



# Hallandale Beach

COMMUNITY REDEVELOPMENT AGENCY

(A Component Unit of the City of Hallandale Beach, Florida)

## **Financial Report**

For the Year Ended September 30, 2023

## **THE ORGANIZATION**

The Hallandale Beach Community Redevelopment Agency (CRA) was established in accordance with Florida Chapter 163 Part III Community Redevelopment to finance and develop the City of Hallandale Beach's (City) designated redevelopment areas. The CRA, whose board members are the same as the members of the City Commission, provides services that exclusively benefit the City's designated areas.

### **HALLANDALE BEACH COMMUNITY REDEVELOPMENT AGENCY**

#### **BOARD MEMBERS**

Joy Cooper, Chair

Anabelle Lima-Taub, Vice-Chair

Joy D. Adams, Director

Mike Butler, Director

Michele Lazarow, Director

#### **EXECUTIVE DIRECTOR**

Dr. Jeremy Earle

#### **GENERAL COUNSEL**

Taylor English Duma, LLP



**HALLANDALE BEACH  
COMMUNITY REDEVELOPMENT AGENCY**  
(A Component Unit of the City of Hallandale Beach, Florida)

**FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

# HALLANDALE BEACH COMMUNITY REDEVELOPMENT AGENCY

(A Component Unit of the City of Hallandale Beach, Florida)

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**INDEPENDENT AUDITORS' REPORT**

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## INDEPENDENT AUDITORS' REPORT

To the Board Chair, Members of the Board of Directors, and Executive Director  
**Hallandale Beach Community Redevelopment Agency**

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities and each major fund of the Hallandale Beach Community Redevelopment Agency (the "CRA"), a component unit of the City of Hallandale Beach, Florida, as of and for the fiscal year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the CRA's 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 and each major fund of the CRA's as of September 30, 2023, and the respective changes in financial position, for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***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 CRA 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 CRA'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 CRA'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 CRA's ability to continue as a going concern for a reasonable period of time.

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

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

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 14, the Budgetary Comparison Schedule and related notes, the Schedule of the CRA's Proportionate Share of the Net Pension Liability – FRS and HIS, and the Schedule of Contributions – FRS and HIS on pages 46 through 51 be presented to supplement the financial statements be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the

financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the 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 financial statements, and other knowledge we obtained during our audit of the 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.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2024 on our consideration of the CRA'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 CRA'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 CRA's internal control over financial reporting and compliance.

*Marcum LLP*

Fort Lauderdale, FL  
June 20, 2024



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

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**HALLANDALE BEACH COMMUNITY REDEVELOPMENT AGENCY**  
**(A Component Unit of the City of Hallandale Beach, Florida)**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS**

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The purpose of financial reporting, in general, is to provide the readers of the financial statements with information that will help them make decisions or draw conclusions about an entity. As management of the Hallandale Beach Community Redevelopment Agency (the “CRA”), we offer readers of the CRA’s financial statements this narrative overview and analysis of the financial activities of the CRA for the fiscal year ended September 30, 2023. We encourage readers to consider the information presented herein in conjunction with the CRA’s financial statements and the notes to the financial statements.

**Financial Highlights**

- The CRA’s beginning net position was restated in the amount of \$5.3 million. This accounted for the fiscal year 2022 conveyance of land held for resale to a private entity for commercial development within the redevelopment district.
- The assets of the CRA exceeded its liabilities at the close of the most recent fiscal year by \$62.2 million (net position). Of this amount, \$26.2 million was included in the restricted for community development category.
- The CRA’s total net position increased by \$11.6 million over the course of the fiscal year 2023 operations, which was primarily caused by increases in tax increment revenues intergovernmental revenues, investment earnings and less than budgeted spending in redevelopment programs for the fiscal year ended September 30, 2023.
- The CRA’s General Fund beginning fund balance was restated in the amount of \$5.3 million as described in the paragraph above.
- The CRA’s General Fund reported an ending fund balance of \$31.6 million, an increase of \$2.9 million from the prior period restated amount. Of this amount, \$2.3 million is assets held for resale, \$.4 million is long-term receivables, and \$28.9 million is for community redevelopment, which are all restricted.
- The CRA’s Redevelopment Revenue Bond Fund was created to account for proceeds from the issuance of the HBCRA Redevelopment Revenue Note, Series 2020, and for future use of those proceeds for capital redevelopment projects. The Redevelopment Revenue Bond Fund’s ending fund balance for fiscal year 2023 was \$19.1 million.

**Overview of the Financial Statements**

The financial section of this annual report consists of three parts: (1) management’s discussion and analysis (this section), (2) the basic financial statements (including the notes to the financial statements), and (3) required supplementary information.

**HALLANDALE BEACH COMMUNITY REDEVELOPMENT AGENCY**  
**(A Component Unit of the City of Hallandale Beach, Florida)**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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### **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 CRA. Reporting is like that of a private-sector business. The government-wide financial statements report information about the CRA as a whole and about its activities in a way that helps answer questions about the financial health of the CRA and whether the activities of the year contributed positively or negatively to that health.

The government-wide financial statements include the Statement of Net Position and Statement of Activities.

- The Statement of Net Position presents information on the assets plus deferred outflows of resources and liabilities plus deferred inflows of resources of the CRA, both long and short-term. Assets plus deferred outflows of resources are reported when acquired by the CRA 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 CRA reports buildings and infrastructure as assets, even though they are not available to pay the obligations incurred by the CRA. On the other hand, the CRA reports liabilities, such as long-term debt, even though these liabilities might not be paid until several years into the future.

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

- The Statement of Activities presents the revenues and expenses of the CRA. The items presented on the statement of activities are measured in a manner like 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 CRA that are principally supported by taxes and intergovernmental revenue (governmental activities). The governmental activities of the CRA are economic environment activities.

The government-wide financial statements can be found on pages 15 and 16 of this report.

***Fund financial statements.*** The focus of fund financial statements is directed to specific activities of the CRA, rather than the CRA as a whole. The CRA, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**HALLANDALE BEACH COMMUNITY REDEVELOPMENT AGENCY**  
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**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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***Governmental funds.*** The CRA has two governmental funds, a General Fund, and the Redevelopment Revenue Notes Fund, which is a capital project fund. Financial statements consist of a balance sheet and a statement of revenue, expenditures, and change in fund balances. These statements are prepared on an accounting basis that is significantly different from that used to prepare government-wide financial statements.

Unlike the government-wide financial statements, these 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 and total liabilities is the fund balance and 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.

For the most part, the balances and activities accounted for in governmental funds are also reported in the governmental activities' columns of the government-wide financial statements. However, because different accounting bases are used to prepare governmental fund financial statements and government-wide financial statements, there are often significant differences between the totals presented. For this reason, there is an analysis after the governmental fund balance sheet that reconciles the total fund balance for the governmental fund to the amount of net position presented in the governmental activities' column on the statement of net position. Also, there is an analysis after the statement of revenue, expenditures, and changes in fund balances that reconciles the total change in fund balances for the governmental funds to the change in net position as reported in the governmental activities' column in the statement of activities.

The governmental fund financial statements can be found on pages 17 through 20 of this report.

***Notes to the basic 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 21 through 45 of this report.

***Required supplementary information.*** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*, such as the budgetary comparison schedule of the General Fund and data concerning the CRA's progress in funding its obligation to provide pension benefits to its employees.

Required supplementary information can be found on pages 46 through 51 of this report.

**HALLANDALE BEACH COMMUNITY REDEVELOPMENT AGENCY**  
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**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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**Government-Wide Financial Analysis**

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

**SUMMARY OF NET POSITION**  
**(IN THOUSANDS)**

	<b>Governmental Activities</b>	
	2023	2022
Current and Other Assets	\$ 51,744	\$ 54,725
Capital Assets, net	31,509	28,062
<b>Total Assets</b>	<b>83,253</b>	<b>82,787</b>
<b>Deferred Outflows of Resources</b>	<b>379</b>	<b>446</b>
Long-Term Liabilities	20,134	25,533
Other Liabilities	1,320	1,857
<b>Total Liabilities</b>	<b>21,454</b>	<b>27,390</b>
<b>Deferred Inflows of Resources</b>	<b>20</b>	<b>23</b>
Net Position		
Net Investment in Capital Assets	35,970	28,567
Restricted	26,188	27,253
<b>Total Net Position</b>	<b>\$ 62,158</b>	<b>\$ 55,820</b>

As noted earlier, net position may serve, over time, as a useful indication of the CRA's financial position. At the close of the most recent fiscal year, the CRA's assets plus deferred outflows of resources exceeded its liabilities plus deferred inflows of resources by \$62.2 million.

The CRA's total net position is divided between restricted, at 42.4%, and net investment in capital assets, at 57.6%. Unrestricted net position represents the resources that are available for spending. Net investment in capital assets reflects the CRA's investment in capital assets reduced by the net amount of outstanding related liabilities used to acquire or construct these assets and unspent capital project related debt proceeds. Although the capital assets are shown net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the assets themselves cannot be used to liquidate these liabilities.

