



Hallandale Beach

COMMUNITY REDEVELOPMENT AGENCY

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

Financial Report

For the Fiscal Year Ended September 30, 2024

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

Michele Lazarow, Vice-Chair

Joy D. Adams, Director

Mike Butler, Director

Anabelle Lima-Taub, 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)

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Hallandale Beach
COMMUNITY REDEVELOPMENT AGENCY

FINANCIAL SECTION



Hallandale Beach
COMMUNITY REDEVELOPMENT AGENCY

INDEPENDENT AUDITORS' REPORT

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, 2024, and the related notes to the financial statements, which collectively comprise the CRA's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the CRA, as of September 30, 2024, 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 12, the Budgetary Comparison Schedule and related notes, the Schedules of the CRA's Proportionate Share of Net Pension Liability – FRS and HIS, and the Schedules of Contributions – FRS and HIS on pages 44 through 50 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 16, 2025, on our consideration of the 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 the CRA's internal control over financial reporting and compliance.

CBIZ CPAs P.C.

Fort Lauderdale, FL
April 16, 2025



Hallandale Beach
COMMUNITY REDEVELOPMENT AGENCY

**MANAGEMENT'S DISCUSSION
AND ANALYSIS**
(REQUIRED SUPPLEMENTARY INFORMATION)

MANAGEMENT'S DISCUSSION AND ANALYSIS

(MD&A)

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, 2024. 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 assets plus deferred outflow of resources of the CRA exceeded its liabilities plus deferred inflow of resources, at the close of the most recent fiscal year by \$72.4 million (net position). Of this amount, \$33.3 million was included in the restricted for community development category.
- The CRA's total net position increased by \$10.3 million over the course of the fiscal year 2024 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, 2024.
- The CRA's General Fund reported an ending fund balance of \$34.4 million, an increase of \$2.8 million from the prior period amount. Of this amount, \$2.3 million is assets held for resale, \$.4 million is long-term receivables, and \$31.7 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 Notes Fund's ending fund balance for fiscal year 2024 was \$13.8 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.

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 and public safety (law enforcement & code compliance) activities.

The government-wide financial statements can be found on pages 13 and 14 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.

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 15 through 18 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 19 through 43 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 44 through 50 of this report.

Government-Wide Financial Analysis

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

Net Position (In Thousands)		
Governmental Activities		
	2024	2023
Current and Other Assets	\$ 52,140	\$ 51,744
Capital Assets, net	39,414	31,509
Total Assets	91,554	83,253
Deferred Outflows of Resources	586	379
Long-Term Liabilities	15,409	20,134
Other Liabilities	4,181	1,320
Total Liabilities	19,590	21,454
Deferred Inflows of Resources	109	20
Net Position		
Net Investment in Capital Assets	39,146	35,970
Restricted	33,295	26,188
Total Net Position	\$ 72,441	\$ 62,158

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 \$72.4 million.

The CRA's total net position is divided between restricted, at 46.0%, and net investment in capital assets, at 54.0%. Unrestricted net position, if any, 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.

The CRA's current and other assets increased by \$0.4 million from the previous year. The increase primarily relates to the net effect of the following:

1. An increase in cash and cash equivalents of \$4.0 million, 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 \$2.8 million in additional funds, which will be further discussed in the Governmental Activities section below (change in net position).
2. A decrease of \$3.7 million in restricted assets (cash and cash equivalents) related to the spend-down of HBCRA Redevelopment Revenue Note, Series 2020, proceeds for capital redevelopment projects.

The net increase of \$7.9 million in the CRA's capital assets is primarily attributed to the commencement of various redevelopment projects and Revenue Note Series 2020 capital projects, which amounted to \$3.1 million of additions in land, buildings, and improvements other than buildings, and \$5.3 million to construction in progress, offset by \$0.4 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 \$4.7 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.

The table below presents a summary of changes in net position for the years ended September 30, 2024, and 2023, as derived from the government-wide statement of activities:

Changes in Net Position (In Thousands)		
Governmental Activities		
	2024	2023
Revenues:		
Program Revenues:		
Charges for services	\$ 117	\$ 17
Capital grants and contributions	39	-
General Revenues:		
Tax Increment financing	14,249	12,360
Intergovernmental revenues	10,573	9,170
Investment earnings	2,773	2,402
Other revenue	154	599
Total Revenue	27,905	24,548
Expenses:		
Public safety	1,375	1,646
Economic environment	15,725	10,600
Interest and other fiscal charges	522	690
Total Expenses	17,622	12,936
Change in Net Position	10,283	11,612
Net Position, as previously reported	-	55,820
Beginning balance restatement	-	(5,274)
Net Position, beginning as restated	62,158	50,546
Net Position, Ending	\$ 72,441	\$ 62,158

