758,000. The City's contributions to the 401(a) match plan amount to approximately \$876,000, 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](http://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 non-integrated defined contribution plan in lieu of FRS membership. Participation by cities, municipalities, special districts, charter schools and metropolitan planning organizations is optional.

## Note 12. Florida Retirement System (Continued)

The Retirees' Health Insurance Subsidy (HIS) Program is a non-qualified, cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with Section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees and surviving beneficiaries 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, 2025 totaled \$1,226,391.

### 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.

For the fiscal year ended June 30, 2025, retirees and beneficiaries received a monthly HIS payment equal to the number of years of creditable service completed at the time of retirement multiplied by \$7.50. The payments are at least \$45 but not more than \$225 per month, pursuant to section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under one of the state-administered retirement systems must provide proof of eligible health insurance coverage, which may include Medicare.

### Contributions

The contribution requirements of plan members and the employer are established and may be amended by the Florida Legislature. Employees are required to contribute 3% of their salary to FRS. The employer's contribution rates for the period October 1, 2024 through June 30, 2025, and July 1, 2025 through September 30, 2025, were as follows: Regular Class 13.63% and 14.03%, Senior Management 34.52% and 33.24%, and DROP Participants 21.13% and 22.02%, respectively.

The City's contributions for the year ended September 30, 2025 were \$2,164,138 to FRS and \$425,238 to HIS.

## Note 12. Florida Retirement System (Continued)

### Pension Liabilities and Pension Expense

In its financial statements for the year ended September 30, 2025, the City reported a liability for its proportionate shares of the net pension liabilities. The net pension liabilities were measured as of June 30, 2025, and the total pension liabilities used to calculate the net pension liability were determined by an actuarial valuation dated July 1, 2025. The City's proportions of the net pension liabilities were based on the City's share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

	<u>FRS</u>	<u>HIS</u>	<u>Total</u>
Net pension liability	\$ 10,876,891	\$ 5,873,725	\$ 16,750,616
Proportion at:			
Current measurement date	0.0350470%	0.0458260%	
Prior measurement date	0.0339346%	0.0431213%	
Pension expense	\$ 2,903,826	\$ 935,369	\$ 3,839,195

As of September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	FRS		HIS		Totals	
	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Differences between expected and actual experience	\$ 1,161,766	\$ -	\$ 35,062	\$ 9,318	\$ 1,196,828	\$ 9,318
Change of assumptions	1,263,090	-	51,989	1,420,703	1,315,079	1,420,703
Net difference between projected and actual earnings on Pension Plan investments	-	1,816,007	-	4,889	-	1,820,896
Changes in proportion and differences between City Pension Plan contributions and proportionate share of contributions	1,670,073	40,070	1,772,851	-	3,442,924	40,070
City FRS and HIS Plan contributions subsequent to the measurement date	611,048	-	118,670	-	729,718	-
Total	<u>\$ 4,705,977</u>	<u>\$ 1,856,077</u>	<u>\$ 1,978,572</u>	<u>\$ 1,434,910</u>	<u>\$ 6,684,549</u>	<u>\$ 3,290,987</u>

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## Note 12. Florida Retirement System (Continued)

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year-end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2026. Other pension related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Fiscal Year Ending September 30:	FRS	HIS
2026	\$ 2,911,258	\$ 522,706
2027	13,032	114,299
2028	(362,938)	(56,904)
2029	(322,500)	(80,624)
2030	-	(74,485)
	\$ 2,238,852	\$ 424,992

### Actuarial Assumptions

The total pension liability for each of the defined benefit plans, measured as of June 30, 2025, was determined by an actuarial valuation dated July 1, 2025, 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%	5.20%

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, 2025, were based on the results of an actuarial experience study performed for the FRS Pension Plan for the period July 1, 2018 through June 30, 2023, which was completed in 2024. The following changes in key actuarial assumptions occurred in 2025:

HIS: All demographic assumptions and methods were reviewed as part of the 2024 Experience Study. Changes were adopted by the 2024 FRS Actuarial Assumption Conference during its meetings in October 2024. The assumption changes were updated to reflect recent and anticipated future experience of HIS program participants. Changes were adopted by the 2025 FRS Actuarial Assumption Conference during its October 2025 meeting. The municipal bond index rate and the discount rate used to determine the total pension liability increased from 3.93% to 5.2%.

## Note 12. Florida Retirement System (Continued)

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

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash equivalents	1.0%	3.2%	3.2%	1.1%
Fixed income	29.0%	5.5%	5.4%	4.0%
Global equity	45.0%	8.5%	6.9%	18.3%
Real estate	12.0%	8.4%	7.1%	16.8%
Private equity	11.0%	12.4%	8.8%	28.4%
Strategic investments	2.0%	6.5%	6.1%	8.7%
Total	100.00%			

### Discount Rate

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

In general, the discount rate for calculating the total pension liability under GASB 67 is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the plan sponsor. The municipal bond rate of 5.20% was used as the discount rate to determine the total pension liability for the HIS program. The Bond Buyer General Obligation Bond 20-Bond Municipal Bond Index was used as the applicable municipal bond index.

### Sensitivity Analysis

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

	FRS			HIS		
	1% Decrease (5.70%)	Current Discount Rate (6.70%)	1% Increase (7.70%)	1% Decrease (4.20%)	Current Discount Rate (5.20%)	1% Increase (6.20%)
City's proportionate share of the net pension liability	\$ 21,345,730	\$ 10,876,891	\$ 2,099,967	\$ 6,623,570	\$ 5,873,725	\$ 5,244,843

## Note 12. Florida Retirement System (Continued)

### Pension Plan Fiduciary Net Position

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

### Payables to the Pension Plan

At September 30, 2025, the City had required employee and employer contributions totaling \$177,096 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, 2025, 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	38

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

### Note 13. Excess Benefit Plan (Continued)

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, 2025, the City has set aside \$5,698,318 in a custodial fund for future pension benefits. The assets and earnings placed into the custodial fund are not irrevocable and are not protected from the City's creditors.

Total Pension Liability: The Excess Benefit Plan's total pension liability was measured as of September 30, 2024, and determined by an actuarial valuation as of that date.

Changes in the Total Pension Liability: As of September 30, 2025, the City reported a total pension liability of \$13,258,581 for the Excess Benefit Plan. Changes in the City's total pension liability are as follows:

Balance at October 1, 2024	\$ 12,208,191
Changes for the year:	
Service cost	58,218
Interest	449,095
Benefit payments	(644,781)
Differences between expected and actual experience	35,792
Changes in assumptions	1,152,066
Net changes	<u>1,050,390</u>
Balance at September 30, 2025	<u>\$ 13,258,581</u>
Covered Payroll	\$ 122,265
Total Pension Liability as a Percentage of Covered Payroll	10844.13%

Actuarial Assumptions: The total pension liability was determined by an actuarial valuation as of September 30, 2024 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:	3.76%
Retirement age:	Normal retirement age or current age if later
Mortality:	Based on PubG-2010 General below median base rate mortality table (used on the 2024 State of Florida Valuation) projected to future years with historical and assumed mortality improvement (MI) rates using the MP-2021 mortality improvement 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

### Note 13. Excess Benefit Plan (Continued)

or higher credit rating (which is published by the Bond Buyer) as of the measurement date. The discount rate used to measure the total pension liability was 3.76%.

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:

	<u>1% Decrease (2.76%)</u>	<u>Current Discount Rate (3.76%)</u>	<u>1% Increase (4.76%)</u>
City's total pension liability	\$ 14,835,254	\$ 13,258,581	\$ 11,957,228

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: For the year ended September 30, 2025, based on a September 30, 2024, measurement date, the City recognized total pension expense of \$1,695,171 for the Excess Benefit Plan. In addition, the City reported \$657,083 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, 2026. 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.

## Note 14. Other Post-Employment Benefits (Continued)

### All Other Employees

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

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

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

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

Employees Covered by Benefit Terms: As of September 30, 2025, the following employees were covered by the benefit terms:

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

Total OPEB Liability: The City's total OPEB liability of \$7,557,514 as of September 30, 2025 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, 2025.

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

## Note 14. Other Post-Employment Benefits (Continued)

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:	3.00%
Salary increases:	4.00%
Discount rate:	4.50%
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, 2025.

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

### Changes in the Total OPEB Liability:

	<b>Total OPEB Liability</b>
<b>Balance at 9/30/2024</b>	\$ 7,598,269
<b>Changes for the Year:</b>	
Service cost	285,204
Interest on total OPEB liability	300,657
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	(240,759)
Benefit payments	(385,857)
<b>Net Changes</b>	<u>(40,755)</u>
<b>Balance at 9/30/2025</b>	<u>\$ 7,557,514</u>

Changes in assumptions and other inputs reflect a change in the discount rate from 4.06% in 2024 to 4.50% in 2025. 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 2025.

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

**Note 14. Other Post-Employment Benefits (Continued)**

Sensitivity of the Total OPEB Liability to Changes in the Charges in the Discount Rate: The following presents the total OPEB liability of the City, as well as what the City’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.50%) or 1-percentage point higher (5.50%) than the current discount rate:

	<b>1% Decrease (3.50%)</b>	<b>Discount Rate (4.50%)</b>	<b>1% Increase (5.50%)</b>
Total OPEB Liability	\$ 6,997,021	\$ 7,557,514	\$ 8,185,053

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:

	<b>1% Decrease 5.00% Decreasing to 3.50%</b>	<b>Healthcare Cost Trend Rates 6.00% Decreasing to 4.50%</b>	<b>1% Increase 7.00% Decreasing to 5.50%</b>
Total OPEB Liability	\$ 8,320,124	\$ 7,557,514	\$ 6,896,626

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB: For the year ended September 30, 2025, the City recognized OPEB income of \$339,732. At September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 1,972,672
Changes of assumptions or other inputs	319,296	2,081,404
Total	<u>\$ 319,296</u>	<u>\$ 4,054,076</u>

## 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 as follows:

For the Year Ending September 30:	Amount
2026	\$ (821,202)
2027	(799,562)
2028	(799,562)
2029	(559,965)
2030	(268,674)
Thereafter	(485,815)
Total	<u>\$ (3,734,780)</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.

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, 2025, of \$2,515,000 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, 2025 and 2024, the total estimated liabilities on pending claims were as follows:

	2025	2024
Claims payable - beginning	\$ 4,144,000	\$ 8,283,000
Incurred claims	(77,055)	(2,324,308)
Payments on claims	(1,551,945)	(1,814,692)
Claims payable - ending	<u>\$ 2,515,000</u>	<u>\$ 4,144,000</u>

## Note 16. Commitments and Contingent Liabilities

Construction and Purchase Commitments: As of September 30, 2025, the City is actively engaged in a variety of construction and economic development projects and programs, along with outstanding purchase commitments. These commitments relate to initiatives that include housing and community development programs, economic and commercial improvement grants, public safety projects, transportation projects, utility and infrastructure improvements, park projects, and City facility enhancements. As of September 30, 2025, the City's significant commitments for projects and programs are detailed below:

Project Classification	Spent-to-Date	Remaining Commitments
Affordable Housing Programs	\$ 1,186,040	\$ 8,855,599
City EV Charging Improvement Projects	61,850	1,252,979
City Facilities Improvement Projects	107,799	295,636
City-Wide Parks Master Plan	738,160	208,473
Commercial Improvement/Renovation Grant Programs	363,443	201,329
Commercial Rent Subsidy Grant Programs	10,529	10,529
Development Code Rewrite	164,070	62,930
EV Bus Transit Facility Project	2,011,595	697,474
Façade and Neighborhood Improvement Grant Programs	262,109	727,753
Hallandale City Center Restaurant Buildout	154,998	271,495
Infill Housing	9,184	40,540
Public Safety Projects	445,397	1,844,615
Redevelopment Revenue Note Projects	7,258,721	9,425,264
Residential Rental Assistance Programs	8,000	4,000
Smart Meter Replacement Project	261,605	378,396
Stormwater Drainage Improvement projects	768,685	565,097
Transportation Improvement projects	2,348,815	427,063
Water & Wastewater	26,170,165	25,639,745
Total	\$ 42,331,162	\$ 50,908,916

### Funding Details:

- The Affordable Housing Programs, Commercial Improvement/Renovation Grant Programs, Façade and Neighborhood Improvements, Hallandale City Center Restaurant Buildout, Infill Housing, and Rent Subsidy/Assistance Programs are financed by existing HBCRA resources..
- City EV Charging Improvement Projects are to be funded partially by the Building Permits Fund, with a majority funded from existing City funds.
- 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.
- The EV Bus Transit Facility Project is funded by federal, state and local grants, as well as City funding.
- Public Safety Projects are funded through City and Safe Neighborhood District funds.

**Note 16. Commitments and Contingent Liabilities (Continued)**

- Stormwater Drainage Improvements are partially financed with federal grants, City funding, as well as through existing and future anticipated utility revenue bond funds.
- Water and Wastewater Projects, as well as the Smart Meter Replacement Project are partially funded through City funds and reimbursements from existing and anticipated utility revenue bonds.
- 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.

Pollution Remediation Obligation: The City is evaluating environmental conditions associated with Chaves Lake, a water body and adjacent upland area located within the City limits. Historical uses of the site and subsequent investigations identified the presence of contaminants in soil, sediment, groundwater, and surface water, including metals and other constituents. The site is subject to regulatory oversight by Broward County Environmental Protection Division and is enrolled under Environmental Assessment and Remediation (EAR) License No. 1396.

During fiscal year 2025, the City, in coordination with regulatory agencies, continued environmental assessment activities and advanced the development of a remedial strategy for the site. Broward County Environmental Protection Division reviewed the City's Site Assessment Report and indicated support for a conditional closure approach, subject to implementation of soil remediation measures and institutional controls, including restrictions on certain surface water uses.

As of September 30, 2025, the City had not selected a final remedial alternative, and additional laboratory results and regulatory coordination were ongoing. Preliminary remedial options were under evaluation, and cost estimates associated with those options had not yet been finalized. Accordingly, while the City has determined that a pollution remediation obligation exists, the City was unable to reasonably estimate the amount of expected outlays as of the reporting date.

The City expects that future remediation activities may result in significant expenditures; however, the timing, scope, and cost of such activities will depend on final regulatory approvals, completion of remaining assessments, and selection of a remedial approach. No liability has been recorded as of September 30, 2025. The City will continue to evaluate this matter and record a liability in future periods when sufficient information becomes available.

## 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, 2025:

	<u>Deposits</u>	<u>Withdrawals</u>
Source of deposits:		
Tax increment revenues - Hallandale Beach	\$ 14,571,822	\$ -
Tax increment revenues - Other agencies	11,899,711	-
Loan repayments	189,056	-
Loan application fees	32,269	-
Loan interest	10,424	-
Investment income	2,378,771	-
Other revenue	575,934	-
Developer agreements	8,700	-
Purpose of withdrawals:		
Salaries and benefits	-	1,567,871
Materials and supplies	-	22,572
Community redevelopment programs	-	1,534,265
Grants to community organizations	-	136,999
Professional and outside services	-	578,683
Administrative and other service charges	-	578,080
Subsidized loan programs	-	4,102,993
Streetlighting	-	6,560
Capital outlay	-	5,890,996
Debt service (including transfer to City)	-	6,666,224
Payments to other funds	-	1,585,621
Deposits on leased property	-	9,105
Refund of unsolicited proposal deposits	-	1,167,635
Transfer to City of Hallandale Beach Capital Projects Fund	-	86,895
	<u>\$ 29,666,687</u>	<u>\$ 23,934,499</u>

## 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, 2025, is summarized in the following table:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Assets held for resale	\$ 2,260,487	\$ 86,895	\$ -	\$ 2,347,382

## Note 19. Public-Private Partnerships

Golden Isles Tennis Center:

The City of Hallandale Beach entered into a public-private partnership (PPP) with All Florida Tennis, LLC (“the Operator”) for the management and operation of the Golden Isles Tennis Center. The original agreement commenced on October 29, 2020, with an initial five-year term through October 28, 2025, and includes two optional five-year renewal terms. The first renewal term was formally exercised via Amendment No. 2 and extends through October 28, 2030.

Under the terms of the agreement, the Operator is responsible for all daily operations, maintenance, staffing, programming, and promotional activities. The City retains ownership of the Tennis Center and all capital improvements. The Operator retains 100% of gross revenues up to \$300,000 annually from designated sources including court fees, lessons, clinics, camps, events, and pro shop operations. Revenue in excess of \$300,000 from these sources is shared, with 96% retained by the Operator and 4% deposited into a City-controlled capital reserve account for major repairs and replacements.

The City receives 100% of all membership fees, guest fees, and light fees collected by the Operator.

In accordance with GASB Statement No. 94, this arrangement qualifies as a public-private partnership. The City retains control of the underlying capital asset, and the agreement conveys operational responsibility and a portion of revenues to the private operator in exchange for long-term service delivery. No liabilities or lease obligations were recorded in relation to this agreement, as the arrangement does not meet the definition of a lease under GASB 87.

## Note 20. Special Item: PFAS Litigation Settlement Proceeds

During fiscal year 2025, the City received net settlement proceeds totaling \$3,200,004 in connection with two nationwide class action settlements resolving claims of per- and polyfluoroalkyl substances (PFAS) contamination of public drinking water systems arising from *In re: Aqueous Film-Forming Foams Products Liability Litigation*, MDL No. 2873, U.S. District Court, District of South Carolina.

The 3M Company settlement is payable in ten installments from fiscal year 2025 through fiscal year 2033, with approximately 65.6% of the total allocation distributed in the first two installments. The DuPont settlement (including Chemours and Corteva) was received as a single lump-sum distribution. Net proceeds under both settlements are stated after deduction of attorneys’ fees pursuant to the Court’s order on fees and costs.

The City has classified these proceeds as a special item within the General Fund in the fund financial statements and in the government-wide Statement of Activities in accordance with GASB Statement No. 34, paragraph 56, and GASB Statement No. 62, paragraphs 45–49. The transactions are unusual in nature, as PFAS contamination litigation settlements are not part of the City’s ordinary and typical activities, and are within the control of management, as the City elected to remain in the settlement classes rather than opt out and pursue independent litigation. This presentation distinguishes these nonrecurring proceeds from ongoing operating revenues and enhances comparability between reporting periods.