**HALLANDALE BEACH COMMUNITY REDEVELOPMENT AGENCY**  
**(A Component Unit of the City of Hallandale Beach, Florida)**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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The CRA's current and other assets decreased by \$3.0 million from the previous year. The decrease primarily relates to the net effect of the following:

1. An increase in cash and cash equivalents, which is attributed to an increase in tax increment revenue, investment earnings and less than anticipated spending on redevelopment programs and aids. Redevelopment programs and operations in the CRA's General Fund netted approximately \$2.9 million in additional funds, which will be further discussed in the Governmental Activities section below (change in net position).
2. A decrease of \$5.3 million related to a restatement of Assets Held for Resale for a fiscal year 2022 conveyance of land held for resale to a private entity for commercial development within the redevelopment district.

The net increase of \$3.4 million in the CRA's capital assets is primarily attributed to the commencement of various Revenue Note Series 2020 capital projects, which amounted to \$2.9 million of additions in land and buildings purchased and \$ 1.1 million to construction in progress, offset by \$0.6 million in depreciation of capital assets in use. See additional information on changes in the Capital Assets section below and in Note 6.

The decrease in long-term liabilities of \$5.5 million from the previous year is primarily attributed to principal payments on the CRA's Capital Improvement Revenue and Refunding Bonds, Revenue Note, Series 2015, and Revenue Notes, Series 2020 debt. See additional details in the discussion of changes in the Long-term Liabilities section below and in Note 9.

The deferred outflows and inflows of resources relate to the CRA's participation in the Florida Retirement System (FRS), which are cost-sharing, multiemployer pension plans that are administered by the State of Florida. The deferred outflows and inflow of resources are recorded under the requirements of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions- an amendment of GASB Statement No. 27*. Changes in these reported lines represent the amortization of prior years' remaining deferred outflows and inflows of resources, changes in the actuarial assumptions, differences in actuarially expected and actual plan experience, differences between projected and actual earnings on pension plan investments, changes in proportion and differences between CRA Pension Plan contributions and the proportionate share of contributions, and differences between CRA pension plan contributions after the GASB Statement No. 68 measurement date. Refer to Note 11 for additional information.

**HALLANDALE BEACH COMMUNITY REDEVELOPMENT AGENCY**  
**(A Component Unit of the City of Hallandale Beach, Florida)**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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The table below presents a summary of changes in net position for the years ended September 30, 2023, and 2022, as derived from the government-wide statement of activities:

**SUMMARY OF ACTIVITIES (IN THOUSANDS)**

	<u>Governmental Activities</u>	
	<u>2023</u>	<u>2022</u>
<b>Revenues</b>		
Program revenues		
Charges for services	\$ 17	\$ 11
Operating grants and contributions	--	--
General revenues		
Tax increment financing	12,360	9,337
Intergovernmental revenues	9,170	8,187
Investment earnings	2,402	400
Other revenue	599	290
<b>Total Revenue</b>	<u>24,548</u>	<u>18,225</u>
<b>Expenses</b>		
Public safety	1,646	1,418
Economic environment	10,600	5,733
Interest and other fiscal charges	690	830
<b>Total Expenses</b>	<u>12,936</u>	<u>7,981</u>
<b>Change in Net Position</b>	11,612	10,244
Net Position, as previously reported	55,820	--
Beginning balance restatement	(5,274)	--
Net position, beginning, as restated	<u>50,546</u>	<u>45,576</u>
<b>Net Position, Ending</b>	<u>\$ 62,158</u>	<u>\$ 55,820</u>

**HALLANDALE BEACH COMMUNITY REDEVELOPMENT AGENCY**  
**(A Component Unit of the City of Hallandale Beach, Florida)**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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**Governmental Activities**

Governmental Activities increased the CRA's net position by \$11.6 million in 2023 and \$10.2 million in 2022. The positive net changes for both years were the outcome of increases in incremental tax revenues and investment earnings in combination with less than anticipated spending in redevelopment programs.

Total fiscal year 2023 revenues amounted to \$24.5 million. This represents an increase in total revenues of approximately \$6.3 million, or 34.7% over the previous fiscal year. Included within total revenues were Incremental tax revenues from the City's Ad Valorem taxes, which increased from 2022 to 2023 by \$3.0 million, or 32.4%. Additionally, intergovernmental revenues, which represent incremental tax revenue from outside agencies, increased by approximately \$1 million, or 12.0%. The increases in such revenues are the result of rising assessed property values and new developments. Investment earnings increased from 2023 to 2022 by \$ 2 million due to increases in the interest rates.

Total fiscal year 2023 expenses amounted to \$12.9 million. After considering the restatement of beginning net position, as described above, this represents a net decrease from 2022 to 2023 of \$.6 million, or 6%.

Below are changes in the components of Governmental Activities expenses by function:

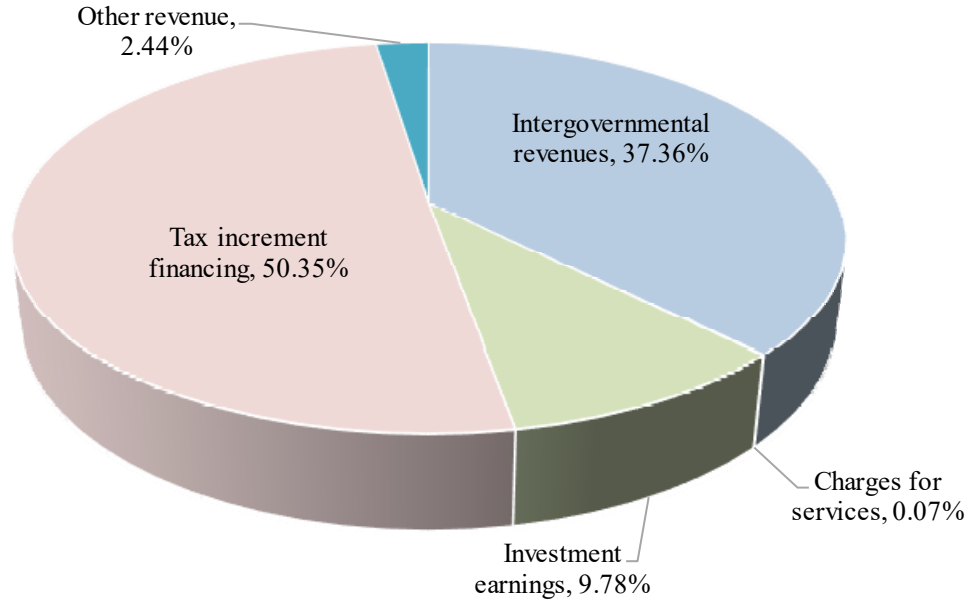
- Economic environment expenses decreased by \$0.7 million, or 6%. See detailed discussion at Financial Analysis of the CRA Governmental Funds section below.
- Public safety expenses increased by \$ 0.2 million, or 16%, due to more activity under the Community Policing Innovations interlocal agreement between the CRA and the City.
- Interest charges and other fiscal charges decreased by \$0.1 million, or 16.9%, due to on-going principal payments on the CRA's Capital Improvement Revenue and Refunding Bonds, Revenue Note, Series 2015, and Revenue Notes, Series 2020.



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**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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**Revenue by Source - Governmental Activities**



**Financial Analysis of the CRA Governmental Funds**

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

The focus of the CRA's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the CRA's financing requirements.

The CRA's governmental funds reported combined ending fund balances of \$50.7 million, an increase of \$2.8 million from the prior year's restated ending fund balance. This increase was primarily attributable to the CRA's General Fund (see below for highlighted factors). The fund balance of the CRA's General Fund totaled \$31.6 million as of September 30, 2023. This represents a net increase of \$2.9 million from operations and programs during the fiscal year. The fund balance is restricted for assets held for resale (\$2.3 million), long-term receivables (\$.4 million) and other on-going programs (\$28.9 million).

A majority of the CRA's General Fund expenditures relate to programs to meet the CRA's mission through facilitating and incentivizing growth and enhancement in the CRA area. The amount of such expenditures within a given year are dependent on the number of qualifying recipients for CRA assistance programs and timing of capital projects, development agreements, redevelopment agreements, improvement projects, and interlocal agreements. Expenditures for such various programs that are less than anticipated for a given year will contribute to the increases in fund

**HALLANDALE BEACH COMMUNITY REDEVELOPMENT AGENCY**  
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**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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balance for the HBCRA's Redevelopment Plan to be spent in future periods. Unspent amounts are appropriated to specific redevelopment projects pursuant to the approved HBCRA Redevelopment Plan and in conformity with Florida Statutes, Chapter 163. For the CRA General Fund balance, below are key factors in the overall net increase compared to fiscal year 2022-2023.