Governmental Activities

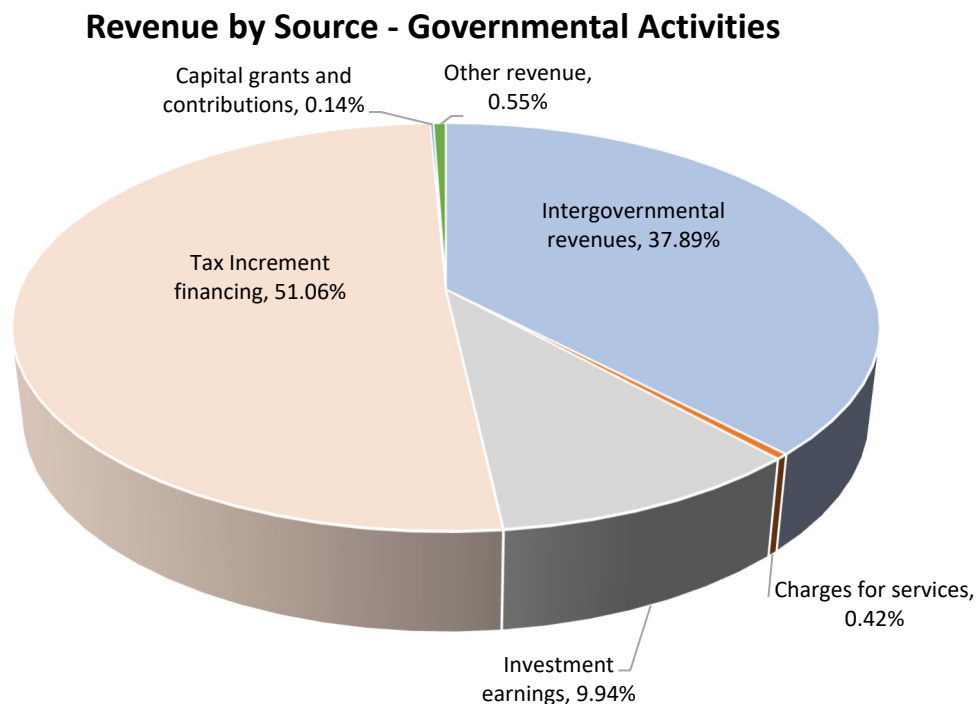
Governmental Activities increased the CRA's net position by \$10.3 million in 2024 and \$11.6 million in 2023. The positive net changes for both years were the outcome of increases in incremental tax revenues, intergovernmental revenues, and investment earnings in combination with less than anticipated spending in redevelopment programs.

Total fiscal year 2024 revenues amounted to \$27.9 million. This represents an increase in total revenues of approximately \$3.4 million, or 13.7% over the previous fiscal year. Included within total revenues were Incremental tax revenues from the City's Ad Valorem taxes, which increased from 2023 to 2024 by \$1.9 million, or 15.3%. Additionally, intergovernmental revenues, which represent incremental tax revenue from outside agencies, increased by approximately \$1.4 million, or 15.3%. The increases in such revenues are the result of rising assessed property values and new developments. Investment earnings increased from 2023 to 2024 by \$0.4 million due to increases in the interest rates.

Total fiscal year 2024 expenses amounted to \$17.6 million which represents an increase from 2023 to 2024 of \$4.6 million, or 36%.

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

- Economic environment expenses increased by \$5.1 million, or 48.3%. See detailed discussion at Financial Analysis of the CRA Governmental Funds section below.
- Public safety expenses decreased by \$0.3 million, or 16.5%, due primarily to an adjustment to the Police Defined Benefit Pension expense and an amendment to the interlocal agreement midyear.
- Interest charges and other fiscal charges decreased by \$0.2 million, or 24.4%, due to ongoing principal payments on the CRA's Capital Improvement Revenue and Refunding Bonds, Revenue Note, Series 2015, and Revenue Notes, Series 2020.



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 \$48.1 million, a decrease of \$2.5 million from the prior year's ending fund balance. This decrease was primarily attributable to the CRA's Redevelopment Revenue Notes Fund (see below).

The fund balance of the CRA's General Fund totaled \$34.4 million as of September 30, 2024. This represents a net increase of \$2.8 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 (\$31.7 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 appropriated to specific redevelopment projects pursuant to the approved CRA 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 2023-2024.

- An increase of \$1.9 million in incremental tax revenue (City of Hallandale Beach) due to increases in the taxable assessed values.
- An increase of \$1.4 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 \$0.3 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 \$3.3 million, which is primarily the net result of the following:
 - An increase of \$1.9 million in expenditures related to interlocal agreement programs including the electric mini-bus initiative.
 - An increase of \$1.3 million in expenditures related to commercial and residential loan programs including storm shutter/impact windows, downpayment assistance, residential repairs, etc.
- A decrease of \$0.3 million in public safety expenditures for reimbursements under the CRA and City's Community Policing Innovations interlocal agreement.
- An increase of \$0.8 million in capital 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 CRA's Redevelopment Plan to be spent in future periods.

The CRA Redevelopment Revenue Notes Fund was created in fiscal year 2020 to account for debt proceeds related to the CRA 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, 2024, is \$13.8 million, a decrease of \$5.3 million from the prior year. This is the result of approximately \$5.0 million in increased capital outlay and \$0.3 million in economic environment expenses during fiscal year 2024. A total of 11 projects throughout the district were ongoing as of the fiscal year end.

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 2024.