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2025



# Required Supplementary Information

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Annual Comprehensive Financial Report 2025

**Schedule of Revenues, Expenditures, and Changes in  
Fund Balance – Budget and Actual  
General Fund  
for the Fiscal Year Ended September 30, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Property taxes	\$ 46,538,302	\$ 46,538,302	\$ 47,525,294	\$ 986,992
Utility taxes	7,442,461	7,442,461	7,006,143	(436,318)
Charges for services	11,201,342	11,496,046	11,837,289	341,243
Licenses and permits	1,069,972	1,069,972	1,279,768	209,796
Intergovernmental	6,641,628	6,868,742	6,759,206	(109,536)
Franchise taxes	5,488,971	5,488,971	5,250,782	(238,189)
Fire assessments	12,531,464	12,531,464	12,195,807	(335,657)
Fines and forfeitures	1,432,000	1,432,000	1,162,137	730,137
Investment earnings	416,205	416,205	1,148,994	732,789
Slot machine revenues	1,600,000	1,600,000	1,340,738	(259,262)
Other revenues	479,284	654,284	1,556,968	902,684
Total revenues	<u>94,841,629</u>	<u>95,538,447</u>	<u>98,063,126</u>	<u>2,524,679</u>
<b>Expenditures:</b>				
Personal services	52,669,925	52,628,106	50,720,451	1,907,655
Operating expenditures	32,564,327	36,532,205	33,074,245	3,457,960
Debt service	229,998	229,998	434,113	(204,115)
Grants and aids	292,208	324,163	295,896	28,267
Capital outlay	2,530,000	2,714,612	2,362,212	352,400
Total expenditures	<u>88,286,458</u>	<u>92,429,084</u>	<u>86,886,917</u>	<u>5,542,167</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6,555,171</u>	<u>3,109,363</u>	<u>11,176,209</u>	<u>8,066,846</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	2,939,529	11,407,641	10,798,723	(608,918)
Transfers out	(10,315,752)	(17,888,495)	(17,840,459)	48,036
Proceeds from finance arrangements/leases	-	-	518,983	518,983
Proceeds from issuance of debt-SBITA	-	-	419,810	419,810
Proceeds from the sale of capital assets	-	-	87,496	87,496
Appropriations from fund balance	821,052	8,312,314	-	(8,312,314)
Reappropriations from fund balance	-	3,395,686	-	(3,395,686)
Reserves	-	(11,536,514)	-	11,536,514
Total other financing sources (uses)	<u>(6,555,171)</u>	<u>(6,309,368)</u>	<u>(6,015,447)</u>	<u>293,921</u>
<b>Special Items</b>				
PFAS Settlement	-	3,200,005	3,200,004	(1)
Net change in fund balance	<u>-</u>	<u>-</u>	<u>8,360,766</u>	<u>8,360,766</u>
<b>Fund balance, beginning</b>	<u>43,353,730</u>	<u>43,353,730</u>	<u>43,353,730</u>	<u>-</u>
<b>Fund balance, ending</b>	<u>\$ 43,353,730</u>	<u>\$ 43,353,730</u>	<u>\$ 51,714,496</u>	<u>\$ 8,360,766</u>
<b>Renewal and Replacement Fund (see Note 2)</b>			922,970	
<b>Cemetery Fund (see Note 3)</b>			<u>1,350,321</u>	
<b>Fund balances, ending</b>			<u>\$ 53,987,787</u>	

The accompanying notes are an integral part of the financial statements

**Schedule of Revenues, Expenditures, and Changes in  
Fund Balances – Budget and Actual  
Community Redevelopment Agency Fund  
for the Fiscal Year Ended September 30, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Property taxes	\$ 14,594,285	\$ 14,571,822	\$ 14,571,822	\$ -
Charges for services	15,000	15,000	120,279	105,279
Intergovernmental	11,744,763	11,899,711	11,899,711	-
Investment earnings	765,000	765,000	1,851,276	1,086,276
Other revenues	145,000	145,000	609,378	464,378
Total revenues	27,264,048	27,396,533	29,052,466	1,655,933
<b>Expenditures:</b>				
Personal services	2,137,708	2,137,708	1,571,710	565,998
Operating expenditures	4,527,817	4,902,067	1,321,813	3,580,254
Debt service	6,854,493	7,700,588	7,833,860	(133,272)
Grants and aids	11,493,557	19,641,938	6,726,403	12,915,535
Capital outlay	17,485,063	24,679,576	889,434	23,790,142
Total expenditures	42,498,638	59,061,877	18,343,220	40,718,657
Excess (deficiency) of revenues over (under) expenditures	(15,234,590)	(31,665,344)	10,709,246	42,374,590
<b>Other Financing Sources</b>				
Appropriations from fund balance	15,234,590	23,908,890	-	(23,908,890)
Reappropriations from fund balance	-	7,756,454	-	(7,756,454)
Total other financing sources	15,234,590	31,665,344	-	(31,665,344)
Net change in fund balance	-	-	10,709,246	10,709,246
<b>Fund balance, beginning</b>	34,375,541	34,375,541	34,375,541	-
<b>Fund balance, ending</b>	\$ 34,375,541	\$ 34,375,541	\$ 45,084,787	\$ 10,709,246
CRA loan program and assets held for resale transactions (see Note 4)			278,287	
<b>Fund balances, ending</b>			\$ 45,363,074	

See Notes to Required Supplementary Information.

The accompanying notes are an integral part of the financial statements

## Notes to Budgetary Comparison Schedules (Unaudited) September 30, 2025

### 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 and Cemetery Fund are presented within the General Fund on the basic financial statements and the net change in fund balance is reconciled to the budgetary schedule in Notes 2 and 3 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 \$3,395,686 and \$7,756,454, respectively.

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

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

## Notes to Budgetary Comparison Schedules (Unaudited) September 30, 2025

### Note 2. Reconciliation of Renewal and Replacement Fund

Renewal and replacement fund investment earnings	\$	86,044
Transfer in from General Fund		1,000,000
Less: Renewal and replacement capital outlay		(163,074)
Net change in fund balance - Renewal and replacement fund	\$	<u>922,970</u>

### Note 3. Reconciliation of Cemetery Fund

Cemetery fund charges for services	\$	643,991
Cemetery fund licenses and permits		8,642
Cemetery fund investment earnings		24,526
Less: Cemetery fund operating expenditures		(285,422)
Less: Cemetery fund personal services expenditures		(335,391)
Transfers in from Enterprise funds		822,898
Transfers in from General fund		471,077
Net change in fund balance - Cemetery fund	\$	<u>1,350,321</u>

### Note 4. Reconciliation of CRA Transactions

Total Revenues Reported on Budgetary Basis	\$	29,052,466
Less: CRA loan payments received		(185,275)
Total Revenues Reported on U.S. GAAP Basis	\$	<u>28,867,191</u>
Total Expenditures Reported on Budgetary Basis	\$	18,343,220
Less: CRA non-forgivable loans issued		(385,167)
Less: Purchases of assets held for resale		(78,395)
Less: CRA transfers out		(1,167,635)
Total Expenditures Reported on U.S. GAAP Basis	\$	<u>16,712,023</u>

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

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

	September 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>Total pension liability</b>										
Service cost	\$ -	\$ 116,327	\$ 100,069	\$ 141,466	\$ 127,457	\$ 110,196	\$ 125,200	\$ 224,807	\$ 245,137	\$ 217,129
Interest on total pension liability	1,391,036	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
Differences between expected and actual experience	337,764	240,633	(363,404)	(35,214)	29,052	212,956	(722,848)	(325,174)	(55,424)	(219,313)
Changes of assumptions	-	(164,805)	582,689	-	573,232	157,999	541,953	-	-	1,028,958
Benefit payments, including refunds of employee contributions	(1,409,297)	(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)
<b>Net change in total pension liability</b>	<b>319,503</b>	<b>21,421</b>	<b>201,976</b>	<b>334,120</b>	<b>959,732</b>	<b>754,995</b>	<b>320,416</b>	<b>(77,215)</b>	<b>661,734</b>	<b>1,430,314</b>
<b>Total pension liability - beginning</b>	<b>23,010,549</b>	<b>22,989,128</b>	<b>22,787,152</b>	<b>22,453,032</b>	<b>21,493,300</b>	<b>20,738,305</b>	<b>20,417,889</b>	<b>20,495,104</b>	<b>19,833,370</b>	<b>18,403,056</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 23,330,052</b>	<b>\$ 23,010,549</b>	<b>\$ 22,989,128</b>	<b>\$ 22,787,152</b>	<b>\$ 22,453,032</b>	<b>\$ 21,493,300</b>	<b>\$ 20,738,305</b>	<b>\$ 20,417,889</b>	<b>\$ 20,495,104</b>	<b>\$ 19,833,370</b>
<b>Plan fiduciary net position</b>										
Contributions - employer	\$ 646,193	\$ 494,703	\$ 523,464	\$ 481,392	\$ 449,555	\$ 556,645	\$ 731,430	\$ 725,270	\$ 569,324	\$ 691,355
Contributions - employee	9,574	27,062	31,285	37,492	36,654	40,465	44,346	53,805	51,654	61,774
Net investment income (loss)	1,824,374	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
Benefit payments, including refunds of member contributions	(1,409,297)	(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)
Administrative expenses	(53,173)	(36,743)	(37,244)	(30,644)	(21,644)	(26,144)	(26,144)	(38,933)	(25,144)	(26,140)
<b>Net change in plan fiduciary net position</b>	<b>1,017,671</b>	<b>2,493,532</b>	<b>566,707</b>	<b>(4,270,650)</b>	<b>2,319,736</b>	<b>885,636</b>	<b>470,631</b>	<b>482,078</b>	<b>1,550,712</b>	<b>930,190</b>
<b>Plan fiduciary net position - beginning</b>	<b>20,642,001</b>	<b>18,148,469</b>	<b>17,581,762</b>	<b>21,852,412</b>	<b>19,532,676</b>	<b>18,647,040</b>	<b>18,176,409</b>	<b>17,694,331</b>	<b>16,143,619</b>	<b>15,213,429</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 21,659,672</b>	<b>\$ 20,642,001</b>	<b>\$ 18,148,469</b>	<b>\$ 17,581,762</b>	<b>\$ 21,852,412</b>	<b>\$ 19,532,676</b>	<b>\$ 18,647,040</b>	<b>\$ 18,176,409</b>	<b>\$ 17,694,331</b>	<b>\$ 16,143,619</b>
<b>City's net pension liability - ending (a) - (b)</b>	<b>\$ 1,670,380</b>	<b>\$ 2,368,548</b>	<b>\$ 4,840,659</b>	<b>\$ 5,205,390</b>	<b>\$ 600,620</b>	<b>\$ 1,960,624</b>	<b>\$ 2,091,265</b>	<b>\$ 2,241,480</b>	<b>\$ 2,800,773</b>	<b>\$ 3,689,751</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	92.84%	89.71%	78.94%	77.16%	97.32%	90.88%	89.92%	89.02%	86.33%	81.40%
<b>Covered payroll</b>	\$ 131,190	\$ 122,265	\$ 434,470	\$ 410,635	\$ 499,067	\$ 475,275	\$ 537,560	\$ 682,868	\$ 737,299	\$ 814,214
<b>Net pension liability as a percentage of covered payroll</b>	1273.25%	1937.22%	1114.15%	1267.64%	120.35%	412.52%	389.03%	328.24%	379.87%	453.17%

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

	September 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>Total pension liability</b>										
Service cost	\$ 631,568	\$ 733,421	\$ 747,276	\$ 793,438	\$ 777,488	\$ 783,012	\$ 872,590	\$ 1,007,543	\$ 1,054,461	\$ 1,047,059
Interest on total pension liability	4,949,835	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
Differences between expected and actual experience	(527,015)	448,567	1,079,397	(2,078,680)	1,201,715	(682,739)	(1,211,280)	(1,060,336)	909,887	(329,785)
Changes of assumptions	-	(410,500)	1,990,170	-	1,897,276	647,163	-	-	-	3,005,500
Benefit payments, including refunds of employee contributions	(5,111,553)	(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)
<b>Net change in total pension liability</b>	<b>(57,165)</b>	<b>1,332,697</b>	<b>3,847,756</b>	<b>(822,907)</b>	<b>4,467,809</b>	<b>1,333,361</b>	<b>850,793</b>	<b>1,092,979</b>	<b>2,720,914</b>	<b>5,075,067</b>
<b>Total pension liability - beginning</b>	<b>81,249,028</b>	<b>79,916,331</b>	<b>76,068,575</b>	<b>76,891,482</b>	<b>72,423,673</b>	<b>71,090,312</b>	<b>70,239,519</b>	<b>69,146,540</b>	<b>66,425,626</b>	<b>61,350,559</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 81,191,863</b>	<b>\$ 81,249,028</b>	<b>\$ 79,916,331</b>	<b>\$ 76,068,575</b>	<b>\$ 76,891,482</b>	<b>\$ 72,423,673</b>	<b>\$ 71,090,312</b>	<b>\$ 70,239,519</b>	<b>\$ 69,146,540</b>	<b>\$ 66,425,626</b>
<b>Plan fiduciary net position</b>										
Contributions - employer	\$ 2,924,166	\$ 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
Contributions - employee	117,812	133,978	145,941	146,084	149,085	161,435	172,187	179,523	206,247	228,118
Net investment income (loss)	5,217,104	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
Benefit payments, including refunds of member contributions	(5,111,553)	(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)
Administrative expenses	(66,650)	(56,499)	(53,506)	(46,055)	(36,956)	(38,656)	(41,406)	(44,348)	(41,536)	(46,495)
<b>Net change in plan fiduciary net position</b>	<b>3,080,879</b>	<b>8,261,602</b>	<b>1,656,126</b>	<b>(13,346,580)</b>	<b>6,068,372</b>	<b>2,661,930</b>	<b>2,089,239</b>	<b>2,042,709</b>	<b>4,440,156</b>	<b>4,081,747</b>
<b>Plan fiduciary net position - beginning</b>	<b>66,582,430</b>	<b>58,320,828</b>	<b>56,664,702</b>	<b>70,011,282</b>	<b>63,942,910</b>	<b>61,280,980</b>	<b>59,191,741</b>	<b>57,149,032</b>	<b>52,708,876</b>	<b>48,627,129</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 69,663,309</b>	<b>\$ 66,582,430</b>	<b>\$ 58,320,828</b>	<b>\$ 56,664,702</b>	<b>\$ 70,011,282</b>	<b>\$ 63,942,910</b>	<b>\$ 61,280,980</b>	<b>\$ 59,191,741</b>	<b>\$ 57,149,032</b>	<b>\$ 52,708,876</b>
<b>City's net pension liability - ending (a) - (b)</b>	<b>\$ 11,528,554</b>	<b>\$ 14,666,598</b>	<b>\$ 21,595,503</b>	<b>\$ 19,403,873</b>	<b>\$ 6,880,200</b>	<b>\$ 8,480,763</b>	<b>\$ 9,809,332</b>	<b>\$ 11,047,778</b>	<b>\$ 11,997,508</b>	<b>\$ 13,716,750</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	85.80%	81.95%	72.98%	74.49%	91.05%	88.29%	86.20%	84.27%	82.65%	79.35%
<b>Covered payroll</b>	\$ 3,775,151	\$ 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
<b>Net pension liability as a percentage of covered payroll</b>	305.38%	387.06%	500.77%	455.79%	149.73%	176.91%	189.87%	201.11%	199.95%	210.98%

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

	September 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>Total pension liability</b>										
Service cost	\$ 2,990,447	\$ 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
Interest on total pension liability	21,082,763	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
Changes in benefit terms	-	-	-	-	4,300,383	(10,596,887)	(40,488)	9,897,461	-	-
Differences between expected and actual experience	2,396,314	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
Changes of assumptions	(3,096,090)	5,491,064	-	-	-	10,875,149	1,304,354	1,225,338	847,814	8,988,193
Benefit payments, including refunds of employee contributions	(18,656,182)	(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)
Contributions - buy back	526,317	783,484	271,463	237,535	233,957	237,404	253,288	208,015	136,829	22,723
<b>Net change in total pension liability</b>	<u>5,243,569</u>	<u>10,343,815</u>	<u>5,906,117</u>	<u>10,239,776</u>	<u>16,433,740</u>	<u>4,436,185</u>	<u>12,962,780</u>	<u>23,792,565</u>	<u>8,462,092</u>	<u>18,039,866</u>
<b>Total pension liability - beginning</b>	<u>303,277,962</u>	<u>292,934,147</u>	<u>287,028,030</u>	<u>276,788,254</u>	<u>260,354,514</u>	<u>255,918,329</u>	<u>242,955,549</u>	<u>219,162,984</u>	<u>210,700,892</u>	<u>192,661,026</u>
<b>Total pension liability - ending (a)</b>	<u>\$308,521,531</u>	<u>\$303,277,962</u>	<u>\$292,934,147</u>	<u>\$287,028,030</u>	<u>\$276,788,254</u>	<u>\$260,354,514</u>	<u>\$255,918,329</u>	<u>\$242,955,549</u>	<u>\$219,162,984</u>	<u>\$210,700,892</u>
<b>Plan fiduciary net position</b>										
Contributions - employer	\$ 10,637,483	\$ 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
Contributions - employee	1,536,914	1,483,298	1,396,536	1,336,926	1,156,812	1,137,881	1,308,636	1,252,541	1,294,496	1,285,750
Contributions - buy back	526,317	783,484	271,463	237,535	233,957	237,404	253,288	208,015	136,829	22,723
Net investment income (loss)	25,175,211	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
Benefit payments, including refunds of member contributions	(18,656,182)	(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)
Administrative expenses	(235,190)	(297,375)	(257,993)	(162,945)	(263,381)	(288,285)	(233,562)	(219,333)	(183,827)	(148,100)
Other income	50,140	-	-	-	-	-	-	-	-	-
<b>Net change in plan fiduciary net position</b>	<u>19,034,693</u>	<u>42,118,355</u>	<u>27,685,178</u>	<u>(25,435,526)</u>	<u>43,208,129</u>	<u>10,394,904</u>	<u>4,448,636</u>	<u>15,632,056</u>	<u>17,325,589</u>	<u>11,087,365</u>
<b>Plan fiduciary net position - beginning</b>	<u>278,576,250</u>	<u>236,457,895</u>	<u>208,772,717</u>	<u>234,208,243</u>	<u>191,000,114</u>	<u>180,605,210</u>	<u>176,156,574</u>	<u>160,524,518</u>	<u>143,198,929</u>	<u>132,111,564</u>
<b>Plan fiduciary net position - ending (b)</b>	<u>\$297,610,943</u>	<u>\$278,576,250 *</u>	<u>\$236,457,895 *</u>	<u>\$208,772,717 *</u>	<u>\$234,208,243 *</u>	<u>\$191,000,114 *</u>	<u>\$180,605,210 *</u>	<u>\$176,156,574 *</u>	<u>\$160,524,518</u>	<u>\$143,198,929</u>
<b>City's net pension liability - ending (a) - (b)</b>	<u>\$ 10,910,588</u>	<u>\$ 24,701,712</u>	<u>\$ 56,476,252</u>	<u>\$ 78,255,313</u>	<u>\$ 42,580,011</u>	<u>\$ 69,354,400</u>	<u>\$ 75,313,119</u>	<u>\$ 66,798,975</u>	<u>\$ 58,638,466</u>	<u>\$ 67,501,963</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	96.46%	91.85%	80.72%	72.74%	84.62%	73.36%	70.57%	72.51%	73.24%	67.96%
<b>Covered payroll</b>	\$ 13,458,786	\$ 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
<b>Net pension liability as a percentage of covered payroll</b>	81.07%	190.14%	461.00%	628.03%	366.35%	595.59%	546.73%	506.64%	430.33%	512.63%