- An increase of \$3.0 million in incremental tax revenue due to increases in the taxable assessed values and an increase in the contributing taxing authority millage rate (City of Hallandale Beach).
- An increase of \$1.0 million in intergovernmental revenues due to increases in the taxable assessed values coupled with an increase in a contributing taxing authority millage rate (Broward County).
- An increase of \$2.0 million related to investment earnings was driven by increases in the investible cash balances coupled with the growth in underlying market investment interest rates.
- An increase in economic environment expenditures of \$4.7 million, which is primarily the net result of the following:
  - An increase of \$4.3 million in expenditures related to redevelopment agreement programs including Hallandale City Center and Solaris.
  - An increase of \$0.4 million in expenditures related to residential loan programs for storm shutter/impact windows, downpayment assistance, and residential repairs.
- A decrease to the beginning balance in assets held for resale in the amount of \$5.3 million were conveyed to a private entity in fiscal year 2022. (This expenditure resulted in restatements of the beginning net position in Statement of Net Position and beginning fund balance of the general fund in the Statement of Revenues, Expenditures and Changes in Fund Balances).
- An increase of \$0.2 million in public safety expenditures for reimbursements under the CRA and City's Community Policing Innovations interlocal agreement
- An increase of \$3.0 million in capital outlay.
- An increase of \$0.3 million in debt service expenditures for combined principal and interest payments on the CRA's outstanding debt obligations.
- Timing of expenditures appropriated for the HBCRA's Redevelopment Plan to be spent in future periods.

**HALLANDALE BEACH COMMUNITY REDEVELOPMENT AGENCY**  
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**MANAGEMENT’S DISCUSSION AND ANALYSIS**

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The CRA Redevelopment Revenue Notes Fund was created in fiscal year 2020 to account for debt proceeds related to the HBCRA Redevelopment Revenue 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 on September 30, 2023, is \$19.1 million, a decrease of \$0.1 million from the prior year. This is the net result of approximately \$0.9 million in investment earnings and \$1.0 million in capital outlay during fiscal year 2023. Fiscal year 2023 was the commencement year of capital projects in this fund. A total of 11 projects throughout the district were ongoing as of the fiscal year end.

**Budgetary Highlights**

Differences between the CRA’s original budget and the final amended budget consist primarily of encumbrances, unexpended project budget amounts, and reappropriations of fund balance which were rolled forward to fiscal year 2023.

**Capital Assets and Debt Administration**

**Capital assets.** As of September 30, 2023, and 2022, the CRA had \$31.5 million and \$28.0 million, respectively, invested in a variety of capital assets, as reflected in the following schedule:

**CAPITAL ASSETS**  
**(IN THOUSANDS, NET OF DEPRECIATION)**

	<b>Governmental Activities</b>	
	2023	2022
Land	\$ 21,156	\$ 18,849
Construction in progress	2,203	1,093
Buildings	2,258	1,788
Improvements other than buildings	5,352	5,800
Vehicles and equipment	81	45
Infrastructure	460	487
<b>Total</b>	<b>\$ 31,509</b>	<b>\$ 28,062</b>

There was a net increase in capital assets during the year of \$3.4 million. This is comprised of \$4.1 million in additions, which are related to capital Revenue Note Series 2020 projects under construction in progress \$1.1 million, land purchases of \$ 2.4 million, and buildings purchased for \$.6 million offset by increases in accumulated depreciation of \$ 0.6 million for depreciable assets in use. The CRA currently has approximately 11 projects under construction.

Additional information can be found in Note 6 - Capital Assets.

**Long-term liabilities.** As of year-end, the CRA had \$19.3 million in long-term debt, which consist of three components: the estimated future principal payments to be transferred to the City for the

**HALLANDALE BEACH COMMUNITY REDEVELOPMENT AGENCY**  
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**MANAGEMENT’S DISCUSSION AND ANALYSIS**

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CRA’s allocation of the City’s Revenue Bonds, Series 2007A and Capital Improvement Refunding Revenue Bonds, Series 2016; the CRA’s notes payable relating to the issuance of the CRA Redevelopment Revenue Notes, Series 2015; and the CRA’s notes payable relating to the issuance of the CRA Redevelopment Revenue Notes, Series 2020. This compares with \$24.9 million in the prior year. The reduction was the net result of the principal payments during the fiscal year.

The debt position of the CRA is summarized below. Additional information can be found in Note 9 Long-Term Liabilities:

**PRINCIPAL ON LONG-TERM DEBT**  
**(IN THOUSANDS)**

	<b>Governmental Activities</b>	
	2023	2022
Revenue note 2015	\$ 4,665	\$ 6,140
Allocation of City revenue bonds	2,970	3,868
Revenue note 2020	11,710	14,900
<b>Total</b>	<b>\$ 19,345</b>	<b>\$ 24,908</b>

**Contacting the CRA’s Financial Management**

This financial report is designed to provide residents, taxpayers, customers, and creditors with a general overview of the CRA’s finances and to demonstrate the CRA’s accountability. If you have questions about this report or need additional information, contact the CRA’s Treasurer at 400 South Federal Highway, Hallandale Beach, Florida 33009 or (954) 457-1371.

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# **FINANCIAL STATEMENTS**

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**HALLANDALE BEACH COMMUNITY REDEVELOPMENT AGENCY**  
**(A Component Unit of the City of Hallandale Beach, Florida)**

**STATEMENT OF NET POSITION**

**SEPTEMBER 30, 2023**

	<b>Governmental Activities</b>
<b>Assets</b>	
Cash and cash equivalents	\$ 29,155,106
Restricted assets: cash and cash equivalents	19,509,674
Loans receivable, net of allowances	437,119
Due from City	381,250
Tax deeds	329
Assets held for resale	2,260,487
Capital assets not being depreciated	23,358,968
Capital assets being depreciated, net	8,149,186
<b>Total Assets</b>	<b>83,252,119</b>
<b>Deferred Outflows of Resources</b>	
Pensions - FRS	378,955
<b>Liabilities</b>	
Accounts payable and accrued liabilities	518,070
Accrued interest	254,362
Due to City	499,624
Unearned revenues	47,476
<b>Noncurrent Liabilities</b>	
Net pension liability	724,257
Due within one year:	
Revenue and refunding bonds	938,400
Direct placement notes	5,060,000
Compensated absences	22,392
Due in more than one year:	
Revenue and refunding bonds	2,032,050
Direct placement notes	11,315,000
Compensated absences	41,905
<b>Total Liabilities</b>	<b>21,453,536</b>
<b>Deferred Inflows of Resources</b>	
Pensions - FRS	19,920
<b>Net Position</b>	
Net investment in capital assets	35,970,040
Restricted for:	
Assets held for resale	2,260,487
Long-term receivables	437,119
Community redevelopment	23,489,972
<b>Total Net Position</b>	<b>\$ 62,157,618</b>

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

**HALLANDALE BEACH COMMUNITY REDEVELOPMENT AGENCY**  
**(A Component Unit of the City of Hallandale Beach, Florida)**

**STATEMENT OF ACTIVITIES**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

<b>Functions/Programs</b>	<u>Expenses</u>	<u>Program Revenues</u> Charges for Services	<u>Net (Expense) Revenue and Changes in Net Position</u> Governmental Activities
<b>Governmental Activities:</b>			
Public safety	\$ 1,646,135	\$ --	\$ (1,646,135)
Economic environment	10,600,821	17,026	(10,583,795)
Interest and other fiscal charges	<u>690,062</u>	<u>--</u>	<u>(690,062)</u>
<b>Total Governmental Activities</b>	<u>\$ 12,937,018</u>	<u>\$ 17,026</u>	<u>(12,919,992)</u>
General revenues:			
Tax increment financing			12,360,586
Intergovernmental revenues			9,170,393
Investment earnings			2,402,370
Other revenue			<u>598,146</u>
Total general revenues			<u>24,531,495</u>
Change in net position			<u>11,611,503</u>
Net position, as previously reported			55,819,829
Prior Period Adjustment (see Note 14)			(5,273,714)
Net position, beginning, as restated			<u>50,546,115</u>
Net position, ending			<u>\$ 62,157,618</u>

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

**HALLANDALE BEACH COMMUNITY REDEVELOPMENT AGENCY**  
**(A Component Unit of the City of Hallandale Beach, Florida)**

**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**

**SEPTEMBER 30, 2023**

	General	Redevelopment Revenue Notes	Totals Governmental
<b>Assets</b>			
Cash and cash equivalents	\$ 29,155,106	\$ --	\$ 29,155,106
Restricted assets: cash and cash equivalents	--	19,509,674	19,509,674
Loans receivable, net of allowances	437,119	--	437,119
Tax deeds	329	--	329
Due from other funds	41,453	--	41,453
Due from City	381,250	--	381,250
Assets held for resale	<u>2,260,487</u>	<u>--</u>	<u>2,260,487</u>
<b>Total Assets</b>	<u>\$ 32,275,744</u>	<u>\$ 19,509,674</u>	<u>\$ 51,785,418</u>
<b>Liabilities and Fund Balances</b>			
Accounts payable and accrued liabilities	\$ 150,732	\$ 367,338	\$ 518,070
Due to City	499,624	--	499,624
Due to other funds	--	41,453	41,453
Unearned revenue	<u>47,476</u>	<u>--</u>	<u>47,476</u>
<b>Total Liabilities</b>	<u>697,832</u>	<u>408,791</u>	<u>1,106,623</u>
<b>Fund Balances</b>			
Restricted for:			
Assets held for resale	2,260,487	--	2,260,487
Long-term receivables	437,119	--	437,119
Capital projects	--	19,100,883	19,100,883
Community redevelopment	<u>28,880,306</u>	<u>--</u>	<u>28,880,306</u>
<b>Total Fund Balances</b>	<u>31,577,912</u>	<u>19,100,883</u>	<u>50,678,795</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 32,275,744</u>	<u>\$ 19,509,674</u>	<u>\$ 51,785,418</u>