Capital Assets and Debt Administration

Capital assets. As of September 30, 2024, and 2023, the CRA had \$39.5 million and \$31.5 million, respectively, invested in a variety of capital assets, as reflected in the following schedule:

Capital Assets		
(In Thousands, Net of Depreciation/Amortization)		
Governmental		
Activities		
	2024	2023
Land	\$ 21,436	\$ 21,156
Construction in progress	7,468	2,203
Buildings	3,794	2,258
Improvements other than buildings	5,305	5,352
Vehicles and equipment	197	81
Infrastructure	555	460
Leases (right-to-use assets)	659	-
Total	\$ 39,414	\$ 31,509

There was a net increase in capital assets during the year of \$8 million and comprised primarily of capital Revenue Note Series 2020 projects under construction in progress of \$5.3 million and buildings purchased for \$1.5 million (net of accumulated depreciation). 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 \$13.3 million in long-term debt, which consist of three components: the estimated future principal payments to be transferred to the City for the 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 \$19.3 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) Governmental Activities			
	2024		2023
Allocation of City revenue bonds	\$	2,032	\$ 2,970
Revenue note 2015		3,150	4,665
Revenue note 2020		8,165	11,710
Total	\$	13,347	\$ 19,345

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.



Hallandale Beach
COMMUNITY REDEVELOPMENT AGENCY

BASIC FINANCIAL STATEMENTS

**HALLANDALE BEACH COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE CITY OF HALLANDALE BEACH, FLORIDA)**

STATEMENT OF NET POSITION

SEPTEMBER 30, 2024

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 33,158,760
Restricted assets: cash and cash equivalents	15,837,696
Loans receivable, net of allowances	408,142
Due from City	433,057
Tax deeds	329
Other assets	41,567
Assets held for resale	2,260,487
Capital assets not being depreciated	28,904,051
Capital assets being depreciated/amortized, net	10,509,443
Total Assets	91,553,532
Deferred Outflows of Resources	
Pensions - FRS	586,103
Liabilities	
Accounts payable and accrued liabilities	3,314,641
Accrued interest	189,839
Due to City	655,153
Unearned revenues	21,227
Noncurrent Liabilities	
Net pension liability	1,249,197
Due within one year:	
Revenue and refunding bonds	990,150
Direct placement notes	5,455,000
Compensated absences	16,850
Leases (right-to-use assets)	109,428
Due in more than one year:	
Revenue and refunding bonds	1,041,900
Direct placement notes	5,860,000
Compensated absences	59,828
Leases (right-to-use assets)	626,952
Total Liabilities	19,590,165
Deferred Inflows of Resources	
Pensions - FRS	108,708
Net Position	
Net investment in capital assets	39,144,993
Restricted for:	
Assets held for resale	2,260,487
Long-term receivables	408,142
Community redevelopment	30,627,140
Total Net Position	\$ 72,440,762

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, 2024

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Capital Grants and Contributions	Revenue and Changes in Net Position
Governmental Activities:				Governmental Activities
Public safety	\$ 1,375,096	\$ --	\$ --	\$ (1,375,096)
Economic environment	15,725,784	117,156	39,420	(15,648,048)
Interest and other fiscal charges	<u>521,794</u>	<u>--</u>	<u>--</u>	<u>(521,794)</u>
Total Governmental Activities	<u>\$ 17,622,674</u>	<u>\$ 117,156</u>	<u>\$ 39,420</u>	<u>(17,466,098)</u>
General revenues:				
				Tax increment financing 14,249,436
				Intergovernmental revenues 10,572,579
				Investment earnings 2,773,270
				Other revenue <u>153,957</u>
				Total General Revenues <u>27,749,242</u>
				Change in Net Position 10,283,144
				Net Position -Beginning <u>62,157,618</u>
				Net Position - Ending <u>\$ 72,440,762</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, 2024

	General	Redevelopment Revenue Notes	Totals Governmental
Assets			
Cash and cash equivalents	\$ 33,158,760	\$ --	\$ 33,158,760
Restricted assets: cash and cash equivalents	--	15,837,696	15,837,696
Loans receivable, net of allowances	408,142	--	408,142
Tax deeds	329	--	329
Due from other funds	41,453	--	41,453
Due from City	433,057	--	433,057
Other assets	41,567	--	41,567
Assets held for resale	<u>2,260,487</u>	<u>--</u>	<u>2,260,487</u>
Total Assets	<u>\$ 36,343,795</u>	<u>\$ 15,837,696</u>	<u>\$ 52,181,491</u>
Liabilities and Fund Balances			
Accounts payable and accrued liabilities	\$ 1,291,874	\$ 2,022,767	\$ 3,314,641
Due to City	655,153	--	655,153
Due to other funds	--	41,453	41,453
Unearned revenue	<u>21,227</u>	<u>--</u>	<u>21,227</u>
Total Liabilities	<u>1,968,254</u>	<u>2,064,220</u>	<u>4,032,474</u>
Fund Balances			
Restricted for:			
Assets held for resale	2,260,487	--	2,260,487
Long-term receivables	408,142	--	408,142
Capital projects	--	13,773,476	13,773,476
Community redevelopment	<u>31,706,912</u>	<u>--</u>	<u>31,706,912</u>
Total Fund Balances	<u>34,375,541</u>	<u>13,773,476</u>	<u>48,149,017</u>
Total Liabilities and Fund Balances	<u>\$ 36,343,795</u>	<u>\$ 15,837,696</u>	<u>\$ 52,181,491</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, 2024

Total fund balances for governmental funds		\$ 48,149,017
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	\$ 45,493,002	
Less: accumulated depreciation/amortization	<u>(6,079,508)</u>	
		39,413,494
Deferred outflows of resources are not current financial resources and therefore are not reported in the funds.		
Deferred outflows relating to pensions - FRS		586,103
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		(108,708)
Certain liabilities are not due and payable in the current period and are therefore not reported in the funds.		
Revenue Notes, Series 2015	(3,150,000)	
Revenue Notes, Series 2020	(8,165,000)	
Allocation of principal on revenue and refunding bonds	(2,032,050)	
Net pension liability-FRS	(1,249,197)	
Accrued interest	(189,839)	
Compensated absences	(76,678)	
Leases (right-to-use assets)	<u>(736,380)</u>	
		<u>(15,599,144)</u>
Net position of governmental activities		<u>\$ 72,440,762</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, 2024