**Notes to the Schedule:**

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

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

	September 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>Total pension liability</b>										
Service cost	\$ -	\$ 58,218	\$ 65,034	\$ 97,500	\$ 89,064	\$ 61,380	\$ 66,717	\$ 86,708	\$ 146,603	\$ 104,295
Interest	567,629	449,095	567,926	458,208	472,849	500,909	538,340	535,045	546,028	538,954
Benefit payments	(657,083)	(644,781)	(632,721)	(620,897)	(609,305)	(597,940)	(586,798)	(766,581)	(565,165)	(566,597)
Differences between expected and actual experience	(1,295)	35,792	(50,266)	(33,531)	(170,039)	331,528	124,318	(148,223)	(612,654)	52,033
Changes in assumptions	(810,973)	1,152,066	-	(2,495,237)	169,263	256,773	653,179	(385,051)	(339,565)	1,537,421
<b>Net change in total pension liability</b>	(901,722)	1,050,390	(50,027)	(2,593,957)	(48,168)	552,650	795,756	(678,102)	(824,753)	1,666,106
<b>Total pension liability - beginning</b>	13,258,581	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
<b>Total pension liability - ending</b>	<u>\$ 12,356,859</u>	<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>
<b>Covered payroll</b>	\$ 131,190	\$ 122,265	\$ 434,470	\$ 410,635	\$ 499,067	\$ 475,275	\$ 537,560	\$ 682,868	\$ 737,299	\$ 814,214
<b>Total pension liability as a percentage of covered payroll</b>	9419.06%	10844.13%	2809.90%	2985.19%	2975.99%	3135.10%	2669.04%	1984.56%	1930.02%	1849.00%

**Notes to the Schedule:**

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.

### Schedule of City Contributions Professional/Management Retirement Plan

	September 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ 646,193	\$ 494,703	\$ 523,464	\$ 481,392	\$ 449,555	\$ 556,645	\$ 731,430	\$ 725,270	\$ 569,324	\$ 691,355
Contributions in relation to the actuarially determined contribution	646,193	494,703	523,464	481,392	449,555	556,645	731,430	725,270	569,324	691,355
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	\$ 131,190	\$ 122,265	\$ 434,470	\$ 410,635	\$ 499,067	\$ 475,275	\$ 537,560	\$ 682,868	\$ 737,299	\$ 814,214
Contributions as a percentage of covered payroll	492.6%	404.6%	120.5%	117.2%	90.1%	117.1%	136.1%	106.2%	77.2%	84.9%

**Methods and assumptions used to determine contribution rates for the year ending September 30, 2025:**

Valuation date:	October 1, 2023
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:	12 years (as of 10/1/2023)
Actuarial asset valuation method:	4 year smooth (market)
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:	6.25%
Retirement age:	Normal retirement age as defined in summary of plan provisions
Mortality:	Based on PubG-2010 General below median base rate mortality table projected to future years with historical and assumed mortality improvement (MI) rates using the MP-2018 mortality improvement scale.

### Schedule of City Contributions General Employees' Retirement Plan

	September 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	\$2,924,166	\$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
Contributions in relation to the actuarially determined contribution	2,924,166	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
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$3,775,151	\$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
Contributions as a percentage of covered payroll	77.5%	55.5%	47.8%	41.2%	40.5%	45.3%	48.5%	45.6%	46.7%	51.2%

**Methods and assumptions used to determine contribution rates for the year ending September 30, 2025:**

Valuation date:	October 1, 2023
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 (as of 10/1/2023)
Actuarial asset valuation method:	4 year smooth (market)
Inflation and other general increases:	2.40%
Projected salary increases:	4.68% - 6.98%
Investment rate of return:	6.25%
Retirement age:	Normal retirement age as defined in summary of plan provisions
Mortality:	Based on PubG-2010 General below median base rate mortality table projected to future years with historical and assumed mortality improvement (MI) rates using the MP-2018 mortality improvement scale.

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

	September 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ 10,410,369	\$ 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
Contributions in relation to the actuarially determined contribution	10,637,483	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
Contribution deficiency (excess)	\$ (227,114)	\$ (485,095)	\$ (416,992)	\$ (2,620)	\$ 259,129	\$ (234,942)	\$ 1,364	\$ (25,550)	\$ -	\$ 52,278
Covered payroll	\$ 13,458,786	\$ 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
Contributions as a percentage of covered payroll	79.0%	94.3%	107.2%	103.2%	96.3%	108.4%	82.2%	70.6%	62.8%	64.4%

**Methods and assumptions used to determine contribution rates for the year ending September 30, 2025:**

Valuation date:	October 1, 2023
Note:	Actuarially determined contributions are calculated as of October 1, which is one year prior to the beginning of the year in which contributions are reported.
Actuarial cost method:	Entry age normal
	Experience: 10 years
	Assumption/Method Changes: 20 years
	Benefit Changes: 30 years
Amortization method:	
Remaining amortization period:	27 years (as of 10/1/2023)
Actuarial asset valuation method:	5 year smooth (fair value)
Inflation and other general increases:	2.40%
Projected salary increases:	4.5% to 10% based on service
Investment rate of return:	7.25%
Retirement age:	Normal retirement eligibility with at least 25 years of service
	Healthy Active Lives: PubS.H-2010 (Above Median) for Employees, set forward one year.
	Healthy Retiree Lives: PubS.H-2010 (Above Median) for Healthy Retirees, set forward one year.
	Beneficiary Lives Male: PubG.H-2010 (Above Median) for Healthy Retirees.
	Beneficiary Lives Female: 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 for healthy lives are projected generationally with Mortality Improvement Scale MP-2018.
Mortality:	75% of active Police Officer deaths are assumed to be service-incurred. 90% of active Firefighter deaths are assumed to be service-incurred.

### Schedule of Pension Investment Returns

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

Year Ended September 30,	Professional/ Management Retirement Plan	Police Officers' and Firefighters' Personnel Retirement Trust	General Employees' Retirement Plan
2025	8.95%	9.15%	7.85%
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%

**Schedule of Changes in the City's  
Total OPEB Liability and Related Ratios  
for the Fiscal Year Ended September 30, 2025**

Measurement date September 30,	2025	2024	2023	2022	2021	2020	2019	2018
<b>Total OPEB Liability</b>								
Service cost	\$ 285,204	\$ 305,548	\$ 600,829	\$ 866,384	\$ 746,993	\$ 560,196	\$ 920,282	\$ 864,652
Interest	300,657	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	(240,759)	(189,200)	(75,713)	(2,848,796)	(309,065)	188,130	76,914	183,070
Benefit payments	(385,857)	(393,244)	(467,151)	(302,323)	(505,972)	(303,627)	(582,856)	(502,185)
<b>Net Change in Total OPEB Liability</b>	(40,755)	(1,732,228)	469,493	(3,444,750)	185,907	(2,021,030)	886,202	1,077,643
<b>Total OPEB Liability - Beginning</b>	7,598,269	9,330,497	8,861,004	12,305,754	12,119,847	14,140,877	13,254,675	12,177,032
<b>Total OPEB Liability - Ending</b>	<u>\$ 7,557,514</u>	<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>
<b>Covered-Employee Payroll</b>	\$ 30,473,847	\$ 29,303,078	\$ 26,974,550	\$ 25,936,957	\$ 22,873,151	\$ 21,995,333	\$ 31,845,429	\$ 30,298,837
<b>Total OPEB Liability as a Percentage of Covered-Employee Payroll</b>	24.80%	25.93%	34.59%	34.16%	53.80%	55.10%	44.40%	43.75%

**Notes to Schedule:**

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

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

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

2025	2.43%
2024	2.43%
2023	2.43%
2022	2.14%
2021	3.58%
2020	3.64%

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

Reporting period ending	9/30/2025	9/30/2024	9/30/2023	9/30/2022	9/30/2021	9/30/2020
Measurement date	6/30/2025	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020
City's proportion of the FRS net pension liability	0.03505%	0.03393%	0.03414%	0.03152%	0.02662%	0.00838%
City's proportionate share of the FRS net pension liability	\$10,876,891	\$13,127,513	\$13,602,408	\$11,728,603	\$ 2,010,600	\$ 3,631,898
City's covered payroll	\$20,542,864	\$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	52.95%	71.54%	84.17%	86.79%	17.70%	81.52%
FRS Plan fiduciary net position as a percentage of the FRS total pension liability	87.26%	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.

**Schedule of Contributions  
Florida Retirement System Pension Plan**

Reporting period ending	<u>9/30/2025</u>	<u>9/30/2024</u>	<u>9/30/2023</u>	<u>9/30/2022</u>	<u>9/30/2021</u>	<u>9/30/2020</u>
Contractually required FRS contribution	\$ 2,164,138	\$ 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>2,164,138</u>	<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>	<u>\$ -</u>
Covered payroll	\$21,331,224	\$18,668,671	\$16,811,858	\$14,740,231	\$11,829,189	\$ 6,959,148
FRS Contributions as a percentage of covered payroll	10.15%	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.

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

Reporting period ending	9/30/2025	9/30/2024	9/30/2023	9/30/2022	9/30/2021	9/30/2020
Measurement date	6/30/2025	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020
City's proportion of the HIS net pension liability	0.04583%	0.04312%	0.04073%	0.03704%	0.03187%	0.01232%
City's proportionate share of the HIS net pension liability	\$ 5,873,725	\$ 6,468,620	\$ 6,468,294	\$ 3,923,090	\$ 3,909,531	\$ 1,503,673
City's covered payroll	\$20,542,864	\$18,349,652	\$16,161,387	\$13,514,313	\$11,361,791	\$ 4,455,015
City's proportionate share of the pension liability as a percentage of its covered payroll	28.59%	35.25%	40.02%	29.03%	34.41%	33.75%
HIS Plan fiduciary net position as a percentage of the HIS total pension liability	6.36%	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 FRS Plan in February 2020.

**Schedule of Contributions  
Health Insurance Subsidy Pension Plan**

Reporting period ending	<u>9/30/2025</u>	<u>9/30/2024</u>	<u>9/30/2023</u>	<u>9/30/2022</u>	<u>9/30/2021</u>	<u>9/30/2020</u>
Contractually required HIS contribution	\$ 425,238	\$ 371,943	\$ 295,361	\$ 243,688	\$ 196,347	\$ 111,098
HIS Contributions in relation to the contractually required HIS contribution	<u>425,238</u>	<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>	<u>\$ -</u>
Covered payroll	\$21,331,224	\$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%	1.99%	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 FRS Plan in February 2020.



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2025



# Combining and Individual Fund Financial Statements and Schedules

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Annual Comprehensive Financial Report 2025



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# Nonmajor Governmental Funds

## **SPECIAL REVENUE FUNDS**

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

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

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

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

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

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

**Three Island 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

## **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.

## **CAPITAL PROJECTS FUNDS**

**Transportation Surtax Fund** – to account for ranked municipal surtax capital projects funded using the County once cent transportation surtax.

**Three Islands Special Assessment Capital Project Fund** – to account for the project costs associated with safety improvements in the Three Islands Safe Neighborhood District.

**Combining Balance Sheet  
Nonmajor Governmental Funds  
September 30, 2025**

	Special Revenue Funds						
	Police Training Fund	Police Outside Services Fund	Police Equitable Sharing Fund	Transportation Fund	Golden Isles Safe Neighborhood Fund	Three Islands District Fund	Developer Agreements Fund
<b>Assets</b>							
Cash and cash equivalents	\$ 62,735	\$ 40,921	\$ 1,204,725	\$ 6,038,908	\$ 916,577	\$ 639,998	\$ 4,788,558
Receivables, net of allowances	-	131,768	-	-	-	-	-
Due from other governments	-	-	-	112,068	11,160	5,277	-
Restricted assets:							
Cash and cash equivalents	-	-	-	-	-	-	-
Total assets	<u>\$ 62,735</u>	<u>\$ 172,689</u>	<u>\$ 1,204,725</u>	<u>\$ 6,150,976</u>	<u>\$ 927,737</u>	<u>\$ 645,275</u>	<u>\$ 4,788,558</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>							
<b>Liabilities</b>							
Accounts payable and accrued liabilities	\$ -	\$ 50,776	\$ 2,306	\$ 246,436	\$ 121,843	\$ 1,668	\$ -
Due to other funds	-	-	-	-	-	-	331,250
Deposits	-	97,300	-	-	-	-	-
Unearned revenues	-	-	-	-	-	-	100,000
Total liabilities	<u>-</u>	<u>148,076</u>	<u>2,306</u>	<u>246,436</u>	<u>121,843</u>	<u>1,668</u>	<u>431,250</u>
<b>Deferred Inflows of Resources</b>							
Unavailable revenue	-	2,416	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>2,416</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances (Deficits)</b>							
Restricted for:							
Debt service	-	-	-	-	-	-	-
Law enforcement	62,735	-	1,202,419	-	-	-	-
Developer agreements	-	-	-	-	-	-	4,357,308
Traffic mitigation	-	-	-	1,063,790	-	-	-
Transportation	-	-	-	4,840,750	-	-	-
Building permits function	-	-	-	-	-	-	-
Safe neighborhood districts	-	-	-	-	805,894	643,607	-
Police outside services	-	22,197	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-
Committed:							
Tree preservation	-	-	-	-	-	-	-
Total fund balances	<u>62,735</u>	<u>22,197</u>	<u>1,202,419</u>	<u>5,904,540</u>	<u>805,894</u>	<u>643,607</u>	<u>4,357,308</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 62,735</u>	<u>\$ 172,689</u>	<u>\$ 1,204,725</u>	<u>\$ 6,150,976</u>	<u>\$ 927,737</u>	<u>\$ 645,275</u>	<u>\$ 4,788,558</u>

**Combining Balance Sheet  
Nonmajor Governmental Funds  
September 30, 2025**

	Special Revenue Funds				Debt Service Funds		Capital Projects Funds		Totals
	Law Enforcement Trust Fund	Building Permits Fund	Tree Preservation Trust Fund	Impact Fee Fund	2016 G.O. Bond Fund	Revenue Bond Fund	Transportation Surtax Fund	Three Islands Special Assessment Capital Project Fund	
<b>Assets</b>									
Cash and cash equivalents	\$ 88,940	\$ 10,845,363	\$ 79,284	\$ 199,404	\$ -	\$ -	\$ 110,290	\$ 5,408,420	\$ 30,424,123
Receivables, net of allowances	-	-	-	-	-	-	-	6,920	138,688
Due from other governments	-	-	-	-	-	-	-	-	128,505
Restricted assets:									
Cash and cash equivalents	-	-	-	-	470,814	44,269	-	-	515,083
<b>Total assets</b>	<b>\$ 88,940</b>	<b>\$ 10,845,363</b>	<b>\$ 79,284</b>	<b>\$ 199,404</b>	<b>\$ 470,814</b>	<b>\$ 44,269</b>	<b>\$ 110,290</b>	<b>\$ 5,415,340</b>	<b>\$ 31,206,399</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>									
<b>Liabilities</b>									
Accounts payable and accrued liabilities	\$ -	\$ 200,682	\$ -	\$ -	\$ -	\$ -	\$ 55,946	\$ 19,460	\$ 699,117
Due to other funds	-	-	-	-	-	-	-	-	331,250
Deposits	-	-	-	-	-	-	-	-	97,300
Unearned revenues	-	-	-	-	-	-	49,989	-	149,989
<b>Total liabilities</b>	<b>-</b>	<b>200,682</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>105,935</b>	<b>19,460</b>	<b>1,277,656</b>
<b>Deferred Inflows of Resources</b>									
Unavailable revenue	-	-	-	-	-	-	-	6,920	9,336
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,920</b>	<b>9,336</b>
<b>Fund Balances (Deficits)</b>									
Restricted for:									
Debt service	-	-	-	-	470,814	44,269	-	-	515,083
Law enforcement	88,940	-	-	-	-	-	-	-	1,354,094
Developer agreements	-	-	-	-	-	-	-	-	4,357,308
Traffic mitigation	-	-	-	-	-	-	-	-	1,063,790
Transportation	-	-	-	-	-	-	4,355	-	4,845,105
Building permits function	-	10,644,681	-	-	-	-	-	-	10,644,681
Safe neighborhood districts	-	-	-	-	-	-	-	-	1,449,501
Police outside services	-	-	-	-	-	-	-	-	22,197
Capital projects	-	-	-	199,404	-	-	-	5,388,960	5,588,364
Committed:									
Tree preservation	-	-	79,284	-	-	-	-	-	79,284
<b>Total fund balances</b>	<b>88,940</b>	<b>10,644,681</b>	<b>79,284</b>	<b>199,404</b>	<b>470,814</b>	<b>44,269</b>	<b>4,355</b>	<b>5,388,960</b>	<b>29,919,407</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 88,940</b>	<b>\$ 10,845,363</b>	<b>\$ 79,284</b>	<b>\$ 199,404</b>	<b>\$ 470,814</b>	<b>\$ 44,269</b>	<b>\$ 110,290</b>	<b>\$ 5,415,340</b>	<b>\$ 31,206,399</b>

**Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Nonmajor Governmental Funds  
for the Fiscal Year Ended September 30, 2025**

Special Revenue Funds

	<u>Police Training Fund</u>	<u>Police Outside Services Fund</u>	<u>Police Equitable Sharing Fund</u>	<u>Transportation Fund</u>	<u>Golden Isles Safe Neighborhood Fund</u>	<u>Three Islands District Fund</u>	<u>Developer Agreements Fund</u>
<b>Revenues:</b>							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 607,728	\$ 575,652	\$ -
Charges for services	-	1,938,261	-	96,751	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	1,009,621	-	-	-
Special assessments	-	-	-	-	-	-	-
Fines and forfeitures	7,653	-	17,157	-	-	-	-
Investment earnings	1,613	1,792	33,267	139,836	28,565	46,283	119,544
Impact fees	-	-	-	-	-	-	-
Other revenues	-	147,589	-	39,487	-	-	1,914,472
Total revenues	<u>9,266</u>	<u>2,087,642</u>	<u>50,424</u>	<u>1,285,695</u>	<u>636,293</u>	<u>621,935</u>	<u>2,034,016</u>
<b>Expenditures:</b>							
Current:							
General government	-	-	-	43,390	-	-	-
Public safety	-	2,182,045	8,558	-	466,331	366,244	-
Transportation	-	-	-	3,026,787	-	-	-
Culture and recreation	-	-	-	-	-	-	12,782
Human services	-	-	-	-	-	-	13,495
Debt service:							
Principal	-	-	298,336	-	-	-	-
Interest and other fiscal charges	-	-	-	-	-	-	-
Capital outlay	-	-	805,289	1,932,943	294,184	19,529	36,210
Total expenditures	<u>-</u>	<u>2,182,045</u>	<u>1,112,183</u>	<u>5,003,120</u>	<u>760,515</u>	<u>385,773</u>	<u>62,487</u>
Excess (deficiency) of revenues over (under) expenditures	<u>9,266</u>	<u>(94,403)</u>	<u>(1,061,759)</u>	<u>(3,717,425)</u>	<u>(124,222)</u>	<u>236,162</u>	<u>1,971,529</u>
<b>Other financing sources</b>							
Transfers in	-	-	-	5,459,554	-	-	-
Transfers out	-	-	-	-	-	(1,100,000)	(787,757)
Issuance of debt - SBITA	-	-	805,289	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>805,289</u>	<u>5,459,554</u>	<u>-</u>	<u>(1,100,000)</u>	<u>(787,757)</u>
Net change in fund balances	<u>9,266</u>	<u>(94,403)</u>	<u>(256,470)</u>	<u>1,742,129</u>	<u>(124,222)</u>	<u>(863,838)</u>	<u>1,183,772</u>
<b>Fund balance, beginning of year</b>	<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>
<b>Fund balance, end of year</b>	<u>\$ 62,735</u>	<u>\$ 22,197</u>	<u>\$ 1,202,419</u>	<u>\$ 5,904,540</u>	<u>\$ 805,894</u>	<u>\$ 643,607</u>	<u>\$ 4,357,308</u>

**Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Nonmajor Governmental Funds  
for the Fiscal Year Ended September 30, 2025**

	Special Revenue Funds				Debt Service Funds		Capital Projects Funds		Totals
	Law Enforcement Trust Fund	Building Permits Fund	Tree Preservation Trust Fund	Impact Fee Fund	2016 G.O. Bond Fund	Revenue Bond Fund	Transportation Surtax Fund	Three Islands Special Assessment Capital Project Fund	
<b>Revenues:</b>									
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 3,129,146	\$ -	\$ -	\$ -	\$ 4,312,526
Charges for services	-	564,864	-	-	-	-	-	-	2,599,876
Licenses and permits	-	7,375,049	-	-	-	-	-	-	7,375,049
Intergovernmental	-	-	-	-	-	-	130,011	-	1,139,632
Special assessments	-	-	-	-	-	-	-	6,920	6,920
Fines and forfeitures	4,000	-	-	-	-	-	-	-	28,810
Investment earnings	2,843	234,876	2,115	3,677	36,640	-	4,355	12,325	667,731
Impact fees	-	-	-	121,982	-	-	-	-	121,982
Other revenues	-	-	-	-	-	-	-	-	2,101,548
<b>Total revenues</b>	<b>6,843</b>	<b>8,174,789</b>	<b>2,115</b>	<b>125,659</b>	<b>3,165,786</b>	<b>-</b>	<b>134,366</b>	<b>19,245</b>	<b>18,354,074</b>
<b>Expenditures:</b>									
Current:									
General government	-	78,100	-	-	-	-	-	-	121,490
Public safety	63,319	4,293,704	-	-	-	-	-	64,425	7,444,626
Transportation	-	-	-	-	-	-	-	-	3,026,787
Culture and recreation	-	-	-	-	-	-	-	-	12,782
Human services	-	-	-	-	-	-	-	-	13,495
Debt service:									
Principal	-	-	-	-	1,425,000	1,835,000	-	-	3,558,336
Interest and other fiscal charges	-	-	-	-	1,651,756	458,788	-	-	2,110,544
Capital outlay	-	5,750	-	-	-	-	130,011	-	3,223,916
<b>Total expenditures</b>	<b>63,319</b>	<b>4,377,554</b>	<b>-</b>	<b>-</b>	<b>3,076,756</b>	<b>2,293,788</b>	<b>130,011</b>	<b>64,425</b>	<b>19,511,976</b>
Excess (deficiency) of revenues over (under) expenditures	(56,476)	3,797,235	2,115	125,659	89,030	(2,293,788)	4,355	(45,180)	(1,157,902)
<b>Other financing sources</b>									
Transfers in	-	-	-	-	-	2,293,788	-	5,434,140	13,187,482
Transfers out	-	-	-	-	-	-	-	-	(1,887,757)
Issuance of debt - SBITA	-	-	-	-	-	-	-	-	805,289
<b>Total other financing sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,293,788</b>	<b>-</b>	<b>5,434,140</b>	<b>12,105,014</b>
<b>Net change in fund balances</b>	<b>(56,476)</b>	<b>3,797,235</b>	<b>2,115</b>	<b>125,659</b>	<b>89,030</b>	<b>-</b>	<b>4,355</b>	<b>5,388,960</b>	<b>10,947,112</b>
<b>Fund balance, beginning of year</b>	<b>145,416</b>	<b>6,847,446</b>	<b>77,169</b>	<b>73,745</b>	<b>381,784</b>	<b>44,269</b>	<b>-</b>	<b>-</b>	<b>18,972,295</b>
<b>Fund balance, end of year</b>	<b>\$ 88,940</b>	<b>\$ 10,644,681</b>	<b>\$ 79,284</b>	<b>\$ 199,404</b>	<b>\$ 470,814</b>	<b>\$ 44,269</b>	<b>\$ 4,355</b>	<b>\$ 5,388,960</b>	<b>\$29,919,407</b>

**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, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Fines and forfeitures	\$ 8,000	\$ 8,000	\$ 7,653	\$ (347)
Investment earnings	336	336	1,613	1,277
Total revenues	<u>8,336</u>	<u>8,336</u>	<u>9,266</u>	<u>930</u>
<b>Expenditures:</b>				
Operating expenditures	<u>21,000</u>	<u>21,000</u>	-	<u>21,000</u>
Total expenditures	<u>21,000</u>	<u>21,000</u>	-	<u>21,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(12,664)</u>	<u>(12,664)</u>	<u>9,266</u>	<u>21,930</u>
<b>Other Financing Sources</b>				
Appropriations from fund balance	<u>12,664</u>	<u>12,664</u>	-	<u>(12,664)</u>
Total other financing sources	<u>12,664</u>	<u>12,664</u>	-	<u>(12,664)</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>9,266</u>	<u>9,266</u>
<b>Fund balance, beginning</b>	<u>53,469</u>	<u>53,469</u>	<u>53,469</u>	<u>-</u>
<b>Fund balance, ending</b>	<u>\$ 53,469</u>	<u>\$ 53,469</u>	<u>\$ 62,735</u>	<u>\$ 9,266</u>

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual  
Special Revenue Funds – Police Outside Services Fund  
for the Fiscal Year Ended September 30, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Charges for services	\$ 1,600,000	\$ 1,600,000	\$ 1,938,261	\$ 338,261
Investment earnings	1,063	1,063	1,792	729
Other revenues	96,000	96,000	147,589	51,589
Total revenues	<u>1,697,063</u>	<u>1,697,063</u>	<u>2,087,642</u>	<u>390,579</u>
<b>Expenditures:</b>				
Personal services	1,601,063	1,601,063	2,034,455	(433,392)
Operating expenditures	96,000	96,000	147,590	(51,590)
Total expenditures	<u>1,697,063</u>	<u>1,697,063</u>	<u>2,182,045</u>	<u>(484,982)</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>(94,403)</u>	<u>(94,403)</u>
<b>Fund balance, beginning</b>	<u>116,600</u>	<u>116,600</u>	<u>116,600</u>	<u>-</u>
<b>Fund balance, ending</b>	<u>\$ 116,600</u>	<u>\$ 116,600</u>	<u>\$ 22,197</u>	<u>\$ (94,403)</u>

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual  
Special Revenue Funds – Police Equitable Sharing Fund  
for the Fiscal Year Ended September 30, 2025**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Fines and forfeitures	\$ -	\$ -	\$ 17,157	\$ 17,157
Investment earnings	4,985	4,985	33,267	28,282
Total revenues	<u>4,985</u>	<u>4,985</u>	<u>50,424</u>	<u>45,439</u>
<b>Expenditures:</b>				
Operating expenditures	428,200	486,951	8,558	478,393
Debt service	-	-	298,336	(298,336)
Capital outlay	40,000	20,000	805,289	(785,289)
Total expenditures	<u>468,200</u>	<u>506,951</u>	<u>1,112,183</u>	<u>(605,232)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(463,215)</u>	<u>(501,966)</u>	<u>(1,061,759)</u>	<u>(559,793)</u>
<b>Other Financing Sources</b>				
Proceeds from issuance of debt-SBITA	-	-	805,289	805,289
Appropriations from fund balance	463,215	477,032	-	(477,032)
Reappropriations from fund balance	-	24,934	-	(24,934)
Total other financing sources	<u>463,215</u>	<u>501,966</u>	<u>805,289</u>	<u>303,323</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>(256,470)</u>	<u>(256,470)</u>
<b>Fund balance, beginning</b>	<u>1,458,889</u>	<u>1,458,889</u>	<u>1,458,889</u>	<u>-</u>
<b>Fund balance, ending</b>	<u>\$ 1,458,889</u>	<u>\$ 1,458,889</u>	<u>\$ 1,202,419</u>	<u>\$ (256,470)</u>

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual  
Special Revenue Funds – Transportation Fund  
for the Fiscal Year Ended September 30, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Charges for services	\$ 229,573	\$ 229,573	\$ 96,751	\$ (132,822)
Intergovernmental	979,103	979,103	1,009,621	30,518
Franchise taxes	40,150	40,150	-	(40,150)
Investment earnings	18,967	18,967	139,836	120,869
Other revenues	-	-	39,487	39,487
Total revenues	<u>1,267,793</u>	<u>1,267,793</u>	<u>1,285,695</u>	<u>17,902</u>
<b>Expenditures:</b>				
Personal services	1,194,146	1,318,064	1,146,789	171,275
Operating expenditures	3,541,533	3,709,347	1,923,388	1,785,959
Capital outlay	1,500,000	2,081,303	1,932,943	148,360
Total expenditures	<u>6,235,679</u>	<u>7,108,714</u>	<u>5,003,120</u>	<u>2,105,594</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,967,886)</u>	<u>(5,840,921)</u>	<u>(3,717,425)</u>	<u>2,123,496</u>
<b>Other Financing Sources</b>				
Transfers in	4,967,886	5,459,554	5,459,554	-
Reappropriations from fund balance	-	381,367	-	(381,367)
Total other financing sources	<u>4,967,886</u>	<u>5,840,921</u>	<u>5,459,554</u>	<u>(381,367)</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>1,742,129</u>	<u>1,742,129</u>
<b>Fund balance, beginning</b>	<u>4,162,411</u>	<u>4,162,411</u>	<u>4,162,411</u>	<u>-</u>
<b>Fund balance, ending</b>	<u>\$ 4,162,411</u>	<u>\$ 4,162,411</u>	<u>\$ 5,904,540</u>	<u>\$ 1,742,129</u>

**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, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Property taxes	\$ 605,941	\$ 605,941	\$ 607,728	\$ 1,787
Investment earnings	7,854	7,854	28,565	20,711
Total revenues	<u>613,795</u>	<u>613,795</u>	<u>636,293</u>	<u>22,498</u>
<b>Expenditures:</b>				
Operating expenditures	613,795	532,499	466,331	66,168
Capital outlay	-	494,358	294,184	200,174
Total expenditures	<u>613,795</u>	<u>1,026,857</u>	<u>760,515</u>	<u>266,342</u>
Excess (deficiency) of revenues over (under) expenditures	-	(413,062)	(124,222)	288,840
<b>Other Financing Sources</b>				
Reappropriations from fund balance	-	413,062	-	(413,062)
Total other financing sources	<u>-</u>	<u>413,062</u>	<u>-</u>	<u>(413,062)</u>
Net change in fund balance	-	-	(124,222)	(124,222)
<b>Fund balance, beginning</b>	930,116	930,116	930,116	-
<b>Fund balance, ending</b>	<u>\$ 930,116</u>	<u>\$ 930,116</u>	<u>\$ 805,894</u>	<u>\$ (124,222)</u>

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual  
Special Revenue Funds – Three Islands District Fund  
for the Fiscal Year Ended September 30, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Property taxes	\$ 564,995	\$ 564,995	\$ 575,652	\$ 10,657
Investment earnings	10,231	10,231	46,283	36,052
Total revenues	<u>575,226</u>	<u>575,226</u>	<u>621,935</u>	<u>46,709</u>
<b>Expenditures:</b>				
Operating expenditures	560,226	556,726	366,244	190,482
Capital outlay	-	59,610	19,529	40,081
Contingency	15,000	15,000	-	15,000
Total expenditures	<u>575,226</u>	<u>631,336</u>	<u>385,773</u>	<u>245,563</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(56,110)</u>	<u>236,162</u>	<u>292,272</u>
<b>Other Financing Sources (Uses)</b>				
Transfers out	-	(1,100,000)	(1,100,000)	-
Appropriations from fund balance	-	1,100,000	-	(1,100,000)
Reappropriations from fund balance	-	56,110	-	(56,110)
Total other financing sources (uses)	<u>-</u>	<u>56,110</u>	<u>(1,100,000)</u>	<u>(1,156,110)</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>(863,838)</u>	<u>(863,838)</u>
<b>Fund balance, beginning</b>	<u>1,507,445</u>	<u>1,507,445</u>	<u>1,507,445</u>	<u>-</u>
<b>Fund balance, ending</b>	<u>\$ 1,507,445</u>	<u>\$ 1,507,445</u>	<u>\$ 643,607</u>	<u>\$ (863,838)</u>

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual  
Special Revenue Funds – Law Enforcement Trust Fund  
for the Fiscal Year Ended September 30, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Fines and forfeitures	\$ -	\$ -	\$ 4,000	\$ 4,000
Investment earnings	1,607	1,607	2,843	1,236
Total revenues	1,607	1,607	6,843	5,236
<b>Expenditures:</b>				
Operating expenditures	54,830	78,830	29,069	49,761
Grants and aids	34,250	34,250	34,250	-
Total expenditures	89,080	113,080	63,319	49,761
Excess (deficiency) of revenues over (under) expenditures	(87,473)	(111,473)	(56,476)	54,997
<b>Other Financing Sources</b>				
Appropriations from fund balance	87,473	87,473	-	(87,473)
Reappropriations from fund balance	-	24,000	-	(24,000)
Total other financing sources	87,473	111,473	-	(111,473)
Net change in fund balance	-	-	(56,476)	(56,476)
<b>Fund balance, beginning</b>	145,416	145,416	145,416	-
<b>Fund balance, ending</b>	\$ 145,416	\$ 145,416	\$ 88,940	\$ (56,476)

**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, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Charges for services	\$ 553,000	\$ 553,000	\$ 564,864	\$ 11,864
Licenses and permits	4,096,500	4,096,500	7,375,049	3,278,549
Investment earnings	20,229	20,229	234,876	214,647
Total revenues	<u>4,669,729</u>	<u>4,669,729</u>	<u>8,174,789</u>	<u>3,505,060</u>
<b>Expenditures:</b>				
Personal services	2,033,796	2,028,796	1,786,015	242,781
Operating expenditures	3,057,351	3,145,441	2,585,789	559,652
Capital outlay	-	93,600	5,750	87,850
Total expenditures	<u>5,091,147</u>	<u>5,267,837</u>	<u>4,377,554</u>	<u>890,283</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(421,418)</u>	<u>(598,108)</u>	<u>3,797,235</u>	<u>4,395,343</u>
<b>Other Financing Sources</b>				
Appropriations from fund balance	421,418	421,418	-	(421,418)
Reappropriations from fund balance	-	176,690	-	(176,690)
Total other financing sources	<u>421,418</u>	<u>598,108</u>	<u>-</u>	<u>(598,108)</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>3,797,235</u>	<u>3,797,235</u>
<b>Fund balance, beginning</b>	<u>6,847,446</u>	<u>6,847,446</u>	<u>6,847,446</u>	<u>-</u>
<b>Fund balance, ending</b>	<u>\$ 6,847,446</u>	<u>\$ 6,847,446</u>	<u>\$ 10,644,681</u>	<u>\$ 3,797,235</u>