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



**HALLANDALE BEACH COMMUNITY REDEVELOPMENT AGENCY**  
**(A Component Unit of the City of Hallandale Beach, Florida)**

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

**SEPTEMBER 30, 2023**

Total fund balances for governmental funds		\$ 50,678,795
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	\$ 37,080,217	
Less: accumulated depreciation	<u>(5,572,063)</u>	31,508,154
Deferred outflows of resources are not current financial resources and therefore are not reported in the funds.		
Deferred outflows relating to pensions - FRS		378,955
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 - FRS		(19,920)
Certain liabilities are not due and payable in the current period and are therefore not reported in the funds.		
Revenue Notes, Series 2015	(4,665,000)	
Revenue Notes, Series 2020	(11,710,000)	
Allocation of principal on revenue and refunding bonds	(2,970,450)	
Net pension liability-FRS	(724,257)	
Accrued interest	(254,362)	
Compensated absences	<u>(64,297)</u>	<u>(20,388,366)</u>
Net position of governmental activities		<u>\$ 62,157,618</u>

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

**HALLANDALE BEACH COMMUNITY REDEVELOPMENT AGENCY**  
**(A Component Unit of the City of Hallandale Beach, Florida)**

**STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

	General	Redevelopment Revenue Notes Fund	Total Governmental Funds
<b>Revenues</b>			
Tax incremental financing	\$ 12,360,586	\$ --	\$ 12,360,586
Intergovernmental revenues	9,170,393	--	9,170,393
Charges for services	17,026	--	17,026
Investment earnings	1,479,506	922,864	2,402,370
Other revenues	598,146	--	598,146
<b>Total Revenues</b>	<u>23,625,657</u>	<u>922,864</u>	<u>24,548,521</u>
<b>Expenditures</b>			
Current:			
Public safety	1,646,135	--	1,646,135
Economic environment	9,739,731	--	9,739,731
Debt service:			
Principal	5,562,000	--	5,562,000
Interest	751,526	--	751,526
Capital outlay	3,026,670	1,052,933	4,079,603
Total expenditures	<u>20,726,062</u>	<u>1,052,933</u>	<u>21,778,995</u>
<b>Net Change in Fund Balances</b>	<u>2,899,595</u>	<u>(130,069)</u>	<u>2,769,526</u>
<b>Fund Balances, Beginning, as Previously Reported</b>	33,952,031	19,230,952	53,182,983
<b>Prior Period Adjustment (see Note 14)</b>	<u>(5,273,714)</u>	<u>--</u>	<u>(5,273,714)</u>
<b>Fund Balances, Beginning, Restated</b>	<u>28,678,317</u>	<u>19,230,952</u>	<u>47,909,269</u>
<b>Fund Balances - Ending</b>	<u>\$ 31,577,912</u>	<u>\$ 19,100,883</u>	<u>\$ 50,678,795</u>

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

**HALLANDALE BEACH COMMUNITY REDEVELOPMENT AGENCY  
(A Component Unit of the City of Hallandale Beach, Florida)**

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

**GOVERNMENTAL FUNDS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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

Net change in fund balances - total governmental funds	\$ 2,769,526
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays and contributed capital assets exceeded depreciation in the current period.

Expenditures for capital assets	\$ 4,079,603	
Less: depreciation	<u>(633,526)</u>	
		3,446,077

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.

Principal repayments on bonds	5,562,000
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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.

Net changes in accrued interest	61,464	
Changes in deferred inflows - FRS	2,866	
Changes in deferred outflows - FRS	(67,226)	
Changes in net pension liability - FRS	(152,898)	
Net changes in compensated absences	<u>(10,306)</u>	
		<u>(166,100)</u>

Change in net position - governmental activities	\$ <u>11,611,503</u>
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*The accompanying notes are an integral part of these financial statements.*

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**NOTES TO FINANCIAL STATEMENTS**

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**HALLANDALE BEACH COMMUNITY REDEVELOPMENT AGENCY**  
**(A Component Unit of the City of Hallandale Beach, Florida)**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***FINANCIAL REPORTING ENTITY***

Pursuant to Section 163.387, Florida Statutes, the City of Hallandale Beach (the “City”) established a Redevelopment Trust Fund for the Hallandale Beach Community Redevelopment Agency (“CRA or Agency”), effective December 1996 through passing of City Resolution 96-15. The City Commission, which is the Agency’s 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 as of January 1, 1996, will be utilized in determining the base amount of property valuation. Each year the City, Broward County (“the 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 South Broward Hospital District has made a separate agreement for a flat amount. Although the Agency is legally separate from the City, the CRA is reported as part of the City as a blended component unit as its sole purpose is to finance and redevelop the City’s designated redevelopment areas.

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 CRA are described below:

***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 CRA as a whole and provide a complete financial picture of the CRA.

The Statement of Net Position reports all financial and capital resources of the CRA’s governmental activities. Governmental activities are those supported by taxes and intergovernmental revenues. The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Program revenues include charges for services that are recovered directly from customers for services rendered. Taxes and other items not properly included among program revenues are reported instead as general revenues. Direct expenses are those that are clearly identifiable with a

**HALLANDALE BEACH COMMUNITY REDEVELOPMENT AGENCY**  
**(A Component Unit of the City of Hallandale Beach, Florida)**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)***

specific function or segment. Since the CRA 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.

The government-wide 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. Tax increment financing from property taxes is recognized as revenue in the fiscal year when levied for.

***MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION***

The governmental funds 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 CRA considers revenues to be available if they are collected within 60 days of the end of the fiscal year. 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 are recorded only when payment is due.

The CRA reports the following major governmental funds:

The General Fund is the primary operating fund of the CRA. It accounts for the tax increment revenue assessed on properties in the specified CRA area and capital improvements, neighborhood improvement loans, and other programs that meet the objectives of the CRA's community redevelopment plan.

The Redevelopment Revenue Notes Fund accounts for capital improvements financed from the CRA's Redevelopment Revenue Notes, Series 2020.

As a general rule, the effect of interfund balances and activity has been eliminated from the government-wide financial statements.

**HALLANDALE BEACH COMMUNITY REDEVELOPMENT AGENCY**  
**(A Component Unit of the City of Hallandale Beach, Florida)**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***IMPLEMENTATION OF GASB STANDARDS***

The CRA considered the new accounting standards which effective dates are applicable for the fiscal year ended September 30, 2023. The implementation of GASB Statement No. 91, *Conduit Debt Obligations*, GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, and GASB Statement No. 99, *Omnibus 2022*, did not have a significant impact on the CRA's financial statements.

***DEPOSITS***

The CRA 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. The CRA maintains its own cash account which is used for the majority of CRA transactions. The CRA also maintains a separate cash account for the proceeds of the Redevelopment Revenue Notes, Series 2020.

***INVESTMENTS***

Investments are reported at amortized cost. The difference between cost and the reported value of investments held is recorded as net unrealized gains or losses and is included in investment earnings.

***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).

Loans receivable are recorded and where appropriate, an associated allowance for uncollectible loans has been established. All receivables are shown net of an allowance for uncollectible accounts. Based on past experience, the CRA deems all balances greater than 90 days to be uncollectible unless a mortgage or restrictive covenant lien was placed against the borrower’s property.

**HALLANDALE BEACH COMMUNITY REDEVELOPMENT AGENCY**  
**(A Component Unit of the City of Hallandale Beach, Florida)**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***ASSETS HELD FOR RESALE***

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

***RESTRICTED ASSETS***

Restricted assets, consisting of cash and cash equivalents, represent assets restricted to a particular usage. The restricted cash and cash equivalents balance at end of the current fiscal year represents unspent bond proceeds.

***CAPITAL ASSETS***

Capital assets, including land, buildings and improvements, infrastructure, intangibles, and vehicles and equipment, are reported in the government-wide financial statements. Capital assets are those that have a useful life of greater than one year and a value of greater than \$5,000 for all capital assets other than intangibles, which have a value of greater than \$35,000. Capital assets are stated at historical cost in the government-wide financial statements if purchased or constructed. Donated capital assets are stated at acquisition value on the date contributed. Depreciation is recorded in the government-wide statements as an operating expense for all assets meeting the CRA'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.