	General	Redevelopment Revenue Notes Fund	Total Governmental Funds
Revenues			
Tax incremental financing	\$ 14,249,436	\$ --	\$ 14,249,436
Intergovernmental revenues	10,572,579	--	10,572,579
Charges for services	117,156	--	117,156
Investment earnings	1,812,028	961,242	2,773,270
Other revenues	153,957	--	153,957
Total Revenues	<u>26,905,156</u>	<u>961,242</u>	<u>27,866,398</u>
Expenditures			
Current:			
Public safety	1,375,096	--	1,375,096
Economic environment	13,021,588	279,804	13,301,392
Debt service:			
Principal	5,998,400	--	5,998,400
Interest	586,317	--	586,317
Capital outlay	3,862,506	6,008,845	9,871,351
Total Expenditures	<u>24,843,907</u>	<u>6,288,649</u>	<u>31,132,556</u>
Other Financing Sources (Uses)			
Leases (right-to-use assets) acquired	736,380	--	736,380
Total Other Financing Sources (Uses)	<u>736,380</u>	<u>--</u>	<u>736,380</u>
Net Change in Fund Balances	<u>2,797,629</u>	<u>(5,327,407)</u>	<u>(2,529,778)</u>
Fund Balances - Beginning	<u>31,577,912</u>	<u>19,100,883</u>	<u>50,678,795</u>
Fund Balances - Ending	<u>\$ 34,375,541</u>	<u>\$ 13,773,476</u>	<u>\$ 48,149,017</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, 2024

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

Net change in fund balances - total governmental funds	\$ (2,529,778)
--	----------------

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

Capital Outlay	\$ 9,871,351	
Loss of disposal in construction in progress	(93,532)	
Conveyance of construction in progress to City	(1,068,490)	
Less depreciation/amortization expense	<u>(843,409)</u>	
		7,865,920

The statement of activities reports noncash contributions as revenues, but these revenues are not reported in the governmental fund financial statements.	39,420
---	--------

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	5,998,400
Leases (right-to-use assets) acquired	(736,380)

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	64,523	
Changes in deferred inflows - FRS	(88,788)	
Changes in deferred outflows - FRS	207,148	
Changes in net pension liability - FRS	(524,940)	
Net changes in compensated absences	<u>(12,381)</u>	
		<u>(354,438)</u>

Change in net position - governmental activities	<u>\$ 10,283,144</u>
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The accompanying notes are an integral part of these financial statements.



Hallandale Beach
COMMUNITY REDEVELOPMENT AGENCY

NOTES TO BASIC 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, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

FINANCIAL REPORTING ENTITY

Pursuant to Section 163.387, Florida Statutes, the City of Hallandale Beach, Florida (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.

**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, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

Direct expenses are those that are clearly identifiable with a 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, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

CASH AND CASH EQUIVALENTS

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, 2024

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 or amortization 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, 2024

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

LEASES (RIGHT-TO-USE ASSETS)

The leases (right-to-use assets) are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The leases (right-to-use assets) are amortized on a straight-line basis over the life of the related lease agreement.

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 REVENUE

Unearned revenue arises when resources are received by the CRA before it has a legal claim to them. In subsequent periods, when the CRA has a legal claim to the resources, the liability for unearned revenue 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.

**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, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

LONG-TERM OBLIGATIONS

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

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

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.

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.

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.

**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, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

As of September 30, 2024, the CRA does not report any fund balance amounts as non-spendable, assigned, or committed.

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.

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.

**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, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

IMPLEMENTATION OF NEW GASB STANDARDS

The CRA considered the new accounting standards which effective dates are applicable for the fiscal year ended September 30, 2024. The implementation of GASB Statement No. 100, *Accounting Changes and Error Corrections*, did not have a significant impact on the CRA's financial statements.

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, 2024:

Deposits with financial institutions	\$ 1,992,089
SBA - Florida PRIME	<u>47,004,367</u>
Total	<u>\$ 48,996,456</u>

Deposits: At September 30, 2024, the carrying amount of the Agency's bank deposits was \$1,992,089. 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, 2024

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, 2024, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100% of their account 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, 2024.

**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, 2024

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

As of September 30, 2024, 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	\$ 47,004,367	39 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.