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual  
Special Revenue Funds – Tree Preservation Trust Fund  
for the Fiscal Year Ended September 30, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Investment earnings	\$ 458	\$ 458	\$ 2,115	\$ 1,657
Total revenues	458	458	2,115	1,657
<b>Expenditures:</b>				
Operating expenditures	458	458	-	458
Total expenditures	458	458	-	458
Net change in fund balance	-	-	2,115	2,115
<b>Fund balance, beginning</b>	77,169	77,169	77,169	-
<b>Fund balance, ending</b>	<u>\$ 77,169</u>	<u>\$ 77,169</u>	<u>\$ 79,284</u>	<u>\$ 2,115</u>

**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, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Property taxes	\$ 3,080,100	\$ 3,080,100	\$ 3,129,146	\$ 49,046
Investment earnings	8,927	8,927	36,640	27,713
Total revenues	<u>3,089,027</u>	<u>3,089,027</u>	<u>3,165,786</u>	<u>76,759</u>
<b>Expenditures:</b>				
Debt service	<u>3,089,027</u>	<u>3,089,027</u>	<u>3,076,756</u>	<u>12,271</u>
Total expenditures	<u>3,089,027</u>	<u>3,089,027</u>	<u>3,076,756</u>	<u>12,271</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>89,030</u>	<u>89,030</u>
<b>Fund balance, beginning</b>	<u>381,784</u>	<u>381,784</u>	<u>381,784</u>	<u>-</u>
<b>Fund balance, ending</b>	<u>\$ 381,784</u>	<u>\$ 381,784</u>	<u>\$ 470,814</u>	<u>\$ 89,030</u>

**Schedule of Revenues, Expenditures, and Changes in  
Fund Balance – Budget and Actual  
Debt Service Funds – Revenue Bond Fund  
for the Fiscal Year Ended September 30, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Total revenues	\$ -	\$ -	\$ -	\$ -
<b>Expenditures:</b>				
Debt service	2,293,788	2,293,788	2,293,788	-
Total expenditures	2,293,788	2,293,788	2,293,788	-
Excess (deficiency) of revenues over (under) expenditures	(2,293,788)	(2,293,788)	(2,293,788)	-
<b>Other Financing Sources</b>				
Transfers in	2,293,788	2,293,788	2,293,788	-
Total other financing uses	2,293,788	2,293,788	2,293,788	-
Net change in fund balances	-	-	-	-
<b>Fund balance, beginning</b>	44,269	44,269	44,269	-
<b>Fund balance, ending</b>	<u>\$ 44,269</u>	<u>\$ 44,269</u>	<u>\$ 44,269</u>	<u>\$ -</u>

**Schedule of Revenues, Expenditures, and Changes in  
Fund Balance – Budget and Actual  
General Obligation Bond Fund  
for the Fiscal Year Ended September 30, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Investment earnings	\$ 107,939	\$ 107,939	\$ 203,588	\$ 95,649
Total revenues	<u>107,939</u>	<u>107,939</u>	<u>203,588</u>	<u>95,649</u>
<b>Expenditures:</b>				
Operating expenditures	107,939	69,427	825	68,602
Capital outlay	-	543,772	338,958	204,814
Total expenditures	<u>107,939</u>	<u>613,199</u>	<u>339,783</u>	<u>273,416</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(505,260)</u>	<u>(136,195)</u>	<u>369,065</u>
<b>Other Financing Sources</b>				
Reappropriations from fund balance	-	505,260	-	(505,260)
Total other financing sources	<u>-</u>	<u>505,260</u>	<u>-</u>	<u>(505,260)</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>(136,195)</u>	<u>(136,195)</u>
<b>Fund balance, beginning</b>	<u>3,136,236</u>	<u>3,136,236</u>	<u>3,136,236</u>	<u>-</u>
<b>Fund balance, ending</b>	<u>\$ 3,136,236</u>	<u>\$ 3,136,236</u>	<u>\$ 3,000,041</u>	<u>\$ (136,195)</u>

**Schedule of Revenues, Expenditures, and Changes in  
Fund Balance – Budget and Actual  
Capital Projects Fund  
for the Fiscal Year Ended September 30, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Investment earnings	\$ 19,893	\$ 19,893	\$ 286,649	\$ 266,756
Total revenues	<u>19,893</u>	<u>19,893</u>	<u>286,649</u>	<u>266,756</u>
<b>Expenditures:</b>				
Operating expenditures	19,893	400,719	7,574	393,145
Capital outlay	2,878,275	12,228,896	1,156,470	11,072,426
Total expenditures	<u>2,898,168</u>	<u>12,629,615</u>	<u>1,164,044</u>	<u>11,465,571</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,878,275)</u>	<u>(12,609,722)</u>	<u>(877,395)</u>	<u>11,732,327</u>
<b>Other Financing Sources</b>				
Transfers in	2,878,275	3,487,478	3,487,478	-
Reappropriations from fund balance	-	9,122,244	-	(9,122,244)
Total other financing sources	<u>2,878,275</u>	<u>12,609,722</u>	<u>3,487,478</u>	<u>(9,122,244)</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>2,610,083</u>	<u>2,610,083</u>
<b>Fund balance, beginning</b>	<u>9,538,828</u>	<u>9,538,828</u>	<u>9,538,828</u>	<u>-</u>
<b>Fund balance, ending</b>	<u>\$ 9,538,828</u>	<u>\$ 9,538,828</u>	<u>\$ 12,148,911</u>	<u>\$ 2,610,083</u>

**Schedule of Revenues, Expenditures, and Changes in  
Fund Balance – Budget and Actual  
Redevelopment Revenue Note Fund  
for the Fiscal Year Ended September 30, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Investment earnings	\$ 500,000	\$ 500,000	\$ 534,815	\$ 34,815
Total revenues	500,000	500,000	534,815	34,815
<b>Expenditures:</b>				
Operating expenditures	-	-	6,560	(6,560)
Grants and aids	-	236,354	121,549	114,805
Capital outlay	10,117,201	14,037,122	3,091,409	10,945,713
Total expenditures	10,117,201	14,273,476	3,219,518	11,053,958
Excess (deficiency) of revenues over (under) expenditures	(9,617,201)	(13,773,476)	(2,684,703)	11,088,773
<b>Other Financing Sources</b>				
Reappropriations from fund balance	9,617,201	13,773,476	-	(13,773,476)
Total other financing sources	9,617,201	13,773,476	-	(13,773,476)
Net change in fund balance	-	-	(2,684,703)	(2,684,703)
<b>Fund balance, beginning</b>	13,773,476	13,773,476	13,773,476	-
<b>Fund balance, ending</b>	\$ 13,773,476	\$ 13,773,476	\$ 11,088,773	\$ (2,684,703)

**Schedule of Revenues, Expenditures, and Changes in  
Fund Balance – Budget and Actual  
Transportation Surtax Fund  
for the Fiscal Year Ended September 30, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ -	\$ 4,047,646	\$ 130,011	\$ (3,917,635)
Investment earnings	-	-	4,355	4,355
Total revenues	-	4,047,646	134,366	(3,913,280)
<b>Expenditures:</b>				
Capital outlay	-	4,047,646	130,011	3,917,635
Total expenditures	-	4,047,646	130,011	3,917,635
Net change in fund balance	-	-	4,355	4,355
<b>Fund balance, beginning</b>	-	-	-	-
<b>Fund balance, ending</b>	\$ -	\$ -	\$ 4,355	\$ 4,355

**Schedule of Revenues, Expenditures, and Changes in  
Fund Balance – Budget and Actual  
Three Islands Special Assessment Capital Project Fund  
for the Fiscal Year Ended September 30, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Special assessments	\$ -	\$ -	\$ 6,920	\$ 6,920
Investment earnings	-	-	12,325	12,325
Total revenues	-	-	19,245	19,245
<b>Expenditures:</b>				
Operating expenditures	-	-	64,425	(64,425)
Capital outlay	-	5,434,140	-	5,434,140
Total expenditures	-	5,434,140	64,425	5,369,715
Excess (deficiency) of revenues over (under) expenditures	-	(5,434,140)	(45,180)	5,388,960
<b>Other Financing Sources</b>				
Transfers in	-	5,434,140	5,434,140	-
Total other financing sources	-	5,434,140	5,434,140	-
Net change in fund balance	-	-	5,388,960	5,388,960
<b>Fund balance, beginning</b>	-	-	-	-
<b>Fund balance, ending</b>	\$ -	\$ -	\$ 5,388,960	\$ 5,388,960



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# Proprietary Funds

## **INTERNAL SERVICE FUNDS**

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

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

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

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

**Combining Statement of Net Position  
Internal Service Funds  
September 30, 2025**

	General Liability Trust Fund	Workers' Compensation Fund	Fleet Fund	Totals
<b>Assets</b>				
Current assets:				
Cash and cash equivalents	\$ 4,622,285	\$ 2,790,068	\$ 7,822,266	\$ 15,234,619
Due from other funds	23,226	-	-	23,226
Prepays	30,012	-	-	30,012
Total current assets	<u>4,675,523</u>	<u>2,790,068</u>	<u>7,822,266</u>	<u>15,287,857</u>
Noncurrent assets:				
Capital assets:				
Capital assets, net of accumulated depreciation/ amortization	-	-	10,993,072	10,993,072
Total noncurrent assets	-	-	10,993,072	10,993,072
Total assets	<u>4,675,523</u>	<u>2,790,068</u>	<u>18,815,338</u>	<u>26,280,929</u>
<b>Deferred Outflows of Resources</b>				
Pensions - City	55,653	-	65,206	120,859
Pensions - FRS	50,315	-	133,273	183,588
OPEB	2,873	-	6,995	9,868
Total deferred outflows of resources	<u>108,841</u>	<u>-</u>	<u>205,474</u>	<u>314,315</u>
<b>Liabilities</b>				
Current liabilities:				
Accounts payable and accrued liabilities	30,930	2,227	61,387	94,544
Compensated absences	6,862	-	8,383	15,245
Accrued claims for self-insured risks	537,000	354,000	-	891,000
Total OPEB liability	2,882	-	7,019	9,901
Total current liabilities	<u>577,674</u>	<u>356,227</u>	<u>76,789</u>	<u>1,010,690</u>
Noncurrent liabilities:				
Compensated absences	45,691	-	51,140	96,831
Accrued claims for self-insured risks	621,000	1,003,000	-	1,624,000
Net pension liability - City	279,136	-	327,051	606,187
Net pension liability - FRS	126,081	-	333,964	460,045
Total OPEB liability	65,109	-	158,544	223,653
Total noncurrent liabilities	<u>1,137,017</u>	<u>1,003,000</u>	<u>870,699</u>	<u>3,010,716</u>
Total liabilities	<u>1,714,691</u>	<u>1,359,227</u>	<u>947,488</u>	<u>4,021,406</u>
<b>Deferred Inflows of Resources</b>				
Pensions - City	9,623	-	11,275	20,898
Pensions - FRS	24,772	-	65,613	90,385
OPEB	36,472	-	88,813	125,285
Total deferred inflows of resources	<u>70,867</u>	<u>-</u>	<u>165,701</u>	<u>236,568</u>
<b>Net Position</b>				
Net investment in capital assets	-	-	10,993,072	10,993,072
Unrestricted	2,998,806	1,430,841	6,914,551	11,344,198
Total net position	<u>\$ 2,998,806</u>	<u>\$ 1,430,841</u>	<u>\$ 17,907,623</u>	<u>\$ 22,337,270</u>

**Combining Statement of Revenues, Expenses and  
Changes in Net Position  
Internal Service Funds  
for the Fiscal Year Ended September 30, 2025**

	General Liability Trust Fund	Workers' Compensation Fund	Fleet Fund	Totals
<b>Operating Revenues</b>				
Charges for services	\$ 3,463,132	\$ 2,068,218	\$ 4,864,494	\$ 10,395,844
Total operating revenues	<u>3,463,132</u>	<u>2,068,218</u>	<u>4,864,494</u>	<u>10,395,844</u>
<b>Operating Expenses</b>				
Personal services	457,850	-	1,002,604	1,460,454
Cost of sales and services	2,358,915	208,553	769,012	3,336,480
Claims expense	(503,509)	371,228	-	(132,281)
Depreciation and amortization	-	-	2,266,695	2,266,695
Total operating expenses	<u>2,313,256</u>	<u>579,781</u>	<u>4,038,311</u>	<u>6,931,348</u>
Operating income (loss)	<u>1,149,876</u>	<u>1,488,437</u>	<u>826,183</u>	<u>3,464,496</u>
<b>Nonoperating Revenues (Expenses)</b>				
Investment earnings	200,226	56,859	213,409	470,494
Gain (loss) on disposal of capital assets	-	-	131,677	131,677
Total nonoperating revenues (expenses)	<u>200,226</u>	<u>56,859</u>	<u>345,086</u>	<u>602,171</u>
Income (loss) before transfers and capital contributions	<u>1,350,102</u>	<u>1,545,296</u>	<u>1,171,269</u>	<u>4,066,667</u>
<b>Capital contributions and transfers</b>				
Transfer in	-	-	402,932	402,932
Transfer out	(4,581,454)	-	(1,658,746)	(6,240,200)
Total capital contributions and transfers	<u>(4,581,454)</u>	<u>-</u>	<u>(1,255,814)</u>	<u>(5,837,268)</u>
Change in net position	<u>(3,231,352)</u>	<u>1,545,296</u>	<u>(84,545)</u>	<u>(1,770,601)</u>
<b>Net position, beginning</b>	<u>6,230,158</u>	<u>(114,455)</u>	<u>17,992,168</u>	<u>24,107,871</u>
<b>Net position, ending</b>	<u>\$ 2,998,806</u>	<u>\$ 1,430,841</u>	<u>\$ 17,907,623</u>	<u>\$ 22,337,270</u>

**Combining Statement of Cash Flows  
Internal Service Funds  
for the Fiscal Year Ended September 30, 2025**

	General Liability Trust Fund	Workers' Compensation Fund	Fleet Fund	Totals
<b>Cash Flows from Operating Activities</b>				
Receipts from customers and users	\$ 3,439,906	\$ 2,068,218	\$ 4,867,094	\$ 10,375,218
Payments to suppliers for goods, services, claims and administrative charges	(3,053,548)	(1,061,686)	(772,244)	(4,887,478)
Payments to employees	(430,188)	-	(933,280)	(1,363,468)
Net cash provided (used) by operating activities	<u>(43,830)</u>	<u>1,006,532</u>	<u>3,161,570</u>	<u>4,124,272</u>
<b>Cash Flows from Noncapital Financing Activities</b>				
Transfers from other funds	-	-	402,932	402,932
Transfers to other funds	(4,581,454)	-	(1,658,746)	(6,240,200)
Net cash provided (used) by noncapital financing activities	<u>(4,581,454)</u>	<u>-</u>	<u>(1,255,814)</u>	<u>(5,837,268)</u>
<b>Cash Flows from Capital and Related Financing Activities</b>				
Acquisition and construction of capital assets	-	-	(2,253,102)	(2,253,102)
Proceeds from sale of capital assets	-	-	255,030	255,030
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>-</u>	<u>(1,998,072)</u>	<u>(1,998,072)</u>
<b>Cash Flows from Investing Activities</b>				
Purchase of investments	(881,774)	(250,399)	(939,826)	(2,071,999)
Proceeds from the sale of investments	878,938	249,594	936,804	2,065,336
Interest and investment income received	203,062	57,664	216,431	477,157
Net cash provided (used) by investing activities	<u>200,226</u>	<u>56,859</u>	<u>213,409</u>	<u>470,494</u>
Net change in cash and cash equivalents	(4,425,058)	1,063,391	121,093	(3,240,574)
<b>Cash and cash equivalents, beginning</b>	<u>9,047,343</u>	<u>1,726,677</u>	<u>7,701,173</u>	<u>18,475,193</u>
<b>Cash and cash equivalents, ending</b>	<u>\$ 4,622,285</u>	<u>\$ 2,790,068</u>	<u>\$ 7,822,266</u>	<u>\$ 15,234,619</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>				
Operating income (loss)	\$ 1,149,876	\$ 1,488,437	\$ 826,183	3,464,496
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation	-	-	2,266,695	2,266,695
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:				
(Increase) decrease in receivables	(23,226)	-	2,600	(20,626)
(Increase) decrease in prepaids and other assets	(1,177)	-	-	(1,177)
(Increase) decrease in deferred outflows of resources	118,197	-	165,841	284,038
Increase (decrease) in accounts payable	(48,965)	(905)	(3,232)	(53,102)
Increase (decrease) in compensated absences	27,436	-	32,019	59,455
Increase (decrease) in self insured claims liability	(1,148,000)	(481,000)	-	(1,629,000)
Increase (decrease) in total OPEB liability	(20,540)	-	(6,168)	(26,708)
Increase (decrease) in net pension liability	(98,151)	-	(142,214)	(240,365)
Increase (decrease) in deferred inflows of resources	720	-	19,846	20,566
Net cash provided (used) by operating activities	<u>\$ (43,830)</u>	<u>\$ 1,006,532</u>	<u>\$ 3,161,570</u>	<u>\$ 4,124,272</u>
<b>Noncash Investing, Capital, and Financing Activities</b>				
Unrealized gain (loss) on investments	\$ (2,836)	\$ (805)	\$ (3,022)	(6,663)
Undepreciated amounts on disposal of capital assets	-	-	(123,353)	(123,353)
	<u>\$ (2,836)</u>	<u>\$ (805)</u>	<u>\$ (126,375)</u>	<u>\$ (130,016)</u>



# Fiduciary Funds

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

#### **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.

**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.

#### **Pension Trust Funds:**

**General Employees' Pension Fund** – 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** – 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** – 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.