**HALLANDALE BEACH COMMUNITY REDEVELOPMENT AGENCY**  
**(A Component Unit of the City of Hallandale Beach, Florida)**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***CAPITAL ASSETS (CONTINUED)***

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

Vehicles and equipment	5 years
Buildings and improvements other than buildings	20 years
Infrastructure	42 years
Intangibles	5-20 years

***COMPENSATED ABSENCES***

The CRA accrues for vacation and sick leave based on anticipated use or payout (i.e., amounts that are due and payable). Accumulated and unpaid vacation pay, and sick leave are recorded as expenses in the government-wide statements 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.

***UNEARNED/UNAVAILABLE REVENUE***

Unearned revenue arises when resources are received by the CRA 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 CRA 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.

***LONG-TERM OBLIGATIONS***

In the government-wide 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.

**HALLANDALE BEACH COMMUNITY REDEVELOPMENT AGENCY**  
**(A Component Unit of the City of Hallandale Beach, Florida)**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***LONG-TERM OBLIGATIONS (CONTINUED)***

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

***PENSION PLANS***

The CRA participates in the Florida Retirement System cost-sharing, multi-employer defined benefit pension plans. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to the pensions, and pension expense, information about the fiduciary net position of 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.

***FUND BALANCE/NET POSITION***

In fund financial statements, the governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the CRA is bound to honor constraints imposed on the use of resources reported. 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 Board of Directors through a resolution are classified as committed fund balances. These constraints remain binding unless removed or changed in the same manner employed to commit those resources by resolution. Amounts that are constrained by the CRA's intent to be used for specific purposes, however, are neither restricted, nor committed are classified as assigned fund balances. Assignments are approved by the Board of Directors 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.

**HALLANDALE BEACH COMMUNITY REDEVELOPMENT AGENCY**  
**(A Component Unit of the City of Hallandale Beach, Florida)**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***FUND BALANCE/NET POSITION (CONTINUED)***

Net position of the government-wide financial statements is categorized as net investment in capital assets or restricted. The first category represents capital assets net of accumulated depreciation, retainage, and outstanding debt related to the acquisition or construction of the capital assets.

The restricted category represents amounts that are restricted to specific purposes when constraints placed on the use of resources are either by (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislations. These amounts are reduced by liabilities and deferred inflows of resources related to those assets.

***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 and 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.

***RISK MANAGEMENT***

The CRA is insured, through the City's self-insurance program, for general liability, health, directors and officers, and property damage. A separate policy through a third-party insurer is used for workers compensation. The CRA pays its share of health insurance and workers' compensation premiums for its employees. There are no outstanding general liability claims related to the CRA.

***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 CRA reports pension related deferred outflows in this category.

**HALLANDALE BEACH COMMUNITY REDEVELOPMENT AGENCY**  
**(A Component Unit of the City of Hallandale Beach, Florida)**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***DEFERRED OUTFLOWS/INFLOWS OF RESOURCES (CONTINUED)***

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 CRA reports pension related deferred inflows in this category.

**NOTE 2 – TAX INCREMENT REVENUE**

The primary source of revenue is tax increment funds received through the City, the County, the South Broward Hospital District and the Children’s Services Council. The revenue from the City is treated as tax increment financing, while the remainder is recorded as intergovernmental revenues.

**NOTE 3 – DEPOSITS AND INVESTMENTS**

Cash and cash equivalents including restricted cash and cash equivalents balances of the CRA consist of the following at September 30, 2023:

Deposits with financial institutions	\$ 1,550,709
Florida PRIME	<u>47,114,071</u>
<b>Total</b>	<b><u>\$ 48,664,780</u></b>

Deposits: At September 30, 2023, the carrying amount of the Agency’s bank deposits was \$1,550,709. These are defined as public deposits. All CRA 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.

**HALLANDALE BEACH COMMUNITY REDEVELOPMENT AGENCY**  
**(A Component Unit of the City of Hallandale Beach, Florida)**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)**

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 an approved financial institution. 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 CRA'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.

In accordance with GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, the CRA's investment in the Florida PRIME meets the definition of a qualifying investment pool that measures, for financial reporting purposes, all of its investments at amortized cost and should disclose the presence of any limitations or restrictions on withdrawals. As of September 30, 2023, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100% of their account value.

The investments in the Florida PRIME are not insured by FDIC or any other governmental agency. Florida PRIME is rated AAAm by Standard and Poor's.

Concentration of Credit Risk: The CRA follows the City's investment policy which is in accordance with Florida Statute 218.415. The policy authorizes investments in certificates of deposit, obligations of the U.S. Treasury, its agencies and instrumentalities, commercial paper, money market mutual funds, state and local government debt, corporate notes, and pooled investments of the SBA. In addition, the City's policy limits overall investment in any one issuer to 5% or less, except for United States Government agencies, federal instrumentalities and interest-bearing time deposits or savings accounts. The CRA did not hold any investment securities as of September 30, 2023.

**HALLANDALE BEACH COMMUNITY REDEVELOPMENT AGENCY**  
**(A Component Unit of the City of Hallandale Beach, Florida)**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)**

As of September 30, 2023, the CRA had the following investment presented as cash subject to interest rate risk:

<u>Investment</u>	<u>Weighted Average Maturity</u>
SBA - Florida PRIME	\$ 47,114,071      35 days

**NOTE 4 – LOANS RECEIVABLE**

The CRA assists homeowners, through the Neighborhood Improvement Program (NIP), with loans for making exterior repairs and improvements to single-family residential properties up to \$50,000 and multi-family properties up to \$75,000. The CRA also offers commercial programs that include but are not limited to façade improvement, interior renovation, kitchen, signage, and tenant lease subsidy grants, as well as a commercial loan program up to \$200,000 for the expansion and attraction of businesses.

***AFFORDABLE HOUSING LOAN PROGRAM***

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

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**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**NOTE 4 – LOANS RECEIVABLE (CONTINUED)**

***AFFORDABLE HOUSING LOAN PROGRAM (CONTINUED)***

Loans receivable for the CRA Fund, with the related allowance for uncollectible amounts, as of September 30, 2023, is as follows:

CRA housing assistance loans receivable	\$	719,207
Interest on loans receivable		2,334
Less: allowance for uncollectibles		<u>(284,422)</u>
<b>Loans Receivable, Net</b>	<b>\$</b>	<b><u>437,119</u></b>

For the fiscal year ended September 30, 2023, the CRA earned approximately \$11,000 in loan program interest included in investment earnings.

**NOTE 5 – ASSETS HELD FOR SALE**

Assets held for resale consist of properties available for affordable housing or redevelopment. Activity for the fiscal year ended September 30, 2023, is summarized in the following table:

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

<sup>1</sup> The beginning balance of assets held for resale was adjusted by \$5,273,714 to account for several parcels of land conveyed to a private developer in May 2022. See Note 14 for further details.

**HALLANDALE BEACH COMMUNITY REDEVELOPMENT AGENCY**  
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**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**NOTE 6 – CAPITAL ASSETS**

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

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated				
Land	\$ 18,849,365	\$ 2,305,703	\$ --	\$ 21,155,068
Construction in progress	<u>1,093,020</u>	<u>1,110,880</u>	<u>--</u>	<u>2,203,900</u>
<b>Total Capital Assets Not Being Depreciated</b>	<u>19,942,385</u>	<u>3,416,583</u>	<u>--</u>	<u>23,358,968</u>
Capital assets, being depreciated:				
Buildings	2,547,670	596,585	--	3,144,255
Improvements other than buildings	9,027,643	--	--	9,027,643
Vehicles and equipment	764,842	66,437	--	831,279
Infrastructure	<u>718,072</u>	<u>--</u>	<u>--</u>	<u>718,072</u>
<b>Total Capital Assets Being Depreciated</b>	<u>13,058,227</u>	<u>663,022</u>	<u>--</u>	<u>13,721,249</u>
Less accumulated depreciation for:				
Buildings	(760,168)	(127,383)	--	(887,551)
Improvements other than buildings	(3,227,731)	(448,255)	--	(3,675,986)
Vehicles and equipment	(719,414)	(31,040)	--	(750,454)
Infrastructure	<u>(231,224)</u>	<u>(26,848)</u>	<u>--</u>	<u>(258,072)</u>
<b>Total Accumulated Depreciation</b>	<u>(4,938,537)</u>	<u>(633,526)</u>	<u>--</u>	<u>(5,572,063)</u>
<b>Total Capital Assets being Depreciated, Net</b>	<u>8,119,690</u>	<u>29,496</u>	<u>--</u>	<u>8,149,186</u>
<b>Capital Assets, Net</b>	<u>\$ 28,062,075</u>	<u>\$ 3,446,079</u>	<u>\$ --</u>	<u>\$ 31,508,154</u>

Depreciation expense in the amount of \$633,526 was charged to the economic environment function for the fiscal year ended September 30, 2023.



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**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**NOTE 7 – ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

Accounts payable and accrued liabilities for the CRA as of September 30, 2023, were as follows:

	General Fund	Development Revenue Notes Fund	Total Governmental Activities
Vendor payables	\$ 124,140	\$ 339,449	\$ 463,589
Retainage payable	--	24,932	24,932
Other liabilities	26,592	2,957	29,549
<b>Total Payables</b>	<b>\$ 150,732</b>	<b>\$ 367,338</b>	<b>\$ 518,070</b>

**NOTE 8 – DUE FROM/TO THE CITY**

The amount due from the City of \$381,250 represents payments received by the City from developer agreements to be used for affordable housing projects. Amounts due to the City consist of \$499,624 for the payment of administrative fees and charges for services based on an interlocal agreement, as well as various expenditures paid by the City's pooled cash account and not yet reimbursed by the CRA back to the City.