**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, 2024

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, 2024, is as follows:

CRA housing assistance loans receivable	\$ 670,102
Interest on loans receivable	4,803
Less: allowance for uncollectibles	<u>(266,763)</u>
Loans Receivable, Net	<u>\$ 408,142</u>

For the fiscal year ended September 30, 2024, the CRA earned approximately \$7,000 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, 2024, is summarized in the following table:

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

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, 2024

NOTE 6 – CAPITAL ASSETS

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

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated				
Land	\$ 21,155,068	\$ 280,949	\$ --	\$ 21,436,017
Construction in progress	<u>2,203,900</u>	<u>7,074,951</u>	<u>(1,810,817)</u>	<u>7,468,034</u>
Total Capital Assets Not Being Depreciated	<u>23,358,968</u>	<u>7,355,900</u>	<u>(1,810,817)</u>	<u>28,904,051</u>
Capital assets, being depreciated/amortized:				
Buildings	3,144,255	1,755,355	--	4,899,610
Improvements other than buildings	9,027,643	420,817	--	9,448,460
Vehicles and equipment	831,279	166,119	(335,964)	661,434
Infrastructure	718,072	124,995	--	843,067
Leases (right-to-use assets)	<u>--</u>	<u>736,380</u>	<u>--</u>	<u>736,380</u>
Total Capital Assets Being Depreciated/Amortized	<u>13,721,249</u>	<u>3,203,666</u>	<u>(335,964)</u>	<u>16,588,951</u>
Less accumulated depreciation/amortization for:				
Buildings	(887,551)	(218,210)	--	(1,105,761)
Improvements other than buildings	(3,675,986)	(467,480)	--	(4,143,466)
Vehicles and equipment	(750,454)	(50,414)	335,964	(464,904)
Infrastructure	(258,072)	(29,576)	--	(287,648)
Leases (right-to-use assets)	<u>--</u>	<u>(77,729)</u>	<u>--</u>	<u>(77,729)</u>
Total Accumulated Depreciation/Amortization	<u>(5,572,063)</u>	<u>(843,409)</u>	<u>335,964</u>	<u>(6,079,508)</u>
Total Capital Assets being Depreciated/Amortized, Net	<u>8,149,186</u>	<u>2,360,257</u>	<u>--</u>	<u>10,509,443</u>
Capital Assets, Net	<u>\$ 31,508,154</u>	<u>\$ 9,716,157</u>	<u>\$ (1,810,817)</u>	<u>\$ 39,413,494</u>

Depreciation and amortization expense in the amount of \$843,409 was charged to the economic environment function for the fiscal year ended September 30, 2024.

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, 2024

NOTE 7 – ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities for the CRA as of September 30, 2024, were as follows:

	General Fund	Development Revenue Notes Fund	Total Governmental Activities
Vendor payables	\$ 1,251,826	\$ 1,808,930	\$ 3,060,756
Retainage payable	--	213,837	213,837
Other liabilities	40,048	--	40,048
Total Payables	<u>\$ 1,291,874</u>	<u>\$ 2,022,767</u>	<u>\$ 3,314,641</u>

NOTE 8 – DUE FROM/TO THE CITY

The amount due from the City of \$433,057 represents payments received by the City from developer agreements to be used for affordable housing projects and CRA staff charges to City for administering the COHB residential program. Amounts due to the City consist of \$655,153 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, 2024:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<u>Governmental Activities</u>					
Revenue and refunding bonds	\$ 2,970,450	\$ --	\$ (938,400)	\$ 2,032,050	\$ 990,150
Direct placement:					
Revenue notes, Series 2015	4,665,000	--	(1,515,000)	3,150,000	1,555,000
Revenue notes, Series 2020	11,710,000	--	(3,545,000)	8,165,000	3,900,000
Net pension liability - FRS	724,257	696,425	(171,485)	1,249,197	--
Leases (right-to-use assets)	--	736,380	--	736,380	109,428
Compensated absences	64,297	91,459	(79,078)	76,678	16,850
Total Governmental Activities					
Long-Term Liabilities	<u>\$ 20,134,004</u>	<u>\$ 1,524,264</u>	<u>\$ (6,248,963)</u>	<u>\$ 15,409,305</u>	<u>\$ 6,571,428</u>

**HALLANDALE BEACH COMMUNITY REDEVELOPMENT AGENCY
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NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 9 – LONG-TERM LIABILITIES (CONTINUED)

The CRA had no open or unused lines of credit, or direct borrowing liabilities as of September 30, 2024. The outstanding liabilities from direct placements were \$11,315,000 as of September 30, 2024.

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 CRA 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 CRA'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.

**HALLANDALE BEACH COMMUNITY REDEVELOPMENT AGENCY
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NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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 CRA 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 CRA'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, 2024, 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
2025	\$ 1,555,000	\$ 85,680	\$ 3,900,000	\$ 146,177	\$ 990,150	\$ 177,485
2026	<u>1,595,000</u>	<u>43,384</u>	<u>4,265,000</u>	<u>50,156</u>	<u>1,041,900</u>	<u>126,684</u>
Totals	<u>\$ 3,150,000</u>	<u>\$ 129,064</u>	<u>\$ 8,165,000</u>	<u>\$ 196,333</u>	<u>\$ 2,032,050</u>	<u>\$ 304,169</u>

**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, 2024

NOTE 9 – LONG-TERM LIABILITIES (CONTINUED)

LEASES (RIGHT-TO-USE ASSETS)

The CRA has an active lease agreement as a Lessee as of September 30, 2024, which has a duration of 54 remaining months. As of September 30, 2024, the value of the lease liability was \$736,380. There were no principal and interest payments made during the fiscal year. Required annual fixed payments range from approximately \$96,000 to \$190,000. The value of the leases (right-to-use assets) as of September 30, 2024, is \$736,380 with accumulated amortization of \$77,729.

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

Fiscal Year Ending	Leases (right-to-use assets)	
	Principal	Interest
2025	\$ 109,428	\$ 23,846
2026	168,299	12,730
2027	176,806	8,749
2028	185,626	4,568
2029	<u>96,221</u>	<u>653</u>
Totals	<u>\$ 736,380</u>	<u>\$ 50,546</u>

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%.