**Combining Schedule of Fiduciary Net Position  
Fiduciary Funds  
September 30, 2025**

	<b>Friends of Hepburn Center Fund</b>	<b>Excess Benefit Plan Fund</b>	<b>Total Custodial Funds</b>	<b>General Employees' Pension Fund</b>	<b>Police and Firefighters Pension Fund</b>	<b>Professional/ Management Pension Fund</b>	<b>Total Pension Trust Funds</b>
<b>Assets</b>							
Cash and cash equivalents	\$ 483,477	\$ -	\$ 483,477	\$ -	\$ 6,776,150	\$ -	\$ 6,776,150
State contributions receivable	-	-	-	-	146,234	-	146,234
Accrued interest and dividends	-	-	-	-	584,411	-	584,411
Due from city	-	-	-	-	30,000	-	30,000
Due from brokers	-	-	-	-	747,262	-	747,262
Prepays	-	-	-	-	7,926	-	7,926
Investments:							
Corporate bonds and notes	-	-	-	-	19,685,151	-	19,685,151
Equity securities	-	-	-	-	209,778,432	-	209,778,432
U.S. obligations	-	-	-	-	30,914,030	-	30,914,030
Hedge funds	-	-	-	-	14,341,841	-	14,341,841
Equity pooled separate accounts	-	-	-	31,079,468	-	11,855,352	42,934,820
Private equity fund	-	-	-	-	5,938,204	-	5,938,204
Fixed income pooled separate accounts	-	-	-	33,793,621	-	8,360,961	42,154,582
Real estate pooled separate accounts	-	-	-	4,790,220	-	1,443,359	6,233,579
Real estate funds	-	-	-	-	9,646,501	-	9,646,501
Domestic equity investment funds	-	2,430,916	2,430,916	-	-	-	-
International equity investment funds	-	1,169,923	1,169,923	-	-	-	-
Domestic fixed income investment fund	-	2,097,479	2,097,479	-	-	-	-
Total investments	-	5,698,318	5,698,318	69,663,309	290,304,159	21,659,672	381,627,140
Total assets	483,477	5,698,318	6,181,795	69,663,309	298,596,142	21,659,672	389,919,123
<b>Liabilities</b>							
Accounts payable	7,525	-	7,525	-	288,551	-	288,551
Refund of contributions payable	-	-	-	-	40,172	-	40,172
Due to brokers	-	-	-	-	656,476	-	656,476
Total liabilities	7,525	-	7,525	-	985,199	-	985,199
<b>Net Position</b>							
Restricted for:							
Pension benefits	-	5,698,318	5,698,318	69,663,309	297,610,943	21,659,672	388,933,924
Community partnerships	475,952	-	475,952	-	-	-	-
Total restricted net position	\$ 475,952	\$ 5,698,318	\$ 6,174,270	\$ 69,663,309	\$ 297,610,943	\$ 21,659,672	\$ 388,933,924

**Combining Schedule of Changes in Fiduciary Net Position  
Fiduciary Funds  
for the Fiscal Year Ended September 30, 2025**

	Friends of Hepburn Center 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
<b>Additions</b>							
Contributions:							
Employer	\$ -	\$ -	\$ -	\$ 2,924,166	\$ 9,494,477	\$ 646,193	\$ 13,064,836
Plan members	-	-	-	117,812	2,063,231	9,574	2,190,617
State of Florida	-	-	-	-	1,143,006	-	1,143,006
Donations and contributions	5,074	-	5,074	-	-	-	-
Total contributions	5,074	-	5,074	3,041,978	12,700,714	655,767	16,398,459
Investment income (loss):							
Interest and dividends	12,706	-	12,706	-	6,705,574	-	6,705,574
Net increase (decrease) in fair value of investments	33	533,833	533,866	5,244,731	20,227,793	1,837,144	27,309,668
Total investment income (loss)	12,739	533,833	546,572	5,244,731	26,933,367	1,837,144	34,015,242
Less: Investment expenses	-	-	-	(27,627)	(1,758,156)	(12,770)	(1,798,553)
Net investment income (loss)	12,739	533,833	546,572	5,217,104	25,175,211	1,824,374	32,216,689
Other income	-	-	-	-	50,140	-	50,140
Total additions	17,813	533,833	551,646	8,259,082	37,926,065	2,480,141	48,665,288
<b>Deductions</b>							
Benefits	-	657,083	657,083	5,111,553	18,656,182	1,409,297	25,177,032
Administrative expenses	-	-	-	66,650	234,762	53,173	354,585
Total deductions	-	657,083	657,083	5,178,203	18,890,944	1,462,470	25,531,617
Change in net position	17,813	(123,250)	(105,437)	3,080,879	19,035,121	1,017,671	23,133,671
Net position, beginning	458,139	5,821,568	6,279,707	66,582,430	278,575,822	20,642,001	365,800,253
Net position, ending	\$ 475,952	\$ 5,698,318	\$ 6,174,270	\$ 69,663,309	\$ 297,610,943	\$ 21,659,672	\$ 388,933,924



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# Statistical Section

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Annual Comprehensive Financial Report 2025

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.

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<div style="border-left: 1px solid black; padding-left: 10px; margin-left: 20px;"> <i>These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.</i> </div>	
Revenue Capacity . . . . .	186
<div style="border-left: 1px solid black; padding-left: 10px; margin-left: 20px;"> <i>These schedules contain information to help the reader assess the City’s most significant local revenue sources.</i> </div>	
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<div style="border-left: 1px solid black; padding-left: 10px; margin-left: 20px;"> <i>These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.</i> </div>	
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<div style="border-left: 1px solid black; padding-left: 10px; margin-left: 20px;"> <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.</i> </div>	
Operating Information . . . . .	197
<div style="border-left: 1px solid black; padding-left: 10px; margin-left: 20px;"> <i>These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.</i> </div>	

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

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

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Governmental activities</b>										
Net investment in capital assets	\$ 66,595	\$ 63,929	\$ 63,880	\$ 63,108	\$ 59,573	\$ 59,327	\$ 66,733	\$ 73,704	\$ 94,017	\$ 95,945
Restricted	16,021	19,540	19,517	25,340	32,929	39,821	45,786	45,170	56,115	78,764
Unrestricted	(41,076)	(60,991)	(64,407)	(68,068)	(67,154)	(56,954)	(52,143)	(34,933)	(20,975)	2,122
Total governmental activities net position	<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>	<u>\$ 176,831</u>
<b>Business-type activities</b>										
Net investment in capital assets	\$ 37,651	\$ 36,563	\$ 36,877	\$ 49,221	\$ 54,522	\$ 59,061	\$ 59,466	\$ 59,913	\$ 73,757	\$ 82,725
Restricted	291	1,084	1,285	2,564	3,188	1,942	1,780	2,200	1,169	1,995
Unrestricted	27,512	25,975	32,492	36,574	40,164	42,098	42,953	44,521	36,980	42,023
Total business-type activities net position	<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>	<u>\$ 126,744</u>
<b>Primary government</b>										
Net investment in capital assets	\$ 104,246	\$ 100,492	\$ 100,757	\$ 112,329	\$ 114,095	\$ 118,388	\$ 126,199	\$ 133,617	\$ 167,774	\$ 178,670
Restricted	16,312	20,624	20,802	27,904	36,117	41,763	47,566	47,370	57,284	80,759
Unrestricted	(13,564)	(35,016)	(31,915)	(31,494)	(26,990)	(14,856)	(9,190)	9,588	16,005	44,145
Total primary government net position	<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>	<u>\$ 303,574</u>

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

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

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Expenses</b>										
Governmental activities:										
General government	\$ 18,435	\$ 19,868	\$ 17,396	\$ 19,183	\$ 18,255	\$ 19,276	\$ 25,713	\$ 12,183	\$ 19,310	\$ 26,258
Public safety	39,329	45,542	45,864	52,690	48,359	36,875	53,088	58,904	60,790	52,619
Physical environment	2,234	2,936	3,565	3,012	1,872	1,206	1,246	1,595	1,859	2,681
Transportation	1,972	1,913	2,587	2,113	2,452	3,075	4,111	3,732	4,919	6,049
Economic environment	5,743	5,319	5,186	7,212	7,758	6,461	6,496	9,736	13,473	7,459
Culture and recreation	6,063	6,508	5,449	5,333	7,251	7,130	7,841	8,429	9,207	8,364
Human services	2,353	2,117	1,893	1,803	1,263	1,407	1,989	2,078	2,933	2,673
Interest and fiscal charges	2,765	2,960	2,700	2,651	2,675	2,804	2,621	2,393	2,169	2,795
Total governmental activities expenses	<u>78,894</u>	<u>87,163</u>	<u>84,640</u>	<u>93,997</u>	<u>89,885</u>	<u>78,234</u>	<u>103,105</u>	<u>99,050</u>	<u>114,660</u>	<u>108,898</u>
Business-type activities:										
Nonmajor	212	243	223	252	250	292	480	751	515	-
Sanitation	5,864	5,829	4,604	5,101	5,161	5,603	5,985	7,560	7,676	6,211
Stormwater drainage	2,705	3,859	2,917	3,002	4,711	4,364	5,229	5,816	5,978	5,268
Utility (water and sewer)	24,722	23,549	21,228	20,979	21,130	24,777	24,552	27,738	30,027	30,992
Total business-type activities expenses	<u>33,503</u>	<u>33,480</u>	<u>28,972</u>	<u>29,334</u>	<u>31,252</u>	<u>35,036</u>	<u>36,246</u>	<u>41,865</u>	<u>44,197</u>	<u>42,471</u>
Total expenses	<u>\$ 112,397</u>	<u>\$ 120,643</u>	<u>\$ 113,612</u>	<u>\$ 123,331</u>	<u>\$ 121,137</u>	<u>\$ 113,270</u>	<u>\$ 139,351</u>	<u>\$ 140,915</u>	<u>\$ 158,858</u>	<u>\$ 151,368</u>
<b>Program revenues</b>										
Governmental activities:										
Charges for services										
General government	\$ 7,075	\$ 7,704	\$ 10,383	\$ 7,922	\$ 9,336	\$ 9,696	\$ 12,594	\$ 1,603	\$ 7,177	\$ 6,388
Public safety	12,668	14,943	13,625	16,915	17,697	17,058	17,747	21,073	26,088	29,632
Physical environment	5,182	4,157	3,114	3,161	274	-	-	-	-	677
Transportation	507	496	1,012	1,168	664	831	1,439	1,923	1,858	2,317
Economic environment	1,473	382	397	634	454	694	301	615	271	544
Culture and recreation	715	692	530	626	412	561	571	736	708	890
Human services	-	-	-	884	-	45	-	-	-	-
Operating grants and contributions	1,378	1,157	1,069	2,657	2,501	7,321	13,851	9,270	10,414	5,001
Capital grants and contributions	1,096	111	70	-	762	35	-	-	6,588	3,336
Total governmental activities program revenues	<u>\$ 30,094</u>	<u>\$ 29,642</u>	<u>\$ 30,200</u>	<u>\$ 33,967</u>	<u>\$ 32,100</u>	<u>\$ 36,241</u>	<u>\$ 46,503</u>	<u>\$ 35,220</u>	<u>\$ 53,105</u>	<u>\$ 48,786</u>
Business-type activities:										
Charges for services										
Nonmajor	\$ 281	\$ 162	\$ 206	\$ 139	\$ 245	\$ 301	\$ 316	\$ 248	\$ 435	\$ -
Sanitation	5,422	5,239	6,599	6,962	6,940	7,150	6,934	6,836	7,006	7,144
Stormwater drainage	2,088	2,092	4,286	4,397	4,321	4,269	4,171	4,698	5,250	5,717
Utility (water and sewer)	23,009	23,340	25,594	25,173	25,755	26,203	26,636	32,089	36,691	39,320
Operating grants and contributions	-	-	-	-	-	116	-	-	-	-
Capital grants and contributions	-	907	501	9,418	247	-	147	225	125	229
Total business-type activities program revenues	<u>30,800</u>	<u>31,740</u>	<u>37,186</u>	<u>46,089</u>	<u>37,508</u>	<u>38,039</u>	<u>38,204</u>	<u>44,096</u>	<u>49,507</u>	<u>52,409</u>
Total program revenues	<u>\$ 60,894</u>	<u>\$ 61,382</u>	<u>\$ 67,386</u>	<u>\$ 80,056</u>	<u>\$ 69,608</u>	<u>\$ 74,280</u>	<u>\$ 84,707</u>	<u>\$ 79,316</u>	<u>\$ 102,612</u>	<u>\$ 101,195</u>

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

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
(Continued)										
<b>General revenues and other changes in net position</b>										
Governmental activities:										
Taxes										
Property taxes	\$ 28,522	\$ 34,557	\$ 36,687	\$ 42,829	\$ 49,259	\$ 51,528	\$ 52,706	\$ 65,935	\$ 76,656	\$ 78,309
Franchise and utility taxes	8,373	8,537	8,565	8,616	8,442	8,591	9,750	11,449	11,666	12,257
Sales taxes	2,526	2,534	2,677	2,642	2,392	2,879	3,326	3,454	3,300	3,181
Motor fuel taxes	1,010	1,016	1,035	1,031	929	996	1,077	1,105	1,051	1,059
Alcoholic beverage taxes	17	15	14	14	18	18	13	13	11	22
Fire assessments	-	-	-	-	-	-	-	-	-	-
Intergovernmental revenue	1,073	1,100	1,098	1,147	1,045	1,180	1,526	1,671	1,639	1,619
Unrestricted Investment earnings	809	1,734	2,074	2,341	1,446	189	508	5,532	7,738	5,809
Slot machine proceeds	1,677	1,475	1,131	1,307	937	1,638	1,682	1,672	1,678	1,721
Other revenue	31	-	-	-	-	-	-	-	72	122
Miscellaneous revenue, unrestricted	-	-	-	-	-	-	-	-	481	601
Gain on the sale of capital assets	258	297	-	4	14	-	0	2	124	176
Special items: PFAS Settlement	-	-	-	-	-	-	-	-	-	3,200
Transfers	1,852	935	1,395	1,492	(1,730)	(2,087)	51	1,835	2,356	(290)
Total governmental activities general revenues and changes in net position	<u>46,148</u>	<u>52,200</u>	<u>54,676</u>	<u>61,423</u>	<u>62,752</u>	<u>64,932</u>	<u>70,639</u>	<u>92,668</u>	<u>106,771</u>	<u>107,785</u>
Business-type activities:										
Franchise and utility taxes	-	-	-	-	-	-	-	-	-	-
Unrestricted investment earnings	395	50	386	1,138	894	72	(746)	1,651	2,183	3,763
Other revenue	-	-	-	-	-	-	-	-	-	-
Impact fees	25	793	487	1,280	635	65	229	354	7	790
Settlement proceeds	-	-	-	-	-	-	-	-	-	-
Gain on the sale of capital assets	-	-	3	23	-	-	-	33	128	56
Transfers	(1,852)	(935)	(1,395)	(1,492)	1,730	2,087	(50)	(1,835)	(2,356)	290
Total business type activities general revenues and changes in net position	<u>(1,432)</u>	<u>(92)</u>	<u>(519)</u>	<u>949</u>	<u>3,259</u>	<u>2,224</u>	<u>(567)</u>	<u>203</u>	<u>(38)</u>	<u>4,900</u>
Total general revenues and other changes in net position	<u>\$ 44,716</u>	<u>\$ 52,108</u>	<u>\$ 54,157</u>	<u>\$ 62,372</u>	<u>\$ 66,011</u>	<u>\$ 67,156</u>	<u>\$ 70,072</u>	<u>\$ 92,871</u>	<u>\$ 106,733</u>	<u>\$ 112,685</u>
<b>Change in net position</b>										
Governmental activities	(2,652)	(5,321)	236	1,393	4,967	22,939	14,037	28,838	45,215	47,674
Business-type activities	(4,135)	(1,832)	7,695	17,704	9,515	5,227	1,391	2,434	5,272	14,838
Total change in net position	<u>\$ (6,787)</u>	<u>\$ (7,153)</u>	<u>\$ 7,931</u>	<u>\$ 19,097</u>	<u>\$ 14,482</u>	<u>\$ 28,166</u>	<u>\$ 15,248</u>	<u>\$ 31,272</u>	<u>\$ 50,487</u>	<u>\$ 62,512</u>

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

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

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>General Fund</b>										
Non-spendable:										
Inventories	\$ 125	\$ 117	\$ 89	\$ 60	\$ 80	\$ 100	\$ 127	\$ 178	\$ 63	\$ 267
Prepaid items	-	641	320	-	365	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	259	335
Restricted for:										
Debt service	-	483	450	414	377	337	296	252	206	158
Developer agreements	-	-	-	1,675	1,675	1,675	1,675	1,675	1,675	1,675
Grant programs	-	-	-	24	29	14	129	-	-	-
Opioid Litigation Settlement	-	-	-	-	-	-	-	33	-	-
Committed:										
Renewal & Replacement	-	-	-	-	-	-	-	1,527	2,625	3,548
Assigned to:										
Vehicles and equipment	884	1,138	601	656	779	789	796	821	839	861
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	1,395
Encumbrances	-	-	-	54	33	916	1,283	1,646	2,203	-
General government	-	-	-	-	-	-	-	-	-	314
Public safety	-	-	-	-	-	-	-	-	-	119
Physical environment	-	-	-	-	-	-	-	-	-	23
Human services	-	-	-	-	-	-	-	-	-	10
Culture & recreation	-	-	-	-	-	-	-	-	-	104
PFAS Settlement	-	-	-	-	-	-	-	-	-	3,200
Subsequent year's expenditures	-	1,879	825	-	2,864	2,297	-	-	-	-
Unassigned	18,963	12,007	9,398	12,830	10,305	14,700	23,268	31,084	34,319	41,979
<b>Total General Fund</b>	<b>\$ 26,409</b>	<b>\$ 23,093</b>	<b>\$ 18,606</b>	<b>\$ 22,228</b>	<b>\$ 22,662</b>	<b>\$ 20,974</b>	<b>\$ 28,418</b>	<b>\$ 38,965</b>	<b>\$ 43,354</b>	<b>\$ 53,988</b>
<b>All Other Governmental Funds</b>										
Non-spendable:										
Prepaid Items	\$ -	\$ 48	\$ 16	\$ -	\$ 1	\$ -	\$ -	\$ -	\$ 42	\$ -
Restricted for:										
Assets held for resale	9,476	8,925	9,172	8,159	8,539	8,250	8,433	2,260	2,260	2,347
Long-term receivable	1,341	1,922	1,851	1,576	1,724	1,037	949	437	408	605
Community redevelopment	663	2,738	3,762	8,214	12,685	19,229	24,570	28,880	31,665	42,411
Debt service	1,168	1,967	30	174	211	152	189	307	427	515
Capital projects	69,747	62,141	48,571	23,068	36,177	29,593	26,720	22,209	16,983	19,677
Developer agreements	956	1,274	1,738	1,844	2,551	2,671	2,607	2,730	3,174	4,357
Building permits function	-	-	-	-	1,312	1,768	1,991	2,305	6,847	10,645
Grant programs	525	-	4	-	-	-	-	292	895	42
Law enforcement	986	1,165	1,092	1,152	965	1,052	941	610	1,658	1,354