**NOTE 9 – LONG-TERM LIABILITIES**

The following details the changes in long-term liabilities for the fiscal year ended September 30, 2023.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b><u>Governmental Activities</u></b>					
Revenue and refunding bonds	\$ 3,867,450	\$ --	\$ (897,000)	\$ 2,970,450	\$ 938,400
Direct placement:					
Revenue notes, Series 2015	6,140,000	--	(1,475,000)	4,665,000	1,515,000
Revenue notes, Series 2020	14,900,000	--	(3,190,000)	11,710,000	3,545,000
Net pension liability - FRS	571,359	454,414	(301,516)	724,257	--
Compensated absences	53,991	68,780	(58,474)	64,297	22,392
<b>Total Governmental Activities</b>					
<b>Long-Term Liabilities</b>	<b>\$ 25,532,800</b>	<b>\$ 523,194</b>	<b>\$ (5,921,990)</b>	<b>\$ 20,134,004</b>	<b>\$ 6,020,792</b>

**HALLANDALE BEACH COMMUNITY REDEVELOPMENT AGENCY**  
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**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**NOTE 9 – LONG-TERM LIABILITIES (CONTINUED)**

The CRA had no open or unused lines of credit, or direct borrowing liabilities as of September 30, 2023. The outstanding liabilities from direct placements were \$16,375,000 as of September 30, 2023.

***CAPITAL IMPROVEMENT REVENUE AND REFUNDING BONDS***

On September 6, 2007, the City issued Revenue Bonds, Series 2007A for the purpose of financing the acquisition of park land. The City and CRA agreed to allocate the percentage of bond proceeds spent on park lands within the CRA boundaries to the CRA. On July 20, 2016, the bonds were partially refunded through the issuance of Capital Improvement Refunding Revenue Bonds, Series 2016, in which the CRA's debt service was revised to ensure that the ratio over the life of both bond issues are approximately 76% and 24% for the CRA and non-CRA properties, respectively. The CRA's ratio for principal and interest debt servicing was revised in June 2020, under agreement with the City, to reflect the CRA's sunset in 2026.

The interest rates on the bonds range from 2% to 5% and the final debt service payment for the CRA, as agreed upon with the City, is April 1, 2026. There are no revenues or assets of the CRA that are pledged as collateral for the bonds. The bonds, including the payment of interest, are secured by a pledge from the City to budget and appropriate amounts 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.

***REVENUE NOTE, SERIES 2015***

On November 18, 2015, the CRA Board authorized the issuance of HBCRA Redevelopment Revenue Note, Series 2015 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.

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**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**NOTE 9 – LONG-TERM LIABILITIES (CONTINUED)**

***REVENUE NOTE, SERIES 2015 (CONTINUED)***

In the event of a default, bondholders may take suit, actions or special proceedings under the laws of the State of Florida or under Bond resolution to protect and enforce their rights. In certain cases, in the event of a 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.

***REVENUE NOTE, SERIES 2020***

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

In the event of 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 a 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.

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

Fiscal Year Ending	Direct Placement Revenue Note Series 2015		Direct Placement Capital Improvement Revenue Bonds - Series 2020		Capital Improvement Revenue and Refunding Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 1,515,000	\$ 126,888	\$ 3,545,000	\$ 233,730	\$ 938,400	\$ 225,699
2025	1,555,000	85,680	3,900,000	146,177	990,150	177,485
2026	1,595,000	43,384	4,265,000	50,156	1,041,900	126,684
	<u>\$ 4,665,000</u>	<u>\$ 255,952</u>	<u>\$ 11,710,000</u>	<u>\$ 430,063</u>	<u>\$ 2,970,450</u>	<u>\$ 529,868</u>

**HALLANDALE BEACH COMMUNITY REDEVELOPMENT AGENCY**  
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**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**NOTE 10 – MONEY-PURCHASE PLAN AND TRUST**

The City maintains a single-employer money-purchase plan created in accordance with Internal Revenue Code Section 401(a). This defined contribution plan is 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 plan. 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 ("FRS"). 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 the single employer defined benefit plan of the City.

The CRA's contributions to the 401(a)-match plan were calculated using the covered payroll amount of approximately \$631,000. The CRA's contribution amounted to approximately \$11,000, or 1.7% of covered payroll for the fiscal year 2023. The remaining active defined contribution plan for elected officials does not require any CRA contributions.

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

**NOTE 11 – FLORIDA RETIREMENT SYSTEM**

Effective February 2020, the CRA 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).

**HALLANDALE BEACH COMMUNITY REDEVELOPMENT AGENCY**  
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**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**NOTE 11 – FLORIDA RETIREMENT SYSTEM (CONTINUED)**

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

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

***BENEFITS PROVIDED***

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

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

**HALLANDALE BEACH COMMUNITY REDEVELOPMENT AGENCY**  
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**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**NOTE 11 – FLORIDA RETIREMENT SYSTEM (CONTINUED)**

***CONTRIBUTIONS***

The contribution requirements of plan members and the employer are established and may be amended by the Florida Legislature. Employees are required to contribute 3% of their salary to FRS. The employer’s contribution rates for the period October 1, 2022 through June 30, 2023, and July 1, 2023 through September 30, 2023, were as follows: Regular Class 11.91% and 13.57%, Senior Management 31.57% and 34.52%, and DROP Participants 18.60% and 21.13%.

The CRA’s contributions for the fiscal year ended September 30, 2023 was \$112,478 to FRS and \$ 12,320 to HIS.

***PENSION LIABILITIES AND PENSION EXPENSE***

In its financial statements for the fiscal year ended September 30, 2023, the CRA reported a liability for its proportionate shares of the net pension liabilities. The net pension liabilities were measured as of June 30, 2023, and the total pension liabilities used to calculate the net pension liability were determined by an actuarial valuation dated July 1, 2023. The CRA’s proportions of the net pension liabilities were based on the CRA’s share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

	FRS	HIS	Total
Net pension liability	\$ 492,982	\$ 231,275	\$ 724,257
Proportion at:			
Current Measurement date	0.0011811%	0.0014909%	
Prior measurement date	0.0011507%	0.0013521%	
Pension Expense (Benefit)	\$ 157,914	\$ 107,554	\$ 265,468

**HALLANDALE BEACH COMMUNITY REDEVELOPMENT AGENCY**  
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**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**NOTE 11 – FLORIDA RETIREMENT SYSTEM (CONTINUED)**

***PENSION LIABILITIES AND PENSION EXPENSE (CONTINUED)***

As of September 30, 2023, the CRA reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	FRS		HIS		Totals	
	Deferred Outflows	Deferred Inflows	Deferred Outflows	Deferred Inflows	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	\$ 44,188	\$ --	\$ 3,276	\$ 527	\$ 47,464	\$ 527
Change of assumptions	30,680	--	5,884	19,393	36,564	19,393
Net difference between projected actual earnings on pension plan investments	19,655	--	116	--	19,771	--
Changes in proportion and differences between CRA pension plan contributions and proportionate share of contributions	167,698	--	86,322	--	254,020	--
CRA pension plan contributions subsequent to the measurement date	<u>17,808</u>	<u>--</u>	<u>3,328</u>	<u>--</u>	<u>21,136</u>	<u>--</u>
<b>Total</b>	<u>\$280,029</u>	<u>\$ --</u>	<u>\$ 98,926</u>	<u>\$ 19,920</u>	<u>\$378,955</u>	<u>\$ 19,920</u>

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

Fiscal Year Ending September 30,	FRS	HIS
2024	\$ 73,320	\$ 21,682
2025	54,082	22,414
2026	114,839	21,665
2027	16,426	7,760
2028	3,554	1,620
Thereafter	<u>--</u>	<u>537</u>
<b>Total</b>	<u>\$ 262,221</u>	<u>\$ 75,678</u>

**HALLANDALE BEACH COMMUNITY REDEVELOPMENT AGENCY**  
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**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**NOTE 11 – FLORIDA RETIREMENT SYSTEM (CONTINUED)**

*ACTUARIAL ASSUMPTIONS*

The total pension liability for each of the defined benefit plans, measured as of June 30, 2023, was determined by an actuarial valuation dated July 1, 2023, using the individual entry age normal actuarial cost method and the following significant actuarial assumptions:

	FRS	HIS
Inflation	2.40%	2.40%
Salary increases	3.25%	3.25%
Investment rate of return	6.70%	N/A
Discount rate	6.70%	3.65%

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

For both plans, the actuarial assumptions used in the valuation dated July 1, 2023, were based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2018. The following changes in key actuarial assumptions occurred in 2023:

HIS: The municipal bond index rate and the discount rate used to determine the total pension liability increased from 3.54% to 3.65%.