**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, 2024

NOTE 10 – MONEY-PURCHASE PLAN AND TRUST (CONTINUED)

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 \$892,000. The CRA's contribution amounted to approximately \$26,000, or 2.9% of covered payroll for the fiscal year 2024. 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.

The 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.

**HALLANDALE BEACH COMMUNITY REDEVELOPMENT AGENCY
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NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 11 – FLORIDA RETIREMENT SYSTEM (CONTINUED)

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 \$7.50. The minimum payment is \$45, and the maximum payment is \$225 per month, pursuant to Section 112.363, Florida Statutes.

CONTRIBUTIONS

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

The CRA's contributions for the fiscal year ended September 30, 2024 for FRS and HIS amounted to \$152,087 and \$19,398, respectively.

**HALLANDALE BEACH COMMUNITY REDEVELOPMENT AGENCY
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NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 11 – FLORIDA RETIREMENT SYSTEM (CONTINUED)

PENSION LIABILITIES AND PENSION EXPENSE

In its financial statements for the fiscal year ended September 30, 2024, the CRA reported a liability for its proportionate shares of the net pension liabilities. The net pension liabilities were measured as of June 30, 2024, and the total pension liabilities used to calculate the net pension liability were determined by an actuarial valuation dated July 1, 2024. The 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.

	<u>FRS</u>	<u>HIS</u>	<u>Total</u>
Net pension liability	\$ 836,841	\$ 412,356	\$ 1,249,197
Proportion at:			
Current Measurement date	0.0021632%	0.0027489%	
Prior measurement date	0.0011810%	0.0014909%	
Pension Expense	\$ 237,435	\$ 64,192	\$ 301,627

HALLANDALE BEACH COMMUNITY REDEVELOPMENT AGENCY
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NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 11 – FLORIDA RETIREMENT SYSTEM (CONTINUED)

PENSION LIABILITIES AND PENSION EXPENSE (CONTINUED)

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

	FRS		HIS		Totals	
	Deferred Outflows	Deferred Inflows	Deferred Outflows	Deferred Inflows	Deferred Outflows	Deferred Inflows
Description						
Differences between expected and actual experience	\$ 84,543	\$ --	\$ 3,982	\$ 792	\$ 88,525	\$ 792
Change of assumptions	114,697	--	7,298	48,818	121,995	48,818
Net difference between projected actual earnings on pension plan investments	--	55,621	--	149	--	55,770
Changes in proportion and differences between CRA pension plan contributions and proportionate share of contributions	197,616	3,328	137,012	--	334,628	3,328
CRA pension plan contributions subsequent to the measurement date	<u>34,389</u>	<u>--</u>	<u>6,566</u>	<u>--</u>	<u>40,955</u>	<u>--</u>
Total	<u>\$431,245</u>	<u>\$ 58,949</u>	<u>\$154,858</u>	<u>\$ 49,759</u>	<u>\$586,103</u>	<u>\$108,708</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
2025	\$ 95,548	\$ 41,157
2026	206,588	39,698
2027	26,035	13,883
2028	2,382	2,758
2029	7,354	1,022
Thereafter	<u>--</u>	<u>15</u>
Totals	<u>\$ 337,907</u>	<u>\$ 98,533</u>

**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, 2024

NOTE 11 – FLORIDA RETIREMENT SYSTEM (CONTINUED)

ACTUARIAL ASSUMPTIONS

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

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

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

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

- FRS & HIS: The salary increases including inflation increased from 3.25% to 3.50%.
- HIS: The municipal bond index rate and the discount rate used to determine the total pension liability increased from 3.65% to 3.93%.

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.

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, 2024

NOTE 11 – FLORIDA RETIREMENT SYSTEM (CONTINUED)

ACTUARIAL ASSUMPTIONS (CONTINUED)

For the FRS Pension Plan, the table below summarizes the target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class:

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	3.3%	3.3%	1.1%
Fixed income	29.0%	5.7%	5.6%	3.9%
Global equity	45.0%	8.6%	7.0%	18.2%
Real estate	12.0%	8.1%	6.8%	16.6%
Private equity	11.0%	12.4%	8.8%	28.4%
Strategic investments	2.0%	6.6%	6.2%	8.7%
	<u>100%</u>			
Assumed inflation - Mean				2.4%
				1.5%

DISCOUNT RATE

The discount rate used to measure the total pension liability for FRS was 6.70%. FRS' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. 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 3.93% 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
(A COMPONENT UNIT OF THE CITY OF HALLANDALE BEACH, FLORIDA)**

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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 (2.93%)	Rate (3.93%)	1% Increase (4.93%)
CRA's proportionate share of the net pension liability	<u>\$1,471,974</u>	<u>\$ 836,841</u>	<u>\$ 304,782</u>	<u>\$ 469,414</u>	<u>\$ 412,356</u>	<u>\$ 364,988</u>

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, 2024, the CRA had no outstanding required contributions payable to the Pension Plan.

DEFINED CONTRIBUTION PLAN

Pursuant to Chapter 121, Florida Statutes, the Florida Legislature created the Florida Retirement Investment Plan (FRS Investment Plan), a defined contribution pension plan qualified under Section 401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative available to members of the Florida Retirement System in lieu of the defined benefit plan. There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class. Required employer contributions made to the plan during the fiscal year ended September 30, 2024, totaled \$18,798.