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

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Police outside services	-	-	-	53	134	170	114	93	117	22
Traffic mitigation	-	143	194	775	787	787	904	1,103	1,115	1,064
Transportation	-	-	-	-	376	843	1,066	1,947	3,047	4,845
Safe neighborhood districts	906	923	1,209	1,279	1,563	1,837	1,921	2,245	2,438	1,450
Opioid litigation settlement	-	-	-	-	-	-	-	-	110	179
Committed to:										
Tree preservation	-	-	-	-	-	58	58	74	77	79
Assigned to:										
Police outside services	-	-	83	-	-	-	-	-	-	-
Capital projects funds	-	-	-	1,961	1,169	273	413	4,293	9,538	12,150
Unassigned	(105)	(1,997)	(21)	(54)	-	-	-	-	-	-
<b>Total all other governmental funds</b>	<u>\$ 85,663</u>	<u>\$ 79,249</u>	<u>\$ 67,701</u>	<u>\$ 48,201</u>	<u>\$ 68,194</u>	<u>\$ 67,720</u>	<u>\$ 70,876</u>	<u>\$ 69,785</u>	<u>\$ 80,801</u>	<u>\$ 101,742</u>

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

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

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Revenues:</b>										
Taxes	\$ 32,159	\$ 37,902	\$ 39,517	\$ 45,342	\$ 50,551	\$ 52,410	\$ 54,268	\$ 68,214	\$ 77,750	\$ 78,667
Licenses, fees and permits	3,031	3,809	3,108	3,586	4,645	3,109	3,991	5,097	8,890	8,663
Fines and forfeitures	824	890	635	838	581	829	1,000	1,442	2,771	2,191
Charges for services	11,247	10,792	9,433	10,171	8,347	9,134	11,960	13,610	13,684	15,201
Intergovernmental	10,739	10,938	11,630	13,787	14,034	19,817	27,981	24,508	31,624	24,402
Investment earnings	1,014	1,732	2,074	2,341	1,446	190	508	5,200	7,087	5,338
Slot machine proceeds	1,677	1,475	1,131	1,307	742	1,638	1,682	1,287	1,894	1,341
Impact fees	-	-	-	-	-	-	-	-	72	122
Other revenues	9,456	8,144	9,201	10,662	10,579	11,046	10,105	10,956	10,836	16,295
<b>Total revenues</b>	<b>70,147</b>	<b>75,682</b>	<b>76,729</b>	<b>88,034</b>	<b>90,925</b>	<b>98,173</b>	<b>111,495</b>	<b>130,313</b>	<b>154,608</b>	<b>152,221</b>
<b>Expenditures:</b>										
Current:										
General government	10,655	10,998	12,683	11,197	11,857	12,383	13,290	17,145	23,126	20,164
Public safety	40,286	42,012	43,357	44,506	46,923	48,216	53,585	56,817	58,938	61,288
Physical environment	2,283	2,821	3,510	2,926	2,081	1,233	1,226	1,349	1,490	2,715
Transportation	1,922	1,763	1,878	1,751	2,120	2,615	3,799	2,691	4,809	5,737
Economic environment	5,693	5,265	5,118	7,149	7,493	6,304	6,441	11,386	14,676	9,363
Human services	2,301	2,066	1,849	1,727	1,315	1,378	1,779	1,849	2,196	2,522
Culture and recreation	5,435	5,299	4,324	3,951	3,568	3,647	3,981	4,201	4,944	5,166
Capital outlay	16,186	8,973	18,669	25,400	7,741	8,457	6,230	12,362	21,283	11,162
Debt service:										
Principal	2,450	3,370	3,750	3,906	4,154	6,575	7,357	8,035	8,491	9,537
Interest and fiscal charges	2,190	3,169	3,424	3,347	3,248	3,433	3,208	2,937	2,657	3,232
<b>Total expenditures</b>	<b>89,401</b>	<b>85,736</b>	<b>98,562</b>	<b>105,860</b>	<b>90,500</b>	<b>94,241</b>	<b>100,896</b>	<b>118,772</b>	<b>142,611</b>	<b>130,886</b>
Excess (deficiency) of revenues over (under) expenditures	(19,254)	(10,054)	(21,833)	(17,826)	425	3,932	10,599	11,542	11,997	21,335
Other financing sources (uses)										
Proceeds from the sale of capital assets	74	3	2,987	3	2	-	2	21	67	87
Transfers in	18,706	1,661	6,026	4,807	3,650	2,916	14,016	16,911	22,007	28,297
Transfers out	(16,695)	(1,339)	(4,526)	(3,307)	(3,650)	(2,916)	(14,016)	(14,215)	(19,588)	(23,088)
Issuance of long-term debt	86,748	-	1,308	449	20,000	-	-	467	921	1,744
<b>Total other financing sources</b>	<b>88,833</b>	<b>325</b>	<b>5,795</b>	<b>1,952</b>	<b>20,002</b>	<b>-</b>	<b>2</b>	<b>3,184</b>	<b>3,407</b>	<b>7,040</b>
<b>Net change in fund balances</b>	<b>\$ 69,579</b>	<b>\$ (9,729)</b>	<b>\$ (16,038)</b>	<b>\$ (15,874)</b>	<b>\$ 20,427</b>	<b>\$ 3,932</b>	<b>\$ 10,601</b>	<b>\$ 14,726</b>	<b>\$ 15,404</b>	<b>\$ 31,575</b>
Debt service as a percentage of noncapital expenditures	6.3%	8.5%	9.2%	9.0%	8.9%	11.7%	11.1%	10.3%	9.2%	10.7%

**Schedule 5**  
**Tax Revenues by Source, Governmental Funds**  
**Last Ten Fiscal Years**  
**(Amounts Expressed in Thousands)**

<b>Fiscal Year</b>	<b>Ad Valorem</b>	<b>Franchise Fees</b>	<b>Utility</b>	<b>Communications Service</b>	<b>Sales</b>	<b>Motor Fuel</b>	<b>Alcoholic Beverage</b>	<b>Total</b>
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	3,843	6,584	1,240	3,300	691	11	81,752
2025	66,410	4,000	7,006	1,250	3,181	687	12	82,546
Change								
2016 - 2025	179.2%	51.5%	59.8%	(7.4%)	25.9%	(32.0%)	(29.4%)	131.1%

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

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

Tax roll year	Fiscal Year	Direct City Rate <sup>(1)</sup>			Overlapping Rates												
		City of Hallandale Beach			Broward County BOCC			School Board of Broward County			So Florida Water Management District	Florida Inland Navigation District	Children's Services Council	South Broward Hospital District	Total Direct & Overlapping Rates	Golden Isles Safe Neighborhood District <sup>(2)</sup>	Three Islands Safe Neighborhood District <sup>(2)</sup>
		Operating Millage	Debt Service Millage	Total Hallandale Beach	Operating Millage	Debt Service Millage	Total Broward County	Operating Millage	Debt Service Millage	Total School District							
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	0.4181	8.4179	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
2024	2025	7.5884	0.3824	7.9708	5.6658	-	5.6658	6.3200	0.1645	6.4845	0.2301	0.0270	0.4500	0.0805	20.9087	1.0934	0.4588

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

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

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

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

**Schedule 7  
Principal Property Taxpayers  
Current Year and Nine Years Ago**

Taxpayer	2025			2016		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Gulfstream Park Racing Association Inc	\$ 210,414,832	1	2.721%	\$ 227,689,031	1	4.945%
Maltese Diplomat Owner LLC	161,321,760	2	2.086%	--	--	--
Onyx Tower LLC	130,716,770	3	1.690%	--	--	--
Florida Power & Light Co.	99,797,730	4	1.290%	38,277,475	2	0.831%
Hallandale Land Ventures LLP	88,637,799	5	1.146%	--	--	--
17070 Collins Ave. Shopping Ctr	55,204,780	6	0.714%	37,668,650	3	0.818%
Three Islands Associates Residential	51,337,083	7	0.664%	29,976,803	4	0.651%
2000 Ocean Owner LLC	48,863,410	8	0.632%	--	--	--
Atlantic Village 4LLC	45,739,340	9	0.591%	--	--	--
Atlantic Village 3LLC	33,704,646	10	0.436%	--	--	--
2500 Hallandale Beach LLC - Receiver Inc.	--	--	--	16,768,580	9	0.364%
Romagnole Investment Properties LLC	--	--	--	16,044,970	10	0.348%
Hollywood Greyhound Track	--	--	--	25,623,780	5	0.556%
Village at Gulfstream LLC\CCD	--	--	--	20,118,834	6	0.437%
Wal-Mart Stores	--	--	--	17,152,403	8	0.373%
Hallandale Group Ltd Partnership	--	--	--	17,158,858	7	0.373%
<b>Totals</b>	<u>\$ 925,738,150</u>		<u>11.97%</u>	<u>\$ 446,479,384</u>		<u>9.696%</u>

Source: Broward County, Florida, Department of Revenue.

**Schedule 8  
Property Tax Levies and Collections  
Last Ten Fiscal Years  
(Amounts Expressed in Thousands)**

Fiscal Year Ended September 30th	Taxes Levied for the Fiscal Year <sup>(1)</sup>	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount <sup>(2)</sup>	Percentage of Levy		Amount <sup>(2)</sup>	Percentage of Levy
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%
2025	68,898	68,382	99.25%	123	68,505	99.43%

Source: Broward County, Florida, Department of Revenue.

<sup>(1)</sup> 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.

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

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

Fiscal Year	Real Property <sup>(1)</sup>			Personal Property	Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate (mills)	Estimated Actual Taxable Value <sup>(2)</sup>	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property	Other Property						
2016	\$ 5,043,846	\$ 773,600	\$ 193,328	\$ 128,697	1,514,373	\$ 4,625,098	5.1918	\$ 6,139,471	75.3%
2017	5,462,533	818,576	214,874	167,335	1,536,431	5,126,887	5.7998	6,663,318	76.9%
2018	5,659,280	863,001	223,657	154,518	1,494,759	5,405,697	5.7998	6,900,456	78.3%
2019	5,777,202	880,699	226,242	153,060	1,443,457	5,593,746	6.7353	7,037,203	79.5%
2020	5,896,735	937,329	256,305	147,022	1,432,250	5,805,141	7.4162	7,237,391	80.2%
2021	5,940,415	963,870	278,250	151,177	1,422,123	5,911,589	7.5522	7,333,712	80.6%
2022	5,977,437	1,045,406	293,143	144,783	1,438,705	6,022,064	7.5377	7,460,769	80.7%
2023	7,106,987	1,126,502	295,644	144,759	2,051,759	6,622,133	8.7412	8,673,892	76.3%
2024	9,202,642	1,250,204	305,057	174,560	3,280,097	7,765,004	8.6647	11,045,101	70.3%
2025	9,886,597	1,343,347	315,001	184,211	3,250,573	8,478,583	7.9708	11,729,156	72.3%

Source: Broward County Revenue Collection Division.

<sup>(1)</sup> Based on market values.

<sup>(2)</sup> Includes tax exempt properties.

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

Fiscal year					Governmental Activities					Business-type Activities				Total Primary Government	Percentage of Personal Income <sup>(1)</sup>	Per Capita <sup>(1)</sup>
	Equipment financed purchases obligations	Lease Liabilities	Subscription Liabilities		Revenue Bonds Series 2007A	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	Revenue Bonds Series 2024	State Revolving Loan DEP			
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	-	-	-	-	17,036,855	6,140,000	53,670,456	14,900,000	-	1,750,000	-	1,574,764	95,926,828	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	78,377,190	2.52%	1,876.35
2025	554,201	656,491	1,024,964	-	-	10,996,148	1,595,000	48,965,634	4,265,000	-	-	58,175,000	1,270,956	127,503,394	*	--

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

\* Population data not yet available.

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

Debt balances are inclusive of related premiums and discounts.

**Schedule 11  
Ratios of General Bonded Debt Outstanding  
Last Ten Fiscal Years  
(Amounts Expressed In Thousands except per Capita)**

<b>Fiscal year</b>	<b>G.O. Bonds Series 2016</b>	<b>Assessed Value of Taxable Property<sup>(1)</sup></b>	<b>Percentage of Estimated Actual Taxable Value</b>	<b>Population<sup>(2)</sup></b>	<b>Per Capita</b>
2016	\$ 61,766	\$ 4,625,098	1.34%	38,621	1.60
2017	60,462	5,126,887	1.18%	38,746	1.56
2018	59,197	5,405,697	1.10%	39,054	1.52
2019	57,888	5,593,746	1.03%	39,834	1.45
2020	56,530	5,805,141	0.97%	39,945	1.41
2021	55,124	5,911,589	0.93%	41,157	1.34
2022	53,670	6,022,064	0.89%	41,677	1.28
2023	52,159	6,622,133	0.78%	41,726	1.24
2024	50,591	7,765,004	0.65%	41,771	1.20
2025	48,966	8,478,583	0.58%	41,819	1.17

<sup>(1)</sup> See Assessed Value and Estimated Actual Value of Taxable Property Table (Schedule 9) for property value data.

<sup>(2)</sup> See Demographic and Economic Statistics Table (Schedule 14) for population data.

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

Debt balances are inclusive of related premiums and discounts.

The current ordinances of the City of Hallandale Beach do not specify a legal debt margin.

**Schedule 12  
Direct and Overlapping Governmental Activities Debt  
as of September 30, 2025**

<u>Jurisdiction</u>	<u>Net debt Outstanding <sup>(1)</sup></u>	<u>Percentage applicable to City of Hallandale Beach</u>	<u>Amount applicable to City of Hallandale Beach</u>
<b>Overlapping:</b>			
Broward County	\$ - <sup>(2)</sup>	2.861%	\$ -
Broward School District	811,556,000 <sup>(3)</sup>	2.598%	21,084,225
<b>Subtotal, overlapping debt</b>	<u>811,556,000</u>		<u>21,084,225</u>
<b>Direct Debt:</b>			
City of Hallandale Beach	68,057,438	100.000%	68,057,438
<b>Total direct and overlapping debt</b>	<u>\$ 879,613,438</u>		<u>\$ 89,141,663</u>

<sup>(1)</sup> Debt balances are inclusive of related premiums/discounts

<sup>(2)</sup> Source: Broward County, Florida

<sup>(3)</sup> Source: School Board of Broward County, Florida

**Note:** The percentage of overlapping debt is estimated using taxable assessed property values. Value that is within the City boundaries are divided by the County's and School Board's total taxable assessed value.

### Schedule 13 Pledged Revenue Coverage Last Ten Fiscal Years

Fiscal year	Utility Revenue Bonds, 2014A and Series 2012 Revenue Note <sup>(1) (2)</sup>						State Revolving Loan Fund					Rev. Bonds 2007A and Refunding Rev. Bonds, Series 2016 <sup>(3)</sup>				
	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service			Net Available Revenue <sup>(4)</sup>	Debt Service			Pledged Revenue <sup>(5)</sup>	Debt Service		Debt Service		
				Principal	Interest	Coverage		Principal	Interest	Coverage		Principal	Interest	Principal	Interest	Coverage
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
2025	-	-	-	600,000	6,750	-	11,024,587	50,393	40,383	121.45	36,541,821	-	-	1,835,000	458,788	15.93

Fiscal year	HBCRA Redevelopment Revenue Bonds				HBCRA Redevelopment Revenue Bonds, Series 2020				Utility Revenue Bonds, Series 2024 Revenue Bond <sup>(6)</sup>						
	Pledged Revenue <sup>(6)</sup>	Debt Service			Pledged Revenue <sup>(7)</sup>	Debt Service			Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service			
		Principal	Interest	Coverage		Principal	Interest	Coverage				Principal	Interest	Coverage	
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	-	-	-	-	-	-	-
2025	28,505,695	1,555,000	85,680	17.37	26,471,533	3,900,000	146,177	6.54	45,036,662	27,313,499	17,723,163	600,000	1,633,279	7.94	-

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

<sup>(1)</sup> In 2012, the Series 2001A Bonds were refunded with the issuance of the Series 2012 Revenue Note.

<sup>(2)</sup> In 2014, the Series 2005A Bonds were refunded with the issuance of Series 2014A Bonds. This Revenue Bond was paid off during the fiscal year.

<sup>(3)</sup> In 2016, the City issued Capital Improvement Refunding Revenue Bonds, Series 2016 to partially advance refund the Revenue Bonds, Series 2007A.

<sup>(4)</sup> 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).

<sup>(5)</sup> 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.

<sup>(6)</sup> Pledged revenues for the HBCRA Redevelopment Revenue Bonds are tax increment revenues and water public service tax revenues.

<sup>(7)</sup> Pledged revenues for the HBCRA Redevelopment Bonds Series 2020 are tax increment revenues.

<sup>(8)</sup> In 2024, the City issued Utility System Revenue Bonds, Series 2024.