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



**HALLANDALE BEACH COMMUNITY REDEVELOPMENT AGENCY**  
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**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**NOTE 11 – FLORIDA RETIREMENT SYSTEM (CONTINUED)**

*ACTUARIAL ASSUMPTIONS (CONTINUED)*

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1.0%	2.9%	2.9%	1.1%
Fixed income	19.8%	4.5%	4.4%	3.4%
Global equity	54.0%	8.7%	7.1%	18.1%
Real estate (property)	10.3%	7.6%	6.6%	14.8%
Private equity	11.1%	11.9%	8.8%	26.3%
Strategic investments	3.8%	6.3%	6.1%	7.7%
	<u>100%</u>			
Assumed inflation - MEAN			2.4%	1.4%

***DISCOUNT RATE***

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

Because HIS is essentially funded on a pay-as-you-go basis, a municipal bond rate of 3.65% was used to determine the total pension liability for the program. The Bond Buyer General Obligation Bond 20-Bond Municipal Bond Index was used as the applicable municipal bond index.

**HALLANDALE BEACH COMMUNITY REDEVELOPMENT AGENCY**  
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**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**NOTE 11 – FLORIDA RETIREMENT SYSTEM (CONTINUED)**

***SENSITIVITY ANALYSIS***

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

	FRS			HIS		
	Current Discount			Current Discount		
	1% Decrease (5.70%)	Rate (6.70%)	1% Increase (7.70%)	1% Decrease (2.65%)	Rate (3.65%)	1% Increase (4.65%)
CRA's proportionate share of the net pension liability	\$ 803,955	\$ 492,982	\$ 191,789	\$ 255,324	\$ 231,275	\$ 197,674

***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***

On September 30, 2023, the CRA had no outstanding required contributions payable to the Pension 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 fiscal year ended September 30, 2023, totaled \$10,914.

**HALLANDALE BEACH COMMUNITY REDEVELOPMENT AGENCY**  
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**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**NOTE 12 –DEPOSITS AND WITHDRAWALS**

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 CRA funds, which is inclusive of the General Fund and the Redevelopment Revenue Notes Fund, for the fiscal year ended September 30, 2023:

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

**HALLANDALE BEACH COMMUNITY REDEVELOPMENT AGENCY**  
**(A Component Unit of the City of Hallandale Beach, Florida)**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**NOTE 13 – COMMITMENTS**

***CONSTRUCTION AND PURCHASE COMMITMENTS***

The CRA had active construction and economic development projects as of September 30, 2023. The projects include Redevelopment Revenue Note, Series 2020 improvement projects, Façade Grant Program projects, and infill housing projects. As of September 30, 2023, the CRA’s significant commitments with contractors are as follows:

Project Classification	Spent-to-Date	Remaining Commitments
Affordable Housing Programs	\$ 37,945	\$ 827,629
Art in Public Places program	1,500	423,500
Façade and Neighborhood Improvement Grant Programs	1,083,980	1,554,123
Redevelopment Revenue Note projects	1,948,302	1,410,905
	<u>\$ 3,071,728</u>	<u>\$ 4,216,157</u>

The Affordable Housing Programs, Art in Public Places Program, and Façade and Neighborhood Improvement Grant Programs are financed by existing CRA resources. The Redevelopment Revenue Note, Series 2020 Projects are funded from the CRA Redevelopment Revenue Note, Series 2020.

***CLAIMS AND LAWSUITS***

There are several pending claims and lawsuits in which the CRA 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 CRA management, the ultimate resolution of these claims will not materially exceed the amounts recorded in the financial statements.

**HALLANDALE BEACH COMMUNITY REDEVELOPMENT AGENCY**  
**(A Component Unit of the City of Hallandale Beach, Florida)**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**NOTE 14 – PRIOR PERIOD ADJUSTMENT (RESTATEMENT)**

In fiscal year 2023, the CRA recorded a prior period adjustment to correct the CRA’s assets held for resale for several parcels of land that were conveyed to a private developer in May 2022. The adjustments are as follows to the various activities and funds:

**Statement of Activities**

Net position, as previously reported	\$ 55,819,829
Assets held for sale prior period adjustment	<u>(5,273,714)</u>

**Beginning Net Position, as Restated** \$ 50,546,115

**Statement of Revenues, Expenditures, and Changes in Fund Balances**

Fund balances, as previously stated	\$ 53,182,983
Assets held for resale prior period adjustment	<u>(5,273,714)</u>

**Beginning Fund Balances, as Restated** \$ 47,909,269

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**REQUIRED SUPPLEMENTARY INFORMATION**

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**HALLANDALE BEACH COMMUNITY REDEVELOPMENT AGENCY**  
**(A Component Unit of the City of Hallandale Beach, Florida)**

**REQUIRED SUPPLEMENTARY INFORMATION**

**BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL - GENERAL FUND**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

	Original Budget	Final Budget	Actual Amount	Variance With Final Budget Positive (Negative)
<b>Revenues</b>				
Tax increment financing	\$ 12,364,032	\$ 12,360,586	\$ 12,360,586	\$ --
Intergovernmental	9,202,772	9,170,393	9,170,393	--
Charges for services	12,000	12,000	17,026	5,026
Investment earnings	56,349	231,349	1,479,506	1,248,157
Other revenues	<u>204,480</u>	<u>204,480</u>	<u>868,948</u>	<u>664,468</u>
<b>Total Revenues</b>	<u>21,839,633</u>	<u>21,978,808</u>	<u>23,896,459</u>	<u>1,917,651</u>
<b>Expenditures</b>				
Personal services	1,330,700	1,330,700	1,001,796	328,904
Operating expenditures	7,389,951	8,072,016	1,561,070	6,510,946
Debt service	6,313,526	6,313,526	6,313,526	--
Grants and aids	16,489,901	18,436,556	8,837,878	9,598,678
Capital outlay	<u>11,268,294</u>	<u>12,343,946</u>	<u>3,051,020</u>	<u>9,292,926</u>
Total expenditures	<u>42,792,372</u>	<u>46,496,744</u>	<u>20,765,290</u>	<u>25,731,454</u>
<b>Excess of Revenues Over (under) Expenditures</b>	<u>(20,952,739)</u>	<u>(24,517,936)</u>	<u>3,131,169</u>	<u>27,649,105</u>
<b>Other Financing Sources</b>				
Appropriation of fund balance	20,952,739	22,908,558	--	(22,908,558)
Reappropriation	--	1,609,378	--	(1,609,378)
Total other financing sources	<u>20,952,739</u>	<u>24,517,936</u>	<u>--</u>	<u>(24,517,936)</u>
Change in fund balances	<u>--</u>	<u>--</u>	<u>3,131,169</u>	<u>3,131,169</u>
<b>Fund Balance - Beginning, as Previously Reported</b>	33,952,031	33,952,031	33,952,031	--
<b>Restatement</b>	<u>(5,273,714)</u>	<u>(5,273,714)</u>	<u>(5,273,714)</u>	<u>--</u>
<b>Fund Balance - Beginning, as Restated</b>	<u>28,678,317</u>	<u>28,678,317</u>	<u>28,678,317</u>	<u>--</u>
<b>Fund Balances - Ending</b>	<u>\$ 28,678,317</u>	<u>\$ 28,678,317</u>	<u>\$ 3,131,169</u>	<u>\$ 3,131,169</u>
CRA loan program and assets held for resale transactions (Note 2 pg. 47)			<u>(231,574)</u>	
<b>Fund Balances - Ending</b>			<u>\$ 31,577,912</u>	

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

**HALLANDALE BEACH COMMUNITY REDEVELOPMENT AGENCY**  
**(A Component Unit of the City of Hallandale Beach, Florida)**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

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**NOTE 1 – BUDGETARY DATA**

The Board of Directors follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In August of each year, the Executive Director submits to the Board of Directors a proposed operating and capital budget for the fiscal year commencing October 1. The operating and capital budget includes the proposed expenditures and means of financing them.
2. The Board of Directors holds public workshops on the prepared budget.
3. Prior to October 1, the budget is legally enacted by resolution.

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 and capital outlay. The Executive Director is authorized to make transfers of budgeted funds within categories except contingencies and debt service. Unencumbered balances of appropriation lapse at year-end.

The budget for the CRA's General Fund has been adopted on a basis consistent with GAAP, except for unbudgeted amounts related to certain CRA transactions that are excluded for financial statement purposes.

During the fiscal year 2023, the Board passes a resolution to increase the budget for anticipated projects, most of which were not completed during the current fiscal year. The final reported budgetary data represents the approved budget after amendments approved by the Board. There were supplemental appropriations of \$3,565,936 for the fiscal year ended September 30, 2023.

The CRA provides funds allocated to specific projects for two main categories: community redevelopment programs (operating expenditures) and 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.