HALLANDALE BEACH COMMUNITY REDEVELOPMENT AGENCY
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NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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, 2024:

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

**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, 2024

NOTE 13 – COMMITMENTS

CONSTRUCTION AND PURCHASE COMMITMENTS

The CRA had active construction and economic development projects as of September 30, 2024. The projects include Redevelopment Revenue Note, Series 2020 improvement projects, Facade Grant Program projects, and infill housing projects. As of September 30, 2024, the CRA's significant commitments with contractors are as follows:

<u>Project Classification</u>	<u>Spent-to-Date</u>	<u>Remaining Commitments</u>
Affordable Housing Programs	\$ 1,046,056	\$ 6,795,459
Art in Public Places program	2,325	22,675
Façade and Neighborhood Improvement Grant Programs	881,119	872,983
Redevelopment Revenue Note projects	<u>6,420,464</u>	<u>4,131,284</u>
Totals	<u>\$ 8,349,964</u>	<u>\$ 11,822,401</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 have a material adverse effect on the financial condition of the CRA.



Hallandale Beach
COMMUNITY REDEVELOPMENT AGENCY

REQUIRED SUPPLEMENTARY INFORMATION

**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, 2024

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance With Final Budget Positive (Negative)
Revenues				
Tax increment financing	\$ 14,245,606	\$ 14,249,436	\$ 14,249,436	\$ --
Intergovernmental	10,537,467	10,572,579	10,572,579	--
Charges for services	7,000	7,000	117,156	110,156
Investment earnings	301,181	681,181	1,812,028	1,130,847
Other revenues	122,000	122,000	341,853	219,853
Total Revenues	<u>25,213,254</u>	<u>25,632,196</u>	<u>27,093,052</u>	<u>1,460,856</u>
Expenditures				
Personal services	1,397,100	1,397,100	1,410,804	(13,704)
Operating expenditures	6,171,755	6,837,720	3,304,934	3,532,786
Debt service	6,584,717	6,584,717	6,584,717	--
Grants and aids	15,751,242	18,968,636	9,837,396	9,131,240
Capital outlay	20,019,871	20,377,390	3,862,506	16,514,884
Total Expenditures	<u>49,924,685</u>	<u>54,165,563</u>	<u>25,000,357</u>	<u>29,165,206</u>
Excess of Revenues Over (under) Expenditures	<u>(24,711,431)</u>	<u>(28,533,367)</u>	<u>2,092,695</u>	<u>30,626,062</u>
Other Financing Sources				
Appropriation of fund balance	24,711,431	25,451,835	--	(25,451,835)
Reappropriation	--	3,081,532	--	(3,081,532)
Leases (right-to-use assets) acquired	--	--	736,380	736,380
Total Other Financing Sources	<u>24,711,431</u>	<u>28,533,367</u>	<u>736,380</u>	<u>(27,796,987)</u>
Net Change in Fund Balance	<u>\$ --</u>	<u>\$ --</u>	<u>2,829,075</u>	<u>\$ 2,829,075</u>
Fund Balance - Beginning of Year			<u>31,577,912</u>	
CRA loan program transactions (Note 2 pg. 46)			<u>(31,446)</u>	
Fund Balance - Ending of Year			<u>\$ 34,375,541</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)**

**REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO BUDGETARY COMPARISON SCHEDULE – GENERAL FUND**

FOR THE YEAR ENDED SEPTEMBER 30, 2024

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 2024, 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 \$4,240,879 for the fiscal year ended September 30, 2024.

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)**

**REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO BUDGETARY COMPARISON SCHEDULE – GENERAL FUND**

FOR THE YEAR ENDED SEPTEMBER 30, 2024

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

Total Revenues Reported on Budgetary Basis	\$ 27,093,052
Less: CRA loan payments received	<u>(187,896)</u>
Total Revenues Reported on U.S. GAAP Basis	<u>\$ 26,905,156</u>
Total Expenditures Reported on Budgetary Basis	\$ 25,000,357
Less: CRA non-forgivable loans issued	<u>(156,450)</u>
Total Expenditures Reported on U.S. GAAP Basis	<u>\$ 24,843,907</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	9/30/2024	9/30/2023	9/30/2022	9/30/2021	9/30/2020
Measurement date	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020
CRA's proportion of the FRS net pension liability	0.00216%	0.00118%	0.00115%	0.00122%	0.00046%
CRA's proportionate share of the FRS net pension liability	\$ 836,841	\$ 492,982	\$ 428,148	\$ 92,187	\$ 191,959
CRA's covered payroll	\$ 1,169,737	\$ 559,184	\$ 500,288	\$ 497,578	\$ 266,108
CRA's proportionate share of the net pension liability as a percentage of its covered payroll	71.54%	88.16%	85.58%	18.53%	72.14%
FRS Plan fiduciary net position as a percentage of the FRS total pension liability	83.70%	82.38%	82.89%	96.40%	78.85%

Notes to the schedule:

The schedule will present 10 years of information once it is 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	9/30/2024	9/30/2023	9/30/2022	9/30/2021	9/30/2020
Measurement date	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020
Contractually required FRS contribution	\$ 152,087	\$ 112,478	\$ 55,036	\$ 56,812	\$ 32,131
FRS contribution in relation to the contractually required FRS contribution	<u>152,087</u>	<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>	<u>\$ --</u>
Covered payroll	\$ 1,190,074	\$ 702,261	\$ 560,362	\$ 552,404	\$ 409,366
FRS contributions as a percentage of covered payroll	12.78%	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	9/30/2024	9/30/2023	9/30/2022	9/30/2021	9/30/2020
Measurement date	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020
CRA's proportion of the HIS net pension liability	0.00275%	0.00141%	0.13500%	0.14600%	0.06700%
CRA's proportionate share of the HIS net pension liability	\$ 412,356	\$ 231,275	\$ 143,211	\$ 179,254	\$ 79,475
CRA's covered payroll	\$ 1,169,737	\$ 559,184	\$ 500,288	\$ 497,578	\$ 266,108
CRA's proportionate share of the net pension liability as a percentage of its covered payroll	35.25%	41.36%	28.63%	36.03%	29.87%
HIS Plan fiduciary net position as a percentage of the HIS total pension liability	4.80%	4.12%	4.81%	3.56%	3.00%

Notes to the schedule:

The schedule will present 10 years of information once it is 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	9/30/2024	9/30/2023	9/30/2022	9/30/2021	9/30/2020
Measurement date	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020
Contractually required HIS contribution	\$ 19,398	\$ 12,320	\$ 9,300	\$ 9,003	\$ 7,313
HIS contribution in relation to the contractually required HIS contribution	<u>19,398</u>	<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>	<u>\$ --</u>
Covered payroll	\$ 1,190,074	\$ 702,261	\$ 560,362	\$ 552,404	\$ 409,366
HIS contributions as a percentage of covered payroll	1.63%	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.



Hallandale Beach
COMMUNITY REDEVELOPMENT AGENCY

REPORTING SECTION

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

To the 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 ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"), the financial statements of the governmental activities 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, 2024, and the related notes to the financial statements, which collectively comprise the CRA's basic financial statements, and have issued our report thereon dated April 16, 2025.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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*.

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.

CBIZ CPAs P.C.

Fort Lauderdale, FL
April 16, 2025

**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, 2024

SECTION I – PRIOR YEAR FINANCIAL STATEMENT FINDINGS

MATERIAL WEAKNESS

MW 2023-01- Inadequate Internal Controls over Assets Held for Resale Criteria - Assets Held for Resale finding was addressed and not repeated in the current year.

SECTION II – CURRENT YEAR FINANCIAL STATEMENT FINDINGS

None.

**Management Letter in Accordance with the Rules of the
Auditor General of the State of Florida**

To the 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, 2024, and have issued our report thereon dated April 16, 2025.

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*; Schedule of Findings and Responses; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated April 16, 2025, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. The status of audit findings and recommendations made in the preceding annual financial audit report have been addressed in the schedule of findings and responses.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information is disclosed in Note 2 of the financial statements.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the CRA 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 not have any such recommendations.

Property Assessed Clean Energy (PACE) Program

Section 10.554(1)(i)6.a., Rules of the Auditor General, requires a statement as to whether a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, did/did not operate within the CRA's geographical boundaries during the fiscal year under audit. During the fiscal year ended September 30, 2024, the PACE program did not operate within the CRA's geographical boundaries.

Special District Component Units

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component 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)7, 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 12.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the CRA's fiscal year as 19.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$1,410,802.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$3,901,153.

- e. There were 18 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 \$7,337,372.

Construction Projects over \$65,000

<u>Project Name</u>	<u>Project No.</u>	<u>Expenditures</u>	<u>Project Budget</u>
CRA Revenue Bond Project - Foster Road	C2203	\$ 2,508,988	\$ 6,220,881
CRA Revenue Bond Project - Sidewalk program	C2207	2,041,375	2,310,374
In-Fill Housing Supplement	C1502	1,067,331	9,080,508
CRA Revenue Bond Project - Tree Planting program	C2205	961,894	1,068,491
CRA Revenue Bond Project - Street Lighting Program	C2206	221,024	329,907
CRA Revenue Bond Project - FADD NE 1st Ave & 5th Street	C2202	173,150	515,643
CRA Revenue Bond Project - Hallandale Beach Art Trail	C2204	167,531	487,710
CRA Revenue Bond Project - FEC Parking Lot & NE 2nd Ave	C2201	93,340	357,521
HCC Kitchen Restaurant Buildout	C3001	40,171	250,000
CRA Revenue Bond Project - Speed Tables	C2211	28,083	47,895
CRA Revenue Bond Project - FADD Parking Lot Project	C1515	21,897	665,029
CRA Revenue Bond Project - Traffic Calming Assesment	C2208	12,588	82,150
Commercial Modular Construction	C3002	-	1,000,000
CRA Revenue Bond Project - Wide - Bike Lanes	C2209	-	34,321
CRA Revenue Bond Project - NW 3rd Street Extension	C2210	-	60,213
		<u>\$ 7,337,372</u>	<u>\$ 22,510,643</u>

- 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, as noted on page 44.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or fraud, waste, or abuse, that has occurred, or is likely to have occurred, that has an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, 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.

CBIZ CPAs P.C.

Fort Lauderdale, FL
April 16, 2025

**Independent Accountant's Report on Compliance Pursuant to
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, 2024. 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, 2024. 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 Sections 218.415, 163.387(6) and 163.387(7), Florida Statutes, for the fiscal year ended September 30, 2024.

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.

CBIZ CPAs P.C.

Fort Lauderdale, FL
April 16, 2025