**Schedule 14  
Demographic and Economic Statistics  
Last Ten Fiscal Years**

Fiscal Year	Population <sup>(1)</sup>	Personal Income <sup>(2)</sup>	Broward County Per capita Personal Income <sup>(2)</sup>	Median Age <sup>(3)</sup>	Unemployment Rate		Public School Enrollment <sup>(6)</sup>
					Broward County	Hallandale Beach	
2016	38,621	\$ 1,811,556,626	\$ 46,906	46.7	4.60%	4.90% <sup>(5)</sup>	2,988
2017	38,746	1,886,155,280	48,680	46.7	3.30%	4.10% <sup>(5)</sup>	2,992
2018	39,054	1,963,205,526	50,269	46.2	3.10%	3.60% <sup>(5)</sup>	2,834
2019	39,834	2,083,636,872	52,308	45.5	2.80%	3.30% <sup>(5)</sup>	2,713
2020	39,945	2,233,245,060	55,908	44.8	7.80%	10.80% <sup>(5)</sup>	2,569
2021	41,157	2,652,692,121	64,453	44.8	4.40%	5.80% <sup>(5)</sup>	3,221
2022	41,677	2,751,057,093	66,009	45.8	2.60%	3.00% <sup>(5)</sup>	2,404
2023	41,726	2,961,794,932	70,982	46.2	3.10%	3.60% <sup>(5)</sup>	2,257
2024	41,771	3,112,190,126	74,506	46.2	3.40%	3.90% <sup>(5)</sup>	2,322
2025	41,819	*	*	*	4.00%	4.30% <sup>(5)</sup>	2,236

<sup>(1)</sup> Source: University of Florida, Bureau of Economic and Business Research for Hallandale Beach (estimates).

<sup>(2)</sup> Source: U.S. Department of Commerce, Bureau of Economic Analysis for year ended December 31.

<sup>(3)</sup> Source: 2010 U. S. Census.

<sup>(4)</sup> Source: U.S. Department of Labor, Bureau of Labor Statistics.

<sup>(5)</sup> Source: FL Unemployment Rate & Employment.

<sup>(6)</sup> Source: Broward County Public Schools.

\* Data not yet available.

**Schedule 15  
Principal Employers  
Current Year and Nine Years Ago**

Employer	2025			2016		
	Employees <sup>(1)</sup>	Rank <sup>(1)</sup>	% of Total City Employment <sup>(1)</sup>	Employees <sup>(2)</sup>	Rank <sup>(2)</sup>	% of Total City Employment <sup>(2)</sup>
City of Hallandale Beach	492	1	2.40%	565	2	3.059%
Gulfstream Park Racing & Casino	458	2	2.23%	1,000	1	5.414%
The Big Easy Casino	379	3	1.85%	516	3	2.794%
Wal-Mart Stores, Inc.	377	4	1.84%	405	4	2.193%
Publix Supermarket	221	5	1.08%	221	6	1.197%
Price Waterhouse	166	6	0.81%	--	--	--
Landau & Associates PA	142	7	0.69%	--	--	--
RS Parking and Valet Services	121	8	0.59%	--	--	--
Health & Behavioral Dimensions	111	9	0.54%	--	--	--
Set Enterprises	107	10	0.52%	--	--	--
The YMCA	--	--	--	--	--	--
Burlington Coat Factory	--	--	--	108	8	0.585%
School Board of Broward County	--	--	--	250	5	1.354%
Winn Dixie Supermarkets	--	--	--	160	7	0.866%
Diplomat Country Club	--	--	--	96	9	0.520%
US Post Office	--	--	--	73	10	0.438%
	2,574		12.55%	3,394		18.420%

<sup>(1)</sup> Source: Florida Commerce, Bureau of Workforce Statistics & Economic Research.

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

Function/program	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
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	7.74	9.00	7.43	7.43	10.86	12.10	9.33	8.84
Budget program and monitoring	-	-	3.00	4.00	3.00	3.00	4.00	4.00	4.00	5.00
General services/procurement department	4.00	5.00	5.00	5.00	4.00	4.00	5.00	4.00	4.00	4.00
City attorney	4.00	4.00	5.00	5.00	5.00	5.00	5.00	6.00	6.00	6.00
Finance	11.00	13.00	11.00	12.00	10.00	8.72	9.35	9.85	14.85	14.72
Innovation technology	6.00	7.00	7.00	7.00	5.00	7.25	9.50	11.00	12.00	11.00
Personnel	5.50	6.50	5.82	6.13	5.00	5.50	6.50	6.50	7.00	8.00
City clerk	3.00	3.00	3.00	3.00	3.00	4.00	4.00	4.00	4.00	5.00
Development services <sup>(1)</sup>	26.00	28.00	30.50	18.00	16.00	17.15	23.53	26.30	22.75	25.15
Other	4.00	4.00	5.00	-	-	-	-	-	-	-
Police										
Officers	99.50	103.00	107.12	106.13	102.00	104.00	105.00	105.50	108.62	114.75
Civilians	39.50	39.50	35.50	37.00	34.00	36.13	38.13	45.13	42.00	42.13
Fire										
Paramedics, firefighters, officers	77.00	77.00	77.00	76.00	71.00	-	-	-	-	-
Civilians	14.13	14.13	13.69	14.13	13.00	-	-	-	-	-
Public works										
Administration	1.00	3.00	1.00	1.00	-	-	-	-	0.20	-
Equipment maintenance	-	-	-	-	-	-	-	-	-	-
Grounds maintenance	9.50	9.50	10.50	7.00	5.00	-	-	-	-	-
Building maintenance	8.00	8.00	8.00	7.00	7.00	6.50	6.50	6.50	7.50	11.50
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	19.30	18.30	22.27	10.00	8.00	20.17	21.27	21.30	21.93	20.91
Parks and recreation <sup>(2)</sup>	72.43	75.43	63.90	45.00	32.00	63.79	60.38	60.75	61.38	59.25
Transportation	10.63	10.63	10.00	10.00	10.00	10.10	12.35	5.80	7.35	13.10
Permits and inspections <sup>(1)</sup>	-	-	-	14.00	15.00	18.10	26.00	30.20	23.00	19.95
Sanitation	25.75	23.75	20.00	19.88	18.50	18.25	21.21	23.13	23.13	22.25
Cemetery	2.25	2.25	2.25	2.25	1.00	2.26	2.25	4.00	4.00	3.00
Water	46.88	47.51	47.50	46.50	45.00	48.28	55.92	56.03	60.70	60.45
Stormwater	5.00	5.00	7.63	7.63	8.00	8.20	7.42	8.20	8.70	8.70
Sewer	12.00	13.00	11.00	11.00	10.00	11.70	12.70	12.70	12.03	11.91
Marina	1.25	-	-	-	-	-	-	0.63	-	-
Fleet services	10.00	9.00	9.00	10.00	9.00	9.00	8.35	8.62	8.00	9.00
Risk management	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.50	2.50
<b>Total</b>	<b>532.62</b>	<b>544.50</b>	<b>536.42</b>	<b>507.65</b>	<b>458.93</b>	<b>428.53</b>	<b>464.20</b>	<b>482.27</b>	<b>481.92</b>	<b>492.11</b>

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.

<sup>(1)</sup> 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.

<sup>(2)</sup> Decrease in the Parks and Recreation full-time equivalent positions from fiscal year 2019 to fiscal year 2020 was due to a reorganization of the parks staffing structure.

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

Function/program	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Development services										
Building permits issued	3,589	3,738	4,633	4,760	2,734	3,382	3,975	4,528	4,745	4,450
Building inspections conducted	10,711	11,347	14,156	15,798	10,374	10,733	11,678	12,468	11,319	10,712
Police										
Physical arrests	964	621	714	620	355	320	510	545	651	743
Parking violations	2,079	2,581	2,506	1,639	684	4,993	14,568	18,232	18,391	27,956
Traffic violations	10,067	7,082	12,049	6,382	2,798	4,986	11,112	14,911	10,916	7,562
Fire										
EMS responses	6,436	6,114	5,846	5,849	5,026	5,482	5,577	5,485	5,631	5,287
Other emergency responses	2,465	2,778	2,686	2,526	2,413	2,214	2,710	2,964	2,949	2,590
Fires	102	101	89	88	50	84	67	75	66	87
Inspections	2,077	3,199	3,115	1,559	1,616	2,368	2,003	2,301	2,419	2,511
Refuse collection										
Refuse collected (tons per year)	26,489	24,954	24,408	24,997	26,314	26,952	28,912	29,425	29,881	28,124
Other public works										
Street resurfacing (miles)	-	-	-	-	1	1	-	-	8	10
Number of streets repaired	973	894	852	124	140	220	639	478	235	33
Asphalt used (tons)	116	159	116	74	72	71	60	12	432	8,000
Parks and recreation										
Summer camp participants	125	125	100	100	-	-	-	-	-	70
Athletic teams	97	99	105	106	15	55	99	100	110	99
Water										
New/replacement connections	6,752	71	18	24	19	559	302	1,179	1,318	1,142
Average daily production (1000's of gallons)	6,406	5,990	6,000	5,992	6,013	6,358	6,216	6,140	6,358	6,441
Peak daily production (1000's of gallons)	7,341	6,542	6,700	7,207	6,900	7,222	7,194	7,030	7,222	6,780
Wastewater										
Average daily sewage transmitted (1000's of gallons)	7,113	7,113	6,792	7,113	7,829	7,571	7,095	7,095	7,688	7,400
Transit										
Total route miles per year	151,488	150,358	179,520	176,719	156,070	143,030	170,405	163,248	211,651	204,219
Passengers per year	251,559	234,260	278,559	283,324	173,348	123,272	151,573	176,114	184,129	261,783

Sources: Various City departments.

Note: Multiple City functions and activities decreased significantly during fiscal year 2020 as a result of the COVID-19 pandemic. The City operated under a state of emergency in order to protect its citizens and its employees, as well as to adhere to federal, state, and county guidelines.

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

Function/program	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
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	23	21
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	9	10	10	10	10	10
Baseball/softball diamonds	2	2	0	3	3	3	3	3	3	3
Outdoor pavilions	13	13	15	17	14	15	15	15	15	15
Community centers	5	5	5	5	5	5	5	5	5	5
Pool	2	2	1	1	2	2	2	2	2	2
Tennis courts	14	14	12	14	14	14	14	14	14	14
Water										
Water mains (miles)	81	81	81	81	81	81	81	81	81	81
Firehydrants	578	578	578	578	583	590	590	590	725	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	57
Storm sewers (miles)	41	41	41	41	41	41	41	41	41	47
Transmission capacity (millions of gallons per day)	7	7	7	7	7	7	7	6	7	9

**Sources:** Various City departments.

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



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# Compliance Reports

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Annual Comprehensive Financial Report 2025

**Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards**

To the Honorable Mayor, City Commission and City Manager of  
**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, 2025, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements, and have issued our report thereon dated March 27, 2026. 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  
March 27, 2026

**Independent Auditors' Report on Compliance for the Major Federal Program;  
Report on Internal Control over Compliance; and Report on Schedule of Expenditures of  
Federal Awards Required by the Uniform Guidance**

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

**Report on Compliance for the Major Federal Program**

*Opinion on the Major Federal Program*

We have audited City of Hallandale Beach, Florida's (the "City") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement*, that could have a direct and material effect on the City's major federal program for the fiscal year ended September 30, 2025. The City's major federal program 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 for the fiscal year ended September 30, 2025.

*Basis for Opinion on the Major Federal Program*

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*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"). Our responsibilities under those standards and the Uniform Guidance, 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. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

## ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs.

## ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of the major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## **Report on Internal Control Over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over

compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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. Accordingly, this report is not suitable for any other purpose.

#### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the governmental activities, 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, 2025, 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 March 27, 2026, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

*CBIZ CPAs P.C.*

Fort Lauderdale, FL  
March 27, 2026

**Schedule of Expenditures of Federal Awards  
for the Fiscal Year Ended September 30, 2025**

Federal, Pass-through Entity, Federal Program	ALN	Contract Number/Grant No.	Total Expenditures
<b><u>U.S. Department of Housing and Urban Development</u></b>			
Indirect:			
<i>(Passed through Broward County Community Development Division)</i>			
Community Development Block Grants/Entitlement/Special Purpose Grants Cluster			
Community Development Block Grants/Entitlement Grants	14.218	B-23-UC-12-0001	\$ 146,602
Community Development Block Grants/Entitlement Grants	14.218	B-24-UC-12-0001	82,312
Community Development Block Grants/Entitlement Grants	14.218	B-24-UC-12-0001	94,000
Community Development Block Grants/Entitlement/Special Purpose Grants Cluster Total			<u>322,914</u>
<b><i>Passed through Broward County Community Development Division Total</i></b>			<u>322,914</u>
<b>Total U.S. Department of Housing and Urban Development</b>			<u><b>322,914</b></u>
<b><u>Department of Homeland Security Federal Emergency Management Agency</u></b>			
Indirect:			
<i>(Passed through Florida Division of Emergency Management)</i>			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Z4895	30,144
<b><i>Passed through Florida Division of Emergency Management</i></b>			<u>30,144</u>
<b>Total Department of Homeland Security Federal Emergency Management Agency</b>			<u><b>30,144</b></u>
<b><u>U.S. Department of Justice</u></b>			
Direct:			
Bulletproof Vest Partnership Program	16.607	2023	14,527
Public Safety Partnership and Community Policing Grants: Community Policing Development Microgrants	16.710	15JCOPS-24-GG-02524-PPSE	23,588
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-21-GG-01376-JAGX	14,722
Equitable Sharing Program	16.922	FL0060400	306,895
<b>Total U.S. Department of Justice</b>			<u><b>359,732</b></u>
<b><u>U.S. Department of Transportation</u></b>			
Direct:			
Highway Planning and Construction	20.205	G2803	1,461,000
<b>Total U.S. Department of Transportation</b>			<u><b>1,461,000</b></u>
<b><u>U.S. Department of the Treasury</u></b>			
Indirect:			
<i>(Passed Through Florida Division of Emergency Management)</i>			
Coronavirus State and Local Fiscal Recovery Funds	21.027	Y5108	97,500
<b><i>Passed Through Florida Department of Emergency Management Total</i></b>			<u>97,500</u>
<b>Total U.S. Department of the Treasury</b>			<u><b>97,500</b></u>
<b>Total Expenditures of Federal Awards</b>			<u><b>2,271,290</b></u>

See accompanying notes to the schedule of expenditures of federal awards.

## Notes to the Schedule of Expenditures of Federal Awards

### Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (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, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position/fund balance or cash flows of the City.

### Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting for grants which are accounted for in the governmental fund types and on the accrual basis of accounting for grants which are accounted for in the proprietary fund types. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement, except for the Equitable Sharing programs for Justice and Treasury which follow, *Guide to Equitable Sharing for Foreign Countries and Federal, State, and Local Law Enforcement Agencies*. Passthrough entity identifying numbers are presented where available.

### Note 3. Indirect Cost Rate

The City has elected not to use the 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, 2025.

## Schedule of Findings and Questioned Costs for the Fiscal Year Ended September 30, 2025

### Section I Summary of Auditor 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      X   No

Significant deficiency(ies) identified?

\_\_\_\_\_ Yes      X   None reported

Non-compliance material to financial statements noted?

\_\_\_\_\_ Yes      X   No

#### Federal Awards

Internal control over the major federal program:

Material weakness(es) identified?

\_\_\_\_\_ Yes      X   No

Significant deficiency(ies) identified?

\_\_\_\_\_ Yes      X   None reported

Type of auditors' report issued on compliance for the major federal programs:

Unmodified Opinion

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

\_\_\_\_\_ Yes      X   No

Identification of the Major Federal Program:

ALN	Federal Program
20.205	Highway Planning and Construction

Dollar threshold used to distinguish between Type A and Type B federal programs:

\$1,000,000

Auditee qualified as low-risk auditee pursuant to the Uniform Guidance?

\_\_\_\_\_ Yes      X   No

**Schedule of Findings and Questioned Costs (Continued)  
for the Fiscal Year Ended September 30, 2025**

**Section II - Financial Statement Findings**

None reported.

**Section III - Federal Awards Findings and Questioned Costs**

None reported.

**Summary Schedule of Prior Year Audit Findings  
for the Fiscal Year Ended September 30, 2025**

**I. Prior Year Financial Statement Findings**

None.

**II. Prior Year Federal Awards and State Financial Assistance Findings and Questioned Costs**

None.

**Management Letter in Accordance with the Rules of the  
Auditor General of the State of Florida**

To the Honorable Mayor, 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, 2025, and have issued our report thereon dated March 27, 2026. 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*”); 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”).

***Other Reporting Requirements***

We have issued our Independent Auditors’ Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors’ Report on Compliance for the Major Federal Program; Report on Internal Control over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance and; 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 March 27, 2026, should be considered in conjunction with this management letter.

***Prior Audit Findings***

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings or recommendations made in the prior year that requires corrective action.

### ***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, 2025, 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 were 2 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 were \$261,921 for GISND and \$3,750 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 FY2025 Budget
GISND	Architectural Designs	GI001	\$ 269,683	\$427,062
TISND	Three Islands Safe Neighborhood District Entrance Imp. and Traffic Calming	TRAF1	\$19,528.50	\$228,951

- 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 161 and 162 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, Florida  
 March 27, 2026

**Independent Accountants' Report on Compliance**  
**Pursuant to Section 218.415, Florida Statutes**

To the Honorable Mayor, City Commission and City Manager of  
**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, 2025. 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, 2025.

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, Florida  
March 27, 2026



**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

[www.coHB.org](http://www.coHB.org)

March 12, 2026

Re: Fiscal Year 2025 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 12<sup>th</sup> day of March, 2026.

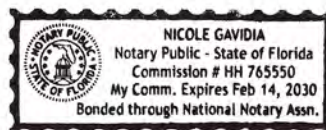
Nicole Gavidia  
NOTARY PUBLIC

Print Name Nicole Gavidia

Personally Known  or produced identification \_\_\_\_\_

Type of identification produced: \_\_\_\_\_

My Commission Expires: February 14, 2030





City of Hallandale Beach, Florida  
Finance Department  
400 S. Federal Highway  
Hallandale Beach, Florida 33009-6433  
954.457.1370  
For more information visit our website  
[www.cohb.org](http://www.cohb.org)



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