**HALLANDALE BEACH COMMUNITY REDEVELOPMENT AGENCY**  
**(A Component Unit of the City of Hallandale Beach, Florida)**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

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**NOTE 2 – RECONCILIATION OF BUDGETARY REVENUES AND EXPENDITURES TO U.S. GAAP**

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

**HALLANDALE BEACH COMMUNITY REDEVELOPMENT AGENCY**  
**(A Component Unit of the City of Hallandale Beach, Florida)**

**REQUIRED SUPPLEMENTARY INFORMATION**

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

Reporting date	9/30/2023	9/30/2022	9/30/2021	9/30/2020
Measurement date	6/30/2023	6/30/2022	6/30/2021	6/30/2020
CRA's proportion of the FRS net pension liability	0.11800%	0.00115%	0.00122%	0.00046%
CRA's proportionate share of the FRS net pension liability	\$ 492,982	\$ 428,148	\$ 92,187	\$ 191,959
CRA's covered payroll	\$ 559,184	\$ 500,288	\$ 497,578	\$ 266,108
CRA's proportionate share of the net pension liability as a percentage of its covered payroll	84.17%	85.58%	18.53%	72.14%
FRS Plan fiduciary net position as a percentage of the FRS total pension liability	82.38%	82.89%	96.40%	78.85%

**Notes to the schedule:**

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

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

**HALLANDALE BEACH COMMUNITY REDEVELOPMENT AGENCY**  
**(A Component Unit of the City of Hallandale Beach, Florida)**

**REQUIRED SUPPLEMENTARY INFORMATION**

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

Reporting date	9/30/2023	9/30/2022	9/30/2021	9/30/2020
Measurement date	6/30/2023	6/30/2022	6/30/2021	6/30/2020
Contractually required FRS contribution	\$ 112,478	\$ 55,036	\$ 56,812	\$ 32,131
FRS contribution in relation to the contractually required FRS contribution	<u>112,478</u>	<u>55,036</u>	<u>56,812</u>	<u>32,131</u>
FRS contribution deficiency (excess)	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
Covered payroll	\$ 702,261	\$ 560,362	\$ 552,404	\$ 409,366
FRS contributions as a percentage of covered payroll	16.02%	9.82%	10.28%	7.85%

**Notes to the schedule:**

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

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

**HALLANDALE BEACH COMMUNITY REDEVELOPMENT AGENCY**  
**(A Component Unit of the City of Hallandale Beach, Florida)**

**REQUIRED SUPPLEMENTARY INFORMATION**

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

Reporting date	9/30/2023	9/30/2022	9/30/2021	9/30/2020
Measurement date	6/30/2023	6/30/2022	6/30/2021	6/30/2020
CRA's proportion of the HIS net pension liability	0.00141%	0.13500%	0.14600%	0.06700%
CRA's proportionate share of the HIS net pension liability	\$ 231,275	\$ 143,211	\$ 179,254	\$ 79,475
CRA's covered payroll	\$ 559,184	\$ 500,288	\$ 497,578	\$ 266,108
CRA's proportionate share of the net pension liability as a percentage of its covered payroll	40.02%	28.63%	36.03%	29.87%
HIS Plan fiduciary net position as a percentage of the HIS total pension liability	4.12%	4.81%	3.56%	3.00%

**Notes to the schedule:**

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

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

**HALLANDALE BEACH COMMUNITY REDEVELOPMENT AGENCY**  
**(A Component Unit of the City of Hallandale Beach, Florida)**

**REQUIRED SUPPLEMENTARY INFORMATION**

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

Reporting date	9/30/2023	9/30/2022	9/30/2021	9/30/2020
Measurement date	6/30/2023	6/30/2022	6/30/2021	6/30/2020
Contractually required HIS contribution	\$ 12,320	\$ 9,300	\$ 9,003	\$ 7,313
HIS contribution in relation to the contractually required HIS contribution	<u>12,320</u>	<u>9,300</u>	<u>9,003</u>	<u>7,313</u>
HIS contribution deficiency (excess)	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
Covered payroll	\$ 702,261	\$ 560,362	\$ 552,404	\$ 409,366
HIS contributions as a percentage of covered payroll	1.75%	1.66%	1.63%	1.79%

**Notes to the schedule:**

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

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

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

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## **REPORTING SECTION**

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**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 Board Chair, Members of the Board of Directors, and Executive Director  
**Hallandale Beach Community Redevelopment Agency**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities and each major fund of the Hallandale Beach Community Redevelopment Agency (the "CRA"), a component unit of the City of Hallandale Beach, Florida, as of and for the fiscal year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the CRA's financial statements, and have issued our report thereon dated June 20, 2024.

***Report on Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the CRA'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 CRA's internal control. Accordingly, we do not express an opinion on the effectiveness of the CRA'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 CRA's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be significant deficiencies. We identified one deficiency in internal control, described in the accompanying schedule of findings and responses as items MW2023-01 that we consider to be a material weakness.

### ***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the CRA'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*.

### ***CRA's Response to Findings***

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

### ***Purpose of This Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the CRA'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 CRA's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Marcum LLP*

Fort Lauderdale, FL  
June 20, 2024



**HALLANDALE BEACH COMMUNITY REDEVELOPMENT AGENCY**  
**(A Component Unit of the City of Hallandale Beach, Florida)**

**SCHEDULE OF FINDINGS AND RESPONSES**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**SECTION I – FINANCIAL STATEMENT FINDING**

**Material Weakness**

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

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

**Condition**

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

**Cause**

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

**HALLANDALE BEACH COMMUNITY REDEVELOPMENT AGENCY**  
**(A Component Unit of the City of Hallandale Beach, Florida)**

**SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**SECTION I – FINANCIAL STATEMENT FINDING (CONTINUED)**

**Material Weakness (continued)**

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

***Effect***

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

***Recommendation***

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

***Views of Responsible Officials and Planned Corrective Actions***

We acknowledge the findings regarding the internal controls over assets held for resale and appreciate the recommendations provided. To address these, we will implement the following action plan: Prepare the Assets Held for Resale schedule on a semi-annual basis instead of annually. Add notes to properties when they are conveyed to ensure proper follow-up and reduce reliance on the Broward County Property Appraiser website. These steps will enhance the accuracy and timeliness of our financial reporting. The City’s finance department, in collaboration with the CRA, will be responsible for implementing these actions immediately, with full adherence starting in the next fiscal period. The City and CRA are committed to improving our internal controls and ensuring accurate financial reporting.

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

To the Board Chair, Members of the Board of Directors, and Executive Director  
**Hallandale Beach Community Redevelopment Agency**

***Report on the Financial Statements***

We have audited the financial statements of the Hallandale Beach Community Redevelopment Agency (the “CRA”), a component unit of the City of Hallandale Beach, Florida, as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated June 20, 2024.

***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; and Chapter 10.550, Rules of the Auditor General.

***Other Reporting Requirements***

We have issued our Independent Auditors’ Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; 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, which are dated June 20, 2024, should be considered in conjunction with this management letter.

***Prior Audit Findings***

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. There were no findings or recommendations made in the preceding financial audit report.

### ***Official Title and Legal Authority***

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The CRA has made these disclosures in Note 1 to the financial statements.

### ***Financial Condition and Management***

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the CRA 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 CRA 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 CRA. It is management's responsibility to monitor the CRA'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 identify an item as MW2023-01, in the accompanying Schedule of Findings and Responses.

### ***Special District Component Units***

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

### ***Specific Information***

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the CRA reported:

- a. The total number of CRA employees compensated in the last pay period of the CRA's fiscal year as 10.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the CRA's fiscal year as 22.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$1,001,798.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$3,013,436.

- e. There were 9 construction projects with a total cost of at least \$65,000 approved by the CRA that was scheduled to begin on or after October 1 of the fiscal year being reported at a total cost of \$1,077,283.
- 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 CRA amends a final adopted budget under Section 189.016(6), Florida Statutes, has been presented on page 46 of this report.

***Additional Matters***

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but 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, the CRA Board, Executive Director, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

*Marcum LLP*

Fort Lauderdale, FL  
June 20, 2024

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH SECTION  
218.415, 163.387(6) AND 163.387(7), FLORIDA STATUTES**

To the Board Chair, Members of the Board of Directors, and Executive Director  
**Hallandale Beach Community Redevelopment Agency**

We have examined the Hallandale Beach Community Redevelopment Agency's (the "CRA"), a component unit of the City of Hallandale Beach, Florida, compliance with Section 218.415 Florida Statutes, Local Government Investment Policies for the fiscal year ended September 30, 2023. We also examined the CRA's compliance with Sections 163.387(6) and 163.387(7), Florida Statutes for the fiscal year ended September 30, 2023. Management of the CRA is responsible for the CRA's compliance with the specified requirements. Our responsibility is to express an opinion on the CRA'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 CRA complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the CRA 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 CRA and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

Our examination does not provide a legal determination on the CRA's compliance with the specified requirements.

In our opinion, the CRA complied, in all material respects, with Section 218.415, 163.387(6) and 163.387(7), Florida Statutes, for the fiscal year ended September 30, 2023.

This report is intended solely to describe our testing of compliance with aforementioned sections of the Florida Statutes. and it is not suitable for any other purpose.

*Marcum LLP*

Fort Lauderdale, FL  
June 20, 2024